

**Far Eastern International Bank Ltd. and
Subsidiaries**

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Far Eastern International Bank Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Far Eastern International Bank Ltd. (the "Bank") and its subsidiaries, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Bank and its subsidiaries 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 and the 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 (FSC).

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 Bank and its subsidiaries 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.

Key audit matters related to the Bank and its subsidiaries' consolidated financial statements for the year ended December 31, 2025 for the Bank and its subsidiaries, which are described as follows:

Allowance for Expected Credit Losses on Loans

As of December 31, 2025, the balance of loans in the aggregate amounted to NT\$506,589,988 thousand, which accounted for 58% of the total assets of the consolidated financial statements; an amount that is deemed to be significant to the consolidated financial statements. Besides assessing expected credit losses on loans in accordance with IFRS 9 "Financial Instruments", 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 when assessing classification of credit assets and recognizing allowance for possible losses, and the higher amount of allowance for expected credit losses on loans is recognized. As the assessment on the impairment of loans involved the management's critical judgments in accounting estimation and the underlying assumptions, we deemed the allowance for expected credit losses on loans as a key audit matter. Refer to Note 5 to the consolidated financial statements for the critical accounting judgments and estimation uncertainty.

Refer to Notes 4, 5, 14 and 44 to the consolidated financial statements for disclosures related to impairment on loans.

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

1. Understand and perform tests on the Bank's internal controls relevant to loans impairment assessment.
2. Verify whether the methodology, main assumptions and parameters (consider the probability of default, probability of loss given default and exposure at default on forward-looking information) adopted by the impairment model of expected credit losses adequately reflect the actual position and compliance with IFRS 9, and recalculate the amount of impairment.
3. Sample and review credit files to evaluate whether the loans are reasonably categorized per regulatory stipulation and recalculate for the correctness of the allowance.

Other Matter

We have also audited the parent company only financial statements of the Bank 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 and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the FSC, 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 Bank and its subsidiaries' 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 Bank and its subsidiaries 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 Bank and its subsidiaries' 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 Bank and its subsidiaries' 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 Bank and its subsidiaries' 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 Bank and its subsidiaries 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 Bank and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Bank and its subsidiaries audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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 audit resulting in this independent auditors' report are Chia-Huang Hu and Chen-Hsiu Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 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.

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

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

ASSETS	2025		2024	
	Amount	%	Amount	%
ASSETS				
Cash and cash equivalents, net (Notes 6 and 39)	\$ 5,378,820	1	\$ 20,587,193	3
Due from the Central Bank and other banks, net (Notes 7 and 39)	50,315,876	6	43,705,701	5
Financial assets at fair value through profit or loss (Notes 4, 8, 39, 43 and 44)	55,688,152	7	53,134,114	6
Financial assets at fair value through other comprehensive income (Notes 4, 5, 9, 11, 21, 28, 40, 43 and 44)	63,132,388	7	59,536,214	7
Investment in debt instruments at amortized cost, net (Notes 4, 5, 10, 11, 21, 40, 43 and 44)	147,693,446	17	146,215,199	17
Securities purchased under resale agreements, net (Notes 4, 12 and 44)	2,703,167	-	3,434,968	1
Receivables, net (Notes 4, 5, 13 and 44)	19,108,530	2	18,553,830	2
Discounts and loans, net (Notes 4, 5, 14, 39 and 44)	506,589,988	58	488,805,319	57
Investments accounted for using equity method (Notes 4, 15 and 28)	2,979,414	-	2,783,101	-
Other financial assets, net (Notes 16 and 40)	11,222,142	1	8,636,128	1
Property and equipment, net (Notes 4, 17 and 39)	5,220,517	1	5,195,387	1
Right-of-use assets, net (Notes 4, 18 and 39)	1,435,267	-	903,588	-
Intangible assets, net (Notes 4 and 19)	1,538,210	-	1,546,704	-
Deferred tax assets (Notes 4 and 36)	121,612	-	71,137	-
Other assets (Note 39)	583,363	-	354,467	-
TOTAL	\$ 873,710,892	100	\$ 853,463,050	100
LIABILITIES AND EQUITY				
LIABILITIES				
Due to the Central Bank and other banks (Notes 20 and 44)	\$ 966,213	-	\$ 2,851,990	1
Funds borrowed from the Central Bank and other banks (Notes 44 and 46)	3,048,949	-	1,163,333	-
Financial liabilities at fair value through profit or loss (Notes 4, 8, 39, 43 and 44)	7,729,839	1	8,729,116	1
Securities sold under repurchase agreements (Notes 4, 9, 10, 21, 44 and 46)	1,953,568	-	2,643,625	-
Payables (Notes 22 and 44)	6,341,467	1	15,328,617	2
Current tax liabilities (Note 4)	236,153	-	138,082	-
Deposits and remittances (Notes 23, 39 and 44)	711,752,762	82	698,869,200	82
Bank debentures (Notes 24, 43, 44 and 46)	25,301,720	3	16,901,900	2
Principal received on structured products (Note 44)	42,130,399	5	42,347,489	5
Other financial liabilities (Notes 25, 44 and 46)	1,842,970	-	1,229,329	-
Provisions (Notes 4, 26 and 39)	659,372	-	629,812	-
Lease liabilities (Notes 4, 18, 39, 44 and 46)	1,457,282	-	924,169	-
Other liabilities (Notes 4 and 36)	441,532	-	456,599	-
Total liabilities	803,862,226	92	792,213,261	93
EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK (Notes 4, 9, 15, 28 and 38)				
Share capital	48,652,847	6	42,753,997	5
Capital surplus	830,560	-	302,926	-
Retained earnings				
Legal reserve	14,816,444	2	13,510,272	2
Special reserve	84,254	-	164,485	-
Unappropriated earnings	4,454,667	-	4,596,441	-
Total retained earnings	19,355,365	2	18,271,198	2
Other equity	1,009,894	-	(78,332)	-
Total equity	69,848,666	8	61,249,789	7
TOTAL	\$ 873,710,892	100	\$ 853,463,050	100

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

FAR EASTERN INTERNATIONAL 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 Per Share)

	2025		2024		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
INTEREST REVENUES (Notes 4, 29 and 39)	\$ 20,246,156	157	\$ 19,845,562	154	2
INTEREST EXPENSES (Notes 4, 18, 29 and 39)	<u>13,442,547</u>	<u>104</u>	<u>13,924,519</u>	<u>108</u>	(3)
NET INTERESTS	<u>6,803,609</u>	<u>53</u>	<u>5,921,043</u>	<u>46</u>	15
NET REVENUES AND GAINS OTHER THAN INTEREST					
Net service fee income (Notes 4, 30 and 39)	3,026,350	23	3,014,959	23	-
Gain on financial assets and liabilities at fair value through profit or loss (Notes 4, 31, 39 and 43)	2,154,170	17	2,934,657	23	(27)
Realized gain on financial assets at fair value through other comprehensive income (Notes 4, 9, 28 and 43)	216,325	2	209,789	2	3
Net foreign exchange gain (Note 4)	210,056	2	327,053	3	(36)
Reversal of impairment loss (impairment loss) on assets (Notes 4, 5, 9, 10, 12 and 16)	4,478	-	(1,997)	-	324
Share of profit of associates for using equity method (Notes 4 and 15)	170,735	1	152,484	1	12
Others (Note 4)	<u>282,932</u>	<u>2</u>	<u>302,693</u>	<u>2</u>	(7)
Total net revenues and gains other than interest	<u>6,065,046</u>	<u>47</u>	<u>6,939,638</u>	<u>54</u>	(13)
NET REVENUES	<u>12,868,655</u>	<u>100</u>	<u>12,860,681</u>	<u>100</u>	-
NET PROVISION FOR POSSIBLE LOSS ON BAD DEBTS EXPENSE, COMMITMENT, GUARANTEE AND LETTERS OF CREDIT ISSUED (Notes 4, 5, 6, 7, 13, 14, 16, 26 and 39)	<u>253,010</u>	<u>2</u>	<u>142,536</u>	<u>1</u>	78

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FAR EASTERN INTERNATIONAL 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 Per Share)

	2025		2024		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
OPERATING EXPENSES					
Employee benefit expense (Notes 4, 27, 32, 33, 38 and 39)	\$ 4,761,065	37	\$ 4,685,075	36	2
Depreciation and amortization (Notes 4, 17, 18, 19 and 34)	747,440	5	751,687	6	(1)
Other general and administrative expenses (Notes 18, 35 and 39)	<u>2,447,647</u>	<u>19</u>	<u>2,411,455</u>	<u>19</u>	2
Total operating expenses	<u>7,956,152</u>	<u>61</u>	<u>7,848,217</u>	<u>61</u>	1
INCOME BEFORE INCOME TAX	4,659,493	37	4,869,928	38	(4)
INCOME TAX EXPENSE (Notes 4 and 36)	<u>488,078</u>	<u>4</u>	<u>572,738</u>	<u>5</u>	(15)
NET INCOME FOR THE YEAR	<u>4,171,415</u>	<u>33</u>	<u>4,297,190</u>	<u>33</u>	(3)
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 9, 11, 15, 27, 28, 36 and 43)					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	20,432	-	33,915	-	(40)
Gain (loss) on valuation of investments in equity instruments at fair value through other comprehensive income	539,096	4	(42,557)	-	1,367
Share of other comprehensive income (loss) of associates for using equity method	(2,911)	-	5,273	-	(155)
Income tax expense relating to items that will not be reclassified subsequently to profit or loss	<u>(4,086)</u>	<u>-</u>	<u>(6,783)</u>	<u>-</u>	40
	<u>552,531</u>	<u>4</u>	<u>(10,152)</u>	<u>-</u>	5,543

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FAR EASTERN INTERNATIONAL 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 Per Share)

	2025		2024		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations	\$ (50,920)	-	\$ 109,147	1	(147)
Share of other comprehensive income (loss) of associates for using equity method	141,681	1	(35,615)	-	498
Gain on investments in debt instruments measured at fair value through other comprehensive income	565,427	4	80,685	-	601
Income tax expense relating to items that may be reclassified subsequently to profit or loss	<u>(1,191)</u>	<u>-</u>	<u>(7,119)</u>	<u>-</u>	83
	<u>654,997</u>	<u>5</u>	<u>147,098</u>	<u>1</u>	345
Other comprehensive income for the year	<u>1,207,528</u>	<u>9</u>	<u>136,946</u>	<u>1</u>	782
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 5,378,943</u>	<u>42</u>	<u>\$ 4,434,136</u>	<u>34</u>	21
NET INCOME ATTRIBUTABLE TO:					
Owners of the Bank	<u>\$ 4,171,415</u>	<u>33</u>	<u>\$ 4,297,190</u>	<u>33</u>	(3)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Bank	<u>\$ 5,378,943</u>	<u>42</u>	<u>\$ 4,434,136</u>	<u>34</u>	21
EARNINGS PER SHARE (Note 37)					
Basic	<u>\$0.93</u>		<u>\$0.98</u>		
Diluted	<u>\$0.92</u>		<u>\$0.98</u>		

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

(Concluded)

FAR EASTERN INTERNATIONAL 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 Shareholders of the Parent					Others		Total Equity
	Share Capital (Note 28)	Capital Surplus (Notes 4, 28 and 38)	Retained Earnings (Notes 9 and 28)			Exchange Differences on Translating Foreign Operations (Note 4)	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Notes 4, 9, 15 and 28)	
			Legal Reserve	Special Reserve	Unappropriated Earnings			
BALANCE ON JANUARY 1, 2024	\$ 40,694,838	\$ 302,926	\$ 12,304,518	\$ 1,711,795	\$ 4,019,297	\$ (167,411)	\$ 8,849	\$ 58,874,812
Appropriation of the 2023 earnings								
Legal reserve	-	-	1,205,754	-	(1,205,754)	-	-	-
Special reserve	-	-	-	(1,547,310)	1,547,310	-	-	-
Cash dividends - NT\$0.5060 per share	-	-	-	-	(2,059,159)	-	-	(2,059,159)
Share dividends - NT\$0.5060 per share	2,059,159	-	-	-	(2,059,159)	-	-	-
	<u>2,059,159</u>	<u>-</u>	<u>1,205,754</u>	<u>(1,547,310)</u>	<u>(3,776,762)</u>	<u>-</u>	<u>-</u>	<u>(2,059,159)</u>
Net income for the year ended December 31, 2024	-	-	-	-	4,297,190	-	-	4,297,190
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	29,603	102,028	5,315	136,946
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	4,326,793	102,028	5,315	4,434,136
Disposal of investments in equity instruments at fair value through other comprehensive income (loss)	-	-	-	-	27,113	-	(27,113)	-
BALANCE ON DECEMBER 31, 2024	42,753,997	302,926	13,510,272	164,485	4,596,441	(65,383)	(12,949)	61,249,789
Appropriation of the 2024 earnings								
Legal reserve	-	-	1,306,172	-	(1,306,172)	-	-	-
Special reserve	-	-	-	(80,231)	80,231	-	-	-
Cash dividends - NT\$0.5000 per share	-	-	-	-	(2,137,700)	-	-	(2,137,700)
Share dividends - NT\$0.2500 per share	1,068,850	-	-	-	(1,068,850)	-	-	-
	<u>1,068,850</u>	<u>-</u>	<u>1,306,172</u>	<u>(80,231)</u>	<u>(4,432,491)</u>	<u>-</u>	<u>-</u>	<u>(2,137,700)</u>
Net income for the year ended December 31, 2025	-	-	-	-	4,171,415	-	-	4,171,415
Other comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	9,267	(52,111)	1,250,372	1,207,528
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	4,180,682	(52,111)	1,250,372	5,378,943
Issuance of ordinary shares for cash	4,830,000	505,416	-	-	-	-	-	5,335,416
Share-based payments	-	22,218	-	-	-	-	-	22,218
Disposal of investments in equity instruments at fair value through other comprehensive income (loss)	-	-	-	-	110,035	-	(110,035)	-
BALANCE ON DECEMBER 31, 2025	<u>\$ 48,652,847</u>	<u>\$ 830,560</u>	<u>\$ 14,816,444</u>	<u>\$ 84,254</u>	<u>\$ 4,454,667</u>	<u>\$ (117,494)</u>	<u>\$ 1,127,388</u>	<u>\$ 69,848,666</u>

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

FAR EASTERN INTERNATIONAL 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
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 4,659,493	\$ 4,869,928
Adjustments for:		
Depreciation	738,946	726,204
Amortization	8,494	25,483
Provision for possible loss on bad debts expense, commitment, guarantee and letters of credit issued	734,535	666,655
Net valuation loss (gain) on financial assets and liabilities at fair value through profit or loss	106,565	(617,754)
Interest expenses	13,442,547	13,924,519
Interest revenues	(21,002,208)	(20,340,707)
Dividend revenue	(243,058)	(251,508)
Share-based payments	22,218	-
Shares of profit from associates	(170,735)	(152,484)
Impairment loss (reversal of impairment loss) on financial assets	(3,825)	1,735
Unrealized net foreign exchange loss (gain) on assets and liabilities other than foreign currency cash and cash equivalents	46,227	(53,237)
Other adjustments	877	(499)
Changes in operating assets and liabilities		
Increase in due from the Central Bank and other banks	(1,178,245)	(2,540,438)
Increase in financial assets at fair value through profit or loss	(3,809,054)	(10,299,406)
Decrease (increase) in financial assets at fair value through other comprehensive income	(3,190,255)	5,787,159
Increase in investments in debt instruments at amortized cost	(2,234,152)	(12,729,253)
Decrease in receivables	12,740	802,083
Increase in discounts and loans	(20,799,339)	(17,811,377)
Increase in other financial assets - financial transaction margin	(2,611,078)	(1,234,464)
Increase (decrease) in due to the Central Bank and other banks	(1,755,917)	1,239,186
Increase (decrease) in financial liabilities at fair value through profit or loss	(893,390)	189,064
Increase (decrease) in payables	(9,272,681)	9,174,570
Increase in deposits and remittances	17,628,839	30,895,373
Increase in principal received on structured products	48,455	7,794,101
Increase (decrease) in other financial liabilities - financial transaction margin	64,636	(378,935)
Decrease in provisions for employee benefits	(35,404)	(63,304)
Decrease in other liabilities	(7,069)	(151,045)
Cash generated from (used in) operations	(29,691,838)	9,471,649
Interest received	20,870,423	20,184,169
Dividends received	257,253	232,158
Interest paid	(13,319,980)	(13,819,744)
Income tax paid	(444,936)	(506,596)
Net cash generated from (used in) operating activities	<u>(22,329,078)</u>	<u>15,561,636</u>

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FAR EASTERN INTERNATIONAL 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
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	\$ (363,976)	\$ (371,663)
Proceeds from disposal of property and equipment	86	55
Increase in other financial assets	(121,800)	(391,528)
Decrease (increase) in other assets	(229,671)	41,212
Dividends received from associates	<u>113,192</u>	<u>74,192</u>
Net cash used in investing activities	<u>(602,169)</u>	<u>(647,732)</u>
CASH FLOWS FROM FINANCING ACTIVITIES (Note 46)		
Increase in funds borrowed from the Central Bank and other banks	1,885,616	1,030,000
Proceeds from the issuance of bank debentures	8,400,000	6,000,000
Repayments of bank debentures	(180)	(6,000,000)
Increase (decrease) in securities sold under repurchase agreements	(577,254)	1,277,327
Repayments of the principal portion of lease liabilities	(399,632)	(408,933)
Increase (decrease) in other financial liabilities	542,399	(523,666)
Cash dividends	(2,137,700)	(2,059,159)
Issuance of ordinary shares for cash	<u>5,335,416</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>13,048,665</u>	<u>(684,431)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(625,662)</u>	<u>849,869</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(10,508,244)	15,079,342
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>48,449,246</u>	<u>33,369,904</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 37,941,002</u>	<u>\$ 48,449,246</u>

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets is as follows:

	December 31	
	2025	2024
Cash and cash equivalents in consolidated balance sheets	\$ 5,378,820	\$ 20,587,193
Due from the Central Bank and other banks that meet the IAS 7 definition of “cash and cash equivalents”	29,859,015	24,427,085
Securities purchased under resale agreements that meet the IAS 7 definition of “cash and cash equivalents”	<u>2,703,167</u>	<u>3,434,968</u>
Cash and cash equivalents in consolidated statements of cash flows	<u>\$ 37,941,002</u>	<u>\$ 48,449,246</u>

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

(Concluded)

FAR EASTERN INTERNATIONAL 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)

1. GENERAL INFORMATION

Far Eastern International Bank Ltd. (the “Bank”) obtained its license on January 11, 1992 and started its business on April 11, 1992. The Bank (a) accepts deposits and extends loans and guarantees; (b) issues letters of credit, handles domestic and foreign remittances, and accepts commercial drafts; (c) invests in securities and acts as an agent for trading government bonds, corporate bonds and bank debentures; and (d) conducts relevant businesses that are authorized by the relevant authorities.

The operations of the Bank’s Trust Department include pecuniary trust, securities trust, real estate trust, creditor’s right of money or guarantee, movable property trust and ground right trust and related operations. These operations are regulated under the Banking Act and Trust Enterprise Act.

As of December 31, 2025, the Bank’s operating units included the Business Department, International Banking Department, Trust Department, Credit Card Department, Offshore Banking Unit (OBU), and 52 domestic branches, as well as one branch offices (Hong Kong) and two representative offices (Ho Chi Minh City, Vietnam and Singapore).

The Bank’s shares are listed on the Taiwan Stock Exchange. Global depositary receipts (GDR), which represent ownership of ordinary shares of the Bank, have been listed on the Luxembourg Stock Exchange since January 2014.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Bank’s Board of Directors on March 2, 2026.

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

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Statements by Public Banks and 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 in 2025 by the Financial Supervisory Commission (FSC) did not have a material impact on the Bank and its subsidiaries’ accounting policies.
- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
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

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. 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.

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, an Entity can choose to derecognize the financial liability before the settlement date if, and only if, an Entity has initiated a payment instruction that resulted in:

- An Entity having no practical ability to withdraw, stop or cancel the payment instruction;
- An Entity 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.

As of the date the financial statements were authorized for issue, the Bank and its subsidiaries has assessed that the application of other standards and interpretations will not have a material impact on the Bank and its subsidiaries’ 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 Disclosures 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.

The impact of the application of IFRS 18 “Presentation and Disclosure in Financial Statements” on the Bank and its subsidiaries is described as follows:

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, an Entity 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: An entity 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. An entity shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. An entity 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 an entity as a whole, an entity 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”:

- An entity 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 an entity shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group 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 financial statements were authorized for issue, the Bank and its subsidiaries are continuously assessing the other impacts of the above amended standards and interpretations on the Bank and its subsidiaries’ financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

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

Basis of Preparation

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Current and Noncurrent Assets and Liabilities

Accounts included in the balance sheets are not classified as current or noncurrent since the major components of the financial statements are from the banking sector, whose operating cycle cannot be reasonably identified. Nevertheless, accounts are properly categorized in accordance with their nature and sequenced by their liquidity. Refer to Note 44 for the maturity analysis of liabilities.

Basis of Consolidation

a. Principles of preparing consolidated financial statements

The financial statements incorporate the financial statements of the Bank and its subsidiaries.

Account balances, income and expenses arising from intercompany transactions between the Bank and its subsidiaries have been eliminated upon consolidation.

b. Entities included in consolidated financial statements

Entities included in consolidated financial statements were as follows:

Investor Company	Investee Company	Nature of Businesses	% of Ownership	
			December 31, 2025	December 31, 2024
The Bank	Far Eastern Asset Management Co., Ltd.	Purchase, evaluation, auction and management of rights of financial institution creditors	100	100
	Far Eastern International Securities Co., Ltd.	Foreign securities broker, wealth management and offshore fund consulting	100	100
Far Eastern Asset Management Co., Ltd.	FEIB Financial Leasing Co., Ltd.	Leasing operation	100	100

Foreign Currency

Foreign-currency assets and liabilities are recorded in their original currencies. Foreign-currency items in net income of domestic operating units are translated into New Taiwan dollars at prevailing exchange rates at the dates of the transactions. For overseas branches (including the OBU), foreign-currency items in net income from transactions settled in currencies other than the entity's functional currency are translated into the entity's functional currency at prevailing exchange rates at the dates of the transactions.

At the balance sheet date, foreign-currency monetary assets and liabilities are translated at prevailing exchange rates, and the exchange differences are recognized as gain or loss.

When foreign-currency assets and liabilities are settled, exchange differences arising from the application of different exchange rates are recognized as gain or loss for the current year.

The financial statements of foreign operations (including foreign branches, the OBU and foreign subsidiaries) are translated into New Taiwan dollars at the following exchange rates: Assets and liabilities - at exchange rates prevailing on the balance sheet date. The beginning balance of current year's earnings of foreign branches and the OBU not yet remitted to the head office - the same as the ending balance of the prior years' earnings; and Income and expenses - at average exchange rates for the period. Exchange differences arising from the translation of the financial statements of foreign branches and the OBU are recognized under other equity interest-exchange differences on translating foreign operations.

Investment Accounted for Using the Equity Method

Investments in associates are accounted for using the equity method of accounting.

An associate is an entity over which the Bank and its subsidiaries have significant influence and is not a subsidiary. Significant influence is the power to participate in the financial and operating policy decisions of the investee without having control or joint control over those policies.

An investment in an associate is initially recognized at acquisition cost and adjusted thereafter to recognize the Bank and its subsidiaries' share of the profit or loss and other comprehensive income of the associate. The Bank and its subsidiaries also recognize the other changes in the Bank and its subsidiaries' share of equity of associates.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized to allocation the cost of assets averagely less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis.

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

Intangible Assets

Intangible assets acquired in a business combination are initially recognized at their fair value at the acquisition date. Subsequent to initial recognition, intangible assets with finite useful lives are reported at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Bank expects to dispose of the intangible asset before the end of its economic life. Intangible assets with indefinite useful lives are measured at cost less accumulated impairment loss.

Impairment of Property, Equipment, Right-of-use Assets and Intangible Assets

At the end of each reporting period, the Bank and its subsidiaries review the carrying amounts of their property, equipment, right-of-use assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Bank and its subsidiaries estimate the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units under a reasonable and consistent basis.

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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

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

Securities Purchased/Sold Under Resale/Repurchase Agreements

Securities purchased under resale agreements and securities sold under repurchase agreements are generally treated as collateralized financing transactions. Interest expenses and interest revenues are recognized on the accrual basis.

Financial Instruments

Financial assets and financial liabilities are recognized in the balance sheets when the Bank and its subsidiaries become a party to the contractual provisions of the instruments.

Transaction costs that are directly attributable to the acquisition or issue 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 recognized immediately as expense.

Financial assets

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

a. The Bank and its subsidiaries own financial assets which are classified into the following specified categories:

1) Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, with any gain or loss arising on dividends, interest and re-measurement recognized in profit or loss. Fair value is determined in the manner described in Note 43.

2) Financial assets at amortized cost

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

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

Subsequent to initial recognition, financial assets are measured at amortized cost, which equals to gross carrying amount determined using the effective interest method less any impairment loss.

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

- a) Purchased or originated credit-impaired financial assets, for which interest revenue is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such a financial asset; and
- b) Financial assets that are not credit impaired on purchase or origination but have 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 significant financial difficulty of the issuer or the borrower; breach of contract; default; it is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization, the disappearance of an active market for that financial asset because of financial difficulties.

3) Investments in debt instruments at FVTOCI

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

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

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest revenue 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.

4) Investments in equity instruments at FVTOCI

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

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

Dividends on these investments in equity instruments at FVTOCI are recognized in profit or loss when the Bank'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 Bank recognizes an allowance for loss for expected credit losses on financial assets at amortized cost, investments in debt instruments that are measured at FVTOCI. For such financial assets, the Bank recognizes lifetime expected credit losses (ECLs) when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Bank measures the allowance for loss for that financial instrument at an amount equal to 12-month ECLs.

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

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

The Bank evaluates possible losses on specific loans on the basis of the borrowers' financial situation, their ability to repay principals and interests, and the values of collaterals in accordance with "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Nonaccrual Loans" (the "Regulations"). The Regulations require that loans should be categorized by collectability and specify the minimum allowance for possible losses and reserve for guarantee obligations using prescribed percentages; the higher amount of allowance for expected credit losses on loans is recognized.

When a loan or receivable is considered uncollectable, it may be written off on the approval of the Bank's Board of Directors or Managing Directors. The subsequent collections of written-off loans are credited against provision for possible losses.

c. Derecognition of financial assets

The Bank and its subsidiaries derecognize a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers substantially all the risks and rewards of ownership of the financial asset to another party.

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 cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

Equity instruments

Debt and equity instruments issued by the Bank and its subsidiaries 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. Instruments issued by the Bank and its subsidiaries are recognized at the proceeds received, net of direct issue costs.

Financial liabilities

a. Subsequent measurement

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

1) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading. Any gain or loss arising on remeasurement, including interest paid on the financial liability, is recognized in profit or loss.

2) Financial guarantee contracts

The financial guarantee contracts issued by the Bank which are not measured at FVTPL are measured at the higher of the allowance for the expected credit losses or the amortized amount after original recognition. Also, they are according to the “Regulations” issued by the FSC.

b. Derecognition of financial liabilities

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

Derivative financial instruments

Derivatives are initially recognized at fair value at the date 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. Derivative financial instruments do not apply hedge accounting are recognized as financial assets or liabilities held for trading. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that are within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract.

Levies

A levy imposed by a government is accrued as payables when the transaction or activity that triggers the payment of the levy occurs. If the obligating event occurs over a period of time, the liability is recognized progressively.

Provisions

Provisions are recognized when the Bank and its subsidiaries have a present obligation as a result of a past event, it is probable that the Bank and its subsidiaries will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the 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.

Revenue Recognition

Interest revenue from discounts and loans is recorded on the accrual basis. For nonaccrual loans, interest revenues are recognized only when collections on these obligations are made.

Service fee income is recognized as loans are provided or services have been completed.

The points earned by customers under loyalty program are treated as multiple-element arrangements, in which consideration is allocated to the 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 Bank's obligation is fulfilled.

Service revenue is the consideration received for relevant services provided as agent in the execution of the order of the court; the income is recognized during the period of service.

When the Bank acquires non-performing loans from other financial institutions, revenue related to recovery of non-performing loans is recognized using the cost-recovery method.

Leases

The Bank and its subsidiaries assess whether or not an agreement is a lease or contains a lease on the date of the agreement.

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

Right-of-use assets are initially measured at cost. 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 depreciated using the straight-line method over the lease terms.

The lease payable is discounted at the lessee's incremental borrowing rate of interest. 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, should remeasure 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.

Retirement Benefits

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

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

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

Income Tax

Income tax expense represents the sum of current tax expense and deferred tax expense. Income tax expense is recognized in profit or loss, except when it relates to items that are directly recognized in equity or other comprehensive income.

a. Current tax expense

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

According to the Income Tax Law 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.

b. Deferred tax expense

Deferred tax expense represents adjustments to deferred tax assets and liabilities.

Deferred tax assets or liabilities are recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Bank and its subsidiaries expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. 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 that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred tax assets is 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 assets to be recovered.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of accounting policies, management is required to make essential 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. When developing material accounting estimates, the management will review estimates and basic assumptions continuously. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Estimating impairment of financial assets

The estimate of impairment for receivables, discount and loans and investments in debt instruments is based on the assumptions about the probability of default and loss given default. The Bank uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Bank's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, see Note 44 where the actual future cash inflows are less than expect, a material impairment loss may arise.

6. CASH AND CASH EQUIVALENTS, NET

	December 31, 2025	December 31, 2024
Cash on hand	\$ 2,721,637	\$ 4,251,099
Notes and checks for clearing (Note 22)	314,820	9,586,186
Deposits due from other banks, net	2,081,920	6,444,957
Balance with other banks	<u>260,443</u>	<u>304,951</u>
	<u>\$ 5,378,820</u>	<u>\$ 20,587,193</u>

The allowance for possible losses of the deposits due from other banks was measured at an amount equal to the 12-month expected credit loss based on historical experience and forward-looking information.

7. DUE FROM THE CENTRAL BANK AND OTHER BANKS, NET

	December 31, 2025	December 31, 2024
Due from other banks, net	\$ 11,687,467	\$ 14,788,115
New Taiwan dollar reserve deposits - Type A	15,007,061	6,473,211
New Taiwan dollar reserve deposits - Type B	20,456,861	19,278,616
Foreign-currency reserve deposits	163,672	164,953
Due from the Central Bank - Interbank fund transfer account	<u>3,000,815</u>	<u>3,000,806</u>
	<u>\$ 50,315,876</u>	<u>\$ 43,705,701</u>

The reserve deposits are required by law and determined at a prescribed percentage of the monthly average balances. The Type B reserve deposits can be withdrawn only when the balances are adjusted monthly. The Type A and foreign-currency reserve deposits can be withdrawn on demand but bear no interest.

As of December 31, 2025 and 2024, due from the Central Bank and other banks falling in the definition of IAS 7 “cash and cash equivalents” (i.e. short-term, highly liquid investments, readily convertible to known amounts of cash and subject to an insignificant risk of changes in value); amounted to \$29,859,015 thousand and \$24,427,085 thousand, respectively, and were included in cash and cash equivalents in the statements of cash flows.

The allowance for possible losses of the due from other banks was measured at an amount equal to the 12-month expected credit loss based on historical experience and forward-looking information.

8. FINANCIAL INSTRUMENTS AT FVTPL

Financial assets mandatorily classified as at FVTPL

	December 31, 2025	December 31, 2024
Non-derivative financial assets		
Government bonds	\$ 10,855,166	\$ 9,856,260
Shares listed on TWSE and TPEX	923,296	658,189
Beneficiary certificates	<u>326,871</u>	<u>6,228</u>
	<u>12,105,333</u>	<u>10,520,677</u>
Derivative financial assets		
Interest rate swap contracts	4,223,400	5,701,881
Foreign-currency swap contracts	3,542,866	3,667,364
Non-deliverable forward contracts	207,046	1,148
Forward exchange contracts	133,866	355,128
Currency option contracts	64,229	137,528
Cross-currency swap contracts	41,889	128,033
Others	<u>23,591</u>	<u>58,043</u>
	<u>8,236,887</u>	<u>10,049,125</u>
Hybrid contract		
Asset swap fixed-income	23,603,640	22,888,183
Credit linked note contracts	8,687,649	7,064,292
Credit linked loan contracts	3,026,777	2,538,532
Convertible bonds	<u>27,866</u>	<u>73,305</u>
	<u>35,345,932</u>	<u>32,564,312</u>
Total financial assets classified as at FVTPL	<u>\$ 55,688,152</u>	<u>\$ 53,134,114</u>

Financial liabilities held for trading

	December 31, 2025	December 31, 2024
Derivative financial liabilities		
Interest rate swap contracts	\$ 3,791,968	\$ 5,166,204
Foreign-currency swap contracts	3,261,547	3,006,922
Non-deliverable forward contracts	206,343	1,145
Cross-currency swap contracts	191,014	218,553
Forward exchange contracts	154,717	114,379
Currency option contracts	69,825	137,555
Others	<u>54,425</u>	<u>84,358</u>
Total financial liabilities at FVTPL	<u>\$ 7,729,839</u>	<u>\$ 8,729,116</u>

The Bank engages in derivative transactions mainly to accommodate customers' needs, manage its exposure positions and to accommodate its fund needs in different currencies.

Outstanding derivative contract (notional) amounts were as follows:

	December 31, 2025	December 31, 2024
Interest rate swap contracts	\$ 371,586,036	\$ 374,852,462
Foreign-currency swap contracts	322,192,985	319,200,618
Non-deliverable forward contracts	47,482,575	525,642
Currency option contracts	38,189,987	52,979,358
Seller of credit default swap contracts	25,023,398	22,512,082
Convertible bond option contracts	23,469,509	22,763,636
Forward exchange contracts	21,724,281	25,288,170
Cross-currency swap contracts	6,946,900	10,338,230
Interest rate option contracts	2,000,000	4,000,000
Government bond futures contracts	344,537	577,140
Share index futures contracts	14,400	16,497

9. FINANCIAL ASSETS AT FVTOCI

	December 31, 2025	December 31, 2024
Investments in equity instruments	\$ 4,642,724	\$ 3,611,815
Investments in debt instruments	<u>58,489,664</u>	<u>55,924,399</u>
Total financial assets at FVTOCI	<u>\$ 63,132,388</u>	<u>\$ 59,536,214</u>

a. Investments in equity instruments

	December 31, 2025	December 31, 2024
Shares listed on TWSE and TPEX	\$ 4,261,509	\$ 3,286,661
Shares unlisted on TWSE and TPEX	<u>381,215</u>	<u>325,154</u>
Total investments in equity instruments	<u>\$ 4,642,724</u>	<u>\$ 3,611,815</u>

The above investments in equity instrument in the form of share for medium- and long-term strategic purposes and expects to make a profit through long-term investments. Therefore, the designated investments are selected to be measured at FVTOCI. The Bank recognized dividend revenue from equity instruments at FVTOCI as below:

	For the Year Ended December 31	
	2025	2024
Dividend revenue recognized in profit or loss		
On equity held at year end	\$ 196,199	\$ 147,312
On equity disposed of in current year	<u>21,105</u>	<u>61,921</u>
	<u>\$ 217,304</u>	<u>\$ 209,233</u>

Because of the management and adjustment of the investment portfolio, the information about the disposal of equity instruments in the current year is as below:

	For the Year Ended December 31	
	2025	2024
Fair value at the date of disposal	<u>\$ 911,896</u>	<u>\$ 1,398,308</u>
Accumulated loss transferred to retained earnings due to disposal, net	<u>\$ 110,035</u>	<u>\$ 27,094</u>

b. Investments in debt instruments

	December 31, 2025	December 31, 2024
Government bonds	\$ 20,508,812	\$ 21,635,455
Corporate bonds	11,391,697	11,132,686
Bank debentures	9,396,815	13,685,038
Commercial paper	6,766,350	4,539,937
Collateralized mortgage obligation	6,702,583	2,972,543
Treasury bills	3,480,056	-
Negotiable certificates of deposit	<u>243,351</u>	<u>1,958,740</u>
Total investments in debt instruments	<u>\$ 58,489,664</u>	<u>\$ 55,924,399</u>

For more information on credit risk management and impairment assessment of investments in debt instruments at FVTOCI, refer to Note 11. The assets pledged as collaterals are disclosed in Note 40.

The carrying amount of the bank debentures that have been issued under repurchase agreements (refer to Note 21 for related information) was as follows:

	December 31, 2025	December 31, 2024
Bank debentures	<u>\$ 1,577,469</u>	<u>\$ -</u>
Collateralized mortgage obligation	<u>\$ 476,893</u>	<u>\$ -</u>

10. INVESTMENT IN DEBT INSTRUMENT AT AMORTIZED COST, NET

	December 31, 2025	December 31, 2024
Negotiable certificates of deposits - issued by the CBC	\$ 100,550,000	\$ 101,795,000
Corporate bonds	19,700,000	15,949,493
Bank debentures	16,692,100	15,246,013
Government bonds	<u>10,754,308</u>	<u>13,230,677</u>
	147,696,408	146,221,183
Less: Accumulated impairment loss	<u>2,962</u>	<u>5,984</u>
	<u>\$ 147,693,446</u>	<u>\$ 146,215,199</u>

For the information on related financial assets' credit risk management and impairment at amortized cost, see Note 11. The assets pledged as collaterals are disclosed in Note 40.

The carrying amount of the government bonds that have been issued under repurchase agreements (refer to Note 21 for related information) were as follows:

	December 31, 2025	December 31, 2024
Government bonds	\$ _____-	\$ <u>2,686,545</u>

11. CREDIT RISK MANAGEMENT OF INVESTMENTS IN DEBT INSTRUMENTS

The policy which the Bank implements is to invest mainly in debt instruments with credit ratings above (and including) investment grade.

The Bank continued to track external rating information to monitor changes in credit risk of the investments in debt instruments and to review other information such as the bond yield curve and the debtor’s material information to assess whether the credit risk of the debt instrument investments has increased significantly since the original recognition. The Bank considers the historical default loss rate announced by the independent rating agencies, the debtor’s current financial status and the industry’s forward-looking forecasts when measuring the expected credit loss of the debt instrument investments on an annual basis.

The investments in debt instruments are classified at FVTOCI and at amortized cost. The information of changes in total carrying amount was as follows:

December 31, 2025

	At FVTOCI	At Amortized Cost	Total
Total carrying amount	\$ 58,762,953	\$ 147,696,408	\$ 206,459,361
Less: Accumulated impairment loss	<u>3,836</u>	<u>2,962</u>	<u>6,798</u>
Amortized cost	58,759,117	<u>\$ 147,693,446</u>	206,452,563
Fair value adjustment	<u>(269,453)</u>		<u>(269,453)</u>
	<u>\$ 58,489,664</u>		<u>\$ 206,183,110</u>

December 31, 2024

	At FVTOCI	At Amortized Cost	Total
Total carrying amount	\$ 56,766,708	\$ 146,221,183	\$ 202,987,891
Less: Accumulated impairment loss	<u>7,429</u>	<u>5,984</u>	<u>13,413</u>
Amortized cost	56,759,279	<u>\$ 146,215,199</u>	202,974,478
Fair value adjustment	<u>(834,880)</u>		<u>(834,880)</u>
	<u>\$ 55,924,399</u>		<u>\$ 202,139,598</u>

The accumulated impairment loss of the investments in debt instruments was measured at an amount equal to the 12-month expected credit loss based on historical experience and forward-looking information. The information on changes in the allowance for accumulated impairment losses was as follows:

For the year ended December 31, 2025

	At FVTOCI	At Amortized Cost	Total
Beginning on January 1, 2025	\$ 7,429	\$ 5,984	\$ 13,413
Impairment loss on the acquisition of new debt instruments for the current year	3,085	334	3,419
Derecognition	(3,681)	(476)	(4,157)
Exchange rate changes	(38)	(45)	(83)
Expected credit losses and other changes	<u>(2,959)</u>	<u>(2,835)</u>	<u>(5,794)</u>
Balance on December 31, 2025	<u>\$ 3,836</u>	<u>\$ 2,962</u>	<u>\$ 6,798</u>

For the year ended December 31, 2024

	At FVTOCI	At Amortized Cost	Total
Beginning on January 1, 2024	\$ 8,534	\$ 4,309	\$ 12,843
Impairment loss on the acquisition of new debt instruments for the current year	2,776	1,515	4,291
Derecognition	(4,056)	(106)	(4,162)
Exchange rate changes	67	53	120
Expected credit losses and other changes	<u>108</u>	<u>213</u>	<u>321</u>
Balance on December 31, 2024	<u>\$ 7,429</u>	<u>\$ 5,984</u>	<u>\$ 13,413</u>

12. SECURITIES PURCHASED UNDER RESALE AGREEMENTS, NET

	December 31, 2025	December 31, 2024
Commercial paper	\$ 1,703,169	\$ 1,813,574
Negotiable certificates of deposit	<u>1,000,000</u>	<u>1,622,266</u>
	2,703,169	3,435,840
Less: Accumulated impairment loss	<u>2</u>	<u>872</u>
	<u>\$ 2,703,167</u>	<u>\$ 3,434,968</u>
Resale price	<u>\$ 2,705,560</u>	<u>\$ 3,439,938</u>
Resale date	2026.01.05- 2026.01.19	2025.01.07- 2025.01.22

The total carrying amounts shown above have been included as cash and cash equivalents in the statements of cash flows. The allowance for accumulated impairment loss was measured at an amount equal to the 12-month expected credit loss based on historical experience and forward-looking information.

13. RECEIVABLES, NET

	December 31, 2025	December 31, 2024
Credit card	\$ 11,143,227	\$ 12,334,167
Factoring	2,524,871	1,456,189
Interest	2,033,795	1,882,123
Buying debt receivables	1,528,635	1,091,148
Lease receivables	740,132	739,905
Spot exchange transactions	576,480	691,934
Acceptances	414,482	179,736
Others	<u>516,375</u>	<u>577,481</u>
	19,477,997	18,952,683
Less: Allowance for possible losses	<u>369,467</u>	<u>398,853</u>
	<u>\$ 19,108,530</u>	<u>\$ 18,553,830</u>

The changes in the total carrying amount of receivables and other financial assets (including credit card, factoring, interest, other receivables, and other financial assets) categorized by credit evaluation stage were as follows:

For the year ended December 31, 2025

	Stage 1 (Note 1)	Stage 2 (Note 2)	Stage 3 (Note 3)	Total Receivables and Other Financial Assets
Balance on January 1, 2025	\$ 16,036,037	\$ 71,235	\$ 908,200	\$ 17,015,472
Changes in financial instruments recognized at the beginning of the year:				
Transfer to Stage 2	(32,979)	36,594	(69)	3,546
Transfer to Stage 3	(76,458)	(23,726)	118,664	18,480
Transfer to Stage 1	5,606	(8,953)	(349)	(3,696)
Financial assets derecognized in the current period	(5,673,091)	(8,721)	(182,672)	(5,864,484)
Purchased or originated financial assets	7,701,814	5,875	9,063	7,716,752
Write-offs	(64,872)	(27,327)	(59,336)	(151,535)
Exchange rate and other changes	<u>(135,455)</u>	<u>(1,442)</u>	<u>(5,880)</u>	<u>(142,777)</u>
Balance on December 31, 2025	<u>\$ 17,760,602</u>	<u>\$ 43,535</u>	<u>\$ 787,621</u>	<u>\$ 18,591,758</u>

For the year ended December 31, 2024

	Stage 1 (Note 1)	Stage 2 (Note 2)	Stage 3 (Note 3)	Total Receivables and Other Financial Assets
Balance on January 1, 2024	\$ 15,976,912	\$ 88,098	\$ 959,743	\$ 17,024,753
Changes in financial instruments recognized at the beginning of the year:				
Transfer to Stage 2	(72,934)	60,041	(14)	(12,907)
Transfer to Stage 3	(202,666)	(33,615)	194,160	(42,121)
Transfer to Stage 1	8,979	(13,327)	(1,064)	(5,412)
Financial assets derecognized in the current period	(6,065,065)	(11,089)	(175,171)	(6,251,325)
Purchased or originated financial assets	6,351,069	9,948	9,636	6,370,653
Write-offs	(87,840)	(28,087)	(80,326)	(196,253)
Exchange rate and other changes	<u>127,582</u>	<u>(734)</u>	<u>1,236</u>	<u>128,084</u>
Balance on December 31, 2024	<u>\$ 16,036,037</u>	<u>\$ 71,235</u>	<u>\$ 908,200</u>	<u>\$ 17,015,472</u>

Note 1: 12-month ECLs (evaluate the receivables and other financial assets whose credit risk has not increased significantly since initial recognition).

Note 2: Lifetime ECLs (evaluate the receivables and other financial assets whose credit risk has increased significantly since initial recognition).

Note 3: Lifetime ECLs (evaluate impaired financial assets).

The changes in the allowance for possible loss of receivables and other financial assets categorized by credit evaluation stage were as follows:

For the year ended December 31, 2025

	12-Month Expected Credit Loss (Stage 1)	Lifetime Expected Credit Loss (Stage 2)	Lifetime Expected Credit Loss (Credit Impairment on Financial Assets) (Stage 3)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulations	Total Allowance for Possible Losses
Balance on January 1, 2025	\$ 14,483	\$ 8,424	\$ 256,281	\$ 279,188	\$ 120,243	\$ 399,431
Changes in financial instruments recognized at the beginning of the year:						
Transfer to Stage 2	(20)	4,587	(43)	4,524	-	4,524
Transfer to Stage 3	(45)	(1,325)	33,096	31,726	-	31,726
Transfer to Stage 1	2	(1,609)	(163)	(1,770)	-	(1,770)
Financial assets derecognized in the current period	(4,702)	(1,500)	(41,195)	(47,397)	-	(47,397)
Purchased or originated financial assets	8,073	1,000	4,077	13,150	-	13,150
The difference of impairment under the Regulations	-	-	-	-	(24,394)	(24,394)
Write-offs	(64,872)	(27,327)	(59,336)	(151,535)	-	(151,535)
Exchange rate and other changes	<u>64,161</u>	<u>23,536</u>	<u>58,392</u>	<u>146,089</u>	<u>-</u>	<u>146,089</u>
Balance on December 31, 2025	<u>\$ 17,080</u>	<u>\$ 5,786</u>	<u>\$ 251,109</u>	<u>\$ 273,975</u>	<u>\$ 95,849</u>	<u>\$ 369,824</u>

For the year ended December 31, 2024

	12-Month Expected Credit Loss (Stage 1)	Lifetime Expected Credit Loss (Stage 2)	Lifetime Expected Credit Loss (Credit Impairment on Financial Assets) (Stage 3)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulations	Total Allowance for Possible Losses
Balance on January 1, 2024	\$ 21,874	\$ 9,682	\$ 283,123	\$ 314,679	\$ 128,015	\$ 442,694
Changes in financial instruments recognized at the beginning of the year:						
Transfer to Stage 2	(84)	6,572	(12)	6,476	-	6,476
Transfer to Stage 3	(280)	(1,985)	38,917	36,652	-	36,652
Transfer to Stage 1	6	(2,288)	(310)	(2,592)	-	(2,592)
Financial assets derecognized in the current period	(3,945)	(1,461)	(43,625)	(49,031)	-	(49,031)
Purchased or originated financial assets	5,292	1,647	3,116	10,055	-	10,055
The difference of impairment under the Regulations	-	-	-	-	(7,772)	(7,772)
Write-offs	(87,840)	(28,087)	(80,326)	(196,253)	-	(196,253)
Exchange rate and other changes	79,460	24,344	55,398	159,202	-	159,202
Balance on December 31, 2024	<u>\$ 14,483</u>	<u>\$ 8,424</u>	<u>\$ 256,281</u>	<u>\$ 279,188</u>	<u>\$ 120,243</u>	<u>\$ 399,431</u>

14. DISCOUNTS AND LOANS, NET

	December 31, 2025	December 31, 2024
Negotiations, discounts and overdraft	\$ 10,665	\$ 24,613
Short-term loans	104,032,705	91,385,574
Medium-term loans	206,584,222	203,121,852
Long-term loans	202,257,226	200,473,319
Overdue receivable	<u>108,404</u>	<u>145,407</u>
	512,993,222	495,150,765
Less: Allowance for possible losses	<u>6,403,234</u>	<u>6,345,446</u>
	<u>\$ 506,589,988</u>	<u>\$ 488,805,319</u>

The details of the provision for possible losses on bad debts, commitment, guarantee and letters of credit issued were as follows:

	<u>For the Year Ended December 31</u>	
	2025	2024
Provision for possible losses - discounts and loans	\$ 498,997	\$ 532,540
Provision for possible losses - deposits due from other banks, due from other banks, receivables and other financial assets	148,610	174,209
Provision for (reversal of) possible losses - commitment, guarantee obligations and letters of credit issued	86,000	(37,126)
Amounts recovered - discounts and loans	(316,194)	(371,198)
Amounts recovered - receivables and other financial assets	<u>(164,403)</u>	<u>(155,889)</u>
	<u>\$ 253,010</u>	<u>\$ 142,536</u>

The changes in the total carrying amount of discounts and loan categorized by credit evaluation stage were as follows:

For the year ended December 31, 2025

	Stage 1 (Note 1)	Stage 2 (Note 2)	Stage 3 (Note 3)	Total Discounts and Loans
Beginning on January 1, 2025	\$ 492,981,294	\$ 714,901	\$ 1,454,570	\$ 495,150,765
Changes of financial instruments recognized at the beginning of the year:				
Transfer to Stage 2	(309,320)	281,675	(1,019)	(28,664)
Transfer to Stage 3	(301,159)	(414,062)	674,429	(40,792)
Transfer to Stage 1	78,364	(90,442)	(2,977)	(15,055)
Financial assets derecognized in the current period	(120,199,439)	(91,109)	(214,521)	(120,505,069)
Purchased or originated financial assets	140,784,163	56,592	52,052	140,892,807
Write-offs	(115,965)	(62,129)	(230,245)	(408,339)
Exchange rate and other changes	<u>(2,056,836)</u>	<u>1,203</u>	<u>3,202</u>	<u>(2,052,431)</u>
Balance on December 31, 2025	<u>\$ 510,861,102</u>	<u>\$ 396,629</u>	<u>\$ 1,735,491</u>	<u>\$ 512,993,222</u>

For the year ended December 31, 2024

	Stage 1 (Note 1)	Stage 2 (Note 2)	Stage 3 (Note 3)	Total Discounts and Loans
Beginning on January 1, 2024	\$ 471,090,267	\$ 1,069,319	\$ 1,664,416	\$ 473,824,002
Changes of financial instruments recognized at the beginning of the year:				
Transfer to Stage 2	(611,917)	601,664	(996)	(11,249)
Transfer to Stage 3	(220,108)	(49,990)	255,715	(14,383)
Transfer to Stage 1	208,573	(234,524)	(3,135)	(29,086)
Financial assets derecognized in the current period	(133,150,313)	(680,395)	(357,223)	(134,187,931)
Purchased or originated financial assets	153,281,896	64,010	56,463	153,402,369
Write-offs	(93,631)	(56,342)	(168,553)	(318,526)
Exchange rate and other changes	<u>2,476,527</u>	<u>1,159</u>	<u>7,883</u>	<u>2,485,569</u>
Balance on December 31, 2024	<u>\$ 492,981,294</u>	<u>\$ 714,901</u>	<u>\$ 1,454,570</u>	<u>\$ 495,150,765</u>

Note 1: 12-month ECLs (evaluate the discounts and loans whose credit risk has not increased significantly since initial recognition).

Note 2: Lifetime ECLs (evaluate the discounts and loans whose credit risk has increased significantly since initial recognition).

Note 3: Lifetime ECLs (evaluate impaired financial assets).

The changes in the allowance of discounts and loan categorized by credit evaluation stage were as follows:

For the year ended December 31, 2025

	12-Month Expected Credit Loss (Stage 1)	Lifetime Expected Credit Loss (Stage 2)	Lifetime Expected Credit Loss (Credit Impairment on Financial Assets) (Stage 3)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment Under the Regulations	Total Allowance for Possible Losses
Beginning on January 1, 2025	\$ 678,821	\$ 97,943	\$ 369,148	\$ 1,145,912	\$ 5,199,534	\$ 6,345,446
Changes of financial instruments recognized at the beginning of the year:						
Transfer to Stage 2	(962)	56,421	(882)	54,577	-	54,577
Transfer to Stage 3	(1,795)	(25,462)	189,935	162,678	-	162,678
Transfer to Stage 1	109	(16,857)	(2,274)	(19,022)	-	(19,022)
Financial assets derecognized in the current period	(261,922)	(13,337)	(41,609)	(316,868)	-	(316,868)
Purchased or originated financial assets	249,831	24,127	29,121	303,079	-	303,079
The difference of impairment under the Regulations	-	-	-	-	76,251	76,251
Write-offs	(115,965)	(62,129)	(230,245)	(408,339)	-	(408,339)
Exchange rate and other changes	105,441	27,388	72,603	205,432	-	205,432
Balance on December 31, 2025	<u>\$ 653,558</u>	<u>\$ 88,094</u>	<u>\$ 385,797</u>	<u>\$ 1,127,449</u>	<u>\$ 5,275,785</u>	<u>\$ 6,403,234</u>

For the year ended December 31, 2024

	12-Month Expected Credit Loss (Stage 1)	Lifetime Expected Credit Loss (Stage 2)	Lifetime Expected Credit Loss (Credit Impairment on Financial Assets) (Stage 3)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment Under the Regulations	Total Allowance for Possible Losses
Beginning on January 1, 2024	\$ 1,468,207	\$ 86,926	\$ 375,911	\$ 1,931,044	\$ 4,164,797	\$ 6,095,841
Changes of financial instruments recognized at the beginning of the year:						
Transfer to Stage 2	(1,957)	62,550	(860)	59,733	-	59,733
Transfer to Stage 3	(960)	(16,995)	88,112	70,157	-	70,157
Transfer to Stage 1	653	(18,822)	(1,040)	(19,209)	-	(19,209)
Financial assets derecognized in the current period	(510,385)	(14,973)	(43,341)	(568,699)	-	(568,699)
Purchased or originated financial assets	211,315	29,361	25,794	266,470	-	266,470
The difference of impairment under the Regulations	-	-	-	-	1,034,737	1,034,737
Write-offs	(93,631)	(56,342)	(168,553)	(318,526)	-	(318,526)
Exchange rate and other changes	(394,421)	26,238	93,125	(275,058)	-	(275,058)
Balance on December 31, 2024	<u>\$ 678,821</u>	<u>\$ 97,943</u>	<u>\$ 369,148</u>	<u>\$ 1,145,912</u>	<u>\$ 5,199,534</u>	<u>\$ 6,345,446</u>

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31, 2025	December 31, 2024
Associates that are not individually material	<u>\$ 2,979,414</u>	<u>\$ 2,783,101</u>

As of December 31, 2025 and 2024, the Bank held 29.58% of the shares of Dah Chung Bills Finance Corp. and was the single largest shareholder. The Bank's shareholding ratio has no absolute difference compared with those of other shareholders, and the Bank does not control more than half of the seats in the board of directors, does not have the control power to dominate the related activities, and only has significant influence over the invested company. Therefore, Dah Chung is reported as an associate in the financial statements.

The share of the Bank and its subsidiaries in these associates' financial performance is summarized as follows:

	For the Year Ended December 31	
	2025	2024
Net income from continuing operations	\$ 170,735	\$ 152,484
Other comprehensive income (loss)	<u>138,770</u>	<u>(30,342)</u>
Total comprehensive income	<u>\$ 309,505</u>	<u>\$ 122,142</u>

16. OTHER FINANCIAL ASSETS, NET

	December 31, 2025	December 31, 2024
Nonaccrual loans other than discounts and loans	\$ 621	\$ 907
Less: Allowance for possible losses (Note 13)	<u>357</u>	<u>578</u>
	<u>264</u>	<u>329</u>
Refundable deposits	7,385,063	4,958,469
Less: Accumulated impairment loss	<u>3,708</u>	<u>1,942</u>
	<u>7,381,355</u>	<u>4,956,527</u>
Restricted time deposits (Note 39)	3,599,200	3,580,800
Time deposits with original maturities of more than 3 months	143,968	98,472
Others	<u>97,355</u>	<u>-</u>
	<u>\$ 11,222,142</u>	<u>\$ 8,636,128</u>

The accumulated impairment loss of the refundable deposits was measured at an amount equal to the 12-month expected credit loss based on historical experience and forward-looking information.

17. PROPERTY AND EQUIPMENT, NET

For the year ended December 31, 2025

	Land	Buildings and Improvements	Computer Equipment	Transportation Equipment	Miscellaneous Equipment	Properties and Equipment Prepayment	Total
<u>Cost</u>							
Beginning balance	\$ 3,460,213	\$ 1,150,581	\$ 3,038,064	\$ 962	\$ 1,594,752	\$ 171,200	\$ 9,415,772
Additions	-	53,705	151,310	-	96,036	62,925	363,976
Disposals	-	(14,106)	(23,904)	(184)	(46,462)	-	(84,656)
Others	-	-	95,972	-	(715)	(100,241)	(4,984)
Ending balance	<u>3,460,213</u>	<u>1,190,180</u>	<u>3,261,442</u>	<u>778</u>	<u>1,643,611</u>	<u>133,884</u>	<u>9,690,108</u>
<u>Accumulated depreciation</u>							
Beginning balance	-	686,001	2,171,841	895	1,361,648	-	4,220,385
Depreciation	-	28,227	252,554	30	57,083	-	337,894
Disposals	-	(14,106)	(23,904)	(184)	(46,100)	-	(84,292)
Others	-	-	(3,826)	-	(570)	-	(4,396)
Ending balance	<u>-</u>	<u>700,122</u>	<u>2,396,667</u>	<u>741</u>	<u>1,372,061</u>	<u>-</u>	<u>4,469,591</u>
Net ending balance	<u>\$ 3,460,213</u>	<u>\$ 490,058</u>	<u>\$ 864,775</u>	<u>\$ 37</u>	<u>\$ 271,550</u>	<u>\$ 133,884</u>	<u>\$ 5,220,517</u>

For the year ended December 31, 2024

	Land	Buildings and Improvements	Computer Equipment	Transportation Equipment	Miscellaneous Equipment	Properties and Equipment Prepayment	Total
<u>Cost</u>							
Beginning balance	\$ 3,460,213	\$ 1,163,579	\$ 2,717,240	\$ 1,010	\$ 1,570,220	\$ 167,430	\$ 9,079,692
Additions	-	955	222,877	57	34,441	113,333	371,663
Disposals	-	(13,864)	(12,349)	(105)	(17,067)	-	(43,385)
Others	-	(89)	110,296	-	7,158	(109,563)	7,802
Ending balance	<u>3,460,213</u>	<u>1,150,581</u>	<u>3,038,064</u>	<u>962</u>	<u>1,594,752</u>	<u>171,200</u>	<u>9,415,772</u>
<u>Accumulated depreciation</u>							
Beginning balance	-	676,032	1,943,453	970	1,319,706	-	3,940,161
Depreciation	-	23,892	234,952	30	57,457	-	316,331
Disposals	-	(13,834)	(12,347)	(105)	(16,747)	-	(43,033)
Others	-	(89)	5,783	-	1,232	-	6,926
Ending balance	-	<u>686,001</u>	<u>2,171,841</u>	<u>895</u>	<u>1,361,648</u>	-	<u>4,220,385</u>
Net ending balance	<u>\$ 3,460,213</u>	<u>\$ 464,580</u>	<u>\$ 866,223</u>	<u>\$ 67</u>	<u>\$ 233,104</u>	<u>\$ 171,200</u>	<u>\$ 5,195,387</u>

The above items of property and equipment are depreciated on a straight-line basis over the following estimated useful lives:

Buildings and improvements	5 to 55 years
Computer equipment	3 to 7 years
Transportation equipment	3 to 7 years
Miscellaneous equipment	3 to 20 years

In order to build the Bank's headquarters office, the Bank resolved to sign a construction base development project contract with Far Eastern Construction Co., Ltd. in June 2024. The Bank will provide the land and capital, and Far Eastern Construction Co., Ltd. will provide plan, design, construction, construction management and construction manager services for the building on the construction site. The estimated value of the entrusted construction contract is \$2,485 million. The Bank and the other landowners will allocate the construction costs in proportion of the space of the building base held. The Bank is expected to afford \$486 million. The contract stipulates that if there is an additional construction costs, it will be limited to 15% of the original contract amount. As of December 31, 2025, this project has passed the Urban Design Review. Far Eastern Construction Co., Ltd. is currently applying for the building permit, and construction will commence after the permit is obtained.

18. LEASE ARRANGEMENTS

The Bank and its subsidiaries lease property mainly for the use of the Bank's branches and offices within 2 to 20 years. Right-of-use assets, lease liabilities and recognition of depreciation expense and interest expense are as follows:

	December 31, 2025	December 31, 2024
Net carrying amount of right-of-use assets	<u>\$ 1,435,267</u>	<u>\$ 903,588</u>
Carrying amount of lease liabilities	<u>\$ 1,457,282</u>	<u>\$ 924,169</u>
The range of discount rate	0.83%-4.30%	0.83%-4.30%

	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets	<u>\$ 936,099</u>	<u>\$ 221,094</u>
Cash outflow for leases	<u>\$ 418,377</u>	<u>\$ 427,084</u>
Depreciation expense of right-of-use assets	<u>\$ 401,052</u>	<u>\$ 409,873</u>
Interest expense of lease liabilities	<u>\$ 14,725</u>	<u>\$ 12,374</u>
Other lease information		
Short-term lease expenses	<u>\$ 4,020</u>	<u>\$ 5,777</u>

The analysis of the total future payment maturity of the lease liability contracts is as follows:

	December 31, 2025	December 31, 2024
Within 1 year	\$ 371,437	\$ 378,091
1-5 years	969,471	492,516
5-10 years	169,497	71,668
10-15 years	1,549	1,611
15-20 years	<u>619</u>	<u>967</u>
	<u>\$ 1,512,573</u>	<u>\$ 944,853</u>

19. INTANGIBLE ASSETS, NET

	December 31, 2025	December 31, 2024
Operation rights	<u>\$ 1,538,210</u>	<u>\$ 1,538,210</u>
Fair value of core deposits	428,887	428,887
Less: Accumulated amortization	<u>428,887</u>	<u>420,393</u>
	<u>-</u>	<u>8,494</u>
	<u>\$ 1,538,210</u>	<u>\$ 1,546,704</u>

In April 2010, the Bank acquired the assets and liabilities of Chinfon Bank's domestic branch Package B through a bidding process. The acquired operation rights of Chinfon Bank's branches have indefinite useful life, while the fair value of core deposits is amortized over 4 to 15 years.

After assessed the operation rights of branches is a franchise business right without definite useful life, and the operation rights are expected to generate net cash flows continuously; therefore, the operation rights are not amortized annually.

The Bank assesses the recoverable amount of the cash-generating unit of the operation rights for impairment on an annual basis. To reflect risks specific to the operation, the Bank estimated the recoverable amount based on the net fair value of the discounted future cash flows of the cash-generating unit based on the Bank's financial forecast, and no impairment was assessed for the years 2025 and 2024.

20. DUE TO THE CENTRAL BANK AND OTHER BANKS

	December 31, 2025	December 31, 2024
Call loans to banks	\$ 943,140	\$ 2,835,802
Due to banks	16,306	16,188
Bank overdrafts	<u>6,767</u>	<u>-</u>
	<u>\$ 966,213</u>	<u>\$ 2,851,990</u>

21. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

	December 31, 2025	December 31, 2024
Bank debentures (Note 9)	\$ 1,506,177	\$ -
Collateralized mortgage obligation (Note 9)	447,391	-
Government bonds (Note 10)	<u>-</u>	<u>2,643,625</u>
	<u>\$ 1,953,568</u>	<u>\$ 2,643,625</u>
Repurchase price	<u>\$ 1,964,204</u>	<u>\$ 2,660,494</u>
Repurchase date	2026.01.20- 2026.02.09	2025.01.06- 2025.01.21

22. PAYABLES

	December 31, 2025	December 31, 2024
Interest	\$ 2,048,232	\$ 1,932,271
Expenses	1,489,773	1,634,905
Accounts payable factoring	708,544	463,133
Acceptances	414,482	179,736
Credit card	372,932	350,134
Notes and checks for clearing (Note 6)	314,820	9,586,186
Collections payable and withholding tax payable	290,844	219,261
Taxes	145,216	137,136
Securities settlement	49,116	339,462
Others	<u>507,508</u>	<u>486,393</u>
	<u>\$ 6,341,467</u>	<u>\$ 15,328,617</u>

23. DEPOSITS AND REMITTANCES

	December 31, 2025	December 31, 2024
Checking deposits	\$ 3,240,727	\$ 3,470,926
Demand deposits	122,593,150	122,111,872
Demand savings	121,590,796	109,447,517
Time savings	123,678,163	132,281,391
Negotiable certificates of deposit	11,157,500	16,588,500
Time deposits	329,275,862	314,919,606
Remittances	<u>216,564</u>	<u>49,388</u>
	<u>\$ 711,752,762</u>	<u>\$ 698,869,200</u>

24. BANK DEBENTURES

Domestic Bank Debentures

Item	Issuance Period	Note	December 31, 2025	December 31, 2024
Subordinated bank debentures - perpetual; first issue in 2018	2018.09.18	Interest payable on September 18 each year fixed interest rate at 3.20%	\$ 2,900,000	\$ 2,900,000
Subordinated bank debentures - seven-year maturity; second issue in 2019	2019.07.30- 2026.07.30	Interest payable on July 30 each year fixed interest rate at 1.15%	2,000,000	2,000,000
Subordinated bank debentures - ten-year maturity; second issue in 2019	2019.07.30- 2029.07.30	Interest payable on July 30 each year fixed interest rate at 1.25%	2,000,000	2,000,000
Subordinated bank debentures - seven-year maturity; first issue in 2020	2020.11.26- 2027.11.26	Interest payable on November 26 each year fixed interest rate at 0.75%	1,600,000	1,600,000
Subordinated bank debentures - seven-year maturity; first issue in 2021	2021.04.27- 2028.04.27	Interest payable on April 27 each year fixed interest rate at 0.83%	2,400,000	2,400,000
General bank debentures - five-year maturity; first issue in 2024	2024.10.24- 2029.10.24	Interest payable on October 24 each year fixed interest rate at 1.95%	5,000,000	5,000,000
General bank debentures - seven-year maturity; first issue in 2024	2024.10.24- 2031.10.24	Interest payable on October 24 each year fixed interest rate at 2.00%	1,000,000	1,000,000
General bank debentures - five-year maturity; first issue in 2025	2025.03.20- 2030.03.20	Interest payable on March 20 each year fixed interest rate at 2.00%	6,000,000	-
Subordinated bank debentures - seven-year maturity; second issue in 2025	2025.09.18- 2032.09.18	Interest payable on September 18 each year fixed interest rate at 2.35%	2,400,000	-
Subordinated bank debentures - seven-year maturity; 1-1 issue in 2005; acquired from Chinfon Bank	Matured on 2012.06.28	-	1,660	1,660
Subordinated bank debentures - seven-year maturity; 1-1 issue in 2002; acquired from Chinfon Bank	Matured on 2009.06.28	-	<u>60</u>	<u>240</u>
Total bank debentures			<u>\$ 25,301,720</u>	<u>\$ 16,901,900</u>

The Bank made a first issuance of perpetual non-cumulative subordinated bank debentures in 2018 in the amount of \$2,900,000 thousand on September 18, 2018, with an interest rate of 3.20% payable once a year if the interest payment condition is met. After five years of issuance, the Bank has the right to redeem these bank debentures in advance under the authorities' regulation of issuance and permission. As of December 31, 2025, the Bank had not exercised the right of redemption.

25. OTHER FINANCIAL LIABILITIES

	December 31, 2025	December 31, 2024
Bank loan	\$ 890,000	\$ 480,000
Deposit received	478,458	428,004
Commercial paper	475,000	322,000
Less: Unamortized discount on commercial paper	<u>488</u>	<u>675</u>
	<u>\$ 1,842,970</u>	<u>\$ 1,229,329</u>

Interest rates

Bank loan	2.11%-2.17%	2.07%-2.17%
Commercial paper	2.14%	2.14%-2.17%

26. PROVISIONS

	December 31, 2025	December 31, 2024
Reserve for employee benefits liability - defined benefit plans (Note 27)	\$ 358,401	\$ 414,237
Reserve for obligations guarantee	245,533	163,578
Reserve for financing commitments	53,360	51,723
Reserve for letters of credit issued	<u>2,078</u>	<u>274</u>
	<u>\$ 659,372</u>	<u>\$ 629,812</u>

The changes in provision for losses on financing commitments, obligations guarantees, and letters of credit issued categorized by credit evaluation stage are as follows:

For the year ended December 31, 2025

	12-Month Expected Credit Loss (Stage 1)	Lifetime ECLs (Stage 2)	Lifetime ECLs (Credit Impairment on Financial Assets) (Stage 3)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment Under the Regulations	Total Provision for Losses on Financing Commitments, Obligations Guarantee and Letters of Credit Issued
Balance on January 1, 2025	\$ 68,866	\$ 8,096	\$ 329	\$ 77,291	\$ 138,284	\$ 215,575
Changes at the beginning of the year:						
Transfer to Stage 2	(8)	6,307	(19)	6,280	-	6,280
Transfer to Stage 3	-	-	169	169	-	169
Transfer to Stage 1	3	(6,366)	(91)	(6,454)	-	(6,454)
Financial assets derecognized in the current period	(22,720)	(1,429)	(219)	(24,368)	-	(24,368)
Purchased or originated	55,904	1,032	-	56,936	-	56,936
The difference of impairment under the Regulations	-	-	-	-	55,888	55,888
Exchange rate and other changes	<u>(3,063)</u>	<u>8</u>	<u>-</u>	<u>(3,055)</u>	<u>-</u>	<u>(3,055)</u>
Balance on December 31, 2025	<u>\$ 98,982</u>	<u>\$ 7,648</u>	<u>\$ 169</u>	<u>\$ 106,799</u>	<u>\$ 194,172</u>	<u>\$ 300,971</u>

For the year ended December 31, 2024

	12-Month Expected Credit Loss (Stage 1)	Lifetime ECLs (Stage 2)	Lifetime ECLs (Credit Impairment on Financial Assets) (Stage 3)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment Under the Regulations	Total Provision for Losses on Financing Commitments, Obligations Guarantee and Letters of Credit Issued
Balance on January 1, 2024	\$ 150,604	\$ 12,459	\$ 21,058	\$ 184,121	\$ 66,886	\$ 251,007
Changes at the beginning of the year:						
Transfer to Stage 2	(5)	6,652	-	6,647	-	6,647
Transfer to Stage 3	-	-	256	256	-	256
Transfer to Stage 1	62	(10,815)	(139)	(10,892)	-	(10,892)
Financial assets derecognized in the current period	(74,831)	(1,429)	(20,919)	(97,179)	-	(97,179)
Purchased or originated	22,779	1,229	73	24,081	-	24,081
The difference of impairment under the Regulations	-	-	-	-	71,398	71,398
Exchange rate and other changes	(29,743)	-	-	(29,743)	-	(29,743)
Balance on December 31, 2024	<u>\$ 68,866</u>	<u>\$ 8,096</u>	<u>\$ 329</u>	<u>\$ 77,291</u>	<u>\$ 138,284</u>	<u>\$ 215,575</u>

27. RETIREMENT BENEFIT PLANS

Defined contribution plans

The Bank and its subsidiaries make monthly contributions to employees' individual pension accounts in the Bureau of Labor Insurance for those who qualify a pension plan for the Labor Pension Act. Pension expenses were \$150,334 thousand and \$146,395 thousand for the years ended December 31, 2025 and 2024, respectively.

Defined benefit plans

Based on the defined benefit plan under the Labor Standards Law, pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Bank contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered, which are deposited in the Bank of Taiwan by the pension fund monitoring committee's name. The pension fund is managed by the Bureau of Labor Funds (the "Bureau") under the Ministry of Labor; the Bank has no right to influence the fund investment policy and strategy. Under the Labor Standards Act, before the end of each year, the Bank assesses the pension fund balance. If the balance is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Bank is required to fund the difference in one appropriation before the end of March of the next year.

The amounts of employee benefits included in the consolidated balance sheets were as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	\$ 1,078,134	\$ 1,061,916
Fair value of plan assets	<u>(719,733)</u>	<u>(647,679)</u>
Reserve for employee benefit liability	<u>\$ 358,401</u>	<u>\$ 414,237</u>

Movements in the defined benefit plan were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Employee Benefit
Balance on January 1, 2025	\$ <u>1,061,916</u>	\$ <u>(647,679)</u>	\$ <u>414,237</u>
Service cost			
Current service cost	2,244	-	2,244
Net interest expense (revenue)	<u>19,100</u>	<u>(12,446)</u>	<u>6,654</u>
Recognized in profit or loss	<u>21,344</u>	<u>(12,446)</u>	<u>8,898</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(42,172)	(42,172)
Actuarial loss - experience adjustments	13,740	-	13,740
Actuarial loss - changes in financial assumptions	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Recognized in other comprehensive income	<u>21,740</u>	<u>(42,172)</u>	<u>(20,432)</u>
Contributions from the employer	-	(19,073)	(19,073)
Contributions from plan assets	(1,637)	1,637	-
Contributions from provisions	<u>(25,229)</u>	<u>-</u>	<u>(25,229)</u>
Balance on December 31, 2025	\$ <u>1,078,134</u>	\$ <u>(719,733)</u>	\$ <u>358,401</u>
Balance on January 1, 2024	\$ <u>1,078,526</u>	\$ <u>(567,070)</u>	\$ <u>511,456</u>
Service cost			
Current service cost	3,129	-	3,129
Net interest expense (revenue)	<u>17,382</u>	<u>(9,814)</u>	<u>7,568</u>
Recognized in profit or loss	<u>20,511</u>	<u>(9,814)</u>	<u>10,697</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(46,715)	(46,715)
Actuarial loss - experience adjustments	16,968	-	16,968
Actuarial loss - demographic assumptions	13,109	-	13,109
Actuarial gain - changes in financial assumptions	<u>(17,277)</u>	<u>-</u>	<u>(17,277)</u>
Recognized in other comprehensive income	<u>12,800</u>	<u>(46,715)</u>	<u>(33,915)</u>
Contributions from the employer	-	(25,096)	(25,096)
Contributions from plan assets	(1,016)	1,016	-
Contributions from provisions	<u>(48,905)</u>	<u>-</u>	<u>(48,905)</u>
Balance on December 31, 2024	\$ <u>1,061,916</u>	\$ <u>(647,679)</u>	\$ <u>414,237</u>

The calculation of the present value of the defined benefit obligation was carried out by qualified actuaries. The principal assumptions used in the actuarial valuations were as follows:

	December 31, 2025	December 31, 2024
Discount rates	1.80%	1.90%
Expected rates of salary increase	3.25%	3.25%

As concluded by the actuaries, the expected contribution to the plan for the next year is \$20,007 thousand, and the average duration of the defined benefit obligation is 7.5 years.

Had there been a possible change in each of the significant actuarial assumptions and all other assumptions remained constant, the present value of the defined benefit obligation would have increased (decreased) as follows:

	December 31, 2025	December 31, 2024
Discount rates		
0.50% increase	<u>\$ (39,100)</u>	<u>\$ (41,417)</u>
0.50% decrease	<u>\$ 41,414</u>	<u>\$ 43,995</u>
Expected rates of salary increase		
0.50% increase	<u>\$ 40,630</u>	<u>\$ 43,204</u>
0.50% decrease	<u>\$ (38,763)</u>	<u>\$ (41,099)</u>

The sensitivity analysis presented above might not have been representative of the actual change in the present value of the defined benefit obligation because it was unlikely that the change in assumptions occurred in isolation of one another, i.e., some of the assumptions might have been correlated.

The Bank is exposed to the following risks on its defined benefit plans managed by the Bureau:

- a. Risk on investment: The investment income of benefit plan assets affects the plan fair value and contribution status. That is, a higher investment income increases the fair value of plan assets and decreases net defined benefits liabilities (or increases net assets) and thus improves contribution status. In contrast, a lower investment income or investment loss is unfavorable to the contribution status of benefit the plan.
- b. Risk on interest fluctuations: The discount rate used in calculating the present value of defined benefit obligations mainly pertains to the yields of the corporate bonds with the credit ratings of twAAA assigned by Taiwan Ratings. A decrease in discount rate will increase the present value of defined benefit obligations.
- c. Risk on salary fluctuations: As the defined benefit obligation was determined by the salaries of plan members before their retirement, the expected increase in salary should then be considered in the calculation. Thus, an increase in the expected rate for salary increase will result in a rise in the present values of defined benefit obligations.

28. EQUITY

- a. Share capital

Ordinary shares

	December 31, 2025	December 31, 2024
Authorized shares (in thousands)	<u>6,500,000</u>	<u>5,500,000</u>
Authorized capital	<u>\$ 65,000,000</u>	<u>\$ 55,000,000</u>
Issued and paid shares (in thousands)	<u>4,865,285</u>	<u>4,275,400</u>
Issued capital	<u>\$ 48,652,847</u>	<u>\$ 42,753,997</u>

Issued ordinary shares with par value of \$10 are entitled to the right to vote and to receive dividends.

At the shareholders meeting held on June 19, 2024, the Bank resolved to increase its capital by using its undistributed earnings of \$2,059,159 thousand. As a result, the Bank issued 205,916 thousand ordinary shares at a par value of NT\$10. After the issuance, the share capital of the Bank amounted to \$42,753,997 thousand.

At the shareholders' meeting held on May 22, 2025, the Bank resolved to increase its capital by using its undistributed earnings of \$1,068,850 thousand. As a result, the Bank issued 106,885 thousand ordinary shares at a par value of NT\$10. After the issuance, the share capital of the Bank amounted to \$43,822,847 thousand.

At the board of directors' meeting held on May 5, 2025, the Bank resolved to increase its capital by issuing 483,000 thousand ordinary shares. The issuance was approved by the Securities and Futures Bureau, FSC on August 1, 2025 and the issuance price was NT\$11.06 per share. The record date for the capital increase by cash was September 30, 2025, after the capital increase by cash, the total capital amounted to \$48,652,847 thousand.

Global depository receipts

As of December 31, 2025, the outstanding GDRs were 238 thousand units, equivalent to 4,761 thousand ordinary shares.

b. Capital surplus

	December 31, 2025	December 31, 2024
Issuance of ordinary shares	<u>\$ 830,560</u>	<u>\$ 302,926</u>

According to the Company Law, the capital surplus arising from shares issued in excess of par may be used to offset a deficit, or, if the Bank has no deficit, distributed as cash dividends or transferred to capital (limited to a certain percentage of the Bank's paid-in capital and once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Bank's Articles of Incorporation (the "Articles"), in the case of surplus earnings after settlement of accounts for each fiscal year, the Bank shall recover all the losses incurred in the previous years, if any, before setting aside a legal reserve of thirty percent (30%) of the net profit and appropriating, according to law and regulations, a special reserve shall be retained and shall first be distributed to the dividends of preference shares. The remaining amount together with the accumulated retained profits of the last year and the reversals of special reserves are available for distribution as dividends for ordinary shares. The dividends for ordinary shares shall be distributed at least thirty percent (30%) of the remaining amount. The board of directors shall prepare the earnings distribution in accordance with the existing circumstances at the time, taking into account the future development plan of the Bank. Any allocation of cash dividend shall, in principle, be no less than 10% of the total dividends to be distributed that year.

The Banking Law provides that, unless legal reserve reached the Bank's paid-in capital, cash dividends are limited to 15% of paid-in capital.

Under the Company Law, legal reserve should be appropriated until it has reached the Bank's paid-in capital. This reserve may be used to offset a deficit. According to an amendment to the Company Law, when the Bank has no deficit and its legal reserve has exceeded 25% of its paid-in capital, the excess may be distributed in the form of shares or cash.

The appropriations of earnings for the 2024 and 2023, which were approved in the shareholders' meetings on May 22, 2025 and June 19, 2024, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (Dollars)	
	2024	2023	2024	2023
Cash dividends	\$ 2,137,700	\$ 2,059,159	\$0.5000	\$0.5060
Share dividends	1,068,850	2,059,159	0.2500	0.5060

The appropriations of earnings for 2025 had been proposed by the Bank's Board of Directors on March 2, 2026. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT\$)
Cash dividends	\$ 2,500,756	\$0.5140
Share dividends	581,402	0.1195

The appropriations of earnings for 2025 are subject to the resolution of the shareholders' meeting to be held on May 22, 2026.

d. Other equity items

Change in unrealized gain or loss on financial assets measured at FVTOCI:

	For the Year Ended December 31	
	2025	2024
Balance, beginning of year	\$ <u>(12,949)</u>	\$ <u>8,849</u>
Recognized for the year		
Valuation gain or loss		
Debt instruments	564,449	81,240
Equity instruments	539,096	(42,557)
Share of other comprehensive income (loss) of associates for using the equity method	145,849	(32,813)
Loss (gain) debt instruments transferred to current loss (income) due to disposal	<u>978</u>	<u>(555)</u>
Other comprehensive income recognized for the year	<u>1,250,372</u>	<u>5,315</u>
Gain on equity instruments transferred to retained earnings due to disposal	<u>(110,035)</u>	<u>(27,113)</u>
Balance, ending of year	\$ <u>1,127,388</u>	\$ <u>(12,949)</u>

29. NET INTERESTS

	For the Year Ended December 31	
	2025	2024
Interest revenues		
Loans	\$ 14,943,880	\$ 14,617,515
Bonds and bills	3,587,822	3,362,188
Credit cards	724,637	708,201
Due from other banks	344,766	483,430
Others	<u>645,051</u>	<u>674,228</u>
	<u>20,246,156</u>	<u>19,845,562</u>
Interest expenses		
Deposits	11,723,565	12,509,861
Structured products	1,011,938	967,277
Bank debentures	400,801	217,525
Others	<u>306,243</u>	<u>229,856</u>
	<u>13,442,547</u>	<u>13,924,519</u>
Net interests	<u>\$ 6,803,609</u>	<u>\$ 5,921,043</u>

30. NET SERVICE FEE INCOME

	For the Year Ended December 31	
	2025	2024
Service fee income		
Trustee business	\$ 1,176,265	\$ 1,195,037
Credit cards	1,061,783	1,094,514
Loan	744,436	636,645
Insurance commission	472,456	532,056
Brokering	157,687	276,050
Others	<u>342,198</u>	<u>221,522</u>
	<u>3,954,825</u>	<u>3,955,824</u>
Service fee expense		
Credit card reward fee	264,224	272,218
National credit card center fee	211,627	212,061
Visa and Master fee	173,844	169,447
Interbank service fee	74,749	65,352
Agency service fee	62,119	69,160
Credit investigation	24,258	25,850
Others	<u>117,654</u>	<u>126,777</u>
	<u>928,475</u>	<u>940,865</u>
Net service fee income	<u>\$ 3,026,350</u>	<u>\$ 3,014,959</u>

31. NET GAIN ON FINANCIAL ASSETS AND LIABILITIES AT FVTPL

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Gain on disposal	\$ 1,478,929	\$ 1,779,483
Net interests revenues	756,052	495,145
Dividends	25,754	42,275
Gain (loss) on valuation	<u>(106,565)</u>	<u>617,754</u>
	<u>\$ 2,154,170</u>	<u>\$ 2,934,657</u>

32. EMPLOYEE BENEFIT EXPENSE

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Salaries (Notes 33, 38 and 39)	\$ 3,907,529	\$ 3,847,326
Labor and health insurance	286,313	274,700
Post-employment benefits (Notes 27 and 39)	159,232	157,092
Others (Notes 33 and 39)	<u>407,991</u>	<u>405,957</u>
	<u>\$ 4,761,065</u>	<u>\$ 4,685,075</u>

33. EMPLOYEES' COMPENSATION AND REMUNERATION OF DIRECTORS

According to the Bank's Articles, from the Bank's income before income tax, remuneration of directors and employees' compensation, the Bank should retain no greater than 1.5% for remuneration of directors and 3.5% to 4.5% for employees' compensation, with the allocation of at least 25% of the employees' compensation for non-executive employees. The estimated appropriations of employees' compensation and remuneration of directors for the years ended December 31, 2025 and 2024 that were resolved by the board of directors on March 2, 2026 and March 4, 2025, respectively.

Amount

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Employees' compensation	<u>\$ 189,675</u>	<u>\$ 197,473</u>
Remuneration of directors	<u>\$ 63,389</u>	<u>\$ 65,824</u>

If there is a change in the amount between the actual distribution of employees' compensation and remuneration of directors and the recognized in the financial statements for the year ended December 31, 2025, the differences are recorded as a change in the accounting estimate and adjusted in the next year.

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the financial statements for the year ended December 31, 2024 and 2023.

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

34. DEPRECIATION AND AMORTIZATION

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Depreciation		
Property and equipment (Note 17)	\$ 337,894	\$ 316,331
Leased right-of-use assets (Note 18)	<u>401,052</u>	<u>409,873</u>
	<u>\$ 738,946</u>	<u>\$ 726,204</u>
Amortization - intangible assets (Note 19)	<u>\$ 8,494</u>	<u>\$ 25,483</u>

35. OTHER GENERAL AND ADMINISTRATIVE EXPENSES

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Tax and government fees	\$ 847,982	\$ 797,188
Software	407,994	350,539
Marketing and advertising	294,635	313,991
Telecommunications	161,690	164,134
Others	<u>735,346</u>	<u>785,603</u>
	<u>\$ 2,447,647</u>	<u>\$ 2,411,455</u>

36. INCOME TAX EXPENSE

Income tax recognized in profit or loss

The major components of tax expenses were as follows:

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Current tax expense		
Current period	\$ 543,091	\$ 478,938
Prior years	<u>(867)</u>	<u>3,031</u>
	<u>542,224</u>	<u>481,969</u>
Deferred tax expense		
Current period	(54,140)	90,764
Prior years	<u>(6)</u>	<u>5</u>
	<u>(54,146)</u>	<u>90,769</u>
	<u>\$ 488,078</u>	<u>\$ 572,738</u>

A reconciliation of accounting income and income tax expense recognized in profit or loss is as follows:

	<u>For the Year Ended December 31</u>	
	2025	2024
Income before income tax	<u>\$ 4,659,493</u>	<u>\$ 4,869,928</u>
Income tax expense calculated at the statutory rate	\$ 930,622	\$ 986,700
Income from offshore banking unit (OBU)	(527,585)	(512,323)
Tax-exempted income	(108,736)	(93,774)
Tax-exempted other items	9,159	(3,750)
Unrecognized deductible temporary differences	(37,249)	(55,945)
Additional income tax under the Alternative Minimum Tax Act	192,168	222,431
Overseas branch income tax	30,482	26,175
Adjustments for prior years' tax	(873)	3,036
Others	<u>90</u>	<u>188</u>
Income tax expense recognized in profit or loss	<u>\$ 488,078</u>	<u>\$ 572,738</u>

Income tax recognized in other comprehensive income

	<u>For the Year Ended December 31</u>	
	2025	2024
Income tax expense of remeasurement of defined benefit plans	\$ 4,086	\$ 6,783
Income tax expense of exchange differences on translating foreign operations	<u>1,191</u>	<u>7,119</u>
	<u>\$ 5,277</u>	<u>\$ 13,902</u>

The movements of deferred tax assets and liabilities

For the year ended December 31, 2025

Deferred Tax Assets	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Ending Balance
Temporary differences				
Allowance for possible losses in excess of the limit	\$ 121,778	\$ 688	\$ -	\$ 122,466
Defined benefit plans in excess of the limit	82,848	(7,081)	(4,086)	71,681
Unrealized gain or loss on financial instruments	(182,538)	53,362	-	(129,176)
Others	<u>39,294</u>	<u>(3,405)</u>	<u>(1,191)</u>	<u>34,698</u>
	<u>61,382</u>	<u>43,564</u>	<u>(5,277)</u>	<u>99,669</u>
Loss carryforwards	<u>9,755</u>	<u>12,188</u>	<u>-</u>	<u>21,943</u>
	<u>\$ 71,137</u>	<u>\$ 55,752</u>	<u>\$ (5,277)</u>	<u>\$ 121,612</u>

Deferred Tax Liabilities (Recognized as Other Liabilities)	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Ending Balance
Temporary differences				
Income from equity investments in foreign company under the equity method	\$ (44,448)	\$ (1,606)	\$ -	\$ (46,054)

For the year ended December 31, 2024

Deferred Tax Assets	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Ending Balance
Temporary differences				
Allowance for possible losses in excess of the limit	\$ 68,301	\$ 53,477	\$ -	\$ 121,778
Defined benefit plans in excess of the limit	102,291	(12,660)	(6,783)	82,848
Unrealized gain or loss on financial instruments	(66,865)	(115,673)	-	(182,538)
Others	<u>55,213</u>	<u>(8,800)</u>	<u>(7,119)</u>	<u>39,294</u>
	<u>158,940</u>	<u>(83,656)</u>	<u>(13,902)</u>	<u>61,382</u>
Loss carryforwards	<u>15,587</u>	<u>(5,832)</u>	<u>-</u>	<u>9,755</u>
	<u>\$ 174,527</u>	<u>\$ (89,488)</u>	<u>\$ (13,902)</u>	<u>\$ 71,137</u>

Deferred Tax Liabilities (Recognized as Other Liabilities)	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Ending Balance
Temporary differences				
Income from equity investments in foreign company under the equity method	\$ (43,167)	\$ (1,281)	\$ -	\$ (44,448)

Unrecognized as deferred tax assets in respect of deductible temporary differences

	December 31, 2025	December 31, 2024
Allowance for possible losses in excess of the limit	<u>\$ 835,775</u>	<u>\$ 1,022,022</u>

Income tax assessments

The income tax returns of the Bank through 2023, except 2020, have been assessed by the tax authorities. The income tax returns of FEIS and FEAMC through 2023 have been assessed by the tax authorities.

37. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2025	2024
Basic EPS	<u>\$ 0.93</u>	<u>\$ 0.98</u>
Diluted EPS	<u>\$ 0.92</u>	<u>\$ 0.98</u>

The net income and weighted average number of ordinary shares outstanding for EPS calculation were as follows:

	For the Year Ended December 31	
	2025	2024
Net income attributable to owners of the Bank	<u>\$ 4,171,415</u>	<u>\$ 4,297,190</u>
<u>Number of ordinary shares (in thousand shares)</u>		
Weighted average number of ordinary shares in the computation of basic EPS	4,505,351	4,382,285
Effect of dilutive potential ordinary shares Employees' compensation	<u>17,148</u>	<u>17,642</u>
Weighted average number of ordinary shares used in the computation of diluted EPS	<u>4,522,499</u>	<u>4,399,927</u>

Employees' compensation for the current year should be considered in calculating the current year's weighted-average shares outstanding number of shares used for calculating diluted EPS. The dilutive effect of the potential shares should be included in the calculation of diluted EPS until the board meeting resolves the number of shares to be distributed as employees' compensation at their board meeting in the following year.

The weighted average number of ordinary shares outstanding for 2024 EPS calculation was retroactively adjusted to the issuance of stock dividends. The basic and diluted after-tax EPS were adjusted retrospectively as follows:

Unit: NT\$ Per Share

	Before Retrospective Adjustment	After Retrospective Adjustment
Basic EPS	<u>\$ 1.01</u>	<u>\$ 0.98</u>
Diluted EPS	<u>\$ 1.00</u>	<u>\$ 0.98</u>

38. SHARE-BASED PAYMENT ARRANGEMENTS

In August 2025, the Bank resolved to increase its capital by issuing 483,000 thousand ordinary shares. According to the Company Act, the Bank shall allocate 48,300 thousand of shares as provision for subscription by employees. Lock-up period is 2 years. The relevant remuneration costs of \$22,218 thousand was recognized based on fair value on the grant date according to the valuation report issued by the experts. The valuation report applied the Black-Scholes pricing model, and the inputs to the model are as follows:

Grant-date (the date on which employees are informed of their rights)	August 26, 2025
Grant date share price (after considering ex-rights and ex-dividends)	\$12.74
Exercise price	\$11.06
Expected volatility	9.66%
Duration	0.068 years
Restricted period (from the grant date until the end of the lock-up period)	2.099 years
Risk-free interest rate	0.9486%

39. RELATED-PARTY TRANSACTIONS

The Bank and its subsidiaries had significant business transactions with the following related parties:

<u>Related Party</u>	<u>Relationship with the Bank</u>
Dah Chung Bills Finance Corp.	Association
Ding Ding Integrated Marketing Service Co.	Chairman is the vice-chairman of the Bank
Far Eastern Department Store Corp.	Chairman is the vice-chairman of the Bank
Yuan Ding Co., Ltd.	Chairman is the vice-chairman of the Bank
Far Eastern New Century Corp.	Chairman is the vice-chairman of the Bank
New Century InfoComm Tech Co., Ltd.	Chairman is the vice-chairman of the Bank
Far Eastern Ai Mai Co., Ltd.	Chairman is the vice-chairman of the Bank
Ding Ding Hotel Co., Ltd.	Chairman is the vice-chairman of the Bank
Far Eastone Telecommunications Co., Ltd.	Chairman is the vice-chairman of the Bank
Far Eastern Electronic Toll Collection Co., Ltd.	Chairman is the vice-chairman of the Bank
U-Ming Marine Transport (Singapore) Private, Ltd.	Chairman of parent company is the vice-chairman of the Bank
Yuan Long Stainless Steel Co.	Chairman of parent company is the vice-chairman of the Bank
Everest Textile Co., Ltd.	Chairman is a second-degree relative of the vice chairman of the Bank
Der Ching Investment Corporation	Chairman is a second-degree relative of the vice chairman of the Bank
Far Eastern Construction Co., Ltd	Chairman is the director of the Bank
Far Eastern International Leasing Corp.	Substantive related party
Pacific SOGO Department Stores Corp.	Substantive related party
Ya Tung Ready Mixed Concrete Co., Ltd.	Substantive related party
Oriental Securities Corporation	Substantive related party
Others	The Bank's chairman, vice-chairman, director, managers, their second-degree relatives or substantive related party

The significant transactions and account balances with the above parties (in addition to those disclosed in other notes) are summarized as follows:

a. Notes and checks for clearing/notes and checks for clearing payable

	December 31, 2025	December 31, 2024
Far Eastern Department Store Corp.	\$ 200,000	\$ 50,000
Far Eastern New Century Corp.	4,096	9,207,000
Ya Tung Ready Mixed Concrete Co., Ltd.	4,053	10,473
Der Ching Investment Corporation	<u>-</u>	<u>200,000</u>
	<u>\$ 208,149</u>	<u>\$ 9,467,473</u>

b. Due from other banks

	Highest Balance in Current Year	Ending Balance	Interest Revenues	Interest Rates
<u>Dah Chung Bills Finance Corp.</u>				
For the year ended December 31 2025	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 1,635</u>	1.45%-1.65%
2024	<u>\$ 1,000,000</u>	<u>\$ 500,000</u>	<u>\$ 4,225</u>	1.37%-1.64%

c. Loans

Category	Number of Accounts and Related Party	Highest Balance in Current Year	Ending Balance	Normal Loans	Nonperforming Loans	Collateral	Transactions Terms Different from Those for Unrelated Parties
For the year ended <u>December 31, 2025</u>							
Consumer loans	Four individuals	\$ 1,679	\$ 1,229	\$ 1,229	\$ -	Unsecured loan	No significant difference
Loans for residential mortgage	Fifty five individuals	530,140	433,026	433,026	-	Real estate	No significant difference
Others	Yuan Long Stainless Steel Co	1,450,000	720,000	720,000	-	Real estate	No significant difference
	Everest Textile Co., Ltd.	702,937	300,417	300,417	-	Real estate	No significant difference
	Far Eastern International Leasing Corp.	700,000	700,000	700,000	-	Real estate	No significant difference
	Others (Note)	1,085,796	<u>303,713</u>	<u>303,713</u>	<u>-</u>	Real estate, certificates of deposits, shares listed on TWSE and TPEx and Other movable property	No significant difference
			<u>\$ 2,458,385</u>	<u>\$ 2,458,385</u>	<u>\$ -</u>		
Allowance for possible losses			<u>\$ 26,749</u>				
For the year ended <u>December 31, 2024</u>							
Consumer loans	Six individuals	\$ 2,957	\$ 1,679	\$ 1,679	\$ -	Unsecured loan	No significant difference
Loans for residential mortgage	Fifty five individuals	507,095	434,110	434,110	-	Real estate	No significant difference
Others	Yuan Long Stainless Steel Co	1,450,000	1,450,000	1,450,000	-	Real estate	No significant difference
	Everest Textile Co., Ltd.	948,422	583,534	583,534	-	Real estate	No significant difference
	Far Eastern International Leasing Corp.	700,000	700,000	700,000	-	Real estate	No significant difference
	Far Eastern Ai Mai Co., Ltd	450,000	450,000	450,000	-	Real estate	No significant difference
	Others (Note)	3,653,720	<u>338,420</u>	<u>338,420</u>	<u>-</u>	Real estate, certificates of deposits, shares listed on TWSE and TPEx and Other movable property	No significant difference
			<u>\$ 3,957,743</u>	<u>\$ 3,957,743</u>	<u>\$ -</u>		
Allowance for possible losses			<u>\$ 41,748</u>				

Note: The individual amounts did not each exceed 10% of the total disclosure amount.

The information related to the above loans is as follows:

	For the Year Ended December 31	
	2025	2024
Interest revenues	<u>\$ 56,629</u>	<u>\$ 75,731</u>
Interest rate	1.50%-5.38%	1.68%-6.55%
Provision for (reversal of) possible losses	<u>\$ (14,999)</u>	<u>\$ (7,821)</u>

d. Guarantees

Related Party	Highest Balance in Current Year	Ending Balance	Reserve for Guarantee Obligations	Interest Rate	Collateral
<u>For the year ended December 31, 2025</u>					
Yuan Ding Co., Ltd.	\$ 25,000	\$ 20,000	\$ 200	0.80%	Shares unlisted on TWSE and TPEX
Ding Ding Hotel Co., Ltd.	10,000	<u>10,000</u>	<u>100</u>	0.80%	Shares unlisted on TWSE and TPEX
		<u>\$ 30,000</u>	<u>\$ 300</u>		
<u>For the year ended December 31, 2024</u>					
Yuan Ding Co., Ltd.	30,000	\$ 25,000	\$ 250	0.80%	Shares unlisted on TWSE and TPEX
Ding Ding Hotel Co., Ltd.	15,000	10,000	100	0.80%	Shares unlisted on TWSE and TPEX
Others (Note)	30,000	-	-	0.60%	Real estate
		<u>\$ 35,000</u>	<u>\$ 350</u>		

Note: The individual amounts did not each exceed 10% of the total disclosure amount.

e. Derivative instruments (Note 8)

Related Party	Derivative Instrument	Contract Period	Nominal Amount	Valuation Gain (Loss) For the Year Ended	Balance Sheet	
					Items	Balance
<u>For the year ended December 31, 2025</u>						
U-Ming Marine Transport (Singapore) Private, Ltd.	Interest rate swap contracts	2020.07.17-2028.01.10	\$ 1,016,469	\$ 26,798	Financial liabilities at FVTPL	\$ 9,548
Far Eastern New Century Corp.	Forward exchange contracts	2025.10.29-2026.03.30	405,063	3,239	Financial assets at FVTPL	3,239
		2025.12.01-2026.03.31	1,090,614	(5,657)	Financial liabilities at FVTPL	5,657
Everest Textile Co., Ltd.	Forward exchange contracts	2025.11.17-2026.01.23	11,946	165	Financial assets at FVTPL	165
<u>For the year ended December 31, 2024</u>						
U-Ming Marine Transport (Singapore) Private, Ltd.	Interest rate swap contracts	2020.07.17-2028.01.10	1,530,955	18,487	Financial liabilities at FVTPL	36,346
Far Eastern New Century Corp.	Forward exchange contracts	2024.12.13-2025.03.03	147,477	1,278	Financial assets at FVTPL	1,278
		2024.10.29-2025.03.31	1,349,318	(32,185)	Financial liabilities at FVTPL	32,185

f. Deposits

	December 31, 2025	December 31, 2024
Deposits of related parties (each account balance did not exceed 5% of total deposits)	<u>\$ 61,685,845</u>	<u>\$ 52,305,787</u>
Interest rate	0%-6.72%	0%-6.72%

<u>For the Year Ended December 31</u>	2025	2024
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Interest expenses	<u>\$ 737,900</u>	<u>\$ 678,922</u>
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g. Acquisition of other assets

<u>For the Year Ended December 31</u>	2025	2024
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New Century InfoComm Tech Co., Ltd.	<u>\$ 10,223</u>	<u>\$ 6,378</u>
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h. Acquisition of equipment

<u>For the Year Ended December 31</u>	2025	2024
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New Century InfoComm Tech Co., Ltd.	<u>\$ 4,538</u>	<u>\$ 21,055</u>
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i. Lessee agreements

<u>For the Year Ended December 31</u>	2025	2024
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Acquisition of right-of-use assets

Yuan Ding Co., Ltd.	\$ 547,840	\$ -
Far Eastern Department Store Corp.	20,404	-
Pacific SOGO Department Stores Corp.	<u>-</u>	<u>53,579</u>

	<u>\$ 568,244</u>	<u>\$ 53,579</u>
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December 31, 2025	December 31, 2024
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Carrying amount of lease liabilities

Yuan Ding Co., Ltd.	\$ 627,628	\$ 186,292
Pacific SOGO Department Stores Corp.	44,102	48,872
Far Eastern Department Store Corp.	<u>16,814</u>	<u>358</u>

	<u>\$ 688,544</u>	<u>\$ 235,522</u>
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The Bank and its subsidiaries rented part of its office premises from related parties. All the rent determinations and payment methods of leases are not significantly different from those of normal business practices.

j. Service fee income

For the Year Ended December 31
2025 **2024**

Far EasTone Telecommunications Co., Ltd.	\$ <u>38,236</u>	\$ <u>35,282</u>
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k. Service fee expense

For the Year Ended December 31
2025 **2024**

Ding Ding Integrated Marketing Service Co.	\$ 111,604	\$ 128,631
Far Eastern Department Store Corp.	17,812	18,720
Far Eastern Electronic Toll Collection Co.	<u>12,378</u>	<u>13,029</u>
	<u>\$ 141,794</u>	<u>\$ 160,380</u>

l. Operating expenses

For the Year Ended December 31
2025 **2024**

Far Eastern Department Store Corp.	\$ 69,465	\$ 75,047
New Century InfoComm Tech Co., Ltd.	56,379	73,634
Pacific SOGO Department Stores Corp.	25,652	33,093
Yuan Ding Co., Ltd.	23,556	21,083
Oriental Securities Corporation	13,203	9,217
Ding Ding Hotel Co., Ltd.	<u>12,972</u>	<u>14,041</u>
	<u>\$ 201,227</u>	<u>\$ 226,115</u>

m. Compensation of key management personnel (Note 32)

For the Year Ended December 31
2025 **2024**

Short-term employee benefits	\$ 223,424	\$ 238,704
Post-employment benefits	<u>6,285</u>	<u>5,873</u>
	<u>\$ 229,709</u>	<u>\$ 244,577</u>

40. PLEDGED ASSETS

	December 31, 2025	December 31, 2024
Financial assets at FVTOCI - government bonds	\$ 3,129,516	\$ 3,628,114
Investment in debt instruments at amortized cost - negotiable certificates of deposits - issued by the CBC	2,400,000	2,400,000
Investment in debt instruments at amortized cost - government bonds	579,282	-
Other financial assets - restricted time deposits	<u>3,599,200</u>	<u>3,580,800</u>
	<u>\$ 9,707,998</u>	<u>\$ 9,608,914</u>

The government bonds had been provided as the reserve for compensation of trust department as well as security deposits for provisional seizures of the debtors' properties. The negotiable certificates of deposits issued by the CBC had been pledged as collaterals to back the extension of intraday credit in the Central Bank's real-time gross settlement system. The balance of intraday credit and the amount of collateral may vary at any time. Restricted time deposits have been provided as collaterals for maximum daylight overdraft facilities of the CNY settlement account.

41. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in Note 44, the Bank's and its subsidiaries' contingent liabilities and commitments resulting from operating activities as of December 31, 2025 and 2024 are summarized as follows:

- a. Balance sheets and income statements of trust accounts and the trust assets lists were as follows:

Balance Sheets of Trust Accounts

	December 31, 2025	December 31, 2024
<u>Assets</u>		
Deposits in banks	\$ 12,605,216	\$ 12,081,120
Accounts receivable	7,519	5,896
Funds	66,603,129	65,506,127
Equity shares	6,424,806	6,063,573
Bonds	25,746	11,545
Real estate, net		
Land	10,018,156	10,438,376
Building	135,851	211,312
Construction in progress	10,493,618	11,151,935
Marketable securities in custody	10,272,531	9,005,489
Others	<u>2,979,050</u>	<u>2,894,712</u>
	<u>\$ 119,565,622</u>	<u>\$ 117,370,085</u>
<u>Liabilities</u>		
Accounts payable	\$ 3,927	\$ 3,260
Income tax payable	694	425
Marketable securities in custody payable	10,272,531	9,005,489
Trust capital	108,320,744	107,115,382
Reserve and earnings		
Net income or loss for current period	3,299,191	2,849,738
Accumulated profit or loss	(2,331,500)	(1,604,244)
Exchange	<u>35</u>	<u>35</u>
	<u>\$ 119,565,622</u>	<u>\$ 117,370,085</u>

Income Statements of Trust Accounts

	For the Year Ended December 31	
	2025	2024
Trust revenue		
Interest	\$ 38,579	\$ 84,877
Cash dividends	3,714,901	3,216,892
Realized capital gain - Funds	1,766,125	1,091,255
Realized capital gain - Ordinary shares	6,480	7,048
Unrealized capital gain - Funds	4,866	7,086
Unrealized capital gain - Ordinary shares	-	175,866
Unrealized capital gain - Bonds	39	-
	<u>5,530,990</u>	<u>4,583,024</u>
Trust expenses		
Management	63,237	58,286
Supervision	640	521
Service charges	43,076	166,725
Taxes	7,090	10,128
Realized capital loss - Funds	1,715,856	1,462,013
Unrealized capital loss - Funds	4,734	6,445
Unrealized capital loss - Ordinary shares	393,968	26,352
Unrealized capital loss - Bonds	787	932
	<u>2,229,388</u>	<u>1,731,402</u>
Net income before tax	3,301,602	2,851,622
Income tax	2,411	1,884
Net income	<u>\$ 3,299,191</u>	<u>\$ 2,849,738</u>

Trust Asset Lists

	December 31, 2025	December 31, 2024
Deposits in banks	\$ 12,605,216	\$ 12,081,120
Funds	66,603,129	65,506,127
Equity shares	6,424,806	6,063,573
Bonds	25,746	11,545
Accounts receivable	7,519	5,896
Real estate, net		
Land	10,018,156	10,438,376
Building	135,851	211,312
Construction in progress	10,493,618	11,151,935
Marketable securities in custody	10,272,531	9,005,489
Others	2,979,050	2,894,712
	<u>\$ 119,565,622</u>	<u>\$ 117,370,085</u>

As of December 31, 2025 and 2024, funds amounting to \$1,650,124 thousand and \$1,618,721 thousand, respectively, had been recognized in the OBU's books as investment in overseas securities through the Non-discretionary Pecuniary Trust of the OBU.

42. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	December 31, 2025			December 31, 2024		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>						
Monetary items						
USD	\$ 4,295,725	31.438	\$ 135,049,003	\$ 4,212,781	32.781	\$ 138,099,174
CNY	3,296,948	4.499	14,832,969	2,725,215	4.476	12,198,062
AUD	420,717	21.018	8,842,588	497,087	20.383	10,132,224
EUR	210,454	36.897	7,765,168	277,009	34.137	9,456,118
JPY	24,326,649	0.201	4,884,791	20,367,432	0.210	4,275,124
HKD	599,039	4.039	2,419,519	1,036,924	4.222	4,377,582
ZAR	1,172,090	1.895	2,221,579	1,217,092	1.751	2,131,493
SGD	27,204	24.453	665,208	601	24.113	14,486
<u>Financial liabilities</u>						
Monetary items						
USD	4,226,408	31.438	132,869,815	4,137,784	32.781	135,640,697
CNY	3,295,359	4.499	14,825,822	2,754,121	4.476	12,327,448
AUD	413,978	21.018	8,700,948	491,511	20.383	10,018,570
EUR	208,135	36.897	7,679,615	278,422	34.137	9,504,355
JPY	25,323,921	0.201	5,085,043	20,155,951	0.210	4,230,734
HKD	561,011	4.039	2,265,922	981,153	4.222	4,142,134
ZAR	1,186,614	1.895	2,249,108	1,156,144	1.751	2,024,755
SGD	27,251	24.453	666,368	614	24.113	14,797

43. FINANCIAL INSTRUMENTS

a. Information of fair value

1) Overview

Fair value is defined as the price the trader collected or paid in an ordinary transaction for disposal or acquisition of assets or transfer of liabilities on the measurement date.

Financial instruments are initially recognized at fair value on transaction date (Normally, refer to transaction price). All financial instruments are subsequently measured at fair value on balance sheet date except for financial instruments which are valued at amortized cost.

2) Valuation principles of fair value measurement

When the Bank determines the fair value of financial instruments, they consider the market. If the market is active, then the fair value of the instruments will be consistent with quoted market prices. If the market is not active, then the fair value will be estimated by using a valuation model that is widely adopted by market participants or by referring to counterparties' parameters or to parameters based on conditions and quoted market prices of financial instruments that are similar to those of the Bank' instruments.

The parameters of valuation model used to measure fair value of financial instruments are observable data from market, such as OTC, Reuters and Bloomberg's offering price. The valuation department determines the scope of valuation model and assesses any uncertainty and its impact. In its assessment, the valuation department ensures the following:

- a) The consistency and adequacy of the market parameters used in the valuation;

- b) The appropriateness of the valuation model in light of the assumptions to be used, the internal control and risk management framework, and the degree of mathematical expertise required for an independent unit to make the valuation;
- c) Reliability of price information and other parameters used in the valuation and any model adjustments to be made on the basis of current market conditions.

3) Credit risk valuation adjustment

In order to reflect the credit risk of the counterparty and the credit quality of the Bank, credit risk valuation adjustment is for financial instrument transactions made outside the stock exchange, namely the transactions made over-the-counter, which could be mainly divided into credit value adjustment and debit value adjustment. The definition is as follows:

- a) Credit Value Adjustment (the “CVA”) is the reflection of possibility that counterparty is likely to default and the possible loss that the counter party may not be able to reimburse entire market value. The CVA is calculated by multiplying the probability of default (the “PD”) (under zero default rate of the Bank), loss given default (the “LGD”) and exposure at default (the “EAD”) of counterparty together.
- b) Debit Value Adjustment (the “DVA”) is the reflection of possibility that the Bank is likely to default and the uncertainty that the Bank may not be able to reimburse for the entire market value. The DVA is calculated by multiplying PD (under zero default rate of the counterparty), LGD and EAD of the Bank together.

The Bank follows the advice in “The disclosure guidelines of CVA and DVA under IFRS 13” issued by the TWSE. The Bank uses the appropriate ratio as the counterparty’s LGD and PD, calculates the EAD based on the fair value method and incorporates credit risk adjustments into measuring the fair value of financial instruments.

4) The definition of measuring three levels of the fair value of financial instruments

a) Level 1

Level 1 inputs are observable inputs that reflect quoted prices for identical financial instruments in an active market. A market is active if it has these characteristics: Products traded in the market are homogeneous; willing buyers and sellers can be found immediately, and the price information is publicly available.

b) Level 2

Level 2 inputs are observable information other than quoted prices for identical assets or liabilities in active markets, including direct inputs (such as market prices) or indirect inputs (such as prices derived from market prices).

c) Level 3

Level 3 inputs are unobservable items, such as inputs derived through extrapolation or Interpolation, and thus cannot be corroborated by observable market data.

b. Fair value information - financial instrument measured at fair value under repetitive basis

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

Financial Instruments	December 31, 2025			
	Total	Level 1	Level 2	Level 3
<u>Non-derivative financial assets and liabilities</u>				
Financial assets at FVTPL				
Bonds investments	\$ 10,855,166	\$ 10,855,166	\$ -	\$ -
Shares investments	923,296	923,296	-	-
Others	326,871	326,871	-	-
Financial assets at FVTOCI				
Bonds investments	47,999,907	47,999,907	-	-
Shares investments	4,642,724	4,261,509	-	381,215
Others	10,489,757	-	10,489,757	-
<u>Derivative financial assets and liabilities</u>				
Financial assets at FVTPL	8,236,887	524	8,213,296	23,067
Financial liabilities at FVTPL	7,729,839	235	7,725,706	3,898
<u>Hybrid contract</u>				
Financial assets at FVTPL	35,345,932	27,866	35,318,066	-
Financial Instruments	December 31, 2024			
	Total	Level 1	Level 2	Level 3
<u>Non-derivative financial assets and liabilities</u>				
Financial assets at FVTPL				
Bonds investments	\$ 9,856,260	\$ 9,856,260	\$ -	\$ -
Shares investments	658,189	658,189	-	-
Others	6,228	6,228	-	-
Financial assets at FVTOCI				
Bonds investments	49,425,722	49,425,722	-	-
Shares investments	3,611,815	3,286,661	-	325,154
Others	6,498,677	-	6,498,677	-
<u>Derivative financial assets and liabilities</u>				
Financial assets at FVTPL	10,049,125	2,095	9,991,082	55,948
Financial liabilities at FVTPL	8,729,116	850	8,728,266	-
<u>Hybrid contract</u>				
Financial assets at FVTPL	32,564,312	73,305	32,491,007	-

2) Fair value information levels transfers between Level 1 and Level 2

There was no transfer between Level 1 and Level 2 for the years ended December 31, 2025 and 2024.

3) Fair value measurement information of Level 3 financial instruments

a) Movements of Level 3 financial assets

For the Year Ended December 31, 2025

Item	Beginning Balance	Valuation		Increase in the Current Year		Decrease in the Current Year		Ending Balance
		Included in Profit or Loss	Included in Other Comprehensive Income	Purchase or Issue	Transfer-in	Sale, Disposition or Settlement	Transfer-out from Level 3	
Financial assets at FVTPL -derivative financial assets	\$ 55,948	\$ (22,526)	\$ -	\$ 7,365	\$ -	\$ (17,720)	\$ -	\$ 23,067
Financial assets at FVTOCI	325,154	-	56,061	-	-	-	-	381,215
Total	\$ 381,102	\$ (22,526)	\$ 56,061	\$ 7,365	\$ -	\$ (17,720)	\$ -	\$ 404,282

For the Year Ended December 31, 2024

Item	Beginning Balance	Valuation		Increase in the Current Year		Decrease in the Current Year		Ending Balance
		Included in Profit or Loss	Included in Other Comprehensive Income	Purchase or Issue	Transfer-in	Sale, Disposition or Settlement	Transfer-out from Level 3	
Financial assets at FVTPL -derivative financial assets	\$ 101,245	\$ (13,638)	\$ -	\$ 38,236	\$ -	\$ (69,895)	\$ -	\$ 55,948
Financial assets at FVTOCI	265,241	-	65,103	-	-	(5,190)	-	325,154
Total	\$ 366,486	\$ (13,638)	\$ 65,103	\$ 38,236	\$ -	\$ (75,085)	\$ -	\$ 381,102

b) Movements of Level 3 financial liabilities

For the Year Ended December 31, 2025

Item	Beginning Balance	Valuation Included in Profit or Loss	Increase in the Current Year		Decrease in the Current Year		Ending Balance
			Purchase or Issue	Transfer-in	Sale, Disposition or Settlement	Transfer-out from Level 3	
Financial liabilities at FVTPL-derivative financial liabilities	\$ -	\$ -	\$ 3,898	\$ -	\$ -	\$ -	\$ 3,898

For the Year Ended December 31, 2024

Item	Beginning Balance	Valuation Included in Profit or Loss	Increase in the Current Year		Decrease in the Current Year		Ending Balance
			Purchase or Issue	Transfer-in	Sale, Disposition or Settlement	Transfer-out from Level 3	
Financial liabilities at FVTPL-derivative financial liabilities	\$ 10,513	\$ -	\$ -	\$ -	\$ (10,513)	\$ -	\$ -

c) Related information of significant unobservable parameters used to measure fair value

Level 3 financial instruments mainly consist of credit default swap and part of investment in equity instrument at FVTOCI which have single major unobservable parameters; quantitative information is as follows:

Measured at Fair Value Based on Repetition	Fair Value	Valuation Techniques	Significant Unobservable Parameters	Interval (Weighted-average)	Relationship Between Parameters and Fair Value
<u>Derivative financial assets</u>					
December 31, 2025	\$ 23,067	Default probability model	Credit separation	0.50%-1.80%	The increase of credit separation decreases its fair value.
December 31, 2024	55,948	Default probability model	Credit separation	0.45%-1.40%	The increase of credit separation decreases its fair value.
<u>Investments in equity</u>					
December 31, 2025	375,641	Income approach - cash dividend discount method	Without open market marketable discount	19.17%	The increase of discount decreases its fair value.
	5,574	Asset approach	Net asset value; liquidity discount; allowance of minority interest	N/A; 10%; 10%	The decrease of net asset value, the increase the lack of liquidity or the increase of allowance of minority interest, the decrease of the fair value.
December 31, 2024	318,258	Income approach - cash dividend discount method	Without open market marketable discount	19.29%	The increase of discount decreases its fair value.
	6,896	Net asset value method	Net asset value	N/A	The decrease of net asset value decreases its fair value.
<u>Derivative financial liabilities</u>					
December 31, 2025	3,898	Default probability model	Credit separation	0.50%-1.80%	The increase of credit separation decreases its fair value.

d) Valuation procedures for fair value measurements categorized within Level 3

The evaluation of financial instruments is from specific departments independent of the business unit or external experts evaluating report, ensuring the data source is independent, reliable, and consistent with other resources, reviewing the evaluation parameters regularly, updating the required input values, confirming whether correcting the valuation technique is necessary, and adjusting fair value if necessary to ensure the rationality in the evaluation results.

- e) The sensitivity analysis of reasonably possible alternative assumptions for fair value measurements categorized within Level 3

The fair value of the Bank's financial instruments is evaluated as reasonable. Had the valuation parameters for financial instruments categorized within Level 3 been 0.01% higher/lower, the impact of fair value on the assets and liabilities would have been as follows:

Item	Impact on Gain and Loss			
	December 31, 2025		December 31, 2024	
	Favorable	Unfavorable	Favorable	Unfavorable
<u>Assets</u>				
Mandatorily at FVTPL	\$ 487	\$ (487)	\$ 2,687	\$ (3,837)
<u>Liabilities</u>				
Financial liabilities at FVTPL	472	(472)	-	-

Item	Impact on Other Comprehensive Income and Losses			
	December 31, 2025		December 31, 2024	
	Favorable	Unfavorable	Favorable	Unfavorable
<u>Assets</u>				
Financial assets at FVTOCI	\$ 1	\$ (1)	\$ 77	\$ (77)

- c. Fair value information - financial instruments not measured at fair value

The Bank considers that the carrying amount of financial assets and liabilities which not measured at fair value is close to fair value, except for the carrying amount of those measured at cost and of the items below:

December 31, 2025

	Carrying Amount	Fair Value	The Fair Value Hierarchy of Financial Instruments	
			Level 1	Level 2
<u>Financial asset</u>				
Investments in debt instrument at amortized cost	\$ 147,693,446	\$ 148,035,909	\$ 47,327,591	\$ 100,708,318
<u>Financial liabilities</u>				
Bank debentures	25,301,720	25,293,956	-	25,293,956

December 31, 2024

	Carrying Amount	Fair Value	The Fair Value Hierarchy of Financial Instruments	
			Level 1	Level 2
<u>Financial asset</u>				
Investments in debt instrument at amortized cost	\$ 146,215,199	\$ 146,255,798	\$ 44,342,991	\$ 101,912,807
<u>Financial liabilities</u>				
Bank debentures	16,901,900	16,907,996	-	16,907,996

For the valuation methods and assumptions for Level 2 financial instruments in the table above, negotiable certificates of deposit of investments in debt instruments at amortized cost are calculated by discounting future cash flows using the TAIBIR which is provided by the TDCC, and the bank debentures are estimated based on the public price information on the OTC exchange.

44. FINANCIAL RISK MANAGEMENT

a. Overview

The Bank's risk management policy is to form a risk management-oriented culture, use both qualitative (such as each operating procedure), quantitative (such as asset quality ratios) indexes from internal and external risk management regulations and set relevant risk appetites in developing operating strategies.

The Bank has set up an independent risk control department to implement and monitor risk management policies. The Bank's risk management policies are established to identify and measure the risks faced by the Bank, to set appropriate risk limits and controls, to monitor risks and adherence to limits, and to maximize shareholder value and achieve sustainable development goals of the enterprise.

Each subsidiary has its own risk management mechanism to identify, measure, monitor, and control the credit risk, liquidity risk, and market risk.

b. Risk management framework

The Board of Directors, the highest decision-making unit of the Bank, has overall responsibility for the establishment and oversight of the Bank's risk management framework.

The Assets and Liabilities Management Committee and the Risk Management Committee have been formed to examine and manage the Bank's risks, assess the execution of risk management policies and evaluate risk tolerance. The general manager is the convener and is responsible for designating relevant department heads to serve as committee members.

The Risk Management Group comprises the Risk Control Department, Corporate Banking Department and Retail Banking Department, which directly manage business risks in their respective areas and present risk management report to the Risk Management Committee and the Board of Directors regularly. The Internal Audit Group undertakes regular reviews of risk management controls and procedures, including risk management framework and operating procedures for risk management, and provides timely suggestions for improvements.

c. Credit risk management

1) Definition and scope of credit risk

Credit risk is the risk of financial loss to the Bank if a borrower, issuer or counterparty to a financial instrument fails to meet its contractual obligations due to its credit deterioration or other factors, such as a dispute between the borrower and its counterparty.

Credit risk includes all risks derived from on- and off-balance sheet business, and all credit risk related to products, businesses and positions.

2) Management policies on credit risk

The Bank shall identify risk factors and consider appropriate risk evaluation and control process prior to taking the existing or new business. For all credit risks identified on- and off-balance sheet, adequate credit limits are set based on the same borrower, counterparty, related party, group, or industry. The Bank shall establish review mechanism to track and assess changes in each borrower's or issuer's financial position; regularly assess and manage asset quality, also strengthen the management of unusual borrowers.

3) The credit risk management processes and valuation methods for credit extension are as follows:

a) The credit risk has increased significantly after original recognition

The Bank assesses the change in the risk of default over the expected duration of each type of credit asset on each reporting date in order to determine whether the credit risk has increased significantly since original recognition. For this assessment, the Bank's considerations show that the credit risk has increased significantly since original recognition and can be corroborated. The main considerations include the following:

Qualitative Index

The debtor's payment is overdue for 30-89 days.

Quantitative Index

- i. Unfavorable changes in current or predicted operating, financial or economic conditions that are expected to result in significant changes in the ability of the debtor to perform its debt obligations.
- ii. Significant changes in actual or expected results of the debtor's operations.
- iii. The credit risk of other financial instruments of the same debtor has increased significantly.

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

The Bank's definition of default on financial assets is the same as the judgment of credit impairment on financial assets. If one or more of the following conditions are met, the Bank determines that the financial assets have defaulted and have credit impairment:

Qualitative Index

The debtor's payment is overdue for more than 90 days.

Quantitative Index

If there is any evidence indicates that the debtor can not pay the contract, or the debtor is in a material financial difficulties as follows:

- i. The debtor has become bankrupt or may file for bankruptcy or financial restructuring.
- ii. The debtor has conformed to a non-performed loan by authorities.
- iii. The debtor has conducted a negotiation of debts or self-negotiating.
- iv. The active market of the financial assets disappeared due to financial difficulties.

The aforementioned default and credit impairment definitions apply to all financial assets held by the Bank and its subsidiaries and are consistent with the definitions used for the internal credit risk management purposes of the financial assets and are applied to the relevant impairment assessment model.

If the financial assets have not conformed to the definition of default and credit impairment on financial assets for 6 consecutive months, it would not be classified as a default and credit impairment on financial assets.

c) Measurement of expected credit loss

i. Loan and receivables

The Bank 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.

The above-mentioned “PD” and “LGD” are determined based on each group’s historical information (such as credit loss experience) from internal statistical data and adjustment of historical data based on current observable and forward-looking macroeconomic information (such as GDP and unemployment rate).

When the Bank measured the expected credit loss of assets combination, the forward-looking information was taken into the PD’s consideration. Among them, the index of forward-looking adjustment in PD is predicted by the Corporate banking Sector which adopted the growth rate of real GDP in Taiwan and the Consumer banking Sector which adopted the unemployment rate in Taiwan. According to the measurement of predict loss in IFRS 9, the forward-looking adjustment in PD is requested to assess any consequences (at least 2 circumstances) and expresses with weighted-average probability. As a result, the Bank took the prediction authorities’ consensus forecasting into consideration and adopted the weighted-average prediction value by at least 2 macroeconomic prediction authorities to calculate.

ii. The investments in debt instrument at amortized cost and at FVTOCI

The measurement of expected credit loss was based on the information of PD and LGD which is announced from the external credit ratings and Moody’s to calculate. The international credit rating authority has considered the forward-looking information when it assessed the credit rating.

d) Write off policy

When the Bank can not reasonably expect the recoverable from the entire or partial financial assets, the entire or partial financial assets will be written off. Financial assets which has been written off still possibly do the recovery of debt and institute legal proceedings continuously under related policies.

The above-mentioned index of unexpected reasonably recoverable amount includes the following:

- i. The recovery of debt has stopped.
- ii. The debtor doesn't have enough assets or income resource to pay the debt after assessment.

4) Credit risk hedging and mitigation policies

- a) When contracting, the terms of credit facilities are determined in the light of assessments of probability and amounts of default and collateral and guarantees are obtained, including bank deposit receipts, securities (such as treasury securities, government bonds, bank debentures, shares and bonds guaranteed by financial institutions) and real estate such as land and buildings. Shares listed on TWSE and TPEX are marked to market day to day, and changes in the value of their collaterals are monitored all the time; values of land and buildings are examined every time the contract is renewed.
- b) Through policy mechanism, such as credit limits and credit regulation prior to the credit being committed to customers, to control the quality of credit assets. Via post-loan management, concentration analysis, midway credit and review tracking to view assets quality and changes of each case. Master and monitor risk in time. Periodic reports and feedbacks to understand credit portfolios and overall credit risks, ensure risk offsets for continued effectiveness.
- c) When a risk occurs, according to the Bank's "Principles for Acceptance and Disposal of Collaterals," collateral of nonperforming loans secured through compulsory enforcement or participating distribution, if the minimum auction price or liquidation price of the collateral is too low and damage the Bank's credit right, the Bank will participate in the auction or declare to undertake, for example, the minimum auction price is too low to compensate the principal and interest of loans but the collateral must not be difficult to dispose in the future. For collaterals tendered or undertaken, the Bank should actively seek buyers, and if the collateral is real estate, the Bank should dispose of it within the period prescribed under the Banking Law.
- d) Other credit enhancements

If there are guarantee, strategic alliance or collaterals provided in the terms of the loan contracts which the Bank recognized as unsecured loan, when default events occur, the Bank will demand compensation from the guarantor, strategic alliance, transfer of credits to the Bank or disposal of collaterals to decrease credit risk.

5) The maximum credit risk exposure

The carrying amount represents the Bank's maximum exposure to credit risk of the on-balance sheet assets, without taking into account the collaterals held or other credit enhancements. The amounts of the maximum credit exposure of the irrevocable off-balance commitments and guarantees, without taking into account the collaterals held or other credit enhancements, were as follows:

	December 31, 2025	December 31, 2024
Unused portion of credit card lines	\$ 166,419,618	\$ 173,027,405
Guarantees and standby L/Cs	25,167,411	16,937,598
Irrevocable loan commitments	27,902,389	17,793,426

The Bank has documented procedures for the assessment and classification of nonperforming loans and for evaluating adequacy of collaterals.

The breakdown of maximum credit risk exposure of the Bank according to whether collaterals are held or other credit enhancements exist is as follows:

December 31, 2025

	Maximum Credit Risk Exposure			Total
	With Collaterals	Other Credit Enhancements	Without Collaterals	
<u>Balance sheet items</u>				
Discounts and loans	\$ 298,614,842	\$ 72,829,520	\$ 141,548,860	\$ 512,993,222
Receivables - credit card	-	-	11,055,349	11,055,349
Factoring	-	-	2,524,871	2,524,871
Receivables - acceptances	5,206	108,948	300,328	414,482
<u>Off-balance sheet items</u>				
Unused portion of credit card lines	-	-	166,419,618	166,419,618
Guarantee	8,456,206	7,911,262	8,163,338	24,530,806
Letters of credit issued	260	455,145	181,200	636,605
Irrevocable loan commitments	<u>2,828,870</u>	<u>1,588,575</u>	<u>23,484,944</u>	<u>27,902,389</u>
	<u>\$ 309,905,384</u>	<u>\$ 82,893,450</u>	<u>\$ 353,678,508</u>	<u>\$ 746,477,342</u>

December 31, 2024

	Maximum Credit Risk Exposure			Total
	With Collaterals	Other Credit Enhancements	Without Collaterals	
<u>Balance sheet items</u>				
Discounts and loans	\$ 302,288,788	\$ 67,669,152	\$ 125,192,825	\$ 495,150,765
Receivables - credit card	-	-	12,280,361	12,280,361
Factoring	-	-	1,456,189	1,456,189
Receivables - acceptances	-	75,867	103,869	179,736
<u>Off-balance sheet items</u>				
Unused portion of credit card lines	-	-	173,027,405	173,027,405
Guarantee	4,715,145	6,192,581	5,450,080	16,357,806
Letters of credit issued	827	397,124	181,841	579,792
Irrevocable loan commitments	<u>1,106,476</u>	<u>500,602</u>	<u>16,186,348</u>	<u>17,793,426</u>
	<u>\$ 308,111,236</u>	<u>\$ 74,835,326</u>	<u>\$ 333,878,918</u>	<u>\$ 716,825,480</u>

When loan contracts set the security of nonperforming loans, article of collaterals and definition of credit event occurrence, the quota and the repayment period can be reduced or regard as maturity to reduce the credit risk.

Stage 3 credit-impaired financial assets

Refer to Notes 13 and 14 for the credit impairment of Stage 3 financial assets. The information of provision for allowance for possible losses amount, collateral fair value and other credit enhancements which reduce their potential loss are as below. The provision for allowance for possible losses takes into consideration the fair value of collateral, other credit enhancements amount and the recoverable amount in the future.

	Carrying Amount	Allowance for Possible Losses Under IFRS 9	Collateral Fair Value and Other Credit Enhancements
<u>December 31, 2025</u>			
Receivables			
Credit cards	\$ 641,663	\$ 170,352	\$ -
Others	145,958	80,757	850
Discounts and loans	<u>1,735,491</u>	<u>385,797</u>	<u>552,321</u>
	<u>\$ 2,523,112</u>	<u>\$ 636,906</u>	<u>\$ 553,171</u>
<u>December 31, 2024</u>			
Receivables			
Credit cards	\$ 736,169	\$ 194,443	\$ -
Others	172,031	61,838	561
Discounts and loans	<u>1,454,570</u>	<u>369,148</u>	<u>244,440</u>
	<u>\$ 2,362,770</u>	<u>\$ 625,429</u>	<u>\$ 245,001</u>

6) Concentrations of credit risk

The concentration of credit risk exists when counterparties to financial transactions are individuals or groups engaging in similar business activities and having similar economic features. The similarity would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Bank's concentrations of credit risk by industry, geography and type of collaterals were as follows:

a) By industry

Industry Sector	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
Finance and insurance	\$ 84,665,462	17	\$ 78,852,768	16
Manufacturing	68,125,979	13	59,118,193	12
Real estate	<u>39,641,027</u>	<u>8</u>	<u>44,295,383</u>	<u>9</u>
	<u>\$ 192,432,468</u>	<u>38</u>	<u>\$ 182,266,344</u>	<u>37</u>

b) By geography

Region	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
Taiwan	\$ 443,419,244	86	\$ 430,332,305	87
Asia Pacific except Taiwan	38,432,967	8	36,107,316	7
Others	<u>31,141,011</u>	<u>6</u>	<u>28,711,144</u>	<u>6</u>
	<u>\$ 512,993,222</u>	<u>100</u>	<u>\$ 495,150,765</u>	<u>100</u>

c) By type of collaterals

Type of Collaterals	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
Unsecured	\$ 214,378,380	41	\$ 192,861,977	39
Secured				
Real estate	259,942,629	51	262,001,444	53
Financial collateral	18,057,728	4	20,650,948	4
Movable property	19,815,826	4	18,689,918	4
Others	<u>798,659</u>	<u>-</u>	<u>946,478</u>	<u>-</u>
	<u>\$ 512,993,222</u>	<u>100</u>	<u>\$ 495,150,765</u>	<u>100</u>

d. Liquidity risk management

1) Sources and definition of liquidity risk

Liquidity risk is the risk that the Bank is unable to liquidate assets or obtain loans to meet its obligations when they fall due as a result of customer deposits being early withdrawn, deteriorating access to and terms of interbank facilities, deteriorating delinquency by borrowers, or financial instruments not easily liquidated. Such outflows would deplete available cash resources for client lending, trading activities and investments. In extreme circumstances, lack of liquidity could result in reductions in the balance sheet and sales of assets, or potentially an inability to fulfill lending commitments. The risk that the Bank will be unable to do so is inherent in all banking operations

and can be affected by a range of institution-specific and market-wide events including, but not limited to, credit events, merger and acquisition activities, systemic shocks and natural disasters, etc.

2) Risk management policies on liquidity risk

The Bank's liquidity management processes, which are implemented by an independent department, include:

- a) Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- b) Maintaining high-quality liquid assets (HQLA), for example, highly liquid cash and cash equivalents, qualified central bank reserves held at the Central Bank and securities investments that can easily be liquidated as protection against any unforeseen interruption to cash flow; and
- c) Monitoring the liquidity ratios against internal and regulatory requirements. Monitoring and reporting take the form of cash flow measurement and projections of various future days. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets. Related information is submitted regularly to the Bank's Assets and Liabilities Management Committee and the Board of Directors.
- d) Regularly conducting liquidity risk stress tests.
- e) Formulating an emergency response plan and carrying out drills.

3) Maturity analysis of non-derivative financial liabilities

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities by remaining contractual maturities at the date of the balance sheet.

December 31, 2025	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Due to the Central Bank and other banks	\$ 328,431	\$ 637,782	\$ -	\$ -	\$ -	\$ 966,213
Funds borrowed from the Central Bank and other banks	348,718	15,385	15,385	58,974	2,610,487	3,048,949
Securities sold under repurchase agreements	449,042	1,515,162	-	-	-	1,964,204
Payables	2,319,174	2,022,437	682,301	700,529	617,026	6,341,467
Deposits and remittances	113,622,537	116,573,989	121,225,742	162,728,602	197,601,892	711,752,762
Bank debentures	1,720	-	-	2,000,000	23,300,000	25,301,720
Principal received on structured products	1,044,353	110,894	694,958	172,022	40,108,172	42,130,399
Other financial liabilities	510,000	625,000	230,000	-	478,458	1,843,458
Lease liabilities	31,339	74,453	94,110	171,535	1,141,136	1,512,573
Total	\$ 118,655,314	\$ 121,575,102	\$ 122,942,496	\$ 165,831,662	\$ 265,857,171	\$ 794,861,745

December 31, 2024	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Due to the Central Bank and other banks	\$ 581,528	\$ 2,270,462	\$ -	\$ -	\$ -	\$ 2,851,990
Funds borrowed from the Central Bank and other banks	-	-	-	97,436	1,065,897	1,163,333
Securities sold under repurchase agreements	2,660,494	-	-	-	-	2,660,494
Payables	11,782,572	1,051,472	1,113,357	771,025	610,191	15,328,617
Deposits and remittances	96,245,758	130,105,263	114,917,347	191,098,674	166,502,158	698,869,200
Bank debentures	1,900	-	-	-	16,900,000	16,901,900
Principal received on structured products	84,383	53,693	1,821,736	322,234	40,065,443	42,347,489
Other financial liabilities	100,000	702,000	-	-	428,004	1,230,004
Lease liabilities	35,906	73,244	95,511	173,430	566,762	944,853
Total	\$ 111,492,541	\$ 134,256,134	\$ 117,947,951	\$ 192,462,799	\$ 226,138,455	\$ 782,297,880

Note: The amounts disclosed in the tables are the contractual cash flows, some of which may not reconcile to the corresponding items in the balance sheet.

The amount of demand deposits in “deposits and remittances” in the above maturity analysis are allocated based on historical experience. If all demand deposits were required to be paid off in recent period, the cash outflows on period of due in 30 days would have been \$336,596,895 thousand and \$306,257,202 thousand as of December 31, 2025 and 2024, respectively.

4) Maturity analysis of derivative financial liabilities

a) Maturity analysis of derivative financial liabilities that will be settled on a net basis is as follows:

December 31, 2025	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Derivative financial liabilities at FVTPL						
Foreign exchange derivatives	\$ 193,608	\$ 12,206	\$ (465)	\$ (1,043)	\$ -	\$ 204,306
Interest rate derivatives	22,988	53,170	32,862	164,201	3,569,274	3,842,495
Total	\$ 216,596	\$ 65,376	\$ 32,397	\$ 163,158	\$ 3,569,274	\$ 4,046,801

December 31, 2024	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Derivative financial liabilities at FVTPL						
Foreign exchange derivatives	\$ 2,143	\$ 5,960	\$ 2,249	\$ 891	\$ 3,112	\$ 14,355
Interest rate derivatives	19,311	15,898	40,411	36,218	5,138,651	5,250,489
Total	\$ 21,454	\$ 21,858	\$ 42,660	\$ 37,109	\$ 5,141,763	\$ 5,264,844

Note: The amounts disclosed in the table are the contractual cash flows, some of which may not reconcile to the corresponding items in the balance sheet.

b) Maturity analysis of derivative financial liabilities that will be settled on a gross basis is as follows:

December 31, 2025	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Derivative financial liabilities at FVTPL						
Foreign exchange derivatives						
Cash outflow	\$ 77,712,813	\$ 62,774,918	\$ 28,810,916	\$ 25,959,271	\$ 122,803	\$ 195,380,721
Cash inflow	76,605,512	61,689,382	28,130,850	25,194,276	116,475	191,736,495
Interest rate derivatives						
Cash outflow	2,146,035	1,971,780	996,630	-	-	5,114,445
Cash inflow	2,043,470	1,886,280	943,140	-	-	4,872,890
Credit derivatives						
Cash outflow	-	-	-	-	-	-
Cash inflow	-	2,310	2,303	4,606	31,143	40,362
Subtotal of cash outflow	79,858,848	64,746,698	29,807,546	25,959,271	122,803	200,495,166
Subtotal of cash inflow	78,648,982	63,577,972	29,076,293	25,198,882	147,618	196,649,747
Net cash flow	\$ (1,209,866)	\$ (1,168,726)	\$ (731,253)	\$ (760,389)	\$ 24,815	\$ (3,845,419)

December 31, 2024	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Derivative financial liabilities at FVTPL						
Foreign exchange derivatives						
Cash outflow	\$ 49,551,892	\$ 62,539,467	\$ 45,021,350	\$ 19,445,386	\$ -	\$ 176,558,095
Cash inflow	48,533,317	61,810,873	43,919,970	18,743,910	-	173,008,070
Interest rate derivatives						
Cash outflow	-	5,572,770	1,639,050	655,620	-	7,867,440
Cash inflow	-	5,439,300	1,626,250	650,200	-	7,715,750
Credit derivatives						
Cash outflow	-	-	-	-	-	-
Cash inflow	-	-	-	-	-	-
Subtotal of cash outflow	49,551,892	68,112,237	46,660,400	20,101,006	-	184,425,535
Subtotal of cash inflow	48,533,317	67,250,173	45,546,220	19,394,110	-	180,723,820
Net cash flow	\$ (1,018,575)	\$ (862,064)	\$ (1,114,180)	\$ (706,896)	\$ -	\$ (3,701,715)

Note: The amounts disclosed in the table are the contractual cash flows, some of which may not reconcile to the corresponding items in the balance sheet.

5) Maturity analysis of off-balance sheet items

Maturity analysis of the off-balance sheet items that can be withdrawn or required to realize on the basis of their earliest possible contractual maturity is as follows:

December 31, 2025	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Developed and irrevocable loan commitments	\$ 27,902,389	\$ -	\$ -	\$ -	\$ -	\$ 27,902,389
Irrevocable credit card commitments	166,419,618	-	-	-	-	166,419,618
Issued but unused letters of credit	636,605	-	-	-	-	636,605
Other guarantees	18,467,265	2,850,200	-	-	3,213,341	24,530,806
Total	\$ 213,425,877	\$ 2,850,200	\$ -	\$ -	\$ 3,213,341	\$ 219,489,418

December 31, 2024	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Developed and irrevocable loan commitments	\$ 17,793,426	\$ -	\$ -	\$ -	\$ -	\$ 17,793,426
Irrevocable credit card commitments	173,027,405	-	-	-	-	173,027,405
Issued but unused letters of credit	579,792	-	-	-	-	579,792
Other guarantees	15,720,425	383,700	-	-	253,681	16,357,806
Total	\$ 207,121,048	\$ 383,700	\$ -	\$ -	\$ 253,681	\$ 207,758,429

e. Market risk management

1) Definition and scope of market risk

Market risk is the risk that unfavorable changes in market prices, such as interest rates, foreign exchange rates, equity prices and commodity prices will affect the Bank's income or its holdings of on- and off-balance sheet positions. The Bank's market risk mainly comes from equity investment securities, interest rates, foreign exchange rates and commodity.

2) Management policies of market risk

The Bank develops appropriate management process to identify and measure market risk, and to effectively manage and control credit limits, valuation of profits and losses, sensitivity analysis and stress tests of each financial instrument position. Besides, the Bank takes appropriate management strategy while facing market risk in its daily operating activities and management processes. The information of market risk and implementation are managed, monitored and disclosed by the Risk Management Group. A summary report, including suggestion, is submitted regularly to the Risk Management Committee and the Board of Directors.

3) Market risk management process

a) Recognition and measurement

The risk measurement system first identifies the market risk factors of the exposure positions (such as interest rates, share price, foreign exchange rates, commodity price, etc.) and then measures the risks assumed in on- and off-balance sheet trading positions with the change in market risk factors.

Risk measurement adds sensitivity analysis (DV01, Delta, Vega) etc. or situational analysis, to assess the changes in the value of the asset portfolio. And perform stress testing in accordance with the regulations of the administration, to measure abnormal losses under extreme conditions.

b) Monitoring and reporting

The Bank's Risk Management Group regularly reviews market risk management objective, positions and control of gain and loss, sensitivity analysis and pressure test and reports to the Risk Management Committee and the Board of Directors to well understand the situation of market risk control. The Bank has established explicit notification process, the limit and stop-loss regulation for various transactions. Stop-loss order must be taken when the limit is reached, otherwise the trading department's reasons and plans must be approved by the management.

4) Management process of interest risk

Interest rate risk is the risk of loss or changes in the fair value resulting from interest rate or credit spread fluctuations.

The Bank classifies the instruments it holds into the trading book and the banking book based on their intended purpose. Financial instruments and commodity positions held for purposes including, but not limited to, short-term holding for sale, profiting from short-term price fluctuations, locking in arbitrage gains, and hedging instruments that fall within the above scope are carried in the trading book. Positions not classified in the trading book are carried in the banking book.

a) Management process and valuation methods of interest rate risk in trading book

To limit the loss within acceptable range, the Bank imposes trading limits and stop loss limits on trading room, traders and commodity; it also imposes monthly maximum loss limit on trading positions.

The operation limit of securities and interest rate related derivative instruments are controlled by the notional amount or DV01. The risk of bonds and interest rate related options are additionally measured using Vega. The stop loss limits are controlled on a daily basis.

b) Management process and valuation methods of interest rate risk in banking book

To improve its capacity to adapt to changes, the Bank measures, manages and mitigates changes in its earnings and economic values of balance sheet items arising from interest rate fluctuations.

When undertaking the operations relating to interest rate instruments, the Bank identifies the repricing risk of interest rate, yield curve risk, basis risk and options risk characteristics. In addition, the Bank also measures the potential impact of interest rate changes on earnings.

The measurement of interest rate risk in banking book is based on the analysis of position change of interest rate sensitivity among the durations of all products. The measurement is also derived from the interest rate shock scenarios regulated by the domestic and foreign supervisory agency to calculate the impact of changes in the economic value of equity (Δ EVE) and changes in net interest income (Δ NII).

The Bank periodically analyzes and monitors the interest risk limits and various targets of interest risk management. The results of analysis and monitoring are submitted regularly to the Assets and Liabilities Management Committee and the Board of Directors. If the risk management targets are found to be in excess of early warning thresholds during the monitoring process, the Bank will report to the Assets and Liabilities Management Committee and propose remedial action to be taken.

5) Management of foreign exchange risk

a) Definition of foreign exchange risk

Foreign exchange risk is the risk of loss or changes in fair value arising from open trading positions in currency due to exchange rate fluctuations. Foreign exchange transactions include spot exchange, forward exchange, non-deliverable forward and foreign currency option between New Taiwan dollars and a foreign currency or between two foreign currencies.

b) Foreign exchange risk management policies, process and valuation methods

To manage foreign exchange risk and limit the loss within acceptable range, the Bank imposes trading limits and stop loss limits on trading room, traders and commodity; it also imposes monthly maximum loss limit on trading positions. Spot exchange, forward exchange, non-deliverable forward and foreign currency option are controlled collectively using Delta; foreign currency option is additionally controlled using Vega. The stop loss limits are controlled on a daily basis.

c) Concentration of foreign exchange risk

Information on concentration of foreign currency exposures at the balance sheet date is shown in Note 42.

6) Management of equity securities market risk

a) Definition and measurement bases of equity market risk

Equity market risk is the risk arising from open positions in equity securities as a result of fluctuations in the market prices of individual securities. The Bank manages market risk on the basis of closing prices of equity securities to calculate their fair values.

b) Management processes of equity market risk

The Bank sets gross limits on overall positions, by industries, and by groups. For shares listed on TWSE and TPEx and beneficiary certificates, the Bank sets the limit of investment in each share and stop loss/gain limits on overall and particular positions, which are monitored daily.

A stop loss/gain order would be executed once a given stop price has been reached; otherwise, traders should report to the manager of its department, including reasons for not executing stop loss/gain order.

7) Management of commodity risk

a) Definition of commodity risk

Commodity risk is the risk of loss due to changes in market value arising from open positions in commodity price fluctuations. Commodity transactions include energy, non-ferrous metals (including precious metals), agricultural products, and other commodity futures and options.

b) Commodity risk management policies, process and valuation methods

To manage commodity risk and limit the loss within acceptable range, the Bank imposes trading limits and stop loss limits on trading room, traders and commodity; it also imposes monthly maximum loss limit on trading positions. Energy, non-ferrous metals (including precious metals), agricultural products, and other commodity futures and options are controlled collectively using Delta; commodity option is additionally controlled using Vega. The stop loss limits are controlled on a daily basis.

8) Stress testing

The Risk Management Group performs stress testing at least once a year and submits the results of stress testing to the Risk Management Committee and the board of directors. The Bank applies market risk factors sensitivity analysis under extreme scenarios to analyze the situational profit and loss and risk exposure of risk factors on asset portfolios in trading book that have become extremely volatile for the management to evaluate the market risk-bearing capacity and ensure the continuous solvency of the Bank.

9) Sensitivity analysis

a) Interest rate sensitivity

Interest rate factor sensitivity (“DV01” or “PVBP”) measured at the balance sheet date is the impact on the discounted future cash flows of bonds, bills and interest-rate-based derivative instruments in trading book for 1 basis points (“bps”) parallel shift in all yield curves.

Assuming all other variables remain constant, where the interest rate increases/decreases by 1 bps, there would be an increase/decrease of \$1,197 thousand in income before income tax for the year ended December 31, 2025. There would be a decrease/increase of \$1,917 thousand in income before income tax for the year ended December 31, 2024. There would be a decrease/increase of \$15 thousand in other comprehensive income for the years ended December 31, 2024.

b) Foreign exchange sensitivity

Foreign exchange rate factor sensitivity (“FX Delta”) measured at the balance sheet date is the impact on the values of foreign exchange positions in trading book for a 1% change in foreign exchange rates.

Where the foreign exchange increases/decreases by 1%, assuming all other risk factors remain constant, there would be an increase/decrease of \$3,894 thousand in income before income tax for the year ended December 31, 2025. There would be a decrease/increase of \$11,718 thousand in income before income tax for the year ended December 31, 2024.

c) Equity securities market risk

Equity securities market factor sensitivity measured at the balance sheet date is the impact on the values of open positions in equity securities in trading book for a 1% change in stock market prices.

Where the securities prices increases/decreases by 1%, assuming all other risk factors remain constant, there would be an increase/decrease of \$12,408 thousand and \$1,857 thousand in income before income tax for the years ended December 31, 2025 and 2024, respectively.

d) Commodity sensitivity

Commodity sensitivity measured at the balance sheet date is the impact on the values of commodity positions in trading book for a 1% change in market prices.

The Bank has none net position of the commodity as of December 31, 2025 and 2024; changes in commodity prices have no impact on income before income tax for the years ended December 31, 2025 and 2024, respectively.

f. Transfer of financial assets

In the daily operations of the Bank, the transactions of the transferred financial assets not eligible for derecognition in full are mainly bonds under repurchase agreement. Since the cash flows of those financial assets have been transferred to outsiders, the Bank is not eligible to conduct, sell, or pledge the transferred financial assets during the effective period. However, the Bank is still exposed to interest rate risks and credit risks. The liabilities of repurchasing the transferred financial assets in an agreed amount have been recognized. The following tables show the transferred financial assets not eligible for derecognition in full and related amounts.

Items	December 31, 2025		December 31, 2024	
	Carrying Amount of Transferred Financial Assets	Carrying Amount of Related Financial Liabilities	Carrying Amount of Transferred Financial Assets	Carrying Amount of Related Financial Liabilities
FVTOCI - transactions under repurchase agreements	\$ 2,054,362	\$ 1,953,568	\$ -	\$ -
Amortized cost - transactions under repurchase agreements	-	-	2,686,545	2,643,625

g. Offset of financial assets and financial liabilities

The Bank has an exercisable master netting arrangement or similar agreement in place with counterparties. When both parties reach a consensus regarding net settlement, the aforesaid exercisable master netting arrangement or similar agreement can be net settled by offsetting financial assets and financial liabilities. If not, the transaction can be settled at gross amount. In the event of default involving one of the parties, the other party can choose to settle the transaction at net amount.

Information of the above-mentioned financial assets and financial liabilities that are offset, and have an exercisable master netting arrangement or similar agreement is summarized as follows:

December 31, 2025

Financial Asset	Gross Amount of Recognized Financial Assets	Gross Amount of Financial Liabilities Offset in the Balance Sheets	Net Amount of Financial Assets Presented in the Balance Sheet	Amount Not Offset in the Balance Sheets		Net Amount
				Financial Instruments (Note)	Cash Collateral Received	
Derivatives	\$ 8,236,887	\$ -	\$ 8,236,887	\$ 1,536,854	\$ 363,287	\$ 6,336,746
Securities purchased under resale agreements	<u>2,703,169</u>	<u>-</u>	<u>2,703,169</u>	<u>2,703,169</u>	<u>-</u>	<u>-</u>
	<u>\$ 10,940,056</u>	<u>\$ -</u>	<u>\$ 10,940,056</u>	<u>\$ 4,240,023</u>	<u>\$ 363,287</u>	<u>\$ 6,336,746</u>

Financial Liability	Gross Amount of Recognized Financial Liabilities	Gross Amount of Financial Assets in the Balance Sheets	Net Amount of Financial Liabilities Presented in the Balance Sheet	Amount Not Offset in the Balance Sheets		Net Amount
				Financial Instruments (Note)	Cash Collateral Pledged	
Derivatives	\$ 7,729,839	\$ -	\$ 7,729,839	\$ 959,589	\$ 3,419,666	\$ 3,350,584
Securities sold under repurchase agreements	<u>1,953,568</u>	<u>-</u>	<u>1,953,568</u>	<u>1,953,568</u>	<u>-</u>	<u>-</u>
	<u>\$ 9,683,407</u>	<u>\$ -</u>	<u>\$ 9,683,407</u>	<u>\$ 2,913,157</u>	<u>\$ 3,419,666</u>	<u>\$ 3,350,584</u>

December 31, 2024

Financial Asset	Gross Amount of Recognized Financial Assets	Gross Amount of Financial Liabilities Offset in the Balance Sheets	Net Amount of Financial Assets Presented in the Balance Sheet	Amount Not Offset in the Balance Sheets		Net Amount
				Financial Instruments (Note)	Cash Collateral Received	
Derivatives	\$ 10,049,125	\$ -	\$ 10,049,125	\$ 1,686,778	\$ 360,292	\$ 8,002,055
Securities purchased under resale agreements	<u>3,435,840</u>	<u>-</u>	<u>3,435,840</u>	<u>3,435,840</u>	<u>-</u>	<u>-</u>
	<u>\$ 13,484,965</u>	<u>\$ -</u>	<u>\$ 13,484,965</u>	<u>\$ 5,122,618</u>	<u>\$ 360,292</u>	<u>\$ 8,002,055</u>

Financial Liability	Gross Amount of Recognized Financial Liabilities	Gross Amount of Financial Assets in the Balance Sheets	Net Amount of Financial Liabilities Presented in the Balance Sheet	Amount Not Offset in the Balance Sheets		Net Amount
				Financial Instruments (Note)	Cash Collateral Pledged	
Derivatives	\$ 8,729,116	\$ -	\$ 8,729,116	\$ 1,177,168	\$ 3,511,016	\$ 4,040,932
Securities sold under repurchase agreements	<u>2,643,625</u>	<u>-</u>	<u>2,643,625</u>	<u>2,643,625</u>	<u>-</u>	<u>-</u>
	<u>\$ 11,372,741</u>	<u>\$ -</u>	<u>\$ 11,372,741</u>	<u>\$ 3,820,793</u>	<u>\$ 3,511,016</u>	<u>\$ 4,040,932</u>

Note: Including the master netting arrangements and non-cash financial collaterals.

h. Disclosures required by the Regulations Governing the Preparation of Financial Statements by Public Banks

1) Asset quality of loans

Nonperforming loans and nonperforming receivables of the Bank

Item		December 31, 2025				
		Nonperforming Loans (Note a)	Loans	Ratio of Nonperforming Loans (Note b)	Allowance for Possible Losses	Coverage Ratio (Note c)
Corporate Banking	Secured	\$ 63,343	\$ 69,815,607	0.09%	\$ 938,546	1,481.69%
	Unsecured	18,797	179,646,479	0.01%	1,940,271	10,322.24%
Consumer Banking	Residential mortgage (Note d)	33,022	134,578,697	0.02%	2,033,229	6,157.20%
	Cash card	-	-	-	-	-
	Small-scale credit loan (Note e)	109,561	26,262,634	0.42%	401,736	366.68%
	Others (Note f)	Secured	33,526	94,220,538	0.04%	996,247
	Unsecured	7,215	8,469,267	0.09%	93,205	1,291.82%
Total		265,464	512,993,222	0.05%	6,403,234	2,412.09%
Item		Nonperforming Receivables	Accounts Receivable	Ratio of Nonperforming Receivables	Allowance for Possible Losses	Coverage Ratio
Credit card		30,462	11,055,349	0.28%	215,554	707.62%
Accounts receivable factored without recourse (Note g)		-	2,524,871	-	28,088	-

Business \ Item		December 31, 2024					
		Nonperforming Loans (Note a)	Loans	Ratio of Nonperforming Loans (Note b)	Allowance for Possible Losses	Coverage Ratio (Note c)	
Corporate Banking	Secured	\$ 68,301	\$ 78,057,262	0.09%	\$ 976,404	1,429.56%	
	Unsecured	96,927	159,537,338	0.06%	1,899,049	1,959.26%	
Consumer Banking	Residential mortgage (Note d)	24,386	135,545,085	0.02%	2,038,346	8,358.67%	
	Cash card	-	-	-	-	-	
	Small-scale credit loan (Note e)	117,944	25,794,815	0.46%	411,732	349.09%	
	Others (Note f)	Secured	14,520	88,686,441	0.02%	937,168	6,454.33%
		Unsecured	411	7,529,824	0.01%	82,747	20,133.09%
Total		322,489	495,150,765	0.07%	6,345,446	1,967.65%	

Business \ Item		December 31, 2024				
		Nonperforming Receivables	Accounts Receivable	Ratio of Nonperforming Receivables	Allowance for Possible Losses	Coverage Ratio
Credit card		33,077	12,280,361	0.27%	255,136	771.34%
Accounts receivable factored without recourse (Note g)		-	1,456,189	-	16,804	-

Note a: Nonperforming credit cards receivables represent the amounts of nonperforming receivables reported to the authorities and disclosed to the public, as required by the Banking Bureau's letter dated July 6, 2005 (Ref. No. 0944000378).

Note b: Ratio of nonperforming loans: Nonperforming loans ÷ Outstanding loan balance.

Ratio of nonperforming credit cards receivables: Nonperforming credit cards receivables ÷ Outstanding credit cards receivables balance.

Note c: Coverage ratio of allowance for possible losses for loans: Allowance for possible losses for loans ÷ Nonperforming loans.

Coverage ratio of allowance for possible losses for credit cards receivables: Allowance for possible losses for credit cards receivables ÷ Nonperforming credit cards receivables.

Note d: Residential mortgage is a loan given to the borrower who provides a house, to be purchased (or already owned) by the borrower or the spouse or the minor children of the borrower, as a mortgage to the Bank and will use the loan for house purchase or refurbishment.

Note e: Small-scale credit loans refer to the loans under the Banking Bureau's regulation, dated December 19, 2005 (Ref. No. 09440010950), but excluding small-scale unsecured loans obtained through credit cards and cash cards.

Note f: Other loans of consumer banking refer to secured or unsecured loans, excluding residential mortgage, cash card, small-scale credit loans and credit card.

Note g: As required by the Banking Bureau's letter dated July 19, 2005 (Ref. No. 0945000494), factoring without recourse is disclosed as nonperforming receivables in three months upon the factors' or insurance companies' rejection of claims.

Nonperforming loans and nonperforming receivables excluded from the information stated above

Item	December 31, 2025		December 31, 2024	
	Nonperforming Loans Excluded	Nonperforming Receivables Excluded	Nonperforming Loans Excluded	Nonperforming Receivables Excluded
Loans not classified as NPL upon debt restructuring and performed as agreed (Note a)	\$ 2,243	\$ 9,496	\$ 3,767	\$ 16,609
Loans upon performance of a debt discharge program and rehabilitation program (Note b)	949,461	544,633	1,006,874	606,332
Total	951,704	554,129	1,010,641	622,941

Note a: Supplementary disclosure related to the loans which need not be classified as NPL upon debt restructuring and performed as agreed, as stipulated in the Banking Bureau's letter dated April 25, 2006 (Ref. No. 09510001270).

Note b: About the Bank disclosures information and enumerates credit for case of pre-negotiation, pre-mediation, debt settlement proceedings and liquidation under Statute for Consumer Debt Clearance, as stipulated in the Banking Bureau's letter dated September 15, 2008 (Ref. No. 09700318940) and dates September 20, 2016 (Ref. No. 10500134790).

2) Concentration of credit extensions

Ranking (Note a)	December 31, 2025		
	Group Entity Industry and Code (Note b)	Total Balances of Credit Extensions (Note c)	Ratio of Credit Extensions to Net Worth (%)
1	A Group - 6700 - real estate development activities	\$ 14,872,054	21
2	B Group - 4652 - wholesale of motorcycles	10,443,230	15
3	C Group - 2691 - manufacture of printed circuit assembly	7,823,891	11
4	D Group - 6499 - other financial service activities not elsewhere classified	5,901,970	8
5	E Group - 2711 - computers manufacturing	5,550,226	8
6	F Group - 6700 - real estate development activities	4,802,918	7
7	G Group - 6700 - real estate development activities	3,580,887	5
8	H Group - 0899 - manufacture of other food products not elsewhere classified	3,337,943	5
9	I Group - 3700 - wastewater and sewage treatment	3,336,873	5
10	J Group - 2712 - manufacture of monitors and terminals	3,271,639	5

Ranking (Note a)	December 31, 2024		
	Group Entity Industry and Code (Note b)	Total Balances of Credit Extensions (Note c)	Ratio of Credit Extensions to Net Worth (%)
1	A Group - 6700 - real estate development activities	\$ 14,657,715	24
2	K Group - 4652 - wholesale of motorcycles	7,696,559	13
3	D Group - 6499 - other financial service activities not elsewhere classified	7,181,134	12
4	C Group - 2620 -passive electronic component manufacturing	6,710,065	11
5	F Group - 6700 - real estate development activities	4,214,098	7
6	L Group - 4642 - electricity transmission and distribution enterprise	4,121,651	7
7	G Group - 6700 - real estate development activities	3,544,500	6
8	M Group - 6700 - real estate development activities	3,493,417	6
9	N Group - 2413 - rolling and extruding of iron and steel	3,482,534	6
10	O Group - 6700 - real estate development activities	3,481,095	6

Note a: The rankings above represent the top 10 corporate entities except for government or state-owned enterprises, based on the total balance of credit extension granted by the Bank. The amount of credit extensions should be disclosed in aggregate for each group entity, the code and industry of which are also required. The industry of the group entities is designated as the industry of the individual group entity with the greatest risk exposure. The lines of industry should conform to the industry sub-categorization of 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 b: "Group Entity" is defined in Article 6 of "Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Review of Securities Listings."

Note c: Credit extension balance includes various loans (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 nonaccrual loans), bills purchased, factored accounts receivable without recourse, acceptances and guarantees.

3) Interest rate sensitivity

Table 1: Interest rate sensitivity analysis for New Taiwan dollar items

December 31, 2025					
Items	1 Day to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	\$ 544,901,633	\$ 14,068,461	\$ 24,890,840	\$ 74,179,140	\$ 658,040,074
Interest rate-sensitive liabilities	256,735,929	260,836,649	92,545,463	31,166,919	641,284,960
Interest rate sensitivity gap	288,165,704	(246,768,188)	(67,654,623)	43,012,221	16,755,114
Net worth					69,848,666
Ratio of interest rate-sensitive assets to liabilities					102.61%
Ratio of interest rate-sensitivity gap to net worth					23.99%

December 31, 2024

Items	1 Day to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	\$ 535,563,403	\$ 11,173,877	\$ 23,814,618	\$ 83,868,864	\$ 654,420,762
Interest rate-sensitive liabilities	239,524,043	228,711,198	107,244,124	23,960,794	599,440,159
Interest rate sensitivity gap	296,039,360	(217,537,321)	(83,429,506)	59,908,070	54,980,603
Net worth					61,249,789
Ratio of interest rate-sensitive assets to liabilities					109.17%
Ratio of interest rate-sensitivity gap to net worth					89.76%

Note a: The New Taiwan dollar amounts held by the Bank.

Note b: Interest rate-sensitive assets and liabilities refer to interest-earning assets and interest-bearing liabilities that were affected by interest rate changes.

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

Note d: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities.

Table 2: Interest rate sensitivity analysis for U.S. dollar items

December 31, 2025

(In Thousands of U.S. Dollars)

Items	1 Day to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	\$ 3,814,353	\$ 188,908	\$ 3,796	\$ 225,796	\$ 4,232,853
Interest rate-sensitive liabilities	2,585,228	305,016	562,441	-	3,452,685
Interest rate sensitivity gap	1,229,125	(116,108)	(558,645)	225,796	780,168
Net worth					2,221,791
Ratio of interest rate-sensitive assets to liabilities					122.60%
Ratio of interest rate-sensitivity gap to net worth					35.11%

December 31, 2024

(In Thousands of U.S. Dollars)

Items	1 Day to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	\$ 3,360,701	\$ 71,457	\$ 1,664	\$ 112,692	\$ 3,546,514
Interest rate-sensitive liabilities	3,417,030	295,670	330,291	-	4,042,991
Interest rate sensitivity gap	(56,329)	(224,213)	(328,627)	112,692	(496,477)
Net worth					1,868,454
Ratio of interest rate-sensitive assets to liabilities					87.72%
Ratio of interest rate-sensitivity gap to net worth					(26.57%)

Note a: The total U.S. dollar amounts held by the Bank, excluding contingent assets and liabilities.

Note b: Interest rate-sensitive assets and liabilities refer to interest-earning assets and interest-bearing liabilities that were affected by interest rate changes.

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

Note d: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities.

4) Profitability

Items		For the Year Ended December 31, 2025	For the Year Ended December 31, 2024
Return on total assets	Before tax	0.54%	0.59%
	After tax	0.48%	0.52%
Return on equity	Before tax	7.11%	8.11%
	After tax	6.36%	7.15%
Net income ratio		32.42%	33.41%

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

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

Note c: Net income ratio = Income after income tax ÷ Total net profit.

5) Maturity analysis of assets and liabilities

a) For New Taiwan dollar items

December 31, 2025

	Total	Amount for Remaining Period to Maturity					
		0 Day to 10 Days	11 Days to 30 Days	31 Days to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year
Main capital inflow on maturity	\$ 858,639,589	\$ 117,280,928	\$ 117,727,558	\$ 123,562,222	\$ 70,883,607	\$ 94,219,356	\$ 334,965,918
Main capital outflow on maturity	1,107,742,639	48,784,451	91,875,245	147,979,506	180,964,653	342,202,187	295,936,597
Gap	(249,103,050)	68,496,477	25,852,313	(24,417,284)	(110,081,046)	(247,982,831)	39,029,321

December 31, 2024

	Total	Amount for Remaining Period to Maturity					
		0 Day to 10 Days	11 Days to 30 Days	31 Days to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year
Main capital inflow on maturity	\$ 832,117,161	\$ 140,367,034	\$ 83,311,163	\$ 94,369,865	\$ 78,967,388	\$ 73,372,088	\$ 361,729,623
Main capital outflow on maturity	1,060,541,618	88,755,083	61,987,241	180,504,609	211,718,216	246,944,614	270,631,855
Gap	(228,424,457)	51,611,951	21,323,922	(86,134,744)	(132,750,828)	(173,572,526)	91,097,768

Note: This table refers to the New Taiwan dollar amounts held by the Bank.

b) For U.S. dollar items

December 31, 2025

(In Thousands of U.S. Dollars)

	Total	Amount for Remaining Period to Maturity				
		0 Day to 30 Days	31 Days to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year
Main capital inflow on maturity	\$ 9,842,221	\$ 2,698,331	\$ 1,570,543	\$ 1,545,323	\$ 1,237,206	\$ 2,790,818
Main capital outflow on maturity	10,895,453	3,729,177	2,478,372	1,311,676	2,181,399	1,194,829
Gap	(1,053,232)	(1,030,846)	(907,829)	233,647	(944,193)	1,595,989

December 31, 2024

(In Thousands of U.S. Dollars)

	Total	Amount for Remaining Period to Maturity				
		0 Day to 30 Days	31 Days to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year
Main capital inflow on maturity	\$ 9,587,640	\$ 2,908,616	\$ 1,539,914	\$ 1,374,003	\$ 1,066,119	\$ 2,698,988
Main capital outflow on maturity	10,739,670	3,084,148	2,959,589	2,201,411	1,961,844	532,678
Gap	(1,152,030)	(175,532)	(1,419,675)	(827,408)	(895,725)	2,166,310

Note: This table refers to the U.S. dollar amounts held by the Bank.

45. CAPITAL MANAGEMENT

a. Objective of capital management

- 1) The basic goal of the Bank's capital management is that unconsolidated regulatory capital and the consolidated regulatory capital should meet the requirements of the related regulations. The ratio of regulatory capital and risk assets (the "capital adequacy ratio") should meet the statutory threshold according to the "Regulations Governing the Capital Adequacy and Capital Category of Banks".
- 2) In order to maintain an adequate level of capital to bear various risks, the Bank makes capital planning based on the operating plans and budget, the development strategies and dividend policy. The objective is to optimize assets allocation and strengthen capital structure.

b. Procedure of capital management

- 1) The calculation of the Bank's capital adequacy ratio is based on the "The Methods for Calculating the Bank's regulatory Capital and Risk-weighted Assets" enacted by the Financial Supervisory Commission and the related information is reported to the competent authority on a regular basis.
- 2) In order to monitor capital adequacy ratio, the execution and changes in the parameters of the capital planning are reported to the Bank's Risk Management Committee on a quarterly basis. The Bank are performed stress testing periodically and evaluated capital adequacy to assesses whether the Bank's capital is able to respond to various risks and whether the objective of capital management is met.

The calculations of regulatory capital, risk-weighted assets and capital adequacy ratio were as follows:

Unconsolidated

		December 31, 2025	December 31, 2024	
Regulatory capital	Common equity	\$ 67,178,311	\$ 59,094,161	
	Additional Tier I capital	2,900,000	2,900,000	
	Tier II capital	11,517,083	10,169,285	
	Total common capital	81,595,394	72,163,446	
Risk-weighted assets	Credit risk	Standardized approach	490,209,457	464,625,158
		Internal rating-based approach	-	-
		Asset securitization	-	596,380
	Operational risk	Basic indicator approach	19,371,877	22,312,850
		Standardized approach/alternative standardized approach	-	-
		Advanced measurement approach	-	-
	Market risk	Standardized approach	14,017,963	12,334,338
		Internal models approach	-	-
	Total risk-weighted assets		523,599,297	499,868,726
Capital adequacy ratio		15.58%	14.44%	
Ratio of common equity to risk-weighted assets		12.83%	11.82%	
Ratio of Tier I capital to risk-weighted assets		13.38%	12.40%	
Leverage ratio		7.38%	6.61%	

Consolidated

		December 31, 2025	December 31, 2024	
Regulatory capital	Common equity	\$ 67,156,368	\$ 59,084,406	
	Additional Tier I capital	2,900,000	2,900,000	
	Tier II capital	11,489,720	10,131,961	
	Total common capital	81,546,088	72,116,367	
Risk-weighted assets	Credit risk	Standardized approach	488,020,375	461,639,246
		Internal rating-based approach	-	-
		Asset securitization	-	596,380
	Operational risk	Basic indicator approach	19,783,968	22,690,200
		Standardized approach/alternative standardized approach	-	-
		Advanced measurement approach	-	-
	Market risk	Standardized approach	14,017,963	12,334,338
		Internal models approach	-	-
	Total risk-weighted assets		521,822,306	497,260,164
Capital adequacy ratio		15.63%	14.50%	
Ratio of common equity to risk-weighted assets		12.87%	11.88%	
Ratio of Tier I capital to risk-weighted assets		13.43%	12.47%	
Leverage ratio		7.36%	6.61%	

Note a: Regulatory capital, risk-weighted assets and exposure measurement are calculated under the “Regulations Governing the Capital Adequacy and capital category of Banks” and the “The Methods for Calculating the Bank’s regulatory Capital and Risk-weighted Assets”.

Note b: An annual report should include both the current year's and prior year's capital adequacy ratio, but a semiannual report should include the capital adequacy ratio of the most recent year.

Note c: Formulas used were as follows:

- 1) Regulatory capital = Common equity + Additional Tier I capital + Tier II capital.
- 2) Total risk-weighted assets = Risk-weighted assets for credit risk + (Capital requirements for operational risk and market risk) × 12.5.
- 3) Capital adequacy ratio = Regulatory capital/Total risk-weighted assets.
- 4) Ratio of Common equity to risk-weighted assets = Common equity/Total risk-weighted assets.
- 5) Ratio of Tier I capital to risk-weighted assets = (Common equity + Additional Tier I capital)/Total risk-weighted assets.
- 6) Leverage ratio = Net Tier I capital/Exposure measurement.

46. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the year ended December 31, 2025

Liabilities Items	Beginning Balance	Cash Inflows (Outflows)	Non-cash Changes		Ending Balance
			Exchange Rate	Others	
Funds borrowed from the Central Bank and other banks	\$ 1,163,333	\$ 1,885,616	\$ -	\$ -	\$ 3,048,949
Securities sold under repurchase agreement	2,643,625	(577,254)	(112,803)	-	1,953,568
Bank debentures	16,901,900	8,399,820	-	-	25,301,720
Other financial liabilities (except for financial transaction margin)	1,026,742	542,399	-	6,606	1,575,747
Lease liabilities	<u>924,169</u>	<u>(399,632)</u>	<u>(1,806)</u>	<u>934,551</u>	<u>1,457,282</u>
	<u>\$ 22,659,769</u>	<u>\$ 9,850,949</u>	<u>\$ (114,609)</u>	<u>\$ 941,157</u>	<u>\$ 33,337,266</u>

For the year ended December 31, 2024

Liabilities Items	Beginning Balance	Cash Inflows (Outflows)	Non-cash Changes		Ending Balance
			Exchange Rate	Others	
Funds borrowed from the Central Bank and other banks	\$ 133,333	\$ 1,030,000	\$ -	\$ -	\$ 1,163,333
Securities sold under repurchase agreement	1,255,766	1,277,327	110,532	-	2,643,625
Bank debentures	16,901,900	-	-	-	16,901,900
Other financial liabilities (except for financial transaction margin)	1,546,639	(523,666)	-	3,769	1,026,742
Lease liabilities	<u>1,108,714</u>	<u>(408,933)</u>	<u>3,853</u>	<u>220,535</u>	<u>924,169</u>
	<u>\$ 20,946,352</u>	<u>\$ 1,374,728</u>	<u>\$ 114,385</u>	<u>\$ 224,304</u>	<u>\$ 22,659,769</u>

47. SEGMENT INFORMATION

Information provided to the Bank's and its subsidiaries' chief operating decision makers for resource allocation and segment performance assessment focuses on nature of operation and profits. Based on IFRS 8 - "Operating Segments," the reportable segments were as follows:

- a. Individual banking: Responsible for investment management, consumer finance, credit card, and trust business;
- b. Corporate banking: Responsible for corporate-related business and foreign-currency business;
- c. Financial market: Responsible for investing financial instruments, operating financial market and using working capital in a dispatch business;
- d. Others: Any business not included the list above.

Segment Income and Operating Results

The accounting policies adopted by each reportable segment are the same as those stated in Note 4 to the consolidated financial statements.

The income and operating results of the reportable segments of the Bank and its subsidiaries were as follows:

	Individual Banking	Corporate Banking (Including Overseas Branches)	Financial Market	Others	Total
For the year ended <u>December 31, 2025</u>					
Net interests	\$ 4,349,102	\$ 3,499,449	\$ (36,902)	\$ (1,008,040)	\$ 6,803,609
Net revenues and gains other than interest					
Net service fee income	2,102,679	804,429	(15,600)	134,842	3,026,350
Other net income	<u>309,118</u>	<u>156,871</u>	<u>2,742,233</u>	<u>(169,527)</u>	<u>3,038,695</u>
Net revenues	6,760,899	4,460,749	2,689,731	(1,042,725)	12,868,654
Reversal of (provision for) bad debt expenses	83,813	198,802	(4,955)	(24,650)	253,010
Operating expenses	<u>5,340,513</u>	<u>1,486,709</u>	<u>597,956</u>	<u>530,973</u>	<u>7,956,151</u>
Segment income before income tax	<u>\$ 1,336,573</u>	<u>\$ 2,775,238</u>	<u>\$ 2,096,730</u>	<u>\$ (1,549,048)</u>	<u>\$ 4,659,493</u>
For the year ended <u>December 31, 2024</u>					
Net interests	\$ 3,945,991	\$ 3,846,112	\$ (210,691)	\$ (1,660,369)	\$ 5,921,043
Net revenues and gains other than interest					
Net service fee income	2,182,167	619,514	(46,012)	259,290	3,014,959
Other net income	<u>288,419</u>	<u>150,384</u>	<u>2,337,278</u>	<u>1,148,598</u>	<u>3,924,679</u>
Net revenues	6,416,577	4,616,010	2,080,575	(252,481)	12,860,681
Reversal of (provision for) bad debt expenses	176,059	(7,913)	(56,434)	30,824	142,536
Operating expenses	<u>5,216,549</u>	<u>1,523,026</u>	<u>537,239</u>	<u>571,403</u>	<u>7,848,217</u>
Segment income before income tax	<u>\$ 1,023,969</u>	<u>\$ 3,100,897</u>	<u>\$ 1,599,770</u>	<u>\$ (854,708)</u>	<u>\$ 4,869,928</u>

48. ADDITIONAL DISCLOSURES

- a. Information about significant transactions:
- 1) Marketable securities acquired and disposed of at cost or prices at least NT\$300 million or 10% of the paid-in capital: Nil
 - 2) Acquisition of individual real estate at cost of at least NT\$300 million or 10% of the paid-in capital: Nil
 - 3) Disposal of individual real estate at prices of at least NT\$300 million or 10% of the paid-in capital: Nil
 - 4) Service charge discounts on transactions with related parties in aggregated amount of at least NT\$5 million: Nil
 - 5) Receivables from related parties amounting to at least NT\$300 million or 10% of the paid-in capital: Nil
 - 6) Sale of nonperforming loans: Nil
 - 7) The type and related information of any securitization product that has been approved in accordance with the Financial Asset Securitization Act or the Real Estate Securitization Act: Nil
 - 8) Intercompany relationships and significant intercompany transactions: Table 1 (attached)
 - 9) Other significant transactions which may have effects on decision making of financial statement users: Nil
- b. Information of subsidiaries' financing provided, endorsement/guarantee provided, marketable securities held, marketable securities acquired and disposed of at cost or prices at least NT\$300 million or 10% of the paid-in capital and derivative transactions: Table 2 (attached)
- c. Related information of investees on which the Bank exercises significant influence: Table 3 (attached)
- d. Information about branches and investments in mainland China: Table 4 (attached)
- e. Information about major shareholders: Name, number of shares, and percentage of ownership of shareholders holding more than 5% of the shares: Nil

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Company Name	Counterparty	Flow of Transaction	Transaction Details			
				Financial Statement Account	Amount	Terms	Percentage of Consolidated Net Profit or Consolidated Total Assets (% Note 2)
0	Far Eastern International Bank Ltd.	Far Eastern International Securities Co., Ltd.	From parent company to subsidiary	Deposits and remittances	\$ 244,121	Note 3	0.03
		Far Eastern International Securities Co., Ltd.	From parent company to subsidiary	Interest expense	2,261	Note 3	0.02
		Far Eastern International Securities Co., Ltd.	From parent company to subsidiary	Service fee expense	1,312	Note 3	0.01
		Far Eastern International Securities Co., Ltd.	From parent company to subsidiary	Loss on disposal of financial assets at FVTPL	491	Note 3	-
1	Far Eastern International Securities Co., Ltd.	Far Eastern International Bank Ltd.	From subsidiary to parent company	Cash and cash equivalents	244,121	Note 3	0.03
		Far Eastern International Bank Ltd.	From subsidiary to parent company	Interest revenue	2,261	Note 3	0.02
		Far Eastern International Bank Ltd.	From subsidiary to parent company	Service fee income	1,803	Note 3	0.01

Note 1: Transacting parties are identified as follows: Number 0 - parent company; and number 1 and the following numbers - subsidiaries.

Note 2: The ratio is calculated as follows: For asset and liability accounts = Transaction amount/Consolidated total assets; and for income and expenses = Transaction amount/Consolidated net profit.

Note 3: The terms of intercompany transactions are not significantly different from those with third parties.

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

**SUBSIDIARIES' FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance (Note 2)	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 3)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 4)	Aggregate Financing Limit (Note 4)
													Item	Value		
1	FEIB Financial Leasing Co., Ltd.	A company	Other receivables	No	\$ 16,196	\$ 16,196	\$ 16,196	10.0%	1	\$ 16,645	-	\$ 5,482	Real estate	\$ 33,944	\$ 334,077	\$ 1,113,590
2	Far Eastern Asset Management Co., Ltd.	B company	Receivables	No	225,000	225,000	108,121	6.0%	1	108,121	-	3	Real estate	207,298	1,723,575	5,170,725
		C company	Receivables	No	212,000	212,000	212,000	5.5%	1	212,000	-	-	Real estate	322,601	1,723,575	5,170,725
		C company	Receivables	No	39,600	39,600	6,000	6.0%	1	6,000	-	-	Real estate	65,037	1,723,575	5,170,725
		D company	Receivables	No	30,000	30,000	30,000	5.5%	1	30,000	-	-	Real estate	322,601	1,723,575	5,170,725
		E company	Receivables	No	234,677	234,677	36,570	6.5%	1	36,570	-	1	Real estate	558,750	1,723,575	5,170,725
		F company	Receivables	No	117,000	117,000	-	5.5%	1	-	-	-	Real estate	158,400	1,723,575	5,170,725
		G company	Receivables	No	600,000	600,000	-	10.0%	1	-	-	-	Real estate	946,308	1,723,575	5,170,725

Note 1: No. column is coded as follows:

- a. The Issuer is coded "0".
- b. The investees are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: It refers to the lending limit for funds approved by the company's Board of Directors.

Note 3: The nature of financing is described as follows:

- a. Business transaction is coded "1".
- b. Short-term financing is coded "2".

Note 4: The limits on financing are as follows:

- a. Financing limit for each borrower

FEIB Financial Leasing Co., Ltd.:

- 1) In the case of lending funds to companies or firms who have a business relationship with the lender, the total lending amount to an individual borrower shall not exceed 30% of the net value of the lender as shown in the latest financial report audited by a CPA.
- 2) In the case of lending funds to the companies or firms in need of short-term financing, the total lending amount to an individual borrower shall not exceed 30% of the net value of the lender as shown in the latest financial report audited by a CPA.

Far Eastern Asset Management Co., Ltd.:

- 1) The total lending amount to an individual borrower shall not exceed the net value of the lender as shown in the latest financial report audited by a CPA.

- b. Aggregate financing limit

FEIB Financial Leasing Co., Ltd.:

- 1) In the case of lending funds to companies or firms who have a business relationship with the lender, the total accumulation lending amount shall not exceed two times of the net value of the lender as shown in the latest financial report audited by a CPA.
- 2) In the case of lending funds to the companies or firms in need of short-term financing, the total accumulation lending amount shall not exceed 40% of the net value of the lender as shown in the latest financial report audited by a CPA.

The total accumulated lending amount of the above shall not exceed the net value of the lender as shown in the latest financial report audited by a CPA.

Far Eastern Asset Management Co., Ltd.:

- 1) The total lending amount shall not exceed 300% of the net value of the lender, as shown in the latest financial report audited by a CPA.

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

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

Investee Company	Location	Main Business and Product	Percentage of Ownership (%)	Carrying Amount	Investment Income (Loss) Recognized	The Proportionate Share of the Bank, Its Subsidiaries and Their Affiliates in Investees (Note 1)				Note
						Present Shares (In Thousands)	Pro Forma Shares (Note 2)	Total		
								Shares (In Thousands)	Percentage of Ownership (%)	
<u>Held by the Bank</u>										
Financial business										
Deutsche Far Eastern Asset Management Co., Ltd.	7F, No. 207 Dun Hwa South Road, Sec. 2, Taipei, Taiwan	Securities investment trust funds	40.00	\$ 165,998	\$ 20,802	12,000	-	12,000	40.00	
Dah Chung Bills Finance Corp.	4F, 4F-1, 4F-2, 4F-3, Np. 88 Dun Hwa North Road, Taipei, Taiwan	Underwriting, dealing and brokering of short-term bills	29.58	2,813,416	149,933	143,515	-	143,515	29.58	
Far Eastern Asset Management Co., Ltd.	Room B, 17F, No. 207, Dun Hwa South Road, Sec. 2, Taipei, Taiwan	Purchase, evaluation, auction and management of creditor's rights to financial institutions	100.00	1,723,575	33,037	168,400	-	168,400	100.00	
Far Eastern International Securities Co., Ltd.	51F, No. 7, Xinyi Road, Sec. 5, Taipei, Taiwan	Foreign securities broker, wealth management and offshore fund consulting	100.00	358,337	(50,134)	26,000	-	26,000	100.00	
Taipei Foreign Exchange Agency Co., Ltd.	8F., No. 400, Bade Road, Sec. 2, Taipei, Taiwan	Foreign exchange, cross-currency swaps, etc.	0.40	3,292	-	80	-	80	0.40	
Sunshine Asset Management Co., Ltd.	15F., No. 218, Dun Hwa South Road, Sec. 2, Taipei, Taiwan	Management of creditor's rights and rendering of commercial detective services	3.46	2,282	-	207	-	207	3.46	
Financial Information Service Co., Ltd.	No. 81, Kangning Road, Sec. 3, Taipei, Taiwan	Data processing service and electronic information supply	1.14	375,641	-	8,491	-	8,491	1.14	
<u>Held by Far Eastern Asset Management Co., Ltd.</u>										
Financial business										
FEIB Financial Leasing Co., Ltd.	8F., Far Eastern Plaza, No. 28, Bailianjing Road, Pudong New District, Shanghai, China	Leasing operation	100.00	1,113,590	8,029	N/A	-	N/A	100.00	

Note 1: The Bank, board chairman, supervisors, managing directors, and the shares of investee companies invested in by related parties which comply with corporation law are considered.

Note 2: Routes of investment are listed below:

- 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 Law.
- Equity-based securities, such as convertible bonds and warrants, are covered by Article 11 of "Securities and Exchange Law Enforcement Rules".
- Derivative contracts, such as stock options, are those conforming to the definition of derivatives in International Financial Reporting Standard 9.

FAR EASTERN INTERNATIONAL 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 Business and Product	Total Paid-in Capital (Note 4)	Investment Type (Note 1)	Accumulated Outflow of Investment as of January 1, 2025	Investment Flow (Note 4)		Accumulated Outflow of Investment as of December 31, 2025 (Note 4)	Net Income (Loss) of Investee (Notes 2 and 5)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 5)	Carrying Value as of December 31, 2025 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2025	Note
					Outflow	Inflow							
FEIB Financial Leasing Co., Ltd.	Leasing operation	\$ 943,140 (US\$ 30,000 thousand)	a	\$ 943,140 (US\$ 30,000 thousand)	\$ -	\$ -	\$ 943,140 (US\$ 30,000 thousand)	\$ 8,029 (CNY 1,852 thousand)	100.00	\$ 8,029 (CNY 1,852 thousand)	\$ 1,113,590	\$ -	

Accumulated Investment in Mainland China as of December 31, 2025 (Note 4)	Investment Amount Authorized by Investment Commission, MOEA (Note 4)	Limit on Investment Authorized by Investment Commission MOEA (Note 3)
\$943,140 (US\$30,000 thousand)	\$943,140 (US\$30,000 thousand)	\$1,034,145

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

- a. Direct investment.
- b. Investment via third place company (state third place investment company).
- c. Others.

Note 2: Calculation based on investee company's financial statements audited by a local CPA and covering the same reporting period as that of Far Eastern International Bank.

Note 3: Under the "Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China" announced by Investment Commission, MOEA, upper limit is calculated by applicant company - Far Eastern Asset Management Co., Ltd.

Note 4: Calculated using the closing exchange rate on December 31, 2025.

Note 5: Calculated using the average exchange rate for the year ended 2025.