English Translation of a Report and Financial Statements Originally Issued in Chinese

TAISHIN INTERNATIONAL BANK CO., LTD.

PARENT COMPANY ONLY FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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Notice to Readers

The reader is advised that these parent company only financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Parent Company Only Financial Statements
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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taishin International Bank Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheet of Taishin International Bank Co., Ltd. (the "Company"), as of December 31, 2025, and the statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2025, and notes to the parent company only financial statements, including the summary of material accounting policies (collectively referred to as the "parent company only financial statements").

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and its financial performance and cash flows for the year ended December 31, 2025, in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Public Banks and Regulations Governing the Preparation of Financial Reports by Securities Firms.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit, and Attestation Engagement of Certified Public Accountants, the Order No. 10802731571 issued by the FSC and the Standards on Auditing of the Republic of China (ROC). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the ROC (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 parent company only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

The following were the key audit matters in the audit of the parent company only financial statements of the Company for the year ended December 31, 2025:

Impairment of Loans

As of December 31, 2025, the book value of discounts and loans of the Company amounted to $1,792,967,958 thousand, accounting for approximately 60% of total assets, which is significant to the financial statements. The expected credit losses must be assessed in accordance with IFRS 9 and the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans". The assumptions used by management in estimating expected credit losses include the criteria for determining whether credit risk has significantly increased, the criteria for determining whether there is a credit impairment, the estimation of parameters such as the default probability and loss given default adopted when assessing credit losses, as well as the selection and assessment of forward-looking factors, which involve high degree of professional judgment. Therefore, the auditor has determined this to be a key audit matter.

The auditor has performed the following audit procedures to assess the appropriateness of the impairment evaluation of the aforementioned loans and the disclosures related to Notes 4, 5, 6, and 12 (including but not limited to): evaluating and testing internal controls related to the calculation of expected credit losses, including reviewing whether the assumptions and model parameters (including forward-looking factors) used by the Company to assess expected credit losses have been approved by management, and testing the data sources used for calculating expected credit losses; reviewing the appropriateness of the expected credit loss assessment model and testing the adequacy of input parameters for the expected credit loss model, including probability of default, loss given default, and forward-looking factors. Additionally, the auditor also sampled loan files and conducted sampling tests on individually assessed cases that have been credit impaired to evaluate the appropriateness of the classification of discounts and loans and ensure allowance for bad debts complied with regulatory requirements.

For information related to the allowance for bad debts on discounts and loans at the Company, please refer to Notes 4, 5, 6, and 12.

Other Matter

The parent company only financial statements of the Company for the year ended December 31, 2024, were audited by other independent auditors, and an unqualified audit report was issued on February 14, 2025.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirement of the Regulations Governing the Preparation of Financial Reports by Public Banks and Regulations Governing the Preparation of Financial Reports by Securities Firms and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only 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 Company'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 Company's ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only 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 Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only 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 Company to express an opinion on the parent company only 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 parent company only financial statements for the year ended December 31, 2025 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.

Chang, Cheng-Tao

Kuo, Shao-Pin

Ernst & Young, Taiwan
February 24, 2026

Notice to Readers

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

Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young 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.

English Translation of Financial Statements Originally Issued in Chinese

Taishin International Bank Co., Ltd.

PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2025 and December 31, 2024

(In Thousands of New Taiwan Dollars)

Assets		December 31, 2025		December 31, 2024	
Items	Notes	Amount	%	Amount	%
Cash and cash equivalents	4, 6(1)	$22,268,156	1	$27,627,541	1
Due from the Central Bank and call loans to banks	6(2), 7	121,411,061	4	108,262,582	4
Financial assets measured at fair value through profit or loss (FVTPL)	4, 6(3), 7	143,875,484	5	129,783,640	5
Financial assets measured at fair value through other comprehensive income (FVTOCI)	4, 6(4), 8	170,596,518	6	153,612,604	5
Investments in debt instruments measured at amortized cost	4, 6(5), 8	545,986,048	18	584,676,328	21
Securities purchased under resell agreements	4, 7	7,098,869	-	-	-
Receivables, net	4, 6(6), 7	127,894,751	4	123,203,878	4
Loans, net	4, 6(7), 7	1,792,967,958	60	1,652,258,269	58
Investments accounted for using equity method	4, 6(8)	4,995,214	-	4,812,239	-
Other financial assets, net	4, 6(9), 8	8,688,693	-	7,043,694	-
Property and equipment, net	4, 6(10)	20,192,326	1	20,725,381	1
Right-of-use assets, net	4, 6(26)	2,431,938	-	2,206,949	-
Intangible assets, net	4, 6(11)	2,561,560	-	2,661,353	-
Deferred tax assets	4, 6(29)	2,485,456	-	1,944,205	-
Other assets, net	6(12), 8	24,445,778	1	21,165,813	1
Total assets		$2,997,899,810	100	$2,839,984,476	100

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Financial Statements Originally Issued in Chinese
Taishin International Bank Co., Ltd.
PARENT COMPANY ONLY BALANCE SHEETS (CONTINUED)
December 31, 2025 and December 31, 2024
(In Thousands of New Taiwan Dollars)

Liabilities and Equity		December 31, 2025		December 31, 2024	
Items	Notes	Amount	%	Amount	%
Deposits from the Central Bank and other banks	6(13)	$35,472,175	1	$12,676,083	-
Financial liabilities measured at fair value through profit or loss	4, 6(3), 7	41,472,377	1	49,739,905	2
Securities sold under repurchase agreements	4, 7	45,980,708	2	56,552,547	2
Payables	6(14)	35,020,891	1	29,577,753	1
Current tax liabilities	4, 6(29)	4,016,562	-	730,674	-
Deposits and remittances	6(15), 7	2,487,492,792	83	2,347,981,447	83
Bank notes payable	6(16)	20,050,000	1	25,000,000	1
Other financial liabilities	6(17), 7	102,756,249	4	100,521,221	4
Provisions	4, 6(19)	1,337,466	-	1,344,474	-
Lease liabilities	4, 6(26), 7	2,514,398	-	2,292,804	-
Deferred tax liabilities	4, 6(29)	547,414	-	720,432	-
Other liabilities	6(20)	6,922,173	-	8,717,202	-
Total liabilities		2,783,583,205	93	2,635,854,542	93
Equity					
Ordinary shares	6(21)	122,991,646	4	98,709,186	4
Capital surplus	6(21)	30,185,537	1	40,056,456	1
Retained earnings	6(21)				
Legal reserve		37,348,525	1	45,910,411	1
Special reserve		2,552,609	-	2,426,579	-
Unappropriated earnings		20,982,669	1	19,498,851	1
Total retained earnings		60,883,803	2	67,835,841	2
Other equity	6(21)	255,619	-	(2,471,549)	-
Total equity		214,316,605	7	204,129,934	7
Total liabilities and equity		$2,997,899,810	100	$2,839,984,476	100

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Financial Statements Originally Issued in Chinese

Taishin International Bank Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

Items	Notes	2025 Amount	2025 %	2024 Amount	2024 %
Net Interest income					
Interest Revenue		$79,563,004	137	$78,367,203	151
Less: interest expenses		(46,856,947)	(81)	(50,283,339)	(97)
Net interest income	4, 6(22), 7	32,706,057	56	28,083,864	54
Net income other than net interest income					
Net service fee and commission income	4, 6(23), 7	16,908,026	29	14,422,996	28
Gain (loss) on financial assets and liabilities measured at FVTPL	4, 6(24), 7	5,222,817	9	5,387,406	11
Realized gain (loss) on financial assets measured at FVTOCI	4, 6(25)	1,926,575	3	2,177,507	4
Gain (loss) on derecognition of financial assets measured at amortized cost		104,282	-	37,985	-
Foreign exchange gain (loss)		884,295	2	1,187,930	2
Reversal of impairment loss on assets(impairment loss on assets)	4, 6(4), 6(5)	15,151	-	(16,518)	-
Share of profit (loss) of subsidiaries and associates accounted for using equity method	4, 6(8)	199,749	-	210,569	-
Net other non-interest income	7	240,422	1	234,172	1
Net income other than net interest income		25,501,317	44	23,642,047	46
Net revenue and gains		58,207,374	100	51,725,911	100
Bad debt expenses, commitments and guarantees liabilities provision	4, 6(6), 6(7), 6(19)	(1,608,400)	(3)	(878,999)	(2)
Operating expenses					
Employee benefits expenses	4, 6(21), 6(27), 7	(17,144,932)	(29)	(15,655,884)	(30)
Depreciation and amortization expenses	4, 6(28)	(2,257,321)	(4)	(2,306,127)	(4)
Other general and administrative expenses	7	(11,235,623)	(19)	(10,818,717)	(21)
Total operating expenses		(30,637,876)	(52)	(28,780,728)	(55)
Income before income tax		25,961,098	45	22,066,184	43
Income tax expense	4, 6(29)	(4,580,299)	(8)	(3,568,563)	(7)
Net income		21,380,799	37	18,497,621	36
Other comprehensive income (loss)					
Items that will not be reclassified subsequently to profit or loss					
Gains (losses) on remeasurements of defined benefit plan		19,830	-	338,770	-
Unrealized gain (loss) on investments in equity instruments designated as at FVTOCI		124,875	-	779,098	1
Changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at FVTPL		(69,997)	-	(139,249)	-
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using equity method		(332)	-	715	-
Income tax related to items that will not be reclassified subsequently to profit or loss		(3,966)	-	(67,754)	-
Items that will be reclassified subsequently to profit or loss					
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using equity method		12,286	-	81,482	-
Unrealized gain (loss) on investments in debt instruments at FVTOCI		2,551,065	5	(175,898)	-
Impairment loss (reversal of impairment loss) on investments in debt instruments at FVTOCI		(2,830)	-	9,002	-
Income tax relating to items that will be reclassified subsequently to profit or loss		(301,893)	(1)	34,056	-
Other comprehensive income (loss) for the year, net of tax		2,329,038	4	860,222	1
Total comprehensive income (loss)		$23,709,837	41	$19,357,843	37
Earnings per share (dollar)	6(30)				
Basic earnings per share		$1.74		$1.53	
Diluted earnings per share		$1.74		$1.53	

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Financial Statements Originally Issued in Chinese

Taishin International Bank Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

			Retained earnings			Other equity			
Description	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) on financial assets at FVOCI	Change in fair value attributable to change in credit risk of financial liability at FVTPL	Total equity
Balance at January 1, 2024	$95,535,273	$35,930,369	$41,550,161	$4,841,509	$14,534,167	$(184,272)	$(2,307,663)	$161,394	$190,060,938
Appropriation of 2023 earnings									
Legal reserve	-	-	4,360,250	-	(4,360,250)	-	-	-	-
Special reserve	-	-	-	(2,414,930)	2,414,930	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(12,588,847)	-	-	-	(12,588,847)
Net income for the year ended December 31, 2024	-	-	-	-	18,497,621	-	-	-	18,497,621
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	271,231	81,482	646,758	(139,249)	860,222
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	18,768,852	81,482	646,758	(139,249)	19,357,843
Issuance of ordinary shares for cash	3,173,913	4,126,087	-	-	-	-	-	-	7,300,000
Disposals of investments in equity instruments designated as at FVTOCI	-	-	-	-	729,999	-	(729,999)	-	-
Balance at December 31, 2024	$98,709,186	$40,056,456	$45,910,411	$2,426,579	$19,498,851	$(102,790)	$(2,390,904)	$22,145	$204,129,934
Balance at January 1, 2025	$98,709,186	$40,056,456	$45,910,411	$2,426,579	$19,498,851	$(102,790)	$(2,390,904)	$22,145	$204,129,934
Appropriation of 2024 earnings									
Legal reserve	-	-	5,849,655	-	(5,849,655)	-	-	-	-
Special reserve	-	-	-	126,030	(126,030)	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(13,523,166)	-	-	-	(13,523,166)
Other changes in capital surplus									
Stock dividends from capital surplus	9,870,919	(9,870,919)	-	-	-	-	-	-	-
Net income for the year ended December 31, 2025	-	-	-	-	21,380,799	-	-	-	21,380,799
Other comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	15,547	12,286	2,371,202	(69,997)	2,329,038
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	21,396,346	12,286	2,371,202	(69,997)	23,709,837
Disposals of investments in equity instruments designated as at FVTOCI	-	-	-	-	(413,677)	-	413,677	-	-
Stock dividends from legal reserve	14,411,541	-	(14,411,541)	-	-	-	-	-	-
Balance at December 31, 2025	$122,991,646	$30,185,537	$37,348,525	$2,552,609	$20,982,669	$(90,504)	$393,975	$(47,852)	$214,316,605

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Financial Statements Originally Issued in Chinese

Taishin International Bank Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

Items	2025 Amount	2024 Amount
Cash flows from operating activities:		
Income before income tax	$25,961,098	$22,066,184
Adjustments:		
Adjustments for reconciliation of profit or loss		
Depreciation expenses	1,711,778	1,792,368
Amortization expenses	545,543	513,759
Provisions for bad debts expenses, commitments and guarantee liabilities	1,608,400	878,999
Net (gain) loss on financial assets or liabilities measured at FVTPL	(5,222,817)	(5,387,406)
Interest expenses	46,856,947	50,283,339
Net (gain) loss on derecognition of financial assets at amortized cost	(104,282)	(37,985)
Interest income	(79,563,004)	(78,367,203)
Dividend income	(658,314)	(347,052)
Share of (profit) loss of subsidiaries and associates accounted for using equity method	(199,749)	(210,569)
Net (gain) loss on disposal of investments	(1,268,261)	(1,830,455)
Impairment loss (reversal of impairment loss) on financial assets	(15,151)	16,518
Other adjustments	261,687	(48,315)
Changes in operating assets and liabilities		
(Increase) decrease in due from the Central Bank and call loans to banks	(10,904,453)	(19,558,646)
(Increase) decrease in financial assets at FVTPL	34,035,038	79,542,744
(Increase) decrease in financial assets at FVTOCI	(13,231,301)	(20,667,522)
Decrease (increase) in investments in debt instruments measured at amortised cost	39,486,584	(50,333,554)
(Increase) decrease in receivables	(3,731,470)	(10,833,494)
(Increase) decrease in loans	(142,445,784)	(136,145,778)
(Increase) decrease in other financial assets	(1,732,971)	(4,289,975)
(Increase) decrease in other assets	(3,279,965)	(5,950,716)
Increase (decrease) in deposits from the Central Bank and other banks	(164,672)	(18,980)
Increase (decrease) in financial liabilities at FVTPL	(52,473,635)	(69,686,299)
Increase (decrease) in securities sold under repurchase agreements	(10,571,839)	(17,592,008)
Increase (decrease) in payables	6,411,763	3,994,215
Increase (decrease) in deposits and remittances	139,511,345	219,922,156
Increase (decrease) increase in other financial liabilities	2,235,028	(5,175,460)
Increase (decrease) increase in other liabilities	(2,069,555)	258,026
Cash generated from (used in) operations	(29,012,012)	(47,213,109)
Interest received	79,914,892	76,526,279
Dividends received	838,574	607,020
Interest paid	(48,026,113)	(49,955,045)
Income taxes paid	(2,591,660)	(4,576,362)
Net cash generated from (used in) operating activities	1,123,681	(24,611,217)
Cash flows from investing activities:		
Acquisition of property and equipment	(443,461)	(628,331)
Proceeds from disposal of property and equipment	1,569	2,786
Acquisition of intangible assets	(447,442)	(554,588)
Proceeds from disposal of intangible assets		
Net cash flows from (used in) investing activities	(889,334)	(1,180,133)
Cash flows from financing activities:		
Increase in due to the Central Bank and other banks	22,960,764	-
Decrease in due to the Central Bank and other banks	-	(4,376,244)
Repayments of bank notes payable	(4,950,000)	(3,000,000)
Payments of lease liabilities	(738,435)	(766,630)
Cash dividends paid	(13,523,166)	(12,588,847)
Issuance of ordinary shares for cash	-	7,300,000
Net cash generated from (used in) financing activities	3,749,163	(13,431,721)
Net increase (decrease) in cash and cash equivalents	3,983,510	(39,223,071)
Cash and cash equivalents at the beginning of the year	29,955,915	69,178,986
Cash and cash equivalents at the end of the year	$33,939,425	$29,955,915
Reconciliation of cash and cash equivalents:		
Cash and cash equivalents in balance sheets	$22,268,156	$27,627,541
Due from the Central Bank and call loans to banks qualifying as cash and cash equivalents under the definition of IAS 7	4,572,400	2,328,374
Securities purchased under resell agreements qualifying as cash and cash equivalents under the definition of IAS 7	7,098,869	-
Cash and cash equivalents at the end of the year	$33,939,425	$29,955,915

The accompanying notes are an integral part of the parent company only financial statements.

1. History and Organization

Taishin International Bank Co., Ltd. (the "Company") incorporated in the ROC is a public bank, began preparations for its establishment as a commercial bank on October 4, 1990 and started its business operations on March 23, 1992. The Company provides customers with (a) general commercial banking services - commercial lending, foreign exchange transactions, installments and term loans, wire transfers, marketable security investments, receivable factoring, offshore banking business, etc. as well as (b) various financial instruments - letters of credit, bankers' acceptances, checking and savings accounts, credit cards, derivative instruments, etc. The Company was established and located at B1 and 1F, No. 44, Zhongshan N. Rd., Sec. 2, Zhongshan Dist., Taipei City, Taiwan (ROC). The main operation office of the Company is at No. 118, Ren'Ai Rd., Sec. 4, Da'An Dist., Taipei City, Taiwan (ROC).

The Company and Dah An Commercial Bank Co., Ltd. ("Dah An Bank") decided to establish TS Financial Holding Co., Ltd. ("TS Financial Holding") through a share swap, effective on February 18, 2002, with the Company as the survivor company.

The parent company and the ultimate parent company of the Company is TS Financial Holding, which had a 100% equity interest in the Company as of December 31, 2025 and 2024.

2. Date and Procedures of Authorization of Financial Statements for Issue

The parent company only financial statements of the Company were authorized for issue by the Board of Directors on February 12, 2026.

3. Newly Issued or Revised Standards and Interpretations

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations issued, revised or amended which are endorsed by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2025. The application of these new standards and amendments had no material impact on the Company.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which have been endorsed by FSC, and not yet adopted by the Company as at the date when the Company's financial statements were authorized for issue, are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 17 "Insurance Contracts"	January 1, 2023
b	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
c	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
d	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 1, 2026

(a) IFRS 17 "Insurance Contracts"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

(b) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

(1) Clarify that a financial liability is derecognized on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.

(2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.

(3) Clarify the treatment of non-recourse assets and contractually linked instruments.

(4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

(c) Annual Improvements to IFRS Accounting Standards – Volume 11

(1) Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(2) Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(3) Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(4) Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(5) Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(6) Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

(d) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

(1) Clarify the application of the ‘own-use’ requirements.

(2) Permit hedge accounting if these contracts are used as hedging instruments.

(3) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and amendments are applicable for annual periods beginning on or after January 1, 2026 and have no material impact on the Company.

(3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Company as at the date when the Company’s financial statements were authorized for issue, are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note)
c	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
d	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)	January 1, 2027

Note: On September 25, 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028.

(a) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

(b) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(1) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and require all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(2) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(3) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(c) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This new standard and its amendments permit subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

(d) Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

The amendments include:

(1) Clarify that when the entity's functional currency is that of a non hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the entity shall translate its results and financial position using the closing rate at the date of the most recent statement of financial position.
(2) In the above circumstances, when the presentation currency ceases to be hyperinflationary economy, the entity shall not retranslate amounts that arose before the beginning of the reporting period.
(3) When the entity's functional currency and presentation currency are the currency of a hyperinflationary economy, the entity shall apply the relevant accounting treatment in accordance with paragraph 34 of IAS 29.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Company is still currently determining the potential impact of the new or amended standards and interpretations listed under (b), the remaining new or amended standards and interpretations have no material impact on the Company.

4. Summary of Material Accounting Policies

(1) Statement of compliance

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and the Regulations Governing the Preparation of Financial Reports by Securities Firms.

(2) Basis of preparation

The parent company only financial statements are prepared on a historical cost basis, except for financial instruments measured at fair value and net defined benefit liabilities recognized based on the present value of defined benefit obligations less the fair value of plan assets. The parent company only financial statements are expressed in thousands of New Taiwan Dollars (NT$), unless otherwise stated.

(3) Foreign currency transactions

The parent company only financial statements of the Company are presented in NT$, which is also the Company’s functional currency.

Transactions in foreign currencies are initially recorded by the Company entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
B. Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
C. Exchange differences arising on a monetary item that forms part of a reporting entity’s net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized.

(5) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value. For the statements of cash flows, cash and cash equivalents are cash and cash equivalents on the parent company only balance sheets, due from the Central Bank and call loans to banks and securities purchased under resell agreements that are in conformity with the definition of cash and cash equivalents in the IAS 7 endorsed by the FSC.

(6) Bonds and Securities Purchased/Sold under Specific Agreements

Bonds and securities purchased under resell agreements recorded at purchase price and bonds and securities sold under repurchase agreements recorded at sale price are all accounted for as financing transactions. Interest revenue and expenses recognized from the transactions mentioned above are recorded on accrual basis.

(7) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

A. Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(a) the Company's business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

Financial assets are measured at amortized cost if both of the following conditions are met and presented as cash and cash equivalents, due from the Central Bank and call loans to banks, securities purchased under resell agreements, receivables, discounts and loans, investments in debt instruments at amortized cost, other financial assets, other assets - refundable deposit , other assets - operating guarantee deposits and settlement fund.

(a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
(b) Financial assets that are not purchased or originated as credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

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

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

    (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
    (ii) Financial assets that are not purchased or originated as credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses (ECLs) on financial assets other than investments in equity instruments that are measured at FVTOCI and financial assets at FVTPL.

ECLs reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the ECLs 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 Company recognizes lifetime 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 Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

For purchased or originated credit-impaired financial assets, the Company takes into account the ECLs on initial recognition in the credit-adjusted effective interest rate. Subsequently, any changes in ECLs are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss even if lifetime ECLs are lower than the ECLs on initial recognition.

In addition, specific industries are mandatorily assessed such that the loss allowance for loans is measured at the higher of the amount calculated in accordance with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans.

The Company recognizes an impairment loss or a gain on the reversal of impairment 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 the respective financial asset.

C. Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired
(b) The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
(c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity, and its carrying amount is calculated based on the weighted average of the stock types, and is calculated separately based on the reason for the withdrawal. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

(a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
(b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
(c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

(a) it eliminates or significantly reduces a measurement or recognition inconsistency; or
(b) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss. For a financial liability designated as at FVTPL, the amount of changes in fair value attributable to changes in the credit risk of the liability is presented in other comprehensive income. However, in the case of avoiding an accounting mismatch or the amount of changes in fair value is due to loan commitments and financial guarantee contracts, all changes in fair value of the liability are presented in profit or loss.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of the following and should be dealt with based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans:

(a) The amount of the loss allowance reflecting the ECLs; and
(b) The amount initially recognized less, where appropriate, the cumulative amount of revenue recognized in accordance with IFRS 15 as endorsed by the FSC.

Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

(a) The amount of the loss allowance reflecting the ECLs; and
(b) The amount initially recognized less, where appropriate, the cumulative amount of revenue recognized in accordance with IFRS 15 as endorsed by the FSC.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Derivative instrument

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value through profit or loss.

Margin paid on futures contracts purchased or sold is recorded as refundable deposits, the market value of futures contracts is recognized as financial assets or liabilities measured at FVTPL, and the gain (loss) on open positions and on maturity or early settlement of contracts is recorded as profit (loss) for the current period.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximize the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Investments accounted for using the equity method

The Company's investment in its associate is accounted for by using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the Company's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Company's percentage of ownership interests in the associate or joint venture, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing of the associate or joint venture on a pro rata basis.

When the associate or joint venture issues new stock, and the Company's interest in an associate or a joint venture is reduced or increased as the Company fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid in capital and investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each report date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture, and it carries value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Company estimates:

(a) It share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
(b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(11) Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	6～56 years
Machinery equipment	2～10 years
Transportation equipment	4～6 years
Miscellaneous equipment	3～20 years
Leasehold improvements	1～50 years

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(12) Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

(a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
(b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(c) amounts expected to be payable by the lessee under residual value guarantees;
(d) the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
(e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(a) the amount of the initial measurement of the lease liability;
(b) any lease payments made at or before the commencement date, less any lease incentives received;
(c) any initial direct costs incurred by the lessee; and
(d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 "Impairment of Assets" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statement of comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(13) Intangible assets

Intangible assets acquired separately are initially measured at cost. The cost of intangible assets acquired through a business combination is the fair value at the acquisition date. After initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Internally generated intangible assets that do not meet the recognition criteria are not capitalized but are recognized in profit or loss when incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually at the individual asset or cash-generating unit level. The useful life of intangible assets with indefinite useful lives is assessed each period to determine whether events and circumstances continue to support the indefinite classification. If the useful life changes from indefinite to finite, the change is applied prospectively.

The cost of computer software is amortized on a straight-line basis over the estimated useful life (2 to 10 years).

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

(14) Goodwill

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

For the purposes of impairment testing, goodwill is allocated to each of the Company’s cash-generating units or groups of cash-generating units (referred to as “cash-generating units”) that are expected to benefit from the synergies of the combination.

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

If goodwill has been allocated to a cash-generating unit and the Company disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(15) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the assets or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(16) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for decommissioning, restoration and rehabilitation costs

The provision for decommissioning, restoration and rehabilitation costs arose on construction of property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

(17) Revenue Recognition

A. Interest income

Except for financial assets at FVTPL, interest income of all financial instruments is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable and recognized in the statements of comprehensive income. When the loans become past due and are considered uncollectible, the principal and interest receivable are transferred to delinquent loan accounts and the accrual of interest income is stopped. Interest income will be recognized when the delinquent interest is collected. If the repayment of loan is extended under an agreement, the related interest should be recognized as deferred revenue and recognized as income when collected. Interest income from securities trading margin purchase and short sale is accrued according to the terms stated in the financing and trading contract.

B. Service fee and commission income

Service fee revenue is recognized from providing loans and other services. The Company identifies contracts with the customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied. If the service fee revenue is for further loan service and of significant amount, it is recognized over the period of the service or included in the base of calculation of the effective interest rate of loans and receivables.

The Company's customer loyalty program provides customers with award credits, which gives customers material rights by providing discount to future consumption. The transaction price allocated to award credit is recognized as a liability, and the Company recognizes revenue when award credits are redeemed or forfeited.

(18) Employee Benefits

A. Retirement benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the Company's parent company only financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

(a) the date of the plan amendment or curtailment, and
(b) the date that the Company recognizes restructuring-related costs or termination benefits

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

B. High-yield savings account for employee

The Company provides employees with high-yield savings account. The premium interest rate applies to a fixed amount of principal and the interest is paid to present employees (within employment and retirement) and retired employees. The difference between the premium rate and the market rate is classified as employee benefits.

(19) Share-based Payment Arrangements

Equity-settled share-based payment

The fair value determined at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Company's estimate of employee share options that will eventually vest, with a corresponding increase in capital surplus - employee share options. The fair value determined at the grant date of the employee share options is recognized as an expense in full at the grant date when the share options granted vest immediately.

The grant date of employee share options, which are reserved when the Company's parent company TS Financial Holding issues new shares, is the date when the number of employee subscription is confirmed. The Company recognized an expense and capital surplus at the fair value of the share options determined at the grant date.

Cash-settled share-based payment

For cash-settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability incurred. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss.

(20) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax liabilities (assets) related to the current and prior periods are measured using the tax rates and tax laws that have been enacted or substantively enacted as of the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized separately in other comprehensive income or equity, rather than in profit or loss.

The additional corporate income tax on undistributed earnings is recognized as income tax expense on the date the shareholders' meeting resolves to distribute the earnings.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

Linked-tax system

The Company, its parent company TS Financial Holding, and other more than 90% owned subsidiaries adopt the linked-tax system for tax filings. Differences between current and deferred income tax expenses on consolidated entity basis and those on nonconsolidated entity basis are adjusted in TS Financial Holding’s income tax expenses. Related reimbursement and appropriation are recognized as receivables or payables, and eliminated on consolidation.

(21) Business Combination under Common Control

Business combinations under common control are accounted for applying the book-value method. Comparative information of the prior period in the parent company only financial statements is restated as if the combination had already occurred.

5. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company’s consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(1) Impairment of loans

The measurement of ECLs is based on the present value of the difference of all contractual cash flows receivable from a contract and all cash flows that are expected to be received, discounted at the original or credit-adjusted effective interest rate, and the calculated weighted average of the probability of default.

In the calculation of required provision of allowance for possible losses, the Company also takes into consideration the classification of loans based on the status of the loan collaterals and the length of time the loans are overdue. The Company evaluates the impairment of loans based on the customer’s financial conditions, whether the repayments of principal and interest are overdue and the status of the collateral, etc. If future actual cash flows are lesser than expected, material impairment losses may arise. For the assumptions and inputs used to determine impairment calculations, please refer to Note 12.

(2) Fair Value of Financial Instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

6. Contents of Significant Accounts

(1) Cash and Cash Equivalents

	December 31, 2025	December 31, 2024
Cash on hand	$12,680,759	$15,664,723
Checks for clearing	615,210	1,388,142
Due from banks	5,216,975	5,529,089
Others	3,755,212	5,045,587
Total	$22,268,156	$27,627,541

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

A. Due from banks include time deposits that have a maturity of 3-months or less from the date of acquisition, are readily convertible to a known amount of cash, and are subject to an insignificant risk of change in value; these were held for the purpose of meeting short-term cash commitments.

B. The loss allowance was measured at an amount equal to 12-month ECLs based on historical experience and forward-looking information; there was no loss allowance on cash and cash equivalents as of December 31, 2025 and 2024.

C. For the purpose of preparing the cash flow statement, cash and cash equivalents are combined from the partial amounts of the following items:

	December 31, 2025	December 31, 2024
Cash and cash equivalents in balance sheet	$22,268,156	$27,627,541
Due from the Central Bank and call loans to banks qualifying as cash and cash equivalents under the definition of IAS 7	4,572,400	2,328,374
Securities purchased under resell agreements qualifying as cash and cash equivalents under the definition of IAS 7	7,098,869	-
Cash and cash equivalents in cash flow statement	$33,939,425	$29,955,915

(2) Due from the Central Bank and call loans to banks

	December 31, 2025	December 31, 2024
Required reserve - Account A	$34,608,120	$34,343,001
Required reserve - Account B	66,433,760	62,886,038
Required reserve - Foreign Currency	538,264	613,797
Required reserve - Others	124,158	91,242
Call loans to banks	4,572,400	2,328,374
Interbank clearing funds	15,134,359	8,000,130
Total	$121,411,061	$108,262,582

A. The required reserve is calculated according to the monthly legal reserve appropriate for each type of deposit by law, the average daily amount and legal reserve ratio for the current period. Also, it is deposited with the Central Bank. Type A required reserve accounts and foreign currency required reserve accounts do not bear interest and can be accessed at any time. Type B accounts bear interest, but they cannot be used except in compliance with the regulations.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. The loss allowance was measured at an amount equal to 12-month ECLs based on historical experience and forward-looking information; there was no loss allowance on due from the Central Bank and call loans to banks as of December 31, 2025 and 2024.

(3) Financial instruments measured at FVTPL

	December 31, 2025	December 31, 2024
Financial assets mandatorily classified as at FVTPL		
Derivative instruments		
Futures	$10,242	$126,527
Forward exchange contracts	629,226	1,224,827
Currency swaps	23,142,233	29,507,034
Interest rate swaps	11,276,299	16,315,246
Cross-currency swaps	696,120	549,459
Equity-linked swaps	4,737	-
Options	319,958	2,139,320
Non-derivative financial assets		
Investment in bills	66,477,473	54,599,251
Domestic and overseas stocks and beneficiary certificates	8,250,535	6,667,914
Government bonds	20,231,224	5,982,741
Corporate bonds, financial bonds and other bonds	12,837,437	12,671,321
Financial assets measured at FVTPL	$143,875,484	$129,783,640
Financial liabilities designated as at FVTPL	$2,337,743	$2,422,399
Financial liabilities held for trading		
Derivative instruments		
Futures	320,750	69,873
Forward exchange contracts	658,998	1,033,651
Currency swaps	24,036,216	25,201,285
Interest rate swaps	11,357,980	16,033,942
Cross-currency swaps	1,155,695	920,020
Equity-linked swaps	4,737	-
Options	1,600,258	3,704,353
Non-derivative financial liabilities		
Stocks borrowing transaction	-	354,382
Subtotal	39,134,634	47,317,506
Financial liabilities measured at FVTPL	$41,472,377	$49,739,905

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

A. The Company considered unsecured USD senior bank notes payable as financial instruments designated at FVTPL to eliminate the recognition inconsistency. The Company issued unsecured USD senior bank notes payable were as follows:

First unsecured USD senior bank notes payable of the Company of year 2018, 30 years, US$80,000 thousand, 100% of the principal amount of the bonds, interest is not paid before redemption, put redemption on the fifth anniversaries of the notes payable issue, and repay the holders at principal value plus accrued interests, maturity: July 5, 2048.

Second unsecured USD senior bank notes payable of the Company of year 2018, 30 years, US$20,000 thousand, 100% of the principal amount of the bonds, interest is not paid before redemption, put redemption on the fifth anniversaries of the notes payable issue, and repay the holders at principal value plus accrued interests, maturity: July 5, 2048.

B. The Company engaged in various derivative instrument transactions in the years ended December 31, 2025 and 2024 to fulfill customers' needs, as well as to manage its positions and risks of assets and liabilities.

C. The nominal principal amounts of outstanding derivative contracts were as follows:

	Contract amount	
	December 31, 2025	December 31, 2024
Futures	$7,709,698	$6,688,742
Forward exchange contracts	76,006,454	115,638,784
Currency swaps	2,348,774,436	2,298,928,181
Interest rate swaps	1,124,200,533	804,269,749
Cross-currency swaps	55,734,059	43,272,925
Equity-linked swaps	69,186	-
Options	99,258,391	424,849,309

(4) Financial assets measured at FVTOCI

	December 31, 2025	December 31, 2024
Debt instrument		
Government bonds	$84,465,575	$81,706,421
Corporate bonds	43,476,726	35,960,797
Financial bonds	31,175,647	31,462,974
Beneficiary securities	866,571	955,554
Subtotal	159,984,519	150,085,746
Equity instrument		
Domestic and overseas stocks	10,611,999	3,526,858
Total	$170,596,518	$153,612,604

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

A. The amount of the loss allowance for debt instruments was as follows:

	12-month ECLs	Lifetime ECLs - not credit-impaired	Lifetime ECLs - credit-impaired	Total
2025.12.31	$29,340	$-	$-	$29,340
2024.12.31	$32,170	$-	$-	$32,170

As the Company's debt instruments at FVTOCI were measured using the ECLs model, the Company had recognized reversal of impairment (impairment loss) on financial assets amounted to $2,528 thousand and $(8,779) thousand for the years ended December 31, 2025 and 2024, respectively.

B. The Company sold the parts of domestic ordinary shares for strategic purposes. The stocks sold had a fair value of $13,018,918 thousand and $7,988,114 thousand, and the Company transferred $(413,677) thousand and $729,999 thousand of (losses) gains from other equity to retained earnings for the years ended December 31, 2025 and 2024, respectively.

C. Refer to Note 12 for information relating to the management of credit risk and the impairment assessment on investments in debt instruments at FVTOCI.

D. Refer to Note 8 for information relating to debt instruments at FVTOCI pledged as collateral.

(5) Investments in debt instruments at amortized cost

	December 31, 2025	December 31, 2024
Investment in bills	$250,398,084	$316,076,428
Financial bonds	96,973,891	109,147,979
Corporate bonds	33,572,052	36,199,617
Government bonds	56,012,519	83,301,373
Beneficiary securities	109,063,960	39,999,338
Subtotal	546,020,506	584,724,735
Less: allowance for impairment	(34,458)	(48,407)
Total	$545,986,048	$584,676,328

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

A. The amount of the loss allowance for debt instruments was as follows:

	12-month ECLs	Lifetime ECLs - not credit-impaired	Lifetime ECLs - credit-impaired	Total
2025.12.31	$34,458	$-	$-	$34,458
2024.12.31	$48,407	$-	$-	$48,407

As the Company's investments in debt instruments at amortized cost were measured using the ECLs model, the Company had recognized reversal of impairment (impairment loss) on financial assets. Impairment loss recognized amounted to $12,623 thousand and $(7,739) thousand for the years ended December 31, 2025 and 2024, respectively.

B. Refer to Note 12 for information relating to the management of credit risk and the impairment assessment on investments in debt instruments at amortized cost.

C. Refer to Note 8 for information relating to investments in debt instruments at amortized cost pledged as collateral.

(6) Receivables, net

	December 31, 2025	December 31, 2024
Notes and accounts receivable	$42,856,449	$38,504,009
Credit cards receivable	75,929,270	76,277,101
Interest receivable	9,056,206	8,254,746
Other receivables	1,470,612	1,575,850
Subtotal	129,312,537	124,611,706
Less: allowance for receivables	(1,417,786)	(1,407,828)
Total	$127,894,751	$123,203,878

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

A. The movements in the allowance for receivables (including non-performing receivables transferred from other than loans) for the years ended December 31, 2025 and 2024 were as follows:

	12-month ECLs	Lifetime ECLs (Group assessment)	Lifetime ECLs (Individual assessment)	Lifetime ECLs (Non-purchased or originated credit-impaired (POCI) financial assets)	Loss allowance under IFRS 9	Recognized (reversal) based on the regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	Total
Loss allowance as of January 1, 2025	$81,444	$33,300	$387,085	$487,326	$989,155	$636,058	$1,625,213
Changes of financial instruments recognized at the beginning of the reporting period							
Transferred to lifetime ECLs	(96)	15,730	-	(384)	15,250	-	15,250
Transferred to credit-impaired financial assets	(586)	(4,405)	-	156,851	151,860	-	151,860
Transferred to 12-month ECLs	59	(4,736)	-	(10,501)	(15,178)	-	(15,178)
Financial assets derecognized	(19,004)	(21,432)	(27,817)	(742,691)	(810,944)	-	(810,944)
New financial assets purchased or originated	22,675	4,364	16,649	29,880	73,568	-	73,568
Recognized (reversal) based on the regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/ non-accrual loans	-	-	-	-	-	30,159	30,159
Write-offs	(10)	(598)	(675)	(110,937)	(112,220)	-	(112,220)
Recovery of written-off loans	-	-	-	653,454	653,454	-	653,454
Other movements	-	-	(4)	-	(4)	-	(4)
Loss allowance as of December 31, 2025	$84,482	$22,223	$375,238	$462,998	$944,941	$666,217	$1,611,158

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	12-month ECLs	Lifetime ECLs (Group assessment)	Lifetime ECLs (Individual assessment)	Lifetime ECLs (Non-purchased or originated credit-impaired (POCI) financial assets)	Loss allowance under IFRS 9	Recognized (reversal) based on the regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	Total
Loss allowance as of January 1, 2024	$114,385	$32,308	$474,996	$943,473	$1,565,162	$583,072	$2,148,234
Changes of financial instruments recognized at the beginning of the reporting period							
Transferred to lifetime ECLs	(244)	22,395	-	(714)	21,437	-	21,437
Transferred to credit-impaired financial assets	(1,150)	(2,370)	-	191,485	187,965	-	187,965
Transferred to 12-month ECLs	62	(7,665)	-	(8,435)	(16,038)	-	(16,038)
Financial assets derecognized	(52,938)	(17,949)	(13,965)	(1,245,239)	(1,330,091)	-	(1,330,091)
New financial assets purchased or originated	21,349	6,897	15,302	50,339	93,887	-	93,887
Recognized (reversal) based on the regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/ non-accrual loans	-	-	-	-	-	52,986	52,986
Write-offs	(20)	(316)	(94,768)	(115,152)	(210,256)	-	(210,256)
Recovery of written-off loans	-	-	3,572	671,569	675,141	-	675,141
Other movements	-	-	1,948	-	1,948	-	1,948
Loss allowance as of December 31, 2024	$81,444	$33,300	$387,085	$487,326	$989,155	$636,058	$1,625,213

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. The movements in the gross carrying amount of the allowance for receivables (including non-performing receivables transferred from other than loans) for the years ended December 31, 2025 and 2024 were as follows:

	12-month ECLs	Lifetime ECLs (Group assessment)	Lifetime ECLs (Individual assessment)	Lifetime ECLs (non-POCI financial assets)	Total
Carrying amount as of January 1, 2025	$110,831,001	$172,359	$11,998,492	$1,913,599	$124,915,451
Changes of financial instruments recognized at the beginning of the reporting period					
Transferred to Lifetime ECLs	(83,996)	94,265	574	(1,533)	9,310
Transferred to Credit-impaired Financial Assets	(448,236)	(19,570)	(201)	531,118	63,111
Transferred to 12-month ECLs	54,758	(28,385)	-	(30,863)	(4,490)
Financial assets derecognized	(22,579,965)	(100,057)	(768,943)	(342,400)	(23,791,365)
New financial assets purchased or originated	23,045,677	26,046	5,556,717	92,236	28,720,676
Write-offs	(1,546)	(1,807)	(675)	(278,912)	(282,940)
Carrying amount as of December 31, 2025	$110,817,693	$142,851	$16,785,964	$1,883,245	$129,629,753

	12-month ECLs	Lifetime ECLs (Group assessment)	Lifetime ECLs (Individual assessment)	Lifetime ECLs (non-POCI financial assets)	Total
Carrying amount as of January 1, 2024	$99,634,895	$149,295	$11,237,156	$2,371,852	$113,393,198
Changes of financial instruments recognized at the beginning of the reporting period					
Transferred to Lifetime ECLs	(118,185)	112,229	4,991	(2,128)	(3,093)
Transferred to Credit-impaired Financial Assets	(537,938)	(9,472)	(241)	583,125	35,474
Transferred to 12-month ECLs	64,113	(38,798)	(21)	(24,376)	918
Financial assets derecognized	(18,358,250)	(75,645)	(989,778)	(938,538)	(20,362,211)
New financial assets purchased or originated	30,149,764	35,737	1,836,608	223,084	32,245,193
Write-offs	(3,398)	(987)	(94,768)	(299,420)	(398,573)
Other movements	-	-	4,545	-	4,545
Carrying amount as of December 31, 2024	$110,831,001	$172,359	$11,998,492	$1,913,599	$124,915,451

(7) Loans, net

	December 31, 2025	December 31, 2024
Negotiated	$1,020,573	$2,732,507
Overdrafts	1,538,899	2,962,400
Short-term loans	345,500,763	311,754,093
Medium-term loans	645,089,964	581,300,393
Long-term loans	821,767,599	774,322,022
Delinquent loans	2,132,560	1,710,192
Subtotal	1,817,050,358	1,674,781,607
Less: Adjustment for premium or discount	(933,968)	(848,086)
Less: Allowance for loan losses	(23,148,432)	(21,675,252)
Total	$1,792,967,958	$1,652,258,269

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

A. The movements in the allowance for loans for the years ended December 31, 2025 and 2024 were as follows:

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-POCI Financial Assets)	Loss Allowance under IFRS 9	Recognized (Reversal) Based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans	Total
Loss allowance as of January 1, 2025	$2,303,783	$940,901	$182,445	$2,866,506	$6,293,635	$15,381,617	$21,675,252
Changes of financial instruments recognized at the beginning of the reporting period							
Transferred to Lifetime ECLs	(9,180)	194,082	30,286	(12,324)	202,864	-	202,864
Transferred to Credit-impaired Financial Assets	(13,895)	(62,626)	(20,787)	1,126,163	1,028,855	-	1,028,855
Transferred to 12-month ECLs	5,089	(256,096)	-	(269,247)	(520,254)	-	(520,254)
Financial assets derecognized	(844,730)	(407,151)	(12,011)	(1,401,340)	(2,665,232)	-	(2,665,232)
New financial assets purchased or originated	1,073,195	48,631	1,108	167,575	1,290,509	-	1,290,509
Recognized (Reversal) based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans	-	-	-	-	-	1,544,094	1,544,094
Write-offs	(1,127)	(23,519)	-	(319,036)	(343,682)	-	(343,682)
Recovery of written-off loans	-	-	-	936,026	936,026	-	936,026
Loss allowance as of December 31, 2025	$2,513,135	$434,222	$181,041	$3,094,323	$6,222,721	$16,925,711	$23,148,432

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-POCI Financial Assets)	Loss Allowance under IFRS 9	Recognized (Reversal) Based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans	Total
Loss allowance as of January 1, 2024	$2,112,673	$1,120,170	$102,749	$3,119,782	$6,455,374	$14,118,416	$20,573,790
Changes of financial instruments recognized at the beginning of the reporting period							
Transferred to Lifetime ECLs	(12,750)	394,494	126,413	(14,188)	493,969	-	493,969
Transferred to Credit-impaired Financial Assets	(7,945)	(46,579)	(14,866)	939,342	869,952	-	869,952
Transferred to 12-month ECLs	7,952	(280,612)	(4,489)	(221,731)	(498,880)	-	(498,880)
Financial assets derecognized	(590,569)	(312,408)	(46,526)	(1,589,630)	(2,539,133)	-	(2,539,133)
New financial assets purchased or originated	795,401	78,719	19,164	113,657	1,006,941	-	1,006,941
Recognized (Reversal) based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans	-	-	-	-	-	1,263,201	1,263,201
Write-offs	(979)	(12,883)	-	(333,482)	(347,344)	-	(347,344)
Recovery of written-off loans	-	-	-	852,756	852,756	-	852,756
Loss allowance as of December 31, 2024	$2,303,783	$940,901	$182,445	$2,866,506	$6,293,635	$15,381,617	$21,675,252

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. The movements in the gross carrying amount of the allowance for loans for the years ended December 31, 2025 and 2024 were as follows:

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-POCI Financial Assets)	Total
Carrying amount as of January 1, 2025	$1,646,114,214	$16,702,642	$1,613,507	$10,351,244	$1,674,781,607
Changes of financial instruments recognized at the beginning of the reporting period					
Transferred to Lifetime ECLs	(6,537,959)	5,795,663	262,460	(59,621)	(539,457)
Transferred to Credit-impaired Financial Assets	(4,261,238)	(340,415)	(71,279)	4,300,072	(372,860)
Transferred to 12-month ECLs	6,322,684	(5,864,910)	-	(877,971)	(420,197)
Financial assets derecognized	(356,627,635)	(3,657,458)	(323,286)	(1,773,487)	(362,381,866)
New financial assets purchased or originated	505,943,810	751,280	24,248	325,257	507,044,595
Write-offs	(194,793)	(75,947)	-	(790,724)	(1,061,464)
Carrying amount as of December 31, 2025	$1,790,759,083	$13,310,855	$1,505,650	$11,474,770	$1,817,050,358

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-POCI Financial Assets)	Total
Carrying amount as of January 1, 2024	$1,506,187,431	$21,688,195	$553,284	$9,978,680	$1,538,407,590
Changes of financial instruments recognized at the beginning of the reporting period					
Transferred to Lifetime ECLs	(8,576,593)	7,231,148	1,205,745	(45,225)	(184,925)
Transferred to Credit-impaired Financial Assets	(3,580,818)	(246,247)	(107,732)	3,652,183	(282,614)
Transferred to 12-month ECLs	6,864,800	(6,755,930)	(20,379)	(752,223)	(663,732)
Financial assets derecognized	(341,932,226)	(5,811,591)	(52,909)	(2,266,703)	(350,063,429)
New financial assets purchased or originated	487,328,353	640,606	35,498	357,010	488,361,467
Write-offs	(176,733)	(43,539)	-	(572,478)	(792,750)
Carrying amount as of December 31, 2024	$1,646,114,214	$16,702,642	$1,613,507	$10,351,244	$1,674,781,607

C. The details of bad debt expenses, provisions for commitments and guarantee liabilities (provision and reversal) for the years 2025 and 2024 are as follows:

	For the years ended December 31	
	2025	2024
(Provision for) reversal of the allowance for losses on receivables, loans and other financial assets	$(1,580,241)	$(876,732)
(Provision for) reversal of the allowance for losses on guarantee liabilities	(17,232)	(18,584)
(Provision for) reversal of the allowance for losses on loan commitments	(12,389)	16,192
(Provision for) reversal of the allowance for letters of credit	1,462	125
Total	$(1,608,400)	$(878,999)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(8) Investments accounted for using the equity method

	December 31, 2025	December 31, 2024
Investments in subsidiaries	$4,914,554	$4,727,655
Investments in associates	80,660	84,584
Total	$4,995,214	$4,812,239

A. Investment in subsidiaries

	December 31, 2025		December 31, 2024	
	Carrying Amount	Proportion of Ownership and Voting Rights	Carrying Amount	Proportion of Ownership and Voting Rights
Unlisted (OTC) stocks				
Taishin Real-Estate Management Co., Ltd., ("Taishin Real-Estate")	$220,149	60.00	$215,937	60.00
Taishin D.A. Finance Co., Ltd. ("Taishin D.A. Finance")	4,694,405	100.00	4,511,718	100.00
Total	$4,914,554		$4,727,655	

B. Investment in associates

	December 31, 2025	December 31, 2024
Associates that are not individually material	$80,660	$84,584

Aggregate information of associates that are not individually material:

	2025	2024
The Company's share of:		
Net income for the year	$8,876	$14,272
Other comprehensive income (loss)	(317)	214
Total comprehensive income (loss) for the year	$8,559	$14,486

C. The Company's investments accounted for using equity method were not pledged as collateral as of December 31, 2025 and 2024.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(9) Other financial assets, net

	December 31, 2025	December 31, 2024
Non-performing receivables transferred from other than loans	$344,377	$380,680
Less: Allowance for bad debt	(193,372)	(217,385)
Gold deposit account	2,238,088	967,479
Due from banks	6,299,600	5,912,920
Total	$8,688,693	$7,043,694

A. The due from banks recognized under other financial assets held by the Company are time deposits with original maturities of more than 3-months or pledged as collateral. Refer to Note 8 for the information relating to the due from banks and time deposits pledged as collateral.

B. Refer to Note 6. (6) for the movements of the allowance for non-performing receivables transferred from other than loans for the years ended December 31, 2025 and 2024.

C. The loss allowance was measured at an amount equal to lifetime ECLs based on historical experience and forward-looking information; there was no allowance for loss on other financial assets excluding non-performing receivables transferred from other than loans as of December 31, 2025 and 2024.

(10) Property and equipment, net

	December 31, 2025	December 31, 2024
Land	$14,185,392	$14,185,392
Buildings	4,329,871	4,492,313
Machinery equipment	1,274,776	1,529,731
Transportation equipment	68,485	99,787
Miscellaneous equipment	89,175	91,719
Leasehold improvements	216,152	259,367
Prepayments for buildings and equipment	28,475	67,072
Total	$20,192,326	$20,725,381

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Land	Buildings	Machinery Equipment	Transportation Equipment	Miscellaneous Equipment	Leasehold Improvements	Prepayments for Buildings and Equipment	Total
Cost								
Balance, January 1, 2025	$14,185,392	$7,659,937	$4,231,830	$210,794	$200,164	$606,039	$67,072	$27,161,228
Additions	-	41,950	264,345	1,838	27,359	20,732	87,237	443,461
Disposals	-	(90,249)	(913,686)	(19,512)	(37,378)	(37,901)	-	(1,098,726)
Reclassifications	-	43,882	49,199	-	-	32,753	(125,834)	-
Balance, December 31, 2025	$14,185,392	$7,655,520	$3,631,688	$193,120	$190,145	$621,623	$28,475	$26,505,963
Balance, January 1, 2024	$14,185,392	$7,519,364	$4,352,939	$201,576	$176,091	$588,619	$63,095	$27,087,076
Additions	-	57,466	278,962	24,905	46,366	56,606	164,026	628,331
Disposals	-	(16,984)	(447,116)	(15,687)	(22,293)	(56,310)	-	(558,390)
Reclassifications	-	100,091	47,045	-	-	17,124	(160,049)	4,211
Balance, December 31, 2024	$14,185,392	$7,659,937	$4,231,830	$210,794	$200,164	$606,039	$67,072	$27,161,228

	Land	Buildings	Machinery Equipment	Transportation Equipment	Miscellaneous Equipment	Leasehold Improvements	Prepayments for Buildings and Equipment	Total
Accumulated Depreciation								
Balance, January 1, 2025	$-	$3,167,624	$2,702,099	$111,007	$108,445	$346,672	$-	$6,435,847
Depreciation Expense	-	248,274	568,377	33,096	29,843	96,699	-	976,289
Disposals	-	(90,249)	(913,564)	(19,468)	(37,318)	(37,900)	-	(1,098,499)
Balance, December 31, 2025	$-	$3,325,649	$2,356,912	$124,635	$100,970	$405,471	-	$6,313,637
Balance, January 1, 2024	$-	$2,948,278	$2,496,973	$92,355	$98,527	$299,580	$-	$5,935,713
Depreciation Expense	-	236,330	651,438	34,308	31,999	103,402	-	1,057,477
Disposals	-	(16,984)	(446,312)	(15,656)	(22,081)	(56,310)	-	(557,343)
Balance, December 31, 2024	$-	$3,167,624	$2,702,099	$111,007	$108,445	$346,672	$-	$6,435,847

No property and equipment was pledged.

(11) Intangible assets, net

	December 31, 2025	December 31, 2024
Goodwill	$1,152,274	$1,152,274
Computer software	1,409,286	1,509,079
Total	$2,561,560	$2,661,353

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Goodwill	Computer Software	Total
Balance, January 1, 2025	$1,152,274	$1,509,079	$2,661,353
Additions	-	447,442	447,442
Disposals	-	(1,692)	(1,692)
Amortization	-	(545,543)	(545,543)
Balance, December 31, 2025	$1,152,274	$1,409,286	$2,561,560
Balance, January 1, 2024	$1,152,274	$1,471,184	$2,623,458
Additions	-	554,588	554,588
Disposals	-	(2,934)	(2,934)
Amortization	-	(513,759)	(513,759)
Balance, December 31, 2024	$1,152,274	$1,509,079	$2,661,353

The goodwill included the Company merged with Dah An Bank through a share swap on February 18, 2002, on which the Company issued new shares to acquire the total assets and liabilities with excess difference. The unamortized excess difference as of December 31, 2025 and 2024 was $884,937 thousand with no material impairment loss noted. In addition, the Company merged with the 10th Credit Cooperative of Hsin-Chu in October 2004, in which the Company paid in cash to acquire the total assets and liabilities with excess difference. The unamortized excess difference as of December 31, 2025 and 2024 was $267,337 thousand with no material impairment loss noted.

(12) Other Assets, net

	December 31, 2025	December 31, 2024
Prepayments	$792,938	$835,080
Refundable deposits	23,477,561	20,219,517
Operating guarantee deposits and settlement funds	57,324	51,030
Others	117,955	60,186
Total	$24,445,778	$21,165,813

A. Refer to Note 8 for information relating to refundable deposits, operating guarantee deposits and settlement funds pledged as collateral.

B. The loss allowance was measured at an amount equal to 12-month ECLs based on historical experience and forward-looking information; there was no loss allowance on refundable deposit as of December 31, 2025 and 2024, respectively.

C. The loss allowance was measured at an amount equal to lifetime ECLs based on historical experience and forward-looking information; there was no loss allowance on operating guarantee deposits and settlement funds as of December 31, 2025 and 2024, respectively.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(13) Deposits from the Central Bank and other banks

	December 31, 2025	December 31, 2024
Deposits from other banks	$7,059,006	$7,216,030
Call loans from other banks	27,600,162	4,599,665
Bank overdrafts	723,369	763,102
Deposits from the Central Bank	89,638	97,286
Total	$35,472,175	$12,676,083

(14) Payables

	December 31, 2025	December 31, 2024
Notes and accounts payable	$14,147,424	$8,972,264
Accrued expenses	8,888,478	7,529,444
Interest payable	6,646,411	7,615,036
Checks for clearing payable	614,307	1,312,582
Tax payable	633,975	581,524
Collection payable	1,033,676	803,762
Other payables	3,056,620	2,763,141
Total	$35,020,891	$29,577,753

(15) Deposits and remittances

	December 31, 2025	December 31, 2024
Checking deposits	$9,479,045	$7,803,863
Demand deposits	533,529,036	468,270,539
Time deposits	780,174,074	828,632,312
Negotiable time certificates of deposit	1,330,200	2,262,715
Savings deposits	1,146,149,899	1,022,032,589
Public treasury deposits	14,418,328	16,477,490
Remittances	2,412,210	2,501,939
Total	$2,487,492,792	$2,347,981,447

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(16) Bank notes payable

The Company has issued bank notes payable to enhance its capital ratio and raise medium to long-term operating funds. Details of the bank notes payable were as follows:

	December 31, 2025	December 31, 2024
Subordinated bank notes payable - 2015 (I)	$4,850,000	$9,100,000
Subordinated bank notes payable - 2015 (II)	6,000,000	6,000,000
Subordinated bank notes payable - 2015 (III)	4,200,000	4,900,000
Subordinated bank notes payable - 2019 (I)	5,000,000	5,000,000
Total	$20,050,000	$25,000,000

The first issuance of the 2015 subordinated bank notes payable has matured and repaid the principal of $4,250,000 thousand on June 10, 2025; additionally, the third issuance of the 2015 subordinated bank notes payable matured and repaid the principal of NT$700,000 thousand on September 22, 2025.

A. The first issuance of the 2015 subordinated bank notes payable amounted to $9.1 billion.

Type	Issue Date	Maturity Date	Term	Total Amount Issued	Coupon rate
A	2015.6.10	2025.6.10	10 years	$4.25 billion	Fixed interest rate, calculated annually at 2.15%
B	2015.6.10	2030.6.10	15 years	$4.85 billion	Fixed interest rate, calculated annually at 2.45%

B. The second issuance of the 2015 subordinated bank notes payable amounted to $6 billion.

Type	Issue Date	Maturity Date	Term	Total Amount Issued	Coupon rate
2015, second issue	2015.9.18	2027.9.18	12 years	$6 billion	Fixed interest rate, calculated annually at 2.25%

C. The third issuance of the 2015 subordinated bank notes payable amounted to $4.9 billion.

Type	Issue Date	Maturity Date	Term	Total Amount Issued	Coupon rate
A	2015.9.22	2025.9.22	10 years	$700 million	Fixed interest rate, calculated annually at 2.15%
B	2015.9.22	2030.9.22	15 years	$4.2 billion	Fixed interest rate, calculated annually at 2.45%

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

D. The first issuance of the 2019 unsecured, perpetual, non-cumulative subordinated bank notes payable amounted to $5 billion.

Type	Issue Date	Maturity Date	Term	Total Issued Amount Issued	Coupon rate
2019, initial issue	2019.3.28	No maturity date (however, the issuer has the right to redeem).	No maturity date (however, the issuer has the right to redeem).	$5 billion	Fixed interest rate, calculated annually at 2.45%

(17) Other financial liabilities

	December 31, 2025	December 31, 2024
Principal of structured products	$100,397,785	$99,553,850
Gold account	2,358,464	967,371
Total	$102,756,249	$100,521,221

(18) Post-Retirement Benefit Plans

A. Defined Contribution Plan

The Company has established the Regulations for Employee Retirement in accordance with the "Labor Pension Act", which is a defined contribution pension plan. According to the Act, the monthly labor pension payable rate of the Company shall not be less than 6% of the employee's monthly salary. In accordance with the Regulations for Employee Retirement, the Company has been allocating 6% of each employee's monthly salary to their individual retirement account at the Bureau of Labor Insurance.

B. Defined Benefit Plan

The Company also has defined benefit plan under the Labor Standards Act (LSA). Under the LSA, pension benefits are calculated on the basis of the length of service and average monthly salaries of six months before retirement. The Company contributes amounts equal to 2% to 15% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

In accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, asset allocation is carried out by the Ministry of Labor. The fund's investments are conducted through self-operation and entrusted management, adopting a combination of active and passive management for medium to long-term investment strategies. The Ministry of Labor considers market, credit, liquidity, and other risks to establish fund risk limits and control plans, allowing for sufficient flexibility to achieve target returns without taking on excessive risk. With regard to utilization of the Fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from 2-year time deposits offered by local banks. In case any deficiency in the earnings arises, Treasury Funds can be used to cover the deficits after the approval of the competent authority. Since the Company has no right to participate in the operation and management of the Fund, it is not able to disclose the classification of the fair value of plan assets as required in IAS 19.142. The Company expects to allocate $33,873 thousand to the defined benefit plan for the next fiscal year as of December 31, 2025.

As of December 31, 2025 and 2024, the Company’s defined benefit plan is expected to mature in 2035.

The following table summarizes the costs recognized in profit or loss for the defined benefit plan:

	For the years ended December 31,	
	2025	2024
Current Service Cost	$4,739	$7,294
Net Interest Cost	10,927	15,468
Total	$15,666	$22,762

The reconciliation of the present value of defined benefit obligations and the fair value of plan assets is as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	$(2,283,301)	$(2,275,265)
Fair value of plan assets	1,576,012	1,529,572
Net defined benefit liabilities	$(707,289)	$(745,693)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Reconciliation of liability (asset) of the defined benefit plan is as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability (asset)
Balance, January 1, 2024	$2,563,884	$1,421,490	$1,142,394
Current service cost	7,294	-	7,294
Interest expense (income)	34,670	19,202	15,468
Subtotal	41,964	19,202	22,762
Remeasurements of defined benefit liability/asset：			
Actuarial gains and losses arising from changes in financial assumptions	(29,047)	-	(29,047)
Experience adjustments	(178,818)	-	(178,818)
Return on plan assets	-	130,905	(130,905)
Subtotal	(207,865)	130,905	(338,770)
Employer contributions	-	34,757	(34,757)
Benefits paid	(76,782)	(76,782)	-
Company payments	(45,936)	-	(45,936)
Balance as of December 31, 2024	2,275,265	1,529,572	745,693
Current service cost	4,739	-	4,739
Interest expense (income)	33,463	22,536	10,927
Subtotal	38,202	22,536	15,666
Remeasurements of defined benefit liability/asset:			
Actuarial gains and losses arising from changes in financial assumptions	55,401	-	55,401
Experience adjustments	31,960	-	31,960
Return on plan assets	-	107,191	(107,191)
Subtotal	87,361	107,191	(19,830)
Employer contributions	-	34,240	(34,240)
Benefits paid	(117,527)	(117,527)	-
Balance as of December 31, 2025	$2,283,301	$1,576,012	$707,289

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The following key assumptions are used to determine the Company's defined benefit plan:

	December 31, 2025	December 31, 2024
Discount rate	1.250%	1.500%
Expected salary increase rate	3.500%	3.500%

The sensitivity analysis of each significant actuarial assumption:

	December 31, 2025		December 31, 2024	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Increase in discount rate by 0.25%	$-	$55,401	$-	$56,615
Decrease in discount rate by 0.25%	57,276	-	58,599	-
Increase in expected salary by 0.25%	55,094	-	56,481	-
Decrease in expected salary by 0.25%	-	53,587	-	54,869

When the aforementioned sensitivity analysis is conducted, an analysis is performed on the potential impact on the defined benefit obligation when a reasonable change occurs in a single actuarial assumption (such as discount rate or expected salary), assuming all other assumptions remain constant. In practice, it is rare for only a single actuarial assumption to change due to the interrelated nature of some actuarial assumptions, so the analysis has its limitations.

The method and assumptions used for the sensitivity analysis for the current period are the same as those used in the previous period.

(19) Provisions

	December 31, 2025	December 31, 2024
Provisions for employee benefits (Note 6. (18))	$707,289	$745,693
Provisions for guarantee liabilities	316,796	300,578
Provisions for loan commitments	184,822	172,967
Provision for decommissioning, restoration, and rehabilitation	5,667	-
Other provisions	122,892	125,236
Total	$1,337,466	$1,344,474

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Provisions for guarantee liabilities	Provisions for loan commitments	Provision for decommissioning, restoration, And rehabilitation	Other provisions
Balance, January 1, 2025	$300,578	$172,967	$-	$125,236
Provision (reverse)	17,232	12,389	5,667	(1,329)
Effect of foreign currency exchange differences	(1,014)	(534)	-	(1,015)
Balance, December 31, 2025	$316,796	$184,822	$5,667	$122,892
Balance, January 1, 2024	$280,152	$187,967	$-	$123,683
Provision (reverse)	18,584	(16,192)	-	(18)
Effect of foreign currency exchange differences	1,842	1,192	-	1,571
Balance, December 31, 2024	$300,578	$172,967	$-	$125,236

Other provisions are loss allowance for letters of credit and the provisions for compensation of dispute cases.

The amount of the loss allowance for financial guarantees (including provisions for guarantee liabilities and letters of credit recognized in other provisions) and loan commitments were as follows:

	12-month ECLs	Lifetime ECLs - Not Credit-impaired	Lifetime ECLs - Credit-impaired	Loss Allowance under IFRS 9	Recognized Based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans	Total
2025.12.31	$146,699	$7,645	$13,555	$167,899	$337,203	$505,102
2024.12.31	117,486	8,909	5,638	132,033	346,538	478,571

(20) Other Liabilities

	December 31, 2025	December 31, 2024
Unearned revenue	$588,990	$463,470
Unearned interest	1,671,877	1,397,351
Guarantee deposits	2,094,835	4,513,179
Deferred income	1,607,256	1,342,924
Temporary credits	959,215	1,000,278
Total	$6,922,173	$8,717,202

(21) Equity

A. Ordinary share

	December 31, 2025	December 31, 2024
Number of shares authorized (in thousands)	13,000,000	10,500,000
Shares authorized	$130,000,000	$105,000,000
Number of shares issued and fully paid (in thousands)		
Ordinary shares	12,299,165	9,870,919
Capital shares issued and outstanding	$122,991,646	$98,709,186

On May 16, 2024, the Company's board of directors (on behalf of the shareholders) resolved to issue 317,391 thousand ordinary shares by private placement at NT$ 23 per share, amounting to $7,300,000 thousand and the record date of the capital increase was set on June 24, 2024, which has been approved by the Ministry of Economic.

On April 10, 2025, the Company's board of directors (on behalf of the shareholders) resolved to amend the Company's Articles of Incorporation to increase the total capital to $130,000,000 thousand. The amendment to the Articles of Incorporation to increase the authorized capital has been approved and registered by the Ministry of Economic Affairs on April 25, 2025.

On April 10, 2025, the Company's board of directors (on behalf of the shareholders) resolved to issue 2,428,246 thousand ordinary shares by capital surplus and legal reserve were capitalized to issue common shares, amounting to $24,282,460 thousand and the record date of the capital increase was set on June 11, 2025, which has been approved by the Ministry of Economic.

B. Capital surplus

The capital surplus from shares issued in excess of par and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's paid-in capital and once a year).

The capital surplus from investments using equity method, employee share options and conversion options may not be used for any purpose.

TS Financial Holding’s Board of Directors resolved the fourth share options and warrants issue plan based on IFRS 2 on September 2, 2010. According to the plan, subsidiaries shall recognize the grant of equity instruments from TS Financial Holding to their employees as equity-settled shared-based payments transaction to measure the services provided by subsidiaries’ employees, the increase in equity as funding from TS Financial Holding, and the same amount of increase in equity as current expenses based on the fair value of the equity instrument and the percentage of service provided by TS Financial Holding to its subsidiaries over the vesting period, as well as adjust additional paid-in capital - share warrants. The estimate is revised if subsequent information indicates that the number of share options expected to vest differs from previous estimates.

All the employee share options issued by parent company of the Company had been acquired.

C. Retained earnings and dividend policy

In accordance with dividends policy of the Articles of Incorporation of the Company, where the Company makes profit in a fiscal year, the profit shall be first utilized for paying taxes, adjusted in accordance with accounting standards, then offsetting losses of previous years firstly. The remaining profit, if any, would be set aside as legal reserve and set aside or reversed a special reserve in accordance with the laws and regulations. The special reserve after reversal would be added into undistributed earnings at the beginning of the period. The remaining profit, if any, should be preferentially distributed the dividends and bonus in accordance with the Articles of Incorporation of the Company in each year of preferred share outstanding. Then, the remaining profit together with any undistributed retained earnings shall be used by the Company’s board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders’ meeting for distribution of dividends and bonus to shareholders. Cash distributions in any given year cannot exceed 15% of the Company’s paid-in capital including, but not limited to, self-owned capital and risk-weighted assets ratio lower than regulations of the authorities. But if the Company’s legal reserve equals to or exceeds paid-in capital, this restriction does not apply.

Appropriation of earnings to legal reserve shall be made until legal reserve equals the Company’s paid-in capital. Legal reserve may be used to offset deficit. If the Company has no accumulated deficit and the legal reserve has exceeded 25% of the Company’s paid-in capital, the excess may be transferred to Share capital or distributed in cash.

Refer to special reserves for the information relating to special reserves.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The appropriations of earnings for 2024 and 2023 were resolved by the board of directors on behalf of the shareholders on June 12, 2025 and June 6, 2024, respectively, were as follows:

	Appropriation of Earnings		Dividend per Share	
	For the years ended December 31,		For the years ended December 31,	
	2025	2024	2025	2024
Legal Reserve	$5,849,655	$4,360,250		
Special Reserve	126,030	(2,414,930)		
Cash Dividends of Ordinary shares	13,523,166	12,588,847	$1.37	$1.32

D. Special reserve

The Company reclassified reserve for trading loss and default losses as of December 31, 2010 to a special reserve account, which is part of equity, in accordance with Order No. 11202709871 issued by the FSC.

The Company appropriated special reserves in accordance with Order No. 1090150022 issued by the FSC and the Q&As on "Question and Answer for Special Reserves Appropriated Following Adoption of IFRS Accounting Standards".

The Company appropriated and reversal special reserves in accordance with Order No. 10510001510 and No. 10802714560 issued by the FSC for the development of financial technology and protection of the bank employees' rights.

E. Other equity – unrealized gains and losses on financial assets at FVTOCI

	For the years ended December 31,	
	2025	2024
Balance at January 1	$(2,390,904)	$(2,307,663)
Recognized during the year		
Unrealized gains and losses		
Debt instruments	3,816,496	1,663,559
Equity instruments	124,875	779,098
Income tax related to profit or loss of debt instruments	(301,893)	34,056
Share of subsidiaries and associates accounted for using equity method	(15)	500

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	For the years ended December 31,	
	2025	2024
Reclassification to profit or loss		
Disposal of investments in debt instruments	(1,268,261)	(1,830,455)
Other comprehensive loss recognized during the year	2,371,202	646,758
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	413,677	(729,999)
Balance at December 31	$393,975	$(2,390,904)

(22) Net interest income

	For the years ended December 31,	
	2025	2024
Interest income		
Loans	$54,828,415	$51,978,923
Investment in marketable securities	18,836,510	18,930,063
Revolving interest of credit cards	1,592,684	1,476,625
Others	4,305,395	5,981,592
Subtotal	79,563,004	78,367,203
Interest expense		
Deposits	(41,342,095)	(43,354,266)
Structured products	(2,996,722)	(3,598,962)
Others	(2,518,130)	(3,330,111)
Subtotal	(46,856,947)	(50,283,339)
Net interest income	$32,706,057	$28,083,864

(23) Net service fee and commission income

	For the years ended December 31,	
	2025	2024
Service fee and commission income		
Interbank	$1,168,941	$1,161,427
Loan and guarantee fee	803,980	661,622
Trustee business and trustee affiliated business	3,987,282	3,645,921
Insurance commission	7,552,594	6,230,145
Credit cards	7,835,458	6,775,125
Others	2,000,988	1,803,913
Subtotal	23,349,243	20,278,153
Service fee and commission expenses		
Credit cards	(3,909,168)	(3,431,397)
Marketing	(968,220)	(900,474)
Interbank	(416,382)	(393,158)
Others	(1,147,447)	(1,130,128)
Subtotal	(6,441,217)	(5,855,157)
Net service fee and commission income	$16,908,026	$14,422,996

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(24) Gains (loss) on financial assets and liabilities measured at FVTPL

	For the years ended December 31,	
	2025	2024
Disposal gains (losses)		
Stocks and beneficiary certificates	$1,034,527	$1,885,641
Bills	125,665	163,750
Bonds	817,970	672,180
Derivative financial instruments	4,708,507	(439,259)
Subtotal	6,686,669	2,282,312
Valuation gains (losses)		
Stocks and beneficiary certificates	(1,522,276)	1,426,888
Bills	(30,838)	2,008
Bonds	92,465	391,805
Derivative financial instruments	(1,235,248)	158,165
Subtotal	(2,695,897)	1,978,866
Interest income	1,281,054	1,081,546
Dividend income	151,532	241,965
Interest expense	(200,541)	(197,283)
Total	$5,222,817	$5,387,406

(25) Realized gains and losses on financial assets measured at FVTOCI

	For the years ended December 31,	
	2025	2024
Disposal gains (losses)		
Bonds	$1,271,909	$1,834,636
Beneficiary certificates	(3,648)	(4,181)
Subtotal	1,268,261	1,830,455
Dividend income		
Related to investments held at the end of the year	354,569	163,675
Related to investments derecognized at the end of the year	303,745	183,377
Subtotal	658,314	347,052
Total	$1,926,575	$2,177,507

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(26) Leases

A. Right-of-use asset, net

The Company leases buildings for branch operation and office spaces, with lease periods ranging from 1 to 15 years.

	December 31, 2025	December 31, 2024
Carrying amount		
Buildings	$2,431,938	$2,206,949

	For the years ended December 31,	
	2025	2024
Additions	$970,734	$824,837
Depreciation charge for right-of-use assets		
Buildings	$735,489	$734,891

Except for the aforementioned addition and recognized depreciation, the Company did not have significant sublease or impairment of right-of-use assets for the years ended December 31, 2025 and 2024.

B. Lease liabilities

	December 31, 2025	December 31, 2024
Carrying amount	$2,514,398	$2,292,804

	For the years ended December 31,	
	2025	2024
Interest expense (Other interest expense)	$26,885	$22,261

C. Other lease information

	For the years ended December 31,	
	2025	2024
Expenses relating to short-term leases	$6,051	$2,183
Total cash outflow for leases	$771,371	$791,074

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Certain lease contracts of the Company qualify as short-term leases and low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

All lease commitments with lease terms commencing after the parent company only balance sheet dates were as follows:

	December 31, 2025	December 31, 2024
Lease commitments	$18,150	$40,800

(27) Employee benefits expense

	For the years ended December 31,	
	2025	2024
Short-term employee benefits	$16,389,233	$14,978,819
Retirement pension expense	525,558	509,703
Share-based payment – cash-settled	101,510	42,776
Other	128,631	124,586
Total	$17,144,932	$15,655,884

A. Employee remuneration

In compliance with the Articles, the Company accrued employees' compensation at a rate of 0.01% of net profit before income tax. The employee's compensation for the years ended December 31, 2025 and 2024 were $2,596 thousand and $2,207 thousand, respectively.

If there is a change in the amounts after the annual parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate and will make adjustments next year.

The Company held board of directors' meetings on February 13, 2025 and February 15, 2024 in which it resolved the appropriations of employees' compensation. There is no difference between the actual amounts of compensation of employees and supervisors paid and the amounts recognized in the parent company only financial statements for the years ended December 31, 2024 and 2023.

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

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. Cash-settled share-based payments

The Company issued share appreciation rights (SARs) to employees that required the Company's parent company TS Financial Holding to pay the intrinsic value of SARs to the qualified people. Provision for the expense recognized by the Company for the years ended December 31, 2025 and 2024 were $101,510 thousand and $42,776 thousand, respectively. The related liabilities, recognized as of December 31, 2025 and 2024 were $145,398 thousand and $93,949 thousand, respectively.

(28) Depreciation and Amortization Expense

	For the years ended December 31,	
	2025	2024
Property and equipment	$976,289	$1,057,477
Right-of-use assets	735,489	734,891
Intangible assets	545,543	513,759
Total	$2,257,321	$2,306,127

(29) Income Tax

The governments of Japan, Australia, and Vietnam, where the Company is registered, enacted the Pillar Two income tax legislation, effective January 1, 2024. There was no related current income tax impact on the Company. The Company is continuously assessing the possible impact of the Pillar Two income tax legislation on its future financial performance.

A. Income tax recognized in profit or loss

The major components of tax expense (profit) were as follows:

	For the years ended December 31,	
	2025	2024
Current income tax		
In respect of the current year	$5,368,459	$2,431,540
Adjustments for prior years	123,948	(145,659)
Offshore income tax expense	108,020	101,735
Deferred income tax		
In respect of the current year	(1,019,987)	1,180,680
Adjustments for prior years	(141)	267
Income tax expense recognized in profit or loss	$4,580,299	$3,568,563

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Reconciliation of profit before income tax and income tax was as follows:

	For the years ended December 31,	
	2025	2024
Income before income tax attributable to owner of parent	$25,961,098	$22,066,184
Income tax expense calculated at the statutory rate	$5,192,220	$4,413,237
Tax impact of adjustments		
Nondeductible expenses in determining taxable income	1,203	2,190
Tax-exempt income	(1,364,165)	(487,204)
Temporary differences	521,395	(316,003)
Offshore income tax expense	108,020	101,735
Adjustments to prior years' tax	123,807	(145,392)
Others	(2,181)	-
Income tax expense (benefit) recognized in profit or loss	$4,580,299	$3,568,563

B. Income tax recognized in other comprehensive income

	For the years ended December 31,	
	2025	2024
Deferred tax expense (income)		
In respect of the current year		
Fair value changes in financial assets measured at FVTOCI	$301,893	$(34,056)
Remeasurement of the defined benefit plans	3,966	67,754
Total income tax recognized in other comprehensive income	$305,859	$33,698

C. Current income tax liabilities

	December 31, 2025	December 31, 2024
Current tax liabilities		
Income tax payable	$4,016,562	$730,674

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

D. Deferred tax assets and liabilities

Movements in deferred tax assets and liabilities were as follows:

For the year ended December 31, 2025

Item	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Deferred Tax Assets				
Allowance for bad debts in excess of tax limit	$1,106,624	$(3,131)	$-	$1,103,493
Reserve for guarantee liabilities in excess of tax limit	7,963	(1,053)	-	6,910
Linked debt settlement compensation	15,594	-	-	15,594
Credit card bonus points liabilities	266,650	52,899	-	319,549
Unfunded pension liabilities	158,390	(3,702)	(3,966)	150,722
Unrealized gains or losses on financial instruments	-	321,030	-	321,030
Compensation of dispute	683	-	-	683
Unrealized gains or losses on financial assets at FVTOCI	368,410	-	(301,893)	66,517
Loss Carryforward	-	487,697	-	487,697
Others	19,891	(6,630)	-	13,261
Total	$1,944,205	$847,110	$(305,859)	$2,485,456
Deferred Tax Liabilities				
Land value increment tax	$(53,552)	$-	$-	$(53,552)
Property and equipment depreciation	(5,135)	210	-	(4,925)
Unrealized gains or losses on financial instruments	(616,902)	616,902	-	-
Unrealized exchange gains and losses	-	(470,164)	-	(470,164)
Others	(44,843)	26,070	-	(18,773)
Total	$(720,432)	$173,018	$-	$(547,414)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

For the year ended December 31, 2024

Item	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Ending Balance
Deferred Tax Assets				
Allowance for bad debts in excess of tax limit	$1,099,532	$7,092	$-	$1,106,624
Reserve for guarantee liabilities in excess of tax limit	7,225	738	-	7,963
Linked debt settlement compensation	15,594	-	-	15,594
Credit card bonus points liabilities	121,121	145,529	-	266,650
Unfunded pension liabilities	228,543	(2,399)	(67,754)	158,390
Unrealized gains or losses on financial instruments	663,207	(663,207)	-	-
Compensation of dispute	683	-	-	683
Unrealized gains or losses on financial assets at FVTOCI	334,354	-	34,056	368,410
Others	26,521	(6,630)	-	19,891
Total	$2,496,780	$(518,877)	$(33,698)	$1,944,205
Deferred Tax Liabilities				
Land value increment tax	$(53,552)	$-	$-	$(53,552)
Property and equipment depreciation	(4,810)	(325)	-	(5,135)
Unrealized gains or losses on financial instruments	-	(616,902)	-	(616,902)
Others	-	(44,843)	-	(44,843)
Total	$(58,362)	$(662,070)	$-	$(720,432)

E. The estimated payables to TS Financial Holding due to the adoption of the linked-tax system were as follows:

	December 31, 2025	December 31, 2024
Payable consolidated tax payment to parent company (recognized as current income tax liabilities)	$4,016,562	$730,674

F. Tax assessment status:

The Company’s income tax returns through 2019 have been assessed by the tax authorities.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(30) Earnings per share

Unit: $ per share

	For the years ended December 31,	
	2025	2024
Basic earnings per share	$1.74	$1.53
Diluted earnings per share	$1.74	$1.53

When calculating earnings per share (EPS), the impact of the bonus shares issued without consideration has been retrospectively adjusted. The record date for these bonus shares was set on June 11, 2025. Due to the retrospective adjustment, the basic and diluted EPS for 2024 are as follows:

Unit: $ per share

	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earnings per share	$1.90	$1.53
Diluted earnings per share	$1.90	$1.53

Net Income

	For the years ended December 31,	
	2025	2024
Earnings attributable to owner of parent used in computation of basic earnings per share	$21,380,799	$18,497,621
Earnings attributable to owner of parent used in computation of diluted earnings per share	$21,380,799	$18,497,621

Number of Shares

Unit: Thousand Shares

	For the years ended December 31,	
	2025	2024
Weighted average number of ordinary shares used in computation of basic earnings per share	12,299,165	12,110,074
Effect of dilutive potential ordinary shares:		
Employees’ compensation	161	118
Weighted average number of ordinary shares used in computation of dilutive earnings per share	12,299,326	12,110,192

Since the Company offered to settle compensation or bonuses paid to employees in cash or shares, the Company assumed the entire amount of the compensation or bonuses would be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is 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.

7. Related Party Transactions

(1) Names of Related Parties and Their Relationships

Related Party Name	Relationship with the Company
TS Financial Holding	Parent Company
Taishin D.A. Finance	Subsidiary
Taishin Real-Estate	Subsidiary
Taishin Financial Leasing (China)	Second-Tier Subsidiary
An Hsin Construction Manager Corp. (“An Hsin Construction Manager”)	Associated Company
Taishin Venture Capital Investment Co., Ltd. (“Taishin Venture Capital Investment”)	Other Related Parties
Taishin Asset Management Co., Ltd. (“Taishin AMC”)	Other Related Parties
Taishin Securities Co., Ltd. (“Taishin Securities”)	Other Related Parties
Taishin Securities Investment Trust Co., Ltd. (“Taishin Securities Investment Trust”)	Other Related Parties
Taishin Securities Venture Capital Co., Ltd. (“Taishin Securities Venture Capital”)	Other Related Parties
Taishin Securities Investment Advisory Co., Ltd. (“Taishin Securities Investment Advisory”)	Other Related Parties
Taishin Capital Co., Ltd. (“Taishin Capital”)	Other Related Parties
Taishin Futures Co., Ltd. (“Taishin Futures”)	Other Related Parties
Taishin Health Investment Co., Ltd. (“Taishin Health Investment”)	Other Related Parties
Taishin Life Insurance Co., Ltd. (“Taishin Life Insurance”)	Other Related Parties
Taishin Sports Entertainment Co., Ltd. (“Taishin Sports Entertainment”)	Other Related Parties
Shin Kong Life Insurance Co., Ltd. (“Shin Kong Life Insurance”)	Other Related Parties

Related Party Name	Relationship with the Company
Shin Kong Synthetic Fibers Co., Ltd. (“Shin Kong Synthetic Fibers”)	Other Related Parties
Dah Chung Bills Finance Corp. (“Dah Chung Bills”)	Other Related Parties
CyberSoft Digital Service Corp. (“CyberSoft Digital Service”)	Other Related Parties
Shin Kong Mitsukoshi Department Store Co., Ltd. (“Shin Kong Mitsukoshi”)	Other Related Parties
Shin Kong Insurance Co., Ltd. (“Shin Kong Insurance”)	Other Related Parties
Yuanta Commercial Bank Co., Ltd. (“Yuanta Bank”)	Other Related Parties (ceased to be related parties since June 1, 2025)
Tasco Chemical Corp. (“Tasco Chemical”)	Other Related Parties
Taiwan Fieldrich Corp. (“Taiwan Fieldrich”)	Other Related Parties
Chin Wei Corp. (“Chin Wei”)	Other Related Parties
Yi Huan Co., Ltd. (“Yi Huan”)	Other Related Parties
Xiang Zhao Investment Co., Ltd. (“Xiang Zhao”)	Other Related Parties
Excel Chemical Corp. (“Excel Chemical”)	Other Related Parties
MasterLink Securities Corp. (“MasterLink Securities”)	Other Related Parties
Yun Teh Corporation (“Yun Teh”)	Other Related Parties
Chang Her Industrial Corp. (“Chang Her”)	Other Related Parties
Hung Shin Enterprise Co., Ltd. (“Hung Shin”)	Other Related Parties
Ezconn Corporation (“Ezconn”)	Other Related Parties
Sercomm Corporation (“Sercomm”)	Other Related Parties (ceased to be related parties since June 27, 2025)
Diamond Biofund Inc. (“Diamond Biofund”)	Other Related Parties
Taipei Exchange (“TPEx”)	Other Related Parties (ceased to be related parties since January 20, 2025)
Bor Sy Industrial Corp. (“Bor Sy”)	Other Related Parties
Delin Industrial Corp., Ltd. (“Delin Industrial”)	Other Related Parties
AcBel Polytech Inc. (“AcBel Polytech”)	Other Related Parties
Shin Kong Commercial Bank Co., Ltd. (“Shin Kong Bank”)	Other Related Parties
Realtek Semiconductor Corp. (“Realtek”)	Other Related Parties
Payeasy Digital Integration Co., Ltd. (“Payeasy”)	Other Related Parties

Related Party Name	Relationship with the Company
Scinopharm Taiwan, Ltd. (“Scinopharm”)	Other Related Parties
Acer Incorporated (“Acer”)	Other Related Parties
Taishin Bank Foundation for Art and Culture	Other Related Parties
Taishin Charity Foundation	Other Related Parties
Waibel Enterprise Inc. (“Waibel”)	Other Related Parties
Jaw Heng Co., Ltd. (“Jaw Heng”)	Other Related Parties
Everbright Biofund	Other Related Parties
National Defense Industrial Development Foundation	Other Related Parties
Wowprime Corporation (“Wowprime”)	Other Related Parties
Nuvoton Technology Corporation (“Nuvoton Technology”)	Other Related Parties
Dongxing Investment Co., Ltd. (“Dongxing Investment”)	Other Related Parties
MasterLink Futures Corporation (“MasterLink Futures”)	Other Related Parties
The Ambassador Hotel Co., Ltd. (“The Ambassador Hotel”)	Other Related Parties
Yi Cheng Co., Ltd. (“Yi Cheng”)	Other Related Parties
Grand Bills Finance Corporation (“Grand Bills Finance”)	Other Related Parties
Taichung Bank Leasing Corporation Limited (“Taichung Bank Leasing”)	Other Related Parties
Jingji Investment Co., Ltd. (“Jingji Investment”)	Other Related Parties
Kuan Yueh Technology Engineering (“Kuan Yueh Technology Engineering”)	Other Related Parties
Nan Shan Life Insurance Company, Ltd. (“Nan Shan Life”)	Other Related Parties
HannStar Display Corporation (“HannStar”)	Other Related Parties
Rakuya International Info. Co., Ltd. (“Rakuya Inc.”)	Other Related Parties
Jing Ying Investment Co., Ltd. (“Jing Ying Investment”)	Other Related Parties
Taiwan Security Co., Ltd. (“Taiwan Security”)	Other Related Parties
Employee Welfare Committee of Shin Kong Life Insurance (“SKL Employee Welfare Committee”)	Other Related Parties
Individual A	Spouse of Key Management Personnel
Individual B	Key Management Personnel
Others	Includes Key Management Personnel and Other Related Parties

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(2) Significant transactions with related parties

Details of material transactions between the Company and other related parties are disclosed as follows:

A. Loans, deposits and guaranteed loans

Loans

	Ending Balance	Percentage of Loans (%)
December 31, 2025	$5,285,068	0.29%
December 31, 2024	2,283,735	0.14%

For the years ended December 31, 2025 and 2024, the amounts of interest income were $99,641 thousand and $61,243 thousand, respectively. Interest rates ranged from 1.51% to 13.99% and from1.43% to 15.13%, respectively.

	For the year ended December 31, 2025					
	Ending Balance	Highest Balance During Period	Normal Loans	Non-performing Loans	Collateral	Different Terms from Non-related Parties
Consumer Loans						
173 accounts	$781,345	$902,377	$781,345	$-	Land, buildings and chattels	None
Residential Mortgage Loans						
167 accounts	1,209,336	1,350,339	1,209,336	-	Land and buildings	None
Other Loans						
Realtek	2,000,000	5,500,000	2,000,000	-	-	None
Taichung Bank Leasing	302,769	2,303,231	302,769	-	Securities- notes receivable (checks)	None
AcBel Polytech	206,700	1,406,700	206,700	-	-	None
Jingji investment	150,000	630,000	150,000	-	-	None
Kuan Yueh Technology Engineering	176,198	321,626	176,198	-	-	None
Others	458,720	17,840,806	458,720	-	Land, buildings, securities-certificates of deposit, and guarantees	None
Total	$5,285,068		$5,285,068	$-		

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	For the year ended December 31, 2024					
	Ending Balance	Highest Balance During Period	Normal Loans	Non-performing Loans	Collateral	Different Terms from Non-related Parties
Consumer Loans						
134 accounts	$590,138	$697,867	$590,138	$-	Land, buildings and chattels	None
Residential Mortgage Loans						
153 accounts	1,031,937	1,239,128	1,031,937	-	Land and buildings	None
Other Loans						
AcBel Polytech	500,000	1,800,000	500,000	-	-	None
Others	161,660	6,444,313	161,660	-	Land, buildings, securities-certificates of deposit, securities-stocks and guarantees	None
Total	$2,283,735		$2,283,735	$-		

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

Deposits

	Ending Balance	Percentage of Deposits (%)
December 31, 2025	$72,394,885	2.91%
December 31, 2024	47,236,660	2.01%

For the years ended December 31, 2025 and 2024, the amounts of interest expenses were $784,665 thousand and $640,511 thousand, respectively. Interest rates ranged from 0.00% to 9.00% and from 0.00% to 8.00%, respectively.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	December 31, 2025		
	Ending Balance	Interest Rate (Per Annum %)	Interest Expense
TS Financial Holding	$21,457,347	0.00~1.76	$(369,144)
Nan Shan Life	15,278,552	0.00~4.07	(7,000)
Taishin Life Insurance	8,367,556	0.00~2.20	(37,697)
Ezconn	3,596,214	0.00~4.76	(23,496)
Taishin Securities	2,664,009	0.00~2.00	(19,906)
Shin Kong Mitsukoshi	2,288,548	0.00~1.74	(56,779)
Diamond Biofund	1,226,372	0.01~1.71	(23,059)
National Defense Industrial Development Foundation	1,122,191	0.66~1.72	(14,411)
Taishin Futures	1,089,026	0.00~4.83	(9,069)
Dongxing Investment	715,191	0.00~0.80	(6)
Everbright Biofund	681,972	0.01~1.72	(10,896)
Tasco Chemical	627,211	0.01~1.63	(2,768)
Wowprime	573,404	0.66~1.69	(4,278)
Payeasy	523,273	0.00~1.69	(3,364)
Shin Kong Insurance	502,809	0.00~1.65	(3,254)
Dah Chung Bills	418,350	0.00~1.72	(4,995)
Taishin Securities Investment Trust	411,484	0.00~2.00	(3,779)
Excel Chemical	405,147	0.01~1.65	(1,224)
Taishin Securities Investment Advisory	330,940	0.66~5.20	(7,433)
SKL Employee Welfare Committee	317,148	0.73~0.73	(768)
Nuvoton Technology	300,308	0.01~4.45	(11,057)
Shin Kong Synthetic Fibers	222,236	0.00~0.80	(717)
Taishin D.A. Finance	215,034	0.00~1.64	(938)
HannStar	200,956	0.00~1.58	(180)
MasterLink Futures	179,751	0.66~1.64	(1,250)
Taiwan Fieldrich	156,613	0.01~4.32	(5,972)
Rakuya Inc.	153,739	0.66~1.69	(2,291)
The Ambassador Hotel	135,057	0.00~1.66	(881)
Hung Shin	123,364	0.01~0.01	(4)
Jing Ying Investment	121,432	0.01~1.60	(278)
Taiwan Security	120,423	0.00~0.66	(1,637)
Individual A	119,858	0.01~0.80	(1,264)
Delin Industrial	112,007	0.00~4.15	(1,632)
Shin Kong Life Insurance	101,159	0.03~4.00	(1,908)
Others	7,536,204		(151,330)
Total	$72,394,885		$(784,665)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	December 31, 2024		
	Ending Balance	Interest Rate (Per Annum %)	Interest Expense
TS Financial Holding	$21,314,190	0.00~1.75	$(296,674)
Shin Kong Mitsukoshi	6,611,911	0.00~1.74	(26,496)
Taishin Life Insurance	2,774,649	0.00~2.20	(21,862)
Taishin Securities	2,194,077	0.00~2.20	(18,581)
TPEx	1,963,000	0.43~1.67	(19,376)
Diamond Biofund	1,600,314	0.01~1.71	(4,241)
Ezconn	953,787	0.00~5.50	(12,766)
Taishin Futures	642,222	0.00~5.53	(10,471)
Tasco Chemical	622,590	0.01~1.15	(884)
Sercomm	523,168	0.50~1.65	(16,066)
Dah Chung Bills	418,788	0.00~1.66	(4,675)
Excel Chemical	404,270	0.01~0.66	(20)
Payeasy	355,123	0.00~1.69	(1,832)
Taishin Securities Investment Advisory	325,298	0.53~5.35	(8,163)
Taishin Securities Investment Trust	318,598	0.00~2.20	(2,140)
Shin Kong Synthetic Fibers	200,795	0.00~1.15	(1,805)
Taiwan Fieldrich	155,998	0.01~5.37	(6,830)
Delin Industrial	144,468	0.00~5.35	(2,106)
Shin Kong Life Insurance	142,058	0.05~1.15	(2,921)
Individual A	111,812	0.01~1.15	(1,297)
Waibel	102,564	0.00~0.66	(564)
Scinopharm	100,024	0.00~1.62	(556)
Others	5,256,956		(180,185)
Total	$47,236,660		$(640,511)

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

B. Call loan to banks and call loan from banks

	December 31, 2025			
	Item	Ending Balance	Interest Rate (Per Annum %)	2025 Interest Revenue (Expense)
Yuanta Bank	Call loan to banks	$-	4.34~4.39	$1,283

	December 31, 2024			
	Item	Ending Balance	Interest Rate (Per Annum %)	2024 Interest Revenue (Expense)
Dah Chung Bills	Call loan to banks	$-	1.60~1.63	$1,082
Yuanta Bank	Call loan to banks	-	4.59~5.38	996
Yuanta Bank	Call loan from banks	-	1.05~5.40	(893)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

C. Trading securities

	December 31, 2025					
	Purchase Price (Accumulated Amount)	Sales Price (Accumulated Amount)	Repurchase Agreements		Resell Agreements	
			Ending Balance	Interest Rate (Per Annum %)	Ending Balance	Interest Rate (Per Annum %)
MasterLink Securities	$9,867,293	$-	$-	-	$-	-
Dah Chung Bills	149,887	-	-	-	1,214,049	1.46~1.65
Grand Bills Finance	50,264	-	-	-	-	-
Yuanta Bank	-	499,624	-	-	-	-
Chin Wei	-	-	15,235	0.94~1.08	-	-
Yi Huan	-	-	10,080	0.94~1.04	-	-
Xiang Zhao	-	-	12,030	0.94~1.02	-	-
Chang Her	-	-	65,090	0.90~1.08	-	-
Yun Teh	-	-	60,082	0.90~1.06	-	-
Yi Cheng	-	-	200,171	0.94~1.08	-	-
Jaw Heng	-	-	230,175	0.94~1.08	-	-
Individual B	-	-	100,082	0.90~1.08	-	-
Total	$10,067,444	$499,624	$692,945		$1,214,049	

	December 31, 2024					
	Purchase Price (Accumulated Amount)	Sales Price (Accumulated Amount)	Repurchase Agreements		Resell Agreements	
			Ending Balance	Interest Rate (Per Annum %)	Ending Balance	Interest Rate (Per Annum %)
MasterLink Securities	$5,175,210	$102,842	$-	-	$-	-
TS Financial Holding	-	-	550,000	0.95~1.20	-	-
Dah Chung Bills	-	200,000	-	-	-	-
Yuanta Bank	-	899,644	-	-	-	-
Shin Kong Bank	-	50,832	-	-	-	-
Chin Wei	-	-	15,012	0.97~1.20	-	-
Yun Teh	-	-	115,018	1.00~1.10	-	-
Chang Her	-	-	160,018	0.97~1.16	-	-
Bor Sy	-	-	15,064	1.04~1.12	-	-
Jaw Heng	-	-	125,116	1.06~1.10	-	-
Individual B	-	-	45,068	0.95~1.20	-	-
Total	$5,175,210	$1,253,318	$1,025,296		$-	

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

D. Derivatives

	December 31, 2025					
Related Parties	Contracts	Period	Notional Amount	2025 Valuation Gain (Loss)	Balance Sheet Balances: Account	Balance Sheet Balances: Balance
Acer	Forward exchange contracts	2024.8.5~ 2025.2.27	$350,904	$(21,223)	Financial liabilities at FVTPL	$-

	December 31, 2024					
Related Parties	Contracts	Period	Notional Amount	2024 Valuation Gain (Loss)	Balance Sheet Balances: Account	Balance Sheet Balances: Balance
Acer	Forward exchange contracts	2023.7.13~ 2025.2.27	$4,870,048	$(58,017)	Financial liabilities at FVTPL	$(21,185)
	Currency swaps	2023.12.27~ 2024.9.30	12,668,000	(149)	Financial liabilities at FVTPL	-

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

E. Liability contracts with related parties

	Item	December 31, 2025	December 31, 2024
Taishin Life Insurance	Accounts receivables	$392,086	$202,611

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

F. Lease Agreements

For the years ended December 31, 2025 and 2024, the Company leased real estate from Taishin Life Insurance for use as office premises, resulting in an increase in right-of-use assets in the amount of $160,440 thousand and $174,368 thousand respectively.

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

G. Donation expense

Related Parties	For the years ended December 31, 2025	2024
Taishin Sports Entertainment	$120,000	$110,000
Taishin Bank Foundation for Art and Culture	30,000	30,000
Taishin Charity Foundation	18,000	18,000
Total	$168,000	$158,000

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Donation expense is used to boost development of the sports industry, promote Taiwan's contemporary arts and implement charity programs, meeting corporate social responsibility.

H. Other material transactions

	For the years ended December 31,			
	2025		2024	
	Item	Amount	Item	Amount
CyberSoft Digital Service	Operating expenses	$(69,981)	Operating expenses	$(156,196)
Shin Kong Mitsukoshi	Service charge and operating expenses	(343,415)	Service charge and operating expenses	(377,070)
Shin Kong Mitsukoshi	Fee income	317,695	Fee income	363,128
Shin Kong Life Insurance	Commission income	330,790	Commission income	34,303
Taishin Life Insurance	Commission income	3,950,924	Commission income	3,512,051
Taishin Securities	Fee income	91,726	Fee income	171,476

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

I. The Company leases houses and buildings to subsidiaries and other related parties through operating leases. The monthly rentals, which had been paid by the lessees, were based on rentals for buildings near the Bank. The rental income for the years ended December 31, 2025 and 2024 were $83,904 thousand and $67,237 thousand, respectively.

(3) Remuneration of key management personnel

For the years ended December 31, 2025 and 2024, the remuneration of directors and other members of key management personnel were as follows:

	For the years ended December 31,	
	2025	2024
Short-term employee benefits	$514,626	$453,656
Post-employment benefits	4,200	5,242
Termination benefit	-	1,901
Share-based payments	31,799	13,295
Total	$550,625	$474,094

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

8. Assets Pledged as Collateral

The following assets were provided as collateral for overdrafts from Central Bank and other banks, derivative trading, repurchase agreements and other operating deposits:

Pledged Assets	Description	December 31, 2025	December 31, 2024
Investments in debt instruments at FVTOCI	Bonds	$280,599	$178,775
Investments in debt instruments at amortized cost	Securities and bonds	15,682,132	16,441,538
Refundable deposits	Cash and certificates of time deposits	23,477,561	20,219,517
Operating guarantee deposits and settlement funds	Cash and certificates of time deposits	57,324	51,030
Total		$39,497,616	$36,890,860

9. Significant Contingencies and Unrecognized Contractual Commitments

In addition to those mentioned in other notes, the Company has items as follows:

	December 31, 2025	December 31, 2024
Trust Liabilities	$1,169,092,754	$1,024,897,117
Securities custody payable	116,216,244	102,171,775
Bills for collection	11,926,108	13,071,407
Securities consignments	6,900,000	7,619,850
Depository for short-term bills under management	14,261,200	19,345,200
Entrusted investment funds	22,678,553	22,136,040
Unpaid engineering, equipment, and software	2,363,659	1,116,042

As of December 31, 2025, the Company has signed investment contracts with a total committed investment amount not yet invested of NT$343,186 thousand.

10. Significant Disaster Losses

None.

11. Significant Subsequent Events

The Company's subsidiary, Taishin D.A. Finance, conducted a cash capital increase to meet the group's leasing business consolidation needs. The capital increase record date was set on January 8, 2026. It issued 37,500 thousand new common shares at an issue price of $16 per share, totaling $600,000 thousand. The Company fully subscribed to this issuance, and after the subscription, the Company holds 378,515 thousand shares of Taishin D.A. Finance, maintaining a full ownership.

12. Others

(1) Information on Fair Value of Financial Instruments

A. Summary

Fair value is the exchange price in an orderly transaction between market participants and is the amount to be received on the sale of an assets or the amount to be paid on the transfer of a liability.

Financial instruments are initially measured at fair value. In many cases, the transaction price will equal the fair value. Subsequently, the financial instruments are measured at fair value, unless the financial assets meet the criteria for being measured at amortized cost. A quoted price in an active market provides the most reliable evidence of fair value. If financial instruments have no quoted prices in an active market, the Company will use valuation techniques or refer to Bloomberg or Reuters' quotes or the fair value quoted by the counterparty.

B. The definition of three levels of fair value

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities available at the measurement date.
Level 2: Inputs other than quoted prices included in Level 1 that are observable directly or indirectly for the asset or liability.
Level 3: Unobservable inputs for the asset or liability.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

C. Financial instruments measured at fair value

(a) Information on fair value measurement hierarchy

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2025:

	Level 1	Level 2	Level 3	Total
Assets:				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Stocks and beneficiary certificates	$7,527,201	$-	$723,334	$8,250,535
Bonds	5,717,868	27,350,793	-	33,068,661
Bills	-	66,477,473	-	66,477,473
Derivatives	10,242	28,168,761	7,899,812	36,078,815
Financial assets at FVTOCI				
Stocks	7,607,999	-	3,004,000	10,611,999
Bonds	8,030,548	151,087,400	-	159,117,948
Beneficiary certificates	-	866,571	-	866,571
Liabilities:				
Financial liabilities at FVTPL				
Derivatives	320,750	30,231,438	8,582,446	39,134,634
Financial liabilities designated as at FVTPL				
Bonds	-	2,337,743	-	2,337,743

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

December 31, 2024:

	Level1	Level2	Level3	Total
Assets:				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Stocks and beneficiary certificates	$5,983,123	$-	$684,791	$6,667,914
Bonds	5,914,743	12,739,319	-	18,654,062
Bills	-	54,599,251	-	54,599,251
Derivatives	132,778	38,286,774	11,442,861	49,862,413
Financial assets at FVTOCI				
Stocks	1,158,769	-	2,368,089	3,526,858
Bonds	2,882,774	146,247,418	-	149,130,192
Beneficiary certificates	-	955,554	-	955,554
Liabilities:				
Financial liabilities at FVTPL				
Financial liabilities held for trading				
Derivatives	72,714	34,666,928	12,223,482	46,963,124
Stocks	354,382	-	-	354,382
Financial liabilities designated as at FVTPL				
Bonds	-	2,422,399	-	2,422,399

(b) Valuation techniques based on fair value

Financial instruments are initially measured at fair value. In many cases the transaction price will equal the fair value. Subsequently, the financial instruments are measured at fair value, unless the financial assets meet the criteria for being measured at amortized cost. A quoted price in an active market provides the most reliable evidence of fair value. If financial instruments have no quoted prices in an active market, the Company will use valuation techniques or refer to Bloomberg or Reuters' quotes or the fair value quoted by the counterparty.

If there is an active market and a price for a financial instrument quoted in that market, the quoted price will be the fair value of the financial instrument. Market prices provided by major stock exchanges and market prices of popular central government bonds announced by the Taipei Exchange (formerly the GreTai Securities Market) are considered to be the basis of fair values for equity instruments and debt instruments with active market.

If quoted prices for financial instruments can be obtained timely and regularly from exchanges, brokers, underwriters, pricing service providers, or regulatory authorities, and those prices represent actual and frequent fair market transactions, then the financial instrument is considered to have an active market quotation. If these conditions are not met, the market is considered inactive. Generally, a large bid-ask spread, a significant increase in bid-ask spread, or low trading volume are indicators of an inactive market.

The Company's financial instruments with active markets and the basis of their fair values are described as follows:

i. Foreign currency products: Since the foreign exchange market is very active, the Company adopts the market prices of each respective currency or the last trading prices as fair values.

ii. Government bonds and part of interest rate derivatives

a. New Taiwan Dollar Central Government Bonds: If there is a trading price on the measurement date, then the last trading price is the fair value. If there is no trading price for reference and the subordinated bond fair price provided by the Taipei Exchange is not in the market quoted price interval, then the median price of the market quoted prices is the fair value. If the subordinated bond fair price is in the market quoted price interval, then the fair price is the fair value.

b. Interest rate derivatives: The quoted price from Reuters is the fair value.

iii. Share-related products: The Company adopts stock market quoted prices or the last trading prices as fair values.

iv. Credit-related products: The quoted price from Bloomberg is the fair value.

Except for the financial instruments with active market, fair values of other financial instruments are acquired based on valuation techniques or the quoted prices from counterparties. Fair values acquired through valuation techniques can be calculated using models based on fair values from financial instruments with similar conditions and characteristics, cash flow discount method and other valuation techniques, including accessible information on the parent company only balance sheet date such as the yield curve from the Taipei Exchange or the average quoted price from Reuters commercial papers interest rate.

When measuring financial instruments that are not standardized and with low complexity such as options without active market, the Company will adopt valuation techniques consistent with those generally used by other market participants to price financial instruments. Parameters applied for the valuation models for this type of financial instruments are observable in the market.

Regarding financial instruments with high complexity, the Company will adopt self-developed valuation techniques and methods consistent with those generally used by other market participants and valuation models to measure fair values. These types of valuation models are often applied to derivatives, embedded bond instrument or securitized products, etc. Part of input parameters for the valuation models of this type of financial instruments are not observable in the market. Therefore, the Company makes appropriate estimates based on assumptions.

Valuation of derivatives is based on valuation models consistent with those generally used by other market participants, such as the discount rate method or the option pricing models.

Valuation of investments in equity instruments is based on generally used valuation methods, which are consistent with those described in the Statements of Valuation Standards (SVS) No. 11 “Business Valuation”, such as the asset-based approach and the market approach (which is comparable to the market approach).

(c) Adjustments of fair values

i. Limits of valuation models and indeterminate input value

Valuation models generate estimated approximate values. That is, valuation techniques may not be able to reflect all the factors relevant to the performance of the Company’s financial instruments. Thus, the results generated by valuation models are adjusted appropriately by using additional parameters, such as determinants of fair value (prevailing economic conditions, financial condition of counterparties to financial instruments, etc.) or assumptions and forecasts (future economic conditions, amount and pricing of future cash flows, etc.). Based on the Company’s valuation basis manual and model management policies, the price information and parameters used in the valuation process are carefully assessed and appropriately adjusted in accordance with actual market conditions.

ii. Credit risk value adjustments

Credit risk value adjustments are mainly classified into credit value adjustments (CVA) and debit value adjustments (DVA) as follows:

The CVA is an adjustment to the valuation of derivative contracts made in decentralized market, which is the Over the counter (OTC) market, to reflect within fair value the possibility that the counterparty may default and that the Company may not receive the full market value of the transactions.

The DVA is an adjustment to the valuation of derivative contracts made in decentralized market, which is the OTC market, to reflect within fair value the possibility that the Company may default, and that the Company may not pay the full market value of the transactions.

The Company would calculate CVA by assessing probability of default (PD) and loss given default (LGD) of the counterparty before multiplying by exposure at default (EAD) of the counterparty. On the contrary, DVA is computed by applying probability of default of the Company and considering loss given default of the Company before being multiplied by exposure at default of the Company.

The Company manages PD through its regular internal rating review. After examining the experiences of foreign financial institutions, the Company adopted 60% as its LGD and chose the marking to market of OTC derivative instruments to determine EAD. In addition, in calculating the fair values of financial instruments, the Company took credit risk rating adjustments into consideration to reflect competitors' credit risk and the Company's credit quality, respectively.

(d) The transfer between Level 1 and Level 2

The source used to measure the fair value of part of bonds held by the Company has been changed from a quoted price in an active market to an evaluation price from yield curve information in the market put into the general practice bond evaluation model. Therefore, it has been reclassified to the Level 2 based on observable price information other than a quoted price in an active market. There were no bonds reclassified from the Level 1 to the Level 2 for the years ended December 31, 2025 and 2024, respectively.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(e) Reconciliation of recurring Level 3 fair value measurements

The reconciliation of changes in the Company's Level 3 financial assets measured at fair value is presented as follows:

For the year ended December 31, 2025

For the Year Ended December 31, 2025								
		Valuation Gains (Losses)		Increase		Decrease		
Item	Beginning Balance	In Net Income	In Other Comprehensive Income	Buy or Issue	Transfer in	Sell, Disposal or Delivery	Transfer out	Ending Balance
Financial assets at FVTPL	$12,127,652	$(3,405,459)	$-	$288,675	$-	$(387,722)	$-	$8,623,146
Financial assets at FVTOCI	2,368,089	-	(86,164)	722,075	-	-	-	3,004,000
Total	$14,495,741	$(3,405,459)	$(86,164)	$1,010,750	$-	$(387,722)	$-	$11,627,146

Note: No transfer from Level 3.

For the year ended December 31, 2024

For the Year Ended December 31, 2024								
		Valuation Gains (Losses)		Increase		Decrease		
Item	Beginning Balance	In Net Income	In Other Comprehensive Income	Buy or Issue	Transfer in	Sell, Disposal or Delivery	Transfer out	Ending Balance
Financial assets at FVTPL	$10,201,669	$2,927,605	$-	$209,022	$-	$(1,210,644)	$-	$12,127,652
Financial assets at FVTOCI	2,266,051	-	102,038	-	-	-	-	2,368,089
Total	$12,467,720	$2,927,605	$102,038	$209,022	$-	$(1,210,644)	$-	$14,495,741

Note: No transfer from Level 3.

Above-mentioned valuation gains (losses) recognized in current profits or losses in the amounts of $(3,305,684) thousand and $2,924,855 thousand were attributed to gains (losses) on assets owned for the years ended December 31, 2025 and 2024, respectively.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Above-mentioned valuation gains (losses) recognized in other comprehensive income in the amounts of $(86,164) thousand and $102,038 thousand were attributed to gains (losses) on assets owned for the years ended December 31, 2025 and 2024, respectively.

The reconciliation of changes in the Company's Level 3 financial liabilities measured at fair value is presented as follows:

For the year ended December 31, 2025

For the Year Ended December 31, 2025							
			Increase		Decrease		
Item	Beginning Balance	Valuation Gains (Losses)	Buy or Issue	Transfer in	Sell, Disposal or Delivery	Transfer out	Ending Balance
Financial liabilities at FVTPL	$12,223,482	$(3,437,926)	$178,531	$-	$(381,641)	$-	$8,582,446

Note: No transfer from Level 3.

For the Year Ended December 31, 2024

For the Year Ended December 31, 2024							
			Increase		Decrease		
Item	Beginning Balance	Valuation Gains (Losses)	Buy or Issue	Transfer in	Sell, Disposal or Delivery	Transfer out	Ending Balance
Financial liabilities at FVTPL	$9,908,523	$3,474,153	$87,850	$-	$(1,247,044)	$-	$12,223,482

Note: No transfer from Level 3.

Above-mentioned valuation gains (losses) recognized in current profits or losses in the amounts of $(3,338,152) thousand and $(3,479,992) thousand were attributed to gains (losses) on liabilities owned for the years ended December 31, 2025 and 2024, respectively.

(f) Quantitative information of the fair value measurement of significant unobservable inputs (Level 3)

Most of the Level 3 fair value attributed to the Company only have single significant unobservable input.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The quantitative information of significant unobservable inputs was as follows:

December 31, 2025

	Fair Value on December 31, 2025	Valuation Technique	Significant Unobservable Inputs	Range of Estimate	Relationship Between Inputs and Fair Value
Non-derivative financial instruments					
Financial assets at FVTPL					
Financial assets mandatorily classified as at FVTPL					
Stock investments	$723,334	Assets method	Discount for lack of marketability	10%-30%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	10%-30%	The higher the discount for non-controlling interests, the lower the fair value.
Financial assets at FVTOCI					
Stock investments	2,839,611	Assets method	Discount for lack of marketability	10%-30%	The higher the discount for lack of marketability, the lower the fair value.
	164,389	Market method	Discount for lack of marketability	10%-30%	The higher the discount for lack of marketability, the lower the fair value.
Derivative financial assets					
Financial assets at FVTPL					
Interest rate swaps	2,307	Cash flow discount method	Discount for lack of marketability	0%-20%	The higher the discount for lack of marketability, the lower the fair value.
Derivative financial liabilities					
Financial liabilities at FVTPL					
Interest rate swaps	620,050	Cash flow discount method	Discount for lack of marketability	0%-20%	The higher the discount for lack of marketability, the lower the fair value.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

December 31, 2024

	Fair Value on December 31, 2024	Valuation Technique	Significant Unobservable Inputs	Range of Estimate	Relationship Between Inputs and Fair Value
Non-derivative financial instruments					
Financial assets at FVTPL					
Financial assets mandatorily classified as at FVTPL					
Stock investments	$684,791	Assets method	Discount for lack of marketability	10%-30%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	10%-30%	The higher the discount for non-controlling interests, the lower the fair value.
Financial assets at FVTOCI					
Stock investments	2,230,355	Assets method	Discount for lack of marketability	10%-30%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	10%-30%	The higher the discount for non-controlling interests, the lower the fair value.
	137,734	Market method	Discount for lack of marketability	10%-30%	The higher the discount for lack of marketability, the lower the fair value.
Derivative financial assets					
Financial assets at FVTPL					
Interest rate swaps	6,730	Cash flow discount method	Discount for lack of marketability	0%-20%	The higher the discount for lack of marketability, the lower the fair value.
Derivative financial liabilities					
Financial liabilities at FVTPL					
Interest rate swaps	728,754	Cash flow discount method	Discount for lack of marketability	0%-20%	The higher the discount for lack of marketability, the lower the fair value.

(g) The assessment of fair value based on Level 3 inputs

The financial instruments assessment group of the Company's department of risk management is responsible for independently verifying fair value, using an impartial, reliable source of information, so that the evaluation results reflect market status closely, same with other resource and representing executable price calibrating the assessment model regularly, and updating input values, information and any other information needed to ensure that the assessment model results are reasonable.

The department of investment management targets in equity instruments which obtain financial information audited or reviewed recently from invested company and collect information acquired from public market or private market for the purpose of valuation in proper method.

The department of finance and the department of risk management set assessment policies and procedures for determining the fair values of financial instruments and ensure that these policies and procedures are in compliance with IFRS Accounting Standards.

D. Not measured at fair value

(a) Fair value information

The Company's assets that are not measured at fair value, such as cash and cash equivalents, due from the Central Bank and call loans to banks, securities purchased under resell agreements, receivables, other financial assets, loans, deposits from the Central Bank and other banks, due to the Central Bank and other banks, securities sold under repurchase agreements, payables, deposits and remittances, bank notes payable and other financial liabilities have carrying amounts that are equal to, or reasonably approximate, their fair values.

	December 31, 2025		December 31, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Investments in debt instruments at amortized cost	$545,986,048	$544,321,482	$584,676,328	$577,541,903

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(b) Information on fair value hierarchy

Assets and Liabilities	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in debt instruments at amortized cost	$12,146,320	$532,175,162	$-	$544,321,482

Assets and Liabilities	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in debt instruments at amortized cost	$10,495,112	$567,046,791	$-	$577,541,903

(c) Valuation techniques

i. Financial instruments such as cash and cash equivalents, due from the Central Bank and call loans to banks, securities purchased under resell agreements, receivables, other financial assets, deposits from the Central Bank and other banks, securities sold under repurchase agreements, payables, remittances and other financial liabilities, are disclosed at their carrying amounts as shown in the individual parent company only balance sheets since their maturities are very short or their future payments/receipts approximate their carrying amounts.

ii. Investments in debt instruments at amortized cost: Refer to Note 12. (6) for related information.

iii. Loans (including delinquent loans): The Company's loan interest rate is usually determined based on the prime rate plus or minus basis points (i.e., the floating rate), which reflects the market interest rate. The expected recovery of loans is taken into consideration. Therefore, loans are disclosed at their carrying amounts. Medium and long-term loans, which are determined at fixed rates and account for a minor proportion of loans, are disclosed at their carrying amounts.

iv. Deposits: Considering that most of the banking transactions are within one year of maturity, deposits are disclosed at their carrying amounts.

v. Bond payable: The bond payable issued by the Company are intended to enhance liquidity or for capital management purpose instead of earning short-term profits; therefore, the bond payable are disclosed at carrying amounts.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(2) Financial Assets and Financial Liabilities Offsetting

The Company signs net settlement contracts or similar agreements with counterparties. When both transaction parties choose to do netting, the Company can offset financial assets and financial liabilities after the signing of the net settlement agreement. If not, the Company would execute total settlement. However, if one of the transaction parties breaks a contract, the other party can choose to execute net settlement.

The following table shows the relevant information on the offsetting of the aforementioned financial assets and financial liabilities:

December 31, 2025						
Offset and Execution of Net Settlement or Similar Agreement on Financial Assets						
Interpretation	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Parent Company Only Balance Sheets (b)	Net Amounts of Financial Assets Presented in the Parent Company Only Balance Sheets (c)=(a)-(b)	Related Amounts Not Offset in the Parent Company Only Balance Sheets (d)		Net (e)=(c)-(d)
				Financial Instruments (Note)	Received Cash Collateral	
Derivative	$50,141,937	$-	$50,141,937	$39,980,802	$1,832,034	$8,329,101

Note: Including net settlement and non-cash collateral.

December 31, 2025						
Offset and Execution of Net Settlement or Similar Agreement on Financial Liabilities						
Interpretation	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Parent Company Only Balance Sheets (b)	Net Amounts of Financial Liabilities Presented in the Parent Company Only Balance Sheets (c)=(a)-(b)	Related Amounts Not Offset in the Parent Company Only Balance Sheets (d)		Net (e)=(c)-(d)
				Financial Instruments (Note)	Pledged Cash Collateral	
Derivative	$72,995,674	$-	$72,995,674	$39,980,802	$17,993,679	$15,021,193

Note: Including net settlement and non-cash collateral.

December 31, 2024						
Offset and Execution of Net Settlement or Similar Agreement on Financial Assets						
Interpretation	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Parent Company Only Balance Sheets (b)	Net Amounts of Financial Assets Presented in the Parent Company Only Balance Sheets (c)=(a)-(b)	Related Amounts Not Offset in the Parent Company Only Balance Sheets (d)		Net (e)=(c)-(d)
				Financial Instruments (Note)	Received Cash Collateral	
Derivative	$33,696,879	$-	$33,696,879	$21,102,363	$4,152,341	$8,442,175

Note: Including net settlement and non-cash collateral.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

December 31, 2024						
Offset and Execution of Net Settlement or Similar Agreement on Financial Liabilities						
Interpretation	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Parent Company Only Balance Sheets (b)	Net Amounts of Financial Liabilities Presented in the Parent Company Only Balance Sheets (c)=(a)-(b)	Related Amounts Not Offset in the Parent Company Only Balance Sheets (d)		Net (e)=(c)-(d)
				Financial Instruments (Note)	Pledged Cash Collateral	
Derivative	$43,543,162	$-	$43,543,162	$21,102,363	$17,099,937	$5,340,862

Note: Including net settlement and non-cash collateral.

(3) Transfer of Financial Assets

The Company treats debt securities under repurchase agreements as transferred financial assets that do not qualify for full derecognition; thus, the Company will recognize debts on the transferred financial assets to be bought back at a confirmed price because of the transfer of cash on the debt security contracts. In addition, the Company should not use, sell or pledge the transferred financial assets during the transaction validity period. However, the Company still bears interest and credit risks although the financial assets will not be fully derecognized.

The following table shows the amounts of the financial assets that did not qualify for full derecognition and information on the related financial liabilities:

December 31, 2025		
Financial Assets	Transferred Financial Assets - Carrying Amount	Related Financial Liabilities - Carrying Amount
Financial assets at FVTPL sold under repurchase agreement	$25,417,090	$25,409,211
Financial assets at FVTOCI sold under repurchase agreement	14,209,461	13,980,510
Investments in debt instruments at amortized cost sold under repurchase agreement	6,574,608	6,590,987

December 31, 2024		
Financial Assets	Transferred Financial Assets - Carrying Amount	Related Financial Liabilities - Carrying Amount
Financial assets at FVTPL sold under repurchase agreement	$27,051,377	$27,050,198
Financial assets at FVTOCI sold under repurchase agreement	29,718,965	29,502,349

(4) Financial Risk Management Objectives and Policies

A. Summary

The Company's goal in risk management is to balance the risks and returns by giving consideration to business operations, overall risk appetite, and external legal restrictions. The major risks the Company sustains include on- and off-balance-sheet credit risks, market risks (including interest rate, exchange rate, equity security prices, credit spread and commodity price risks), liquidity risks and climate-related risks.

The parent company, TS Financial Holding, has rules for risk management policies, which, after review by the risk management committee, have been approved by the board of directors. Additionally, the Company has established written risk control procedures, which have been reviewed and approved by the level authorized by the board of the parent company, in order to effectively identify, measure, supervise and control credit risks, market risks, liquidity risks and climate-related risks. Climate-related risk is not an independent risk type that will directly or indirectly aggravate the impact of the above-mentioned existing risks through the economic environment and various businesses. The Company follows climate risk management principles, which have been established by the parent company, TS Financial Holding.

B. Organizational structure of risk management function

The board of directors is the highest level in the risk management function in the Company and takes the full responsibility for risk management issues. The board of directors authorizes the monthly risk management meeting to examine policies and standards and establish risk management system. Significant risk management issues need to be reported to the board of parent company. The Head of the Risk Management Department takes charge of the Company's risk management affairs, reports the effectiveness of risk management to the Board of Directors periodically, and supervises risk management activities.

Risk management department is independent of business department and identifies, assesses, and controls various risks according to risk management standards. In addition, internal auditing department is responsible for the independent review of risk management and control environment.

(5) Market risk

A. The source and definition of market risk

Market risk is the uncertainty of changes in fair value of on and off-balance sheets financial instruments due to changes in market risk factors. Market risk factors include interest rates, exchange rates, equity security prices, credit spreads and commodity prices:

(a) Interest rate risks: Interest rate risk is fair value changes on interest rate risk position held by the Company due to interest rate changes. The major risk comes from debt securities and interest rate derivatives.

(b) Exchange rate risks: Exchange rate risk is the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in foreign exchange rates. The Company's exchange rate risk mainly comes from derivatives such as spot and forward exchange positions and forward exchange options, as well as assets and liabilities denominated in non-functional currencies.

(c) Equity securities price risks: Equity security price risk is the valuation effect on the position held by the Company when the equity security price changes. The major risk comes from public and OTC stocks, index futures and options.

(d) Credit spread risk: Credit spread risk is the risk of the effect of changes in credit spreads on positions held by the Company. The major risk comes from derivatives such as credit default swaps.

The major market risks of the Company are equity securities price risks, credit spread risks, interest rate risks, and exchange rate risks. The main position of equity securities risk includes domestic public and OTC stocks, domestic stocks index options and stocks index futures. The main position of credit spread risk includes the credit derivatives, such as credit default swaps and convertible bond asset swap (CBAS), etc. The main position of interest rate risk includes bonds and interest derivative instruments, such as interest rate swap. The main position of exchange rate risk includes the Company's investments denominated in foreign currencies, such as foreign currency spots and foreign currency options.

B. Market risk management policy

The Company’s risk management policy clearly defines the risk management procedures for risk identifying, risk measuring, risk controlling and risk reporting, which are executed by risk management department independently of trading and other departments. The risk management department develops management principles for different businesses and for various aspects of market risk management based on the risk management policy. It establishes market risk management system and regulates market risks, risk limits, stop loss limit and stress tests of various financial assets.

C. Market risk management procedures

(a) Identifying risks and measuring possible effects

The Company’s risk management department identifies the exposures of positions or new financial instruments to market risks and measures the gains and losses on positions held due to changes in market risk factors based on standards.

The risk management department calculates price sensitivity and gains and losses on positions which are recorded in trading books daily; and calculates the maximum potential losses recorded in each trading books monthly. The Company takes measures to avoid tremendous losses that will harm the Company’s operations due to overwhelming changes in market risk factors.

(b) Controlling of risk and reporting of issues

The Company controls market risk by managing risk limits. The risk management department sets various trading and non-trading limits, such as value at risk, stop-loss limits, and maximum potential loss. The trading limits are implemented only after they are reported to and approved by the board of directors and monthly risk management meeting.

The risk management department calculates exposures and estimated gains and losses on positions daily to make sure that the positions held and losses do not exceed the risk appetite and limits approved by the board of directors and monthly risk management meeting, then prepares reports to the high-level management, monthly risk management meeting, and the board of directors periodically for their sufficient understanding of the implementation of the market risk management work.

D. Principles of the market risk management

Based on the related risk management standards, the Company classifies financial instruments into trading books and banking books according to the purpose of holding the instruments and manages them with different methods.

Trading portfolios consists of financial instruments held for trading purposes or commodities held to hedge positions in trading books. A position, such as self-run position or position produced by matched principal brokering or market making, is for trading purposes if it is intended to be sold within a short period, to earn or to lock in profit from actual or expected short-term price fluctuations.

Non-trading portfolios are positions other than aforementioned trading portfolios positions, consisting of medium to long-term equity investments and hedging positions to earn from the appreciation of values and dividends, bonds and notes investments and hedging positions to earn interests, positions held for fund dispatching, liquidity risk management, and interest rate risk management in banking books, and positions held for other management purposes.

(a) Management strategy

The goal of market risk management is to pursue maximum return on capital, meaning maximizing the capital usage efficiency to improve shareholders' equity.

In order to control market risks, the risk management department sets risk limits for various investment portfolio based on trading strategies, category of trading products and annual profit goals in order to control exposure to risks on positions and losses.

(b) Management principles

The parent company stipulated "Principles of Market Risk Limit Management" and "Instructions of Valuation Benchmark" to manage market risk and valuation.

(c) Valuation gains and losses

If objective prices of financial instruments exist in open market, such as trading prices, gains and losses on positions are valued in accordance with the market prices by the risk management department. If fair value data is inaccessible, the risk management department will cautiously adopt verified mathematical models to value gains and losses and review the assumptions and parameters of the valuation models periodically.

(d) Risk measuring methods

i. The methods applied by the risk management department in measuring market risks are as follows:

Interest rate risk:	It applies DV01 to measure interest risk. DV01 is the change in the value of interest rate risk positions when the yield curve moves upward by one basis point (1bp).
Exchange rate risk:	It applies Delta to measure the exchange rate risk of the first order change and applies Gamma to measure the exchange rate risk of the second order change. In addition, Vega is used to measure the first order risk of implied volatility rate.
Equity securities price risk:	It applies Delta to measure the independent equity security price risk of the first order change, or market value is applied to indicate the exposure risks on positions of shares.
Credit spread risk:	It applies CS 01, which is the impact of the changes in fair value of a position in response to a one basis point (1bp) credit spread change.

ii. Refer to item G for the risk assumptions and calculation methods.

iii. Measure potential losses (stress losses) resulting from extreme market volatility in order to assess capital adequacy and essential position adjustments. Refer to item F for the stress test.

(e) Risk management procedures

The risk management department identifies the products that can be included in the portfolio, evaluates the risk factors on positions, and sets stop-loss limit and limit of VaR to control exposure to position loss. If the stop-loss limit is reached, then the trading department should take immediate remedial steps to reduce the exposure to the risk position.

E. Interest rate risk management in the banking book positions

Banking book interest rate risk involves call loans to banks, bonds and bills, transactions under repurchase agreement, transactions under resell agreements and their hedge positions, which are held to manage the Bank’s liquidity risk and the interest rate risk of deposits and loans undertaken by business departments. The interest rate risk is transferred to banking book management department for centralized management through internal fund transfer pricing (FTP) system. Banking book interest rate risk is the effect on net interest income of risk exposure positions held due to adverse changes in interest rate and shareholder equity economic value.

(a) Management strategy

The goal of banking book interest rate risk management is to control interest rate risk position and pursue stability and growth of banking book net interest income under the circumstances that liquidity is appropriate.

(b) Management principles

The Company stipulated "The Principles of Banking Book Interest Rate Risk Management" as the important control regulations for banking book interest rate risk management.

(c) Measuring methods

The banking book interest rate risk is the risk of quantitative or repricing term differences due to the differences in amounts or repricing dates of banking book assets, liabilities and off-balance-sheet items. Taishin Bank has rules for risk taken and limits management. Risk taken is in accordance with supervision regulation IRRBB (Interest Rate Risk in the Banking Book), monitoring changes in economic value, Tier I capital ratio and net interest income. The Company measures the effect on net interest income when the yield curve moves upward by 1bp.

(d) Management procedures

The Company defines the instruments of banking book interest rate management and sets the risk appetite and limit of interest rate risk in order to avoid severe recession of net interest income when the interest rate changes unfavorably. The banking book management unit sets limits and keeps the interest rate risk within the risk appetite and limits.

F. Stress test

A stress test is applied to measure loss under extremely unfavorable market circumstances in order to assess financial institutions' tolerance to extreme market volatility.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The risk management unit is required to execute the stress test at least once a month to calculate stress losses for trading portfolios. The risk management unit observes historical information on market prices and sets the biggest possible volatility range for various market risk factors as the stress circumstances. The stress circumstance should be reviewed annually, which should be approved by the high-level risk management and reported to the Chief of TS Financial Holding risk management department. Since there are so many market risk factors that affect trading portfolios, there might be plenty of permutations and combinations of stress circumstances when the unit calculates stress loss. For instance, a change in a market risk factor might result in the biggest loss of one investment portfolio but create profits for another investment portfolio. Based on conservative principles, the risk management unit will take into account the correlation between various risk factors to calculate the biggest loss as the stress loss.

The risk management unit should confirm that overall stress loss for trading portfolios does not exceed the stress loss limit and report to the high-level management as references for adjusting positions or resource distributions.

G. Value at risk, “VaR”

The Company uses a variety of methods to control market risk; the VaR is one of them. The Company is using risk model to assess the value of trading portfolios and potential loss amount of holding positions. VaR is the Company’s important internal risk control system, and the board of directors and monthly risk management meeting, review and establish trading portfolio’s limits annually. Actual exposures of the Company are monitored daily by risk management.

VaR is used to estimate adverse market potential loss of existing positions. The VaR model uses historical simulation method using a one-year historical observation period to estimate the maximum possible amount of loss holding positions for one day at 99% confidence interval.Consequently, there remains a statistical probability that actual losses may exceed the VaR estimate.

	For the Year Ended December 31, 2025			
	Average	Highest	Lowest	Ending Balance
Exchange VaR	$29,893	$60,858	$4,221	$15,969
Interest rate VaR	66,127	113,859	19,227	78,272
Equity securities VaR	30,763	58,991	8,711	40,245
Credit spread VaR	24,101	71,480	60	19,141
Value at risk	90,919	146,139	25,102	95,033

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	For the Year Ended December 31, 2024			
	Average	Highest	Lowest	Ending Balance
Exchange VaR	$4,535	$26,095	$881	$22,927
Interest rate VaR	30,149	92,579	10,909	34,514
Equity securities VaR	108,632	192,534	8,956	8,956
Credit spread VaR	5,598	22,431	168	335
Value at risk	110,033	185,558	25,426	35,291

H. Information of exchange rate risk concentration

For information regarding the Company's non-functional currency financial assets and liabilities on the parent company only balance sheet date, refer to Note 12. (11)

(6) Credit risk

A. Source and definition

Credit risk means the possible loss due to failure of debtors or counterparties to fulfill their contractual obligations or their ability of fulfill contractual obligations is impaired. Credit risk arises from the operation, on- and off-balance-sheet items, including credit loans, derivatives transactions and securities investment, etc. Because the business becomes more complex, the credit risk is often generated with other risks that affect one another. For example, exchange rate risk also exists in foreign currency debt investment. Secured loans will be affected by the price volatility on the collateral and market liquidity risk of the collateral.

Credit risk can be divided into the following categories based on the object and nature of business:

(a) Credit risk: Credit risk is the risk that a borrower is unable to pay its debt or fulfill its debt commitments in credit loans operation.

(b) Issuer (guarantor) risk of the underlying issue: It is the credit risk that share issuers go into liquidation or are unable to pay back money when debt, bills and other securities mature.

(c) Counterparty risk: It is the credit risk that the counterparty undertaking OTC derivatives or RP/RS transactions are unable to fulfill settlement obligations. Counterparty risk is also divided into settlement risk and pre-settlement risk.

i. Settlement risk: It is the loss resulting from the counterparty failing to deliver goods or other money on the settlement date when the Company had fulfilled settlement obligations.

ii. Pre-settlement risk: It is the loss resulting from the counterparty failing to fulfill settlement or pay the obligations and from changes in market prices before the settlement date.

(d) Other credit risks: Country risk, custodian risk and brokers risk, etc.

B. Credit risk management policies

To ensure its credit risk is under control within the tolerable range, the Company has stipulated in the guidelines for risk management that for all the products provided and businesses conducted, including all on- and off-balance sheets transactions in the banking and trading books, the Company should make detailed analyses to identify existing and potential credit risks and calculate the expected credit loss under different scenarios and time spans to measure climate-related risks through the analysis of climate change scenarios. Before launching new products or businesses, the Company ensures compliance with all applicable rules and regulations and identifies relevant credit risks. For sophisticated credit extensions, such as accounts receivable factoring and credit derivative instruments, the Company also establishes risk management system described in the related rules and guidelines.

Unless the local authorities regulate the assessment of asset qualities and provision for potential losses of the overseas business department, it is in accordance with the Company’s risk management policies and guidelines. The measurement and management procedures of credit risks in the Company’s main businesses are as follows:

(a) Credit granting business (including loans and guarantees)

i. Credit risk rating

For risk management purposes, the Company rates credit qualities (by using internal rating models for credit risk or credit score tables) in accordance with the nature and scale of a business.

The corporate finance department's internal rating adopts two aspects. One is obligor risk rating (ORR) and the other is Facility Risk Rating (FRR). ORR is used to assess the possibility of the debtor performing financial commitments, which is a quantitative value based on the probability of default (PD) within one year. FRR is used to assess the effect of rating structures and collateral conditions on credit rating, which is a quantitative value based on loss given default (LGD). At the same time, experts also engage in judging and adjusting the rating overrides of statistic models to make up for the limitation of the model.

The consumer finance department's internal rating system adopts product characteristic and debtor condition (such as new case or behavior grading) as the basis of segmentation. It is to ensure that the same pools of debtors and risk exposure are homogeneous. At the same time, review of loans based on experts' override is complemented to make up for the limitation of the model.

ii. Strengthening of management and tracking of credit account after loan

Corporate Finance Department post-loan control unit has built post-loan management system. Online functions include post-loan condition inspections, reviews, early warning indicators, material information notifications, and management of accounts under observation etc. It hopes to make tracking and processing of interim management information of credit accounts faster via system automation and strengthen the management and reduce credit risk.

iii. The measurement of ECLs

At the end of the reporting period, the Company evaluates the risk of default occurring over the expected life of loans, to determine if the credit risk has increased significantly since original recognition. In order to perform this evaluation, the Company considers the information regarding whose credit risk has significantly increased since the respective loan's initial recognition as well as corroborative information (including forward-looking information). The key indicators include quantitative indicators such as changes in internal and external credit ratings, overdue conditions (such as being more than one month overdue), etc., as well as qualitative indicators such as a worsening of debt paying ability, unfavorable changes in operating financial and economic conditions and significant increases in credit risk of borrowers' other financial instruments. At the end of the reporting period, the Company assumes that the credit risk has not increase significantly for those whose credit risk is determined to be low.

The Company has the same definition of default on credit assets and credit impairment. The evidence of credit losses on financial assets includes overdue conditions (e.g., past due for more than three months) and significant financial distress of the borrower. The definitions of default and credit impairment are consistent with the definitions of the financial assets for the purpose of internal credit risk management, which are also used in the relevant impairment assessment model.

In order to assess the ECLs, the loans will be assessed in groups based on the nature of the products, borrowers' credit ratings and collateral, and the Company takes into consideration each borrower's probability of default (PD), loss given default (LGD) and exposure at default (EAD) for the next 12 months and for the lifetime of the loan and considers the impact of the monetary time value in order to calculate the ECLs for 12 months and for the lifetime of the loan, respectively.

The PD and LGD used in the impairment assessment are based on internal historical information (such as credit loss experience) of each combination and are calculated based on current observable data and forward-looking general economic information.

The Company assesses the EAD, PD and LGD using the current exposure method, the group estimating method and the recovery rate adjustment method, respectively. When assessing internal credit ratings, the Company takes factors into account to adjust PD as follows: It considers the respective borrower's future financial and business prospect, guarantors, shareholders and group background, as well as the forward-looking effects of environmental changes in the economy, markets and regulations in corporate finance; and it considers overall economic indicators (e.g., gross domestic product (GDP)) that are adjusted according to the asymptotic single risk factor (ASRF) model.

There was no significant change in valuation techniques and major assumptions used to assess the ECLs of the loans by the Company in 2025 and 2024.

In addition to the aforementioned assessment procedures, which classify loans in accordance with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans, the loans are classified into five categories for evaluation. Except for normal loans, the remainder are classified into the first category. After the assets are assessed on the basis of the guarantee status of the claims and the length of the time overdue, they are respectively classified within the remaining categories according to the probability of recovery as follows: The second category is for notable assets; the third category is for assets which are expected to be recovered; the fourth category is for assets which will be difficult to recover; and the fifth category is for assets for which recovery is considered hopeless. The highest values of the aforementioned evaluation results are taken to measure the allowance loss.

In order to manage problematic loans, procedures are adopted for the reorganization of loan loss provisions, the allowance for bad debt or guarantee liability provisions, the measurement of overdue loans and the collection of default loans. In the management of loans, the Company is also guided by the Regulations Governing the Procedures for Corporation Credit Businesses to Evaluate Assets and Deal with Non-performing Assets, Measures for Corporation Credit Businesses to Be Taken When Credit Extensions Become Past Due and Regulations Governing Collection Procedures, Regulations Governing the Procedures for Consumer Finance to Evaluate Assets and Deal with Non-performing Assets, Regulations Governing the Procedures for Overdue Loans, Non-accrual Loans and Doubtful Loans.

iv. Write-off policy

Overdue loans and non-accrual loans for which one of the following events have occurred should have the estimated recoverable amount deducted and should then be written off as bad debts.

- The debtor may not recover all or part of the obligatory claim due to dissolution, disappearance, settlement, bankruptcy or other reasons.
- The appraisal of the collateral, the property of the principal debtor and the surety is low, or the amount of the loan's priority is deducted, or the collection implementation costs may approach or exceed the amount that the Company can repay, or the loan is not able to be collected.
- The property of the principal debtor and the surety were auctioned off at multiple auctions, no one was required to buy it and the Company did not bear the benefit.
- Overdue loans and non-accrual loans, which have been overdue for more than two years have been collected but have not been received.

However, for overdue loans and non-accrual loans which have been overdue for more than 3-months but less than two years, after the collection has not been recovered and after deducting the recoverable portion, the remainder will be written off as bad debts.

Loans are written off in accordance with relevant regulations and procedures; the activities of the principal debtor and the surety from obligatory claims shall still be monitored by the relevant business department. If there is property that is available for execution, the Company shall sue according to the relevant laws.

If an evaluation determines that there is no benefit to be gained from the collection activities described in the preceding paragraph, such shall be reported to and approved by the board of directors, and the debt shall no longer be posted in the accounts and subject to control; however, such debt shall continue to be recorded in registry books for acknowledgement.

(b) Due from and call loans to banks

The Company evaluates the credit status of counterparties before deals are closed. The Company grants different limits to the counterparties based on their respective credit ratings as suggested by external qualified credit rating institutes.

(c) Security investment and financial derivatives transaction

Regarding the credit risk of security investments and financial derivatives, the Company manages the risk by internal credit rating of issuers, issued underlying assets, counterparties, and by external credit rating of debt instruments and counterparties or status of regions/countries.

The other banks with which the Company conducts derivative transactions are mostly considered investment grade. The credits extended to counterparties that are not rated as investment grade are assessed on a case-by-case basis. The credits extended to counterparties are monitored in accordance with the related contract terms and conditions, and the credit limits for derivatives established in normal credit granting processes. Meanwhile, the Company has set the total position limit on trading and banking book securities and each issuer's limit based on credit ratings.

The Company assesses the change in risk of default over the expected lifetime of investments in debt instruments as of the end of the reporting period, so as to determine whether there has been a significant increase in credit risk since initial recognition. In order to make this assessment, the Company considers reasonable indicators of a significant increase in credit risk since initial recognition and corroborative information (including forward-looking information). The main indicators include quantitative indicators, such as external credit ratings, qualitative indicators, such as weakening solvency from adverse changes in operating, financial and economic conditions, and a significant increase in credit risk of the issuer's other financial instruments. Where the Company determines that the credit risk is low as of the reporting date, it will assume that the credit risk will not have a significant increase.

The Company defines default of investments in debt instruments and credit impairment the same. Evidence of financial asset credit impairment includes external credit ratings and the issuers experiencing severe financial difficulties. The definitions of default and credit impairment apply to the relevant impairment assessment model.

Based on credit assessment charts, the Company manages the internal and external credit assessment of debt instruments according to Moody's long-term credit ratings. Credit risk is significant increase if:

i. The rating is over Baa3 on the initial recognition date, and the rating is lower than Ba1, not including ratings of Ca-D on the measurement date.

ii. The rating is Ba1-Ba3 on the initial recognition date, and the rating is downgraded to B1-Caa3 on the measurement date.

iii. The rating is B1-Caa3 on the initial recognition date.

iv. A loan is considered to have been defaulted on if the rating is Ca-D on the measurement date.

The trading department should monitor the credit position of investments in debt instruments. Once it knows that the issuer, guarantor or issued underlying has a credit event (such as a downgrade of credit ratings to non-investment grade, a discharge or a default), it should notify the relevant department immediately and dispose of the investments in debt instruments.

In order to assess the purpose of the ECLs, debt instruments are assessed by grade based on their credit rating. In order to measure the ECLs, the default probability of the issuers is considered, the PD, LGD, EAD for the next 12 months and over the full lifetime of the debt instruments shall be considered, and the impact of the time value of money shall be considered. From this, the 12-month and full-lifetime ECLs shall be calculated separately.

The Company assesses the EAD of investments in debt instruments using the current exposure method (CEM) and adopts external rating information, PD and LGD which are announced periodically by international credit rating agencies (S&P and Moody's), to calculate the ECLs. Due to international credit rating agencies already considering the prospective information, it is appropriate to assess such information and then include it in the assessment of the related ECLs of the Company.

The Company evaluated that the assessment techniques or material assumptions of the ECLs of investments in debt instruments had no material change in 2025 and 2024.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

C. Credit risk hedging or mitigation policies

(a) Collateral

The Company has a series of measures for credit granting to reduce credit risks. One of the procedures is asking for collateral from the borrowers. To secure the loans, the Company manages and assesses the collateral following the procedures that suggest the scope of collateralization and valuation of collateral and the process of disposition. In credit contracts, the Company stipulates the security mechanism for loans and the conditions and terms for collateral and offsetting to state clearly that the Company reserves the right to reduce granted limit, to reduce repayment period, to demand immediate settlement or to offset the debt of the borrowers with their deposits in the Company in order to reduce the credit risks.

The requirements for collateral for other non-credit businesses depend on the nature of the financial instruments. Asset-backed securities and similar financial instruments are required to provide a pool of underlying financial assets as collateral.

The following table details the information on the collateral of credit-impaired financial assets:

December 31, 2025

	Gross Carrying Amount	Impairment under IFRS 9	Proportion of Loans/Collateral (Note)
Personal housing loans	$5,364,820	$1,316,616	33.66%
Business guaranteed loans	1,663,373	445,580	102.83%
Others	6,329,822	1,795,125	
Total	$13,358,015	$3,557,321	

Note: The value of the collateral is calculated based on the latest accessible internal and external data.

December 31, 2024

	Gross Carrying Amount	Impairment under IFRS 9	Proportion of Loans/Collateral (Note)
Personal housing loans	$5,206,691	$1,403,312	32.60%
Business guaranteed loans	1,386,200	342,879	103.17%
Others	5,671,952	1,607,641	
Total	$12,264,843	$3,353,832	

Note: The value of the collateral is calculated based on the latest accessible internal and external data.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(b) Credit risk concentration limits and control

To avoid the concentration of credit risks, the Company has included credit limits for the same person (entity) and for the same related-party corporation (group) based on the credit risk arising from loans, securities investment and derivative transactions.

Meanwhile, for trading and banking book investments, the Company has set a ratio, which is the credit limit of a single issuer in relation to the total security position. The Company has also included credit limits for a single counterparty and a single group.

In addition, to manage the concentration risk on each category of financial assets, the Company has set credit limits based on type of industry, conglomerate, country and transactions collateralized by shares, and integrated within one system to supervise concentration of credit risk in these categories. The Company monitors concentration of each asset and controls various types of credit risk concentration in a single transaction counterparty, group, related-party corporation, industries, nations, countries of ultimate risk.

(c) Net settlement

The Company settles most of its transactions at gross amounts. For further reduction of credit risks, settlement netting is used for some counterparties or some circumstances where the transactions with counterparties are terminated due to defaults.

(d) Other credit enhancements

To reduce its credit risks, the Company stipulates in its credit contracts the terms for offsetting to state clearly that the Company reserves the right to offset the borrowers' debt against their deposits in the Company.

D. Maximum exposure to credit risk and credit quality analysis

The maximum exposures of assets on the consolidated balance sheets to credit risks without consideration of guarantees or other credit enforcement instruments approximate the assets' carrying amounts. The maximum exposures of off-balance sheet items to credit risks without consideration of guarantees or other credit enforcement instruments are stated as follows:

Off-balance sheet items	Maximum credit risk exposure	
	December 31, 2025	December 31, 2024
Irrevocable loan commitments committed by customer	$91,082,440	$64,903,243
Credit card credit commitments not yet drawn by customer	582,274,265	563,816,425
Opened but unused letters of credit by customer	4,562,087	3,536,099
Various guarantees	29,526,831	26,912,147
Total	$707,445,623	$659,167,914

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Part of financial assets held by the Company, such as cash and cash equivalents, due from the Central Bank and call loans to banks, financial assets at FVTPL, securities purchased under resell agreements, deposit refunds, operating deposits, and settlement deposits are exposed to low credit risks because the counterparties have rather high credit ratings.

Based on risk ratings, the amounts of maximum credit risk exposure (excluding the guarantees or other credit enhancements) at each stage of ECLs on December 31, 2025 and 2024 are as follows:

	December 31, 2025			
	12-month ECLs	Lifetime ECLs - Unimpaired	Lifetime ECLs - Impaired	Total
Loans				
Consumer finance				
Excellent	$963,671,052	$12,441,337	$-	$976,112,389
Good	13,958,146	290,336	-	14,248,482
Acceptable	-	579,182	-	579,182
Default	-	-	9,080,573	9,080,573
Corporate finance				
Excellent	485,322,791	-	-	485,322,791
Good	327,201,531	-	-	327,201,531
Acceptable	605,563	1,505,650	-	2,111,213
Default	-	-	2,394,197	2,394,197
Total	$1,790,759,083	$14,816,505	$11,474,770	$1,817,050,358
Receivables (including non-performing receivables transferred from other than loans)				
Consumer finance				
Excellent	$75,331,830	$46,866	$-	$75,378,696
Good	329,953	3,150	-	333,103
Acceptable	-	92,835	-	92,835
Default	-	-	1,740,467	1,740,467
Corporate finance				
Excellent	31,556,523	-	-	31,556,523
Good	3,598,666	-	-	3,598,666
Acceptable	721	4,371	-	5,092
Default	-	-	142,778	142,778
Others	-	16,781,593	-	16,781,593
Total	$110,817,693	$16,928,815	$1,883,245	$129,629,753
Debt instruments at FVTOCI				
Excellent	$159,984,519	$-	$-	$159,984,519
Investments in debt instruments at amortized cost				
Excellent	$546,020,506	$-	$-	$546,020,506
Financial guarantees				
Excellent	$26,930,892	$-	$-	$26,930,892
Good	7,158,026	-	-	7,158,026
Acceptable	-	-	-	-
Total	$34,088,918	$-	$-	$34,088,918
Loan commitments				
Excellent	$1,469,854,259	$255,437	$-	$1,470,109,696
Good	199,444,634	520	-	199,445,154
Acceptable	101,635	90,192	-	191,827
Default	-	-	146,073	146,073
Total	$1,669,400,528	$346,149	$146,073	$1,669,892,750

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	December 31, 2024			
	12-month ECLs	Lifetime ECLs - Unimpaired	Lifetime ECLs - Impaired	Total
Loans				
Consumer finance				
Excellent	$912,007,130	$16,099,891	$-	$928,107,021
Good	11,063,168	264,081	-	11,327,249
Acceptable	-	338,670	-	338,670
Default	-	-	8,727,265	8,727,265
Corporate finance				
Excellent	421,274,024	-	-	421,274,024
Good	301,370,784	-	-	301,370,784
Acceptable	399,108	1,613,507	-	2,012,615
Default	-	-	1,623,979	1,623,979
Total	$1,646,114,214	$18,316,149	$10,351,244	$1,674,781,607
Receivables (including non-performing receivables transferred from other than loans)				
Consumer finance				
Excellent	$75,612,495	$49,369	$-	$75,661,864
Good	328,394	2,910	-	331,304
Acceptable	-	120,080	-	120,080
Default	-	-	1,797,959	1,797,959
Corporate finance				
Excellent	31,441,681	-	-	31,441,681
Good	3,447,854	-	-	3,447,854
Acceptable	577	8,610	-	9,187
Default	-	-	115,640	115,640
Others	-	11,989,882	-	11,989,882
Total	$110,831,001	$12,170,851	$1,913,599	$124,915,451
Debt instruments at FVTOCI				
Excellent	$150,085,746	$-	$-	$150,085,746
Investments in debt instruments at amortized cost				
Excellent	$584,724,735	$-	$-	$584,724,735
Financial guarantees				
Excellent	$22,825,780	$-	$-	$22,825,780
Good	7,621,730	-	-	7,621,730
Acceptable	736	-	-	736
Total	$30,448,246	$-	$-	$30,448,246
Loan commitments				
Excellent	$1,310,178,123	$171,691	$-	$1,310,349,814
Good	246,383,620	496	-	246,384,116
Acceptable	151,674	78,258	-	229,932
Default	-	-	132,392	132,392
Total	$1,556,713,417	$250,445	$132,392	$1,557,096,254

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

E. Situation of credit risk concentration

Prominent concentration of credit risks occurs when transaction parties for financial instruments prominently concentrate on one party, or on a few that are in similar business lines or exhibit similar economic characteristics. The characteristics of concentration of credit risks include the nature of business activities engaged by debtors. The Company has not engaged in transactions that involved a prominent concentration to one client or one transaction party, but has engaged in transaction parties of similar industry type or from similar region.

The Company's information on loans with a significant concentration of credit risk were as follows:

	December 31, 2025		December 31, 2024	
Industry Type	Carrying Amount	Percentage of Item (%)	Carrying Amount	Percentage of Item (%)
Manufacturing	$199,337,980	11	$187,626,371	11
Wholesale and retail	79,372,004	4	67,862,147	4
Finance and insurance	202,091,200	11	181,903,984	11
Real estate and leasing	173,087,026	10	164,324,308	10
Service	38,917,610	2	35,848,490	2
Individuals	1,012,025,164	56	962,848,658	58
Others	112,219,374	6	74,367,649	4
Total	$1,817,050,358		$1,674,781,607	

	December 31, 2025		December 31, 2024	
Geographic Location	Carrying Amount	Percentage of Item (%)	Carrying Amount	Percentage of Item (%)
Asia	$1,642,399,351	90	$1,530,777,350	92
Europe	33,739,699	2	22,535,455	1
Americas	5,457,170	-	3,796,610	-
Africa	10,267,406	1	8,206,443	-
Others	125,186,732	7	109,465,749	7
Total	$1,817,050,358		$1,674,781,607	

(7) Liquidity risk

A. The source and definition of liquidity risk

Liquidity risk is the potential loss that the Company may suffer due to inability to liquidate assets or raise enough funds in reasonable time to perform obligations when due and to meet the demands of assets growth. Sources of liquidity risk are as follows:

(a) Inability to fulfill funding gap due to asymmetric time and amount in cash inflows and outflows.

(b) Liabilities paid off in advance before maturity, inability to maintain liabilities at maturity or inability to acquire funds from the market.

(c) Inability to liquidate current assets at reasonable price or raising funds to fulfill funding gap with price higher than the reasonable one.

Except for the liquidity risks arising from normal operation, the Company's liquidity might be affected by events such as credit ratings being downgraded, credibility seriously damaged, financial system's system risk, causing customers to lack confidence and canceling deposits before maturity, call loans from banks being suspended, resell or repurchase transactions being deterred and liquidity of financial assets decreasing.

B. Liquidity risk management policy

The objective of liquidity risk management is to ensure that the Company can acquire funds at a reasonable price to pay off debt, perform obligations and contingent liabilities and satisfy demands required by business growth either in normal operation or under sudden, serious and unusual circumstances.

The Company has established policies on assets and liabilities management that stipulate related liquidity risk management rules, stipulate clear distinction between accountability and responsibility of Asset and Liability Committee and management departments and regulate the setting of liquidity risk appetite and limits, risk measuring, risk monitoring and the scope and procedures of reporting to ensure that overall liquidity risk is within the limits of liquidity risk appetite approved by the board of directors.

Basic principles of liquidity risk management policy are as follows:

(a) Principle of risk diversification: The Company should avoid excessively concentrating funds on the same maturity, instruments, currencies, regions, funding sources or counterparties.

(b) Principle of stability: The Company should follow stable strategies and pay attention to market and internal funding liquidity. For example, the Company should absorb the core deposits at appropriate time in order to prevent market volatility from affecting funding sources and thus lower dependence on unstable fund sources.

(c) Principle of maintaining appropriate asset liquidity: Market liquidity will indirectly affect funding liquidity. Therefore, the Company should make sure total assets could pay off total liabilities and maintain certain proportion of assets with high liquidity or collateral in order to finance funds and pay off current liabilities in critical and urgent time.

(d) Principle of matching asset and liability maturity: The Company should pay attention to the spread of maturity and liquidity of liquid assets and current assets should be sufficient to pay off current liabilities.

For urgent or sudden liquidity events, the Company has stipulated urgent fund dispatching handling plan as the highest principle for urgent events in order to integrate the Company's resources quickly to resolve emergencies efficiently.

C. Financial assets held to manage liquidity risk and maturity analysis of non-derivative financial liabilities

(a) Financial assets held to manage liquidity risk:

The Company holds cash and cash equivalents, due from the Central Bank and banks and financial assets at FVTOCI and investments in debt instruments at amortized cost held for the purpose of managing liquidity risk, in order to perform contractual obligations when due and meet the needs of urgent fund dispatching.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(b) Maturity analysis of non-derivative financial liabilities

The Company's non-derivative financial liabilities presented based on the residual maturities from the parent company only balance sheet date to the contract maturity date were as follows:

Financial Instruments Item	December 31, 2025									
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years	Total
Deposits from the Central Bank and other banks	$17,325,284	$11,283,199	$3,114,568	$3,726,124	$-	$23,000	$-	$-	$-	$35,472,175
Non-derivative financial liabilities at FVTPL	-	-	-	-	-	-	-	-	12,653,596	12,653,596
Securities sold under repurchase agreements	40,152,024	5,493,552	335,132	-	-	-	-	-	-	45,980,708
Payables	20,244,214	1,784,998	850,667	12,093,720	37,868	9,424	-	-	-	35,020,891
Deposits and remittances	342,937,415	414,688,119	239,212,792	359,941,925	1,127,609,206	3,103,084	251	-	-	2,487,492,792
Bank notes payable	-	-	-	-	6,000,000	-	-	9,050,000	5,000,000	20,050,000
Lease liabilities	119,479	127,378	174,824	324,218	555,694	415,406	331,040	235,013	297,360	2,580,412
Other financial liabilities	5,663,502	6,360,994	2,561,084	1,150,665	6,371,031	1,629,122	612,264	6,457,379	71,950,208	102,756,249
Total	$426,441,918	$439,738,240	$246,249,067	$377,236,652	$1,140,573,799	$5,180,036	$943,555	$15,742,392	$89,901,164	$2,742,006,823

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Financial Instruments Item	December 31, 2024									
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years	Total
Deposits from the Central Bank and other banks	$5,032,291	$3,361,917	$788,875	$3,489,500	$3,500	$-	$-	$-	$-	$12,676,083
Non-derivative financial liabilities at FVTPL	354,382	-	-	-	-	-	-	-	13,195,181	13,549,563
Securities sold under repurchase agreements	42,456,140	10,998,577	3,097,830	-	-	-	-	-	-	56,552,547
Payables	15,724,302	2,191,401	845,267	10,773,385	34,690	8,707	1	-	-	29,577,753
Deposits and remittances	329,977,654	401,550,641	234,177,184	376,971,199	1,002,175,339	3,128,540	890	-	-	2,347,981,447
Bank notes payable	-	-	4,250,000	700,000	-	6,000,000	-	-	14,050,000	25,000,000
Lease liabilities	120,816	114,799	171,110	312,300	479,061	351,928	242,329	166,146	409,183	2,367,672
Other financial liabilities	3,356,506	3,199,700	2,129,244	2,095,136	1,566,240	9,269,926	2,014,429	762,307	76,127,733	100,521,221
Total	$397,022,091	$421,417,035	$245,459,510	$394,341,520	$1,004,258,830	$18,759,101	$2,257,649	$928,453	$103,782,097	$2,588,226,286

The maturity analysis of time deposits in “deposits and remittances” is allocated to each time band based on the Company’s historical experience. If all the time deposits were required to be paid off in recent period, the funds outflows in less than one-month time band would have been $1,270,921,215 thousand and $1,132,962,108 thousand as of December 31, 2025 and 2024, respectively.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(c) Maturity analysis of derivative financial liabilities

The Company disclosed amounts of derivative financial liabilities at FVTPL using fair values recognized in the earliest time band as follows:

Financial Instruments item	December 31, 2025					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at FVTPL	$39,134,634	$-	$-	$-	$-	$39,134,634

Financial Instruments item	December 31,2024					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at FVTPL	$46,963,124	$-	$-	$-	$-	$46,963,124

(d) Maturity analysis of off-balance-sheet items

Below are the amounts of the Company's off-balance-sheet items presented based on the residual maturities from the parent company only balance sheet date to the maturity date of loan commitments, guarantees or letters of credit. The amounts disclosed in the table are based on contractual cash flows, so some of the amounts disclosed do not correspond to accounts on the separate balance sheet.

Off-Balance-Sheet Item	December 31, 2025					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Guarantees	$3,005,724	$3,645,555	$2,488,574	$5,018,421	$15,368,557	$29,526,831
Letters of credit	694,272	1,676,320	1,474,184	406,397	310,914	4,562,087
Loan commitments (excluding credit cards)	16,909,045	210,518,410	239,326,314	462,815,558	145,317,463	1,074,886,790
Credit card commitments	1,949	130,230	295,548	582,189	11,721,780	12,731,696

Off-Balance-Sheet Item	December 31, 2024					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Guarantees	$3,607,461	$3,854,164	$2,841,172	$5,383,932	$11,225,418	$26,912,147
Letters of credit	694,097	2,470,181	347,849	13,052	10,920	3,536,099
Loan commitments (excluding credit cards)	2,094,924	198,498,313	210,260,247	438,166,710	133,794,489	982,814,683
Credit card commitments	758	73,638	131,997	334,113	9,924,641	10,465,147

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(8) Cash flow information

Changes in liabilities arising from financing activities

For the year ended December 31, 2025

	Beginning Balance	Cash Flows	Non-cash Changes: New Leases	Non-cash Changes: Termination of Lease Contract	Non-cash Changes: Fair Value Adjustments	Ending Balance
Due to the Central Bank and other banks (including call loans from other banks and bank overdrafts)	$5,362,767	$22,960,764	$-	$-	$-	$28,323,531
Bank notes payable	25,000,000	(4,950,000)	-	-	-	20,050,000
Lease liabilities	2,292,804	(738,435)	970,734	(10,705)	-	2,514,398
Financial liabilities designated as at FVTPL	2,422,399	-	-	-	(84,656)	2,337,743
Total	$35,077,970	$17,272,329	$970,734	$(10,705)	$(84,656)	$53,225,672

For the year ended December 31, 2024

	Beginning Balance	Cash Flows	Non-cash Changes: New Leases	Non-cash Changes: Termination of Lease Contract	Non-cash Changes: Fair Value Adjustments	Ending Balance
Due to the Central Bank and other banks (including call loans from other banks and bank overdrafts)	$9,739,011	$(4,376,244)	$-	$-	$-	$5,362,767
Bank notes payable	28,000,000	(3,000,000)	-	-	-	25,000,000
Lease liabilities	2,236,892	(766,630)	824,837	(2,295)	-	2,292,804
Financial liabilities designated as at FVTPL	2,548,652	-	-	-	(126,253)	2,422,399
Total	$42,524,555	$(8,142,874)	$824,837	$(2,295)	$(126,253)	$35,077,970

(9) Structured Entities

The Company holds interests in structured entities which are not in the Company's parent company only financial statements and the Company does not provide financial support or other support to these structured entities. The maximum exposure to these structured entities is the carrying amount of the related assets held by the Company. The information of these unconsolidated structured entities is disclosed as follows:

Type of Structured Entity	Nature and Purpose	Interests Owned
Real estate-backed securities	The risks and rewards related to the structured entities' assets transferred to investors to receive returns through bonds issued	Investment in real estate-backed securities issued by the entities

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

As of December 31, 2025 and 2024, the carrying amounts related to the interests in unconsolidated structured entities are disclosed as follows:

	December 31, 2025	December 31, 2024
Real estate-backed securities		
Financial assets at FVTOCI	$866,571	$955,554
Investments in debt instruments at amortized cost	109,063,960	39,999,338
Total	$109,930,531	$40,954,892

(10) Contents and Amounts of Trust Business Handled in Accordance with the Trust Enterprise Act

A. The Company provides the trust balance sheet, income statement, and property list to the Trust Department in accordance with Article 17 of the Enforcement Rules of the Trust Enterprise Act as follows:

Balance Sheets of Trust Accounts

Trust Assets	December 31, 2025	December 31, 2024	Trust Liabilities	December 31, 2025	December 31, 2024
Bank deposits	$81,113,939	$84,603,789	Payables	$1,881	$20,634
Financial assets			Securities custody payable	648,402,715	521,069,710
Bonds	73,653,049	72,513,371	Trust capital	512,936,135	489,766,184
Stocks	47,000,824	51,882,155	Reserves and retained earnings		
Mutual funds	190,459,022	171,980,757	Net income (loss)	(3,468,946)	7,473,696
Other foreign	1,274,070	1,418,329	Retained earnings	14,996,519	9,677,835
Structured products	30,121,480	28,452,628	Deferred carryover	17,396	36,564
Accounts receivable	95,564	73,856	Income distribution and others	(3,792,946)	(3,147,506)
Real estate					
Land	55,935,707	59,870,466			
Buildings	26,051	26,430			
Construction in progress	41,010,332	33,005,626			
Custody of securities	648,402,716	521,069,710			
Total Trust Assets	$1,169,092,754	$1,024,897,117	Total Trust Liabilities	$1,169,092,754	$1,024,897,117

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Income Statements of Trust Account

	For the year ended December 31,	
	2025	2024
Revenues		
Interest	$933,981	$918,638
Rent	2,860	2,427
Dividends	2,138,478	1,550,728
Fund distribution	113,048	108,998
Investment benefits	750,299	5,107,377
Others	24,188	142,307
Subtotal	3,962,854	7,830,475
Expenses		
Administration fees	(28,280)	(29,415)
Supervisor fees	(227)	(238)
Taxes	(92,793)	(91,761)
Service charge	(3,136)	(1,065)
Professional service fees - CPA	(202)	(207)
Investment loss	(7,162,105)	(200,727)
Others	(101,229)	(19,313)
Subtotal	(7,387,972)	(342,726)
Net income (loss) before tax	(3,425,118)	7,487,749
Net income (loss) equalization	(43,828)	(14,053)
Net income (loss)	$(3,468,946)	$7,473,696

Property Catalog of Trust Account

Investment Item	December 31, 2025	December 31, 2024
Bank deposits	$81,113,939	$84,603,789
Financial assets		
Bonds	73,653,049	72,513,371
Stocks	47,000,824	51,882,155
Mutual funds	190,459,022	171,980,757
Other foreign marketable securities	1,274,070	1,418,329
Structured product investments	30,121,480	28,452,628
Receivables	95,564	73,856
Real estate		
Land	55,935,707	59,870,466
Buildings	26,051	26,430
Construction-in-progress	41,010,332	33,005,626
Custody of securities	648,402,716	521,069,710
Total	$1,169,092,754	$1,024,897,117

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. Contents and Amounts of Trust Business Handled in Accordance with the Trust Enterprise Act

Under Article 3 of the Trust Enterprise Act, the Company can offer trust business. The contents and amounts of trust accounts were as follows:

	December 31, 2025	December 31, 2024
Specified money trust investing in domestic and foreign securities	$297,322,219	$276,297,103
Domestic securities investment trusts for custody	648,402,716	521,069,710
Other money trusts	72,311,120	77,240,870
Employee benefit trusts	10,554,658	10,036,508
Securities trusts	30,445,746	35,841,900
Collective management accounts	233,607	280,115
Designated individual money trusts	10,007	-
Real estate trusts	107,879,490	102,272,647
Money and securities trusts	1,933,191	1,858,264
Total	$1,169,092,754	$1,024,897,117

(11) Information of exchange rate risk concentration

Significant financial assets and liabilities denominated in foreign currencies were as follows:

Unit: Thousands of foreign currencies / Thousands of New Taiwan Dollars (NTD)

	December 31, 2025		
Financial Assets	Amount (Foreign Currencies)	Exchange Rate to NTD	Amount (NTD)
Monetary Items:			
AUD	$3,272,722	21.02	$68,807,549
RMB	8,709,219	4.50	39,185,852
EUR	469,180	36.91	17,317,662
JPY	186,933,878	0.20	37,545,483
USD	18,578,647	31.45	584,262,156
Non-monetary Items:			
RMB	36,248,448	4.50	163,094,561
HKD	23,063,549	4.04	93,183,426
EUR	588,790	36.91	21,732,551
JPY	160,864,415	0.20	32,309,457
USD	14,552,866	31.45	457,658,516

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	December 31, 2025		
	Amount (Foreign Currencies)	Exchange Rate to NTD	Amount (NTD)
Financial Liabilities			
Monetary Items:			
RMB	$13,650,941	4.50	$61,420,405
EUR	1,062,089	36.91	39,202,271
HKD	7,930,440	4.04	32,041,278
JPY	295,028,248	0.20	59,256,129
USD	19,536,511	31.45	614,385,050
Non-monetary Items:			
AUD	2,435,971	21.02	51,215,210
RMB	31,263,802	4.50	140,666,880
HKD	19,581,866	4.04	79,116,418
JPY	53,650,097	0.20	10,775,568
USD	14,074,072	31.45	442,601,430

	December 31, 2024		
	Amount (Foreign Currencies)	Exchange Rate to NTD	Amount (NTD)
Financial Assets			
Monetary Items:			
AUD	$2,471,421	20.40	$50,407,670
RMB	55,171,640	4.48	247,119,622
HKD	7,028,475	4.22	29,685,722
JPY	190,882,619	0.21	40,087,068
USD	49,917,603	32.79	1,636,997,852
Non-monetary Items:			
USD	-	32.79	-
Financial Liabilities			
Monetary Items:			
AUD	$2,086,311	20.40	$42,552,883
RMB	55,258,502	4.48	247,508,687
HKD	7,257,817	4.22	30,654,377
JPY	191,618,044	0.21	40,241,513
USD	50,304,301	32.79	1,649,679,256
Non-monetary Items:			
AUD	385,628	20.40	7,865,348
USD	-	32.79	-

Due to the wide variety of foreign currencies of the Company, it is impossible to disclose the exchange gains and losses information of monetary financial assets and financial liabilities with each foreign currency with significant impact. For the years ended December 31, 2025 and 2024, the Company recognized foreign exchange gains of $884,295 thousand and $1,187,930 thousand, respectively.

(12) Business or transaction activities, joint business promotion activities, interactive use of Information, or sharing of business equipment or premises with other subsidiaries of financial holding companies, and the method of apportioning revenue, costs, expenses, and profits and losses

A. Please refer to Note 7 for the major business or transactions between the Company and TS Financial Holding and other fellow subsidiaries.

B. Joint business promotion activities

In order to provide customers with diversified and convenient financial services to meet their needs, further improve the performance of the subsidiaries of the parent company TS Financial Holding, and create the best synergy, TS Financial Holding and its subsidiaries actively use the resources of each subsidiary to integrate the marketing mechanism through financial holdings, assist each other in the cross-selling business, and fully demonstrate the advantages of complementary channels.

C. Interactive use of information

In accordance with the “Financial Holding Company Act”, “Administrative Measures for Joint Marketing Between Subsidiaries of Financial Holding Companies”, “Personal Data Protection Act” and relevant letters and orders issued by the Financial Supervisory Commission, the Company and its subsidiaries that conduct joint marketing, and subsidiaries of mutual use have signed the “Joint Customer Information Confidentiality Agreement”, and announced “Joint Marketing Customer Information Confidentiality Measures” on its website and business offices to maintain the confidentiality of customer information or limit its use, and provide a customer exit mechanism in a legal and safe environment.

D. Sharing of business equipment or premises

In order to provide the most suitable products and one-stop shopping services, and to conduct joint marketing business within the scope approved by laws and regulations, customers can conduct related business at the business offices of the parent company TS Financial Holding.

E. The method of apportioning revenue, costs, expenses, and profits and losses

In order to expand the economic scale and utilize the benefits of the Company’s resources, the Company and subsidiaries of the parent company TS Financial Holding will jointly promote the business or share part of the business equipment and premises. Their income and expense allocation methods are directly attributable to the subsidiaries according to the nature of the business, or appropriately apportioned to the respective companies.

(13) Capital Risk Management

A. Summary

The Company’s goals in capital management are as follows:

(a) The Company’s eligible self-owned capital should meet the requirement of legal capital, and reached the minimum capital adequacy ratio.

(b) The calculation of eligible self-owned capital and legal capital are according to the regulation of administration.

(c) To ensure the Company is able to meet the capital needs of taking any kinds of risks, it should be evaluated periodically and observed the variation between eligible self-owned capital and risk assets.

B. Capital management procedures

The Company maintains a sound capital adequacy ratio to meet the requirement of the administration, and reports to the administration quarterly. In addition, the capital management procedures for the overseas branches of the Company are carried out according to the regulation of local administrations.

The Company’s capital adequacy performance, which is calculated based on Regulations Governing the Capital Adequacy and Capital Category of Banks, is reported to the Asset and Liability Management Committee monthly. The regulatory capital is classified into Tier I capital and Tier II capital, respectively.

(a) Tier I capital: Include common equity Tier I and other Tier I capital.

i. Common equity Tier I: Include ordinary shares and additional paid-in capital in excess of par-ordinary shares, capital reserves, legal reserve, special reserve, retained earnings, non-controlling interests and other equity and deduct legal adjustment of calculations announced by administration.

ii. Other Tier I capital: Include noncumulative perpetual preferred stock and its capital stock premium and noncumulative perpetual subordinated bonds and deduct legal adjustment of calculations announced by administration.

(b) Tier II capital: Include long-term subordinated bonds, property at fair values or revaluation values as firstly applied by IAS recognized as increases of retained earning, the 45% of unrealized gains on financial assets at FVTOCI and operating reserve and allowance and deduct legal adjustment of calculations announced by administration.

C. Capital Adequacy

As of December 31, 2025 and 2024, the Company’s eligible self-owned capital to risk-weighted assets ratio was 15.38% and 15.52%, respectively. All of which had complied with the administration's capital management requirements.

13. Other Disclosure

(1) Information on Significant Transactions

A. Cumulative amount of the stock of the same investee purchase or sale reaching $300 million or more than 10% of the paid-in capital: Please refer to Attachment 1.
B. Acquisition of real estate reaching $300 million or more than 10% of the paid-in capital: None.
C. Disposal of real estate reaching $300 million or more than 10% of the paid-in capital: None.
D. Discounts of service charge transactions in with related parties reaching $5 million or more: None.
E. Receivables from related parties reaching $300 million or more than 10% of the paid-in capital: Please refer to Attachment 2.
F. Information on sales of non-performing loans: None.
G. The types of securitized products and related information applied and approved for process according to the Financial Asset Securitization Act or Real Estate Securitization Act: None.
H. Other significant transactions that may affect the decisions-making of financial statement users: None.

(2) Information on Investees

A. Information on investments in total shareholding: Please refer to Attachment 3.
B. Loans to others (Note): Please refer to Attachment 4.
C. Endorsements and guarantees for others (Note): Please refer to Attachment 5.
D. Securities held at period-end (Note): Please refer to Attachment 6.
E. Cumulative amount of the same investee purchase or sale reaching NT$300 million or more than 10% of the paid-in capital (Note): None.
F. Investee companies engaged in derivative transactions: None.
G. Acquisition of real estate reaching $300 million or more than 10% of the paid-in capital: None.
H. Disposal of real estate reaching $300 million or more than 10% of the paid-in capital: None.
I. Discounts of service charge in transactions with related parties reaching $5 million or more: None.
J. Receivables from related parties reaching $300 million or more than 10% of the paid-in capital: None.
K. Information on sales of non-performing loans: None.
L. The types of securitized products and related information applied and approved for process according to the Financial Asset Securitization Act or Real Estate Securitization Act: None.
M. Other significant transactions that may affect the decisions-making of financial statements user: None.

Note: If the investee company is engaged in financial, insurance, or securities industries, disclosure of related information may be exempted according to relevant laws and regulations.

(3) Information on Investments in the Mainland Area

Please refer to Attachment 7.

(4) Other Supplementary Disclosure Information

A. Quality of assets: Please refer to Attachment 8.
B. Non-performing loans or overdue accounts receivable exempted from report: Please refer to Attachment 9.
C. Concentration on credit risk: Please refer to Attachment 10.
D. Interest rate sensitivity analysis of assets and liabilities table: Please refer to Attachments 11 and 11-1.
E. Profitability: Please refer to Attachment 12.
F. Maturity structure analysis: Please refer to Attachments 13 and 13-1.
G. Capital adequacy: Please refer to Attachment 14.

ATTACHMENT 1

Cumulative amount of the stock of the same investee purchase or sale reaching $300 million or more than 10% of the paid-in capital

Unit: NT$ Thousands

Buyer or seller	Type of Securities	Name of Securities	Financial statement account	Transaction party	Issuer's relationship to the buyer or seller	Beginning of the period		Purchases		Sales				Others		End of the period	
						Shares (units)	Amount	Shares (units)	Amount	Shares (units)	Selling price	Carrying amount	Disposal gain (loss)	Shares (units)	Amount (Note)	Shares (units)	Amount
The Company	Stock	Taiwan Stock Exchange Corporation	Investments in equity instruments designated as at FVTOCI	Private market	-	-	$-	8,495,000	$722,075	-	$-	$-	$-	2,548,500	$(242,136)	11,043,500	$479,939

Note:"Others"refers to fair value adjustments.

ATTACHMENT 2

Receivables from related parties reaching $300 million or more than 10% of the paid-in capital

Unit: NT$ Thousands

Company name	Related party	Relationship	Ending balance	Turnover rate	Overdue		Amount received in subsequent year	Allowance for bad debts	Note
					Amount	Actions taken			
The Company	Taishin Life Insurance	A subsidiary also wholly owned by TS Financial Holding	$392,086 (Note)	-	$-	-	$-	$-	-

Note: The ending balance is comprised of commission receivable.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ATTACHMENT 3

Information on investments in total shareholding

Unit: NT$ Thousands

Investees' Names	Unified Business No.	Investees' Location	Principal Business Activities	Ownership Interest (%) at Ending Balance	Investment Book Value	Recognized Investment Income (Loss) of Current Period	Sum of Ownership (Note 1)				Note
							Current Shares	Imputed Shares (Note 2)	Shares	Ownership Interest (%)	
Financial business											Investments accounted for using the equity method
Taishin D.A. Finance	16094812	7F., No. 44, Jungshan N. Rd., Sec. 2, Taipei City 114, Taiwan	Rental and leasing, wholesale of medical equipment, wholesale of machinery, retail sale of medical equipment, and retail sale of machinery and equipment	100.00%	$4,694,405	$170,437	341,015,134	-	341,015,134	100.00%	
Nonfinancial business											
Taishin Real-Estate	89597170	2F-4, No. 9 Dehuei St., Taipei, Taiwan	Construction manager, housing and building development and rental, industrial factory development and rental, specialized field construction and development	60.00%	220,149	20,436	20,000,000	-	20,000,000	100.00%	
An Hsin Construction Manager	89458276	No. 100, Sinyi Rd., Sec. 5, Taipei, Taiwan	Construction manager, housing and building development and rental, industrial factory development and rental, specialized field construction and development	30.00%	80,660	8,876	4,500,000	-	4,500,000	30.00%	
Financial business											Investments in equity instruments designated as at FVTOCI
Sunlight Asset Management Co., Ltd.	28008025	11F, No. 85 and No. 87, Nanjing E. Rd., Sec. 2, Taipei, Taiwan	Financial institution creditor's right (money) purchase business, credit investigation services, investment consulting, software design services, and data processing services	18.21%	12,027	-	1,279,177	-	1,279,177	21.32%	
Dah Chung Bills Finance Corp.	89391748	4F, 4F-1, -2, -3 No. 88, Dunhua N. Rd., Songshan Dist., Taipei City 105, Taiwan	Bills finance	18.29%	1,382,477	-	91,192,103	-	91,192,103	18.80%	
Taiwan Futures Exchange	16092130	13F, No. 102, and 14F, No. 100, Luossu Fu. Rd., Sec. 2, Taipei, Taiwan	Futures exchange and futures clearing houses	0.96%	284,471	-	24,269,821	-	24,269,821	3.36%	
Taipei Foreign Exchange Brokerage Co., Ltd.	84703601	8F, No. 400, Bade Rd., Sec. 2, Taipei, Taiwan	Exchange trading, DEPOS, swap, and other permitted foreign exchange business	0.81%	6,584	-	160,000	-	160,000	0.81%	
Financial Information Service Co., Ltd.	16744111	No. 81, Kang Ning Rd., Sec. 3, Taipei, Taiwan	Software design services, data processing services, electronic information supply services, conference room rental, and enterprise management consultancy	2.48%	449,203	-	30,916,012	-	30,916,012	4.14%	
Taiwan Asset Management Co., Ltd.	70808864	11F and 12F, No. 85 and No. 87, Nanjing E. Rd., Sec. 2, Taipei, Taiwan	Financial institution creditor's right (money) purchase business, process financial institution creditor's right (money) appraisal and auction business, financial institution creditor's right (money) management business and services, account receivable purchase business, and overdue receivables management services	0.57%	75,525	-	6,000,000	-	6,000,000	0.57%	
Taiwan Financial Asset Service Co., Ltd.	70820924	10F, No. 300, Zhongxiao E. Rd., Sec 4, Taipei, Taiwan	Fair third-party asset auction business, process financial institution creditor's right (money) appraisal and auction business	2.94%	45,369	-	10,000,000	-	10,000,000	5.88%	
Taiwan Mobile Payment Corporation	54390700	2F., No. 210, Ruiguang Rd., Neihu Dist., Taipei, Taiwan	Computer equipment installation, wholesale of machinery, wholesale of computer software, wholesale of electronic materials, and retail sale of machinery and equipment	3.00%	9,617	-	3,600,000	-	3,600,000	6.00%	
Universal Venture Fund Co., Ltd	16446106	8F, No. 70, Nanjing E. Rd., Sec. 3, Taipei, Taiwan	Venture investment	1.49%	2,608	-	122,118	-	122,118	1.49%	
Easycard Corporation	70765909	13F., No. 3-1, Yuanqu St., Nangang Dist., Taipei, Taiwan	Electronic payment enterprises	0.95%	28,386	-	767,812	-	767,812	1.08%	
GLN International Inc.	-	8thfloor,217,Teheran-ro,Gangnam-gu,Seoul,Korea	Electronic finance business, financial insurance related business, foreign exchange business, value charged and communication business, system development and management	4.67%	32,572	-	5,681,818	-	5,681,818	4.67%	
Financial business											Financial assets at FVTPL
Taishan Investment Management Consultants Co., Ltd.	55665698	18F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110, Taiwan	Venture investment, all business activities that are not prohibited or restricted by law, except those that are subject to special approval	4.30%	109,300	(7,938)	231,500,000	-	231,500,000	5.38%	
Taishan II Medtech Partnership., Ltd.	42904438	18F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110, Taiwan	Venture investment, all business activities that are not prohibited or restricted by law, except those that are subject to special approval	6.78%	266,075	(13,150)	(Note3)	-	(Note3)	11.86%	
Taishan III Medtech Partnership., Ltd.	42905083	18F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110, Taiwan	Venture investment, all business activities that are not prohibited or restricted by law, except those that are subject to special approval	9.14%	120,474	160	(Note3)	-	(Note3)	15.23%	
Taiwania Capital Buffalo Fund VI Co., Ltd.	42905289	18F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110, Taiwan	Venture investment, all business activities that are not prohibited or restricted by law, except those that are subject to special approval, general investment	6.67%	185,503	(23,771)	(Note3)	-	(Note3)	15.00%	
Taiax Life Science Fund L.P.	-	Attention:InvestorServicesMaplesFundServices(Singapore)Pte.Ltd.1RafflesPlace #36-01,OneRafflesPlaceSingapore	Venture investment, all business activities that are not prohibited or restricted by law, except those that are subject to special approval, general investment	5.00%	41,982	(15,801)	(Note3)	-	(Note3)	5.00%	
Nonfinancial business											Investments in equity instruments designated as at FVTOCI
EasyCard Investment Holdings Co., Ltd.	28988941	6F-2, No. 3-1 Yuanqu Str., Taipei, Taiwan	General investment, real estate business, real estate leasing, management consulting, and investment consulting	2.40%	23,968	-	1,599,861	-	1,599,861	2.40%	
Kaohsiung Rapid Transit Corp.	70798839	No. 1, Zhong'an Rd., Qianzhen Dist., Kaohsiung Taiwan	Mass rapid transit system transport, telecommunications business, general advertisement service, rail vehicle and parts manufacturing, and parking area operators	0.23%	5,257	-	5,787,286	-	5,787,286	2.08%	
Da Chiang International Co., Ltd.	97430717	15F, No. 109, Ren Ai Rd., Sec. 4, Taipei, Taiwan	International trade, unclassified other services, housing and building development and rental, specialized field construction and development, and investment consulting	4.31%	164,390	-	8,620,690	-	8,620,690	4.31%	
Lien An Co., Ltd.	97290477	5F, No. 128, Xing'ai Rd., Neihu Dist., Taipei City 144, Taiwan	Other industrial and commercial services, other repair, rental and leasing, wholesale of precision instruments, and retail sale of precision instruments	5.00%	1,609	-	125,000	-	125,000	5.00%	
Taiwan Stock Exchange Corporation	3559508	9F, No. 7, Section 5, Xinyi Road, Taipei City	The established premises and facilities are provided to designated securities brokers and dealers for conducting centralized trading, settlement, and delivery of securities as defined under the Securities and Exchange Act. Other businesses approved by the competent authorities or investments in other enterprises may also be conducted. The operation of the aforementioned businesses shall comply with the relevant laws and regulations.	0.64%	479,939	-	26,308,380	-	26,308,380	1.52%	

Note 1: All existing or proposed shares held by the Company, the directors, the supervisors, the general manager, the deputy general manager and the related companies that are in compliance with the definition of the Company Law shall be included in the shares.

Note 2: a.The proposed shareholding refers to the purchase of equity-type securities or the derivative goods contract (which has not yet been converted into equity holders) and is linked to the investment business according to the agreed trading conditions and the bank's intention to invest. The equity is also transferred to the investment purpose of Article 74 of this Law, and the shares acquired as a result of the conversion under the assumption of conversion.

b.The former disclosure of "equity securities with equity" refers to securities of the first paragraph of Article 11 of the Securities and Exchange Act, such as convertible corporate bonds and warrants.

c.The "derivative commodity contract" mentioned above refers to those who meet the definition of derivative instruments in Bulletin of Financial Accounting Standards No. 34, such as stock options.

Note 3: Because partnership limited company did not issue stocks, the Company held no shares.

ATTACHMENT 4

Loans to others

Unit: NT$ Thousands

No. (Note 1)	Lender	Borrower	Financial Statement Account (Note 2)	Related Parties	Maximum Balance for the Period (Note 3)	Ending Balance (Note 8)	Amount Actually Drawn	Interest Rate (%)	Financing Type (Note 4)	Transaction Amount (Note 5)	Financing Reasons (Note 6)	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrowing Company (Note 7)	Financing Company's Financing Amount Limit (Note 7)
													Item	Value		
1	Taishin D.A. Finance	Yongjia Management Consulting Co., Ltd.	Accounts receivable	No	$20,000	$-	$-	2%~10%	2	$-	Business turnover	$-	None	$-	$449,751	$4,497,512

Note 1: The financing transaction information codes were listed as follows:
a.Parent: 0.
b.Subsidiaries are numbered starting from 1.

Note 2: If receivables from related companies, receivables from related parties, contracts between shareholders, advance payments, payment on behalf, etc. have financing type, they should fill into this column.

Note 3: The maximum balance of financings provided in the current year.

Note 4: The financing type were listed as follows:
a.Business transaction: 1.
a.Short-term financing: 2.

Note 5: If the financing type is 1, the amount of business transaction should be filled. The amount of business transaction refers to the amount between the lender and the borrower in the recent year.

Note 6: If the financing type is 2, the reason for the financing and the use of the financing should be specified, such as repayment of loans, purchase of equipment, business turnover, etc.

Note 7: The accumulated balance of loans (including business dealings and short-term financing needs) shall be limited to its net worth. The lending amount limit to the same person and the same affiliated entity shall be limited 10% of its net worth based on the latest financial statements.

Note 8: If public company follows the Article 14(a) of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, it will resolve the allocation of funds within the board of directors. Although the amount has not been allocated, the company needs to announce the amount resolved by the board of directors, in order to bear the risk of disclosure; after the fund has been repaid, the company should disclose the balance after repayment, in order to reflect on the adjustment of risk.If the public company follows the Article 14(b) of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, after the resolution of board of directors, enables the chairman, within a certain monetary limit resolved by the board of directors, and within a period not exceeding one year, to give loans in installments or to make a revolving credit line available for the borrower to draw down, the company should still use the resolution amount and limit passed in the board of directors as the publicly disclosed balance. After the fund has been partially repaid, considering that there will be more allocation in the process, the company should use the resolution amount and the limit passed in the board of directors as the publicly disclosed balance.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ATTACHMENT 5

Endorsements and guarantees for others

Unit: NT$ Thousands

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 4)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 5)	Actual Amount Borrowed (Note 6)	Endorsement and Guarantee Secured by Property with Pledged Amount	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 7)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 7)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland Area (Note 7)
		Name	Relationship (Note 2)										
1	Taishin D.A. Finance	Taishin Financial Leasing (China)	2	$31,482,587	$1,709,754	$1,709,754	$1,367,803	$-	38.02%	$31,482,587	Y	N	Y

Note 1: Codes were listed as follows:

a. Parent: 0.

b. Subsidiaries are numbered starting from 1.

Note 2: Relationship between the endorser/guarantor and the endorsee/guarantee is classified as follows:

a. Having a business relationship.

b. The endorser/guarantor directly or indirectly owns more than 50% of the ordinary shares of the endorsee/guarantee.

c. The endorsee/guarantee directly or indirectly owns more than 50% of the ordinary shares of the endorser/guarantor.

d. The Company in which the public company directly or indirectly holds 90% or more of the voting shares may make endorsements/guarantees for each other.

e. Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or joint builders for purposes of undertaking a construction project.

f. Due to a joint venture, all shareholders provide endorsements/guarantees to the endorsee/guarantee in proportion to their ownership.

g. Where companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The accumulated balance of endorsement/guarantee provided to others shall be limited to seven times of the endorser/guarantor's net worth. The endorsement/guarantee amount limit to a same person and same affiliated entity, shall be limited to seven times of the endorser/guarantor's net worth based on latest financial statements.

Note 4: The maximum balance of the endorsement/guarantee provided to others in the current year.

Note 5: The amount approved by the board of directors shall be entered. However, it refers to the amount approved by the chairman if the board of directors authorizes the chairman to make a decision in accordance with Subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: The actual drawdown amount by the endorsed/guaranteed company within the range of the endorsement/guarantee balance shall be entered.

Note 7: It is a guarantor of the listed parent company to the endorsement of the subsidiary, the subsidiary company's endorsement to the listed parent company and the endorsement of the mainland area must be filled with Y.

Note 8: Foreign-currency amounts were translated to New Taiwan Dollars at the spot exchange rates on the balance sheet date.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ATTACHMENT 6

Securities held at period-end

Unit: NT$ Thousands

Holding company	Marketable securities type and name (Note 1)	Relationship with the holding company (Note 2)	Financial statement account	End of Period				Note (Note 4)
				Shares (units)	Carrying amount (Note 3)	Percentage of ownership	Market Value	
Taishin D.A. Finance	Yuan Tai Forex Brokerage Co., Ltd.	Its corporate director is Taishin D.A. Finance	Investments in equity instruments designated as at FVTOCI	600,000	$9,368	5.00%	$9,368	
	Bon-Li International Technology Co., Ltd.	None	Investments in equity instruments designated as at FVTOCI	125,000	-	1.50%	-	Go out of business
	Taishin Financial Leasing (China)	The parent company is Taishin D.A. Finance	Investments accounted for using equity method	80,000	2,506,283	100.00%	2,506,283	
Taishin Real-Estate	Metro Consulting Service Ltd.	Its corporate director is Taishin Real Estate	Investments in equity instruments designated as at FVTOCI	300	2,888	6.00%	2,888	

Note 1: The securities referred to in this table are those that fall within the scope of IFR 9 "Financial Instruments," including stocks, bonds, beneficiary certificates, and securities derived from the aforementioned items.

Note 2: If the issuer of the securities is not a related party, that column is exempt from filling.

Note 3: For those measured at fair value, please fill in the amount in the book value column after fair value adjustment; for those not measured at fair value, please fill in the original acquisition cost or amortized cost, less the accumulated impairment book balance.

Note 4: If the securities listed are subject to restrictions on use due to providing guarantees for loans, or other agreements, please indicate in the remarks column the number of shares provided as collateral or pledged the amount of the guarantee or pledge, and the circumstances of the restrictions on use.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ATTACHMENT 7

Information on Investments in the Mainland Area：

Unit: Thousands of foreign currency/NT$ Thousands

Investor (Note 1)	Investee	Main businesses and products of investee	Total amount of paid-in capital of investee (US$ in thousand)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025 (US$ in thousand)	Investment flows (US$ in thousand)		Accumulated outflow of investment from Taiwan as of December 31, 2025 (US$ in thousand)	Investee's net income	The percentage of shares held by the company through direct or indirect investment	Investment profit (loss) recognized in the current period	End-of-period investment book value	Cumulative repatriated investment income as of this period
						Outflow	Inflow						
Taishin D.A. Finance	Taishin Financial Leasing (China)	Financial leasing	$2,437,967 (USD80,000)	Note 1(1)	$2,117,767 (USD70,000)	$-	$-	$2,117,767 (USD70,000)	$29,417	100%	$29,417 Note 2(2)A	$2,506,283	$397,631

Accumulated investment in the Mainland area as of December 31, 2025(US$ in thousand)	Investment amount approved by the Ministry of Economic Affairs Investment Commission	Upper limit on investment (US$ in thousand)
$2,117,767 (USD70,000)	$2,356,113 (USD80,000)	$32,147,491

Note 1: The methods of investment are as follows:
(1) Direct investment in Mainland Area.
(2) Investment in Mainland Area through reinvestment in an existing enterprise in a third area.
(3) Others.

Note 2: Recognized in profit (loss) in the current period:
(1) If the entity is still in the preparation stage and there is no profit (loss) yet, it should be disclosed.
(2) The basis of recognition of profit (loss), one of the following categories, should be disclosed:
A. Financial statements have been audited (reviewed) by an international accounting firm that has a working relationship with an accounting firm in the ROC.
B. Financial statements have been audited (reviewed) by the Taiwan parent company's CPA.
C. Others.

Note 3: For Taiwanese banks establishing branches, subsidiary banks, or participating in equity investment in Mainland Area, as well as Taiwanese banks and their subsidiaries that hold more than 50% of the total issued voting shares or total capital and subsidiary banks in a third area, the accumulated operating funds and investment of related-party corporations that are directly or indirectly controlled by companies investing in the mainland shall not exceed 15% of the bank's net worth at the time of application.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ATTACHMENT 8

Quality of assets

Unit: NT$ Thousands, %

Year/Month			December 31, 2025					December 31, 2024				
Business Type/Item			Non-performing Loans (Note 1)	Total Loan Amount	Non-performing Loan Ratio (NPL Ratio) (Note 2)	Allowance for Bad Debt	Non-performing Loan Coverage Ratio (NPL Coverage Ratio) (Note 3)	Non-performing Loans (Note 1)	Total Loan Amount	Non-performing Loan Ratio (NPL Ratio) (Note 2)	Allowance for Bad Debt	Non-performing Loan Coverage Ratio (NPL Coverage Ratio) (Note 3)
Corporate Finance	Secured		$767,250	$393,206,856	0.20%	$4,199,847	547.39%	$494,969	$347,923,122	0.14%	$3,826,580	773.09%
	Unsecured		104,600	438,469,832	0.02%	6,610,032	6319.34%	205,016	390,947,060	0.05%	5,977,252	2915.51%
Consumer Finance	Residential Mortgage Loans (Note 4)		324,258	416,031,331	0.08%	6,238,538	1923.94%	322,426	425,613,519	0.08%	6,374,073	1976.91%
	Cash Cards		859	75,807	1.13%	26,069	3034.81%	1,055	120,566	0.88%	29,692	2814.41%
	Microfinance Loans (Note 5)		379,260	121,911,098	0.31%	1,388,827	366.19%	383,553	109,445,061	0.35%	1,260,187	328.56%
	Others (Note 6)	Secured	1,013,982	433,556,938	0.23%	4,543,391	448.07%	789,497	391,142,914	0.20%	4,107,942	520.32%
		Unsecured	2,880	13,798,496	0.02%	141,728	4921.11%	2,709	9,589,365	0.03%	99,526	3673.90%
Total Loan Business			2,593,089	1,817,050,358	0.14%	23,148,432	892.70%	2,199,225	1,674,781,607	0.13%	21,675,252	985.59%
Credit Card Business			224,509	75,899,231	0.30%	760,489	338.73%	263,924	76,011,137	0.35%	770,211	291.83%
non-recourse accounts receivable factoring Business (Note 7)			101,005	32,407,497	0.31%	403,448	399.43%	105,328	32,009,749	0.33%	393,181	373.29%

Note 1: Non-performing Loans are reported in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Asset and Deal with Non-performing /Non-accrual Loans." Non-performing loans of credit cards are based on the overdue account amount specified in the Financial Supervisory Commission letter No. 0944000378 dated July 6, 2005.

Note 2: NPL Ratio = Non-performing loans / Total loan amount; Non-performing loans of credit card ratio = Non-performing loans of credit cards / Accounts receivable balance.

Note 3: NPL coverage ratio = Allowance for bad debts / NPL; NPL coverage ratio of credit cards = Allowance for bad debts for credit card accounts receivable / Non-performing loans of credit cards.

Note 4: Residential mortgage loans refer to loans where the borrower provides a residential property purchased (owned) by themselves, their spouse, or minor children as full collateral and establishes a mortgage with a financial institution to obtain funds for the purpose of purchasing or renovating a residence.

Note 5: Microfinance loans refer to small unsecured loans that are applicable under the Financial Supervisory Commission letter No. 09440010950 dated December 19, 2005, and are not classified as microfinance loans of credit cards or cash cards.

Note 6: "Other" consumer finance refers to other secured or unsecured consumer finance loans that are not classified as "residential mortgage loans", "cash cards", or "microfinance loans", excluding credit cards.

Note 7: Non-recourse accounts receivable business is reported as NPL within three months from the date when the accounts receivable factor or insurance company determines that the claim is denied, in accordance with the Financial Supervisory Commission letter No. 09850003180 dated August 24, 2009.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ATTACHMENT 9

Non-performing loans or overdue accounts receivable exempted from report

Unit: NT$ Thousands

	December 31, 2025		December 31, 2024	
	Total Balance of Exempt NPL	Total Balance of Exempt Overdue Accounts Receivable	Total Balance of Exempt NPL	Total Balance of Exempt Overdue Accounts Receivable
Amount Exempt from Reporting Due to Debt Negotiation and Compliance with Agreement (Note 1)	$35,836	$13,879	$60,575	$22,693
Debt Repayment Plans and Rehabilitation Plans in Compliance (Note 2)	1,770,341	1,077,542	1,691,627	1,029,648
Total	$1,806,177	$1,091,421	$1,752,202	$1,052,341

Note 1: Matters to be further disclosed according to the Financial Supervisory Commission letter No. 09510001270 dated April 25, 2006, regarding the credit reporting method and information disclosure regulations for cases approved under the "Unsecured Debt Negotiation Mechanism of the Bankers Association of the Republic of China".

Note 2: Matters to be further disclosed according to the Financial Supervisory Commission letter No. 09700318940 dated September 15, 2008, and letter No. 10500134790 dated September 20, 2016, regarding the credit reporting and information disclosure regulations for banks handling "Consumer Debt Clearance Act" pre-negotiation, rehabilitation, and liquidation cases.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ATTACHMENT 10

Concentration on credit risk

Unit: NT$ Thousands, %

Year	December 31, 2025			December 31, 2024		
Ranking (Note 1)	Industry Type of Company or Group (Note 2)	Total Credit Balance (Note 3)	Percentage of Current Net Worth (%)	Industry Type of Company or Group (Note 2)	Total Credit Balance (Note 3)	Percentage of Current Net Worth (%)
1	Group A (Wireless Telecommunications Industry)	$16,934,035	7.90%	Group C (Computer Manufacturing Industry)	$16,558,697	8.11%
2	Group B (Real Estate Development Industry)	15,145,962	7.07%	Group A (Wireless Telecommunications Industry)	15,008,362	7.35%
3	Group C (Other Holding Industries)	15,052,598	7.02%	Group B (Unclassified Other Financial Services Industry)	13,705,684	6.71%
4	Group D (Real Estate Development Industry)	13,844,358	6.46%	Group E (Other Holding Industries)	10,873,109	5.33%
5	Group E (Unclassified Other Financial Services Industry)	11,724,159	5.47%	Group G (Unclassified Other Financial Services Industry)	10,612,974	5.20%
6	Group F (Computer Manufacturing Industry)	11,412,205	5.32%	Group H (Panel and Component Manufacturing Industry)	10,611,169	5.20%
7	Group G (Cement Manufacturing Industry)	11,074,355	5.17%	Group D (Real Estate Development Industry)	10,421,623	5.11%
8	Group H (Panel and Component Manufacturing Industry)	10,609,970	4.95%	Group J (Unclassified Other Financial Services Industry)	9,356,000	4.58%
9	Group I (Semiconductor Packaging and Testing Industry)	9,228,992	4.31%	Group K (Computer Manufacturing Industry)	8,806,421	4.31%
10	Group J (Real Estate Development Industry)	8,650,000	4.04%	Group L (Financial Leasing Industry)	8,796,654	4.31%

Note 1: List the names of the top ten corporate credit clients, excluding government or state-owned enterprises, sorted by the total credit balance for the credit clients. If the credit client belongs to a group of companies, the credit amount for that group will be aggregated and presented as a whole, disclosed using the "Code" and the "Industry Type" format. If it is a group of companies, disclose the industry category of the company with the highest exposure within that group, with the industry type filled in according to the detailed industry names classified by the Directorate-General of Budget, Accounting and Statistics.

Note 2: Group companies refer to those that meet the definition in Article 6 of the "Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Review of Securities Listings."

Note 3: The total credit balance refers to the sum of various loans (including import and export financing, discounting, overdrafts, short-term loans, short-term guarantees, accounts receivable factoring, medium-term loans, medium-term guarantees, long-term loans, long-term guarantees, payment collection), remittance purchases, non-recourse accounts receivable factoring, accounts receivable for acceptance bills, and guarantee balances.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ATTACHMENT 11

Interest Rate Sensitivity Analysis Of Assets And Liabilities Table (NTD)

December 31, 2025

Unit: NT$ Thousands, %

Item	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest Rate Sensitive Assets	$1,643,910,656	$49,852,593	$107,627,066	$224,990,958	$2,026,381,273
Interest Rate Sensitive Liabilities	681,909,387	146,290,615	159,512,333	905,406,180	1,893,118,515
Interest Rate Sensitivity Gap	962,001,269	(96,438,022)	(51,885,267)	(680,415,222)	133,262,758
Net Worth					210,464,162
Interest Rate Sensitivity Assets to Liabilities Ratio %					107.04%
Interest Rate Sensitivity Gap to Net Worth Ratio %					63.32%

December 31, 2024

Unit: NT$ Thousands, %

Item	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest Rate Sensitive Assets	$1,578,692,475	$31,940,716	$120,044,950	$237,780,264	$1,968,458,405
Interest Rate Sensitive Liabilities	675,416,802	168,123,028	165,450,520	830,136,243	1,839,126,593
Interest Rate Sensitivity Gap	903,275,673	(136,182,312)	(45,405,570)	(592,355,979)	129,331,812
Net Worth					203,897,994
Interest Rate Sensitivity Assets to Liabilities Ratio %					107.03%
Interest Rate Sensitivity Gap to Net Worth Ratio %					63.43%

Note 1: Referring to the amounts in New Taiwan Dollars of the entire bank (excluding foreign currencies) and does not include contingent assets and contingent liabilities.
Note 2: Interest rate sensitive assets and liabilities refer to interest-earning assets and interest-bearing liabilities whose income or costs are affected by changes in interest rates.
Note 3: Interest Rate Sensitivity Gap = Interest Rate Sensitive Assets - Interest Rate Sensitive Liabilities
Note 4: Interest Rate Sensitivity Assets to Liabilities Ratio = Interest Rate Sensitive Assets ÷ Interest Rate Sensitive Liabilities (referring to New Taiwan Dollar interest rate sensitive assets and liabilities)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ATTACHMENT 11-1

Interest Rate Sensitivity Analysis Of Assets And Liabilities Table (USD)

December 31, 2025

Unit: US$ Thousands, %

Item	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest Rate Sensitive Assets	$11,811,063	$955,192	$1,969,994	$8,380,958	$23,117,207
Interest Rate Sensitive Liabilities	13,805,042	1,965,127	1,568,155	5,037,471	22,375,795
Interest Rate Sensitivity Gap	(1,993,979)	(1,009,935)	401,839	3,343,487	741,412
Net Worth					(7,500)
Interest Rate Sensitivity Assets to Liabilities Ratio %					103.31%
Interest Rate Sensitivity Gap to Net Worth Ratio %					(9885.49%)

December 31, 2024

Unit: US$ Thousands, %

Item	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest Rate Sensitive Assets	$10,492,716	$1,017,741	$4,191,244	$5,700,733	$21,402,434
Interest Rate Sensitive Liabilities	13,095,154	2,877,659	1,880,486	3,941,529	21,794,828
Interest Rate Sensitivity Gap	(2,602,438)	(1,859,918)	2,310,758	1,759,204	(392,394)
Net Worth					(53,359)
Interest Rate Sensitivity Assets to Liabilities Ratio %					98.20%
Interest Rate Sensitivity Gap to Net Worth Ratio %					735.38%

Note 1: Referring to the amounts in US Dollars for the entire bank and does not include contingent assets and contingent liabilities.

Note 2: Interest rate sensitive assets and liabilities refer to interest-earning assets and interest-bearing liabilities whose income or costs are affected by changes in interest rates.

Note 3: Interest Rate Sensitivity Gap = Interest Rate Sensitive Assets - Interest Rate Sensitive Liabilities

Note 4: Interest Rate Sensitivity Assets to Liabilities Ratio = Interest Rate Sensitive Assets ÷ Interest Rate Sensitive Liabilities (referring to US Dollar interest rate sensitive assets and liabilities)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ATTACHMENT 12

Profitability

The Company

Unit: %

Item		December 31, 2025	December 31, 2024
Return on Assets	Before Tax	0.89	0.81
	After Tax	0.73	0.68
Return on Equity	Before Tax	12.41	11.20
	After Tax	10.22	9.39
Net Profit Margin		36.73	35.76

Note 1: Return on Assets = Income before (after) tax ÷ Average Assets
Note 2: Return on Equity = Income before (after) tax ÷ Average Equity
Note 3: Net Profit Margin = Income after tax ÷ Net revenue and gains
Note 4: Income before (after) tax refers to the profit amount for the current period.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ATTACHMENT 13

Maturity Structure Analysis (NTD)

December 31, 2025

Unit: NT$ Thousands

	Total	Remaining Period Until Maturity Amount				
		0 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	1 Year
Major Maturity Cash Inflows	$2,981,097,318	$901,635,969	$421,232,024	$232,322,447	$325,474,960	$1,100,431,918
Major Maturity Cash Outflows	3,764,496,221	507,187,725	531,618,133	405,009,583	692,685,768	1,627,995,012
Maturity Gap	(783,398,903)	394,448,244	(110,386,109)	(172,687,136)	(367,210,808)	(527,563,094)

December 31, 2024

Unit: NT$ Thousands

	Total	Remaining Period Until Maturity Amount				
		0 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	1 Year
Major Maturity Cash Inflows	$2,899,126,223	$875,186,752	$428,121,634	$237,511,623	$314,583,962	$1,043,722,252
Major Maturity Cash Outflows	3,566,902,362	512,510,191	551,458,937	400,426,946	715,496,315	1,387,009,973
Maturity Gap	(667,776,139)	362,676,561	(123,337,303)	(162,915,323)	(400,912,353)	(343,287,721)

Note: This table refers to the amounts in New Taiwan Dollars for the entire bank.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ATTACHMENT 13-1

Maturity Structure Analysis (USD)

December 31, 2025

Unit: US$ Thousands

	Total	Remaining Period Until Maturity Amount				
		0 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	1 Year
Major Maturity Cash Inflows	$63,400,003	$18,677,396	$14,501,347	$7,147,018	$9,674,416	$13,399,826
Major Maturity Cash Outflows	63,180,405	21,885,469	18,147,816	8,169,656	8,482,450	6,495,014
Maturity Gap	219,598	(3,208,073)	(3,646,469)	(1,022,638)	1,191,966	6,904,812

December 31, 2024

Unit: US$ Thousands

	Total	Remaining Period Until Maturity Amount				
		0 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	1 Year
Major Maturity Cash Inflows	$59,790,543	$17,186,304	$15,346,671	$7,364,198	$9,404,945	$10,488,425
Major Maturity Cash Outflows	59,509,757	19,506,150	18,321,779	8,556,299	7,714,784	5,410,745
Maturity Gap	280,786	(2,319,846)	(2,975,108)	(1,192,101)	1,690,161	5,077,680

Note: This table refers to the amounts in US Dollars for the entire bank.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ATTACHMENT 14

Capital Adequacy

Unit: NT$ Thousands

Analysis Item \ Year			December 31, 2025	December 31, 2024
Regulatory Capital	Common Equity		$190,045,986	$180,962,214
	Other Tier 1 Capital		24,999,730	24,999,730
	Tier 2 Capital		27,448,449	28,965,580
	Regulatory Capital		242,494,165	234,927,524
Total Risk-Weighted Assets	Credit Risk	Standard Approach	1,448,583,296	1,366,793,886
		Internal Ratings-Based Approach	-	-
		Asset Securitization	-	8,222,339
	Operational Risk	Standard Approach	60,639,791	85,456,713
	Market Risk	Standard Approach	67,388,875	53,270,938
		Internal Model Approach	-	-
	Total Risk-Weighted Assets		1,576,611,962	1,513,743,876
Capital Adequacy Ratio			15.38%	15.52%
Common Equity to Risk-Weighted Assets Ratio			12.05%	11.95%
Tier 1 Capital to Risk-Weighted Assets Ratio			13.64%	13.61%
Leverage Ratio			6.80%	6.75%

Note 1: The regulatory capital, risk-weighted assets, and total exposure amounts in this table are calculated in accordance with the Financial Supervisory Commission's Order No. 10802744341 by FSC on December 23, 2019, which amended the "Regulations Governing the Capital Adequacy and Classification of Banks,"and the Order No.11302743801 on January 3, 2025, which amended the "Calculation Methods and Forms for Banks' Regulatory Capital and Risk-Weighted Assets".

Note2: The calculation formulas are as:

1.Regulatory Capital = Common Equity + Other Tier 1 Capital + Tier2 Capital.

2.Total Risk-Weighted Assets = Credit Risk-Weighted Assets + (Operational Risk Capital + Market Risk Capital) × 12.5.

3.Capital Adequacy Ratio = Regulatory Capital / Total Risk-Weighted Assets.

4.Common Equity to Risk-Weighted Assets Ratio = Common Equity / Total Risk-Weighted Assets.

5.Tier 1 Capital to Risk-Weighted Assets Ratio = (Common Equity + Other Tier 1 Capital) / Total Risk-Weighted Assets.

6. Leverage Ratio = Tier 1 Capital / Total Exposure.