

E.SUN BANK

34th

E. SUN BANK 5847  
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<http://mops.twse.com.tw>  
Printing Date : 2026.05.25

# *ANNUAL REPORT 2025*



**E.SUN BANK**



Pure as Jade, Sturdy as Mountain.

### Spokesperson

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### Deputy Spokesperson

Name: Anthony Cheng  
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### Registered Office and Branches

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Branches	Please refer to the back cover		

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### Rating Agency

Name: Moody's Investors Service Inc.  
Address: 7 World Trade Center, 250 Greenwich Street, New York, NY 10007, U.S.A.  
Telephone: +1 212 553 0300

Name: S&P Global Ratings  
Address: 55 Water Street, New York, NY 10041, USA  
Telephone: +1 212 438 1000

Name: Taiwan Ratings Corporation  
Address: 2F, No. 167, Dunhua N. Rd., Songshan Dist., Taipei City, Taiwan  
Telephone: +886 2 2175 6800

### Independent Auditor

Independent Auditor: Chen-Hsiu Yang and Wei-Chun Ma  
Accounting Firm: Deloitte Taiwan  
Address: 20F, No. 100, Songren Rd., Xinyi District, Taipei City, Taiwan  
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E.SUN BANK 34th



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# 1. Letter to Shareholders

Dear Shareholders, Ladies and Gentlemen,

Looking back at 2025, despite the tariff disputes initiated by the Trump administration and heightened geopolitical risks, the global economy demonstrated remarkable resilience, maintaining a GDP growth rate of 3.2% for the year. Benefiting from easing inflationary pressures across major economies, central banks initiated rate-cut cycles, supporting a steady recovery in corporate investment and end-user consumption. Taiwan's economy exhibited strong momentum, with GDP growth reaching 8.63%, the highest in nearly 15 years. Driven by the AI boom, industries such as semiconductors and ICT experienced explosive growth. Taiwan's exports surpassed US\$640 billion, marking an all-time high. Robust export performance also stimulated private investment, and GDP per capita reached US\$39,477, surpassing Japan and South Korea for the first time, successfully withstanding headwinds from global trade barriers.

Looking ahead to 2026, the global economy is expected to maintain moderate expansion. AI-driven infrastructure investment and demand for high-performance computing will remain key growth engines. As Europe and the United States enter rate-cutting cycles and concerns over global tariff disputes potentially ease, corporate investment and household spending are expected to revive, supporting the real economy. As a critical player in the global AI and semiconductor supply chain, Taiwan is expected to sustain strong momentum in ICT exports. Progress in tariff negotiations with the United States also supports a relatively optimistic outlook. Nevertheless, global supply chain restructuring and spillover effects from low-priced Chinese exports continue to pose challenges for traditional manufacturing industries, potentially widening divergence across sectors. Taiwanese enterprises must therefore remain agile in their global deployment and continue to strengthen technological capabilities to secure leadership amid structural changes.

In summary, 2026 will be a year full of both opportunities and challenges. In the face of external uncertainties, E.SUN firmly believes that a clear vision and strong core values are the source of our forward momentum, while precise strategy and exceptional execution are the key drivers toward sustainable operations. Since its establishment in 1992, E.SUN Bank has upheld the vision of "E.SUN of Taiwan, E.SUN of the World," striving to become the best in comprehensive performance and the most respected enterprise. As we enter the era of Financial Holding 2.0, we will continue to create long-term value for customers, shareholders, employees, and society, achieving sustainable corporate development.

## Continuously Climbing Peaks, Pursuing New Milestones for E.SUN

E.SUN Bank remains focused on its core financial business, with "establishing systems, cultivating talent, and developing information technology" as its three foundational pillars. Over more than three decades, we have steadily advanced business growth and delivered outstanding comprehensive performance. In terms of financial indicators, in 2025, net revenue reached NT\$86.37 billion and net profit after tax reached NT\$32.78 billion, both setting new historical highs with a growth rate of 33.54%. EPS stood at NT\$2.24, ROA at 0.79%, ROE at 11.87%, and the capital adequacy ratio at 15.42%, reflecting solid overall performance. In terms of business indicators, the Bank's total assets continued to grow rapidly, reaching NT\$4.46 trillion by the end of 2025. Total deposits amounted to NT\$3.77 trillion, representing a growth of 12.95%, including foreign currency deposits equivalent to NT\$1.29 trillion. Total loans reached NT\$2.63 trillion, a growth of 12.57%. Overall net fee income amounted to NT\$26.76 billion, increasing by 9.45%. Asset quality remained sound, with a non-performing loan ratio of 0.15% and a loan loss coverage ratio of 826.42%. In terms of international awards, E.SUN Bank was named "Taiwan's Best Bank" by Forbes for the fifth time and received "Taiwan's Best SME Bank" from The Asian Banker for the seventh time, both setting record achievements in Taiwan's financial industry. Domestically, E.SUN Bank was recognized as "Best Wealth Management Bank" by Business Today for the 14th time, received the "National Enterprise Environmental Protection Award – Giant Enterprise Award" from the Ministry of Environment for the third time, and was honored with the "National Talent Development Award" for large enterprises by the Ministry of Labor. These accolades demonstrate that E.SUN's comprehensive performance continues to receive high recognition both domestically and internationally.

## Strengthening Three Core Advantages, Continuously Expanding the Bank's Footprint

Over the past three decades, E.SUN Bank has remained deeply committed to its core business. In 2025, total assets exceeded NT\$4.4 trillion, and net profit surpassed NT\$30 billion. Strong achievements have been delivered across operational performance, corporate governance, service quality, risk management, and sustainability.

In March 2025, E.SUN Financial Holding acquired Prudential Securities Investment Trust Enterprises, which was subsequently renamed E.SUN SITE in October. In alignment with the development of the Kaohsiung Asia Asset Management Center policy, the SITE will serve as a product development engine, working closely with the Bank's wealth management and private banking businesses, while leveraging the Bank's distribution channels to serve high-net-worth clients. In addition, on January 23, 2026, E.SUN Financial Holding's extraordinary shareholders' meeting approved the proposed acquisition of Mercuries Life Insurance, receiving over 85% shareholder support. Upon regulatory approval, the integration will proceed. Following completion, E.SUN will build a comprehensive financial ecosystem centered on banking, integrating securities, venture capital, asset management, and life insurance capabilities, enabling resource integration, enhanced risk management, and seamless, consistent customer service experiences.

In terms of expanding the banking footprint, E.SUN's goal for its fourth decade is to become a distinctive regional bank, with overseas expansion and high-end customer engagement being top priorities. In 2024, E.SUN Bank's overseas branches and sub-branches achieved a pre-tax profit exceeding NT\$10 billion for the first time, setting a new historical high. With the successive openings of the Kuala Lumpur Representative Office and the Kumamoto Sub-branch in 2024, E.SUN Bank currently has 33 business locations in 11 overseas countries and regions. The Financial Supervisory Commission has also approved E.SUN's establishment of the Dallas Representative Office in the United States, the Toronto Branch in Canada, and the Mumbai Branch in India. E.SUN will continue to improve its Asia-Pacific footprint, build an Asian cross-border financial platform, and become the best backing for customers venturing overseas. In terms of high-end customer engagement, E.SUN has recruited top private banking teams in Asia, established an Offshore Private Banking Division, and is preparing for private banking operations in Singapore and Hong Kong. Coupled with the domestic cultivation of high-net-worth clients through Wealth Management 2.0, we aim to connect the wealth management platforms of Taiwan, Hong Kong, and Singapore to provide customers with comprehensive wealth management advisory services, becoming the preferred private bank for high-end clients both domestically and internationally.

In terms of technology and green transformation, E.SUN is actively investing in digital transformation and technological innovation. Our technology team currently exceeds 1,000 people, focusing on three key areas: data application, cloud technology, and AI empowerment. In addition to refining existing information infrastructure and optimizing service quality and efficiency, we continue to explore the possibilities of applying emerging technologies, striving to bring customers a simpler and more thoughtful service experience. In the aspect of ESG sustainable development, in 2024, E.SUN FHC served as the convener of the "Financial Industry Net-Zero Promotion Working Platform - Policy and Guidance Working Group," promoting the carbon reduction transformation of Taiwan's overall financial industry. We also held the ESG Sustainability Advocacy Action for the fourth consecutive year, inviting over a hundred high-quality domestic and foreign enterprises and medical institutions to participate and jointly commit to taking concrete carbon reduction actions. At the same time, we have participated in the United Nations Conference of Parties (COP) and the World Climate Summit (WCS) for three consecutive years, absorbing new international sustainability knowledge and sharing Taiwan's financial industry best practices, aligning with international standards and exerting a positive sustainable influence.

In terms of cultivating the next generation of leaders, adhering to the core spirit of "cultivating talent first, then managing the business," E.SUN is led by professional managers and cultivates financial talents with professional knowledge, humanistic literacy, and sustainable thinking. Succession, handover, and taking over are in E.SUN's DNA. Cultivating generations of talent teams is the responsibility of E.SUN's management team and, even more so, a commitment and dedication to the land of Taiwan.

## **Strengthening Four Key Strategic Pillars, Moving Toward E.SUN of Asia**

E.SUN upholds the core values of "integrity and professionalism" and continues to strengthen its three competitive advantages: "professional leadership, service excellence, and customer trust." With a customer-centric approach, we aim to provide timely and valuable financial solutions through professional services. Across both physical and digital channels, we strive to deliver simple, seamless, and thoughtful service experiences. Customer support and referrals represent the ultimate trust placed in E.SUN, as customers entrust us with their valuable assets.

In terms of management approach, we focus on four key strategies: "refined customer segmentation," "precision pricing strategies," "lean process management," and "deepening overseas expansion" to drive the next wave of growth.

"Refined customer segmentation" builds on over three decades of brand trust, with more than 8 million individual and corporate customers. Through collaboration with leading international consulting firms, we leverage big data and advanced analytics to segment customers more precisely, enabling tailored products and services. With integrated digital and physical channel strategies, we aim to enhance customer engagement and drive long-term business growth.

"Precision pricing strategies" build upon the continued implementation of the Basel Internal Ratings-Based (IRB) approach since 2020, with pilot applications initiated in 2025. By refining credit assessment models, we identify varying risk profiles across customer segments and business types, enabling differentiated pricing mechanisms and reinforcing a risk-based management culture. Additionally, through accurate demand analysis, we actively expand corporate cash management and payment services, increasing demand deposits and widening interest spreads.

"Lean process management" aims to improve operational efficiency amid rapid business growth by reducing time, labor, and resource waste. Through digitalization, we streamline processes and reduce paper-based operations; through automation, we leverage IT systems to execute predefined tasks efficiently and reduce errors; and through intelligent technologies, particularly AI, we transform data into decision insights, accurately anticipate customer needs, and deliver services with enhanced accuracy, speed, and personalization.

"Deepening overseas expansion" saw the opening of the Dallas Representative Office in October 2025 and the establishment of the 15th branch of E.SUN's Cambodian subsidiary, UCB, in Svay Rieng. E.SUN now operates 35 locations across 11 countries and regions, with Osaka, Mumbai, and Toronto locations under active preparation. As overseas expansion enters a more advanced stage, the focus will shift toward deepening operations: strengthening individual locations ("points"), building cross-border connectivity ("lines") supported by headquarters systems and infrastructure, and ultimately forming comprehensive regional service networks ("planes") to deliver high-quality financial services.

## E.SUN Bank's Credit Ratings

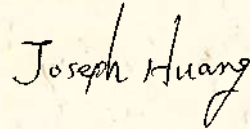
Category	Credit Rating Agency	Long-Term Ratings	Short-Term Ratings	Outlook	Effective Date
International Ratings	Moody's	A1	P-1	Stable	2025.11
	S&P	A	A-1	Stable	2025.11
Domestic Ratings	Taiwan Ratings	twAA+	twA-1+	Stable	2025.11

## Advancing with Determination, Creating a Brilliant Future

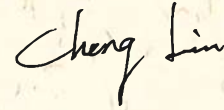
Named after Taiwan's highest mountain, E.SUN aspires to build the best financial institution and become the most beloved by customers, employees, and the people of Taiwan. Over the past decade, E.SUN has strengthened its foundation and driven steady growth, establishing itself as a leading financial holding company in Taiwan with strong performance widely recognized by investors, shareholders, and society.

Looking ahead to 2026, in the face of a rapidly changing global landscape, we will uphold our founding principles, embrace innovation and transformation, and move forward with wisdom and determination toward our vision of "E.SUN of Taiwan, E.SUN of the World." In the era of Financial Holding 2.0, E.SUN will give its full commitment, leveraging the collective strength of all subsidiaries to become the most trusted and beloved financial partner for customers, employees, and Taiwan.

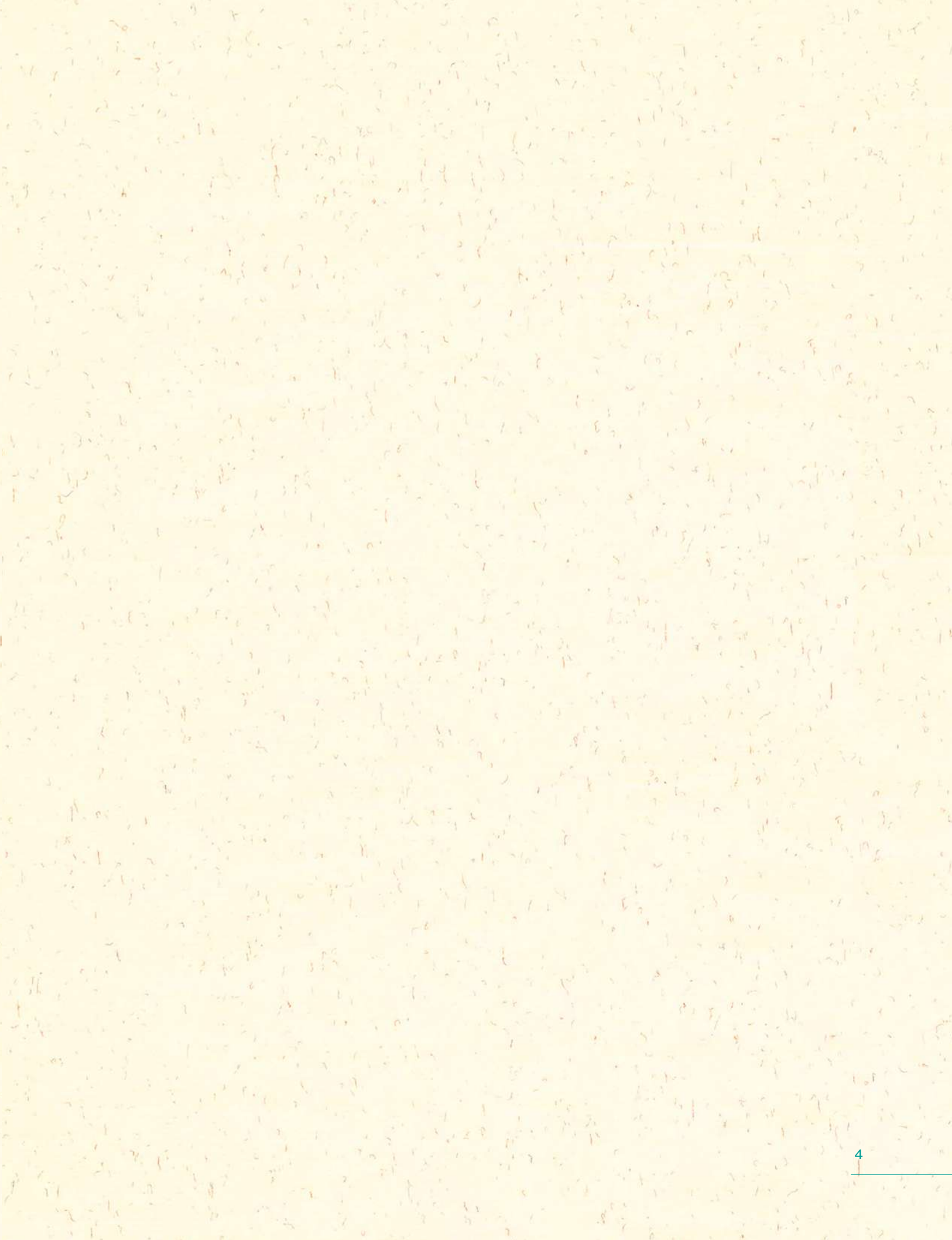
Finally, we would like to once again express our deepest gratitude and best wishes to all shareholders for your long-term support, encouragement, and trust in E.SUN.



Joseph N.C. Huang  
Chairman



Lung-Cheng Lin  
President



## 2. Corporate Governance



## 2.1 Directors, Independent Directors and Management Team

### 2.1.1 Directors and Independent Directors



2026.01.31 Unit: shares,%

Position	Nationality or place of incorporation	Representative (Name)	Gender Age	Date of Election	Term (years)	Date of First Elected	Shareholding When Elected		Current Shareholdings		Shareholdings of the spouse and minors		Shareholdings under other's name		Education (Experience)	Current Position with Other Company	Spouse or Relatives within the 2nd Degree of Kinship who is a Member of the Management Team, Directors or Supervisors		
							Shares	Ratio	Shares	Ratio	Shares	Ratio	Shares	Ratio			Position	Name	Relation
Chairman	R.O.C	Representative of E.SUN Financial Holding Company Joseph N.C. Huang	Male 60-69 years old	2023.06.16	3	2008.06.13	11,707,200,000	100	14,632,000,000	100	0	0	0	0	MBA of the City University of New York, 33 years in Financial Industry	- Chairman of E.SUN FHC	None	None	None
Managing Director	R.O.C	Representative of E.SUN Financial Holding Company Jackson Mai	Male 80-89 years old	2023.06.16	3	1991.12.16	11,707,200,000	100	14,632,000,000	100	0	0	0	0	Kai-Nan Commercial & Technical High School	- Chairman of Hsin Tung Yang Co., Ltd., Sunly Development Co., Ltd., Sun Mall Department Co., Ltd., Shang Yang Investment Co., Ltd., Ding Yang Investment Co., Ltd., Xing Yang Investment Co., Ltd., Cheng Yang Investment Co., Ltd., Hsin Tung Yang Real Estate Agent Co., Ltd., and Mai's Hsin Tung Yang Foundation - Director of Hsin Tung Yang Construction Co., Ltd., Hwa Yang International Distribution Co., Ltd., Tao Garden Hotel Co., Ltd., Tung Hsu Asset Management Co., Ltd., and E.SUN FHC	None	None	None
Independent Director (Managing Director)	R.O.C	Representative of E.SUN Financial Holding Company Ryh-Yan Chang	Male 70-79 years old	2023.06.16	3	2020.06.12	11,707,200,000	100	14,632,000,000	100	0	0	0	0	- Master of Finance, EMBA, National Taiwan University - Bachelor of Accounting, National Taipei University	- Independent Director and member of remuneration committee of Savior Lifetec Corporation., Qbic Technology Co., Ltd. - Chairperson of Chin Jheng Financial Advisory Co., Ltd. - Director of Foundation of Taiwan Radiological Medicine for Cancer. - Member of remuneration committee of Super Dragon Technology Co., Ltd., E.SUN FHC and E.SUN Bank - Independent Director of E.SUN FHC	None	None	None

Position	Nationality or place of incorporation	Representative (Name)	Gender Age	Date of Election	Term (years)	Date of First Elected	Shareholding When Elected		Current Shareholdings		Shareholdings of the spouse and minors		Shareholdings under other's name	
							Shares	Ratio	Shares	Ratio	Shares	Ratio	Shares	Ratio
Independent Director	R.O.C	Representative of E.SUN Financial Holding Company Chun-Yao Huang	Female 50-59 years old	2023.06.16	3	2017.06.23	11,707,200,000	100	14,632,000,000	100	0	0	0	0
Independent Director	R.O.C	Representative of E.SUN Financial Holding Company Ying-Hsin Tsai	Female 50-59 years old	2023.06.16	3	2020.06.12	11,707,200,000	100	14,632,000,000	100	0	0	0	0
Independent Director	R.O.C	Representative of E.SUN Financial Holding Company Hung-Chang Chiu	Male 50-59 years old	2023.06.16	3	2020.06.12	11,707,200,000	100	14,632,000,000	100	0	0	0	0
Independent Director	R.O.C	Representative of E.SUN Financial Holding Company Ruey-Lin Hsiao	Male 60-69 years old	2023.06.16	3	2020.06.12	11,707,200,000	100	14,632,000,000	100	0	0	0	0
Director	R.O.C	Representative of E.SUN Financial Holding Company Wei-Han Chen	Male 20-29 years old	2023.06.16	3	2023.06.16	11,707,200,000	100	14,632,000,000	100	0	0	0	0
Director	R.O.C	Representative of E.SUN Financial Holding Company Chien-Li Wu	Male 70-79 years old	2023.06.16	3	1995.04.17	11,707,200,000	100	14,632,000,000	100	0	0	0	0
Director	R.O.C	Representative of E.SUN Financial Holding Company Magi Chen	Female 70-79 years old	2023.06.16	3	2011.07.07	11,707,200,000	100	14,632,000,000	100	0	0	0	0
Director	R.O.C	Representative of E.SUN Financial Holding Company Mao-Chin Chen	Male 60-69 years old	2023.06.16	3	2011.07.07	11,707,200,000	100	14,632,000,000	100	0	0	0	0
Director & President	R.O.C	Representative of E.SUN Financial Holding Company Lung-Cheng Lin	Male 60-69 years old	2023.06.16	3	2023.06.16	11,707,200,000	100	14,632,000,000	100	0	0	0	0

Note: The Company's Chairman and President (or person with equivalent position, like the top manager) are same person, spouses, or first-degree consanguinity: None.

Education (Experience)	Current Position with Other Company	Spouse or Relatives within the 2nd Degree of Kinship who is a Member of the Management Team, Directors or Supervisors		
		Position	Name	Relation
- PhD of Department of Marketing at London Business School	- Professor of Department of Business Administration at National Taiwan University - Independent Director of E.SUN FHC - Member of remuneration committee of E.SUN FHC and E.SUN Bank	None	None	None
- LL.M and Ph.D. in Law, University of Tokyo - LL.B and LL.M, National Taiwan University	- Professor of College of Law National Taiwan University - Member of remuneration committee of E.SUN FHC, E.SUN Bank and TSRC Corporation - Independent Director of E.SUN FHC and TSRC Corporation	None	None	None
- Ph.D. of Business and Administration, National Taiwan University - Bachelor and Master of Industrial Engineering, National Tsing Hua University	- Professor of Institute of Technology Management National Tsing Hua University - Member of remuneration committee of E.SUN FHC and E.SUN Bank - Independent Director of E.SUN FHC	None	None	None
- Ph.D. of Industrial and Business Studies, Department of Information Systems & Management, Warwick Business School, University of Warwick - Master of Science, Engineering Business Management, Warwick Manufacturing Group, University of Warwick - M.Phil, Information Systems School of Management Cranfield University	- Professor of Institute of Technology, Innovation & Intellectual Property Management National Chengchi University - Member of remuneration committee of E.SUN FHC and E.SUN Bank - Independent Director of E.SUN FHC	None	None	None
Department of Wealth Management and department of Sport Management, Southern Methodist University	- Chairman of Nien Hsing Textile Co., Ltd., Nien Hsing International Investment Co., Ltd., Nien Hsing International (Samoa) Ltd., Nien Hsing International (B.V.I.) Ltd., Nien Hsing International (Bermuda) Ltd., Nien Hsing (Ninh Binh) Garment Co., Ltd., Phoenix Development & Marketing Co., Ltd., Nien Hsing International Lesotho (Pty) Ltd., Formosa Textile Company (Pty) Ltd., Glory International (Pty) Ltd. - Director of E.SUN FHC	None	None	None
Chung Jung High School	- Chairman of Sunlit Motors Company Limited, Sanli Investments Pty Ltd., Sunlit Transportation Company Limited, Sanben International Co., Ltd., Sunlit Investments Pty Ltd., Sin Yi Li Investment and Development Co., Ltd., Shan Yue Energy Co., Ltd., Shan Yun Energy Co., Ltd., and Song Li Transportation Co., Ltd. - Director of Guang Yuan Investment Co., Ltd., Keeper Technology Co., Ltd., Tonglit Logistics Co., Ltd., Ton Jun Co., Ltd., Yung Feng Shun Construction Co., Ltd., Fu Lun Motors Co., Ltd., Portsnyk Express Co., Ltd., Taipei Port International Logistics Co., Ltd., and E.SUN FHC	None	None	None
MBA. The University of Tennessee, 48 years of experience in financial industry	- Director of E.SUN FHC - Chairman of E.SUN Bank (China)	None	None	None
Master of Economics, National Taiwan University, 34 years of experience in financial industry	- Director, and President, of E.SUN FHC - Chairman of E.SUN Asset Management Co., Ltd.	None	None	None
Department of Public Administration, National Chung Hsing University, 37 years of experience in financial industry	- Director of E.SUN FHC - Chairman of Union Commercial Bank Plc	None	None	None

## 2.1.2 Major Shareholders of the Institutional Shareholders

2025.12.31

Name of Institutional Shareholders	Major Shareholders of the Institutional Shareholders
E.SUN Financial Holding Co., Ltd.	<p>E.SUN Commercial Bank Trust Fiduciary trust account( 4.64%)</p> <p>Ron-Yuan Investment Co.,Ltd.( 4.34%)</p> <p>Morgan Stanley &amp; Co. International Plc( 3.14%)</p> <p>Yuanta/P-shares Taiwan Dividend Plus ETF( 2.32%)</p> <p>Yuanta Taiwan High-yield Leading Company Fund(B)( 1.73%)</p> <p>Yuanta Taiwan Top 50 ETF Feeder Fund(A)( 1.58%)</p> <p>Vanguard Total International Stock Index Fund,a series of Vanguard Star Funds( 1.38%)</p> <p>Labor Pension Fund (The New Fund)( 1.30%)</p> <p>Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds ( 1.28%)</p> <p>Norges Bank(1.17%)</p>

## 2.1.3 Professional Qualifications and Independent Analysis of Directors

### (1) Disclosure of Information on the Professional Qualifications of Directors and Independence of Independent Directors:

Criteria Name	Professional Qualifications and Experience	Information on the Independence of Directors	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chairman Joseph N.C. Huang	<ul style="list-style-type: none"> <li>- Main area of expertise: Leading, strategic, operation, finance and ESG sustainable finance management</li> <li>- Joseph N.C. Huang, Chairman of E. SUN Commercial Bank, is committed to making E.SUN Commercial Bank the most distinctive and benchmark bank in Asia with his exceptional profession, passion, and persistence. He guides E. SUN in local development, Asia expansion, and in its efforts to differentiate itself from market competitors. Under his management, E.SUN has been listed in " World's Best Banks" and the 1st place in Taiwan financial industry category from Forbes year after year, and has been awarded the "Business Excellence Award" in comprehensive excellence for five times. Joseph himself has received several awards and recognitions, including "Best CEO in Asia Pacific" from The Asian Banker, "Best CEO in Asia" from The Asset, awarded the "Best CEO in Taiwan" from The Institutional Investor, "Responsible Business Leader" from Asia Corporate Social Responsibility Awards, and "Leader of the Year" from Harvard Business Review Digital Transformation Excellence Awards.</li> <li>- Not been a person of any conditions defined in Article 30 of the Company Law.</li> </ul>	<ul style="list-style-type: none"> <li>- Not an employee of the Company or its affiliates.</li> <li>- Not a spouse, or a relative within the second degree of kinship to any other director of the Company.</li> <li>- Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an amount of 1% of the shares of the Company or ranks as one of its top ten shareholders.</li> </ul>	0
Managing Director Jackson Mai	<ul style="list-style-type: none"> <li>- Main area of expertise: Knowledge of the industry and operations management</li> <li>- Serve as a director in the financial industry for nearly 34 years Jackson Mai is a well-known entrepreneur in Taiwan, who is deeply involved in the food and construction industry for many years. He is a rigorous and solid person with extensive knowledge of industries and outstanding leadership skills, making him a comprehensive operations manager.</li> <li>- Not been a person of any conditions defined in Article 30 of the Company Law.</li> </ul>	<ul style="list-style-type: none"> <li>- Not an employee of the Company or its affiliates.</li> <li>- Not a spouse, or a relative within the second degree of kinship to any other director of the Company.</li> <li>- Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an amount of 1% of the shares of the Company or ranks as one of its top ten shareholders.</li> </ul>	0

<p>Independent Director/ Managing Director Ryh-Yan Chang</p>	<ul style="list-style-type: none"> <li>- Main area of expertise: Accounting, auditing, and financial management</li> <li>- Chairman of Chin Jheng Financial Advisory Co., Ltd. Ryh-Yan Chang is a financial and accounting expert with extensive experience as an accountant. He has been in the financial industry for a long period, serving as a financial reporting accountant for financial holdings and banks, and has obtained the qualification of certified public accountant in China.</li> <li>- Not been a person of any conditions defined in Article 30 of the Company Law.</li> </ul>	<p>When the parent company E.SUN Financial Holdings Company nominated independent directors, the Company fills out the qualification checklist item by item, examines their professional qualifications, and relevant work experiences, and ensures their eligibility. The independent director should not be a person of any conditions defined in Article 30 of the Company Law after inquiring into the Judicial Yuan Law and Regulations Retrieving System and the declaration given by the independent director. The independent director should comply with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (hereinafter referred to as The Regulations.) two years before the election. The Company's independent directors may be exempted from Article 3, Paragraph 1 if he/she/its serve concurrently as E.SUN Financial Holdings Company's independent director during his/her/its term of office and is not a person of any conditions defined in the following:</p>	<p>2</p>
<p>Independent Director Chun-Yao Huang</p>	<ul style="list-style-type: none"> <li>- Main area of expertise: Digital business and customer analysis</li> <li>- Professor of Graduate Institute of Business Administration at National Taiwan University. Chun-Yao Huang is an expert in digital marketing, new product development, and e-commerce. His research fields include quantitative modeling in marketing, customer analysis, sales forecasting, and Web browsing behavior analysis. He has extensive market consulting experience covering retail, finance, technology, and the Internet.</li> <li>- Not been a person of any conditions defined in Article 30 of the Company Law.</li> </ul>	<p>- An employee of the Company or its affiliates.</p> <p>- A director and supervisor of the Company or its affiliates.</p> <p>- A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an amount of 1% or more of the shares of the Company or ranks as one of its top ten shareholders.</p> <p>- Managers listed in Paragraph 1 or a spouse, second degree kin or closer, or a direct blood relative of third degree or closer to anyone listed in Paragraphs 2 and 3.</p> <p>- Serve as a director, supervisor, manager, or shareholder holding 5% or more shares of a specified company or institution that has a financial or business relationship with the Company.</p> <p>- A professional who provides auditing services or provides commercial, legal, financial, accounting services, for which a cumulative compensation of over NT\$500,000 is obtained in the past two years, to the Company or its affiliates, and is an owner, partner, director, supervisor, or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or institution that provides such services to the Company or its affiliates.</p>	<p>0</p>
<p>Independent Director Ying-Hsin Tsai</p>	<ul style="list-style-type: none"> <li>- Main area of expertise: Law and corporate governance</li> <li>- Professor of Law at National Taiwan University. Ying-Hsin Tsai was formerly a practicing lawyer of Formosa Transnational Attorney at Law and specializes in Electronic Payment Law, Securities, and Exchange Act, Company Law, and other relevant financial regulations. She assists in strengthening regulatory compliance and connecting global corporate governance.</li> <li>- Not been a person of any conditions defined in Article 30 of the Company Law.</li> </ul>	<p>- An employee of the Company or its affiliates.</p> <p>- A director and supervisor of the Company or its affiliates.</p> <p>- A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an amount of 1% or more of the shares of the Company or ranks as one of its top ten shareholders.</p> <p>- Managers listed in Paragraph 1 or a spouse, second degree kin or closer, or a direct blood relative of third degree or closer to anyone listed in Paragraphs 2 and 3.</p> <p>- Serve as a director, supervisor, manager, or shareholder holding 5% or more shares of a specified company or institution that has a financial or business relationship with the Company.</p> <p>- A professional who provides auditing services or provides commercial, legal, financial, accounting services, for which a cumulative compensation of over NT\$500,000 is obtained in the past two years, to the Company or its affiliates, and is an owner, partner, director, supervisor, or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or institution that provides such services to the Company or its affiliates.</p>	<p>1</p>
<p>Independent Director Hung-Chang Chiu</p>	<ul style="list-style-type: none"> <li>- Main area of expertise: Marketing of Technology, Strategy, and Service</li> <li>- Professor of Graduate Institute of Technology Management at National Tsing Hua University. Hung-Chang Chiu specializes in the three major marketing fields, which are technology, strategy, and service. He emphasizes the balance between theory and application. He is one of the few professors in Taiwan who has published corporate cases in the Harvard Business School cases database.</li> <li>- Not been a person of any conditions defined in Article 30 of the Company Law.</li> </ul>	<p>- An employee of the Company or its affiliates.</p> <p>- A director and supervisor of the Company or its affiliates.</p> <p>- A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an amount of 1% or more of the shares of the Company or ranks as one of its top ten shareholders.</p> <p>- Managers listed in Paragraph 1 or a spouse, second degree kin or closer, or a direct blood relative of third degree or closer to anyone listed in Paragraphs 2 and 3.</p> <p>- Serve as a director, supervisor, manager, or shareholder holding 5% or more shares of a specified company or institution that has a financial or business relationship with the Company.</p> <p>- A professional who provides auditing services or provides commercial, legal, financial, accounting services, for which a cumulative compensation of over NT\$500,000 is obtained in the past two years, to the Company or its affiliates, and is an owner, partner, director, supervisor, or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or institution that provides such services to the Company or its affiliates.</p>	<p>0</p>
<p>Independent Director Ruey-Lin Hsiao</p>	<ul style="list-style-type: none"> <li>- Main area of expertise: Technological innovation and knowledge management</li> <li>- Professor of Graduate Institute of Technology Innovation and Intellectual Property Management at National ChengChi University. Ruey-Lin Hsiao specializes in analyzing complex corporate issues using various qualitative research methods. His main research includes context of innovation, technological and organizational innovation, innovation under disadvantages, open innovation, and action research. He is also an expert at conducting interdisciplinary research in science and technology.</li> <li>- Not been a person of any conditions defined in Article 30 of the Company Law.</li> </ul>	<p>- An employee of the Company or its affiliates.</p> <p>- A director and supervisor of the Company or its affiliates.</p> <p>- A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an amount of 1% or more of the shares of the Company or ranks as one of its top ten shareholders.</p> <p>- Managers listed in Paragraph 1 or a spouse, second degree kin or closer, or a direct blood relative of third degree or closer to anyone listed in Paragraphs 2 and 3.</p> <p>- Serve as a director, supervisor, manager, or shareholder holding 5% or more shares of a specified company or institution that has a financial or business relationship with the Company.</p> <p>- A professional who provides auditing services or provides commercial, legal, financial, accounting services, for which a cumulative compensation of over NT\$500,000 is obtained in the past two years, to the Company or its affiliates, and is an owner, partner, director, supervisor, or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or institution that provides such services to the Company or its affiliates.</p>	<p>0</p>
<p>Director Wei-Han Chen</p>	<ul style="list-style-type: none"> <li>- Main area of expertise: Knowledge of the industry and operations management</li> <li>- With a professional degree in financial management and extensive experience in the textile and apparel industry, Wei-Han Chen has served as a special assistant to the president of Nien Hsing Textile Co., Ltd. He has been actively involved in promoting energy-saving and carbon reduction initiatives, process improvements to reduce water usage at Nien Hsing Textile Co., Ltd., as well as collaborative efforts with Eden Social Welfare Foundation on the donation and recycling program for "sample pants." He strongly uphold the principles of ESG.</li> <li>- Not been a person of any conditions defined in Article 30 of the Company Law.</li> </ul>	<p>- Not an employee of the Company or its affiliates.</p> <p>- Not a spouse, or a relative within the second degree of kinship to any other director of the Company.</p> <p>- Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an amount of 1% of the shares of the Company or ranks as one of its top ten shareholders.</p>	<p>0</p>

<p>Director Chien-Li Wu</p>	<ul style="list-style-type: none"> <li>- Main area of expertise: Global market perspective and operations management</li> <li>- Serve as a director in the financial industry for nearly 31 years Chien-Li Wu established Sunlit Motors Company Limited and acted as an agent for Ford Motor, selling in the Taichung area. They cooperate with Ford Lio Ho Motors to design and develop models suitable for domestic and foreign consumer markets. He has extensive knowledge of industries and outstanding leadership skills, making him a comprehensive operations manager.</li> <li>- Not been a person of any conditions defined in Article 30 of the Company Law.</li> </ul>	<ul style="list-style-type: none"> <li>- Not an employee of the Company or its affiliates.</li> <li>- Not a spouse, or a relative within the second degree of kinship to any other director of the Company.</li> <li>- Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an amount of 1% of the shares of the Company or ranks as one of its top ten shareholders.</li> </ul>	<p>0</p>
<p>Director Magi Chen</p>	<ul style="list-style-type: none"> <li>- Main area of expertise: Financing, crisis management, Sustainable Finance and ESG</li> <li>- Magi Chen had been President of E. SUN FHC and Chief Sustainability Officer of E.SUN FHC. She has a forward-looking perspective, professional financial expertise and precise strategic planning and execution abilities. She was selected awarded the Best CEO Award by The Asset and Corporate Governance Asia, the 25 Most Influential Women in Treasury by Corporate Treasurer, Best CFO in Asia by Institutional Investor and FinanceAsia.</li> <li>- Not been a person of any conditions defined in Article 30 of the Company Law.</li> </ul>	<ul style="list-style-type: none"> <li>- Not an employee of the Company or its affiliates.</li> <li>- Not a spouse, or a relative within the second degree of kinship to any other director of the Company.</li> <li>- Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an amount of 1% of the shares of the Company or ranks as one of its top ten shareholders.</li> </ul>	<p>0</p>
<p>Director Mao-Chin Chen</p>	<ul style="list-style-type: none"> <li>- Main area of expertise: Strategic development and risk management</li> <li>- Mao-Chin Chen, President of E.SUN FHC, is equipped with financial profession, interdisciplinary thinking, and profound experience in cross-border management. He has insights into the organization's internal and external environment and sets up long-term vision and short, medium and long-term development strategies for the organization. He aims to unify teams to create a future. He has led E.SUN to receive recognition as "Taiwan Best Bank" from international publications such as The Asset and Asia Finance, and was also awarded The Asset's "Taiwan Best CEO" honor.</li> <li>- Not been a person of any conditions defined in Article 30 of the Company Law.</li> </ul>	<ul style="list-style-type: none"> <li>- Not a spouse, or a relative within the second degree of kinship to any other director of the Company.</li> <li>- Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an amount of 1% of the shares of the Company or ranks as one of its top ten shareholders.</li> </ul>	<p>0</p>
<p>Director Lung-Cheng Lin</p>	<ul style="list-style-type: none"> <li>- Main area of expertise: Strategy development, operation management, corporate finance</li> <li>- Lung-Cheng Lin, President of E.SUN Bank, is equipped with forward-looking thinking, professional financial expertise, and global strategic perspective. He focus on corporate financial for a long time. He actively expands overseas markets and works with the team to create new possibilities. With excellent leadership, execution capability, and influence, he aims to lead E.SUN innovation, growth and Sustainable development. He has led E.SUN to receive honors as Taiwan Best Private Bank from The Banker, Taiwan Best Retail Bank from Retail Banker International, and Taiwan Best SME Bank from The Asian Banker.</li> <li>- Not been a person of any conditions defined in Article 30 of the Company Law.</li> </ul>	<ul style="list-style-type: none"> <li>- Not a spouse, or a relative within the second degree of kinship to any other director of the Company.</li> <li>- Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an amount of 1% of the shares of the Company or ranks as one of its top ten shareholders.</li> </ul>	<p>0</p>

## (2) Board Diversity and Independence:

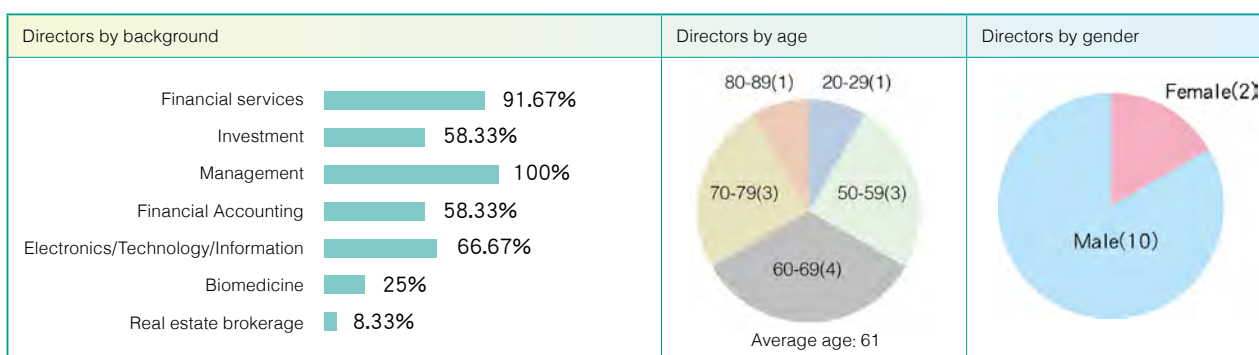
### A. Board Diversity:

The Bank's directors are appointed by the parent company, E.SUN FHC. The Company has implemented a well designed director election system. All directors are elected through a fair, open and just process that complies with the Articles of Incorporation, the Director Election Rules, and the Corporate Governance Best Practice Principles.

The Company has adopted Rules for Director Election, E. SUN has established rules and made mid- and long-term plans for director structure and diversification according to the Company's industry characteristics and future development strategies. The rules specify the basic qualities (gender, integrity, continuous pursuit of excellence), professional knowledge and skills (at least Finance, Accounting and auditing, Marketing management, Strategic management, Corporate management, Information technology, Digital banking, Risk management, and Laws relating to finance and corporate governance), and overall capabilities required of directors (Ability to make sound business judgments, Ability to conduct accounting and financial analysis, Ability to manage a business (including the operation and management of subsidiaries), Ability to respond to a crisis, Industry knowledge, An understanding of international markets, Leadership

ability, Decision making abilities, Risk management knowledge and skills). The Company also encourages the referral of excellent external candidates. It believes that bringing together a Board of Directors with diverse perspectives and opinions from the financial industries, industries, and scholars will improve the quality of decision-making. The members perform their function to guide the management team, supervise the Board of Directors, and benefit the Company's shareholders and other interested parties to ensure corporate sustainability. During the directors' term of office, they work as a whole to make plans for the Company's future in areas such as organizational development, performance enhancement, business development, risk management, and corporate governance through extended discussions and deliberations. They make decisions that have a material impact on the company and perform their functions to guide the management team and supervise the Board of Directors. In addition, the Company also evaluates and reviews the structure and composition of every newly elected director.

We emphasize gender equality in the composition of the Board of Directors. Female directors currently account for 16.67%. As the current board term is not yet complete and it is challenging to identify candidates who both meet our strategic-development-related professional experience requirements and are female, the proportion of female directors has not reached one-third. We will continue to actively seek qualified candidates and strive to achieve our board diversity targets. 16.67% of the Company's directors are employees. The Company also focuses on the diversity of composition of board members with industry experiences. The goal is that each term of the Board of Directors should have at least 5 directors with expertise in banking, and 3 directors with expertise in trust enterprise. The current Board of Directors has 8 and 5 directors, respectively, meeting the aforementioned diversity objectives.



Based on their education background, working experience, fields of expertise and relevant backgrounds, the overall capabilities the directors are equipped with are as follows:

Name of director	Diversity			Ability to make sound business judgments	Ability to conduct accounting and financial analysis	Ability to manage a business	Ability to respond to a crisis	Industry knowledge	An understanding of international markets	Leadership ability	Decision making abilities	Risk management knowledge and skills
	Independent director	Tenure										
	Less than 3 years	3 - 9 years	9 years above									
Joseph N.C. Huang	-	-	-	v	v	v	v	v	v	v	v	v
Jackson Mai	-	-	-	v		v		v	v	v	v	
Wei-Han Chen	-	-	-	v		v		v	v	v	v	
Chien-Li Wu	-	-	-	v		v		v	v	v	v	
Magi Chen	-	-	-	v	v	v	v	v	v	v	v	v
Mao-Chin Chen	-	-	-	v		v	v	v	v	v	v	v
Lung-Cheng Lin	-	-	-	v		v	v	v	v	v	v	v
Ryh-Yan Chang		v		v	v	v	v		v	v	v	v
Chun-Yao Huang		v						v	v	v	v	v
Ying-Hsin Tsai		v			v				v	v	v	v
Hung-Chang Chiu		v		v			v		v	v	v	
Ruey-Lin Hsiao		v		v		v		v	v	v	v	

#### B. Board independence:

The parent company, E.SUN FHC, appointed 12 directors, 5 of whom were independent directors, accounting for 41.67%, to the 12th Board of Directors of the Bank on June 16, 2023.

Not having a spouse, or a relative within the second degree of kinship to any other director of the Company meets Article 26-3, Paragraph 3 of Securities and Exchange Act. Each director signed a nominee declaration, stating that there were no matters related to Article 30 of the Company Law. The Company obtained a written statement and reviewed information on each director according to the Department of Commerce, Ministry of Economic Affairs, Stock Exchange, and Financial Supervisory Commission's relevant procedures for change of directors.

To help directors clearly understand the relevant rights and responsibilities when they take office, the Company has compiled important regulations that directors should abide by into the Director manual, which will be delivered to the directors after they take office. Regarding the remuneration of directors, it includes remuneration, bonus, and payments for business performed. The relevant remuneration criteria are disclosed in this manual. Others include but are not limited to the directors' confidentiality obligations, director and supervisor insurances, evaluation of directors' performances, and training for directors are also clearly regulated.

## 2.1.4 Executive Officers



Title	Nationality	Name	Gender	Date of Appointment	Personal Shareholding (Note)		Shareholding of spouse and minor children		Shareholding of nominees	
					Number held	Ratio	Number held	Ratio	Number held	Ratio
President	R.O.C	Lung-Cheng Lin	M	2023.07.17	-	-	-	-	-	-
CEO of Corporate Banking Division, ESB	R.O.C	Tsun-Jen Ko	M	2024.01.25	-	-	-	-	-	-
CEO of Individual Banking Division, ESB	R.O.C	Mei-Li Sheu	F	2024.01.25	-	-	-	-	-	-
Chief Information Officer /SEVP	R.O.C	Wan-Li Hsieh	M	2012.03.23	-	-	-	-	-	-
Chief Financial Officer/ Financial Officer/SEVP	R.O.C	Fred Chen	M	2024.01.25	-	-	-	-	-	-
Chief Risk Officer/SEVP	R.O.C	Oliver Hsieh	M	2011.03.18	-	-	-	-	-	-
Chief Digital Officer /SEVP	R.O.C	Danny Tang	M	2021.07.26	-	-	-	-	-	-
General Auditor	R.O.C	Yao-Pin Lin	M	2022.01.22	-	-	-	-	-	-
SEVP	R.O.C	Louis Chang	M	2015.02.06	-	-	-	-	-	-
SEVP	R.O.C	Cathy Kuo	F	2017.01.20	-	-	-	-	-	-
SEVP	R.O.C	Jung-Hua Lin	M	2014.01.24	-	-	-	-	-	-

2026.01.31

Experience (Education)	Positions taken concurrently at ESB and other companies	Spouse or Relatives within the 2 <sup>nd</sup> degree of kinship serving as an E.SUN manager		
		Position	Name	Relation
CEO of Corporate Banking Division, ESB	- Chairman, Union Commercial Bank (Cambodia) - Director, ESUN FHC - Director, ESB	None	None	None
SEVP,ESB	- SEVP, ESUN FHC - Chairman, E.SUN Venture Capital	None	None	None
EVP,ESB	- SEVP, ESUN FHC - Member, Interbank Business Fee Rate Review Committee, Financial Information Service Co., Ltd.	None	None	None
SEVP,ESB	- CIO, ESUN FHC - Convener, Authorization and Authentication Sub-group - Electronic Banking Committee, The Bankers Association of the Republic of China - Member, the Supervisory and Management Committee, Financial Information Service Co., Ltd.	None	None	None
EVP,ESB	- CFO/Financial Officer,ESUN FHC	None	None	None
SEVP,ESB	- CRO, ESUN FHC - Vice Chairperson, Risk Management Committee, The Bankers Association of the Republic of China	None	None	None
IBM Director of Global Banking Solutions	- SEVP, ESUN FHC	None	None	None
General Auditor, ESUN FHC	None	None	None	None
SEVP,ESB	- Chief Sustainability Officer, ESUN FHC	None	None	None
SEVP,ESB	- SEVP, ESUN FHC - Director, Union Commercial Bank (Cambodia)	None	None	None
SEVP,ESB	- SEVP, ESUN FHC - Director,EasyCard Investment Holdings Corp. - Member, Credit Card Business Committee, The Bankers Association of the Republic of China - Managing Director, Electronic Payment Association of the Republic of China	None	None	None

Title	Nationality	Name	Gender	Date of Appointment	Personal Shareholding (Note)		Shareholding of spouse and minor children		Shareholding of nominees	
					Number held	Ratio	Number held	Ratio	Number held	Ratio
SEVP	R.O.C	Charles Tan	M	2025.11.07	-	-	-	-	-	-
SEVP	R.O.C	Yi-Hsin Tseng	M	2024.01.25	-	-	-	-	-	-
Deputy Chief Information Officer / SEVP	R.O.C	Jeff Liu	M	2022.01.19	-	-	-	-	-	-
SEVP	R.O.C	Jyh-Shing Roger Jang	M	2025.08.18	-	-	-	-	-	-
SEVP	R.O.C	Kenneth Tsao	M	2016.12.16	-	-	-	-	-	-
SEVP	R.O.C	Jacky Chiang	M	2023.01.12	-	-	-	-	-	-
SEVP	R.O.C	Henry Chang	M	2025.11.03	-	-	-	-	-	-
SEVP	S.G.P	Kin Mun Kwong	M	2025.01.15	-	-	-	-	-	-
SEVP	R.O.C	Steven Hung	M	2023.01.12	-	-	-	-	-	-
SEVP	R.O.C	Ming-Hong Lee	M	2025.01.15	-	-	-	-	-	-
SEVP	R.O.C	Tony Wan	M	2009.05.08	-	-	-	-	-	-
SEVP	R.O.C	Peter Pan	M	2025.01.15	-	-	-	-	-	-
SEVP	R.O.C	Eric Lin	M	2025.01.15	-	-	-	-	-	-
Chief Compliance Officer/ Head of the compliance unit at head-quarters	R.O.C	James Chen	M	2024.08.16	-	-	-	-	-	-
Chief Information Security Officer	R.O.C	Huai-Tsung Liu	M	2021.11.18	-	-	-	-	-	-
Chief Marketing Officer/ EVP/Special Assistant	R.O.C	Chun-Yu Lin	M	2019.01.24	-	-	-	-	-	-
Accounting Officer / SVP	R.O.C	Nicholas Chuang	F	2026.01.30	-	-	-	-	-	-
Corporate Governance Officer / SVP	R.O.C	Mei-Cheng Chu	F	2019.12.20	-	-	-	-	-	-
Deputy Chief Financial Officer/EVP	R.O.C	Sarah Chen	F	2022.04.22	-	-	-	-	-	-
Deputy Chief Financial Officer/EVP	R.O.C	Davis Tsai	M	2014.01.24	-	-	-	-	-	-

Note:

1. Because E.SUN Bank is a wholly-owned subsidiary of E.SUN FHC, this column is not applicable.

2. The president or person of an equivalent position (the highest level manager) of a company and the chairperson of the board of directors are the same person, spouses, or relatives within the first-degree kinship: none.

	Experience(Education)	Positions taken concurrently at ESB and other companies	Spouse or Relatives within the 2 <sup>nd</sup> degree of kinship serving as an E.SUN manager		
			Position	Name	Relation
	Senior Partner, McKinsey & Company	- Chief Strategy Officer, ESUN FHC	None	None	None
	Chairman,ESS	None	None	None	None
	EVP,ESB	- Deputy CIO, ESUN FHC	None	None	None
	Professor, Department of Computer Science, NTU	- CTO, ESUN FHC	None	None	None
	SEVP,ESB	- President, ESB (China) - Director, ESB (China)	None	None	None
	EVP,ESB	- Director, Union Commercial Bank (Cambodia) - President, Union Commercial Bank (Cambodia)	None	None	None
	Associate Partner, McKinsey & Company	- SEVP, ESUN FHC	None	None	None
	EVP,ESB	None	None	None	None
	EVP,ESB	None	None	None	None
	EVP,ESB	None	None	None	None
	EVP,ESB	None	None	None	None
	EVP,ESB	None	None	None	None
	EVP,ESB	None	None	None	None
	EVP,ESB	- CCO, ESUN FHC - Member, Financial Regulations and Disciplinary Committee, The Bankers Association of the Republic of China	None	None	None
	SVP,ESB	- CISO, ESUN FHC	None	None	None
	SVP,ESB	- CMO,ESUN FHC - Director, ESB (China)	VP	Virginia Lin	Younger Sister
	SVP,ESB	- SVP, ESUN FHC - Member, Internal Management Committee, The Bankers Association of the Republic of China	None	None	None
	SVP,ESB	- Corporate Governance Officer, ESUN FHC	None	None	None
	SVP,ESB	- EVP, ESUN FHC	None	None	None
	SVP,ESB	- EVP, ESUN FHC	None	None	None

## 2.1.5 Remuneration of Non-Independent/Independent Directors, President, and Senior Executive Vice Presidents

### (1) Remuneration of Non-Independent/Independent Directors

Title	Name	Remuneration of Directors								Total remuneration (A+B+C+D) and the ratio of Total Remuneration to Net Income (%)			
		Base Remuneration (A)		Severance Pay (B)		Bonus (C)		Allowance (D)					
		The company	Companies in consolidated financial statements	The company	Companies in consolidated financial statements	The company	Companies in consolidated financial statement	The company	Companies in consolidated financial statements	Total	Ratio	Total	Ratio
E.SUN FHC		0	0	0	0	52,500	52,500	0	0	52,500	0.16%	52,500	0.16%
Directors	(Names listed below)	1	770	0	0	0	0	600	892	601	0.002%	1,662	0.01%
Independent Directors	(Names listed below)	0	0	0	0	0	0	780	780	780	0.002%	780	0.002%

✘ E.SUN FHC Representatives: Chairman Joseph N. C. Huang, Executive Director: Jackson Mai.  
 Directors: Wei-Han Chen, Chien-Li Wu, Magi Chen, Mao-Chin Chen and Lung-Cheng Lin.  
 Independent Directors: Ryh-Yan Chang (Executive Director), Chun-Yao Huang, Ying-Hsin Tsai, Hung-Chang Chiu, Ruey-Lin Hsiao.

✘ All bonuses for directors have been paid to E.SUN FHC.

✘ On top of the items disclosed above, remuneration collected by directors for rendering services to companies included in the Bank's consolidated financial statements (such as acting as non-employee advisors) during the most recent year: None.

✘ The policy, system, criteria, and structure concerning remuneration of independent directors, and correlation with their powers and duties, risk assumed, and time devoted:

- Set in accordance with the Company's Rules for Director Remuneration, all the remuneration criteria have undergone deliberations of the Remunerations Committee and secured approval of the Board of Directors.
- Independent Director remuneration includes compensation, salary and business execution expenses. Remuneration of independent directors, the setting of which is based on the Company's business performance, includes pay, recompense, and payments for business performed. In accordance with Article 40 of the Company's Articles of Incorporation, the earnings of the Company in a given year (pretax profit before distribution of employee and director compensation) shall be reserved to cover the losses accumulated from previous years. Of the subsequent balance, 3% shall be allocated as employee compensation while not more than 0.6% shall be allocated as director remuneration. Independent directors receive monthly compensation. If independent directors make concrete contributions to the Company's development will receive a certain amount of directors' remuneration as approved by the Board of Directors.
- Every year the Company's Remuneration Committee and Board of Directors shall consider and determine the remuneration distribution of each director (including independent director). Individual remuneration is determined based on attendance and concrete contributions to the Company's development, taking into account duties, risks assumed, time invested, and director performance evaluation results.
- With remuneration granted by industry peers also taken into account, the Company's director remuneration is closely tied to the performance of both directors and the Company and the risk that may emerge in the future. The Company shall refrain from inducing directors to act in excess of its risk appetite simply to pursue higher remuneration. In the event of a major decline in the Company's net income, the growth rate of director remuneration for the year in question shall not exceed that posted a year earlier. If any director violates the Company's Code of Ethical Conduct for Directors or commits an offense that undermines the Company's public image and reputation, future risk shall be incorporated into the deliberations of director remuneration and the Board of Directors may also resolve on slashing or recovering director remuneration.

Remuneration of Directors Concurrently Serving as Employees									Total remuneration (A+B+C+D+E+F+G) and the ratio of Total Remuneration to Net Income (%)				Remuneration collected from the parent company or invested companies other than the Company's subsidiaries
Salary, Bonus, and Allowance (E)		Severance Pay (F)		Employee Profit Sharing Plan (G)									
The company	Companies in consolidated financial statements	The company	Companies in consolidated financial statements	The company		Companies in consolidated financial statements		The company		Companies in consolidated financial statements			
				Cash	Stock	Cash	Stock	Total	Ratio	Total	Ratio		
0	0	0	0	0	0	0	0	52,500	0.16%	52,500	0.16%	None	
18,843	23,257	0	0	5,209	0	5,209	0	24,653	0.08%	30,128	0.09%	54,822	
0	0	0	0	0	0	0	0	780	0.002%	780	0.002%	49,375	

## (2) Remuneration Bracket

Bracket	Name of Directors		
	Total of (A+B+C+D)		
	The company	Companies in consolidated financial statements (H)	
Under NT\$ 1,000,000	Joseph N. C. Huang, Jackson Mai, Wei-Han Chen, Chien-Li Wu, Magi Chen, Mao-Chin Chen, Lung-Cheng Lin, Independent Director Ryh-Yan Chang, Independent Director Chun-Yao Huang, Independent Director Ying-Hsin Tsai, Independent Director Hung-Chang Chiu, Independent Director Ruey-Lin Hsiao	Joseph N. C. Huang, Jackson Mai, Wei-Han Chen, Chien-Li Wu, Mao-Chin Chen, Lung-Cheng Lin, Independent Director Ryh-Yan Chang, Independent Director Chun-Yao Huang, Independent Director Ying-Hsin Tsai, Independent Director Hung-Chang Chiu, Independent Director Ruey-Lin Hsiao	
NT\$ 1,000,000 (inclusive) ~ NT\$ 2,000,000 (not inclusive)		Magi Chen	
NT\$ 2,000,000 (inclusive) ~ NT\$ 3,500,000 (not inclusive)			
NT\$ 3,500,000 (inclusive) ~ NT\$ 5,000,000 (not inclusive)			
NT\$ 5,000,000 (inclusive) ~ NT\$ 10,000,000 (not inclusive)			
NT\$ 10,000,000 (inclusive) ~ NT\$ 15,000,000 (not inclusive)			
NT\$ 15,000,000 (inclusive) ~ NT\$ 30,000,000 (not inclusive)			
NT\$ 30,000,000 (inclusive) ~ NT\$ 50,000,000 (not inclusive)			
NT\$ 50,000,000 (inclusive) ~ NT\$ 100,000,000 (not inclusive)	E.SUN FHC	E.SUN FHC	
Over NT\$ 100,000,000			
Total	13	13	

※ The percentage of total profits distributed to directors as remuneration is based on regulations set forth in Article 40 of the Company's Articles of Incorporation. The ratio and adjustment of remuneration for the chairman and directors are based on regulations set forth in Article 22. The remuneration reflects the level of participation in and contribution to the company's operations. At the same time, industry standards are considered. The board is authorized to decide the level of this compensation.

※ According to the note of director remuneration bracket in annex 1-2 of the report, if the compensation paid to directors came from the parent company or invested companies other than the company's subsidiaries, the remuneration should be counted in column I and renamed it as 'parent company and invested companies'.

Name of Directors		
Total of (A+B+C+D+E+F+G)		
	The company	Parent company and invested companies(I)
	Joseph N. C. Huang, Jackson Mai, Wei-Han Chen, Chien-Li Wu, Magi Chen, Mao-Chin Chen, Independent Director Ryh-Yan Chang, Independent Director Chun-Yao Huang, Independent Director Ying-Hsin Tsai, Independent Director Hung-Chang Chiu, Independent Director Ruey-Lin Hsiao	Jackson Mai, Wei-Han Chen, Chien-Li Wu
		Magi Chen, Independent Director Chun-Yao Huang, Independent Director Ying-Hsin Tsai, Independent Director Hung-Chang Chiu, Independent Director Ruey-Lin Hsiao
		Joseph N. C. Huang, Independent Director Ryh-Yan Chang
	Lung-Cheng Lin	Lung-Cheng Lin
		Mao-Chin Chen
	E.SUN FHC	E.SUN FHC
	13	13

- (3) Comparison of Remuneration and the ratio of total Remuneration paid by the Company and by all companies included in the consolidated financial statements for the most recent two years to Directors, Independent Directors, President and Senior Executive Vice Presidents of the Company, to the net profit after tax.

Unit: NT\$ thousand

Year Title	2025						2024					
	The company			Companies in consolidated financial statements			The company			Companies in consolidated financial statements		
	No. of persons	Amount	Ratio to Net profit after tax	No. of persons	Amount	Ratio to Net profit after tax	No. of persons	Amount	Ratio to Net profit after tax	No. of persons	Amount	Ratio to Net profit after tax
Directors	13	77,933	0.24%	13	83,408	0.25%	13	94,219	0.38%	13	98,509	0.40%
President and SEVPs	27	246,488	0.75%	27	268,750	0.82%	23	184,022	0.75%	23	205,522	0.84%

※ 2025 Bank net income was 32,785,555 thousand dollars ; 2024 Bank net income was 24,551,862 thousand dollars.

**(4) The Policies, Standards, and Portfolios for the Payment of Remuneration, the Procedures for Determining Remuneration, and the Correlation with Business Performance:**

- A. The percentage of total profits distributed to directors as remuneration is based on regulations set forth in Article 40 of the Company's Articles of Incorporation. The ratio and adjustment of remuneration for the chairman and directors are based on regulations set forth in Article 22. The remuneration reflects the level of participation in and contribution to the company's operations. At the same time, industry standards are considered. The board is authorized to decide the level of this compensation.
- B. To motivate managers to achieve and exceed corporate goals, create earnings, and advance business performance, the Company evaluates the remuneration of managers on a regular basis, during which the correlation with future risk is also taken into account. With salary levels of the Company, industry peers, and the market at large taken into account, such remuneration is granted on the basis of managers' professional experience and in accordance with the Company's Guidelines for Remuneration of Managers. Meanwhile, a reward deferral mechanism is implemented in accordance with the Bank's Guidelines for Long-Term Incentives so that the remuneration of managers can be linked to the Company's business performance more closely. In addition to the Company's overall performance, the granting of bonuses also takes into account the performance of the relevant business department, individual contribution, and personal performance with regard to fulfilling the Company's core values and demonstrating leadership and management capacity, as well as the correlation with future risks. Assessment of manager performance covers both management performance (such as financial goals, business goals, customer goals, departmental growth/market share/asset quality, etc.) and management quality (brand management, human resources management, innovation and integrated marketing, internal control, etc.).

The performance review of the Bank's senior managers and the policy, system, criteria, and structure with regard to their remuneration are subject first to deliberations of the Remuneration Committee and then to approval of the Board of Directors. On the other hand, bonuses for managers are bound to be adversely affected in the event of any major risk event that threatens to undermine corporate reputation, management deficiencies, abuses of various sorts, etc. Bonuses may be slashed or suspended. Meanwhile, the Company will conduct stress tests and scenario simulations to gauge risk that is likely to emerge in the future, based on which the Risk Management Committee will submit a risk exposure report to the Board of Directors every quarter.

## 2.1.6 Name of Managers who received dividend/bonus and the distribution thereof

2026.01.31 Unit: NT\$ thousand

Position	Name	Stock Amount	Cash Amount	Total	Ratio of Total to Net Income (%)
President	Lung-Cheng Lin	0	30,548	30,548	0.09%
CEO of Corporate Banking Division	Tsun-Jen Ko				
CEO of Individual Banking Division	Mei Li Sheu				
Chief Information Officer /SEVP	Wan-Li Hsieh				
Chief Financial Officer / Financial Officer / SEVP	Fred Chen				
Chief Risk Officer / SEVP	Oliver Hsieh				
Chief Digital Officer / SEVP	Danny Tang				
General Auditor	Yao-Pin Lin				
SEVP	Louis Chang				
SEVP	Cathy Kuo				
SEVP	Jung-Hua Lin				
SEVP	Charles Tan				
SEVP	Yi-Hsin Tseng				
Deputy Chief Information Officer / SEVP	Jeff Liu				
SEVP	Jyh-Shing Roger Jang				
SEVP	Kenneth Tsao				
SEVP	Jacky Chiang				
SEVP	Henry Chang				
SEVP	Steven Hung				
SEVP	Ming-Hong Lee				
SEVP	Tony Wan				
SEVP	Peter Pan				
SEVP	Eric Lin				
Chief Compliance Officer / Head of the compliance unit at headquarters	James Chen				
Chief Information Security Officer	Huai-Tsung Liu				
Chief Marketing Officer /EVP /Special Assistant	Chun-Yu Lin				
Accounting Officer / SVP	Nicholas Chuang				
Corporate Governance Officer / SVP	Mei-Cheng Chu				

## 2.1.7 Information on retired chairmen and presidents serving as advisors

Title	Nationality	Name	Gender	Position upon Retirement		Date of Appointment as Advisor	Purpose of Appointment	Division of Authority and Responsibility	Remuneration	Ratio of Remuneration to Net Income
				Entity and Title	Date of Retirement					
None.										

## 2.2 Implementation of Corporate Governance

### 2.2.1 Board of Directors

A total of 11 (A) meeting of the board of directors were held in the previous period. Director and supervisor attendance was as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance rate (%) [B / A]	Remarks
Chairman	E.SUN FHC representative Joseph N.C.Huang	11	0	100	Re-elected
Managing Director	E.SUN FHC representative Jackson Mai	11	0	100	Re-elected
Independent Director	E.SUN FHC representative Ryh-Yan Chang	11	0	100	Re-elected
Independent Director	E.SUN FHC representative Chun-Yao Huang	11	0	100	Re-elected
Independent Director	E.SUN FHC representative Ying-Hsin Tsai	11	0	100	Re-elected
Independent Director	E.SUN FHC representative Hung-Chang Chiu	11	0	100	Re-elected
Independent Director	E.SUN FHC representative Ruey-Lin Hsiao	11	0	100	Re-elected
Director	E.SUN FHC representative Wei-Han Chen	11	0	100	Newly appointed
Director	E.SUN FHC representative Chien-Li Wu	11	0	100	Re-elected
Director	E.SUN FHC representative Magi Chen	11	0	100	Re-elected
Director	E.SUN FHC representative Mao-Chin Chen	11	0	100	Re-elected
Director	E.SUN FHC representative Lung-Cheng Lin	11	0	100	Newly appointed

Note: 1. Independent directors have personally attended 100% of the board meetings.

Annotations:

1. If there are the circumstances referred to the following issue, the Company should specify the dates of meetings, sessions, contents of motions, all independents' opinion and the Company's response to independent directors' opinion.

A. Article 14-3 of Securities and Exchange Act: Not applicable as the Company has set Audit Committee.

B. In addition to matters above, other dissenting opinions or qualified opinions from the independent directors on written or recorded resolutions made by the Board of Directors: None.

2. Practice of Directors' avoidance of motions in conflict of interest:

Director Name	Content of Motion	Cause of Avoidance	Voting
Lung-Cheng Lin	Remuneration adjustment to senior managers	Motion concerning personal interests of the directors	Lung-Cheng Lin excused himself from discussion after the proposed remuneration adjustment to senior managers on the levels below senior executive vice presidents.
Lung-Cheng Lin	2024 year-end bonus and Long Term Incentive Remuneration Practice	Motion concerning personal interests of the directors	Lung-Cheng Lin excused himself from discussion after the proposed 2024 annual bonus and Long Term Incentive Remuneration Practice on the levels below senior executive vice presidents.
Joseph N.C. Huang Jackson Mai Ryh-Yan Chang Chun-Yao Huang Ying-Hsin Tsai Hung-Chang Chiu Ruey-Lin Hsiao Wei-Han Chen Chien-Li Wu Magi Chen	Proposal on the Company's 2024 remuneration of directors along with evaluation of rationality of remuneration and assessment standard of board performance	Motion concerning personal interests of the directors	The proposal was discussed in stages and directors recused themselves from discussion and voting if matters involving personal interests:  1.The allocation of remuneration for the Independent Directors was discussed. After Ryh-Yan Chang,Chun-Yao Huang,Ying-Hsin Tsai,Hung-Chang Chiu,Ruey-Lin Hsiao recused themselves, the remaining directors approved the proposal.  2.The Chairman appointed Independent Director Ryh-Yan Chang as acting chair to discuss the distribution of remuneration for the non-executive directors. Chairman Joseph N.C., Managing Director Jackson Mai, Director Wei-Han Chen, Director Chien-Li Wu, and Director Magi Chen recused themselves; the remaining independent directors approved the proposal.
Joseph N.C.	In collaboration with E.SUN Foundation, signed contracts for the E.SUN Academic Awards with National Taiwan University and 10 other top universities.	Motion concerning a business in which the chairman serve as a responsible person	The Chairman appointed Independent Director Ryh-Yan Chang to serve as Acting Chair; he did not participate in the discussion or voting.
Joseph N.C.	Donation NT\$10,000,000 to E.SUN Volunteer	Motion concerning a business in which the chairman serve as CEO and director	The Chairman appointed Independent Director Ryh-Yan Chang to serve as Acting Chair; he did not participate in the discussion or voting.
Joseph N.C., Ryh-Yan Chang, Chun-Yao Huang, Ying-Hsin Tsai, Hung-Chang Chiu, Ruey-Lin Hsiao	Amendment of 「Rules for Director Remuneration」	Motion concerning personal interests of the directors	The Chairman appointed Managing Director Jackson Mai, to serve as Acting Chair; directors with conflicts of interest did not participate in the discussion or voting.
Lung-Cheng Lin	Remuneration adjustment to senior managers	Motion concerning personal interests of the directors	Recused himself after the report.
Lung-Cheng Lin	2024 employees remuneration	Motion concerning personal interests of the directors	Recused himself after the report.
Lung-Cheng Lin	Lending to UCB	Motion concerning a business in which the directors serve as a responsible person	Did not participate in the discussion or voting.
Joseph N.C., Huang, Jackson Mai, Ryh-Yan Chang, Chun-Yao Huang, Ying-Hsin Tsai, Hung-Chang Chiu, Ruey-Lin Hsiao, Wei-Han Chen, Chien-Li Wu, Magi Chen, Mao-Chin Chen, Lung-Cheng Lin	Amendment of Weighted Allocation Ratio of Shared IT Equipment and Personnel Expenses	Motion concerning a business in which the chairman/director serve as a chairman/director of E.SUN FHC	The directors have no "personal interests that may harm the interests of the company," and considering the composition and proceedings of the members, they shall not be required to refrain.

Director Name	Content of Motion	Cause of Avoidance	Voting
Magi Chen, Mao-Chin Chen, Lung-Cheng Lin		Motion concerning a business in which the directors serve as a responsible person	Did not participate in the discussion or voting.
Joseph N.C., Huang, Jackson Mai, Ryh-Yan Chang, Chun-Yao Huang, Ying-Hsin Tsai, Hung-Chang Chiu, Ruey-Lin Hsiao, Wei-Han Chen, Chien-Li Wu, Magi Chen, Mao-Chin Chen, Lung-Cheng Lin	Serve as the underwriter for E.SUN FHC's corporate bond issuance and dispose of the above-mentioned corporate bonds on the date of acquisition in accordance with regulations	Motion concerning a business in which the chairman/director serve as a chairman/director of E.SUN FHC	The directors have no "personal interests that may harm the interests of the company," and considering the composition and proceedings of the members, they shall not be required to refrain.
Magi Chen	Interbank limit and derivative transaction limit with E.SUN China	Motion concerning a business in which the directors serve as a responsible person	Did not participate in the discussion or voting.
Lung-Cheng Lin	Interbank limit with UCB	Motion concerning a business in which the directors serve as a responsible person	Did not participate in the discussion or voting.
Mao-Chin Chen	Fx spot and derivative transaction limit with E.SUN Asset Management Co., Ltd.	Motion concerning a business in which the directors serve as a responsible person	Did not participate in the discussion or voting.
Lung-Cheng Lin	Remuneration adjustment to senior managers	Motion concerning personal interests of the directors	Lung-Cheng Lin excused himself from discussion after the proposed remuneration adjustment to senior managers on the levels below senior executive vice presidents.
Lung-Cheng Lin	2025 year-end bonus and Long Term Incentive Remuneration Practice	Motion concerning personal interests of the directors	Lung-Cheng Lin excused himself from discussion after the proposed 2024 annual bonus and Long Term Incentive Remuneration Practice on the levels below senior executive vice presidents.

### 3. Board evaluation status.

A. The 8th board of directors approved the "Board of Directors Performance Evaluation Policy" in its 13th meeting on February 1, 2013. The evaluation procedures are as follows:

Frequency	Period	Scope	Method	Description
Internal Evaluation: Conducted in the first quarter of every year for the performance of the previous year	In January 2026, the company evaluated performance of the board of directors and the functional committees for the period between January 1, 2025 and December 31, 2025. The results were submitted to the board of directors and the functional committees for approval or presented to the board of directors as appropriate in January 2026 and March 2026.	Evaluation of performance of the board of directors as a whole, that of individual board members, and that of the functional committees.	1.Board performance evaluation 2.Director self-assessment and overall evaluation 3.Functional committee performance evaluation	1.Board performance evaluation covers 5 aspects (47 indicators): degree of participation in company operations; quality of board decisions; board composition and structure; selection of suitable board directors and continuing professional education; and internal control. 2.Functional committee performance evaluation covers 5 aspects (24 indicators): degree of participation in company operations, awareness of functional committee responsibilities, improvement in the quality of decision making by the functional committee, composition and structure of the functional committee, and internal control. 3.Director self-assessment and overall performance evaluation covers 6 aspects (25 indicators): grasp of company targets and missions, understanding of the director's role and responsibilities, level of participation in company operations, internal relationship management and communication, director's specialty and continued development, and internal controls.

Frequency	Period	Scope	Method	Description
External Evaluation: Once every three years	In October 2023, E.SUN commissioned the Taiwan Corporate Governance Association, an external independent agency, to conduct board performance evaluation.	Composition, leadership, authorization, supervision, communication, and self-regulation of the board of directors, internal control, and risk management	Performance evaluation to be conducted by an external independent agency or external experts at the company's commission. Having a professional agency review the activities of the board and the functional committees gave E.SUN the opportunity to receive instructions from and exchange views with the inspectors and obtain reports that were professional and impartial.	TCGA conducted the board performance evaluation in 8 aspects, including composition, leadership, authorization, supervision, communication, and self regulation of the board of directors, internal control, and risk management, and others such as board meetings and support systems. The evaluation was carried out in the forms of questionnaires and onsite interviews.  [Summary of General Evaluation]  1.The selection of independent directors is based on the company's professional needs for the future decade's major strategies, and consists of five independent directors with expertise in accounting, law, digital marketing, technology, and innovation. Independent directors actively participate in strategy-related meetings of the company, providing ample consultations and guidance for beneficial outcomes. 2. Regular strategy report meetings are held on various topics, and the conclusions from these meetings are submitted to the Strategy Committee of the Board of Directors of the parent company for discussion. They are then presented to the Board of Directors for resolution. Once approved by the Board of Directors, knowledge-sharing seminars are organized to explain the operational strategies and future directions to all employees. By participating in the annual strategy seminars, directors gain a clear understanding of the company's goals set by the Board of Directors and integrate top-down guidance with bottom-up practical approaches, fully utilizing the strategic functions of the Board of Directors. 3. The Bank values and implements talent cultivation mechanisms. The Corporate Governance and Nomination Committee of the parent company regularly supervise the implementation status of the Bank's Senior Manager Successor Plan that continuously accumulates momentum of sustainable succession for the Bank.

B. Starting in 2019, the Board Performance Evaluation Scorecard is changed from a yes/no system to a 5-point scale with "excellent", "good", "satisfactory", "unsatisfactory", and "needs improvement" for quantified evaluation. In 2021, indicators relevant to the roles, functions, and responsibilities in providing assistance and instructions on three lines of defense, and "when a significant deficiency occurs in the company, specific risk matters shall be included in the overall performance assessment." were added. E.SUN has incorporated commitments, community participation, and environmental policies into its business strategies. Evaluation of the performance of the board of directors and the functional committees for 2025 was completed on January 30, 2026, respectively. All areas were rated excellent.

(A)The board of directors participated actively in company operations and performed their duties in advising and overseeing business strategies, major operations, and risk management and establishing an adequate internal control system. 47 items were rated "excellent". The score is 100%.

(B)The overall performance of the functional committees was in line with corporate governance principles. The functional committees served their purposes as intended and effectively made the board more effective.

a. The results of the Audit Committee evaluation had 22 items rated "excellent" and 2 not applicable. Overall result: Excellent.

B. The results of the Remuneration Committee evaluation had 19 items rated "excellent" and 5 not applicable. Overall result: Excellent.

c. The results of the Accountability Committee evaluation had 17 items rated "excellent" and 7 not applicable. Overall result: Excellent.

C.In addition, on March 13, 2026, the company presented the results of the 2025 director performance evaluation based on self-assessments by the directors and peer reviews.

(A) Self-assessment score: 99.80%.

(B) Overall self-evaluation score: 99.93%.

4. Regarding the board performance evaluation conducted by the Taiwan Corporate Governance Association (TCGA), the overall comments of the evaluation show that the composition of independent directors meets professionalism and gender parity. Such composition increases diversity in the Board of Directors and helps the Board to perform their functions. Moreover, the Bank values and implements talent cultivation. The Corporate Governance and Nomination Committee of the parent company regularly supervise the implementation status of the Bank's Senior Manager Successor Plan that continuously accumulates momentum of sustainable succession for the Bank. The TCGA suggests that the bank explicitly incorporate sustainability-related indicators into the performance evaluation criteria for executives' operational performance and management quality scores. This would facilitate the supervision of executive compensation by the remuneration committee in relation to company performance, future development, and the link between shareholder interests and reasonableness. The TCGA also suggests strengthening existing mechanisms and establishing an independent and trustworthy communication channel, through which employees and other stakeholders can report relevant matters to independent directors/audit committees. This will further enhance the effectiveness of the whistleblower mechanism. The Bank submitted the overall assessment report to the 9th meeting of the 12th Board of Directors on January 17, 2024. The Bank has listed relevant audit recommendations as priority areas for improvement in corporate governance and will continue making improvements accordingly.

5. Evaluation of the goals (e.g., set up an audit committee, enhance information transparency) and implementation status of strengthening the duties and functions of the Board of Directors during the most recent year:

A. In 2023, the Corporate Governance Association in Taiwan was commissioned to conduct board performance evaluation. The Association is an independent body that has no business relationship with the Company. The professional agency examines the operation of the board of directors and functional committees. The evaluation committee's guidance and exchange provided the Company with professional and objective medical examination report. We will commission an independent body to perform a board performance evaluation in Q4 2026.

B. On August 19, 2022, the Bank established the Accountability Committee to effectively implement the accountability system for senior managers and improve organizational operations. The Accountability Committee comprises of 3 independent directors and 2 directors, with the Chairman serving as the convener. We prepared a responsibility map to clarify the organization's structure and how authority and responsibilities are divided among units. Any changes will be reported to the board, and senior management have signed responsibility statements to promote a culture of accountability.

C. In 2025, the Company organized three director training courses for a total of 9 hours, on "Seminar on financial fraud prevention and fair treatment of customers", "Sharing on management trends in AML and CFT in the financial industry, and the challenges faced by the financial sector in deepening implementation of the IRB approach." and "ESG + AI + Cybersecurity: Advancing green technology and implementing sustainable responsibility practices". In addition, directors will be provided with a variety of external courses that help them to gain a better understanding of their fields and fulfill their duties of loyalty and due diligence as business decision makers and leaders.

D. Following E.SUN FHC's sustainability blueprint, we continue to implement key projects, generate customer value, and broaden our influence. The 2025 sustainability implementation status and the 2026 promotion plan were both submitted to and approved at the 26th meeting of the 12th Board on January 30, 2026.

## 2.2.2 Audit Committee

A total of 10 (A) Audit Committee meetings were held in the previous period. The attendances of Independent Directors were as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance rate (%) 【B / A】	Remarks
Independent Director(Convener)	Ryh-Yan Chang	10	0	100	Re-elected
Independent Director	Chun-Yao Huang	10	0	100	Re-elected
Independent Director	Ying-Hsin Tsai	10	0	100	Re-elected
Independent Director	Hung-Chang Chiu	10	0	100	Re-elected
Independent Director	Ruey-Lin Hsiao	10	0	100	Re-elected

Annotation:

1. In the event of any of the circumstances occurring while the Audit Committee conducts its activities, details including the date, session, and agenda of the Audit Committee meeting, the objections, reservations, or major recommendation items of independent directors, all resolutions of the Audit Committee, and the company's responses to the Audit Committee's opinions should be provided:

A. Matters listed in Article 14-5 of the Securities and Exchange Act:

Date	Terms	Agenda	Resolution
2025.03.05	16th session of 6th Audit Committee	Financial statement (standalone and consolidated) of 2024	<p>Audit Committee: Approved by committees attending the meeting and will be proposed to the Board of Directors.</p> <p>The Board of Directors: Approved by Directors attending the meeting. Some directors are excused from the meeting due to personal interest.</p>
		Recapitalization by retained earnings	
		continuously entrust of CPA	
		Audit confirmation report and statement of AML and anti-terrorism financing for the bank's cooperating insurance brokerage 2024	
		Statement of Internal control System of 2024	
2025.04.16	17th session of 6th Audit Committee	Amendment of Internal Control System for the bank's cooperating insurance brokerage	
		The donation to E.SUN Volunteer & Social Welfare Foundation	
2025.05.07	18th session of 6th Audit Committee	Amendment of the Internal Control System for the bank's Securities Business and Items, Procedures, and Key Control Points of the Internal Control System for Securities Business	
2025.08.13	19th session of 6th Audit Committee	Financial statement (standalone and consolidated) of 2025 Q2	
		Amendment of the Internal Control System for the bank's Securities Business and Items, Procedures, and Key Control Points of the Internal Control System for Securities Business	
		The donation for the 'E.SUN Sustainability Lecture Hall' at NTPU	
		Lending to UCB	
2025.09.17	20th session of 6th Audit Committee	Amendment of Weighted Allocation Ratio of Shared IT Equipment and Personnel Expenses	
		Amendment of Procedures for the Acquisition or Disposal of Assets	
2025.11.05	21st session of 6th Audit Committee	Amendment of Internal Control System for the bank's cooperating insurance brokerage	
2025.12.12	22nd session of 6th Audit Committee	Serve as the underwriter for E.SUN FHC's corporate bond issuance and dispose of the above-mentioned corporate bonds on the date of acquisition in accordance with regulations	
		Interbank limit and derivative transaction limit with E.SUN China.	
		Interbank limit with UCB.	
		Fx spot and derivative transaction limit with E.SUN Asset Management Co., Ltd.	
2026.01.28	23rd session of 6th Audit Committee	Nominated the chief officers of accounting.	

B. In addition to matters above, other resolutions that have not been approved by the Audit Committee but have been passed by a vote of two-thirds or more of the entire Board of Directors: None.

2. If there is Independent Directors' avoidance of motions in conflict of interest, the Independent Directors' names, contents of motions, causes for avoidance and voting should be specified: None.

3. Communications between the independent directors, the Company's Chief Internal Auditor and CPAs (e.g. the items, methods and results of audits of corporate finance or operations, etc.)

Date	Method	Object of Communication	Subject of Communication	Result
2025.01.08	Audit Committee	Appointed accountant of E.SUN Bank	Report on the 2024 financial statement audit plan	1. Questions raised by the independent directors were answered and opinions exchanged. 2. Acknowledged.
2025.02.12	Audit Committee	General Auditor	Report of the 2024 Q4 auditing work of E.SUN Bank	1. Questions raised by the independent directors were answered and opinions exchanged. 2. Acknowledged, to be processed according to the recommendations.
2025.03.05	Separate communication meeting between independent directors and accountants	Appointed accountant of E.SUN Bank	Report the preliminary audit results of financial statements.	1. Reported the results and questions raised by the independent directors were answered and opinions exchanged 2. There are no major abnormalities in this audit.
2025.03.05	Audit Committee	Appointed accountant of E.SUN Bank	CPA report of the result for auditing of 2024 Financial Statements	Acknowledged, to be processed according to the recommendations.
2025.05.07	Audit Committee	General Auditor	Report of the 2025 Q1 auditing work of E.SUN Bank	1. Questions raised by the independent directors were answered and opinions exchanged. 2. Acknowledged, to be processed according to the recommendations.

Date	Method	Object of Communication	Subject of Communication	Result
2025.08.13	Separate communication meeting between independent directors and accountants	Appointed accountant of E.SUN Bank	Report the preliminary audit results of financial statements	1. Reported the results and questions raised by the independent directors were answered and opinions exchanged. 2. There are no major abnormalities in this audit.
2025.08.13	Audit Committee	Appointed accountant of E.SUN Bank	Report on the 2025 Q2 financial statement audit results	Acknowledge with no other recommendation.
		General Auditor	Report of the 2025 Q2 auditing work of E.SUN Bank	Acknowledge with no other recommendation.
2025.09.17	Audit meeting	General Auditor	Discussions on internal/external audit related matters	1. Questions raised by the independent directors were answered and opinions exchanged. 2. To be processed according to the recommendations.
2025.11.05	Audit Committee	General Auditor	Report of the 2025 Q3 auditing work of E.SUN Bank	1. Questions raised by the independent directors were answered and opinions exchanged. 2. Acknowledged.
2025.12.12	Audit Committee	General Auditor	Submission of the Company's 2026 audit plan	Agreed and no other recommendation.
2026.01.08	Audit Committee	Appointed accountant of E.SUN Bank	Report on the 2025 financial statement audit plan	1. Questions raised by the independent directors were answered and opinions exchanged. 2. Acknowledged.
		General Auditor	Report of the 2025 Q4 auditing work of E.SUN Bank	1. Questions raised by the independent directors were answered and opinions exchanged. 2. Acknowledged, to be processed according to the recommendations.
			Audit report on the implementation of the Internal Ratings-Based Approach	Agreed and no other recommendation.

Note:

- A. The chief auditor of the Company reports regularly the audits performed and the results and follow-up to the independent directors during quarterly meetings of the Audit Committee.
- B. Independent directors meet with the chief auditor and auditors at least once every year to fully communicate and document issues relevant to the Company's internal and external audits. Meeting minutes are included as part of the audit working papers.
- C. The CPA attends at least three Audit Committee meetings every year during the review of second-quarter financial report and annual financial reports, to explain the method and scope of financial statement auditing as well as relevant statutory updates, to talk about international trends, and to engage in in-depth discussions with independent directors.
- D. The chief internal auditor, CPA, and independent directors shall maintain an unimpeded two-way communication, and each of the parties can contact one another directly, when it is deemed necessary.

#### 4. The Main Function of the Audit Committee

- A. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- B. Assessment of the effectiveness of the internal control system.
- C. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures such as acquisition or disposal of assets, derivatives trading.
- D. A matter bearing on the personal interest of a director.
- E. A material asset or derivatives transaction.
- F. The offering, issuance, or private placement of any equity-type securities.
- G. Appointment, discharge, or remuneration of CPA.
- H. Appointment or removal of chief officers of finance, accounting and internal audit.
- I. Annual financial reports and second quarter financial reports that must be audited and attested by a CPA, which are signed or sealed by the chairperson, managerial officer, and accounting officer.
- J. The proposal of business report, surplus earning distribution or loss off-setting.
- K. Merger/consolidation or acquisition matters.
- L. Other significant matters stipulated by the Company or competent authorities.

### 2.2.3 Corporate Governance Guidelines and Regulations

Please refer to the Bank's website at : <https://www.esunbank.com/en/about/corporate-governance>

### 2.2.4 Other Important Information Enhancing Understanding of the State of the Company's Corporate Governance

Our official website has a dedicated section called the "Corporate Governance Zone" that provides various corporate governance information. This includes details on the responsibilities of our board of directors and functional committees, our commitment to integrity in operations, internal controls, important regulations, and statements, among other significant content. We aim to enhance the public's understanding of our company's governance practices through this transparency initiative. (<https://www.esunbank.com/en/about/corporate-governance>) The parent company E.SUN FHC also treats the disclosure of corporate governance information in prudent manner, and strives to ensure the correctness, integrity, and timeliness of all matters reported by subsidiaries' public information stations, major announced information, company websites, external news announcements, the production of annual reports, and various information that must be disclosed in accordance with law. Relevant disclosed matters are regularly reviewed and updated in accordance with the clearly-delineated duties of the responsible units. When major events or news are announced, the Bank will quickly report its response. The E.SUN FHC spokesperson shall oversee all external information disclosure, including responsible units' media contact, and issuance of news or important information. With regard to the disclosure of information concerning the board of directors and audit committee, business integrity guidelines, procedures for the acquisition or disposition of assets, the internal audit organization and its operation, and other major information, as well as shareholders meeting information, distribution of dividends, and financial service information, all such information shall be disclosed in detail in the E.SUN FHC annual report or website.

## 2.2.5 Internal Control

### (1) Internal Control System Statement

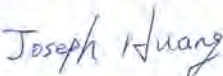

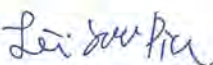
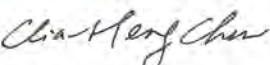
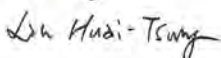
#### **E.SUN Commercial Bank, Ltd. Internal Control System Statement**

To: Financial Supervisory Commission

On the behalf of E.SUN commercial Bank, Ltd., we hereby declare that in the period from January 1, 2025 to December 31, 2025, the Bank duly complied with “Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries” in establishing an internal control system, implementing risk management processes. In the meantime, an impartial and independent unit was designated to conduct audits and report regularly to the Board of Directors and Audit Committee. The Bank actually abide by Articles 38 No. E, 38-1 of “Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries” and the “Information Security Self-Regulatory Rules” stipulated by The Bank Association of the Republic of China. With respect to concurrent operation of securities agent business, the Bank assessed the effectiveness of the design and execution of its internal control system based on the evaluation criteria set forth in the “Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets”. With respect to concurrent operation of insurance agent business, the Bank assessed the effectiveness of the design and execution of its internal control system based on the evaluation criteria set forth in the “Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies”. The Bank found that, except for the items enumerated in the attached table, the internal control, legal compliance systems and information security of all units were effectively implemented during the year.

This statement will be included as the primary content of the Bank’s annual report and any prospectuses, and made available to the public. Any information in this statement found to be falsified, concealed, or otherwise illegal shall be subject to the legal liabilities prescribed by Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

Declarant: E.SUN Commercial Bank, Ltd.

Chairman:		( Signature/ Seal )
President:		( Signature/ Seal )
Chief Auditor:		( Signature/ Seal )
Chief Compliance Officer:		( Signature/ Seal )
Chief Information Security Officer:		( Signature/ Seal )

Date: March 13, 2026

**E.SUN Commercial Bank, Ltd. Internal Control System**

**Items for Improvement of deficiencies Status**

(As of December 31, 2025)

Item for Improvement	Improvement Measures	Target Date
N/A		

**(2) AML/CFT Internal Control System Statement**

**AML/CFT Internal Control System Statement**

To: Financial Supervisory Commission

On the behalf of E.SUN Commercial Bank Co., Ltd.(including its concurrent insurance agency business), we hereby declare that in the period from January 1 to December 31, 2025, the Bank has duly complied with all relevant laws and regulations governing Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) in establishing an internal control system, implementing risk management, designating an independent and objective internal unit to conduct audits, and reporting periodically to the Board of Directors and the Audit Committee. Following prudent evaluation, it is found that except for items listed in the attached "Enhancement Items and Improvement Plan for AML/CFT Internal Control System", each unit of the Company has effectively implemented internal controls for AML/CFT during the year.

Declarants: E.SUN Commercial Bank Co., Ltd

Chairman:  (Signature/Seal)

President:  (Signature/Seal)

Chief Auditor:  (Signature/Seal)

Chief AML/CFT Compliance Officer:  (Signature/Seal)

Date: March 13, 2026

(2) AML/CFT Internal Control System Statement

**Enhancement Items and Improvement Plan for  
AML/CFT Internal Control System**

( Base date: December 31, 2025 )

Enhancement Items	Improvement measures	Planned completion date
Regarding OBU account opening operations: While Enhanced Due Diligence (EDD) measures were duly executed for certain cases involving specific risk factors, the customer risk ratings in the Customer Due Diligence (CDD) shared platform did not fully reflect these factors after account opening.	Enhance the Customer Due Diligence (CDD) shared platform to incorporate review information from OBU account openings, ensuring that customer risk ratings fully reflect all relevant risk factors.	To be completed by Q3 2026.

### 3. Capital Overview



## 3.1 Capital and Dividend

### 3.1.1 Source of Capital

A. Issued Shares

2026.1.31 Unit: thousand shares, NT\$ thousands

Month/Year	Par Value (NTD)	Authorized Capital		Paid-in Capital		Remark	
		Shares	Amount	Shares	Amount	Source	Others
2007.01.01	-	2,890,991	28,909,905	2,890,991	28,909,905	-	-
2007.06.05 (note1)	10	29,009	290,095	2,920,000	29,200,000	Retained Earnings	-
2007.06.21 (note2)	20	200,000	2,000,000	3,120,000	31,200,000	Rights offering	-
2009.06.26 (note3)	10	62,400	624,000	3,182,400	31,824,000	Retained Earnings	-
2009.12.04 (note4)	14	180,000	1,800,000	3,362,400	33,624,000	Rights offering	-
2010.06.03 (note5)	10	147,600	1,476,000	3,510,000	35,100,000	Retained Earnings	-
2011.06.13 (note6)	10	210,600	2,106,000	3,720,600	37,206,000	Retained Earnings	-
2011.11.22 (note7)	15	500,000	5,000,000	4,220,600	42,206,000	Rights offering	-
2012.06.08 (note8)	10	151,900	1,519,000	4,372,500	43,725,000	Retained Earnings	-
2012.11.30 (note9)	15.5	200,000	2,000,000	4,572,500	45,725,000	Rights offering	-
2013.06.06 (note10)	10	412,500	4,125,000	4,985,000	49,850,000	Retained Earnings	-
2014.03.21(note11)	15	140,000	1,400,000	5,125,000	51,250,000	Rights offering	-
2014.05.19(note12)	10	435,000	4,350,000	5,560,000	55,600,000	Retained Earnings	-
2014.05.23(note13)	16.6	576,000	5,760,000	6,136,000	61,360,000	Rights offering	-
2015.05.25(note 14)	10	408,000	4,080,000	6,544,000	65,440,000	Retained Earnings	-
2015.06.03(note15)	17	140,000	1,400,000	6,684,000	66,840,000	Rights offering	-
2016.05.27(note16)	10	44,183	441,830	6,728,183	67,281,830	Share conversion	-
2016.07.06(note17)	10	534,700	5,347,000	7,262,883	72,628,830	Retained earnings	-
2017.06.20(note18)	17.38	604,000	6,040,000	7,866,883	78,668,830	Rights offering	-
2017.06.20(note18)	10	445,217	4,452,170	8,312,100	83,121,000	Retained earnings	-
2018.06.15(note19)	10	324,900	3,249,000	8,637,000	86,370,000	Retained earnings	-
2019.06.20(note20)	10	411,100	4,111,000	9,048,100	90,481,000	Retained earnings	-
2020.06.18(note21)	10	476,000	4,760,000	9,524,100	95,241,000	Retained earnings	-
2021.06.16(note22)	10	369,600	3,696,000	9,893,700	98,937,000	Retained earnings	-
2022.07.01(note23)	10	470,600	4,700,000	10,363,700	103,637,000	Retained earnings	-
2023.06.09(note24)	18.42	760,000	7,600,000	11,123,700	111,237,000	Rights offering	-
2023.06.09(note24)	10	583,500	5,835,000	11,707,200	117,072,000	Retained earnings	-
2024.06.20(note25)	10	1,285,700	12,857,000	12,992,900	129,929,000	Retained earnings	-
2025.06.18(note26)	10	1,639,100	16,391,000	14,632,000	146,320,000	Retained earnings	-

Note1 : The Securities and Futures Bureau of the Financial Supervisory Committee on June 5, 2007 granted approval for issuance in its letter Zidi 0960027542.

Note2 : The Banking Bureau of the Financial Supervisory Committee on June 21, 2007 granted approval for issuance in its letter Zidi 09600256501.

Note3 : The Securities and Futures Bureau of the Financial Supervisory Committee on June 26, 2009 granted approval for issuance in its letter Zidi 0980030711.

Note4 : The Banking Bureau of the Financial Supervisory Committee on December 4, 2009 granted approval for issuance in its letter Zidi 09800558761.

Note5 : The Securities and Futures Bureau of the Financial Supervisory Committee on June 3, 2010 granted approval for issuance in its letter Zidi 0990027492.

Note6 : The Securities and Futures Bureau of the Financial Supervisory Committee on June 13, 2011 granted approval for issuance in its letter Zidi 1000025959.

Note7 : The Banking Bureau of the Financial Supervisory Committee on November 22, 2011 granted approval for issuance in its letter Zidi 10000401021.

Note8 : The Securities and Futures Bureau of the Financial Supervisory Committee on June 8, 2012 granted approval for issuance in its letter Zidi 1010024779.

Note9 : The Banking Bureau of the Financial Supervisory Committee on November 30, 2012 granted approval for issuance in its letter Zidi 10100388601.

Note10 : The Banking Bureau of the Financial Supervisory Committee on June 6, 2013 granted approval for issuance in its letter Zidi 1020021282.

Note11 : Ministry of Economic Affairs on March 21, 2014 granted approval for issuance in its letter Zidi 10301045950.

Note12 : The Financial Supervisory Committee on May 19, 2014 granted approval for issuance in its letter Zidi 1030016610.

Note13 : The Financial Supervisory Committee on May 23, 2014 granted approval for issuance in its letter Zidi 10300140571.

Note14 : The Financial Supervisory Committee on May 18, 2015 granted approval for issuance in its letter Zidi 1040016102.

Note15 : The Financial Supervisory Committee on May 22, 2015 granted approval for issuance in its letter Zidi 10400115520.

Note16 : Ministry of Economic Affairs on May 27, 2016 granted approval for issuance in its letter Zidi 10501108510.

Note17 : Ministry of Economic Affairs on July 6, 2016 granted approval for issuance in its letter Zidi 10501143410.

Note18 : Approved under Letter No. Jing-Shou-Shang-10601076060 issued by the Ministry of Economic Affairs on June 20, 2017; Approved under Letter No. Jin-Guan-Yin-Kong-10600164770 issued by the Financial Supervisory Commission on July 5, 2017.

Note19 : Approved under Letter No. Jing-Shou-Shang-10701062380 issued by the Ministry of Economic Affairs on June 15, 2018; Approved under Letter No. Jin-Guan-Yin-Kong-10702139000 issued by the Financial Supervisory Commission on July 10, 2018.

Note20 : Approved under Letter No. Jing-Shou-Shang-10801068080 issued by the Ministry of Economic Affairs on June 20, 2019; Approved under Letter No. Jin-Guan-Yin-Kong-10802124700 issued by the Financial Supervisory Commission on July 12, 2019.

Note21 : Approved under Letter No. Jing-Shou-Shang-10901098290 issued by the Ministry of Economic Affairs on June 18, 2020; Approved under Letter No. Jin-Guan-Yin-Kong-1090219407 issued by the Financial Supervisory Commission on Sep 14, 2020.

Note22 : Approved under Letter No. Jing-Shou-Shang-11001098950 issued by the Ministry of Economic Affairs on June 16, 2021; Approved under Letter No. Jin-Guan-Yin-Kong-1100218665 issued by the Financial Supervisory Commission on Jul 26, 2021.

Note23 : Approved under Letter No. Jing-Shou-Shang-11101096540 issued by the Ministry of Economic Affairs on Jul 01, 2022; Approved under Letter No. Jin-Guan-Yin-Kong-1110219232 issued by the Financial Supervisory Commission on Jul 20, 2022.

Note24 : Approved under Letter No. Jing-Shou-Shang-11230097680 issued by the Ministry of Economic Affairs on June 09, 2023; Approved under Letter No. Jin-Guan-Yin-Kong-1120219967 issued by the Financial Supervisory Commission on July 05, 2023.

Note25 : Approved under Letter No. Jing-Shou-Shang-1130220877 issued by the Ministry of Economic Affairs on June 20, 2024; Approved under Letter No. Jin-Guan-Yin-Kong-1130220877 issued by the Financial Supervisory Commission on July 08, 2024.

Note26 : Approved under Letter No. Jing-Shou-Shang-11430080110 issued by the Ministry of Economic Affairs on June 18, 2025; Approved under Letter No. Jin-Guan-Yin-Kong-1140221106 issued by the Financial Supervisory Commission on July 17, 2025.

### 3.1.2 Type of Shares

2026.1.31 Unit: Share

Type of Shares	Authorized Capital			Remark
	Issued Shares *	Un-issued Shares	Total Shares	
Common Shares	14,632,000,000	-	14,632,000,000	-

Note: The issued shares are listed shares

### 3.1.3 List of Major Shareholders

The Bank is a wholly owned subsidiary of E.SUN FHC.

### 3.1.4 Dividend Policy and Implementation Status

#### (1) Dividend Policy

According to the Article 40-1 of the statute, if the final accounting of the Company shows profit, after having paid all taxes and duties, the losses accumulated in the preceding years shall be first covered before the remaining amount is appropriated as legal reserve and special reserve in accordance with the law. If necessary, a special reserve may also be appropriated. The distribution of remaining profits together with the reversal of special reserve as well as the retained earnings accumulated from previous years shall then be proposed by the board of directors and submitted for resolution at shareholders' meetings. For a sound financial structure, according to the Banking Act of the Republic of China and regulatory policies of the authorities, the Bank shall maintain adequate regulatory capital and set dividend payout policy based on its future business plan. The maximum cash dividend shall not exceed the statutory limit unless the legal reserve fund reaches the registered capital. The distribution of dividends shall be conducted based on the shareholdings of shareholders as recorded in the shareholders register on the dividend distribution baseline date.

#### (2) Proposed Distribution of Dividend

It was proposed at the 2026 shareholders' meeting that shareholders would be entitled to a cash dividend of NT\$1.50 per share, totaling NT\$21,948,000,000, accounts for 93.60% of the surplus available for distribution.

### 3.1.5 The impact of the stock dividend distribution for the latest year on the Company's business performance and earnings per share:

In line with the Regulations Governing the Publication of Financial Forecasts of Public Companies and Criteria for the Compulsory Publication of Complete Financial Forecasts by TWSE-Listed Companies, the Company did not publish such forecasts for 2026. This item of disclosure is not applicable as the Company cannot disclose predictive information on its finances.ne date.

### 3.1.6 Profit-Sharing for Employees and Compensation for Directors

#### a. Percent age or scope of employee compensation and directors' compensation specified in the Articles of Incorporation:

According to the Article 40 of the statute, the Bank in a given year (pretax profit before distribution of employee and director compensation) shall be reserved to cover the losses accumulated from previous years. 3% of the balance from the above shall be allocated as employee compensation, while not more than 0.6% shall be allocated as director compensation. Recipients of employee compensation shall include employees of affiliate companies who fulfill certain criteria. Proposals of employee and director compensation distribution shall be presented to shareholders' meetings.

#### b. In the event current bases of estimation for employee and directors' compensation, share number calculation bases for allotment of stock compensation and actual allotted amounts are at variance with estimated amounts:

(a)Employee and directors' compensation shall be calculated according to the percentage of their pretax profit as specified in the Articles of Incorporation and previous distributions.

(b)All distributed as cash bonus.

(c)In the event actual allotted amounts are at variance with estimated amounts due to changes in estimation, there sulting differences shall be listed as losses for the 2026 fiscal year.

#### c. Board of directors approved proposals for the allocation of employee compensation and other relevant information:

(a)Allocation of employee cash compensation, and amount of directors' compensation. Employee cash compensation is NTD 1,195,378,057, and directors' cash compensation is NTD 52,500,000. Compensation distribute to employees is NTD 2,924,633 lower than estimated amount; Cash remuneration to directors is NTD 14,500,000 lower than estimated amount. The difference was due to the change of accounting estimate and will reflect on 2026 profit and loss account.

(b)Ratio between proposed stock remuneration given out to employees and capital increments from retained earnings: All distributed as cash bonus.

#### d. Actual allocations of employee compensation and directors' compensation for the preceding fiscal year:

This Company's surplus earnings allocation for the preceding year amount to NTD 935,923,920 in employee cash compensation, and NTD 75,000,000 in directors' compensation. Compensation distribute to employees is NTD 243,240 higher than estimated amount; Cash remuneration to directors is NTD 25,000,000 lower than estimated amount. This difference was incurred by changes in accounting estimations and has been listed as losses for the 2025 fiscal year.

**3.1.7 Share Repurchase:** None.

**3.2 Preferred Shares Issuance:** None.

**3.3 GDR Issuance:** None.

**3.4 Status of Employee Stock Option Plan and Restricted Stock Awards:** None.

**3.5 Basic Information of Other Financial Institutions Acquired or Transferred:** None.

### **3.6 Merger and Acquisition**

- (1) Any opinions by accountants that should be disclosed regarding the reasonable share swap ratio for mergers & acquisitions or sale of banking institutions over the past year: None.
- (2) State of mergers & acquisitions or sale of banking institutions over the most recent season: None.
- (3) In the most recent financial year and up to the printing of this annual report, disclosure of the basic data of mergers & acquisitions or sale of other banking institutions in which the Board of Directors has approved such M&D or sale that involves the issuance of new shares: None.

## 4. Business Operation



## 4.1 Business Scope

Key business area	Key business services
Corporate banking services	Provide products and services for companies in need, including corporate lending, syndicated loans, trade finance, cash management, cross-border banking services, and corporate succession consultation.
Consumer banking services	Provide retail banking services, mortgage loans, small business loans, business start-up loans, and ESG loans, such as green buildings, reconstruction of urban unsafe and old buildings, regional revitalization businesses, Farm to Table, franchise sustainability-linked loan, etc.
Private Banking and Wealth Management Services	E.SUN provides private banking and wealth management customers with financial planning, asset allocation planning, and family succession planning services, including trusts, insurance, investment products, financing against financial assets, and family office services.
Credit card and payment services	E.SUN Bank provides credit card and debit card issuing services, contracted store acquiring services, electronic payment services and other payment services. In response to international trends, E.SUN Bank also offers sustainable acquiring and related services for sustainable payments that incorporate ESG factors.

## Primary Business Indicators

Unit: NT\$ billion

Item	2025/12	Annual growth%	2024/12
Total deposits	3,778.4	12.9%	3,345.2
TWD Demand deposits	1,325.4	7.6%	1,232.3
Foreign currency deposits	1,297.6	12.6%	1,152.2
Total loans	2,635.2	12.6%	2,340.5
Foreign currency loans	517.3	19.1%	434.4
Corporate loans	1,300.2	18.1%	1,100.6
SME loans	675.5	11.8%	604.4
Consumer loans	1,265.9	7.6%	1,176.1
Mortgage loan	574.3	4.3%	550.4
Unsecured personal loan	152.0	15.2%	132.0
Credit card revolving balance	18.0	-3.2%	18.6
Credit cards			
Card in circulation (Thousand cards)	8,748.1	17.0%	7,476.2
Active cards (Thousand cards)	5,340.5	7.5%	4,965.4
Card consumption	665.9	8.1%	615.9
Net revenues	86.4	20.0%	72.0
Net interest revenues	40.7	21.1%	33.6
Net fee revenues	26.8	9.4%	24.5
Net fee revenues of wealth management	15.4	14.1%	13.5
Net fee revenues of credit card	8.5	9.0%	7.8
Foreign exchange, Fixed income, and others	18.9	36.0%	13.9

Note 1: Above data are individual information of E.SUN Bank.

Note 2: Total deposits include demand deposits, fixed deposits, and deposits from Chunghwa Post.

## 4.2 Business Plan

Key business area	Annual business plan
Corporate banking services	"The global economy continued to experience rapid changes. In the first half of 2025, corporate investment slowed due to the impact of U.S. tariff measures. However, in the second half of the year, corporate financing and investment demand rebounded, supported by the expansion of AI applications and innovations in consumer electronics.. E.Sun Bank continues to align with government projects and Small and Medium Enterprise Credit Guarantee Fund of Taiwan to support the long-term development of small and medium-sized enterprises (SMEs). With a team-centered and comprehensive cross-border financial services, we assist enterprises in overseas expansion and digital transformation. Based on the concept of "sustainable co-prosperity", we connect multiple resources, work with enterprises to practice green management, and promote the sustainable competitiveness of enterprises. The fifth "E.SUN ESG Sustainability Initiative" was held in October 2025, and more than 496 companies have signed the "Sustainable Development Initiative" to jointly implement the 2050 net zero goal.
Consumer banking services	Consumer banking business focuses on credit risk management and operational efficiency. It enhances credit risk management through data integration and utilizes information technology and digital channels to provide convenient and flexible consumer banking services. Besides, the service team also offers a variety of services, including small business loans, mortgage loans, and business start-up loans and ESG loans, such as green buildings, reconstruction of urban unsafe and old buildings, regional revitalization businesses, Farm to Table, franchise sustainability-linked loan, etc., to actively promote the sustainable value of finance.
Private Banking and Wealth Management Services	Based on the diverse wealth needs of private banking and wealth management customers, E.SUN offers a comprehensive suite of wealth planning services, including TWD and foreign currency deposits, bonds, securities, insurance, and trusts. In tune with market trends, regulatory policies, and customer needs, E.SUN continuously expands product offerings, optimizes customer service processes, strengthens risk management, and advances sustainable finance to provide highly customized and forward-looking wealth solutions. As intergenerational wealth transfer priorities shift toward tax planning, family continuity, and sustainable investment, E.SUN integrates internal and external resources to tailor appropriate solutions for different customer segments, committed to creating greater value for customers.
Credit card and payment services	E.SUN Bank combines digital technology and market development trends to offer customers complete automated one-stop solution for payment journey experience, and to further meet the needs of our customers across all the segments, creating customer values. Meanwhile, we'll integrate the resources from different industries, and connect our payment service-chain to channel partners, expand the various payment scenarios. Making E.SUN Credit Card the best choice for daily life and customer's favorite brand.

## 4.3 Market Analysis

### 4.3.1 Region

Key business area	Region
Corporate banking services	E.SUN is centered in Taiwan, strategically expanding overseas business primarily in Asia to meet the cross-border financial needs of customers. Currently, E.SUN operates 35 branches and offices in 11 countries/regions spanning the range from financial centers, developed countries, to developing countries. Looking forward, E.SUN will continue to expand its overseas network with integrated cross-border services and localized business development to provide customers with comprehensive financial services and consistent customer experience.
Wealth management and consumer banking services	E.SUN Bank operates the services primarily in Taiwan with 138 domestic branches. To meet the demand of customers overseas, it is also provides wealth management services in Hong Kong and Singapore, as well as consumer banking services in Cambodia.
Credit card and payment services	Taiwan is our primary served area and the UCB subsidiary which located in Cambodia is also developing local credit card and debit card service. E.SUN has also expanded the electronic payment business and cooperated with strong channel partners such as Paypal, Alipay, Razer Merchant Services and HIVEX (PayPay). We continually broaden our cross-border payment services to overseas markets such as Europe, America, and the Asia-Pacific region.

### 4.3.2 Market landscape and opportunities for growth

- (1) U.S. Reciprocal Tariff Policies and Global Supply Chain Shifts: While the U.S. reciprocal tariff policy has largely stabilized in direction, the expanding influence of global geopolitics continues to inject high levels of uncertainty into economic and trade development. The impact of U.S. reciprocal tariffs is gradually unfolding, though the full ripple effect has yet to be realized. This is primarily due to the tariffs on the critical semiconductor and electronics industries; while it was confirmed in January 2026 that a 25% additional levy would be imposed on U.S. imports, the initial phase focuses on advanced computing chips, with the potential to expand to more semiconductor derivatives. Although the overall impact is somewhat mitigated by the decisions of several leading manufacturers to establish production facilities in the U.S., these firms must now shoulder the responsibility of building local supply chains and ramping up investment scales. This heightens their operational burdens, and the actual progress of plant construction and subsequent production efficiency will require close monitoring. Furthermore, several industries with high exposure to the U.S. market are more heavily affected by these tariff policies. Currently, exporters face the dual challenge of Chinese product dumping and new trade restrictive measures introduced by various countries to block low-cost Chinese goods, making operational difficulties increasingly evident. Key sectors that warrant close attention include machine tools, fasteners, plumbing and sanitary hardware, and hand tools, as these are the most affected by the shifting environment. Their subsequent dynamics and strategic responses remain critical points of focus. In addition, tariff policies have intensified global trade protectionism. Large-scale buyers are now demanding supply chain diversification, driving a trend toward regionalization and "short-chain" development. This may force suppliers to engage in redundant investments to meet customer requirements. However, as strategic planning for relocation varies significantly across different industries and enterprises, it is essential to monitor the evolving trends and shifts within the global supply chain.
- (2) AI as a Historical Transformation and the Risks of Investment Overheating: AI is poised to become a landmark transformation in human history and evolve into the "new normal"; however, current signs of investment overheating have simultaneously raised concerns regarding a potential market bubble. Founded upon computing power, algorithms, and big data, AI applications have pivoted from entertainment toward enhancing professional productivity. As users become increasingly accustomed to obtaining information directly via AI, and as enterprises continue to explore its potential, AI is steadily becoming a new industry standard. It is anticipated that companies with a high command of AI that integrate it into their core operating processes will achieve significantly higher competitiveness than their peers, leading to a polarized development trend within industries. Nevertheless, as the AI "arms race" accelerates, concerns over a data center investment bubble are mounting. The primary reason is that the current revenue generated by AI applications has not yet reached a level commensurate with the massive capital expenditure in data centers. Additionally, rapid technological advancements—including the cost reduction of Large Language Models (LLMs), exponential performance upgrades, and the swift iteration of GPU and server hardware—make it increasingly difficult to gauge the true future demand for AI data centers. Given that the payback period for data center investments is lengthy, the risk of high capital commitment remains elevated. The semiconductor, electronics, and technology sectors are currently the primary beneficiaries of AI development. Whether high growth momentum can be sustained, however, depends on the continued evolution of AI and the expansion of its application scope. Furthermore, while industry discourse suggests that the world has entered a stage of robust growth for "AI Agents" and "Embodied AI" (Physical AI)—indicating massive future potential—their widespread adoption into practical scenarios will ultimately depend on the tangible benefits of these products and market acceptance.

## 4.4 Financial Products R&D and Business Status

Key business activity	R&D Results in Last Two Years and Future Directions
Corporate banking services	<p>A. ESG Financial Innovation: E.SUN responds to the government's green energy policy, provides diversified renewable energy credit products, and continues to actively promote various types of renewable energy, energy storage business and green loan at domestic and abroad. In the future, we will support green energy construction and promote "social responsibility credit" to assist companies in making investments that have positive benefits for society or alleviate social problems, and exert the positive influence of ESG. In addition, by establishing an internal ranking mechanism for low-carbon transition, E.SUN will be able to identify and manage the transition progress of corporate clients, gradually increasing the proportion of credit assets associated with transition activities</p> <p>B. Cross-border financial platform: In response to the globalization strategies of corporate clients and to meet the need for convenient and real-time group treasury management, E.SUN leverages its 35 overseas locations across 11 regions to provide a professional cross-border financial platform offering services such as cross-border payments, foreign exchange hedging, and supply chain finance. E.SUN continues to enhance cross-border remittance efficiency and integrate its Global Smart Remittance Network to help enterprises reduce treasury management costs and accelerate fund transfers. At the same time, E.SUN continues to develop region-specific products to deliver a customer-centric, one-stop model for cross-border financial services.</p>
Consumer banking services	<p>A. Digitalization of Home Loan Journey: We have enhanced the online service process for home loan customers, offering smart real estate collateral valuation and loan calculation services before the loan application. Customers can apply online through the e-Click Mortgage platform. After the loan disbursement, customers can also view their loans and apply for loan contract modifications and online signatures through our online banking service, thereby perfecting the online experience for customers both before and after the loan.</p> <p>B. Farm to Table Financing Project: In response to TNFD and the United Nations SDGs Goal 12 on Responsible Consumption and Production, E.SUN has partnered with the Ministry of Agriculture and industry consultants to launch the 'Farm to Table Financing Project'. This initiative integrates guidance, funding, and promotional resources to provide innovative financing services to upstream, midstream, and downstream operators, utilizing credit support to drive sustainable agricultural development.</p> <p>C. Reconstruction of Urban Unsafe and Old Buildings Loan: E.SUN is responding to the government's policy on the reconstruction of unsafe and old buildings, assisting individual customers in rebuilding their dangerous and aging homes. Based on customer needs, we plan financing structures for the various stages of reconstruction, connecting with trusts and external real estate management companies to provide one-stop financial services. We also assist individual customers in setting up barrier-free facilities to enhance housing safety and quality, ensuring the sustainable inheritance of real estate.</p> <p>D. Optimizing personal loan products: Offer differentiated loan products to various customer segments, strengthening E.SUN's competitiveness. Additionally, we introduced a feature allowing Revolving Loan drawdowns directly into the E.SUN Wallet electronic payment account. This enables refined customer segment management and meets the diverse financing needs.</p> <p>E. Scientific Model Application: By leveraging value and pricing models, we provide optimized quote conditions to acquire more customer credit loan relationships.</p>
Private Banking and Wealth Management Services	<p>A. Asset Management Zone and Family Office Services In response to the "Asian Asset Management Center" policy, E.SUN Bank was among the first to be approved to operate Asset Management Zone services, which encompass private funds, insurance and Lombard Lending, family office services, and cross-border financial services. E.SUN provides proactive advisory services and conducts comprehensive reviews of each family's circumstances and needs, coordinates internal and external experts, and delivers integrated services.</p> <p>B. Generative AI Wealth Advisory Service E.SUN launches the "E.SUN i-chat" generative AI advisory service. Combining large language models (LLM) with E.SUN's proprietary research insights and wealth products, the service delivers immediate and professional online investment experience. It helps customers quickly access the latest market information and provides professional, tailored product recommendations. Final investment decisions remain with the customer, and end-to-end online subscription transactions can be completed seamlessly, effectively improving advisory efficiency.</p> <p>C. Innovative Patent Trust Structure As succession needs among family businesses increase, E.SUN has developed an innovative "Successive Beneficiary Trust" structure that has been granted a utility patent by the Taiwan Intellectual Property Office. This structure pioneers a dynamic review mechanism that integrates designated settlers, trust supervisors, and successive beneficiaries, overcoming existing legal and tax constraints to enhance the flexibility and efficiency of succession. "Continuous Beneficiary Trust" helps families preserve their original intentions across generations while enabling prudent asset management.</p>

Key business activity	R&D Results in Last Two Years and Future Directions
Credit card and payment services	<p>A. Core product management: E.SUN Unicard has issued over one million cards, we will continue to observe customer needs to create personalized credit card experiences. By deeply engaging customers through our points ecosystem and integrating the E.SUN Wallet App—which provides digital services for account inquiries, spending tracking, and points redemption—we aim to enhance customer loyalty and engagement.</p> <p>B. Optimizing electronic payment experience: Launched the "E.SUN Wallet JPY Pay Direct" service, allowing customers to link their E.SUN foreign currency accounts to pay in Yen at PayPay merchants across Japan. This eliminates the need for manual currency exchange and elevates the travel experience. Furthermore, we established "Digital Voucher" service, enable users to register for, receive, and utilize various government subsidies and grants seamlessly.</p> <p>C. Deepen the ESG sustainable consumption ecosystem: Introduced the "Steps for Decarbonization" feature, which converts steps into carbon reduction results to raise customer's awareness of sustainable living. Through our Sustainable Merchant Acquiring Project, we support eco-friendly businesses in adopting multi-payment systems and launch sustainable consumption campaigns. These initiatives boost product visibility and local spending, ultimately promoting the co-prosperity and development of urban and rural areas.</p> <p>D. Expanding corporate payments: Launched the G ePay to provide enterprises with comprehensive payment solutions. Through digital platform, enterprises can manage parameters such as credit limits and transaction categories flexibly. This assists companies in their digital transformation, effectively reducing manual operational costs and enhancing overall management efficiency.</p> <p>E. Fraud prevention and card security assurance: Introducing "E.SUN Wallet App Verification", allows transactions to be confirmed directly through the E.SUN Wallet App, enhance transaction security while optimizing the overall user experience.</p>

Unit: NT\$ thousand

## R&D progress and expenses

### A. R&D expenses of recent 2 years

Year	2026(F)	2025	2024
E.SUN Bank	361,259	326,541	337,822

### B. R&D projects and progresses

Projects	Estimated Time of Completion
Global Private Banking System	2026
Core Banking System Migration for Credit Card and Payment Division	2026
New Generation of E.SUN Mobile and Internet Banking Project	2026

Note: Success of an R&D project depends primarily on changes in the laws and regulations and market trends and the commitment of consultants and project members.

## 4.5 Short-term and Long-term business development plan

### Long-term business development plan

Key business area	Long-term business development plan
Corporate banking services	E.SUN will strengthen the integration of its cross-border financial platforms and product offerings to deliver diversified services and steadily expand its domestic and overseas customer base. At the same time, the Bank will enhance local risk management and reinforce internal controls to support enterprises in maintaining stable operations. Through the integration of corporate banking, treasury, wealth management, and private banking resources, E.SUN aims to enhance cross-border operations and overseas platform synergy, linking regional hedging and financial needs to provide Taiwanese businesses and overseas enterprises with comprehensive financial solutions. These efforts support corporate sustainability and digital transformation, enabling enterprises to expand steadily in domestic and international markets, assist enterprises in establishing ESG business models, and work with advocacy partners to exert ESG influence.
Consumer banking services	We have enhanced the online loan experience for customers through innovative applications on digital platforms while optimizing our internal credit processes to provide a comprehensive and seamless service experience. We are strengthening cross-industry collaborations to develop diversified channels, integrating ESG concepts into our credit operations, and working together with customers to implement sustainable development practices.
Private Banking and Wealth Management Services	E.SUN integrates retail and corporate financial services teams and resources, leveraging cross-disciplinary expertise and functions to connect a comprehensive cross-border platform, providing customers with one-stop financial services. E.SUN continuously enhances service and operational efficiency by embedding AI technology and emerging innovations to optimize both digital and offline experiences, and promotes innovative, effective solutions. E.SUN has long integrated ESG into business development and are driving a dual-axis "sustainability and digital" transformation to balance business growth with decarbonization commitments — moving steadily from pledge to practice.
Credit card and payment services	Take customer experience as the core, we integrate technologies, data analysis and cross-domain resources to enhance our customer-oriented services with the 3S strategy of Simple, Smooth and Sweet. Furthermore, E.SUN alliances with important strategic partners and deeply manages customer preference scenarios to develop the payment ecosystem. Meanwhile, we are committed to strengthen relationships across all customer segments to create high customer value, in order to become the best payment choice for customers in their daily life. Furthermore, we continuously promote sustainable consumption services and leverage the positive impact of sustainable finance.

### Short-term business development plan

Key business area	Short-term business development plan
Corporate banking services	Amid global supply chain restructuring, E.SUN will continue to provide cross-border financial services by utilizing a diversified product portfolio and dedicated teams to deliver differentiated financial solutions and strengthen customer relationship management capabilities. For small and medium-sized enterprises (SMEs), E.SUN will promote digital product innovation and process automation to enhance customer experience and service efficiency, enabling steady expansion of the SME portfolio and positioning the Bank as a reliable partner for sustainable corporate operations. In response to global net-zero and energy transition trends, E.SUN is developing a one-stop advisory service model to meet the financing needs of the renewable energy industry at various stages of development, strengthen international collaboration, and enhance its visibility and influence in the global ESG market.
Consumer banking services	In response to changes in the real estate market, we strengthen asset quality management. At the same time, we combine technology and data to optimize the customer journey, timely meeting customers' funding needs and continuously improving the customer experience.
Private Banking and Wealth Management Services	Facing rapid global economic shifts and market challenges, E.SUN responds to financial industry development policies by collaborating to create an Asian Asset Management Center and steadily expanding high-net-worth business to deepen and broaden wealth management services. E.SUN actively establishes an international investment and wealth management platform covering Taiwan, Hong Kong, and Singapore to offer products and services comparable to those of major international financial centers. By leveraging internal and external resources, E.SUN plans a diverse range of exclusive products and advanced solutions such as family trusts and family office services. E.SUN will provide advanced and competitive services that meet and fulfill customers' comprehensive asset planning and generational succession needs.
Credit card and payment services	Mastering customer needs to enhance overall value management. By using AI models, big data and digital platforms to optimize process experiences, strengthen risk control and enhance consumption security, we expect E.SUN credit card can be the main credit card for customers. Furthermore, in active alignment with government policies to promote non-cash payments, we continue to expand domestic and international payment scenarios, providing inclusive and secure digital payment services.

## 4.6 Human Resource

As E.SUN Bank enters its fourth decade, we remain committed to deepening our roots in Taiwan while expanding our footprint across Asia, with the ambition of becoming a distinctive benchmark bank in the region. Talent is the leading and critical driver. Developing a globally capable workforce is therefore essential to realizing our strategic ambitions.

At the same time, we are committed to creating a supportive and engaging workplace that feels like a second home, where all E.SUN employees can learn, grow, and thrive together—collectively guiding E.SUN toward long-term excellence.

### 4.6.1 Employee Composition

2026.01.31

Item		Year		
		Current year to Jan 31, 2026	2025	2024
No. of Employees		8,932	8,870	8,539
Average Age		35.6	35.6	35.3
Average Years of Service		10.4	10.3	10.2
Educational background (%)	PhD	0.1	0.1	0.1
	Master	29.3	29.3	28.7
	Bachelor	66.7	66.7	67.2
	Junior college	3.4	3.4	3.6
	High School (Vocational)	0.4	0.4	0.4
Number of professional licenses held by employees	Banking	33,191	31,880	31,263
	Insurance	10,404	10,346	10,288
	Securities	6,766	6,725	6,625
	Others	1,816	1,784	1,784

Note: The number of employees includes all employees of overseas branches.

### 4.6.2 Employee Development and Training

- (1) The Bank organizes and implements training in accordance with the "Guidelines for Employee Education and Training Implementation," and executes the annual education plan step by step.
- (2) The Bank arranges domestic and overseas further studies, inspections, and seminars in accordance with the "Guidelines for Employee Further Study, Workshops and Study Visits." Employees are recommended by their unit supervisors and selected by the relevant units prior to assignment.
- (3) "Develop talent first, then operate the business"—we have built a diverse and comprehensive learning and development system for employees at each career stage. Training courses are closely aligned with financial trends, organizational strategy, and customer needs, and integrate competency development, fair treatment of customers, and anti-fraud governance, continuously promoting innovation and transformation. In addition, E.SUN encourages employees to participate in high-quality external training to stay connected with international financial knowledge, deepen expertise in ESG sustainability, FinTech, and risk management, and cultivate a talent team with forward-looking vision and strong competitiveness.
- (4) In 2025, the Bank conducted a total of 695 internal training sessions and selected personnel to attend 894 external training programs offered by specialized institutions, with a total of 223,022 training attendances.
- (5) The Bank's education and training expenses account for 0.53% of 2025 revenue.

#### 4.6.3 Number of fulltime employees serving in non-supervisory positions, average and median salary of such employees during the year, and differences from the previous year

Unit NT\$ thousand; persons

	2025	2024	Growth Rate
Number of employees serving in non-supervisory positions	7,156	7,051	1.49%
Average salary of employees serving in non-supervisory positions	1,485	1,350	10.00%
Median salary of employees serving in non-supervisory positions	1,302	1,225	6.29%

Note: The above statistics were compiled in accordance with the explanation on reporting the salaries of fulltime employees serving in non-supervisory positions jointly promulgated by Taiwan Stock Exchange and Taipei Exchange.

#### 4.6.4 Promotion and enforcement of employee conduct and ethics rules

- (1) The Company has taken into account internal and external regulations and has established and announced the "E.Sun Code of Conduct," which provides employees with a consistent behavioral guide and explains relevant practical case in order to deepen their understanding of expected behaviors.
- (2) All E.SUN employees must sign and pledge to uphold the Company's employee service regulations and rules of conduct. The Company posts its employee service regulations and rules of conduct on both internal and external websites in order to facilitate browsing and familiarization by employees.
- (3) To ensure that all executives and employees have correct awareness and faithfully uphold regulations in their conduct and work, all units' legal compliance managers shall promote awareness of employee conduct and relevant regulations on a regular basis and when needed.
- (4) The Company holds an annual online course and exam on the "E.SUN Service Code, Code of Conduct, and Work Rules," which must be completed by all staff members.
- (5) In response to the Personal Data Protection Act and the Financial Supervisory Commission's Regulations on the Security Maintenance of Personal Data Files for Non-Public Agencies, we will add a "Notice on the Collection, Processing and Use of Employee Personal Data" as an appendix to the "E.SUN Staff Code of Conduct and Behavioral Guidelines" to fulfill the notification obligations under the Personal Data Protection Act and to strengthen personal data protection and information security.



## 4.7 Corporate Responsibility and Ethics

E.SUN Bank is dedicated to long-term sustainable development, consistently incorporating environmental and social considerations into its financial operations. Through long-term commitments and systematic approaches, the Bank takes concrete actions to enhance and innovate in economic, environmental, and social dimensions.

### 4.7.1 Economic aspect

- (1) In terms of corporate governance, the Bank has consistently upheld the principles of integrity and professionalism. Under the leadership of the management team, it has received the “Excellent” in Corporate Governance Certification from the Taiwan Corporate Governance Association. And the company has been ranked in the top 5% of the TWSE Corporate Governance Evaluation for 10 times. The Corporate Governance and Nomination Committee currently comprises 5 independent directors, accounting for over 40% of the board. This composition enhances the board’s professionalism and independence through their diverse expertise in industry and academia.
- (2) In 2025, the Bank achieved a record-high net profit after tax of NT\$32.74 billion, reflecting a yearly growth rate of 33.4%. Total assets reached NT\$4.47 trillion, showing a yearly growth rate of 10.9%. Various financial and business indicators have shown steady development, consistently creating value for shareholders.
- (3) The Bank upholds the principle that “No business is worth an unacceptable risk.” establishing comprehensive internal regulations and processes while continuously enhancing the three lines of defense mechanism and system monitoring.

### 4.7.2 Environmental Aspect

- (1) In terms of low-carbon operations, the company aligns with the international Science Based Targets initiative (SBTi). Through scientific and systematic environmental and energy management, it has established carbon reduction targets and promotes energy saving within its operating environment. In 2025, E.SUN Bank received the “Grand Prize,” the highest honor of the “National Enterprise Environmental Protection Award,” for the third time.
- (2) Continuing to promote “Green Buildings” and “Solar Energy” projects, by the end of 2025, 86% of its self-owned buildings in Taiwan have obtained green building certifications, and 100% have completed the installation of solar panels. Regarding energy usage, the proportion of renewable energy used in domestic locations reached 53%. The company continues to move toward the goal of 100% renewable energy use for domestic locations by 2030 and overseas locations by 2040.
- (3) The Bank have consistently implemented the ISO 14001 Environmental Management System, ISO 50001 Energy Management System, and ISO 46001 Water Resource Efficiency Management System. It has established comprehensive goals and proposed improvement plans to practice environmental protection and energy conservation systematically and strategically to meet international standards and obtain certifications. Furthermore, through the ISO 14064 Greenhouse Gas Inventory and ISO 14046 Water Footprint Inventory conducted in 2024, they analyze annual energy consumption, carbon emissions, and water usage data to verify energy-saving effectiveness and the achievement of its goals.

### 4.7.3 Social aspect

#### (1) Academic Support and Promotion

##### A. E.SUN Golden Seed Project

As of December 2025, the company has established 198 E.SUN Libraries, donated over 470,000 books, and benefited more than 170,000 students.

##### B. E.SUN Cultivating Outstanding Talent Scholarship

For 21 consecutive years, the company has awarded scholarships to nurture exceptional students, supporting talent in five major fields: management, technology, humanities, nursing, and ASEAN studies. As of 2025, a total of 357 students have received these awards.

##### C. E.SUN Academic Award

For 15 consecutive years, the company has presented the “E.SUN Academic Award” in collaboration with 11 leading university business schools, including National Taiwan University, National Chengchi University, National Tsing Hua University, National

Yang Ming Chiao Tung University, National Cheng Kung University, National Central University, National Sun Yat-sen University, National Taipei University, National Chung Hsing University, National Chung Cheng University, and National Taiwan University of Science and Technology. This initiative aims to enhance domestic research standards in management, with a total of 91 professors having received awards.

- (2) In terms of sports development, the company is dedicated to fostering the growth of youth baseball in Taiwan through the E.SUN Cup Youth Baseball Series. This initiative includes the E.SUN Cup National Youth Baseball Championship, which has been held for 19 consecutive years, as well as the E.SUN Youth Baseball Training Camp and the E.SUN Youth Baseball Protection Camp, which feature touring lectures and health check activities. Over 3,600 young athletes have participated in these training programs. Additionally, E.SUN promotes the "Remote Team Care Program," which provides essential baseball equipment subsidies to schools in remote areas that lack resources. To date, this initiative has benefited 44 schools, creating a platform for young athletes in Taiwan to bravely pursue their dreams.
- (3) The company regularly hosts the "One simple act of love can inspire others to love" blood donation campaign. In 2025, the company collaborated with six professional associations (including those representing doctors, dentists, traditional Chinese medicine practitioners, accountants, lawyers, and architects) to donate 10,950 bags of blood. Additionally, in 2025, E.SUN partnered with Mackay Memorial Hospital for the seventh time to hold the "Sending Love to Cambodia ~ International Free Clinic" event, providing 922 consultations over three days. By combining Mackay Memorial Hospital's medical expertise with assistance from local associations and translation support from E.SUN's Cambodian subsidiary UCB colleagues, they leveraged their specialties to inspire greater love and care, ultimately contributing to the creation of a better society.

#### 4.8 Environmental protection expenditure information

During the most recent year and until the publication date of this annual report, losses (including compensation) and penalties due to environmental pollution totaled 0.

#### 4.9 IT Facilities

The majority of E.SUN FHC's IT Facilities are owned and operated by its subsidiary E.SUN Bank. Details are as below.

##### 4.9.1 Current IT system's hardware/software configuration and maintenance

- (1) E.SUN Bank's IT systems for Accounting, Deposits, Loans, Remittance, Foreign Exchange, Wealth Management, Treasury Service, Credit Cards and E-Commerce, as well as its Customer Relationship Management, Risk Management and Business Intelligence Analysis systems are all built upon the most optimal system architecture based on each business needs. The underlying operating systems range from OS/400, UNIX, Linux, Windows and other operating platforms. Furthermore, we are adopting container platform technology to implement a cloud native architecture, thereby enhancing resource efficiency and business agility.
- (2) To enhance resource efficiency, overseas branches have fully adopted an SD-WAN (Software Defined-Wide Area Network) design to strengthen the integration and utilization of existing network dedicated lines, and leveraging SD-WAN to control traffic across the three major public clouds - Azure, GCP, and AWS to effectively manage and optimize network circuit costs. Continuing to promote the recycling of resources in the virtualized environment. Through regular analysis of reports, the optimal resource allocation for virtual machines is given according to recommendations, and virtual machine resources that have not been used for more than three months are regularly recycled to improve resource utilization efficiency.
- (3) To enhance service resilience and implement ESG energy-saving and carbon reduction measures, E.SUN Bank leveraged cloud advantages and has completed the migration of servers from the Singapore, Tokyo, Los Angeles and Australia branch data center to public cloud. This not only simplifies data center management and improves the quality and security of the infrastructure, but also allows E.SUN Bank continuously to achieve a reduction in carbon emissions in scope 2 and 3, as the public cloud provider's data center is a low-carbon Green Data Center.



#### 4.9.2 Future development and procurement plans

In 2026, we will continue to focus on digital transformation and overseas business expansion. Through the application of technology and the power of big data integration, intelligent decision-making can be accurately penetrated into the lives of customers and provide in-depth and extensive financial services. In addition, we also strengthen risk discipline control processes to provide customers with more robust and secure services. See below for E.SUN Bank's major information systems development projects for 2026:

##### **(1) Business-driven technological innovation**

- New Generation of E.SUN Mobile and Internet Banking Project
- Intelligent Customer Service System Upgrade
- Customer Relationship Management Platform
- Cloud AI service applications
- Virtual Asset System

##### **(2) Building the cornerstone of technological resilience**

- Core Banking System Upgrade for Overseas Branches
- Core Banking System Migration for Credit Card and Payment Division
- Data Warehouse Re-engineering Project
- Cloud migration of the data analytics platform
- Automated Data Center with intelligent Monitoring

#### 4.9.3 Emergency Recovery

**(1)** E.SUN Bank's Technology Data Center is designed and built according to the concept of Uptime Institute Tier III, which can maintain operation and provide stable hardware resources in the event of a power outage, without affecting the operation of the enterprise. The air-conditioning equipment in Data Center uses a natural cooling system to improve air-conditioning efficiency and to reduce energy consumption and greenhouse gas emissions from power generation, to avoid the immediate temperature rise in the event of a power failure causing the computer system to heat up. This green Data Center practices the promise of sustainable environmental management.

**(2)** With respect to business continuity measures, except for data protection and local system backup, E.SUN Bank performs drills at least once a year in accordance with the disaster recovery procedures of the Bank's core business systems in order to ensure the effectiveness of business continuity plan and import an automatic verification mechanism to shorten the service recovery time. To maintain the minimum service level during extreme situations, In 2025, E.SUN set a new industry benchmark by setting up disaster recovery for its core systems on the public cloud , which will safeguard important business data and provide basic financial services that ensure the rights of customers.

#### 4.9.4 Security Measures

**(1)** According to ISO 27001 standard to manage data center security, we use two-factor authentication and monitor system to strictly control the entry and exit of equipment and people in the data center.

**(2)** The three core systems of power, air conditioning, and fire protection in the data center provide a good operating environment and service quality for information equipment through regular maintenance and maintenance.

### 4.10 Cyber Security Management

#### 4.10.1 Cyber Risk Management Strategies and Policies

**(1)** E.SUN Bank continues to enhance its information security system and strengthen the defense capabilities by the following mechanisms: by promoting information security governance, establishing a consistent information security policy, and creating information security operating plans and procedures; all of the above are of "E.SUN FHC's Information Security Management Committee's" responsibilities. E.SUN strives to not only achieve local and international regulatory compliance, but to also expand the scope of international standard certifications, and ultimately incorporate information security to every staff's daily routine.

- (2) Since 2021, E.SUN Bank has added information on the status of cyber security implementation into the banking industry's internal control statement; this statement is issued jointly by the Chairman, the President, the Chief Audit Executive, the Chief Legal Officer, and the Chief Information Security Officer. The Bank's board of directors include members who have information technology backgrounds; the board of directors and senior management together are obligated to supervise and improve information security governance. The company also has a Chief Information Security Officer (CISO), who is the highest executive responsible for ensuring the effectiveness of the organization's information security operations and risk management mechanisms. He also needs to report regularly to the board of directors- risk management committee on the results and the overall status of the organization's information security implementations.
- (3) E.SUN Bank has obtained and passed the annual surveillance audit for the Information Security Management System (ISMS) ISO/IEC 27001 certification since 2013, with the certificate remaining valid. The credit card acquiring system has also obtained the Payment Card Industry Data Security Standard (PCI DSS) certification annually since 2017, with the certification remaining valid. In addition, since 2023, the Bank has obtained and passed the annual verification for the Privacy Information Management System (PIMS) ISO/IEC 27701 and the Business Continuity Management System (BCMS) ISO/IEC 22301 certifications, with the certificates remaining valid.

#### 4.10.2 Management Strategies

- (1) A multi-layered defense-in-depth architecture is adopted, with multiple security controls deployed across the network, server, application, database, IoT, and endpoint layers, including firewalls, intrusion detection and prevention systems, anti-virus systems, spam filtering, and web browsing management systems, providing multiple layers of protection to reduce information security risks. Through centralized operating system management and vulnerability patching, vulnerability scans and penetration tests are conducted regularly. Various attack and defense drill scenarios are planned, and security equipment is integrated to establish real-time alerting and dynamic joint defense mechanisms, thereby validating the effectiveness of defenses and incident response capabilities.
- (2) Independent third-party information security assessments are conducted to review the completeness and appropriateness of existing control measures. To continuously strengthen information security defense strategies and response mechanisms, E.SUN Bank has engaged professional white-hat hackers to conduct comprehensive real-world attack drills since 2021. Each subsequent year, new drill scenarios have been added in accordance with evolving risk trends and the adoption of emerging technologies. In 2025, testing was conducted on wireless network services to ensure the security of the wireless network architecture and strengthen the overall information security protection framework.
- (3) To establish a dedicated team of information security professionals for proactive monitoring, detection, analysis, and response, the Bank continuously optimizes its monitoring framework and notification procedures through the Security Operation Center (SOC) and promotes centralized management of monitoring information to enhance the maturity of incident consolidation, tracking, and governance. In response to the increasing prevalence of fraud and impersonation incidents, the Bank continues to strengthen fraud detection and threat intelligence management, including the collection of dark web threat intelligence to identify potential threats in advance, and the application of machine learning to improve fraud detection efficiency, enabling earlier interception of fraudulent activities in alignment with the principle of fair customer treatment. The Bank continues to safeguard the security of information assets through systematic management and operational process optimization, striving to build a robust and trustworthy financial services environment.

### 4.10.3 Cyber Security Management Investments

- (1) The Bank continues to invest resources in information security-related areas. In 2025, expenditures on information security initiatives amounted to approximately NT\$290 million, accounting for approximately 8.31% of the overall IT budget. Resources were allocated to areas including the enhancement of institutional and technical infrastructure, strengthening of information security defense equipment, threat intelligence monitoring and analysis, incident response, cloud security protection, attack and defense drills, and education and training, to improve information security governance capabilities and strengthen information security protection mechanisms.
- (2) The Bank regularly participates in information security education and training programs organized by E.SUN FHC (e.g., information security seminars, information security periodicals, and awareness videos) and social engineering exercises to continuously strengthen the information security awareness of all employees. The Bank achieved a 100% completion rate for information security education and training. As of the end of 2025, a total of 260 information security-related certifications have been obtained.
- (3) E.SUN Bank has been purchasing information security insurance to reduce the impact and loss of profits in case of a business interruption, and to also ensure customers' personal data are well protected.

### 4.10.4 Major Losses from Cyber Security Incidents

- (1) E.SUN Bank has established cyber incident response processes; when a cyber incident happened, its risk level is determined and the whole handling process is documented by the communication personnel from all subsidiaries' information technology divisions. Major cyber incidents are reported to the second and third line of defense, top management, as well as "FHC/Main Branch Major Incident Communication Personnel." Subsidiaries' information technology divisions must handle and resolve cyber incidents in a timely manner; corrective actions need to be proposed after performing root cause analysis so to prevent the same incident from re-occurring.
- (2) During 2025, colleagues reported receiving phishing emails from external sources. After investigation, it was confirmed that these did not impact E.SUN, and the Bank's monitoring alerts and related control measures were effective in providing protection.

A-Information Security Incidents	2025 statistics
Total number of information security incidents	0
Customer data loss due to information security incidents	0
Number of customers or employees affected by information security incidents	0
Financial losses due to information security incidents	0

Note: The information security incidents referenced in this table pertain to computer hacker attacks or computer virus attacks.

## 4.11 Labor-Management Relations

### 4.11.1 Employee Welfare Measures, Retirement Systems, and Their Implementation, as well as Agreements between Labor and Management and Measures for Protecting Employee Rights

#### (1) Employee benefits and status of implementation

- A. Care for employees' families and care in the workplace: To encourage E.SUN employees to have children, we have established the E.SUN Baby Growth Fund that provides a subsidy of NT\$100,000 for each newborn baby. To assist E.SUN employees in caring for their parents and children, and for pregnancy planning and preparation, more flexible time is provided for employees to spend with their families. We offers superior family care leave, maternity leave, prenatal check-up leave, accompanying maternity check-ups and leave, and a child-rearing leave system. Starting in 2025, there will be an addition of a 1-day fully paid "Family Care Leave" and "Healthy Pregnancy Check-up Leave," continuously providing better family care measures. We have further established the E.SUN Family Care and Child Awards that honor extraordinary performance on the part of employees' children at school and in major competitions. Finally, we do our utmost to assist those E.SUN employees who suffer from sickness or injury, unfortunate family events, and natural disasters.
- B. Health Care: Our Company is committed to fostering the holistic physical and mental well-being of our employees. We provide health examination subsidies and frequency that exceed regulatory requirements and have implemented an Occupational

Safety and Health Management System that consolidates key health-related resources and employee medical data. This system integrates health education materials, case management mechanisms, and health-check trend analyses, enabling continuous monitoring of health indicators and enhancing the effectiveness of our overall health management.

Based on annual data analytics, we arrange on-site physician consultations and implement targeted health-promotion initiatives. In 2025, we delivered a series of diversified wellness programs—including mental and physical health seminars, a weight-management program, and employee walking activities—to encourage the development of regular exercise habits and support employees in embedding wellness practices into daily life. Through these efforts, we continuously strengthen its employee health-care framework, advancing workplace safety, promoting sustainable living, and safeguarding the long-term well-being of all employees.

- C. Social Security and Group Employee Benefits Insurance: Apart from purchasing labor and health insurance for employees in accordance with applicable laws and regulations, the Company also provides employees with group insurance, accident insurance, life insurance, major illness insurance, cancer insurance, and hospitalization and accident medical insurance. As an example, when and if employees experience emergencies or accidents overseas, they can enjoy international support services. We further provide employees with business travel group insurance. All employees stationed or traveling overseas for business are covered by accident insurance, accidental injury medical insurance, overseas emergency hospitalization insurance, and overseas outpatient and emergency care insurance. Premiums for all employees' group insurance (including business travel group insurance) are paid by the Company.
- D. Annual leave: Our offer is superior to what is prescribed by the Labor Standards Act. Employees who have worked for more than three months enjoy a number of days off proportional to their length of service.
- E. Employee Welfare Committee: Provides a diverse range of subsidies, such as allowances for marriage, childbirth, children's education, and serious illness or hospitalization, as well as holiday bonuses for the three major traditional festivals and Mid-Autumn Festival gift vouchers, and actively promotes various employee welfare measures and programs.
- F. Supportive mortgages for home purchases and unsecured consumer loans.

## **(2) Retirement system and status of implementation**

- A. Employees subject to the Labor Standards Act have 2%-15% of their monthly salary allocated to a retirement preparation account, with full contributions made. For employees covered by the Labor Pension Act, E.SUN contributes 6% of their monthly wages to their individual pension accounts at the Bureau of Labor Insurance in accordance with the law. For outstanding performers or those with special contributions, in addition to statutory retirement funds, retirement bonus payments are provided.
- B. To provide comprehensive retirement protection, E.SUN has established an employee savings and stock ownership trust. Employees may, in line with their financial planning, make monthly savings contributions, and the Company makes three additional matching incentive contributions each year.

## **(3) Status of labor-management agreements and measures taken to preserve employee rights and interests**

The Company and its subsidiaries preserve the rights and interests of labor and management in accordance with applicable laws and regulations, regularly hold labor-management conferences, issue notices with regard to employee complaints, and establish communication channels for employees' feedback. Communication channels are easily accessible and employees' views are taken seriously to keep labor-management relations harmonious. The bank subsidiary has established an enterprise union, but to date, no collective agreement has been signed as the union has not submitted a request for negotiation on the collective agreement.

**4.11.2 Losses suffered due to labor-management disputes during the most recent year and up to the date of printing of this annual report, and the estimated amount expected to be incurred for the present and future as well as preventive measures thus planned:** None.

#### 4.11.3 Work place and precautionary measures for employee safety

- (1)** Our Company has installed security systems and personnel at all business locations. In addition, we conducts regular and systematic occupational safety and health training to ensure robust protection of the workplace environment and to safeguard the personal safety of employees and customers.
- (2)** To promote the safety and well-being of all employees, we has established comprehensive occupational safety and health (OSH) policies and workplace guidelines. The Occupational Safety and Health Committee convenes on a regular basis to oversee the implementation of the OSH management program, under which the Company has obtained ISO 45001 certification. In accordance with regulatory requirements, designated Occupational safety and health affair managers, first-aid personnel, and fire safety management personnel from each unit are required to complete relevant professional training. New employees must undergo mandatory OSH training upon onboarding, and refresher courses are provided annually for all existing staff. In addition, all Company-owned buildings have passed AED Safe Place certification, thereby enhancing workplace safety awareness and supporting the Company's commitment to achieving a zero-accident working environment.
- (3)** Our company has established the "Executive Duties Anti-Invasion Prevention Plan", "Rules and Procedures for Sexual Harassment Prevention, Reporting and Punishment of E.SUN FHC and Its Subsidiaries" and "Guidelines for the Complaint Handling of Workplace Bullying". We periodically hold workplace equality seminars and awareness campaigns, as well as installed a hotline for preventing workplace bullying (including sexual harassment), fostering a friendly work environment.

## **5. Discussion and analysis of financial performance and matters of risk management**



## 5.1 Risk Management

E.SUN Bank adheres to the principle of “no business development shall be prioritized over risks” in all aspects of all operations. Under the three business divisions of Corporate Finance Division, Personal Finance Division and Financial Market Group, there are dedicated risk management departments responsible for direct risk management in the derived risks from business operations and promotion. From front-end product design and mid-process management to back-end business promotion, E.SUN continuously carries out tasks such as effective risk identification, measurement, monitoring, and control.

To integrate and promote the establishment as well as operation of risk management mechanisms within the bank, E.SUN has established the Risk Management Division, which is responsible for formulating risk management policies and principles that serve as guidelines for all business units. It also supervises and coordinates the operation of risk management mechanisms in each business unit. In addition, to align risk management policies with international standards, guidelines under the Basel Capital Accord have been referenced as a basis in formulating policy and procedures, risk appetite, risk reporting access, and capital adequacy policy. The aforementioned reports are reviewed regularly and reported to the board of directors and the Risk Management Committee as foundations for adjustment for risk management-related policies and operational strategies.

### 5.1.1 Qualitative and Quantitative Information Concerning Risk Types

#### 1. Credit Risk Management Mechanism and Capital Charges

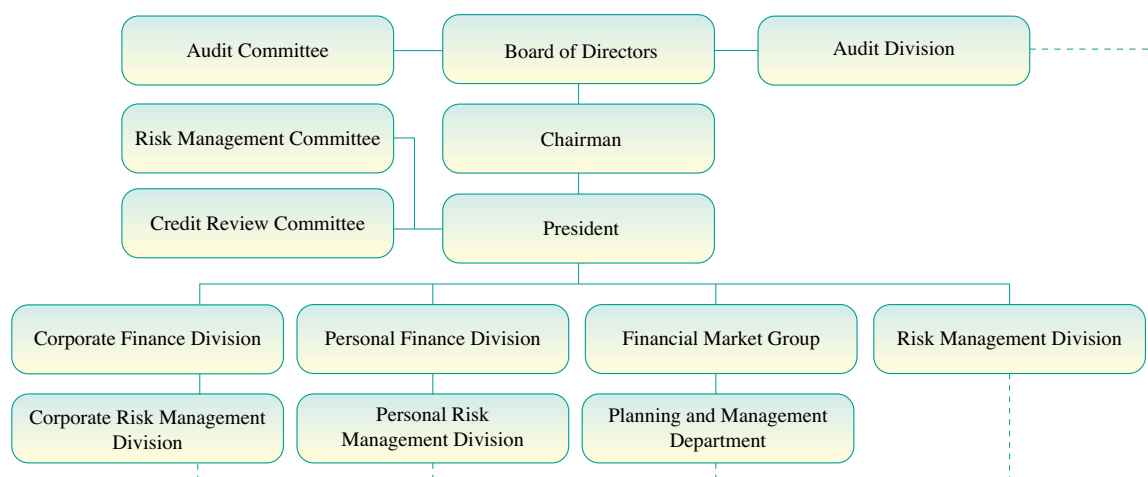
##### (1) Credit Risk Management Mechanism

###### A. Credit Risk Strategies, Goals, Policies and Processes

In terms of credit risk management and development strategy, the Bank complies with the related regulations and establishes “General Principles of Credit Risk Management” and internal lending and transaction with counterparty risk control mechanisms based on regulations. In addition, the Bank continuously follows domestic and foreign economic and financial changes and adjusts internal regulations correspondingly. With regard to ESG, the Bank takes climate change scenario into the assessment of risk appetite. Regarding credit risk management, the Bank has implemented Internal Ratings-Based (IRB) Approach and established operational guidelines and processes based on regulations and risk management trends. IRB mechanism is established based on the concepts of internal credit ratings, exposure at default, expected loss, etc., and is applied to credit granting, risk management, capital allocation, and so on. In addition, the Bank conducts stress testing on a regular basis to evaluate bank’s ability to absorb losses when facing exceptional but plausible negative events. To ensure that the Bank’s operation of IRB mechanism is effective and complies with related regulations, the Bank will activate countermeasure when necessary. To effectively control credit risk concentration, E.SUN establishes credit risk limits and counter parties limits according to different aspects, including nationality, industry, business conglomerate. Furthermore, with the view of strengthening our own risk management abilities and enhancing the understanding of our risk profile, we report to the management level regularly and conduct stress testing on underlying risk scenarios based on the development of global political and economic situation from time to time, complying with the authorities’ requirements..

###### B. Credit Risk Management Organization and Framework

E.SUN Bank has established a unit responsible for risk management functions units within each major business division to facilitate the establishment and operation of risk management mechanisms. This enables real-time monitoring, identification, and handling of credit risks. The bank also set limits for risk exposure and implement key monitoring indicators to control risks in various business activities. In addition, to ensure the quality of large credit cases and the centralization of authority in the review of such cases, we have established the Credit Review Committee. This committee is responsible for reviewing material credit cases and leveraging collective wisdom for better decision-making. Moreover, the Risk Management Division formulates risk management policies and principles. It is responsible for assessing and monitoring the quality of risk management across the bank, and submits reports regularly to the board of directors and the Risk Management Committee. The organizational structure of our credit risk management demonstrated as follows:



### C. Scope and Features of Credit Risk Reporting and Measurement System

The assessment and control procedures for credit risks include Front-end approval and credit rating, mid-stage credit checks and credit limit management, and back-end post-loan management, and post-lending management processes. The responsible risk management units actively employ effective management methods to control risks, and make various credit risk management reports regularly to ensure a comprehensive understanding of credit risks in different areas of the bank. This includes an overview of credit rating models, changes in IRB risk components, country risks, counterparty credit risks, large exposure risks, industry concentration, single entity and group accounts, etc. Regular credit reviews and trackings are conducted to enhance the understanding of customers. For customers with high-risk and abnormal credit status, the frequency of reviews is increased. In addition, the bank utilizes credit information from the Join Credit Information Center databank and manages credit risks of individual customers on an ongoing basis. After annual analysis and review, the findings are reported to various management levels, the board of directors, and the Risk Management Committee to ensure a full understanding of level of risk exposure.

The Bank has developed the Internal Rating System since 2006, which was built based on historical customer data and internal experts' experiences. The Bank has been developing credit models including probability of default (PD), loss given default (LGD), and exposure at default (EAD) and keeps optimizing the models in order to measure risk in a scientific way. Currently, PD, LGD, and EAD and risk component models are validated and monitored regularly and data management system is continuously maintained and improved so that principles such as relevance, completeness and accuracy are ensured during the process of data collection, storage, and handle.

### D. Credit Risk Hedging or Risk Mitigation Policies; Strategies and Processes to Monitor the Continued Effectiveness of Risk Mitigation Tools

Credit risk mitigation refers to techniques used to reduce credit risk, thereby reducing total risk weighted assets and required capital charges. For instance, collateral, third-party guarantees, trading credit derivatives as a hedge, using the counterparty's deposits to offset its liabilities or asset securitization can be used to shift credit risk from the Bank. E.SUN clearly stipulates in the Credit Practice Manual that in order to avoid losses in the event of default by the counterparty, collateral may be provided by the counterparty or a third party as a hedge during the credit evaluation process. The Bank has also established a comprehensive collateral disposal procedure to manage these collateral assets. At the same time, E.SUN effectively reduces its credit risk by requiring guarantees from the Taiwan Small and Medium Enterprise Credit Guarantee Fund on lending to SMEs and credit insurance for personal credit loans.

### E. Approach to Determining Regulatory Capital Charges: Standardized Approach.

## (2) The Standardized Approach to Credit Risk: Exposure after Risk Mitigation and Capital Charges 2025.12.31 Unit: NT\$ thousand

Category of Exposure	Exposure after Risk Mitigation	Capital Charge <sup>Note</sup>
Sovereigns and their central banks	312,984,094	148,933
Non-central government public sector entities	12,240,210	195,843
Banks (including multilateral development banks and central counterparties)	498,011,362	11,204,144
Covered bonds	-	-
Corporates (including securities firms and insurance entities)	918,032,351	55,416,689
Retail	390,553,700	17,954,468
Real estate	1,645,995,537	69,278,264
Equity securities	48,684,732	6,791,670
Equity investments in funds	-	-
Other assets	65,056,612	4,120,879
Total	3,891,558,598	165,110,890

Note: Capital Charges are calculated as the exposure after risk mitigation times the required minimum capital adequacy ratio.

## 2. Risk management of Securitization, Exposure, and Capital Charge

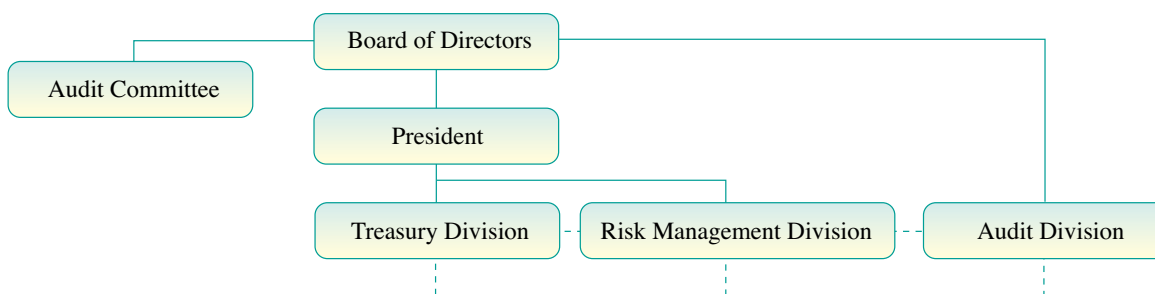
### (1) Risk Management of Securitization

#### A. Management strategies and procedures of asset securitization

The purpose of the bank's securitization business is to assist bond funds to reduce the risk of structured notes, improve the liquidity of the secondary market, expand the participation in the securitized commodity market, and internationalize the securitized products of Taiwan.

#### B. Management framework and organization for securitized instruments

According to the regulations of the competent authority, the securitization proposal must be approved by the board of directors of the originating institution and the competent authority before it can be issued by the trust institution. E.SUN's originates securitization projects are submitted them to the board of directors for approval on a case-by-case basis, and is carried out under project management to ensure compliance with regulatory requirements. In terms of responsibilities, the Treasury Division is in charge of the origination of securitization business, including the overall planning of the issuance structure, financial evaluation and execution of related issuance procedures. The Risk Management Division is responsible for risk management of asset securitization and evaluation of fair value. The organizational structure is as follows:



C. Scope and features of asset securitization risk reports and assessment system

The evaluation of the held beneficial securities from originating business is based on the cash flow model established by the Bank and the financial advisor involved in the issuance. This model incorporates market information to generate cash flows and the relevant information is loaded into the valuation system for market price evaluation. This process aims to accurately reflect the current market risk situation.

D. Risk avoidance or mitigation policies relating to asset securitization, and strategies and procedures for monitoring the effectiveness of risk mitigation tools

In accordance with relevant regulations set by the competent authorities and internal risk control mechanisms, necessary adjustments are made based on the assessment of domestic and international economic and financial situations. These are done to ensure that the tools of risk avoidance and risk mitigation are continuously effective.

E. Methods for calculating capital requirements

Standardized approach.

**(2) Exposure of Asset Securitization**

As of December 31, 2025, E.SUN does not serve as originator for any securitized asset.

**(3) Capital Charge of Asset Securitization**

2024.12.31 Unit: NT\$ thousand

Bank Role	Exposure Type Books Type	Assets Type	Traditional Securitization					Synthetic Securitization		Total		
			Exposure at Default				Required Capital Charge (2)	Exposure at Default (3)	Capital Requirement Charge (4)	Exposure at Default (5)= (1)+(3)	Required Capital Charge (6)= (2)+(4)	Required Capital Charge before Securitization
			Hold/Purchase	Liquidity Facilities Provided	Credit Enhancement Provided	Subtotal (1)						
Non-originating Bank	Banking Book	Mortgage-backed Securities (MBS)	110,499,249	-	-	110,499,249	0	-	-	110,499,249	0	-
	Trading Book	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	-	110,499,249	-	-	110,499,249	0	-	-	110,499,249	0	-
Originating Bank	Banking Book	-	-	-	-	-	-	-	-	-	-	-
	Trading Book	-	-	-	-	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-	-	-	-	-
Total			110,499,249	-	-	110,499,249	0	-	-	110,499,249	0	-

#### (4) Information on Securitized Instruments

##### A. Summarized Information of Investment Securitization Products:

2025.12.31 Unit:NT\$ thousand

Item(Note)	Account	Original Cost	Cumulative gain/loss on valuation	Cumulative impairments	Book Value
RMBS	AC	63,725,107	-	-	63,725,107
RMBS	FVOCI	28,188,642	182,890	-	28,371,532
CMO	AC	16,745,431	-	-	16,745,431
CMO	FVOCI	1,198,719	13,232	-	1,211,951

Note 1: This table contains domestic and foreign securitized instruments; Items should be listed separately based on the following categories and their accounting classifications:

- (1) Mortgage-Backed Securities (MBS): Including Residential Mortgage-Backed Securities (RMBS), Commercial Mortgage-Backed Securities (CMBS), Collateralized Mortgage Obligations (CMO), and other mortgage-backed securities.
- (2) Asset-Backed Securities (ABS): Including Collateralized Loan Obligations (CLO), Collateralized Bond Obligations (CBO), Credit Card ABS, Auto Loan ABS, Consumer Loan / Cash Card ABS, Lease ABS, and other asset-backed securities.
- (3) Asset-Backed Commercial Paper (ABCP).
- (4) Collateralized Debt Obligations (CDO).
- (5) Real Estate Securitization: Refers to Real Estate Asset Trust (REAT) beneficiary certificates.
- (6) Notes and bonds issued by Structured Investment Vehicles (SIV).
- (7) Other securitized instruments.

Note 2: This table includes beneficiary certificates or asset-backed securities held by the Bank in its capacity as the Originator.

##### B. Information disclosure for investment in securitized products with original cost exceeding NT\$300 million. (excluding those held by the Bank as the originator for credit enhancement purposes):

2025.12.31 Unit:NT\$ thousand

Security Name (Note 2)	Account	Currency	Issuer and Location	Purchase Date	Maturity Date	Coupon Rate	Credit Rating (Note 3)	Interest and Principal Payment	Original Cost	Cumulative Valuation Gain/Loss	Accumulated Impairment	Book Value	Attachment Point (Note 4)	Contents of the Asset Pool (Note 5)
G2MA9017	AC	USD	GINNIEMAE (USA)	2024/2/26	2053/7/20	5.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	1,854,412	-	-	1,854,412	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 58,956, secured by a pool of 16,678 total loans.
G2MA9542	AC	USD	GINNIEMAE (USA)	2024/4/9	2054/3/20	6.00%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	738,496	-	-	738,496	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 23,479, secured by a pool of 6,041 total loans.
G2MA9605	AC	USD	GINNIEMAE (USA)	2024/4/23	2054/4/20	5.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	741,809	-	-	741,809	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 23,584, secured by a pool of 16,332 total loans.
G2MA8491	AC	USD	GINNIEMAE (USA)	2024/5/28	2052/12/20	5.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	410,158	-	-	410,158	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 13,040, secured by a pool of 11,704 total loans.
G2MA8648	AC	USD	GINNIEMAE (USA)	2024/5/29	2053/2/20	5.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	415,163	-	-	415,163	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 13,199, secured by a pool of 9,005 total loans.

Security Name (Note 2)	Account	Currency	Issuer and Location	Purchase Date	Maturity Date	Coupon Rate	Credit Rating (Note 3)	Interest and Principal Payment	Original Cost	Cumulative Valuation Gain/Loss	Accumulated Impairment	Book Value	Attachment Point (Note 4)	Contents of the Asset Pool (Note 5)
GNR2024-62BF	AC	USD	GINNIEMAE (USA)	2024/5/30	2054/4/20	SOFR30A +1.05%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	308,974	-	-	308,974	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 9,823, secured by a pool of 376 total loans.
GNR2024-97VF	AC	USD	GINNIEMAE (USA)	2024/6/12	2054/6/20	SOFR30A +1.20%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	1,059,414	-	-	1,059,414	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 33,681, secured by a pool of 985 total loans.
G2MA9669	AC	USD	GINNIEMAE (USA)	2024/6/18	2054/5/20	6.00%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	446,209	-	-	446,209	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 14,186, secured by a pool of 20,342 total loans.
GNR2024113FC	AC	USD	GINNIEMAE (USA)	2024/7/1	2054/7/20	SOFR30A +1.35%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	971,182	-	-	971,182	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 30,876, secured by a pool of 1,910 total loans.
G2MA8726	AC	USD	GINNIEMAE (USA)	2024/7/3	2053/3/20	5.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	422,934	-	-	422,934	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 13,446, secured by a pool of 9,601 total loans.
GNR2024118LF	AC	USD	GINNIEMAE (USA)	2024/7/11	2054/7/20	SOFR30A +1.25%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	1,060,708	-	-	1,060,708	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 33,723, secured by a pool of 402 total loans.
GNR2024136MF	AC	USD	GINNIEMAE (USA)	2024/8/5	2054/8/20	SOFR30A +1.27%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	1,076,160	-	-	1,076,160	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 34,214, secured by a pool of 337 total loans.
GNR2024127FD	AC	USD	GINNIEMAE (USA)	2024/8/14	2054/8/20	SOFR30A +1.23%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	1,062,440	-	-	1,062,440	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 33,778, secured by a pool of 2,880 total loans.
G2MA9668	AC	USD	GINNIEMAE (USA)	2024/9/27	2054/5/20	5.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	1,048,034	-	-	1,048,034	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 33,320, secured by a pool of 18,408 total loans.

Security Name (Note 2)	Account	Currency	Issuer and Location	Purchase Date	Maturity Date	Coupon Rate	Credit Rating (Note 3)	Interest and Principal Payment	Original Cost	Cumulative Valuation Gain/Loss	Accumulated Impairment	Book Value	Attachment Point (Note 4)	Contents of the Asset Pool (Note 5)
G2MA9966	AC	USD	GINNIEMAE (USA)	2025/1/16	2054/10/20	6.00%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	322,957	-	-	322,957	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 10,268, secured by a pool of 5,750 total loans.
G2MA8879	AC	USD	GINNIEMAE (USA)	2025/1/21	2053/5/20	5.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	910,230	-	-	910,230	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 28,938, secured by a pool of 14,459 total loans.
G2MA9851	AC	USD	GINNIEMAE (USA)	2025/2/7	2054/8/20	5.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	380,983	-	-	380,983	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 12,112, secured by a pool of 20,336 total loans.
G2MB0308	AC	USD	GINNIEMAE (USA)	2025/4/24	2055/4/20	5.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	4,208,890	-	-	4,208,890	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 133,811, secured by a pool of 18,783 total loans.
GNR202587FA	AC	USD	GINNIEMAE (USA)	2025/5/1	2055/5/20	SOFR30A +1.40%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	1,223,799	-	-	1,223,799	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 38,908, secured by a pool of 2,250 total loans.
G2MB0092	AC	USD	GINNIEMAE (USA)	2025/5/22	2054/12/20	5.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	6,198,950	-	-	6,198,950	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 197,080, secured by a pool of 21,387 total loans.
G2MB0147	AC	USD	GINNIEMAE (USA)	2025/5/29	2055/1/20	5.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	5,717,291	-	-	5,717,291	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 181,767, secured by a pool of 19,440 total loans.

Security Name (Note 2)	Account	Currency	Issuer and Location	Purchase Date	Maturity Date	Coupon Rate	Credit Rating (Note 3)	Interest and Principal Payment	Original Cost	Cumulative Valuation Gain/Loss	Accumulated Impairment	Book Value	Attachment Point (Note 4)	Contents of the Asset Pool (Note 5)
G2MB0366	AC	USD	GINNIEMAE (USA)	2025/6/2	2055/5/20	5.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	1,220,763	-	-	1,220,763	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 38,811, secured by a pool of 27,075 total loans.
G2MB0026	AC	USD	GINNIEMAE (USA)	2025/6/10	2054/11/20	5.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	1,917,148	-	-	1,917,148	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 60,951, secured by a pool of 21,633 total loans.
G2MB0259	AC	USD	GINNIEMAE (USA)	2025/6/12	2055/3/20	5.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	3,876,434	-	-	3,876,434	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 123,241, secured by a pool of 11,205 total loans.
G2MB0425	AC	USD	GINNIEMAE (USA)	2025/6/18	2055/6/20	6.00%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	5,917,338	-	-	5,917,338	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 188,127, secured by a pool of 17,378 total loans.
G2MB0424	AC	USD	GINNIEMAE (USA)	2025/6/24	2055/6/20	5.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	7,699,980	-	-	7,699,980	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 244,801, secured by a pool of 24,063 total loans.
G2MB0485	AC	USD	GINNIEMAE (USA)	2025/7/14	2055/7/20	5.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	9,006,990	-	-	9,006,990	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 286,354, secured by a pool of 21,106 total loans.
GNR2025137FJ	AC	USD	GINNIEMAE (USA)	2025/8/15	2055/8/20	SOFR30A +1.21%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	1,868,801	-	-	1,868,801	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 59,414, secured by a pool of 1,143 total loans.
GNR2025159FB	AC	USD	GINNIEMAE (USA)	2025/8/28	2055/9/20	SOFR30A +1.21%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	622,589	-	-	622,589	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 19,794, secured by a pool of 851 total loans.

Security Name (Note 2)	Account	Currency	Issuer and Location	Purchase Date	Maturity Date	Coupon Rate	Credit Rating (Note 3)	Interest and Principal Payment	Original Cost	Cumulative Valuation Gain/Loss	Accumulated Impairment	Book Value	Attachment Point (Note 4)	Contents of the Asset Pool (Note 5)
G2MB0556	AC	USD	GINNIEMAE (USA)	2025/8/28	2055/8/20	5.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	3,749,222	-	-	3,749,222	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 119,197, secured by a pool of 21,471 total loans.
GNR2025160FB	AC	USD	GINNIEMAE (USA)	2025/9/3	2055/9/20	SOFR30A +1.20%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	1,873,244	-	-	1,873,244	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 59,555, secured by a pool of 2,594 total loans.
GNR2025159FA	AC	USD	GINNIEMAE (USA)	2025/9/4	2055/9/20	SOFR30A +1.23%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	1,867,768	-	-	1,867,768	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 59,381, secured by a pool of 851 total loans.
G2MB0622	AC	USD	GINNIEMAE (USA)	2025/9/12	2055/9/20	5.00%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	938,775	-	-	938,775	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 29,846, secured by a pool of 8,176 total loans.
GNR2025159FC	AC	USD	GINNIEMAE (USA)	2025/9/15	2055/9/20	SOFR30A +1.10%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	1,556,473	-	-	1,556,473	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 49,484, secured by a pool of 851 total loans.
G2MB0146	AC	USD	GINNIEMAE (USA)	2025/9/18	2055/1/20	5.00%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	593,053	-	-	593,053	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 18,855, secured by a pool of 12,412 total loans.
GNR2025170FC	AC	USD	GINNIEMAE (USA)	2025/10/8	2055/10/20	SOFR30A +1.10%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	937,160	-	-	937,160	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 29,795, secured by a pool of 3,647 total loans.
GNR2025193FC	AC	USD	GINNIEMAE (USA)	2025/11/4	2055/11/20	SOFR30A +1.20%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	1,256,719	-	-	1,256,719	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 39,954, secured by a pool of 319 total loans.

Security Name (Note 2)	Account	Currency	Issuer and Location	Purchase Date	Maturity Date	Coupon Rate	Credit Rating (Note 3)	Interest and Principal Payment	Original Cost	Cumulative Valuation Gain/Loss	Accumulated Impairment	Book Value	Attachment Point (Note 4)	Contents of the Asset Pool (Note 5)
G2MB0813	AC	USD	GINNIEMAE (USA)	2025/11/28	2055/12/20	5.00%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	1,571,421	-	-	1,571,421	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 49,959, secured by a pool of 32,652 total loans.
G2788074	AC	USD	GINNIEMAE (USA)	2025/12/2	2055/6/20	5.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	1,502,443	-	-	1,502,443	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 47,766, secured by a pool of 372 total loans.
G2DN5322	AC	USD	GINNIEMAE (USA)	2025/12/12	2055/11/20	5.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	946,713	-	-	946,713	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 30,098, secured by a pool of 177 total loans.
G2MB0025	FVOCI	USD	GINNIEMAE (USA)	2024/12/12	2054/11/20	5.00%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	579,034	11,455	-	590,489	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 18,773, secured by a pool of 34,807 total loans.
GNR202569FQ	FVOCI	USD	GINNIEMAE (USA)	2025/4/8	2055/4/20	SOFR30A +1.52%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	1,198,719	13,232	-	1,211,951	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 38,531, secured by a pool of 185 total loans.
G2MB0485	FVOCI	USD	GINNIEMAE (USA)	2025/7/24	2055/7/20	5.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	1,853,855	32,224	-	1,886,079	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 59,963, secured by a pool of 21,106 total loans.
G2MB0556	FVOCI	USD	GINNIEMAE (USA)	2025/8/27	2055/8/20	5.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	10,624,047	84,685	-	10,708,732	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 340,457, secured by a pool of 21,471 total loans.
G2MB0623	FVOCI	USD	GINNIEMAE (USA)	2025/9/3	2055/9/20	5.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	1,255,170	7,419	-	1,262,589	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 40,141, secured by a pool of 20,413 total loans.

Security Name (Note 2)	Account	Currency	Issuer and Location	Purchase Date	Maturity Date	Coupon Rate	Credit Rating (Note 3)	Interest and Principal Payment	Original Cost	Cumulative Valuation Gain/Loss	Accumulated Impairment	Book Value	Attachment Point (Note 4)	Contents of the Asset Pool (Note 5)
G2MB0685	FVOCI	USD	GINNIEMAE (USA)	2025/10/7	2055/10/20	5.00%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	1,248,675	4,655	-	1,253,330	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 39,846, secured by a pool of 17,640 total loans.
G2MB0745	FVOCI	USD	GINNIEMAE (USA)	2025/11/10	2055/11/20	5.00%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	6,888,612	15,386	-	6,903,998	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 219,495, secured by a pool of 33,194 total loans.
G2MB0146	FVOCI	USD	GINNIEMAE (USA)	2025/11/14	2055/1/20	5.00%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	2,068,641	7,660	-	2,076,301	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 66,011, secured by a pool of 12,412 total loans.
G2MB0812	FVOCI	USD	GINNIEMAE (USA)	2025/12/4	2055/12/20	4.50%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	1,839,716	3,683	-	1,843,399	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 58,606, secured by a pool of 11,188 total loans.
G2MB0813	FVOCI	USD	GINNIEMAE (USA)	2025/12/15	2055/12/20	5.00%	Aa1	Interest paid monthly; principal repaid based on prepayment speed.	1,251,700	6,164	-	1,257,864	N/A	Mortgage, Carrying amount in original currency (in thousands) USD 39,990, secured by a pool of 32,652 total loans.

Note 1: This table includes both domestic and foreign securitized products.

Note 2: For different tranches of the same securitized product, the full name of each tranche must be listed separately.

Note 3: Provide the results of the most recent credit rating.

Note 4: The attachment point refers to the ratio of the total issuance amount of all tranches subordinated to the tranche held by the Bank to the total issuance amount of the securitized product. For example, if the Bank purchases Tranche A of a Collateralized Debt Obligation (CDO), and the tranches subordinated to Tranche A are the BBB tranche and the Equity tranche, which together account for 12% of the total issuance amount of the CDO, then the attachment point for Tranche A is 12%.

Note 5: The asset pool refers to the group of assets entrusted by the originator to a trustee or assigned to a Special Purpose Vehicle (SPV). Specify kind of assets in the portfolio (denote primary lien or subordinated status), detail, value on book in original currency, and number.

C. Information disclosure for position of securitized products held by the bank for credit enhancement with the bank serving as an originator:

2025.12.31 Unit: NT\$ thousand

Security Name	Accounting Classification	Currency	Purchase Date	Maturity Date	Coupon Rate	Credit Rating
None						
Payment Method for Interest and Principal	Original Cost	Cumulative Valuation Gain/Loss	Accumulated Impairment	Book Value	Attachment Point	Contents of the Asset Pool
None						

Note: For definitions and descriptions of each field, please refer to Table (B) above.

D. Information disclosure for the bank serving as buyer or position-squaring buyer of securitized assets with impaired credit

2025.12.31 Unit:NT\$ thousand

Security Name	Currency	Originator	Maturity Date	Agreement Details	Execution Status (Note)
None					

Note: For banks that have purchased assets in accordance with the contract, please also specify the reference market price of the purchased assets.

E. Information disclosure for the bank serving as guarantor for securitized products or liquid credit line provided by the bank

2025.12.31 Unit:NT\$ thousand

Security Name	Currency	Originator	Maturity Date	Coupon Rate
None				
Credit Rating	Role Assumed (Note 1)	Amount (Note 2)	Attachment Point	Contents of the Asset Pool
None				

Note 1: For those acting as a guarantor for securitized products, enter "Guarantor"; for those providing liquidity facilities, enter "Liquidity Facility Provider.

Note 2: If the bank acts as a guarantor, please enter the guaranteed amount; if the bank provides a liquidity facility, enter the facility limit/amount.

Note 3: For definitions and descriptions of each field, please refer to Table (B) above.

### 3. Operational Risk Management Mechanism, Exposure and Capital Charges

#### (1) Operation Risk Management Mechanism

##### A. Management strategies and procedures of operational risk

Operational risk arises from inappropriateness or error of internal operations, personnel, and systems, or from external events that can cause losses to the Bank. The Bank strives to prevent operational risks by establishing sound operational systems, cultivating risk aware anagement, compliance, and other specialized units. The second line of defense assists and supervises the first line of defense in identifying and managing risks. They are also responsible for formulating and overseeing the bank's overall risk management policies for major risk categories, assessing the bank's overall risk appetite and tolerance, and reporting on risk management to the board of directors or senior management. The third line of defense is the internal audit. They support the board of directors and management in evaluating and verifying the effectiveness of risk management and internal control systems, as well as assessing operational efficiency. They evaluate the effectiveness of the first and second lines of defense in monitoring risks and ensure compliance. In addition to providing continuous on-the-job education and training to enhance employees' knowledge and skills, various guidelines are established to ensure compliance in executing business operations. We also maintain sensitivity to external events such as market conditions, customer behavior, technological changes, and regulatory developments to proactively respond to potential risks.

The Operational Risk's Standardised Measurement Approach was implemented in 2025, adopting loss events as the primary parameters for capital calculation. Concurrently, we revised our operational risk appetite stress scenarios to align with the updated standard, integrating the growth of operating metrics and refined business segment classifications into estimated loss modeling to enhance operational risk governance.

E.SUN Bank has formulated the "Guideline of (New) Product Service Compliance Risk Assessment Procedure". Before launching new products, services, or applying to regulatory authorities for new business initiatives, and before making changes to existing businesses, each business managerial unit should evaluate the compliance with laws and regulations and the level of risk associated with the business. This is done to prudently manage the potential risks related to compliance and operational aspects.

##### B. Operational Risk Management Organization and Framework

As the Bank's highest-ranking decision maker with regard to operational risk management, the board of directors is in charge of setting operational risk management guidelines and risk appetite among other key decisions in accordance with the Bank's operating strategy and business environment. That is, it is responsible to ensure that the Bank's operational risk management mechanism works effectively. In turn, the Risk Management Division is given the duty of designing and introducing the Bank's

operational risk management mechanism, setting and revising operational risk management regulations, and tracking and monitoring operational risk management practices at all the business divisions. Besides presenting suggestions on corrective measures, it is also supposed to consolidate operational risk management information across the Bank and regularly report it to the board and Risk Management Committee. For their part, business managerial units shall map out operational manuals and regulations as the basis of their supervising operating units' implementation of operational risk management. In accordance with the operational regulations laid down by business managerial units, operating units are supposed to work with the former in identifying operational risk and undertake all the necessary risk management tasks prescribed by the Bank. It is the duty of the Auditing Division to evaluate and verify if every unit has adopted an effective operational risk management framework, process and systems on a regular basis.

C. Scope and Features of Operational Risk Reporting and Measurement System

The Bank has formulated the "Guidelines for Operational Risk Event Notice/Report Mechanism," "Design and Reporting Guidelines for Key Operational Risk Indicators," and "Guidelines for Operational Risk Event Reporting". Through the operational risk management system that has been implemented, periodic self-assessments of risk control are conducted. Potential operational risks identified are classified into different levels of severity, ranging from minor to severe, and action plans are developed to address and improve them. Furthermore, through monitoring key operational risk indicators and setting warning values and thresholds for each indicator, changes in operational risks can be monitored. Both warning values and thresholds are set for each indicator to serve as a reference for whether to take corresponding measures, as well as an early warning function. In terms of collecting operational risk events, information is collected and analyzed continuously based on 8 major business categories and 7 major loss types. This helps the bank understand the occurrence of operational risks and plan corresponding action plans for ongoing risk control.

The Department of Operational Risk Management in the head office regularly discloses information detailing its monitoring of operational risk throughout the Bank. Operational risk data and other related information is compiled and presented in reports to senior management, the Risk Management Committee, and the board of directors.

D. Operational Risk Hedging or Mitigation Policies; Strategies and Processes to Monitor the Continued Effectiveness of Risk Avoidance and Risk Mitigation Tools

E.SUN has taken out general insurance to cover the daily operations of its branches. This insurance covers cash on hand, cash in transport, cash in automated equipment, equipment and asset in offices and employee fidelity. The Bank transfers operational risks partially by outsourcing some operations and taking insurance.

E. Approach to Determining Regulatory Capital: Standardized Approach

**4. Market Risk Management Mechanism, Exposure and Capital Charges**

**(1) Market Risk Management Mechanism**

**(2) Operational Risk Capital Charged**

		Amount
1	Business indicator component(BIC)	10,272,918
2	Internal loss multiplier(ILM)	0.5719
3	Minimum required operational risk capital(ORC)	5,875,082
4	Operational risk RWA	73,438,525
Internal loss multiplier (ILM) additional description: -		

#### A. Market Risk Managerial Strategy and Processes

In order to mitigate the adverse impact of price fluctuations and interdependencies, such as exchange rates, interest rates, commodity prices, equity prices, and credit spreads, on the bank's earnings, capital, and operating capabilities, all financial transactions must be carried out in accordance with the Principle of Market Risk Management, Financial Product Evaluation Framework, Guidelines on Authorities of Handling Financial Transactions and Procedures for Handling Derivatives Transactions. In addition, Value at Risk (VaR) must be calculated in accordance with definitions set for by the Bank for International Settlements (BIS). Besides, to enhance the exception management measures for financial product trades deviating from market prices and ensure a robust risk management control mechanism, the Bank have formulated the "Off-Market Management Guidelines for Conducting Financial Products". This provides a framework for monitoring and managing financial product trades that deviate from market prices on a daily basis. The deviations from market prices are closely monitored and reported to provide an overview of the control measures taken.

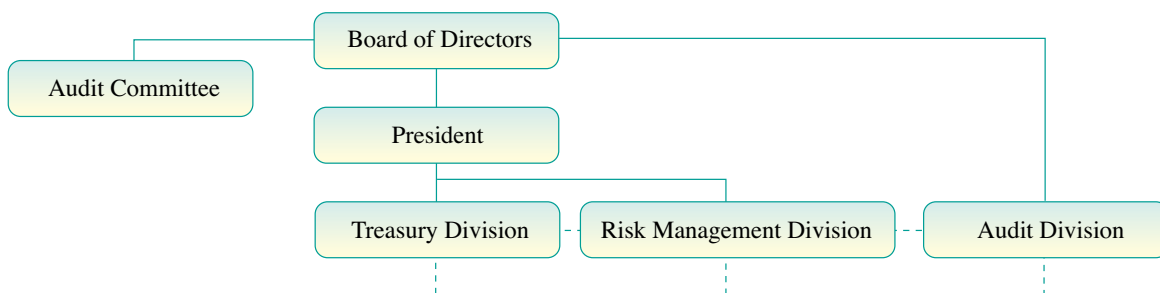
To safeguard the rights and interests of customers engaging in financial derivative transactions, our bank has established the "Guideline for Handling Customer Transactions in Derivative Financial Products." The guideline ensures that the pricing of derivative products is based on a comprehensive consideration of factors such as position valuation, risk costs, hedging costs, operational costs, and reasonable profit. It emphasizes the prudent examination of the reasonableness of derivative financial product prices in relation to customer transactions.

The Bank actively implements new financial product valuation and risk management systems and enhances the professional capabilities of our employees. This is done to enhance the market risk management capabilities and better handle the market risks that arise from the volatility of the financial markets, affecting the Bank's overall investment and trading positions.

The market risk management process of the Bank includes a clear identification of various market risk sources arising from financial product transactions. Appropriate measurement methods are adopted to assess these risks and monitor market risk limit, and exception management mechanisms formulated. Daily reports on market risk management information are submitted to senior management, and periodic reports are provided to the Financial Holding Company's Risk Management Committee and the board of directors to present an overview of the market risk positions. These reports serve as references for setting risk management strategies and making decisions.

#### B. Market Risk Management Organization and Framework

The Bank has formulated market risk management guidelines, where the Risk Management Division is responsible for designing market risk management mechanisms, developing relevant regulations and internal control systems for market risk management. They oversee the overall market risk management process, which includes risk identification, measurement, internal reporting, external disclosure, and monitoring procedures. This includes managing risks associated with various financial products, assessing their fair values, and setting limits for both market risk and counterparty risk. The division regularly reports to the board of directors and the Risk Management Committee on the bank's market risk positions, stress testing, and the status of market risk limits. Through the aforementioned control approach, the Bank gains real-time insights into its market risks, enabling more comprehensive management of market risks. The organizational structure of market risk management is as follows:



### C. Scope and Features of Market Risk Reporting and Measurement System

In terms of market risk control, the Bank utilizes systems such as Kondor+, MUREX, and Numerix, combined with databases from Reuters, Bloomberg and ICE Data, to monitor market trading positions and perform real-time evaluations. This helps generate the overall VaR for the Bank's trading and investment positions for monitoring purposes. For the management of market risk and counterparty risk limits, real-time position limits are controlled by internal systems, with market volatility taken into consideration to ensure a thorough understanding of market risk and counterparty risk limit conditions.

### D. Market Risk Hedging or Risk Mitigation Policies; Strategies and Processes for Monitoring the Continued Effectiveness of Risk Avoidance and Risk Mitigation Tools

The Bank calculates the risk factors of financial products through systems and utilizes corresponding derivative financial products or combinations of other derivative financial products to form hedging strategies in order to reduce the bank's exposure. ISDA and CSA agreements are also signed with trading counterparties to obtain credit protection or enhancements through collateralization and netting arrangements, among other methods, thereby reducing counterparty risks. For standardized and highly liquid derivative financial products, the Bank opts for Central Counterparty (CCP) Clearing to further mitigate counterparty risks and fulfill capital requirements. This allows for a centralized clearing process that reduces counterparty risks and the need for capital allocation.

### E. Approach to Determining Regulatory Capital Charges

The capital charge for foreign exchange options positions of the Bank are calculated using sensitivity analysis (Delta-plus), for which E.SUN has been approved by the regulatory authority. All other financial products are calculated using the standard approach.

## (2) Market Risk Capital Charged

Risk Type		Capital requirement
1	Interest rate risk	2,399,363
2	Equity risk	310,654
3	Commodity risk	0
4	Foreign exchange risk	2,518,908
5	Credit spread risk - non-securitisation	3,013,654
6	Credit spread risk - securitisation (non-correlation trading portfolio)	0
7	Credit spread risk - securitisation (correlation trading portfolio)	0
8	Default risk - non-securitisation	2,603,644
9	Default risk - securitisation (non-correlation trading portfolio)	0
10	Default risk - securitisation (correlation trading portfolio)	0
11	Residual risk add-on amount	123,371
12	Total	10,969,594

## 5. Program for Anti-Money Laundering and Combating the Financing of Terrorism

### (1) Framework

#### A. Policies and Procedures

Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) issues are important tasks and goals jointly promoted by the international community. In order to cooperate with the competent authorities to increase the possibility of prosecution of money laundering crimes, establish a transparent fund flow track, enhance relevant systems, and strengthen international cooperation, E.SUN Bank continues implementing various AML/CFT mechanisms, including the addition and revision of AML/CFT policies and procedures in Taiwan and at our overseas affiliates, improving customer due diligence measures, optimizing the anti-money laundering monitoring and screening system, and improving the implementation of AML/CFT and professions of AML/CFT related employees at Taiwan and at our overseas affiliates through comprehensive training.

In compliance with international standards, such as the Forty Recommendations of the Financial Action Task Force (FATF) on AML/CFT, laws and regulations promulgated by the government or competent authorities, such as the Money Laundering Control Act, Counter-Terrorism Financing Act, and Regulations Governing Anti-Money Laundering of Financial Institutions, the Bank continues to revise internal regulations in year 2025. With the flourishing development of the virtual asset market and

the increasingly robust domestic and international regulatory frameworks—exemplified by the signing of the U.S. ‘Stablecoin National Innovation Act’ (GENIUS Act) in 2025, the Taiwan Financial Supervisory Commission’s (FSC) announcement of the drafted ‘Virtual Asset Services Act,’ and the publication of the first list of VASPs that have completed AML/CFT registration—we have aligned with international standards and responded to market trends by adjusting our business relationship policies for VASP customers. We simultaneously revised the ‘Anti-Money Laundering and Combating the Financing of Terrorism Policy of E.SUN Bank,’ the ‘Guidelines on Customer Identification and Due Diligence of E.SUN Bank,’ and the ‘Definition and Explanation of High-Risk Occupations/Industries for Anti-Money Laundering and Countering the Financing of Terrorism of E.SUN Bank.’ By optimizing customer due diligence (CDD) procedures for VASP customers and differentiating the requirements applicable to domestic and foreign VASPs, we have strengthened our governance resilience against emerging risks. In addition, We have revised the ‘Customer Money Laundering and Terrorist Financing Risk Assessment Methodology of E.SUN Bank,’ rebuilding the customer money laundering risk scoring model, introducing diversified scoring risk factors, and establishing a more flexible scoring factor framework. Furthermore, we have revised the ‘Guidelines on Handling Media Reports and Negative News for Anti-Money Laundering and Combating the Financing of Terrorism of E.SUN Bank’ and the ‘Operational Procedures for Negative News Searching of E.SUN Bank’ to recalibrate the materiality principles for negative news, thereby enhancing the efficiency of negative news collection. In line with Taiwan’s 2024 National Risk Assessment Report on ML, TF, and PF, we have added ‘human trafficking’ and ‘sexual exploitation’—two medium-threat crimes—into the negative news query categories to ensure a more comprehensive dimension of risk identification. What’s more, we have revised the ‘Guidelines on Monitoring of Accounts and Transactions for E.SUN Bank’ to explicitly define the compliance obligations for overseas branches and subsidiaries and optimize case handling procedures. Simultaneously, we have integrated various regulations - including parameter settings, periodic review lists, control measures for reported cases, and case sampling procedures - into the Guideline above. Through this regulatory consolidation and process refinement, the Bank has achieved a comprehensive enhancement in the management synergy of transaction monitoring.

Regarding AML/CFT management for overseas affiliates, E.SUN continuously promotes mechanisms such as information sharing at group-wide level and regulatory gap analysis to establish unified worldwide management standards. To effectively supervise the AML/CFT execution of overseas units, E.SUN assists overseas units in improving customer risk scoring methods, monitoring conditions and parameter thresholds for transaction monitoring systems, as well as holding periodic meetings, on-site visits and case sharing. The motto of “no business can be considered beyond risk” serves as the ultimate guiding principle for risk management.

## B. Organization and Framework

In order to effectively execute the AML/CFT program, and fulfill independency as well as the principles of three lines of defenses, the Bank have implemented the following mechanisms:

- (a) The Bank has designated a dedicated AML/CFT Responsible Officer, who is responsible for promoting, coordinating, and supervising the implementation of AML/CFT measures; reports on the internal control measures and implementation of AML/CFT measures are submitted to the board of directors and audit committee at least semi-annually
- (b) The Bank has assigned AML Department of Risk Management Division as the dedicated unit, in charge of formulating AML/CFT policies and operating standards, monitoring suspicious transactions bank-widely, administrating the bank-wide STR and AML/CFT business of overseas affiliates (including branches and subsidiaries). The dedicated unit shall report to the AML/CFT Responsible Officer on the status and performance of AML/CFT implementation at least semi-annually.
- (c) AML/CFT supervisory officers shall be assigned in the risk management or compliance division of each business units. The officers are responsible for AML/CFT implementation of their divisions, including customer due diligence (CDD), STRs, reports on financing terrorism, and trainings. The mechanism also applies to domestic and overseas branches.
- (d) The Internal Audit Division formulates relevant audit subjects in accordance with internal control measures and relevant regulations, and conducts regular audits.

## C. Money Laundering and Terrorism Financing Risk Management Strategy

In order to fully implement the Bank’s money-laundering controls and combating the terrorism of financing policies and reduce risk, E.SUN Bank continues developing AML related IT systems, enhancing the CDD procedures, and refining the parameters and thresholds setting for transaction monitoring as well as name screening systems etc.

With respect to customer due diligence (CDD), we officially launched a new customer money-laundering risk scoring model in 2025, and adjusted management mechanisms for specific customer groups (such as foreign nationals announced by the

Taiwan National Immigration Agency for repatriation, and security service providers engaged in the transport of cash or other valuables) in line with regulatory guidance. Meanwhile, at Singapore Branch, we officially launched a system named Customer Due-Diligence Platform (SG-CAML), enhancing the efficiency of CDD through systematized processes and improving customer experience, thereby strengthening our overseas business development capabilities. For name screening, we aligned with SWIFT's introduction of new MX message types by expanding the scope of message screening of our Name Screening System (SAML). In addition, through system integration, we implemented automated annotation and updating of matched-list information, fully replacing manual processes to improve operational efficiency. As for transaction monitoring and STRs, we have completed the planning and core modules design of our in-house Transaction Monitoring System (TMR), with operational validation and official launch scheduled in 2026.

At the same time, to enhance professional knowledge of our staffs and thereby foster a bankwide AML/CFT awareness and culture, E.SUN Bank encourages employees to deepen their professional capabilities and continues to promote diversified training programs, including bankwide video conference training sessions and the use of the ACAMS (The Association of Certified Anti-Money Laundering Specialists) enterprise membership database. The training content covers topics such as international crime trends, sanctions, and emerging technologies, with the aim of comprehensively broadening the professional perspectives of our domestic and overseas employees.

Regarding professional certifications, in 2025 E.SUN Bank added 135 newly certified holders of the Domestic Professional Exam for Anti-Money Laundering and Countering the Financing of Terrorism, bringing the bankwide total to 2,123. For international certifications, 316 employees have obtained the Certified Anti-Money Laundering Specialist (CAMS) credential. In addition, for advanced functional areas, 16 employees hold the Certified Global Sanction Specialist (CGSS) credential, 15 employees hold the Certified Transaction Monitoring Associate (CTMA) credential, and 1 employee holds the Certified Know Your Customer Associate (CKYCA) credential. E.SUN Bank will continue to provide diversified training programs to further strengthen the professional capabilities of the AML supervisory and operational teams.

In recent years, international organizations and authorities have paid high attention to the AML/CFT and financial crime supervision system, and the regulations have become more stringent. In the face of various AML/CFT compliance work, E.SUN will continue to benchmark international and domestic anti-money laundering laws and regulations, implement anti-money laundering policies and procedures in our domestic and overseas branches, enhance customer due diligence measures, develop anti-money laundering related IT systems, and organize diverse educational training and exchanges. All for the benefit of a better overall financial environment.

## 6. Asset and Liability Management

### (1) Liquidity Risk Management

The Risk Management Division is responsible for designing the liquidity risk management framework, establishing related regulations and internal control systems, and carrying out all the liquidity risk management tasks, including risk recognition, assessment, internal reporting, external disclosure, and monitoring.

The Bank has established the "Asset and Liability Management Policy," "Liquidity Risk Management Policy," "Interest Rate Risk Management Guidelines," and "Liquidity Risk Management Guidelines." Through system-based monitoring of various liquidity risk limits and the monthly execution of liquidity stress tests, the Bank assesses its overall liquidity risk exposure to ensure the expected impacts arising from liquidity risk remain within acceptable loss tolerance levels. Regular reports on liquidity risk management are submitted to the Asset and Liability Management Committee, Risk Management Committee, and the board of directors for their awareness and review.

### (2) Maturity Analysis of Assets and Liabilities

#### A. TWD Maturity Term Structure Analysis

2025.12.31 Unit: NT\$ thousand

	Total	Time to maturity				
		0~30 Days	31~90 Days	91~180 Days	181 Days to 1 Year	Over 1 Year
Cash Inflow	18,143,625	3,531,744	3,480,533	2,010,751	2,755,569	6,365,028
Cash Outflow	19,259,009	5,938,791	5,927,787	2,362,123	3,042,834	1,987,474
Maturity Gap	(1,115,384)	(2,407,047)	(2,447,254)	(351,372)	(287,265)	4,377,554

Note: Please refer to Table (B) for definition of row items.

## B. USD Maturity Term Structure Analysis

2025.12.31 Unit: USD\$ thousand

	Total	Time to maturity				
		0~30 Days	31~90 Days	91~180 Days	181 Days to 1 Year	Over 1 Year
Cash Inflow	60,995,479	13,997,441	10,789,105	7,428,602	9,156,516	19,623,815
Cash Outflow	72,171,916	18,166,393	18,478,068	10,557,423	16,592,219	8,377,813
Maturity Gap	(11,176,437)	(4,168,952)	(7,688,963)	(3,128,821)	(7,435,703)	11,246,002

Note 1: The figures above refer to the Bank-wide amounts denominated in U.S. dollars (USD).

Note 2: Where overseas assets account for more than 10% of the Bank's total assets, supplementary disclosure information shall be provided.

## C. Overseas branches USD Maturity Term Structure Analysis

2025.12.31 Unit: USD\$ thousand

	Total	Time to maturity				
		0~30 Days	31~90 Days	91~180 Days	181 Days to 1 Year	Over 1 Year
Cash Inflow	18,143,625	3,531,744	3,480,533	2,010,751	2,755,569	6,365,028
Cash Outflow	19,259,009	5,938,791	5,927,787	2,362,123	3,042,834	1,987,474
Maturity Gap	(1,115,384)	(2,407,047)	(2,447,254)	(351,372)	(287,265)	4,377,554

### 5.1.2 Important policies adopted and changes in the legal environment at home and abroad, their effect on the Bank's finances and operations, and measures taken in response:

#### 1. Responding to the Increased Volatility of Financial Markets and the Implementation of New Market Risk Capital Requirement Regulations

Facing the issues of increased financial market volatility in the external environment and the new market risk capital regulations implemented on July 1, 2025, a new market risk management platform has been launched in 2025. By this, it optimizes the calculation efficiency of Market Value at Risk (VaR), and adds advanced risk measurement indicators such as Expected Shortfall, Marginal and Component VaR. At the same time, this platform also optimizes the efficiency of analyzing market risk capital requirements, being able to conduct a detailed analysis on the components of capital requirements, substantially enhancing the transparency of the capital requirement calculation process. This allows various financial trading strategies to understand in advance the impact on Value at Risk (VaR) and capital requirements, effectively enhancing trading decision evaluation and risk early warning capabilities, to facilitate the trading units to accurately gauge capital usage efficiency and the appropriateness of risk-return.

#### 2. Strategies for Enhancing MBS Investment Positions and Strengthening Risk Control in Response to Securitization Regulatory Changes

In coordination with the new capital requirement system implemented by the Financial Supervisory Commission (FSC) in July 2025, which revises the definition of securitization transactions: if the cash flows generated by the underlying asset pool must be used to pay risk positions or tranches of at least two risk levels; for instance, if the asset pool's cash flows in distribution are proportionally distributed to each tranche, and are securitization positions without a sequential order, then it does not belong to "securitization exposures" and is treated as general bonds. Therefore, the capital requirement method for the MBS issued by Ginnie Mae held by the Bank has changed. To ensure the effectiveness of the risk management mechanism for investing in MBS, optimizations have been conducted on the risk control and systems for the aforementioned MBS. The practices include introducing a new calculation platform to accurately measure the changes in its effective duration, as well as through scenario simulation methods such as stress testing, to construct risk early warning indicators, to facilitate the control of MBS risks.

#### 3. Green and Transition Finance Action Plan

In 2025, the Financial Supervisory Commission (FSC) fully implemented the "Green and Transition Finance Action Plan," shifting its core policy focus from financing green industries to supporting a "low-carbon transition" for the economy as a whole. The plan covers six key areas: Promoting funding support for corporate net-zero transitions, Collecting and establishing corporate carbon emission data, and enhancing climate resilience, Encouraging the financial sector to disclose carbon reduction targets, strategies, and nature-related financial information, Promoting sustainable finance certifications and talent, improving sustainable finance evaluations and collaboration mechanisms, and Strengthening sustainability governance to enhance

international visibility and influence, thereby driving the financial sector, enterprises, and society towards Taiwan's 2050 Net-Zero goal and sustainable development. The formal implementation of Taiwan's carbon fee system in 2025 marks a pivotal milestone in low-carbon transition, establishing a business environment where carbon emissions are now priced. To navigate this landscape, E.SUN is committed to leveraging our financial influence to guide capital toward the decarbonization efforts of our clients and investees. By providing professional sustainable finance solutions, we aim to collaborate with our partners to mitigate transition-related impacts and enhance long-term green competitiveness, ensuring resilient and sustainable growth for our stakeholders.

E.SUN was the first enterprise in Taiwan to sign the Task Force on Climate-related Financial Disclosures (TCFD), establishing board-level management mechanisms alongside relevant strategies and policies in accordance with the TCFD framework and recommendations. To achieve our net-zero carbon emissions by 2050 target, E.SUN FHC launched its "Net Zero Transition Plan" in 2025 to strengthen the management of carbon emissions within our investment and financing portfolios. E.SUN FHC has been recognized by the FSC and was selected as a member of the "Coalition of Movers and Shakers on Sustainable Finance," leading the Policy and Guidelines Taskforce. E.SUN remains long-term committed to promoting sustainable and green finance products, actively managing the carbon emissions of financial assets, and expanding green financial services to exert financial influence in driving social sustainability and enhancing the resilience of assets toward climate and nature.

#### 4. Implementation of credit risk Internal Ratings-Based Approach

To strengthen the risk management framework and capabilities of domestic banks and align financial supervision with international standards, the Financial Supervisory Commission (FSC) announced on January 25, 2024 the opening for banks to apply for adopting the Internal Ratings-Based (IRB) approach for measuring credit risk capital charges. In addition, based on "Basel III: Finalizing post-crisis reforms" issued by the Basel Committee on Banking Supervision, the "Methods for Calculating Bank's Regulatory Capital and Risk-Weighted Assets" were amended and promulgated, and will be implemented effective January 1, 2025. E.SUN Bank has been developing its internal rating system since 2006 and has implemented it in the risk management across the entire lending cycle. The Bank has continuously refined its rating system and related governance mechanisms in line with business development, financial market trends, and domestic and international regulatory requirements. In accordance with the regulatory criteria prescribed by the FSC, the Bank applied for adopting the Internal Ratings-Based Approach, and entered the pilot implementation phase in 2025. During the pilot period, the Bank continues to enhance its management mechanisms, with the aim of managing credit risk through more precise risk measurement methodologies.

#### 5. Execution of AML/CFT

In response to the United Nations' official reactivation of the 'Snapback' sanctions mechanism against Iran in 2025, we promptly conducted bank-wide training sessions focusing on in-depth analysis and case studies regarding Iranian sanctions evasion tactics (such as illicit oil smuggling, shadow banking networks, and weapons procurement efforts) published by international organizations. These efforts aim to enhance the bank-wide ability to identify complex red flags of sanctions evasion, thereby strengthening the Bank's early warning capabilities and global sanctions risk management.

Additionally, the rampant spread of fraud has caused severe financial losses globally. The "Global State of Scams 2025 Report," jointly published by the Global Anti-Scam Alliance (GASA) and Feedzai, reveals that global financial losses due to fraud reached \$442 billion over the past 12 months. Domestically, statistics from the National Police Agency's "165 Anti-Fraud Dashboard" indicate that Taiwan recorded a total fraud-related financial loss of NT\$89.326 billion in 2025. To bolster anti-fraud mechanisms and strengthen criminal investigations, the Taiwanese government officially issued the "Four Anti-Fraud Acts" in 2024. This legislation authorized the Financial Supervisory Commission (FSC) to formulate the "Regulations Governing Fraud Crime Hazard Prevention by Financial Institutions and Businesses or Personnel Providing Virtual Asset Services," which explicitly stipulates fraud prevention measures for the financial sector. To further strengthen the legal framework, the government passed the Draft Amendments to the "Fraud Crime Hazard Prevention Act" in December 2025. This amendment established a "Protection Mechanism for Suspected Fraud Victims" and institutionalized "Cross-Industry Inquiry" and "Cross-Industry Joint Defense Notification" mechanisms between financial institutions and VASPs. Furthermore, it recommended that affiliated agencies develop a "Cross-Institutional Tech-Analysis Platform" to facilitate collaborative efforts between financial institutions and VASPs.

E.SUN Bank deeply recognizes that "Asset Protection" is the core mission of the financial industry. Consequently, we proactively align with regulatory requirements, continuously refining our policies, procedures, and control mechanisms. By leveraging AI technology and public-private partnerships, we have constructed a comprehensive "E.SUN Anti-Fraud Blueprint." Utilizing our "E.SUN Sentinel Model," the "iEFPS (Intelligent Electronic Fraud Prevention System)" for credit cards, and the "Smart Foreign Exchange Anti-Fraud Platform," we perform real-time detection of abnormal cash flows, achieving full-spectrum prevention from pre-emptive alerts and real-time interception to post-event management. Furthermore, we actively advocate for cross-sector cooperation. In 2025, we collaborated with the Taiwan High Prosecutors Office and the Qiaotou District Prosecutors Office on "Suspicious Financial Account Analysis" projects to fortify anti-fraud resilience. Beyond technological defense, we continue to uphold the warmth and care that define our financial services. In 2025, we took the lead in launching the "Designated Contact Person" notification service. Simultaneously, in alignment with the National Police Agency's Early Warning Mechanism for Suspicious Fraud Accounts, we implemented a series of customer care measures, including empathetic counter-side assistance and proactive system-generated warning alerts. Furthermore, we conducted over 40 in-person anti-fraud awareness campaigns, deeply cultivating the public's ability to identify and prevent fraudulent activities.

These steadfast commitments to security has led E.SUN Bank to earn the prestigious "Best Consumer Anti-Fraud Service in Taiwan" award from The Asian Banker. Moving forward, E.SUN will continue to enhance our innovative defensive capabilities and fulfill our corporate social responsibility (CSR), building the most empathetic and reliable asset protection barrier for every customer. Furthermore, we will remain vigilant regarding domestic and international regulatory trends in Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT), and fraud prevention. By proactively adjusting our internal regulations and control mechanisms, we aim to ensure the ongoing compliance and effectiveness of our operational systems

## 6. Draft Amendments to the Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries

To enhance the effectiveness of the "Regulations Governing Internal Control and Audit Systems of Financial Holding Companies and Banking Institutions" and strengthen the functions of the three lines of defense, the Financial Supervisory Commission (FSC) proposes the following amendments:

The requirement for internal audit units to supervise the self-assessment conducted by each business unit will be removed. Instead, the units designated by senior management to implement the compliance system, risk management system, or information security system and will be responsible for supervising the establishment of self-assessment procedures. The amendments also consolidate procedures for compliance self-assessments and self-evaluations, simplifying the process for special project self-assessments.

Additional provisions are included within the internal control system to cover the management of sustainability-related information, the establishment of business continuity management mechanisms, and the requirement for banking operation guidelines and manuals to incorporate a responsibility mapping system. Furthermore, to professionalize and institutionalize fraud prevention efforts, the FSC is promoting the establishment or designation of dedicated anti-fraud units within financial institutions. Accordingly, the amendments allow the chief compliance officer of a financial holding company or bank headquarters to concurrently serve as the head of the anti-fraud unit.

Once the draft amendment is officially announced, the Bank will hold meetings with the relevant departments to review and confirm the adjustments required for the designated units to ensure full compliance with regulatory requirements.

## 7. Operational Guidelines for Financial Institutions Applying to Enter Local Asset Management Pilot Zones

On April 1, 2025, the Financial Supervisory Commission (FSC) issued the "Operational Guidelines for Financial Institutions Applying to Enter Local Asset Management Pilot Zones." Guided by the dual objectives of retaining capital while attracting investment, and supporting industrial development in Taiwan, the FSC introduced five key initiatives and sixteen implementation strategies, among which the establishment of Local Asset Management Pilot Zones is one of the core strategies.

The Bank has become one of the first institutions approved to operate within the Asset Management Pilot Zone. In parallel, a dedicated project office has been established to actively expand the Bank's presence in the Kaohsiung Local Asset Management Pilot Zone. The Bank will offer a diverse range of services, including private equity funds, insurance financing,

family office solutions, and cross-border financial services, to enhance the overall service experience for high-net-worth clients both domestically and internationally. Clear standards have been established for client eligibility, product suitability assessments, risk disclosure, and transaction control mechanisms to ensure effective risk management and well-structured operational processes, thereby safeguarding the interests of both the Bank and its clients.

### 5.1.3 Strategies to keep up with technological and market changes(include information security risk)

- (1) Information security has become a crucial component of risk management because of the rapid development of FinTech. In order to have a more holistic view of the current cybersecurity status and trend in the financial industry, E.SUN FHC and E.SUN Bank have been cooperating with Financial Information Sharing and Analysis Center (F-ISAC) and have been taking a role in the F-SOC cross-organizational defense plan to enhance the implementation of cyber incident scenario monitoring and cyber incident information sharing mechanisms, making it possible for the organization to detect cyber threats quickly and to effectively strengthen the company's ability to defend unknown information security risks.
- (2) In response to significant cybersecurity incidents, network system vulnerabilities, ransomware attacks, and malware threats both domestically and internationally, the Bank immediately takes stock of and analyzes the scope of impact and operational shock upon receipt of the threat intelligence notification form issued by E.SUN FHC, and plans and implements preventive countermeasures based on the recommendations in the notification form in order to minimize the likelihood of an impact on the overall information assets and to ensure the consistency of the information security defenses.
- (3) At E.SUN Bank, architecture consultations are conducted respectively by the system architects team before new technologies can be implemented. A thorough assessment, based on aspects such as compliance, data protection, and the use of technologies, will also be conducted to ensure that risks brought by emerging technologies can be controlled. These efforts are to address impacts on the company's finances and business due to the recent technological and market changes(include information security risk).
- (4) In recent years, as operational models have gradually transformed, the Bank has invested more resources in supporting cloud application services. Following international standards and relevant regulations, the Bank has progressively established and refined its cloud management framework to conduct security controls and assessments of cloud services. The Bank places great emphasis on information security and privacy protection to ensure the confidentiality, integrity, and availability of cloud systems. At the same time, the Bank has strengthened its cloud security architecture design and protection mechanisms, and continues to enhance integration and optimize cloud monitoring and detection measures in multi-cloud environments to ensure more comprehensive cloud security protection.

### 5.1.4 The influence of bank image change on corporate crisis management and corresponding measures:

Committed to becoming a model of corporate governance, insisting on providing customers with a full range of financial services in compliance with laws and regulations and the requirements of the competent authority, transparent disclosure in related party transactions, avoiding conflicts of interest, and attaching importance to the protection of shareholder rights. In terms of risk management, education and training and employee welfare for each product line, a more complete system is adopted to improve the company's system. We spare no effort to promote and cooperate on social welfare and environmental protection issues. In terms of image maintenance, whenever the company's image is damaged or slipped, the company will immediately review and improve it, hoping to establish a model of a high-quality enterprise, fulfill its corporate social responsibility, and establish a good corporate image.

The Company's emphasis on its corporate social responsibilities (CSR) and has demonstrated high flexibility in the rapidly changing environment. In particular, the bank has been recognized for its innovative services in promoting financial inclusion, implementing fair treatment of customers, and maintaining transaction security. By providing innovative services, the bank has gained recognition from the public and international organizations.

In 2025, E.SUN received multiple international awards, including being named "Best SME Bank in Taiwan" by The Asian Banker for the 7th time and "Best Bank in Taiwan" by FinanceAsia. In the same year, Forbes, a well-known international financial magazine, released its World's Best Banks 2025 ranking. E.SUN Bank was ranked No. 1 in Taiwan for the five consecutive year, thanks to its convenient digital financial services and excellent service quality. This recognition affirms the bank's high-quality financial integration services, which demonstrate E.SUN's leadership in customer service and retail banking.

E.SUN has zero trust for the operational processes and zero tolerance for the risk, and no business can be considered beyond the risk. E.SUN Bank has actively strengthened its operating procedures. Establish a customer-centric customer relationship management system, The responsible unit of customer service division of will carry out the construction of customer feedback channels, processing of customer opinions and tracking follow-up improvement, in order to form a virtuous cycle to increase

customer satisfaction and recommendation. E.SUN Bank has been recognized among the top 25% in the FSC's "Treating Customers Fairly Assessment" for three consecutive years. Furthermore, in 2025, we once again achieved a top 25% ranking in the "Sustainable Finance Evaluation."

E.SUN Bank has incorporated the establishment and implementation of the principle of treating customer fairly into its Internal Audit and Internal Control System and training courses. In addition to internal control and audit system, the regulations also lay out treating customer fairly related employee education and training while making sure that these educations and trainings are conducted on a regular basis. For four consecutive years from 2022 to 2025, E.SUN planned to collaborate with professional institutions to hold board of director courses and customer service educational training for employees which focus on consumer protection and financial friendliness. With the assistance of outside auditor, we are able to review the overall service implementation and customer satisfaction. E.SUN continuously improve customer service and promote the principles of treating customers fairly through each and every link, integrating this principle into E.SUN's service-oriented corporate culture.

**5.1.5 Anticipated Benefits and Possible Risks Associated with Mergers and Acquisitions, and Countermeasures:** None.

#### **5.1.6 Anticipated benefits and possible risks associated with development of multichannel**

With Taiwan as the main service area, E.SUN has 140 branches in Taiwan, and has set up automated teller machines in areas with high pedestrian flow such as Taiwan Railway Stations and convenience stores. While establishing high-value branches, E.SUN is also committed to developing self-service financial services and providing the most secure omni-channel customer experience to customers with heart-warming financial services anytime.

E.SUN is strategically expanding overseas business primarily in Asia to meet the cross-border financial needs of customers. Currently, E.SUN operates 35 branches and offices in 11 countries spanning the range from financial centers, developed countries, to developing countries. Looking forward, E.SUN will continue to expand its overseas network with integrated cross-border service and localized business development to provide customers with comprehensive financial services and consistent customer experience. With the rapid development of information technology and digital finance, along with increasingly stringent Anti-Money Laundering requirements, the use of technology to enhance risk management has become critical. The Bank leverages technology to develop applications such as biometric authentication and predictive models for identifying suspicious accounts, utilizing Artificial Intelligence (AI) technology. The bank also prioritizes customer information security and adheres to strict measures to ensure the confidentiality and protection of customer data.

#### **5.1.7 Anticipated Benefits and Possible Risks from Concentration of Operations, and Countermeasures.**

##### **1. Concentration of Operations**

The Bank continues to pay attention to macroeconomic trends and changes in the financial industry and other industries, and regulates risk acceptance limits reflecting industry type, group and country, making adjustments based on the prevailing economic conditions and risk conditions.

The Bank also performs regular review of the appropriateness of lending criteria in the case of watch-listed accounts, and faithfully implements mid-term management. This has ensured that the major risks encountered in the Bank's business development remains acceptable.

##### **2. Concentration of Counterparties**

In regard to industries and groups, the Bank establishes risk tolerance limits and adjust them accordingly based on the economic conditions and changes across various industries. The Bank regularly reviews the appropriateness of credit conditions for accounts classified as risk warning accounts, and ensures effective mid-term management practices are implemented. This ensures that the main risks of business development remain within acceptable limits.

#### **5.1.8 Influence of Changes in Ownership of the Bank, Possible Risks and Countermeasures**

E.SUN Commercial Bank, a 100% owned subsidiary of E.SUN Financial Holding Company at the end of 2025, had no major change in managerial authority.

**5.1.9 Effect upon and risk to the Bank in the event a major quantity of shares belonging to director(s) or shareholder(s) holding greater than 1% stake in the Bank has been transferred or has otherwise changed hands, and mitigation measures:**

Up till the end of 2025, none of the Bank's director or shareholders holding greater than 1% stake in the Bank had transferred a major quantity of shares or had it change hands otherwise.

**5.1.10 Litigious or Non-litigious Incidents:** None.

**5.1.11 Other Major Risk Countermeasures:**

In accordance with the "Financial Institutions Information Security Protection Guideline", the Bank established relevant review mechanisms in 2022. For core information and communication systems, Category 1 systems, and systems containing customer data, if new system implementations, system conversions, major architectural adjustments, cross-version upgrades, or other system launches/changes with significant operational impact are involved, the Information Security Management Division will participate in critical preparatory work prior to conversion. The Chief Information Security Officer will coordinate the promotion of information security policies and resource allocation to ensure the stability of information services.

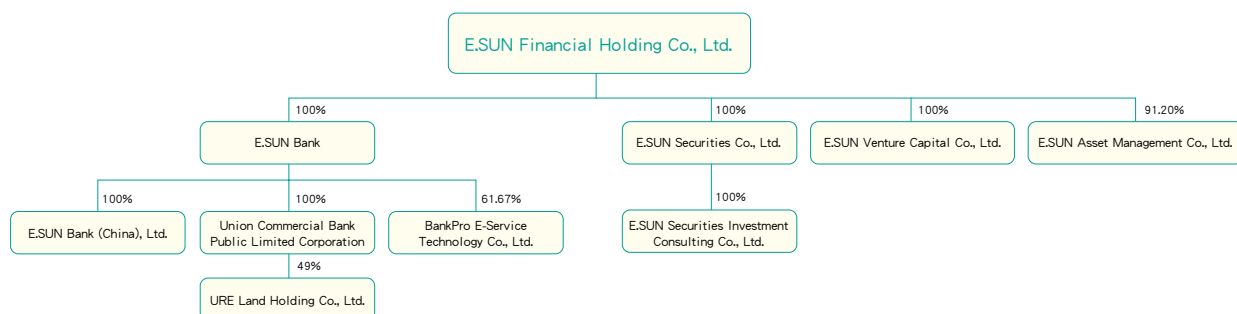
## 6.Special Disclosure



## 6.1 Summary of Affiliated Companies

### 6.1.1 Consolidated Operating Report on Affiliated Companies

#### (1) Organization Chart of Affiliated Companies



#### (2) Operation Status of Affiliated Companies

2025.12.31 Unit: NT\$ thousand

Investee Company Name	Date of Incorporation	Address	Total Amount of Paid-in Capital	Main Businesses and Products
E.SUN Financial Holding Co., Ltd.	2002.01.28	14F, No.115 & No.117, Sec. 3, Minsheng E. Rd., Songshan District, Taipei, Taiwan	161,740,000	Investment and investment management.
E.SUN Securities Co., Ltd.	2000.08.02	6F, No.158 and 2F, No.156, Sec. 3, Minsheng E. Rd., Songshan District, Taipei, Taiwan	5,523,000	Underwriting, brokering, dealing securities and operating in brokerage of futures
E.SUN Venture Capital Co., Ltd.	2002.10.07	6F, No.115, Sec. 3, Minsheng E. Rd., Songshan District, Taipei, Taiwan	5,500,000	Investment
E.SUN Securities Investment Consulting Co., Ltd.	2003.03.11	2F-2, No.156, Sec. 3, Minsheng E. Rd., Songshan District, Taipei, Taiwan	50,000	Security consulting
E.SUN Asset Management Co., Ltd.	1992.11.06	13-14F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110, Taiwan	300,000	Issuing beneficiary certificates, offering securities investment trust funds, investing in or trading securities-related products, discretionary investment services, private equity funds, and other related businesses approved by the authority.
Union Commercial Bank Public Limited Corporation	1994.03.31	No. 441, Preah Monivong Blvd., Sangkat Boeng Proluet, Khan Prampir Meakkakra, Phnom Penh.	2,408,026 (Note 1)	Corporate Banking, Consumer Banking, Foreign Exchange, Credit Card
URE Land Holding Co., Ltd.	2013.07.25	No. 61, 130 Road, Sangkat Phsar Chas, Khan Daun Penh, Phnom Penh.	30 (Note 2)	Real estate leasing and management
BankPro E-Service Technology Co., Ltd.	2000.10.17	11F-7., No.27, Sec. 3, Zhongshan N. Rd., Zhongshan Dist., Taipei City 10461, Taiwan	180,000	Retail sale of computer software, software design service, data processing service, digital information supply service and business consultant.
E.SUN Bank (China), Ltd.	2016.01.13	1F., Building 7, Excellence Qianhai Yihao, 5109 Menghai Avenue, Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, Shenzhen	10,038,248	Deposit, Lending, and Remittance

### (3) Range of Operations of E.SUN Bank and Affiliates

Business includes banking operations and investment in domestic and overseas banking-related businesses as approved by regulatory agencies and investment management, broking, underwriting and dealing of securities, venture capital, life insurance broking, non-life insurance broking, securities investment consulting, and lease, sales and purchase of real estate. Each affiliate is an independent institution and each carries out its respective line of business.

#### 6.1.2 Report on Affiliation

As of 2025.12.31

Name of Controlling Company	Reason of Control	Shareholding and Pledge status of Controlling Company			Representation of Directors, Independent Directors or Managers of Controlling Company
		No. of Shareholding	Shareholding Ratio	Pledged Share Number	
E.SUN Financial Holding Company	100% shareholding	14,632,000,000 share	100%	0 share	Title and name as following note

Note:

Chairman: Joseph N.C. Huang

Managing Directors: Jackson Mai and Ryh-Yan Chang (also being Independent Director)

Independent Directors: Chun-Yao Huang, Ying-Hsin Tsai, Hung-Chang Chiu and Ruey-Lin Hsiao

Directors: Wei-Han Chen, Chien-Li Wu, Magi Chen, Mao-Chin Chen and Lung-Cheng Lin

#### 6.1.3 Other Important Transaction:

The Company charged NT\$ 141 thousand dollar for the co-used info system with E.SUN FHC ; the Company was commissioned by E.SUN FHC and charged agency service fee NT\$ 350 thousand dollar for its bond issuance; the Company was commissioned by E.SUN FHC and charged underwriting service fee NT\$ 14,260 thousand dollar for its bond issuance.

#### 6.1.4 Guarantee for Affiliated Companies: None.

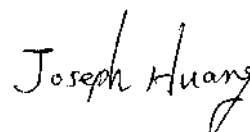
## 6.2 Declaration of Consolidated Financial Statements of Affiliated Enterprises

### Declaration

March 13, 2026

On behalf of E.SUN Commercial Bank, Ltd., we hereby declare that the company's 2024 Affiliation Report (Period from Jan.1, 2025 to Dec. 31, 2025) followed the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises". There is no material discrepancy with the information disclosed in the notes of financial report for the said period.

E.SUN Commercial Bank, Ltd.  
Chairman



## 6.3 Private Placement Securities and Financial Debentures in the Most Recent Years: None.

### 6.3.1. Operational Risk Management Mechanism, Exposure and Capital Charges

#### (1) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivables), investments in debt instruments that are measured at FVTOCI, lease receivables, as well as contract assets. The Company always recognizes lifetime expected credit losses (i.e. ECLs) for accounts receivables and lease receivables. For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the 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 ECL. Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

For internal credit risk management purposes, the Company determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

- I. Internal or external information show that the debtor is unlikely to pay its creditors.
- II. When a financial asset is more than 90 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts 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 the carrying amounts of such financial assets are not reduced.

Under FSC guidelines, E.SUN Bank should classify credit assets as sound credit assets or unsound credit assets, with the unsound assets further categorized as special mention, substandard, with collectability highly doubtful and uncollectable, on the basis of the customers' financial position, valuation of collaterals and the length of time the principal repayments or interest payments have become overdue.

E.SUN Bank made 100%, 50%, 10%, 2% and 1% provisions for credits deemed uncollectable, with collectability highly doubtful, substandard, special mention and sound credit assets (excluding assets that represent claims against an ROC government agency), respectively, as minimum provisions. Furthermore, the FSC stipulated that banks should make at least 1.5% provisions each for sound credit assets in Mainland China (pertaining to short-term advance for trade finance) and loans for house purchases, renovations and constructions, respectively. Credits deemed uncollectable might be written off if the write-off is approved by the board of directors.

## **(2) Impairment of property and equipment, right-of-use assets, investment properties and intangible assets other than goodwill**

At the balance sheet date, the Company reviews the carrying amounts of its property and equipment, right-of-use assets, investment properties and intangible assets (except goodwill) for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. Corporate assets are allocated to the individual CGUs on a reasonable and consistent basis of allocation. The recoverable amount is the higher of fair value less selling costs or value in use.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. If asset impairment loss reverses, the increase in the carrying amount resulting from reversal is credited to earnings. However, loss reversal should not be more than the carrying amount (net of depreciation or amortization) had the impairment loss not been recognized.

## **(3) Goodwill**

Goodwill (part of intangible assets) from business combination is recorded at acquisition cost and subsequently measured at cost less accumulated impairment.

For impairment test purposes, goodwill is allocated to each CGU that benefits from the synergy of a business combination.

In testing assets for impairment, the Company compares the carrying amounts of operating segments (CGUs with allocated goodwill) to their recoverable amounts on a yearly basis (or when impairment indicators exist). CGUs with goodwill allocated in the current year should be tested for impairment before the end of the year. When the recoverable amount of CGUs is below the carrying amount, an impairment loss should be recognized to reduce first the carrying amount of goodwill of the CGU and then the carrying amounts of other assets of the CGU proportionately. Any impairment loss should be directly recognized as loss in the current period, and subsequent reversal of impairment loss is not allowed.

On disposal of the relevant CGU, the amount attributable to goodwill is included in the determination of the gain or loss on disposal.

### **6.3.2 Modifications to the accounting principles in the Republic of China in relation to the International Financial Reporting Standards (or the Generally Accepted Accounting Principles):** None.

### **6.3.3 Endorsements by affiliates, lending/borrowing and other derivative transactions with others**

(1) Endorsement/guarantee provided: None.

(2) Financing provided: None.

(3) Derivative transactions: Note of financial statement: financial instruments

### **6.3.4 The objectives and methods of hedge accounting:**

The Company designates certain hedging instruments as fair value hedges.

Fair value hedges

Gains or losses on derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in profit or loss in the line item relating to the hedged item.

The Company discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised.

## **6.4 The Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years:** None.

## **6.5 Other Required Supplementary Disclosure:** None.

**E.SUN Commercial Bank, Ltd. and  
Subsidiaries**

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

## **DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES**

The entities required to be included in the combined financial statements of E.SUN Commercial Bank, Ltd. as of and for the year ended December 31, 2025 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standard 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, E.SUN Commercial Bank, Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

E.SUN COMMERCIAL BANK, LTD.

By

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JOSEPH N. C. HUANG  
Chairman

March 13, 2026

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Stockholders  
E.SUN Commercial Bank, Ltd.

### **Opinion**

We have audited the accompanying consolidated financial statements of E.SUN Commercial Bank, Ltd. (the "Bank") and its subsidiaries (collectively, the "Company"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

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

The key audit matters of the Company's consolidated financial statements for the year ended December 31, 2025 are described as follows:

#### Assessment of Allowance for Possible Losses on Loans

The Company is engaged principally in providing loans to customers. As of December 31, 2025, the net amount of discounts and loans of the Company represented approximately 58% of total consolidated assets, and is considered material to the consolidated financial statements as a whole. Besides assessing expected credit losses of loans in accordance with IFRS 9 "Financial Instruments", the management of the Bank complies with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans and related regulations (collectively, the Regulations) when assessing classification of credit assets and recognizing allowance for possible losses. For accounting policies and relevant information about loan impairment assessment of the Bank, please refer to Notes 4, 5 and 14 to the consolidated financial statements.

We determined the assessment of allowance for possible losses on loans to be a key audit matter for the year ended December 31, 2025 because the assessment made by the Bank to assess the classification of credit assets and recognize allowance for possible losses in accordance with the Regulations involves critical estimates and judgments.

The main audit procedures we performed in response to certain aspects of the key audit matter described above are as follows:

1. We obtained an understanding of and performed tests on the relevant internal controls in respect of the Bank's loan impairment assessment.
2. We acquired the loan evaluation form used by management of the Bank and assessed the allowance for possible losses on credit assets; we tested the completeness of the loan assets.
3. We assessed that the loans of the Bank were classified in accordance with the definition of the Regulations.
4. We calculated the required provision of allowance for possible losses on loans of the Bank in order to assess whether it complied with the Regulations.

#### **Other Matter**

We have also audited the parent company only financial statements of E.SUN Commercial Bank, Ltd. as of and for the years ended December 31, 2025 and 2024 on which we have issued an unmodified opinion.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

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

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

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

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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.

The engagement partners on the audits resulting in this independent auditors' report are Chen-Hsiu Yang and Wei-Chun Ma.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 13, 2026

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance 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 consolidated financial statements are those generally applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

## E.SUN COMMERCIAL BANK, LTD. AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

ASSETS	2025		2024	
	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS (Notes 4 and 6)	\$ 42,991,521	1	\$ 62,245,895	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Notes 4, 7 and 39)	362,379,636	8	265,856,363	7
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4 and 8)	270,957,066	6	276,360,394	7
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 9, 15, 39 and 41)	411,898,909	9	382,077,804	9
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST (Notes 4, 10, 15, 39 and 41)	523,193,098	12	484,231,582	12
FINANCIAL ASSETS FOR HEDGING, NET (Notes 4 and 11)	49,104	-	81,705	-
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Notes 4 and 12)	26,182,725	1	29,266,642	1
RECEIVABLES, NET (Notes 4, 13 and 38)	141,861,952	3	133,134,914	3
CURRENT TAX ASSETS (Notes 4, 35 and 38)	628,124	-	450,179	-
DISCOUNTS AND LOANS, NET (Notes 4, 14, 38 and 39)	2,602,659,198	58	2,311,873,258	57
OTHER FINANCIAL ASSETS, NET (Notes 4 and 16)	6,019,153	-	8,538,754	-
PROPERTIES AND EQUIPMENT, NET (Notes 4 and 17)	33,200,017	1	33,557,546	1
RIGHT-OF-USE ASSETS, NET (Notes 4 and 18)	7,783,003	-	7,065,933	-
INVESTMENT PROPERTIES, NET (Notes 4 and 19)	1,772,861	-	1,653,776	-
INTANGIBLE ASSETS, NET (Notes 4 and 20)	6,704,789	-	6,568,346	-
DEFERRED TAX ASSETS (Notes 4 and 35)	2,991,218	-	3,154,020	-
OTHER ASSETS, NET (Notes 4, 18, 21, 29 and 38)	<u>25,379,411</u>	<u>1</u>	<u>22,817,818</u>	<u>1</u>
<b>TOTAL</b>	<b><u>\$ 4,466,651,785</u></b>	<b><u>100</u></b>	<b><u>\$ 4,028,934,929</u></b>	<b><u>100</u></b>
<b>LIABILITIES AND EQUITY</b>				
DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS (Note 22)	\$ 68,251,061	1	\$ 80,524,089	2
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8 and 26)	83,718,947	2	92,053,439	3
FINANCIAL LIABILITIES FOR HEDGING, NET (Notes 4 and 11)	2,474,393	-	79,543	-
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 4, 9, 10 and 23)	35,294,971	1	38,258,144	1
PAYABLES (Notes 24 and 38)	35,977,467	1	38,933,128	1
CURRENT TAX LIABILITIES (Notes 4, 35 and 38)	2,284,879	-	2,363,926	-
DEPOSITS AND REMITTANCES (Notes 25 and 38)	3,780,172,148	85	3,346,931,173	83
BANK DEBENTURES (Note 26)	23,820,000	-	38,650,000	1
OTHER FINANCIAL LIABILITIES (Notes 19, 27 and 38)	127,876,125	3	118,456,071	3
PROVISIONS (Notes 4 and 28)	1,316,520	-	1,021,940	-
LEASE LIABILITIES (Notes 4 and 18)	5,201,011	-	4,420,161	-
DEFERRED TAX LIABILITIES (Notes 4 and 35)	2,663,290	-	3,227,302	-
OTHER LIABILITIES (Notes 30 and 38)	<u>4,450,070</u>	<u>-</u>	<u>4,316,233</u>	<u>-</u>
Total liabilities	<u>4,173,500,882</u>	<u>93</u>	<u>3,769,235,149</u>	<u>94</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK</b>				
Capital stock				
Common stock	<u>146,320,000</u>	<u>3</u>	<u>129,929,000</u>	<u>3</u>
Capital surplus				
Additional paid-in capital from share issuance in excess of par value	35,576,665	1	34,697,633	1
From treasury stock transactions	483	-	483	-
Others	<u>996,678</u>	<u>-</u>	<u>878,623</u>	<u>-</u>
Total capital surplus	<u>36,573,826</u>	<u>1</u>	<u>35,576,739</u>	<u>1</u>
Retained earnings				
Legal reserve	67,959,235	2	60,083,612	1
Special reserve	302,853	-	2,336,672	-
Unappropriated earnings	<u>33,489,117</u>	<u>1</u>	<u>26,253,687</u>	<u>1</u>
Total retained earnings	<u>101,751,205</u>	<u>3</u>	<u>88,673,971</u>	<u>2</u>
Other equity	<u>8,303,640</u>	<u>-</u>	<u>5,325,751</u>	<u>-</u>
Total equity attributable to owners of the Bank	<u>292,948,671</u>	<u>7</u>	<u>259,505,461</u>	<u>6</u>
NON-CONTROLLING INTERESTS	<u>202,232</u>	<u>-</u>	<u>194,319</u>	<u>-</u>
Total equity	<u>293,150,903</u>	<u>7</u>	<u>259,699,780</u>	<u>6</u>
<b>TOTAL</b>	<b><u>\$ 4,466,651,785</u></b>	<b><u>100</u></b>	<b><u>\$ 4,028,934,929</u></b>	<b><u>100</u></b>

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

## E.SUN COMMERCIAL BANK, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
INTEREST REVENUE (Notes 4, 31 and 38)	\$ 106,676,228	123	\$ 99,470,404	138	7
INTEREST EXPENSE (Notes 4, 31 and 38)	<u>(65,940,986)</u>	<u>(76)</u>	<u>(65,869,638)</u>	<u>(91)</u>	-
NET INTEREST	<u>40,735,242</u>	<u>47</u>	<u>33,600,766</u>	<u>47</u>	21
NET REVENUES AND GAINS OTHER THAN INTEREST					
Service fee income, net (Notes 4, 32 and 38)	26,768,072	31	24,455,703	34	9
Gains on financial assets and liabilities at fair value through profit or loss (Notes 4 and 33)	14,489,243	17	9,552,424	13	52
Realized gains on financial assets at fair value through other comprehensive income (Notes 4 and 9)	2,297,852	3	1,753,720	3	31
Foreign exchange gains, net (Note 4)	1,679,455	2	1,718,570	2	(2)
Reversal of impairment losses (impairment losses) on assets (Note 4)	10,165	-	(27,183)	-	137
Other noninterest gains, net (Notes 4, 19 and 38)	<u>395,848</u>	<u>-</u>	<u>907,195</u>	<u>1</u>	(56)
Total net revenues and gains other than interest	<u>45,640,635</u>	<u>53</u>	<u>38,360,429</u>	<u>53</u>	19
TOTAL NET REVENUES	<u>86,375,877</u>	<u>100</u>	<u>71,961,195</u>	<u>100</u>	20
BAD-DEBT EXPENSES AND PROVISION FOR LOSSES ON COMMITMENTS AND GUARANTEES (Notes 4 and 14)	<u>(6,357,103)</u>	<u>(7)</u>	<u>(4,146,850)</u>	<u>(6)</u>	53

(Continued)

## E.SUN COMMERCIAL BANK, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
OPERATING EXPENSES (Notes 4, 17, 18, 19, 20, 29, 34 and 38)					
Employee benefits	\$ (18,165,827)	(21)	\$ (15,578,452)	(22)	17
Depreciation and amortization	(3,549,077)	(4)	(3,604,505)	(5)	(2)
General and administrative	<u>(19,530,576)</u>	<u>(23)</u>	<u>(18,294,898)</u>	<u>(25)</u>	7
Total operating expenses	<u>(41,245,480)</u>	<u>(48)</u>	<u>(37,477,855)</u>	<u>(52)</u>	10
INCOME BEFORE INCOME TAX	38,773,294	45	30,336,490	42	28
INCOME TAX EXPENSE (Notes 4 and 35)	<u>(5,963,014)</u>	<u>(7)</u>	<u>(5,761,949)</u>	<u>(8)</u>	3
NET INCOME FOR THE YEAR	<u>32,810,280</u>	<u>38</u>	<u>24,574,541</u>	<u>34</u>	34
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss (Notes 4, 29 and 35):					
Remeasurement of defined benefit plans	364,685	-	262,668	-	39
Unrealized gains on investments in equity instruments at fair value through other comprehensive income	486,274	1	4,062,339	6	(88)
Changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss	(32,052)	-	451,863	1	(107)
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(59,816)</u>	<u>-</u>	<u>70,943</u>	<u>-</u>	(184)
Items that will not be reclassified subsequently to profit or loss, net of income tax	<u>759,091</u>	<u>1</u>	<u>4,847,813</u>	<u>7</u>	(84)

(Continued)

## E.SUN COMMERCIAL BANK, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
Items that may be reclassified subsequently to profit or loss (Notes 4 and 35):					
Exchange differences on the translation of financial statements of foreign operations	\$ (1,389,418)	(2)	\$ 2,932,858	4	(147)
Unrealized gains on investments in debt instruments at fair value through other comprehensive income	4,205,903	5	2,408,660	3	75
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>85,430</u>	-	<u>(1,128,330)</u>	<u>(1)</u>	108
Items that may be reclassified subsequently to profit or loss, net of income tax	<u>2,901,915</u>	<u>3</u>	<u>4,213,188</u>	<u>6</u>	(31)
Other comprehensive income for the year, net of income tax	<u>3,661,006</u>	<u>4</u>	<u>9,061,001</u>	<u>13</u>	(60)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>\$ 36,471,286</u>	<u>42</u>	<u>\$ 33,635,542</u>	<u>47</u>	8
<b>NET INCOME ATTRIBUTABLE TO:</b>					
Owners of the Bank	\$ 32,785,555	38	\$ 24,551,862	34	34
Non-controlling interests	<u>24,725</u>	-	<u>22,679</u>	-	9
	<u>\$ 32,810,280</u>	<u>38</u>	<u>\$ 24,574,541</u>	<u>34</u>	34
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>					
Owners of the Bank	\$ 36,446,123	42	\$ 33,611,648	47	8
Non-controlling interests	<u>25,163</u>	-	<u>23,894</u>	-	5
	<u>\$ 36,471,286</u>	<u>42</u>	<u>\$ 33,635,542</u>	<u>47</u>	8
<b>EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 36)</b>					
Basic	<u>\$ 2.24</u>		<u>\$ 1.68</u>		

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

(Concluded)

**E.SUN COMMERCIAL BANK, LTD. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024  
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Bank						Other Equity			Non-controlling Interests (Notes 4 and 37)	Total Equity
	Capital Stock (Note 37)		Capital Surplus (Notes 4 and 37)	Retained Earnings (Notes 4, 9, and 37)			Exchange Differences on the Translation of Financial Statements of Foreign Operations (Note 4)	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income (Notes 4 and 9)	Changes in the Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities Designated as at Fair Value Through Profit or Loss (Note 4)		
	Shares (In Thousands)	Common Stock		Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2024	11,707,200	\$ 117,072,000	\$ 34,881,288	\$ 54,176,055	\$ 5,404,390	\$ 19,698,448	\$ (807,783)	\$ (4,206,236)	\$ 2,980,200	\$ 187,675	\$ 229,386,037
Appropriation of 2023 earnings											
Legal reserve	-	-	-	5,907,557	-	(5,907,557)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(4,000,000)	-	-	-	-	(4,000,000)
Stock dividends	1,285,700	12,857,000	-	-	-	(12,857,000)	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(3,067,718)	3,067,718	-	-	-	-	-
Share-based payment arrangements involving ESFHC's common stock	-	-	695,451	-	-	-	-	-	-	-	695,451
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(17,250)	(17,250)
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	1,448,189	-	(1,448,189)	-	-	-
Transfer of changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss upon derecognition	-	-	-	-	-	(9,100)	-	-	9,100	-	-
Net income for the year ended December 31, 2024	-	-	-	-	-	24,551,862	-	-	-	22,679	24,574,541
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	-	261,127	2,346,061	6,000,735	451,863	1,215	9,061,001
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	-	24,812,989	2,346,061	6,000,735	451,863	23,894	33,635,542
BALANCE AT DECEMBER 31, 2024	12,992,900	129,929,000	35,576,739	60,083,612	2,336,672	26,253,687	1,538,278	346,310	3,441,163	194,319	259,699,780
Appropriation of 2024 earnings											
Legal reserve	-	-	-	7,875,623	-	(7,875,623)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(4,000,000)	-	-	-	-	(4,000,000)
Stock dividends	1,639,100	16,391,000	-	-	-	(16,391,000)	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(2,033,819)	2,033,819	-	-	-	-	-
Share-based payment arrangements involving ESFHC's common stock	-	-	997,087	-	-	-	-	-	-	-	997,087
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(17,250)	(17,250)
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	319,002	-	(319,002)	-	-	-
Net income for the year ended December 31, 2025	-	-	-	-	-	32,785,555	-	-	-	24,725	32,810,280
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	-	363,677	(1,111,397)	4,440,340	(32,052)	438	3,661,006
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	-	33,149,232	(1,111,397)	4,440,340	(32,052)	25,163	36,471,286
BALANCE AT DECEMBER 31, 2025	<u>14,632,000</u>	<u>\$ 146,320,000</u>	<u>\$ 36,573,826</u>	<u>\$ 67,959,235</u>	<u>\$ 302,853</u>	<u>\$ 33,489,117</u>	<u>\$ 426,881</u>	<u>\$ 4,467,648</u>	<u>\$ 3,409,111</u>	<u>\$ 202,232</u>	<u>\$ 293,150,903</u>

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

## E.SUN COMMERCIAL BANK, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 38,773,294	\$ 30,336,490
Adjustments for:		
Depreciation expenses	3,003,686	3,046,957
Amortization expenses	545,391	557,548
Expected credit losses/bad-debt expenses	6,221,258	4,178,253
Gains on financial assets and liabilities at fair value through profit or loss	(14,489,243)	(9,552,424)
Interest expense	65,940,986	65,869,638
Interest revenue	(106,676,228)	(99,470,404)
Dividend income	(1,546,282)	(1,091,880)
Provision (reversal of provision) for losses on guarantees	125,680	(4,239)
Salary expenses on share-based payments	997,087	695,451
Losses (gains) on disposal of properties and equipment	(85)	12,593
Gains on disposal of investment properties	-	(619,357)
Gains on disposal of investments	(751,570)	(661,840)
Others	(19,684)	115,192
Net changes in operating assets and liabilities		
Due from the Central Bank and call loans to other banks	(61,113,843)	(48,678,205)
Financial assets at fair value through profit or loss	41,172,981	22,577,233
Financial assets at fair value through other comprehensive income	(27,601,435)	(7,190,143)
Investments in debt instruments at amortized cost	(41,811,566)	(4,872,632)
Receivables	(7,729,910)	(6,307,508)
Discounts and loans	(295,912,405)	(251,208,463)
Other financial assets	2,519,601	(5,731,471)
Other assets	(269,750)	(313,895)
Deposits from the Central Bank and other banks	(12,273,028)	35,055,394
Financial liabilities at fair value through profit or loss	(31,797,704)	(41,840,100)
Derivative financial liabilities for hedging	2,207,700	-
Securities sold under repurchase agreements	(2,963,173)	13,579,422
Payables	(2,359,237)	3,340,254
Deposits and remittances	433,240,975	318,916,940
Other financial liabilities	11,260,428	9,550,898
Other liabilities	176,584	448,397
Cash generated from (used in) operations	(1,129,492)	30,738,099
Interest received	110,375,689	99,132,649
Dividends received	1,572,896	1,117,310
Interest paid	(67,527,879)	(65,322,706)
Income tax paid	(6,610,121)	(5,848,509)
Net cash generated from operating activities	<u>36,681,093</u>	<u>59,816,843</u>

(Continued)

## E.SUN COMMERCIAL BANK, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for properties and equipment	\$ (2,084,352)	\$ (1,493,453)
Proceeds from disposal of properties and equipment	1,697	1,215
Increase in refundable deposits	(1,928,166)	(5,766,323)
Payments for intangible assets	(277,022)	(367,686)
Payments for right-of-use assets	(460)	(426)
Proceeds from disposal of investment properties	<u>-</u>	<u>721,723</u>
Net cash used in investing activities	<u>(4,288,303)</u>	<u>(6,904,950)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	5,500	-
Decrease in short-term borrowings	-	(32,118)
Proceeds from issue of bank debentures	5,620,000	2,700,000
Repayments of bank debentures	(20,450,000)	(3,300,000)
Repayments of long-term borrowings	-	(36,248)
Increase in financial liabilities designated at fair value through profit or loss	-	1,457,272
Decrease in financial liabilities designated at fair value through profit or loss	-	(2,747,927)
Increase in guarantee deposits received	-	2,271,891
Decrease in guarantee deposits received	(1,832,113)	-
Repayments of the principal portion of lease liabilities	(1,191,221)	(1,195,527)
Cash dividends paid to owners of the Bank	(4,000,000)	(4,000,000)
Cash dividends paid to non-controlling interests	<u>(17,250)</u>	<u>(17,250)</u>
Net cash used in financing activities	<u>(21,865,084)</u>	<u>(4,899,907)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<u>2,489,398</u>	<u>(9,124,641)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	13,017,104	38,887,345
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>163,766,124</u>	<u>124,878,779</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 176,783,228</u>	<u>\$ 163,766,124</u>

(Continued)

## E.SUN COMMERCIAL BANK, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

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	<u>December 31</u>	
	2025	2024
RECONCILIATIONS OF THE AMOUNTS IN THE CONSOLIDATED STATEMENTS OF CASH FLOWS WITH THE EQUIVALENT ITEMS REPORTED IN THE CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2025 AND 2024		
Cash and cash equivalents in the consolidated balance sheets	\$ 42,991,521	\$ 62,245,895
Due from the Central Bank and call loans to other banks in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	107,608,982	72,253,587
Securities purchased under resell agreements in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	<u>26,182,725</u>	<u>29,266,642</u>
Cash and cash equivalents at the end of the year	<u>\$ 176,783,228</u>	<u>\$ 163,766,124</u>

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

(Concluded)

# **E.SUN COMMERCIAL BANK, LTD. AND SUBSIDIARIES**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

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### **1. ORGANIZATION AND OPERATIONS**

E.SUN Commercial Bank, Ltd. (the “Bank”) engages in banking activities permitted by the Banking Act of the Republic of China (ROC).

As of December 31, 2025 the Bank had 154 units, including a business department, an international banking department, a trust division, a credit card and payment division, an offshore banking unit (OBU), an insurance agent department, 9 overseas branches and 139 domestic branches.

The operations of the Bank’s Trust Division consist of planning, managing and operating a trust business. These operations are regulated under the Banking Act and Trust Enterprise Act of the ROC.

On December 10, 2001, the Bank’s stockholders resolved the establishment of E.SUN Financial Holding Company, Ltd. (ESFHC) through a share swap. Thus, ESFHC acquired the shares of the Bank, E.SUN Bills Finance Corp. (E.SUN Bills) and E.SUN Securities Corp. (E.SUN Securities). The board of directors designated January 28, 2002 as the effective date of the related share swap. After the share swap, the Bank became a 100% subsidiary of ESFHC. Also, on January 28, 2002, the trading of the Bank’s stock on the Taiwan Stock Exchange (TWSE) was stopped, and ESFHC’s stock started to be traded on the TWSE.

To integrate resources, enhance operating effectiveness, strengthen the Bank’s equity structure, and ensure its long-term development, the stockholders resolved the Bank’s merger with E.SUN Bills on August 25, 2006, with the Bank as the surviving entity. The effective date of this merger is December 25, 2006.

The Bank acquired the assets, liabilities and business of Chiayi The Fourth Credit Cooperative and Chu Nan Credit-Cooperative Association on November 3, 2012 and July 9, 2011, respectively.

To expand economies of scale, improve integrated marketing, reduce operating costs and develop operating synergy, the stockholders resolved the Bank’s merger with E.SUN Insurance Broker Co., Ltd. (ESIB) on August 21, 2015, with the Bank as the surviving entity. The effective date of this merger is March 25, 2016.

Union Commercial Bank PLC. (UCB) was founded in March 1994, under the Laws of the Kingdom of Cambodia. UCB is engaged in banking activities permitted by the Laws of the Kingdom of Cambodia. The Bank acquired 70% equity interest of UCB on August 28, 2013, and on December 29, 2015, the Bank acquired from non-controlling interests for additional 5% shares of UCB, which increased its continuing interest from 70% to 75%. The Bank acquired residual 25% equity interest of UCB on August 25, 2017.

In January 2016, E.SUN Bank (China), Ltd. (ESBC) began its formal launch after acquiring the approval of the Financial Supervisory Commission (FSC) and the China Bank Regulatory Commission. The registered capital of ESBC is CNY two billion, and ESBC has been opened in Shenzhen, China on March 11, 2016. ESBC is engaged in banking activities permitted by the laws of mainland China.

To expand business in electronic commerce, the Bank’s board of directors resolved the acquisition of 7,875 thousand common shares of BankPro E-Service Technology Co., Ltd. (BankPro) on November 13, 2015. This acquisition was approved by the authorities and settled on January 11, 2016, and BankPro was included in the consolidated financial statements from the acquisition date.

BankPro is engaged in retail sale of computer software, software design service, data processing service, digital information supply service and business consultant.

The operating units of the Bank and its subsidiaries (collectively, the “Company”) maintain their accounts in their respective functional currencies. The consolidated financial statements are presented in New Taiwan dollars.

For the years ended December 31, 2025 and 2024, the average number of employees of the Company (ESBC, UCB and BankPro excluded) was 8,757 and 8,517, respectively. For the years ended December 31, 2025 and 2024, the average number of employees of ESBC, UCB and BankPro was 1,061 and 998, respectively.

For more information on the consolidated entities, please refer to Table 1 (attached).

## 2. APPROVAL OF FINANCIAL STATEMENTS

The board of directors of the Bank, in their meeting on March 13, 2026, approved and authorized the consolidated financial statements for issue.

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

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company’s accounting policies.

### Identification of related parties

In accordance with the Q&A “Identification of Related Parties” issued by the ARDF in June 2025, the Company has reassessed its relationship with its managed funds by sister companies to determine whether it exercises control or significant influence, or if it solely provides key management services to them. Since the sister companies only provides key management services to managed funds, the previous identification of related parties based on the Q&A issued by the ARDF in July 2013 was revised. Accordingly, these funds are no longer identified as related parties of the Company, effective from January 1, 2025. Furthermore, in accordance with the Q&A issued by the FSC, comparative information for the year 2024 needs not to be restated, which means the identified and disclosed related party relationships and transactions in prior financial statements are not required to be adjusted retrospectively.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB</b>
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

Amendments to IFRS 9 and IFRS 7 “Amendments to the  
Classification and Measurement of Financial Instruments”

1) The amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

- a) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,
  - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
  - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.
- b) To clarify that a financial asset has non-recourse features if an entity’s ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
- c) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

2) The amendments to the application guidance of derecognition of financial liabilities

The amendments mainly stipulate that a financial liability is derecognized on the settlement date. However, when settling a financial liability in cash using an electronic payment system, the Company can choose to derecognize the financial liability before the settlement date if, and only if, the Company has initiated a payment instruction that resulted in:

- The Company having no practical ability to withdraw, stop or cancel the payment instruction;
- The Company having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system being insignificant.

An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

## Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

Contracts referencing nature-dependent electricity are contracts that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions. Contracts referencing nature-dependent electricity include both contracts to buy or sell nature-dependent electricity and financial instruments that reference such electricity. When the Company enters into contracts to buy nature-dependent electricity, which exposes the Company to the risk that it would be required to buy electricity during a delivery interval in which the Company cannot use the electricity, and the design and operation of the electricity market require any amounts of unused electricity to be sold within a specified time, the amendments stipulate that such sales are not necessarily inconsistent with the contract being held in accordance with the Company’s expected usage requirements. The inconsistency will result in the contract being accounted for as financial instruments otherwise. The Company entered into and continues to hold such a contract in accordance with its expected electricity usage requirements, if the Company has bought, and expects to buy, sufficient electricity to offset the sales of any unused electricity in the same market in which it sold the electricity over a reasonable amount of time.

The amendments also stipulate that, if contracts referencing nature-dependent electricity are designated as hedging instruments in hedges of forecast transactions, for such a hedging relationship the Company is permitted to designate as the hedged item a variable nominal amount of forecast electricity transactions that is aligned with the variable amount of nature-dependent electricity expected to be delivered by the generation facility as referenced in the hedging instrument.

For the amendments related to whether contracts referencing nature-dependent electricity are entered into in accordance with expected electricity usage requirements, the Company shall apply retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. For the amendments related to hedge accounting, the Company shall apply prospectively.

As of the date the consolidated financial statements were authorized for issue, the Company has assessed that the application of above standards and interpretations will not have a material impact on the Company’s financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Company sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Company loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Company sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company’s interest as an unrelated investor in the associate or joint venture, i.e., the Company’s share of the gain or loss is eliminated. Also, when the Company loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company’s interest as an unrelated investor in the associate or joint venture, i.e., the Company’s share of the gain or loss is eliminated.

IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Company shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- The Company shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

- Interest and dividends received by the Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Company has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing the other impacts of the above amended standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### **4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

##### **a. Statement of compliance**

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

##### **b. Basis of preparation**

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities/assets which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

##### **c. Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Bank and the entities controlled by the Bank (UCB (including UCB's subsidiary), ESBC, and BankPro).

The accounting policies of the Bank and its subsidiaries are consistent.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. The Bank's financial statements include the accounts of its Head Office, OBU, and all branches. All intra-bank transactions and balances have been eliminated.

Total comprehensive income of subsidiaries is attributed to the owners of the Bank and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

d. Foreign-currency transactions

The Bank records foreign-currency transactions in the respective currencies in which these are denominated. On the transaction date, foreign currency income and expenses are translated at the prevailing exchange rates. At month-end, monetary assets and liabilities denominated in foreign currencies are reported using the prevailing exchange rates, and exchange differences are recognized in profit or loss. Nonmonetary assets and liabilities measured at fair value are translated using the prevailing exchange rates at month-end. Translation differences on nonmonetary assets and liabilities measured at fair value are recognized in profit or loss, except for translation difference arising from nonmonetary items of which the change in fair values is recognized in other comprehensive income, in which case, the translation differences are also recognized directly in other comprehensive income. Nonmonetary assets and liabilities that are classified as carried at cost are recognized at the exchange rate on the transaction date.

In preparing the consolidated financial statements, foreign operations' financial statements are translated at the following rates: Assets and liabilities the prevailing exchange rates on the balance sheet date; and income and expenses the prevailing exchange rates on the transaction date. Translation difference net of income tax is recorded as "other comprehensive income" and accumulated in equity, and is attributed to the owner of the Bank and non-controlling interests.

e. Classification of current and non-current assets and liabilities

Since the operating cycle in the financial holding company and banking industry cannot be reasonably identified, accounts included in the financial statements of the Bank, UCB and ESBC are not classified as current or noncurrent. Nevertheless, these accounts are properly categorized according to the nature of each account and sequenced by their liquidity.

Classification of accounts included in the financial statements of the other subsidiaries as current or noncurrent is as follows:

Current assets include assets held primarily for the purpose of trading; assets expected to be realized within 12 months after the reporting period; and cash and equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. Current liabilities include liabilities held primarily for the purpose of trading, liabilities due to be settled within 12 months after the reporting period; and liabilities for which the Company does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. Assets and liabilities that are not classified as current are classified as non-current.

The consolidated financial statements, however, do not show the classification of current or noncurrent assets/liabilities because the banking industry accounts for the major parts of the consolidated accounts. Thus, accounts in the consolidated financial statements are instead categorized by nature and sequenced by their liquidity.

f. Cash and cash equivalents

In the consolidated balance sheet, cash and cash equivalents comprise cash on hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. In the consolidated statement of cash flows, cash and cash equivalents comprise cash and cash equivalents defined in the consolidated balance sheet, due from the Central Bank, call loans to other banks and securities purchased under resell agreements that correspond to the definition of cash and cash equivalents in IAS 7 "Statement of Cash Flows," as endorsed and issued into effect by the FSC.

g. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are included in the initially recognized amount of the financial assets or financial liabilities.

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in debt instruments and equity instruments at FVTOCI.

i. Financial asset at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, with any remeasurement gains or losses on such financial assets are recognized in other gains or losses. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in the Note 41.

ii. Financial assets at amortized cost

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

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

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, due from the Central Bank and call loans to other banks, receivables and discounts and loans, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

- i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

### iii. Investments in debt instruments at FVTOCI

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

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

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

### iv. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable), investments in debt instruments that are measured at FVTOCI, lease receivables, as well as contract assets.

The Company always recognizes lifetime expected credit losses (ECLs) for accounts receivable and lease receivables. For all other financial instruments, 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.

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

For internal credit risk management purposes, the Company considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Company):

- i. Internal or external information shows that the debtor is unlikely to pay its creditors.
- ii. Financial asset is more than 90 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts 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 the carrying amounts of such financial assets are not reduced.

Under FSC guidelines, the Bank should classify credit assets as sound credit assets or unsound credit assets, with the unsound assets further categorized as special mention, substandard, with collectability highly doubtful and uncollectable, on the basis of the customers' financial position, valuation of collaterals and the length of time the principal repayments or interest payments have become overdue.

The Bank made 100%, 50%, 10%, 2% and 1% provisions for credits deemed uncollectable, with collectability highly doubtful, substandard, special mention and sound credit assets (excluding assets that represent claims against an ROC government agency), respectively, as minimum provisions. Furthermore, the FSC stipulated that banks should make at least 1.5% provisions each for sound credit assets in mainland China (pertaining to short-term advance for trade finance) and loans for house purchases, renovations and constructions, respectively.

Credits deemed uncollectable might be written off if the write-off is approved by the board of directors.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a liabilities for the proceeds received.

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

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

2) Equity instruments

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

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

The repurchase of the Bank's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types and calculated separately by repurchase category. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Bank's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situations, all financial liabilities are measured at amortized cost using the effective interest method:

i. Financial liabilities at FVTPL

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

A financial liability may upon initial recognition be designated as at FVTPL only in one of the following circumstances:

- i) Such designation eliminates or significantly reduces a measurement or recognition mismatch that would otherwise arise; or
- ii) The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and has performance evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- iii) The contract contains one or more embedded derivatives so that the entire combined contract (asset or liability) can be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability. For a financial liability designated as at FVTPL, the amount of changes in fair value attributable to changes in the credit risk of the liability is presented in other comprehensive income and will not be subsequently reclassified to profit or loss. The gain or loss accumulated in other comprehensive income will be transferred to retained earnings when the financial liability is derecognized. If this accounting treatment related to credit risk would create or enlarge an accounting mismatch, all changes in the fair value of the liability are presented in profit or loss.

ii. Financial guarantee contracts

Financial guarantee contracts issued by the Company, if not designated as at FVTPL, are subsequently measured at the higher of:

- i) The amount of the loss allowance reflecting expected credit losses; and
- ii) The amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the revenue recognition policies.

Besides subsequently measuring financial guarantee contracts at the higher of the abovementioned amounts as IFRS assessment result, the assessment is also performed in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans" as regulatory assessment result. The higher adequacy provision between above IFRS and regulatory assessment results is recognized.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Derivative financial instruments

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

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

#### 5) Modification of financial instruments

When a financial instrument is modified, the Company assesses whether the modification will result in derecognition. If modification of a financial instrument results in derecognition, it is accounted for as derecognition of financial assets or liabilities. If the modification does not result in derecognition, the Company recalculates the gross carrying amount of the financial asset or the amortized cost of the financial liability based on the modified cash flows discounted at the original effective interest rate with any modification gain or loss recognized in profit or loss. The cost incurred is adjusted to the carrying amount of the modified financial asset or financial liability and amortized over the modified remaining period.

For the changes in the basis for determining contractual cash flows of financial assets or financial liabilities resulting from the interest rate benchmark reform, the Company elects to apply the practical expedient in which the changes are accounted for by updating the effective interest rate at the time the basis is changed, provided the changes are necessary as a direct consequence of the reform and the new basis is economically equivalent to the previous basis. When multiple changes are made to a financial asset or a financial liability, the Company first applies the practical expedient to those changes required by interest rate benchmark reform, and then applies the requirements of modification of financial instruments to the other changes that cannot apply the practical expedient.

#### h. Hedge accounting

The Company designates certain hedging instruments as fair value hedges.

##### Fair value hedges

Gains or losses on derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognized in profit or loss in the line item relating to the hedged item.

The Company discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised.

#### i. Overdue loans

Under FSC guidelines, the Bank classifies loans and other credits (including accrued interest) that past due for at least six months as overdue loans.

Overdue loans (except other credits) are classified as discounts and loans, and the remaining are classified as other financial assets.

j. Securities purchased/sold under resell/repurchase agreements

Securities purchased under resell agreements and securities sold under repurchase agreements are generally treated as collateralized financing transactions. Interest earned on resell agreements or interest incurred on repurchase agreements is recognized as interest revenue or interest expense on an accrual basis.

k. Investment properties

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

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

Any gain or loss recognized on derecognition of the investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the investment property is derecognized.

l. Properties and equipment

Properties and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Freehold land which is not depreciated. Depreciation is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in the estimate accounted for on a prospective basis.

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

m. Assets held for sale

Assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale should be expected to qualify for recognition as a completed sale within 1 year from the date of classification.

Assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Such assets classified as held for sale are not depreciated.

n. Leases

At the inception of a contract, the Company assesses whether the contract is a lease.

For a contract that contains a lease component and non-lease components, the Company allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Company subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Company, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms. Lease modification that resulted from a negotiation with a lessee is accounted for as a new lease from the effective date of modification.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets, except for those that meet the definition of investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Company by the end of the lease terms or if the costs of right-of-use assets reflect that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

o. Goodwill

Goodwill (part of intangible assets) 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.

p. Intangible assets other than goodwill

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Unless the Company expects to dispose of an intangible asset before the end of its useful life, the residual value of an intangible asset with limited useful life is estimated to be zero. Effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

## 2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

## 3) Derecognition of intangible assets

Gains or losses recognized on derecognition of an intangible asset is the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the asset is derecognized.

### q. Impairment of property and equipment, right-of-use assets, investment properties and intangible assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its property and equipment, right-of-use asset, investment properties and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. If asset impairment loss reverses, the increase in the carrying amount resulting from reversal is credited to earnings. However, loss reversal should not be more than the carrying amount (net of depreciation or amortization) had the impairment loss not been recognized.

### r. Foreclosed collaterals

Foreclosed collaterals (part of other assets) are recorded at the fair value on recognition and recorded at the lower of cost or net fair value as of the balance sheet date. Net fair value falling below book value indicates impairment, and impairment loss should be recognized. If the net fair value recovers, the recovery of impairment loss is recognized as gain. For foreclosed collaterals that should have been disposed of in the statutory term, unless the disposal period is prolonged, an additional provision for losses should be made and impairment loss should be recognized, as required under a FSC directive.

### s. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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

### t. Revenue recognition

Interest revenue on loans is recorded on an accrual basis. Under the guidance of the FSC, no interest revenue is recognized on loans that are classified as overdue loans. The interest revenue on these loans is recognized upon collection of the loans and credits.

Service fees are recognized when a major part of the earnings process is completed and cash is collected.

Dividend income from investments is recognized when the stockholder's right to receive payment has been established and provided that it is probable that the economic benefits will flow to the Company and that the amount of income can be measured reliably.

The points earned by customers under loyalty program are treated as multiple-element arrangements, in which consideration is allocated to the goods or services and the award credits based on fair value through the eyes of the customer. The consideration is not recognized in earnings at the original sales transactions but at the time when the points are redeemed and the Company's obligation is fulfilled.

u. Employee benefits

1) Short-term employee benefits

Short-term and non-discounted employee benefits are recognized as expenses in the current period as services are rendered.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

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

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

v. Share-based payment

The Company's employees subscribed for the reserved shares of E.SUN Financial Holding Company, Ltd., (ESFHC) in accordance with the Financial Holding Company Act, and the Company recognized the fair value of the stock options under salary expenses and under capital surplus for share-based payment on the grant date, i.e., the date when the Company and its employees made an agreement for the employees to subscribe for ESFHC's shares.

w. Taxation

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

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

## 2) Deferred tax

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. If a temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences, the resulting deferred tax asset or liability is not recognized. In addition, a deferred tax liability is not recognized on taxable temporary differences arising from the initial recognition of goodwill.

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

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

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

The Company has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Company neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

## 3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

ESFHC and subsidiaries elected to file consolidated tax returns for periods starting in 2003. However, since the Bank applied the accounting treatment mentioned in the preceding paragraph to income tax, any distribution of cash payments and receipts among the consolidated group members is recorded as current tax assets or current tax liabilities.

x. Business combinations

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

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

Business combination involving entities under common control is not accounted for by acquisition method but accounted for at the carrying amounts of the entities. Prior period comparative information in the financial statements is restated as if a business combination involving entities under common control had already occurred in that period.

y. Government grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Company recognizes as expenses the related costs that the grants intend to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they are received.

## **5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

#### Estimated impairment of loans

The provision for impairment of loans is based on assumptions about probability of default and loss given default. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's historical experience, existing market conditions as well as forward looking estimates as of end of each reporting period.

In the calculation of the 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, a material impairment loss may arise.

## 6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Cash on hand	\$ 15,589,624	\$ 18,642,047
Checks for clearing	1,713,371	2,249,354
Due from banks	25,697,723	41,349,373
Cash in transit	<u>14,258</u>	<u>28,850</u>
	43,014,976	62,269,624
Less: Allowance for possible losses	<u>(23,455)</u>	<u>(23,729)</u>
	<u>\$ 42,991,521</u>	<u>\$ 62,245,895</u>

Reconciliations of cash and cash equivalents between the consolidated statements of cash flows and the consolidated balance sheets as of December 31, 2025 and 2024 are shown in the consolidated statements of cash flows.

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

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Deposit reserves - account A	\$ 76,066,900	\$ 67,792,175
Deposit reserves - account B	90,847,865	84,117,233
Reserves for deposits - foreign currency deposits	808,368	737,775
Due from the Central Bank - other	28,170,093	18,842,143
Deposit in the Central Bank - deposits of government agencies	4,731	4,793
Call loans to banks	<u>166,499,608</u>	<u>94,418,766</u>
	362,397,565	265,912,885
Less: Allowance for possible losses	<u>(17,929)</u>	<u>(56,522)</u>
	<u>\$ 362,379,636</u>	<u>\$ 265,856,363</u>

As required by law, the deposit reserves are calculated by applying the prescribed rates to the average monthly balances of various types of deposit accounts. The deposit reserves - account B is subject to withdrawal restrictions, but deposit reserves - account A and foreign-currency deposit reserves may be withdrawn anytime.

Under the “Directions for a National Treasury Agent Bank Acting on Behalf of the Central Bank of the Republic of China Handling National Treasury Matters,” the Bank redeposits 60% of the receipts of deposit of government agencies in the Central Bank of the Republic of China, and the amount is subject to withdrawal restrictions.

Refer to Note 39 for information relating to deposit reserves pledged as security.

## 8. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Financial assets mandatorily classified as at fair value through profit or loss</u>		
Negotiable certificates of deposit	\$ 16,049,286	\$ 16,112,757
Commercial paper	150,901,050	125,813,112
Treasury bills	4,970,185	-
Corporate bonds	29,719,190	39,896,712
Bank debentures	30,789,285	38,616,424
Stocks and mutual funds	1,305,329	1,148,558
Currency swap contracts	18,523,364	30,489,772
Interest rate swap contracts	14,898,675	18,986,982
Currency option contracts	1,945,196	3,118,349
Forward contracts	741,744	1,565,963
Futures exchange margins	268,702	123,240
Non-deliverable forward contracts	576,103	372,499
Cross-currency swap contracts	217,603	116,026
Interest rate option contracts	51,354	-
	<u>\$ 270,957,066</u>	<u>\$ 276,360,394</u>
<u>Held-for-trading financial liabilities</u>		
Currency swap contracts	\$ 15,191,057	\$ 19,633,929
Interest rate swap contracts	21,117,906	25,472,409
Currency option contracts	2,154,242	3,386,401
Forward contracts	942,255	1,355,392
Non-deliverable forward contracts	506,154	166,534
Cross-currency swap contracts	221,561	223,509
Credit default swap contracts	19,171	33,868
Interest rate option contracts	1,430,172	360,585
Equity swap contracts	-	23
	<u>41,582,518</u>	<u>50,632,650</u>
<u>Financial liabilities designated as at fair value through profit or loss</u>		
Bank debentures (Note 26)	<u>42,136,429</u>	<u>41,420,789</u>
	<u>\$ 83,718,947</u>	<u>\$ 92,053,439</u>

The Company engages in derivative transactions mainly to accommodate customers' needs, manage its exposure positions and hedge against its exchange rate and interest rate exposures as well as its credit risks as a bondholder.

The contract (nominal) amounts of derivative transactions by the Company as of December 31, 2025 and 2024 were as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Currency swap contracts	\$ 1,515,237,615	\$ 1,733,359,383
Interest rate swap contracts	950,351,038	792,778,989
Currency option contracts	506,643,098	561,839,003
Interest rate option contracts	87,273,280	12,311,600
Forward contracts	108,944,302	95,639,779
Non-deliverable forward contracts	36,986,355	23,768,758
Cross-currency swap contracts	18,810,311	18,300,803
Credit default swap contracts	2,103,270	3,077,900
Interest rate futures contracts	1,404,539	776,534
Stock option contracts	-	16,395
Equity swap contracts	-	16,395

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

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Investments in equity instruments at FVTOCI	\$ 28,807,565	\$ 23,677,911
Investments in debt instruments at FVTOCI	<u>383,091,344</u>	<u>358,399,893</u>
	<u>\$ 411,898,909</u>	<u>\$ 382,077,804</u>

##### a. Investments in equity instruments at FVTOCI

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Listed shares and emerging stocks	\$ 27,271,547	\$ 22,201,578
Unlisted shares	<u>1,536,018</u>	<u>1,476,333</u>
	<u>\$ 28,807,565</u>	<u>\$ 23,677,911</u>

These investments in equity instruments are not held for trading. Instead, they are held for long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI.

In 2025 and 2024, the Company sold shares of stocks for \$16,244,731 thousand and \$15,989,587 thousand, respectively, for the return on investment positions and risk management. The related other equity - unrealized gains of \$319,002 thousand and \$1,448,189 thousand on financial assets at FVTOCI were transferred to retained earnings, respectively.

Dividend income of \$1,546,282 thousand and \$1,091,880 thousand were recognized in profit or loss for the years ended December 31, 2025 and 2024, respectively. The dividends related to investments held at the end of the reporting period were \$1,193,359 thousand and \$774,460 thousand, respectively.

As of December 31, 2025, investments in equity instruments at FVTOCI had been loaned out under security lending agreement with the fair value of \$71,430 thousand respectively.

b. Investments in debt instruments at FVTOCI

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Bank debentures	\$ 154,796,080	\$ 147,464,715
Government bonds	29,223,648	41,966,705
Corporate bonds	123,387,363	111,529,249
Overseas bonds	37,067,946	54,069,488
Negotiable certificates of deposit	8,945,714	2,006,754
Discounted notes	87,110	420,138
Securitization products	<u>29,583,483</u>	<u>942,844</u>
	<u>\$ 383,091,344</u>	<u>\$ 358,399,893</u>

As of December 31, 2025 and 2024, the investments in debt instruments at FVTOCI, which amounted to \$11,919,906 thousand and \$21,025,705 thousand, respectively, had been sold under repurchase agreements.

Refer to Note 41 for information relating to their credit risk management and impairment.

Refer to Note 39 for information relating to investments in debt instruments at FVTOCI pledged as security.

**10. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST**

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Overseas bonds	\$ 62,230,906	\$ 56,563,251
Bank debentures	70,453,823	67,891,293
Corporate bonds	25,152,466	25,831,054
Negotiable certificates of deposit	261,095,000	292,130,000
Government bonds	23,822,014	23,857,142
Securitization products	<u>80,470,538</u>	<u>17,995,486</u>
	523,224,747	484,268,226
Less: Allowance for impairment loss	<u>(31,649)</u>	<u>(36,644)</u>
	<u>\$ 523,193,098</u>	<u>\$ 484,231,582</u>

As of December 31, 2025 and 2024, the investments in debt instruments at amortized cost, which amounted to \$24,185,259 thousand and \$18,911,009 thousand, respectively, had been sold under repurchase agreements.

Refer to Note 41 for information relating to their credit risk management and impairment.

Refer to Note 39 for information relating to investments in debt instruments at amortized cost pledged as security.

## 11. FINANCIAL INSTRUMENTS FOR HEDGING

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Financial assets for hedging</u>		
Fair value hedge - interest rate swaps	\$ 49,104	\$ 81,705
<u>Financial liabilities for hedging</u>		
Fair value hedge - call loans from banks	\$ 2,207,700	\$ -
Fair value hedge - interest rate swaps	<u>266,693</u>	<u>79,543</u>
	<u>\$ 2,474,393</u>	<u>\$ 79,543</u>

### Fair value hedge

The debt instruments held by the Company may be subject to the risk of fair value fluctuations due to changes in interest rates; as the Company assessed that this risk may be material and entered into interest rate swap contracts.

The foreign currency-denominated equity instruments held by the Company may be subject to the risk of fair value fluctuations due to changes in exchange rates; as the Company assessed that this risk may be material and designated call loans from other banks in the same currency for hedging.

The Company's fair value hedging information is summarized as follows:

### December 31, 2025

Hedging Instrument	Contract Amount	Maturity	Line Item in Balance Sheet	Carrying Amount		Change in Value Used for Calculating Hedge Ineffectiveness
				Assets	Liabilities	
Fair value hedge						
Interest rate swap contracts	\$ 21,608,898	2027.3.8- 2035.05.02	Financial assets and liabilities for hedging	\$ 49,104	\$ (266,693)	\$ (219,829)
Call loans from banks	2,207,700	2026.01.20	Financial liabilities for hedging	-	(2,207,700)	14,364
Hedged Item				Carrying Amount of Assets	Accumulated Amount of Fair Value Hedge Adjustments of Assets	Change in Value Used for Calculating Hedge Ineffectiveness
Fair value hedge						
Interest rate risk						
Financial assets at FVTOCI				\$ 21,220,408	\$ 217,658	\$ 219,829
Exchange rate risk						
Financial assets at FVTOCI				2,440,538	(14,364)	14,364

December 31, 2024

Hedging Instrument	Contract Amount	Maturity	Line Item in Balance Sheet	Carrying Amount		Change in Value Used for Calculating Hedge Ineffectiveness
				Assets	Liabilities	
Fair value hedge Interest rate swap contracts	\$ 6,853,110	2027.3.8- 2031.12.12	Financial assets and liabilities for hedging	\$ 81,705	\$ (79,543)	\$ 189,139

Hedged Item	Carrying Amount of Assets	Accumulated Amount of Fair Value Hedge Adjustments of Assets	Change in Value Used for Calculating Hedge Ineffectiveness
Fair value hedge Interest rate risk Financial assets at FVTOCI	\$ 6,680,902	\$ (2,171)	\$ (190,423)

For the year ended December 31, 2025

Impact on Comprehensive Income	Amount of Hedge Ineffectiveness Recognized in Comprehensive Income (Loss)	Line Item in Which Hedge Ineffectiveness Is Included in Comprehensive Income
Fair value hedge Interest rate risk Financial assets at FVTOCI	\$ 77	Other non-interest gains, net

For the year ended December 31, 2024

Impact on Comprehensive Income	Amount of Hedge Ineffectiveness Recognized in Comprehensive Income (Loss)	Line Item in Which Hedge Ineffectiveness Is Included in Comprehensive Income
Fair value hedge Interest rate risk Financial assets at FVTOCI	\$ 1,349	Other non-interest gains, net

**12. SECURITIES PURCHASED UNDER RESELL AGREEMENTS**

Securities acquired for \$26,182,725 thousand and \$29,266,642 thousand under resell agreements as of December 31, 2025 and 2024, respectively, would subsequently be sold for \$26,285,699 thousand and \$29,360,400 thousand, respectively.

### 13. RECEIVABLES, NET

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Receivables on credit cards	\$ 103,698,507	\$ 101,387,117
Accounts receivable factored without recourse	12,830,632	9,524,006
Accrued interest	16,916,880	15,071,431
Accounts receivable	6,041,678	3,590,394
Acceptances	2,451,281	3,577,294
Others	<u>2,448,926</u>	<u>2,110,514</u>
	144,387,904	135,260,756
Less: Allowance for possible losses	<u>(2,525,952)</u>	<u>(2,125,842)</u>
	<u>\$ 141,861,952</u>	<u>\$ 133,134,914</u>

The changes in allowance for possible losses of receivables were as follows:

#### For the year ended December 31, 2025

Allowance for Possible Losses	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit- impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under Regulations	Total
Balance at January 1, 2025	\$ 16,660	\$ 11,668	\$ 1,056,358	\$ 1,084,686	\$ 1,041,156	\$ 2,125,842
Changes of financial instruments recognized at the beginning of the reporting period						
Transfers to						
Lifetime ECLs	(51)	738	(687)	-	-	-
Credit-impaired financial assets	(205)	(7,422)	7,627	-	-	-
12-month ECLs	4,437	(2,372)	(2,065)	-	-	-
Derecognition of financial assets in the reporting period	(2,988)	(1,211)	(41,164)	(45,363)	-	(45,363)
New financial assets purchased or originated	3,300	2,872	32,919	39,091	-	39,091
Difference of impairment loss under regulations	-	-	-	-	706,577	706,577
Write-offs	-	-	(964,769)	(964,769)	-	(964,769)
Recovery of written-off receivables	-	-	511,804	511,804	-	511,804
Changes in model or risk parameters	(15,135)	2,867	189,097	176,829	-	176,829
Changes in exchange rates or others	<u>(84)</u>	<u>(14)</u>	<u>371</u>	<u>273</u>	<u>(24,332)</u>	<u>(24,059)</u>
Balance at December 31, 2025	<u>\$ 5,934</u>	<u>\$ 7,126</u>	<u>\$ 789,491</u>	<u>\$ 802,551</u>	<u>\$ 1,723,401</u>	<u>\$ 2,525,952</u>

#### For the year ended December 31, 2024

Allowance for Possible Losses	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit- impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under Regulations	Total
Balance at January 1, 2024	\$ 83,054	\$ 41,805	\$ 743,088	\$ 867,947	\$ 859,755	\$ 1,727,702
Changes of financial instruments recognized at the beginning of the reporting period						
Transfers to						
Lifetime ECLs	(331)	685	(354)	-	-	-
Credit-impaired financial assets	(1,008)	(19,651)	20,659	-	-	-
12-month ECLs	10,245	(8,007)	(2,238)	-	-	-
Derecognition of financial assets in the reporting period	(5,962)	(12,113)	(34,848)	(52,923)	-	(52,923)

(Continued)

<b>Allowance for Possible Losses</b>	<b>12-month ECLs</b>	<b>Lifetime ECLs</b>	<b>Lifetime ECLs (Credit-impaired Financial Assets)</b>	<b>Impairment Loss under IFRS 9</b>	<b>Difference of Impairment Loss under Regulations</b>	<b>Total</b>
New financial assets purchased or originated	\$ 3,006	\$ 2,852	\$ 34,021	\$ 39,879	\$ -	\$ 39,879
Difference of impairment loss under regulations	-	-	-	-	172,815	172,815
Write-offs	-	-	(575,983)	(575,983)	-	(575,983)
Recovery of written-off receivables	-	-	409,473	409,473	-	409,473
Changes in model or risk parameters	(72,156)	6,076	460,119	394,039	-	394,039
Changes in exchange rates or others	(188)	21	2,421	2,254	8,586	10,840
Balance at December 31, 2024	<u>\$ 16,660</u>	<u>\$ 11,668</u>	<u>\$ 1,056,358</u>	<u>\$ 1,084,686</u>	<u>\$ 1,041,156</u>	<u>\$ 2,125,842</u>

(Concluded)

The changes in gross carrying amount of receivables were as follows:

For the year ended December 31, 2025

<b>Gross Carrying Amount</b>	<b>12-month ECLs</b>	<b>Lifetime ECLs</b>	<b>Lifetime ECLs (Credit-impaired Financial Assets)</b>	<b>Total</b>
Balance at January 1, 2025	\$ 131,133,123	\$ 461,122	\$ 3,666,511	\$ 135,260,756
Transfers to				
Lifetime ECLs	(251,645)	253,773	(2,128)	-
Credit-impaired financial assets	(1,142,742)	(281,942)	1,424,684	-
12-month ECLs	101,881	(97,864)	(4,017)	-
Derecognition of financial assets in the reporting period	(21,102,354)	(64,027)	(895,442)	(22,061,823)
New financial assets purchased or originated	31,926,935	96,986	133,831	32,157,752
Write-offs	-	-	(964,769)	(964,769)
Changes in exchange rates or others	(5,084)	14	1,058	(4,012)
Balance at December 31, 2025	<u>\$ 140,660,114</u>	<u>\$ 368,062</u>	<u>\$ 3,359,728</u>	<u>\$ 144,387,904</u>

For the year ended December 31, 2024

<b>Gross Carrying Amount</b>	<b>12-month ECLs</b>	<b>Lifetime ECLs</b>	<b>Lifetime ECLs (Credit-impaired Financial Assets)</b>	<b>Total</b>
Balance at January 1, 2024	\$ 122,896,547	\$ 409,595	\$ 3,042,150	\$ 126,348,292
Transfers to				
Lifetime ECLs	(348,603)	350,300	(1,697)	-
Credit-impaired financial assets	(1,031,472)	(181,569)	1,213,041	-
12-month ECLs	93,461	(78,964)	(14,497)	-
Derecognition of financial assets in the reporting period	(18,918,163)	(131,564)	(159,311)	(19,209,038)
New financial assets purchased or originated	28,391,493	93,196	159,807	28,644,496
Write-offs	-	-	(575,983)	(575,983)
Changes in exchange rates or others	49,860	128	3,001	52,989
Balance at December 31, 2024	<u>\$ 131,133,123</u>	<u>\$ 461,122</u>	<u>\$ 3,666,511</u>	<u>\$ 135,260,756</u>

## 14. DISCOUNTS AND LOANS, NET

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Loans		
Short-term	\$ 408,891,429	\$ 322,896,130
Medium-term	744,812,635	656,817,050
Long-term	1,476,499,106	1,356,813,933
Overdue loans	3,084,087	2,580,655
Bills negotiated and discounts	<u>1,877,680</u>	<u>1,435,540</u>
	2,635,164,937	2,340,543,308
Less: Allowance for possible losses	(32,548,236)	(28,644,030)
Adjustments of premium or discount	<u>42,497</u>	<u>(26,020)</u>
	<u>\$ 2,602,659,198</u>	<u>\$ 2,311,873,258</u>

Refer to Note 39 for information relating to discounts and loans pledged as security.

As of December 31, 2025 and 2024, the loan and credit balances of the Bank, for which the accrual of interest revenues were discontinued, amounted to \$2,776,798 thousand and \$2,236,069 thousand, respectively. The unrecognized interest revenues on these loans and credits of the Bank were \$75,275 thousand and \$81,434 thousand for the years ended December 31, 2025 and 2024, respectively.

The changes in allowance for possible losses of discount and loans were as follows:

### For the year ended December 31, 2025

Allowance for Possible Losses	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit- impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under Regulations	Total
Balance at January 1, 2025	\$ 1,348,901	\$ 1,878,964	\$ 2,559,760	\$ 5,787,625	\$ 22,856,405	\$ 28,644,030
Changes of financial instruments recognized at the beginning of the reporting period						
Transfers to						
Lifetime ECLs	(4,925)	9,708	(4,783)	-	-	-
Credit-impaired financial assets	(14,809)	(213,611)	228,420	-	-	-
12-month ECLs	933,992	(927,516)	(6,476)	-	-	-
Derecognition of financial assets in the reporting period	(631,422)	(54,256)	(169,132)	(854,810)	-	(854,810)
New financial assets purchased or originated	919,948	415,622	312,548	1,648,118	-	1,648,118
Difference of impairment loss under regulations	-	-	-	-	3,409,023	3,409,023
Write-offs	-	-	(1,870,565)	(1,870,565)	-	(1,870,565)
Recovery of written-off credits	-	-	648,306	648,306	-	648,306
Changes in model or risk parameters	(977,652)	897,045	1,093,789	1,013,182	-	1,013,182
Changes in exchange rates or others	<u>(14,321)</u>	<u>810</u>	<u>2,169</u>	<u>(11,342)</u>	<u>(77,706)</u>	<u>(89,048)</u>
Balance at December 31, 2025	<u>\$ 1,559,712</u>	<u>\$ 2,006,766</u>	<u>\$ 2,794,036</u>	<u>\$ 6,360,514</u>	<u>\$ 26,187,722</u>	<u>\$ 32,548,236</u>

For the year ended December 31, 2024

Allowance for Possible Losses	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under Regulations	Total
Balance at January 1, 2024	\$ 1,683,370	\$ 2,008,523	\$ 3,114,646	\$ 6,806,539	\$ 19,215,666	\$ 26,022,205
Changes of financial instruments recognized at the beginning of the reporting period						
Transfers to						
Lifetime ECLs	(6,669)	21,666	(14,997)	-	-	-
Credit-impaired financial assets	(10,212)	(168,824)	179,036	-	-	-
12-month ECLs	112,948	(89,762)	(23,186)	-	-	-
Derecognition of financial assets in the reporting period	(677,266)	(601,811)	(686,854)	(1,965,931)	-	(1,965,931)
New financial assets purchased or originated	878,558	781,238	447,536	2,107,332	-	2,107,332
Difference of impairment loss under regulations	-	-	-	-	3,511,175	3,511,175
Write-offs	-	-	(1,657,078)	(1,657,078)	-	(1,657,078)
Recovery of written-off credits	-	-	496,576	496,576	-	496,576
Changes in model or risk parameters	(657,876)	(73,183)	699,538	(31,521)	-	(31,521)
Changes in exchange rates or others	26,048	1,117	4,543	31,708	129,564	161,272
Balance at December 31, 2024	<u>\$ 1,348,901</u>	<u>\$ 1,878,964</u>	<u>\$ 2,559,760</u>	<u>\$ 5,787,625</u>	<u>\$ 22,856,405</u>	<u>\$ 28,644,030</u>

The changes in gross carrying amount of discount and loans were as follows:

For the year ended December 31, 2025

Gross Carrying Amount	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit-impaired Financial Assets)	Total
Balance at January 1, 2025	\$ 2,318,510,495	\$ 14,443,356	\$ 7,589,457	\$ 2,340,543,308
Transfers to				
Lifetime ECLs	(7,274,568)	7,335,680	(61,112)	-
Credit-impaired financial assets	(3,273,831)	(831,610)	4,105,441	-
12-month ECLs	5,022,241	(5,007,393)	(14,848)	-
Derecognition of financial assets in the reporting period	(714,473,313)	(3,320,718)	(1,577,987)	(719,372,018)
New financial assets purchased or originated	1,013,457,960	1,579,963	1,252,863	1,016,290,786
Write-offs	-	-	(1,870,565)	(1,870,565)
Changes in exchange rates or others	<u>(520,020)</u>	<u>107,724</u>	<u>(14,278)</u>	<u>(426,574)</u>
Balance at December 31, 2025	<u>\$ 2,611,448,964</u>	<u>\$ 14,307,002</u>	<u>\$ 9,408,971</u>	<u>\$ 2,635,164,937</u>

For the year ended December 31, 2024

Gross Carrying Amount	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit-impaired Financial Assets)	Total
Balance at January 1, 2024	\$ 2,071,718,499	\$ 9,147,051	\$ 8,372,089	\$ 2,089,237,639
Transfers to				
Lifetime ECLs	(4,632,760)	4,898,893	(266,133)	-
Credit-impaired financial assets	(1,879,539)	(538,119)	2,417,658	-
12-month ECLs	1,871,004	(1,608,672)	(262,332)	-
Derecognition of financial assets in the reporting period	(680,061,299)	(2,619,771)	(2,074,950)	(684,756,020)
New financial assets purchased or originated	928,982,750	5,114,471	1,038,634	935,135,855
Write-offs	-	-	(1,657,078)	(1,657,078)
Changes in exchange rates or others	<u>2,511,840</u>	<u>49,503</u>	<u>21,569</u>	<u>2,582,912</u>
Balance at December 31, 2024	<u>\$ 2,318,510,495</u>	<u>\$ 14,443,356</u>	<u>\$ 7,589,457</u>	<u>\$ 2,340,543,308</u>

The provision for bad-debt expenses and provision for losses on commitments and guarantees for the years ended December 31, 2025 and 2024 were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Provision for possible losses on due from banks	\$ 18,468	\$ 19
Provision (reversal of provision) for possible losses on call loans to other banks	(54,035)	49,061
Provision for possible losses on receivables	877,134	553,810
Provision for possible losses on discounts and loans	5,215,513	3,621,055
Provision (reversal of provision) for possible losses on guarantees	125,680	(4,239)
Provision (reversal of provision) for possible losses on financing commitments	<u>174,343</u>	<u>(72,856)</u>
	<u>\$ 6,357,103</u>	<u>\$ 4,146,850</u>

The FSC stipulated that banks should make at least 1.5% provisions each for sound credit assets in mainland China (pertaining to short-term advances for trade finance) and loans for house purchases, renovations and constructions. As of December 31, 2025 and 2024, the Bank was in compliance with the FSC's provision requirement for both types of credit assets.

## 15. UNCONSOLIDATED STRUCTURED ENTITIES

- a. The Bank holds the following unconsolidated structured entities. The fund is from the Bank and an external third-party:

Type of Structured Entity	Characteristic and Purpose	Equity Owned by the Bank
Assets securitization products	Investments in assets securitization product to gain profit	Investments in asset-backed securities issued by unconsolidated structured entities

- b. As of December 31, 2025 and 2024, the carrying amounts of the unconsolidated structured entities recognized by the Bank were as below:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Assets securitization products</u>		
Financial assets at fair value through other comprehensive income	\$ 29,583,483	\$ 942,844
Investments in debt instruments at amortized cost	<u>80,470,538</u>	<u>17,995,486</u>
	<u>\$ 110,054,021</u>	<u>\$ 18,938,330</u>

The maximum exposure to possible loss is the carrying amount of the assets held.

## 16. OTHER FINANCIAL ASSETS, NET

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Due from banks	<u>\$ 6,019,153</u>	<u>\$ 8,538,754</u>

Due from banks were deposits for operating reserve and time deposits with maturities longer than three months.

## 17. PROPERTIES AND EQUIPMENT, NET

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Carrying amount</u>		
Land	\$ 15,084,601	\$ 14,511,410
Buildings	13,276,860	13,606,225
Computers	1,969,882	2,102,130
Transportation equipment	441,336	511,736
Miscellaneous equipment	1,541,454	1,596,081
Prepayments for properties and equipment	<u>885,884</u>	<u>1,229,964</u>
	<u>\$ 33,200,017</u>	<u>\$ 33,557,546</u>

	Land	Buildings	Computers	Transportation Equipment	Miscellaneous Equipment	Prepayments	Total
<u>Cost</u>							
Balance, January 1, 2025	\$ 14,511,410	\$ 20,083,045	\$ 7,694,146	\$ 1,198,736	\$ 4,120,855	\$ 1,229,964	\$ 48,838,156
Additions	381,280	445,731	398,730	31,747	154,913	671,951	2,084,352
Disposals	-	(101,266)	(547,463)	(37,871)	(82,667)	-	(769,267)
Net exchange differences	(14,132)	(26,845)	(7,436)	(2,335)	(24,060)	2,621	(72,187)
Reclassification and others	<u>206,043</u>	<u>(7,717)</u>	<u>164,073</u>	<u>1,151</u>	<u>22,601</u>	<u>(1,018,652)</u>	<u>(632,501)</u>
Balance, December 31, 2025	<u>\$ 15,084,601</u>	<u>\$ 20,392,948</u>	<u>\$ 7,702,050</u>	<u>\$ 1,191,428</u>	<u>\$ 4,191,642</u>	<u>\$ 885,884</u>	<u>\$ 49,448,553</u>
<u>Accumulated depreciation and impairment</u>							
Balance, January 1, 2025	\$ -	\$ (6,476,820)	\$ (5,592,016)	\$ (687,000)	\$ (2,524,774)	\$ -	\$ (15,280,610)
Disposals	-	101,266	547,282	37,535	81,572	-	767,655
Depreciation expenses	-	(766,321)	(694,125)	(102,013)	(221,687)	-	(1,784,146)
Net exchange differences	-	7,443	6,691	1,386	14,701	-	30,221
Reclassification and others	<u>-</u>	<u>18,344</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,344</u>
Balance, December 31, 2025	<u>\$ -</u>	<u>\$ (7,116,088)</u>	<u>\$ (5,732,168)</u>	<u>\$ (750,092)</u>	<u>\$ (2,650,188)</u>	<u>\$ -</u>	<u>\$ (16,248,536)</u>
<u>Cost</u>							
Balance, January 1, 2024	\$ 14,606,655	\$ 19,208,745	\$ 7,591,798	\$ 1,158,001	\$ 3,919,629	\$ 1,271,272	\$ 47,756,100
Additions	-	146,453	288,861	98,556	217,567	742,016	1,493,453
Disposals	-	(41,600)	(290,407)	(73,508)	(145,671)	-	(551,186)
Net exchange differences	21,547	98,843	19,634	3,029	39,829	2,684	185,566
Reclassification and others	<u>(116,792)</u>	<u>670,604</u>	<u>84,260</u>	<u>12,658</u>	<u>89,501</u>	<u>(786,008)</u>	<u>(45,777)</u>
Balance, December 31, 2024	<u>\$ 14,511,410</u>	<u>\$ 20,083,045</u>	<u>\$ 7,694,146</u>	<u>\$ 1,198,736</u>	<u>\$ 4,120,855</u>	<u>\$ 1,229,964</u>	<u>\$ 48,838,156</u>

(Continued)

	Land	Buildings	Computers	Transportation Equipment	Miscellaneous Equipment	Prepayments	Total
Accumulated depreciation and impairment							
Balance, January 1, 2024	\$ -	\$ (5,667,802)	\$ (5,143,763)	\$ (651,373)	\$ (2,407,409)	\$ -	\$ (13,870,347)
Disposals	-	41,600	290,381	72,387	133,010	-	537,378
Depreciation expenses	-	(745,240)	(723,366)	(105,289)	(221,264)	-	(1,795,159)
Net exchange differences	-	(25,403)	(15,268)	(2,725)	(29,111)	-	(72,507)
Reclassification and others	-	(79,975)	-	-	-	-	(79,975)
Balance, December 31, 2024	<u>\$ -</u>	<u>\$ (6,476,820)</u>	<u>\$ (5,592,016)</u>	<u>\$ (687,000)</u>	<u>\$ (2,524,774)</u>	<u>\$ -</u>	<u>\$ (15,280,610)</u>

(Concluded)

Depreciation is calculated by the straight-line method over service lives estimated as follows:

Buildings	
Main buildings	20 to 50 years
Equipment installed in buildings	10 to 15 years
Computers	3 to 8 years
Transportation equipment	4 to 10 years
Miscellaneous equipment	1.5 to 20 years

## 18. LEASE ARRANGEMENTS

### a. Right-of-use assets, net

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Carrying amounts</u>		
Land and superficies royalties	\$ 3,435,694	\$ 3,510,029
Buildings	4,330,063	3,536,884
Office equipment	6,448	10,669
Transportation equipment	<u>10,798</u>	<u>8,351</u>
	<u>\$ 7,783,003</u>	<u>\$ 7,065,933</u>
	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Additions to right-of-use assets	<u>\$ 1,913,296</u>	<u>\$ 1,177,985</u>
Depreciation charge for right-of-use assets		
Land and superficies royalties	\$ 77,954	\$ 77,608
Buildings	1,091,729	1,109,043
Office equipment	4,124	4,485
Transportation equipment	<u>5,505</u>	<u>4,855</u>
	<u>\$ 1,179,312</u>	<u>\$ 1,195,991</u>

The Company has been subleasing part of its acquired superficies and above-ground buildings under operating leases. The related right-of-use assets are presented as investment properties. Please refer to Note 19. The amounts disclosed above with respect to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

Except for the additions, depreciation and sublease recognized above, the Company had no impairment of right-of-use assets during the years ended December 31, 2025 and 2024.

b. Lease liabilities

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Carrying amounts	<u>\$ 5,201,011</u>	<u>\$ 4,420,161</u>

Range of discount rates for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Land	2.08%-7.50%	2.08%
Buildings	0.37%-7.50%	0.37%-7.50%
Office equipment	0.70%-2.98%	0.70%-2.98%
Transportation equipment	1.75%-2.98%	0.73%-2.98%

c. Material lease-in activities and terms

The Company has entered into certain lease contracts with other companies or individuals for the business halls and office space that are required to be rented for operating activities. Rentals are calculated based on the actual number of rented flats and are payable monthly, quarterly or semi-annually. As of December 31, 2025 and 2024, refundable deposits on these leases totaled \$715,670 thousand and \$710,942 thousand, respectively.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties are set out in Note 19.

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Expenses relating to short-term leases	<u>\$ 49,703</u>	<u>\$ 47,724</u>
Expenses relating to low-value asset leases	<u>\$ 651</u>	<u>\$ 520</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 54</u>	<u>\$ -</u>
Total cash outflow for leases	<u>\$ (1,241,629)</u>	<u>\$ (1,243,771)</u>

The Company's leases of certain land, buildings, transportation equipment and other equipment which 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.

## 19. INVESTMENT PROPERTIES, NET

	<b>December 31</b>			
	<b>2025</b>		<b>2024</b>	
Land	\$ 543,312		\$ 437,755	
Buildings	1,185,467		1,170,893	
Right-of-use assets	<u>44,082</u>		<u>45,128</u>	
	<u>\$ 1,772,861</u>		<u>\$ 1,653,776</u>	
	<b>Land</b>	<b>Buildings</b>	<b>Right-of-use Assets</b>	<b>Total</b>
<u>Cost</u>				
Balance, January 1, 2025	\$ 437,755	\$ 1,550,578	\$ 48,788	\$ 2,037,121
Net exchange differences	-	5,387	-	5,387
Reclassification and others	<u>105,557</u>	<u>69,126</u>	<u>-</u>	<u>174,683</u>
Balance, December 31, 2025	<u>\$ 543,312</u>	<u>\$ 1,625,091</u>	<u>\$ 48,788</u>	<u>\$ 2,217,191</u>
<u>Accumulated depreciation and impairment</u>				
Balance, January 1, 2025	\$ -	\$ (379,685)	\$ (3,660)	\$ (383,345)
Depreciation expenses	-	(39,182)	(1,046)	(40,228)
Net exchange differences	-	(2,413)	-	(2,413)
Reclassification and others	<u>-</u>	<u>(18,344)</u>	<u>-</u>	<u>(18,344)</u>
Balance, December 31, 2025	<u>\$ -</u>	<u>\$ (439,624)</u>	<u>\$ (4,706)</u>	<u>\$ (444,330)</u>
<u>Cost</u>				
Balance, January 1, 2024	\$ 421,060	\$ 2,001,341	\$ 48,788	\$ 2,471,189
Disposals	(100,098)	(4,303)	-	(104,401)
Net exchange differences	-	57,487	-	57,487
Reclassification and others	<u>116,793</u>	<u>(503,947)</u>	<u>-</u>	<u>(387,154)</u>
Balance, December 31, 2024	<u>\$ 437,755</u>	<u>\$ 1,550,578</u>	<u>\$ 48,788</u>	<u>\$ 2,037,121</u>
<u>Accumulated depreciation and impairment</u>				
Balance, January 1, 2024	\$ (25)	\$ (395,424)	\$ (2,613)	\$ (398,062)
Depreciation expenses	-	(54,760)	(1,047)	(55,807)
Disposals	25	2,010	-	2,035
Net exchange differences	-	(11,486)	-	(11,486)
Reclassification and others	<u>-</u>	<u>79,975</u>	<u>-</u>	<u>79,975</u>
Balance, December 31, 2024	<u>\$ -</u>	<u>\$ (379,685)</u>	<u>\$ (3,660)</u>	<u>\$ (383,345)</u>

Investment properties (except for land) are depreciated through 36 to 50 years on a straight-line basis.

As of December 31, 2025 and 2024, the fair values of investment properties were \$2,770,334 thousand and \$2,283,472 thousand, respectively. The fair value was classified in Level 3 and was determined using the valuation of discounted cash flow analysis method from external real estate appraiser joint firm (that were not the Company's related parties), and the comparison of price of the comparable property from external appraisal company and the Company's appraisal center.

The revenues generated from the investment properties are summarized as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Rental income from investment properties	\$ 52,593	\$ 61,302
Direct operating expenses of investment properties that generate rental income	(44,218)	(58,759)
Direct operating expenses of investment properties that do not generate rental income	_____ -	_____ (530)
	<u>\$ 8,375</u>	<u>\$ 2,013</u>

Lease agreements on premises occupied by other companies or individuals are operating lease. Rentals are calculated on the basis of the leased areas and are receivable monthly, quarterly or semiannually. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods. As of December 31, 2025 and 2024, refundable deposits on these leases totaled \$13,121 thousand and \$19,391 thousand, respectively (part of guarantee deposits received). The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Year 1	\$ 60,376	\$ 34,708
Year 2	51,067	25,510
Year 3	46,986	22,138
Year 4	44,316	18,057
Year 5	<u>17,903</u>	<u>15,387</u>
	<u>\$ 220,648</u>	<u>\$ 115,800</u>

The Company disposed of two real estate properties in Kaohsiung for the year ended December 31, 2024, with a disposal price of \$721,723 thousand and a disposal gain of \$619,357 thousand (part of other noninterest gains, net).

## 20. INTANGIBLE ASSETS, NET

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Goodwill	\$ 4,502,066	\$ 4,528,871
Computer software	1,685,631	1,489,414
Banking licenses	501,754	523,066
Core deposits	5,597	8,309
Developed technology	5,473	10,946
Customer relationship	3,778	6,486
Carbon credits	<u>490</u>	<u>1,254</u>
	<u>\$ 6,704,789</u>	<u>\$ 6,568,346</u>

	<b>Goodwill</b>	<b>Computer Software</b>	<b>Banking Licenses</b>	<b>Core Deposits</b>	<b>Developed Technology</b>	<b>Customer Relationship</b>	<b>Carbon Credits</b>	<b>Total</b>
Balance, January 1, 2025	\$ 4,528,871	\$ 1,489,414	\$ 523,066	\$ 8,309	\$ 10,946	\$ 6,486	\$ 1,254	\$ 6,568,346
Separate acquisition	-	277,022	-	-	-	-	-	277,022
Amortization expenses	-	(534,498)	-	(2,712)	(5,473)	(2,708)	-	(545,391)
Reclassification and others	-	455,867	-	-	-	-	(764)	455,103
Net exchange differences	<u>(26,805)</u>	<u>(2,174)</u>	<u>(21,312)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,291)</u>
Balance, December 31, 2025	<u>\$ 4,502,066</u>	<u>\$ 1,685,631</u>	<u>\$ 501,754</u>	<u>\$ 5,597</u>	<u>\$ 5,473</u>	<u>\$ 3,778</u>	<u>\$ 490</u>	<u>\$ 6,704,789</u>
Balance, January 1, 2024	\$ 4,488,001	\$ 1,231,286	\$ 490,572	\$ 11,021	\$ 16,418	\$ 9,194	\$ 1,592	\$ 6,248,084
Separate acquisition	-	367,148	-	-	-	-	538	367,686
Amortization expenses	-	(546,656)	-	(2,712)	(5,472)	(2,708)	-	(557,548)
Reclassification and others	-	430,531	-	-	-	-	(876)	429,655
Net exchange differences	<u>40,870</u>	<u>7,105</u>	<u>32,494</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,469</u>
Balance, December 31, 2024	<u>\$ 4,528,871</u>	<u>\$ 1,489,414</u>	<u>\$ 523,066</u>	<u>\$ 8,309</u>	<u>\$ 10,946</u>	<u>\$ 6,486</u>	<u>\$ 1,254</u>	<u>\$ 6,568,346</u>

The above intangible assets with limited useful lives are amortized on a straight-line basis by the useful lives as follows:

Computer software	3 to 10 years
Core deposits	16 years
Developed technology	11 years
Customer relationship	11 to 17 years

In testing assets for impairment, the Company uses as recoverable amounts (a) value in use for an operating segment defined as a CGU and (b) net fair value for an investment property. Goodwill on the acquisition of UCB (the subsidiary), BankPro (the subsidiary), the Kaohsiung Business Bank Co., Ltd., Chu Nan Credit-Cooperative Association and Chiayi The Fourth Credit Cooperative was allocated to operating segments (CGUs with allocated goodwill). The Company estimates the next five years' cash flows of a CGU by taking into consideration the actual performance of each CGU, business cycle, etc. under the going-concern assumption. The discounted present value of cash flows is used to determine the value in use of each CGU. The discount rates for future cash flows of CGUs were determined using the capital asset pricing model (CAPM). The testing for asset impairment showed that no impairment losses had been incurred.

## 21. OTHER ASSETS, NET

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Refundable deposits, net	\$ 22,743,680	\$ 20,815,514
Prepaid expenses	934,439	735,766
Defined benefit assets (Note 29)	1,670,730	1,260,509
Others	<u>30,562</u>	<u>6,029</u>
	<u>\$ 25,379,411</u>	<u>\$ 22,817,818</u>

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

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Call loans from banks	\$ 61,211,120	\$ 74,537,669
Deposits from Chunghwa Post Co., Ltd.	2,276,177	2,276,177
Call loans from the Central Bank	2,201,780	2,295,300
Banks overdrafts	92,589	117,979
Deposits from banks	2,444,062	1,263,309
Deposits from the Central Bank	<u>25,333</u>	<u>33,655</u>
	<u>\$ 68,251,061</u>	<u>\$ 80,524,089</u>

## 23. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Securities sold for \$35,294,971 thousand and \$38,258,144 thousand under repurchase agreements as of December 31, 2025 and 2024, respectively, would subsequently be purchased for \$35,731,634 thousand and \$39,024,590 thousand, respectively.

## 24. PAYABLES

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Checks for clearing	\$ 1,713,371	\$ 2,249,354
Accrued interest	9,460,407	10,054,880
Accounts payable	4,445,064	7,168,168
Accrued expenses	7,687,514	5,768,324
Factored accounts payable	4,693,759	4,756,610
Acceptances	2,467,464	3,628,919
Collections payable	808,160	755,877
Tax payable	721,687	638,513
Interbank remittance clearing payables	1,985,503	1,829,003
Others	<u>1,994,538</u>	<u>2,083,480</u>
	<u>\$ 35,977,467</u>	<u>\$ 38,933,128</u>

## 25. DEPOSITS AND REMITTANCES

	December 31	
	2025	2024
Deposits		
Checking	\$ 20,861,186	\$ 18,167,201
Demand	866,151,558	786,361,716
Savings - demand	850,423,900	795,587,340
Time	1,377,930,881	1,195,583,162
Negotiable certificates of deposit	49,602,851	14,965,511
Savings - time	595,985,053	517,371,837
Treasury deposits	17,426,698	17,156,456
Remittances	<u>1,790,021</u>	<u>1,737,950</u>
	<u>\$ 3,780,172,148</u>	<u>\$ 3,346,931,173</u>

## 26. BANK DEBENTURES

Details of bank debentures issued by the Bank were as follows:

	December 31	
	2025	2024
Two types of subordinated bonds issued on April 30, 2015; interest rate at (a) 1.80% for type A bond and (b) 2.10% for type B bond; interest payable annually for both bond types; principal repayable on maturity (7 years for type A bond and 10 years for type B bond after the issue date).	\$ -	\$ 4,500,000
Two types of subordinated bonds issued on September 29, 2015; interest rate at (a) 1.65% for type A bond and (b) 2.00% for type B bond; interest payable annually for both bond types; principal repayable on maturity (7 years for type A bond and 10 years for type B bond after the issue date).	-	3,650,000
Two types of subordinated bonds issued on March 30, 2018; interest rate at (a) 1.30% for type A bond and (b) 1.55% for type B bond; interest payable annually for both bond types; principal repayable on maturity (7 years for type A bond and 10 years for type B bond after the issue date).	2,000,000	4,000,000
Noncumulative perpetual subordinated bonds issued on January 8, 2020; interest rate at 1.45%; interest payable annually; the Bank may redeem the bond after 5 years and one month from the issue date.	4,000,000	4,000,000
Bonds issued on March 19, 2020; interest rate at 0.58%; interest payable annually; principal repayable on maturity (5 years after the issue date).	-	3,000,000
Two types of bonds issued on October 28, 2021; interest rate at (a) 0.37% for type A bond and (b) 0.47% for type B bond; interest payable annually for both bond types; principal repayable on maturity (3 years for type A bond and 7 years for type B bond after the issue date).	500,000	500,000

(Continued)

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Bonds issued on March 18, 2022; interest rate at 0.71%; interest payable annually; principal repayable on maturity (5 years after the issue date).	\$ 1,100,000	\$ 1,100,000
Two types of subordinated bonds issued on June 15, 2022; interest rate at (a) 1.90% for type A bond and (b) 2.10% for type B bond; interest payable annually for both bond types; principal repayable on maturity (7 years for type A bond and 10 years for type B bond after the issue date).	2,700,000	2,700,000
Bonds issued on July 27, 2022; interest rate at 1.60%; interest payable annually; principal repayable on maturity (3 years after the issue date).	-	7,300,000
Subordinated bonds issued on December 27, 2022; interest rate at 2.30%; interest payable annually; principal repayable on maturity (7 years after the issue date).	2,300,000	2,300,000
Bonds issued on March 16, 2023; interest rate at 1.40%; interest payable annually; principal repayable on maturity (5 years after the issue date).	1,900,000	1,900,000
Bonds issued on November 23, 2023; interest rate at 1.45%; interest payable annually; principal repayable on maturity (5 years after the issue date).	1,000,000	1,000,000
Bonds issued on April 10, 2024; interest rate at 1.50%; interest payable annually; principal repayable on maturity (5 years after the issue date).	1,600,000	1,600,000
Two types of bonds issued on August 20, 2024; interest rate at (a) 1.75% for Type A bond and (b) 1.80% for Type B bond; interest payable annually for both bond types; principal repayable on maturity (3 years for type A bond and 5 years for type B bond after the issue date).	1,100,000	1,100,000
Three types of bonds issued on April 14, 2025; interest rate at (a) 1.80% for type A bond, (b) 1.85% for type B bond, and (c) 1.95% for type C bond; interest payable annually for all bond types; principal repayable on maturity (3 years for type A bond, 5 years for type B bond, and 10 years for type C bond after the issue date).	1,310,000	-
Unsecured bonds issued on July 25, 2025; interest rate at 1.79%; interest payable annually; principal repayable on maturity (3 years after the issue date).	2,000,000	-
Unsecured bonds issued on November 11, 2025; interest rate at 1.65%; interest payable annually; principal repayable on maturity (3 years after the issue date).	<u>2,310,000</u>	<u>-</u>
	<u>\$ 23,820,000</u>	<u>\$ 38,650,000</u> (Concluded)

The Bank designated the bank debentures as at fair value through profit or loss, which are summarized below:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Unsecured USD-denominated subordinated bonds issued on May 27, 2015	\$ 3,665,427	\$ 3,551,603
Unsecured noncumulative perpetual USD-denominated subordinated bonds issued on May 27, 2015	1,161,752	1,374,908
Unsecured USD-denominated subordinated bonds issued on October 28, 2015	2,686,137	2,597,138
Unsecured noncumulative perpetual USD-denominated subordinated bonds issued on October 28, 2015	646,098	742,251
Unsecured USD-denominated subordinated bonds issued on January 22, 2016	10,032,900	9,734,226
Unsecured noncumulative perpetual USD-denominated subordinated bonds issued on January 22, 2016	5,734,168	5,469,366
Unsecured USD-denominated subordinated bonds issued on June 6, 2016	3,067,768	3,050,555
Unsecured noncumulative perpetual USD-denominated subordinated bonds issued on June 6, 2016	2,271,780	2,183,661
Unsecured noncumulative perpetual USD-denominated subordinated bonds issued on December 29, 2016	2,154,879	2,097,659
Unsecured USD-denominated bonds issued on May 19, 2017	1,835,744	1,828,079
Unsecured USD-denominated bonds issued on November 21, 2017	3,984,008	4,013,913
Unsecured noncumulative perpetual USD-denominated subordinated bonds issued on February 12, 2018	4,823,634	4,702,473
Unsecured USD-denominated redeemable interest rate-linked structured products with a 3-year maturity issued on January 26, 2024	<u>72,134</u>	<u>74,957</u>
	<u>\$ 42,136,429</u>	<u>\$ 41,420,789</u>

On May 27, 2015, the Bank issued unsecured subordinated bank debentures amounting to US\$85,000 thousand with a 30-year maturity and 0% interest rate. In accordance with the terms of the bank debentures and with the approval of the authorities, the Bank may either redeem the bonds at an agreed-upon price after seven years from the issue date and every five years afterward, or make bond repayments on the maturity date.

On May 27, 2015, the Bank issued unsecured noncumulative perpetual subordinated bank debentures amounting to US\$85,000 thousand with no maturity date and with a 4.97% interest payable annually on July 1 under certain interest payment conditions. In accordance with the terms of the bank debentures and with the approval of the authorities, the Bank may redeem all the bonds after 15 years from the issue date.

On October 28, 2015, the Bank issued unsecured subordinated bank debentures amounting to US\$63,000 thousand with a 30-year maturity and 0% interest rate. In accordance with the terms of the bank debentures and with the approval of the authorities, the Bank may either redeem the bonds at an agreed-upon price after seven years from the issue date and every five years afterward, or make bond repayments on the maturity date.

On October 28, 2015, the Bank issued unsecured noncumulative perpetual subordinated bank debentures amounting to US\$43,000 thousand with no maturity date and with a 5.10% interest payable annually on July 1 under certain interest payment conditions. In accordance with the terms of the bank debentures and with the approval of the authorities, the Bank may redeem all the bonds after 15 years from the issue date.

On January 22, 2016, the Bank issued unsecured subordinated bank debentures amounting to US\$240,000 thousand with a 30-year maturity and 0% interest rate. In accordance with the terms of the bank debentures and with the approval of the authorities, the Bank may either redeem the bonds at an agreed-upon price after seven years from the issue date and every five years afterward, or make bond repayments on the maturity date.

On January 22, 2016, the Bank issued unsecured noncumulative perpetual subordinated bank debentures amounting to US\$240,000 thousand with no maturity date and with a 5.10% interest payable annually on July 1 under certain interest payment conditions. In accordance with the terms of the bank debentures and with the approval of the authorities, the Bank may redeem all the bonds after 15 years from the issue date.

On June 6, 2016, the Bank issued unsecured subordinated bank debentures amounting to US\$95,000 thousand with a 30-year maturity and 0% interest rate. In accordance with the terms of the bank debentures and with the approval of the authorities, the Bank may either redeem the bonds at an agreed-upon price after seven years from the issue date and every five years afterward, or make bond repayments on the maturity date.

On June 6, 2016, the Bank issued unsecured noncumulative perpetual subordinated bank debentures amounting to US\$95,000 thousand with no maturity date and with a 4.41% interest payable annually on July 1 under certain interest payment conditions. In accordance with the terms of the bank debentures and with the approval of the authorities, the Bank may redeem all the bonds after 15 years from the issue date.

On December 29, 2016, the Bank issued unsecured noncumulative perpetual subordinated bank debentures amounting to US\$90,000 thousand with no maturity date and with a 4.85% interest payable annually on July 1 under certain interest payment conditions. In accordance with the terms of the bank debentures and with the approval of the authorities, the Bank may redeem all the bonds after 15 years from the issue date.

On May 19, 2017, the Bank issued unsecured bank debentures amounting to US\$60,000 thousand with a 30-year maturity and 0% interest rate. In accordance with the terms of the bank debentures, the Bank may either redeem the bonds at an agreed-upon price after five years from the issue date and each year afterward, or make bond repayments on the maturity date.

On November 21, 2017, the Bank issued unsecured bank debentures amounting to US\$135,000 thousand with a 30-year maturity and 0% interest rate. In accordance with the terms of the bank debentures, the Bank may either redeem the bonds at an agreed-upon price after five years from the issue date and each year afterward, or make bond repayments on the maturity date.

On February 12, 2018, the Bank issued unsecured noncumulative perpetual subordinated bank debentures amounting to US\$200,000 thousand with no maturity date and with a 4.75% interest payable annually on July 1 under certain interest payment conditions. In accordance with the terms of the bank debentures and with the approval of the authorities, the Bank may redeem all the bonds after 15 years from the issue date.

On January 26, 2024, the Bank issued unsecured foreign exchange-linked structured products amounting to US\$2,300 thousand with a 3-year maturity, and the interest rate is the compounded interest rate of the daily U.S. dollar secured overnight financing rate for the period. The lowest interest rate is 3.20%, and the highest is 5.20%. Interest is calculated and paid quarterly. In addition to the issuer exercising the redemption right, the principal will be repaid in one lump sum on the maturity date.

To hedge against its exposure to interest rate risk due to the issuance of the above bank debentures, the Bank entered into interest rate swap (IRS) contracts, which are measured at fair value. The changes in fair value of the IRS contracts are recognized in profit or loss. To eliminate an accounting mismatch, the Bank also designated the bank debentures as at fair value through profit or loss.

To support sustainable business development and the government's green finance policy, on September 20, 2022, the FSC approved the issuance of unsecured bank debentures amounting to NT\$30 billion (or foreign currency equivalent) with no more than 40 years to maturity and can be issued in installments.

The FSC on January 19 and July 28, 2023, respectively, approved the issuance of unsecured foreign currency bank debentures US\$50,000 thousand (or foreign currency equivalent) and offshore structured products US\$50,000 thousand (or foreign currency equivalent) with no more than 30 years to maturity and can be issued in installments within 10 years to strengthen operating capital and capital structure.

The FSC on August 5, 2025, approved the issuance of unsecured foreign currency bank debentures US\$50,000 thousand (or foreign currency equivalent) can be issued in installments within 10 years to strengthen operating capital and capital structure.

As of the date the consolidated financial statements were authorized for issue, bank debentures amounting to NT\$187.8 billion and US\$147,700 thousand (or foreign currency equivalent) has not yet been issued.

## 27. OTHER FINANCIAL LIABILITIES

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Principal of structured products	\$ 124,697,723	\$ 113,437,295
Guarantee deposits received	2,848,926	4,681,039
Long-term borrowings	323,976	337,737
Short-term borrowings	<u>5,500</u>	<u>-</u>
	<u>\$ 127,876,125</u>	<u>\$ 118,456,071</u>

## 28. PROVISIONS

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Provision for losses on financing commitments	\$ 775,592	\$ 603,439
Provision for losses on guarantees	381,487	257,303
Others	<u>159,441</u>	<u>161,198</u>
	<u>\$ 1,316,520</u>	<u>\$ 1,021,940</u>

The changes in provision for losses on guarantees and financing commitments are summarized below:

### For the year ended December 31, 2025

	<b>12-month ECLs</b>	<b>Lifetime ECLs</b>	<b>Lifetime ECLs (Credit- impaired Financial Assets)</b>	<b>Impairment Loss under IFRS 9</b>	<b>Difference of Impairment Loss under Regulations</b>	<b>Total</b>
Balance at January 1, 2025	\$ 123,808	\$ 28,802	\$ 3,312	\$ 155,922	\$ 704,820	\$ 860,742
Changes of financial instruments recognized at the beginning of the reporting period						
Transfers to						
Lifetime ECLs	(3)	3	-	-	-	-
Credit-impaired financial instruments	-	(1,835)	1,835	-	-	-
12-month ECLs	259	(240)	(19)	-	-	-

(Continued)

	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit- impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under Regulations	Total
Derecognition of financial instruments in the reporting period	\$ (54,635)	\$ (18,972)	\$ (62)	\$ (73,669)	\$ -	\$ (73,669)
New financial instruments purchased or originated	79,141	5	58	79,204	-	79,204
Difference of impairment loss under regulations	-	-	-	-	297,970	297,970
Changes in model or risk parameters	(7,811)	2,349	1,980	(3,482)	-	(3,482)
Changes in exchange rates or others	424	(61)	153	516	(4,202)	(3,686)
Balance at December 31, 2025	<u>\$ 141,183</u>	<u>\$ 10,051</u>	<u>\$ 7,257</u>	<u>\$ 158,491</u>	<u>\$ 998,588</u>	<u>\$ 1,157,079</u>

(Concluded)

### For the year ended December 31, 2024

	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit- impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under Regulations	Total
Balance at January 1, 2024	\$ 149,130	\$ 47,727	\$ 3,190	\$ 200,047	\$ 731,152	\$ 931,199
Changes of financial instruments recognized at the beginning of the reporting period						
Transfers to						
Lifetime ECLs	(38)	49	(11)	-	-	-
Credit-impaired financial instruments	(2)	(3)	5	-	-	-
12-month ECLs	1,481	(1,028)	(453)	-	-	-
Derecognition of financial instruments in the reporting period	(51,299)	(5,802)	(74)	(57,175)	-	(57,175)
New financial instruments purchased or originated	81,079	26	260	81,365	-	81,365
Difference of impairment loss under regulations	-	-	-	-	(31,894)	(31,894)
Changes in model or risk parameters	(57,562)	(12,224)	395	(69,391)	-	(69,391)
Changes in exchange rates or others	1,019	57	-	1,076	5,562	6,638
Balance at December 31, 2024	<u>\$ 123,808</u>	<u>\$ 28,802</u>	<u>\$ 3,312</u>	<u>\$ 155,922</u>	<u>\$ 704,820</u>	<u>\$ 860,742</u>

## 29. POST-EMPLOYMENT BENEFIT PLAN

### a. Defined contribution plan

The pension mechanism under the Labor Pension Act (the "Act") is deemed a defined contribution plan. Under the Act, the Company makes monthly contribution equal to 6% of each employee's monthly salary to employees' pension accounts in the Bureau of Labor Insurance.

The Company recognized expenses of \$488,213 thousand and \$446,445 thousand in the consolidated statements of comprehensive income for the years ended December 31, 2025 and 2024, respectively, in accordance with the defined contribution plan.

### b. Defined benefit plan

The Company has a defined benefit pension plan for all regular employees. Under this plan, the pension is calculated on the basis of an employee's seniority accumulated since the hire date in accordance with the Labor Standards Act.

The Company makes monthly contributions, equal to 2% of salaries and wages, to a pension fund. The fund is deposited in the Bank of Taiwan in the name of the Supervisory Committee of Workers' Retirement Preparation Fund, which manages the fund. The difference between the contributions and the pension costs based on actuarial calculations is deposited in a financial institution in the name of the employees' pension fund administration committee. Starting from July 1, 2005, the Company has made monthly contributions to the pension fund by the foregoing pension calculation for the employees that choose to continue being subject to the Labor Standards Act.

The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau") and the Company has no right to influence the investment policy and strategy. 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 post-employment benefits for employees who conform to post-employment 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.

The amounts included in the consolidated balance sheets in respect of the Company's defined benefit plans are as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Present value of defined benefit obligation	\$ 2,113,546	\$ 1,952,854
Fair value of plan assets	<u>(3,784,276)</u>	<u>(3,213,363)</u>
Provision surplus	<u>\$ (1,670,730)</u>	<u>\$ (1,260,509)</u>
Net defined benefit asset (part of other assets)	<u>\$ 1,670,730</u>	<u>\$ 1,260,509</u>

Movements in net defined benefit liabilities (assets) were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Total</b>
Balance at January 1, 2024	\$ <u>2,006,792</u>	\$ <u>(2,916,238)</u>	\$ <u>(909,446)</u>
Service cost			
Current service cost	10,515	-	10,515
Net interest expense (income)	<u>25,768</u>	<u>(37,787)</u>	<u>(12,019)</u>
Recognized in profit or loss	<u>36,283</u>	<u>(37,787)</u>	<u>(1,504)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(272,092)	(272,092)
Actuarial gain (loss) - changes in population assumptions	(5)	-	(5)
Actuarial gain (loss) - changes in financial assumptions	(37,889)	-	(37,889)
Actuarial gain (loss) - experience adjustments	<u>47,318</u>	<u>-</u>	<u>47,318</u>
Recognized in other comprehensive income	<u>9,424</u>	<u>(272,092)</u>	<u>(262,668)</u>
Contributions from the employer	<u>-</u>	<u>(86,891)</u>	<u>(86,891)</u>
Benefits paid	<u>(99,645)</u>	<u>99,645</u>	<u>-</u>
Balance at December 31, 2024	<u>1,952,854</u>	<u>(3,213,363)</u>	<u>(1,260,509)</u>

(Continued)

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Total</b>
Service cost			
Current service cost	\$ 8,004	\$ -	\$ 8,004
Net interest expense (income)	<u>28,908</u>	<u>(48,063)</u>	<u>(19,155)</u>
Recognized in profit or loss	<u>36,912</u>	<u>(48,063)</u>	<u>(11,151)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(573,554)	(573,554)
Actuarial gain (loss) -changes in population assumptions	(2)	-	(2)
Actuarial gain (loss) - changes in financial assumptions	46,003	-	46,003
Actuarial gain (loss) - experience adjustments	<u>162,868</u>	<u>-</u>	<u>162,868</u>
Recognized in other comprehensive income	<u>208,869</u>	<u>(573,554)</u>	<u>(364,685)</u>
Contributions from the employer	<u>-</u>	<u>(34,385)</u>	<u>(34,385)</u>
Benefits paid	<u>(85,089)</u>	<u>85,089</u>	<u>-</u>
Balance at December 31, 2025	<u>\$ 2,113,546</u>	<u>\$ (3,784,276)</u>	<u>\$ (1,670,730)</u> (Concluded)

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

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

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

	<u>December 31</u>	
	<b>2025</b>	<b>2024</b>
Discount rate	1.25%-1.40%	1.50%-1.65%
Expected rates of return on plan assets	1.25%-1.40%	1.50%-1.65%
Expected rates of future salary increase	3.00%	3.00%

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

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Discount rate(s)		
0.25% increase	<u>\$ (46,003)</u>	<u>\$ (45,851)</u>
0.25% decrease	<u>\$ 47,459</u>	<u>\$ 47,383</u>
Expected rate(s) of salary increase		
0.25% increase	<u>\$ 45,096</u>	<u>\$ 45,280</u>
0.25% decrease	<u>\$ (43,977)</u>	<u>\$ (44,080)</u>

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

As of December 31, 2025 and 2024, the expected contributions to the plan for the next year were \$32,508 thousand and \$30,666 thousand, respectively; the average durations of the defined benefit obligation were 8.88 to 9 years and 9.59 to 10 years, respectively.

### 30. OTHER LIABILITIES

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Advance receipts	\$ 3,581,980	\$ 3,419,279
Deferred revenue	800,599	884,930
Others	<u>67,491</u>	<u>12,024</u>
	<u>\$ 4,450,070</u>	<u>\$ 4,316,233</u>

### 31. NET INTEREST

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Interest revenue		
From discounts and loans	\$ 72,638,403	\$ 67,350,280
From investments	23,131,332	21,073,462
From revolving interests of credit cards	2,254,629	2,148,881
From due from banks and call loans to other banks	6,527,124	7,119,117
Others	<u>2,124,740</u>	<u>1,778,664</u>
	<u>106,676,228</u>	<u>99,470,404</u>
Interest expense		
From deposits	(58,333,029)	(57,942,871)
From due to the Central Bank and other banks	(2,488,544)	(2,426,370)
From issuing bank debentures	(491,903)	(612,875)
From lease liabilities	(81,548)	(71,611)
Others	<u>(4,545,962)</u>	<u>(4,815,911)</u>
	<u>(65,940,986)</u>	<u>(65,869,638)</u>
	<u>\$ 40,735,242</u>	<u>\$ 33,600,766</u>

### 32. SERVICE FEE INCOME, NET

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Service fee income		
From credit cards	\$ 12,302,252	\$ 11,452,897
From trust business	7,622,763	7,500,515
From insurance	6,107,621	5,025,636
From loans	2,961,091	2,509,382
Others	<u>2,771,144</u>	<u>2,745,355</u>
	<u>31,764,871</u>	<u>29,233,785</u>
Service charge		
From agency	(2,204,496)	(2,365,025)
From credit cards	(933,770)	(859,091)
From cross-bank transactions	(350,892)	(346,872)
From computer processing	(682,491)	(421,569)
Others	<u>(825,150)</u>	<u>(785,525)</u>
	<u>(4,996,799)</u>	<u>(4,778,082)</u>
	<u>\$ 26,768,072</u>	<u>\$ 24,455,703</u>

### 33. GAINS (LOSSES) ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>For the Year Ended December 31, 2025</b>				
	<b>Dividend Income</b>	<b>Interest Revenue (Expense)</b>	<b>Gain (Loss) on Disposal</b>	<b>Gain (Loss) on Valuation</b>	<b>Total</b>
Financial assets mandatorily classified as at fair value through profit or loss	\$ 31,368	\$ 6,017,205	\$ 42,475,726	\$ (7,109,031)	\$ 41,415,268
Held-for-trading financial liabilities	-	-	(35,560,229)	12,815,819	(22,744,410)
Financial liabilities designated as at fair value through profit or loss	<u>-</u>	<u>(2,566,470)</u>	<u>-</u>	<u>(1,615,145)</u>	<u>(4,181,615)</u>
	<u>\$ 31,368</u>	<u>\$ 3,450,735</u>	<u>\$ 6,915,497</u>	<u>\$ 4,091,643</u>	<u>\$ 14,489,243</u>
	<b>For the Year Ended December 31, 2024</b>				
	<b>Dividend Income</b>	<b>Interest Revenue (Expense)</b>	<b>Gain (Loss) on Disposal</b>	<b>Gain (Loss) on Valuation</b>	<b>Total</b>
Financial assets mandatorily classified as at fair value through profit or loss	\$ 28,988	\$ 2,846,349	\$ 48,424,877	\$ 5,234,453	\$ 56,534,667
Held-for-trading financial liabilities	-	-	(42,563,593)	(5,685,107)	(48,248,700)
Financial liabilities designated as at fair value through profit or loss	<u>-</u>	<u>(2,661,273)</u>	<u>(6,216)</u>	<u>3,933,946</u>	<u>1,266,457</u>
	<u>\$ 28,988</u>	<u>\$ 185,076</u>	<u>\$ 5,855,068</u>	<u>\$ 3,483,292</u>	<u>\$ 9,552,424</u>

### 34. EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES

	<u>For the Year Ended December 31</u>	
	2025	2024
Employee benefits		
Salaries	\$ 15,804,165	\$ 13,392,011
Insurance	936,969	861,528
Post-employment benefits	488,023	446,340
Others	936,670	878,573
Depreciation expenses	3,003,686	3,046,957
Amortization expenses	545,391	557,548

Under the Articles of Incorporation of the Bank, the Bank accrued employees' compensation and remuneration of directors at the rates 3% and no higher than 0.6%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors (after offsetting accumulated deficit). For the years ended December 31, 2025 and 2024, the employees' compensation was \$1,198,303 thousand and \$935,681 thousand, respectively; and the remuneration of directors was \$67,000 thousand and \$100,000 thousand, respectively.

If there is a change in the amounts before the annual consolidated financial statements were authorized for issue, the differences are recorded in the original year. If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded in the next fiscal year as a change in the accounting estimate.

The employees' compensation and remuneration of directors for the years ended December 31, 2024 and 2023 that have been approved by the board of directors on March 7, 2025 and March 15, 2024, respectively, were as follows:

	<u>For the Year Ended December 31</u>			
	<u>Amounts Approved</u>		<u>Amounts Recognized</u>	
	2024	2023	2024	2023
Employees' compensation - cash	\$ 935,924	\$ 746,453	\$ 935,681	\$ 752,104
Remuneration of directors - cash	75,000	72,000	100,000	80,000

The differences between the approved amounts of employees' compensation and remuneration of directors and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023, respectively, were resulted from a change in the accounting estimate. The differences were recognized in profit or loss for 2025 and 2024, respectively.

The employees' compensation to employees and the remuneration of directors for 2025, which were approved by the board of directors on March 13, 2026, were as follows:

	2025
Employees' compensation - cash	\$ 1,195,378
Remuneration of directors - cash	52,500

Information on the approved amounts of employees' compensation and remuneration of directors is available at the Market Observation Post System website of the TWSE (<http://emops.twse.com.tw>).

### 35. INCOME TAX

a. Income tax recognized in profit or loss

Main components of income tax expense were as follows:

	<b><u>For the Year Ended December 31</u></b>	
	<b>2025</b>	<b>2024</b>
Current tax		
Current year	\$ 6,668,943	\$ 6,024,001
Additional income tax on unappropriated earnings	1,898	994
Prior year's adjustments	<u>(321,508)</u>	<u>(79,191)</u>
	<u>6,349,333</u>	<u>5,945,804</u>
Deferred tax		
Current year	<u>(386,319)</u>	<u>(183,855)</u>
Income tax expense recognized in profit or loss	<u>\$ 5,963,014</u>	<u>\$ 5,761,949</u>

A reconciliation of accounting profit and current income tax expenses was as follows:

	<b><u>For the Year Ended December 31</u></b>	
	<b>2025</b>	<b>2024</b>
Profit before tax from continuing operations	<u>\$ 38,773,294</u>	<u>\$ 30,336,490</u>
Income tax expense calculated at the statutory rate (20%)	\$ 7,754,659	\$ 6,067,298
Nondeductible expenses in determining taxable income	33,825	5,386
Tax-exempt income	(2,177,932)	(830,104)
Land value increment tax	-	6,748
Additional income tax on unappropriated earnings	1,898	994
Unrecognized deductible temporary differences	482,779	302,753
Effect of different tax rate of overseas branches operating in other jurisdictions	189,293	288,065
Adjustments for prior year's income tax	<u>(321,508)</u>	<u>(79,191)</u>
Income tax expense recognized in profit or loss	<u>\$ 5,963,014</u>	<u>\$ 5,761,949</u>

b. Income tax expense recognized directly in equity

	<b><u>For the Year Ended December 31</u></b>	
	<b>2025</b>	<b>2024</b>
Current tax		
Disposals of investments in equity instruments at fair value through other comprehensive income	\$ (17,657)	\$ (8,092)
Deferred tax		
Disposals of investments in equity instruments at fair value through other comprehensive income	<u>17,657</u>	<u>8,092</u>
Income tax expense (benefit) recognized in equity	<u>\$ -</u>	<u>\$ -</u>

c. Income tax recognized in other comprehensive income

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Deferred tax</u>		
In respect of the current year		
Income tax relating to items that will not be reclassified subsequently to profit or loss		
Fair value changes of financial assets in equity instruments at fair value through other comprehensive income	\$ 59,418	\$ (71,551)
Remeasurement of defined benefit plans	398	608
Income tax relating to items that may be reclassified subsequently to profit or loss		
Exchange differences on the translation of financial statements of foreign operations	(277,849)	586,515
Fair value changes of financial assets in debt instruments at fair value through other comprehensive income	<u>192,419</u>	<u>541,815</u>
Income tax expense (benefit) recognized in other comprehensive income	<u>\$ (25,614)</u>	<u>\$ 1,057,387</u>

d. Current tax assets and liabilities

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Current tax assets</u>		
Consolidated tax return receivables	\$ 520,708	\$ 398,690
Prepaid taxes	<u>107,416</u>	<u>51,489</u>
	<u>\$ 628,124</u>	<u>\$ 450,179</u>
<u>Current tax liabilities</u>		
Consolidated tax return payables	\$ 1,505,909	\$ 1,777,452
Income tax payable	<u>778,970</u>	<u>586,474</u>
	<u>\$ 2,284,879</u>	<u>\$ 2,363,926</u>

e. Deferred tax assets and liabilities

Movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2025

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Recognized in Equity	Exchange Difference	Closing Balance
<u>Deferred tax assets</u>						
Temporary differences						
Financial instruments at fair value through profit or loss	\$ 1,927,409	\$ 283,700	\$ -	\$ -	\$ -	\$ 2,211,109
Financial instruments at fair value through other comprehensive income	721,226	-	(511,252)	(17,657)	-	192,317
Allowance for possible losses	142,217	40,418	-	-	1,826	184,461
Payable for annual leave	135,969	17,955	-	-	-	153,924
Other liabilities	80,795	(17,172)	-	-	-	63,623

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Recognized in Equity	Exchange Difference	Closing Balance
Exchange differences on foreign operations	\$ (1)	\$ -	\$ 1	\$ -	\$ -	\$ -
Payable for long-term compensation of employees	42,866	24,804	-	-	-	67,670
Government grant revenues	17,734	(601)	-	-	55	17,188
Unearned revenues	16,129	1,581	-	-	(644)	17,066
Others	<u>69,676</u>	<u>15,785</u>	<u>-</u>	<u>-</u>	<u>(1,601)</u>	<u>83,860</u>
	<u>\$ 3,154,020</u>	<u>\$ 366,470</u>	<u>\$ (511,251)</u>	<u>\$ (17,657)</u>	<u>\$ (364)</u>	<u>\$ 2,991,218</u>
<u>Deferred tax liabilities</u>						
Temporary differences						
Financial instruments at fair value through profit or loss	\$ 1,360,727	\$ (189,597)	\$ -	\$ -	\$ 1,110	\$ 1,172,240
Financial instruments at fair value through other comprehensive income	348,533	137	(259,415)	-	(8,426)	80,829
Intangible assets	603,148	-	-	-	-	603,148
Unrealized foreign exchange gains	467,650	169,010	-	-	-	636,660
Exchange differences on foreign operations	383,372	-	(277,848)	-	-	105,524
Others	<u>63,872</u>	<u>601</u>	<u>398</u>	<u>-</u>	<u>18</u>	<u>64,889</u>
	<u>\$ 3,227,302</u>	<u>\$ (19,849)</u>	<u>\$ (536,865)</u>	<u>\$ -</u>	<u>\$ (7,298)</u>	<u>\$ 2,663,290</u>

(Concluded)

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Recognized in Equity	Exchange Difference	Closing Balance
<u>Deferred tax assets</u>						
Temporary differences						
Financial instruments at fair value through profit or loss	\$ 1,647,767	\$ 279,642	\$ -	\$ -	\$ -	\$ 1,927,409
Financial instruments at fair value through other comprehensive income	880,517	-	(151,199)	(8,092)	-	721,226
Allowance for possible losses	140,854	(3,701)	-	-	5,064	142,217
Payable for annual leave	128,345	7,624	-	-	-	135,969
Other liabilities	53,268	27,527	-	-	-	80,795
Exchange differences on foreign operations	203,142	-	(203,143)	-	-	(1)
Payable for long-term compensation of employees	23,283	19,583	-	-	-	42,866
Government grant revenues	17,747	(617)	-	-	604	17,734
Unearned revenues	17,786	(2,777)	-	-	1,120	16,129
Others	<u>55,930</u>	<u>11,498</u>	<u>(409)</u>	<u>-</u>	<u>2,657</u>	<u>69,676</u>
	<u>\$ 3,168,639</u>	<u>\$ 338,779</u>	<u>\$ (354,751)</u>	<u>\$ (8,092)</u>	<u>\$ 9,445</u>	<u>\$ 3,154,020</u>
<u>Deferred tax liabilities</u>						
Temporary differences						
Financial instruments at fair value through profit or loss	\$ 1,330,400	\$ 28,903	\$ -	\$ -	\$ 1,424	\$ 1,360,727
Financial instruments at fair value through other comprehensive income	31,685	(5,005)	319,065	-	2,788	348,533
Intangible assets	603,148	-	-	-	-	603,148
Unrealized foreign exchange gains	335,899	131,751	-	-	-	467,650
Exchange differences on foreign operations	-	-	383,372	-	-	383,372
Others	<u>64,402</u>	<u>(725)</u>	<u>199</u>	<u>-</u>	<u>(4)</u>	<u>63,872</u>
	<u>\$ 2,365,534</u>	<u>\$ 154,924</u>	<u>\$ 702,636</u>	<u>\$ -</u>	<u>\$ 4,208</u>	<u>\$ 3,227,302</u>

f. Unrecognized deferred tax assets

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Deductible temporary difference	<u>\$ 8,137,842</u>	<u>\$ 6,476,548</u>

- g. The bank's income tax returns through 2019 had been assessed by the tax authorities.
- h. Pillar Two income tax legislation

Among the entities and branches included in the consolidated financial statements of the Bank, Vietnam, Australia, Japan, Singapore, and Hong Kong have enacted or substantively enacted Pillar Two legislation. Specifically, the legislation in Vietnam and Australia took effect on January 1, 2024, Japan's legislation became effective on April 1, 2024, and the legislation in Singapore and Hong Kong took effect on January 1, 2025.

After evaluating the Company's financial information for the year ended December 31, 2025, the assessment concluded that there was no impact on the current period's income tax. The Company will continue to review the impact of Pillar Two legislation on the Company's future financial performance.

### 36. EARNINGS PER SHARE

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

	<b>Amount (Numerator)</b>	<b>Shares (Denominator in Thousands)</b>	<b>Earnings Per Share (Dollars)</b>
<u>For the year ended December 31, 2025</u>			
Basic earnings per share			
Net income	<u>\$ 32,785,555</u>	<u>14,632,000</u>	<u>\$ 2.24</u>
<u>For the year ended December 31, 2024</u>			
Basic earnings per share			
Net income	<u>\$ 24,551,862</u>	<u>14,632,000</u>	<u>\$ 1.68</u>

The number of shares outstanding was retrospectively adjusted to reflect the effects of the stock dividends distributed in the year following earnings appropriation. Due to stock dividends distributed, the earnings per share was retrospectively adjusted as follows:

	<b>Unit: NT\$ Per Share</b>	
	<b>For the Year Ended December 31, 2024</b>	
	<b>Before Retrospective Adjustment</b>	<b>After Retrospective Adjustment</b>
Basic earnings per share	<u>\$ 1.89</u>	<u>\$ 1.68</u>

### 37. EQUITY

#### a. Capital stock

##### Common stock

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Authorized number of shares (in thousands)	<u>14,632,000</u>	<u>12,992,900</u>
Authorized capital	<u>\$ 146,320,000</u>	<u>\$ 129,929,000</u>
Number of shares issued (in thousands)	<u>14,632,000</u>	<u>12,992,900</u>
Common stock issued	<u>\$ 146,320,000</u>	<u>\$ 129,929,000</u>
Common stock issued		
Public offering	\$ 71,290,822	\$ 63,304,710
Private placement	<u>75,029,178</u>	<u>66,624,290</u>
	<u>\$ 146,320,000</u>	<u>\$ 129,929,000</u>

Common stock issued has a NT\$10 par value. Each share has one voting right and the right to receive dividends.

The stockholders resolved to use the 2023 unappropriated earnings of \$12,857,000 thousand as stock dividends consisting of 1,285,700 thousand shares on April 19, 2024. This issuance was approved by the MOEA.

The stockholders resolved to use the 2024 unappropriated earnings of \$16,391,000 thousand as stock dividends consisting of 1,639,100 thousand shares on April 18, 2025. This issuance was approved by the MOEA.

#### b. Capital surplus

Under the Articles of Incorporation of ESFHC, the employees of ESFHC's subsidiaries could be included in the distribution of employees' compensation. Thus, the Bank recognized the estimated distribution of shares to the Bank's employees under both salary expenses and capital surplus at \$996,678 thousand and \$729,137 thousand for the years ended December 31, 2025 and 2024, respectively. Material differences between the estimated amounts and the amounts approved by ESFHC's board of directors before the date the annual consolidated financial statements are authorized for issue are adjusted in the year which the amounts is recognized. If there is a change in the approved amounts after the annual consolidated financial statements were authorized for issue, the differences are recognized in the next fiscal year as a change in accounting estimate. The distributions of employees' stock compensation of 2024 and 2023 approved by the ESFHC's board of directors to the Bank's employees was \$504,054 thousand and \$453,557 thousand under both salary expenses and capital surplus, respectively. The differences between the approved amounts of employees' compensation recognized in the consolidated financial statements resulted from a change in the accounting estimate was adjusted in profit or loss for the years ended December 31, 2025 and 2024.

Under related regulations, capital surplus must be used to offset deficit except capital surplus arising from the issuance of shares (issuance in excess of par value, capital surplus from issuance of common stock for combination and treasury stock transactions) and donation may be used to distribute cash dividends or transfer to common stock. However, any capital surplus transferred to common stock should be within a certain percentage of paid-in capital prescribed by law.

c. Special reserve

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Reclassification of the trading loss reserve and default loss reserve	\$ 83,866	\$ 83,866
The debit balance of other equity	-	2,033,819
Fintech development employee transfer or placement expenditure	<u>218,987</u>	<u>218,987</u>
	<u>\$ 302,853</u>	<u>\$ 2,336,672</u>

Under FSC guidelines, the Bank reclassified its trading loss reserve, which was accrued until December 31, 2010 to special reserve. The reclassification of this special reserve is only permitted in compliance with regulatory requirements; any other use is strictly prohibited.

According to Rule No. 1090150022 issued by the FSC and the directive titled “Questions and Answers for Special Reserve,” the Bank should appropriate to or reverse from its special reserve certain specified amounts. If a contra equity account is reversed, the reversed portion of reserve could be distributed as dividends.

According to Order No. 10510001510 issued by the FSC, a special reserve should be appropriated between 0.5% and 1% of net income after tax when banks appropriate earnings of 2016 through 2018. The special reserve had been appropriated under the stipulation. According to Order No. 10802714560 issued by the FSC, since 2019, the Bank is allowed to reverse the special reserve at the amount of the costs of employee transfer and arrangement and education training for enhancing and cultivating employee competency to respond the need of financial technology development or business development.

d. Appropriation of earnings

Under the Bank’s Articles of Incorporation, where the Bank made a profit in a fiscal year, the profit shall be first utilized for paying all taxes, offsetting deficit of previous years, setting aside a legal reserve and special reserve in accordance with related regulations, setting aside a special reserve if needed, and then any remaining profit together with reversal of special reserve and prior years’ unappropriated earnings, the board of directors shall draw up the appropriation of earnings motion for the approval of stockholders.

To strengthen the financial structure, the Bank shall keep adequate capital in accordance with the Banking Act of ROC and related regulations of the authorities and distribute cash dividends and (or) stock dividends according to its operating plan. However, unless and until the accumulated legal reserve equals the paid-in capital, the maximum cash dividends which may be distributed shall not exceed the legal limit.

Under the Company Act, appropriation of earnings to the legal reserve shall be made until the reserve equals the Bank’s paid-in capital. This reserve should only be used to offset deficit. When the reserve exceeds 25% of the Bank’s paid-in capital, the excess may be used to issue new shares or distribute cash dividends. In addition, the Banking Act limits the appropriation of cash dividends to 15% of the Bank’s paid-in capital. But when the legal reserve equals the Bank’s paid-in capital, this 15% limit may be waived.

Under related regulations, a special reserve is appropriated from the balance of the retained earnings at an amount from the net income and unappropriated earnings that is equal to the debit balance of accounts in the stockholders' equity section. The special reserve should be appropriated from the prior years' unappropriated earnings to the extent of the debit balance accumulated from prior years and such special reserve should not be appropriated. Afterward, if there is any reversal of the decrease in other stockholders' equity, the Bank is allowed to appropriate retained earnings from the reversal amount.

The appropriations of earnings for 2024 and 2023 that were approved in the stockholders' meetings on April 18, 2025 and April 19, 2024, respectively, were as follows:

	<b>Appropriation of Earnings</b>		<b>Dividends Per Share (NT\$)</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Legal reserve	\$ 7,875,623	\$ 5,907,557		
Special reserve	(2,033,819)	(3,067,718)		
Cash dividends	4,000,000	4,000,000	\$ 0.31	\$ 0.34
Stock dividends	16,391,000	12,857,000	1.26	1.10

The appropriation of earnings for 2025 had been proposed by the Bank's board of directors on March 13, 2026. The appropriation and dividends per share were as follows:

	<b>Appropriation of Earnings</b>	<b>Dividends Per Share (NT\$)</b>
Legal reserve	\$ 10,040,470	
Cash dividends	21,948,000	\$ 1.50

The appropriation of earnings for 2025 are subject to the resolution of the stockholders' meeting. Information on earnings appropriation or deficit offsetting is available at the Market Observation Post System website of the TWSE (<http://emops.twse.com.tw>).

e. Non-controlling interests

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Balance, January 1	\$ 194,319	\$ 187,675
Cash dividends distributed by subsidiaries	(17,250)	(17,250)
Attributable to non-controlling interests:		
Net income	24,725	22,679
Exchange differences on the translation of financial statements of foreign operations	(172)	282
Remeasurement of defined benefit plans	<u>610</u>	<u>933</u>
Balance, December 31	<u>\$ 202,232</u>	<u>\$ 194,319</u>

### 38. RELATED-PARTY TRANSACTIONS

E.SUN Financial Holding Company, Ltd. (ESFHC) is the parent company of the Bank and the ultimate controller of the E.SUN Group. All transactions, balances, income and expenses between the Bank and the subsidiaries (related parties of the Bank) are eliminated on a consolidated basis. In addition to those mentioned in Table 2 and in other notes, the significant related-party transactions are summarized as follows:

a. Related parties

<u>Related Party</u>	<u>Relationship with the Company</u>
E.SUN Financial Holding Company, Ltd. (ESFHC)	Parent company
E.SUN Securities Co., Ltd. (E.SUN Securities), E.SUN Venture Capital Co., Ltd. (ESVC), E.SUN Asset Management Co, Ltd. (E.SUN AM) (original PGIM Securities Investment Trust Enterprise) and E.SUN Securities Investment Consulting Corp.	Sister companies
E.SUN Foundation and E.SUN Volunteer & Social Welfare Foundation	Related parties in substance
Others	Key management of the parent company (ESFHC) and the Company and other related parties

b. Significant transactions between the Company and related parties

1) Loans

	<b>Highest Balance (Note)</b>	<b>Ending Balance</b>	<b>Interest Revenue</b>	<b>Interest Rate (%)</b>
For the year ended <u>December 31, 2025</u>				
Sister companies	\$ 70,000	\$ -	\$ 4	
Key management	569,423	506,611	9,356	
Others	<u>5,642,709</u>	<u>5,197,021</u>	<u>90,250</u>	
	<u>\$ 6,282,132</u>	<u>\$ 5,703,632</u>	<u>\$ 99,610</u>	1.50-2.65
For the year ended <u>December 31, 2024</u>				
Key management	\$ 495,589	\$ 460,953	\$ 8,000	
Others	<u>5,176,518</u>	<u>4,304,192</u>	<u>72,611</u>	
	<u>\$ 5,672,107</u>	<u>\$ 4,765,145</u>	<u>\$ 80,611</u>	1.33-2.65

2) Deposits

	<b>Highest Balance (Note)</b>	<b>Ending Balance</b>	<b>Interest Expense</b>	<b>Interest Rate (%)</b>
For the year ended <u>December 31, 2025</u>				
ESFHC	\$ 20,055,211	\$ 427,187	\$ 12,428	
Sister companies	22,709,395	3,781,020	47,342	
Key management	2,035,496	984,355	4,623	
Others	<u>9,805,983</u>	<u>5,065,296</u>	<u>66,008</u>	
	<u>\$ 54,606,085</u>	<u>\$ 10,257,858</u>	<u>\$ 130,401</u>	0-5.90
For the year ended <u>December 31, 2024</u>				
ESFHC	\$ 20,379,486	\$ 1,323,074	\$ 23,173	
Sister companies	13,495,887	3,318,409	42,797	
Key management	1,906,458	1,199,426	4,259	
Others	<u>8,604,834</u>	<u>4,186,744</u>	<u>60,908</u>	
	<u>\$ 44,386,665</u>	<u>\$ 10,027,653</u>	<u>\$ 131,137</u>	0-6.35

Note: The sum of the respective highest balances of each account for the years ended December 31, 2025 and 2024.

3) Lease arrangements - the Bank as lessor

The Bank leases out investment properties to its associate - ESFHC and sister companies under operating leases with lease terms of 5 years.

Unearned revenues (part of other liabilities) were as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Sister companies	<u>\$ 1,910</u>	<u>\$ 1,032</u>

Future lease payment receivables were as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
ESFHC	\$ 51,963	\$ 65,220
Sister companies	<u>65,587</u>	<u>26,707</u>
	<u>\$ 117,550</u>	<u>\$ 91,927</u>

Rental income (part of other noninterest gains, net) was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
ESFHC	\$ 12,626	\$ 6,877
Sister companies	<u>12,151</u>	<u>11,349</u>
	<u>\$ 24,777</u>	<u>\$ 18,226</u>
	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
4) Interest receivable (part of receivables)		
Key management	\$ 443	\$ 431
Others	<u>4,362</u>	<u>3,672</u>
	<u>\$ 4,805</u>	<u>\$ 4,103</u>
5) Consolidated tax return receivables (part of current tax assets)		
ESFHC	<u>\$ 520,708</u>	<u>\$ 398,690</u>
6) Prepaid expense (part of other assets)		
Sister companies	<u>\$ 4,287</u>	<u>\$ 3,020</u>
7) Accounts payable (part of payables)		
Sister companies	<u>\$ 17,520</u>	<u>\$ 138,363</u>
8) Interest payable (part of payables)		
ESFHC	\$ 78	\$ 245
Sister companies	7,441	1,901
Key management	520	491
Others	<u>6,438</u>	<u>5,080</u>
	<u>\$ 14,477</u>	<u>\$ 7,717</u>
9) Remuneration of directors (part of payables)		
ESFHC	<u>\$ 67,000</u>	<u>\$ 100,000</u>
10) Consolidated tax return payables (part of current tax liabilities)		
ESFHC	<u>\$ 1,505,909</u>	<u>\$ 1,777,452</u>

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
11) Guarantee deposits received (part of other financial liabilities)		
ESFHC	\$ 3,196	\$ 3,196
Sister companies	<u>4,528</u>	<u>3,019</u>
	<u>\$ 7,724</u>	<u>\$ 6,215</u>

The Bank's parent company, ESFHC, has filed consolidated corporate tax returns, i.e., including the Bank's income tax return, from 2003, as allowed by certain tax regulations.

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
12) Service fee income (part of service fee income, net)		
ESFHC	\$ 14,610	\$ 2,915
Sister companies	<u>1,249</u>	<u>142</u>
	<u>\$ 15,859</u>	<u>\$ 3,057</u>
13) Rental income from operating assets (part of other noninterest gains, net)		
ESFHC	\$ 134	\$ 148
Sister companies	<u>2,057</u>	<u>2,257</u>
	<u>\$ 2,191</u>	<u>\$ 2,405</u>
14) Donation (part of general and administrative expenses)		
Others - E.SUN Volunteer & Social Welfare Foundation	<u>\$ 65,988</u>	<u>\$ 55,220</u>
15) Other (part of employee benefits, general and administrative expenses)		
ESFHC	\$ 42,000	\$ 92,000
Sister companies	<u>21,920</u>	<u>18,120</u>
	<u>\$ 63,920</u>	<u>\$ 110,120</u>

The above donation is for E.SUN Volunteer & Social Welfare Foundation's social welfare charity.

- 16) In August 2012, E.SUN Volunteer & Social Welfare Foundation entrusted some properties to the Bank. The Bank charged \$511 thousand and \$447 thousand (part of service fee income, net) accordingly for the years ended December 31, 2025 and 2024, respectively.

The Bank has operating lease contracts with related parties, which cover certain office spaces within the Bank's building. The monthly or quarterly rentals, which had been prepaid by the lessees, were based on rentals for buildings near the Bank.

The interest rates shown above are similar to, or approximate, those offered to third parties.

Under the Banking Act, except for consumer loans and government loans, credits extended by the Bank to any related party should be 100% secured, and the terms of credits extended to related parties should be similar to those for third parties.

c. Remuneration of key management

The remuneration of the directors and other key management for the years ended December 31, 2025 and 2024 are summarized as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Salaries and other short-term employment benefits	\$ 296,941	\$ 284,781
Post-employment benefits	<u>2,957</u>	<u>2,236</u>
	<u>\$ 299,898</u>	<u>\$ 287,017</u>

### 39. PLEDGED ASSETS

a. In addition to those mentioned in other notes, pledged securities were as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Investments in debt instruments at amortized cost (face value)	\$ 36,039,007	\$ 33,387,010
Investments in debt instruments at fair value through other comprehensive income (face value)	<u>7,622,390</u>	<u>5,490,200</u>
	<u>\$ 43,661,397</u>	<u>\$ 38,877,210</u>

As of December 31, 2025 and 2024, the foregoing bonds and securities, with aggregate face value of \$21,400,000 thousand and \$20,600,000 thousand, respectively, had been provided as collaterals for day-term overdraft to comply with the clearing system requirement of the Central Bank (CB) of the Republic of China for real-time gross settlement (RTGS). The unused overdraft amount at day's end can also be treated as the Bank's liquidity reserve. For covering its call loans from the CB, the Bank had provided collaterals consisting of securities with aggregate face values of \$5,000,000 thousand as of December 31, 2025 and 2024. It had also provided other securities as collaterals for operating reserve and for meeting the requirements for judiciary provisional seizure.

b. To expand its capital sourcing and enhance its liquidity position, the Bank's Los Angeles Branch obtained access privileges at the Discount Window of the Federal Reserve Bank of San Francisco. The information on the securities and loans pledged by the Branch for this access was as follows:

	<b>(In Thousands of U.S. Dollars)</b>	
<b>Date</b>	<b>Pledged Amount</b>	<b>Collateral Value</b>
December 31, 2025	<u>\$ 250,000</u>	<u>\$ 234,147</u>
December 31, 2024	<u>\$ 175,000</u>	<u>\$ 161,830</u>

- c. As of December 31, 2025 and 2024, UCB has provided US\$2,899 thousand and US\$6,237 thousand, respectively, due from the National Bank of Cambodia as collaterals for guarantees of both loan and settlement accounts in the National Bank of Cambodia in accordance with relevant regulations.

#### 40. CONTINGENCIES AND COMMITMENTS

In addition to those mentioned in other notes, the contingencies and commitments were as follows:

a. E.SUN Bank

As of December 31, 2025, agreements on the acquisition and decoration of buildings and various purchases related to the improvements of existing premises occupied by the Bank's branches amounted to approximately \$3,477,794 thousand, and the remaining unpaid amount was approximately \$2,241,983 thousand.

b. Union Commercial Bank PLC. (UCB)

As of December 31, 2025, decoration of buildings and various purchases related to the improvements of existing premises occupied by UCB amounted to approximately \$57,189 thousand, and the remaining unpaid amount was approximately \$19,471 thousand.

c. E.SUN Bank (China), Ltd. (ESBC)

As of December 31, 2025, decoration of buildings and various purchases related to the improvements of existing premises occupied by ESBC amounted to approximately \$285,062 thousand, and the remaining unpaid amount was approximately \$183,941 thousand.

#### 41. FINANCIAL INSTRUMENTS

a. Fair values of financial instruments that are not measured at fair value

Except as detailed in the following table, the management considers the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

	December 31			
	2025		2024	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
<u>Financial assets</u>				
Investments in debt instruments at amortized cost	\$ 523,193,098	\$ 513,071,417	\$ 484,231,582	\$ 474,896,118
<u>Financial liabilities</u>				
Bank debentures	23,820,000	22,662,749	38,650,000	37,075,793

Fair value hierarchy as of December 31, 2025

	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<u>Financial assets</u>				
Investments in debt instruments at amortized cost	\$ 513,071,417	\$ 5,543,633	\$ 507,527,784	\$ -
<u>Financial liabilities</u>				
Bank debentures	22,662,749	-	22,662,749	-

Fair value hierarchy as of December 31, 2024

	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<u>Financial assets</u>				
Investments in debt instruments at amortized cost	\$ 474,896,118	\$ 74,798,250	\$ 400,097,868	\$ -
<u>Financial liabilities</u>				
Bank debentures	37,075,793	-	37,075,793	-

The fair values of the financial assets and financial liabilities included in the Level 2 categories above have been determined in accordance with income approaches based on a discounted cash flow analysis.

- b. The valuation techniques and assumptions the Company uses for determining fair values were as follows:

The fair values of financial assets and financial liabilities traded on active markets are determined with reference to quoted market prices. When market prices are not available, valuation techniques are applied. The financial data obtained by the Company for making estimations and assumptions for financial instrument valuation is consistent with those used by other market participants to price financial instruments. The fair value of the unlisted stocks held by the Company is determined by using market approach or asset approach.

The Company estimated the fair value of each forward contract on the basis of the exchange rates quoted by Refinitiv on each settlement date. Fair values of interest rate swap contracts and cross-currency swap contracts are calculated using the discounted cash flow method. Fair values of currency option contracts are based on estimates made using the Black Scholes model, binomial method or Monte Carlo simulation. The fair values of futures contracts are calculated using the prices quoted by the futures exchange.

For valuation of debt instruments with no active market, the fair value is determined on the basis of the discounted cash flow method. The Company uses a discount rate approximating the rate of return of financial instruments with similar terms and characteristics, including the credit risk of the debtors, the residual period during which the fixed interest rate prescribed by contracts is accrued, the residual period for principal repayments, and the type of currency (New Taiwan dollars, U.S. dollars, etc.) to be used for payments. As of December 31, 2025 and 2024, the discount rates used ranged from 1.189% to 2.797% and from 1.227% to 2.785%, respectively, for the New Taiwan dollar and from 3.278% to 3.761% and from 3.798% to 4.492%, respectively, for the U.S. dollar.

If there are trade prices or prices quoted by major market players, the latest trade prices and quoted prices are used as the basis for evaluating the fair value of debt instruments, which are classified as investments in debt instruments at amortized cost; otherwise, the Company uses the foregoing valuation techniques to determine fair value.

The Company takes credit/debit valuation adjustments into consideration in order to reflect the credit risk resulted from counterparties and the credit quality of the Company when determining fair values of the financial instruments.

- c. The fair value hierarchies of the Company's financial instruments, which were measured at fair value on a recurring basis, as of December 31, 2025 and 2024, were as follows:

	<b>December 31, 2025</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<u>Financial assets at fair value through profit or loss</u>				
Derivative instruments	\$ 37,222,741	\$ 268,702	\$ 36,954,039	\$ -
Equity instruments	1,255,329	1,255,329	-	-
Debt instruments	60,508,475	-	60,508,475	-
Others	171,970,521	-	171,920,521	50,000
<u>Financial assets at fair value through other comprehensive income</u>				
Equity instruments	28,807,565	27,200,310	-	1,607,255
Debt instruments	383,091,344	39,076,709	344,014,635	-
<u>Financial assets for hedging, net</u>				
Derivative instruments	49,104	-	49,104	-
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative instruments	41,582,518	-	41,582,518	-
Financial liabilities designated as at fair value through profit or loss	42,136,429	-	42,136,429	-
<u>Financial liabilities for hedging, net</u>				
Derivative instruments	266,693	-	266,693	-
	<b>December 31, 2024</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<u>Financial assets at fair value through profit or loss</u>				
Derivative instruments	\$ 54,772,831	\$ 123,240	\$ 54,649,591	\$ -
Equity instruments	1,148,558	1,148,558	-	-
Debt instruments	78,513,136	-	78,513,136	-
Others	141,925,869	-	141,925,869	-
<u>Financial assets at fair value through other comprehensive income</u>				
Equity instruments	23,677,911	22,096,444	-	1,581,467
Debt instruments	358,399,893	81,344,709	277,055,184	-
<u>Financial assets for hedging, net</u>				
Derivative instruments	81,705	-	81,705	-

(Continued)

	<b>December 31, 2024</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<u>Financial liabilities at fair value through profit or loss</u>				
Derivative instruments	\$ 50,632,650	\$ -	\$ 50,632,650	\$ -
Financial liabilities designated as at fair value through profit or loss	41,420,789	-	41,420,789	-
<u>Financial liabilities for hedging, net</u>				
Derivative instruments	79,543	-	79,543	-
				(Concluded)

The Company remeasures the classification of fair value hierarchy at the end of each reporting period to determine whether there is a transfer between levels of the fair value hierarchy.

The source used to measure the fair value of part of bonds held by the Company has been changed from an evaluation price from yield curve information in the market put into the general practice bond evaluation model to a quoted price in an active market. Therefore, it has been reclassified to the Level 1 based on quoted price in an active market. Thus, the bond amounts of \$11,139,868 thousand for the year ended December 31, 2025, were transferred from Level 2 to Level 1.

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. Thus, the bond amounts of \$68,377,458 thousand for the year ended December 31, 2024, were transferred from Level 1 to Level 2.

d. Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2025

	<b>Financial Assets at Fair Value Through Profit or Loss</b>	<b>Financial Assets at Fair Value Through Other Comprehensive Income</b>
Balance at January 1, 2025	\$ -	\$ 1,581,467
Valuation recognized in other comprehensive income	-	26,886
Purchases	50,000	-
Changes in exchange rates	-	(1,098)
Balance at December 31, 2025	<u>\$ 50,000</u>	<u>\$ 1,607,255</u>

For the year ended December 31, 2024

	<b>Financial Assets in Equity Instruments at Fair Value Through Other Comprehensive Income</b>
Balance at January 1, 2024	\$ 1,411,284
Valuation recognized in other comprehensive income	168,676
Changes in exchange rates	<u>1,507</u>
Balance at December 31, 2024	<u>\$ 1,581,467</u>

e. Valuation process on fair value in Level 3

The Company's risk management division is responsible for conducting independent fair value verification, using independent source data to bring the valuation results close to market conditions, confirming that the data sources are independent, reliable, consistent with other data messages, and representing executable prices, and regularly calibrating valuation models and updating input values and data required for the model, as well as any other necessary fair value adjustments, to ensure that the valuation results are reasonable, or referring to the appraisal report issued by an external impartial third party as the basis for the value evaluation.

f. Quantitative information on significant unobservable input (Level 3) in fair value

The significant unobservable inputs of the fair value of financial instruments classified in Level 3 on a recurring basis are as follows:

December 31, 2025

	<b>Fair Value</b>	<b>Valuation Techniques</b>	<b>Significant Unobservable Input</b>	<b>Range (Weighted- average)</b>	<b>The Relation Between Inputs and Fair Value</b>
Financial assets at fair value through profit or loss					
Other investments	\$ 50,000	Asset approach	Lack of liquidity discount	0%	The higher the lack of liquidity, the lower the fair value is
Financial assets at fair value through other comprehensive income					
Investments in equity instruments	569,173	Market approach	Lack of liquidity discount	5%-20%	The higher the lack of liquidity, the lower the fair value is
	205,037	Asset approach	Lack of liquidity discount; allowance of minority interest	20%;10%	The higher the lack of liquidity or the higher the equity dispersion, the lower the fair value is
	833,045	Income approach	Lack of liquidity discount; allowance of minority interest	10%-20%; -	The higher the lack of liquidity or the higher the equity dispersion, the lower the fair value is

December 31, 2024

	Fair Value	Valuation Techniques	Significant Unobservable Input	Range (Weighted-average)	The Relation Between Inputs and Fair Value
Financial assets at fair value through other comprehensive income Investments in equity instruments	\$ 647,433	Market approach	Lack of liquidity discount	5%-20%	The higher the lack of liquidity, the lower the fair value is
	222,186	Asset approach	Lack of liquidity discount; allowance of minority interest	20%;10%	The higher the lack of liquidity or the higher the equity dispersion, the lower the fair value is
	711,848	Income approach	Lack of liquidity discount; allowance of minority interest	10%-20%; -	The higher the lack of liquidity or the higher the equity dispersion, the lower the fair value is

g. Sensitivity analysis of fair value hierarchy classified in Level 3

The fair value measurement of financial instruments is reasonable, although the use of different valuation models or parameters may lead to different results. For financial instruments classified in Level 3, if one parameter changes by 10%, the effects on profit or loss or other comprehensive income for the current period are as follow:

December 31, 2025

	Changes in Fair Value Are Reflected in Profit or Loss for the Current Period		Changes in Fair Value Are Reflected in Other Comprehensive Income for the Current Period	
	Favorable Changes	Unfavorable Changes	Favorable Changes	Unfavorable Changes
Financial assets at fair value through profit or loss Others	\$ 5,000	\$ (5,000)	\$ -	\$ -
Financial assets at fair value through other comprehensive income Investments in equity instruments	-	-	160,726	(160,726)

December 31, 2024

	Changes in Fair Value Are Reflected in Other Comprehensive Income for the Current Period	
	Favorable Changes	Unfavorable Changes
Financial assets at fair value through other comprehensive income Investments in equity instruments	\$ 158,147	\$ (158,147)

- h. Information on financial liabilities designated as at fair value through profit or loss was as follows:

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Difference between carrying amounts and the amounts due on maturity		
Fair value	\$ 42,136,429	\$ 41,420,789
Amounts due on maturity	<u>57,057,904</u>	<u>57,989,540</u>
	<u>\$ (14,921,475)</u>	<u>\$ (16,568,751)</u>
		<b>Change in Fair Values Resulting from Credit Risk Variations</b>
Accumulated amount of change		
As of December 31, 2025		<u>\$ (3,409,111)</u>
As of December 31, 2024		<u>\$ (3,441,163)</u>

The change in fair value of bank debentures resulting from credit risk variation is the difference between the total change in fair value and the change in fair value due to market risk variations of these financial instruments. The change in fair value resulting from market risk variations is calculated using the benchmark yield rate plus a fixed credit spread. The fair values of bank debentures are the present values of future cash flows discounted by the benchmark yield rate quoted in the market as of the balance sheet date plus the credit spread estimated using the interest rates of the debt issuers' borrowings with similar maturities.

- i. Information on financial risk management

1) Risk management

The Bank established the risk management division to draw up the principles and policies of risk management to be followed by each department, to coordinate and monitor the enforcement of risk management policies of each department, and to deliberate whether proposals brought up by each risk-based unit to deal with a variety of issues are suitable for the Bank.

2) Credit risk

Credit risk refers to the Company's exposure to financial losses due to inability of customers or counterparties to meet the contractual obligations on financial instruments. Credit risk exists in both on- and off-balance sheet items. The on-balance sheet exposure to credit risks is mainly in loans and the credit card business, due from other banks, call loans to other banks, investment in debt instrument and derivatives. The off-balance sheet exposure to credit risks is mainly in financial guarantees, acceptance, letter of credits and loan commitments.

To ensure its credit risks fall within the acceptable range, the Company has stipulated in the Guidelines for Credit Risk Management that for all the products provided and businesses conducted, including all on- and off-balance sheet transactions in the banking and trading books, the Company should make a detailed analysis to identify existing and potential credit risks. 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 factored without recourse and credit derivative instruments, etc., the Company

also requires the use of a certain risk management system described in related rules and guidelines. The assessment of asset qualities and provision for possible losses of the overseas operating units, unless regulated by the local authorities, are in accordance with the Company's risk management policies and guidelines.

The measurement and management of credit risks from the Company's main businesses are as follows:

a) Loans and credit card business (including loan commitment and guarantees)

On each reporting date, the Company assesses the change in the default risk of financial assets, as well as consider reasonable and corroborative information that shows the credit risk has increased significantly since initial recognition, including the overdue status of credit assets from clients, actual repayment situation, credit investigation result, announcement of dishonored checks and negotiation of the debts from other financial institutions, or the debtor has reorganized or is likely to reorganize to determine whether the credit risk has increased significantly.

The Company adopts the 12-month ECLs to evaluate the loss allowance of financial instruments whose credit risk do not increase significantly since initial recognition and adopt the lifetime ECLs to evaluate the loss allowance of financial instruments whose credit risk has increased significantly since initial recognition or of that is credit impaired.

The Company considers both the 12-month and lifetime probability of default (PD) of the borrower with the loss given default (LGD), multiplying, the exposure at default (EAD), as well as the impact of time value, to calculate the 12-month ECLs and lifetime ECLs, respectively.

PD refers to the borrower's probability to default and LGD refers to losses caused by the default. The Company applies the PD and LGD to the credit business according to each group's historical information (such as credit loss experience) from internal statistical data, and adjust historical data based on current observable and forward-looking macroeconomic information, then calculate by applying the progressive one factor model respectively.

The Company estimates the account balance based on the ways in repayment and considers the possible survival rate to calculate the EAD. In addition, the Company estimates the 12-month ECLs and lifetime ECLs of loan commitments by considering the portion of the loan commitments expected to be used within 12 months after the reporting date and within expected lifetime based on the guidelines issued by the Bank's Association and Basel Accords to determine the amount of EAD for calculating expected credit losses.

The Company uses the same definitions for default and credit impairment of financial assets. If one or more of the conditions are met, for instance, the financial assets are overdue for more than 90 days, or the credit investigation appears to be abnormal, the Company determines that the financial assets are defaulted and credit impaired.

Credit assets are classified into five categories. In addition to normal credit assets that are classified as sound assets, the unsound assets are classified, on the basis of the valuation of collaterals and the length of time the payments become overdue, as special mention, substandard, with collectability high doubtful and uncollectable. The Company also set up policies for the management of doubtful credits and the collection of overdue debts to deal with collection problems.

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

With the use of statistical method and judgment by experts, the Company has developed a credit rating model for clients. The Company reviews the model periodically to examine if the outcome matches reality and adjusts each parameter to optimize the result. Except the petit credits and residential mortgages, which are assessed by using the credit rating model, consumer loans are assessed individually for default risks.

The Company classifies the credit qualities of corporate loans as strong, medium and weak.

The Company evaluates the credit rating of borrowers at least once a year. In addition, to ensure the estimates used are reasonable and to make sure the outcome calculated matches reality, the Company annually conducts validity test and back testing on the models using data on customers' actual defaults.

b) Due from and call loans to other 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 domestic and foreign credit rating institutes.

c) Investments in debt instruments and derivatives

Investments in debt instruments were classified as at FVTOCI and as at amortized cost.

December 31, 2025

	<b>At FVTOCI</b>	<b>At Amortized Cost</b>	<b>Total</b>
Gross carrying amount	\$ 384,559,422	\$ 523,224,747	\$ 907,784,169
Less: Allowance for impairment loss	<u>(117,161)</u>	<u>(31,649)</u>	<u>(148,810)</u>
Amortized cost	384,442,261	<u>\$ 523,193,098</u>	907,635,359
Adjustments to fair value	<u>(1,350,917)</u>		<u>(1,350,917)</u>
	<u>\$ 383,091,344</u>		<u>\$ 906,284,442</u>

December 31, 2024

	<b>At FVTOCI</b>	<b>At Amortized Cost</b>	<b>Total</b>
Gross carrying amount	\$ 364,267,635	\$ 484,268,226	\$ 848,535,861
Less: Allowance for impairment loss	<u>(123,940)</u>	<u>(36,644)</u>	<u>(160,584)</u>
Amortized cost	364,143,695	<u>\$ 484,231,582</u>	848,375,277
Adjustments to fair value	<u>(5,743,802)</u>		<u>(5,743,802)</u>
	<u>\$ 358,399,893</u>		<u>\$ 842,631,475</u>

The Company only invests in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Company's exposure and the external credit ratings are continuously monitored. The Company reviews changes in bond yields and other public information and makes an assessment whether there has been a significant increase in credit risk since the investment was recognized.

In order to minimize credit risk, the Company has tasked a team to develop and maintain a credit risk grading framework to categorize exposures according to degree of risk of default. The credit rating information may be obtained from independent rating agencies where available and, if not available, the team uses other publicly available financial information to rate the debtors.

The Company considers the historical default rates of each credit rating supplied by external rating agencies, the current financial condition of debtors, and industry forecast to estimate 12-month or lifetime expected credit losses. The Company's current credit risk grading framework comprises the following categories:

December 31, 2025

<b>Credit Rating</b>	<b>Description</b>	<b>Basis for Recognizing Expected Credit Losses</b>	<b>Expected Credit Loss Rate</b>	<b>Gross Carrying Amount</b>
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12-month ECLs	-%-18.26%	\$ 907,784,169

December 31, 2024

<b>Credit Rating</b>	<b>Description</b>	<b>Basis for Recognizing Expected Credit Losses</b>	<b>Expected Credit Loss Rate</b>	<b>Gross Carrying Amount</b>
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12-month ECLs	-%-16.61%	\$ 848,535,861

The allowance for impairment loss of investments in debt instruments at FVTOCI and at amortized cost grouped by credit rating is reconciled as follows:

December 31, 2025

	<u><b>Credit Rating</b></u> <b>Performing</b> <b>(12-month</b> <b>ECLs)</b>
<b>Allowance for Impairment Loss</b>	
Balance at January 1, 2025	\$ 160,584
New financial assets purchased	61,371
Derecognition	(70,483)
Changes in model or risk parameters	(1,053)
Changes in exchange rates or others	<u>(1,609)</u>
Balance at December 31, 2025	<u>\$ 148,810</u>

December 31, 2024

	<u>Credit Rating</u> <u>Performing</u> <u>(12-month</u> <u>ECLs)</u>
<b>Allowance for Impairment Loss</b>	
Balance at January 1, 2024	\$ 131,519
New financial assets purchased	59,738
Derecognition	(29,787)
Changes in model or risk parameters	(2,768)
Changes in exchange rates or others	<u>1,882</u>
Balance at December 31, 2024	<u>\$ 160,584</u>

The Company identifies and manages credit risks from debt instruments through using external credit ratings of the debt instruments along with the evaluation of credit qualities of bonds, regional conditions and counterparties risks.

The other banks with which the Company conducts derivative transactions are mostly considered investment grade. The Company monitors the credit limits (including lending limits) by counterparties. The credits extended to counterparties that are not rated as investment grade are assessed case by case. The credits extended to counterparties who are general customers are monitored in accordance with the related contract terms and conditions and the credit limits for derivatives established in normal credit granting processes.

The Company classifies the debt instruments and derivatives into different categories, which are mainly based on the credit ratings provided by external credit agencies (Moody's, S&P, Fitch or Taiwan Ratings).

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

To avoid the concentration of credit risks, the Company has included credit limits for a single counterparty and for a single group in its credit-related guidelines. The Company has also included credit limits for an individual (entity) and for related enterprises (group) in the guidelines for investment and regulations for risk control on equity investments. To manage the concentration risk on the assets, the Company set credit limits by industry, conglomerate, country, transactions collateralized by stocks, and other categories and integrated within one system the supervision of concentration of credit risk in these categories.

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.

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 instrument are stated as follows:

December 31, 2025

	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit-impaired Financial Assets)	Difference of Impairment Loss under Regulations	Total
Maximum exposure to credit risk	\$ 1,597,222,934	\$ 410,921	\$ 212,931	\$ -	\$ 1,597,846,786
Allowance for possible losses	(141,183)	(10,051)	(7,257)	-	(158,491)
Difference of impairment loss under regulations	-	-	-	(998,588)	(998,588)
	<u>\$ 1,597,081,751</u>	<u>\$ 400,870</u>	<u>\$ 205,674</u>	<u>\$ (998,588)</u>	<u>\$ 1,596,689,707</u>

December 31, 2024

	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit-impaired Financial Assets)	Difference of Impairment Loss under Regulations	Total
Maximum exposure to credit risk	\$ 1,490,437,523	\$ 1,126,191	\$ 61,058	\$ -	\$ 1,491,624,772
Allowance for possible losses	(123,808)	(28,802)	(3,312)	-	(155,922)
Difference of impairment loss under regulations	-	-	-	(704,820)	(704,820)
	<u>\$ 1,490,313,715</u>	<u>\$ 1,097,389</u>	<u>\$ 57,746</u>	<u>\$ (704,820)</u>	<u>\$ 1,490,764,030</u>

The management of the Company believes their abilities to minimize the credit risk exposures of the off-balance sheet items are mainly attributed to their rigorous evaluation of credit extended and the periodic reviews of these credits.

The maximum exposures of consolidated balance sheet items (recognized as financial assets), collateral, master netting arrangements and other credit enforcement instruments are as follows:

December 31, 2025

	Carrying Amount	Maximum Exposure to Credit Risk Mitigated by			Total
		Collateral	Master Netting Arrangements	Other Credit Enhancements	
<u>Credit-impaired financial assets</u>					
Receivables					
Credit cards	\$ 2,920,974	\$ -	\$ -	\$ -	\$ -
Others	438,754	-	-	-	-
Discounts and loans	9,408,971	5,315,256	-	-	5,315,256

December 31, 2024

	Carrying Amount	Maximum Exposure to Credit Risk Mitigated by			Total
		Collateral	Master Netting Arrangements	Other Credit Enhancements	
<u>Credit-impaired financial assets</u>					
Receivables					
Credit cards	\$ 2,723,573	\$ -	\$ -	\$ -	\$ -
Others	942,938	-	-	-	-
Discounts and loans	7,589,457	3,274,894	-	-	3,274,894

Concentration of credit risk exists when counterparties to financial transactions are individuals or groups engaged in similar activities or activities in the same region, which would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Company did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. Group or industry, regions and collaterals that were 10% or more of total outstanding loans of the Bank were as follows:

Credit Risk Profile by Group or Industry	December 31			
	2025		2024	
	Amount	%	Amount	%
Private enterprise	\$ 1,280,474,817	49	\$ 1,075,034,607	47
Private	1,267,543,840	48	1,177,453,045	51

Credit Risk Profile by Regions	December 31			
	2025		2024	
	Amount	%	Amount	%
Domestic	\$ 2,191,612,515	84	\$ 1,961,380,371	85

Credit Risk Profile by Collaterals	December 31			
	2025		2024	
	Amount	%	Amount	%
Unsecured	\$ 700,464,947	27	\$ 535,514,611	23
Secured				
Real estate	1,593,150,271	61	1,481,865,063	64

Some financial assets held by the Company, such as cash and cash equivalents, due from the Central Bank and call loans to other banks, financial assets at fair value through profit or loss, securities purchased under resell agreements and refundable deposits, are exposed to low credit risks because the counterparties have rather high credit ratings.

The credit quality of discounts and loans evaluation on a 12-month expected credit loss basis were as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Credit rating		
Strong	\$ 1,875,399,584	\$ 1,681,457,805
Medium	698,338,310	603,235,432
Weak	<u>37,711,070</u>	<u>33,817,258</u>
Carrying amount	2,611,448,964	2,318,510,495
Allowance for possible losses	<u>(1,559,712)</u>	<u>(1,348,901)</u>
	<u>\$ 2,609,889,252</u>	<u>\$ 2,317,161,594</u>

### 3) Market risk

Market risk refers to the risk of fluctuation in the fair values or the future cash flows of the on- and off-balance sheet instruments held by the Company because of market price changes. The risk factors that cause market price changes usually include interest rates, exchange rates, and the prices of equity securities and commodities. Changes in these risk factors will cause risk of fluctuation in the net income or in the value of investment portfolio of the Company.

The main market risks the Company faces are the risks on equity securities, interest rates, and exchange rate risks. The equity securities exposed to market risks mainly include stocks listed on the TWSE or traded on the Taipei Exchange and stock index futures in Taiwan; the instruments exposed to interest rate risk mainly include bonds and interest rate derivatives such as the fixed-for-floating interest rate swap; and the instruments exposed to exchange rate risk mainly include the consolidated positions of the investment held by the Company, such as the derivatives denominated in foreign currency and foreign-currency bonds.

The Bank monitors the market risk positions and the tolerable loss of the Bank in accordance with the goals of risk management and the amount limits authorized by the board of directors. The Bank has set up market risk information systems to effectively monitor the management of amount limits on financial instruments, to evaluate the profit and loss, to conduct sensitivity analysis, stress test and calculation of value at risk (VaR), etc. The result is reported in the meetings of risk management and to the board of directors as their reference for making managerial decisions.

The Company mainly divides the positions exposed to market risks into investment portfolios held for trading and investment portfolios not held for trading. The portfolios are monitored by the Risk Management Division, and the management results are reported regularly to the board of directors and the supervisors of each division.

The business units and the risk management units both identify market risk factors for the Company's exposed positions in order to measure market risks. Market risk factors refer to the factors that affect interest rates, exchange rates and values of held financial instruments such as equity securities, etc. The Company analyzes the impact of risk factors on its holding positions, profit and loss, negative result of stress test, sensitivity, VaR, etc., and measures the levels within which the investment portfolios and equity securities might suffer from interest rate risks, exchange rate risks, etc.

The Risk Management Division reports regularly to the board of directors the achievement of management objectives on market risks, the control of holding positions and profit and loss, the sensitivity analysis, the stress test, the value at risk of equity securities, etc. for their understanding of the Bank's market risk control. The Bank also has sound mechanisms for reporting and set limits and stop-loss regulations for all the transactions. If a trade reaches the stop-loss limit, the stop-loss will be executed immediately. Trades that do not follow the stop-loss rule should be reported to the management for their approval, and the reasons for their noncompliance as well as corresponding strategies should also be presented to the management.

The Bank uses the VaR model and stress tests to evaluate risks on investment portfolios for trading. The Bank also assesses market risks and evaluates the maximum expected loss of positions through making assumptions on changes in various market conditions. The board of directors set amount limits based on VaR. The whole risk management process is monitored daily by the Risk Management Division.

VaR statistically estimates the potential loss of the positions due to adverse market movements. The Bank may suffer the "maximum potential loss" within a certain confidence interval (99%), so it is still probable that the actual loss is larger than the VaR to some extent. VaR model assumes that the Bank holds the positions at least for the minimum holding periods (10 days) before they can be settled, and that the market fluctuation in these 10 days is similar to that in the past. The Bank evaluates historical market fluctuation based on historical data in the past two years. The Bank evaluates the VaR of its holding positions using the variance/covariance method. The computation will be used for periodic examinations and verification of assumptions and parameters used. However, this evaluation method cannot prevent losses from significant market fluctuations.

Information on the VaR of the Bank was as follows:

For the year ended December 31, 2025

<b>Historical Values at Risk (99%, 10-day)</b>	<b>Average</b>	<b>Minimum</b>	<b>Maximum</b>	<b>December 31, 2025</b>
<u>By risk type</u>				
Currency	\$ 3,192,895	\$ 699,722	\$ 9,672,306	\$ 1,325,746
Interest	9,296,747	4,984,970	19,772,716	7,373,336
Equity	2,279,355	1,109,685	4,367,823	3,363,880
Risk diversification	<u>(7,745,311)</u>	-	-	<u>(5,021,682)</u>
Total risk exposure	<u>\$ 7,023,686</u>			<u>\$ 7,041,280</u>

For the year ended December 31, 2024

<b>Historical Values at Risk (99%, 10-day)</b>	<b>Average</b>	<b>Minimum</b>	<b>Maximum</b>	<b>December 31, 2024</b>
<u>By risk type</u>				
Currency	\$ 6,991,757	\$ 4,666,284	\$ 11,756,933	\$ 5,494,607
Interest	13,539,943	6,165,149	19,791,815	14,218,669
Equity	1,081,342	686,605	1,435,153	1,109,685
Risk diversification	<u>(13,562,611)</u>	-	-	<u>(12,369,389)</u>
Total risk exposure	<u>\$ 8,050,431</u>			<u>\$ 8,453,572</u>

Stress test is used to measure the greatest potential losses of the portfolio of risk assets under the worst scenarios. The Risk Management Division performs it, and it includes (a) a stress test on risk factors, in which the stress test is applied to all kinds of risks; and (b) a temporary stress test, in which the stress test is applied to special investment positions or specific investment areas, for example, areas where exchange rates fluctuate dramatically. The results of stress tests are reported to the senior management.

For the information on the foreign-currency financial assets and liabilities with significant effect, please refer to Table 3.

#### 4) Liquidity risk

Liquidity risk refers to the possibility of financial loss resulting from the shortage of funds in meeting the needs of asset acquisition or debt repayment on maturity. Examples are the depositors' withdrawal of deposits before maturity, difficulty in raising funds from other banks or worsening funding conditions due to the fluctuations in specific markets, unstable recovery of money due to credit defaults, deterioration of the convertibility of financial instruments, early termination of interest-sensitive instruments, etc. These situations might result in decrease of cash inflows from loans, trades and investments. In some extreme cases, lack of liquidity may cause decrease of asset values in balance sheets, disposal of assets or other situations in which loan commitments cannot be met. Liquidity risks exist in all banking operations, and are influenced by specific events from industries or markets, including but not limited to credit events, mergers and acquisitions, systematic risks in the industry or natural disasters.

Liquidity risk management is done by the money market division and monitored by the risk management division. The procedures include (a) maintaining daily money market operations and monitoring future cash flows to ensure the meeting of liquidity requirements; (b) holding an appropriate amount of readily convertible and highly liquid assets to prevent from unpredictable events that disrupt cash flows; (c) monitoring the liquidity ratios for the balance sheets in accordance with internal and external policies; and (d) managing security products during their remaining maturity periods. Liquidity risk monitoring and reporting are based on the valuation and prediction of future cash flows from different terms to maturity (maturity gap is used by the Bank as a tool to manage liquidity risk). The prediction of cash flows involves the cash outflows at the maturity date of the financial liabilities and the cash inflows at the receipt date of financial assets.

For maintaining solvency and meeting the needs of emergency assistance arrangements, the Company holds cash and high-quality, liquid interest-bearing assets. The assets held for liquidity risk management include cash and cash equivalents, due from Central Bank and call loans to other banks, financial assets at fair value through profit or loss, discounts and loans, financial assets fair value through other comprehensive income, debt instruments at amortized cost, etc.

The liquidity reserve ratios of the Bank for December 2025 and 2024 were 19.65% and 23.01%, respectively.

The Company disclosed the analysis of cash outflows from nonderivative financial liabilities by the residual maturities as of the balance sheet date. The amounts of cash outflows are based on contractual cash flows, so some amounts may not correspond to those that shown in the consolidated balance sheets.

December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Deposits from the Central Bank and other banks	\$ 44,298,341	\$ 20,842,943	\$ 2,025,976	\$ 517,629	\$ 566,172	\$ 68,251,061
Nonderivative financial liabilities at fair value through profit or loss	418	-	-	577,370	56,480,116	57,057,904
Securities sold under repurchase agreements	9,721,159	19,795,303	4,646,331	1,568,841	-	35,731,634
Payables	16,405,357	3,132,854	1,547,573	2,379,930	11,626,320	35,092,034
Deposits and remittances	1,259,250,027	475,470,623	378,042,029	698,154,624	969,254,845	3,780,172,148
Bank debentures	-	-	-	-	23,820,000	23,820,000
Lease liabilities	175,288	181,715	304,698	574,466	4,565,159	5,801,326
Other items of cash outflow on maturity	5,011,063	3,117,272	2,377,303	1,724,918	115,645,569	127,876,125

December 31, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Deposits from the Central Bank and other banks	\$ 77,594,902	\$ 459,017	\$ 1,941,677	\$ 528,493	\$ -	\$ 80,524,089
Nonderivative financial liabilities at fair value through profit or loss	436	-	-	601,893	57,387,211	57,989,540
Securities sold under repurchase agreements	14,421,381	11,894,723	8,495,841	4,212,645	-	39,024,590
Payables	19,384,033	2,564,001	2,228,067	3,103,384	10,588,853	37,868,338
Deposits and remittances	1,103,851,905	364,022,479	331,548,670	585,411,858	962,096,261	3,346,931,173
Bank debentures	-	5,000,000	4,500,000	10,950,000	18,200,000	38,650,000
Lease liabilities	108,921	178,403	276,119	508,984	3,880,318	4,952,745
Other items of cash outflow on maturity	5,466,157	7,240,406	6,446,532	5,458,536	93,844,440	118,456,071

The Company assessed the maturity date of contracts to understand the basic elements of all derivative financial instruments shown in the consolidated balance sheets. The amounts used in the maturity analyses of derivative financial liabilities are based on contractual cash flows, so some may not correspond to the amounts shown in the consolidated balance sheets. The maturity analysis of derivative financial liabilities was as follows:

a) Derivative financial liabilities to be settled at net amounts

December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Currency derivatives	\$ 148,396	\$ 203,821	\$ 79,707	\$ 74,380	\$ -	\$ 506,304
Interest derivatives	229	927	408	40	-	1,604

December 31, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Currency derivatives	\$ 86,990	\$ 45,921	\$ 21,079	\$ 12,587	\$ -	\$ 166,577
Interest derivatives	2,287	4,887	1,602	-	-	8,776

b) Derivative financial liabilities to be settled at gross amounts

December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Currency derivatives						
Cash outflow	\$ 258,922,924	\$ 209,711,366	\$ 142,033,700	\$ 172,345,188	\$ 1,258,160	\$ 784,271,338
Cash inflow	254,898,919	206,053,288	136,916,171	168,257,219	1,231,856	767,357,453
Interest derivatives						
Cash outflow	438,210	767,122	1,214,551	2,554,770	56,338,366	61,313,019
Cash inflow	608,870	184,171	965,299	829,629	36,784,383	39,372,352
Total cash outflow	259,361,134	210,478,488	143,248,251	174,899,958	57,596,526	845,584,357
Total cash inflow	255,507,789	206,237,459	137,881,470	169,086,848	38,016,239	806,729,805
Net cash outflow	\$ 3,853,345	\$ 4,241,029	\$ 5,366,781	\$ 5,813,110	\$ 19,580,287	\$ 38,854,552

December 31, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Currency derivatives						
Cash outflow	\$ 164,303,974	\$ 209,399,694	\$ 129,342,874	\$ 217,353,634	\$ 2,584,407	\$ 722,984,583
Cash inflow	159,873,156	204,535,981	125,140,171	209,759,001	2,588,946	701,897,255
Interest derivatives						
Cash outflow	6,015,106	1,320,519	1,997,929	3,551,237	62,310,190	75,194,981
Cash inflow	355,861	143,082	342,794	885,219	39,936,245	41,663,201
Total cash outflow	170,319,080	210,720,213	131,340,803	220,904,871	64,894,597	798,179,564
Total cash inflow	160,229,017	204,679,063	125,482,965	210,644,220	42,525,191	743,560,456
Net cash outflow	\$ 10,090,063	\$ 6,041,150	\$ 5,857,838	\$ 10,260,651	\$ 22,369,406	\$ 54,619,108

The Company conducted the maturity analysis of off-balance sheet items based on the residual maturities as of the consolidated balance sheet date. For the financial guarantee contracts issued, the maximum amounts of the guarantees are included in the earliest periods that the guarantee obligation might have been required to be fulfilled. The amounts used in the maturity analysis of off-balance sheet items are based on contractual cash flows, so some amounts may not correspond to those shown in the consolidated balance sheets.

December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Irrevocable loan commitments issued	\$ 812,618	\$ 4,849,731	\$ 2,223,048	\$ 16,976,087	\$ 86,879,762	\$ 111,741,246
Credit card commitments	684,819	1,736,834	7,981,118	28,579,830	588,516,477	627,499,078
Letters of credit issued and yet unused	1,393,889	5,172,764	1,042,644	84,548	37,323	7,731,168
Other guarantees	3,138,147	2,536,773	3,983,999	3,662,380	20,743,074	34,064,373

December 31, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Irrevocable loan commitments issued	\$ 331,473	\$ 702,641	\$ 4,245,986	\$ 23,835,023	\$ 75,504,304	\$ 104,619,427
Credit card commitments	1,822,198	1,287,096	7,884,546	20,558,161	591,113,680	622,665,681
Letters of credit issued and yet unused	1,498,173	4,641,325	1,382,660	367,968	124,896	8,015,022
Other guarantees	3,174,825	3,550,200	2,399,350	4,963,993	5,858,234	19,946,602

j. Transfers of financial assets

Most of the transferred financial assets of the Company that are not derecognized in their entirety are securities sold under repurchase agreements. According to these transactions, the right on cash flow of the transferred financial assets would be transferred to other entities and the associated liabilities of the Company's obligation to repurchase the transferred financial assets at a fixed price in the future would be recognized. As the Company is restricted to use, sell or pledge the transferred financial assets throughout the term of transaction, and is still exposed to interest rate risks and credit risks on these instruments, the transferred financial assets are not derecognized in their entirety. The details of financial assets that were not derecognized in their entirety and the associated financial liabilities were as follows:

December 31, 2025					
Category of Financial Assets	Carrying Amount of Transferred Financial Assets	Carrying Amount of Associated Financial Liabilities	Fair Value of Transferred Financial Assets	Fair Value of Associated Financial Liabilities	Fair Value of Net Position
Investments in debt instruments at FVTOCI - securities sold under repurchase agreements	\$ 11,919,906	\$ 11,002,470	\$ 11,919,906	\$ 11,002,470	\$ 917,436
Investments in debt instruments at amortized cost - securities sold under repurchase agreements	24,185,259	24,292,501	24,651,513	24,292,501	359,012

December 31, 2024					
Category of Financial Assets	Carrying Amount of Transferred Financial Assets	Carrying Amount of Associated Financial Liabilities	Fair Value of Transferred Financial Assets	Fair Value of Associated Financial Liabilities	Fair Value of Net Position
Investments in debt instruments at FVTOCI - securities sold under repurchase agreements	\$ 21,025,705	\$ 19,751,818	\$ 21,025,705	\$ 19,751,818	\$ 1,273,887
Investments in debt instruments at amortized cost - securities sold under repurchase agreements	18,911,009	18,506,326	18,698,522	18,506,326	192,196

k. Offsetting financial assets and financial liabilities

The Company is eligible to present certain derivative assets and derivative liabilities on a net basis on the balance sheet since the offsetting criteria are met. Cash collateral has also been paid by part of counterparties for the net amount of the derivative assets and derivative liabilities. The cash collateral does not meet the offsetting criteria, but it can be set off against the net amount of the derivative assets and derivative liabilities in the case of default and insolvency or bankruptcy, in accordance with an associated collateral arrangement.

The tables below present the quantitative information on financial assets and financial liabilities that have been offset in the balance sheet or that are covered by enforceable master netting arrangements or similar agreements.

December 31, 2025

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet	Net Amounts of Financial Assets Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amounts
				Financial Instruments	Cash Collateral Received	
Derivatives	\$ 37,271,845	\$ -	\$ 37,271,845	\$ (17,082,950)	\$ (4,064,883)	\$ 16,124,012
Resell agreements	26,270,514	-	26,270,514	(26,270,514)	-	-
Settlements	8,888	(8,888)	-	-	-	-
	<u>\$ 63,551,247</u>	<u>\$ (8,888)</u>	<u>\$ 63,542,359</u>	<u>\$ (43,353,464)</u>	<u>\$ (4,064,883)</u>	<u>\$ 16,124,012</u>

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet	Net Amounts of Financial Liabilities Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amounts
				Financial Instruments	Cash Collateral Pledged	
Derivatives	\$ 41,849,211	\$ -	\$ 41,849,211	\$ (17,082,950)	\$ (20,152,550)	\$ 4,613,711
Repurchase agreements	35,458,717	-	35,458,717	(35,458,717)	-	-
Settlements	34,310	(8,888)	25,422	-	-	25,422
	<u>\$ 77,342,238</u>	<u>\$ (8,888)</u>	<u>\$ 77,333,350</u>	<u>\$ (52,541,667)</u>	<u>\$ (20,152,550)</u>	<u>\$ 4,639,133</u>

December 31, 2024

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet	Net Amounts of Financial Assets Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amounts
				Financial Instruments	Cash Collateral Received	
Derivatives	\$ 54,854,536	\$ -	\$ 54,854,536	\$ (28,105,679)	\$ (5,923,938)	\$ 20,824,919
Resell agreements	29,326,892	-	29,326,892	(29,326,892)	-	-
Settlements	<u>1,140,831</u>	<u>(3,285)</u>	<u>1,137,546</u>	<u>(903,878)</u>	<u>-</u>	<u>233,668</u>
	<u>\$ 85,322,259</u>	<u>\$ (3,285)</u>	<u>\$ 85,318,974</u>	<u>\$ (58,336,449)</u>	<u>\$ (5,923,938)</u>	<u>\$ 21,058,587</u>

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Assets Offset in the Balance Sheet	Net Amounts of Financial Liabilities Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amounts
				Financial Instruments	Cash Collateral Pledged	
Derivatives	\$ 50,712,193	\$ -	\$ 50,712,193	\$ (28,105,679)	\$ (19,101,703)	\$ 3,504,811
Repurchase agreements	38,684,421	-	38,684,421	(38,684,421)	-	-
Settlements	<u>3,054,072</u>	<u>(3,285)</u>	<u>3,050,787</u>	<u>(903,878)</u>	<u>-</u>	<u>2,146,909</u>
	<u>\$ 92,450,686</u>	<u>\$ (3,285)</u>	<u>\$ 92,447,401</u>	<u>\$ (67,693,978)</u>	<u>\$ (19,101,703)</u>	<u>\$ 5,651,720</u>

#### 42. CAPITAL MANAGEMENT

The two main objectives of capital management of the Bank are (a) meeting the requirements for legal capital set by the authorities and building an effective system for capital management and (b) balancing risk control and business development under the premise of “undertaking risks and earning returns on capital” and maximizing the stockholders’ profits.

The Banking Act and related regulations require that the Bank maintains both standalone and consolidated ratios of regulatory capital to risk-weighted assets (including ratio of the common equity to risk-weighted assets, ratio of Tier 1 capital to risk-weighted assets and capital adequacy ratio (CAR)) should comply with the minimum ratio requested by authorities.

The capital of the Bank is jointly managed by the Accounting Division Team and the Risk Management Division. The management process starts from the evaluation and adjustments to plans or budgets by using different quantitative methods that consider risks, returns and growth rates. Subsequently, the evaluation and adjustments are used to confirm the total amount of capital requirement and is eventually used to allocate the capital to the respective branches and operating units. The whole process takes into consideration the quantitative risk assessment, plans and budgets, capital balance and allocation of economic capitals to corresponding units on the basis of risk appetite. The process is a combination of risk appetite, capital management, risk management, managerial decisions and performance assessment.

Information on the Bank's CAR was as follows:

(Unit: In Thousands of New Taiwan Dollars, %)

Items		Year	December 31, 2025	
			Standalone	Consolidated
Eligible capital	Common equity		\$ 274,321,302	\$ 272,904,042
	Other Tier 1 capital		27,972,199	27,972,199
	Tier 2 capital		50,426,160	51,133,598
	Eligible capital		352,719,661	352,009,839
Risk-weighted assets	Credit risk	Standardized approach	2,076,789,199	2,133,384,261
		Internal ratings-based approach	-	-
		Securitization	-	-
	Operational risk	Basic indicator approach	-	-
		Standardized approach/alternative standardized approach	73,438,525	77,054,425
		Advanced measurement approach	-	-
	Market risk	Standardized approach	137,119,925	145,339,425
		Internal model approach	-	-
Risk-weighted assets			2,287,347,649	2,355,778,111
Capital adequacy ratio (%)			15.42	14.94
Ratio of common equity to risk-weighted assets (%)			11.99	11.58
Ratio of Tier 1 capital to risk-weighted assets (%)			13.22	12.77
Leverage ratio (%)			6.72	6.52

Items		Year	December 31, 2024	
			Standalone	Consolidated
Eligible capital	Common equity		\$ 243,429,856	\$ 241,966,084
	Other Tier 1 capital		27,972,199	27,972,199
	Tier 2 capital		48,110,589	48,722,407
	Eligible capital		319,512,644	318,660,690
Risk-weighted assets	Credit risk	Standardized approach	1,881,005,113	1,929,950,581
		Internal ratings-based approach	-	-
		Securitization	3,801,367	3,801,367
	Operational risk	Basic indicator approach	-	-
		Standardized approach/alternative standardized approach	105,701,025	110,053,538
		Advanced measurement approach	-	-
	Market risk	Standardized approach	103,399,575	105,312,213
		Internal model approach	-	-
Risk-weighted assets			2,093,907,080	2,149,117,699
Capital adequacy ratio (%)			15.26	14.83
Ratio of common equity to risk-weighted assets (%)			11.63	11.26
Ratio of Tier 1 capital to risk-weighted assets (%)			12.96	12.56
Leverage ratio (%)			6.57	6.38

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

Note 2: Formulas used were as follows:

1) Eligible capital = Common equity + Other Tier 1 capital + Tier 2 capital.

- 2) Risk-weighted assets = Risk-weighted asset for credit risk + Capital requirements for operational risk and market risk x 12.5.
- 3) Capital adequacy ratio = Eligible capital ÷ Risk-weighted assets.
- 4) Ratio of the common equity to risk-weighted assets = Common equity ÷ Risk-weighted assets.
- 5) Ratio of Tier 1 capital to risk-weighted assets = (Common equity + Other Tier 1 capital) ÷ Risk-weighted assets.
- 6) Leverage ratio = Tier 1 capital ÷ Exposure measurement.

**43. THE BANK'S ASSET QUALITY, CONCENTRATION OF CREDIT EXTENSIONS, INTEREST RATE SENSITIVITY, PROFITABILITY AND MATURITY ANALYSIS OF ASSETS AND LIABILITIES**

- a. Asset quality: Table 4 (attached).
- b. Concentration of credit extensions

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	December 31, 2025			December 31, 2024		
	Industry of Group Enterprise (Note 2)	Total Amount of Credit Endorsement or Other Transactions (Note 3)	Percentage of E.SUN Bank's Equity	Industry of Group Enterprise (Note 2)	Total Amount of Credit Endorsement or Other Transactions (Note 3)	Percentage of E.SUN Bank's Equity
1	Group A Real estate development	\$ 11,949,480	4.08	Group A Real estate development	\$ 10,385,700	4.00
2	Group B Quarrying of rocks and gravel and other mining	11,795,351	4.03	Group H Manufacture of other electronic parts and components not elsewhere classified	9,583,602	3.69
3	Group C Life insurance company	11,707,325	4.00	Group K Car rental and leasing	9,000,460	3.47
4	Group D Manufacture of computers	9,266,293	3.16	Group F Real estate activities for sale and rental with own or leased property	8,737,200	3.37
5	Group E Activities of head offices	9,187,069	3.14	Group E Activities of head offices	8,082,842	3.11
6	Group F Real estate activities for sale and rental with own or leased property	8,371,800	2.86	Group B Quarrying of rocks and gravel and other mining	7,663,844	2.95
7	Group G Manufacture of integrated circuits	7,330,566	2.50	Group G Manufacture of integrated circuits	7,140,087	2.75
8	Group H Manufacture of other electronic parts and components not elsewhere classified	7,130,682	2.43	Group I Real estate activities for sale and rental with own or leased property	6,894,829	2.66
9	Group I Real estate activities for sale and rental with own or leased property	7,066,320	2.41	Group D Manufacture of computers	6,372,692	2.46
10	Group J Real estate activities for sale and rental with own or leased property	6,395,827	2.18	Group L Retail sale of computers, computer peripheral equipment and software	6,040,654	2.33

Note 1: The list shows top 10 rankings by total amount of credit, endorsement or other transactions but excludes government-owned or state-run enterprises. If the borrower is a member of a group enterprise, the total amount of credit, endorsement or other transactions of the entire group enterprise must be listed and disclosed by code and line of industry. The industry of the group enterprise should be presented as the industry of the member firm with the highest risk exposure. The lines of industry should be described in accordance with the Standard Industrial Classification System of the Republic of China published by the Directorate - General of Budget, Accounting and Statistics under the Executive Yuan.

Note 2: Group enterprise refers to a group of corporate entities as defined by Article 6 of “Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Review of Securities Listings”.

Note 3: Total amount of credit, endorsement or other transactions is the sum of various loans (including import and export negotiations, discounts, overdrafts, unsecured and secured short-term loans, margin loans receivable, unsecured and secured medium-term loans, unsecured and secured long-term loans and overdue loans), exchange bills negotiated, accounts receivable factored without recourse, acceptances and guarantees.

c. Interest rate sensitivity information

**Interest Rate Sensitivity (New Taiwan Dollars)**

(In Thousands of New Taiwan Dollars, %)

December 31, 2025

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	\$ 2,583,427,931	\$ 46,290,904	\$ 33,732,140	\$ 90,205,863	\$ 2,753,656,838
Interest rate-sensitive liabilities	1,954,543,581	160,784,178	331,608,379	121,504,620	2,568,440,758
Interest rate sensitivity gap	628,884,350	(114,493,274)	(297,876,239)	(31,298,757)	185,216,080
Net worth					238,546,638
Ratio of interest rate-sensitive assets to liabilities					107.21
Ratio of interest rate sensitivity gap to net worth					77.64

December 31, 2024

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	\$ 2,389,037,186	\$ 21,006,757	\$ 39,623,968	\$ 111,903,865	\$ 2,561,571,776
Interest rate-sensitive liabilities	1,817,187,977	132,735,217	259,716,065	110,351,331	2,319,990,590
Interest rate sensitivity gap	571,849,209	(111,728,460)	(220,092,097)	1,552,534	241,581,186
Net worth					221,298,253
Ratio of interest rate-sensitive assets to liabilities					110.41
Ratio of interest rate sensitivity gap to net worth					109.17

Note 1: The above amounts included only New Taiwan dollar amounts held by the head office and branches of the Bank (i.e., excluding foreign currency).

Note 2: Interest rate-sensitive assets and liabilities refer to the revenues or costs of interest-earning assets and interest-bearing liabilities that were affected by interest rate changes.

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

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities (in New Taiwan dollars).

**Interest Rate Sensitivity (U.S. Dollars)**

(In Thousands of U.S. Dollars, %)

December 31, 2025

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	\$ 20,501,065	\$ 1,439,433	\$ 1,290,194	\$ 7,693,327	\$ 30,924,019
Interest rate-sensitive liabilities	28,300,521	3,120,337	4,425,761	2,401,979	38,248,598
Interest rate sensitivity gap	(7,799,456)	(1,680,904)	(3,135,567)	5,291,348	(7,324,579)
Net worth					545,332
Ratio of interest rate-sensitive assets to liabilities					80.85
Ratio of interest rate sensitivity gap to net worth					(1,343.14)

December 31, 2024

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	\$ 17,790,903	\$ 885,466	\$ 1,750,461	\$ 5,079,281	\$ 25,506,111
Interest rate-sensitive liabilities	23,591,013	3,320,748	5,055,267	1,635,604	33,602,632
Interest rate sensitivity gap	(5,800,110)	(2,435,282)	(3,304,806)	3,443,677	(8,096,521)
Net worth					287,755
Ratio of interest rate-sensitive assets to liabilities					75.91
Ratio of interest rate sensitivity gap to net worth					(2,813.69)

Note 1: The above amounts included only U.S. dollar amounts held by the head office, domestic branches, OBU and overseas branches of the Bank and excluded contingent assets and contingent liabilities.

Note 2: Interest rate-sensitive assets and liabilities refer to the revenues or costs of interest-earning assets and interest-bearing liabilities that were affected by interest rate changes.

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

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities (in U.S. dollars).

d. Profitability

**Unit: %**

Items	December 31, 2025	December 31, 2024	
Return on total assets	Before income tax	0.93	0.81
	After income tax	0.79	0.66
Return on equity	Before income tax	13.97	12.34
	After income tax	11.87	10.05
Net income ratio	38.91	35.12	

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

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

Note 3: Net income ratio = Income after income tax ÷ Total net revenues.

Note 4: Income before (after) income tax represents income from January to each period-end date.

e. Maturity analysis of assets and liabilities

Maturity Analysis of Assets and Liabilities (New Taiwan Dollars)

(In Thousands of New Taiwan Dollars)

December 31, 2025

	Total	Remaining Period to Maturity					
		0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	\$ 3,290,107,816	\$ 434,060,717	\$ 295,173,205	\$ 177,562,273	\$ 178,066,243	\$ 244,492,888	\$ 1,960,752,490
Main capital outflow on maturity	4,028,374,000	129,729,850	212,161,532	462,406,630	509,831,668	978,342,611	1,735,901,709
Gap	(738,266,184)	304,330,867	83,011,673	(284,844,357)	(331,765,425)	(733,849,723)	224,850,781

December 31, 2024

	Total	Remaining Period to Maturity					
		0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	\$ 3,099,518,263	\$ 502,458,690	\$ 192,799,058	\$ 173,427,269	\$ 148,149,630	\$ 229,841,127	\$ 1,852,842,489
Main capital outflow on maturity	3,780,721,505	164,698,458	181,205,369	476,011,359	452,992,088	886,670,273	1,619,143,958
Gap	(681,203,242)	337,760,232	11,593,689	(302,584,090)	(304,842,458)	(656,829,146)	233,698,531

Note: The above amounts included only New Taiwan dollar amounts held by the Bank.

Maturity Analysis of Assets and Liabilities (U.S. Dollars)

(In Thousands of U.S. Dollars)

December 31, 2025

	Total	Remaining Period to Maturity				
		0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	\$ 60,995,479	\$ 13,997,441	\$ 10,789,105	\$ 7,428,602	\$ 9,156,516	\$ 19,623,815
Main capital outflow on maturity	72,171,916	18,166,393	18,478,068	10,557,423	16,592,219	8,377,813
Gap	(11,176,437)	(4,168,952)	(7,688,963)	(3,128,821)	(7,435,703)	11,246,002

December 31, 2024

	Total	Remaining Period to Maturity				
		0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	\$ 59,426,938	\$ 14,181,402	\$ 11,848,667	\$ 6,550,235	\$ 10,769,471	\$ 16,077,163
Main capital outflow on maturity	70,560,463	15,692,635	17,416,590	11,909,889	18,388,108	7,153,241
Gap	(11,133,525)	(1,511,233)	(5,567,923)	(5,359,654)	(7,618,637)	8,923,922

Note 1: The above amounts included only U.S. dollar amounts held by the Bank.

Note 2: If overseas assets exceed 10% of E.SUN Bank total assets, supplementary information shall be disclosed.

Maturity Analysis of Assets and Liabilities of Overseas Branches (U.S. Dollars)

(In Thousands of U.S. Dollars)

December 31, 2025

	Total	Remaining Period to Maturity				
		0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	\$ 18,143,625	\$ 3,531,744	\$ 3,480,533	\$ 2,010,751	\$ 2,755,569	\$ 6,365,028
Main capital outflow on maturity	19,259,009	5,938,791	5,927,787	2,362,123	3,042,834	1,987,474
Gap	(1,115,384)	(2,407,047)	(2,447,254)	(351,372)	(287,265)	4,377,554

December 31, 2024

	Total	Remaining Period to Maturity				
		0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	\$ 17,514,617	\$ 4,536,191	\$ 3,276,938	\$ 1,402,055	\$ 2,765,684	\$ 5,533,749
Main capital outflow on maturity	18,745,512	5,595,642	5,743,754	2,317,861	2,562,083	2,526,172
Gap	(1,230,895)	(1,059,451)	(2,466,816)	(915,806)	203,601	3,007,577

#### 44. TRUST BUSINESS UNDER THE TRUST ENTERPRISE ACT

- a. Trust-related items, as shown in the following balance sheet, statements of income and trust property list

The trust-related items shown below were managed by the Bank's Trust Division. However, these items were not included in the Company's consolidated financial statements.

<b>Balance Sheets of Trust Accounts December 31, 2025 and 2024</b>					
<b>Trust Assets</b>	<b>2025</b>	<b>2024</b>	<b>Trust Liabilities</b>	<b>2025</b>	<b>2024</b>
Cash in banks	\$ 19,571,986	\$ 20,648,310	Accounts payable		
Investments	444,468,359	417,500,068	on administrative		
Receivables	537	412	expense	\$ 379	\$ 82
Real estate	14,749,426	9,018,388	Accounts payable		
Securities under			on securities		
custody	<u>1,210,307,888</u>	<u>1,289,512,047</u>	under custody	1,210,307,888	1,289,512,047
			Trust capital		
			Cash	457,995,425	434,249,785
			Securities	9,183,181	7,675,400
			Real estate	15,136,891	9,291,886
			Reserves and		
			accumulated deficit	(24,262,827)	(20,978,533)
			Net income	<u>20,737,259</u>	<u>16,928,558</u>
Total assets	<u>\$ 1,689,098,196</u>	<u>\$ 1,736,679,225</u>	Total liabilities	<u>\$ 1,689,098,196</u>	<u>\$ 1,736,679,225</u>

Note: Investments of the OBU are included in total trust-related assets. As of December 31, 2025 and 2024, the amounts of the OBU's investments were \$23,779,806 thousand and \$25,964,600 thousand, respectively.

#### **Trust Property List December 31, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
Cash in the Bank	\$ 19,568,074	\$ 20,643,511
Cash in other banks	3,912	4,799
Stocks	27,516,924	23,817,885
Mutual funds	322,069,219	304,051,680
Bonds	74,036,514	78,605,177
Structured products	20,833,839	10,983,463
Beneficial certificates pending settlement	11,863	41,863
Receivables	537	412
Real estate	14,749,426	9,018,388
Securities under custody	<u>1,210,307,888</u>	<u>1,289,512,047</u>
	<u>\$ 1,689,098,196</u>	<u>\$ 1,736,679,225</u>

**Statements of Income on Trust Accounts  
For the Years Ended December 31, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
<u>Revenues</u>		
Interest	\$ 257,330	\$ 261,189
Cash dividends	20,575,359	16,681,274
Realized capital gain - common stocks	2,093	9,678
Property gain	5,905,226	5,994,170
Realized capital gain - bonds	4,766,642	4,504,985
Realized capital gain - mutual funds	232,748	375,370
Unrealized capital gain - common stocks	120,982	49,893
Unrealized capital gain - mutual funds	124	64
Other revenues	252,250	221,020
Revenues from beneficial certificates	<u>79,714</u>	<u>70,172</u>
Total revenues	<u>32,192,468</u>	<u>28,167,815</u>
<u>Expenses</u>		
Management fees	293,482	347,108
Service fees	797	1,407
Property loss	10,946,306	10,763,455
Income tax	14,429	14,869
Tax expenditures	11,131	11,029
Other expenses	45,059	40,433
Realized capital loss - bonds	77	-
Realized capital loss - common stocks	530	207
Realized capital loss - mutual funds	101,216	60,749
Unrealized capital loss - common stocks	<u>42,182</u>	<u>-</u>
Total expenses	<u>11,455,209</u>	<u>11,239,257</u>
Net income	<u>\$ 20,737,259</u>	<u>\$ 16,928,558</u>

b. Nature of trust business operations under the Trust Enterprise Act: Note 1.

**45. ALLOCATION OF REVENUE, COST AND EXPENSE THAT RESULTED FROM THE SHARING OF RESOURCES BETWEEN E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES**

Under cooperation arrangements, the Bank and E.SUN Securities shared some equipment and operating sites; thus, related expenses were allocated as follows:

	<b>Bank</b>	<b>E.SUN Securities</b>	<b>Total</b>	<b>Allocation Method</b>
For the year ended <u>December 31, 2025</u>				
Others	<u>\$ 2,319</u>	<u>\$ 284</u>	<u>\$ 2,603</u>	50% each or based on space actually occupied
For the year ended <u>December 31, 2024</u>				
Others	<u>\$ 3,233</u>	<u>\$ 485</u>	<u>\$ 3,718</u>	50% each or based on space actually occupied

The cross-selling transactions between the Bank and E.SUN Securities were as follows (the amounts below refer to the Bank):

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Revenue	<u>\$ 5,187</u>	<u>\$ 5,136</u>
Expense	<u>\$ 208,112</u>	<u>\$ 188,385</u>

**46. CASH FLOW INFORMATION**

**Changes in Liabilities Arising from Financing Activities**

For the year ended December 31, 2025

	<b>Opening Balance</b>	<b>Cash Inflows (Outflows)</b>	<b>New Leases</b>	<b>Non-cash Changes Fair Value Adjustments (Including Changes in the Fair Value Attributable to Changes in the Credit Risk)</b>	<b>Others</b>	<b>Closing Balance</b>
Short-term borrowings	\$ -	\$ 5,500	\$ -	\$ -	\$ -	\$ 5,500
Bank debentures	38,650,000	(14,830,000)	-	-	-	23,820,000
Long-term borrowings	337,737	-	-	-	(13,761)	323,976
Financial liabilities designated as at fair value through profit or loss - bank debentures	41,420,789	-	-	1,647,197	(931,557)	42,136,429
Guarantee deposits received	4,681,039	(1,832,113)	-	-	-	2,848,926
Lease liabilities	<u>4,420,161</u>	<u>(1,191,221)</u>	<u>1,912,836</u>	<u>-</u>	<u>59,235</u>	<u>5,201,011</u>
	<u>\$ 89,509,726</u>	<u>\$ (17,847,834)</u>	<u>\$ 1,912,836</u>	<u>\$ 1,647,197</u>	<u>\$ (886,083)</u>	<u>\$ 74,335,842</u>

For the year ended December 31, 2024

	Opening Balance	Cash Inflows (Outflows)	New Leases	Non-cash Changes		Closing Balance
				Fair Value Adjustments (Including Changes in the Fair Value Attributable to Changes in the Credit Risk)	Others	
Short-term borrowings	\$ 30,753	\$ (32,118)	\$ -	\$ -	\$ 1,365	\$ -
Bank debentures	39,250,000	(600,000)	-	-	-	38,650,000
Long-term borrowings	351,463	(36,248)	-	-	22,522	337,737
Financial liabilities designated as at fair value through profit or loss - bank debentures	42,348,157	(1,290,655)	-	(4,385,809)	4,749,096	41,420,789
Guarantee deposits received	2,409,148	2,271,891	-	-	-	4,681,039
Lease liabilities	4,514,691	(1,195,527)	1,177,559	-	(76,562)	4,420,161
	<u>\$ 88,904,212</u>	<u>\$ (882,657)</u>	<u>\$ 1,177,559</u>	<u>\$ (4,385,809)</u>	<u>\$ 4,696,421</u>	<u>\$ 89,509,726</u>

#### 47. ADDITIONAL DISCLOSURES

a. Significant transactions and b. investees:

- 1) Financing provided: The Bank, UCB and ESBC are not applicable. Other investees: None.
- 2) Endorsement/guarantee provided: The Bank, UCB and ESBC are not applicable. Other investees: None.
- 3) Marketable securities held: The Bank, UCB and ESBC are not applicable. Other investees: None.
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 10% of the paid-in capital (the Bank, UCB and ESBC disclosed its investments acquired or disposed of): None.
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 10% of the paid-in capital: Table 5 (attached).
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 10% of the paid-in capital: None.
- 7) Financial asset securitization: None.
- 8) Allowance of service fees to related parties amounting to at least NT\$5 million: None.
- 9) Receivables from related parties amounting to at least NT\$300 million or 10% of the paid-in capital: Table 6 (attached).
- 10) Sale of nonperforming loans: None.
- 11) Other significant transactions that may affect the decisions of users of financial reports: None.
- 12) Related information and proportionate share in investees: Table 7 (attached).
- 13) Trading in derivative instruments: Notes 8 and 41 to the consolidated financial statements.

c. Investment in mainland China:

The information on major operating items, paid-in capital, methods of investment, investment inflows and outflows, proportion of stockholdings, investment income or loss, book value at period-end, the remitted investment profits and the limit on the amount of investment in mainland China - is shown in Table 8 (attached).

d. Business relationship and significant transactions among the parent company and subsidiaries: Table 9 (attached).

#### 48. OPERATING SEGMENTS

The information reported to the Company's chief operating decision makers for the assessment of segment performance focuses mainly on operation and profitability. The Company's reportable segments are as follows:

- a. Corporate banking unit, which handles corporate loans, foreign exchange business, and financial banking operations, etc.;
- b. Individual banking unit, which handles residential mortgage, unsecured personal loans (UPLs), wealth management, and credit cards;
- c. Overseas branches and subsidiaries, including overseas branches and subsidiaries' business; and
- d. Others, including the head office and other performance units except for the above operating segments.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 4. Segment profit is measured at income before income tax, and this measure is reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance. The terms of transactions between segments are similar to those for third parties.

The revenues, expenses and related information of the Company's reportable segments were as follows:

(In Millions of New Taiwan Dollars)

	For the Year Ended December 31, 2025				Total
	Corporate Banking Unit	Individual Banking Unit	Overseas Branches and Subsidiaries	Others	
Net interest revenues (expenses)	\$ 39,735	\$ 29,212	\$ 10,815	\$ (39,027)	\$ 40,735
Total net revenues (expenses)	\$ 33,883	\$ 52,451	\$ 15,167	\$ (15,125)	\$ 86,376
Provision for bad-debt expenses and provision for losses on commitments and guarantees	(1,959)	(3,362)	(293)	(744)	(6,358)
Operating expenses	(6,444)	(26,833)	(3,960)	(4,008)	(41,245)
Income (loss) before income tax	\$ 25,480	\$ 22,256	\$ 10,914	\$ (19,877)	\$ 38,773

**For the Year Ended December 31, 2024**

	<b>Corporate Banking Unit</b>	<b>Individual Banking Unit</b>	<b>Overseas Branches and Subsidiaries</b>	<b>Others</b>	<b>Total</b>
Net interest revenues (expenses)	<u>\$ 35,561</u>	<u>\$ 29,754</u>	<u>\$ 10,685</u>	<u>\$(42,399)</u>	<u>\$ 33,601</u>
Total net revenues (expenses)	\$ 25,132	\$ 51,084	\$ 13,788	\$(18,043)	\$ 71,961
Provision for bad-debt expenses and provision for losses on commitments and guarantees	(805)	(2,885)	(209)	(248)	(4,147)
Operating expenses	<u>(5,972)</u>	<u>(24,785)</u>	<u>(3,550)</u>	<u>(3,171)</u>	<u>(37,478)</u>
Income (loss) before income tax	<u>\$ 18,355</u>	<u>\$ 23,414</u>	<u>\$ 10,029</u>	<u>\$(21,462)</u>	<u>\$ 30,336</u>

**E.SUN COMMERCIAL BANK, LTD. AND SUBSIDIARIES**

**CONSOLIDATED ENTITIES  
DECEMBER 31, 2025 AND 2024**

Entities included in the consolidated financial statements

Investor Company	Investee Company	Location	Businesses and Products	Percentage of Ownership (%)		Note
				December 31, 2025	December 31, 2024	
E.SUN Commercial Bank, Ltd.	E.SUN Bank (China), Ltd.	China	Banking	100.00	100.00	
	Union Commercial Bank PLC.	Cambodia	Banking	100.00	100.00	
	BankPro E-Service Technology Co., Ltd.	Taipei	Information software	61.67	61.67	
Union Commercial Bank PLC.	URE Land Holding Co., Ltd.	Cambodia	Real estate leasing and management	90.00	90.00	Note

Entities did not include in the consolidated financial statements

Investor Company	Investee Company	Location	Businesses and Products	Percentage of Ownership (%)		Note
				December 31, 2025	December 31, 2024	
None						

Note: Union Commercial Bank PLC. holds a 49% interest in URE Land Holding Co., Ltd. In the Articles of Incorporation of URE Land Holding Co., Ltd., Union Commercial Bank PLC. has power to control the composition of the board of directors and owns at least 90% of economic benefit of URE Land Holding Co., Ltd.; hence, URE Land Holding Co., Ltd. is deemed as a subsidiary of Union Commercial Bank PLC.

## E.SUN COMMERCIAL BANK, LTD. AND SUBSIDIARIES

RELATED-PARTY TRANSACTIONS  
DECEMBER 31, 2025 AND 2024  
(In Thousands of New Taiwan Dollars)

## Loans

December 31, 2025

Type	Account Volume or Name	Highest Balance for the Year Ended December 31, 2025 (Note)	Ending Balance	Loan Classification		Collateral	Differences in Terms of Transaction from Those for Unrelated Parties
				Normal Loans	Nonperforming Loans		
Consumer loans	144	\$ 95,468	\$ 69,180	\$ 69,180	\$ -	Land and buildings as collateral for part of the loans	None
Self-used residential mortgage	513	4,515,173	3,558,083	3,558,083	-	Land and buildings	None
Other loans	Others	2,575,869	2,076,369	2,076,369	-	Land, buildings and plant	None
Other loans	E.SUN Securities Co., Ltd.	70,000	-	-	-	Certificates of deposit	None

December 31, 2024

Type	Account Volume or Name	Highest Balance for the Year Ended December 31, 2024 (Note)	Ending Balance	Loan Classification		Collateral	Differences in Terms of Transaction from Those for Unrelated Parties
				Normal Loans	Nonperforming Loans		
Consumer loans	108	\$ 70,515	\$ 41,031	\$ 41,031	\$ -	Land and buildings as collateral for part of the loans	None
Self-used residential mortgage	433	4,054,361	3,009,668	3,009,668	-	Land and buildings	None
Other loans	Others	2,290,801	1,714,446	1,714,446	-	Land, buildings and plant	None

Note: The sum of the respective highest balances of each account for the years ended December 31, 2025 and 2024.

**TABLE 3****E.SUN COMMERCIAL BANK, LTD. AND SUBSIDIARIES****INFORMATION ON FOREIGN-CURRENCY FINANCIAL ASSETS AND LIABILITIES WITH SIGNIFICANT EFFECT  
DECEMBER 31, 2025 AND 2024  
(In Thousands)**

	December 31					
	2025			2024		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>						
Monetary items						
USD	\$ 35,221,375	31.4540	\$ 1,107,853,129	\$ 28,650,698	32.7900	\$ 939,456,387
CNY	29,515,257	4.4986	132,777,335	31,364,077	4.4789	140,476,564
AUD	8,613,216	21.0330	181,161,772	7,335,490	20.4000	149,643,996
Non-monetary items						
USD	366,001	31.4540	11,512,195	799,262	32.7900	26,207,801
CNY	142,080	4.4986	639,161	266,087	4.4789	1,191,777
AUD	5,876	21.0330	123,590	15,343	20.4000	312,997
<u>Financial liabilities</u>						
Monetary items						
USD	\$ 42,294,872	31.4540	\$ 1,330,342,904	\$ 37,934,617	32.7900	\$ 1,243,876,091
CNY	31,619,972	4.4986	142,245,606	25,209,027	4.4789	112,908,711
AUD	3,811,994	21.0330	80,177,670	3,496,486	20.4000	71,328,314
Non-monetary items						
USD	369,990	31.4540	11,637,665	626,765	32.7900	20,551,624
CNY	106,056	4.4986	477,104	209,118	4.4789	936,619
AUD	19,621	21.0330	412,688	4,434	20.4000	90,454

## E.SUN COMMERCIAL BANK, LTD.

ASSET QUALITY - NONPERFORMING LOANS AND RECEIVABLES  
DECEMBER 31, 2025 AND 2024  
(In Thousands of New Taiwan Dollars, %)

Period		December 31, 2025					December 31, 2024				
Items		Nonperforming Loans (Note 1)	Loans	Ratio of Nonperforming Loans (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)	Nonperforming Loans (Note 1)	Loans	Ratio of Nonperforming Loans (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)
Corporate banking	Secured	\$ 1,017,546	\$ 524,743,695	0.19	\$ 6,277,019	616.88	\$ 853,546	\$ 497,653,114	0.17	\$ 5,594,398	655.43
	Unsecured	303,142	780,473,658	0.04	8,501,947	2,804.61	260,459	608,291,407	0.04	6,583,152	2,527.52
Consumer banking	Residential mortgage (Note 4)	447,942	623,043,241	0.07	9,283,241	2,072.42	370,360	600,784,391	0.06	8,893,856	2,401.41
	Cash card	-	258	-	4	-	-	348	-	5	-
	Small-scale credit loans (Note 5)	1,588,503	153,030,284	1.04	2,214,822	139.43	1,379,548	132,786,325	1.04	1,908,277	138.33
	Other (Note 6)	Secured	434,444	475,535,056	0.09	4,907,378	1,129.58	302,938	433,808,287	0.07	4,454,578
Unsecured		-	13,885,859	-	150,119	-	-	7,109,760	-	81,964	-
Loan		3,791,577	2,570,712,051	0.15	31,334,530	826.42	3,166,851	2,280,433,632	0.14	27,516,230	868.88
		Nonperforming Receivables (Note 1)	Receivables	Ratio of Nonperforming Receivables (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)	Nonperforming Receivables (Note 1)	Receivables	Ratio of Nonperforming Receivables (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)
Credit cards		381,701	102,324,536	0.37	1,581,705	414.38	420,497	99,720,337	0.42	1,118,776	266.06
Accounts receivable factored without recourse (Note 7)		-	12,460,348	-	146,688	-	-	9,500,997	-	142,695	-
Amounts of executed contracts on negotiated debts not reported as nonperforming loans (Note 8)		1,288				1,725					
Amounts of executed contracts on negotiated debts not reported as nonperforming receivables (Note 8)		4,982				8,271					
Amounts of executed debt-restructuring projects not reported as nonperforming loans (Note 9)		1,913,892				1,301,715					
Amounts of executed debt-restructuring projects not reported as nonperforming receivables (Note 9)		1,455,145				1,478,346					

Note 1: Nonperforming loans are reported to the authorities and disclosed to the public, as required by the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Non-accrued Loans." Nonperforming receivables are reported to the authorities and disclosed to the public, as required by the Banking Bureau's letter dated July 6, 2005 (Ref. No. 0944000378).

Note 2: Ratio of nonperforming loans: Nonperforming loans ÷ Outstanding loans balance.  
Ratio of nonperforming receivables: Nonperforming receivables ÷ Outstanding receivables balance.

Note 3: Coverage ratio of loans: Allowance for possible losses for loans ÷ Nonperforming loans.  
Coverage ratio of receivables: Allowance for possible losses for receivables ÷ Nonperforming receivables.

Note 4: The mortgage loan is for house purchase or renovation and is fully secured by housing that is purchased (owned) by the borrower, the spouse or the minor children of the borrowers.

Note 5: Based on the Banking Bureau's letter dated December 19, 2005 (Ref. No. 09440010950), small-scale credit loans are unsecured, involve small amounts and exclude credit cards and cash cards.

Note 6: Other consumers' banking loans refer to secured or unsecured loans that exclude residential mortgage, cash cards, credit cards and small-scale credit loans.

Note 7: As required by the Banking Bureau in its letter dated July 19, 2005 (Ref. No. 0945000494), accounts receivable factored without recourse are reported as nonperforming receivables within three months after the factors or insurance companies refuse to indemnify banks for any liabilities on these accounts.

Note 8: Amounts of executed contracts on negotiated debts that are not reported as nonperforming loans or receivables are reported in accordance with the Banking Bureau's letter dated April 25, 2006 (Ref. No. 09510001270).

Note 9: Amounts of executed debt-restructuring projects not reported as nonperforming loans or receivables are disclosed to the public in accordance with the Banking Bureau's letter dated September 15, 2008 (Ref. No. 09700318940) and September 20, 2016 (Ref. No. 10500134790).

**E.SUN COMMERCIAL BANK, LTD. AND SUBSIDIARIES****ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 10% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Name	Property	Transaction Date	Transaction Amount	Payment Term/ Payment Status	Counterparty	Nature of Relationship	Prior Transaction of Related Counterparty				Price Reference	Purpose of Acquisition	Other Terms
							Owner	Relationship	Transfer Date	Amount			
E.SUN Commercial Bank, Ltd.	Qingpu branch in Taoyuan	2022.08.19 2022.09.15 2025.06.09	\$ 500,086 (Note 1)	\$500,086 has been paid as of December 31, 2025	Eight Point International Corp.	-	-	-	-	\$ -	Appraisal report	For the operation of the branch of E.SUN Bank	None
	Xiaokuaishi branch in Taoyuan	2022.08.19 2024.12.21	312,858 (Note 2)	\$312,858 has been paid as of December 31, 2025	Yang, Yang and Yang	-	-	-	-	-	Appraisal report	For the operation of the branch of E.SUN Bank	None

Note 1: The initial transaction amount was \$500,000 thousand, with an additional \$86 thousand incurred due to an increase in the registered property area.

Note 2: The initial transaction amount was \$308,000 thousand, with an additional \$4,858 thousand incurred due to an increase in the registered property area.

**E.SUN COMMERCIAL BANK, LTD. AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$300 MILLION OR 10% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
E.SUN Commercial Bank, Ltd.	E.SUN Financial Holding Company, Ltd. (ESFHC)	Parent company	\$ 520,708 (Note)	-	\$ -	-	\$ -	\$ -

Note: The receivables related to consolidated tax returns from E.SUN Financial Holding Company, Ltd.

## E.SUN COMMERCIAL BANK, LTD.

THE RELATED INFORMATION AND PROPORTIONATE SHARE IN INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Percentage of Ownership	Carrying Amount	Investment Income	Proportionate Share of the Bank and Its Affiliates in Investees (Note 1)				Note
							Shares (Thousands)	Pro Forma Shares (Note 2)	Total		
									Shares (Thousands)	Percentage of Ownership	
E.SUN Commercial Bank, Ltd. (The Bank)	<u>Finance - related business</u>										
	Taipei Forex Inc.	Taipei	Foreign exchange brokering	0.81	\$ 20,811	\$ 1,424	160	-	160	0.81	
	Taiwan Futures Exchange Co., Ltd.	Taipei	Futures clearing	0.45	320,421	6,998	3,247	-	3,247	0.45	
	Financial Information Service Co., Ltd.	Taipei	Information service	2.28	828,720	41,683	16,982	-	16,982	2.28	
	Taiwan Asset Management Corporation	Taipei	Acquisition of delinquent loans	0.57	71,160	3,900	6,000	-	6,000	0.57	
	Taiwan Financial Asset Service Corporation	Taipei	Property auction	2.94	40,750	1,050	5,000	-	5,000	2.94	
	Taiwan Finance Corp.	Taipei	Bills financing	0.41	26,097	403	2,120	-	2,120	0.41	
	All Win Fintech Company Limited	Taipei	Electronic payment	17.89	44,236	-	11,256	-	11,256	17.89	
	Sunny Asset Management Co.	Taipei	Acquisition of delinquent loans	4.35	4,325	307	261	-	261	4.35	
	Taiwan Mobile Payment Co.	Taipei	Information service	3.00	15,210	-	1,800	-	1,800	3.00	
	BankPro E-Service Technology Co., Ltd.	Taipei	E-commerce application service	61.67	385,186	40,373	11,533	-	11,533	64.07	Note 3
	Union Commercial Bank PLC.	Phnom Penh Cambodia	Commercial banking	100.00	5,843,450	297,022	80	-	80	100.00	Note 3
	E.SUN Bank (China), Ltd.	Shenzhen, China	Commercial banking	100.00	11,323,236	548,029	-	-	-	100.00	Note 3
	EasyCard Corporation	Taipei	Electronic payment	1.93	71,237	3,978	1,349	-	1,349	1.93	
Taiwan Digital Creative Limited Partnership	Taipei	Investment	5.00	50,000	-	-	-	-	5.00		
	<u>Non-finance - related business</u>										
	Taiwan Incubator Small & Medium Enterprises Development Co., Ltd.	Taipei	Small and medium enterprise incubation	3.44	25,514	1,940	2,425	-	2,425	3.44	
	EASYCARD Investment Holding Co., Ltd.	Taipei	Investment	4.82	111,330	5,332	3,208	-	3,208	4.82	

Note 1: Shares or pro forma shares held by the Bank, directors, supervisors, president, vice president and affiliates have been included in accordance with the Company Act.

Note 2: a. Pro forma shares are shares that are assumed to be obtained through buying equity-based securities or entering into equity-linked derivative contracts for purposes defined in Article 74 of the Banking Act.

b. Equity-based securities, such as convertible bonds and warrants, are covered by Article 11 of "Securities and Exchange Law Enforcement Rules."

c. Derivative contracts, such as stock options, are those conforming to the definition of derivatives in International Financial Reporting Standard 9.

Note 3: When preparing the consolidated financial statements, it has been eliminated.

**E.SUN COMMERCIAL BANK, LTD. AND SUBSIDIARIES**

**INVESTMENT IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2025**

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2025	% Ownership of Direct or Indirect Investment	Investment Income	Carrying Amount as of December 31, 2025	Accumulated Inward Remittance of Earnings as of December 31, 2025
					Outflow	Inflow					
E.SUN Bank (China), Ltd.	Deposits, loans, import and export, exchange and foreign exchange business	\$ 9,758,742 (Note 1)	Direct	\$ 9,758,742	\$ -	\$ -	\$ 9,758,742 (Note 1)	100	\$ 548,029	\$ 11,323,236	\$ -

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amount Approved by the Investment Commission, MOEA	Maximum Investment Allowable (Note 2)
\$9,758,742 (Note 1)	\$9,758,742 (Note 1)	\$175,890,541

Note 1: Translation into New Taiwan dollars at the spot rates on the dates of investment outflow from Taiwan.

Note 2: Based on the Investment Commission's "Regulation on the Examination of Investment or Technical Cooperation in Mainland China," investments are limited to the larger of 60% of the Bank's net asset value or 60% of the Company's consolidated net asset value.

## E.SUN COMMERCIAL BANK, LTD. AND SUBSIDIARIES

## BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT COMPANY AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Transaction Company	Counterparty	Transaction Flow (Note 2)	Description of Transactions (Notes 3 and 5)			
				Financial Statement Account	Amounts	Trading Terms	Transaction Amount/Total Consolidated Net Revenue or Total Consolidated Assets (%)
0	E.SUN Commercial Bank, Ltd.	E.SUN Bank (China), Ltd.	a	Due from the Central Bank and call loans to other banks	\$ 6,424,710	Note 4	0.14
1	E.SUN Bank (China), Ltd.	E.SUN Commercial Bank, Ltd.	b	Deposits from the Central Bank and other banks	6,424,710	Note 4	0.14
0	E.SUN Commercial Bank, Ltd.	Union Commercial Bank PLC.	a	Discounts and loans	1,006,528	Note 4	0.02
2	Union Commercial Bank PLC.	E.SUN Commercial Bank, Ltd.	b	Other financial liabilities	1,006,528	Note 4	0.02
2	Union Commercial Bank PLC.	E.SUN Commercial Bank, Ltd.	b	Due from the Central Bank and call loans to other banks	1,792,878	Note 4	0.04
0	E.SUN Commercial Bank, Ltd.	Union Commercial Bank PLC.	a	Deposits from the Central Bank and other banks	1,792,878	Note 4	0.04
0	E.SUN Commercial Bank, Ltd.	E.SUN Bank (China), Ltd.	a	Interest revenue	211,897	Note 4	0.25
1	E.SUN Bank (China), Ltd.	E.SUN Commercial Bank, Ltd.	b	Interest expense	211,897	Note 4	0.25

Note 1: The parent company and subsidiaries are numbered as follows:

- a. Parent company: 0.
- b. Subsidiaries are numbered in an order starting from 1.

Note 2: Transaction flows are as follows:

- a. From parent company to subsidiary,
- b. From subsidiary to parent company, and
- c. Between subsidiaries.

Note 3: For calculating the percentages, asset or liability account is divided by the total consolidated assets and the revenue or expense account is divided by the total consolidated net revenue of the same period.

Note 4: The terms for the transactions between the transaction companies and related parties are similar to those for unrelated parties.

Note 5: Referring to transactions exceeding \$100,000 thousand.



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Grateful for your support in our award-winning 2025.  
E.SUN will continue to drive group synergies and global growth,  
prospering together with our clients to make Taiwan proud.

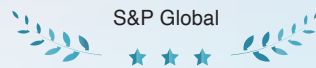
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5-time winner

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Management Excellence Award and  
Individual Award



Ranked #1 in Large Enterprise for  
3 consecutive years

**Excellence in Corporate  
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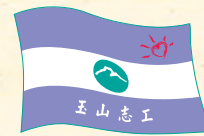
5-time winner

**Taiwan Best Wealth  
Management Bank**

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**E.SUN FHC**



## Service Network of E.SUN Commercial Bank, Ltd.

Branch	Phone	Branch	Phone	Branch	Phone
Business Department	+886 2 2719 1313	North Xinzhuang Branch	+886 2 2997 1313	East Chiayi Branch	+886 5 216 1313
Customer Services Division	+886 2 2175 1313	Xinshu Branch	+886 2 2203 1313	Chiayi Branch	+886 5 223 1313
International Banking Department	+886 2 2175 1313	Xindian Branch	+886 2 2916 1313	Puzi Branch	+886 5 379 1313
Trust Division	+886 2 2562 1313	Beixin Branch	+886 2 8911 1313	Xinying Branch	+886 6 656 8813
Insurance Agency Department	+886 2 2562 1313	Shulin Branch	+886 2 8675 1313	Jiali Branch	+886 6 721 1313
Nanjing East Road Branch	+886 2 2760 1313	Huilong Branch	+886 2 2689 1313	Rende Branch	+886 6 270 6613
Zhonglun Branch	+886 2 2731 1313	Sanxia Branch	+886 2 8970 6613	Yanhang Branch	+886 6 253 1313
Xinyi Branch	+886 2 8789 1313	Xizhi Branch	+886 2 2647 6613	Yongkang Branch	+886 6 201 1313
Nan Shan Plaza Branch	+886 2 2722 8913	Tucheng Branch	+886 2 2274 1313	South Yongkang Branch	+886 6 313 1313
Keelung Road Branch	+886 2 2378 1313	South Tucheng Branch	+886 2 2267 1313	East Tainan Branch	+886 6 289 1313
Songshan Branch	+886 2 3765 1313	Luzhou Branch	+886 2 2848 1313	Jinhua Branch	+886 6 291 1313
NTU Branch	+886 2 2368 1313	Wugu Branch	+886 2 2290 1313	Annan Branch	+886 6 357 1313
Dunnan Branch	+886 2 2754 1313	Xinzhuangfuduxin Branch	+886 2 2297 1313	Tainan Branch	+886 6 241 1313
Heping Branch	+886 2 2362 1313	East Linkou Branch	+886 2 2606 9813	Zuoying Branch	+886 7 348 8813
Daan Branch	+886 2 2755 1313	Taoyuan Branch	+886 3 332 1313	Nanzi Branch	+886 7 364 1313
Zhongxiao Branch	+886 2 8772 1313	Zhonglutequ Branch	+886 3 337 1313	North Kaohsiung Branch	+886 7 350 1313
Dongmen Branch	+886 2 2321 1313	Taoying Branch	+886 3 375 1313	Dachang Branch	+886 7 341 1313
Renai Branch	+886 2 2708 1313	Yiwen Branch	+886 3 357 1313	Chengqing Branch	+886 7 386 1313
Fuxing Branch	+886 2 2771 1313	Zhongli Branch	+886 3 427 1313	Qixian Branch	+886 7 235 1313
Minsheng Branch	+886 2 2509 1313	Qingpu Branch	+886 3 426 1313	Asia Bay Branch	+886 3 426 1313
Xinsheng Branch	+886 2 2740 1313	Zhongyuan Branch	+886 3 428 1313	Kaohsiung Branch	+886 7 336 1313
Changchun Branch	+886 2 2546 1313	Yangmei Branch	+886 3 488 1313	Lingya Branch	+886 7 716 1313
Zhongshan Branch	+886 2 2537 1313	Nankan Branch	+886 3 352 1313	Qianzhen Branch	+886 7 761 1313
Chengdong Branch	+886 2 2504 1313	Linkou Branch	+886 3 396 1313	Xiaogang Branch	+886 7 807 1313
Minquan Branch	+886 2 2568 1313	Bade Branch	+886 3 367 1313	Fengshan Branch	+886 7 743 1313
Taipei Branch	+886 2 2507 1313	Lixin Branch	+886 3 492 1313	Linyuan Branch	+886 7 643 1313
Chengzhong Branch	+886 2 2389 1313	Hsinchu Branch	+886 3 523 1313	Houzhuang Branch	+886 7 702 1313
Guting Branch	+886 2 2364 1313	Zhuke Branch	+886 3 564 1313	Gangshan Branch	+886 7 621 1313
Jiancheng Branch	+886 2 2556 1313	Guanghua Branch	+886 3 533 1313	Pingtung Branch	+886 8 733 1313
Muzha Branch	+886 2 2936 1313	Zhubei Branch	+886 3 554 1313	Donggang Branch	+886 8 835 1313
Nangang Branch	+886 2 2789 1313	Liuji Branch	+886 3 658 9013	Keelung Branch	+886 2 2427 1313
Neihu Branch	+886 2 2659 1313	Xinfeng Branch	+886 3 557 1313	Luodong Branch	+886 3 957 1313
Chenggong Branch	+886 2 2791 8813	Zhunao Branch	+886 3 746 1313	Hualien Branch	+886 3 831 1313
Donghu Branch	+886 2 2632 1313	Toufen Branch	+886 3 768 3313	Taitung Branch	+886 89 36 1313
Xinhu Branch	+886 2 8791 6613	Houlong Branch	+886 3 773 1313	Penghu Branch	+886 6 927 1313
Shilin Branch	+886 2 2834 1313	Wuri Branch	+886 4 2260 8813	Los Angeles Branch	+1 626 810 2400
Tianmu Branch	+886 2 2835 1313	Wuquan Branch	+886 4 2377 1313	Dallas Representative Office	+1 214 888 7113
Shipai Branch	+886 2 2895 1313	Taichung Branch	+886 4 2254 1313	Hong Kong Branch	+852 3405 6168
Credit Card and Payment Division	+886 2 8512 1313	Shuinan Branch	+886 4 2485 1313	Singapore Branch	+65 6533 1313
Sanhe Branch	+886 2 2280 1313	Taichung Metropolitan Branch	+886 4 2327 1313	Dong Nai Branch	+84 251 367 1313
Sanchong Branch	+886 2 2984 1313	Xitun Branch	+886 4 2461 1313	Yangon Branch	+95 1 934 5186
Erchong Branch	+886 2 2278 1313	Zhonggong Branch	+886 4 2350 8913	Sydney Branch	+61 2 9295 1399
East Sanchong Branch	+886 2 2971 1313	Nantun Branch	+886 4 2380 1313	Brisbane Branch	+61 7 3033 8813
Banqiao Branch	+886 2 8257 1313	Dadun Branch	+886 4 2320 1313	Tokyo Branch	+81 3 6213 1301
Puqian Branch	+886 2 2963 1313	Beitun Branch	+886 4 2241 6813	Fukuoka Branch	+81 92 260 1913
Panshin Branch	+886 2 8952 1313	Wenxin Branch	+886 4 2291 1313	Hanoi Representative Office	+84 24 3555 1313
Xinbantequ Branch	+886 2 2954 1313	Fengyuan Branch	+886 4 2512 1313	Ho Chi Minh Representative Office	+84 28 3551 1313
Guangfu Branch	+886 2 2957 1313	Shalu Branch	+886 4 2662 1813	Bangkok Representative Office	+66 2 286 1313
Zhonghe Branch	+886 2 2222 1313	Daya Branch	+886 4 2568 1313	E.SUN Bank (China) Co., Ltd.	+86 755 8898 1313
Liancheng Branch	+886 2 8228 1313	Taiping Branch	+886 4 2270 8813	Shenzhen Branch	+86 755 8360 1313
Nanshijiao Branch	+886 2 2942 8813	Dali Branch	+886 4 2418 1313	Guangzhou Branch	+86 20 6199 1313
Taihe Branch	+886 2 2242 1313	Changhua Branch	+886 4 728 1313	Dongguan Branch	+86 769 2868 1313
Yongan Branch	+886 2 8921 1313	Yuanlin Branch	+886 4 836 1313	Dongguan Changan Sub-branch	+86 769 2330 8813
Shuanghe Branch	+886 2 2923 1313	Caotun Branch	+886 4 9238 1313	Union Commercial Bank Plc.	+855 2391 1313
Xinzhuang Branch	+886 2 2202 1313	Douliu Branch	+886 5 532 1313	Kuala Lumpur Representative Office	+60 3 8679 1313
				Kumamoto Sub-Branch	+81 96 353 1613



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<https://www.esunbank.com>