



一一四年度年報

2025

年報

ANNUAL REPORT



新光銀行
Shin Kong Bank



台新新光金控

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2025
ANNUAL REPORT

Operating Results for 2025

Domestic and External Financial Environments

The global economy faced a new round of tariff policy shocks in early 2025, with the re-emergence of trade protectionism putting pressure on investment and consumption momentum. The reaching of successive trade agreements and the rapid development of artificial intelligence (AI), however, stimulated an upsurge in global investment and the International Monetary Fund (IMF) adjusted the economic growth rate for the year to 3.2%. In the United States GDP grew 2.2%, down from 2.8% in 2024 due mainly to a slowdown in government spending and export momentum. In the field of monetary policy, the Federal Reserve cut interest rates for 75bps during the year, cutting the policy interest rate range from 3.50% to 3.75%. In Taiwan, the economy was boosted by opportunities of AI; exports and investment momentum expanded appreciably, and the Directorate General of Budget, Accounting and Statistics (DGBAS) adjusted the economic growth rate upward to 8.63% for the year. In the aspect of inflation, commodity prices remained steady, with annual growth rate of the consumer price index (CPI) rising 1.66%. Overall, domestic economic performance was healthy and the Central Bank left its monetary policy unchanged for the year, with the rediscount rate remaining at 2%.

Budget Implementation, Income and Expenditures, and Profitability Analysis

The Bank's consolidated after-tax income for 2025 reached NT\$5,950 million; excluding consolidation-related provisions for the employee placement plan and system migration, after-tax income was NT\$ 8,090 million, exceeding the internal budget target. While promoting its loan business the Bank placed emphasis also on risk management and the implementation of prudent loan policies; at the same time, we reviewed the profitability of deposits and loans, and adjusted strategies as necessary to enhance the Bank's business. Our loans outstanding grew by 4.9% in 2025, and deposits expanded by 5.2%. In the aspect of profitability, after-tax ROA and ROE, excluding consolidation costs, reached 0.60% and 10.13% respectively. Despite the challenges posed by fluctuating interest rates, foreign exchange rates, and competition in the market, the SKB's steady implementation of business promotion boosted net interest income by 1.5%, net processing fee income grew by 10.6%, wealth management income expanded by an exceptional 16.0%, and overall net income rose 4.5% over 2025. In the aspect of asset quality, our non-performing loan ratio for 2025 was 0.12% and our coverage ratio was 1,051.05%, both better than the average for all Taiwan banks.

◆ Message to Our Shareholders

Most recent credit ratings, and dates of ratings

Rating Institution	Credit Rating		Outlook	Date of Latest Rating
	Long-term	Short-term		
S&P Global Ratings	BBB+	A-2	Developing	2025.05
Taiwan Ratings	twAA-	twA-1+	Developing	2025.05

Organizational Changes

- The SKB merged its subsidiary Shin Kong Marketing Consultant Co., Ltd.
- The Channel Operations Department was merged into the Wealth Management Sector; the name of the Channel Operations and Risk Management Sector was changed to Risk Management Sector

Research and Development

In digital finance, in recent years the SKB has continuously strengthened its digital product and service processes along with the upgrading of business efficiency, and has worked vigorously to integrate virtual and physical channels, deepen cooperation and joint promotion with branches, and make use of digital operations and technology to help branches upgrade their earnings momentum. A customer-first orientation is used as the evaluation basis for digital platform optimization and function construction, and digital products services are optimized vigorously, for use in business development and the upgrading of digital income. Digital products are constantly renewed to optimize experience and enhance efficiency. This year the Bank engaged in the APPs development of financial management functions such as exchange rate target price notification, proprietary bond investment overview, fund native functions, etc., to upgrade business efficiency and optimize the customer ordering experience while stimulating trading. The Bank also strove to realize inclusive finance, develop English Version APPs, and provide inclusive financial services.

Domestic and Overseas Awards

- Global Business & Finance Magazine: Best Bank for Digital Banking Services in Taiwan
- Wealth Magazine Wealth Management Awards: Best Customer Recommendation Award– Domestic Banks and Best Creative Marketing Award – Domestic Banks
- Taiwan Clearing House: eDDA Excellent Business Performance Award and Innovation Excellence (Designated Business Promotion) Award
- Department of Economic Development, Taipei City Government: First Taipei–Origin Promotional Station (TOPS) Sustainability and Social Inclusion Award – Diverse Social Good
- Financial Supervisory Commission, Program to Encourage Lending by Domestic Banks to Small and Medium Enterprises: Excellence Award
- Department of Labor, Taipei City Government: Child-Friendly Enterprise Awards – Outstanding Enterprise Award
- Fifth Taiwan Sustainability Action Awards (TSAA): SDG04 Financial Education through Newspaper Reading – Bronze Award
- Ninth Taipei Golden Eagle Micro Movie Festival: Sustainable Micro Movie – Silver Award
- Financial Education Contribution Awards, Financial Supervisory Commission: Best Collaboration Award – Silver Award
- Sixth Taipei City Workplace Gender Equality Certification: Finalist
- 18th Taiwan Corporate Sustainability Awards (TCSA), Sustainability Report – Banking and Insurance: Silver Award, First Class
- Buying Power Social Innovation Products and Services Procurement Reward: Potential for Action Award

Impact of the External Competitive, Regulatory, and Overall Business Environments

The global economy will continue to face the impact of multiple factors in 2026, including US tariff policy movements, an intensification of geopolitical risks, and monetary policy adjustments by major central banks. Tech investment will provide continuous support for economic growth, but whether the rapid expansion of capital expenditures can be effectively transformed into increased corporate productivity and profitability will be the key to continuing global economic resilience and momentum. In the aspect of monetary policy, the market will be watching to see whether the new chairman of the US Federal Reserve will maintain existing policy fundamentals, since his policy decisions will affect global fund flows and the performance of financial markets. In Taiwan, the Directorate General of Budget, Accounting and Statistics projects 2026 economic growth rate at 3.54% and moderate overall inflation with annual growth rate of the CPI growing 1.61%. The Central Bank is expected to keep the rediscount rate unchanged at 2% in 2026, with the financial environment remaining stable.

Business Plans for 2026, and Future Development Strategy

In 2026 the Bank will continue giving due consideration to risk under the core strategies of improvement of loan income, optimization of the deposit structure, upgrading of the contribution of non-interest income, optimization of digital services, and co-creation of a new era of sustainability.

- Improvement of loan income and optimization of the deposit structure: With a focus on the lead arranger cases of syndicated loans with good income and high credit ratings, the Bank will strengthen the promotion of trade financing and place emphasis on development of the foreign exchange business. We will continue expanding our SME business, integrating customer resources, and enhancing cross-selling performance for financial management products. We will develop high-spread credit facility products such as loans to existing homeowners and micro-enterprise to heighten interest and fee income. Multiple online and over-the-counter account-opening channels and the provision of preferential offer for securities account's interbank withdrawals and transfers fees will rapidly boost the amount of securities demand deposit.
- Upgrading of the contribution of non-interest income: Competitive participating policies of other banks will be introduced, a complete product line will be built up to enhance cross-selling performance, and the relationship management of high-asset customers will be deepened to boost fee income by strengthening customer participation and loyalty. Global political and economic situation will be monitored closely with the aim of taking advantage of opportunities presented by large market fluctuations and expanding trading positions as fortune offers. Credit card benefits will be comprehensively reviewed and dynamically adjusted, high-benefit products will be streamlined and retained, and asset allocation will be optimized to build up a high-yield product portfolio.

- Optimization of digital services: The number of active mobile banking accounts will be vigorously increased, digital platform services process will be continuously optimized and business efficiency will be upgraded.
- Co-creation of a new era of sustainability: The Bank will constantly carry out sustainable financial management, vigorously grasp green-energy financing opportunities arising from the government's policy of promoting green and transition finance, and strive to achieve approved science-based carbon-reduction goals, working hand in hand with invested companies, loan customers, suppliers, and other stakeholders to expand our impact and together create a better society.

In gratitude for the care and support of our customers, parent financial holding company, directors, and shareholders over the years, the Bank will continue working ceaselessly to carry our operating performance to new heights so that we can pay back something to our shareholders and society.

Chairman

李健峰

Information on Directors and Supervisors

As of March 31, 2026

Title	Name	Prime (Education) Experiences	Current Bank & Other Positions
Chairman	Chin-Yuan Lai	Chairman of Taichung Commercial Bank Co., Ltd. Chairman of Taiwan Shin Kong Commercial Bank Co., Ltd. Department of Economics, Tunghai University	Chairman of Taiwan Shin Kong Commercial Bank Co., Ltd. Supervisor of TANG FA Co., Ltd
Vice Chairman	Ruey Chiang Shang	Senior Executive Vice President of Taishin Financial Holding Co., Ltd. Director/ Vice Chairman/ President of Taiwan Shin Kong Commercial Bank Co., Ltd. MBA, University of Delaware	Vice Chairman and President of Taiwan Shin Kong Commercial Bank Co., Ltd Senior Executive Vice President of Taishin Financial Holding Co., Ltd. Director of Taishin Sports Entertainment Co., Ltd.
Director	Yu Yuan Wang	Ambassador of Embassy of the Republic of China to the Holy See Director of the Protocol Department of the Ministry of Foreign Affairs M.A., Chinese Culture University	Director of Taiwan Shin Kong Commercial Bank Co., Ltd Chairman of Shin Kong Bank Cultural and Educational Foundation.
Director	Shang Ming Chai	Supervisor of Wholesale Credit Administration Division of Taishin International Bank Director of Taiwan Shin Kong Commercial Bank Co., Ltd MBA, University of Texas at El Paso	Director of Taiwan Shin Kong Commercial Bank Co., Ltd Chairman of Mega Green Energy Corporation
Director	Hsin Chang Wu	Head of Shin Kong Mitsukoshi Business Group Director of Taiwan Shin Kong Commercial Bank Co., Ltd MBA, Waseda University	Director of Taiwan Shin Kong Commercial Bank Co., Ltd Vice Chairman of Taroko Development Corporation Chairman of Shin Kong CinePlex Co., Ltd
Independent Director	Yang Tzong Tsay	Director of Bank of Taiwan Independent Director of Taiwan Shin Kong Commercial Bank Co., Ltd Ph.D., University of Maryland	Independent Director of Taiwan Shin Kong Commercial Bank Co., Ltd Independent Director of Yung Zip Chemical Ind. Co., Ltd.
Independent Director	Chih Jong Suen	Independent Director of Chang Hwa Commercial Bank, Ltd Independent Director of Taiwan Shin Kong Commercial Bank Co., Ltd MBA, The Ohio State University	Independent Director of Taiwan Shin Kong Commercial Bank Co., Ltd
Independent Director	Shou Huang Chen	Political Deputy Minister of Ministry of Justice Independent Director of Taiwan Shin Kong Commercial Bank Co., Ltd Ph.D., National Taiwan Ocean University	Independent Director of Taiwan Shin Kong Commercial Bank Co., Ltd Director of Symbio, Inc.

Information on President, ◆ Vice Presidents, Assistant Vice Presidents and Department Heads

Title	Name	Title	Name
Vice Chairman and President	Ruey Chiang Shang	Associate Vice President	Kuan Hsien Li
Chief Auditor	Yu Su Huang	Associate Vice President	Hsu Chen Tsou
Senior Vice President	Niel Chang	Associate Vice President	Pang An Liu
Chief Information Security Officer	Kuo Ping Lin	Assistant Vice President	Shu Hui Liang
Chief Information Officer	Johnson Chang	Assistant Vice President	Chia Hao Lui
Chief Compliance Officer	Ginger Chou	Assistant Vice President and Chief Corporate Governance Officer	Tzu Yuan Ting
Vice President	Bing Hsin Hsu	Assistant Vice President	Huei Ping Liao
Vice President	Ben Yang	Assistant Vice President	Chin Ta Chiang
Vice President	Po-Yang Chiu	Assistant Vice President	Regina Lin
Vice President	Hsien Chi Lui	Assistant Vice President	Shao Hua Hsiang
Vice President	Vincent Lin	Assistant Vice President	Yu Ting Chiu
Vice President	Cho Su Huang	Assistant Vice President	Sheng Chin Lee
Vice President	Jung Shan Chien	Assistant Vice President	Tzu Hsing Lee
Vice President	Chin Chin Kuo	Assistant Vice President	Peggy Hsu
Vice President	Shih Kang Huang	Assistant Vice President	Chia Lung Chen
Vice President	Yen Chuan Wang	Assistant Vice President	Zong Yi Lin
Deputy Chief Information Officer	Tom Lin	Assistant Vice President	Ming Fu Tsai
Associate Vice President	Eddie Chung	Assistant Vice President	Ping Han Lee
Associate Vice President	Fea Chin Huang	Assistant Vice President	Yu Min Hsu
Associate Vice President	Yu Chin Chiu	Assistant Vice President	Yu Chieh Yang
Associate Vice President	Wang Chen Lin	Assistant Vice President	Shih Yin Liu
Associate Vice President	Shu Ying Chou		
Associate Vice President	Steven Lin		

As of March 31, 2026

Business Content

Main Areas of Business

1. Major Content

- **Deposit Business**

Taking of various types of deposits, including checking deposits, demand deposits, time deposits, and savings deposits; handling of domestic remittances; and handling of agency and related services approved by the authorities.

- **Corporate Banking Business**

Provision of short, medium and long-term loans including corporate credit loans, secured loans, accounts receivable financing, and trade financing; and handling of the domestic and overseas guarantee business.

- **Consumer Banking Business**

Provision of consumer financing products, including short, medium and long-term loans such as personal loans, auto loans, corporate microloans, and mortgage loans.

- **Wealth Management Business**

Provision of domestic and overseas mutual fund, bond, ETF, insurance, and financial derivative products; and wealth management businesses approved by the central government authorities.

- **Digital Banking Business**

Provision of personal digital financial product flow planning, innovative R&D, experience design and operation, and marketing and promotion, including personal online banking, mobile banking, and mobile payments.

- **Credit Card Business**

Handling of credit card issuance, acquiring, and other businesses related to credit- and debit-card consumption.

- **Trust Business**

Handling of headquarters trust unit businesses approved by the authorities, including money trust, monetary claims and their security interests, securities, real estate, and surface rights.

- **Financial Markets Business**

Various types of proprietary trading and securities investment, including investment in government bonds, short-term bills, corporate bonds, bank debentures, and corporate equity.

- **Foreign Exchange Business**

Handling of foreign currency notes, traveler's check, import/export foreign exchange, general inward and outward remittance, foreign currency deposit, foreign currency loan, and foreign currency standby letter of credit guarantee businesses.

2. Business Ratios

Unit: NT\$ million

Items	2025		2024	
	Net Income	Percentage	Net Income	Percentage
Net Interest Income	14,249	63%	14,032	66%
Net Service Fee Income	5,061	23%	4,576	21%
Net Financial Product Investment Income	2,454	11%	3,483	16%
Other Net Income	646	3%	(647)	(3)%
Total	22,410	100%	21,444	100%

3. Review of Operations of Each Business

(1) Deposit Business

Deposits in the Bank in 2025 amounted to NT\$1,180,409 million; compared with 2024, this was an increase of NT\$58,566 million for a growth of 5.22%.

Unit: NT\$ million

Items		2025	2024	Increase (Decrease)
Demand deposits	Checking deposits	8,710	7,734	976
	Public treasury deposits	673	561	112
	Demand deposits	196,524	185,664	10,860
	Demand savings deposits	296,149	285,271	10,878
	Subtotal	502,056	479,230	22,826
Time deposits	Time deposits	447,099	426,665	20,434
	Time savings deposits	231,254	215,948	15,306
	Subtotal	678,353	642,613	35,740
Total		1,180,409	1,121,843	58,566

◆ Review of Operations

(2) Loan Business

The Bank's outstanding loans in 2025 stood at NT\$896,443 million, up NT\$42,211 million from 2024 for a growth of 4.94%.

Unit: NT\$ million

Items	2025	2024	Increase (Decrease)
Secured loans	660,911	619,415	41,496
Unsecured loans	235,532	234,817	715
Total loans	896,443	854,232	42,211
Total Loans to Total Assets	64.65%	64.62%	

(3) Corporate Banking Business

Corporate loans outstanding in 2025 (including the Hong Kong Branch) amounted to NT\$431,600 million, up NT\$36,100 million over the year before for a growth of 9.1%. The SKB emphasizes the business principle of serving the SME customer group, with long-term adherence to the spirit of local operation in providing SMEs with local financial services, deeply cultivating partnership relations with SMEs, and helping domestic SMEs acquire working capital, thereby creating win-win opportunities with SMEs. Loans outstanding to SMEs in 2025 amounted to NT\$227,000 million, an increase of NT\$23,800 million over 2024 for a growth of 11.7%; this gave the Bank, once again, the accolade of outstanding performance in the provision of loans to SMEs. The provision of SME loans is a focus of business development for the SKB, which constantly develops SME customer groups in neighboring areas and makes good use of the SME Credit Guarantee Fund as a tool in recruiting quality customers among a diversity of industries. The Bank also builds up a complete product line of corporate banking services to strengthen close business relations with SMEs. Further, the Bank coordinates with customers' needs for global deployment by reinforcing its international operating capabilities so that it can serve Taiwanese customers with such deployment, promote cross-border financing to help companies carry out overseas financial management, and expand its own trade financing business while strengthening financial linkage of transnational supply chain.

(4) Consumer Banking Business

Consumer banking loans in 2025 stood at NT\$464,270 million, an increase of NT\$5,790 million over 2024 for a growth of 1.26%. Operating income from this business amounted to NT\$14,260 million. In its mortgage loan business, the Bank continued focusing on outstanding service quality and the provision of services to satisfy the housing needs of different customer segments, while moving in line with the government's regulatory measures to stabilize its mortgage-loan market share and asset quality while improving loan growth and overall profitability. Digital processes are remodeled, the customer experience and system automation are constantly optimized, and digital application efficiency and service channel diversity are upgraded so that the people of society will enjoy more convenient, secure, and rapid channels for capital acquisition. The Bank also strengthens product competitiveness and assures a reasonable income while satisfying customer needs and boosting service satisfaction. At the same time, single-parent family assistance and healthy pregnancy personal loan programs are offered to assure sustainable development and allow disadvantaged groups to enjoy banking services, thereby achieving the goal of inclusive finance.

(5) Wealth Management Business

Service fee income from the Bank's wealth management business amounted to NT\$4,310 million in 2025, an increase of NT\$600 million over 2024 for a growth of 16.0%, the result mainly of a growth of 41.3% in the sale of insurance products and 65.1% in proprietary bond dealing. Non-discretionary money trust funds under management in 2025 totaled NT\$124,980 million, giving the Bank a market share of about 1.92% and ranking it 17th in the industry. The Bank was honored with the "Best Customer Recommendation Award, Domestic Bank" and "Best Creative Marketing Award, Domestic Bank" wealth management awards in 2025. The Bank continuously holds to the spirit of dedication, innovation, and customer orientation to map out financial management products that meet the needs of customers in different stages of life and help them achieve their life goals in five areas: insurance, education, retirement, wealth management, and estate inheritance.

(6) Financial Markets Business

In its trading in financial instruments, the SKB holds always to prudent trading discipline as its operating cornerstone while seeking business growth so as to achieve its proprietary business goals and create long-term value for customers under the precondition of stability. In response to the turbulence in global financial markets and the diverse needs of its customers, the Bank devotes itself to the provision of a diversified range of exchange rate, interest rate, and other spot commodities, derivatives, and structured products, and, through integrated trading platforms for financial instruments, helps customers gain a grasp of the market pulse, realizes risk management and satisfies the needs of domestic and overseas corporate and personal customers for trading and financial management planning. The amount of proprietary bond trading reached NT\$36,300 million in 2025; this was an increase of NT\$11,700 million over the year before, for a growth of 47.6%. The Bank vigorously expands its investment horizons and will work constantly to introduce high-quality foreign bond targets so as to provide investors with richer and more diversified investment choices.

◆ Review of Operations

Unit: NT\$ million

Items	Dec. 31, 2025		Dec. 31, 2024		Increase (Decrease)
	Investment Amount	Ratio	Investment Amount	Ratio	
1. Government bonds	82,850	21.48%	80,517	22.28%	2,333
2. Bank debentures	6,200	1.61%	6,500	1.80%	-300
3. Corporate bonds	57,557	14.92%	61,344	16.98%	-3,787
4. Stocks	5,069	1.31%	4,497	1.24%	572
5. Beneficiary certificates	0	0%	105	0.03%	-105
6. Beneficiary securities	57	0.01%	382	0.11%	-325
7. Overseas stocks	114,699	29.73%	103,113	28.53%	11,586
8. Derivatives	2,484	0.64%	1,787	0.49%	697
9. Call loans to banks	19,342	5.01%	22,178	6.14%	-2,836
10. Redeposits	86,852	22.52%	78,591	21.75%	8,261
11. Short-term bills	10,637	2.77%	2,362	0.65%	8,275
Total	385,747	100%	361,376	100%	24,371

(7) Digital Banking Business

The number of SKB digital bank users topped 1,570,000 in 2025, up 10% from the year before, and its digital transaction ratio exceeded 90%. The Bank adheres to the value proposition of “holding close to life, considering customer interests” as it continuously provides rapid, convenient, and secure digital financial products and services that satisfy customers’ digital banking needs for consumption, payment, and financial planning. It uses experience and synergy as the base in reducing operating costs, deepening the digital customer management, and optimizing experience to upgrade platform income. The Bank was honored by the “Best Digital Financial Services Bank” award from Global Business and Finance Magazine in 2025.

(8) Credit Card Business

Regarding the operating performance of credit card in 2025, the amount of consumption using SKB-issued credit cards reached NT\$54,400 million, down a slight 3% from 2024; the number of valid cards reached 1,062,582, about the same as 2024.

a. Deep cultivation of high-end customers, focus on premium cards:

The Bank will cooperate closely with all kinds of promotional channels and make full use of existing customer resources, and will place key emphasis on high-potential customer groups in proactively inviting applications for high-end cards. This will increase opportunities for customer contacts and business loyalty while stimulating customers to concentrate on consumption, thus maintaining card issuance to high-value customers and the momentum of card use.

b. Reinforcement of special features, maintenance of close relationships:

The Bank will clearly delineate the positioning of each kind of product attributes in line with market trends, and will create differentiated services and features of product; it will continuously and deeply cultivate and manage top-end card customer segments and provide them with the strategies of 5-star hotel stays, airport VIP lounge access, international airport transfers, and other high-end premium services; and for general customer segments, it will focus on daily consumption scenarios so as to build up a convenient card-payment situation that will reinforce the Bank's market competitiveness and customer loyalty.

c. Segmented management, maximization of resource efficiency:

The Bank will focus on the consumption habits and living conditions of different customer segments in providing suitable product benefits that boost the frequency of card payments and the volume of profit-producing transactions, and will use data analysis in planning segmented marketing activities to provide targeted paybacks that enhance customer contribution, thereby upgrading the overall management efficiency of credit card business.

(9) Trust Business

Unit: NT\$ million

Items	2025	2024	Increase (Decrease)
Non-discretionary money trust capital investments in domestic funds	5,203	4,293	910
Non-discretionary money trust capital investments in foreign funds (including OBU sales)	26,316	21,343	4,973
Non-discretionary money trust capital investments in foreign bonds (including OBU sales)	13,017	17,098	-4,081
Securities certification	9,120	6,584	2,536
Securities recertification	1,141	183	958
Other money trust assets	1,739	3,071	-1,332
Stock ownership trust assets	0	1,039	-1,039
Real estate trust assets	55,406	55,717	-311
Funds under custodianship	18,176	30,474	-12,298

1. Deposit Business

- Deep cultivation of localized operations through branch channels and expansion of the SME customer base so as to upgrade the Bank's market competitiveness and market share, optimize the deposit structure, and continuously reduce deposit costs.
- Enhancement of customer business relationships, deep cultivation of existing customer groups, upgrading of interactive relationships, and stimulation of stable development of deposit business.
- Continuous boosting of loyalty through the promotion of deposits and the raising of product holdings; increasing of new depositors and recruitment of deposits, creation of wealth management dynamism, and upgrading of reinvestment opportunities.
- Continuous optimization and development of the foreign exchange and deposit modules so as to provide customers with diversified money exchange and deposit services; planning of preferential deposit or exchange programs in line with market exchange and interest rate trends so as to achieve cost control and market competitiveness; with overall consideration of such factors as conformance with funding rhythms and the funding needs of banks, the introduction of preferential NT dollar/foreign currency demand and time deposit programs, while enhancing the amount of deposits and the ratio of demand/time deposit.
- Provision of preferential customized product integration programs in accordance with the characteristics of quality salary-transfer companies and reinforcement of relations with such companies; deep cultivation of the high-income salary-transfer customer group, and use of special account-upgrading offers or preferential-rate deposit programs to maintain and upgrade asset transactions and thereby become the Bank's high-asset customer segment.
- Promotion of convenient online account-opening tools to accelerate growth in the amount of demand securities deposits, rapidly accumulate customers, and heighten the level of demand securities deposits.

2. Corporate Banking Business

- Business performance with existing customers, and service quality, will be strengthened; localized operation will constantly be carried out and customers will be deeply cultivated with local services, and the expansion of the corporate banking business will continuously be promoted.
- The SME Credit Guarantee Fund program financing will be fully utilized to lessen credit risk and reduce the consumption of capital, and the SME customer base will be steadily expanded through the continuous deep cultivation of branches in their local areas, or the development of customer sources in accordance with up-and downstream industry chains.

- A complete range of corporate banking product line will be built up and customized services will be provided to boost the diversity of business relations; the product dimension for business with customers will be expanded; and the grasping of customers' core assets and solicitation of self-liquidating and transactional repayment sources will be used to lower credit risk and boost income simultaneously.
- Cash management services will be reinforced through the cash management flow platform, cash flow customers will constantly be solicited, and transactional financing facility will be planned out to seek cash flow and boost business with customers.
- Corporate sustainability development will be supported, green loans will be extended to help customers invest capital in green programs, industries will be encouraged to seek sustainable development and achieve carbon-reduction goals, and the Bank will fulfill the role and function of the banking system in fostering the pursuit of sustainable development by society as a whole.

3. Consumer Banking Business

- Optimization and reengineering of business processes, and enhancement of employee productivity and service quality: The power of technology will be used to optimize processes and data, and one-stop services for online application, identity verification, and automatic disbursement of funds will be promoted continuously so that manpower can be replaced by automated equipment and the performance of sales personnel can be upgraded.
- Creation of a smooth, chokepoint-free digital experience centered on the customer experience: Key business processes will be constantly optimized and improved with a focus on the customer experience, and the digital loan-application platform will be expanded to use; in response to digital trends and the rapid development of financial technology, digital platforms will be used to heighten service efficiency, facilitate integration into customers' consumption scenarios, satisfy customers' needs for immediate funding, and provide high-quality, convenient financial services that meet customers' needs.
- Localized operations will continuously be carried out, focus will be placed on high interest-rate-spread homeowner products, a diversified range of micro-enterprise loan programs will be offered, and a diversity of customer groups will be developed.
- Case sources through car dealerships will be continuously developed, the used-car and new-car loan business will be consolidated, the control of business costs and the lowering of non-performing loans will constantly be strengthened, and the Bank will create optimized profits through stable operating methods with an equal emphasis on broadening income sources and reducing expenditures.

◆ Business Plans for 2026

- Homebuyers without their own property will be given relatively preferential loan-to-value ratios, and credit policies will be adjusted as necessary to conform to changes in regulations, internal policy directions, and conditions in the real estate market so as to upgrade the overall quality of the Bank's loan assets.
- Loan applications will be reviewed strictly and credit-risk controls will be strengthened, borrowers' repayment sources and capabilities will be evaluated, and high-quality customers will be selected so as to reduce non-performing loans. The credit scorecard system will be used to standardize risk controls, enhance business quality, and reinforce the overall quality of business loan assets.

4. Wealth Management Business

- Product system process interface: Competitive participating policies of other banks will be introduced and the product line will be made complete in order to boost the efficiency of cross-selling. The performance evaluation and compensation systems will be adjusted to stabilize the Bank's manpower and boost the business momentum of financial advisors.
- Flexible product strategy: The Bank's direction of development will constantly be focused on customer asset maintenance and appreciation, risk diversification, and intergenerational wealth transfer. In the operation of fund products, in addition to global equity funds, balanced funds, and multi-asset funds, an appropriate amount of income-generating funds and sustainable thematic funds will be included in order to assure equal emphasis on long-term growth, asset stability, and intergenerational needs. In regard to fixed income allocation, the focus will be on intermediate-term investment-grade corporate bonds and high-quality financial bonds with the aim of balancing interest-rate risk and income performance so as to offer relatively stable investment choices to customers. At the same time, the Bank will continuously develop equity-linked structured products for customer groups with advanced investment needs, and will target linkage with equities or indexes having good liquidity and sound fundamentals, providing conditional returns and a diverse range of investment opportunities.
- Further development of customer segmentation: Customers will be segmented in accordance with their asset size, contributions, business loyalty, and other dimensions; differentiated customer rights and special offers will be mapped out; and a diversified array of reward mechanism and guest talk activities will be used to boost interaction and trust while upgrading customer contribution and loyalty. The exclusive benefits and one-on-one financial management services of high-asset customers will be reinforced, programs offering rewards and benefits of higher value will be provided to high-contribution customers, and refined business strategies will be used to strengthen long-term customer relationships. Furthermore, a reward points program of financial management will be offered to satisfy the varied needs of different customer segments, thus enhancing customer loyalty, creating a customer-centered business ecology, and promoting sustainable growth.

- Business management mechanism: The wealth management teaching manual and training presentation will be enriched to assure the seamless connection of professional knowhow and sales logic among frontline staff members. The upgrading of professional skills will be accelerated. A diverse range of incentive activities will be used to stimulate the sales momentum of branches, and the precision targeting and transaction rate of business promotion will be enhanced. The area chief coaching management mechanism will be fully implemented, and the performance of area chief-accompanied visits will be reinforced.
- Optimization of operating procedures: Protection of the rights and interests of elderly customers will be strengthened, and the recording of applications by the elderly for the purchase of offshore structured products will be increased so as to assure that the elderly receive clearer information and more complete protection when making investment decisions. At the same time, the restriction on recommendations for elderly customers will be rescinded to avoid creating age-discrimination doubts while protecting the right of elderly customers to make their own choices.

5. Financial Markets Business

- On the basis of a stable interest income, the Bank will optimize asset allocation and carry through the risk control mechanism, and will continuously upgrade capital gains while reinforcing the overall return on investment and the revenue structure.
- A diverse range of investment products will be introduced, the Bank's resources will be integrated, financial asset financing services will be strengthened to help customers boost their funds liquidity and revitalize their assets while expanding the scale of the Bank's business.

6. Digital Banking Business

- Strengthening of digital product design and use of digital operations to support branches: Digital products and services will constantly be optimized to satisfy customers' needs for enquiry, payment, financial management, and livelihood offers, and digital products and services will be used vigorously to assist branches in the common effort to achieve performance goals.
- Deepening of customer management and optimization of the customer experience to boost platform income: A customer orientation will guide an equal emphasis on customer acquisition and deepening of customer management. Multiple channels for customer acquisition and task-based marketing activities will be used to stimulate digital transactions and incentivize customers to use digital platforms. Constantly renewed digital products and innovative experiences will enhance efficiency. Financial management functions in APP will be optimized this year, including exchange rate target price alerts, proprietary bond investment overviews, and fund native functionality, to enhance business efficiency and optimize the customer ordering experience. At the same time, the Bank will strive to achieve fully inclusive finance and develop English Version APPs so as to provide inclusive banking services.

7. Credit Card Business

- Deep cultivation of high-end customers and focus on premium cards: The Bank will cooperate closely with each promotion channel and make full use of existing customer resources in targeting high-potential customer groups and proactively inviting them to apply for premium cards; this will increase opportunities for customer contacts and boost business loyalty, and will stimulate customers to concentrate on consumption, thereby boosting growth momentum in the issuance of new cards and the amount of consumption.
- Reinforcement of special features and maintenance of close relationships: Each kind of product attributes will be clearly positioned in accordance with market trends, and a precise segmentation strategy will be used to create differentiated product features. Top-end customer segments will continuously be cultivated and managed, with the strategies of provision of star-rated hotel stays, airport VIP lounge access, international airport transfers, and other high-end premium services. For ordinary customer groups, the focus will be on daily consumption and convenient card payment scenarios, thereby strengthening market competitiveness and customer loyalty.
- Segmented management and maximization of resource utilization: Different products with appropriate benefits will be offered separately to fit the consumer behavior and daily living conditions of different customer segments with the aim of increasing the frequency of card use and the volume of income-producing transactions. Data analysis will be used in the planning of segmented marketing activities to provide targeted feedback, thereby boosting the overall management efficiency of the credit card business.

8. Trust Business

- Real estate trust business: Property development loans will be tied in with trust, which can lower credit risk, increase protection for stakeholders, and conform with market needs. In response to the government's promotion of the reconstruction of old buildings and its urban renewal policy, the Bank will vigorously seek out financing and trust business opportunities in regard to the reconstruction of old and unsafe buildings and to urban renewal. This will boost the Bank's trust fee income, interest income from loans, and deposit performance, make use of trust as the best platform for protection, and create the most income for the Bank.
- Advance payment trust business: The Bank will assist customers with the issuance of gift certificates (including e-vouchers and prepaid cards) and will work in accordance with the trust management of prepaid funds to assure the security of deferred consumption products purchased by customers and increase the Bank's trust income.

- Real estate escrow trust business: This business fills a market need, and is now a mature and competitive business category. To enhance its competitiveness, the Bank will develop its own information systems to better handle application, price negotiation, and approval operations for this business. The outstanding functions of these systems will boost the efficiency of business promotion by branches.
- Nursing care trust business: In response to the implementation of the government's Trust 2.0 policy, the Bank will introduce a nursing care trust business, the main goal of which is to provide for the real needs of the elderly and disabled for nursing care. The Bank will also plan out standardized procedures, information systems, and standard form contracts to help branches promote this business and thus burnish the Bank's image for public welfare.
- Grantor retained annuity trust: The Bank will develop this new multifunction pecuniary trust product for high-asset customer groups with a need for estate planning, investment, and tax reduction, and will tie it in with nursing care and children's trust to satisfy the product needs of a diverse market and create more income sources for the Bank.
- Custodianship business: The Bank will make use of financial holding company synergies in undertaking custody of investment-type insurance products of Shin Kong Life Insurance, discretionary investments and book-entry central government securities clearing bank.

◆ Market Analysis

The impact of Taiwan's major economic indexes on potential future supply and demand conditions in the market is briefly described below:

1. Supply

- Financial institutions: Domestic financial institutions were operating a total of 6,346 business units at the end of 2025, of which 427 were headquarters units and 5,919 were branches. (Source: Financial Statistics Monthly, published by the Central Bank)
- Deposits: Taiwan's banking system held a total of NT\$54,571.4 billion in deposits at the end of 2025, an increase of 5.81% over a year earlier.

2. Demand

The global economy faced a new round of tariff policy challenges in early 2025, with trade protectionism heating up again and imposing pressure on investment and consumption momentum. However, trade agreements were achieved one after another; this, along with the rapid development of AI technology, led to a surge in global investment, prompting the IMF to revise the economic growth rate for 2025 upward to 3.2%. In the United States, GDP growth for the year was 2.2%, down from 2.8% in 2024 largely because of a weakening of momentum in government spending and exports. In the area of monetary policy, the Federal Reserve cut interest rates for 75bps during the year, reducing the policy interest rate range from 3.50% to 3.75%. With the continuous development of AI business opportunities, Taiwan's export and investment momentum strengthened appreciably and the Directorate General of Budget, Accounting and Statistics (DGBAS) boosted the economic growth rate for 2025 upward to 8.63%. In terms of inflation, Taiwan's CPI rose 1.66% for the year, with commodity prices remaining stable. Taiwan's overall economic performance for 2025 was healthy and the Central Bank kept its monetary policy unchanged, with the rediscount rate remaining at 2%.

3. Growth Prospects

The global economy will continue to face the impact of multiple factors of including US tariff policy trends, rising geopolitical risks, and monetary policy readjustments by major central banks in 2026. Tech investment will continue to provide support for economic growth, but whether the rapid expansion of capital spending can be effectively transformed into rising corporate productivity and profitability will be the key to continuing global economic resilience and momentum. In the field of monetary policy, markets will keep a close watch to see if the new Fed chairman will maintain the current policy stance, since his policy orientation will affect global fund flows and financial market performance. In Taiwan, DGBAS projects 2026 economic growth rate at 3.54% and CPI annual growth rate at 1.61%. With overall inflation remaining moderate, the Central Bank is expected to keep the rediscount rate unchanged at 2% in 2026. The financial environment as a whole will be stable.

4. Favorable and Unfavorable Factors in Development Prospects:

(1) Favorable Factors

External environment:

- With the government's policy measures to encourage investment in Taiwan by returning enterprises, assist SMEs in transformation and upgrading, and support the development of key industries and infrastructure in coordination with global supply chain reorganization and the trend in industrial

repatriation, the retaining of medium- and long-term capital in Taiwan and the demand for local investment will likely maintain a certain momentum. Companies expanding production capacity, the renewal of equipment and facilities, the digital transformation, and the readjustment of overseas deployment will provide support for expansion of the bank's corporate banking business.

- The development of financial technology and digital finance are expected to advance into the stage of deepened application, and with the gradual maturing of AI, big data analysis, and automation technology, the demand for immediate, flexible, and contextualized financing services will increase constantly. This will prompt the transformation of financial needs from a single-product orientation to scenario-based integrated solutions.

The SKB niche:

- The SKB's widespread network of business locations, concentrated in the area of Greater Taipei with its booming economic activity, provides a competitive advantage for business expansion. Integration with the financial holding company allows the Bank to offer its customers a package of financial products including insurance, securities, credit cards, funds, and bonds; this smorgasbord of products not only satisfies the needs of investors but also provide one-stop shopping services to customers. Integration with the overall resources of the financial holding company enhances co-marketing efficiency and displays economies of scale, and use of the group's high-quality human resources reinforces the Bank's financial innovation and product development capability, which constantly enhances the Bank's competitive niche.
- The Bank's widespread network of business locations, with 104 branches in Taiwan and overseas, favors the deep cultivation of local operations; and the combination of digital and physical branches creates an all-channel service model that provides customers with high-quality integrated click-and-mortar services, extends the reach of branches' localized SME services, upgrades the service satisfaction of differentiated customer segments, and expands the Bank's income network.

(2) Unfavorable Factors

- The global economy remains in a state of limited growth momentum, and market uncertainties cause fluctuations to stay high. The tempo of monetary policy adjustments in major economies, the speed of inflation easing, and policy directions are unclear, heightening the effects of policy interaction. If trade policy and tariff measures are again used at a high frequency, it will erode investor confidence and suppress cross-border trade and capital flows.
- Geopolitical risk, technological competition between China and the US, regional conflicts, and other structural factors will likely continue to influence global industrial deployment and supply chain strategies, including those regarding the diversification of production bases and of supply sources, and the readjustment of inventory strategy. Related uncertainties will likely further intensify raw material and energy price fluctuations, and will increase the complexity of corporate cost structures and operational decision-making.

◆ Overview of Research on Financial Products, and Business Development

1. Scale and Profitability of Major Financial Products, and New Business Units for the Past Two Years

- (1) The integrated online banking/securities account-opening service was inaugurated in March 2024. This “Banking/Securities Single Account-opening Program” is a joint one-stop online account-opening service offered through cooperation between Shin Kong Bank and Shin Kong International Securities; the customer submits an account application through the Shin Kong Securities portal, and the system allows the opening of bound banking and securities accounts at the same time. The streamlining of this account-opening service enhances efficiency and provides customers with more convenient digital financial services.
- (2) The “SME Financial Services Platform” was put on line in December 2024, allowing consumer banking employees handling microenterprise loans to first obtain customers’ financial information, carry out preliminary assessment and, in accordance with the results of that assessment, decide whether or not to grant the loan. Even for loans that cannot be granted, this saves on application time and enhances efficiency for microenterprise loan applications.
- (3) The Bank began developing APP financial management functions, including exchange rate price alerts, proprietary bond investment overviews, and bond native functions, in 2025. This stimulates trading by enhancing business efficiency and optimizing customers’ ordering experience. At the same time, the Bank is striving to achieve full financial inclusiveness by developing English Version APPs.

2. R&D Costs and Results for the Past Two Years, and Future R&D Plans briefly described

- (1) Initiation of the “Securities Market Risk Management Platform Program” by the Hong Kong Branch: This program was developed in cooperation by the SKB headquarters Risk Management Dept. and information units, with help from middle-office colleagues in the Hong Kong Branch. This program integrates Bloomberg information and securities transactions, and allows the nimble production of management reports using systematic methods; this reduces repetitive manual tasks and concentrates focus on analyzing the reasons for profit/loss changes. Benefits: The platform has a query function for charts of historical trends leading up to current positions, helping give management a grasp of relevant information. Initiated in the first quarter of 2024, this program was completed in October that year.
- (2) New Minimum Capital Requirements for Market Risk: In response to Basel III’ s new 2025 standardized approach for calculating market risk capital requirements, the Bank cooperated with information units in the self-establishment of a calculation model. The project began in 2023 and went online in December 2024.
- (3) The program for recording by designated wealth management personnel went online in April 2025, simplifying operating procedures for business units and facilitating business development. An introduction to digital channel operations was produced to reduce the digital divide and fulfill the spirit of fair customer treatment.

- (4) Fund redemption and switching function: The Bank continuously optimizes fund trading services to enhance the convenience of customers' investment operations and the flexibility of their asset allocation. We offered a fund redemption and switching function in July 2025, helping customers to complete bond redemption and switching orders during the same operating process. This shortens transaction time and reduces operational complexity. This function strengthens the efficiency of asset allocation and the investment experience for customers, and upgrades the overall quality of wealth management.
- (5) The Bank continuously reinforces digital product service flows and upgrades business efficiency, vigorously integrates virtual and physical channels, deepens cooperation and engages in co-promotion with branches, and helps branches boost their profitability through technology and digital operations.

3. Short-term and Long-term Business Development Plans

(1) Short-term Business Plans

Corporate Banking Business

- Tools such as the SME Credit Guarantee Fund will be used to continuously recruit high-quality customers in a diverse range of industries and a complete corporate banking product line will be built up to upgrade the breadth of business contacts and expand the SME base.
- Localized operations will be deepened, controllable exposure will be increased, and customer relations will be leveraged to boost diversification of income.
- Business relations with high-quality domestic and foreign customer will be deepened vigorously, lead bank status for syndicated loans will be pursued vigorously to make the SKB a go-to bank for its customers, and customers' operating cash flow business will be solicited along with engagement in product cross-sales or co-sales to enhance loan and fee income while expanding the Bank's various lines of business.
- The Financial Supervisory Commission's green and transition finance action programs will be implemented, with continuous promotion of renewable and green energy financing; in addition, digital tools will be brought in to heighten customer loyalty.

Consumer Banking Business

- Services to meet customer needs for home loans and on-lending will be developed, the funding needs of the youth group for housing procurement and of high-asset potential customers will be met, and a stable home-loan market share and asset quality will be pursued in line with relevant government regulatory measures.
- A diverse array of digital application channels will be matched with the sale of a range of credit loan products, and lists of high-quality corporate personnel and internal business opportunities will be developed, so as to upgrade customer quality and quantity; at the same time, credit loan products will be continuously innovated and inclusive financing will be practiced through the implementation of environmental social governance (ESG) plans.

◆ Overview of Research on Financial Products, and Business Development

Wealth Management Business

- Customers with high wealth management potential will be constantly developed, and the number of high-value customers will be increased through precision analysis and differentiated services; at the same time, customer asset scale will be vigorously expanded and customer management and relationship maintenance will be strengthened through exclusive benefits, a variety of paybacks, and deep interactive activities, thereby creating long-time stable customer growth.
- A diverse range of personnel will be acquired through special recruitment projects, and internal personnel and high-performance financial consultants will be guided onto the road to comprehensive career planning and promotion. This will build up a professional team, and will elevate the capacity for energetic action and per capita output value.
- In line with global financial market trends, and with a customer orientation, the Bank will move with the times in optimizing its full range of wealth management services, innovating its complete product line, enhancing the financial professionalism of bank staff, and realizing synergies through resource integration, thereby stimulating growth of the overall wealth management business.

Financial Markets Business

- The continuous improvement of the financial structure and the efficiency of capital utilization will be used to lower capital costs, expand investment and trading profit, and reinforce stable and continuing income sources.
- The Bank will continuously develop new customer groups, deepen relations with existing customer groups, constantly innovate and develop financial market products and services, and optimize sales processes so as to satisfy customer needs for investment and financial management, thereby creating a win-win for customers and the Bank.

Digital Banking Business

- Reinforcement of virtual/physical integration and deepening of cooperation with branches: Collaboration with branches to serve customers jointly through the digital banking business will boost customers' product penetration and create income.
- Strengthening of customer-segment management: The development of digital products and the optimization of digital platforms will be carried out to satisfy customers' banking needs, create digital income, and help branches improve business efficiency. Customers' life cycle management will be strengthened, inducements will be increased through diversified task-oriented marketing, and customers will be encouraged to experience digital platforms. This will enhance customers' brand loyalty and satisfy their need for rapid, convenient, and secure digital services.

Credit Card Business

- Stable operation and maintenance of market share: A strategy of stable operation and consolidation of business scale will be adopted, and high-value customers sources will be developed continuously, to secure the Bank's position in the market and the continuity of its brand.

- Implementation of data sorting and continuous optimization of cross-selling among customer segments: The principle of joint sales and joint operation will be followed and used, together with close cross-product and cross-unit cooperation, in the continuous optimization of lists for conducting cross-sales. Credit card products will be used as a medium for understanding high-value customers, who will be offered appropriate customized financial products at the appropriate times. This will boost overall business contacts between customers and the Bank.
- Customer tagging and integration for the upgrading of user experience and product penetration: With long-term management of existing customers as the core value, the Bank will utilize data inventory and the optimization of customer tagging to enhance customers' card-use experience and product penetration.

Trust Business

- All-out efforts will be devoted to the promotion of the real estate trust, old/unsafe building reconstruction financing trust, advance payment trust (including for e-commerce platforms), escrow trust (including for equities trading), and the grantor retained annuity trust businesses.
- Business publicity and training will be carried out for internal business units and different officer grades to strengthen the trust competence of employees and gain a grasp of potential customer groups.
- Financial holding group synergies will be used in undertaking the custodian bank business for investment trust funds, and the book-entry central government securities clearing bank business.

(2) Long-term Business Plans

Corporate Banking Business

- Customized products plans and a diverse range of products and services will be provided and localization of business will be continued so as to continuously develop SME customers with geographic proximity to branches. The Bank will also constantly solicit cash-flow business dealings to enhance the breadth and loyalty of such dealings in an all-out effort to become our customers go-to bank.
- Overseas markets will be developed continuously and international syndicated loans will be undertaken cautiously; cooperation with overseas branches will be reinforced constantly, customer-acquiring sources will be enhanced, asset scale will be enlarged, and overseas income will be heightened.
- ESG loan principles will be introduced, Equator Principles will be complied with, and ESG loans will be included in the examination and effective control of the loan process, thereby fulfilling ESG and sustainable financing.

◆ Overview of Research on Financial Products, and Business Development

- Loans to highly controversial industries will be avoided, careful assessment will be made of high-risk and high-carbon-emissions industries, ESG loans will be actively promoted, and the Bank will participate in sustainable-industry and in sustainability-linked loans.
- The integration and division of labor between front and back offices, and reinforcement of the cash flow platform (GEB) upgrading, will boost business-promotion momentum, increase cross-sales in the derivatives and cash-flow businesses, and establish close business dealings with customers.

Wealth Management Business

- All-channel development and digital empowerment: In step with the development of global markets, a diversified range of products will be offered and digital and physical channels will be developed simultaneously so as to provide a full range of personalized financial solutions.
- Deep cultivation of product innovation and market expansion: Competitive asset-allocation products will be developed, and precision marketing and cross-industry synergies will be used to satisfy the needs of different customer segments and expand the Bank's business territory.
- Aging transition and wealth succession: In response to the ageing society and to cope with demographic change, the Bank will use insurance and trust products, and the deepening of trust services, to realize sustainable asset management and meet the needs of family succession.
- Upgrading of professional manpower and aligning with international practices: Team professionalism will be optimized and international Certified Financial Planner certification will continuously be fostered so that the financial planning needs of high-end customers can be met with high professional standards.

Digital Banking Business

- Reinforcement of digital-channel customer management and upgrading of the active account rate: Digital channel management will be continuously deepened and used, along with data analysis and precision marketing, to increase customer loyalty and product penetration. Digital marketing activities will be organized to induce customers to use digital platforms, and attention will constantly be directed to customer voices and feedback from front-line branches to facilitate the optimization of digital products and services.
- Upgrading of digital income, and management of customers through the deepening of digital platforms: Customers will be provided a multiplicity of convenient digital banking services that will play an important role in getting up close to customers' lives. The Bank will respond nimbly to market needs, exert constant efforts toward self-improvement, and promote the steady growth of digital income.

Credit Card Business

- Adjustment of product benefits to maintain market competitiveness: Credit card benefits will be comprehensively reviewed, and will be adjusted step by step. Staged planning will be carried out for representative products so as to build up a complete product mix.
- Fair treatment of customers and continuation of high-quality services: The provision of customer and account services based on the customer-first principle will be continued, and the cardholder experience will be assured through the retention of existing bonuses, special offers, and core rewards. Proactive communication and the transparent disclosure of information will boost the confidence of cardholders in the Bank.

Trust Business

- Cooperation with internal and external channels will be strengthened, and the quantity and capabilities of channels will be enhanced, to increase sources of trust business cases and stimulate revenue growth.
- Training of trust personnel will be strengthened and sales personnel will be cultivated so that they will all have the professional skills needed for self-development, -negotiation, -contract signing, and -customer maintenance. An outstanding business team will be built up in this way.
- Computer system functions for the trust and custody businesses will constantly be installed and optimized so as to strengthen back-office support systems and expand the asset scale of the trust and custody businesses.

◆ Employee Information

Number of Employees, Average Seniority, Average Age, Educational Attainment Distribution, and Professional Certifications Held for the Past Two Years and at Date of Annual Report Publication

Year		2024	2025
Total Number of Employees		3,902	3,784
Average Age		43.14	43.55
Average Seniority		10.90	11.42
Educational Attainment Distribution	Ph. D.	0.10%	0.11%
	Master's	15.69%	15.49%
	University Graduate	79.16%	79.46%
	Senior High Graduate	5%	4.91%
	Under Senior High	0.05%	0.03%
Licenses Held by Employees	Trust Certifications (including supervisory, management, and sales)	3,137	3,122
	Internal Control and Auditing Test Certifications	3,346	3,384
	Property Insurance Agent	1,948	2,124
	Passed Qualification Exam for Investment-Linked Insurance Product Agent	1,416	1,588
	Life Insurance Agent Qualification Certification	2,776	2,792
	Futures Specialist Qualification Certification	196	192
	Securities Investment Analyst Professional Competency Certification	12	14
	Senior Securities Broker Qualification Certification	198	203
	Securities Investment Trust and Consulting Professional Certification	155	169
	Securities Investment and Consulting Laws and Regulations, Type B (including Code of Professional Ethics)	1,405	1,481
	Certified Internal Auditor (CIA)	1	3
	Financial Risk Manager (FRM)	5	5
	Chartered Financial Analyst (CFA), Level 1	1	1
	Certified Anti-Money Laundering Specialists (CAMS)	62	63
Senior Certified Financial Planner (CFP)	34	36	

Year		2024	2025
Licenses Held by Employees	Association for Financial Professionals (AFP) Certification	24	23
	Financial Management Analyst (FMA) Certification	1	1
	Senior Financial Management Analyst (FMA+) Certification	2	3
	Certified Scrum Master (CSM) Certification	44	40
	Certified Scrum Product Owner (CSPO) Certification	37	30
	Lawyer's License	2	2
	Accountant Certificate	2	2
	Basic Test on FinTech Knowledge	376	432
	Basic Test on Sustainable Development	71	466
	Basic Proficiency Test for International Banking Foreign Exchange Personnel	637	680
	Basic Proficiency Test for Bank Lending Personnel	1,314	1,361
	Proficiency Test for Financial Planning Personnel Certificate	405	394
	Structured-Product/ Derivatives Sales Personnel Qualification Certificate	1,343	1,503
	Qualification Certificate for Personal Insurance Broker	2	1
	Qualification Certificate for Personal Insurance Agent	5	4
	Sales of Foreign Currency-Denominated Non-Investment Linked Insurance Products by Life Insurance Agents Qualification Certificate	1,645	1,662
	Property Insurance Broker Qualification Certificate	2	1
	Bond Specialist Professional Competency Qualification Certificate	25	26
	Certificate of Proficiency in Securities Investment Analyst	12	14
	English Certificates (IELTS, TOEFL, TOEIC)	1,333	1,169
Eldercare Financial Planning Consultant Certificate	42	45	
Family Trust Planning Consultant Certificate	9	22	

◆ Information Equipment

1. Major Information Systems and Related Hardware

The Bank's core banking system hosts consist of two Unix cluster servers that provide the formal operating environment. A Unix machine provides test, development, and backup environments. The database is an Oracle relational database, the core NTD trading platform is a TPE II financial trading platform, the core forex trading platform is a Top Tools platform, the trust trading platform uses an IBM mainframe, and the head office-branch network and peripheral systems (including voice and online banking, forex, ATM, and other application systems), all utilize standard TCP/IP protocol connections. Branch terminal systems use centralized virtual windows servers and browser-based terminal workstations, forming the branch operating environment. Overseas branch systems use Windows servers and browser-based terminal workstations, forming the overseas branch operating environment; an IBM mainframe is used as the operating host for the Global e-Banking (GEB) network and for testing, development, and backup. The credit card system uses a Linux server as the operating host and as a testing, development, and backup mainframe.

2. Emergency Backup Mechanism

Two types of backup mechanisms are used, local and remote. The local system uses a dual-node high availability architecture, with a backup service agreement being signed with a branch corporate customer of the Chunghwa Telecom Co. and a remote backup operation being built up in cooperation with Chunghwa Telecon's Renmei IDC in Zhongli. This facility possesses dedicated equipment and server room space, and disaster recovery drills are held every year to assure the uninterrupted service of information systems. In addition, a data synchronization mechanism for core business host information and remote backup host information has been built up to assure the post-disaster recovery of complete host information in the shortest possible time.

3. Future Plans

Four major guidelines will be followed in line with the financial holding company's M&A strategy to assist in transfer with maximum business value:

- (1) Assurance of business continuity: Assurance of stable system operation and maintenance of service quality.
- (2) Transfer with maximum data value: Drafting of a phased transfer plan in accordance with business priorities, and the complete and accurate transfer out of core data to assure the passing on of value.
- (3) Optimization of consolidation efficiency: Use of AI technology to enhance the efficiency and quality of collaboration, and to control costs appropriately.
- (4) Passing on of historical value: Establishment of a query platform to preserve business knowledge files.

The Bank will also continuously reinforce its capability to control information risk so as to assure the rights and interests of customers, shareholders, and the Bank.

◆ Information Security Management

Clear explanation of the information security risk management framework, information security policy, concrete management plans, and resources invested in information security management.

Over the long term, the Bank has taken the achievement of corporate sustainability and the rights and interests of customers as its own responsibility, and has ceaselessly worked to realize the three ideals of “grasping of effective intelligence before the fact”, “detection of problems during the fact”, and “rapid restoration of operations after the fact”. In addition to reinforcing information security awareness through personnel training, the Bank uses the NIST cybersecurity framework to inspect the Bank’s overall protection status in five dimensions: governing, protection, detection, response, and recovery. This comprehensive information security protection mechanism is used to achieve target requirements.

- (1) To provide customers with a full range of banking services and assure the confidentiality, integrity, and availability of its data, systems, equipment, networks, and other information assets, and reinforce its information system operational security management mechanism to guard against internal and external risks and protect the rights and interests of its customers, the Bank has formulated the “Shin Kong Commercial Bank Information Security Policy” to establish common Security criteria. An Information Security Committee has been established to implement information Security management; this committee handles the overall planning of matters related to information Security, with the Bank’s president acting as convenor; other members in addition to this ex-officio member who supervises information Security matters are nominated by the president and appointed after being approved by the board of directors. The committee convenes once a quarter and at other times as deemed necessary by the convenor. The committee discusses government laws, information security risks, information technology, and the newest conditions and developments, and compiles reports on matters related to internal security.
- (2) To strengthen implementation of the three internal lines of defense, vice presidents, under the administration of the president, are appointed information security chiefs to oversee the implementation of information security policy and resource allocation matters.
- (3) Establishment of a long-term sustainable cybersecurity blueprint, setting of cybersecurity goals, and formulation of the following implementation policies:
 - a. Completion of the cybersecurity management organization: To boost the supervisory function of management over information security and its exclusive role in information security, and to implement a division of responsibilities, the Bank established a dedicated cybersecurity unit on June 15, 2021—the Information Security Department. One of the Bank’s vice presidents is currently assigned as manager of this unit, along with two section chiefs and several information security professionals, whose job is to carry out the development of cybersecurity protection and complete the cybersecurity organization. In response to the Financial Supervisory Commission’s Financial Cybersecurity Strategy, the Bank holds high-level cybersecurity training courses every year with the aim of strengthening the mastery by senior managers of the cybersecurity landscape and boosting their decision-making capabilities in regard to cybersecurity issues.

◆ Information Security Management

- b. Meeting internal and external legal demands: To comply with regulatory requirements and the demands of the competent authorities, the Bank has adopted the Cybersecurity Assessment Tool (CAT) published by the Federal Financial Institutions Examination Council (FFIEC) in carrying out cybersecurity governance maturity assessment in order to identify existing risks faced by the Bank to use as a reference in the development of information security management. Two intermediate-level improvement plans were carried out in 2025, boosting the maturity level from “developing” to “intermediate” and engendering the hope of reaching “advanced” in the future. In addition, the Bank continuously reviews and optimizes documentation related to suppliers’ information security risk assessment mechanisms and cybersecurity standards so as to build up a comprehensive information security system.
- c. Development of diverse cybersecurity talent: The Bank refers to the Financial Cybersecurity Talent Competency Map in the selection of appropriate personnel, in accordance with operational risk and professional competence, to play different roles and receive necessary training. This improves the allocation of information security personnel and provides the competence needed to maintain cybersecurity operations. In addition, the entire staff is given information security education and training every year with the aim of upgrading overall cybersecurity awareness.
- d. Development of a security protection mechanism: A defense-in-depth architecture is used for cybersecurity protection, providing external-to-internal defense and internal-to-external review to protect the integrity, security, and confidentiality of customer data along with the continuous reinforcement of the integrity of information protection equipment and the security inspection mechanism for digital banking software, the holding of financial cybersecurity attack and defense exercises, and the refinement of cybersecurity incident analysis and improvement of procedures so as to reinforce the overall security protection mechanism. The Bank held a Blue Team development training course for cybersecurity and IT personnel from May 17 to Sept. 24, 2025, and organized a team to participate in an F-ISAC cybersecurity defense exercise on June 23-26, 2025. This exercise provided evidence of the Bank’s defensive capability and resilience, evidence used to upgrade cybersecurity defense capabilities and steadily improve the Bank’s emergency cybersecurity defense procedures. An automated border surveillance mechanism was completed on Dec. 26, 2025, providing for the automatic detection of information anomalies and boosting the effectiveness and accuracy of border surveillance.
- e. Establishment of internal-external joint defense channels: A Security Operations Center (SOC) has been established and the cybersecurity incident baseline platform has been optimized, the supply chain security management mechanism is continuously reinforced, comprehensive early warning and internal-external joint defense are carried out, and the Bank joined the Financial Information Sharing and Analysis Center (F-ISAC) and the Financial Sector Cybersecurity Information Sharing and Joint Defense Mechanism established by the banking sector to facilitate intelligence collection and post-incident intelligence analysis and management.

- f. Introduction of an internationalized cybersecurity mechanism: In response to the continuous increase in cybersecurity risk, the Bank has introduced the ISO27001 Information Security Management System (ISMS) and has instituted its various control measures in order to carry out cybersecurity control and lower potential operational risks. The Bank maintains the validity of its certification through ISO certification and BSI verification every year, passing verification smoothly in 2025 and assuring the validity of its ISO certification. The Bank also assists the Insurance Agency Department with keeping up the validity of its BS 10012 Personal Information Management System (PIMS) certification, thereby aligning with international standards.
- (4) A Computer System Information Security Assessment Plan has been established to meet government regulatory requirements, and information security assessment and SWIFT Customer Security Program (CSP) verification are carried out every year in accordance with that plan. Deficiencies found in the assessment report are rechecked and reported to the board of directors, and the verification results form on the SWIFT website is filled out. The Bank's Computer System Information Security Assessment for 2025 found no deficiencies, indicating that the effectiveness of internal and overseas branch information security has been upgraded.

◆ Independent Auditor's Report

English Translation of Audit Report Originally Issued in Chinese

Independent Auditors' Report

To Taiwan Shin Kong Commercial Bank Co., Ltd.

Opinion

We have audited the accompanying individual balance sheets of Taiwan Shin Kong Commercial Bank Co., Ltd. (the "Company") as of December 31, 2025, and the related individual statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2025, and notes to the individual financial statements, including the summary of material accounting policies (together "the individual financial statements").

In our opinion, the individual financial statements referred to above present fairly, in all material respects, the individual financial position of the Company as of December 31, 2025, and its individual financial performance and cash flows for the year ended December 31, 2025, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Public Banks and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC), as endorsed and became effective by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants, Jin-Guan-Yin-(Fa)-Zi No. 10802731571, 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 Individual Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, 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 individual financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following are the descriptions of the key audit matters in the audit of the individual financial statements of the Company for the year ended December 31, 2025:

Expected credit losses on loans

The discounts and loans amounted to NT\$885,235,194 thousand, accounting for 64% of total assets as of December 31, 2025, which was material to the financial statements as a whole. The Company was required to assess and recognize the expected credit loss (ECL) provision in accordance with IFRS 9 and the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans. The assumptions, including the indicators of significant increase in credit risk since initial recognition and credit impairment which has been incurred, the quantitative measurement of probability of default (PD) and the loss given default (LGD), the selection and incorporation of forward-looking information for the remaining life of an exposure, management applied to the ECL provision assessment involved exercise of significant professional judgment and was therefore a key audit matter for our audit.

Please refer to note 4, 5, 6, and 12 to the Company's individual financial statements for the disclosure on accounting policies and assessment of loss provision for discounts and loans.

We performed the following audit procedures, including but not limited to: evaluating and testing the internal controls related to ECL provision calculation, including examining whether the assumptions adopted and the key parameters used in the ECL model (including forward-looking information) were approved by management, and testing the sources of the inputs to the model, evaluating the appropriateness of ECL model, testing the reasonableness of the parameters applied in the ECL model, which include PD, LGD and forward-looking information. In addition, we sampled all loans to examine the supporting documentation and conducted sample testing of individually assessed Stage 3 credit-impaired cases with material balances, to review whether the recognition of loss provision for loans was made in accordance with the minimum requirements under the regulations and to ensure that the loan classifications complied with the regulations.

Other Matter

The individual and consolidated financial statements of the Company for the year ended December 31, 2024 were audited by other auditors, who expressed an unqualified opinion in their audit report on February 19, 2025.

Responsibilities of Management and Those Charged with Governance for the Individual Financial Statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Public Banks and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC) as endorsed by the Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

◆ Independent Auditor's Report

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

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

Auditors' Responsibilities for the Audit of the Individual Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual 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 individual 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 individual 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 internal control of the Company.
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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the individual financial statements, including the accompanying notes, and whether the individual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 individual financial statements for the year ended 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.

/s/Chang, Cheng-Tao

/s/Kuo, Shao-Pin

Ernst & Young, Taiwan

February 11, 2026

Notice to Readers

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

Accordingly, the accompanying individual financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

◆ Independent Auditor's Report

English Translation of Financial Statements Originally Issued in Chinese
Taiwan Shin Kong Commercial Bank Co., Ltd
Individual Balance Sheets

December 31, 2025 and December 31, 2024

Unit: Thousands of New Taiwan Dollars

ASSETS		December 31, 2025		December 31, 2024 (Restated)		LIABILITIES AND EQUITY			December 31, 2025		December 31, 2024 (Restated)	
		Amount	%	Amount	%	Item	Notes	Amount	%	Amount	%	
Cash and cash equivalents	Notes (6)(1)	\$18,059,846	1	\$26,309,854	2	Liabilities						
Due from Central Bank and call loans to other banks	(6)(2)	86,440,052	6	82,372,870	6	Deposits from Central Bank and other banks	6(15)	\$12,412,134	1	\$14,484,445	1	
Financial assets at fair value through profit or loss	(6)(3)	127,315,335	9	87,923,519	7	Financial liabilities at fair value through profit or loss	6(3)	5,367,479	-	7,551,327	1	
Financial assets measured at fair value through other comprehensive income	(6)(4) & 8	176,365,395	13	182,101,473	14	Bills and bonds sold under repurchase agreements	6(16)	14,828,637	1	10,319,230	1	
Debt instrument investments measured at amortized cost	(6)(5) & 8	62,706,916	5	67,211,524	5	Payables	6(17)	12,200,894	1	9,743,297	1	
Bills and bonds purchased under resale agreements	(6)(6)	640,561	-	874,248	-	Current income tax liabilities	6(30)	827,515	-	1,099,222	-	
Receivables, net	(6)(7) & 7	15,256,864	1	14,660,069	1	Deposits and remittances	6(18) & 7	1,180,535,076	86	1,121,999,218	85	
Current income tax assets		17,768	-	-	-	Bank debentures	6(19)	28,200,000	2	28,200,000	2	
Discounts and loans, net	(6)(8) & 7	885,235,194	64	843,521,298	64	Other financial liabilities	6(20)	45,009,156	3	45,353,467	3	
Property and equipment, net	(6)(10) & 7	5,586,090	1	5,623,456	1	Provisions	6(21) & 7	645,202	-	880,816	-	
Right-of-use assets, net	(6)(11) & 7	2,021,480	-	2,372,750	-	Lease liabilities	6(11) & 7	2,127,924	-	2,493,182	-	
Investment properties, net	(6)(12)	687,555	-	849,453	-	Deferred tax liabilities	6(30)	379,049	-	460,442	-	
Intangible assets, net	(6)(13)	1,811,404	-	1,961,211	-	Other liabilities	6(22) & 7	2,102,014	-	1,693,838	-	
Deferred tax assets	(6)(30)	1,186,808	-	697,375	-	Total liabilities		1,304,635,080	94	1,244,278,484	94	
Other assets, net	6(14), 7 & 8	3,336,976	-	5,414,058	-	Equity						
						Common Stock	6(23)	49,815,329	4	49,815,329	4	
						Capital surplus	6(23)	2,756,265	-	2,756,265	-	
						Retained earnings	6(23)					
						Legal reserve		22,946,396	2	20,619,336	2	
						Special reserve		6,588,843	-	6,079,251	-	
						Unappropriated retained earnings		5,566,195	-	7,756,866	1	
						Total Retained earnings		35,101,434	2	34,455,453	3	
						Other equity	6(23)					
						Exchange differences on translating foreign operations		145,580	-	247,438	-	
						Unrealized gain on investments in equity instruments at fair value through other comprehensive income		99,764	-	837,983	-	
						Unrealized loss on investments in debit instruments at fair value through other comprehensive income		(5,904,194)	-	(10,509,739)	(1)	
						Gain on property revaluation		18,986	-	11,945	-	
Total equity						Total equity		82,033,164	6	77,614,674	6	
Total liabilities and equity						Total liabilities and equity		\$1,386,668,244	100	\$1,321,893,158	100	

English Translation of Financial Statements Originally Issued in Chinese

Taiwan Shin Kong Commercial Bank Co., Ltd

Individual Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

Unit: Thousands of New Taiwan Dollars

Item	Notes	2025		2024 (Restated)	
		Amount	%	Amount	%
Interest income					
Interest revenue		\$32,658,443	146	\$31,983,246	149
Less: Interest expenses		(18,409,981)	(82)	(17,951,298)	(84)
Net interest income	6(25) & 7	14,248,462	64	14,031,948	65
Net non-interest income					
Net service fee income	6(26) & 7	5,061,372	22	4,575,826	21
Gain on financial assets and liabilities at fair value through profit	6(27) & 7	1,494,127	7	2,680,714	13
Realized gain on financial assets at fair value through other comprehensive income	6(28)	960,008	4	802,474	4
Foreign exchange gain (loss)		177,356	1	(838,081)	(4)
Impairment loss on financial assets	6(29)	3,878	-	(4,648)	-
Gain on investment properties	6(12)	8,095	-	19,513	-
Net other non-interest income	7	456,214	2	175,899	1
Total net non-interest income		8,161,050	36	7,411,697	35
Net revenue		22,409,512	100	21,443,645	100
Bad debt expense and provision for losses on commitments and guarantees	6(7), 6(8) & 6(21)	(1,405,794)	(6)	(1,301,047)	(6)
Operating expenses					
Employee benefits expenses	6(21), 6(30) & 7	(8,456,125)	(38)	(6,078,778)	(28)
Depreciation and amortization expenses	6(31)	(1,182,583)	(5)	(1,191,950)	(6)
Other general and administrative expenses	7	(4,180,506)	(19)	(3,929,502)	(18)
Total operating expenses		(13,819,214)	(62)	(11,200,230)	(52)
Income before income tax		7,184,504	32	8,942,368	42
Income tax expenses	6(31)	(1,242,044)	(6)	(1,726,446)	(8)
Net income		5,942,460	26	7,215,922	34
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans		(43,484)	-	158,153	1
Gain on property revaluation		7,041	-	12,037	-
Unrealized (loss) gain on investment in equity instruments at fair value through other comprehensive income		(1,079,697)	(5)	209,202	1
Income tax related to items that will not be reclassified subsequently to profit or loss		8,697	-	(31,723)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations		(101,858)	-	150,867	-
Unrealized (gain) loss on investment in debit instruments at fair value through other comprehensive income		4,605,545	22	(449,988)	(2)
Other comprehensive income, net of income tax		3,396,244	17	48,548	-
Total comprehensive income		\$9,338,704	43	\$7,264,470	34
Earnings per share (NTD)	6(32)				
Basic		\$1.19		\$1.45	
Diluted		\$1.19		\$1.45	

◆ Independent Auditor's Report

English Translation of Financial Statements Originally Issued in Chinese
 Taiwan Shin Kong Commercial Bank Co., Ltd
 Individual Statements of Changes in Equity
 For the years ended December 31, 2025 and 2024

Unit: Thousands of New Taiwan Dollars

Item	Common stock	Capital surplus	Retained earnings			Other equity			Gain on property revaluation	Total equity
			Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translating foreign operations	Unrealized gain (loss) from financial assets at fair value through other comprehensive income			
Balance on January 1, 2024 (Restated)	\$49,815,329	\$2,610,121	\$18,595,610	\$6,070,620	\$6,745,751	\$96,571	\$(9,016,548)	\$-	\$74,917,454	
Appropriation and distribution of 2023 earnings	-	-	-	-	(2,023,726)	-	-	-	-	
Legal reserve	-	-	2,023,726	-	-	-	-	-	-	
Special reserve	-	-	-	8,631	(8,631)	-	-	-	-	
Common stock cash dividends	-	-	-	-	(4,713,394)	-	-	-	(4,713,394)	
Share-based payment	-	146,144	-	-	-	-	-	-	146,144	
Net income from January 1 to December 31, 2024	-	-	-	-	7,215,922	-	-	-	7,215,922	
Other comprehensive income from January 1 to December 31, 2024	-	-	-	-	126,522	150,867	(240,786)	11,945	48,548	
Total comprehensive income from January 1 to December 31, 2024	-	-	-	-	7,342,444	150,867	(240,786)	11,945	7,264,470	
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	414,422	-	(414,422)	-	-	
Balance on December 31, 2024 (Restated)	\$49,815,329	\$2,756,265	\$20,619,336	\$6,079,251	\$7,756,866	\$247,438	\$(9,671,756)	\$11,945	\$77,614,674	
Balance on January 1, 2025	\$49,815,329	\$2,756,265	\$20,619,336	\$6,079,251	\$7,756,866	\$247,438	\$(9,671,756)	\$11,945	\$77,614,674	
Appropriation and distribution of 2024 earnings	-	-	-	-	(2,327,060)	-	-	-	-	
Legal reserve	-	-	2,327,060	-	-	-	-	-	-	
Special reserve	-	-	-	509,592	(509,592)	-	-	-	-	
Common stock cash dividends	-	-	-	-	(4,920,214)	-	-	-	(4,920,214)	
Net income from January 1 to December 31, 2025	-	-	-	-	5,942,460	-	-	-	5,942,460	
Other comprehensive income from January 1 to December 31, 2025	-	-	-	-	(34,787)	(101,858)	3,525,848	7,041	3,396,244	
Total comprehensive income from January 1 to December 31, 2025	-	-	-	-	5,907,673	(101,858)	3,525,848	7,041	9,338,704	
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	(341,478)	-	341,478	-	-	
Balance on December 31, 2025	\$49,815,329	\$2,756,265	\$22,946,396	\$6,588,843	\$5,566,195	\$145,580	\$(5,804,430)	\$18,986	\$82,033,164	

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

English Translation of Financial Statements Originally Issued in Chinese

Taiwan Shin Kong Commercial Bank Co., Ltd
Individual Statements of Cash Flows
For the years ended December 31, 2025 and 2024

Unit: Thousands of New Taiwan Dollars

Item	2025	2024
	Amount	(Restated) Amount
Cash flows from operating activities:		
Net income before income tax	\$7,184,504	\$8,942,368
Adjustments for:		
Non-cash income and expense items		
Depreciation expense	944,740	943,778
Amortization expense	237,843	248,172
Expected credit loss recognized/ Expected credit Impairment/ Provision for bad debt expense	1,405,794	1,301,047
Gain on financial assets and liabilities at fair value through profit or loss	(1,494,127)	(2,680,714)
Interest expense	18,409,981	17,951,298
Interest income	(32,658,443)	(31,983,246)
Dividend income	(877,309)	(778,594)
Compensation costs of employee share options	-	146,144
Loss on disposal of property and equipment	995	4,870
Loss on disposal of intangible assets	-	9,311
Gain on disposal of financial assets	(82,699)	(23,880)
Impairment (gain) loss of financial assets	(3,878)	4,648
Gain on fair value adjustment of investment properties	(8,095)	(19,513)
Gain on lease modifications	(1,635)	(7,659)
Net changes in operating assets and liabilities		
Due from Central Bank and call loans to other banks	(2,704,349)	(4,584,992)
Financial assets at fair value through profit or loss	(39,742,225)	2,124,833
Financial assets measured at fair value through other comprehensive income	9,176,326	(2,306,243)
Debt instrument investments measured at amortized cost	4,486,656	(6,757,741)
Receivables	375,514	(1,075,516)
Discounts and loans	(43,427,492)	(49,311,435)
Other financial assets	4,474	2,556
Other assets	54,569	(23,791)
Deposits from Central Bank and other banks	(2,072,311)	13,639,195
Financial liabilities at fair value through profit or loss	(341,916)	1,729,025
Payables	1,659,958	772,284
Deposits and remittances	58,535,858	26,626,294
Other financial liabilities	(344,311)	12,782,526
Employee benefits provision	(21,630)	(7,059)
Other liabilities	155,758	726,533
Cash used in operations	(21,147,450)	(11,605,501)
Interest received	32,843,452	32,191,851
Dividends received	875,034	796,797
Interest paid	(18,525,303)	(17,826,205)
Income taxes paid	(2,093,649)	(1,661,404)
Net cash (used in) generated from operating activities	(8,047,916)	1,895,538
Cash flows from investing activities:		
Acquisition of property and equipment	(169,794)	(276,521)
Disposal of property and equipment	1,204	43
Increase in refundable deposits	-	(1,187,411)
Decrease in refundable deposits	2,022,514	-
Acquisition for intangible assets	(59,780)	(134,283)
Net cash generated from (used in) investing activities	1,794,144	(1,598,172)
Cash flows from financing activities:		
Issuance of bank debentures	-	2,500,000
Repayment of bank debentures	-	(2,500,000)
Increase in bills and bonds sold under repurchase agreements	4,509,407	801,975
Increase in guarantee deposits received	250,267	-
Decrease in guarantee deposits received	-	(962,647)
Repayment of the principal portion of lease liabilities	(614,787)	(605,919)
Cash dividends distributed	(4,920,214)	(4,713,394)
Net cash used in financing activities	(775,327)	(5,479,985)
Effect of exchange rate changes on cash and cash equivalents	(91,763)	149,397
Decrease in cash and cash equivalents	(7,120,862)	(5,033,222)
Cash and cash equivalents at the beginning of the year	75,671,218	80,704,440
Cash and cash equivalents at the end of the year	\$68,550,356	\$75,671,218
Reconciliation of cash and cash equivalents as of December 31, 2025 and 2024		
Cash and cash equivalents reported in individual balance sheets	\$18,059,846	\$26,309,854
Due from the central bank and call loans to banks qualified for cash and cash equivalents	49,849,949	48,487,116
Bills and bonds purchased under resell agreements qualified for cash and cash equivalents under the definition of IAS 7	640,561	874,248
Cash and cash equivalents at end of the year	\$68,550,356	\$75,671,218

◆ Independent Auditor's Report

English Translation of Financial Statements Originally Issued in Chinese

TAIWAN SHIN KONG COMMERCIAL BANK CO., LTD.

Notes to the Individual Financial Statements

For the years ended December 31, 2025 and 2024

(Expressed in thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company History

Taiwan Shin Kong Commercial Bank Co., Ltd. (“the Company”) was formerly known as Macoto Bank Co., Ltd. On September 23, 1996, the Company was reorganized from the Third Credit Cooperative of Taipei, a credit union, into a commercial bank pursuant to the approval granted by the Ministry of Finance (“MOF”) of the Republic of China (“ROC”) under Letter Tai-Tsai-Rong No. 85546025. The Company received the business license issued by the Ministry of Economic Affairs on December 31, 1996, and the banking license from the MOF on January 1, 1997.

The Company acquired all of the assets and assumed all of the liabilities of the Second Credit Cooperative of Hsinchu, the Eighth Credit Cooperative of Taichung, the Second Credit Cooperative of Chiayi, and the Credit Cooperative of Gang Shang (credit unions) on January 5, 1997, January 1, 1998, August 31, 2001, and September 14, 2001, respectively. The acquisitions were approved by the ROC MOF.

To respond to financial development trend and align with government financial policies, the Company resolved at the shareholders' meeting on June 10, 2005, to approve the share-swap transaction to join Shin Kong Financial Holding Co., Ltd. (“SKFHC”) as its wholly-owned subsidiary. The share swap was completed on October 3, 2005. On October 4, 2005, the board of directors resolved to merge Taiwan Shin Kong Commercial Bank Co., Ltd. (“TSKCB”), another wholly-owned subsidiary of SKFHC, with the Company as the surviving entity and TSKCB as the dissolved entity. The Company issued new shares in exchange for all assets and liabilities of TSKCB. Under the merger, the Company issued 708,727 thousand common shares at the share exchange ratio of 1.5040 common shares of TSKCB for every share of the Company. The merger was approved by the Financial Supervisory Commission (“FSC”) on December 26, 2005, and was completed on December 31, 2005, upon which the Company was renamed as “Taiwan Shin Kong Commercial Bank Co., Ltd.”

On October 9, 2024, SKFHC resolved at its extraordinary shareholders' meeting to approve a merger with Taishin Financial Holding Co., Ltd. (“Taishin FHC”), with Taishin FHC as the surviving entity and renamed as Taishin Shin Kong Financial Holding Co., Ltd. (“TSFHC”). SKFHC, as the dissolved entity, would proceed with the dissolution procedures with the relevant authorities. The merger was approved by the FSC under ruling reference No. 11401336542, issued by the FSC Banking Bureau on March 31, 2025, and was also cleared by the Fair Trade Commission under ruling reference No. 1141260020 on January 9, 2025, which decided not to prohibit the merger. The chairpersons of both parties jointly agreed to set July 24, 2025 as the merger base date.

English Translation of Financial Statements Originally Issued in Chinese

TAIWAN SHIN KONG COMMERCIAL BANK CO., LTD.

Notes to the Individual Financial Statements (Continued)

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To integrate resources, enhance management efficiency and achieve operational synergies, the Company's board of directors resolved to merge with its wholly-owned subsidiaries, Shin Fu Insurance Agency Co., Ltd. and Shin Kong Marketing Consultant Co., Ltd., on September 14, 2022 and July 2, 2025, respectively. The mergers were completed on December 30, 2022 and December 1, 2025, respectively. As the Company no longer has any subsidiaries, it is no longer required to prepare consolidated financial statements beginning from the fourth quarter of 2025; instead, individual financial statements are prepared.

As of December 31, 2025, the Company had a Trust Department, an International Banking Department, an Offshore Banking Unit, 103 domestic branches (including a Business Department) and a Hong Kong Branch. The Company is engaged mainly in financial operations regulated by the Banking Law and other businesses approved by the competent authority. The Company's ultimate parent company is TSFHC.

2. Date and procedures of authorization of financial statements for issue

This individual financial report was approved by the Board of Directors and authorized for issue on February 11, 2026.

3. Newly issued or revised standards and interpretations

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

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

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

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

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

The amendments include:

- (1) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (3) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

- (b) Annual Improvements to IFRS Accounting Standards – Volume 11

- (1) Amendments to IFRS 1

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

- (2) Amendments to IFRS 7

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

- (3) Amendments to Guidance on implementing IFRS 7

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

- (4) Amendments to IFRS 9

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

- (5) Amendments to IFRS 10

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

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(6) Amendments to IAS 7

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

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

The amendments include:

- (1) Clarify the application of the ‘own-use’ requirements.
- (2) Permit hedge accounting if these contracts are used as hedging instruments.
- (3) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

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

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

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

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

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

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

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

(b) IFRS 18 "Presentation and Disclosure in Financial Statements"

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

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

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

(2) Enhanced transparency of management-defined performance measures

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

(3) Useful grouping of information in the financial statements

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

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

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

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

The amendments include:

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

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

4. Summary of material accounting policies

(1) Statement of compliance

The individual financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC) as endorsed and became effective by the FSC of the Republic of China.

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(2) Basis of preparation

The individual financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The individual financial statements are expressed in thousands of New Taiwan Dollars ("NT\$") unless otherwise stated.

(3) Foreign currency transactions

The Company's individual financial statements are presented in NT\$, which is also the Company's functional currency.

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

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

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

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

(4) Translation of financial statements in foreign currency

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

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(5) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. According to the statements of cash flows, cash and cash equivalents also include due from the Central Bank and call loans to banks, and bills and bonds purchased under resell agreements, which meet the definition of cash and cash equivalents under IAS 7 as endorsed by the FSC.

(6) Bills and bonds purchased under resell agreements/ Bills and bonds sold under repurchase agreements

A bill and bond purchased under resell agreements/ a bill and bond sold under repurchase agreements is considered as a financing transaction if the risk and reward are attributed to the dealer. When a bill or bond is purchased under a resell agreement, its purchase price is listed as "bills and bonds purchased under resell agreements," an asset account. For a bill and bond sold under a repurchase agreement, the selling price is listed as "bill and bond sold under repurchase agreements," a liability account. The difference between the purchase (sale) price under the agreement and the actual sale (purchase) price is recorded as interest income (expense).

(7) Financial instruments

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

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

(a) Financial instruments: Recognition and Measurement

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

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

- A. the Company's business model for managing the financial assets and
- B. the contractual cash flow characteristics of the financial asset.

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Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as cash and cash equivalents, due from Central Bank and call loans to other banks, bills and bonds purchased under resell agreements, receivables, discounts and loans, debt instrument investments measured at amortized cost, other financial assets and other assets etc., on balance sheet as of the reporting date:

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

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

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

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

Financial asset measured at fair value through other comprehensive income

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

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

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

- A. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- B. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- C. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
 - (a) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - (b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

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

Financial asset measured at fair value through profit or loss

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

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

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(b) Impairment of financial assets

Except for financial assets at fair value through profit or loss and equity instruments measured at fair value through other comprehensive income, the Company recognizes a loss allowance for expected credit losses (ECLs) on other financial assets at amortized cost.

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

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

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

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

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

(c) Derecognition of financial assets

A financial asset is derecognized when:

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- i. The rights to receive cash flows from the asset have expired
- ii. The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- iii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

(d) Financial liabilities and equity

Classification between liabilities or equity

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

Equity instruments

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

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

Financial liabilities

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

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

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

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

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss. However, in the case of avoiding an accounting mismatch or the amount of changes in fair value is due to loan commitments and financial guarantee contracts, all changes in fair value of the liability are presented in profit or loss.

Financial guarantee contracts

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

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

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

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

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Derecognition of financial liabilities

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

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

(e) Offsetting of financial instruments

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

(8) Derivative instrument

The Company uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss except for derivatives that are designated as and effective hedging instruments which are classified as financial assets or liabilities for hedging.

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

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

Deposits paid for the purchase or sale of futures contracts are recognized as refundable deposits. The fair value of futures contracts is recognized as financial assets or financial liabilities at fair value through profit or loss. Unrealized gains or losses on open contracts, as well as gains or losses arising from contract settlement upon expiration or early close-out, are recognized in profit or loss.

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(9) Fair value measurement

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

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

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

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

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

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

(10) Property and equipment

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

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

Buildings	40~55 years
Machinery and equipment	2~5 years
Transportation equipment	2~5 years
Other equipment	2~5 years
Leasehold improvements	2~10 years

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

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

(11) Investment property

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

The Company's owned investment properties are measured initially at cost, including transaction costs. All investment properties are subsequently measured using the fair value model. Changes in the fair value of investment properties are recognized in profit or loss for the period in which they arise.

For a transfer of classification from investment properties to property and equipment, the deemed cost of an item of property for subsequent accounting is its fair value at the commencement of owner-occupation.

For a transfer of classification from property and equipment to investment properties at the end of owner-occupation, any difference between the fair value of an item of property at the transfer date and its previous carrying amount is recognized in other comprehensive income and accumulated in gain on property revaluation under other equity that will be transferred directly to retained earnings when the asset is derecognized.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

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(12) Leases

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

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

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

Company as a lessee

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

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

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

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

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

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

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

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

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

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

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

Company as a lessor

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

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

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

(13) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

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

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

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The cost of computer software is amortized on a straight-line basis over the estimated useful life (3 to 15 years).

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

(14) Goodwill

Goodwill arising from the business combination is measured at cost as recognized on the acquisition date and is subsequently measured at cost less accumulated impairment losses.

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

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

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

(15) Impairment of non-financial assets

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

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

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

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

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(16) Provisions

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

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

(17) Revenue Recognition

(a) Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis with reference to the principal outstanding and at the effective interest rate applicable.

(b) Service fee income

The transaction price of service fee revenue which were generated from loans and other services will be allocated to performance obligations when performance obligations are identified from a contract with a customer by the Company, and revenue will be recognized when performance obligations are satisfied. For contracts where the period between the date on which the Company transfers a service to a customer and the date on which the customer pays for that service is one year or less, the Company does not adjust the promised amount of consideration for the effects of a significant financing component.

(18) Employee Benefits

(a) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

(b) Post-employment benefits

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

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

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

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

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

(19) Share-based payment transactions

Taishin Shin Kong Financial Holding Co., Ltd. (“TSFHC”) who is the Company’s ultimate parent granted to the Company’s employees’ equity-settled share-based payment arrangements.

The fair value at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company’s best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full on the grant date if the grants are vested immediately.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

(20) Income taxes

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

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders’ meeting.

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Deferred tax

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

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

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

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

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

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

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

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

(21) Reorganization

On December 1, 2025, the Company conducted a short-form merger with its subsidiary, Shin Kong Marketing Consultant Co., Ltd. represented as the internal reorganization. The Company applied the book value method in accordance with the FAQ of “The Accounting Treatment of Business Combinations under Common Control” issued by the Accounting Research and Development Foundation on October 26, 2018. The merger was accounted for as if it had taken place from the beginning of the earliest comparative period, and the comparative financial statements for the prior period were retrospectively restated accordingly.

Significant accounting judgments, estimates and assumptions

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

When developing material accounting estimates, the Company considers the possible impact of climate change and related government policies and regulations on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

(1) Estimated impairment of financial assets

The provision for impairment of notes discounted and loans, receivables, investments in debt instruments and financial guarantee contracts is based on assumptions on probability of default and loss given default. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise. Furthermore, the estimate of the probability of default is subject to greater uncertainties due to the impact on credit risk of financial assets arising from the uncertain impact and volatility in financial markets.

(2) Fair value of financial instruments

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

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Contents of significant accounts

(1) Cash and cash equivalents

	As of December 31,	
	2025	2024
Cash	\$3,907,916	\$7,455,443
Notes and checks for clearing	1,222,077	823,050
Deposits in other banks	12,929,853	18,031,361
Total	<u>\$18,059,846</u>	<u>\$26,309,854</u>

Cash and cash equivalents as of December 31, 2025 and 2024 as shown in the individual statements of cash flows can be reconciled to the related items in the individual balance sheets as follows:

	As of December 31,	
	2025	2024
Cash and cash equivalents in the individual balance sheets	\$18,059,846	\$26,309,854
Due from the central bank and call loans to banks qualified for cash and cash equivalents under the definition of IAS 7	49,849,949	48,487,116
Bills and bonds purchased under resell agreements qualified for cash and cash equivalents under the definition of IAS 7	640,561	874,248
Cash and cash equivalents in the individual statements of cash flows	<u>\$68,550,356</u>	<u>\$75,671,218</u>

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

	As of December 31,	
	2025	2024
Reserve - checking account	\$28,290,700	\$24,077,435
Reserve - demand account	36,590,103	33,885,754
Inter-bank clearing account	2,017,343	2,023,889
Reserve - foreign currency deposit	199,695	208,159
Call loans to other banks	19,342,211	22,177,633
Total	<u>\$86,440,052</u>	<u>\$82,372,870</u>

The monthly depositary reserves to be deposited in the Central Bank of the Republic of China are calculated by applying the legally required reserve ratio to the monthly average balance of the reserve accounts. These reserve accounts can be used any time but the demand account can only be used for monthly deposit reserve adjustments.

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(3) Financial instruments at fair value through profit or loss

	As of December 31,	
	2025	2024
<u>Financial assets at FVTPL</u>		
Derivative financial assets (not under hedge accounting)		
Foreign exchange swap contracts	\$1,272,389	\$951,597
Foreign exchange options	90,981	65,563
Foreign exchange forward contracts	23,053	17,832
Interest rate swap contracts	3,986,689	6,865,176
Non-derivative financial assets		
Negotiable certificates of deposits	84,040,430	69,544,433
Commercial paper	10,636,628	2,362,595
Beneficiary certificates	-	105,232
Stocks listed on domestic markets	-	515,651
Corporate bonds	1,442,931	-
Government bonds	8,447,045	-
Foreign bonds	13,317,592	4,561,729
Hybrid financial assets		
Foreign structured notes	1,210,122	1,095,705
Convertible corporate bonds	2,847,475	1,838,006
Total	<u>\$127,315,335</u>	<u>\$87,923,519</u>
<u>Financial liabilities at FVTPL</u>		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange swap contracts	\$1,011,944	\$587,358
Foreign exchange options	91,020	64,639
Foreign exchange forward contracts	1,053	2,894
Interest rate swap contracts	4,263,462	6,896,436
Total	<u>\$5,367,479</u>	<u>\$7,551,327</u>

At the end of the reporting period, outstanding derivative financial instruments not under hedge accounting were as follows:

	Contract Amount (Notional Principals in Thousand Dollars)	
	As of December 31,	
	2025	2024
Foreign exchange swap contracts	\$114,235,704	\$75,930,363
Interest rate swap contracts	175,451,843	196,570,552
Foreign exchange forward contracts	1,322,509	2,137,077
Foreign exchange options	540,880	851,683

The Company is engaged in derivative financial instruments in order to accommodate customer demand, arrangement of foreign currencies and risk management.

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(4) Financial assets at fair value through other comprehensive income

	<u>As of December 31,</u>	
	<u>2025</u>	<u>2024</u>
Financial assets at FVTOCI		
Investments in debt instruments	\$171,139,620	\$176,884,381
Investments in equity instruments	<u>5,225,775</u>	<u>5,217,092</u>
Total	<u>\$176,365,395</u>	<u>\$182,101,473</u>

(a) Investments in debt instruments at FVTOCI

	<u>As of December 31,</u>	
	<u>2025</u>	<u>2024</u>
Government bonds	\$66,127,151	\$69,353,524
Corporate bonds	25,234,202	30,722,166
Foreign bonds	75,362,139	71,366,571
Bank debentures	<u>4,416,128</u>	<u>5,442,120</u>
Total	<u>\$171,139,620</u>	<u>\$176,884,381</u>

The foreign bonds denominated in foreign currencies are as below:

Unit: In thousands of foreign currencies

	<u>As of December 31,</u>	
	<u>2025</u>	<u>2024</u>
USD	\$2,205,626	\$1,999,196
AUD	144,197	95,102
CNY	200,664	298,080
ZAR	890,398	1,245,893
NZD	19,821	19,452

A. The Company recognized gain on reversal of impairment loss of \$5,192 thousand and \$2,470 thousand in 2025 and 2024, after assessing the expected credit losses of the investments in debt instruments at FVTOCI.

B. Information relating to the credit risk management and impairment assessment of debt instrument investments measured at FVTOCI is provided in Note 12.

C. Investments in debt instruments at FVTOCI - government bonds are pledged to guarantee deposits for the foreign exchange transaction clearing business, etc. Please refer to Note 8.

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(b) Investments in equity instruments at FVTOCI

	As of December 31,	
	2025	2024
Listed shares	\$4,728,974	\$3,975,174
Unlisted shares	453,928	915,677
Real estate investment trusts	42,873	326,241
Total	<u>\$5,225,775</u>	<u>\$5,217,092</u>

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

The Company's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the years ended December 31, 2025 and 2024 are as follows:

	For the years ended December 31,	
	2025	2024
Related to investments held at the end of the reporting period	\$417,468	\$255,721
Related to investments derecognized during the period	459,841	522,873
Dividends recognized during the period	<u>\$877,309</u>	<u>\$778,594</u>

In consideration of the Company's investment strategy, the Company disposed and derecognized partial equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of such investments for the years ended December 31, 2025 and 2024 are as follows:

	For the years ended December 31,	
	2025	2024
The fair value of the investments at the date of derecognition	\$17,318,109	\$18,860,360
The cumulative gain or loss on disposal reclassified from other equity to retained earnings	(341,478)	414,422

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(5) Debt instrument investments measured at amortized cost

	As of December 31,	
	2025	2024
Corporate bonds	\$30,465,626	\$29,824,708
Bank debentures	1,700,000	900,000
Foreign bonds	21,670,015	19,846,147
Government bonds	6,093,618	7,621,842
Negotiable certificates of deposits	2,800,000	9,040,000
Subtotal	62,729,259	67,232,697
Less: Allowance for impairment loss	(22,343)	(21,173)
Total	<u>\$62,706,916</u>	<u>\$67,211,524</u>

The foreign bonds denominated in foreign currencies are as below:

Unit: In thousands of foreign currencies

	As of December 31,	
	2025	2024
ZAR	\$1,439,830	\$1,199,709
USD	513,306	512,621
AUD	60,896	45,936

- (a) Upon assessment of expected credit losses of debt instruments measured at amortized cost in 2025 and 2024, impairment loss of \$(1,314) thousand and \$(7,118) thousand were recognized by the Company.
- (b) Information relating to the credit risk management and impairment assessment of financial assets measured at amortized cost is provided in Note 12.
- (c) Debt investments measured at amortized cost - government bonds are pledged to guarantee deposits for the foreign exchange transaction clearing business, etc. Please refer to Note 8.

(6) Bills and bonds purchased under resell agreements

	As of December 31,	
	2025	2024
Negotiable certificates of deposits	\$-	\$874,248
Commercial paper	640,561	-
Total	<u>\$640,561</u>	<u>\$874,248</u>

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The post-year resell price and interest rate are as follows:

	As of December 31,	
	2025	2024
Negotiable certificates of deposits	\$-	\$875,043
Commercial paper	640,900	-
Total	<u>\$640,900</u>	<u>\$875,043</u>
	1.46%	1.64%~1.66%

(7)Receivables, net

	As of December 31,	
	2025	2024
Accounts receivable	\$10,233,472	\$10,090,622
Settlements receivable	970,485	62,809
Acceptance notes receivable	440,541	1,027,425
Interests receivable	3,217,447	3,206,547
Receivable of derivative products	39,373	514,387
Other receivables	752,188	653,652
Subtotal	<u>15,653,506</u>	<u>15,555,442</u>
Less: Allowance for doubtful accounts	<u>(396,642)</u>	<u>(895,373)</u>
Total	<u>\$15,256,864</u>	<u>\$14,660,069</u>

- (a) The following table shows the reconciliation of the total carrying amount of receivables and other financial assets (including deposits in other banks, due from Central Bank and call loans to other banks, bills and bonds purchased under resell agreements, receivables, delinquent receivables not arising from loans and refundable deposits) for the years ended December 31, 2025 and 2024:

	12-month Expected Credit Losses	Lifetime Expected Credit Losses (Collective Assessment)	Lifetime Expected Credit Losses (Individual Assessment)	Lifetime Expected Credit Losses (Non-purchased or Originated Credit- impaired Financial Asset)	Total
As of January 1, 2025	\$120,084,803	\$1,043,122	\$10,812	\$796,151	\$121,934,888
Reconciliation arising from financial instruments recognized at the beginning of year:					
Transfer to lifetime expected credit losses	(206,889)	244,328	-	(25,031)	12,408
Transfer to credit-impaired financial asset	(35,468)	(23,399)	-	76,362	17,495
Transfer to 12-month expected credit losses	104,145	(123,866)	(3,856)	(506)	(24,083)
Derecognition in current period	(15,896,282)	(534,466)	(6,956)	(104,053)	(16,541,757)
Purchased or originated credit-impaired financial asset	14,752,525	193,440	-	1,596	14,947,561
Write offs	-	-	-	(534,251)	(534,251)
Exchange influence or others	(997,974)	(24,647)	-	(39,387)	(1,062,008)
As of December 31, 2025	\$117,804,860	\$774,512	\$-	\$170,881	\$118,750,253

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	12-month Expected Credit Losses	Lifetime Expected Credit Losses (Collective Assessment)	Lifetime Expected Credit Losses (Individual Assessment)	Lifetime Expected Credit Losses (Non-purchased or Originated Credit- impaired Financial Asset)	Total
As of January 1, 2024	\$119,279,432	\$601,894	\$-	\$856,671	\$120,737,997
Reconciliation arising from financial instruments recognized at the beginning of year:					
Transfer to lifetime expected credit losses	(222,968)	261,845	-	(16,898)	21,979
Transfer to credit-impaired financial asset	(34,424)	(17,506)	-	83,677	31,747
Transfer to 12-month expected credit losses	93,515	(111,386)	-	(255)	(18,126)
Derecognition in current period	(19,812,086)	(115,427)	-	(8,561)	(19,936,074)
Purchased or originated credit-impaired financial asset	22,566,819	458,116	10,812	5,272	23,041,019
Write offs	-	-	-	(197,865)	(197,865)
Exchange influence or others	(1,785,485)	(34,414)	-	74,110	(1,745,789)
As of December 31, 2024	\$120,084,803	\$1,043,122	\$10,812	\$796,151	\$121,934,888

(b) The following table shows the reconciliation of the allowance for doubtful accounts of receivables and other financial assets for the years ended December 31, 2025 and 2024:

	12-month Expected Credit Losses	Lifetime Expected Credit Losses (Collective Assessment)	12-month Expected Credit Losses (Individual Assessment)	Lifetime Expected Credit Losses (Non- purchased or Originated Credit- impaired Financial Asset)	Lifetime Expected Credit Losses (Purchased or Originated Credit- impaired Financial Asset)	Impairment Loss Accessed Under IFRS 9	Difference of Impairment under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non- performing/ Non-accrual Loans	Total
As of January 1, 2025	\$26,483	\$62,926	\$108	\$611,952	\$-	\$701,469	\$208,035	\$909,504
Reconciliation arising from financial instruments recognized at the beginning of year:								
Transfer to lifetime expected credit losses	(363)	13,524	-	(16,587)	-	(3,426)	-	(3,426)
Transfer to credit-impaired financial asset	(64)	(1,007)	-	40,611	-	39,540	-	39,540
Transfer to 12-month expected credit losses	182	(3,399)	-	(331)	-	(3,548)	-	(3,548)
Derecognition in current period	(9,704)	(36,659)	(38)	(17,748)	-	(64,149)	-	(64,149)
Purchased or originated credit- impaired financial asset	15,526	9,880	(70)	9,287	-	34,623	-	34,623
Difference of impairment under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non- accrual Loans	-	-	-	-	-	-	(9,214)	(9,214)
Write offs	-	-	-	(534,251)	-	(534,251)	-	(534,251)
Recovery of write offs	-	-	-	123,745	-	123,745	-	123,745
Exchange influence or others	(1,291)	4,031	-	(86,006)	-	(83,266)	-	(83,266)
As of December 31, 2025	\$30,769	\$49,296	\$-	\$130,672	\$-	\$210,737	\$198,821	\$409,558

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	12-month Expected Credit Losses	Lifetime Expected Credit Losses (Collective Assessment)	12-month Expected Credit Losses (Individual Assessment)	Lifetime Expected Credit Losses (Non- purchased or Originated Credit- impaired Financial Asset)	Lifetime Expected Credit Losses (Purchased or Originated Credit- impaired Financial Asset)	Impairment Loss Accessed Under IFRS 9	Difference of Impairment under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non- performing/ Non-accrual Loans	Total
As of January 1, 2024	\$25,035	\$29,039	\$-	\$688,478	\$-	\$742,552	\$197,241	\$939,793
Reconciliation arising from financial instruments recognized at the beginning of year:								
Transfer to lifetime expected credit losses	(409)	9,989	-	(11,475)	-	(1,895)	-	(1,895)
Transfer to credit-impaired financial asset	(67)	(695)	-	39,081	-	38,319	-	38,319
Transfer to 12-month expected credit losses	177	(3,125)	-	(121)	-	(3,069)	-	(3,069)
Derecognition in current period	(4,789)	(3,445)	-	(16,684)	-	(24,918)	-	(24,918)
Purchased or originated credit- impaired financial asset	6,401	33,824	108	3,848	-	44,181	-	44,181
Difference of impairment under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non- accrual Loans	-	-	-	-	-	-	10,794	10,794
Write offs	-	-	-	(197,865)	-	(197,865)	-	(197,865)
Recovery of write offs	-	-	-	145,006	-	145,006	-	145,006
Exchange influence or others	135	(2,661)	-	(38,316)	-	(40,842)	-	(40,842)
As of December 31, 2024	\$26,483	\$62,926	\$108	\$611,952	\$-	\$701,469	\$208,035	\$909,504

(8) Discounts and loans, net

	As of December 31,	
	2025	2024
Discounted and export negotiated Accounts receivable financing	\$342,135	\$231,316
Short-term loans	116,116	45,032
Medium-term loans	183,880,058	149,354,887
Long-term loans	290,969,408	293,245,619
Delinquent loans	420,596,277	411,086,583
	538,652	268,257
Subtotal	896,442,646	854,231,694
Less: Premium or discount	330,192	278,253
Less: Allowance for doubtful accounts	(11,537,644)	(10,988,649)
Total	\$885,235,194	\$843,521,298

(a) As of December 31, 2025 and 2024, the delinquent loans on which interest ceased to accrue amounted to \$538,652 thousand and \$268,257 thousand, respectively.

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(b) The following table shows the reconciliation of the total carrying amount of discounted and loans for the years ended December 31, 2025 and 2024:

	12-month Expected Credit Losses	Lifetime Expected Credit Losses (Collective Assessment)	Lifetime Expected Credit Losses (Individual Assessment)	Lifetime Expected Credit Losses (Non-purchased or Originated Credit- impaired Financial Asset)	Total
As of January 1, 2025	\$805,191,704	\$43,946,224	\$968,261	\$4,403,758	\$854,509,947
Reconciliation arising from financial instruments recognized at the beginning of year:					
Transfer to lifetime expected credit losses	(9,625,423)	9,119,580	-	(25,912)	(531,755)
Transfer to credit-impaired financial asset	(1,582,598)	(710,529)	-	2,225,470	(67,657)
Transfer to 12-month expected credit losses	7,513,075	(7,154,559)	(346,670)	(15,616)	(3,770)
Derecognition in current period	(282,171,903)	(21,043,206)	(621,591)	(584,152)	(304,420,852)
Purchased or originated credit-impaired financial asset	367,063,699	15,595,637	-	158,283	382,817,619
Write offs	(724,088)	(620,673)	-	(906,666)	(2,251,427))
Exchange influence or others	(31,828,583)	(1,341,962)	-	(108,722)	(33,279,267)
As of December 31, 2025	\$853,835,883	\$37,790,512	\$-	\$5,146,443	\$896,772,838

	12-month Expected Credit Losses	Lifetime Expected Credit Losses (Collective Assessment)	Lifetime Expected Credit Losses (Individual Assessment)	Lifetime Expected Credit Losses (Non-purchased or Originated Credit- impaired Financial Asset)	Total
As of January 1, 2024	\$763,536,287	\$38,363,060	\$-	\$4,275,113	\$806,174,460
Reconciliation arising from financial instruments recognized at the beginning of year:					
Transfer to lifetime expected credit losses	(14,266,374)	13,569,399	-	(64,237)	(761,212)
Transfer to credit-impaired financial asset	(1,249,797)	(434,446)	-	1,640,801	(43,442)
Transfer to 12-month expected credit losses	6,712,077	(6,784,368)	-	(37,960)	(110,251)
Derecognition in current period	(273,503,291)	(19,985,304)	-	(773,957)	(294,262,552)
Purchased or originated credit-impaired financial asset	352,688,998	20,530,378	968,261	162,988	374,350,625
Write offs	(769,160)	(613,365)	-	(681,479)	(2,064,004)
Exchange influence or others	(27,957,036)	(699,130)	-	(117,511)	(28,773,677)
As of December 31, 2024	\$805,191,704	\$43,946,224	\$968,261	\$4,403,758	\$854,509,947

(c) The following table shows the reconciliation of the allowance for doubtful accounts of discounted and loans for the years ended December 31, 2025 and 2024:

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	12-month Expected Credit Losses	Lifetime Expected Credit Losses (Collective Assessment)	12-month Expected Credit Losses (Individual Assessment)	Lifetime Expected Credit Losses (Non- purchased or Originated Credit- impaired Financial Asset)	Lifetime Expected Credit Losses (Purchased or Originated Credit- impaired Financial Asset)	Impairment Loss Accessed Under IFRS 9	Difference of Impairment under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non- performing/ Non-accrual Loans	Total
As of January 1, 2025	\$2,007,873	\$1,550,967	\$9,683	\$1,173,365	\$-	\$4,741,888	\$6,246,761	\$10,988,649
Reconciliation arising from financial instruments recognized at the beginning of year:								
Transfer to lifetime expected credit losses	(29,071)	404,887	-	(5,772)	-	370,044	-	370,044
Transfer to credit-impaired financial asset	(5,544)	(32,833)	-	781,472	-	743,095	-	743,095
Transfer to 12-month expected credit losses	17,876	(265,795)	(3,505)	(3,678)	-	(255,102)	-	(255,102)
Derecognition in current period	(1,112,788)	(713,577)	(6,286)	(233,281)	-	(2,065,932)	-	(2,065,932)
Purchased or originated credit-impaired financial asset	1,264,789	578,646	-	82,423	-	1,925,858	-	1,925,858
Difference of impairment under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	-	-	-	-	-	-	427,944	427,944
Write offs	(3,097)	(37,905)	-	(2,210,425)	-	(2,251,427)	-	(2,251,427)
Recovery of write offs	-	-	-	1,104,006	-	1,104,006	-	1,104,006
Exchange influence or others	(105,490)	(68,044)	108	723,935	-	550,509	-	550,509
As of December 31, 2025	\$2,034,548	\$1,416,346	\$-	\$1,412,045	\$-	\$4,862,939	\$6,674,705	\$11,537,644

	12-month Expected Credit Losses	Lifetime Expected Credit Losses (Collective Assessment)	12-month Expected Credit Losses (Individual Assessment)	Lifetime Expected Credit Losses (Non- purchased or Originated Credit- impaired Financial Asset)	Lifetime Expected Credit Losses (Purchased or Originated Credit- impaired Financial Asset)	Impairment Loss Accessed Under IFRS 9	Difference of Impairment under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non- performing/ Non-accrual Loans	Total
As of January 1, 2024	\$1,865,650	\$1,488,319	\$-	\$1,304,507	\$-	\$4,658,476	\$5,766,373	\$10,424,849
Reconciliation arising from financial instruments recognized at the beginning of year:								
Transfer to lifetime expected credit losses	(37,425)	465,198	-	(14,207)	-	413,566	-	413,566
Transfer to credit-impaired financial asset	(2,592)	(18,944)	-	379,419	-	357,883	-	357,883
Transfer to 12-month expected credit losses	17,722	(271,178)	-	(7,915)	-	(261,371)	-	(261,371)
Derecognition in current period	(1,050,816)	(762,135)	-	(254,849)	-	(2,067,800)	-	(2,067,800)
Purchased or originated credit-impaired financial asset	1,263,189	736,850	9,683	59,555	-	2,069,277	-	2,069,277
Difference of impairment under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	-	-	-	-	-	-	480,388	480,388
Write offs	(1,857)	(35,410)	-	(2,026,737)	-	(2,064,004)	-	(2,064,004)
Recovery of write offs	-	-	-	1,036,050	-	1,036,050	-	1,036,050
Exchange influence or others	(45,998)	(51,733)	-	697,542	-	599,811	-	599,811
As of December 31, 2024	\$2,007,873	\$1,550,967	\$9,683	\$1,173,365	\$-	\$4,741,888	\$6,246,761	\$10,988,649

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- (d) The following table lists the bad debt expense and provision for losses on commitments and guarantees:

	For the Years Ended	
	December 31,	
	2025	2024
Reversal of provision for bad debt expense receivables	\$(53,326)	\$(12,780)
Provision for bad debt expense - discounted and loans	1,713,596	1,539,748
Reversal of provision for guarantee reserve	(280,026)	(226,521)
Provision for loan commitments reserve	25,550	600
Total	<u>\$1,405,794</u>	<u>\$1,301,047</u>

- (9) Other financial assets, net

	As of December 31,	
	2025	2024
Other delinquent receivables, net	<u>\$-</u>	<u>\$-</u>

Details of other delinquent receivables, net are summarized as follows:

	As of December 31,	
	2025	2024
Delinquent receivables not arising from loans	\$12,916	\$14,131
Less: Allowance for doubtful accounts	(12,916)	(14,131)
Total	<u>\$-</u>	<u>\$-</u>

- (10) Property and equipment, net

	As of December 31,	
	2025	2024
<u>Carrying amounts</u>		
Land	\$4,063,131	\$3,901,658
Buildings	871,396	897,715
Computers	309,116	430,182
Transportation equipment	1,886	4,675
Other equipment	306,590	350,393
Construction in process	33,971	38,833
Total	<u>\$5,586,090</u>	<u>\$5,623,456</u>

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	Land	Buildings	Computers	Transportation equipment	Other equipment	Construction in process	Total
<u>Cost</u>							
As of January 1, 2025	\$3,901,658	\$2,030,920	\$904,643	\$8,340	\$1,637,410	\$38,833	\$8,521,804
Additions	-	-	28,654	-	95,599	45,541	169,794
Disposals	-	-	(167,147)	(3,730)	(932,655)	-	(1,103,532)
Transfers	161,473	11,922	15,332	-	4,234	(50,299)	142,662
Exchange differences	-	-	(1,132)	-	(1,271)	(104)	(2,507)
As of December 31, 2025	<u>\$4,063,131</u>	<u>\$2,042,842</u>	<u>\$780,350</u>	<u>\$4,610</u>	<u>\$803,317</u>	<u>\$33,971</u>	<u>\$7,728,221</u>

Accumulated depreciation

As of January 1, 2025	\$-	\$1,133,205	\$474,461	\$3,665	\$1,287,017	-	\$2,898,348
Depreciation	-	41,880	163,774	1,079	143,800	-	350,533
Disposals	-	-	(167,024)	(2,020)	(932,288)	-	(1,101,332)
Transfers	-	(3,639)	573	-	(573)	-	(3,639)
Exchange differences	-	-	(550)	-	(1,229)	-	(1,779)
As of December 31, 2025	<u>\$-</u>	<u>\$1,171,446</u>	<u>\$471,234</u>	<u>\$2,724</u>	<u>\$496,727</u>	<u>\$-</u>	<u>\$2,142,131</u>

Cost

As of January 1, 2024	\$3,906,521	\$2,030,920	\$788,502	\$8,340	\$1,624,284	\$197,049	\$8,555,616
Additions	-	-	132,142	-	70,243	74,136	276,521
Disposals	-	-	(113,533)	-	(59,121)	-	(172,654)
Transfers	(4,863)	-	95,743	-	-	(233,102)	(142,222)
Exchange differences	-	-	1,789	-	2,004	750	4,543
As of December 31, 2024	<u>\$3,901,658</u>	<u>\$2,030,920</u>	<u>\$904,643</u>	<u>\$8,340</u>	<u>\$1,637,410</u>	<u>\$38,833</u>	<u>\$8,521,804</u>

Accumulated depreciation

As of January 1, 2024	\$-	\$1,091,270	\$436,466	\$2,275	\$1,185,799	\$-	\$2,715,810
Depreciation	-	41,935	150,330	1,390	153,521	-	347,176
Disposals	-	-	(113,492)	-	(54,249)	-	(167,741)
Exchange differences	-	-	1,157	-	1,946	-	3,103
As of December 31, 2024	<u>\$-</u>	<u>\$1,133,205</u>	<u>\$474,461</u>	<u>\$3,665</u>	<u>\$1,287,017</u>	<u>\$-</u>	<u>\$2,898,348</u>

Net carrying amount as of:

December 31, 2025	<u>\$4,063,131</u>	<u>\$871,396</u>	<u>\$309,116</u>	<u>\$1,886</u>	<u>\$306,590</u>	<u>\$33,971</u>	<u>\$5,586,090</u>
December 31, 2024	<u>\$3,901,658</u>	<u>\$897,715</u>	<u>\$430,182</u>	<u>\$4,675</u>	<u>\$350,393</u>	<u>\$38,833</u>	<u>\$5,623,456</u>

No property and equipment was pledged.

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(11) Leases

(a) Right-of-use assets

	As of December 31,	
	2025	2024
<u>Carrying amounts</u>		
Land and Buildings	\$1,980,100	\$2,308,050
Other	41,380	64,700
Total	<u>\$2,021,480</u>	<u>\$2,372,750</u>
	For the Years Ended December 31	
	2025	2024
Beginning balance	\$2,372,750	\$2,539,178
Additions	354,429	545,179
Disposals	(22,288)	(135,832)
Remeasurement	(83,493)	10,701
Depreciation expenses		
Land and buildings	(570,117)	(573,121)
Other	(24,090)	(23,481)
	<u>(594,207)</u>	<u>(596,602)</u>
Effects of foreign currency exchange differences	<u>(5,711)</u>	<u>10,126</u>
Ending balance	<u>\$2,021,480</u>	<u>\$2,372,750</u>

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

(b) Lease liabilities

	As of December 31,	
	2025	2024
Carrying amount	<u>\$2,127,924</u>	<u>\$2,493,182</u>

As of December 31, 2025 and 2024, the discount rate for lease liabilities were 0.75%~2.62% and 0.75%-2.56%, respectively.

(c) Material leasing activities and terms

The Company leases domestic offices, ATM sites and business cars with lease terms of 1 to 7 years. The lease contract specifies that lease payments will be adjusted on the basis of changes in market rental rates. The Company does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

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(d) Other lease information

The Company's operating lease arrangements for investment properties are disclosed in Note 6(12)

	As of December 31,	
	2025	2024
Expenses relating to recognition exemption and not required for mandatory application	\$188,033	\$182,480
Total cash outflow for leases	\$(848,523)	\$(828,470)

The Company leases certain land and buildings which qualify as short-term leases and certain office equipment which qualify as low-value asset leases; the related variable lease payments are not included in the measurement of lease liabilities and lease intangible assets which are not required for mandatory application. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

As of December 31, 2025 and 2024, the amount of refundable deposits for operating lease was \$254,797 thousand and \$248,481 thousand, respectively.

(12) Investment property

(a) Investment properties measured at fair value

	Land	Buildings	Total
As of January 1, 2025	\$704,713	\$144,740	\$849,453
Transferred from property and equipment	10,100	3,390	13,490
Transferred to property and equipment	(165,134)	(18,349)	(183,483)
Gain on changes in fair value of investment properties	7,269	826	8,095
As of December 31, 2025	\$556,948	\$130,607	\$687,555
As of January 1, 2024	\$667,642	\$145,398	\$813,040
Transferred from property and equipment	16,393	507	16,900
Gain on changes in fair value of investment properties	20,678	(1,165)	19,513
As of December 31, 2024	\$704,713	\$144,740	\$849,453

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The valuation of the investment property of the Company was performed by the appraiser Hong-Yuan Wang, Jian-Hao Huang, and Wei-Chih Wang of Shang-shang Real Estate Appraiser Firm in Taiwan in accordance with the rules for assessment of fair value on a recurring basis of the Technical Rules for Real Estate Valuation with valuation dates on December 31, 2025 and 2024, respectively.

As office buildings have market liquidity and their rent levels are similar to comparable properties in neighboring areas, their fair values have been mainly determined using the comparison approach and income approach.

Net rental income is based on current market practices, assuming an annual rent increase of between 0% to 1.5% when extrapolating the total income of the underlying property, excluding losses as a result of idle and other reasons and related operations costs.

According to the R.O.C. Real Estate Appraisers Association Gazette No. 5, the house tax is determined based on the reference table of current house values assessed for each city/county to estimate the total current house value assessed. House tax is calculated based on the tax rates stipulated in the House Tax Act and the actual payment data.

Land value tax is based on the changes in the announced land values of the underlying property in the past years and the actual payment data, to further extrapolate the announced land value in the future.

In accordance with the R.O.C. Real Estate Appraisers Association Gazette No. 5, the replacement allowance for significant renovation costs is calculated based on 0.5% to 1.5% of construction costs and is amortized over its estimated useful life of 20 years.

The main inputs used are as follows. If the direct capitalization rate or the overall capital interest rate decreased, the fair value will increase.

	As of December 31,	
	2025	2024
Direct capitalization rate	1.81~3.73%	1.81~3.73%
Overall capital interest rate	1.86~3.30%	1.86~3.30%

The second type of residential area, the third type of residential area and buildings have exceeded the residential areas that can be developed on land, and because the buildings have exceeded the economic and durable years, and the market has fewer homogeneous products, the buildings on the ground are not the most effective basis of valuation. Therefore, their fair values are determined by the method of land development analysis and comparison approach. The important assumptions are as follows. If estimated total sales increase, rate of return or overall capital interest rate decreases, the fair value will increase.

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	As of December 31,	
	2025	2024
Estimated total sales	\$1,354,499	\$1,287,530
Rate of return	12%~14%	12%~14%
Overall capital interest rate	2.61%~4.24%	2.90%~4.23%

All investment properties owned by the Company are leased out under operating leases, and the lease term is 5 to 10 years. At the end of the lease period, the lessee has no preferential rights to purchase the properties.

As of December 31, 2025 and 2024, the guarantee deposits received by the Company due to operating lease contracts was \$3,247 thousand and \$3,227 thousand, respectively.

(b) The movements in the fair value of investment properties within Level 3 of the hierarchy

The Company measured investment properties subsequently using the fair value model. The movements in the fair value of investment properties within Level 3 of the hierarchy were as follows:

	As of December 31,	
	2025	2024
Beginning balance	\$849,453	\$813,040
Transferred from property and equipment	13,490	16,900
Transferred to property and equipment	(183,483)	-
Recognized in profit or loss gain arising from the change in fair value of investment properties	8,095	19,513
Ending balance	\$687,555	\$849,453

The maturity analysis of lease payments receivable under operating leases of investment properties as of December 31, 2025 and 2024 was as follows:

	As of December 31,	
	2025	2024
Year 1	\$16,310	\$14,346
Year 2	7,071	9,829
Year 3	5,903	4,536
Year 4	5,106	3,369
Year 5	3,463	1,973
Year 6 onwards	1,829	1,830
Total	\$39,682	\$35,883

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(13) Intangible assets, net

	As of December 31,	
	2025	2024
Goodwill	\$1,243,924	\$1,243,924
Computer software	567,480	717,287
Total	<u>\$1,811,404</u>	<u>\$1,961,211</u>

(a) The excess of purchase price (cash) over net asset was recognized as goodwill. As of December 31, 2025, no impairment loss should be charged.

(b) Movements of computer software were as follows:

	As of December 31,	
	2025	2024
Beginning balance	\$717,287	\$700,602
Additions	59,780	134,283
Disposals	-	(9,311)
Amortization	(237,843)	(248,172)
Transfers	30,733	137,359
Exchange differences	(2,477)	2,526
Ending balance	<u>\$567,480</u>	<u>\$717,287</u>

(14) Other assets, net

	As of December 31,	
	2025	2024
Refundable deposits	\$3,116,821	\$5,139,335
Prepayments	220,155	274,723
Collateral assumed, net	-	-
Total	<u>\$3,336,976</u>	<u>\$5,414,058</u>

(a) As of December 31, 2025 and 2024, the refundable deposit held for trading financial instruments amounted to \$2,479,476 thousand and \$4,601,626 thousand, respectively.

(b) As of December 31, 2025 and 2024, collateral assumed, net consisted of the following:

	As of December 31,	
	2025	2024
Land	\$111,790	\$111,790
Buildings	992	992
Less: Allowance for collaterals assumed	(112,782)	(112,782)
Total	<u>\$-</u>	<u>\$-</u>

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(15) Deposits from Central Bank and other banks

	As of December 31,	
	2025	2024
Call loans from banks	\$58,492	\$2,130,765
Postal deposits transferred	313,602	313,602
Deposits from other banks	12,040,040	12,040,078
Total	<u>\$12,412,134</u>	<u>\$14,484,445</u>

(16) Bills and bonds sold under repurchase agreements

	As of December 31,	
	2025	2024
Government bonds	\$7,982,415	\$5,324,194
Foreign bonds	6,846,222	4,995,036
Total	<u>\$14,828,637</u>	<u>\$10,319,230</u>

The post-year repurchase price and interest rate are as follows:

	As of December 31,	
	2025	2024
Government bonds	\$8,009,088	\$5,344,360
Foreign bonds	6,913,871	5,039,104
Total	<u>\$14,922,959</u>	<u>\$10,383,464</u>
	1.42%~4.09%	1.50%~4.78%

The foreign bonds denominated in foreign currencies are as below:

Unit: In thousands of foreign currencies

	As of December 31,	
	2025	2024
USD	\$165,223	\$146,617
AUD	78,493	9,257

(17) Payables

	As of December 31,	
	2025	2024
Notes and checks in clearing	\$1,222,077	\$823,050
Bankers' acceptances	440,541	1,027,425
Accrued expenses	5,597,701	3,147,364
Interests payable	2,175,212	2,290,440
Receipts under custody	461,145	918,931
Pending settlement payable	1,010,956	97,995
Accounts payable	487,825	409,858
Interbank clearing payable	370,325	408,665
Other payables	435,112	619,569
Total	<u>\$12,200,894</u>	<u>\$9,743,297</u>

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(18) Deposits and remittances

	As of December 31,	
	2025	2024
Savings account deposits	\$527,402,828	\$501,219,608
Time deposits	441,108,420	399,018,463
Demand deposits	197,197,011	186,224,594
Checking account deposits	8,710,396	7,734,315
Negotiable certificates of deposit	5,990,200	27,646,500
Remittances outstanding	126,221	155,738
Total	<u>\$1,180,535,076</u>	<u>\$1,121,999,218</u>

(19) Bank debentures

	As of December 31,	
	2025	2024
Senior financial debenture	\$1,000,000	\$1,000,000
Secondary financial debenture	27,200,000	27,200,000
Total	<u>\$28,200,000</u>	<u>\$28,200,000</u>

(a) The Company issued second secondary financial debenture on December 15, 2014, which was approved under ruling reference No. 10300114440 issued by the Banking Bureau of the FSC on April 30, 2014. Details of the financial debenture issuance are summarized as follows:

- A. Total approved principal: \$5,000,000 thousand.
- B. Principal issued: \$2,500,000 thousand.
- C. Denomination: \$10,000 thousand, issued at par.
- D. Period: 10 years with maturity on December 15, 2024.
- E. Nominal interest rate: Fixed interest rate, 2.10%.
- F. Repayment: The financial debenture will be paid on the maturity date.
- G. The interest will be paid annually from the issuance date.

(b) The Company issued first secondary financial debenture on January 29, 2016, which was approved under ruling reference No. 10400308600 issued by the Banking Bureau of the FSC on December 22, 2015. Details of the financial debenture issuance are summarized as follows:

- A. Total approved principal: \$3,000,000 thousand.
- B. Principal issued: \$3,000,000 thousand.
- C. Denomination: \$10,000 thousand, issued at par.
- D. Period: Debenture I: 7 years with maturity on January 29, 2023; Debenture II: 10 years with maturity on January 29, 2026.

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- E. Nominal interest rate: Principal issued \$800,000 thousand and fixed interest rate 1.60% for Debenture I; Principal issued \$2,200,000 thousand and fixed interest rate 1.80% for Debenture II.
- F. Repayment: The financial debenture will be paid on the maturity date.
- G. The interest will be paid annually from the issuance date.
- (c) The Company issued first no due date non-cumulative secondary financial debenture on March 30, 2018, which was approved under ruling reference No. 10600186530 issued by the Banking Bureau of the FSC on August 7, 2017. Details of the financial debenture issuance are summarized as follows:
- A. Total approved principal: \$2,500,000 thousand.
- B. Principal issued: \$2,500,000 thousand.
- C. Denomination: \$10,000 thousand, issued at par.
- D. Period: No due date.
- E. Nominal interest rate: Fixed interest rate, 3.4%.
- F. Early redemption terms: After the third month of the fifth anniversary year from the grant date, if the Company's capital adequacy ratio after redemption will meet the minimum requirement of the authorities and the authorities approve the application of the Company, the Company may redeem the debenture at face value plus interest accrued.
- G. The interest will be paid annually from the issuance date.
- (d) The Company issued second secondary financial debenture on June 28, 2018, which was approved under ruling reference No. 10600186530 issued by the Banking Bureau of the FSC on August 7, 2017. Details of the financial debenture issuance are summarized as follows:
- A. Total approved principal: \$2,500,000 thousand.
- B. Principal issued: \$2,500,000 thousand.
- C. Denomination: \$10,000 thousand, issued at par.
- D. Period: 10 years with maturity on June 28, 2028.
- E. Nominal interest rate: Fixed interest rate, 1.62%.
- F. Repayment: The financial debenture will be paid on the maturity date.
- G. The interest will be paid annually from the issuance date.
- (e) The Company issued first no due date non-cumulative secondary financial debenture on June 21, 2019, which was approved under ruling reference No. 10802068560 issued by the Banking Bureau of the FSC on May 1, 2019. Details of the financial debenture issuance are summarized as follows:
- A. Total approved principal: \$6,500,000 thousand.
- B. Principal issued: \$4,500,000 thousand.

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- C. Denomination: \$10,000 thousand, issued at par.
 - D. Period: No due date.
 - E. Nominal interest rate: Fixed interest rate, 2.20%.
 - F. Early redemption terms: After the third month of the fifth anniversary year from the grant date, if the Company's capital adequacy ratio after redemption will meet the minimum requirement of the authorities and the authorities approve the application of the Company, the Company may redeem the debenture at face value plus interest accrued.
 - G. The interest will be paid annually from the issuance date.
- (f) The Company issued first no due date non-cumulative secondary financial debenture on June 23, 2020, which was approved under ruling reference No. 1090209311 issued by the Banking Bureau of the FSC on April 30, 2020. Details of the financial debenture issuance are summarized as follows:
- A. Total approved principal: \$3,000,000 thousand.
 - B. Principal issued: \$3,000,000 thousand.
 - C. Denomination: \$10,000 thousand, issued at par.
 - D. Period: No due date.
 - E. Nominal interest rate: Fixed interest rate, 1.70%.
 - F. Early redemption terms: After the third month of the fifth anniversary year from the grant date, if the Company's capital adequacy ratio after redemption will meet the minimum requirement of the authorities and the authorities approve the application of the Company, the Company may redeem the debenture at face value plus interest accrued.
 - G. The interest will be paid annually from the issuance date.
- (g) The Company issued second secondary financial debenture on December 16, 2020, which was approved under ruling reference No. 1090228036 issued by the Banking Bureau of the FSC on October 28, 2020. Details of the financial debenture issuance are summarized as follows:
- A. Total approved principal: \$5,000,000 thousand.
 - B. Principal issued: \$3,000,000 thousand.
 - C. Denomination: \$10,000 thousand, issued at par.
 - D. Period: No due date.
 - E. Nominal interest rate: Fixed interest rate, 1.70%.
 - F. Early redemption terms: After the third month of the fifth anniversary year from the grant date, if the Company's capital adequacy ratio after redemption will meet the minimum requirement of the authorities and the authorities approve the application of the Company, the Company may redeem the debenture at face value plus interest accrued.
 - G. The interest will be paid annually from the issuance date.

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- (h) The Company issued third secondary financial debenture on December 23, 2020, which was approved under ruling reference No. 1090228036 issued by the Banking Bureau of the FSC on October 28, 2020. Details of the financial debenture issuance are summarized as follows:
- A. Total approved principal: \$5,000,000 thousand.
 - B. Principal issued: \$2,000,000 thousand.
 - C. Denomination: \$10,000 thousand, issued at par.
 - D. Period: 10 years with maturity on December 23, 2030.
 - E. Nominal interest rate: Fixed interest rate, 0.75%.
 - F. Repayment: The financial debenture will be paid on the maturity date.
 - G. The interest will be paid annually from the issuance date.
- (i) The Company issued first senior unsecured financial debenture on June 23, 2021, which was approved under ruling reference No. 1100209942 issued by the Banking Bureau of the FSC on May 6, 2021. Details of the financial debenture issuance are summarized as follows:
- A. Total approved principal: \$1,000,000 thousand.
 - B. Principal issued: \$1,000,000 thousand.
 - C. Denomination: \$10,000 thousand, issued at par.
 - D. Period: 5 years with maturity on June 23, 2026.
 - E. Nominal interest rate: Fixed interest rate, 0.50%.
 - F. Repayment: The financial debenture will be paid on the maturity date.
 - G. The interest will be paid annually from the issuance date.
- (j) The Company issued first no due date non-cumulative secondary financial debenture on July 27, 2022, which was approved under ruling reference No. 1110211371 issued by the Banking Bureau of the FSC on May 24, 2022. Details of the financial debenture issuance are summarized as follows:
- A. Total approved principal: \$5,000,000 thousand.
 - B. Principal issued: \$2,800,000 thousand.
 - C. Denomination: \$10,000 thousand, issued at par.
 - D. Period: No due date.
 - E. Nominal interest rate: Fixed interest rate, 3.50%.
 - F. Early redemption terms: After the third month of the fifth anniversary year from the grant date, if the Company's capital adequacy ratio after redemption will meet the minimum requirement of the authorities and the authorities approve the application of the Company, the Company may redeem the debenture at face value plus interest accrued.
 - G. The interest will be paid annually from the issuance date.

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- (k) The Company issued first no due date non-cumulative secondary financial debenture on April 17, 2023, which was approved under ruling reference No. 1110211371 issued by the Banking Bureau of the FSC on May 24, 2022. Details of the financial debenture issuance are summarized as follows:
- A. Total approved principal: \$5,000,000 thousand.
 - B. Principal issued: \$2,200,000 thousand.
 - C. Denomination: \$10,000 thousand, issued at par.
 - D. Period: No due date.
 - E. Nominal interest rate: Fixed interest rate, 4.00%.
 - F. Early redemption terms: After the third month of the fifth anniversary year from the grant date, if the Company’s capital adequacy ratio after redemption will meet the minimum requirement of the authorities and the authorities approve the application of the Company, the Company may redeem the debenture at face value plus interest accrued.
 - G. The interest will be paid annually from the issuance date.
- (l) The Company issued first secondary unsecured financial debenture on May 7, 2024, which was approved under ruling reference No. 1120212291 issued by the Banking Bureau of the FSC on May 9, 2023. Details of the financial debenture issuance are summarized as follows:
- A. Total approved principal: \$3,000,000 thousand.
 - B. Principal issued: \$2,500,000 thousand.
 - C. Denomination: \$10,000 thousand, issued at par.
 - D. Period: Debenture I: 7 years with maturity on May 7, 2031; Debenture II: 10 years with maturity on May 7, 2034.
 - E. Nominal interest rate: Principal issued \$790,000 thousand and fixed interest rate 2.70% for Debenture I; Principal issued \$1,710,000 thousand and fixed interest rate 3.00% for Debenture II.
 - F. Repayment: The financial debenture will be paid on the maturity date.
 - G. The interest will be paid annually from the issuance date.

(20) Other financial liabilities

	<u>As of December 31,</u>	
	<u>2025</u>	<u>2024</u>
Structured commodity principal	<u>\$45,009,156</u>	<u>\$45,353,467</u>

As of December 31, 2025 and 2024, structured products are “foreign currency-interest rate,” “foreign currency-stock equity,” “foreign currency-exchange rate,” “foreign currency-interest rate and foreign currency-exchange rate,” and which pay interest in accordance with the linked indicator in the contractual provisions.

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(21) Provisions

	As of December 31,	
	2025	2024
Retirement benefit plans	\$165,445	\$145,742
Guarantee reserve	398,423	678,683
Loan commitments reserve	81,334	56,391
Total	<u>\$645,202</u>	<u>\$880,816</u>

(a) Retirement benefit plans

A. Defined contribution plans

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

B. Defined benefit plans

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

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	As of December 31,	
	2025	2024
Present value of the defined benefit obligations	\$1,803,325	\$1,721,001
Fair value of plan assets	(1,637,880)	(1,575,259)
Deficit	165,445	145,742
Net defined benefit liability	<u>\$165,445</u>	<u>\$145,742</u>

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Movements in net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligations	Fair Value of the Plan Assets	Net Defined Benefit Liability
As of January 1, 2024	\$1,853,595	\$(1,542,641)	\$310,954
Service cost			
Current service cost	7,755	-	7,755
Past service cost	515	-	515
Interest expense (income)	23,153	(19,396)	3,757
Recognized in profit or loss	31,423	(19,396)	12,027
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(119,046)	(119,046)
Actuarial loss - changes in financial assumptions	(40,016)	-	(40,016)
Actuarial loss - experience adjustments	909	-	909
Recognized in other comprehensive income	(39,107)	(119,046)	(158,153)
Contributions from the employer	-	(19,086)	(19,086)
Benefits paid	(124,910)	124,910	-
As of December 31, 2024	1,721,001	(1,575,259)	145,742
Service cost			
Current service cost	5,104	-	5,104
Past service cost	(8,854)	-	(8,854)
Interest expense (income)	26,395	(25,026)	1,369
Recognized in profit or loss	22,645	(25,026)	(2,381)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(106,980)	(106,980)
Actuarial loss - changes in financial assumptions	39,933	-	39,933
Actuarial loss - experience adjustments	110,531	-	110,531
Recognized in other comprehensive income	150,464	(106,980)	43,484
Contributions from the employer	-	(19,250)	(19,250)
Benefits paid	(90,785)	88,635	(2,150)
As of December 31, 2025	\$1,803,325	\$(1,637,880)	\$165,445

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

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

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

	As of December 31,	
	2025	2024
Discount rate(s)	1.25%	1.50%
Expected rate(s) of salary increase	3.00%	2.5%~3.00%

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

	As of December 31,	
	2025	2024
Discount rate(s)		
0.5% increase	<u>\$(76,720)</u>	<u>\$(76,546)</u>
0.5% decrease	<u>\$81,496</u>	<u>\$81,527</u>
Expected rate(s) of salary increase		
0.5% increase	<u>\$78,536</u>	<u>\$78,730</u>
0.5% decrease	<u>\$(74,729)</u>	<u>\$(74,707)</u>

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

	As of December 31,	
	2025	2024
The expected contributions to the plans for the next year	<u>\$19,507</u>	<u>\$19,659</u>
The average duration of the defined benefit obligation	8.8 years	6.5-9.2 years

(b) Movements of guarantee reserve were as follows:

	As of December 31,	
	2025	2024
Beginning balance	\$678,683	\$904,841
(Reversal of provision) Provision	(280,026)	(226,521)
Exchange influence	(234)	363
Ending balance	<u>\$398,423</u>	<u>\$678,683</u>

(Reversal of provision) Provision is recognized under bad debt expense and provision for losses on commitments and guarantees.

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(c) Movements of loan commitments reserve were as follows:

	As of December 31,	
	2025	2024
Beginning balance	\$56,391	\$54,836
Provision	25,550	600
Exchange influence	(607)	955
Ending balance	<u>\$81,334</u>	<u>\$56,391</u>

Provision is recognized under bad debt expense and provision for losses on commitments and guarantees.

(22) Other liabilities

	As of December 31,	
	2025	2024
Advance receipts	\$1,680,527	\$1,522,618
Guarantee deposits received	421,487	171,220
Total	<u>\$2,102,014</u>	<u>\$1,693,838</u>

(23) Equity

	As of December 31,	
	2025	2024
Common stock	\$49,815,329	\$49,815,329
Capital surplus	2,756,265	2,756,265
Retained earnings	35,101,434	34,455,453
Other equity	(5,639,864)	(9,412,373)
Total	<u>\$82,033,164</u>	<u>\$77,614,674</u>

(a) Common stock

As of December 31, 2025, the Company has authorized and issued common stocks totaling \$49,815,329 thousand, divided into 4,981,533 thousand common shares (including the non-publicly traded stocks totaling 724,669 thousand common shares) at \$10 par value.

(b) Capital surplus

	As of December 31,	
	2025	2024
Premium on capital stock	\$2,516,058	\$2,516,058
Others	240,207	240,207
Total	<u>\$2,756,265</u>	<u>\$2,756,265</u>

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The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of common shares, conversion of bonds, treasury stock transactions and arising from the excess of the consideration received over the carrying amount of the subsidiaries' net assets during disposal or acquisition) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's paid-in capital and once a year).

The capital surplus from long-term investments, employee stock options and conversion options shall not be used for any purpose. The capital surplus from executive employee stock options and employee stock options which are reserved from issuance of common stock for cash may be used to offset a deficit.

(c) Earnings distribution and dividend policy

The Company's Articles of Incorporation provide that annual net income should be appropriated after it has:

- a. Deducted any deficit of prior years;
- b. Paid all outstanding taxes;
- c. Set aside 30% of remaining earnings as legal reserve;
- d. Set aside any special reserve or retained earnings allocated at its option;
- e. Allocated shareholders' dividends.

For the Company's Articles of Incorporation on the distribution of employees' compensation, refer to Note 6 (30). When the ratio of equity capital and risky assets fails to meet the standards of competent authority, the distribution of surplus by cash or other property shall be restricted or prohibited by the relevant regulations of the competent authority. The Banking Act provides that, before the balance of the reserve reaches the aggregate par value of the outstanding capital stock, above allocation should not exceed 15% of the aggregate par value of the outstanding capital stock of the Company.

The Company meets the requirements for setting aside legal reserve under the Company Act; thus, the restrictions are not applicable.

The Company is a wholly-owned subsidiary of Taishin Shin Kong Financial Holding Co., Ltd.. To comply with the parent company's legal capital adequacy ratio, strategy, and to strengthen its market position, integrate its diversified business operation, the Company has adopted the "Residual Dividend Policy". Under this policy, cash dividends may not be declared less than 10% of the total stock dividends and cash dividends.

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The appropriations of earnings for 2024 and 2023 which have been approved by the Company's board of directors (on behalf of the shareholders' meeting) on March 19, 2025 and March 20, 2024, respectively, were as follows:

	2024		2023	
	Earnings Distribution	Dividend Per Share (NT\$)	Earnings Distribution	Dividend Per Share (NT\$)
Provision of legal reserve	\$2,327,060		\$2,023,726	
Provision of special reserve	509,592		8,631	
Cash dividend	4,920,214	\$0.99	4,713,394	\$0.95

Related information associated with the earnings appropriation approved by the Company's board of directors (on behalf of shareholders' meeting) is available at the Market Observation Post System website of the Taiwan Stock Exchange.

(d) Special reserve

	As of December 31,	
	2025	2024
The trading losses reserve (a)	\$60,508	\$60,508
Provision of special reserve due to unrealized loss on investment in financial instruments (b)	6,341,591	5,849,196
The initial application of fair value model to investment properties (c)	186,744	169,547
Total	<u>\$6,588,843</u>	<u>\$6,079,251</u>

- Under Rule No. 11202709871 issued by the FSC on April 24, 2023, the trading losses reserve after tax shall be transferred to a special reserve, and the handling of the special reserve after transfer shall be subject to the rule.
- Under Order No. 1090150022 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs". If there is subsequent reversal of debits to other equity items, the Company may distribute the reversed debit amounts as dividends.
- Under Order No. 10310000140 issued by the FSC, on the initial application of the fair value model to measure investment properties, the Company appropriated to a special reserve an amount equal to the net increase arising from fair value measurement and which was subsequently transferred to retained earnings. The additional special reserve should be appropriated from subsequent net increases in fair value. The amount appropriated may be reversed to the extent that the cumulative net increases in fair value decreased or on the disposal of investment properties. If investment properties were reclassified to property and equipment, the associated special reserve would be reversed in accordance with the subsequent depreciation expense of property and equipment.

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(e) Others equity items

A. Exchange differences on translating foreign operations

	As of December 31,	
	2025	2024
Beginning balance	\$247,438	\$96,571
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(101,858)	150,867
Other comprehensive (loss) income recognized for the year	(101,858)	150,867
Ending balance	\$145,580	\$247,438

B. Unrealized valuation gain (loss) on financial assets at FVTOCI

	As of December 31,	
	2025	2024
Beginning balance	\$ (9,671,756)	\$ (9,016,548)
Recognized for the year		
Unrealized valuation gain (loss)		
Debt instruments	4,611,232	(447,751)
Equity instruments	(1,079,697)	209,202
Net remeasurement of loss allowance	(5,687)	(2,237)
Other comprehensive income (loss) recognized for the year	3,525,848	(240,786)
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	341,478	(414,422)
Ending balance	\$ (5,804,430)	\$ (9,671,756)

C. Gain on property revaluation

	As of December 31,	
	2025	2024
Beginning balance	\$11,945	\$-
Recognized for the year		
Gain on property revaluation	7,041	12,037
Income tax related to gain on property revaluation	-	(92)
Other comprehensive income recognized for the year	7,041	11,945
Ending balance	\$18,986	\$11,945

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(24) Share-based payment arrangements

The former parent company, Shin Kong Financial Holding Co., Ltd. (SKFHC), reserved 15% of the newly issued common shares for subscription by qualified employees when it conducted a capital increase in cash. On July 4, 2024, SKFHC granted 67,700 thousand units and 1,392 thousand units, respectively, to the Company and Shin Kong Marketing Consultant Co., Ltd., with each unit entitling the holder to subscribe for one common share. The market value on the grant date was \$10.4152 per unit, the exercise price was \$8.30 per unit, and the fair value was \$2.1152 per unit.

Compensation costs recognized were \$146,144 thousand for the year ended December 31, 2024.

(25) Net interest income

	<u>For the years ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Interest income		
Discounted and loans	\$26,195,593	\$25,295,805
Due from Central Bank and call loans to other banks	1,245,698	1,471,769
Investment in securities	4,536,276	4,493,254
Others	680,876	722,418
Subtotal	<u>32,658,443</u>	<u>31,983,246</u>
Interest expense		
Deposits	17,044,026	16,910,920
Financial debentures	644,722	670,492
Others	721,233	369,886
Subtotal	<u>18,409,981</u>	<u>17,951,298</u>
Net interest income	<u>\$14,248,462</u>	<u>\$14,031,948</u>

(26) Net service fee income

	<u>For the years ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Service fee income		
Fiducial business	\$139,076	\$121,404
Banks and insurance	2,193,078	1,585,427
Bond fund	1,284,279	1,305,891
Giving credit	855,179	822,391
Credit cards	1,581,023	1,574,179
Electronic payment	1,428	1,585
Others	609,632	784,596
Subtotal	<u>6,663,695</u>	<u>6,195,473</u>
Service fee expense		
Credit cards	1,246,960	1,216,723
Others	355,363	402,924
Subtotal	<u>1,602,323</u>	<u>1,619,647</u>
Total	<u>\$5,061,372</u>	<u>\$4,575,826</u>

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The Company opened electronic payments business in 2016 in accordance with the approval under ruling reference No. 10400136150 issued by the Banking Bureau of the FSC on September 24, 2015. According to No. 4 of the Regulations Governing the Organization and Administration of Sinking Fund Established by Electronic Payment Institutions, the Company has to allocate at least \$2,000 thousand to the sinking fund account (SFA). In subsequent years, the Company has to allocate to the SFA amount based on a fixed percentage of the sum of service fee revenue, interest revenue generated from sinking fund and other revenue every year. Also, the allocation needs to be completed by May every year. As stated above, the Company had allocated \$2,006 thousand to SFA as of December 31, 2025 and 2024. The electronic service fee revenues were \$1,428 thousand and \$1,585 thousand for the years ended December 31, 2025 and 2024, respectively. The interest revenue and other revenue were both zero for the years ended December 31, 2025 and 2024.

(27) Gain on financial assets and liabilities at fair value through profit or loss

	For the years ended	
	December 31	
	2025	2024
Realized gain (loss)		
Bonds	\$851,444	\$423,648
Derivative financial instrument	(698,183)	990,304
Negotiable certificate of deposits	873,741	783,621
Commercial paper	296,613	166,792
Stock	(168,229)	61,576
Others	384	490
Subtotal	1,155,770	2,426,431
Valuation gain (loss)		
Bonds	627,283	254,739
Derivative financial instrument	(267,276)	(8,944)
Commercial paper	(5,633)	(1,870)
Stock	(15,803)	10,144
Others	(214)	214
Subtotal	338,357	254,283
Total	\$1,494,127	\$2,680,714

Realized profit and loss on financial assets and liabilities at fair value through profit or loss, net includes disposal (loss) gain of \$(190,443) thousand and \$1,312,508 thousand, interest income of \$1,343,607 thousand and \$1,096,052 thousand, and dividend revenue of \$2,606 thousand and \$17,871 thousand, for the years ended December 31, 2025 and 2024, respectively.

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(28) Realized gain on financial assets at fair value through other comprehensive income

	For the years ended	
	December 31	
	2025	2024
Dividend and bonus	\$877,309	\$778,594
Gain on disposal - bonds	82,699	23,880
Total	<u>\$960,008</u>	<u>\$802,474</u>

(29) Impairment loss on financial assets

	For the years ended	
	December 31	
	2025	2024
Debts instrument at FVTOCI reversal of impairment loss	\$5,192	\$2,470
Debt investments measured at amortized cost impairment loss	(1,314)	(7,118)
Total	<u>\$3,878</u>	<u>\$(4,648)</u>

(30) Employee benefits expenses

	For the years ended	
	December 31	
	2025	2024
Salaries	\$5,227,388	\$5,273,409
Labor and health insurance	379,769	363,423
Post-employment benefits	179,514	190,334
Other employee benefits expenses	254,932	251,612
Termination benefits (Note)	2,414,522	-
Total	<u>\$8,456,125</u>	<u>\$6,078,778</u>

Note: The employee resettlement plan arising from the merger between the former parent company, Shin Kong Financial Holding Co., Ltd., and Taishin Financial Holding Co., Ltd. was approved by the board of directors, and the related expenses were recognized accordingly. For details regarding the merger, please refer to Note 1.

(a) Employees' compensation

In compliance with the Articles of Incorporation, the Company distributes employees' compensation at the rate of 1% of net profit before income tax and employees' compensation. For the years ended December 31, 2025 and 2024, the employees' compensation was \$72,571 thousand and \$89,708 thousand, respectively.

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The employees' compensation for the years ended December 31, 2024 and 2023, which were approved by the Company's board of directors on February 19, 2025 and February 21, 2024, respectively, are as follows:

	For the years ended December 31	
	2024	2023
Amounts approved in the board of directors' meeting	\$89,708	\$84,000
Amounts recognized in the annual financial statements	89,708	84,000
	\$-	\$-

There is no difference between the actual amounts of employees compensation paid and amounts recognized in the individual financial statements for the years ended December 31, 2024 and 2023.

If there is a change in the amounts after the annual individual financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

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

(31) Depreciation and amortization expenses

	For the years ended December 31	
	2025	2024
Property and equipment	\$350,533	\$347,176
Right-of-use assets	594,207	596,602
Intangible assets	237,843	248,172
Total	\$1,182,583	\$1,191,950

(32) Other general and administrative expenses

	For the years ended December 31	
	2025	2024
Taxes	\$1,531,318	\$1,421,167
Rental	188,023	182,480
Insurance	410,428	409,403
Advertisement	252,275	296,530
Repair and maintenance	565,217	341,782
Postage	161,738	170,562
Professional service	140,810	149,158
Others	930,697	958,420
Total	\$4,180,506	\$3,929,502

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(33) Income Taxes

(a) Income tax recognized in profit or loss

The major components of income tax expense are as follows:

	For the years ended	
	December 31	
	2025	2024
Current income tax		
In respect of the current period	\$1,822,259	\$1,670,180
Adjustments for prior year	(18,086)	468
Total	<u>\$1,804,173</u>	<u>\$1,670,648</u>
Deferred income tax		
In respect of the current period	<u>(562,129)</u>	<u>55,798</u>
Income tax expense recognized in profit or loss	<u>\$1,242,044</u>	<u>\$1,726,446</u>

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

	For the years ended	
	December 31	
	2025	2024
Profit before tax from continuing operations	<u>\$7,184,504</u>	<u>\$8,942,368</u>
Income tax expense calculated at the statutory rate	\$1,436,901	\$1,788,474
Tax-exempt income	(42,205)	(106,781)
Nondeductible expenses in determining taxable income	(134,566)	(4,552)
Adjustments for prior year	(18,086)	468
Others	-	48,837
Income tax expense recognized in profit or loss	<u>\$1,242,044</u>	<u>\$1,726,446</u>

(b) Income tax recognized in other comprehensive income

	For the years ended	
	December 31	
	2025	2024
Deferred income tax		
In respect of the current period		
Actuarial (gain) loss on defined benefit plan	\$8,697	\$(31,631)
Gain on property revaluation	-	(92)
Income tax benefit (expense) recognized in other comprehensive income	<u>\$8,697</u>	<u>\$(31,723)</u>

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(c) Current tax assets

	As of December 31,	
	2025	2024
Current tax assets		
Consolidated income tax payable	\$17,768	\$-

(d) Current tax liabilities

	As of December 31,	
	2025	2024
Current tax liabilities		
Consolidated income tax payable	\$-	\$976,736
Income tax payable	827,515	122,486
Total	\$827,515	\$1,099,222

(e) Deferred tax assets and liabilities

The Company offset certain deferred tax assets and deferred tax liabilities which met the offset criteria. The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2025

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Defined benefit obligation	\$29,235	\$(4,003)	\$8,697	\$33,929
Allowance for doubtful accounts	632,283	23,565	-	655,848
Others	35,857	461,174	-	497,031
Total	\$697,375	\$480,736	\$8,697	\$1,186,808
<u>Deferred tax liabilities</u>				
Temporary differences				
Goodwill amortization	\$257,516	\$-	\$-	\$257,516
Reserve for land revaluation increment tax	202,926	(81,393)	-	121,533
Total	\$460,442	\$(81,393)	\$-	\$379,049

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For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Defined benefit obligation	\$62,274	\$(1,408)	\$(31,631)	\$29,235
Allowance for doubtful accounts	612,238	20,045	-	632,283
Others	110,695	(74,838)	-	35,857
Total	<u>\$785,207</u>	<u>\$(56,201)</u>	<u>\$(31,631)</u>	<u>\$697,375</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Goodwill amortization	\$257,516	\$-	\$-	\$257,516
Reserve for land revaluation increment tax	203,237	(403)	92	202,926
Total	<u>\$460,753</u>	<u>\$ (403)</u>	<u>\$92</u>	<u>\$460,442</u>

(f) Income tax assessments

As of December 31, 2025, the Company's income tax returns through 2019 have been assessed and approved by the tax authority.

(g) Pillar Two income tax legislation

The government of Hong Kong, where the Company's overseas branch is incorporated, enacted the Pillar Two income tax legislation effective from 2025. After the assessment, the Company has no related current tax exposure.

(34) Earnings per share

	Unit: NT\$ Per Share For the years ended December 31	
	2025	2024
Basic EPS	<u>\$1.19</u>	<u>\$1.45</u>
Diluted EPS	<u>\$1.19</u>	<u>\$1.45</u>

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

Net profit for the period

	For the years ended December 31	
	2025	2024
Profit for the period attributable to owner of the Company	<u>\$5,942,460</u>	<u>\$7,215,922</u>

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Shares

	Unit: thousand shares	
	For the years ended	
	December 31	
	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	4,981,533	4,981,533
Effect of potentially dilutive ordinary shares:		
Employee's compensation	5,180	6,536
Weighted average number of ordinary shares used in the computation of diluted earnings per share	4,986,713	4,988,069

The Company may settle the compensation or bonuses paid to employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

7. Related party transactions

(1) Name and nature of relationship of the related parties

<u>Name of the related parties</u>	<u>Nature of relationship of the related parties</u>
Taishin Shin Kong Financial Holding Co., Ltd. ("TSFHC")	Parent company
Shin Kong Financial Holding Co., Ltd. ("SKFHC")	Parent company (Merged with Taishin FHC on July 24, 2025)
Chin-Yuan, Lai	Key management personnel (chairman)
Ruey-Chiang, Shang	Key management personnel (vice chairman concurrently serving as president)
Cheng-Kuo, Lee	Key management personnel (stepped down as president on September 30, 2025)
Yu-Yuan, Wang; Xin-Chang, Wu; and Shang-Ming, Tsai	Key management personnel (current directors)
Chih-Jong, Suen; Shou-Huang, Chen and Yang-Tzong, Tsai	Key management personnel (independent directors)
MasterLink Futures Corporation	Fellow subsidiary related to others

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<u>Name of the related parties</u>	<u>Nature of relationship of the related parties</u>
MasterLink Securities Corporation	Fellow subsidiary related to others
MasterLink Securities Investment Advisory Co., Ltd.	Fellow subsidiary related to others
Shin Kong Life Insurance Co., Ltd. (“SKLIC”)	Fellow subsidiary related to others
Shin Kong Property Insurance Agency Co., Ltd.	Fellow subsidiary related to others
Shin Kong Investment Trust Co., Ltd. (“SKITC”)	Fellow subsidiary related to others (Merged with Taishin FHC on November 24, 2025)
Shin-Kong Life Real Estate Service Co., Ltd. (“SKLRESC”)	Fellow subsidiary related to others
Taishin Securities Investment Trust Co., Ltd.	Fellow subsidiary related to others (reclassified from a related party in substance to a fellow subsidiary related to others on July 24, 2025)
Taishin International Bank Co., Ltd.	Fellow subsidiary related to others (reclassified from a related party in substance to a fellow subsidiary related to others on July 24, 2025)
Taishin Securities Co., Ltd.	Fellow subsidiary related to others (reclassified from a related party in substance to a fellow subsidiary related to others on July 24, 2025)
Chairman Tong-Liang, Wu and others directors	Key management personnel
Chien Dou Investment Co.,Ltd	Related party in substance
Dah Chung Bills Finance Corp.	Related party in substance
The Great Taipei Gas Corporation	Related party in substance
Great Taipei Broadband Co., Ltd.	Related party in substance
China Investment And Development Co.,Ltd	Related party in substance
Yuan Jen Enterprises Co., Ltd.	Related party in substance
Ubright Optronics Corporation	Related party in substance
WS Management Co., Ltd.	Related party in substance
Century Development Corporation	Related party in substance
Century Biotech Development Corporation	Related party in substance
Taichung Bank Leasing Co., Ltd.	Related party in substance
Taiwan Security Co., Ltd.	Related party in substance
Taiwan Shin Kong Security Co., Ltd. (“TSKSC”)	Related party in substance
Jungshin Assets Management Co., Ltd	Related party in substance
Hung Family Enterprise Co., Ltd.	Related party in substance
Chia Ban Investment Co., Ltd.	Related party in substance
Taiwan Institute for Sustainable Energy	Related party in substance
Shin Kong Wu Ho-Su Culture and Education Foundation	Related party in substance

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<u>Name of the related parties</u>	<u>Nature of relationship of the related parties</u>
National Performing Arts Center	Related party in substance
The Ambassador Hotel Co., Ltd.	Related party in substance
JasperVilla Co., Ltd.	Related party in substance
Shinkong Mitsukoshi Department Store Co., Ltd. ("SKM")	Related party in substance
Shin Kong Chao Feng Co., Ltd.	Related party in substance
Shinkong Synthetic Fibers Corporation	Related party in substance
Shin Kong Recreation Co., Ltd.	Related party in substance
Shin Kong Hae Yang Co., Ltd.	Related party in substance
Shinkong Insurance Co., Ltd.	Related party in substance
Shinkong Asset Management Co., Ltd.	Related party in substance
Shin Kong Wu Ho-Su Memorial Hospital	Related party in substance
Shin Hai Gas Corp.	Related party in substance
Shinsoft Co., Ltd.	Related party in substance
Ruey-Shin Enterprise Co., Ltd.	Related party in substance
Taiwan Mobile Payment Corporation	Related party in substance
Yi-Kong International Apartment Building Management and Maintenance Co., Ltd.	Related party in substance
Yi-Kong Security Co., Ltd.	Related party in substance
Hong Sin Development Co., Ltd.	Related party in substance
Hung Shin Enterprise Co., Ltd.	Related party in substance
Pei-Tou Hotel Co., Ltd.	Related party in substance
Tong Shan Investment Co., Ltd.	Related party in substance
Chi-Ye Chemical Engineering Co., Ltd.	Related party in substance
Hong Tai Electric Industrial Co., Ltd.	Related party in substance
Tai-Po Service Technology Co., Ltd.	Related party in substance
Mega Green Energy Corporation	Related party in substance
Jinguang Industrial Company	Related party in substance
Yung Kwang Co., Ltd.	Related party in substance
Shinkong Co., Ltd.	Related party in substance
Other related party in substance	Second-degree relatives of the Company's directors (including independent directors) and their spouses and related companies or substantive people of the Company

Note : The Company divides the relationship between the above-mentioned related parties into (1) parent company (2) fellow subsidiaries related to others (3) key management personnel (4) related party in substance (5) other related parties (not included in the above (1) - (4)) as the basis for the disclosure of the following types of related party transactions.

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(2) Significant transactions with related parties

(a) Loans

As of December 31, 2025								
	Numbers/Name	Highest Balance	Ending Balance	Compliance		Collaterals	Interest Revenue	The Difference Between Related and Non-related Party
				Performing Loans	Overdue Loans			
Employees consumption loans	70	49,731	31,777	31,777	-	Vehicle	897	None
Loans on mortgage	161	1,765,382	1,482,498	1,482,498	-	Real estate	33,426	None
Other loans	Related parties in substance							
	Shin Kong Chao Feng Co., Ltd.	756,000	738,000	738,000	-	Real estate	18,865	None
	Chia Ban Investment Co., Ltd.	190,000	190,000	190,000	-	Real estate	4,416	None
	China Investment And Development Co., Ltd.	195,000	195,000	195,000	-	Real estate	4,370	None
	Ruey Shin Enterprise Co., Ltd.	345,000	-	-	-	Real estate	567	None
	Taichung Bank Leasing Co., Ltd.	215,385	215,385	215,385	-	Notes	5,561	None
	WS Management Co.	171,300	-	-	-	Real estate, public trade stock	1,770	None
	Hung Family Enterprise Co., Ltd.	220,500	213,000	213,000	-	Real estate, public trade stock	4,089	None
	Related party A	210,000	210,000	210,000	-	Real estate	3,947	None
	Related party B	200,000	-	-	-	Real estate	1,480	None
	Others	260,900	201,887	201,887	-	Real estate, public trade stock	4,355	None

As of December 31, 2024								
	Numbers/Name	Highest Balance	Ending Balance	Compliance		Collaterals	Interest Revenue	The Difference Between Related and Non-related Party
				Performing Loans	Overdue Loans			
Employees consumption loans	29	31,878	25,122	25,122	-	Vehicle, public trade stocks	421	None
Loans on mortgage	95	982,221	826,221	826,221	-	Real estate	16,968	None
Other loans	Related parties in substance							
	Shin Kong Chao Feng Co., Ltd.	785,000	736,000	736,000	-	Real estate	19,456	None
	WS Management Co.	188,600	162,300	162,300	-	Real estate, public trade stocks	4,002	None
	Hung Family Enterprise Co., Ltd.	263,900	193,500	193,500	-	Real estate, public trade stocks	5,234	None
	Chia Ban Investment Co., Ltd.	290,000	180,000	180,000	-	Real estate	4,077	None
	Yuan Jen Enterprises Co., Ltd.	206,000	109,000	109,000	-	Real estate, public trade stocks	2,334	None
	Century Biotech Development Corporation	81,900	81,900	81,900	-	None	1,814	None
	The Great Taipei Gas Corporation	100,000	-	-	-	Real estate	183	None
	Pei-Tou Hotel Co., Ltd.	50,000	50,000	50,000	-	Public trade stocks	325	None
	Yung Kwang Co., Ltd.	50,000	50,000	50,000	-	Public trade stocks	325	None
	Others	73,500	20,000	20,000	-	Real estate, public trade stocks	1,164	None

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(b) Guarantee

As of December 31, 2025					
Company	Highest Balance	Ending Balance	Guarantee Reserve Balance	Ratio (%)	Collaterals
Related parties in substance					
Century Biotech Development Corporation	\$7,500	\$3,750	\$38	0.60	None
Taichung Bank Leasing Co., Ltd.	30,000	30,000	300	1.00	Notes
Ubright Optronics Corporation	6,623	6,623	66	0.75	Certificates of deposits
Total		<u>\$40,373</u>	<u>\$404</u>		

As of December 31, 2024					
Company	Highest Balance	Ending Balance	Guarantee Reserve Balance	Ratio (%)	Collaterals
Related parties in substance					
Yuan Jen Enterprises Co., Ltd.	\$105,000	\$65,000	\$650	0.50	Real estate, public trade stocks
Century Biotech Development Corporation	7,500	3,750	38	0.60	None
Total		<u>\$68,750</u>	<u>\$688</u>		

(c) The outright purchase and sale of bonds

Outright purchase

	For the years ended December 31			
	2025		2024	
	Par Value	Trading Value	Par Value	Trading Value
Fellow subsidiaries related to others				
MasterLink Securities Corporation	\$50,000	\$49,760	\$100,000	\$99,052
Taishin International Bank Co., Ltd.	-	-	50,000	49,676
Total	<u>\$50,000</u>	<u>\$49,760</u>	<u>\$150,000</u>	<u>\$148,728</u>

The outright purchase and sale of bonds will be traded at normal prices, that is, the interest rate is based on the prevailing market interest rate. The transaction was matched by the Electronic Bond Trading System of the Taipei Exchange.

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(d) Receivables

	<u>As of December 31,</u>	
	<u>2025</u>	<u>2024</u>
Fellow subsidiaries related to others		
SKLIC	<u>\$57,419</u>	<u>\$115,001</u>

Receivables from SKLIC were service fee revenue as of December 31, 2025 and 2024.

(e) Prepayments

	<u>As of December 31,</u>	
	<u>2025</u>	<u>2024</u>
Parent company		
TSFHC	<u>\$-</u>	<u>\$1,023</u>
Fellow subsidiaries related to others		
SKLIC	<u>5</u>	<u>5</u>
Related parties in substance		
SKM	9,341	8,725
Shinkong Co., Ltd.	7,856	14,517
TSKSC	4,520	4,593
Others	2,382	306
Subtotal	<u>24,099</u>	<u>28,141</u>
Total	<u>\$24,104</u>	<u>\$29,169</u>

Prepayments to TSFHC, SKLIC, Shinkong Co., Ltd., SKM and TSKSC were mainly prepaid repair and maintenance expenses, rent, insurance and other general and administrative expenses as of December 31, 2025 and 2024.

(f) Leases arrangements

Acquisition of right-of-use assets

	<u>For the years ended</u>	
	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Fellow subsidiaries related to others		
SKLIC	<u>\$46,101</u>	<u>\$74,678</u>

Modifications of lease agreement

The Company and the Great Taipei Gas Corporation agreed to change the contract of lease. For the year ended December 31, 2025, remeasurement from the right-of-use assets and lease liabilities was \$325 thousand.

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The Company and SKLIC agreed to change the contract of lease. For the year ended December 31, 2024, remeasurement from the right-of-use assets and lease liabilities was \$7,619 thousand.

Lease liabilities

	As of December 31,	
	2025	2024
Fellow subsidiaries related to others		
SKLIC	\$704,560	\$927,861
Related parties in substance		
The Great Taipei Gas Corporation	183,649	243,716
Total	\$888,209	\$1,171,577

Interest expense

	For the years ended December 31	
	2025	2024
Fellow subsidiaries related to others		
SKLIC	\$10,413	\$13,128
Related parties in substance		
The Great Taipei Gas Corporation	4,434	5,991
Total	\$14,847	\$19,119

(g) Deposits

Name of the related parties	As of December 31, 2025		
	Ending Balance	Interest Ratio	Interest Expense
Parent company			
TSFHC	\$279	0.00%~4.60%	\$18,918
SKFHC	-	0.00%~4.60%	59,134
Subtotal	279		78,052
Fellow subsidiaries related to others			
SKLIC	42,683,508	0.00%~1.76%	389,928
MasterLink Securities Corporation	5,790,282	0.00%~2.15%	64,753
MasterLink Futures Corporation	2,755,431	0.00%~4.40%	46,162
SKITC	437,638	0.00%~1.77%	5,188
SKLRESC	210,391	0.00%~1.77%	2,600
Taishin Securities Investment Trust Co., Ltd.	210,000	0.65%~1.70%	180

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As of December 31, 2025

Name of the related parties	Ending Balance	Interest Ratio	Interest Expense
Shin Kong Property Insurance Agency Co., Ltd.	116,477	0.00%~1.65%	797
Others	142,488		1,034
Subtotal	52,346,215		510,642
Related parties in substance			
SKM	2,667,627	0.00%~1.87%	21,554
Shinkong Insurance Co., Ltd.	2,150,566	0.00%~1.80%	41,351
Shin Hai Gas Corp.	1,117,255	0.00%~1.77%	16,612
Shin Kong Wu Ho-Su Memorial Hospital	1,089,559	0.00%~3.85%	8,596
Ruey-Shin Enterprise Co., Ltd.	1,063,474	0.00%~1.76%	6,867
The Great Taipei Gas Corporation	964,103	0.00%~1.76%	15,963
Century Development Corporation	713,805	0.65%~1.77%	6,475
The Ambassador Hotel Co., Ltd.	615,240	0.00%~1.76%	4,221
Chien Dou Investment Co.,Ltd	598,494	0.00%~1.76%	8,225
National Performing Arts Center	520,496	0.73%~1.76%	7,948
Shinkong Asset Management Co., Ltd.	411,530	0.00%~1.76%	1,769
JasperVilla Co., Ltd.	342,336	0.00%~1.75%	4,649
Yi-Kong Security Co., Ltd.	293,575	0.00%~1.76%	1,052
Hong Sin Development Co., Ltd.	275,391	0.00%~1.77%	4,601
Hung Shin Enterprise Co., Ltd.	269,804	0.00%~1.76%	3,494
Great Taipei Broadband Co., Ltd.	263,388	0.00%~1.76%	3,869
Shinsoft Co., Ltd.	230,283	0.00%~1.29%	1,028
Dah Chung Bills Finance Corp.	211,513	0.00%~1.76%	3,348
Shin Kong Hae Yang Co., Ltd.	175,782	0.00%~0.65%	285
Taiwan Security Co., Ltd.	144,423	0.00%~0.65%	1,072
Shinkong Synthetic Fibers Corporation	143,567	0.00%~4.00%	1,216
Shin Kong Recreation Co., Ltd.	143,042	0.00%~0.65%	825
Yi-Kong International Apartment Building Management and Maintenance Co., Ltd.	139,786	0.00%~0.65%	666
Taiwan Institute for Sustainable Energy	137,325	0.00%~1.76%	1,676
Shin Kong Wu Ho-Su Culture and Education Foundation	134,319	0.00%~1.77%	2,174
Tai-Po Service Technology Co., Ltd.	113,942	0.00%~1.77%	1,726
China Investment And Development Co.,Ltd.	102,040	0.00%~1.75%	1,072
Others	2,085,399		25,998
Subtotal	17,118,064		198,332
Other related parties	2,521,179		36,086
Total	\$71,985,737		\$823,112

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As of December 31, 2024			
Name of the related parties	Ending Balance	Interest Ratio	Interest Expense
Parent company			
SKFHC	\$2,617,750	0.00%~5.60%	\$73,479
Fellow subsidiaries related to others			
SKLIC	25,295,188	0.00%~1.75%	410,669
MasterLink Securities Corporation	4,336,203	0.00%~2.15%	55,329
MasterLink Futures Corporation	2,167,867	0.00%~5.30%	30,265
SKITC	176,579	0.00%~1.75%	1,294
SKLRESC	168,032	0.00%~1.52%	1,765
Others	224,934		2,039
Subtotal	32,368,803		501,361
Related parties in substance			
Shinkong Insurance Co., Ltd.	3,114,692	0.00%~1.80%	27,819
SKM	2,265,595	0.00%~1.87%	17,595
Shin Hai Gas Corp.	1,013,888	0.00%~1.76%	12,440
The Great Taipei Gas Corporation	998,294	0.00%~1.76%	13,351
Ruey-Shin Enterprise Co., Ltd.	485,235	0.00%~1.70%	5,369
Tong Shan Investment Co., Ltd.	472,708	0.00%~1.70%	4,906
Shin Kong Wu Ho-Su Memorial Hospital	414,379	0.00%~3.85%	7,244
Yi-Kong Security Co., Ltd.	260,525	0.00%~1.65%	1,329
Great Taipei Broadband Co., Ltd.	241,896	0.00%~1.70%	2,858
Shinsoft Co., Ltd.	205,314	0.00%~1.29%	944
Yi-Kong International Apartment Building Management and Maintenance Co., Ltd.	150,237	0.00%~0.65%	568
JasperVilla Co., Ltd.	149,515	0.00%~1.75%	1,909
Chi-Ye Chemical Engineering Co., Ltd.	148,769	0.00%~1.29%	1,254
Hong Tai Electric Industrial Co., Ltd.	135,317	0.00%~1.76%	1,352
Taiwan Security Co., Ltd.	130,764	0.00%~0.65%	941
Shin Kong Wu Ho-Su Culture and Education Foundation	128,153	0.00%~1.76%	1,982
Shinkong Asset Management Co., Ltd.	123,987	0.00%~1.76%	2,815
Taiwan Institute for Sustainable Energy	123,085	0.00%~1.76%	1,300
Tai-Po Service Technology Co., Ltd.	109,775	0.00%~1.65%	1,396
Mega Green Energy Corporation	101,050	0.53%~1.34%	1,200
Jinguang Industrial Company	100,377	0.53%~1.47%	848
Others	1,924,284		21,877
Subtotal	12,815,839		131,297
Other related parties	979,466		13,994
Total	\$48,781,858		\$720,131

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The transaction terms with related parties do not significantly differ from those with ordinary customers except for the employee deposit interest rate, which was 6.74% for both the years ended December 31, 2025 and 2024.

(h) Service fee revenue

	For the years ended	
	December 31	
	2025	2024
Fellow subsidiaries related to others		
SKLIC	\$2,496,015	\$1,868,574
Others	12,024	13,168
Subtotal	<u>2,508,039</u>	<u>1,881,742</u>
Related parties in substance		
Shinkong Insurance Co., Ltd.	34,861	33,057
Shin Kong Wu Ho-Su Memorial Hospital	12,621	11,860
SKM	8,675	10,523
Others	11,206	11,010
Subtotal	<u>67,363</u>	<u>66,450</u>
Total	<u>\$2,575,402</u>	<u>\$1,948,192</u>

The nature of transactions differed for each related party; therefore, the comparison is impractical.

(i) Service fee expense

	For the years ended	
	December 31	
	2025	2024
Fellow subsidiaries related to others		
MasterLink Securities Corporation	\$13,097	\$16,885
Taishin Securities Co., Ltd.	4,798	2,455
MasterLink Securities Investment Advisory Co., Ltd.	4,030	19,848
Others	172	256
Subtotal	<u>22,097</u>	<u>39,444</u>
Related parties in substance		
SKM	10,285	10,097
Shinkong Insurance Co., Ltd.	7,149	6,775
Others	1,681	2,095
Subtotal	<u>19,115</u>	<u>18,967</u>
Total	<u>\$41,212</u>	<u>\$58,411</u>

The nature of transactions differed for each related party; therefore, the comparison is impractical.

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(j) Lease transaction

Rent revenue and guarantee deposits received

	For the years ended December 31	
	2025	2024
Fellow subsidiaries related to others		
MasterLink Securities Corporation	\$1,472	\$1,487
Related parties in substance		
TSKSC	710	710
Taiwan Security Co., Ltd.	707	676
Subtotal	1,417	1,386
Total	\$2,889	\$2,873

As of December 31, 2025 and 2024, the guarantee deposits received from related parties are the following:

	As of December 31,	
	2025	2024
Fellow subsidiaries related to others		
MasterLink Securities Corporation	\$240	\$240
Related parties in substance		
TSKSC	163	163
Taiwan Security Co., Ltd.	119	119
Subtotal	282	282
Total	\$522	\$522

Rent expense and refundable deposits

	For the years ended December 31	
	2025	2024
Parent company		
SKFHC	\$-	\$2
Fellow subsidiaries related to others		
Taishin International Bank Co., Ltd.	4,869	4,571
SKLIC	2,727	1,490
MasterLink Futures Corporation	1,167	918
SKLRESC	168	1,360
Subtotal	8,931	8,339
Related parties in substance		
Taiwan Mobile Payment Corporation	2,847	-
The Great Taipei Gas Corporation	927	898
SKM	867	945
Others	384	420
Subtotal	5,025	2,263
Total	\$13,956	\$10,604

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The lease terms with related parties do not significantly differ from those with ordinary customers. The following are the details on the rent deposits:

	As of December 31,	
	2025	2024
Fellow subsidiaries related to others		
SKLIC	\$68,883	\$68,734
Others	3,198	2,901
Subtotal	<u>72,081</u>	<u>\$71,635</u>
Related parties in substance		
The Great Taipei Gas Corporation	16,289	16,236
Total	<u>\$88,370</u>	<u>\$87,871</u>

(k) Professional service fee

	For the years ended December 31	
	2025	2024
Fellow subsidiaries related to others		
SKLIC	\$4,436	\$6,469
MasterLink Securities Corporation	2,953	4,101
Others	1,918	1,690
Subtotal	<u>9,307</u>	<u>12,260</u>
Related parties in substance		
Jungshin Assets Management Co., Ltd.	2,131	-
Shin Kong Wu Ho-Su Memorial Hospital	16	30
Subtotal	<u>2,147</u>	<u>30</u>
Total	<u>\$11,454</u>	<u>\$12,290</u>

The nature of transactions with related parties does not significantly differ from those with ordinary customers.

(l) Other expense

	For the years ended December 31	
	2025	2024
Parent company		
SKFHC	\$575	\$1,150

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	For the years ended	
	December 31	
	2025	2024
Fellow subsidiaries related to others		
MasterLink Securities Corporation	190,556	187,332
SKLRESC	62,054	68,359
Others	24,103	23,503
Subtotal	276,713	279,194
Related parties in substance		
Yi-Kong Security Co., Ltd.	57,462	54,222
TSKSC	55,559	54,945
SKM	28,548	30,256
Yi-Kong International Apartment Building Management and Maintenance Co., Ltd.	25,588	24,381
Others	71,864	73,399
Subtotal	239,021	237,203
Total	\$516,309	\$517,547

The nature of transactions are mainly rental fee, security fee, cleaning fee and insurance and do not significantly differ from those with ordinary customers.

(m) Property and equipment

	For the years ended	
	December 31	
	2025	2024
Related parties in substance		
TSKSC	\$10,845	\$14,343
Others	1,274	438
Total	\$12,119	\$14,781

The Company purchased automated teller machine, camera, software and surveillance equipment from TSKSC, etc. The transaction price was decided by bid inviting.

(n) Other transactions

The Company and SKFHC, the former 100%-owner of the Company, adopted the consolidated income tax return system to file their consolidated income tax returns since January 1, 2006. However, due to the merger between the former parent company, SKFHC, and Taishin FHC, the consolidated income tax return system has no longer been applicable since January 1, 2025. For details of the merger, please refer to Note 1.

Receivables of \$17,768 thousand arising from the consolidated income tax return system for prior years were recognized as of December 31, 2025.

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(o) Guarantor of credit

	For the year ended December 31, 2025		
	Creditor	Highest Balance	Ending Balance
Key management personnel			
Related party A	Chia Ban Investment Co., Ltd	\$180,000	\$-
Related party B	Related party C	210,000	210,000
Total		<u>\$390,000</u>	<u>\$210,000</u>

	For the year ended December 31, 2024		
	Creditor	Highest Balance	Ending Balance
Key management personnel			
Related party A	Chia Ban Investment Co., Ltd	\$290,000	\$180,000
Related party D	SP International Company Ltd.	13,000	-
Total		<u>\$303,000</u>	<u>\$180,000</u>

(p) Compensation of directors, supervisors and key management personnel

	For the years ended December 31	
	2025	2024
Short-term benefits	\$145,122	\$140,755
Post-employment benefits	1,576	1,636
Other long-term benefits	49,046	38,000
Share-based payments	-	2,822
Termination benefits	10,129	-
Total	<u>\$205,873</u>	<u>\$183,213</u>

8. Assets pledged as security

As of December 31, 2025 and 2024, certain assets were pledged as collaterals. Details are summarized as follows:

	As of December 31,	
	2025	2024
Financial assets as FVTOCI - government bonds	\$5,535,000	\$5,535,000
Debt instruments measured at amortized cost - government bonds	30,000	30,000
Total	<u>\$5,565,000</u>	<u>\$5,565,000</u>

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Assets are pledged to guarantee deposits for the foreign exchange transaction clearing business, etc.

9. Significant contingencies and unrecognized contractual commitments

(a) As of December 31, 2025 and 2024, commitments and contingencies were summarized as follows:

	As of December 31,	
	2025	2024
Guarantees	\$33,022,961	\$27,831,838
Letters of credit	3,349,559	3,696,057
Trust liabilities	202,222,515	209,061,994
Loan commitments (excluding credit card)	366,827,242	349,267,297
Loan commitments - credit card	119,204,057	116,934,813

(b) According to Article 17 of the Implementation Rules of Trust Law, the Company should disclose its balance sheet and income statement of trust account and its asset items, which were as follows:

Trust Account Balance Sheet			
December 31, 2025			
Trust Asset	Amount	Trust Liability	Amount
Cash in banks		Securities under custody payable	
The principal deposits in the Bank	\$3,258,674	Securities under custody payable	\$18,175,685
Short-term investments		Trust capital	
Mutual fund	78,766,484	Funds and investment	129,018,733
Bond investments	48,131,366	Real estate trust	55,406,102
Securities under custody		Reserve and accumulated deficit	
Securities under custody	18,175,685	Accumulated deficit	(3,573,058)
Real estate		Exchange	1,160
Land	43,474,747	Net income	3,193,893
Construction in process	10,415,559		
Trust asset	<u>\$202,222,515</u>	Trust liability	<u>\$202,222,515</u>

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Trust Account Income Statement For the year ended December 31, 2025

	<u>Amount</u>
Trust income	
Interest revenue	\$16,062
Preferred stock dividend income	3,524,481
Gain on disposal of assets	1,454,637
Realized capital gain	<u>1,936,842</u>
Subtotal	<u>6,932,022</u>
Trust expense	
Management fee	(99,828)
Service fee	(157)
Loss on disposal of assets	(3,636,959)
Other fees	<u>(4)</u>
Subtotal	<u>(3,736,948)</u>
Income before income tax	3,195,074
Income tax expense	<u>(1,181)</u>
Net income	<u><u>\$3,193,893</u></u>

The summary of trust asset as of December 31, 2025 was as follows:

<u>Item</u>	<u>Amount</u>
Cash in banks	
The principal deposits in the Bank	\$3,258,674
Short-term investments	
Mutual fund	78,766,484
Bond investments	48,131,366
Securities under custody	
Securities under custody	18,175,685
Real estate	
Land	43,474,747
Construction in process	<u>10,415,559</u>
Total	<u><u>\$202,222,515</u></u>

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Trust Account Balance Sheet

December 31, 2024

Trust Asset	Amount	Trust Liability	Amount
Cash in banks		Securities under custody payable	
The principal deposits in the Bank	\$5,040,270	Securities under custody payable	\$30,474,349
Short-term investments		Trust capital	
Mutual fund	71,536,412	Funds and investment	123,251,800
Bond investments	47,223,786	Real estate trust	55,717,463
Common stock investments	1,038,808	Reserve and accumulated deficit	
Securities under custody		Accumulated deficit	(3,692,590)
Securities under custody	30,474,349	Exchange	777
Real estate		Net income	<u>3,310,195</u>
Land	43,177,210		
Building	6,906		
Construction in process	<u>10,564,253</u>		
Trust asset	<u>\$209,061,994</u>	Trust liability	<u>\$209,061,994</u>

Trust Account Income Statement

For the year ended December 31, 2024

	Amount
Trust income	
Interest revenue	\$15,663
Preferred stock dividend income	3,003,953
Gain on disposal of assets	1,860,145
Realized capital gain	<u>1,889,932</u>
Subtotal	<u>6,769,693</u>
Trust expense	
Management fee	(86,790)
Service fee	(331)
Loss on disposal of assets	(3,371,043)
Other fees	<u>(235)</u>
Subtotal	<u>(3,458,399)</u>
Income before income tax	3,311,294
Income tax expense	<u>(1,099)</u>
Net income	<u>\$3,310,195</u>

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The summary of trust asset as of December 31, 2024 was as follows:

Item	Amount
Cash in banks	
The principal deposits in the Bank	\$5,040,270
Short-term investments	
Mutual fund	71,536,412
Bond investments	47,223,786
Common stock investments	1,038,808
Securities under custody	
Securities under custody	30,474,349
Real estate	
Land	43,177,210
Building	6,906
Construction in process	10,564,253
Total	<u><u>\$209,061,994</u></u>

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Other

(a) Financial instruments

A. Categories of financial instruments

	<u>As of December 31,</u>	
	<u>2025</u>	<u>2024</u>
Financial assets		
Fair value through profit or loss (FVTPL)	\$127,315,335	\$87,923,519
Fair value through other comprehensive income (FVTOCI)	176,365,395	182,101,473
Amortized cost (1)	1,071,456,254	1,040,089,198
Financial liabilities		
Fair value through profit or loss (FVTPL)	5,367,479	7,551,327
Amortized cost (2)	1,293,607,384	1,230,270,877

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- 1) The balances include cash and cash equivalents, due from Central Bank and call loans to other banks, bills and bonds purchased under resell agreements, receivables, discounts and loans, debt investments measured at amortized cost and refundable deposits measured at amortized cost.
- 2) The balances include deposits from Central Bank and other banks, bills and bonds sold under repurchase agreements, payables, deposits and remittances, bank debentures, other financial liabilities and guarantee deposits received measured at amortized cost.

B. Fair value of financial instruments that are not measured at fair value

Except as detailed in the following table, management believes the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

Fair value hierarchy as of December 31, 2025

	Carrying Amount	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Amortized cost	\$62,706,916	\$11,100,042	\$51,329,146	\$-	\$62,429,188
<u>Financial liabilities</u>					
Amortized cost-Bank debentures	28,200,000	-	28,255,787	-	28,255,787

Fair value hierarchy as of December 31, 2024

	Carrying Amount	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Amortized cost	\$67,211,524	\$18,921,391	\$47,491,243	\$-	\$66,412,634
<u>Financial liabilities</u>					
Amortized cost-Bank debentures	28,200,000	-	28,172,218	-	28,172,218

The fair values of the financial assets and financial liabilities included in the Level 2 and Level 3 categories above have been determined in accordance with income approaches based on a discounted cash flow analysis, with the most significant unobservable inputs being the discount rate that reflects the credit risk of counterparties.

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C. Fair value of financial instruments that are measured at fair value on a recurring basis

A. Fair value hierarchy

Fair value measurement of financial instruments	December 31, 2025			
	Level 1	Level 2	Level 3	Total
<u>Non-derivative financial instrument</u>				
Assets				
Financial assets at FVTPL				
Bond investments	\$20,975,142	\$6,290,023	\$-	\$27,265,165
Negotiable certificates of deposits	84,040,430	-	-	84,040,430
Commercial paper	10,636,628	-	-	10,636,628
Financial assets at FVTOCI				
Equity instruments	4,728,974	-	453,928	5,182,902
Real estate investment trust	42,873	-	-	42,873
Bond investments	80,074,400	91,065,220	-	171,139,620
<u>Derivative financial instruments</u>				
Assets				
Financial assets at FVTPL	-	5,373,112	-	5,373,112
Liabilities				
Financial liabilities at FVTPL	-	5,367,479	-	5,367,479

Changes in Level 3 financial assets were as follows:

Unit: In thousands of New Taiwan Dollars

Item	Beginning Balance	Valuation Gains (Losses)	Increase		Decrease		Ending Balance
			Buy or Issue	Transfer in	Sell, Disposal	Transfer Out	
Financial assets at FVTOCI							
Unlisted shares	\$915,677	\$(460,964)	\$-	\$-	\$(785)	\$-	\$453,928

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Fair value measurement of financial instruments	December 31, 2024			
	Level 1	Level 2	Level 3	Total
<u>Non-derivative financial instrument</u>				
Assets				
Financial assets at FVTPL				
Stock investments	\$515,651	\$-	\$-	\$515,651
Bond investments	3,241,926	4,253,514	-	7,495,440
Negotiable certificates of				
deposits	69,544,433	-	-	69,544,433
Commercial paper	2,362,595	-	-	2,362,595
Others	105,232	-	-	105,232
Financial assets at FVTOCI				
Stock investments	3,975,174	-	915,677	4,890,851
Real estate investment trust	326,241	-	-	326,241
Bond investments	80,485,536	96,398,845	-	176,884,381
<u>Derivative financial instruments</u>				
Assets				
Financial assets at FVTPL	-	7,900,168	-	7,900,168
Liabilities				
Financial liabilities at FVTPL	-	7,551,327	-	7,551,327

Changes in Level 3 financial assets were as follows:

Unit: In thousands of New Taiwan Dollars

Item	Beginning Balance	Valuation Gains (Losses)	Increase		Decrease		Ending Balance
			Buy or Issue	Transfer in	Sell, Disposal	Transfer Out	
Financial assets at FVTOCI							
Unlisted shares	\$803,842	\$112,934	\$-	\$-	\$(1,099)	\$-	\$915,677

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B. The valuation techniques based on fair value

The fair values of financial assets and financial liabilities traded on active markets are determined with reference to quoted market prices. It includes foreign/domestic bonds, government bonds, stocks, commercial paper, beneficiary certificate and bank debentures. When market prices are not available, valuation techniques are applied. The financial data obtained by the Company for making estimations and assumptions for financial instrument valuation is consistent with those used by other market participants to price financial instruments.

The fair value of derivatives as foreign exchange forward contracts, cross-currency swap contracts and foreign exchange options traded on active markets are determined with reference to quoted market prices. When market prices are not available, the fair values of non-option derivatives are the present values of future cash flows discounted by the benchmark yield rate quoted in the market during the derivative duration. Fair values of option derivatives are based on estimates made using the option pricing model. The financial data obtained by the Company for making estimations and assumptions for financial instrument valuation is consistent with those used by other market participants to price financial instruments.

C. Valuation techniques and inputs applied for Level 2 fair value measurement

Financial instruments	Valuation techniques and inputs
Non-derivative financial instruments	
Bills investments, treasury bills	Discounted cash flow: Future cash flows are estimated based on contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Bond investments	Market evaluation: Market quotes provided and the Notional Amount of the contract by Bloomberg are used as bond evaluations.
Structured notes	Counterparty evaluation: According to the Yield Book, Bloomberg evaluation or other valuation methods that are consistent with academic and market practice.
Derivative financial instruments	
Options contracts	Model evaluation: The execution price, the maturity date and the market volatility, interest rate and exchange rate set by the contract are used as evaluation parameters. The model with closed solution is then used for evaluation.

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Financial instruments	Valuation techniques and inputs
Foreign exchange swap contracts, foreign exchange forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, repricing rate, discounted at a rate that reflects the credit risk of various counterparties.
Interest rate swap contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Cross-currency swap contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, repricing rate, discounted at a rate that reflects the credit risk of various counterparties.
Equity swap contracts	Counterparty evaluation: According to the Yield Book, Bloomberg evaluation or other valuation methods that are consistent with academic and market practice.

D. Valuation techniques and inputs applied for Level 3 fair value measurement

Financial instruments	Valuation techniques and inputs
Domestic unlisted equity investments	Net assets: Based on the company's net assets as the fair value. Market multiple: Considering the comparable transaction price of the stock in the active market, the corresponding net value multiplier and the liquidity discount ratio 30% to evaluate the fair value.

E. Sensitivity analysis of fair value regarding reasonable and possible alternative assumption within Level 3

The fair value measured by the Company of financial instruments is reasonable, although the use of different valuation models or parameters may lead to different results. For financial instruments classified in Level 3, if the liquidity discount ratio changes by 10%, the effects on other comprehensive income for the current period are as follow:

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As of December 31, 2025	Changes in fair value are reflected in other comprehensive income for the current period	
	Favorable changes	Adverse changes
Financial assets at FVTOCI - Stock investments	\$12,487	\$(12,487)

As of December 31, 2024	Changes in fair value are reflected in other comprehensive income for the current period	
	Favorable changes	Adverse changes
Financial assets at FVTOCI - Stock investments	\$39,243	\$(39,243)

The favorable and adverse changes of the Company refer to the fluctuation of fair value, and the fair value refers to the calculation of the technical calculation based on the unobservable input parameters of different degrees. If the fair value of a financial instrument is affected by more than one input parameter, the above table only reflects the impact of changes in a single input parameter and does not take into account the correlation and variability between input parameters.

D. Offsetting financial assets and financial liabilities

The Company did not hold financial instruments covered by Section 42 of the IAS 32 "Financial Instruments: Presentation" endorsed by the FSC; thus, it made an offset of financial assets and liabilities and reported the net amount in the balance sheet.

The Company engages in transactions on the following financial assets and liabilities that are not subject to balance sheet offsetting based on IAS 32 but are under master netting arrangements or similar agreements. These agreements allow both the Company and its counterparties to opt for the net settlement of financial assets and financial liabilities. If one party defaults, the other one may choose net settlement.

The netting information of financial assets and financial liabilities is set out below:

December 31, 2025

Financial assets	Gross amounts of recognized financial assets	Gross amounts of recognized financial assets set off in the balance sheet	Net amounts of financial assets presented in the balance sheet	Related amounts not set off in the balance sheet		Net amount
				Financial instruments (Note)	Cash collateral received	
Derivatives	\$5,373,112	\$-	\$5,373,112	\$-	\$384,089	\$4,989,023
Resale agreements	640,561	-	640,561	640,561	-	-

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Financial liabilities	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial liabilities set off in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Related amounts not set off in the balance sheet		Net amount
				Financial instruments (Note)	Cash collateral received	
Derivatives	\$5,367,479	\$-	\$5,367,479	\$-	\$2,479,476	\$2,888,003
Resale agreements	14,828,637	-	14,828,637	14,826,428	-	2,209

December 31, 2024

Financial assets	Gross amounts of recognized financial assets	Gross amounts of recognized financial assets set off in the balance sheet	Net amounts of financial assets presented in the balance sheet	Related amounts not set off in the balance sheet		Net amount
				Financial instruments (Note)	Cash collateral received	
Derivatives	\$7,900,168	\$-	\$7,900,168	\$-	\$155,386	\$7,744,782
Resale agreements	874,248	-	874,248	873,925	-	23

Financial liabilities	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial liabilities set off in the balance sheet	Net amounts of financial liabilities presented in the balance sheet	Related amounts not set off in the balance sheet		Net amount
				Financial instruments (Note)	Cash collateral received	
Derivatives	\$7,551,327	\$-	\$7,551,327	\$-	\$4,601,626	\$2,949,701
Resale agreements	10,319,230	-	10,319,230	10,319,230	-	-

Note: Include net delivery and non-cash collateral received.

E. Financial risk information

The risk management objectives of the Company are responsible for business performance objectives, overall risk appetite and external legal restrictions in order to achieve the goal of balancing risk and reward. The main risks faced by the Company operations include various credit risks, market risks (including interest rates, exchange rates, equity securities) and liquidity risks of on- and off-balance sheet businesses.

The Company has formulated a relevant risk management policy, which has been approved by the Board of Directors to effectively identify, measure, monitor and control credit risk, market risk and liquidity risk.

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I. Market risk

The financial instrument held or issued by the Company are affected by market risk factors such as interest rate (including credit risk spread), exchange rate, securities price, product price and its volatility, interaction correlation and market liquidity that made surplus, capital, value or operating capacity an adverse impact.

The market risk comes from the trading book and the bank book portfolio. The trading book portfolio refers to various financial products (including commodities) transactions that are undertaken for the purpose of the transaction, or those who intend to make profits from short-term price fluctuations, such as Self-operated business, market-making transactions, etc. A bank book portfolio established for long-lasting and not for the purpose of earning capital gains.

(a) Market risk management policy

Identifying market risk

The risk management unit shall clearly identify the source of the market risk of each type of transaction before the transaction is undertaken, and shall be stated in the relevant product guidelines document, and the market risk management unit shall independently perform the identification procedure.

Measuring market risk

Market risk management units use appropriate and consistent measurement methods to cover key sources of risk based on business characteristics and sources of risk. Risk measurement is intimately integrated with daily risk management as a reference for planning, monitoring and controlling market risk conditions.

The evaluation method and market price information shall be determined by the market risk management unit to calculate the profit and loss, risk factor sensitivity, risk value and stress test.

Monitoring

Market risk authority is a tool used to authorize and monitor the market risk assumed by the Company to ensure that market risk is in line with the Company's risk appetite. The establishment of authorization, approval, exception and overpass shall be subject to the relevant regulations of market risk management.

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Reporting

The market risk report is a risk communication tool. The market risk management unit reports risk management information to senior managers on a daily basis, and regularly reports the overall market risk status of the Company to the senior management and the board of directors. The risk strategy will adjust based on the market risk report.

(b) Market risk measurement

The Board of Directors determines the capital adequacy ratio and annual earnings target annually, and the expectation of market volatility to measure whether the risk and remuneration ratio is acceptable, and whether the risk assumed is in line with the Company's appetite. Besides, the Board of Directors approve the market risk operation authority that all transaction made by trading unit are conducted within the approved authority. The Company uses market risk factor sensitivity as a tool of market risk control.

i. Market risk management of trading book

Market risk sensitivity refers to the change in value of a unit due to a change in a specific market risk factor. Market risk factors are divided into interest rates, exchange rates, and prices of equity securities. The Company discloses the market risk arising from the trading positions of the Company by market risk sensitivity.

Risk Factor Sensitivity

a. Foreign exchange rate factor sensitivity, FX Delta

The net amount of the risk component of each currency at the balance sheet date, that is, the change in the present value of the currency when the change in the exchange rate of each currency is increased by 1%. The exchange rate risk component stated in the following table is not only directly generated from the foreign exchange derivative commodity, but also integrated into the spot foreign exchange trading position for the purpose of hedging and the spot location of each foreign currency.

b. Interest rate factor sensitivity

When the interest rate term structure of each evaluation yield curve paralleling up by 0.01% (1 basis point), the relative impact on the present value of future cash flows of interest rate spot trading positions and interest rate derivative commodity trading positions (DV01 or PVBP) will be made.

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c. Factor sensitivity of equity securities

The impact of changes in the value of the commodity portion when the spot price of the equity securities changes by 1%. Equity securities held by the Company include stocks, ETFs, etc.

		Unit: In thousands of New Taiwan Dollars	
		As of December 31,	
Market risk	Currency	2025	2024
Foreign exchange rate factor sensitivity (exchange rate increase 1%)	USD	\$1,496	\$587
	HKD	(1,391)	(422)
	CNY	334	36
	Other (Note)	(275)	(66)
Interest rate factor sensitivity DV01(+1bp)	USD	(624)	(305)
	TWD	(810)	70
	JPY	13	7
	Other (Note)	-	5
Equity securities factor sensitivity (stock price increase 1%)	TWD	-	5,157

Note: Other foreign currency is equivalent to TWD.

Stress Testing

Set extreme risk events or situations to make a significant change at a specific or a range of risk factors, volatility, or correlations to measure the potential significant impact on a portfolio or location. This is the way to redeem the risk values which cannot measure the tail risk.

ii. Interest rate risk of banking book, IRRBB

The interest rate risk source of the bank book includes the interest rate risk arising from the transactions of the business units, such as deposits and lending transactions, as well as the debts held by the business units which manage the liquidity risk of the bank, the spot parts of the tickets and their hedging position. The interest rate risk position is transferred to the centralized management of the bank book management unit under the Company's internal transfer pricing system (Fund Transfer Pricing, FTP). The risk management unit prepares risk reports regularly which includes interest rate sensitivity analysis, stress test results and limit usage analysis, and then reports to the Asset and Liability Management Committee and the Board of Directors. Management tools set as below.

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Repricing Gap report

Measures the amount and the duration of re-pricing assets and liabilities at each point in time to understand the allocation of interest rate risk.

Risk sensitivity of interest rate

a. Mismatch risk of asset-liability interest rate

The impact of a benchmark (0.01%) of interest rate changes on future net interest income is shown by 1 bp Δ NII. The net interest income (1bp Δ NII) analysis focuses on changes in interest payments over the next year.

b. Financial instrument interest rate risk

The DV01 measures the impact of a basic point of interest rate changes on the value of the site, and evaluates the market value of financial products to ensure that their impact on earnings or shareholders' equity is in line with the Company's risk appetite.

Stress testing

Evaluating the impact of the overall bank book position on the net economic value, in the context of large changes in interest rates. And compare the results with the capital to examine the allowable risk.

iii. Bank book equity securities risk

Bank Book Equity Securities Risk Definition refers to the impact of changes in the value of the commodity portion when the spot price of the equity securities for non-trading purposes changes by 1%. The market value of the financial product is evaluated to ensure its impact on earnings or shareholders' equity conforms to the Company's risk appetite.

Unit: In thousands of New Taiwan Dollars

Market risk	Currency	As of December 31,	
		2025	2024
Interest rate factor sensitivity DV01(+1bp)	TWD	\$(47,978)	\$(59,847)
	USD	(21,568)	(22,963)
	AUD	(1,860)	(1,009)
	Other (Note)	(829)	(1,292)
Equity securities factor sensitivity (stock price increase 1%)	TWD	52,258	52,171

Note: Other foreign currency is equivalent to TWD

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(c) Effect of interest rate benchmark reform

The Company is exposed to USD LIBOR which is subject to interest rate benchmark reform. The exposures arise on discounted and loans, financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, and debt investments measured at amortized cost. SOFR (Secured Overnight Financing Rate) has replaced USD LIBOR. There are key differences between USD LIBOR and SOFR. USD LIBOR is “forward looking”, which implies market expectation over future interest rates, and includes a credit spread over the risk-free rate. SOFR is currently a “backward-looking” rate, based on interest rates from actual transactions, and excludes a credit spread. To transition existing contracts and agreements that reference USD LIBOR to SOFR, adjustments for these differences might need to be applied to SOFR to enable the two benchmark rates to be economically equivalent.

The Company has completed the USD LIBOR transition plans, and all the affected financial instruments were transitioned to the other alternative rate.

II. Credit risk

Credit risk may be caused by counterparties' failure to perform their obligations associated with financial assets held by the Company. The Company follows a strict credit policy to assess and approve all credit lines and guarantees. The secured loans constituted 73.73% of the total loans on December 31, 2025. The percentage of guarantees and issuance of letters of credit secured by collaterals were 18.32%. The collaterals for loans, financing guarantees and letters of credit guarantees are cash, inventories, securities, plants and other assets. If the customers default on their loans, the Company will execute its rights on the collateral in accordance with the terms of the contracts.

In order to ensure that the credit risk control is within the tolerable range, the Company has relevant risk management policies, and has relevant business management methods or operation points and risk management mechanisms for the goods provided and the business it performs.

(a) Credit risk management program

The measurement and management of credit risks from the Company's main businesses are as follows:

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i. Loans business

The Company adopts the 12-month ECLs to evaluate the loss allowance of financial instruments whose credit risk do not increase significantly since initial recognition, and adopts the lifetime ECLs to evaluate the loss allowance of financial instruments whose credit risk has increased significantly since initial recognition or of that are credit-impaired. The credit quality of the Company to determine the discounted and loans is as follows:

Assessment of credit risk that has increased significantly since initial recognition

The Company assesses the change in the probability of default of loans during the lifetime on each reporting date to determine if the credit risk has increased significantly since the initial recognition. In order to make this assessment, the Company takes into consideration the reasonable and supportable information that the credit risk has increased significantly since the initial recognition (including forward-looking information). The main considerations include:

Quantitative indicators

- a. The TCRI rating of the listed cabinet company corresponding to the external rating has been reduced from the investment grade to the non-investment grade, that is, the credit risk has significantly increased since initial recognition.
- b. When the contract amount is overdue for more than one month, it is determined that the credit risk of the financial asset has increased significantly since initial recognition.

Qualitative indicators

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

Definition of default and credit impairment financial assets

The definition of financial asset default is the same as that of financial asset credit impairment. If one or more of the following conditions are met, the Company determines that the financial asset has defaulted and credit impairment:

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Quantitative indicators

- a. When the contract amount is overdue for a certain number of days.
- b. The credit amount of the debtor has been regarded as a delinquent loan.

Qualitative indicators

If there is evidence that the borrower will not be able to pay the contract, or that the borrower has significant financial difficulties, such as:

- a. The debtor has gone bankrupt or may have called for bankruptcy or financial restructuring.
- b. Due to the economic or contractual reasons associated with the debtor's financial difficulties, the debtor's creditors give the borrower an unconfirmed concession and report the overdue loan.
- c. It is known from external information that the debtor has experienced financial difficulties and needs to bargain with the Bank.
- d. The debtor is clearly insolvent.

Evaluation of expected credit losses

The Company classifies the loans into the following classification according to the characteristics of the loans:

Group	Evaluation	Classification		Application
1	Collective assessment	Corporate finance	Sufficient collateral	Loan case other than group 2
			Non-sufficient collateral or credit loans	
		Consumer finance	Credit loans	
			Auto loans	
			Mortgage	
Credit card				
2	Individual assessment	Corporate finance	Special collaterals	Note
		Consumer finance		

Note: Loans are classified as Group 2 if they obtain special collateral. Group 2 is assessed on the basis of a significant increase in credit risk or default and credit impairment, and the rest is assessed in accordance with Group 1.

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For the classification criteria of loans, the expected credit losses are assessed at each stage of each portfolio classification:

Impairment for expected credit loss (Probability of Default (PD) × Loss Given Default (LGD) × Exposure at default (EAD)), the application of PD is described as follows:

- a. Stage 1: The Company evaluates loss allowance of financial assets, which credit risk did not significantly increase after initial recognition, based on 12 months PD to evaluate expected credit losses.
- b. Stage 2: The Company evaluates loss allowance of financial assets, which credit risk significantly increased after initial recognition, based on lifetime expected credit losses, and calculates PD at each lifetime. If the cash flow of the contract in the future period (i.e., the default exposure amount of each period) can be assessed, the cash flow method is used to assess the expected credit losses. If the cash flow of each period cannot be assessed, then calculate the expected credit losses by the current mark-to-market method.
- c. Stage 3: The Company evaluates loss allowance of financial assets, which credit risk will be regarded as default, and the probability of default is regarded as 100%. PD at each lifetime will not be considered. Recoverable amounts will be applied to assess expected credit losses.

Consideration of forward - looking estimation

In considering the expected credit losses, the Company uses forward-looking economic factors that affect credit risk and expected credit losses to take forward-looking information into consideration. Forward-looking information is based on the Taiwan National Development Council's regular promulgation of the "Benefit Strategy Signal" of Taiwan's overall prosperity indicators as indicators, which are divided into the boom expansion period, contraction period and flat period. The Company judges the economic situation to adjust the default probability every quarter, and then incorporates into the overall expected credit loss assessment.

ii. Debt instrument investments

In order to reduce the credit risk of debt instrument investment, the Company management team assigns a dedicated team to establish a credit rating database to assess the default risk of debt instrument investments. The information on the evaluation of the independent rating agencies.

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The Company considers the historical default loss rate provided by the external rating agencies and the current financial status of the debtor to calculate 12 months and lifetime ECLs of financing commitments in debt instrument investments.

The securities held by the Company recognize the expected credit losses according to the expected credit losses during and lifetime ECLs of financing commitments. The credit quality of the Company's judgment securities is as follows:

Assessment of credit risk that has increased significantly since initial recognition

The Company assesses the change in the probability of default of debt instrument investments during the lifetime on each reporting date to determine if the credit risk has increased significantly since the initial recognition. In order to make this assessment, the Company considerations show reasonable and supportable information that the credit risk has increased significantly since the initial recognition. The main considerations include:

Qualitative indicators

- a. For debt instrument investments on the initial recognition date, the issuer's credit rating is below the non-investment grade and the credit rating of the reporting day has not changed.
- b. When the issuer's credit rating is a non-investment grade, the reported daily credit rating is reduced to a certain extent.

Quantitative indicators

- a. The credit rating of the issuer indicates that its credit risk has increased significantly.
- b. The fair value of the debt instrument investment was significantly adversely changed on the reporting date.

Definition of default and credit impairment financial assets

If the debt instrument investment meets one or more of the following conditions, it determines that the financial asset has defaulted and the credit is derogated.

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Qualitative indicators

- a. Debt instrument investment is a credit impairment bond when purchased.
- b. The credit rating of the issuer or debt instrument investment is at a default level on the reporting date.

Quantitative indicators

- a. The issuer modifies the issue conditions of the debt instrument investment due to financial difficulties or fails to pay the principal or interest according to the conditions of the issue.
- b. The issuer or the guarantee institution has ceased operations, applied for reorganization, bankruptcy, dissolution, and sale of major assets that have a significant impact on the company's continued operations.

Measurement of expected credit losses

- a. Debt instrument investment is classified in a group with similar type, the Company then assesses expected credit loss at each group by IFRS 9 impairment evaluation guide.
- b. Comparing the risk of default on the dated debt instrument with the default risk at the time of initial recognition, and considering the reasonable and corroborative information showing a significant increase in credit risk since the initial recognition, to determine whether the financial instrument's credit risk since the original recognition has increased significantly.
 - The Company evaluates loss allowance of financial assets, which credit risk did not significantly increase after initial recognition, based on 12 months PD to evaluate expected credit losses.
 - The Company evaluates loss allowance of financial assets, which credit risk significantly increased after initial recognition, based on lifetime expected credit losses, and calculates PD at each lifetime. If the cash flow of the contract in the future period (i.e., the default exposure amount of each period) can be assessed, the cash flow method is used to assess the expected credit losses. If the cash flow of each period cannot be assessed, then calculate the expected credit losses by the current mark-to-market method.

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- The Company evaluates loss allowance of financial assets, which credit risk will be regarded as default, and the probability of default is regarded as 100%. PD at each lifetime will not be considered. Recoverable amounts will be applied to assess expected credit losses.
- Debt instrument investment default probability is based on the value published by external credit rating agencies, and imply the possibility of future market fluctuations.

(b) Credit risk hedging or mitigation policies

i. Collaterals

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

The Company observes the value of the collateral of the financial instrument and considers the financial assets that are deducted from the credit impairment. The credit of financial assets that have been deducted and the value of collateral to mitigate potential losses on December 31, 2025, was as follows:

	Total Book Value	Allowance for Impairment	Exposure (Amortized Cost)	Fair Value of Collaterals
Credit-impaired financial assets:				
Discounts and loans	\$5,146,443	\$(1,412,045)	\$3,734,398	\$3,734,398
Receivables				
Credit card	69,703	(44,674)	25,029	-
Others	94,574	(80,914)	13,660	-
Other financial assets	6,604	(5,084)	1,520	-
Total	<u>\$5,317,324</u>	<u>\$(1,542,717)</u>	<u>\$(3,774,607)</u>	<u>\$3,734,398</u>

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The collateral which contains land and buildings obtained by the Company have been written off and recognized as collateral assumed (Note 6(14)) as of December 31, 2025. The collateral will be sold when it is available for sale. The collateral is classified as other assets in the balance sheet. The difference between the price and the carrying amount is recognized as net gain (loss) on the sale of collateral assumed under the net income item.

ii. Credit risk concentration limits and control

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

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

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

iii. Other credit enhancements

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

(c) Credit Risk Exposures

Objects of assessing credit risks are including positive fair value of contracts on balance sheet and off-balance sheet commitments.

Maximum exposure to credit risk of all financial instruments is the same as book value.

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i. Off-balance sheet exposure of credit risk

	As of December 31,	
	2025	2024
Guarantees	\$33,022,961	\$27,831,838
Letters of credit	3,349,559	3,696,057
Loan commitments (excluding credit card)	366,827,242	349,267,297
Loan commitments - credit card	119,204,057	116,934,813

ii. Risk concentration

When the other parties to the financial instruments consist of a single individual, or a concentration of entities with similar commercial activities, they may have similar abilities to fulfill their credit obligations. The Company does not have such situation. The Company's credit exposure related to loans on December 31, 2025 was classified as follows:

Industry	Contract amount	Maximum exposure of credit risk
Individuals	\$577,754,521	\$577,754,521
Finance and insurance	383,359,184	383,359,184
Manufacturing	113,287,346	113,287,346
Real estate and leasing	95,602,262	95,602,262
Wholesale and retail	45,958,396	45,958,396
Servicing	16,929,733	16,929,733
Utilities	134,666,717	134,666,717
Warehouse and transportation	2,438,776	2,438,776
Others	49,641,450	49,641,450
Total	\$1,419,638,385	\$1,419,638,385

Region	Contract amount	Maximum exposure of credit risk
Domestic	\$1,173,949,936	\$1,173,949,936
North America	64,541,717	64,541,717
Europe	94,937,890	94,937,890
Asia	62,398,404	62,398,404
Oceania	20,660,039	20,660,039
Africa	3,150,399	3,150,399
Total	\$1,419,638,385	\$1,419,638,385

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(d) Financial assets credit quality analysis

Part of financial assets held by the Company, such as cash and cash equivalents, due from Central Bank and call loans to other banks and financial assets at fair value through profit or loss are exposed to low credit risks because the counterparties have rather high credit ratings. Except for those mentioned above, the credit quality of the Company's remaining financial assets was analyzed as follows:

i. Credit quality analysis of discounted and loans and receivables:

December 31, 2025

Category	Discounts and loans				
	Stage 1	Stage 2	Stage 3	Difference of impairment loss	
	12-month ECLs	Lifetime ECLs	Lifetime ECLs	under regulations	Total
Consumer loans	\$448,196,283	\$13,166,101	\$3,218,216	\$-	\$464,580,600
Corporation loans	405,639,600	24,624,411	1,928,227	-	432,192,238
Total book value	853,835,883	37,790,512	5,146,443	-	896,772,838
Allowance for impairment	(2,034,548)	(1,416,346)	(1,412,045)	-	(4,862,939)
Difference of impairment loss under regulations	-	-	-	(6,674,705)	(6,674,705)
Total	\$851,801,335	\$36,374,166	\$3,734,398	\$ (6,674,705)	\$885,235,194

Category	Receivables and other financial assets				
	Stage 1	Stage 2	Stage 3	Difference of impairment loss	
	12-month ECLs	Lifetime ECLs	Lifetime ECLs	under regulations	Total
Credit card	\$7,984,616	\$514,301	\$69,703	\$-	\$8,568,620
Others	109,820,244	260,211	101,178	-	110,181,633
Total book value	117,804,860	774,512	170,881	-	118,750,253
Allowance for impairment	(30,769)	(49,296)	(130,672)	-	(210,737)
Difference of impairment loss under regulations	-	-	-	(198,821)	(198,821)
Total	\$117,774,091	\$725,216	\$40,209	\$ (198,821)	\$118,340,695

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Category	Loan commitment				
	Stage 1	Stage 2	Stage 3	Difference of impairment loss under regulations	Total
	12-month ECLs	Lifetime ECLs	Lifetime ECLs		
Guarantees	\$33,022,961	\$-	\$-	\$-	\$33,022,961
Letter of credit	3,339,386	10,173	-	-	3,349,559
Others	122,504,031	973,599	-	-	123,477,630
Total book value	158,866,378	983,772	-	-	159,850,150
Allowance for impairment	(111,984)	(2,202)	-	-	(114,186)
Difference of impairment loss under regulations	-	-	-	(365,571)	(365,571)
Total	\$158,754,394	\$981,570	\$-	\$(365,571)	\$159,370,393

December 31, 2024

Category	Discounts and loans				
	Stage 1	Stage 2	Stage 3	Difference of impairment loss under regulations	Total
	12-month ECLs	Lifetime ECLs	Lifetime ECLs		
Consumer loans	\$442,683,219	\$13,231,808	\$2,780,901	\$-	\$458,695,928
Corporation loans	362,508,485	31,682,677	1,622,857	-	395,814,019
Total book value	805,191,704	44,914,485	4,403,758	-	854,509,947
Allowance for impairment	(2,007,873)	(1,560,650)	(1,173,365)	-	(4,741,888)
Difference of impairment loss under regulations	-	-	-	(6,246,761)	(6,246,761)
Total	\$803,183,831	\$43,353,835	\$3,230,393	\$(6,246,761)	\$843,521,298

Category	Receivables and other financial assets				
	Stage 1	Stage 2	Stage 3	Difference of impairment loss under regulations	Total
	12-month ECLs	Lifetime ECLs	Lifetime ECLs		
Credit card	\$8,544,591	\$527,859	\$61,182	\$-	\$9,133,632
Others	111,540,212	526,075	734,969	-	112,801,256
Total book value	120,084,803	1,053,934	796,151	-	121,934,888
Allowance for impairment	(26,483)	(63,034)	(611,952)	-	(701,469)
Difference of impairment loss under regulations	-	-	-	(208,035)	(208,035)
Total	\$120,058,320	\$990,900	\$184,199	\$(208,035)	\$121,025,384

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Category	Loan commitment				
	Stage 1	Stage 2	Stage 3	Difference of impairment loss	
	12-month ECLs	Lifetime ECLs	Lifetime ECLs	under regulations	Total
Guarantees	\$27,831,838	\$-	\$-	\$-	\$27,831,838
Letter of credit	3,581,112	114,945	-	-	3,696,057
Others	117,110,506	969,084	-	-	118,079,590
Total book value	148,523,456	1,084,029	-	-	149,607,485
Allowance for impairment	(103,727)	(3,048)	-	-	(106,775)
Difference of impairment loss under regulations	-	-	-	(628,299)	(628,299)
Total	\$148,419,729	\$1,080,981	\$-	\$(628,299)	\$148,872,411

ii. Credit quality analysis of securities investment:

Debt instrument credit quality analysis

The breakdown below shows the debt instruments classified as FVTPL, FVTOCI and financial assets at amortized cost.

As of December 31, 2025	Financial asset at FVTOCI	Financial asset at amortized cost
Total book value	\$177,071,910	\$62,729,259
Allowance loss	(28,096)	(22,343)
Amortized cost	177,043,814	62,706,916
Fair value adjustment	(5,904,194)	-
Total	\$171,139,620	\$62,706,916

As of December 31, 2024	Financial asset at FVTOCI	Financial asset at amortized cost
Total book value	\$187,427,903	\$67,232,697
Allowance loss	(33,783)	(21,173)
Amortized cost	187,394,120	67,211,524
Fair value adjustment	(10,509,739)	-
Total	\$176,884,381	\$67,211,524

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The total book value of the current credit risk rating mechanism of the Company and the investments in debt instruments of each credit rating are as follows:

December 31, 2025

Credit rating	Definition	Recognition basis	Expected credit loss	Total book value
Normal (Stage 1)	The debtor has a low credit risk and is fully capable of paying off contractual cash flows	12-month expected credit losses	0.00%~0.15%	\$239,801,169
Abnormal (Stage 2)	Credit risk has increased significantly since the initial recognition	Lifetime expected credit losses (no credit impaired)		-
Default (Stage 3)	There is evidence that the credit is impaired.	Lifetime expected credit (credit impaired)		-

December 31, 2024

Credit rating	Definition	Recognition basis	Expected credit loss	Total book value
Normal (Stage 1)	The debtor has a low credit risk and is fully capable of paying off contractual cash flows	12-month expected credit losses	0.00%~0.33%	\$254,660,600
Abnormal (Stage 2)	Credit risk has increased significantly since the initial recognition	Lifetime expected credit losses (no credit impaired)		-
Default (Stage 3)	There is evidence that the credit is impaired.	Lifetime expected credit (credit impaired)		-

Debt instrument credit quality analysis as follow:

December 31, 2025

Category	Stage 1	Stage 2	Stage 3	Difference of impairment loss under regulations	Total
	12-month ECLs	Lifetime ECLs	Lifetime ECLs		
Domestic bond					
Investment grade	\$136,048,668	\$-	\$-	\$-	\$136,048,668
Non-investment grade	799,994	-	-	-	799,994
Foreign bond					
Investment grade	97,048,313	-	-	-	97,048,313
Total book value	233,896,975	-	-	-	233,896,975
Allowance for impairment	(50,439)	-	-	-	(50,439)
Difference of impairment loss under regulations	-	-	-	-	-
Total	\$233,846,536	\$-	\$-	\$-	\$233,846,536

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Category	Stage 1	Stage 2	Stage 3	Difference of impairment loss under regulations	Total
	12-month ECLs	Lifetime ECLs	Lifetime ECLs		
Domestic bond					
Investment grade	\$152,272,899	\$-	\$-	\$-	\$152,272,899
Non-investment grade	649,541	-	-	-	649,541
Foreign bond					
Investment grade	91,228,421	-	-	-	91,228,421
Total book value	244,150,861	-	-	-	244,150,861
Allowance for impairment	(54,956)	-	-	-	(54,956)
Difference of impairment loss under regulations	-	-	-	-	-
Total	\$244,095,905	\$-	\$-	\$-	\$244,095,905

With respect to debt investments at FVTOCI and measured at amortized measured cost invested by the Company, the information of changes in allowance is summarized as follows:

For the year ended December 31, 2025

The allowance information summarized according to the credit risk rating	Credit rating		
	Normal (12-Month ECLs)	Abnormal (Lifetime ECLs without credit impaired)	Default (Lifetime ECLs with credit impaired)
Beginning balance	\$54,956	\$-	\$-
Change credit rating			
Normal turned to abnormal	-	-	-
Abnormal turned to default	-	-	-
Default turned to write off	-	-	-
Purchase new debt instruments	5,208	-	-
Disposal	(7,887)	-	-
Model/risk parameter changes	-	-	-
Exchange rate and other changes	(1,838)	-	-
Ending balance	\$50,439	\$-	\$-

For the year ended December 31, 2024

The allowance information summarized according to the credit risk rating	Credit rating		
	Normal (12-Month ECLs)	Abnormal (Lifetime ECLs without credit impaired)	Default (Lifetime ECLs with credit impaired)
Beginning balance	\$50,011	\$-	\$-
Change credit rating			
Normal turned to abnormal	-	-	-
Abnormal turned to default	-	-	-
Default turned to write off	-	-	-
Purchase new debt instruments	11,669	-	-
Disposal	(6,748)	-	-
Model/risk parameter changes	-	-	-
Exchange rate and other changes	24	-	-
Ending balance	\$54,956	\$-	\$-

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III. Liquidity risk

Ratios of liquidity reserves of the Company were both 19% as of December 31, 2025 and 2024.

Liquidity risk means the risk that the Company could not provide enough capital to deal with either the increase in assets or payment of obligation upon maturity. The Company classifies the factor into the following classification according to the cause of the risk:

(a) Founding liquidity risk

Refers to the risk that the Company will be unable to monetize assets or obtain sufficient funds for dealing with the payment of obligation upon maturity.

(b) Market liquidity risk

Refers to the lack of market depth or presence of market disorder, which causes the Company to face the risk of a significant decline in market prices when it sells or offsetting the positions. Especially when market liquidity freezes, it is very likely that actual losses will be much greater than expected losses.

Management purpose and principle of liquidity risk

If the elimination of liquidity risks may be relatively costly, the purpose of liquidity management is to achieve a balance between surplus and risk within a tolerable range. The Company clearly defined the rights and responsibilities of each unit in accordance with relevant regulations on liquidity risk management, and through the procedures of identification, measurement, monitoring, and reporting as a mechanism for the liquidity risk management of the Company. The principles of management of liquidity risk for the Company are as follows:

(a) Principle of Diversification

The Company should avoid excessive concentration of funds on the same maturity date, scheduling tool, region, source of funds or counterparties.

(b) Principle of Stability

The Company should develop a strategy to obtain stable funding.

(c) Market Liquidity

The assets of each book should maintain proper market liquidity as the goodness of market liquidity will indirectly affect the funding liquidity.

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(d) Matching of the expiry date of assets and liabilities

Set the relevant indicators for monitoring the suitability of short-term and long-term objectives.

(e) Management of financing source

Reduce reliance on unstable financing sources such as large deposits and interbank lending.

(f) Management of financing needs

Control of payment commitments derived from loans business.

Measurement of liquidity risk

The Company formulates liquidity management indicators and management mechanisms for each major currency, mainly covering the following:

- (a) Current ratio
- (b) Analysis of funding gap
- (c) Structure of asset and liability
- (d) Concentration of funding sources

In addition, the Company standardizes management principles for fund requirements for off-balance-sheet transactions, large-capital notification mechanisms, early warning mechanisms, and formulates emergency plans for liquidity risks, as well as for liquid assets for financial asset positions held by the Company, sets allocation proportion and order of disposal according to liquidity attributes.

Stress testing

The stress test of liquidity risk is used to detect the ability of the Company to meet the funding gap under extreme adverse market conditions to ensure that the Company can withstand sudden events. The survival horizon and stress scenario of the Company's stress test contains at least:

- (a) General market pressure scenarios
- (b) Possible stress situations unique to the Company

Further, the Company to estimate the remaining funds during the survival horizon in each stress situation. If there is a negative funding gap or a significant liquidity slowdown during the survival horizon, it should be investigated in a timely manner, including capital injection and other means to increase the cash flow cover ratio.

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Maturity analysis of non-derivative financial liabilities

The following table presented the Company's non-derivative financial liabilities based on the residual maturities from the balance sheet date to the contract maturity date. The amounts used in the maturity analysis of off-balance sheet items are based on contractual cash flows, so some of these amounts may not correspond to those shown in the individual balance sheets.

As of December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Deposits from Central Bank and other banks	5,002,443	1,018,081	223,500	6,168,073	37	12,412,134
Bills and bonds sold under repurchase agreement	2,830,537	10,892,076	1,200,346	-	-	14,922,959
Payables	6,965,561	632,321	3,598,465	739,418	265,129	12,200,894
Deposits and remittances	211,659,014	149,981,343	139,916,461	270,680,137	408,298,121	1,180,535,076
Bank debentures	2,200,000	-	1,000,000	-	25,000,000	28,200,000
Lease liabilities	52,365	106,083	148,110	299,855	1,755,901	2,362,314
Other maturity items	2,682,841	854,581	697,840	1,046,533	41,994,820	47,276,615

As of December 31, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Deposits from Central Bank and other banks	\$2,164,657	\$1,018,082	\$223,503	\$11,078,137	\$66	\$14,484,445
Bills and bonds sold under repurchase agreement	3,343,977	7,039,487	-	-	-	10,383,464
Payables	6,397,204	1,190,871	1,171,382	700,717	283,123	9,743,297
Deposits and remittances	205,681,195	165,892,632	136,237,826	256,520,371	357,667,194	1,121,999,218
Bank debentures	-	-	-	-	28,200,000	28,200,000
Lease liabilities	51,199	105,534	157,419	317,155	2,090,383	2,721,690
Other maturity items	2,255,407	1,251,347	1,796,857	2,940,575	38,948,861	47,193,047

Maturity analysis of derivative financial liabilities

(a) Derivative instruments that settle on a net basis

The Derivative instruments that settle on a net basis include:

Foreign exchange derivative: Interest rate swap contracts.

We evaluate the expiry days of derivative instruments which are shown in the balance sheet. The amounts in the balance sheet are based on cash flow. Therefore, some amounts do not correspond to the individual balance sheet. The analysis as follows:

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As of December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial instrument at FVTPL						
Derivative	\$(38,560)	\$(94,769)	\$(65,485)	\$(110,674)	\$(494,836)	\$(804,324)

As of December 31, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial instrument at FVTPL						
Derivative	\$(74,851)	\$(149,360)	\$(139,023)	\$(222,580)	\$(1,182,685)	\$(1,768,499)

(b) Derivative instruments that settle on a gross basis

The derivative instruments that settle on a gross basis include:

Foreign exchange derivative: Foreign exchange forward contracts, foreign exchange swap contracts, foreign exchange options.

The Company conducted maturity analysis of off-balance sheet items based on the residual maturities as of the balance sheet dates. For the financial guarantee contracts issued, the maximum amounts of the guarantees are included in the earliest periods that the guarantee obligation might have been required to be fulfilled. The amounts used in the maturity analysis of off-balance sheet items are based on contractual cash flows, so some of these amounts may not correspond to those shown in the individual balance sheets.

As of December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial instrument at FVTPL						
Outflows	\$28,705,740	\$11,086,147	\$6,999,352	\$4,868,790	\$-	\$51,660,029
Inflows	28,298,593	10,943,211	6,730,993	4,601,756	-	50,574,553
Net flows	\$(407,147)	\$(142,936)	\$(268,359)	\$(267,034)	\$-	\$(1,085,476)

As of December 31, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial instrument at FVTPL						
Outflows	\$13,027,342	\$2,202,071	\$4,559,910	\$3,751,931	\$-	\$23,541,254
Inflows	12,727,009	2,110,744	4,359,812	3,607,955	-	22,805,520
Net flows	\$(300,333)	\$(91,327)	\$(200,098)	\$(143,976)	\$-	\$(735,734)

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IV. Maturity analysis of off-balance-sheet items

The following table presented the Company's off-balance-sheet items based on the residual maturities from the balance sheet date to the contract maturity date. For issued financial guarantee contracts, the maximum amount of the guarantee is included in the earliest period in which the guarantee could be called. The amounts used in the maturity analysis of off-balance sheet items are based on contractual cash flows, so some of these amounts may not correspond to those shown in the individual balance sheets.

As of December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Developed and irrevocable loan commitments	\$673	\$6,300	\$188,688	\$1,678,065	\$2,399,847	\$4,273,573
Irrevocable credit	-	498	26,691	115,594	1,536,553	1,679,336
Letters of credit	655,280	2,163,409	349,331	181,539	-	3,349,559
Guarantees	5,130,541	4,880,859	2,476,831	5,160,555	15,374,175	33,022,961
Total	\$5,786,494	\$7,051,066	\$3,041,541	\$7,135,753	\$19,310,575	\$42,325,429

As of December 31, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Developed and irrevocable loan commitments	\$-	\$-	\$-	\$-	\$1,144,777	\$1,144,777
Irrevocable credit	-	-	-	-	1,763,304	1,763,304
Letters of credit	765,242	2,476,959	280,212	22,926	150,718	3,696,057
Guarantees	4,118,715	5,445,173	1,248,784	4,031,349	12,987,817	27,831,838
Total	\$4,883,957	\$7,922,132	\$1,528,996	\$4,054,275	\$16,046,616	\$34,435,976

V. Cash flow and fair value risk of interest rate fluctuation

The floating-rate assets/liabilities held by the Company may take risks of future cash inflow/outflow. The Company mitigates the cash outflow risks by controlling the interest sensitivity gap.

(b) Capital management

A. Capital management target and procedure

Purpose of capital management is to reach criteria set by administration, implement capital management procedure, and upgrade capital perform efficiency to reach maximum of organization purpose.

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The Company's capital planning accounts for short-term and long-term capital requirements. The Company makes yearly capital planning based on operation planning, current and forecast future capital requirements, and promised returns for shareholders. The Company also makes back-up plan to meet the capital requirements not included in the planning. The Company also regularly conducts stress tests and scenario simulation analyses to calculate different capital ratios (common equity ratio, Tier 1 capital ratio, and capital adequacy ratio), fully taking into account of external conditions and other factors, including potential risks, changes in financial markets, and other events impacting risk taking capabilities, to make sure that the Company can maintain adequate capital in case of detrimental events and huge market changes.

Planning for yearly earnings distribution follows the principles and ratios mandated by articles of incorporation and dividend policy, and are put into effect after being approved by the Board of Directors and Shareholders' meeting. The Company's capital adequacy, potential investment needs, and dividend amount of previous years are taken into account. The needs to maintain proper financial ratios and satisfy capital requirement of the parent company are also preconditions of the distribution.

B. Capital definition and standard

The administration of the Company is Financial Supervisory Commission, and follows principles of capital adequacy management.

The Banking Act and related regulations require that the Bank maintains both standalone and consolidated ratios of regulatory capital to risk-weighted assets (including ratio of the common equity to risk-weighted assets, ratio of Tier 1 capital to risk-weighted assets and capital adequacy ratio (CAR)) should comply with the minimum ratio requested by authorities.

C. Self-owned capital

Self-owned capital of the Company is divided into Tier I capital and Tier II capital according to "Administrative Measures for Bank Capital Adequacy and Capital Grade".

A. The term "Net Tier 1 Capital" shall mean the aggregate amount of net Common Equity Tier 1 and net additional Tier 1 Capital.

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The common equity Tier 1 capital consists of the common equity that reduces intangible assets, the deferred tax assets due to losses from the previous year, the insufficiency of operation reserves and loan loss provisions, the revaluation surplus of real estate, unamortized losses on sales of non-performing loans, and the statutory adjustment items calculated in accordance with other rules for calculation methods. The common equity Tier 1 capital shall mean the sum of the common stock and additional paid-in capital in excess of par - common stock, the capital collected in advance, the capital reserves, the statutory surplus reserves, the special reserves, the accumulated profit or loss, the non-controlling interests and the other items of interest.

The range of additional Tier 1 capital shall mean the total amount of the following items reduces the total amount of the deductible items in accordance with the rules for calculation methods.

- a. Non-cumulative perpetual preferred stock and its capital stock premium.
 - b. Non-cumulative perpetual subordinated debts.
 - c. The non-cumulative perpetual preferred stock and its capital stock premium, and the non-cumulative perpetual subordinated debts which are issued by banks' subsidiaries, and are not directly or indirectly held by banks.
- B. The range of Tier 2 capital shall mean the total amount of the following items reduces the total amount of the deductible items in accordance with the rules for calculation methods.
- a. Cumulative perpetual preferred stock and its capital stock premium.
 - b. Cumulative perpetual subordinated debts.
 - c. Convertible subordinated debts.
 - d. Long-term subordinated debts.
 - e. Non-perpetual preferred stock and its capital stock premium.

When the real estate was adopted by the International Financial Reporting Standards for the first time and used the fair value or the re-estimated value as the deemed cost. The difference in amount between the deemed cost and the book value was recognized in retained earnings, the 45% of unrealized gain on financial assets at FVTOCI, as well as operational reserves and loan-loss provisions.

The cumulative perpetual preferred stock and its capital stock premium, cumulative perpetual subordinated debts, convertible subordinated debts, long-term subordinated debts, and the non-perpetual preferred stock and its capital stock premiums which are issued by banks' subsidiaries, and are not directly or indirectly held by banks.

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When a bank reports its capital adequacy ratio according to the regulations, the competent authority shall examine its capital category in accordance with the provisions of these regulations on the calculation of capital adequacy ratio.

When a bank's capital is graded as inadequate capital, significantly inadequate capital or seriously inadequate capital by the competent authority's examination, the competent authority shall take prompt corrective actions in pursuant to Sections 1 to 3, Paragraph 1, Article 44-2 of the Act.

The government regulations are formulated in accordance with the Basel Accord. The followings are the content of the Basel Accord and the implementation of the Company.

I. The First Pillar

The first pillar contains the capital requirements for credit risks, market risks and operation risks.

- (a) Credit risks refer to the default risk resulted from the counterparties. The credit risk is derived from the assets, liabilities or off-balance sheet items. There are two measurement methods, the Standardized Approach and the Internal Ratings-Based Approach (the IRB). The Bank and its subsidiary use the Standardized Approach.
- (b) Market risks refer to the loss due to the changes of the market price, such as the changes of the market interest rate, the exchange rate, the stock price and the product price. There are two measurement methods, the Standardized Approach and the Internal Model Approach. The Bank and its subsidiary use the Standardized Approach.
- (c) Operation risks refer that the Bank has loss caused by the internal operations, the employee's faults, the system errors or external events. The operation risks include legal risks but exclude strategy risks and reputation risks. The measurement methods are the Basic Indicator Approach, the Standardized Approach, the Alternative Standardized Approach and the Advanced Measurement Approach. The Bank has adopted the Basic Indicator Approach since the first quarter of 2015 after obtaining the approval from the authorities.

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II. The Second Pillar

The second pillar is used to ensure that each bank has sufficient internal assessment procedures and each bank can understand the capital adequacy through complete risk measurements. At the same time, it also uses proper supervisory operations to ensure the regulatory capital accord with the whole risk characteristics. The Bank and its subsidiary report the capital adequacy measurements and the risk management situations to the competent authority with related information.

III. The Third Pillar

The third pillar is related to the market discipline. It requires banks to disclose more information about the risks, the capital and the risk managements according the new Basel Accord in order to increase their information transparency. As a result, the Company has offered the “Information of the Capital Adequacy and the Risk Managements” in our website to disclose the qualitative data and the quantitative data.

(c) Exchange rate information of foreign-currency financial assets and liabilities

Unit: Foreign currencies/In thousands of New Taiwan Dollars

	As of December 31, 2025		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$5,280,799	31.45	\$166,070,577
AUD	362,706	21.02	7,625,725
CNY	1,466,927	4.50	6,600,224
JPY	32,576,200	0.20	6,542,897
ZAR	2,453,355	1.90	4,650,818
<u>Non-monetary items</u>			
USD	89,935	31.45	2,828,271
ZAR	292,269	1.90	554,053
HKD	56,649	4.04	228,877
<u>Financial liabilities</u>			

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(Expressed in thousands of New Taiwan Dollars, unless otherwise specified)

<u>Monetary items</u>			
USD	6,035,731	31.45	189,811,675
AUD	311,202	21.02	6,542,879
JPY	32,005,406	0.20	6,428,254
CNY	1,415,116	4.50	6,367,105
ZAR	2,880,380	1.90	5,460,328
<u>Non-monetary items</u>			
USD	100,371	31.45	3,156,454
ZAR	292,419	1.90	554,338
HKD	26,744	4.04	108,054
AUD	2,761	21.02	58,048

Unit: Foreign currencies/In thousands of New Taiwan Dollars

As of December 31, 2024

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>New Taiwan Dollars</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$5,051,260	32.78	\$165,585,346
CNY	1,633,147	4.48	7,312,889
JPY	32,997,138	0.21	6,924,086
HKD	1,623,897	4.22	6,856,650
AUD	290,594	20.40	5,927,060
<u>Non-monetary items</u>			
USD	170,995	32.78	5,605,374
ZAR	279,916	1.75	490,119
AUD	4,643	20.40	94,694
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	5,867,730	32.78	192,350,073
CNY	1,667,417	4.48	7,466,343
JPY	33,032,493	0.21	6,931,505
ZAR	3,375,796	1.75	5,910,861
HKD	1,259,371	4.22	5,317,494
<u>Non-monetary items</u>			
USD	171,995	32.78	5,638,163
ZAR	280,003	1.75	490,271
AUD	4,489	20.40	91,563

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(Expressed in thousands of New Taiwan Dollars, unless otherwise specified)

(d) Allocation of revenue, cost, expense and net income in the intercompany transactions

In order to expand the economic scale and utilize the benefits of the group's resources, TSFHC and its subsidiaries will jointly promote the business or share part of the business equipment and premises. Their income and expense allocation methods are directly attributable to the subsidiaries according to the nature of the business, or apportion the benefits to the respective companies in other reasonable ways.

(e) Risk control and hedge strategy

The risk control activities and hedge strategy of the Company are affected by the customer-oriented nature of the banking industry and the restrictions of law. Under this circumstance, an all-around and total risk management and control system has been implemented to recognize, measure and control all the risks of the Company.

The market risk management objective is to hold the best risk position, maintain adequate liquidity and concentrate on all market risks by thoroughly studying the risk factors including economic environment, competitive situation, market value risk and the influence on net interest revenue; therefore, to avoid net cash flow and market value risks, cash flow hedge and fair value hedge are the main hedge strategy of the Company.

The Company uses two types of hedging relationship to manage the risks: Cash flow hedge and fair value hedge. Cash flow hedge is used to avoid interest rate risk, and fair value hedge is used to reduce market value risk.

Fair value hedge involves transfer of fixed income or structured transaction to floating income. The Company uses fair value hedge to transfer non-monetary-linked bonds to become monetary-linked bonds following the current policy. The Company set up the strategy of fair value hedge of interest rate exposure to hedge certain loans, deposits, and fixed interest or structured liabilities. The Company primarily uses interest rate swap to hedge fair value risk. In addition, cross-currency swaps, swap options, interest rate caps and floors, and other derivatives may be used as hedging instruments.

To hedge interest rate risk, a great part of the Company's financial instruments are fixed-interest-rate instruments. The Company also transferred instruments linked to the money market to fixed-interest-rate instruments. Interest rate swap contracts are the prime hedging instruments against interest rate fluctuations. In addition, cross-currency swaps, swap options, interest rate caps and floors, and other derivatives may be used by the Company as hedging instruments.

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13. Other disclosure(1) Information on significant transaction

- (a) Accumulated purchases or sales of the same investee's shares totaling NT\$300 million or 10% or more of paid-in capital: None.
- (b) Acquisition of real estate totaling NT\$300 million or 10% or more of paid-in capital: None.
- (c) Disposal of real estate totaling NT\$300 million or 10% or more of paid-in capital: None.
- (d) Fee discounts on transactions with related parties totaling NT\$5 million or more: None.
- (e) Receivable from related parties totaling NT\$300 million or 10% or more of paid-in capital: None.
- (f) Information regarding the sale of non-performing loans: None.
- (g) Types of securitized products and related information applied for and approved pursuant to the Financial Asset Securitization Act or the Real Estate Securitization Act: None.
- (h) Other significant transactions that may affect the decisions of the users of the individual financial statements: None.

(2) Information on the Company's investees

- (a) Information on invested enterprise: None.
- (b) Lending to others (Note): None.
- (c) Endorsements/guarantees to others (Note): None.
- (d) Marketable securities held at the end of the period (Note): None.
- (e) Cumulative amount of purchases or sales of the same investee's securities totaling NT\$300 million or 10% or more of paid-in capital (Note): None.
- (f) Investee companies' derivative transactions: None.
- (g) Acquisition of real estate totaling NT\$300 million or 10% or more of paid-in capital: None.
- (h) Disposal of real estate totaling NT\$300 million or 10% or more of paid-in capital: None.
- (i) Fee discounts on transactions with related parties totaling NT\$5 million or more: None.
- (j) Receivable from related parties totaling NT\$300 million or 10% or more of paid-in capital: None.
- (k) Information regarding the sale of non-performing loans: None.
- (l) Types of securitized products and related information applied for and approved pursuant to the Financial Asset Securitization Act or the Real Estate Securitization Act: None.
- (m) Other significant transactions that may affect the decisions of the users of the individual financial statements: None.

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Note: Not applicable or not required for disclosure if the investee is a financial institution, insurance company, or security company.

(3) Information on investments in Mainland China

None.

(4) Other supplemental disclosure information

- (a) Quality of assets: Please refer to Attachment 1.
- (b) Non-performing loans or overdue accounts receivable exempted from report: Please refer to Attachment 2.
- (c) Concentration of credit risk: Please refer to Attachment 3.
- (d) Interest rate sensitive assets and liabilities analysis table: Please refer to Attachment 4 and Attachment 4-1.
- (e) Profitability: Please refer to Attachment 5.
- (f) Maturity date structure analysis table: Please refer to Attachment 6 and Attachment 6-1.
- (g) Capital adequacy: Please refer to Attachment 7.

14. Segment information

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The Company's reportable segments under are therefore as follows:

(1) Segment revenues and results

The analysis of the Company's revenue and results from continuing operations by reportable segment was as follows:

	For the year ended December 31			
	2025			
	Commercial	Personal	Others	Total
Net interest income	\$5,624,345	\$5,940,087	\$2,684,030	\$14,248,462
Net income excluding interest income	737,269	4,957,300	2,466,481	8,161,050
Net revenue	6,361,614	10,897,387	5,150,511	22,409,512
Bad debt expense and provision for losses on commitments and guarantees	(980,421)	(705,822)	280,449	(1,405,794)
Operating expenses	(3,307,164)	(5,536,236)	(4,975,814)	(13,819,214)
Income before income tax	\$2,074,029	\$4,655,329	\$455,146	\$7,184,504

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	For the year ended December 31			
	2024			
	Commercial	Personal	Others	Total
Net interest income	\$4,859,509	\$6,079,500	\$3,092,939	\$14,031,948
Net income excluding interest income	678,000	4,402,153	2,331,544	7,411,697
Net revenue	5,537,509	10,481,653	5,424,483	21,443,645
Bad debt expense and provision for losses on commitments and guarantees	(504,560)	(1,033,210)	236,723	(1,301,047)
Operating expenses	(2,313,379)	(5,545,496)	(3,341,355)	(11,200,230)
Income before income tax	\$2,719,570	\$3,902,947	\$2,319,851	\$8,942,368

(2)Segment assets

	As of December 31,	
	2025	2024
Segment assets		
Commercial	\$413,846,125	\$378,487,176
Personal	474,620,772	469,784,302
Others	498,201,347	473,621,680
Total assets	\$1,386,668,244	\$1,321,893,158

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Attachment 1
Non-performing Loans and Overdue Accounts Receivable

Unit: In Thousands of New Taiwan Dollars, %

Year / month	December 31, 2025					December 31, 2024				
	Non performing loan (NPL) amount (Note 1)	Total amount of loans	NPL ratio (Note 2)	Amount of bad debt allowance	Allowance for bad debt coverage rate (Note 3)	Non performing loan (NPL) amount (Note 1)	Total amount of loans	NPL ratio (Note 2)	Amount of bad debt allowance	Allowance for bad debt coverage rate (Note 3)
Corporate banking	\$164,025	\$237,504,328	0.07%	\$2,451,800	1494.77%	\$663,111	\$209,311,102	0.32%	\$2,190,894	330.40%
	141,205	194,557,718	0.07%	2,411,384	1707.72%	7,819	186,224,664	0.00%	1,979,102	25311.73%
Residential mortgage loan (Note 4)	151,583	200,718,327	0.08%	3,101,031	2045.76%	37,622	202,213,279	0.02%	3,145,893	8361.78%
Consumer banking	-	87	-	87	-	-	147	-	142	-
Small credit loans (Note 5)	261,748	38,737,983	0.68%	1,168,485	446.42%	132,601	47,274,108	0.28%	1,411,388	1064.38%
Others (Note 6)	377,194	222,888,536	0.17%	2,378,778	630.65%	169,301	207,890,928	0.08%	2,244,436	1325.71%
	1,975	2,235,667	0.09%	26,079	1320.46%	808	1,317,466	0.06%	16,794	2077.35%
Total amount	1,097,730	896,442,646	0.12%	11,537,644	1051.05%	1,011,262	854,231,694	0.12%	10,988,649	1086.63%
Credit card	18,189	8,581,536	0.21%	197,278	1084.60%	15,275	9,147,763	0.17%	198,154	1297.26%
Non-recourse receivables factoring business (Note 7)	-	1,193,295	-	65,558	-	-	617,501	-	16,208	-

Note 1: The non-performing loan is the overdue amount reported in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual

The non-performing credit card amount is reported according to Jin-Guan-Yin-(IV)-Zi Letter No.0944000378, dated July 6, 2005.

Note 2: Non-performing loan ratio = Non-performing loan/total loan amount. Non-performing credit card ratio = Non-performing amount/balance of accounts receivable.

Note 3: Coverage ratio of allowance for bad debt = Allowance for bad debt appropriated for loans/NPL amount. Coverage ratio of allowance for bad debt of credit card = Allowance for bad debt appropriated for credit card receivables/NPL amount.

Note 4: The residential mortgage loan refers to the borrower providing the resident purchased (owned) by the borrower of his/her spouse or minors as collateral to financial institutions in exchange for funds in order to purchase or construct or furnish houses.

Note 5: Small credit loans refer to small credit loans other than credit cards and cash cards. These are also subject to Jin-Guan-Yin-(IV)-Zi Official Letter No. 09440010950 dated, dated December 19, 2005.

Note 6: "Other" consumer finance refers to secured or unsecured consumer finance loans other than residential mortgage loans, cash cards, and small credit loans, excluding credit cards.

Note 7: The accounts receivable business without recourse are reported as non-performing loans within three months upon confirming that the accounts receivable factoring banks or insurance companies decline to compete accordance with the Jin-Guan-Yin-(V)-Zi No. 094000494 Official Letter dated July 19, 2005.

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Attachment 2

Non-performing Loans or Overdue Accounts Receivable Exempted from Report

Unit: In Thousands of New Taiwan Dollars

	December 31, 2025		December 31, 2024	
	Total NPL exempted from report	Total non-performing receivable accounts	Total NPL exempted from report	Total non-performing receivable accounts
Exempted amount after a debt negotiation and contractual performance (Note 1)	\$608	\$21,150	\$1,036	\$29,143
Performance of debt clearance program and rehabilitation program (Note 2)	230,578	203,099	204,716	189,706
Total	\$231,186	\$224,249	\$205,752	\$218,849

Note 1: For the Jin-Guan-Yin-(I)-Zi No. 09510001270 Official Letter dated April 25, 2006. It is regarding the matters to be disclosed additionally according to the credit reporting methods and information disclosure requirement of the cases approved according to the "Unsecured Debt Negotiation Mechanism for Consumer Finance Cases of the Bankers Association of the Republic of China."

Note 2: For the Jin-Guan-Yin-(I)-Zi No 09700318940 Official Letter dated September 15, 2008. It is regarding the matters to be disclosed additionally according to the credit reporting and information disclosure requirements of the pre-negotiation, rehabilitation, and liquidation cases approved according to the "Consumer Debt Clearance Act."

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Attachment 3

Concentration of Credit Risk

Unit: In Thousands of New Taiwan Dollars, %

Year Ranking (Note 1)	December 31, 2025		December 31, 2024			
	Industry that Company or Group is engaged in (Note 2)	Total credit balance (Note 3)	As a percentage to current net value (%)	Industry that Company or Group is engaged in (Note 2)	Total credit balance (Note 3)	As a percentage to current net value (%)
1	Group A (016811 Real Estate Activities for Sale and Rental with Own or Leased Property)	\$5,848,476	7.13	Group A (016811 Real Estate Activities for Sale and Rental with Own or Leased Property)	\$5,532,712	7.13
2	Group B (016811 Real Estate Activities for Sale and Rental with Own or Leased Property)	4,423,337	5.39	Group B (016811 Real Estate Activities for Sale and Rental with Own or Leased Property)	5,103,337	6.58
3	Group C (016700 Real Estate Development Activities)	3,892,198	4.74	Group E (016811 Real Estate Activities for Sale and Rental with Own or Leased Property)	3,948,252	5.09
4	Group D (011810 Manufacture of Raw Chemical Material)	3,856,655	4.70	Group D (011810 Manufacture of Raw Chemical Material)	3,709,854	4.78
5	Group E (016811 Real Estate Activities for Sale and Rental with Own or Leased Property)	3,576,838	4.36	Group K (016700 Real Estate Development Activities)	3,296,151	4.25
6	Group F (016499 Other Financial Service Activities Not Elsewhere Classified)	3,304,832	4.03	Group F (016499 Other Financial Service Activities Not Elsewhere Classified)	3,179,227	4.10
7	Group G (011129 Weaving of Other Textiles)	3,240,000	3.95	Group C (016700 Real Estate Development Activities)	3,099,102	3.99
8	Group H (016700 Real Estate Development Activities)	3,136,981	3.82	Group G (011129 Weaving of Other Textiles)	3,000,000	3.87
9	Group I (016691 Investment Advisory Services)	3,015,717	3.68	Group L (016700 Real Estate Development Activities)	2,925,943	3.77
10	Group J (016700 Real Estate Development Activities)	2,995,940	3.65	Group M (016700 Real Estate Development Activities)	2,767,400	3.57

Note 1: Ranked according to the total credit balance of the debtors. Please list the names of the top 10 debtors that are not government agencies or state-owned enterprises. If the debtor is an enterprise of the Group, the credit amount of said enterprise should be attributed and included in the total amount, as well as disclosed in the form of "code" "industry" [for example: Company (or Group) A Manufacture of Liquid Crystal Panel and Components]. For an enterprise of the Group, the industry with the highest risk exposure to the enterprise of the Group should be disclosed. The industry should be classified in the "detailed category" according to the Standard Industrial Classification System of the Republic of China as issued by the Directorate-General of Budget, Accounting and Statistics.

Note 2: The group refers to those defined in Article 6 of the Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Review of Securities Listings.

Note 3: The total credit balance refers to the total amount of various loans (including import bill advance, export bills negotiations, discounts, overdrafts, short-term loans, securities receivables factoring, mid-term loans, mid-term secured loans, long-term secured loans, collection), inward remittance, non-recourse receivables factoring, remittance receivables, and guarantee balances.

Notes to the individual financial statements of Taiwan Shin Kong Commercial Bank Co., Ltd. (continued)
Expressed in thousands of New Taiwan Dollars, unless otherwise specified

Attachment 4

Interest Rate Sensitive Assets and Liabilities Analysis Table (NTD)

Unit: In Thousands of New Taiwan Dollars, %

December 31, 2025	Item	1 to 90 days	91 to 180 days	181 days to 1 year	Over 1 year	Total
	Interest rate sensitivity assets	\$933,037,767	\$7,893,311	\$22,775,677	\$164,403,503	\$1,128,110,258
	Interest rate sensitivity liabilities	306,434,670	520,717,733	179,368,062	34,153,834	1,040,674,299
	Interest rate sensitivity gap	626,603,097	(512,824,422)	(156,592,385)	130,249,669	87,435,959
	Net value					82,033,164
	Interest rate sensitivity assets and liabilities rate %					108.40
	Interest rate sensitivity gap and net value rate %					106.59

Unit: In Thousands of New Taiwan Dollars, %

December 31, 2024	Item	1 to 90 days	91 to 180 days	181 days to 1 year	Over 1 year	Total
	Interest rate sensitivity assets	\$834,993,922	\$18,370,410	\$17,227,351	\$191,268,727	\$1,061,860,410
	Interest rate sensitivity liabilities	295,349,924	474,813,156	175,672,037	33,457,629	979,292,746
	Interest rate sensitivity gap	539,643,998	(456,442,746)	(158,444,686)	157,811,098	82,567,664
	Net value					77,614,674
	Interest rate sensitivity assets and liabilities rate %					108.43
	Interest rate sensitivity gap and net value rate %					106.38

Note 1: This table is prepared to report the amount in NTD (excluding foreign currency) of the head office and domestic and foreign branches.

Note 2: Interest rate sensitivity assets and liabilities mean the assets and liabilities with interest of which the income or cost varies depending on the interest rate.

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

Note 4: Interest rate sensitivity assets and liabilities rate = Interest rate sensitivity assets ÷ interest rate sensitivity liabilities (i.e., interest rate sensitivity assets and interest rate sensitivity liabilities in NTD)

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Notes to the individual financial statements of Taiwan Shin Kong Commercial Bank Co., Ltd. (continued)
Expressed in thousands of New Taiwan Dollars, unless otherwise specified

Attachment 4-1

Interest Rate Sensitive Assets and Liabilities Analysis Table (USD)

December 31, 2025

Item	Unit: In Thousands of U.S. Dollars, %				
	1 to 90 days	91 to 180 days	181 days to 1 year	Over 1 year	Total
Interest rate sensitivity assets	\$3,230,636	\$175,977	\$223,068	\$1,588,238	\$5,217,919
Interest rate sensitivity liabilities	4,035,621	620,248	436,667	4,841	5,097,377
Interest rate sensitivity gap	(804,985)	(444,271)	(213,599)	1,583,397	120,542
Net value					2,608,534
Interest rate sensitivity assets and liabilities rate %					102.36
Interest rate sensitivity gap and net value rate %					4.62

December 31, 2024

Item	Unit: In Thousands of U.S. Dollars, %				
	1 to 90 days	91 to 180 days	181 days to 1 year	Over 1 year	Total
Interest rate sensitivity assets	\$2,943,484	\$169,773	\$127,178	\$1,681,123	\$4,921,558
Interest rate sensitivity liabilities	3,904,521	505,655	489,634	4,753	4,904,563
Interest rate sensitivity gap	(961,037)	(335,882)	(362,456)	1,676,370	16,995
Net value					2,367,673
Interest rate sensitivity assets and liabilities rate %					100.35
Interest rate sensitivity gap and net value rate %					0.72

Note 1: This table is prepared to report the amount in NTD (excluding foreign currency) of the head office and domestic and foreign branches.

Note 2: Interest rate sensitivity assets and liabilities mean the assets and liabilities with interest of which the income or cost varies depending on the interest rate.

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

Note 4: Interest rate sensitivity assets and liabilities rate = Interest rate sensitivity assets ÷ interest rate sensitivity liabilities (i.e., interest rate sensitivity assets and interest rate sensitivity liabilities in NTD)

Notes to the individual financial statements of Taiwan Shin Kong Commercial Bank Co., Ltd. (continued)
Expressed in thousands of New Taiwan Dollars, unless otherwise specified

Attachment 5

Profitability

The Company

Item	Unit: %	
	December 31, 2025	December 31, 2024
Return on Assets (ROA)	Before tax	0.53
	After tax	0.44
Return on Equity (ROE)	Before tax	9.00
	After tax	7.44
Net profit rate	26.52	33.89

Note 1: ROA = Income before (after) tax / Average total assets

Note 2: ROE = Income before (after) tax / Average net value

Note 3: Profit rate = Income after tax / income-net

Note 4: Income before (after) tax means the income accumulated from January of the current year until the current quarter

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Notes to the individual financial statements of Taiwan Shin Kong Commercial Bank Co., Ltd. (continued)
Expressed in thousands of New Taiwan Dollars, unless otherwise specified

Attachment 6

Maturity Date Structure Analysis Table (NTD)

December 31, 2025

Unit: In Thousands of New Taiwan Dollars

	Total	Remaining balance to maturity					
		1 to 10 days	11 to 30 days	31 to 90 days	91 to 180 days	181 days to 1 year	More than 1 year
Inward remittance of due fund	\$1,212,654,712	\$181,176,874	\$64,126,712	\$98,787,657	\$80,908,001	\$93,493,091	\$694,162,377
Outward remittance of due fund	1,502,531,796	60,174,963	119,503,118	184,110,694	200,083,594	365,142,375	573,517,052
Period difference	(289,877,084)	121,001,911	(55,376,406)	(85,323,037)	(119,175,593)	(271,649,284)	120,645,325

December 31, 2024

Unit: In Thousands of New Taiwan Dollars

	Total	Remaining balance to maturity					
		1 to 10 days	11 to 30 days	31 to 90 days	91 to 180 days	181 days to 1 year	More than 1 year
Inward remittance of due fund	\$1,130,800,204	\$152,496,027	\$55,464,283	\$81,803,543	\$81,259,519	\$68,959,142	\$690,817,690
Outward remittance of due fund	1,404,410,241	71,884,488	102,683,583	172,763,908	178,320,913	375,358,596	503,398,753
Period difference	(273,610,037)	80,611,539	(47,219,300)	(90,960,365)	(97,061,394)	(306,399,454)	187,418,937

Note 1: The amounts in this table represent the New Taiwan dollar balances of the entire Bank.

Notes to the individual financial statements of Taiwan Shin Kong Commercial Bank Co., Ltd. (continued)
Expressed in thousands of New Taiwan Dollars, unless otherwise specified

Attachment 6-1

Maturity Date Structure Analysis Table (USD)

December 31, 2025

Unit: In Thousands of U.S. Dollars

	Total	Remaining balance to maturity				
		1 to 30 days	31 to 90 days	91 to 180 days	181 days to 1 year	More than 1 year
Inward remittance of due fund	\$7,739,365	\$2,313,383	\$963,336	\$617,669	\$511,424	\$3,333,553
Outward remittance of due fund	9,728,153	2,392,162	2,233,006	1,295,122	1,824,116	1,983,747
Period difference	(1,988,788)	(78,779)	(1,269,670)	(677,453)	(1,312,692)	1,349,806

December 31, 2024

Unit: In Thousands of U.S. Dollars

	Total	Remaining balance to maturity				
		1 to 30 days	31 to 90 days	91 to 180 days	181 days to 1 year	More than 1 year
Inward remittance of due fund	\$6,991,868	\$2,128,178	\$617,452	\$343,702	\$411,766	\$3,490,770
Outward remittance of due fund	9,108,689	2,288,510	1,865,962	1,147,559	1,896,368	1,910,290
Period difference	(2,116,821)	(160,332)	(1,248,510)	(803,857)	(1,484,602)	1,580,480

Note 1: The amounts in this table represent the U.S. dollar balances of the entire Bank.

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Notes to the individual financial statements of Taiwan Shin Kong Commercial Bank Co., Ltd. (continued)
Expressed in thousands of New Taiwan Dollars, unless otherwise specified

Attachment 7 Capital Adequacy

Unit: In Thousands of New Taiwan Dollars, %

Items	Year		
	December 31, 2025	December 31, 2024	
Self-owned capital	Common stock equity	\$79,857,247	\$75,226,093
	Other Tier 1 Capital	18,000,000	18,000,000
	Tier 2 Capital	14,218,778	15,250,398
	Self-owned capital	112,076,025	108,476,491
Risk-weighted assets	Standardized approach	703,132,204	678,123,475
	Internal ratings-based approach	-	-
	信用評價調整風險	3,977,021	2,052,419
	Asset securitization	-	-
	Basic indicator approach	-	-
	Standard Method/Selective Standard Method	33,073,450	32,820,950
Market Risk	Advanced Measurement Method	-	-
	Standardized approach	6,449,875	3,554,025
	Internal models approach	-	-
Total risk-weighted assets	746,632,550	716,550,869	
Capital adequacy ratio	15.01	15.14	
Ratio of Common Stock Equity to Risk-Based assets	10.70	10.50	
Ratio of Tier 1 capital to Risk-Based Assets	13.11	13.01	
Leverage ratio	6.86	6.74	

Note 1: The amounts of eligible capital, risk-weighted assets, and total risk exposure presented in this table are calculated in accordance with the Regulations Governing the Capital Adequacy and Capital Category of Banks, as amended by Jin-Guan-Yin-Fa-Zi Letter No. 10802744341, dated December 23, 2019, and the Instructions and Forms for the Calculation of Regulatory Capital and Risk-Weighted Assets of Banks, as amended by Jin-Guan-Yin-Fa-Zi Letter No. 11102703692, dated February 18, 2022.

Note 2: The calculation formula is as follows:

- (1) Self-owned capital = Common stock equity Other Tier 1 Capital Tier 2 Capital.
- (2) Total amount of risk-weighted-assets = Credit risk-weighted assets Capital charge of (operational risk market risk) x 12.5.
- (3) Capital Adequacy ratio = Total self-owned capital/Total amount risk-weighted assets.
- (4) Ratio of common stock equity to risk assets = Common stock equity / Total risk weighted assets.
- (5) Ratio of Tier 1 capital to risk-based assets = (Common stock equity Tier 1 capital) / Total risk-weighted asset.
- (6) Leverage ratio = Tier 1 capital/Total exposure.

Taiwan Shin Kong Commercial Bank Co., Ltd.

1. Statement of cash and cash equivalents

December 31, 2025

Unit: In thousands of New Taiwan Dollars

Item	Description	Amount	Note
Cash on hand			
TWD		\$2,847,282	
EUR	EUR 5,271 thousand @36.9105	194,557	
HKD	HKD 29,848 thousand @4.0403	120,596	
JPY	JPY 1,512,167 thousand @0.2008	303,717	
USD	USD 11,314 thousand @31,4480	355,788	
CNY	CNY 16,987 thousand @4.4994	76,432	
CAD	CAD 327 thousand @22.9439	7,513	
Subtotal		3,905,885	
Petty cash and revolving funds		2,031	
Notes and checks for clearing		1,222,077	
Deposits in other banks		12,929,853	
Total		\$18,059,846	

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Taiwan Shin Kong Commercial Bank Co., Ltd.

2. Statement of financial assets and liabilities measured at fair value through profit or loss (FVTPL)

December 31, 2025

Unit: In thousands of New Taiwan Dollars, unless otherwise specified

Name of financial instrument	Description	Shares or units	Par Value (NTD)	Total amount (Contract amount)	Interest rate	Acquisition cost	Fair value		Fair value changes attributable to the changes in credit risk	Note
							Unit price (NTD)	Total amount		
Financial assets at FVTPL										
Non-derivative financial assets										
Negotiable certificates of deposits		8,405,000	10,000	\$84,050,000	0.83%~1.67%	\$84,051,580		\$84,040,430	\$-	
Commercial paper		1,066,580	10,000	10,665,800	1.45%~1.75%	10,637,205		10,636,628	-	
Corporate bonds		14,500	100,000	1,450,000	0.88%~1.50%	1,449,622		1,442,931	-	
Government bonds		84,500	100,000	8,450,000	0.25%~1.88%	8,433,104		8,447,045	-	
Foreign bonds		425	31,448,000	13,365,400	0.38%~5.01%	13,164,440		13,317,592	-	
Subtotal						117,735,951		117,884,626	-	
Hybrid financial assets										
Foreign structured notes		40	31,448,000	1,257,920	5.77%~5.82%	1,257,920		1,210,122	-	
Convertible corporate bonds		2,272	100,000~31,448,000	2,484,256	0.00%~6.57%	2,484,256		2,847,475	-	
Subtotal						3,742,176		4,057,597	-	
Derivative financial assets										
Foreign exchange swap contracts		-		-		-		1,272,389	883	
Foreign exchange options		-		-		-		90,981	38	
Foreign exchange forward contracts		-		-		-		23,053	23	
Interest rate swap contracts		-		-		-		3,986,689	832	
Subtotal						-		5,373,112	1,776	
Total						\$121,478,127		\$127,315,335	\$1,776	
Financial liabilities at FVTPL										
Non-derivative financial liabilities										
Foreign exchange swap contracts		-		-		\$-		\$1,011,944	\$-	
Foreign exchange options		-		-		-		91,020	-	
Foreign exchange forward contracts		-		-		-		1,053	-	
Interest rate swap contracts		-		-		-		4,263,462	-	
Total						\$-		\$5,367,479	\$-	

Taiwan Shin Kong Commercial Bank Co., Ltd.
3. Statement of financial assets measured at fair value through other comprehensive income
December 31, 2025

Unit: In thousands of New Taiwan Dollars, unless otherwise specified

Name of financial instrument	Description	Shares or units	Par Value (NTD)	Total amount	Interest rate	Acquisition cost	Allowance for impairment loss	Fair value		Note
								Unit price (NTD)	Total amount	
Government bonds										
2018 Central Bond A9		53,500	100,000	\$5,350,000	0.88%	\$5,373,173	\$-	98.98	\$5,295,387	
2019 Central Bond A9		36,000	100,000	3,600,000	0.63%	3,608,175	-	97.58	3,512,869	
2020 Central Bond A9		42,500	100,000	4,250,000	0.25%	4,233,472	-	95.14	4,043,607	
2021 Central Bond A8		44,500	100,000	4,450,000	0.25%	4,424,093	-	99.46	4,425,806	
Other (Note)		502,407	100,000	\$50,240,700	0.25%~2.63%	50,684,729	-	85.34~107.21	48,849,482	Guaranteed amount: NT\$5,535,000 thousand.
Subtotal						68,323,642	-		66,127,151	
Corporate bonds										
P09 CPC IB		30,000	100,000	3,000,000	0.58%	3,000,000	(825)	99.16	2,974,830	
P09 Cathay Financial Holdings 5		20,000	100,000	2,000,000	0.64%	2,000,000	(1,572)	99.38	1,987,670	
P09 Mega IA		20,000	100,000	2,000,000	0.66%	2,000,000	(675)	98.73	1,974,676	
Other (Note)		186,250	100,000	18,625,000	0.43%~2.15%	18,641,380	(8,526)	95.76~101.02	18,297,026	
Subtotal						25,641,380	(11,598)		25,234,202	
Foreign bonds (Note)		2,497	31,448,000	78,514,327	0.50%~7.73%	78,606,889	(16,160)	63.81~104.27	75,362,139	
Financial bonds										
P09 Shanghai IA		10,000	100,000	1,000,000	0.62%	1,000,000	(338)	98.80	988,047	
P09 Export-Import of bank 2		9,000	100,000	900,000	0.56%	900,000	-	98.52	886,718	
P09 Export-Import of bank 3		7,000	100,000	700,000	0.55%	700,000	-	98.36	688,528	
P09 Export-Import of bank 4		4,000	100,000	400,000	0.55%	400,000	-	98.25	392,993	
P10 Export-Import of bank 1		10,000	100,000	1,000,000	0.49%	1,000,000	-	97.23	972,324	
P11 Export-Import of bank 1B		5,000	100,000	500,000	0.78%	500,000	-	97.50	487,518	
Subtotal						4,500,000	(338)		4,416,128	

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Taiwan Shin Kong Commercial Bank Co., Ltd.
3. Statement of financial assets measured at fair value through other comprehensive income (Continued)
December 31, 2025

Name of financial instrument	Description	Shares or units	Par Value (NTD)	Total amount	Interest rate	Acquisition cost	Accumulated impairment	Fair value		Note
								Unit price (NTD)	Total amount	
Listed shares										
MediTek		489,000	10	4,890		666,624	-	1430.00	699,270	
GIGABYTE		1,890,000	10	18,900		513,672	-	249.50	471,555	
TWM		4,252,000	10	42,520		486,725	-	108.50	461,342	
Makalot		1,420,000	10	14,200		449,910	-	288.50	409,670	
MEGA FHC		8,448,000	10	84,480		355,791	-	40.00	337,920	
QCI		1,067,000	10	10,670		300,232	-	272.00	290,224	
TSMC		180,000	10	1,800		241,788	-	1550.00	279,000	
SAS		2,305,000	10	23,050		248,315	-	106.50	245,483	
SMP		663,000	10	6,630		250,420	-	359.00	238,017	
Other (Note)		8,877,232	10	88,772		1,176,028	-	28.60-963	1,296,493	
Subtotal						4,689,505	-		4,728,974	
Unlisted shares										
Financial Information Service Co., Ltd.		12,431,058	6.41	79,701		79,701	-		302,087	
Taiwan Financial Asset Service Co., Ltd.		5,000,000	10	50,000		50,000	-		45,369	
Taiwan Power Company		1,894,741	15.7	29,747		29,747	-		13,419	
Taiwan Mobile Payment Corporation		1,800,000	10	18,000		18,000	-		9,617	
Sunlight Asset Management Co., Ltd.		186,860	10	1,869		1,869	-		2,058	
Next Commercial Bank Co., Ltd.		14,714,000	13.59	200,000		200,000	-		81,378	
Subtotal						379,317	-		453,928	
Real estate investment trusts										
Fubon R1		1,483,000	10	14,830		22,819	-	11.45	16,981	
Fubon R2		1,059,000	10	10,590		14,448	-	10.50	11,120	
Cathy R2		1,120,000	10	11,200		19,922	-	13.19	14,772	
Subtotal						57,189	-		42,873	
Total						\$182,197,922	\$(28,096)		\$176,365,395	

Note: Individual balances that do not reach 5% of this line item are presented in aggregate.

Taiwan Shin Kong Commercial Bank Co., Ltd.
4. Statement of debt instrument investments measured at amortized cost
December 31, 2025

Unit: In thousands of New Taiwan Dollars

Name of financial instrument	Repayment date	Total amount	Interest rate	Allowance for impairment loss	Unamortized premium (discount)	Carrying amount	Note
Government bonds							
2014 Central Bond B11	123.07.31	\$1,800,000	2.13%	\$-	\$198,894	\$1,998,894	
2022 Central Bond A8	116.09.23	1,000,000	1.25%	-	(3,077)	996,923	
2021 Central Bond A1	115.01.13	700,000	0.25%	-	(52)	699,948	
2004 Central Bond 6	123.05.27	500,000	3.88%	-	125,975	625,975	
2012 Central Bond B1	121.03.16	500,000	1.63%	-	27,583	527,583	
2013 Central Bond A3	122.01.28	400,000	1.50%	-	20,960	420,960	
2009 Central Bond A2	117.02.14	400,000	2.50%	-	12,170	412,170	
Other (Note)		400,000	1.88%~2.00%	-	11,165	411,165	Guaranteed amount: NT\$30,000 thousand.
Subtotal					393,618	6,093,618	
Corporate bonds							
P07 CSC 2	117.08.08	1,700,000	1.10%	(574)	-	1,699,426	
Other (Note)		28,770,000	0.48%~3.80%	(17,075)	(4,374)	28,748,551	
Subtotal					(4,374)	30,447,977	
Foreign bonds (Note)							
JGB 1.7 09/20/35		1,506,368	1.70%	-	6,831	1,513,199	
Other (Note)		20,178,658	1.00%~10.22%	(4,563)	(21,842)	20,152,253	
Subtotal					(15,011)	21,665,452	
Financial bonds							
P12 Export-Import of bank 1B	117.03.22	400,000	1.43%	-	-	400,000	
P13 Export-Import of bank 2	118.10.29	500,000	1.84%	-	-	500,000	
P14 Export-Import of bank 1A	119.02.24	500,000	1.87%	-	-	500,000	
P14 Amundi 1	119.03.27	300,000	1.98%	(131)	-	299,869	
Subtotal					(131)	1,699,869	
Negotiable certificates of deposits							
Department of Banking, Central Bank	115.02.13	300,000	1.46%	-	-	300,000	
Department of Banking, Central Bank	115.03.03	800,000	1.45%	-	-	800,000	
Department of Banking, Central Bank	115.03.03	800,000	1.45%	-	-	800,000	
Department of Banking, Central Bank	115.03.03	900,000	1.46%	-	-	900,000	
Subtotal					-	2,800,000	
Total					\$374,233	\$62,706,916	
					\$(22,343)		

Note: Individual balances that do not reach 5% of this line item are presented in aggregate.

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Taiwan Shin Kong Commercial Bank Co., Ltd.

5. Statement of discounts and loans

December 31, 2025

Unit: In thousands of New Taiwan Dollars

Item	Description	Net amount	Note
Bills negotiation and bills and notes discounted		\$342,135	
Accounts receivable factoring		116,116	
Short-term loans and overdrafts		80,513,370	
Short-term secured loans		103,366,688	
Medium-term loans		126,642,257	
Medium-term secured loans		164,327,151	
Long-term loans		27,672,774	
Long-term secured loans		392,923,503	
Overdue loans		538,652	
Subtotal		896,442,646	
Add: premium/ discount adjustment		330,192	
Less: loss allowance		(11,537,644)	
Total		<u>\$885,235,194</u>	

Taiwan Shin Kong Commercial Bank Co., Ltd.

6. Statement of intangible assets

December 31, 2025

Unit: In thousands of New Taiwan Dollars

Item	Beginning Balance	Ending Balance	Note
Goodwill			
Second Credit Cooperative of Hsinchu	\$927,897	\$510,350	
Eighth Credit Cooperative of Taichung	928,212	555,718	
Second Credit Cooperative of Chiayi	56,028	43,889	
Credit Cooperative of Gang Shang	169,976	133,150	
Shin Kong Marketing Consultant Co., Ltd.	817	817	
Subtotal	<u>\$2,082,930</u>	<u>\$1,243,924</u>	
Computer software		567,480	
Total		<u>\$1,811,404</u>	

◆ Independent Auditor's Report

Taiwan Shin Kong Commercial Bank Co., Ltd.

7. Statement of changes in right-of-use assets

For the year ended December 31, 2025

Unit: In thousands of New Taiwan Dollars

Item	Beginning Balance	Increase	Decrease	Ending Balance	Note
Land and buildings	\$5,034,177	\$352,940	\$505,335	\$4,881,782	
Other	117,930	1,489	11,784	107,635	
Total	<u>\$5,152,107</u>	<u>\$354,429</u>	<u>\$517,119</u>	<u>\$4,989,417</u>	

Statement of changes in accumulated depreciation of right-of-use assets

For the year ended December 31, 2025

Unit: In thousands of New Taiwan Dollars

Item	Beginning Balance	Increase	Decrease	Ending Balance	Note
Land and buildings	\$2,726,127	\$570,117	\$394,562	\$2,901,682	
Other	53,230	24,090	11,065	66,255	
Total	<u>\$2,779,357</u>	<u>\$594,207</u>	<u>\$405,627</u>	<u>\$2,967,937</u>	

Taiwan Shin Kong Commercial Bank Co., Ltd.

8. Statement of deposits and remittances

December 31, 2025

Unit: In thousands of New Taiwan Dollars

Item	Description	Amount	Note
Checking account deposits			
	Check deposits	\$4,900,119	
	Other (Note)	3,810,277	
Demand deposits			
	Demand deposits	127,328,240	
	Foreign currency demand deposits	69,195,832	
	Other (Note)	672,939	
Time deposits			
	Time deposits	330,744,034	
	Foreign currency time deposits	110,364,386	
Negotiable certificates of deposit		5,990,200	
Savings account deposits			
	Demand saving deposits	296,148,401	
	Round-amount savings deposit for lump sum payment	60,549,496	
	Withdrawals of interest savings deposit	170,527,490	
	Other (Note)	177,441	
Remittances outstanding		126,221	
Total		<u>\$1,180,535,076</u>	

Note: Individual balances that do not reach 5% of this line item are presented in aggregate.

◆ Independent Auditor's Report

Taiwan Shin Kong Commercial Bank Co., Ltd.

9. Statement of financial debentures

December 31, 2025

Unit: In thousands of New Taiwan Dollars

Bond name	Terms of transaction			Interest rate	Bond Type	Carrying amount	Note
	Issuance date	Maturity date					
2016 first secondary financial debenture	105.01.29	115.01.29		Fixed interest rate 1.80%	Secondary	2,200,000	
2018 first no due date non-cumulative secondary financial debenture	107.03.30	None		Fixed interest rate 3.40%	Secondary	2,500,000	
2018 second secondary financial debenture	107.06.28	117.06.28		Fixed interest rate 1.62%	Secondary	2,500,000	
2019 first no due date non-cumulative secondary financial debenture	108.06.21	None		Fixed interest rate 2.20%	Secondary	4,500,000	
2020 first no due date non-cumulative secondary financial debenture	109.06.23	None		Fixed interest rate 1.70%	Secondary	3,000,000	
2020 second secondary financial debenture	109.12.16	None		Fixed interest rate 1.70%	Secondary	3,000,000	
2020 third secondary financial debenture	109.12.23	119.12.23		Fixed interest rate 0.75%	Secondary	2,000,000	
2021 first senior unsecured financial debenture	110.06.23	115.06.23		Fixed interest rate 0.50%	Senior	1,000,000	
2022 first no due date non-cumulative secondary financial debenture	111.07.27	None		Fixed interest rate 3.50%	Secondary	2,800,000	
2023 first no due date non-cumulative secondary financial debenture	112.04.17	None		Fixed interest rate 4.00%	Secondary	2,200,000	
2024 first secondary unsecured financial debenture I	113.05.07	120.05.07		Fixed interest rate 2.70%	Secondary	790,000	
2024 first secondary unsecured financial debenture II	113.05.07	123.05.07		Fixed interest rate 3.00%	Secondary	1,710,000	
Total						<u>\$28,200,000</u>	

Taiwan Shin Kong Commercial Bank Co., Ltd.

10. Statement of lease liabilities

December 31, 2025

Unit: In thousands of New Taiwan Dollars

Item	Description	Lease term	Discount rate	Ending balance	Note
Lease liabilities	Land, rent, official vehicles, etc.	106.04.16~133.09.19	0.75%~2.62%	<u>\$2,127,924</u>	

◆ Independent Auditor's Report

Taiwan Shin Kong Commercial Bank Co., Ltd.

11. Statement of employee benefits expenses

For the year ended December 31, 2025

Unit: In thousands of New Taiwan Dollars

Item	Employee benefits expenses	Non-interest net income	Other business and administrative expenses	Total	Note
Employee benefits expenses					
Salary expense	\$5,189,019	\$-	\$-	\$5,189,019	
Employee insurance	379,757	-	-	379,757	
Pension expense	179,514	-	-	179,514	
Director's remuneration	39,020	-	44	39,064	
Other employee benefits expenses	254,293	-	20,924	275,217	
Termination benefits	2,414,522	-	-	2,414,522	
Total	<u>\$8,456,125</u>	<u>\$-</u>	<u>\$20,968</u>	<u>\$8,477,093</u>	

Note:

- The number of employees of the Company for the years ended December 31, 2025 and 2024 was 3,809 and 3,930, respectively, of which the number of directors who were not concurrently serving as employees were 8 for both years.
- The average employee benefit expense for the year ended December 31, 2025 was \$2,220 thousand.
 ("Total employee benefit expenses for the current year - Total Director's remuneration" / "The number of employees for the current year - The number of directors who were not concurrently serving as employees")
 The average employee benefit expense for the year ended December 31, 2024 was \$1,514 thousand.
 ("Total employee benefit expenses for the prior year - Total Director's remuneration" / "The number of employees for the prior year - The number of directors who were not concurrently serving as employees")
- The average employee salary expense for the year ended December 31, 2025 was \$1,365 thousand.
 (Total employee salary expenses for the current year / "The number of employees for the current year - The number of directors who were not concurrently serving as employees")
 The average employee salary expense for the year ended December 31, 2024 was \$1,308 thousand.
 (Total employee salary expenses for the prior year / "The number of employees for the prior year - The number of directors who were not concurrently serving as employees")
- The change of average salary expense increased 4.4%.
 ("The average employee salary expense for the current year - the average employee salary expense for the prior year" / The average employee salary expense of the prior year).
- The Company's compensation and remuneration policy is as follows:
 - Director
 - Director's remuneration includes compensation, director's remuneration, and business execution expenses.
 - In accordance with Article 22-1 of the Company's Articles of Incorporation, director's compensation is authorized to be determined by the Board of Directors based on factors such as the Company's operating performance, the director's involvement, and the value of their contribution, and in line with prevailing market standards.
 - Business execution expenses refer to expenses incurred in the course of performing directors' duties, including transportation allowances for attending board meetings and other related costs.
 - Independent Director
 - Independent director's remuneration includes compensation and business execution expenses.
 - In accordance with Article 22-1 of the Company's Articles of Incorporation, independent director's compensation is authorized to be determined by the Board of Directors based on the duties and risks undertaken, the time committed, and prevailing market standards, and is paid as a fixed amount. Independent directors do not participate in the distribution of the Company's earnings.
 - Business execution expenses refer to expenses incurred in the course of performing directors' duties, including transportation allowances for attending board meetings and other related costs.

(3) Managers

(a) Managers' remuneration includes compensation, retirement benefits, bonuses, and employee remuneration.

(b) The policies, systems, standards, and structure governing the performance evaluation and remuneration of managers are reviewed by the Compensation Committee and submitted to the Board of Directors for approval. Managers' compensation is determined based on their professional experience and qualifications, with reference to the Company's compensation levels, industry practices, and prevailing market standards.

Managers' performance is evaluated in accordance with the Company's performance management regulations. When setting performance targets, in addition to financial indicators, corporate governance-related indicators are also included, such as internal control and regulatory compliance, risk management indicators, service quality, and the achievement of key corporate social responsibility projects.

To ensure alignment between performance and compensation and to encourage managers to pursue outstanding performance, annual performance bonuses are linked to the Company's operating results and individual performance in accordance with the annual performance bonus policy.

To create long-term value for the Company, shareholders, and employees, managers participate in the employee stock ownership trust under the long-term incentive bonus plan, through which they are granted stock-based incentives and participate in stock-related risk control mechanisms. In addition, under the employee stock ownership trust, managers contribute a fixed monthly amount, and the Company contributes an equal amount as an incentive for managers to hold Company shares and become shareholders. Employee remuneration is appropriated in accordance with Article 37 of the Company's Articles of Incorporation, which stipulates that 1% of annual profit shall be allocated as employee remuneration, including eligible employees of subsidiaries. When accumulated losses exist, an equivalent amount must first be reserved to offset such losses before allocating the remaining balance in accordance with the above percentage.

(4) Employees

(a) Employee compensation includes salaries, retirement benefits, bonuses, and employee remuneration.

(b) Employee salaries are determined based on professional experience, responsibilities, the Company's operating performance, and individual performance, while also taking into account market pay levels in order to provide competitive compensation to attract and retain talent.

Employees' performance is evaluated in accordance with the performance management regulations. When setting performance targets, in addition to financial indicators, corporate governance-related indicators are also included, such as internal control and regulatory compliance, risk management indicators, service quality, and the achievement of key corporate social responsibility projects.

To ensure alignment between performance and compensation and to encourage employees to pursue outstanding performance, annual performance bonuses are linked to the Company's operating results and individual performance in accordance with the annual performance bonus policy.

To create long-term value for the Company, shareholders, and employees, employees participate in the employee stock ownership trust, under which employees contribute a fixed monthly amount and the Company contributes an equal amount as an incentive for employees to hold Company shares and become shareholders.

Employee remuneration is appropriated in accordance with Article 37 of the Company's Articles of Incorporation, which stipulates that 1% of annual profit shall be allocated as employee remuneration, including eligible employees of subsidiaries. When accumulated losses exist, an equivalent amount must first be reserved to offset such losses before allocating the remaining balance in accordance with the above percentage.

◆ Head Office and Branches

BRANCH NAME	ADDRESS	TEL
Head Office	1F,3-5F,10F,19-21F, 9F-1, No.36 and 3-5F, 10F, 19-21F, 4F-1, 5F-1, 9F-1, No.32, Songren Road, Xinyi District, Taipei City 110049, Taiwan (R.O.C.)	886-2-87587288
Trust Dept.	4F-1, No. 32, Songren Rd., Xinyi Dist., Taipei City 110049, Taiwan (R.O.C.)	886-2-87587288
International Banking Dept. & Offshore Banking Unit	5F., No. 99, Sec. 1, Xincheng S. Rd., Da-an Dist., Taipei City 106459, Taiwan (R.O.C.)	886-2-27786818
Business Department	No.36., Songren Rd., Xinyi District, Taipei City 110049, Taiwan (R.O.C.)	886-2-87808667
Shih Lin Branch	No.510, Wunlin Rd., Shihlin District, Taipei City 111042, Taiwan (R.O.C.)	886-2-28338789
Xi Hu Branch	No. 555, Donghuan Rd., Xihu Township, Changhua County 514013, Taiwan (R.O.C.)	886-4-8850178
Cheng Teh Branch	No.192-1, Sec. 4, Cheng Teh Rd., Hsih Lin District, Taipei City 111052, Taiwan (R.O.C.)	886-2-28812628
Da Tung Branch	No.269, Sec. 3, Chongcing N. Rd., Datong District, Taipei City 103029, Taiwan (R.O.C.)	886-2-25974951
Chien Cheng Branch	No.73, Sec. 1, Chongcing N. Rd., Datong District, Taipei City 103016, Taiwan (R.O.C.)	886-2-25567227
Chung Hsiao Branch	No.160, Yanji St., Da-an District, Taipei City 106062, Taiwan (R.O.C.)	886-2-27410101
Da An Branch	No.177, Sec. 2, Fusing S. Rd., Da-an District, Taipei City 106101, Taiwan (R.O.C.)	886-2-27551639
Ku Ting Branch	No.41, Sec. 2, Roosevelt Rd., Da-an District, Taipei City 106602, Taiwan (R.O.C.)	886-2-23432330
Hsin Sheng S. Road Branch	No.101, Sec.1, Hsin Sheng South Rd., Taipei City 106459, Taiwan (R.O.C.)	886-2-87719099
Dun Nan Branch	No.223, Sec. 1, Dunhua S. Rd., Da-an District, Taipei City 106057, Taiwan (R.O.C.)	886-2-27513989
Wu Chang Branch	No.76, Lane 356, Longjiang Rd., Jhongshan District, Taipei City 104065, Taiwan (R.O.C.)	886-2-25059161
Cheng Pei Branch	No.162, Songjiang Rd., Jhongshan District, Taipei City 104488, Taiwan (R.O.C.)	886-2-25652711
Ta Chih Branch	No. 600, Mingshui Rd., Zhongshan District, Taipei City 104051, Taiwan (R.O.C.)	886-2-85091819
Chang An Branch	No.100, Sec. 2, Chang-an E. Rd., Jhongshan District, Taipei City 104094, Taiwan (R.O.C.)	886-2-25067366

BRANCH NAME	ADDRESS	TEL
Nan Dong Branch	No. 90, Sec. 1, Jianguo N. Rd., Zhongshan Dist., Taipei City 104496, Taiwan (R.O.C.)	886-2-25167698
Jhong Jheng Branch	No.27, Sec. 2, Xinyi Rd., Jhongjheng District, Taipei City 100012, Taiwan (R.O.C.)	886-2-23560506
Cheng Nei Branch	No.115, Sec. 1, Chongcing S. Rd., Jhongjheng District, Taipei City 100004, Taiwan (R.O.C.)	886-2-23814518
Shin Jin-Hu Branch	No.464 and No.462, Sec.5, Chenggong Rd., Neihu Dist., Taipei City 114050, Taiwan (R.O.C.)	886-2-26306208
Nei Hu Branch	No.17, Lane 360, Sec. 1, Neihu Rd., Neihu District, Taipei City 114683, Taiwan (R.O.C.)	886-2-27976768
Hsing Lung Branch	No.133 and No.131, Jinglong St., Wunshan District, Taipei City 116062, Taiwan (R.O.C.)	886-2-89311099
Peitou FushingKang Branch	No.422, Sec. 2, Jhongyang N. Rd., Beitou District, Taipei City 112018, Taiwan (R.O.C.)	886-2-28982399
Dong Taipei Branch	No.29, Lane 11, Guang Fu North Rd., Taipei City 105410, Taiwan (R.O.C.)	886-2-27685966
Fu Hsing Branch	No.311, Fusing N. Rd., Songshan District, Taipei City 105401, Taiwan (R.O.C.)	886-2-27150825
Cin Cheng Branch	No.1-1, Cingcheng St., Songshan District, Taipei City 105403, Taiwan (R.O.C.)	886-2-27199811
World Trade Center Branch	No.8, Sec. 5, Xinyi Rd., Xinyi District, Taipei City 110013, Taiwan (R.O.C.)	886-2-23451888
Sung Shan Branch	2F., No.510, Sec. 5, Jhongsiao E. Rd., Sinyi District, Taipei City 110058, Taiwan (R.O.C.)	886-2-23466636
Nan Gang Branch	No.218, Chongyang Rd., Nangang District, Taipei City 115023, Taiwan (R.O.C.)	886-2-27821787
Lung Shan Branch	No.207, Kangding Rd., Wanhua District, Taipei City 108015, Taiwan (R.O.C.)	886-2-23023531
Hsi Yuan Branch	No.37 and No.39, Sec. 2, Hsi Yuan Rd., Taipei City 108025, Taiwan (R.O.C.)	886-2-23061271
Hsi Men Branch	No.73, Sining S. Rd., Wanhua District, Taipei City 108002, Taiwan (R.O.C.)	886-2-23145791
Dong San Chung Branch	No.102, Sec. 1, Chongsin Rd., Sanhong District, New Taipei City 241002, Taiwan (R.O.C.)	886-2-29737788
Pei San Chung Branch	No.115, Siwei St., Sanhong District, New Taipei City 241063, Taiwan (R.O.C.)	886-2-29875522

◆ Head Office and Branches

BRANCH NAME	ADDRESS	TEL
San Shia Branch	No.45, Fusing Rd., Sansia District, New Taipei City 237015, Taiwan (R.O.C.)	886-2-86717616
Tu Cheng Branch	No.122, Sec. 3, Jincheng Rd., Tucheng District, New Taipei City 236003, Taiwan (R.O.C.)	886-2-22705050
Lien Cheng Road Branch	No.166, Liancheng Rd., Jhonghe District, New Taipei City 235038, Taiwan (R.O.C.)	886-2-22477330
Yung Ho Branch	No. 70, Zhulin Rd., Yonghe Dist., New Taipei City 234002, Taiwan (R.O.C.)	886-2-32335656
Si Chih Branch	No.148, and No.146, Chung Hsing Rd., His Chih District, New Taipei City 221018, Taiwan (R.O.C.)	886-2-26959659
Lin Kou Branch	No.67 and No.65, Sec. 1, Wenhua 3rd Rd., Linkou Dist., New Taipei City 244015, Taiwan (R.O.C.)	886-2-26068999
Sin Pu Branch	No.21, Yunong Rd., Banciao District, New Taipei City 220033, Taiwan (R.O.C.)	886-2-22521919
Sin Ban Branch	No.141, Sec.1, Zhongshan Rd., Banciao Dist., New Taipei City 220073, Taiwan (R.O.C.)	886-2-29617997
Jiang Tz Tsuei Branch	No.428, Sec. 2, Wunhua Rd., Banciao District, New Taipei City 220022, Taiwan (R.O.C.)	886-2-82586288
Hsin Tien Branch	No.313 and No.311, Jhongjheng Rd., Hsin Tien District, New Taipei City 231024, Taiwan (R.O.C.)	886-2-89117180
Dan Feng Branch	No.665, Jhongjheng Rd., Sinjhuang District, New Taipei City 242051, Taiwan (R.O.C.)	886-2-29083636
Hsin Chuang Branch	No.252, Sintai Rd., Sinjhuang District, New Taipei City 242004, Taiwan (R.O.C.)	886-2-29965995
North HsinChuang Branch	No.95, Sec. 2, RongHua Rd, Sinjhuang District, New Taipei City 242030, Taiwan (R.O.C.)	886-2-82213878
Shu Lin Branch	No.116-1, Jhonghua Rd., Shulin District, New Taipei City 238018, Taiwan (R.O.C.)	886-2-86848777
Lu Chou Branch	No.101, Fusing Rd., Lujhou District, New Taipei City 247035, Taiwan (R.O.C.)	886-2-82813182
Keelung Branch	No.259, Jen 1st Rd., Ren-ai District, Keelung City 200011, Taiwan (R.O.C.)	886-2-24213998
Pa Teh Branch	No.1032, Sec. 2, Jieshou Rd., Bade District, Taoyuan City 334007, Taiwan (R.O.C.)	886-3-3658085
Jhong Li Branch	No.201, Jhongshan Rd., Jhongli District, Taoyuan City 320004, Taiwan (R.O.C.)	886-3-4270123

BRANCH NAME	ADDRESS	TEL
Qing Pu Branch	No.89, No.87 and No.85, Sec.3, Linghang S. Rd., Zhongli Dist., Taoyuan City 320016, Taiwan (R.O.C.)	886-3-2876111
Tao Yuan Branch	No.207, Fusing Rd., Taoyuan District, Taoyuan City 330046, Taiwan (R.O.C.)	886-3-3316996
Tao Bei Branch	No.1080, Jhongjheng Rd., Taoyuan District, Taoyuan City 330010, Taiwan (R.O.C.)	886-3-3465660
Nan Kan Branch	No. 72, Jhongjheng Rd., Luzhu District, Taoyuan City 338023, Taiwan (R.O.C.)	886-3-2120556
Hsin Chu Branch	No.84, Jhongshan Rd., Hsinchu City 300028, Taiwan (R.O.C.)	886-3-5215171
Chu Ke Branch	No.333, Sec. 1, Guangfu Rd., Hsinchu City 300049, Taiwan (R.O.C.)	886-3-5678989
Chu Pei Branch	No.372, Jhonghua Rd., Jhubei City, Hsinchu County 302006, Taiwan (R.O.C.)	886-3-5552058
Liu Jia Branch	No.388, Sec.1, Wenxing Rd., Zhubei City, Hsinchu County302053, Taiwan (R.O.C.)	886-3-6586111
Zhu Nan Branch	No.159, Sec. 3, Huanshi Rd., Zhunan Township, Miaoli County 350005, Taiwan (R.O.C.)	886-37-466948
Chung Hua Branch	No.126, Sec.1, Jhonghua Rd., Central District, Taichung City 400003, Taiwan (R.O.C.)	886-4-22203176
Siang Shang Branch	No.116, Sec.1, Siangshang Rd.,West District, Taichung City 403008,Taiwan (R.O.C.)	886-4-23056881
South Taichung Branch	No.160-1, Sec. 2, Fusing Rd., South District, Taichung City 402014, Taiwan (R.O.C.)	886-4-22612516
Taichung Branch	No.101, Taichung Rd., East District, Taichung City 401009, Taiwan (R.O.C.)	886-4-22284113
Shih Chia Branch	No.36, Jingwu E. Rd., East District, Taichung City 401020, Taiwan (R.O.C.)	886-4-22120606
Sung Chu Branch	No.162, Sec. 2, Songjhu Rd., Beitun District, Taichung City 406506, Taiwan (R.O.C.)	886-4-22453456
Shui Nan Branch	No.238, Sec. 2, Zhongqing Rd., Beitun District, Taichung City 406039, Taiwan (R.O.C.)	886-4-22910388
Bei Tun Branch	No.974, Sec. 4, Wunsin Rd., Beitun District, Taichung City 406019, Taiwan (R.O.C.)	886-4-22333626

◆ Head Office and Branches

BRANCH NAME	ADDRESS	TEL
Chung Kang Branch	No.769, Sec. 4, Taiwan Blvd., Situn District, Taichung City 407201, Taiwan (R.O.C.)	886-4-23588211
Si Tun Branch	No.63, Guangming Rd., Situn District, Taichung City 407024, Taiwan (R.O.C.)	886-4-27019551
Yung An Branch	No.159-75, Sec. 3, Situn Rd., Situn District, Taichung City 407129, Taiwan (R.O.C.)	886-4-24616115
Da Dun Branch	No.5, Sec.2, Gongyi Rd., Nantun District, Taichung City 408031, Taiwan (R.O.C.)	886-4-23296236
Nan Tun Branch	No.501, Sec. 2, Wucyuan W. Rd., Nantun District, Taichung City 408349, Taiwan (R.O.C.)	886-4-23832121
Da Chia Branch	No.36, Zhongxiao St., Dajia Dist., Taichung City 437008, Taiwan (R.O.C.)	886-4-26760020
Da Li Branch	No.269, Defang S. Rd., Dali District, Taichung City 412015, Taiwan (R.O.C.)	886-4-24835123
Ta Ya Branch	No.1187, Sec. 3, Zhongqing Rd., Daya Dist., Taichung City 428412, Taiwan (R.O.C.)	886-4-25650901
Sha Lu Branch	No. 321, Sec. 2, Zhennan Rd., Shalu Dist., Taichung City 433020, Taiwan (R.O.C.)	886-4-26625008
Fung Yuan Branch	No.193, Yuanhuan S. Rd., Fengyuan District, Taichung City 420001, Taiwan (R.O.C.)	886-4-25251201
Chang Hwa Branch	No.107, Sanmin Rd., Changhua City 500003, Taiwan (R.O.C.)	886-4-7235997
Yuan Lin Branch	No.346, Sec. 2, Jhongshan Rd., Yuanlin City, Changhua County 510009, Taiwan (R.O.C.)	886-4-8377007
Cao Tun Branch	No.146, Sec.2, Taiping Rd., Caotun Township, Nantou County 542006, Taiwan (R.O.C.)	886-49-2328296
Chia Yi Branch	No.248, Jhongshan Rd., Chiayi City 600014, Taiwan (R.O.C.)	886-5-2247755
Pei Chia Yi Branch	No.465, Zhongxing Rd., West Dist., Chiayi City 600082, Taiwan (R.O.C.)	886-5-2330367
Tou Liu Branch	No.225, Sec. 2, Yunlin Rd., Douliu City, Yunlin County 640001, Taiwan (R.O.C.)	886-5-5375586
Tainan Branch	No.307, Sec.2, Ming Sheng Rd., Tainan City 700018, Taiwan (R.O.C.)	886-6-2219511
East Tainan Branch	No.12, Sec. 1, Jhonghua E. Rd., East District, Tainan City 701041, Taiwan (R.O.C.)	886-6-2347777
Yong Kang Branch	No.659, Jhongjheng S. Rd., Yongkang District, Tainan City 710005, Taiwan (R.O.C.)	886-6-2432877

BRANCH NAME	ADDRESS	TEL
Sin Ying Branch	No.138, Jhong Shan Rd., Sin Ying District, Tainan City 730025, Taiwan (R.O.C.)	886-6-6378266
North Kaohsiung Branch	No.523, Minzu 1st Rd., Sanmin District, Kaohsiung City 807661, Taiwan (R.O.C.)	886-7-3478511
Siao Gang Branch	No.292, Hanmin Rd., Siaogang District, Kaohsiung City 812012, Taiwan (R.O.C.)	886-7-8025588
Zuoying Huasia Rd. Branch	No.692, Huasia Rd., Zuoying District, Kaohsiung City 813754, Taiwan (R.O.C.)	886-7-3487077
Gan Shan Branch	No.339, Gangshan Rd. Gangshan Dist., Kaohsiung City 820001 Taiwan (R.O.C.)	886-7-6212551
Kaohsiung Branch	No. 105, Qingnian 2nd Rd., Lingya Dist., Kaohsiung City 802045, Taiwan (R.O.C.)	886-7-2158811
Chi Hsien Branch	No.249, Chi Hsien 1st Rd., Sinsing District, Kaohsiung City 800303, Taiwan (R.O.C.)	886-7-2361678
Lu Chu Branch	No.1185, Jhongshan Rd., Lujhu District, Kaohsiung City 821013, Taiwan (R.O.C.)	886-7-6975395
Feng Shan Branch	No.242, Sec.3, Jian Guo Rd., Feng Shan District, Kaohsiung City 830007, Taiwan (R.O.C.)	886-7-7805966
Dong Gang Branch	1F and 3F, No. 180, Sec. 1, Guangfu Rd., Donggang Township, Pingtung County, 928007, Taiwan (R.O.C.)	886-8-8350187
Ping Tung Branch	No.123, Jhongjheng Rd., Pingtung City, Pingtung County 900013, Taiwan (R.O.C.)	886-8-7339911
Dong Yuan Branch	No.63, Guangdong Rd., Pingtung City, Pingtung County 900022, Taiwan (R.O.C.)	886-8-7228306
Jiou Ru Branch	No. 100 and No. 102, Sec. 2, Jiuru Rd., Jiuru Township, Pingtung County 904007, Taiwan (R.O.C.)	886-8-7390985
Wan Dan Branch	No.256, Sec. 1, Wandan Rd., Wanquan Village Wandan Township, Pingtung County 913401, Taiwan (R.O.C.)	886-8-7772010
Yi Lan Branch	No.48, Kungfu Rd., Yilan City, 260003, Taiwan (R.O.C.)	886-3-9358178
Hua Lien Branch	No. 588, Zhongzheng Rd., Hualien City, Hualien County 970007, Taiwan (R.O.C.)	886-3-8310802
Hong Kong Branch	Level 9 of Six Pacific Place, 50 Queen's Road East, Hong Kong	852-35574666



Taiwan Shin Kong Commercial Bank Co., Ltd.
5F, No.36, Songren Road, Xinyi District, Taipei 110, Taiwan
Tel :+886-2-8758-7288
<https://www.skbank.com.tw>