

**Taiwan Cooperative Financial Holding  
Co., Ltd. and Subsidiaries**

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

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

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

Very truly yours,

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD.

By

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LIN, YEN-MAO  
Chairman

March 11, 2026

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders  
Taiwan Cooperative Financial Holding Co., Ltd.

### Opinion

We have audited the accompanying consolidated financial statements of Taiwan Cooperative Financial Holding Co., Ltd. (TCFHC) and its subsidiaries (collectively referred to as “the Company”), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

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

### Basis for Opinion

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

### Key Audit Matters

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

The key audit matters identified in our audit of the consolidated financial statements of Taiwan Cooperative Financial Holding Co., Ltd. and its subsidiaries for the year ended December 31, 2025 were as follows:

#### Impairment Assessment of Loans

The net discounts and loans of the Company as of December 31, 2025, accounted for 58% of the consolidated total assets. Therefore, the assessment of the impairment loss of discounts and loans may have significant impacts on the consolidated financial statements. Besides assessing the expected credit losses of loans in accordance with IFRS 9 “Financial Instruments”, the management of Taiwan Cooperative Bank, Ltd. (TCB) complies with the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans” related regulations (collectively, the Regulations) when assessing the classification of credit assets and recognizing the allowance for possible losses.

For the accounting policies and material accounting judgments and estimations of TCB’s impairment assessment of loans, refer to Notes 4 and 5 to the consolidated financial statements; for the relevant information on the impairment assessment of loans, refer to Note 13 to the consolidated financial statements.

When assessing whether to recognize impairment losses on loans in accordance with the Regulations and applicable laws, TCB management’s primary judgment relates to the assessment of potential losses on credit assets. This assessment includes determining whether credit assets are classified based on the length of time the loans have been overdue and the value of the related collateral. As the amount of impairment assessed under the Regulation is significantly greater than the amount estimated under IFRS 9 “Financial Instruments”, and the assessment involves significant judgments and estimates, the amount is material to the consolidated financial statements; therefore, impairment of loans was identified as a key audit matter.

With respect to the critical judgments, estimations, and assumptions used in the assessment for impairment loss, the main audit procedures we performed were as follows:

1. We obtained an understanding of the design of the TCB’s relevant internal controls on impairment assessment of loans.
2. We tested and confirmed that TCB’s credit assets were classified and evaluated for impairment in accordance with the Regulations. The length of time the loans have been overdue and the value of the collateral were considered in calculating the provision for impairment loss.

#### Quoting the Correctness of Insurance Information from the Life Policy Reserve

The reserve for life insurance policy contracts and financial instruments with discretionary participation features of the Company were recognized in compliance with the Regulations Governing the Recognition of Reserves by Insurance Enterprises.

The management of BNP Paribas Cardif TCB Life Insurance Co., Ltd. (BPCTLI) measures the life insurance liability reserve liabilities of each valid long-term insurance policy with reference to the deposit logic of the commodity calculation instructions submitted to the competent authority at the time of insurance pricing. The changes to the deposit logic must be approved by the competent authority in advance. Except for approved deposit logics, the Company shall not arbitrarily change the formulas and parameters used in the product calculation instructions submitted to the competent authority at the time of pricing of insurance types because the quote unchanged withdrawal logic and the correct policy information are crucial to the allocation of insurance liabilities and are identified as a key audit matter. For the relevant accounting policies and material accounting judgments and estimations, refer to Notes 4 and 5 to the consolidated financial statements. For the

relevant information about the assessment of the insurance liabilities, refer to Note 28 to the consolidated financial statements.

With respect to the abovementioned key audit matter, the procedures we performed were as follows:

1. We obtained an understanding of the process and related internal operations of the assessment of the insurance liabilities of BPCTLI, and we assessed the compliance with related internal operations by performing the tests.
2. We obtained the actuarial information summary evaluated by the management of BPCTLI, and we sampled and tested that the information of policyholders was consistent with the information of life policy reserves.
3. We utilized our actuarial experts and performed the following audit procedures with respect to life policy reserves:
  - a. We sampled the insurance products and tested the actuarial memorandum, which was approved by the Insurance Bureau before the insurance products were introduced to the market, and the reserves in the memorandum were calculated in accordance with the regulations and were applicable to the insurance products.
  - b. We sampled the insurance policies and recalculated the insurance liabilities and confirmed that the calculation of BPCTLI was in accordance with the Regulations Governing the Recognition of Reserves by Insurance Enterprises and was consistent with the formula and parameters submitted to the regulatory authority.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the financial reporting process of Taiwan Cooperative Financial Holding Co., Ltd. and its subsidiaries.

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of Taiwan Cooperative Financial Holding Co., Ltd. and its subsidiaries, for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Yin-Chou Chen and Wang-Shen Lin.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 11, 2026

Notice to Readers

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

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

## TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

	2025		2024	
	Amount	%	Amount	%
<b>ASSETS</b>				
CASH AND CASH EQUIVALENTS (Notes 4 and 6)	\$ 70,370,127	1	\$ 79,069,296	1
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Notes 4 and 7)	429,484,047	8	398,748,466	8
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8, 41 and 42)	190,067,734	4	156,824,572	3
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 9 and 42)	550,181,587	10	517,014,504	10
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST (Notes 4, 10 and 42)	829,135,780	16	752,203,282	15
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Notes 4 and 11)	1,848,824	-	1,315,855	-
RECEIVABLES, NET (Notes 4, 12 and 41)	53,403,820	1	51,957,450	1
CURRENT TAX ASSETS (Notes 4 and 38)	2,594,979	-	2,941,790	-
DISCOUNTS AND LOANS, NET (Notes 4, 13, 41 and 42)	3,125,961,046	58	3,060,868,842	59
REINSURANCE ASSETS, NET (Note 4)	493,996	-	216,517	-
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Notes 4 and 14)	146,077	-	144,941	-
OTHER FINANCIAL ASSETS, NET (Notes 4, 15, 30 and 42)	71,360,188	1	88,542,630	2
INVESTMENT PROPERTIES, NET (Notes 4 and 16)	11,492,844	-	11,301,781	-
PROPERTIES AND EQUIPMENT, NET (Notes 4 and 17)	31,621,457	1	31,999,675	1
RIGHT-OF-USE ASSETS, NET (Notes 4 and 18)	1,614,718	-	1,763,850	-
INTANGIBLE ASSETS (Notes 4 and 19)	4,806,522	-	4,816,577	-
DEFERRED TAX ASSETS (Notes 4 and 38)	1,251,920	-	1,483,107	-
OTHER ASSETS, NET (Notes 4, 18 and 20)	<u>5,002,269</u>	-	<u>4,296,553</u>	-
<b>TOTAL</b>	<u>\$ 5,380,837,935</u>	<u>100</u>	<u>\$ 5,165,509,688</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS (Notes 21 and 41)	\$ 508,699,696	10	\$ 438,083,704	8
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8, 26 and 41)	5,710,696	-	5,578,934	-
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 4, 8, 9, 22 and 41)	68,321,163	1	72,137,886	1
COMMERCIAL PAPER ISSUED, NET (Note 23)	45,973,834	1	38,061,951	1
PAYABLES (Notes 4, 24 and 41)	53,099,679	1	47,963,415	1
CURRENT TAX LIABILITIES (Notes 4 and 38)	2,626,021	-	417,586	-
DEPOSITS AND REMITTANCES (Notes 25 and 41)	4,200,928,336	78	4,084,423,043	79
BONDS PAYABLE (Note 26)	78,140,000	2	79,140,000	2
OTHER BORROWINGS (Notes 23 and 27)	7,986,286	-	11,033,195	-
PROVISIONS (Notes 4, 28 and 29)	49,206,586	1	37,843,178	1
OTHER FINANCIAL LIABILITIES (Notes 4, 16, 30 and 41)	66,364,515	1	82,358,549	2
LEASE LIABILITIES (Notes 4 and 18)	1,579,627	-	1,720,552	-
DEFERRED TAX LIABILITIES (Notes 4, 17 and 38)	5,526,139	-	5,755,226	-
OTHER LIABILITIES (Note 31)	<u>1,532,492</u>	-	<u>1,235,526</u>	-
Total liabilities	<u>5,095,695,070</u>	<u>95</u>	<u>4,905,752,745</u>	<u>95</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF TCFHC</b>				
Capital stock				
Common stock	<u>156,809,369</u>	<u>3</u>	<u>152,242,106</u>	<u>3</u>
Capital surplus	<u>45,652,306</u>	<u>1</u>	<u>45,652,306</u>	<u>1</u>
Retained earnings				
Legal reserve	19,737,773	-	17,288,787	-
Special reserve	7,899,270	-	7,127,657	-
Unappropriated earnings	<u>42,866,703</u>	<u>1</u>	<u>39,637,838</u>	<u>1</u>
Total retained earnings	<u>70,503,746</u>	<u>1</u>	<u>64,054,282</u>	<u>1</u>
Other equity	<u>6,287,172</u>	-	<u>(7,899,270)</u>	-
Total equity attributable to owners of TCFHC	279,252,593	5	254,049,424	5
NON-CONTROLLING INTERESTS	<u>5,890,272</u>	-	<u>5,707,519</u>	-
Total equity	<u>285,142,865</u>	<u>5</u>	<u>259,756,943</u>	<u>5</u>
<b>TOTAL</b>	<u>\$ 5,380,837,935</u>	<u>100</u>	<u>\$ 5,165,509,688</u>	<u>100</u>

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

# TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

	2025		2024		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INTEREST REVENUE (Notes 32 and 41)	\$ 109,078,102	146	\$ 106,304,142	162	3
INTEREST EXPENSE (Notes 32 and 41)	<u>(74,547,530)</u>	<u>(100)</u>	<u>(76,130,605)</u>	<u>(116)</u>	(2)
NET INTEREST	<u>34,530,572</u>	<u>46</u>	<u>30,173,537</u>	<u>46</u>	14
NET REVENUES AND GAINS OTHER THAN INTEREST					
Service fee and commission income, net (Notes 4, 33 and 41)	10,652,110	14	11,080,365	17	(4)
Premium income, net (Notes 4, 30 and 34)	12,231,998	17	5,280,486	8	132
Gains on financial assets and liabilities at fair value through profit or loss (Notes 4, 35 and 41)	1,049,900	1	33,223,268	50	(97)
Gains on disposal of investment properties, net (Notes 4 and 16)	78,901	-	83,835	-	(6)
Realized gains on financial assets at fair value through other comprehensive income (Notes 4 and 36)	2,745,025	4	2,984,316	5	(8)
Loss on derecognition of financial assets at amortized cost (Notes 4 and 13)	-	-	(586)	-	100
Foreign exchange gains (losses), net (Note 4)	12,314,657	17	(17,426,805)	(26)	171
Gain on reversal of impairment losses (Notes 4, 9, 10 and 17)	17,472	-	35,453	-	(51)
Share of gains of associates and joint ventures accounted for using the equity method (Notes 4 and 14)	8,217	-	12,165	-	(32)

(Continued)

# TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

	2025		2024		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
Gains on reclassification of overlay approach (Note 8)	\$ 265,487	-	\$ 80,765	-	229
Other noninterest gains, net (Notes 16, 40 and 41)	<u>493,286</u>	<u>1</u>	<u>296,893</u>	<u>-</u>	66
Total net revenues and gains other than interest	<u>39,857,053</u>	<u>54</u>	<u>35,650,155</u>	<u>54</u>	12
TOTAL NET REVENUES	<u>74,387,625</u>	<u>100</u>	<u>65,823,692</u>	<u>100</u>	13
BAD-DEBT EXPENSES AND PROVISION FOR LOSSES ON COMMITMENT AND GUARANTEES (Notes 4 and 13)	<u>(4,637,620)</u>	<u>(6)</u>	<u>(5,750,254)</u>	<u>(9)</u>	(19)
NET CHANGE IN RESERVES FOR INSURANCE LIABILITIES (Notes 4 and 28)	<u>(10,738,384)</u>	<u>(15)</u>	<u>(3,368,758)</u>	<u>(5)</u>	219
OPERATING EXPENSES (Notes 4, 16, 17, 18, 19, 29 and 37)					
Employee benefits	(19,141,961)	(26)	(18,527,912)	(28)	3
Depreciation and amortization	(2,837,714)	(4)	(2,861,366)	(4)	(1)
General and administrative	<u>(10,729,704)</u>	<u>(14)</u>	<u>(10,336,141)</u>	<u>(16)</u>	4
Total operating expenses	<u>(32,709,379)</u>	<u>(44)</u>	<u>(31,725,419)</u>	<u>(48)</u>	3
INCOME BEFORE INCOME TAX	26,302,242	35	24,979,261	38	5
INCOME TAX EXPENSE (Notes 4 and 38)	<u>(4,854,387)</u>	<u>(6)</u>	<u>(5,170,000)</u>	<u>(8)</u>	(6)
NET INCOME	<u>21,447,855</u>	<u>29</u>	<u>19,809,261</u>	<u>30</u>	8

(Continued)

# TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

	2025		2024		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
<b>OTHER COMPREHENSIVE INCOME</b>					
Items that will not be reclassified subsequently to profit or loss (Notes 4, 9, 29 and 38)					
Remeasurement of defined benefit plans	\$ 409,521	-	\$ 770,755	1	(47)
Change in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss	(5,449)	-	1,122	-	(586)
Unrealized gains on investments in equity instruments at fair value through other comprehensive income	<u>5,771,609</u>	<u>8</u>	<u>5,172,400</u>	<u>8</u>	12
Items that will not be reclassified subsequently to profit or loss, net of income tax					
	<u>6,175,681</u>	<u>8</u>	<u>5,944,277</u>	<u>9</u>	4
Items that may be reclassified subsequently to profit or loss (Notes 4, 8, 9 and 38)					
Exchange differences on the translation of financial statements of foreign operations	(1,705,818)	(2)	3,598,467	5	(147)
Unrealized (losses) gains income on investments in debt instruments at fair value through other comprehensive income	10,597,546	14	(4,132,582)	(6)	356
Other comprehensive losses on reclassification of overlay approach	(265,487)	-	(80,765)	-	229
Income tax attributable to other comprehensive income	<u>76,321</u>	<u>-</u>	<u>(664,637)</u>	<u>(1)</u>	111
Items that may be reclassified subsequently to profit or loss, net of income tax					
	<u>8,702,562</u>	<u>12</u>	<u>(1,279,517)</u>	<u>(2)</u>	780
Other comprehensive income (loss), net of income tax	<u>14,878,243</u>	<u>20</u>	<u>4,664,760</u>	<u>7</u>	219
<b>TOTAL COMPREHENSIVE INCOME</b>	<u>\$ 36,326,098</u>	<u>49</u>	<u>\$ 24,474,021</u>	<u>37</u>	48

(Continued)

# TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

	2025		2024		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
NET INCOME ATTRIBUTABLE TO:					
Owners of TCFHC	\$ 21,294,771	29	\$ 19,219,939	29	11
Non-controlling interests	<u>153,084</u>	<u>-</u>	<u>589,322</u>	<u>1</u>	(74)
	<u>\$ 21,447,855</u>	<u>29</u>	<u>\$ 19,809,261</u>	<u>30</u>	8
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of TCFHC	\$ 35,860,116	48	\$ 24,182,865	37	48
Non-controlling interests	<u>465,982</u>	<u>1</u>	<u>291,156</u>	<u>-</u>	60
	<u>\$ 36,326,098</u>	<u>49</u>	<u>\$ 24,474,021</u>	<u>37</u>	48
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 39)					
Basic	<u>\$ 1.36</u>		<u>\$ 1.23</u>		
Diluted	<u>\$ 1.36</u>		<u>\$ 1.23</u>		

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

(Concluded)

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of TCFHC						Other Equity					Total Equity
	Capital Stock (Note 40)		Capital Surplus (Note 40)	Retained Earnings (Notes 9 and 40)			Exchange Differences in Translation of Financial Statement of Foreign Operations	Unrealized Valuation Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income (Note 9)	Change in the Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities Designated as at Fair Value Through Profit or Loss	Other Comprehensive Income on Reclassification of Overlay Approach	Non-controlling Interests (Note 40)	
	Shares (In Thousands)	Common Stock		Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE, JANUARY 1, 2024	14,709,382	\$ 147,093,822	\$ 45,650,280	\$ 15,582,312	\$ 21,509,719	\$ 17,181,771	\$ (578,527)	\$ (6,593,434)	\$ (13,014)	\$ 57,319	\$ 5,888,411	\$ 245,778,659
Impact of initial application of IAS 29	-	-	-	-	-	(464,617)	-	-	-	-	-	(464,617)
Unclaimed dividends	-	-	2,026	-	-	-	-	-	-	-	-	2,026
Appropriation of the 2023 earnings												
Legal reserve	-	-	-	1,706,475	-	(1,706,475)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(9,561,098)	-	-	-	-	-	(9,561,098)
Stock dividends	514,828	5,148,284	-	-	-	(5,148,284)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(14,382,062)	14,382,062	-	-	-	-	-	-
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	4,963,274	-	(4,963,274)	-	-	-	-
Transfer of changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss upon derecognition	-	-	-	-	-	511	-	-	(511)	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(472,048)	(472,048)
Total comprehensive income												
Net income for the year ended December 31, 2024	-	-	-	-	-	19,219,939	-	-	-	-	589,322	19,809,261
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	770,755	2,878,080	1,355,976	1,122	(43,007)	(298,166)	4,664,760
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	-	19,990,694	2,878,080	1,355,976	1,122	(43,007)	291,156	24,474,021
BALANCE, DECEMBER 31, 2024	15,224,210	152,242,106	45,652,306	17,288,787	7,127,657	39,637,838	2,299,553	(10,200,732)	(12,403)	14,312	5,707,519	259,756,943
Appropriation of the 2024 earnings												
Legal reserve	-	-	-	2,448,986	-	(2,448,986)	-	-	-	-	-	-
Special reserve	-	-	-	-	771,613	(771,613)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(10,656,947)	-	-	-	-	-	(10,656,947)
Stock dividends	456,726	4,567,263	-	-	-	(4,567,263)	-	-	-	-	-	-
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(38,799)	-	38,799	-	-	-	-
Transfer of changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss upon derecognition	-	-	-	-	-	8,181	-	-	(8,181)	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(283,229)	(283,229)
Total comprehensive income												
Net income for the year ended December 31, 2025	-	-	-	-	-	21,294,771	-	-	-	-	153,084	21,447,855
Other comprehensive income for the year ended December 31, 2025	-	-	-	-	-	409,521	(1,381,386)	15,675,325	(5,449)	(132,666)	312,898	14,878,243
Total comprehensive income for the year ended December 31, 2025	-	-	-	-	-	21,704,292	(1,381,386)	15,675,325	(5,449)	(132,666)	465,982	36,326,098
BALANCE, DECEMBER 31, 2025	15,680,936	\$ 156,809,369	\$ 45,652,306	\$ 19,737,773	\$ 7,899,270	\$ 42,866,703	\$ 918,167	\$ 5,513,392	\$ (26,033)	\$ (118,354)	\$ 5,890,272	\$ 285,142,865

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

# TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 26,302,242	\$ 24,979,261
Adjustments for:		
Depreciation expense	2,291,067	2,375,205
Amortization expense	546,647	486,161
Expected credit losses/bad-debt expenses	3,828,194	5,829,340
Gains on financial assets and liabilities at fair value through profit or loss	(1,049,900)	(33,223,268)
Interest expense	74,547,530	76,130,605
Loss on derecognition of financial assets at amortized cost	-	586
Interest revenue	(109,078,102)	(106,304,142)
Dividend income	(2,881,696)	(3,386,414)
Net changes in reserves for insurance liabilities	10,738,384	3,368,758
Net changes in provision for possible losses on guarantees	700,349	(79,334)
Net changes in reserves for other liabilities	109,077	248
Share of gains of associates and joint ventures accounted for using equity method	(8,217)	(12,165)
Gains on reclassification of overlay approach	(265,487)	(80,765)
Losses on disposal of properties and equipment	48	120
Gains on disposal of investment properties	(78,901)	(83,835)
Losses on disposal of investments	136,671	402,098
Impairment losses on financial assets	5,586	1,299
Gains on reversal of impairment losses on financial assets	(23,058)	(23,919)
Gains on reversal of impairment losses on non-financial assets	-	(12,833)
Unrealized losses (gains) on foreign exchange	328,809	(889,041)
Others	1,119	151,191
Net changes in operating assets and liabilities		
Increase in due from the Central Bank and call loans to other banks	(22,199,340)	(39,282,423)
Increase in financial assets at fair value through profit or loss	(14,621,821)	(2,255,272)
(Increase) decrease in financial assets at fair value through other comprehensive income	(22,708,831)	1,623,924
Increase in investments in debt instruments at amortized cost	(79,706,887)	(44,144,330)
Increase in receivables	(2,806,357)	(1,766,122)
Increase in discounts and loans	(68,181,068)	(265,977,717)
(Increase) decrease in reinsurance assets	(253,252)	61,064
Decrease in other financial assets	707,205	29,561
Increase in other assets	(13,184)	(1,348,092)
Increase in deposits from the Central Bank and other banks	70,615,992	136,378,344
Decrease in financial liabilities at fair value through profit or loss	(19,246,774)	(3,326,679)
(Decrease) increase in securities sold under repurchase agreements	(3,557,195)	841,322
Increase (decrease) in payables	4,564,856	(6,689,824)
Increase in deposits and remittances	116,505,293	222,327,852
(Decrease) increase in provision for employee benefits	(54,099)	669,094

(Continued)

# TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

	2025	2024
Increase in other financial liabilities	\$ 4,652	\$ 34,210
Increase in other liabilities	<u>311,926</u>	<u>159,015</u>
Cash used in operations	(34,488,522)	(33,036,917)
Interest received	113,698,743	108,478,336
Dividends received	3,171,962	3,538,671
Interest paid	(74,127,824)	(75,317,789)
Income tax paid	<u>(2,219,577)</u>	<u>(6,266,549)</u>
Net cash generated from (used in) operating activities	<u>6,034,782</u>	<u>(2,604,248)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of investments accounted for using the equity method	-	6,979
Acquisition of properties and equipment	(1,456,332)	(1,238,112)
Proceeds from disposal of properties and equipment	652	26
Increase in settlement funds	(5,000)	-
Increase in refundable deposits	(994,154)	(1,774,387)
Decrease in refundable deposits	1,453,323	2,083,805
Acquisition of intangible assets	(498,732)	(723,211)
Acquisition of investment properties	(393,449)	(1,001,519)
Proceeds from disposal of investment properties	442,732	722,584
Increase in other assets	(58,143)	(43,443)
Decrease in other assets	<u>40,942</u>	<u>47,353</u>
Net cash used in investing activities	<u>(1,468,161)</u>	<u>(1,919,925)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in commercial paper issued	141,506,118	65,550,000
Decrease in commercial paper issued	(133,588,118)	(61,150,000)
Repayments of bonds payable	(2,100,000)	-
Proceeds from the issuance of bank debentures	1,100,000	11,000,000
Repayments of bank debentures	-	(9,100,000)
Increase in other borrowings	26,943,021	44,232,916
Decrease in other borrowings	(30,761,150)	(44,510,473)
Increase in financial liabilities designated as at fair value through profit or loss	2,036,064	2,897,758
Decrease in financial liabilities designated as at fair value through profit or loss	(2,826,508)	(980,817)
Increase in guarantee deposits received	1,179,023	880,387
Decrease in guarantee deposits received	(1,460,921)	(368,338)
Repayments of the principal portion of lease liabilities	(667,482)	(692,368)
Decrease in other liabilities	(941)	(51,620)

(Continued)

# TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

	2025	2024
Cash dividends paid	\$ (10,656,947)	\$ (9,561,098)
Changes in non-controlling interests	<u>(283,229)</u>	<u>(472,048)</u>
Net cash used in financing activities	<u>(9,581,070)</u>	<u>(2,325,701)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>5,368,410</u>	<u>(8,175,088)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	353,961	(15,024,962)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>129,189,132</u>	<u>144,214,094</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 129,543,093</u>	<u>\$ 129,189,132</u>

Cash and cash equivalent reconciliations:

	<u>December 31</u>	
	2025	2024
Cash and cash equivalents in the consolidated balance sheets	\$ 70,370,127	\$ 79,069,296
Due from the Central Bank and call loans to other banks in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	56,946,802	48,410,561
Securities purchased under resell agreements in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	1,848,824	1,315,855
Other items in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	<u>377,340</u>	<u>393,420</u>
Cash and cash equivalents, end of the year	<u>\$ 129,543,093</u>	<u>\$ 129,189,132</u>

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

(Concluded)

# **TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES**

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

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

Taiwan Cooperative Financial Holding Co., Ltd. (TCFHC) was established by Taiwan Cooperative Bank, Ltd. (TCB), Taiwan Cooperative Bills Finance Corporation Ltd. (TCBF) and Co-operative Assets Management Co., Ltd. (CAM) through a share swap on December 1, 2011 under the Financial Holding Companies Act and related regulations in the Republic of China (ROC). TCFHC's shares have been listed on the Taiwan Stock Exchange (TWSE) since December 1, 2011. After the share swap, TCB, TCBF and CAM became wholly owned subsidiaries of TCFHC.

TCFHC invests in and manages financial institutions.

TCB engages in (a) all commercial banking operations allowed under the Banking Law; (b) international banking operations; (c) overseas branch operations as authorized by the respective foreign governments; and (d) other operations as authorized by the central authority-in-charge. TCB has its Head Office in Taipei. It had a Business, International Banking, Finance, Credit Card, Trust and Insurance Agent Departments as well as 248 domestic branches, an offshore banking unit (OBU), 15 overseas branches, 8 overseas sub-branches and 3 representative offices as of December 31, 2025.

The operations of TCB's Trust Department are (1) planning, managing and operating the trust business and (2) custodianship of nondiscretionary trust funds in domestic and overseas securities and mutual funds. These operations are regulated under the Banking Law and Trust Law of the ROC.

TCB merged with the Farmers Bank of China (FBC) on May 1, 2006, with TCB as the survivor entity.

On December 2, 2011, TCB spun off its Security Department for the establishment of Taiwan Cooperative Securities Co., Ltd. (TCS). TCS issued new common shares to TCFHC and became its 100% subsidiary. TCS primarily (a) brokers securities; (b) deals securities; (c) underwrites securities; (d) provides pecuniary and securities financing facilities for the trading of listed securities; (e) trading of futures introducing broker business; (f) futures proprietary trading business; (g) does other business as approved by the authorities.

TCBF, established on May 13, 1998, has a head office in Taipei and a branch in Kaohsiung. TCBF engages in (a) brokering and dealing short-term bills; (b) underwriting commercial paper; (c) acting as registrar of commercial paper; (d) providing guarantees on or endorsements of commercial paper and bank acceptance; (e) brokering call loans between financial institutions; (f) providing consulting services on corporate financial matters; (g) brokering and dealing government bonds; (h) underwriting, brokering and dealing bank debentures; (i) dealing corporate bonds; (j) investment related equity instruments; (k) other operations approved by the authorities.

CAM was established on October 18, 2005; its main businesses are the purchase, appraisal, auction and management of financial institutions' creditors' rights as well as the purchase of accounts receivable and management of overdue receivables. To enhance capital allocation and increase the benefits of capital use, the board of directors of CAM decided to merge CAM and its subsidiary, Cooperative I Asset Management Co., Ltd. The effective date of the merger was December 1, 2014. In this merger, CAM was the survivor entity.

Cooperative Insurance Brokers Co., Ltd. (CIB) was established on November 25, 2005; it is engaged in life and property insurance brokering. In order to integrate resources and enhance operating effectiveness, the board of directors of TCB and CIB decided to merge TCB with CIB. The effective date of the merger was June 24, 2016. In this merger, TCB was the survivor entity.

TCB set up United Taiwan Bank S.A. (UTB) in Belgium through raising funds with Bank of Taiwan, Land Bank of Taiwan and Taiwan Business Bank. UTB started its operation on December 23, 1992; it is TCB's subsidiary and its main business is in general deposits and loans.

For organizational restructuring purpose, TCB's board of directors resolved to reduce TCB's capital of \$1,524,390 thousand and transferred TCB's long-term equity investments in BNP Paribas Cardif TCB Life Insurance Co., Ltd. (BPCTLI) and Taiwan Cooperative Securities Investment Trust Co., Ltd. (TCSIT) to TCFHC on December 1, 2011. The effective date of the capital reduction was set on April 3, 2012. After this capital reduction, BPCTLI and TCSIT both became 51% subsidiaries of TCFHC. On April 21, 2014, TCFHC acquired 49% of long-term equity investments in TCSIT for \$151,704 thousand. After this acquisition, TCSIT became a 100% subsidiary of TCFHC.

The business of BPCTLI was approved in March 2010. BPCTLI provides insurance: Life, personal injury, health, annuity and investment-linked products.

The business of TCSIT was approved in April 2011. TCSIT engages in the (a) securities investment trust business; (b) discretionary investment business; (c) securities investment consulting business and (d) other businesses as approved by the authorities.

Taiwan Cooperative Venture Capital Co., Ltd. (TCVC) was established on October 1, 2015. TCVC engages in (a) venture capital investments; (b) consulting; and (c) investment consulting.

As of December 31, 2025 and 2024, TCFHC and its subsidiaries (the "Company") had 9,820 and 9,770 employees, respectively.

The operating units of the Company maintain their accounts in their respective functional currencies. The consolidated financial statements are presented in New Taiwan dollars.

## **2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements were approved by TCFHC's board of directors on March 11, 2026.

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

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

The following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies from 2025.

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

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

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

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

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

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

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

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

- i The Company having no practical ability to withdraw, stop or cancel the payment instruction;
- ii The Company having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

iii The settlement risk associated with the electronic payment system being insignificant.

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

2) IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)

IFRS 17 governs the accounting treatment of insurance contracts and supersedes IFRS 4 “Insurance Contracts”. The main provisions of IFRS 17 and its related amendments are as follows:

IFRS 17 is an accounting standard that governs the recognition, measurement, presentation, and disclosure of insurance contracts. It applies to insurance contracts (including reinsurance contracts) issued by an entity, reinsurance contracts held by the entity, and investment contracts with discretionary participation features issued by the entity (provided the entity also issues insurance contracts). IFRS 17 establishes consistent measurement methods for insurance liabilities, including the general measurement model the variable fee approach, and the premium sharing approach. The variable fee approach applies to insurance contracts with direct participation features. Additionally, groups of insurance contracts may select to apply the premium allocation approach to simplify the measurement of the group under certain conditions.

The general measurement model estimates the amount, timing, and uncertainty of future cash flows for a group of insurance contracts based on current assumptions and adjusts for non-financial risks to reflect the compensation required for bearing uncertainty. This model also considers market interest rates and the impact of options and guarantees embedded in the insurance contracts on cash flows. Furthermore, the general measurement model includes the contract service margin, which represents the unearned profit that the entity recognizes for providing future services. This margin is recognized in profit or loss over the insurance coverage period.

IFRS 17 requires entities to use a systematic and reasonable method to allocate insurance cash flows to each group of insurance contracts. Insurance cash flows paid before recognizing the relevant insurance contract group should be recognized as assets, and these insurance cash flows assets should be derecognized when the cash flows are included in the measurement of the relevant insurance contract group. At the end of each reporting period, entities should perform an impairment assessment of insurance cash flow assets.

Furthermore, IFRS 17 requires the presentation and disclosure of amounts arising from insurance contracts in the balance sheet and statement of income.

Under IFRS 4, reserves set aside for insurance contracts and financial instruments, regardless of whether they have discretionary participation features, are handled in accordance with the “Regulations Governing the Reserves by Insurance Enterprises” and certified by actuaries approved by the Financial Supervisory Commission. Please refer to Note 4, Summary of material Accounting Policy Information.

Upon initial application of IFRS 17, comparative period information must be restated. Considering the practical challenges prior to January 1, 2024, the Company chose to adopt the fair value method, using the difference between the fair value of a group of insurance contracts and the cash flows measured on that date to determine the contract service margin or loss component of the remaining coverage liability. Since January 1, 2024, when the fully retrospective method was adopted, the Company identifies, recognizes, and measures each group of insurance contracts accordingly. The Company anticipates an increase of \$676,900 thousand in retained earnings as of January 1, 2025.

Furthermore, prior to the application of IFRS 17, to mitigate the impact and differences arising from the earlier application date of IFRS 9 compared to IFRS 17, the Company applied the overlay approach to designated financial assets. Upon the application of IFRS 17, the Company will cease the overlay approach, and as of January 1, 2025, adjusted retained earnings will increase by \$14,312 thousand while other equity will decrease by \$14,312 thousand.

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

- c. Impact of the new IFRS Accounting Standards announced by IASB but not yet endorsed and issued into effect by the FSC and not yet applied by the Company

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

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

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

**IFRS 18 "Presentation and Disclosure in Financial Statements" and Consequential Amendments**

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

- 1) To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Company shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- 2) The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- 3) Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as "other" only if it cannot find a more informative label.

- 4) Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

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

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

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

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

##### **Statement of Compliance**

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

##### **Basis of Preparation**

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

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

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

## **Basis of Consolidation**

TCFHC's consolidated financial statements incorporate the financial statements of Taiwan Cooperative Financial Holding Co., Ltd. (TCFHC), and the entities controlled by TCFHC, including Taiwan Cooperative Bank, Ltd. (TCB) and its subsidiary, Co-operative Assets Management Co., Ltd. (CAM) and its subsidiary, Taiwan Cooperative Bills Finance Co., Ltd. (TCBF), Taiwan Cooperative Securities Co., Ltd. (TCS) and its subsidiary, BNP Paribas Cardif TCB Life Insurance Co., Ltd. (BPCTLI), Taiwan Cooperative Securities Investment Trust Co., Ltd. (TCSIT) and Taiwan Cooperative Venture Capital Co., Ltd. (TCVC).

The accounting policies of TCFHC and its subsidiaries are consistent.

All significant intercompany transactions and balances have been eliminated for consolidation purposes. The accompanying consolidated financial statements also include accounts of TCB's Head Office, OBU, and all branches. All interoffice account balances and transactions have been eliminated.

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

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

## **Foreign-currency Transactions**

Foreign-currency transactions of TCFHC, TCBF, TCS, TCSIT, CAM, BPCTLI and TCVC are recorded in New Taiwan dollars at the prevailing rates of exchange when the transactions occur. Losses or gains resulting from the application of the prevailing exchange rates when foreign-currency assets and liabilities are settled, are credited or charged to income in the period of settlement. The period-end balances of foreign-currency monetary assets and liabilities are restated at the prevailing exchange rates, and the resulting differences are recorded as credits or charged to current income.

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

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

## **Hyperinflationary Economies**

In preparing the consolidated financial statements, if the foreign operation's functional currency is from a hyperinflationary economy, the financial statements of the foreign operation shall be measured in terms of the current unit of measurement at the balance sheet date. This leads to a gain or loss on the net monetary position, which is included in the profit or loss. Additionally, all amounts in the financial statements shall be restated using the closing exchange rate at the balance date.

The impact of remeasuring the beginning financial information of the Company's foreign operation using the current measuring unit is adjusted in retained earnings under equity. Translation differences, net of financial statement adjustments, are included in other comprehensive income.

The Company's functional currency and reporting currency (New Taiwan dollar) are not currencies of a hyperinflationary economy; therefore, the comparative period information for the foreign operation is still presented in the amounts expressed in the relevant prior year's financial statements.

### **Classification of Current and Non-current Assets and Liabilities**

The operating cycle in the financial holding company, banking industries and insurance industries cannot be reasonably identified; thus the accounts included in the financial statements of TCFHC, TCB, UTB, TCBF and BPCTLI are not classified as current or non-current. Other subsidiaries' assets and liabilities are classified as follows:

Current assets are assets held for trading purposes, assets expected to be converted to cash, sold or consumed within twelve months from the balance sheet date and cash and equivalents, excluding assets held for an exchange or held to settle a liability at more than twelve months after the balance sheet date and assets that are otherwise restricted. Properties and equipment, investment properties, intangible assets and other assets that are not classified as current are non-current assets. Current liabilities are obligations incurred for trading purposes and obligations settled within twelve months from the balance sheet date, or when it does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date. Liabilities that are not classified as current are non-current liabilities. Terms of a liability that could, at the option of the counter-party, result in its settlement by the issue of equity instruments do not affect its classification.

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

### **Cash and Cash Equivalents**

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

### **Financial Instruments**

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

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

## Financial assets

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

### a. Measurement category

Financial assets are classified into the following categories: Financial assets at fair value through profit or loss (FVTPL), financial assets at amortized cost, investments in debt instruments at fair value through other comprehensive income (FVTOCI) and investments in equity instruments at FVTOCI.

#### 1) Financial asset at FVTPL

Financial asset is classified as at FVTPL when the financial asset is mandatorily classified or it is designated as at FVTPL.

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

A financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 44.

#### 2) Financial assets at amortized cost

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

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

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

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

- a) Purchased or originated credit-impaired financial asset, for which interest revenue is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset; and

- b) Financial asset that has subsequently become credit-impaired, for which interest revenue is calculated by applying the effective interest rate to the amortized cost of the financial asset.

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

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

### 3) Investments in debt instruments at FVTOCI

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

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

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

### 4) Investments in equity instruments at FVTOCI

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

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

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

### b. Impairment of financial assets

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

The Company always recognizes lifetime expected credit loss (i.e. ECL) for receivables (excluding receivables of credits and credit cards and accrued interest from debt instruments), and lease receivables. For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

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

- 1) Internal or external information show that the debtor is unlikely to pay its creditors.
- 2) When a financial asset is overdue for at least 90 days unless the Company has reasonable and corroborative information to support a more lagged default criterion.

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

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

TCB made 100%, 50%, 10%, 2% and 1% provisions for credits deemed uncollectable, with collectability highly doubtful, substandard, special mention and sound credit assets (excluding assets that represent claims against an ROC government agency), respectively, as minimum provisions. In addition, TCB was required to make provisions of at least 1.5% each for the sound credit assets on loans granted to clients from mainland China (including short-term trading financing) and for mortgage loans granted for housing acquisition, renovation and construction.

Under "The Regulations Governing the Procedures for Bills Finance Companies to Evaluate Assets, Set Aside Loss Reserves, and Handle Nonperforming Credits, Nonaccrual Loans, and Bad Debts" issued by the FSC, TCBF makes the following minimum provisions for losses on credits for these categories: Uncollectable - 100%; with doubtful collectability - 50%; substandard - 10%; "special mention" - 2%; and collectable (excluding assets that represent claims against an ROC government agency) - 1%.

Under the "Regulations Governing the Procedures for Insurance Institutions to Evaluate Assets and Deal with Nonperforming/Nonaccrual Loans" issued by the FSC, BPCTLI should make sufficient provisions for credit assets.

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

c. Derecognition of financial assets

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

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and any associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

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

Equity instruments

The Company classifies the debt and equity instruments issued either as financial liabilities or as equity in accordance with the substance of the contractual agreements and the definitions of a financial liability or an equity instrument.

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

Repurchase of the TCFHC's own equity instruments is recognized and deducted directly in equity, the book value 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 TCFHC's own equity instruments.

Financial liabilities

a. Subsequent measurement

Except for the cases stated below, all financial liabilities are measured at amortized cost using the effective interest method:

1) Financial liabilities at FVTPL

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

A financial liability is classified as designated as at FVTPL upon initial recognition if:

- a) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- b) The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- c) The contract contains one or more embedded derivatives so that the entire combined contract (asset or liability) can be designated as at fair value through profit or loss.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability. For a financial liability designated as at fair value through profit or loss, the amount of changes in fair value attributable to changes in the credit risk of the liability is presented in other comprehensive income, and it will not be subsequently reclassified to profit or loss. The gain or loss accumulated in other comprehensive income will be transferred to retained earnings when the financial liabilities are derecognized. If this accounting treatment related to credit risk would create or enlarge an accounting mismatch, all changes in fair value of the liability are presented in profit or loss. Fair value is determined in the manner described in Note 44.

## 2) Financial guarantee contracts

The Company measures financial guarantee contract issued at the higher of:

- a) The amount of the loss allowance determined in accordance with IFRS 9 endorsed by the FSC; and
- b) The amount initially recognized less, where appropriate, cumulative amount of income recognized in accordance with IFRS 15 endorsed by the FSC.

Besides subsequently measuring financial guarantee contracts at the higher of the abovementioned amounts as IFRS assessment result, assessment is also performed under the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans” and the “Regulation Governing the Procedures for Bills Finance Companies to Evaluate Assets, Set Aside Loss Reserves, and Handle Non-Performing Credit, Non-Accrual Loans, and Bad Debt” issued by the authorities as regulatory assessment result. The higher adequacy provision between above IFRS and regulatory assessment results is recognized.

## b. Derecognition of financial liabilities

The Company derecognizes financial liabilities only when the Company’s obligations are discharged or cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

## Derivatives

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the balance sheet date. The resulting gain or loss is recognized in profit or loss immediately. If the fair value of a derivative is a positive number, the derivative is recognized as an asset and if the fair value is a negative number, the derivative is recognized as a liability.

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

## **Overdue Loans**

Loans and other credits (including accrued interest) that are overdue for at least six months are classified as overdue loans in accordance with the guideline issued by the FSC.

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

## **Purchase on Margin and Short Sale**

Taiwan Cooperative Securities Co., Ltd. (TCS) recognizes margin loans as loans to customers for purchases on margin while providing financing to investors who buy stocks. Margin loans made by TCS are generally collateralized by securities in the client's account. These collateralized securities are not entered in TCS's books but are recorded using memorandum entries. After the security investors settle the margin loans, these pledged securities are returned to investors.

TCS requires a deposit from security investors for short sale services while providing short sale services to investors. This deposit is recorded under deposits on short-sale transactions. The amount collected from selling of short sale securities (net of securities transaction tax, brokerage fee and handling fee) is kept by TCS as collateral and recorded as payables for short-sale transactions. The securities lent to clients as short sale are recorded using memorandum entries. The deposits on short-sale transactions and payables for short sale are returned to security investors after investors settle the short-sale transactions.

The margin deposited by securities firms to securities finance companies are recorded as loan from refinanced margin. The refinancing securities delivered to TCS are recorded through memorandum entries as refinancing stock loans. A portion of the proceeds from the short-sale of securities borrowed from securities finance companies is retained by the securities finance companies as collateral and is recorded as refinancing deposits receivable.

Loans to customers for purchases in margin is recorded as overdue loans when the following events have occurred:

- a. The margin ratio of credit transactions is below the regulatory ratio after the disposal of securities, and the security investors do not repay part of loans to customers for purchases on margin within the deadlines.
- b. The security investors cannot disposal the securities of credit transactions and actively deal with the securities without substantial progress in six months.

## **Securities Purchased/Sold Under Resell/Repurchase Agreements**

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

## **Security Lending**

For self-hedging purposes on convertible bond investments, TCS carries out security lending transactions. As a security borrower, TCS recognizes the margins which paid to other securities companies as refundable deposits - securities borrowing. When TCS sells the borrowed securities, the selling price of the borrowed securities is recognized as payable - security borrowing (part of financial liabilities at fair value through profit or loss), and the difference between the selling price and the fair value of securities is recognized in the profit or loss in the year of the transaction. When TCS buys back the securities, it classifies the securities as operating securities (part of financial assets at fair value through profit or loss) and recognizes the total amount of margins and selling price in profit or loss after deducting the service charge on the borrowed securities.

## **Investment in Associates and Joint Ventures**

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Joint venture is a joint arrangement whereby the Company and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Under the equity method, investment in an associate or a joint venture is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate or joint venture. The Company also recognizes the changes in the Company's share of equity of associates or joint ventures.

When the Company subscribes for additional new shares of the associate or joint ventures at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate or joint ventures. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Company's ownership interest is reduced due to the additional subscription of the new shares of the associate or joint ventures, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate or joint ventures is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate or a joint venture equals or exceeds its interest in that associate or joint ventures, which includes any carrying amount of the investment accounted for by equity method and long-term interests that, in substance, form part of the Company's net investment in the associate or joint ventures, the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate or joint venture.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate or a joint venture recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and the joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and the joint ventures. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate and the joint venture on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method and does not remeasure the retained interest.

When the Company transacts with its associate or joint ventures, profits and losses resulting from the transactions with the associate or joint ventures are recognized in the Company's consolidated financial statements only to the extent of interests in the associate or joint ventures that are not related to the Company.

### **Investment Properties**

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

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

Any gain or loss arising on derecognition of the property is calculated as the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the year in which the property is derecognized.

### **Reinsurance Contracts**

In order to limit the potential losses that may arise from certain risk exposure events, the Company cedes insurance contracts with the reinsurer according to its business consideration and the relevant insurance regulations. To the extent that the assuming reinsurers are unable to meet their obligations, the Company remains liable to its policyholders for the portion reinsured. Consequently, allowances are made for receivables on reinsurance contracts which are deemed uncollectable.

Reinsurance expense, reinsurance commission income and reinsurance payables are processed and recognized on the basis of reinsurance contracts over the duration of these contracts. Reinsurance contracts include reinsurance ceded reserves, claims recoverable from reinsurers and reinsurance receivables. The assets, liabilities, income and expense for reinsurance contracts cannot be offset against the original insurance contracts' related balances.

If the Company's reinsurance assets, claims recovered from reinsurers and net due from reinsurers and ceding companies are impaired, which are subject to periodic impairment tests, the Company shall reduce its carrying amount accordingly and recognize that impairment loss in profit or loss as long as (a) there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance asset, that the Company may not receive all amounts due to it under the terms of the contract; and (b) that event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer.

Ceded reinsurance refers to the transfer of insurance risk, along with the respective premiums, to one or more reinsurers who will share in the risks. When the reinsurance contracts do not transfer significant insurance risk, the Company records the agreement using the deposit method of accounting.

If a reinsurance contract involves the transfer of significant insurance risk and if the Company can evaluate the deposit components individually, the insurance component and the deposit component are separately recognized. That is, the difference between the contract amount the Company receives or pays and the amount of the insurance component is recognized as a financial liability or asset chargeable other than revenues or expenses. The financial liability or asset is recognized and measured at fair value, which is based on the discounted value of future cash flows.

### **Properties and Equipment**

Properties and equipment are initially recognized at cost and subsequently measured at costs less accumulated depreciation and accumulated impairment losses.

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

On derecognition of an item of properties and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

## **Leasing**

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

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

### **a. The Company as lessor**

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

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

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

### **b. The Company as lessee**

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

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

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

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

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

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

For sale and leaseback transactions, if the transfer of an asset satisfies the requirements of IFRS 15 to be accounted for as a sale, the Company recognizes only the amount of any gain or loss which relates to the rights transferred to the buyer-lessor, and adjusts the off-market terms to measure the sale proceeds at fair value. If the transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale, it is accounted for as a financing transaction. However, for sale and leaseback transactions of real estate, if the transfer of an asset satisfies the requirements of IFRS 15 to be accounted for as a sale, TCB should defer the amount recognized of which sales price exceeds the carrying amount and allocate to the lease periods. If the lease periods are uncertain, TCB should recognize the amount within 10 years.

## **Goodwill**

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

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 (CGU)) that is expected to benefit from the synergies of the combination.

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

On disposal of the relevant cash-generating unit, the amount attributable to goodwill is included in the determination of the profit or loss on disposal.

## **Intangible Assets Other Than Goodwill**

### Separate acquisition

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

### Acquisition as part of a business combination

Intangible asset acquired through business combination is measured at its fair value on the acquisition date, and is recognized separately from goodwill. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

### Derecognition

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

## **Impairment of Properties and Equipment, Right-of-use Assets, Investment Properties and Intangible Assets Other Than Goodwill**

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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

## **Investment-linked Products**

The Company sells investment-linked products. Based on agreements, the insurance premiums paid by policyholders are offset against various expenses incurred by the Company and are invested in separate accounts at allocation ratios agreed on with or set by the policyholders. The value of the separate-account assets is accounted for at the market value on the date of the start of the transaction, and their net worth is computed in accordance with the related regulations and Template of Accounting Systems for Life Insurance Enterprises.

The assets, liabilities, revenues and expenses of separate accounts represent the rights and obligations of the policyholders and are recorded, pursuant to the accounting principles governing investment-linked products, in the Company's "assets on insurance products - separate account" (part of other financial assets), "liabilities on insurance products - separate account" (part of other financial liabilities), "income on insurance products - separate account" and "disbursements on insurance products - separate account" (part of premium income, net).

### **Foreclosed Collaterals**

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

### **Provisions**

Provisions are the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties on the obligation. A provision is measured using the cash flows estimated to settle the present 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.

The reserves of insurance contracts are recognized in accordance with Regulations Governing the Reserves by Insurance Enterprises and attested by actuary with accreditation from Financial Supervisory Commission. A portion of certain insurance contracts offered by the Company has the discretion participation feature and guarantee nature. However, the Company does not distinguish the value of such discretionary feature and guarantee from the insurance component of the subject insurance contracts, and recognizes such insurance contracts as insurance related liability as a whole. According to Order No. 11004925801 announced by the Insurance Bureau, except the Company's insurance with a term of less than one year, the insurance liabilities should be calculated based on the higher amount of its revenue or revenue calculated according to the regulation. Otherwise, the provision basis are summarized as follows:

#### Unearned premium reserve

Unearned premiums of effective policies with a term of less than one year and the term of injury insurance exceeding one year are computed, by the policy types, according to the respective actual risk.

#### Claim reserve

Reserve for claim payments is for claims which are reported but not yet paid and incurred but not yet reported (IBNR). Reserve for claim payments which is reported but not yet paid is provided according to a case by case basis based on an actual data. Reserve for claim payments which is incurred but not yet reported is provided based on the following rules:

- a. Life insurance and health insurance with a term of less than one year

Life insurance and health insurance with a term of less than one year is provided based on historical information and actuarial principles for each type of insurance.

b. Injury insurance

Injury insurance is provided based on historical information and actuarial principles for each type of insurance.

Life policy reserve

Reserve of life policy is calculated according to the Regulations Governing the Reserves by Insurance Enterprises and other rulings promulgated by regulators. Calculation is based on a mortality table and projected interest rate at the time of approval of the insurance product granted by the Insurance Bureau of the Republic of China.

Deficiency reserve

For life, health and annuity insurance contracts, whereas insurance term is over one year and insurance premium is lower than the required reserve liability, a further reserve for deficient premiums will be required in addition to the normal insurance reserve.

In addition, for effective insurance contracts with a term less than one year, if the estimated claims and expenses are in excess of the relevant reserve for unearned premium and the expected premium to be received, the excess amount shall be provided as an addition to the deficiency reserve account.

Reserve for liability adequacy

According to IFRS 4 “Insurance Contracts”, additional reserve for liability adequacy shall be made pursuant to the results of the Company’s annual insurance liability adequacy tests.

The Company’s liability adequacy test is based on the whole insurance contracts, and is in accordance with Actuarial Standards of Practice of IFRS 4 - “Classification of Contracts and Liability Adequacy Test” issued by the Actuarial Institute of the Republic of China. The adequacy of insurance liabilities must be tested at each balance sheet date. The liability adequacy test is based on the difference between the net carrying amount of insurance liabilities minus deferred acquisition costs and related intangible assets and current estimates of future cash flows from insurance policies. If the net carrying amount is insufficient, the deficiency will be recognized in profit or loss.

Insurance contract with financial instrument features

The service fees the Company charges from investment contracts, which do not belong to investment-linked products and are with no discretionary participation features, are recognized as reserve for insurance contracts with financial instrument features. The related acquisition cost will be charged against reserve for insurance contracts with financial instrument features when the relevant insurance contracts become effective. The Company provided the reserve in accordance with the Regulations Governing the Reserves by Insurance Enterprises.

Reserve for foreign exchange valuation

For the life insurance enterprises manage its exposure to foreign exchange risks, reduce the cost and strengthen liquidation, in accordance with Regulations Governing the Reserves by Insurance Enterprises and the Company based on its foreign investment asset to provide the foreign exchange valuation.

Under the Guidelines on Life Insurance Reserve for Foreign Exchange Valuation and related amendments, the reserve to be provided and the terms for write-offs against the reserve are as follow:

- a. Special reserve is reclassified to reserve for foreign exchange valuation for three years from the reclassification date. For the first year, the amount cannot be less than one third of the initial amount of net income. For the first two years, the cumulative amounts cannot less than two thirds of the initial amount of net income. In this reclassification, the recovered amount should be calculated in accordance with Regulations Governing the Reserves by Insurance Enterprises.
- b. Provisions: The amounts of foreign investments multiplied by the position of net exposures and the ratio of 0.05%. 50% of the amount of the gain on foreign exchange of the assets and liabilities without hedging should be set aside as a reserve. Moreover, if the average hedging cost rate for the one-year New Taiwan Dollar to U.S. dollar currency swap transaction in the month is lower than the historical average hedging cost rate, a reserve fund should be set aside by multiplying the traditional hedging principal amount in the month by the difference in hedging cost rates, dividing it by 12, and then multiplying it by 25%.
- c. Write-off amounts: The loss on foreign exchange of the assets and liabilities without hedging should be set aside as a reserve, written off by fifty percent of the amount. Moreover, if the average hedging cost rate for the one-year New Taiwan Dollar to U.S. dollar currency swap transaction in the month is higher than the historical average hedging cost rate, a reserve fund should be set aside by multiplying the traditional hedging principal amount in the month by the difference in hedging cost rates, dividing it by 12, and then multiplying it by 25%. The balance of the reserve at the end of a month shall not be less than six times the average monthly fixed deposit amount in the previous five years.
- d. The maximum cumulative reserve is the foreign exchange risk value of the average position of net exposed foreign investment in the prior year.
- e. If the Company has savings on hedging cost, it should appropriate from the current year's net profit an amount the same as that of these savings. However, if the net profit is not enough for this appropriation, the appropriation should be made in the year a profit is made. This reserve should be used for capital increase or for offsetting the deficit at least once in three years.
- f. Ten percent of net profit should be provided as special reserve. However, exemption from this requirement may be obtained under the authorities' approval.

### **Recognition of Revenue**

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

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

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

Service that results in award credits for customers, under the Company's award scheme, is accounted for as multiple element revenue transactions and the fair value of the consideration received or receivable is allocated between the service rendered and the award credits granted. The consideration allocated to the award credits is measured by reference to their fair value. Such consideration is not recognized as revenue at the time of the initial sale transaction but is deferred and recognized as revenue when the award credits are redeemed and the Company's obligations have been fulfilled.

The Company recognizes revenue from insurance contracts in accordance with IFRS 4 “Insurance Contracts”. Refer to premium income for information relating to the relevant accounting policies.

### **Premium Income and Policy Acquisition Cost**

The initial premiums for the Company’s insurance contracts and contracts with a discretionary participation features are recognized as revenue once the collection is made and the insurance approval procedures are completed. The subsequent premiums are recognized as revenue upon cash collection. The related expenses, e.g., commission expenses, are recognized as expenses once the contract takes effect.

The service fees the Company charges on contracts that are not considered investment-linked products and have no discretionary participation features are recognized as reserve for insurance contracts with financial instrument features. The related acquisition cost will be charged against the reserve for insurance contracts with financial instrument features when the relevant insurance contracts take effect.

The service fees that the Company charges for the investment-linked product of insurance contracts and from which front-load fees or related investment management fees have been deducted, are recognized as investment-linked product liabilities. The policy-related expenses incurred by the investment management service, including commission and increased expenses associated with the new contracts, are deferred. These costs are depreciated using the straight-line method throughout the duration of the service. According to the withdrawing principle and calculation method mentioned in the life insurance industry accounting system template, the Company recognizes the deferred service fee revenue and deferred acquisition cost in accordance with the design of the insurance contracts and the service cost corresponding to the received service fee.

### **Government Grants**

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

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

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

### **Employee Benefits**

#### Short-term employee benefits

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

#### Retirement benefits

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

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

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

#### Preferential interest deposits for employees

Taiwan Cooperative Bank, Ltd. (TCB) provides preferential interest deposits to current and retired employees, and these deposits, including payments of the preferential interest deposits, are within certain amounts. The preferential rates for employees' deposits in excess of market rate should be treated as employee benefits.

Under the Guidelines Governing the Preparation of Financial Reports by Public Banks, TCB should follow the requirement of IAS 19 "Employee Benefits" endorsed by the FSC to determine the excess interest on the preferential interest deposits of retired employees by applying an actuarial valuation method when the employees retire. The actuarial assumptions should be in accordance with the requirements set by the authorities.

#### Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Company recognizes any related restructuring costs.

#### **Share-based Payment**

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

#### **Taxation**

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

#### Current tax

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

According to the Income Tax Law of the Republic of China (ROC), an additional tax of unappropriated earnings is provided for as income tax in the year the stockholders approve to retain earnings.

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

## Deferred tax

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

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

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

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

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

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

## Current and deferred tax for the year

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

TCFHC and its subsidiaries elected to file consolidated tax returns. The difference between consolidated income tax payable and the sum of income tax payables of the entities included in consolidated tax return is considered as a tax consolidation adjustment which is shown on TCFHC's income tax expense or benefit. Any distribution of cash payments and receipts among the consolidated group members is recorded as current tax assets or current tax liabilities.

## **Business Combination**

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized as expense as incurred.

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

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

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

## **Classification of Insurance Contracts**

An insurance contract is one under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. The Company identifies insurance risk as significant only if the insured event would cause the Company to pay material additional benefits.

The insurance contract with financial instrument features is the contract that makes a contract issuer exposed to financial risk but not significant insurance risk. Financial risk is the risk that one or multiple interest rates, the price of financial instruments, commodity price, exchange rate, price index, insurance premium index, credit ratings, credit index or other variables (if the variable is nonfinancial it has to be non-specific to both parties) will change in the future.

The policy that initially met the definition of insurance contract remains an insurance contract until all of the rights and obligations expire, even though the insurance risk has been significantly reduced through the duration of the insurance contract. However, if the significant insurance risk of the insurance contract with financial instrument features is transferred to the Company, the contract should be reclassified to insurance contract.

Insurance contracts may also be classified as with or without the discretionary participation features (DPF). DPF is a contractual right to receive the following additional benefits:

- a. An amount that is equal to a significant portion of the total contractual benefits;
- b. Whose amount or timing is contractually at the discretion of the issuer; and
- c. That is contractually based on:
  - 1) The performance of a specified pool of contracts or a specified type of contract;
  - 2) Realized and/or unrealized investment returns on a specified pool of assets held by the issuer; or
  - 3) The profit or loss of the Company, fund or other entity that issues the contract.

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when they meet the definition of a derivative, recognized at fair value and the resulting gain or loss is recognized in profit or loss. If the derivatives embedded in non-derivative host contracts are qualify as insurance policies, or the contracts are recognized at fair value and the resulting gain or loss is recognized in profit or loss, the derivatives embedded in non-derivative host contracts do not have to separate from insurance policies.

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

In the application of the Company's accounting policies, which are described in Note 4, the Company's management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered 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 and inflation on the other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

If the Level 1 input value cannot be obtained when the fair value of a financial instrument is estimated, the Company will periodically update each input value according to market conditions to measure its fair value. For the description of fair value evaluation method and input value, please refer to Note 44.

Unless stated in other notes, the following are the critical judgments, assumptions and estimation uncertainty estimations that the Company's management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

### **a. Impairment losses on loans**

Estimated impairment on the Company's loans are based on certain assumptions about the percentage of default and default losses. The Company makes assumptions and selects the input values for the impairment assessment based on prior experience, the current market situation and forward-looking information.

The assessment of impairment loss also takes into consideration the classification of credit assets and the possible impairment losses based on the length of time the loans have become overdue and the status of collection of the collateral. The Company evaluates the amount of impairment losses based on whether the customer's repayments of principal and interest are overdue and the length of time the payments are overdue, the estimate of value of the collateral and the debtor's financial status. If future actual cash flows are lesser than expected, a material impairment loss may arise.

### **b. Insurance liability and liability adequacy test**

An independent actuary estimated the insurance liability and tested liability adequacy using certain actuarial principles and assumptions, which included the characteristics of each type of insurance, historical information, loss development factors, expected loss ratio and estimation of future cash flows. The management may adjust the differences between actual results and estimates, if it is necessary.

## 6. CASH AND CASH EQUIVALENTS

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Cash on hand	\$ 23,172,142	\$ 40,478,324
Notes and checks in clearing	5,455,684	5,346,271
Due from banks	<u>41,751,863</u>	<u>33,247,693</u>
	70,379,689	79,072,288
Less: Allowance for possible losses	<u>9,562</u>	<u>2,992</u>
	<u>\$ 70,370,127</u>	<u>\$ 79,069,296</u>

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

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

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Reserves for deposits - account A	\$ 63,421,866	\$ 28,883,616
Reserves for deposits - account B	129,149,059	122,993,354
Reserves for deposits - community financial institutions	93,097,518	91,651,937
Reserves for deposits - foreign-currency deposits	637,675	664,835
Deposits in the Central Bank	44,200,000	39,200,000
Due from the Central Bank - others	28,793,415	29,609,748
Due from the Central Bank - central government agencies' deposits	4,070,308	3,206,289
Call loans to banks	<u>66,114,206</u>	<u>82,538,687</u>
	<u>\$ 429,484,047</u>	<u>\$ 398,748,466</u>

The deposit reserves are determined monthly at prescribed rates based on the average balances of various types of deposit accounts held by the Company. The deposit reserves are subject to withdrawal restrictions, but deposit reserves - account B and foreign-currency deposit reserves may be withdrawn anytime.

Under the guideline issued by the Central Bank of the Republic of China (CBC), Taiwan Cooperative Bank Ltd. should deposit 60 percent of the deposits of central government agencies in the CBC, and the deposits are subject to withdrawal restrictions.

## 8. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Financial assets mandatorily classified as at <u>fair value through profit or loss</u>		
Commercial paper	\$ 162,652,823	\$ 130,336,222
Negotiable certificates of deposit	4,836,818	6,628,038
Beneficial certificates	3,926,472	5,222,952
Investment in equity instruments	3,297,433	2,964,260
Corporate bonds	1,303,286	1,287,126
Convertible bonds	989,547	753,081
Bank debentures	163,135	160,969
Government bonds	203,980	203,201
Commercial paper contracts with reference rate	21,042	10,434
Currency swap contracts	9,130,960	7,078,423
Futures exchange margins	162,520	116,134
Forward contracts	21,027	75,239
Convertible bonds assets swap contracts	3,068,341	1,806,775
Currency option contracts - buy	18,636	24,364
Cross-currency swap contracts	3,745	23
Interest rate swap contracts	230,028	137,621
Asset swap IRS contracts value	<u>37,941</u>	<u>19,710</u>
Financial assets at fair value through profit or loss	<u>\$ 190,067,734</u>	<u>\$ 156,824,572</u>
<u>Held-for-trading financial liabilities</u>		
Payable - security borrowing	\$ 59,627	\$ 196
Securities purchased under resell agreements - short sale	203,266	162,695
Currency swap contracts	1,108,748	233,888
Cross-currency swap contracts	6,475	55,677
Currency option contract - sell	18,650	24,384
Forward contracts	29,960	29,034
Foreign-currency margin contracts	-	1,358
Asset swap options contracts	160,866	46,131
Interest rate swap contracts	<u>261,350</u>	<u>256,713</u>
	<u>1,848,942</u>	<u>810,076</u>
Financial liabilities designated to be measured <u>at fair value through profit or loss</u>		
Bank debentures (Note 26)	<u>3,861,754</u>	<u>4,768,858</u>
Financial liabilities at fair value through profit or loss	<u>\$ 5,710,696</u>	<u>\$ 5,578,934</u>

As of December 31, 2025 and 2024, financial assets at fair value through profit or loss amounting to \$40,539,751 thousand and \$42,489,437 thousand, respectively, had been sold under repurchase agreements.

TCB enters into derivative transactions mainly to accommodate customers' needs and to manage its exposure to adverse changes in exchange rates and interest rates. TCB's strategy for hedging against risk is to reduce most of the market price risk or cash flow risk.

As of December 31, 2025 and 2024, the contract (notional) amounts of derivative transactions of TCB were as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Currency swap contracts	\$ 315,052,637	\$ 276,012,383
Interest rate swap contracts	10,739,614	12,468,267
Forward contracts	4,125,107	8,667,410
Currency option contracts - sell	3,504,466	3,710,760
Currency option contracts - buy	3,504,466	3,710,760
Cross-currency swap contracts	232,693	525,901
Foreign-currency margin contracts	-	40,840

As of December 31, 2025 and 2024, the open position of futures transactions of Taiwan Cooperative Securities Co., Ltd. (TCS) were as follows:

		<b>December 31, 2025</b>			
<b>Items</b>	<b>Products</b>	<b>Open Position</b>		<b>Contract</b>	<b>Fair Values</b>
		<b>Buy/Sell</b>	<b>Number of Contracts</b>	<b>Amounts or Premium Paid (Charged)</b>	
Futures contracts	Interest rate futures	Buy	20	\$ 72,932	\$ 72,662
	Stock index futures	Buy	1	1,283	1,282
	Single-stock futures	Buy	62	62,662	72,410
	Stock index futures	Sell	27	146,786	150,020
	Single-stock futures	Sell	388	140,565	140,578
		<b>December 31, 2024</b>			
<b>Items</b>	<b>Products</b>	<b>Open Position</b>		<b>Contract</b>	<b>Fair Values</b>
		<b>Buy/Sell</b>	<b>Number of Contracts</b>	<b>Amounts or Premium Paid (Charged)</b>	
Futures contracts	Interest rate futures	Buy	35	\$ 125,300	\$ 124,787
	Stock index futures	Sell	33	18,867	18,519
	Single-stock futures	Sell	222	66,721	64,291

As of December 31, 2025 and 2024, the contract (notional) amounts of asset swap contracts of TCS were as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Asset swap contracts	\$ 646,000	\$ 380,000

As of December 31, 2025 and 2024, the contract (notional) amounts of derivative transactions of TCBF were as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Currency swap contracts	\$ 311,035	\$ 584,006
Convertible (exchangeable) bond asset swap contracts	2,995,500	1,748,000

BNP Paribas Cardif TCB Life Insurance Co., Ltd. (BPCTLI) engages in currency swap contracts and cross-currency swap contracts to reduce risks due to exchange rate and interest rate fluctuations. The objective of financial risk management of BPCTLI is to manage substantial risks due to changes in fair value or cash flow.

As of December 31, 2025 and 2024, the contract (notional) amounts of derivative transactions of BPCTLI were as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Currency swap contracts	\$ 9,242,132	\$ 9,085,972
Cross-currency swap contracts	94,335	426,205

BPCTLI has applied IFRS 9 since 2018, and at the same time choose to use the overlay approach of IFRS 4 “Insurance Contracts” to present the profit or loss of designated financial assets. The financial assets designated for the overlay approach were as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Financial assets at FVTPL</u>		
Beneficial certificates	\$ 3,532,501	\$ 4,769,658

For the years ended December 31, 2025 and 2024, for the financial assets designated for the overlay approach, the amount reclassified between profit or loss and other comprehensive income were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Profit or loss on application of IFRS 9	\$ 527,237	\$ 643,841
Less: Profit or loss from application of IAS 39	<u>(792,724)</u>	<u>(724,606)</u>
Loss on reclassification of overlay approach	<u>\$ (265,487)</u>	<u>\$ (80,765)</u>

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

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
<u>Investments in equity instruments at FVTOCI</u>		
Listed shares and emerging market shares	\$ 38,877,820	\$ 44,822,497
Unlisted shares	<u>14,502,680</u>	<u>9,352,061</u>
	<u>53,380,500</u>	<u>54,174,558</u>
<u>Investments in debt instruments at FVTOCI</u>		
Government bonds	291,036,254	268,597,797
Corporate bonds	99,867,505	97,600,279
Bank debentures	98,949,971	92,981,880
Negotiable certificates of deposit	<u>6,947,357</u>	<u>3,659,990</u>
	<u>496,801,087</u>	<u>462,839,946</u>
	<u>\$ 550,181,587</u>	<u>\$ 517,014,504</u>

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes or for receiving dividends. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

For the purpose of risk diversification and profit strategy, the Company adjusted the investment position to sell part of equity instruments in the amounts of \$30,661,498 thousand and \$54,771,219 thousand for the years ended December 31, 2025 and 2024, respectively. The accumulated unrealized valuation gain or loss of financial assets at FVTOCI under other equity in the amount of \$38,799 thousand losses and \$4,963,274 thousand gains have been transferred to retained earnings, respectively.

For the years ended December 31, 2025 and 2024, the Company recognized unrealized profit or loss on investments in equity instruments at gain of FVTOCI of \$5,771,609 thousand and \$5,172,400 thousand, respectively.

For the years ended December 31, 2025 and 2024, the Company recognized unrealized profit or loss on investments in debt instruments at FVTOCI of \$10,597,546 thousand gains and \$4,132,582 thousand losses, respectively.

As of December 31, 2025 and 2024, the allowance for possible losses of investment in debt instruments at FVTOCI recognized was \$263,295 thousand and \$284,121 thousand, respectively, through expected credit loss. The gain on reversal of impairment loss recognized in profit or loss for the years ended December 31, 2025 and 2024 were \$10,601 thousand and \$16,938 thousand, respectively.

As of December 31, 2025 and 2024, financial assets at fair value through other comprehensive income amounting to \$27,762,761 thousand and \$29,974,253 thousand, respectively, had been sold under repurchase agreements.

## 10. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Negotiable certificates of deposit in the Central Bank	\$ 539,430,000	\$ 469,065,000
Government bonds	171,596,761	168,511,879
Corporate bonds	87,463,292	82,956,420
Bank debentures	28,804,235	29,956,614
Certificates of deposit	550,280	757,274
Treasury bills	<u>1,312,997</u>	<u>985,490</u>
	829,157,565	752,232,677
Less: Allowance for impairment loss	<u>21,785</u>	<u>29,395</u>
	<u>\$ 829,135,780</u>	<u>\$ 752,203,282</u>

Impairment loss recognized in profit or loss for the years ended December 31, 2025 and 2024 were \$6,871 thousand gains and \$5,682 thousand gains, respectively.

## 11. SECURITIES PURCHASED UNDER RESELL AGREEMENTS

Securities acquired for \$1,848,824 thousand and \$1,315,855 thousand under resell agreements as of December 31, 2025 and 2024, respectively, will subsequently be sold for \$1,850,613 thousand and \$1,316,942 thousand, respectively.

## 12. RECEIVABLES, NET

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Accrued interest	\$ 15,074,902	\$ 15,986,352
Settlement consideration	330,077	-
Settlement receivable	9,717,852	5,290,339
Margin loans receivable	7,523,110	8,289,558
Credit cards	5,240,250	5,258,833
Acceptances	1,458,770	2,339,670
Lease payment receivable	2,102,446	2,106,537
Receivable on securities	476,631	404,336
Receivables on merchant accounts in the credit card business	1,402,418	1,147,076
Receivables on financing provided	941,154	796,589
Accounts receivable	913,902	853,843
Receivable - separated account	445,893	598,842
Refundable deposits receivable in leasehold agreements	126,585	129,585
Accounts receivable factored without recourse	90,443	97,351
Urban regeneration advance payment	5,729,322	6,482,203
Securities loan receivable	2,281,721	2,270,001
Dividends receivable	58,500	130,872
Others	<u>548,998</u>	<u>567,117</u>
	54,462,974	52,749,104
Less: Allowance for possible losses	958,783	677,803
Less: Unrealized interest revenue	<u>100,371</u>	<u>113,851</u>
	<u>\$ 53,403,820</u>	<u>\$ 51,957,450</u>

The changes in the impairment assessment of receivables and allowance for possible losses of credits, credit cards, and accrued interest from debt instruments are summarized below:

<b>Gross Carrying Amount</b>	<b>12-month ECL</b>	<b>Lifetime ECL (Collective Assessment)</b>	<b>Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)</b>	<b>Total</b>
Balance on January 1, 2025	\$ 28,564,461	\$ 65,883	\$ 823,728	\$ 29,454,072
Transfers to				
Lifetime ECL	(32,014)	32,106	(92)	-
Credit-impaired financial assets	(41,018)	(9,055)	50,073	-
12-month ECL	2,948	(2,451)	(497)	-
New financial assets purchased or originated	122,982,903	179,947	129,966	123,292,816
Write-offs	-	-	(15,406)	(15,406)
Derecognition of financial assets in the current reporting period	(124,997,185)	(197,274)	(119,276)	(125,313,735)
Changes in exchange rates and other changes	<u>(13,633)</u>	<u>(700)</u>	<u>(5,323)</u>	<u>(19,656)</u>
Balance on December 31, 2025	<u>\$ 26,466,462</u>	<u>\$ 68,456</u>	<u>\$ 863,173</u>	<u>\$ 27,398,091</u>

<b>Gross Carrying Amount</b>	<b>12-month ECL</b>	<b>Lifetime ECL (Collective Assessment)</b>	<b>Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)</b>	<b>Total</b>
Balance on January 1, 2024	\$ 27,115,105	\$ 65,565	\$ 274,481	\$ 27,455,151
Transfers to				
Lifetime ECL	(40,319)	40,361	(42)	-
Credit-impaired financial assets	(59,089)	1,236	57,853	-
12-month ECL	14,864	(14,347)	(517)	-
New financial assets purchased or originated	125,249,009	143,796	629,656	126,022,461
Write-offs	-	-	(50,515)	(50,515)
Derecognition of financial assets in the current reporting period	(124,110,953)	(171,820)	(92,315)	(124,375,088)
Changes in exchange rates and other changes	<u>395,844</u>	<u>1,092</u>	<u>5,127</u>	<u>402,063</u>
Balance on December 31, 2024	<u>\$ 28,564,461</u>	<u>\$ 65,883</u>	<u>\$ 823,728</u>	<u>\$ 29,454,072</u>

<b>Allowance for Possible Losses</b>	<b>12-month ECL</b>	<b>Lifetime ECL (Collective Assessment)</b>	<b>Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)</b>	<b>Impairment Loss under IFRS 9</b>	<b>Difference of Impairment Loss under Regulations</b>	<b>Total</b>
Balance on January 1, 2025	\$ 39,402	\$ 12,849	\$ 149,648	\$ 201,899	\$ 163,457	\$ 365,356
Changes from financial instruments recognized at the beginning of the current reporting period						
Transfers to						
Lifetime ECL	(183)	197	(14)	-	-	-
Credit-impaired financial assets	(388)	(773)	1,161	-	-	-
12-month ECL	395	(241)	(154)	-	-	-
Derecognition of financial assets in the current reporting period	(34,625)	(60,864)	(34,697)	(130,186)	-	(130,186)
Reversal from financial instruments recognized at the beginning of the current reporting period	(7,915)	9,076	17,782	18,943	-	18,943
New financial assets purchased or originated	33,162	57,969	24,246	115,377	-	115,377
Difference of impairment loss under regulations	-	-	-	-	80,683	80,683
Write-offs	-	-	(15,406)	(15,406)	-	(15,406)
Recovery of written-off receivables	-	-	24,482	24,482	-	24,482
Changes in exchange rates and other changes	(501)	(6)	(1,617)	(2,124)	-	(2,124)
Balance on December 31, 2025	<u>\$ 29,347</u>	<u>\$ 18,207</u>	<u>\$ 165,431</u>	<u>\$ 212,985</u>	<u>\$ 244,140</u>	<u>\$ 457,125</u>

<b>Allowance for Possible Losses</b>	<b>12-month ECL</b>	<b>Lifetime ECL (Collective Assessment)</b>	<b>Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)</b>	<b>Impairment Loss under IFRS 9</b>	<b>Difference of Impairment Loss under Regulations</b>	<b>Total</b>
Balance on January 1, 2024	\$ 44,659	\$ 12,230	\$ 116,334	\$ 173,223	\$ 169,173	\$ 342,396
Changes from financial instruments recognized at the beginning of the current reporting period						
Transfers to						
Lifetime ECL	(110)	115	(5)	-	-	-
Credit-impaired financial assets	(5,318)	(366)	5,684	-	-	-
12-month ECL	3,629	(3,540)	(89)	-	-	-
Derecognition of financial assets in the current reporting period	(49,137)	(42,940)	(40,243)	(132,320)	-	(132,320)
Reversal from financial instruments recognized at the beginning of the current reporting period	1,448	6,917	25,882	34,247	-	34,247
New financial assets purchased or originated	43,312	40,406	65,111	148,829	-	148,829
Difference of impairment loss under regulations	-	-	-	-	(5,716)	(5,716)
Write-offs	-	-	(50,515)	(50,515)	-	(50,515)
Recovery of written-off receivables	-	-	24,333	24,333	-	24,333
Changes in exchange rates and other changes	919	27	3,156	4,102	-	4,102
Balance on December 31, 2024	<u>\$ 39,402</u>	<u>\$ 12,849</u>	<u>\$ 149,648</u>	<u>\$ 201,899</u>	<u>\$ 163,457</u>	<u>\$ 365,356</u>

Impairment assessment except the above receivables were based on expected credit losses model at the beginning of the current reporting period by the simplified method. On December 31, 2025 and 2024, the amounts assessment to impairment of receivables were assessed as \$27,064,883 thousand and \$23,295,032 thousand, respectively, and the amounts of allowance for possible losses were \$501,658 thousand and \$312,447 thousand, respectively.

The changes in allowance for possible losses by using the simplified method are summarized below:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Balance on January 1	\$ 312,447	\$ 281,504
Provision for possible losses	307,845	110,458
Write-offs	(119,317)	(97,682)
Recovery of written-off receivables	3,838	16,905
Effects of exchange rate changes and other changes	<u>(3,155)</u>	<u>1,262</u>
Balance on December 31	<u>\$ 501,658</u>	<u>\$ 312,447</u>

### 13. DISCOUNTS AND LOANS, NET

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Bills discounted	\$ 1,718,430	\$ 1,701,485
Overdraft		
Unsecured	757	14,284
Secured	12,660	17,218
Import and export negotiations	346,446	469,398
Short-term loans		
Unsecured	588,403,887	548,694,120
Accounts receivable financing	286,462	372,300
Secured	211,290,696	214,196,427
Medium-term loans		
Unsecured	529,507,038	564,337,779
Secured	370,537,437	398,373,230
Long-term loans		
Unsecured	65,473,934	59,096,034
Secured	1,391,260,940	1,304,325,860
Overdue loans	4,253,442	4,820,944
Life insurance loan	663,294	528,573
Temporary insurance paid	<u>111,227</u>	<u>101,679</u>
	3,163,866,650	3,097,049,331
Less: Allowance for possible losses	37,496,162	35,698,935
Less: Adjustment of discount	<u>409,442</u>	<u>481,554</u>
	<u>\$ 3,125,961,046</u>	<u>\$ 3,060,868,842</u>

The Bank sold credit assets due to considering that certain borrowers had weak financial structures and rising credit risks. The related disposal losses amounted to \$586 thousand for 2024.

The changes in gross carrying amount and allowance for possible losses of discounts and loans are summarized below:

<b>Gross Carrying Amount</b>	<b>12-month ECL</b>	<b>Lifetime ECL (Collective Assessment)</b>	<b>Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)</b>	<b>Total</b>
Balance on January 1, 2025	\$ 3,058,742,979	\$ 3,548,709	\$ 34,757,643	\$ 3,097,049,331
Transfers to				
Lifetime ECL	(4,096,408)	4,151,767	(55,359)	-
Credit-impaired financial assets	(9,486,369)	(1,311,324)	10,797,693	-
12-month ECL	1,563,631	(1,131,476)	(432,155)	-
New financial assets purchased or originated	1,300,223,304	470,057	868,585	1,301,561,946
Write-offs	-	-	(2,424,358)	(2,424,358)
Derecognition of financial assets in the current reporting period	(1,222,177,233)	(689,925)	(5,361,019)	(1,228,228,177)
Changes in exchange rates and other changes	<u>(3,582,684)</u>	<u>(49,436)</u>	<u>(459,972)</u>	<u>(4,092,092)</u>
Balance on December 31, 2025	<u>\$ 3,121,187,220</u>	<u>\$ 4,988,372</u>	<u>\$ 37,691,058</u>	<u>\$ 3,163,866,650</u>

<b>Gross Carrying Amount</b>	<b>12-month ECL</b>	<b>Lifetime ECL (Collective Assessment)</b>	<b>Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)</b>	<b>Total</b>
Balance on January 1, 2024	\$ 2,798,701,812	\$ 3,278,847	\$ 31,819,851	\$ 2,833,800,510
Transfers to				
Lifetime ECL	(2,559,215)	2,594,137	(34,922)	-
Credit-impaired financial assets	(11,001,380)	(1,185,786)	12,187,166	-
12-month ECL	1,268,113	(814,062)	(454,051)	-
New financial assets purchased or originated	1,374,199,913	271,771	289,422	1,374,761,106
Write-offs	-	-	(4,498,981)	(4,498,981)
Derecognition of financial assets in the current reporting period	(1,115,233,842)	(711,074)	(4,687,637)	(1,120,632,553)
Changes in exchange rates and other changes	<u>13,367,578</u>	<u>114,876</u>	<u>136,795</u>	<u>13,619,249</u>
Balance on December 31, 2024	<u>\$ 3,058,742,979</u>	<u>\$ 3,548,709</u>	<u>\$ 34,757,643</u>	<u>\$ 3,097,049,331</u>

<b>Allowance for Possible Losses</b>	<b>12-month ECL</b>	<b>Lifetime ECL (Collective Assessment)</b>	<b>Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)</b>	<b>Impairment Loss under IFRS 9</b>	<b>Difference of Impairment Loss under Regulations</b>	<b>Total</b>
Balance on January 1, 2025	\$ 4,512,112	\$ 33,968	\$ 4,662,035	\$ 9,208,115	\$ 26,490,820	\$ 35,698,935
Changes from financial instruments recognized at the beginning of the current reporting period						
Transfers to						
Lifetime ECL	(10,878)	18,504	(7,626)	-	-	-
Credit-impaired financial assets	(229,568)	(10,425)	239,993	-	-	-
12-month ECL	38,450	(14,172)	(24,278)	-	-	-
Derecognition of financial assets in the current reporting period	(1,920,238)	(3,474)	(731,498)	(2,655,210)	-	(2,655,210)
Reversal from financial instruments recognized at the beginning of the current reporting period	62,783	152,224	1,443,270	1,658,277	-	1,658,277
New financial assets purchased or originated	2,245,006	6,751	102,972	2,354,729	-	2,354,729
Difference of impairment loss under regulations	-	-	-	-	2,045,498	2,045,498
Write-offs	-	-	(2,424,358)	(2,424,358)	-	(2,424,358)

(Continued)

Allowance for Possible Losses	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under Regulations	Total
Recovery of write-off credits	\$ -	\$ -	\$ 840,718	\$ 840,718	\$ -	\$ 840,718
Changes in exchange rates and other changes	(41,436)	(1,155)	20,164	(22,427)	-	(22,427)
Balance on December 31, 2025	<u>\$ 4,656,231</u>	<u>\$ 182,221</u>	<u>\$ 4,121,392</u>	<u>\$ 8,959,844</u>	<u>\$ 28,536,318</u>	<u>\$ 37,496,162</u>

(Concluded)

Allowance for Possible Losses	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under Regulations	Total
Balance on January 1, 2024	\$ 4,558,964	\$ 55,889	\$ 4,160,724	\$ 8,775,577	\$ 24,106,171	\$ 32,881,748
Changes from financial instruments recognized at the beginning of the current reporting period						
Transfers to						
Lifetime ECL	(10,438)	15,908	(5,470)	-	-	-
Credit-impaired financial assets	(205,631)	(9,551)	215,182	-	-	-
12-month ECL	64,875	(6,609)	(58,266)	-	-	-
Derecognition of financial assets in the current reporting period	(1,911,209)	(20,192)	(796,880)	(2,728,281)	-	(2,728,281)
Reversal from financial instruments recognized at the beginning of the current reporting period	(337,261)	(6,456)	3,848,894	3,505,177	-	3,505,177
New financial assets purchased or originated	2,256,148	2,262	35,041	2,293,451	-	2,293,451
Difference of impairment loss under regulations	-	-	-	-	2,384,649	2,384,649
Write-offs	-	-	(4,498,981)	(4,498,981)	-	(4,498,981)
Recovery of write-off credits	-	-	1,655,758	1,655,758	-	1,655,758
Changes in exchange rates and other changes	96,664	2,717	106,033	205,414	-	205,414
Balance on December 31, 2024	<u>\$ 4,512,112</u>	<u>\$ 33,968</u>	<u>\$ 4,662,035</u>	<u>\$ 9,208,115</u>	<u>\$ 26,490,820</u>	<u>\$ 35,698,935</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Provision for possible losses on discounts and loans	\$ 3,403,294	\$ 5,454,996
Provision for possible losses on receivables	392,662	155,498
Provision (reversal of provision) for due from banks and call loans to banks	6,478	(14,474)
Provision for possible losses on overdue receivables	25,760	233,320
Provision (reversal of provision) for possible losses on guarantees	700,349	(79,334)
Provision (reversal of provision) for possible losses on loan commitment	109,010	(9,386)
Provision for other possible losses	<u>67</u>	<u>9,634</u>
	<u>\$ 4,637,620</u>	<u>\$ 5,750,254</u>

As of December 31, 2025 and 2024, TCB was in compliance with the FSC-required provision for credit assets.

As of December 31, 2025 and 2024, accrual of interest on the above overdue loans had been stopped. Thus, the unrecognized interest revenue was \$115,449 thousand and \$122,030 thousand for the years ended December 31, 2025 and 2024, respectively, based on the average loan interest rate for the year.

#### 14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31			
	2025		2024	
	Amount	Percentage of Ownership	Amount	Percentage of Ownership
<u>Investment in associate</u>				
United Real Estate Management Co., Ltd.	\$ <u>146,077</u>	30.00	\$ <u>144,941</u>	30.00

Aggregate information of associate that is not individually material:

	For the Year Ended December 31	
	2025	2024
The Company's share of:		
Net income	\$ 8,217	\$ 9,723
Other comprehensive income	-	-
Total comprehensive income for the period	\$ <u>8,217</u>	\$ <u>9,723</u>

The Company should have received both \$7,081 thousand of dividends from United Real Estate Management Co., Ltd. for the years ended December 31, 2025 and 2024. The dividends are recognized as a reduction of investments accounted for using the equity method.

The company's share of profit or loss and other comprehensive income of the associates accounted for using equity method for the year ended December 31, 2024 was based on the associates' financial statements that have not been audited by the auditors. Management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements of the associates that have not been audited.

The share of profit or loss and other comprehensive income of the associates accounted for using equity method for the year ended December 31, 2025 was based on the associates' financial statements for the same period which have been audited by the auditors.

#### 15. OTHER FINANCIAL ASSETS, NET

	December 31	
	2025	2024
Overdue receivables	\$ 36,968	\$ 343,909
Less: Allowance for possible losses	<u>36,968</u>	<u>330,890</u>
Overdue receivables, net	-	13,019
Due from banks	7,600,428	8,335,744
Security borrowing margin	-	231
Call loans to securities firms	377,340	393,420
Separate-account assets (Note 30)	<u>63,382,420</u>	<u>79,800,216</u>
	\$ <u>71,360,188</u>	\$ <u>88,542,630</u>

Due from banks (part of other financial assets, net) held by the Company were mainly demand deposits and time deposits that could not be withdrawn and time deposits that had maturity periods of more than three months and could not be used before maturity.

## 16. INVESTMENT PROPERTIES, NET

	<b>December 31</b>			
			<b>2025</b>	<b>2024</b>
Land			\$ 9,146,204	\$ 8,906,201
Buildings			2,286,580	2,369,740
Prepayments for land and buildings			<u>60,060</u>	<u>25,840</u>
			<u>\$ 11,492,844</u>	<u>\$ 11,301,781</u>
			<b>Prepayments for Land and Buildings</b>	<b>Total</b>
	<b>Land</b>	<b>Buildings</b>		
<u>Cost</u>				
Balance on January 1, 2025	\$ 8,906,201	\$ 3,750,607	\$ 25,840	\$ 12,682,648
Additions	47	9,859	383,543	393,449
Disposals	(257,546)	(119,975)	-	(377,521)
Reclassification	<u>497,502</u>	<u>203,780</u>	<u>(349,323)</u>	<u>351,959</u>
Balance on December 31, 2025	<u>\$ 9,146,204</u>	<u>\$ 3,844,271</u>	<u>\$ 60,060</u>	<u>\$ 13,050,535</u>
Balance on January 1, 2024	\$ 8,893,903	\$ 3,616,631	\$ -	\$ 12,510,534
Additions	1,173	2,922	997,424	1,001,519
Disposals	(432,880)	(227,457)	-	(660,337)
Reclassification	<u>444,005</u>	<u>358,511</u>	<u>(971,584)</u>	<u>(169,068)</u>
Balance on December 31, 2024	<u>\$ 8,906,201</u>	<u>\$ 3,750,607</u>	<u>\$ 25,840</u>	<u>\$ 12,682,648</u>
<u>Accumulated depreciation and impairment</u>				
Balance on January 1, 2025	\$ -	\$ 1,380,867	\$ -	\$ 1,380,867
Disposals	-	(13,690)	-	(13,690)
Depreciation expenses	-	105,147	-	105,147
Reclassification	<u>-</u>	<u>85,367</u>	<u>-</u>	<u>85,367</u>
Balance on December 31, 2025	<u>\$ -</u>	<u>\$ 1,557,691</u>	<u>\$ -</u>	<u>\$ 1,557,691</u>
Balance on January 1, 2024	\$ -	\$ 1,360,410	\$ -	\$ 1,360,410
Disposals	-	(21,588)	-	(21,588)
Depreciation expenses	-	99,639	-	99,639
Reclassification	<u>-</u>	<u>(57,594)</u>	<u>-</u>	<u>(57,594)</u>
Balance on December 31, 2024	<u>\$ -</u>	<u>\$ 1,380,867</u>	<u>\$ -</u>	<u>\$ 1,380,867</u>

Investment properties (except for land) are depreciated using the straight-line method over their estimated useful lives as follows:

Main buildings	50 years
Equipment installed in buildings	5 to 15 years

As of December 31, 2025 and 2024, the fair value of investment properties were \$26,739,131 thousand and \$26,106,442 thousand, respectively. The fair value belongs to Level 3, which is the amount evaluated by internal appraisal personnel according to market data comparison and in accordance with the Company's internal procedures and related regulations.

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

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Rental income from investment properties (part of other noninterest gains, net)	\$ 530,826	\$ 524,002
Direct operating expenses for investment properties that generate rental income	<u>(208,548)</u>	<u>(225,071)</u>
	<u>\$ 322,278</u>	<u>\$ 298,931</u>

Lease agreements on investment properties owned by the Company and rented to others are operating lease. Rentals are calculated on the basis of the leased areas and are receivable monthly, quarterly or semiannually. The lessees have no preemptive rights to buy properties at the end of the lease agreements. As of December 31, 2025 and 2024, guarantee deposits received on these leases totaled \$118,523 thousand and \$118,067 thousand, respectively (part of guarantee deposit received).

Minimum future annual rentals are as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Year 1	\$ 418,395	\$ 373,904
Year 2	375,494	333,729
Year 3	311,462	309,701
Year 4	237,582	251,941
Year 5	201,699	188,085
Over five years	<u>119,736</u>	<u>120,919</u>
	<u>\$ 1,664,368</u>	<u>\$ 1,578,279</u>

## 17. PROPERTIES AND EQUIPMENT, NET

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Assets used by the Company</u>		
Land	\$ 20,287,731	\$ 20,502,685
Buildings	8,513,850	9,005,570
Machinery and equipment	1,346,772	1,387,391

(Continued)

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Transportation equipment	\$ 169,273	\$ 158,914
Other equipment	316,476	215,646
Leasehold improvements	241,550	269,699
Prepayments for equipment, land and buildings and construction in progress	<u>741,613</u>	<u>452,000</u>
	<u><u>\$ 31,617,265</u></u>	<u><u>\$ 31,991,905</u></u>

Assets leased under operating leases

Machinery and equipment	\$ 686	\$ 1,927
Other equipment	<u>3,506</u>	<u>5,843</u>
	<u><u>\$ 4,192</u></u>	<u><u>\$ 7,770</u></u>

(Concluded)

a. Assets used by the Company

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements	Prepayments for Equipment, Land and Buildings and Construction in Progress	Total
<u>Cost</u>								
Balance on January 1, 2025	\$ 20,505,029	\$ 20,217,847	\$ 6,038,952	\$ 729,615	\$ 1,672,047	\$ 1,405,159	\$ 452,000	\$ 51,020,649
Additions	-	196,246	398,776	54,144	188,752	65,682	552,732	1,456,332
Disposals	(539)	-	(239,221)	(61,149)	(50,764)	(43,647)	-	(395,320)
Reclassification	(207,621)	(30,492)	90,441	4,001	6,341	4,016	(263,119)	(396,433)
Effects of exchange rate changes and others	(6,794)	(243)	(7,175)	(1,433)	(2,018)	(7,474)	-	(25,137)
Balance on December 31, 2025	<u>\$ 20,290,075</u>	<u>\$ 20,383,358</u>	<u>\$ 6,281,773</u>	<u>\$ 725,178</u>	<u>\$ 1,814,358</u>	<u>\$ 1,423,736</u>	<u>\$ 741,613</u>	<u>\$ 51,660,091</u>
Balance on January 1, 2024	\$ 20,467,046	\$ 20,003,811	\$ 5,801,690	\$ 729,138	\$ 1,615,798	\$ 1,282,715	\$ 431,020	\$ 50,331,218
Additions	-	153,857	523,860	29,932	81,207	111,002	338,254	1,238,112
Disposals	-	(2,274)	(337,138)	(36,722)	(41,036)	(38,902)	-	(456,072)
Reclassification	99,760	146,816	32,413	3,754	10,793	25,948	(317,276)	2,208
Effects of exchange rate changes and others	(61,777)	(84,363)	18,127	3,513	5,285	24,396	2	(94,817)
Balance on December 31, 2024	<u>\$ 20,505,029</u>	<u>\$ 20,217,847</u>	<u>\$ 6,038,952</u>	<u>\$ 729,615</u>	<u>\$ 1,672,047</u>	<u>\$ 1,405,159</u>	<u>\$ 452,000</u>	<u>\$ 51,020,649</u>
	Land	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements	Total	
<u>Accumulated depreciation and impairment</u>								
Balance on January 1, 2025	\$ 2,344	\$ 11,212,277	\$ 4,651,561	\$ 570,701	\$ 1,456,401	\$ 1,135,460	\$ 19,028,744	\$ 19,028,744
Disposals	-	-	(239,083)	(61,145)	(50,748)	(43,644)	(394,620)	(394,620)
Depreciation expenses	-	742,840	528,767	46,525	93,968	95,606	1,507,706	1,507,706
Reclassification	-	(85,367)	(682)	682	-	-	(85,367)	(85,367)
Effects of exchange rate changes and others	-	(242)	(5,562)	(858)	(1,739)	(5,236)	(13,637)	(13,637)
Balance on December 31, 2025	<u>\$ 2,344</u>	<u>\$ 11,869,508</u>	<u>\$ 4,935,001</u>	<u>\$ 555,905</u>	<u>\$ 1,497,882</u>	<u>\$ 1,182,186</u>	<u>\$ 20,042,826</u>	<u>\$ 20,042,826</u>
Balance on January 1, 2024	\$ 15,177	\$ 10,490,674	\$ 4,364,857	\$ 559,041	\$ 1,398,835	\$ 1,068,535	\$ 17,897,119	\$ 17,897,119
Disposals	-	(2,274)	(337,002)	(36,722)	(41,025)	(38,903)	(455,926)	(455,926)
Depreciation expenses	-	735,671	609,779	45,964	94,227	92,791	1,578,432	1,578,432
Reclassification	-	57,594	-	-	-	-	57,594	57,594
Reversal of impairment loss	(12,833)	-	-	-	-	-	(12,833)	(12,833)
Effects of exchange rate changes and others	-	(69,388)	13,927	2,418	4,364	13,037	(35,642)	(35,642)
Balance on December 31, 2024	<u>\$ 2,344</u>	<u>\$ 11,212,277</u>	<u>\$ 4,651,561</u>	<u>\$ 570,701</u>	<u>\$ 1,456,401</u>	<u>\$ 1,135,460</u>	<u>\$ 19,028,744</u>	<u>\$ 19,028,744</u>

Taiwan Cooperative Bank, Ltd. (TCB) revalued its properties five times in 1979, 1998, 2007, 2011 and 2012. As of December 31, 2025, the reserve for land revaluation increment tax (part of deferred tax liabilities) was \$2,541,779 thousand.

Properties and equipment are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings	
Main buildings	37 to 50 years
Equipment installed in buildings	5 to 15 years
Machinery and equipment	3 to 10 years
Transportation equipment	3 to 10 years
Other equipment	2 to 20 years
Leasehold improvements	2 to 10 years

In testing assets for impairment, TCB defined each operating unit or operating segment as a cash-generating unit (CGU). The recoverable amount of a CGU was determined at its value in use for properties and equipment. The discount rates for the CGUs' value in use were 7.09% and 8.25% as of December 31, 2025 and 2024, respectively.

b. Assets leased under operating leases

	<b>Machinery and Equipment</b>	<b>Other Equipment</b>	<b>Total</b>
<u>Cost</u>			
Balance on January 1, 2025	\$ 11,798	\$ 34,532	\$ 46,330
Additions	_____ -	_____ -	_____ -
Balance on December 31, 2025	<u>\$ 11,798</u>	<u>\$ 34,532</u>	<u>\$ 46,330</u>
Balance on January 1, 2024	\$ 11,798	\$ 34,532	\$ 46,330
Additions	_____ -	_____ -	_____ -
Balance on December 31, 2024	<u>\$ 11,798</u>	<u>\$ 34,532</u>	<u>\$ 46,330</u>
<u>Accumulated depreciation and impairment</u>			
Balance on January 1, 2025	\$ 9,871	\$ 28,689	\$ 38,560
Depreciation expenses	_____ 1,241	_____ 2,337	_____ 3,578
Balance on December 31, 2025	<u>\$ 11,112</u>	<u>\$ 31,026</u>	<u>\$ 42,138</u>
Balance on January 1, 2024	\$ 7,841	\$ 24,197	\$ 32,038
Depreciation expenses	_____ 2,030	_____ 4,492	_____ 6,522
Balance on December 31, 2024	<u>\$ 9,871</u>	<u>\$ 28,689</u>	<u>\$ 38,560</u>

The Company leases machinery and equipment and other equipment under operating leases with lease terms of 2020 to 2029. All operating lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

Please refer to Note 16 for the minimum future annual rentals.

Depreciation expenses of operating leases equipment are depreciated on the straight-line method over their useful lives estimated as follows:

Machinery and equipment	1 to 7 years
Other equipment	1 to 7 years

## 18. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Carrying amounts</u>		
Land	\$ 11,274	\$ 9,436
Buildings	1,462,705	1,656,534
Transportation equipment	137,154	92,555
Other equipment	<u>3,585</u>	<u>5,325</u>
	<u>\$ 1,614,718</u>	<u>\$ 1,763,850</u>
	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Depreciation charge for right-of-use assets		
Land	\$ 5,514	\$ 5,534
Buildings	611,957	631,189
Transportation equipment	55,426	52,004
Other equipment	<u>1,739</u>	<u>1,885</u>
	<u>\$ 674,636</u>	<u>\$ 690,612</u>

As of December 31, 2025 and 2024, the additions to right-of-use assets of the Company was \$592,749 thousand and \$879,062 thousand, respectively.

Except for the above listed additions and recognized depreciation expenses, there was no significant sublease or impairment of the Company's right-of-use assets for the years ended December 31, 2025 and 2024.

### b. Lease liabilities

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Carrying amounts	<u>\$ 1,579,627</u>	<u>\$ 1,720,552</u>

Range of discount rate for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Land	1.593%-2.283%	1.593%-2.076%
Buildings	1.258%-9.920%	1.346%-9.920%
Transportation equipment	1.000%-10.302%	0.863%-9.890%
Other equipment	2.635%-4.000%	2.635%-4.000%

c. Material lease-in activities

The Company signed lease agreements on office premises due to operating activities. Rentals are calculated on the basis of leased areas and are receivable monthly, quarterly or semiannually. As of December 31, 2025 and 2024, refundable deposits on these leases totaled \$137,800 thousand and \$144,977 thousand, respectively, (part of refundable deposit).

d. Other lease information

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Expenses relating to short-term leases	<u>\$ 59,593</u>	<u>\$ 5,111</u>
Expenses relating to low-value asset leases	<u>\$ 4,872</u>	<u>\$ 4,414</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 3,885</u>	<u>\$ 4,516</u>

For the years ended December 31, 2025 and 2024, the total cash outflow for leases of the Company was \$781,206 thousand and \$746,655 thousand, respectively.

The Company leases certain land, buildings, transportation equipment and other equipment which qualify as short-term leases or low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

## 19. INTANGIBLE ASSETS

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Goodwill	\$ 3,170,005	\$ 3,170,005
Computer software	1,636,375	1,646,430
Carbon Credits	<u>142</u>	<u>142</u>
	<u>\$ 4,806,522</u>	<u>\$ 4,816,577</u>

	<b>Goodwill</b>	<b>Computer Software</b>	<b>Carbon Credits</b>	<b>Total</b>
Balance on January 1, 2025	\$ 3,170,005	\$ 1,646,430	\$ 142	\$ 4,816,577
Separate acquisition	-	498,732	-	498,732
Amortization expenses	-	(545,706)	-	(545,706)
Reclassification	-	40,901	-	40,901
Effect of exchange rate changes and others	<u>-</u>	<u>(3,982)</u>	<u>-</u>	<u>(3,982)</u>
Balance on December 31, 2025	<u>\$ 3,170,005</u>	<u>\$ 1,636,375</u>	<u>\$ 142</u>	<u>\$ 4,806,522</u>
Balance on January 1, 2024	\$ 3,170,005	\$ 1,257,232	\$ 142	\$ 4,427,379
Separate acquisition	-	723,211	-	723,211
Amortization expenses	-	(485,008)	-	(485,008)
Reclassification	-	145,184	-	145,184
Effect of exchange rate changes and others	<u>-</u>	<u>5,811</u>	<u>-</u>	<u>5,811</u>
Balance on December 31, 2024	<u>\$ 3,170,005</u>	<u>\$ 1,646,430</u>	<u>\$ 142</u>	<u>\$ 4,816,577</u>

The computer software with limited useful lives is amortized on a straight-line basis over their useful lives of 3 to 10 years.

The carbon credits of the Company were purchased from Taiwan Carbon Solution Exchange to cooperate with the government's policy about climate change and meet the global goal of net zero emissions in 2050. The Company considers carbon credits that generate net cash inflows with indefinite useful lives as intangible assets with indefinite useful lives.

In testing assets for impairment, TCB defined each operating unit or operating segment as a cash-generating unit (CGU). The recoverable amount of a CGU was determined at its value in use for goodwill impairment test. The discount rates for the CGUs' value in use were 7.09% and 8.25% as of December 31, 2025 and 2024, respectively.

Goodwill resulting from merger of Taiwan Cooperative Bank, Ltd. with the Farmers Bank of China was allocated to operating units or operating segment (cash-generating units with allocated goodwill). There was no impairment loss on goodwill as of December 31, 2025 and 2024.

## 20. OTHER ASSETS, NET

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Refundable deposits	\$ 1,969,795	\$ 1,701,886
Operating deposits and settlement funds	736,597	712,649
Prepaid expenses	447,564	390,019
Prepaid pensions	1,557,825	970,163
Settlement payments	249,901	190,880
Receipts under custody for securities under writing	-	281,521
Others	<u>40,587</u>	<u>49,435</u>
	<u>\$ 5,002,269</u>	<u>\$ 4,296,553</u>

As of December 31, 2025, prepaid expenses included an amount of \$84,749 thousand representing TCB's investment in an overseas branch.

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

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Deposits from banks	\$ 197,391,727	\$ 182,383,714
Call loans from banks	127,760,336	97,122,705
Overdrafts from other banks	1,162,260	1,209,678
Transfer deposits from Chunghwa Post Co., Ltd.	182,095,665	157,095,665
Deposits from the Central Bank	<u>289,708</u>	<u>271,942</u>
	<u>\$ 508,699,696</u>	<u>\$ 438,083,704</u>

## 22. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Securities sold for \$68,321,163 thousand and \$72,137,886 thousand under repurchase agreements as of December 31, 2025 and 2024, respectively, would subsequently be purchased for \$68,396,310 thousand and \$72,216,369 thousand, respectively.

## 23. COMMERCIAL PAPER ISSUED, NET

The face values of commercial paper issued were \$46,038,000 thousand and \$38,120,000 thousand and the annual discount rates were from 1.530 % to 1.948 % and from 1.760% to 2.088% as of December 31, 2025 and 2024, respectively, and the commercial paper will mature by March 24, 2026 and March 6, 2025, respectively. The foregoing commercial paper was accepted and guaranteed by financial institutions. As of December 31, 2025, the Company had not used the amount of \$107,719,914 thousand, the sum of the amount of the commercial paper issued and the credit.

## 24. PAYABLES

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Settlement payable	\$ 9,730,380	\$ 5,022,804
Settlement consideration	120,086	669,678
Accrued expenses	8,171,881	7,498,816
Collections payable	6,887,666	7,293,672
Checks for clearing	5,455,684	5,346,271
Collections of notes and checks for various financial institutions in other cities	3,934,023	4,185,691
Acceptances	1,579,938	2,387,154
Accrued interest	9,883,768	9,225,258
Payables on notes and checks collected for others	1,703,317	1,457,439
Payables for short-sale transactions	381,682	460,008
Deposits on short-sale transactions	354,591	402,244
Tax payable	870,648	837,655

(Continued)

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Payables on securities	\$ 497,380	\$ 116,872
Dividends payable	557,672	519,049
Factored accounts payable	90,443	46,403
Insurance claims and benefits payable	117,835	113,486
Others	<u>2,762,685</u>	<u>2,380,915</u>
	<u>\$ 53,099,679</u>	<u>\$ 47,963,415</u>

(Concluded)

## 25. DEPOSITS AND REMITTANCES

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Deposits		
Checking	\$ 71,415,372	\$ 67,985,551
Demand	906,878,881	843,405,036
Savings - demand	1,218,223,397	1,193,851,479
Time	1,090,651,412	1,085,654,384
Negotiable certificates of deposit	45,562,933	55,684,945
Savings - time	722,633,116	701,081,449
Treasury	145,246,243	136,525,229
Remittances	<u>316,982</u>	<u>234,970</u>
	<u>\$ 4,200,928,336</u>	<u>\$ 4,084,423,043</u>

## 26. BONDS PAYABLE

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Bank debentures	\$ 60,240,000	\$ 59,140,000
First unsecured corporate bond of TCFHC in 2020: Fixed rate of 0.68%; maturity - May 26, 2027	5,700,000	5,700,000
Second unsecured corporate bond of TCFHC in 2020, Type A: Fixed rate of 0.61%; maturity - October 7, 2025	-	2,100,000
Second unsecured corporate bond of TCFHC in 2020, Type B: Fixed rate of 0.66%; maturity - October 7, 2027	2,200,000	2,200,000
First unsecured corporate bond of TCFHC in 2021, Type A: Fixed rate of 0.49%; maturity - July 12, 2026	3,400,000	3,400,000
First unsecured corporate bond of TCFHC in 2021, Type B: Fixed rate of 0.55%; maturity - July 12, 2028	<u>6,600,000</u>	<u>6,600,000</u>
	<u>\$ 78,140,000</u>	<u>\$ 79,140,000</u>

Details of bank debentures issued by Taiwan Cooperative Bank, Ltd. (TCB) are as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
First subordinated bonds in 2016, Type B: Fixed rate of 1.20%; maturity - September 26, 2026	\$ 4,050,000	\$ 4,050,000
First subordinated bonds in 2017, Type B: Fixed rate of 1.56%; maturity - September 26, 2027	1,400,000	1,400,000
First non-cumulative perpetual subordinated bonds in 2018: Fixed rate of 2.28%; TCB may exercise its redemption rights after 5 years and 2 months	5,000,000	5,000,000
First non-cumulative perpetual subordinated bonds in 2019: Fixed rate of 1.90%; TCB may exercise its redemption rights after 5 years and 1 month	5,000,000	5,000,000
Third non-cumulative perpetual subordinated bonds in 2019: Fixed rate of 1.45%; TCB may exercise its redemption rights after 5 years and 1 month	5,000,000	5,000,000
First non-cumulative perpetual subordinated bonds in 2020: Fixed rate of 1.50%; TCB may exercise its redemption rights after 5 years and 1 month	5,000,000	5,000,000
First unsecured bank debentures (sustainable development) in 2021: Fixed rate of 0.40%; maturity - May 31, 2026	1,000,000	1,000,000
Second unsecured bank debentures (sustainable development) in 2021: Fixed rate of 0.42%; maturity - October 29, 2026	1,000,000	1,000,000
First non-cumulative perpetual subordinated bonds in 2022: Fixed rate of 2.50%; TCB may exercise its redemption rights after 5 years and 2 months	1,350,000	1,350,000
Second non-cumulative perpetual subordinated bonds in 2022: Fixed rate of 3.00%; TCB may exercise its redemption rights after 5 years and 1 month	8,650,000	8,650,000
Third unsecured bank debentures (sustainable development) in 2022: Fixed rate of 1.50%; maturity - September 28, 2027	2,500,000	2,500,000
Fourth non-cumulative perpetual subordinated bonds in 2022: Fixed rate of 3.40%; TCB may exercise its redemption rights after 5 years and 1 month	5,690,000	5,690,000
Second unsecured bank debentures (sustainable development) in 2023: Fixed rate of 1.40%; maturity - March 20, 2028	2,500,000	2,500,000
Second subordinated bonds in 2024: Fixed rate of 2.10%; maturity - June 27, 2034	7,500,000	7,500,000
Fourth subordinated bonds in 2024: Fixed rate of 2.05%; maturity - September 27, 2034	2,500,000	2,500,000
Fifth unsecured bank debentures (social responsibility) in 2024: Fixed rate of 1.60%; maturity - September 30, 2027	1,000,000	1,000,000
Second unsecured bank debentures (green bond) in 2025: Fixed rate of 1.79%; maturity - June 26, 2030	<u>1,100,000</u>	<u>-</u>
	<u>\$ 60,240,000</u>	<u>\$ 59,140,000</u>

In order to establish an international financial management platform and expand the depth and breadth of wealth management and private banking businesses for high-asset clients, TCB issued its first unsecured bank debentures, which amounted to US\$46,850 thousand on March 10, 2023, (Type A for US\$32,800 thousand and Type B for US\$14,050 thousand), with a combination of fixed interest rate and structured interest rate (range accrual). TCB may make early redemption on any interest payment from the date of issuance. If TCB does not make redemption before maturity, the principal of the debentures is repaid in one lump sum upon maturity. Third unsecured bank debentures, which amounted to US\$45,850 thousand on

October 5, 2023, (Type A for US\$29,250 thousand and Type B for US\$16,600 thousand), first unsecured bank debentures, which amounted to US\$55,400 thousand on May 3, 2024, (Type A for US\$32,050 thousand and Type B for \$23,350 thousand), third unsecured bank debentures, which amounted to US\$33,350 thousand on October 18, 2024, (Type A for US\$12,300 thousand and Type B for US\$21,050 thousand), first unsecured bank debentures, which amounted to US\$26,550 thousand on April 2, 2025, (Type A for US\$17,750 thousand and Type B for US\$8,800 thousand) and third unsecured bank debentures, which amounted to US\$22,800 thousand on September 30, 2025, respectively, with structured interest rate (range accrual) or a combination of fixed interest rate and structured interest rate (range accrual). TCB has the right to make an early redemption at par value on any interest payment date, from the date of issuance, after the fourth interest payment (inclusive). TCB issued fourth unsecured bank debentures, which amounted to US\$15,400 thousand on September 30, 2025, with a combination of fixed interest rate and structured interest rate (range accrual). From the date of issuance, after the fourth interest payment (inclusive), if the operating linking rate is less than or equal to 3.3% on any interest payment date within 10 business days, the note will be deemed to have met the auto-defeasance condition. In such case, the company will return 100% of investment principal at par value, and the interest payment date will become the early redemption date. To reduce its interest rate risk, TCB entered into interest rate swap contracts, which are measured at FVTPL. Furthermore, to eliminate accounting inconsistencies, TCB designated these debentures as financial liabilities at FVTPL, and the details were as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
First unsecured bank debentures bonds issued in 2023		
Type A	\$ -	\$ 1,043,714
Type B	<u>418,362</u>	<u>422,553</u>
	<u>418,362</u>	<u>1,466,267</u>
Third unsecured bank debentures bonds issued in 2023		
Type B	<u>465,532</u>	<u>499,212</u>
First unsecured bank debentures bonds issued in 2024		
Type A	-	1,038,145
Type B	<u>-</u>	<u>733,734</u>
	<u>-</u>	<u>1,771,879</u>
Third unsecured bank debentures bonds issued in 2024		
Type A	379,422	392,169
Type B	<u>602,619</u>	<u>639,331</u>
	<u>982,041</u>	<u>1,031,500</u>
First unsecured bank debentures bonds issued in 2025		
Type A	557,921	-
Type B	<u>275,204</u>	<u>-</u>
	<u>833,125</u>	<u>-</u>
Third unsecured bank debentures bonds issued in 2025	<u>704,486</u>	<u>-</u>
Fourth unsecured bank debentures bonds issued in 2025	<u>458,208</u>	<u>-</u>
	<u>\$ 3,861,754</u>	<u>\$ 4,768,858</u>

On November 18, 2019, TCB has obtained approval from the FSC to issue unsecured bank debentures amounting to US\$1,000,000 thousand. As of December 31, 2025, the amount of unissued unsecured bank debentures of TCB was US\$1,000,000 thousand.

On February 2, 2024, TCB has obtained approval from the FSC to issue unsecured sustainable development bank debentures amounting to \$10,000,000 thousand. As of December 31, 2025, the amount of unissued unsecured bank debentures of TCB was \$7,900,000 thousand.

On September 5, 2025, TCB has obtained approval from the FSC to issue unsecured subordinated bank debentures amounting to \$8,000,000 thousand. As of December 31, 2025, the amount of unissued unsecured bank debentures of TCB was \$8,000,000 thousand.

On October 17, 2025, TCB has obtained approval from the FSC to issue unsecured bank debentures amounting to US\$350,000 thousand. As of December 31, 2025, the amount of unissued unsecured bank debentures of TCB was US\$224,500 thousand.

## 27. OTHER BORROWINGS

	<b>December 31</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Amount</b>	<b>Rate (%)</b>	<b>Amount</b>	<b>Rate (%)</b>
Borrowings (Note 23)	<u>\$ 7,986,286</u>	1.850-4.360	<u>\$ 11,033,195</u>	1.825-5.530

## 28. PROVISIONS

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Reserve for life insurance liabilities	\$ 41,796,287	\$ 31,595,471
Reserve for insurance contracts with financial instrument features	10,724	10,749
Provision for employee benefits	3,873,451	3,927,550
Provision for losses on guarantees	2,063,571	1,364,359
Provision for losses on loan commitment	427,772	320,480
Provision for others	35,442	35,638
Other provision for insurance	<u>999,339</u>	<u>588,931</u>
	<u>\$ 49,206,586</u>	<u>\$ 37,843,178</u>

- a. Details of reserve for life insurance liabilities (not including reserve of policyholders payables) were as follows:

	<b>December 31, 2025</b>		
	<b>Insurance Contracts</b>	<b>Financial Instruments with Discretionary Participation Features</b>	<b>Total</b>
Life insurance	\$ 31,270,732	\$ 3,888,750	\$ 35,159,482
Health insurance	1,476,723	-	1,476,723
Annuity insurance	-	5,139,331	5,139,331
Investment insurance	<u>14,927</u>	<u>-</u>	<u>14,927</u>
	32,762,382	9,028,081	41,790,463
Less: Ceded life insurance liability reserve	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 32,762,382</u>	<u>\$ 9,028,081</u>	<u>\$ 41,790,463</u>

	<b>December 31, 2024</b>		
	<b>Insurance Contracts</b>	<b>Financial Instruments with Discretionary Participation Features</b>	<b>Total</b>
Life insurance	\$ 20,304,197	\$ 4,210,855	\$ 24,515,052
Health insurance	1,312,448	-	1,312,448
Annuity insurance	-	5,746,061	5,746,061
Investment insurance	<u>16,272</u>	<u>-</u>	<u>16,272</u>
	21,632,917	9,956,916	31,589,833
Less: Ceded life insurance liability reserve	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 21,632,917</u>	<u>\$ 9,956,916</u>	<u>\$ 31,589,833</u>

The changes in the reserve for life insurance liabilities are summarized below:

	<b>For the Year Ended December 31</b>					
	<b>2025</b>			<b>2024</b>		
	<b>Insurance Contracts</b>	<b>Financial Instruments with Discretionary Participation Features</b>	<b>Total</b>	<b>Insurance Contracts</b>	<b>Financial Instruments with Discretionary Participation Features</b>	<b>Total</b>
Balance on January 1	\$ 21,632,917	\$ 9,956,916	\$ 31,589,833	\$ 17,007,183	\$ 10,894,852	\$ 27,902,035
Provision	12,342,544	114,703	12,457,247	5,009,938	162,950	5,172,888
Recovery	(1,062,097)	(1,043,538)	(2,105,635)	(603,101)	(1,100,886)	(1,703,987)
Effects of exchange rate changes	<u>(150,982)</u>	<u>-</u>	<u>(150,982)</u>	<u>218,897</u>	<u>-</u>	<u>218,897</u>
Ending balance	32,762,382	9,028,081	41,790,463	21,632,917	9,956,916	31,589,833
Less: Ceded life insurance liability reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance on December 31	<u>\$ 32,762,382</u>	<u>\$ 9,028,081</u>	<u>\$ 41,790,463</u>	<u>\$ 21,632,917</u>	<u>\$ 9,956,916</u>	<u>\$ 31,589,833</u>

- b. As of December 31, 2025 and 2024, total life policy reserve carrying amounts (including reserve of policyholders payables) were \$41,796,287 thousand and \$31,595,471 thousand, respectively.
- c. Details of liability adequacy reserves are as follows:

	<b>Insurance Contracts and Financial Instruments with Discretionary Participation Features</b>	
	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Life insurance liability reserve	\$ 41,790,463	\$ 31,589,833
Unearned premium reserve	393,736	426,403
Claims reserve	162,894	132,279
Premium deficiency reserve	<u>28,699</u>	<u>18,467</u>
Book value of insurance reserve	<u>\$ 42,375,792</u>	<u>\$ 32,166,982</u>

(Continued)

**Insurance Contracts and  
Financial Instruments with  
Discretionary Participation  
Features**

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Present value of discounted cash flows	<u>\$ 32,768,264</u>	<u>\$ 24,982,300</u>
Balance of liability adequacy reserve	<u>\$ -</u>	<u>\$ -</u>

(Concluded)

As of December 31, 2025 and 2024, the Company's reserves for insurance contracts satisfied the liability adequacy tests.

The liability adequacy test method, scope and assumptions were as follows:

<b>December 31, 2025 and 2024</b>	
Test method	Total premium measurement method
Tested group	All insurance contracts as a whole
Assumptions	The discount rate assumption for every year was based on the best estimate scenario as well as the rate of return on investment with current information

d. Reserve for insurance contracts with financial instrument features were as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Life insurance	<u>\$ 10,724</u>	<u>\$ 10,749</u>
	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Balance on January 1	\$ 10,749	\$ 7,637
Reserve for insurance contracts with financial instrument features	<u>(25)</u>	<u>3,112</u>
Balance on December 31	<u>\$ 10,724</u>	<u>\$ 10,749</u>

e. Explanations for the reserve of foreign exchange variation are as follows:

1) Hedging strategy and foreign exchange exposure

To ensure the effectiveness and appropriateness of hedge for overseas investment, BNP Paribas Cardif TCB Life Insurance Co., Ltd. (BPCTLI) uses currency swap and cross-currency swap to hedge exchange rate risks. BPCTLI maintains the hedging ratio at over 95%.

2) Reconciliation of the reserve of foreign exchange variation

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Balance on January 1	\$ 11,782	\$ 94,240
Provisions		
Compulsory provisions	22,843	5,728
Additional provisions	<u>487,503</u>	<u>14,157</u>
	510,346	19,885
Recovery	<u>(108,118)</u>	<u>(102,343)</u>
Balance on December 31	<u>\$ 414,010</u>	<u>\$ 11,782</u>

3) Impact of the reserve of foreign exchange variation

For the year ended December 31, 2025

Items	Amount Without Reserve	Amount With Reserve	Effect
Net income	\$ 21,769,637	\$ 21,447,855	\$ (321,782)
Earnings per share (NT\$)	1.37	1.36	(0.01)
Reserve of foreign exchange variation	-	414,010	414,010
Equity	285,503,376	285,142,865	(360,511)

For the year ended December 31, 2024

Items	Amount Without Reserve	Amount With Reserve	Effect
Net income	\$ 19,743,295	\$ 19,809,261	\$ 65,966
Earnings per share (NT\$)	1.22	1.23	0.01
Reserve of foreign exchange variation	-	11,782	11,782
Equity	259,795,672	259,756,943	(38,729)

f. Net changes in reserves for insurance liabilities are summarized below:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Reserve for life insurance liabilities, net	\$ 10,351,612	\$ 3,468,901
Reserve for insurance contract with financial instrument features, net	(25)	3,112
Others, net	<u>386,797</u>	<u>(103,255)</u>
	<u>\$ 10,738,384</u>	<u>\$ 3,368,758</u>

g. Provisions for employee benefits are summarized below:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Present value of retired employees' preferential interest deposit obligation	<u>\$ 3,873,451</u>	<u>\$ 3,927,550</u>

- h. The changes in the provision for losses on guarantees and provision for losses on loan commitment are summarized below:

	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Instruments)	Impairment Loss under IFRS 9	Difference of Impairment Recognized under Regulations	Total
Balance on January 1, 2025	\$ 960,035	\$ 10	\$ 33,692	\$ 993,737	\$ 726,740	\$ 1,720,477
Changes from financial instruments recognized at the beginning of the current reporting period						
Transfers to						
Lifetime ECL	(3,695)	3,695	-	-	-	-
Credit-impaired financial instruments	(9,235)	-	9,235	-	-	-
12-month ECL	10	(10)	-	-	-	-
Derecognition of financial instruments in the current reporting period	(206,099)	-	(127)	(206,226)	-	(206,226)
Reversal from financial instruments recognized at the beginning of the current reporting period	-	-	-	-	-	-
Lifetime ECL	(86,261)	3,346	676,209	593,294	-	593,294
New financial instruments purchased or originated	315,353	399	4,962	320,714	-	320,714
Difference of impairment loss under regulations	-	-	-	-	101,644	101,644
Change in exchange rates and other changes	(3,118)	-	-	(3,118)	-	(3,118)
Balance on December 31, 2025	<u>\$ 966,990</u>	<u>\$ 7,440</u>	<u>\$ 723,971</u>	<u>\$ 1,698,401</u>	<u>\$ 828,384</u>	<u>\$ 2,526,785</u>
Balance on January 1, 2024	\$ 1,046,878	\$ 847	\$ 10,148	\$ 1,057,873	\$ 735,380	\$ 1,793,253
Changes from financial instruments recognized at the beginning of the current reporting period						
Transfers to						
Lifetime ECL	(87)	87	-	-	-	-
Credit-impaired financial instruments	(101)	-	101	-	-	-
12-month ECL	-	-	-	-	-	-
Derecognition of financial instruments in the current reporting period	(331,033)	(105)	(3,844)	(334,982)	-	(334,982)
Reversal from financial instruments recognized at the beginning of the current reporting period	(94,926)	(819)	27,279	(68,466)	-	(68,466)
New financial instruments purchased or originated	332,994	-	8	333,002	-	333,002
Difference of impairment loss under regulations	-	-	-	-	(8,640)	(8,640)
Change in exchange rates and other changes	6,310	-	-	6,310	-	6,310
Balance on December 31, 2024	<u>\$ 960,035</u>	<u>\$ 10</u>	<u>\$ 33,692</u>	<u>\$ 993,737</u>	<u>\$ 726,740</u>	<u>\$ 1,720,477</u>

## 29. EMPLOYEE BENEFITS PLAN

### a. Defined contribution plan

The pension plan under the Labor Pension Act (the Act) is a defined contribution plan. Based on the Act, the Company's monthly contributions to individual pension accounts of employees covered by the defined contribution plan is at 6% of monthly salaries and wages. The funds are deposited in individual labor pension accounts at the Bureau of Labor Insurance.

The Company recognized expense of \$340,683 thousand and \$309,107 thousand in the consolidated statement of comprehensive income for the years ended December 31, 2025 and 2024, respectively, in accordance with the defined contribution plan.

b. Defined benefit plan

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act 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. Since March 2023, TCB has adjusted 2% of the total monthly salaries and wages of employees (originally 15%) to a pension fund administered by the pension fund monitoring committee. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the Bureau); TCB has no right to influence the investment policy and strategy. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, TCB 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, TCB is required to fund the difference in one appropriation that should be made before the end of March of the next year.

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

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Present value of defined benefit obligation	\$ 12,320,746	\$ 12,389,555
Fair value of plan assets	<u>(13,878,571)</u>	<u>(13,359,718)</u>
Deficit (surplus)	(1,557,825)	(970,163)
Net defined benefit asset (part of other assets)	<u>1,557,825</u>	<u>970,163</u>
Net defined benefit liability (part of provisions)	<u>\$ -</u>	<u>\$ -</u>

The changes in net defined benefit liability (asset) were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liability (Asset)</b>
Balance on January 1, 2024	\$ 12,548,230	\$ (12,590,406)	\$ (42,176)
Service cost			
Current service cost	350,068	-	350,068
Net interest expense (revenue)	<u>149,418</u>	<u>(153,101)</u>	<u>(3,683)</u>
Recognized in profit or loss	<u>499,486</u>	<u>(153,101)</u>	<u>346,385</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,144,180)	(1,144,180)
Actuarial gain - changes in financial assumptions	(230,585)	-	(230,585)
Actuarial loss - experience adjustments	<u>604,010</u>	<u>-</u>	<u>604,010</u>
Recognized in other comprehensive income	<u>373,425</u>	<u>(1,144,180)</u>	<u>(770,755)</u>
Contributions from the employer	<u>-</u>	<u>(503,617)</u>	<u>(503,617)</u>
Benefits paid	<u>(1,031,586)</u>	<u>1,031,586</u>	<u>-</u>
Balance on December 31, 2024	<u>12,389,555</u>	<u>(13,359,718)</u>	<u>(970,163)</u>
Service cost			
Current service cost	336,884	-	336,884
Net interest expense (revenue)	<u>175,941</u>	<u>(194,363)</u>	<u>(18,422)</u>
Recognized in profit or loss	<u>512,825</u>	<u>(194,363)</u>	<u>318,462</u>

(Continued)

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liability (Asset)</b>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	\$ -	\$ (957,905)	\$ (957,905)
Actuarial loss - changes in financial assumptions	170,366	-	170,366
Actuarial loss - experience adjustments	<u>378,018</u>	<u>-</u>	<u>378,018</u>
Recognized in other comprehensive income	<u>548,384</u>	<u>(957,905)</u>	<u>(409,521)</u>
Contributions from the employer	<u>-</u>	<u>(496,603)</u>	<u>(496,603)</u>
Benefits paid	<u>(1,130,018)</u>	<u>1,130,018</u>	<u>-</u>
Balance on December 31, 2025	<u>\$ 12,320,746</u>	<u>\$ (13,878,571)</u>	<u>\$ (1,557,825)</u> (Concluded)

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

- 1) Investment risk: The plan assets are invested in domestic/and foreign/equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) 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.

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:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Discount rate(s)	1.20%-1.30%	1.50%
Expected rate(s) of salary increase	2.00%	2.00%
Expected rate(s) of return on plan asset	1.20%-1.30%	1.50%

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

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Discount rate(s)		
0.25% increase	<u>\$ (212,806)</u>	<u>\$ (223,950)</u>
0.25% decrease	<u>\$ 218,326</u>	<u>\$ 230,585</u>
Expected rate(s) of salary increase		
0.25% increase	<u>\$ 202,463</u>	<u>\$ 215,026</u>
0.25% decrease	<u>\$ (197,970)</u>	<u>\$ (210,027)</u>

The sensitivity analysis presented above shows the effect on the present value of the defined benefit obligations of a change in single assumption while all other assumptions remain unchanged. The sensitivity analysis presented above might not be representative of the actual change in the present value of the defined benefit obligation as it was unlikely that the change in assumptions would occur independently of each other because some of the assumptions might be correlated.

As of December 31, 2025 and 2024, the expected contributions to the plan for the next year were \$510,000 thousand and \$516,000 thousand, respectively. As of December 31, 2025 and 2024, the average duration of defined benefit obligation were 6.14 to 7.03 years and 6.97 to 7.38 years, respectively.

c. Employees' preferential deposit plan

TCB's payment obligations on fixed-amount preferential interest deposits for retired employees and current employees after retirement are in compliance with TCB's internal rules. Under the Guidelines Governing the Preparation of Financial Reports by Public Banks, TCB should determine the excess interest from the preferential interest deposits of employees by applying an actuarial valuation method when the employees retire.

The amounts included in the balance sheet arising from the TCB's obligation in the employees' preferential interest deposits plan were as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Present value of retired employees' preferential interest deposits obligation (part of provisions)	<u>\$ 3,873,451</u>	<u>\$ 3,927,550</u>

The changes in present value of retired employees' preferential interest deposits obligation were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Present value of retired employees' preferential interest deposits obligation, January 1	\$ 3,927,550	\$ 4,027,923
Interest expense	148,938	152,854
Actuarial losses	607,737	564,492
Benefits paid	<u>(810,774)</u>	<u>(817,719)</u>
Present value of retired employees' preferential interest deposits obligation, December 31	<u>\$ 3,873,451</u>	<u>\$ 3,927,550</u>

The amounts recognized in profit or loss in employee preferential deposit plans for retired employees in the consolidated statement of comprehensive income were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Interest expense	\$ 148,938	\$ 152,854
Actuarial losses	<u>607,737</u>	<u>564,492</u>
Excessive interest of retired employees' preferential interest deposits	<u>\$ 756,675</u>	<u>\$ 717,346</u>

Under Order No. 10110000850 issued by the Financial Supervisory Commission, effective March 15, 2012, the actuarial assumptions for calculating the expense for the retired employees' preferential interest deposit benefit are as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Discount rate	4.00%	4.00%
Return on deposit	2.00%	2.00%
Account balance diminishing rate per year	1.00%	1.00%
Rate of probability of change in the preferential deposit system	50.00%	50.00%

Assuming a possible reasonable change in each of the significant actuarial assumptions and all other assumptions remaining constant, the present value of the retired employees' preferential interest deposit benefit obligation would have increased (decreased) as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Discount rate(s)		
1% increase	<u>\$ (269,879)</u>	<u>\$ (276,169)</u>
1% decrease	<u>\$ 309,911</u>	<u>\$ 317,461</u>
Return on deposit		
1% increase	<u>\$ (1,299,667)</u>	<u>\$ (1,254,517)</u>
1% decrease	<u>\$ 1,299,667</u>	<u>\$ 1,254,517</u>
Account balance diminishing rate per year		
1% increase	<u>\$ (323,252)</u>	<u>\$ (331,134)</u>
1% decrease	<u>\$ 285,258</u>	<u>\$ 291,898</u>
Rate of probability of change in the preferential deposit system		
20% increase	<u>\$ (1,549,381)</u>	<u>\$ (1,571,020)</u>
20% decrease	<u>\$ 1,549,381</u>	<u>\$ 1,571,020</u>

The sensitivity analysis presented above shows the effect on the present value of the retired employees' preferential interest deposit benefit obligation of a change in single assumption while all other assumptions remain unchanged. The sensitivity analysis presented above might not be representative of the actual change in the present value of the retired employees' preferential interest deposit benefit obligation because it was unlikely that the change in assumptions would occur independently of each other because some of the assumptions might be correlated.

### 30. OTHER FINANCIAL LIABILITIES

	<u>December 31</u>	
	<b>2025</b>	<b>2024</b>
Structured products - host contracts	\$ 55,029	\$ 50,161
Guarantee deposits received	2,927,066	2,507,956
Appropriation for loans	-	216
Separate-account liabilities	<u>63,382,420</u>	<u>79,800,216</u>
	<u>\$ 66,364,515</u>	<u>\$ 82,358,549</u>

The status of the Company's investment-linked products - separate account as of December 31, 2025 and 2024, are summarized as follows:

	<u>December 31</u>	
	<b>2025</b>	<b>2024</b>
Separate-account assets (part of other financial assets)		
Cash and cash equivalents	\$ 817,957	\$ 795,078
Financial assets at FVTPL	62,391,872	78,851,264
Other receivables		
Investment settlement receivables	<u>172,591</u>	<u>153,874</u>
	<u>\$ 63,382,420</u>	<u>\$ 79,800,216</u>

Separate-account liabilities (part of other financial liabilities)		
Reserve for separate account-insurance contract	\$ 47,760,368	\$ 52,834,777
Reserve for separate account-investment contract	15,176,159	26,366,597
Other payables		
General accounts payables	<u>445,893</u>	<u>598,842</u>
	<u>\$ 63,382,420</u>	<u>\$ 79,800,216</u>

	<u>For the Year Ended December 31</u>	
	<b>2025</b>	<b>2024</b>
Separate-account revenue		
Premium income	\$ 975,160	\$ 1,213,084
Gain on financial assets at FVTPL	2,516,367	2,502,988
Interest revenue	3,364	4,329
(Loss) gain on foreign exchange	<u>(105,354)</u>	<u>2,241,063</u>
	<u>\$ 3,389,537</u>	<u>\$ 5,961,464</u>
Separate-account expense		
Insurance claims and benefits	\$ 6,048,436	\$ 5,332,973
Reserves for separate accounts, net of releases - insurance contract	(3,896,093)	(641,648)
Administrative expenses	<u>1,237,194</u>	<u>1,270,139</u>
	<u>\$ 3,389,537</u>	<u>\$ 5,961,464</u>

Separate-account revenue and expense were recognized under premium income, net.

### 31. OTHER LIABILITIES

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Advance receipts	\$ 1,455,878	\$ 1,161,628
Others	<u>76,614</u>	<u>73,898</u>
	<u>\$ 1,532,492</u>	<u>\$ 1,235,526</u>

### 32. NET INTEREST

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Interest revenue		
From discounts and loans	\$ 79,765,098	\$ 78,051,959
From investments	21,695,190	20,088,955
From due from banks and call loans to other banks	5,960,342	6,735,043
Others	<u>1,657,472</u>	<u>1,428,185</u>
	<u>109,078,102</u>	<u>106,304,142</u>
Interest expense		
From deposits	(61,648,107)	(63,620,671)
From due to the Central Bank and other banks	(6,506,547)	(7,522,178)
From issuing bonds payable	(1,345,329)	(1,285,962)
From deposits from the Central Bank and other banks	(3,517,083)	(1,858,626)
From securities sold under repurchase agreements	(1,187,825)	(1,420,088)
Others	<u>(342,639)</u>	<u>(423,080)</u>
	<u>(74,547,530)</u>	<u>(76,130,605)</u>
	<u>\$ 34,530,572</u>	<u>\$ 30,173,537</u>

### 33. SERVICE FEE AND COMMISSION INCOME, NET

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Service fee and commission revenues		
From trust business	\$ 2,887,216	\$ 2,984,583
From guarantee	927,423	1,001,313
From loans	1,740,761	2,353,709
From insurance service	2,803,117	1,938,794
From brokerage service	1,269,675	1,329,302
From investment-linked products	383,232	482,508
From credit cards	1,688,495	1,748,775
From management fees of investment-linked products	79,781	135,967
From management fees	284,161	294,547
From remittance	286,989	293,968
From cross-bank transactions	273,996	295,430
Agency fee income	134,441	157,173
From underwriting	141,181	142,970

(Continued)

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
From import/export service	\$ 84,661	\$ 92,069
Others	<u>529,273</u>	<u>597,674</u>
	<u>13,514,402</u>	<u>13,848,782</u>
Service charge and commission expenses		
From cross-bank transactions	(341,122)	(341,113)
From insurance business	(495,795)	(420,353)
From credit cards	(394,904)	(339,461)
From credit cards acquiring	(1,207,276)	(1,226,348)
From custody	(101,780)	(93,200)
Others	<u>(321,415)</u>	<u>(347,942)</u>
	<u>(2,862,292)</u>	<u>(2,768,417)</u>
	<u>\$ 10,652,110</u>	<u>\$ 11,080,365</u>

(Concluded)

#### 34. PREMIUM INCOME, NET

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Separate-account revenue (Note 30)	\$ 3,389,537	\$ 5,961,464
Premium income	<u>15,720,888</u>	<u>8,235,494</u>
	<u>19,110,425</u>	<u>14,196,958</u>
Separate-account expense (Note 30)	(3,389,537)	(5,961,464)
Insurance claims and benefits	(2,960,724)	(2,462,157)
Reinsurance premium ceded	(450,122)	(414,979)
Others	<u>(78,044)</u>	<u>(77,872)</u>
	<u>(6,878,427)</u>	<u>(8,916,472)</u>
	<u>\$ 12,231,998</u>	<u>\$ 5,280,486</u>

#### 35. GAINS (LOSSES) ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>For the Year Ended December 31, 2025</b>				
	<b>Interest Revenue (Expense)</b>	<b>Gain (Loss) on Disposal</b>	<b>Gain (Loss) on Valuation</b>	<b>Dividend Income</b>	<b>Total</b>
Financial assets mandatorily classified as at fair value through profit or loss	\$ 2,811,226	\$ 16,559,122	\$ 1,687,369	\$ 212,413	\$ 21,270,130
Held-for-trading financial liabilities	-	(19,459,258)	(455,843)	-	(19,915,101)
Financial liabilities designated as at fair value through profit or loss	<u>(236,834)</u>	<u>5,307</u>	<u>(73,602)</u>	<u>-</u>	<u>(305,129)</u>
	<u>\$ 2,574,392</u>	<u>\$ (2,894,829)</u>	<u>\$ 1,157,924</u>	<u>\$ 212,413</u>	<u>\$ 1,049,900</u>

	<b>For the Year Ended December 31, 2024</b>				
	<b>Interest Revenue (Expense)</b>	<b>Gain (Loss) on Disposal</b>	<b>Gain (Loss) on Valuation</b>	<b>Dividend Income</b>	<b>Total</b>
Financial assets mandatorily classified as at fair value through profit or loss	\$ 2,275,909	\$ 23,634,171	\$ 4,818,143	\$ 249,541	\$ 30,977,764
Held-for-trading financial liabilities	-	(3,159,795)	5,513,559	-	2,353,764
Financial liabilities designated as at fair value through profit or loss	<u>(214,088)</u>	<u>2,839</u>	<u>102,989</u>	<u>-</u>	<u>(108,260)</u>
	<u>\$ 2,061,821</u>	<u>\$ 20,477,215</u>	<u>\$ 10,434,691</u>	<u>\$ 249,541</u>	<u>\$ 33,223,268</u>

### 36. REALISED GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Dividends revenue on investments in equity instruments at FVTOCI	\$ 2,881,696	\$ 3,386,414
Derecognition of unrealized losses on investments in debt instruments at FVTOCI	<u>(136,671)</u>	<u>(402,098)</u>
	<u>\$ 2,745,025</u>	<u>\$ 2,984,316</u>

For the years ended December 31, 2025 and 2024, dividends revenue related to derecognized investments were \$1,364,944 thousand and \$1,526,369 thousand, respectively, and dividends revenue related to investments held on December 31, 2025 and 2024 were \$1,516,752 thousand and \$1,860,045 thousand, respectively.

### 37. EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES

#### a. Employee benefits expenses

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Salaries	\$ 10,327,425	\$ 9,992,306
Incentives	3,795,164	3,574,949
Excessive interest from preferential interest deposits	1,145,391	1,110,667
Post-employment benefits, termination benefits and compensation	695,466	716,285
Overtime	475,481	467,066
Others	<u>2,703,034</u>	<u>2,666,639</u>
	<u>\$ 19,141,961</u>	<u>\$ 18,527,912</u>

Under the amended Articles, TCFHC will make distributions at percentages from 0.01% to 0.08% and up to 1% of its annual profit (pretax income which exclude compensations of employees and remuneration to directors) for the employees' compensation and directors' remuneration, respectively. However, the actual appropriation of the compensation and remuneration should be made only from the annual net income less any accumulated deficit. For the years ended December 31, 2025 and 2024, compensation of employees were estimated at \$3,689 thousand and \$3,377 thousand and the remuneration of directors were estimated at \$118,665 thousand and \$108,625 thousand, respectively, based on the amended Articles and past experiences.

Material differences between such estimated amounts and the amounts approved by the board of directors on or before the annual consolidated financial statements are authorized for issue are adjusted in the year the compensation and remuneration were recognized. If there is a change in the approved amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate.

The appropriations of employees' compensation and remuneration of directors for 2024 and 2025 approved by the board of directors on March 24, 2025 and March 25, 2024, respectively, were as follows:

	<b><u>For the Year Ended December 31</u></b>	
	<b>2024</b>	<b>2023</b>
Employees' compensation - cash	\$ 3,377	\$ 2,588
Remuneration of directors - cash	108,625	94,901

There was no difference between the amounts of the employees' compensation and remuneration of directors approved by the board of directors and the amounts recognized in the consolidated financial statements.

The appropriation of employees' compensation and remuneration of directors of the Company for 2025 is subject to the approval of the board of directors.

Information on employees' compensation and remuneration of directors approved by the TCFHC's board of directors is available on the Market Observation Post System website of the Taiwan Stock Exchange (<https://emops.twse.com.tw>).

b. Depreciation and amortization expenses

	<b><u>For the Year Ended December 31</u></b>	
	<b>2025</b>	<b>2024</b>
Depreciation expenses	\$ 2,291,067	\$ 2,375,205
Amortization expenses	<u>546,647</u>	<u>486,161</u>
	<u>\$ 2,837,714</u>	<u>\$ 2,861,366</u>

### 38. INCOME TAX

a. Income tax expense recognized in profit or loss

Main components of income tax expense were as follows:

	<b><u>For the Year Ended December 31</u></b>	
	<b>2025</b>	<b>2024</b>
Current tax		
Current year	\$ 4,534,111	\$ 2,178,131
Additional income tax on unappropriated earnings	302,266	697,874
Additional income tax on under the Alternative Minimum Tax Act	47,272	64,952
Land revaluation increment tax	838	575
House and land transactions income tax	19,758	27,639
Prior year's adjustments	<u>(128,637)</u>	<u>(87,345)</u>
	4,775,608	2,881,826
Deferred tax		
Current year	<u>78,779</u>	<u>2,288,174</u>
Income tax expense recognized in profit or loss	<u>\$ 4,854,387</u>	<u>\$ 5,170,000</u>

A reconciliation of accounting profit and current income tax expense was as follows:

	<b><u>For the Year Ended December 31</u></b>	
	<b>2025</b>	<b>2024</b>
Income before income tax	<u>\$ 26,302,242</u>	<u>\$ 24,979,261</u>
Income tax expense at the statutory rate (20%)	\$ 5,260,448	\$ 4,995,852
Nondeductible expenses in determining taxable income	118,996	216,773
Tax-exempt income	(1,091,164)	(1,095,009)
Additional income tax under the Alternative Minimum Tax Act	47,272	64,952
Land value increment tax	838	575
House and land transactions income tax	19,758	27,639
Additional income tax on unappropriated earnings	302,266	697,874
Unrecognized deductible temporary differences	52,185	(34,270)
Unrecognized loss deductions	-	(4,067)
Effect of different tax rate of overseas entities operating in other jurisdictions	272,425	387,026
Adjustments for prior year's tax	<u>(128,637)</u>	<u>(87,345)</u>
Income tax expense recognized in profit or loss	<u>\$ 4,854,387</u>	<u>\$ 5,170,000</u>

b. Income tax expense recognized in other comprehensive income

	<b><u>For the Year Ended December 31</u></b>	
	<b>2025</b>	<b>2024</b>
<u>Deferred tax</u>		
Recognized in other comprehensive income - items that may be reclassified subsequently to profit or loss		
Exchange differences on the translation of financial statements of foreign operations	\$ (345,347)	\$ 719,521
Unrealized valuation gain on financial assets at fair value through other comprehensive income	274,382	(58,446)
Other comprehensive income on reclassification of overlay approach	<u>(5,356)</u>	<u>3,562</u>
Income tax (benefit) expense recognized in other comprehensive income	<u>\$ (76,321)</u>	<u>\$ 664,637</u>

c. Current tax assets and liabilities

	<b><u>December 31</u></b>	
	<b>2025</b>	<b>2024</b>
<u>Current tax assets</u>		
Tax refund receivable	\$ 2,521,771	\$ 2,688,977
Others	<u>73,208</u>	<u>252,813</u>
	<u>\$ 2,594,979</u>	<u>\$ 2,941,790</u>
<u>Current tax liabilities</u>		
Tax payable	\$ 2,625,860	\$ 417,458
Others	<u>161</u>	<u>128</u>
	<u>\$ 2,626,021</u>	<u>\$ 417,586</u>

d. Deferred tax assets and liabilities

The changes in deferred tax assets and liabilities are as follows:

For the year ended December 31, 2025

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Exchange Differences</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>					
Temporary differences					
Financial instruments at fair value through other comprehensive income	\$ 350,576	\$ -	\$ (259,481)	\$ -	\$ 91,095
Properties and equipment	5,962	(644)	-	-	5,318
Payable for annual leave	108,737	10,980	-	-	119,717
Employee's preferential interest deposit obligation	735,952	(10,819)	-	-	725,133
Other liabilities	5,783	-	-	-	5,783

(Continued)

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Exchange Differences</b>	<b>Closing Balance</b>
Exchange differences on foreign operations	\$ 29,337	\$ -	\$ (7,502)	\$ -	\$ 21,835
Allowance for possible losses	58,317	38,168	-	366	96,851
Financial instruments at fair value through profit or loss	49	3,749	-	-	3,798
Accrued expenses	2,076	(410)	-	(11)	1,655
Pension liabilities	643	(52)	-	-	591
Unrealized foreign exchange losses	-	213	-	-	213
Revenue from disposal of acquired loans	185,675	(5,786)	-	-	179,889
Right-of-use assets	-	42	-	-	42
	<u>\$ 1,483,107</u>	<u>\$ 35,441</u>	<u>\$ (266,983)</u>	<u>\$ 355</u>	<u>\$ 1,251,920</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Financial instruments at fair value through profit or loss	\$ 1,394,451	\$ 287,041	\$ -	\$ -	\$ 1,681,492
Financial instruments at fair value through other comprehensive income	-	-	14,901	-	14,901
Exchange differences on foreign operations	618,707	-	(352,849)	-	265,858
Right-of-use assets	46	(43)	-	(3)	-
Overlay approach	5,356	-	(5,356)	-	-
Intangible assets	428,614	-	-	-	428,614
The reserve for land value increment tax	2,541,779	-	-	-	2,541,779
Defined benefit obligation	408,504	(63,719)	-	-	344,785
Investments accounted for using equity method	178,039	27,406	-	-	205,445
Lease incentive	1,925	(348)	-	-	1,577
Unrealized foreign exchange losses	177,805	(136,117)	-	-	41,688
	<u>\$ 5,755,226</u>	<u>\$ 114,220</u>	<u>\$ (343,304)</u>	<u>\$ (3)</u>	<u>\$ 5,526,139</u>

(Concluded)

For the year ended December 31, 2024

	<b>Opening Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Exchange Differences</b>	<b>Closing Balance</b>
<u>Deferred tax assets</u>					
Temporary differences					
Financial instruments at fair value through other comprehensive income	\$ 292,130	\$ -	\$ 58,446	\$ -	\$ 350,576
Properties and equipment	6,606	(644)	-	-	5,962
Payable for annual leave	103,650	5,087	-	-	108,737
Employee's preferential interest deposit obligation	756,027	(20,075)	-	-	735,952
Other liabilities	5,783	-	-	-	5,783
Exchange differences on foreign operations	130,151	-	(100,814)	-	29,337
Allowance for possible losses	44,740	12,319	-	1,258	58,317
Financial instruments at fair value through profit or loss	740,358	(740,309)	-	-	49
Accrued expenses	3,721	(1,764)	-	119	2,076
Pension liabilities	567	76	-	-	643
Unrealized foreign exchange losses	746	(746)	-	-	-
Revenue from disposal of acquired loans	189,720	(4,045)	-	-	185,675
	<u>\$ 2,274,199</u>	<u>\$ (750,101)</u>	<u>\$ (42,368)</u>	<u>\$ 1,377</u>	<u>\$ 1,483,107</u>

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
<u>Deferred tax liabilities</u>					
Temporary differences					
Financial instruments at fair value through profit or loss	\$ 743	\$ 1,393,708	\$ -	\$ -	\$ 1,394,451
Exchange differences on foreign operations	-	-	618,707	-	618,707
Right-of-use assets	-	46	-	-	46
Overlay approach	1,794	-	3,562	-	5,356
Intangible assets	428,614	-	-	-	428,614
The reserve for land value increment tax	2,541,779	-	-	-	2,541,779
Defined benefit obligation	408,504	-	-	-	408,504
Investments accounted for using equity method	177,987	52	-	-	178,039
Lease incentive	2,271	(346)	-	-	1,925
Unrealized foreign exchange losses	<u>33,192</u>	<u>144,613</u>	<u>-</u>	<u>-</u>	<u>177,805</u>
	<u>\$ 3,594,884</u>	<u>\$ 1,538,073</u>	<u>\$ 622,269</u>	<u>\$ -</u>	<u>\$ 5,755,226</u>

(Concluded)

- e. Unused loss carryforwards and deductible temporary differences for which no deferred tax assets have been recognized in the consolidated balance sheets

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Deductible temporary differences	<u>\$ 443,068</u>	<u>\$ 93,767</u>
Loss carryforwards	<u>\$ -</u>	<u>\$ 64,405</u>

- f. The years for which TCFHC and other subsidiaries' income tax returns had been examined by tax authorities were as follows:

<u>TCFHC</u>	<u>TCB</u>	<u>CAM</u>	<u>TCBF</u>	<u>TCS</u>	<u>BPCTLI</u>	<u>TCSIT</u>	<u>TCVC</u>
2019	2019	2019	2019	2019	2023	2019	2019

- g. Pillar Two income tax legislation

In December 2025, the governments of Australia, Hong Kong, Japan and Belgium, where TCB and its subsidiary are incorporated, enacted the Pillar Two income tax legislation, which is now in effect. As of December 31, 2025, the Company assessed that the current income tax related to Pillar Two did not have a material impact.

### 39. EARNINGS PER SHARE

	Net Income (Numerator)	Shares (Denominator in Thousands)	Earnings Per Share (NT\$)
<u>For the year ended December 31, 2025</u>			
Basic earnings per share (EPS)	\$ 21,294,771	15,680,936	<u>\$ 1.36</u>
Effect of dilutive common stock:			
Employees' compensation	<u>-</u>	<u>183</u>	
Diluted EPS	<u>\$ 21,294,771</u>	<u>15,681,119</u>	<u>\$ 1.36</u>
<u>For the year ended December 31, 2024</u>			
Basic earnings per share (EPS)	\$ 19,219,939	15,224,210	<u>\$ 1.26</u>
Effect of dilutive common stock:			
Employees' compensation	<u>-</u>	<u>159</u>	
Diluted EPS	<u>\$ 19,219,939</u>	<u>15,224,369</u>	<u>\$ 1.26</u>

The weighted-average number of shares outstanding for EPS calculation has been retroactively adjusted to reflect the effects of the stock dividends distributed in the year following earning appropriation.

	<u>For the Year Ended December 31, 2024</u>	
	<b>Before Adjusted Retrospectively</b>	<b>After Adjusted Retrospectively</b>
Basic EPS (NT\$)	<u>\$ 1.26</u>	<u>\$ 1.23</u>
Diluted EPS (NT\$)	<u>\$ 1.26</u>	<u>\$ 1.23</u>

The Company can select to distribute employees' compensation by stock or by cash. If the compensation is in the form of shares, the Company should presume that the entire amount of the compensation will be settled in shares, and the resulting potential shares should be included in the weighted average number of shares outstanding to be used in calculating diluted earnings per share (EPS) if the shares have a dilutive effect. The dilutive effects of the potential shares needs to be included in the calculation of diluted EPS until the stockholders resolve the number of shares to be distributed to employees in the following year.

#### 40. EQUITY

##### a. Capital stock

###### Common stocks

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Number of shares authorized (in thousands)	<u>20,000,000</u>	<u>20,000,000</u>
Authorized capital	<u>\$ 200,000,000</u>	<u>\$ 200,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>15,680,936</u>	<u>15,224,210</u>
Common stocks issued	<u>\$ 156,809,369</u>	<u>\$ 152,242,106</u>

Fully paid common stocks, which have a par value of \$10, carry one vote per share and carry a right to dividends.

On June 21, 2024, the stockholders of TCFHC resolved to issue 514,828 thousand shares, which included the 2023 shares distributed by capital surplus to \$5,148,284 thousand. This issuance was approved by the FSC and MOEA.

On June 20, 2025, the stockholders of TCFHC resolved to issue 456,726 thousand shares, which included the 2024 earnings amounting to \$4,567,263 thousand. This issuance was approved by the FSC and MOEA.

##### b. Capital surplus

Under related regulations, capital surplus may only be used to offset a deficit. But capital surplus from the issuance of shares in excess of par value (including additional paid-in capital from the issuance of common shares and capital surplus from mergers and treasury stock transactions) and donations to the Company may be distributed as cash dividends or transferred to common stock on the basis of the percentage of shares held by the stockholders. Any capital surplus transferred to common stock should be within a certain percentage prescribed by law.

Under the Financial Holding Company Law and related directives issued by the Securities and Futures Bureau (SFB), the distribution of the ex-conversion unappropriated earnings that are generated by financial institutions (the subsidiaries) and become part of capital surplus of the financial holding company through a share swap is exempted from the appropriation restriction of the Securities and Exchange Law. These unappropriated earnings should be net of the appropriation of legal reserve or special reserve.

The capital surplus as of December 31, 2025 came from the issuance of shares in excess of par value and treasury stock transactions. Capital surplus sources and uses were as follows:

Sources

From subsidiaries

Capital surplus (mainly additional paid-in capital from share issuance in excess of par value)	\$ 27,783,766
Legal reserve	15,799,245
Special reserve	195,968
Unappropriated earnings	<u>10,410,804</u>
	54,189,783
Additional paid-in capital from TCFHC's share issuance in excess of par value	3,861,434
Cash dividends from TCFHC received by subsidiary	148,857
Additional paid-in capital from TCFHC's share issuance in excess of par value	12,642,000
Share-based payment for the subscription for TCFHC's new shares by the employees of TCFHC and its subsidiaries	618,750
Unclaimed dividends	<u>15,827</u>
	71,476,651

Uses

Issuance of TCFHC's stock and cash dividends in 2012	(6,360,660)
Issuance of TCFHC's stock dividends in 2013	(1,625,333)
Subsidiaries' disposal of the shares of TCFHC regarded as reissuance of treasury stock	(148,857)
Issuance of TCFHC's stock dividends in 2014	(4,307,133)
Issuance of TCFHC's stock dividends in 2015	(1,054,498)
Issuance of TCFHC's stock and cash dividends in 2023	<u>(12,327,864)</u>
	<u>\$ 45,652,306</u>

c. Special reserve

For the first-time adoption of IFRS Accounting Standards, TCFHC should appropriate to a special reserve an amount that was the same as those of unrealized revaluation increment and cumulative translation differences (gains) transferred to retained earnings as a result of the Company's use of exemptions under IFRS 1. However, on the date of transitions to IFRS Accounting Standards, if the increase in retained earnings that resulted from all IFRS Accounting Standards adjustments is not enough for this appropriation, only the increase in retained earnings that resulted from all IFRS Accounting Standards adjustments will be appropriated to special reserve. The special reserve appropriated as above may be reversed in proportion to the usage, disposal or reclassification of the related assets and thereafter distributed. The special reserve appropriated for the first-time adoption of IFRS Accounting Standards may be used to offset deficits in subsequent years. No appropriation of earnings shall be made until any shortage of the aforementioned special reserve is appropriated in subsequent years if the Company has earnings and the original need to appropriate a special reserve is not eliminated.

The increase in retained earnings that resulted from all IFRS Accounting Standards adjustments was not enough for this appropriation; therefore, TCFHC appropriated to the special reserve an amount of \$1,086,876 thousand on January 1, 2013, an increase in retained earnings that resulted from all IFRS Accounting Standards adjustments on transitions to IFRS Accounting Standards.

Information regarding the above special reserve appropriated or reversed on elimination of the original need to appropriate a special reserve was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Balance on January 1	\$ 985,539	\$ 985,539
Reversed on elimination of the original need to appropriate a special reserve:		
Disposal of properties and equipment	<u>          -</u>	<u>          -</u>
Balance on December 31	<u>\$ 985,539</u>	<u>\$ 985,539</u>

According to the provisions of the Order No. 1090150022 Order of the Financial Supervisory Commission R.O.C. TCFHC appropriated to the special surplus reserve of the same amount, which occurred from the net deduction of other equity items recorded in the current period. The information provided by the Bank in accordance with the letter is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Balance on January 1	\$ 6,142,118	\$ 20,524,180
Appropriation (reversal) of special reserve	<u>      771,613</u>	<u>    (14,382,062)</u>
Balance on December 31	<u>\$ 6,913,731</u>	<u>\$ 6,142,118</u>

d. Appropriation of earnings

For expanding the business scale and enhancing the profitability, TCFHC adopts the surplus dividend policy under the related law.

When TCFHC appropriated its earnings, legal reserve is appropriated from the annual net income less any accumulated deficit. A special reserve was then appropriated depending on regulation requirement and operation needs. Any remainder together with any undistributed retained earnings shall be used for proposing a distribution plan, which should be resolved in the stockholders' meeting for distribution of dividends.

Unless otherwise restricted by related regulations, TCFHC's policy indicates that cash dividends must be 10% or above of the total dividends and bonuses distributed. If the cash dividend per share is less than NT\$0.1, the cash dividend will not be distributed unless the distribution is resolved in the stockholders' meetings.

Under the Company Law, legal reserve should be appropriated until the reserve equals TCFHC's paid-in capital. This reserve should only be used to offset a deficit. When the reserve exceeds 25% of TCFHC's paid-in capital, the excess may be used to issue new shares or distribute as cash dividends.

Under related regulations, a special reserve is appropriated from the balance of the retained earnings at an amount from the net income and unappropriated earnings that is equal to the debit balance of accounts in the stockholders' equity section. The special reserve should be appropriated from the prior years' unappropriated earnings to the extent of the debit balance accumulated from prior years, and such special reserve should not be appropriated.

If there is difference between the appropriation of special reserve and net amount of deduction in other stockholder's equity, the Company should appropriate on additional amount of special reserve in the first-time adoption of IFRS Accounting Standards. Afterwards, if there is any reversal in of the deduction in other stockholder's equity, the Company is allowed to appropriate retained earnings from the reversal amount.

The appropriations from the earnings of 2024 and 2023 were approved in the stockholders' meeting on June 20, 2025 and June 21, 2024, respectively. The appropriations and dividends per share were as follows:

	<b>Appropriation of Earnings</b>		<b>Dividends Per Share (NT\$)</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Legal reserve	\$ 2,448,986	\$ 1,706,475		
Special reserve	771,613	-		
Cash dividends	10,656,947	9,561,098	\$ 0.70	\$ 0.65
Stock dividends	4,567,263	5,148,284	0.30	0.35

Information on the appropriation of earnings is available at the Market Observation Post System website of the Taiwan Stock Exchange (<https://emops.twse.com.tw>).

e. Non-controlling interests

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Balance on January 1	\$ 5,707,519	\$ 5,888,411
Attributable to non-controlling interests		
Net income	153,084	589,322
Exchange differences on the translation of financial statements of foreign operations	20,915	866
Unrealized valuation gain (loss) on financial assets at FVTOCI	419,448	(257,712)
Other comprehensive reclassification of overlay approach	(127,465)	(41,320)
Cash dividends distributed by subsidiaries	<u>(283,229)</u>	<u>(472,048)</u>
Balance on December 31	<u>\$ 5,890,272</u>	<u>\$ 5,707,519</u>

f. Hyperinflationary economies

As of December 2024, Laos was considered a hyperinflationary economy. TCB followed the classification applied to the financial statements of the Bank of Laos Branch, which were remeasured based on the statistical indices published by the Bank of the LAO P.D.R. Furthermore, according to the estimates published by the Laos Statistical Institute, Laos annual consumer price index was 257.20, 243.52 and 208.37 as of December 31, 2025, 2024 and 2023, respectively, with annual inflation rates of approximately 5.62% and 16.87% for the years ended December 31, 2025 and 2024. Based on these indicators, Laos is no longer considered a hyperinflationary economy.

Upon TCB's initial application of IAS 29 "Financial reporting in hyperinflationary economies", TCB recognized the effect initially as an adjustment to the opening balance of retained earnings, which decreased by \$464,617 thousand. Additionally, TCB applied hyperinflationary accounting to the financial statements of the Bank of Laos Branch, which were restated in terms of the current unit of measurement as of the year ended December 31, 2024. As a result, losses on the net monetary position of \$152,247 thousand was recognized in profit or loss (part of other non-interest gains, net).

#### 41. RELATED-PARTY TRANSACTIONS

Taiwan Cooperative Financial Holding Co., Ltd. is the ultimate parent of the Company, and the Ministry of Finance is the major government stockholder. Based on IAS 24 “Related Party Disclosures” the Company’s transactions with government-related parties are exempt from disclosure requirements. All transactions, account balances, earnings, expenses and gains (losses) on transactions between the Company and subsidiaries have all been excluded from consolidation and are not disclosed in this note.

In addition to those mentioned in other notes, the related-party transactions are summarized as follows:

a. Related parties

<u>Related Party</u>	<u>Relationship with the Company</u>
United Real Estate Management Co., Ltd.	Associated enterprise
JC Capital Taiwan Co., Ltd.	Associated enterprise (disposal on August 28, 2024)
TCB 6 Year Senior Emerging Market Bond Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
TCB US Short Duration High Yield Bond Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
TCB Global Core Infrastructure Income Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
TCB 2032 Target Date Multi-Asset Income Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
TCB Global High Yield Bond Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
TCB Multi-Asset AI Theme Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
TCB 2026 Maturity Senior Emerging Market Corporate Bond Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
TCB Global Healthcare Multi-Asset Income Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
TCB Environment & Socially Responsible Multi-Asset Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
TCB Global Hybrid Income Bond Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
TCB Diversified Income Multi-Asset Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
TCB 2025 Maturity Emerging Market Bond Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
Tamshui First Credit Bank	The director of Tamshui First Credit Bank is also the Company’s director.
Taiwan Asset Management Corporation	The director of Taiwan Assets Management Corporation is the main management of the Company.
Financial Information Service Co., Ltd.	The director of Financial Information Service Co., Ltd. is also the Company’s director.
Agricultural Bank of Taiwan	The director of Agricultural Bank of Taiwan is also the TCB’s director.
Sun Ba Power Corporation	The director of Sun Ba Power Corporation is main management’s spouse
Krom Electronics Co., Ltd.	The director of Krom Electronics Co., Ltd. is second-degree kin

(Continued)

<u>Related Party</u>	<u>Relationship with the Company</u>
The Credit Cooperative of Ilan	The director of The Credit Cooperative of Ilan is also TCB's director.
Financial eSolution Co., Ltd.	The director of Financial eSolution Co., Ltd. is also the management of the Company.
The Kaohsiung Third Credit Cooperative	The director of The Kaohsiung Third Credit Cooperative is also the TCB's director.
The Fifth Credit Cooperation of Taipei	The director of the Fifth Credit Cooperation of Taipei is also the TCB's director. (appointed on September 7, 2025)
Others	Main management of the company and other related parties.

(Concluded)

b. Significant transactions between the Company and related parties:

1) Call loans to banks

	<b>Highest Balance</b>	<b>Ending Balance</b>	<b>Interest Revenue</b>	<b>Interest Rate (%)</b>
For the year ended <u>December 31, 2024</u>				
Others	\$ 1,144,000	\$ -	\$ 15,526	2.800-5.850

2) Deposits from banks

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
	<b>Ending Balance</b>	<b>Ending Balance</b>
Main management	\$ 117	\$ 108
Others		
Tamshui First Credit Bank	5,011,693	3,982,847
The Kaohsiung Third Credit Cooperative	4,298,373	4,582,334
The Credit Cooperative of Ilan	-	960,752
The Fifth Credit Cooperation of Taipei	1,848,353	-
Others	<u>481,128</u>	<u>402,103</u>
	<u>\$ 11,639,664</u>	<u>\$ 9,928,144</u>

3) Call loans from banks

	<b>Highest Balance</b>	<b>Ending Balance</b>	<b>Interest Revenue</b>	<b>Interest Rate (%)</b>
For the year ended <u>December 31, 2025</u>				
Others				
Agricultural Bank of Taiwan	<u>\$ 1,975,620</u>	<u>\$ -</u>	<u>\$ 226</u>	4.350
For the year ended <u>December 31, 2024</u>				
Others				
Agricultural Bank of Taiwan	<u>\$ 1,921,680</u>	<u>\$ -</u>	<u>\$ 289</u>	5.390

4) Loans

	<b>Highest Balance</b>	<b>Ending Balance</b>	<b>Interest Revenue</b>	<b>Interest Rate (%)</b>
For the year ended <u>December 31, 2025</u>				
Main management	\$ 364,704	\$ 278,198	\$ 5,059	1.670-2.358
Others	<u>288,256</u>	<u>235,223</u>	<u>4,568</u>	1.512-3.215
	<u>\$ 652,960</u>	<u>\$ 513,421</u>	<u>\$ 9,627</u>	
For the year ended <u>December 31, 2024</u>				
Main management	\$ 452,117	\$ 242,932	\$ 5,304	1.670-2.428
Others	<u>2,817,627</u>	<u>1,697,639</u>	<u>18,076</u>	0.405-3.245
	<u>\$ 3,269,744</u>	<u>\$ 1,940,571</u>	<u>\$ 23,380</u>	

a) Loans

December 31, 2025

Type	Account Volume or Name	Highest Balance in the Year Ended December 31, 2025 (Note 1)	Ending Balance	Loan Classification		Collaterals	Differences in Terms of Transaction Compared with Those for Unrelated Parties
				Normal Loans	Nonperforming Loans		
Consumer loans	71	\$ 279,177	\$ 207,085	\$ 207,085	\$ -	Note 2	None
Self-used housing mortgage loans	61	323,783	256,336	256,336	-	Land and buildings	None
Other loans	Krom Electronics Co., Ltd.	50,000	50,000	50,000	-	None	None

December 31, 2024

Type	Account Volume or Name	Highest Balance in the Year Ended December 31, 2024 (Note 1)	Ending Balance	Loan Classification		Collaterals	Differences in Terms of Transaction Compared with Those for Unrelated Parties
				Normal Loans	Nonperforming Loans		
Consumer loans	81	\$ 362,093	\$ 157,553	\$ 157,553	\$ -	Note 2	None
Self-used housing mortgage loans	65	353,676	229,274	229,274	-	Land and buildings	None
Other loans	Krom Electronics Co., Ltd.	50,000	50,000	50,000	-	None	None
	Sun Ba Power Corporation	705,400	705,400	705,400	-	None	None
	Tamshui First Credit Bank	1,000,000	-	-	-	Certificates of deposit	None

Note 1: The highest balance is the largest sum in the period of all daily accounts for each type.

Note 2: A portion of consumer loans was real estate guaranteed.

b) Guarantees

December 31, 2024

Related Party	Highest Balance in the Nine Months Ended December 31, 2024	Ending Balance	Guarantee Liability Reserve Balance	Rate (%)	Collaterals
Others					
Sun Ba Power Corporation	\$ 798,344	\$ 798,344	\$ 1,792	0.405-0.500	None
Financial eSolution Co., Ltd.	231	-	-	0.750	Land and buildings

Under the Banking Law, except for customer loans and government loans, credits extended by TCB to any related party should be 100% secured, and the terms of credits extended to related parties should be similar to those for third parties.

5) Deposits

	Ending Balance	Interest Expense	Interest Rate (%)
<u>For the year ended December 31, 2025</u>			
Associates	\$ 62,532	\$ 784	0.000-1.700
Main management	989,202	15,305	0.000-13.000
Others			
Financial Information Service Co., Ltd.	27,836,915	21,708	0.000-5.110
The Kaohsiung Third Credit Cooperative	15,522,000	161,024	0.000-1.715
Tamshui First Credit Bank	22,987,139	376,429	0.000-1.715
Others	<u>12,749,516</u>	<u>181,686</u>	0.000-13.000
	<u>\$ 80,147,304</u>	<u>\$ 756,936</u>	

(Continued)

	<b>Ending Balance</b>	<b>Interest Expense</b>	<b>Interest Rate (%)</b>
<u>For the year ended December 31, 2024</u>			
Associates	\$ 108,379	\$ 793	0.000-4.950
Main management	1,012,136	20,177	0.000-13.000
Others			
Financial Information Service Co., Ltd.	19,384,439	28,026	0.000-5.250
The Kaohsiung Third Credit Cooperative	13,822,000	74,560	0.000-1.715
Tamshui First Credit Bank	21,746,464	376,250	0.000-1.715
Others	<u>11,445,677</u>	<u>157,258</u>	0.000-13.000
	<u>\$ 67,519,095</u>	<u>\$ 657,064</u>	
			(Concluded)
		<u>December 31</u>	
		<u>2025</u>	<u>2024</u>
6) Accrued income (part of receivables)			
Others		<u>\$ 20,263</u>	<u>\$ 23,453</u>
7) Receivable on securities (part of receivables)			
Others		<u>\$ -</u>	<u>\$ 6,865</u>
8) Payable on securities (part of payables)			
Others		<u>\$ 37,996</u>	<u>\$ -</u>
9) Guarantee deposits received (part of other financial liabilities)			
Others			
Taiwan Asset Management Corporation		\$ 4,300	\$ 4,300
Agricultural Bank of Taiwan		<u>10,700</u>	<u>10,700</u>
		<u>\$ 15,000</u>	<u>\$ 15,000</u>
		<u>For the Year Ended December 31</u>	
		<u>2025</u>	<u>2024</u>
10) Service fee income (part of service fee and commission income, net)			
Main management		\$ 556	\$ 438
Others		<u>322,571</u>	<u>326,508</u>
		<u>\$ 323,127</u>	<u>\$ 326,946</u>

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
11) Service charge (part of service fee and commission income, net)		
Main management	\$ <u>107</u>	\$ <u>118</u>
12) Other income (part of other noninterest gain, net)		
Others		
Taiwan Asset Management Corporation	\$ 1,516	\$ 2,012
Financial Information Service Co., Ltd.	2,009	1,814
Others	<u>784</u>	<u>848</u>
	<u>\$ 4,309</u>	<u>\$ 4,674</u>
13) Donation (part of other noninterest gain, net)		
Main management	\$ 2,000	\$ 2,000
Others	<u>900</u>	<u>900</u>
	<u>\$ 2,900</u>	<u>\$ 2,900</u>

Terms of other transactions with related parties were similar to those for third parties, except for the more favorable interest rate for managers' savings within a prescribed limit.

14) Lease agreements - the Company is lessor

The Company lease out investment properties under operating leases with lease terms of 2 to 10 years. Rentals which are determined based on the prices of nearby properties are calculated on the basis of the leased areas and are payable monthly.

a) Future lease payment receivable was as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Others		
Agricultural Bank of Taiwan	\$ 104,525	\$ 147,633
Taiwan Asset Management Corporation	<u>23,855</u>	<u>36,850</u>
	<u>\$ 128,380</u>	<u>\$ 184,483</u>

b) Lease income (part of other non-interest gains, net):

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Others		
Taiwan Asset Management Corporation	\$ 12,995	\$ 12,995
Agricultural Bank of Taiwan	<u>43,108</u>	<u>43,108</u>
	<u>\$ 56,103</u>	<u>\$ 56,103</u>

## 15) Derivatives

<b>For the Year Ended December 31, 2025</b>						
<b>Related Party</b>	<b>Type of Derivatives</b>	<b>Contract Period</b>	<b>Nominal Amounts</b>	<b>Valuation Gain (Loss)</b>	<b>Amounts on the Consolidated Balance Sheet</b>	
					<b>Account</b>	<b>Amounts</b>
Other - TCB 6 Year Senior Emerging Market Bond Fund	Currency swap	2025.06.04-2026.01.12	US\$ 7,000	\$ 13,908	Financial assets at fair value through profit or loss	\$ 13,908
	Currency swap	2025.08.29-2026.01.12	US\$ 3,000	(1,351)	Financial liabilities at fair value through profit or loss	(1,351)
Other - TCB US Short Duration High Yield Bond Fund	Currency swap	2025.09.23-2026.06.23	US\$ 2,100	3,086	Financial assets at fair value through profit or loss	3,086
Other - TCB Global Core Infrastructure Income Fund	Currency swap	2025.11.19-2026.03.19	US\$ 300	(128)	Financial liabilities at fair value through profit or loss	(128)
Other - TCB 2032 Target Date Multi-Asset Income Fund	Currency swap	2025.12.18-2026.03.18	US\$ 2,700	43	Financial assets at fair value through profit or loss	43
Other - TCB Global High Yield Bond Fund	Currency swap	2025.05.21-2026.10.30	US\$ 3,650	5,556	Financial assets at fair value through profit or loss	5,556
Other - TCB Multi-Asset AI Theme Fund	Currency swap	2025.11.28-2026.02.26	US\$ 2,500	347	Financial assets at fair value through profit or loss	347
Other - TCB 2026 Maturity Senior Emerging Market Corporate Bond Fund	Currency swap	2025.05.29-2026.02.26	US\$ 455	952	Financial assets at fair value through profit or loss	952
Other - TCB Global Healthcare Multi-Asset Income Fund	Currency swap	2025.11.06-2026.02.06	US\$ 4,000	2,658	Financial assets at fair value through profit or loss	2,658
Other - TCB Environment & Socially Responsible Multi-Asset Fund	Currency swap	2025.11.28-2026.02.26	US\$ 1,000	139	Financial assets at fair value through profit or loss	139
Other - TCB Global Hybrid Income Bond Fund	Currency swap	2025.09.12-2026.09.15	US\$ 8,310	8,557	Financial assets at fair value through profit or loss	8,557
Other - TCB Diversified Income Multi-Asset Fund	Currency swap	2025.12.08-2026.03.09	US\$ 1,000	192	Financial assets at fair value through profit or loss	192

<b>For the Year Ended December 31, 2024</b>						<b>Amounts on the Consolidated Balance Sheet</b>	
<b>Related Party</b>	<b>Type of Derivatives</b>	<b>Contract Period</b>	<b>Nominal Amounts</b>	<b>Valuation Gain (Loss)</b>	<b>Account</b>	<b>Amounts</b>	
Other - TCB 6 Year Senior Emerging Market Bond Fund	Currency swap	2024.11.29-2025.08.29	US\$ 3,000	\$ 862	Financial assets at fair value through profit or loss	\$ 862	
Other - TCB US Short Duration High Yield Bond Fund	Currency swap	2024.12.23-2025.09.23	US\$ 3,450	693	Financial assets at fair value through profit or loss	693	
Other - TCB Global Core Infrastructure Income Fund	Currency swap	2024.11.18-2025.02.18	US\$ 400	157	Financial assets at fair value through profit or loss	157	
Other - TCB 2032 Target Date Multi-Asset Income Fund	Currency swap	2024.12.18-2025.03.18	US\$ 2,700	869	Financial assets at fair value through profit or loss	869	
Other - TCB 2025 Maturity Emerging Market Bond Fund	Currency swap	2024.10.31-2025.03.31	US\$ 13,650	7,370	Financial assets at fair value through profit or loss	7,370	
Other - TCB Global High Yield Bond Fund	Currency swap	2024.08.21-2025.04.14	US\$ 3,200	1,858	Financial assets at fair value through profit or loss	1,858	
Other - TCB Multi-Asset AI Theme Fund	Currency swap	2024.12.26-2025.02.26	US\$ 1,500	147	Financial assets at fair value through profit or loss	147	

The realized profit or loss that resulted from the currency swap transactions with related parties was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Financial assets and liabilities at fair value through profit or loss		
Others	<u>\$ 16,046</u>	<u>\$ 74,219</u>

c. Subsidiaries' related-party transactions and balances that each amounted to more than \$100,000 thousand

1) Taiwan Cooperative Bank, Ltd.

a) Due from banks

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Subsidiary	<u>\$ 581,536</u>	<u>\$ 553,871</u>

b) Call loans to banks

	<b>Highest Balance</b>	<b>Ending Balance</b>	<b>Interest Revenue</b>	<b>Interest Rate (%)</b>
For the year ended <u>December 31, 2025</u>				
Subsidiary	\$ 3,029,081	\$ 2,068,640	\$ 37,304	2.170-3.650
Sister companies				
TCBF	<u>4,180,276</u>	<u>940,000</u>	<u>28,688</u>	1.420-4.750
	<u>\$ 7,209,357</u>	<u>\$ 3,008,640</u>	<u>\$ 65,992</u>	
For the year ended <u>December 31, 2024</u>				
Subsidiary	\$ 2,824,000	\$ 2,662,920	\$ 68,665	3.420-4.400
Sister companies				
TCBF	4,475,906	2,190,000	30,600	1.360-6.080
Others	<u>1,144,000</u>	<u>-</u>	<u>15,526</u>	2.800-5.850
	<u>\$ 8,443,906</u>	<u>\$ 4,852,920</u>	<u>\$ 114,791</u>	

c) Call loans to securities firms (part of other financial assets, net)

	<b>Highest Balance</b>	<b>Ending Balance</b>	<b>Interest Revenue</b>	<b>Interest Rate (%)</b>
For the year ended <u>December 31, 2025</u>				
Sister company				
TCS	<u>\$ 332,120</u>	<u>\$ 251,560</u>	<u>\$ 13,896</u>	4.220-5.100
For the year ended <u>December 31, 2024</u>				
Sister company				
TCS	<u>\$ 329,000</u>	<u>\$ 327,850</u>	<u>\$ 17,854</u>	4.950-5.720

d) Deposits from banks

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
	<b>Ending Balance</b>	<b>Ending Balance</b>
Subsidiary	\$ -	\$ 23
Main management	117	108
Others		
Tamshui First Credit Bank	5,011,693	3,982,847
The Kaohsiung Third Credit Cooperative	4,298,373	4,582,334
The Credit Cooperative of Ilan	-	960,752
The Fifth Credit Cooperation of Taipei	1,848,353	-
Others	<u>481,128</u>	<u>402,103</u>
	<u>\$ 11,639,664</u>	<u>\$ 9,928,167</u>

e) Loans

	<b>Highest Balance</b>	<b>Ending Balance</b>	<b>Interest Revenue</b>	<b>Interest Rate (%)</b>
For the year ended				
<u>December 31, 2025</u>				
Subsidiary	\$ 4,703,957	\$ 3,509,300	\$ 113,606	2.520-3.645
Main management	364,704	278,198	5,059	1.670-2.358
Others	<u>288,256</u>	<u>235,223</u>	<u>4,568</u>	1.512-3.215
	<u>\$ 5,356,917</u>	<u>\$ 4,022,721</u>	<u>\$ 123,233</u>	
For the year ended				
<u>December 31, 2024</u>				
Subsidiary	\$ 5,434,448	\$ 4,643,041	\$ 212,805	3.513-4.785
Sister companies	20,000	-	5	2.768-2.893
Main management	452,117	242,932	5,304	1.670-2.428
Others	<u>2,817,627</u>	<u>1,697,639</u>	<u>18,076</u>	0.405-3.245
	<u>\$ 8,724,192</u>	<u>\$ 6,583,612</u>	<u>\$ 236,190</u>	

i. Loans

December 31, 2025

Type	Account Volume or Name	Highest Balance in the Nine Months Ended December 31, 2025 (Note 1)	Ending Balance	Loan Classification		Collaterals	Differences in Terms of Transaction Compared with Those for Unrelated Parties
				Normal Loans	Nonperforming Loans		
Consumer loans	71	\$ 279,177	\$ 207,085	\$ 207,085	-	Note 2	None
Self-used housing mortgage loans	61	323,783	256,336	256,336	-	Land and buildings	None
Others	Krom Electronics Co., Ltd.	50,000	50,000	50,000	-	None	None
	United Taiwan Bank	4,703,957	3,509,300	3,509,300	-	None	None

December 31, 2024

Type	Account Volume or Name	Highest Balance in the Nine Months Ended December 31, 2024 (Note 1)	Ending Balance	Loan Classification		Collaterals	Differences in Terms of Transaction Compared with Those for Unrelated Parties
				Normal Loans	Nonperforming Loans		
Consumer loans	81	\$ 362,093	\$ 157,553	\$ 157,553	\$ -	Note 2	None
Self-used housing mortgage loans	65	353,676	229,274	229,274	-	Land and buildings	None
Others	TCS	20,000	-	-	-	Bonds	None
	Krom Electronics Co., Ltd.	50,000	50,000	50,000	-	None	None
	Sun Ba Power Corporation	705,400	705,400	705,400	-	None	None
	Tamshui First Credit Bank	1,000,000	-	-	-	Certificates of deposit	None
	United Taiwan Bank	5,434,448	4,643,041	4,643,041	-	None	None

Note 1: The highest balance is the largest sum in the period of all daily accounts for each type.

Note 2: A portion of the consumer loans was real estate guaranteed.

ii. Guarantees

December 31, 2024

Related Party	Highest Balance in the Nine Months Ended December 31, 2024	Ending Balance	Guarantee Liability Reserve Balance	Rate (%)	Collaterals
Others					
Sun Ba Power Corporation	\$ 798,344	\$ 798,344	\$ 1,792	0.405-0.500	None
Financial eSolution Co., Ltd.	231	-	-	0.750	Land and buildings

Under the Banking Law, except for customer loans and government loans, credits extended by TCB to any related party should be 100% secured, and the terms of credits extended to related parties should be similar to those to third parties.

f) Deposits

	Ending Balance	Interest Expense	Interest Rate (%)
For the year ended			
<u>December 31, 2025</u>			
Parent company	\$ 57,923	\$ 1,163	0.000-0.705
Sister companies	3,079,492	38,330	0.000-4.440
Associates	62,532	784	0.000-1.700
Main management	989,202	15,305	0.000-13.000
Others			
Financial Information Service Co., Ltd.	27,836,915	21,708	0.000-5.110
The Kaohsiung Third Credit Cooperative	15,522,000	161,024	0.000-1.715

(Continued)

	<b>Ending Balance</b>	<b>Interest Expense</b>	<b>Interest Rate (%)</b>
Tamshui First Credit Bank	\$ 22,987,139	\$ 376,429	0.000-1.715
Others	<u>12,749,516</u>	<u>181,686</u>	0.000-13.000
	<u>\$ 83,284,719</u>	<u>\$ 796,429</u>	
For the year ended			
<u>December 31, 2024</u>			
Parent company	\$ 75,582	\$ 1,717	0.000-0.705
Sister companies	2,847,971	34,568	0.000-2.200
Associates	108,379	793	0.000-4.950
Main management	1,012,136	20,177	0.000-13.000
Others			
Financial Information Service Co., Ltd.	19,384,439	28,026	0.000-5.250
The Kaohsiung Third Credit Cooperative	13,822,000	74,560	0.000-1.715
Tamshui First Credit Bank	21,746,464	376,250	0.000-1.715
Others	<u>11,445,677</u>	<u>157,258</u>	0.000-13.000
	<u>\$ 70,442,648</u>	<u>\$ 693,349</u>	
			(Concluded)
			<b>December 31</b>
		<b>2025</b>	<b>2024</b>
g) Accrued income (part of receivables)			
Sister companies			
BPCTLI		\$ 410,679	\$ 326,892
TCSIT		2,307	3,196
TCS		<u>2,136</u>	<u>2,157</u>
		<u>\$ 415,122</u>	<u>\$ 332,245</u>
h) Receivables on Securities (part of receivables)			
Sister companies			
TCS		<u>\$ 114,686</u>	<u>\$ 74</u>
i) Tax receivable - consolidated tax return (part of current tax assets)			
Parent company		<u>\$ 2,428,825</u>	<u>\$ 3,233,193</u>
j) Tax payable - consolidated tax return (part of current tax liabilities)			
Parent company		<u>\$ 1,877,224</u>	<u>\$ -</u>

k) Service fee income (part of service fee income, net)

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Sister companies		
BPCTLI	\$ 1,828,834	\$ 1,304,196
Others	65,811	120,295
Main management	556	438
Others	<u>35,913</u>	<u>30,554</u>
	<u>\$ 1,931,114</u>	<u>\$ 1,455,483</u>

l) Lease agreements - TCB is lessor

The Company leases out investment properties under operating leases with lease terms of 2 to 10 years. Rentals which are determined base on the prices of nearby properties are calculated on the basis of the leased areas and are payable monthly.

i. Future lease payment receivables was as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Parent company	\$ 50,263	\$ 80,420
Sister companies		
TCS	145,413	59,903
BPCTLI	51,402	70,205
Co-operative Assets Management Co., Ltd.	39,245	50,614
TCBF	19,807	28,610
TCSIT	25,282	3,530
Others	3,992	2,088
Others		
Agricultural Bank of Taiwan	104,525	147,633
Taiwan Asset Management Corporation	<u>23,855</u>	<u>36,850</u>
	<u>\$ 463,784</u>	<u>\$ 479,853</u>

ii. Lease income (part of other non-interest gains, net):

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Parent company	\$ 30,445	\$ 29,737
Sister companies		
TCS	54,711	53,129
BPCTLI	20,069	19,876
Co-operative Assets Management Co., Ltd.	9,316	9,158
Others	15,745	15,470
Others		
Taiwan Asset Management Corporation	12,995	12,995
Agricultural Bank of Taiwan	<u>43,108</u>	<u>43,108</u>
	<u>\$ 186,389</u>	<u>\$ 183,473</u>

m) Derivatives

<b>For the Year Ended December 31, 2025</b>						
<b>Related Party</b>	<b>Type of Derivatives</b>	<b>Contract Period</b>	<b>Nominal Amounts</b>	<b>Valuation Gain (Loss)</b>	<b>Amounts on the Consolidated Balance Sheet</b>	
					<b>Account</b>	<b>Amounts</b>
Sister company - BPCTLI	Currency swap	2025.10.27-2026.10.27	EUR 13,204	\$ 17,718	Financial assets at fair value through profit or loss	\$ 17,718
	Currency swap	2025.10.14-2026.03.16	US\$ 69,981	7,515	Financial assets at fair value through profit or loss	7,515
	Currency swap	2025.12.22-2026.01.26	US\$ 20,000	(1,214)	Financial liabilities at fair value through profit or loss	(1,214)
Sister company - TCBF	Currency swap	2025.12.10-2026.01.20	US\$ 8,000	1,936	Financial assets at fair value through profit or loss	1,936
Other - TCB 6 Year Senior Emerging Market Bond Fund	Currency swap	2025.06.04-2026.01.12	US\$ 7,000	13,908	Financial assets at fair value through profit or loss	13,908
	Currency swap	2025.08.29-2026.01.12	US\$ 3,000	(1,351)	Financial liabilities at fair value through profit or loss	(1,351)
Other - TCB US Short Duration High Yield Bond Fund	Currency swap	2025.09.23-2026.06.23	US\$ 2,100	3,086	Financial assets at fair value through profit or loss	3,086
Other - TCB Global Core Infrastructure Income Fund	Currency swap	2025.11.19-2026.03.19	US\$ 300	(128)	Financial liabilities at fair value through profit or loss	(128)
Other - TCB 2032 Target Date Multi-Asset Income Fund	Currency swap	2025.12.18-2026.03.18	US\$ 2,700	43	Financial assets at fair value through profit or loss	43
Other - TCB Global High Yield Bond Fund	Currency swap	2025.05.21-2026.10.30	US\$ 3,650	5,556	Financial assets at fair value through profit or loss	5,556
Other - TCB Multi-Asset AI Theme Fund	Currency swap	2025.11.28-2026.02.26	US\$ 2,500	347	Financial assets at fair value through profit or loss	347
Other - TCB 2026 Maturity Senior Emerging Market Corporate Bond Fund	Currency swap	2025.05.29-2026.02.26	US\$ 455	952	Financial assets at fair value through profit or loss	952
Other - TCB Global Healthcare Multi-Asset Income Fund	Currency swap	2025.11.06-2026.02.06	US\$ 4,000	2,658	Financial assets at fair value through profit or loss	2,658
Other - TCB Environment & Socially Responsible Multi-Asset Fund	Currency swap	2025.11.28-2026.02.26	US\$ 1,000	139	Financial assets at fair value through profit or loss	139
Other - TCB Global Hybrid Income Bond Fund	Currency swap	2025.09.12-2026.09.15	US\$ 8,310	8,557	Financial assets at fair value through profit or loss	8,557
Other - TCB Diversified Income Multi-Asset Fund	Currency swap	2025.12.08-2026.03.09	US\$ 1,000	192	Financial assets at fair value through profit or loss	192

For the Year Ended December 31, 2024							
Related Party	Type of Derivatives	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Amounts on the Consolidated Balance Sheet		
					Account	Amounts	
Sister company - BPCTLI	Currency swap	2024.10.24-2025.02.24	EUR 3,000	\$ (1,172)	Financial liabilities at fair value through profit or loss	\$ (1,172)	
	Currency swap	2024.12.31-2025.03.31	EUR 4,844	309	Financial assets at fair value through profit or loss	309	
	Currency swap	2024.10.31-2025.03.31	US\$ 81,465	43,379	Financial assets at fair value through profit or loss	43,379	
Other - TCB 6 Year Senior Emerging Market Bond Fund	Currency swap	2024.11.29-2025.08.29	US\$ 3,000	862	Financial assets at fair value through profit or loss	862	
Other - TCB US Short Duration High Yield Bond Fund	Currency swap	2024.12.23-2025.09.23	US\$ 3,450	693	Financial assets at fair value through profit or loss	693	
Other - TCB Global Core Infrastructure Income Fund	Currency swap	2024.11.18-2025.02.18	US\$ 400	157	Financial assets at fair value through profit or loss	157	
Other - TCB 2032 Target Date Multi-Asset Income Fund	Currency swap	2024.12.18-2025.03.18	US\$ 2,700	869	Financial assets at fair value through profit or loss	869	
Other - TCB 2025 Maturity Selective Emerging Market Bond Fund	Currency swap	2024.10.31-2025.03.31	US\$ 13,650	7,370	Financial assets at fair value through profit or loss	7,370	
Other - TCB Global High Yield Bond Fund	Currency swap	2024.08.21-2025.04.14	US\$ 3,200	1,858	Financial assets at fair value through profit or loss	1,858	
Other - TCB Multi-Asset AI Theme Fund	Currency swap	2024.12.26-2025.02.26	US\$ 1,500	147	Financial assets at fair value through profit or loss	147	

The realized gain or loss resulted from the currency swap transactions of TCB with related parties was as follows:

	For the Year Ended December 31	
	2025	2024
Financial assets and liabilities at fair value through profit or loss		
Sister companies		
BPCTLI	\$ 36,575	\$ 244,024
TCS	9,328	3,665
Others	<u>16,046</u>	<u>74,219</u>
	<u>\$ 61,949</u>	<u>\$ 321,908</u>

2) Taiwan Cooperative Securities Co., Ltd. (TCS)

a) Settlement payments (part of other current assets)

	December 31	
	2025	2024
Sister companies	<u>\$ 230,253</u>	<u>\$ -</u>

b) Receipts under custody for securities underwriting (part of other current assets)

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Sister companies	\$ <u>          -</u>	\$ <u>  281,521</u>

c) Payables for Securities Settlement (included in accounts payable)

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Sister companies		
TCB	\$ 119,912	\$ 74
BPCTLI	96,254	-
Others	<u>37,996</u>	<u>-</u>
	<u>\$ 254,162</u>	<u>\$ 74</u>

d) TCS applied to TCB for call loans

	<u>For the Year Ended December 31, 2025</u>			
<b>Related Party</b>	<b>Highest Balance</b>	<b>Ending Balance</b>	<b>Interest Expense</b>	<b>Interest Rate (%)</b>
Sister companies				
TCB	\$ <u>  332,050</u>	\$ <u>  251,560</u>	\$ <u>  13,874</u>	4.220-5.100

	<u>For the Year Ended December 31, 2024</u>			
<b>Related Party</b>	<b>Highest Balance</b>	<b>Ending Balance</b>	<b>Interest Expense</b>	<b>Interest Rate (%)</b>
Sister companies				
TCB	\$ <u>  329,000</u>	\$ <u>  327,850</u>	\$ <u>  17,911</u>	4.950-5.720

e) Purchases and sales of securities

	<u>For the Year Ended December 31, 2025</u>			
<b>Related Party</b>	<b>Purchases</b>	<b>Sales</b>	<b>Sales Under Repurchase Agreements</b>	<b>Purchases Under Resell Agreements</b>
Parent company	\$ <u>  400,000</u>	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          -</u>

	<u>For the Year Ended December 31, 2024</u>			
<b>Related Party</b>	<b>Purchases</b>	<b>Sales</b>	<b>Sales Under Repurchase Agreements</b>	<b>Purchases Under Resell Agreements</b>
Parent company	\$ <u>  800,000</u>	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          -</u>

- f) To settle security transactions, TCS applied to TCB for a guarantee of \$1,500,000 thousand for short-term loan and overdraft. As of December 31, 2025 and 2024, TCS had no borrowing and overdraft. The overdraft for the years ended December 31, 2025 and 2024 were as follows:

	<b>For the Year Ended December 31, 2025</b>			
	<b>Highest Balance</b>	<b>Ending Balance</b>	<b>Interest Expense</b>	<b>Interest Rate (%)</b>
Sister companies	\$ <u>1,000,000</u>	\$ <u>-</u>	\$ <u>-</u>	-

  

	<b>For the Year Ended December 31, 2024</b>			
	<b>Highest Balance</b>	<b>Ending Balance</b>	<b>Interest Expense</b>	<b>Interest Rate (%)</b>
Sister companies	\$ <u>20,000</u>	\$ <u>-</u>	\$ <u>5</u>	2.768-2.893

- g) Lease agreements - TCS is lessee

- i. Right-of-use assets, net

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Sister companies		
TCB	\$ <u>166,468</u>	\$ <u>56,862</u>

- ii. Lease liabilities

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Sister companies	\$ <u>167,926</u>	\$ <u>58,328</u>

- iii. Interest expense

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Sister companies	\$ <u>2,635</u>	\$ <u>2,485</u>

- iv. Depreciation expense

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Sister companies	\$ <u>52,059</u>	\$ <u>51,227</u>

3) Taiwan Cooperative Bills Finance Corporation Ltd.

a) Cash in bank

	<b>Highest Balance</b>	<b>Ending Balance</b>	<b>Interest Revenue</b>	<b>Interest Rate (%)</b>
<u>December 31, 2025</u>				
Sister companies	\$ <u>502,366</u>	\$ <u>68,059</u>	\$ <u>327</u>	0.010-1.690
<u>December 31, 2024</u>				
Sister companies	\$ <u>555,462</u>	\$ <u>101,521</u>	\$ <u>479</u>	0.010-1.690

b) Call loans from banks

	<b>Highest Balance</b>	<b>Ending Balance</b>	<b>Interest Expense</b>	<b>Interest Rate (%)</b>
For the year ended <u>December 31, 2025</u>				
Sister companies	\$ <u>4,010,045</u>	\$ <u>940,000</u>	\$ <u>28,621</u>	1.420-4.750
For the year ended <u>December 31, 2024</u>				
Sister companies	\$ <u>4,444,385</u>	\$ <u>2,190,000</u>	\$ <u>30,581</u>	1.360-6.080

c) Securities sold under repurchase agreement

	<b>Ending Balance</b>	<b>Interest Expense</b>	<b>Interest Rate (%)</b>
For the year ended <u>December 31, 2025</u>			
Sister companies	\$ <u>1,536,006</u>	\$ <u>13,103</u>	1.440-1.540
For the year ended <u>December 31, 2024</u>			
Sister companies	\$ <u>698,548</u>	\$ <u>7,654</u>	1.310-1.520

4) BNP Paribas Cardif TCB Life Insurance Co., Ltd.

a) Cash in bank (part of cash and cash equivalents and separate account assets)

	<b>December 31</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Sister company TCB	\$ <u>2,230,909</u>	39	\$ <u>1,865,733</u>	47

b) Securities purchased under resell agreements (part of cash and cash equivalents)

	<b>For the Year Ended December 31, 2025</b>			
	<b>Amount (Note)</b>	<b>Securities Purchase Under Resell Agreements</b>		
		<b>Ending Balance</b>	<b>Rate (%)</b>	
Sister company TCBF	\$ <u>1,536,006</u>	\$ <u>20,586,197</u>	1.440-1.540	
	<b>For the Year Ended December 31, 2024</b>			
	<b>Amount (Note)</b>	<b>Securities Purchase Under Resell Agreements</b>		
		<b>Ending Balance</b>	<b>Rate (%)</b>	
Sister company TCBF	\$ <u>698,548</u>	\$ <u>10,278,705</u>	1.310-1.520	

Note: The amount includes securities purchased under resell agreements.

c) Payables

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Sister company TCB	\$ <u>398,425</u>	\$ <u>328,265</u>

d) Derivatives

For the year ended December 31, 2025

<b>Type of Derivatives</b>	<b>Related Party</b>	<b>Contract Period</b>	<b>Nominal Amounts</b>	<b>Valuation Gain (Loss)</b>	<b>Amounts on the Balance Sheet</b>	
					<b>Account</b>	<b>Amounts</b>
Currency swap	Sister companies - TCB	2025.12.22 2026.01.26	US\$ 20,000	\$ 1,612	Financial assets at fair value through profit or loss	\$ 1,612
		2025.10.14 2026.03.16	US\$ 69,981	(6,103)	Financial liabilities at fair value through profit or loss	(6,103)
		2025.10.27 2026.10.27	EUR 13,204	(16,785)	Financial liabilities at fair value through profit or loss	(16,785)
	Associates - Banque Nationale De Paris, Taipei Branch (Note)	2025.03.13 2026.04.29	US\$ 11,356	6,988	Financial assets at fair value through profit or loss	6,988
		2025.05.21 2026.06.30	US\$ 49,251	(107,683)	Financial liabilities at fair value through profit or loss	(107,683)
		2025.06.20 2026.09.08	EUR 30,536	(66,925)	Financial liabilities at fair value through profit or loss	(66,925)

For the year ended December 31, 2024

Type of Derivatives	Related Party	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Amounts on the Balance Sheet	
					Account	Amounts
Currency swap	Sister companies - TCB	2024.10.31-2025.03.31	US\$ 81,465	\$ (40,865)	Financial liabilities at fair value through profit or loss	\$ (40,865)
		2024.10.24-2025.02.24	EUR 3,000	1,290	Financial assets at fair value through profit or loss	1,290
		2024.12.31-2024.03.31	EUR 4,844	(116)	Financial liabilities at fair value through profit or loss	(116)
	Associates - Banque Nationale De Paris, Taipei Branch (Note)	2024.10.25-2024.02.25	US\$ 4,827	2,024	Financial assets at fair value through profit or loss	2,024
		2024.10.21-2025.12.26	EUR 76,617	(54,538)	Financial liabilities at fair value through profit or loss	(54,538)

Note: Paris Management Consultant Co., Ltd is an associate of BPCTLI, but not a related party to the Company.

For the years ended December 31, 2025 and 2024, the realized gains or losses on currency swaps with sister companies were \$66,805 thousand losses and \$246,868 thousand losses, respectively. Besides, the realized gains or losses on currency swaps with affiliates were \$73,185 thousand gains and \$290,339 thousand losses, respectively.

The BPCTLI engaged in foreign exchange swaps with associates. Under these contracts, both parties should receive deposits (reported as other assets - refundable deposits other liabilities) depending on the value of the swaps. As of December 31, 2025 and 2024, the BPCTLI had received deposits of \$184,221 thousand and deposits of \$50,463 thousand, respectively.

e) Operating cost - insurance contract expenses

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Sister company		
TCB	<u>\$ 1,803,979</u>	<u>\$ 1,221,253</u>

The above insurance contract expenses were recorded as operating cost - commission expenses and were deducted from the reserve for insurance contracts with financial instrument features.

5) Taiwan Cooperative Securities Investment Trust Co., Ltd.

a) Cash in bank (part of cash and cash equivalents and separate account assets)

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Sister company		
TCB	<u>\$ 91,008</u>	<u>\$ 143,972</u>

b) Management fee income (part of service fee income)

	<u>For the Year Ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Management fee income		
Others	<u>\$ 283,382</u>	<u>293,771</u>

d. Salaries, bonuses and remunerations to main management

The salaries, bonuses and remunerations of the directors and main management for the years ended December 31, 2025 and 2024, are summarized as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Salaries and other short-term employment benefits	\$ 217,207	\$ 203,704
Post-employment benefits	4,154	4,741
Interest arising from the employees' preferential rate in excess of normal rates	<u>1,417</u>	<u>1,685</u>
	<u>\$ 222,778</u>	<u>\$ 210,130</u>

#### 42. PLEDGED ASSETS

- a. In addition to those mentioned in other notes, the face values of the pledged bonds and certificates of deposit are summarized as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Financial assets mandatorily classified as at fair value through profit or loss - negotiable certificates of deposit	\$ 340,000	\$ 840,999
Financial assets at fair value through other comprehensive income - debt instrument investments	1,391,790	604,337
Investments in debt instruments at amortized cost	84,417,953	84,375,185
Other financial assets - due from banks	<u>260,000</u>	<u>240,000</u>
	<u>\$ 86,409,743</u>	<u>\$ 86,060,521</u>

To comply with the Central Bank of the Republic of China's (CBC) Interbank Funds Transfer and Settlement System for real-time gross settlement (RTGS), the pledged time deposits are mainly to provide the Central Bank of the Republic of China's (CBC) foreign currency fund lending warranty as of December 31, 2025 and 2024. The pledged amount may be adjusted anytime, and the unused overdraft amount at the end of a day can also be treated as TCB's liquidity reserve. The remaining bonds and time deposits are used as preparation and collateral for various businesses.

- b. To expand their capital sourcing and enhance their liquidity position, TCB's Seattle Branch, Los Angeles Branch, New York Branch, and Houston Branch obtained access privileges at the Discount Window Account of the Federal Reserve Bank. For this access, the three branches pledged the following assets:

<b>Date</b>	<b>(In Thousands of U.S. Dollars)</b>		
	<b>Outstanding Loan Balance</b>	<b>Bonds Payable</b>	<b>Collateral Value</b>
December 31, 2025	<u>\$ 872,566</u>	<u>\$ 47,000</u>	<u>\$ 755,410</u>
December 31, 2024	<u>\$ 702,659</u>	<u>\$ -</u>	<u>\$ 592,530</u>

- c. As of December 31, 2025 and 2024, due to the KHR loans borrowed from the National Bank of Cambodia, up to US\$6,802 thousand and US\$10,400 thousand in TCB's Phnom Penh Branch's due from the Central Bank were provided as collateral to the National Bank of Cambodia in accordance with the relevant regulations.

#### 43. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those mentioned in other notes, the significant commitments were as follows:

- a. Taiwan Cooperative Financial Holding Co., Ltd.

As of December 31, 2025, TCFHC's outstanding major construction and procurement contracts amounted to \$220,516 thousand, of which \$87,510 thousand was still unpaid.

- b. Taiwan Cooperative Bank, Ltd. and subsidiary

1) As of December 31, 2025, TCB's outstanding major construction and procurement contracts amounted to \$954,614 thousand, of which \$622,675 thousand was still unpaid.

2) According to the joint venture contract signed with BNP Paribas Assurance (BNPPA), TCB signed the tri-party agreement with BNP Paribas Cardif TCB Life Insurance Co., Ltd. (BPCTLI) and Cooperative Insurance Broker Co., Ltd. (CIB) on April 13, 2010, which identified BPCTLI as the sole supplier of life insurance products for TCB and CIB, also applying TCB's marketing channels to sell life insurance products. Since TCB merged with the CIB on June 24, 2016, TCB signed a two-party agreement with BPCTLI on March 30, 2018 to replace the original tri-party agreement, the rights and obligations of the CIB were assumed by TCB.

3) TCB participated in the Urban Renewal Project of land located at NO.480 and 480-2, 5 sections of Ren'ai Section, Da'an District, Taipei City (the Baotong Building Urban Renewal Project). Kedge Construction Co., Ltd. and Yvansor Engineering Co., Ltd. were awarded the construction contract on March 4, 2025, with a total contract value of \$3.698 billion. TCB's current share of the contract rights is 93.4006%. As of December 31, 2025, the allocated costs amounted to approximately \$3.319 billion.

- c. Taiwan Cooperative Bills Finance Cooperation Ltd.

As of December 31, 2025, the commitments or contingencies arose from business were as follows:

	<b>December 31, 2025</b>
Guarantees of commercial paper	<u>\$ 33,305,000</u>
Purchase of reference-rate commercial paper	<u>\$ 16,700,000</u>

- d. Taiwan Cooperative Securities Co., Ltd. (TCS)

As of December 31, 2025, TCS's agreements on the acquisition equipment and house decoration project amounted to \$26,995 thousand, of which \$13,745 thousand was still unpaid.

#### 44. FINANCIAL INSTRUMENTS

- a. Fair values of financial instruments that are not measured at fair value

	December 31			
	2025		2024	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
<u>Financial assets</u>				
Investments in debt instruments at amortized cost	\$ 829,135,780	\$ 827,311,623	\$ 752,203,282	\$ 745,544,907
<u>Financial liabilities</u>				
Bonds payable	78,140,000	78,442,515	79,140,000	79,038,420

Fair value hierarchy as at December 31, 2025 and 2024:

##### December 31, 2025

	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Investments in debt instruments at amortized cost	\$ 827,311,623	\$ 456,410	\$ 826,855,213	\$ -
<u>Financial liabilities</u>				
Bonds payable	78,442,515	-	78,442,515	-

##### December 31, 2024

	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Investments in debt instruments at amortized cost	\$ 745,544,907	\$ 439,137	\$ 744,941,845	\$ 163,925
<u>Financial liabilities</u>				
Bonds payable	79,038,420	-	79,038,420	-

In addition to those listed above, the management level considered other financial instruments which are not measured at fair value closed to their fair value.

- b. The valuation techniques and assumptions the Company uses for determining fair values are as follows:

The fair values of financial instruments traded on active markets are based on quoted market prices. However, in many instances where there are no quoted market prices for the Company's various financial instruments, fair values are based on estimates using other financial data and appropriate valuation methodologies. 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. Fair values of forward contracts, currency swap contracts, foreign-currency margin contracts, cross-currency swap contracts and interest rate swap contracts are calculated using the discounted cash flow method, unless the fair values are provided by counter-parties. Fair values of option contracts are based on estimates using the Black Scholes pricing model.

The Company estimates the fair value of each forward contract on the basis of the swap points quoted by Refinitiv on each settlement date. Fair values of interest rate swap contracts and cross-currency swap contracts are calculated using the Bloomberg information system, unless the fair values are provided by counterparties. The calculation of the fair value of each option contract is based on the mid-price (the average of bid and ask prices) quoted by Refinitiv and applied consistently.

For debt instruments with no active market, if there are theoretical prices from Taipei Exchange (TPEX, an over-the-counter securities exchange) on the balance sheet date, they are used as the basis for evaluating the fair value of debt instruments with no active market. Otherwise, the latest trade prices and quoted prices by major markets are used. The fair values of bank debentures are recorded as follows: (a) debentures with no maturity dates - at book values; (b) debentures with floating interest rates - at theoretical prices quoted by the GTSM; and (c) debentures with fixed interest rates - at estimates reached using the discounted cash flow method. The discount rates used were between 1.4022% and 1.7486%, between 1.5495% and 2.018% as of December 31, 2025 and 2024, respectively, and were comparable with interest rates for loans with similar terms and characteristics.

### Evaluation technique and input of fair value measurement at Level 3

The Company adopts the market approach, adjusted net asset method, and income approach for domestic unlisted equity investment. Under the market approach, the Company selects similar industries with the target company. The main business model is similar and the products and scales are close to the comparable listed companies. The fair value estimation is based on the information of the listed company, or the price-book ratio (P/B) of the industry to which the target is evaluated is estimated as the multiplier of the fair value estimate. Under the adjusted net asset method, the overall value of a company or business is evaluated by the total market value of individual assets and individual liabilities of the target company with the consideration of the discount for lack of marketability and for minority interest. Acquired loans are evaluated by the income approach. The estimated income was estimated by discounting future cash flows. The significant unobservable input used is discount for lack of marketability and discount for minority interest. A decrease in discount for lack of marketability and for minority interest used in isolation would result in increases in fair value. The Company adopts the discount for lack of marketability at 10% to 45% and for minority interest at 10% to 16.7% on December 31, 2025 and 2024. With other input values remaining and a change in discount for lack of marketability or for minority interest input value to reflect reasonable assumptions, the amount of fair value of investment in equity instruments will increase (decrease) as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Discount for lack of marketability		
Increase 10%	<u>\$ (2,232,770)</u>	<u>\$ (1,500,946)</u>
Decrease 10%	<u>\$ 2,232,770</u>	<u>\$ 1,500,946</u>
Discount for minority interest		
Increase 10%	<u>\$ (125,792)</u>	<u>\$ (35,093)</u>
Decrease 10%	<u>\$ 125,792</u>	<u>\$ 35,093</u>

c. The fair value hierarchy of the Company's financial instruments measured at fair value on a recurring basis as of December 31, 2025 and 2024 were as follows:

1) Fair value hierarchy

Financial Instruments Measured at Fair Value	December 31, 2025			
	Total	Level 1	Level 2	Level 3
<u>Non-derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at FVTPL				
Equity instruments	\$ 3,297,433	\$ 1,146,382	\$ 9,703	\$ 2,141,348
Debt instruments	2,659,948	1,139,117	1,470,331	50,500
Others	171,437,155	3,926,472	167,510,683	-
Financial assets at FVTOCI				
Equity instruments	53,380,500	38,877,820	-	14,502,680
Debt instruments	489,853,730	26,511,469	463,342,261	-
Others	6,947,357	-	6,947,357	-
<u>Liabilities</u>				
Financial liabilities at FVTPL	(4,124,647)	(262,893)	(3,861,754)	-
<u>Derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at FVTPL	12,673,198	162,520	12,510,678	-
<u>Liabilities</u>				
Financial liabilities at FVTPL	(1,586,049)	-	(1,586,049)	-
Financial Instruments Measured at Fair Value	December 31, 2024			
	Total	Level 1	Level 2	Level 3
<u>Non-derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at FVTPL				
Equity instruments	\$ 2,964,260	\$ 1,121,569	\$ 19,047	\$ 1,823,644
Debt instruments	2,404,377	951,541	1,452,836	-
Others	142,197,646	5,222,954	136,974,692	-
Financial assets at FVTOCI				
Equity instruments	54,174,558	44,822,497	-	9,352,061
Debt instruments	459,179,956	22,409,400	436,770,556	-
Others	3,659,990	-	3,659,990	-
<u>Liabilities</u>				
Financial liabilities at FVTPL	(4,931,749)	(162,891)	(4,768,858)	-
<u>Derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at FVTPL	9,258,289	116,134	9,142,155	-
<u>Liabilities</u>				
Financial liabilities at FVTPL	(647,185)	-	(647,185)	-

2) Reconciliation for financial assets based on the fair value measurement of Level 3

Financial Assets	Financial Assets at FVTPL	Investment in Equity Instruments at FVTOCI	Total
Balance on January 1, 2025	\$ 1,823,644	\$ 9,352,061	\$ 11,175,705
Recognized in profit	730,223	-	730,223
Recognized in OCI (investment in equity instruments at FVTOCI)	-	3,261,747	3,261,747
Purchases	368,716	1,915,650	2,284,366
Disposals	(705,881)	(26,778)	(732,659)
Transferred out of Level 3	<u>(24,854)</u>	<u>-</u>	<u>(24,854)</u>
Balance on December 31, 2025	<u>\$ 2,191,848</u>	<u>\$ 14,502,680</u>	<u>\$ 16,694,528</u>
Balance on January 1, 2024	\$ 1,340,076	\$ 7,207,614	\$ 8,547,690
Recognized in profit	581,397	-	581,397
Recognized in OCI (investment in equity instruments at FVTOCI)	-	444,447	444,447
Purchases	564,209	1,700,000	2,264,209
Disposals	(547,104)	-	(547,104)
Transferred out of Level 3	<u>(114,934)</u>	<u>-</u>	<u>(114,934)</u>
Balance on December 31, 2024	<u>\$ 1,823,644</u>	<u>\$ 9,352,061</u>	<u>\$ 11,175,705</u>

The emerging stocks that did not reach the active standards were transferred out of Level 3 because their subsequent transactions were active or their non-publicly traded stocks were transferred for listing on the emerging market stock board for the years ended December 31, 2025 and 2024.

The change in unrealized gains or losses for the years ended December 31, 2025 and 2024 included in profit or loss for assets held at December 31, 2025 and 2024 was \$71,452 thousand and \$136,937 thousand gains, respectively.

d. Information of financial liabilities designated as at FVTPL as follows:

	<u>December 31</u>	
	2025	2024
Difference between carrying amount and contractual amount at maturity		
Fair value	\$ 3,861,754	\$ 4,768,858
Amount payable at maturity	<u>3,946,348</u>	<u>4,932,503</u>
	<u>\$ (84,594)</u>	<u>\$ (163,645)</u>

	<b>Changes in Fair Value Attributable to Changes in Credit Risk</b>
Change in amount during the period	
As of December 31, 2025	\$ (13,630)
As of December 31, 2024	<u>\$ 611</u>
Accumulated amount of change	
As of December 31, 2025	\$ (26,033)
As of December 31, 2024	<u>\$ (12,403)</u>

The change in fair value attributable to changes in credit risk recognized as other comprehensive income was calculated as the difference between the total change in fair value of bank debentures and the change in fair value due to changes in market risk factors. The change in fair value due to market risk factors was calculated using benchmark interest yield curves as at the end of the reporting period holding the credit risk margin constant. The fair value of bank debentures was estimated by discounting future cash flows using quoted benchmark and TCB's interest yield curves as at the end of the reporting period and by obtaining lender quotes for borrowings with similar maturities to estimate the credit risk margin.

e. Information on financial risk management

Taiwan Cooperative Financial Holding Co., Ltd.

1) Risk management

TCFHC and its subsidiaries' risk management goals are to develop a sound risk management mechanism under the principles of customer service, business continuity management, risk appetite, and compliance with related laws and regulations and expected-return standards and to enhance stockholder's equity. Major risks faced by TCFHC and its subsidiaries include on-balance-sheet and off-balance-sheet credit risks, market risks (including interest rate, exchange rate, equity security and financial product risks), and liquidity risks.

To effectively identify, measure, manage, and monitor various types of risks and to achieve profit objectives under a reasonable risk, both TCFHC and its subsidiaries have developed risk management policies, regulations and procedures, which have been approved by the board of directors.

The board of directors is the highest decision-making unit of TCFHC's risk management system and takes the ultimate overall, responsibility for risk management. The risk management committee is in charge of setting risk management policies and indicators, monitoring TCFHC and its subsidiaries' various risk situations and operating procedures, and coordinating and supervising the execution of risk management. The risk management division is in charge of TCFHC's risk management policy planning, capital adequacy calculating and assessing, emergency contingency plan making, and periodically monitoring and reporting TCFHC and its subsidiaries' risk control and management execution as required by regulations.

Each subsidiary' board of directors is the highest decision-making unit of each subsidiaries' risk management system and takes the ultimate overall responsibility for risk management. Each subsidiary has also established a risk management committee or independent risk management unit, which is in charge of the execution of risk management procedures.

## 2) Credit risk

Credit risk refers to the deterioration of the borrowers, issuers or counterparties' repayment capacity or other factors (dispute between a borrower and its counterparty, for instance), which leads to borrowers, issuers or counterparties' breach of contracts, resulting in default losses. Credit risk comes from both on-balance-sheet and off-balance-sheet transactions. TCFHC and its subsidiaries' on-balance-sheet credit-risk exposure come from loans, due from and call loans to other banks, security investments and derivatives. The off-balance-sheet credit risk exposure comes from guarantees, letters of acceptance, letters of credit and loan contracts.

TCFHC and its subsidiaries must closely analyze every on-balance-sheet and off-balance-sheet transaction to recognize existing and potential credit risk. On the basis of the Company's operating conditions and the principle of sound risk distribution, every risk factor should be managed, risk situations should be analyzed and assessed, limits on concentration of credit risk should be set, and a risk monitoring and warning mechanism should be established.

## 3) Market risk

Market risk refers to unfavorable market price fluctuations, which affect the on-balance-sheet and off-balance-sheet positions. Market price refers to interest rate, foreign-exchange rate, equity security price and financial product prices. TCFHC and its subsidiaries' market risk management procedures include risk identification, measurement, and assessment as well as risk monitoring and reporting.

TCFHC and its subsidiaries' risk management staff analyze and assess market risk position data, monitor market risks position and gains or losses, and periodically and make reports to the risk management committee and board of directors for managements' decision making. Each subsidiary has various authorized investment amounts and stop loss regulations based on the overall risk management target and product attributes and periodically prepare management reports on the control and management of each market risk.

## 4) Liquidity risk

Liquidity risk refers to the possible financial losses that may arise because of the inability to liquidate assets or to pay financial liabilities when they become due. Examples of liquidity risk-related situations are the early withdrawal of deposits, transaction terms becoming more stringent, increase in borrowers' defaults, a financial instrument becoming illiquid, and the early cancellation of a floating rate insurance product policy. These situations may deplete TCFHC and its subsidiaries' capital resources, requiring them to seek loans, and do fund-raising and investment activities. In extreme situations, lack of liquidity may cause the potential risk of the inability to enter into lending transactions. For the reduction of liquidity strains on the bank funding market, there is a bank liquidity risk channel.

TCFHC and its subsidiaries separately execute their respective liquidity management procedures, and this execution is monitored by an independent risk management division, which periodically prepares related reports for submission to TCFHC and its subsidiaries' risk management committees and the board of directors.

## Taiwan Cooperative Bank Ltd. and subsidiary

### 1) Risk management

The objective of risk management is to develop a sound risk management mechanism, and on the basis of the risk tolerance level and the expected return level, pursue the maximum value of stockholders' investments. The main risks faced by TCB include the business credit risk on- and off- balance-sheet, market risks (including interest, exchange, equity security, and commodity risks) and liquidity risk.

TCB has risk management policies and risk monitoring procedures, which have been reviewed and approved by the Board and are used to effectively identify, measure, monitor and control credit, market, and operating and liquidity risks.

The Board, the highest decision-making unit for the risk management, takes charge of approving the risk management policy and system and building the risk management culture. It also takes ultimate responsibility for overall risk management.

Under the risk management decision approved by the Board, the risk management committee takes charge of and reviews all TCB's risk management implementation, capital adequacy assessment, and risk exposure management. It also communicates and the inter-departmental risk management issues and coordinates issue handling and continually monitors the execution of risk management procedures.

The risk management department is responsible for planning and designing the risk management system, deliberating capital allocation, setting up the instruments for risk measurement and capital provision, and monitoring risk control. This department also regularly prepares reports for submission to senior management, the risk management committee and the Board.

Under the business management regulation and risk policy, the business supervising unit manages and oversees each business unit toward proper risk management and carries out risk review and control. In addition, the audit department determines the annual audit plan based on the risk assessment results of TCB's risk-based internal audit system, conducts audits according to the types and frequency of audits specified in the annual audit plan and provides timely recommendations for improvement.

### 2) Credit risk

#### a) Credit risk management policy

Credit risk refers to a borrower, a financial instrument issuer or a transaction counterparty undergoing financial difficulty or other adverse situations (such as a dispute between the borrower and its business partner), which could result in loss due to breach of contract. Credit risk can come from on- and off-balance-sheet items., On-balance sheet items are mainly lending, due from bank and call loans to other banks, security investment and derivatives. Off-balance sheet items are mainly guarantees, acceptance, letters of credit and loan commitments.

The risk management policy, which is founded on the basic principles of safety, liquidity, profitability, welfare and growth, is implemented by the credit risk management division toward the cultivation of a risk management culture. All on- and off-balance sheet transactions should be detailed analyzed in detail to identify existing and potential credit risk. Based on TCB's business characteristics and the principle of risk diversification, risk status is analyzed and evaluated, centralized limits are set, and a risk monitoring and alert mechanism has been developed and operated. For a more effective credit risk evaluation, an internal rating system has been created to enhance the ability to quantify risk.

TCB's main business items that are measured and managed for credit risks are as follows:

i. Loans business (including loan commitments and guarantees)

Credit assets are classified into five categories. In addition to normal credit assets that are classified as sound assets, the unsound assets are classified, on the basis of the valuation of collaterals and the length of time the payments become overdue, as special mention, substandard, with collectability high doubtful and uncollectable. TCB and its subsidiary also set up policies for the management of doubtful credits and the collection of overdue debts to deal with collection problems.

TCB and its subsidiary apply to its credit business the so-called "5Ps of credit analysis" as the basis for lending approval and evaluation of its counterparties. These 5Ps are: People (know customers' background and their credit status well); purpose (what will the fund be used for); payment (the borrower's ability to repay an obligation when it falls due); protection (TCB and its subsidiary's recourse on repayment defaults); and perspective (how the credit is seen in light of rewards and risks). After a loan is granted, the transaction is reviewed and monitored to ensure TCB and its subsidiary's creditor's rights.

To quantify credit risk, TCB and its subsidiary apply statistical methods using customers' qualitative data and lending history to develop a rating module for corporate finance and consumer finance. This module is used to create an internal credit rating system for risk evaluation, in which 12 is the base grade of the general quality and 1 default level of corporate customers, and 9 or 10 on the business segment consumer customers.

The 5P credit analysis and the module rating specifically apply to corporate customers. Micro credits and residential mortgages are assessed by using the credit rating model, and consumer loans are assessed individually for default risks.

ii. Due from and call loans to other banks

TCB and its subsidiary evaluate the credit status of counterparties before closing deals. TCB and its subsidiary grant different limits to the counterparties on the basis of their respective credit ratings as suggested by domestic and foreign credit rating agencies.

iii. Investments in debt instruments and derivatives

TCB and its subsidiary identify and manage credit risks from debt instruments through the use of external credit ratings of the debt instruments along with the evaluation of credit qualities of bonds, regional conditions and counterparty risks.

TCB and its subsidiary conduct derivative transactions with other banks and set the lending limits at their credit rating and the ranking given by the Banker magazine. The credits extended to general customers are monitored in accordance with the related transaction limits, collateral, and loss limits for derivatives established through normal credit granting processes.

b) Measurement of expected credit losses

i. The determination of significantly increased credit risk after initial recognition

In order to determine whether the credit risks has increased significantly after initial recognition, TCB and its subsidiary assessed changes in default risks of financial assets over the duration at the balance sheet date. To evaluate changes in default risks, Taiwan Cooperative Bank, Ltd. and its subsidiary considered reasonable and verifiable information (including forward-looking information). The major considerations include:

Loans business

i) Quantitative benchmark

Overdue loans: Loans and other credits (including accrued interest) are overdue for at least 30 days but less than 90 days.

ii) Qualitative benchmark

- Borrower or its representative suffered from dishonored check due to insufficient funds.
- Borrower or its representative suffered from credit card suspension.
- Owners of credit card have been denied by Taiwan Clearing House (TCH).
- Objective evidence shows that the borrower's ability to fulfill obligation has been affected.

Bonds and bills business

i) Quantitative benchmark

Credit rating of bond issuers are not classified as investment grade and downgraded by over two grades, or classified as CCC.

Credit risks are deemed low, if the credit rating of the issuer was classified as investment grade at the issue date and did not increase significantly after initial recognition.

ii) Qualitative benchmark

Credit rating of bond issuers are not classified as investment grade and downgraded by no more than two grades, but credit risk increases significantly.

ii. Definition of default and credit loss on financial assets

TCB and its subsidiary define financial asset default in the same manner as financial asset impairment. If one or more of the following conditions occur, TCB and its subsidiary can conclude that the financial asset has defaulted and the credit is impaired:

Loans business

- i) Loans and other credits (including accrued interest) are overdue for at least 90 days.
- ii) Borrower filed for bankruptcy or reorganization.

- iii) Borrower defaulted on other financial instruments.
- iv) The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulties, has granted the borrower concession that the lender would not otherwise consider.
- v) Borrower has been denied by TCH.

#### Bonds and bills business

- i) Interest or principal of Bonds without payment are overdue for at least 90 days.
- ii) Borrower has indication of impairment such as overdue receivables, doubtful debts, financial crisis, contract condition change due to financial crisis and bankruptcy or reorganization.

The above definition of default is applicable to financial assets that are held by TCB and its subsidiary, and is in line with the definition of internal-management intention. Therefore, it is applied to related impairment evaluation models.

If the conditions that define default and credit loss of financial assets have been corrected and the financial assets have returned to the original state of compliance, the financial assets are no longer recognized as impaired.

#### iii. Reversal policy

When TCB and its subsidiary are unable to recover financial assets to expectations, they are entirely or partly written off against the allowance amount. Indicators of uncollectible financial assets are as follows:

- i) The debtor's inability to recover all or part of the debts due to dissolution, escape, settlement, bankruptcy or other reasons.
- ii) After collaterals assumed and assets of principal and subordinate debtors have been priced low or after deductions for first-order mortgage have been made, the remaining value of the assets is not enough to pay any obligation; also, if execution cost nears or exceeds the debtor's liability, no gain will be realized.
- iii) TCB is not responsible for the collaterals assumed and assets of principal and subordinate debtors experiencing low priced auctions with no bidders.
- iv) Overdue loans or collections were made after two years from the settlement date.
- v) Overdue credit card loans and overdue receivables were aged over nine months after the settlement date.

Financial assets that have been written off by TCB and its subsidiary may continue activities in progress, while complying with procedures according to relevant policies.

#### iv. Measurement of expected credit losses

##### Loans business

In order to assess the expected credit loss, TCB and its subsidiary will categorize credit assets according to credit risk and industry assessments of borrower, as well as credit risk of the types of collateral.

A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected losses is required for a financial asset if its credit risk has increased significantly since initial recognition.

TCB and its subsidiary measures expected credit loss by calculating the product of loss given default and exposure at default, while taking into account the probability of default of a 12-month period and duration, as well as the effect of changes in currency values.

Probability of default refers to a possibility that a borrower would default to the contract (please refer to the introduction to “The definition of default and credit loss on financial assets”). Loss given default refers to the ratio of default loss caused by borrower. Probability of default and loss given default for loan business of TCB and its subsidiary are calculated by the adjustment of historical default rate, which is based on historical internal information (e.g. credit loss experience), current observable information and prospective macroeconomics statistics (e.g. monitoring indicator from National Development Association and unemployment rate from Directorate General of Budget, Accounting and Statistics, Executive Yuan).

TCB and its subsidiary estimate the exposure at default according to the aggregate book value. In addition, the estimations of expected credit loss for the 12-month loan period and duration of loan commitment made by the Bank and its subsidiaries are based on the credit conversion factor (CCF), using the portion of the loan commitment that is expected to be used within 12 months of reporting date and expected duration to calculate expected credit loss and determine the exposure at default.

There is no significant change in the estimation method and assumptions used to calculate expected credit loss as of December 31, 2025.

##### Bonds and bills business

A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected losses is required for a financial asset if its credit risk has increased significantly since initial recognition.

TCB and its subsidiary measures expected credit loss by calculating the product of loss given default and exposure at default, while taking into account the probability of default of a 12-month period and duration, as well as the effect of changes in currency values.

There is no significant change in the estimation method and assumptions used to calculate expected credit loss as of December 31, 2025.

v. Forward-looking information considerations

Loans business

TCB and its subsidiary have taken into account previous forward-looking information when assessing asset default probability. The Bank and its subsidiaries analyze past archives to identify relevant economic factors affecting personal and company asset default probabilities.

According to TCB and its subsidiary's previous forward-looking information, estimations are calculated at the end of the year per year on average. The influence of relevant economic factors and expected credit loss identified by the Bank and its subsidiaries on December 31, 2024 and 2023 is as follows:

Relevant economic factors	Probability of Default
	Monitoring indicator/unemployment rate

Bonds and bills business

The assessment of the increase/decrease in the credit risk is based on TCB and its subsidiary's amortization costs and other comprehensive income measured by fair value, referring to changes in external credit ratings according to the international credit ratings service (Moody's) as a quantitative indicator. Also, the expected credit loss uses external credit ratings and Moody's periodic calculations of default probability and loss given default as references. As international credit ratings services have taken into account forward-looking information in assessing credit ratings, it is also appropriate for TCB and its subsidiary to consider forward-looking information when assessing relevant expected credit loss.

c) Credit risk avoidance or mitigation policy

i. Strengthen collaterals and other credits

TCB and its subsidiary have a series of measures for credit granting to reduce credit risks. One of the measures is to require collaterals from the borrowers. To secure a debt, TCB and its subsidiary manage and assess the collaterals following the procedures that determine the scope of collateralization and valuation of collaterals and the process of disposition. In credit contracts, TCB and its subsidiary stipulate the security mechanism for debts; the conditions and terms for collaterals; and the terms and conditions of offsetting to state clearly that TCB and its subsidiary reserve the right to reduce the granted quota, to shorten the repayment period, to demand immediate settlement or to offset the debts of the borrowers with their deposits in TCB and its subsidiary in order to reduce the credit risks.

There was no major change in the collateral policy of TCB and its subsidiary on the balance sheet date, and there was no significant change in the overall collateral quality.

TCB and its subsidiary closely monitor the value of collaterals of financial instruments and consider impairment on credit-impaired financial assets. Credit-impaired financial assets and collateral to mitigate potential loss were as follows:

December 31, 2025

Impaired financial assets	Gross Carrying Amount	Allowance for Possible Losses	Total Exposure Amount (Amortized Cost)	Fair Value of Collateral
Receivables	\$ 365,573	\$ 155,479	\$ 210,094	\$ -
Discount and loans	37,691,058	4,121,392	33,569,666	71,409,008

December 31, 2024

Impaired financial assets	Gross Carrying Amount	Allowance for Possible Losses	Total Exposure Amount (Amortized Cost)	Fair Value of Collateral
Receivables	\$ 326,128	\$ 139,696	\$ 186,432	\$ -
Discount and loans	34,757,643	4,662,035	30,095,608	64,092,969

The total amount of financial assets that have been written off but have recourse action by TCB and its subsidiary on December 31, 2025 and 2024 were \$13,976,838 thousand and \$13,128,583 thousand, respectively.

ii. Credit limit and the control of concentration of credit risk

To avoid the concentration of credit risks, TCB and its subsidiary set up centralized credit limits for business segments, countries, collaterals, groups, and construction financing. Monthly, or more frequently, as needed, TCB and its subsidiary review credit limits, monitor the actual risk-exposure condition and whether the usage rate of limits meets relevant regulations and reports the review results to superior management, risk management committee and the Board periodically. If there is a possibility of breach of the credit limits, the related department or division will apply appropriate procedures to ensure that the credit limits are followed.

Concentration of credit risk exists when counterparties to financial transactions are individuals or groups engaged in similar activities or activities in the same region, which would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The concentration of significant transactions of TCB and its subsidiary is not with a single customer or a single counterparty, but with groups belonging to similar industries. The profile by group or industry, regions and collaterals of obligations that were 10% or more of total outstanding loans is as follows:

Credit Risk Profile by Group or Industry	December 31			
	2025		2024	
	Amount	%	Amount	%
Natural person	\$ 1,215,269,061	39	\$ 1,149,093,563	37
Manufacturing	548,300,886	17	573,937,851	19
Government agencies	349,525,771	11	318,912,678	10

iii. Master netting arrangement

TCB and its subsidiary settle most of its transactions at gross amounts. For further reduction of credit risks, settlement netting is used for some counterparties or in some circumstances where the transactions are terminated because of a counterparty's default.

d) Maximum exposures to credit risks

The maximum exposures to credit risks of assets on the consolidated balance sheets without consideration of guarantees or other credit enforcement instruments approximate the assets' carrying amounts.

The maximum exposures of financial instrument to credit risks which was not applicable to impairment is as follow:

	<u>December 31</u>	
	2025	2024
Financial assets at fair value through profit or loss - debt instrument	\$ 598,958	\$ 594,162

The maximum exposures of off-balance sheet items to credit risks without consideration of guarantees or other credit enforcement instrument are stated as follows:

	<u>December 31, 2025</u>				
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired Financial Instruments)	Difference of Impairment Loss under "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans"	Total
Maximum exposures to credit risk	\$ 343,630,868	\$ 928,507	\$ 1,690,493	\$ -	\$ 346,249,868
Allowance for possible losses	(779,122)	(7,440)	(723,971)	-	(1,510,533)
Difference of impairment loss under "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans"	-	-	-	(522,767)	(522,767)
	<u>\$ 342,851,746</u>	<u>\$ 921,067</u>	<u>\$ 966,522</u>	<u>\$ (522,767)</u>	<u>\$ 344,216,568</u>

December 31, 2024					
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired Financial Instruments)	Difference of Impairment Loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	Total
Maximum exposures to credit risk	\$ 326,290,685	\$ 8,438	\$ 115,408	\$ -	\$ 326,414,531
Allowance for possible losses	(771,268)	(10)	(33,692)	-	(804,970)
Difference of impairment loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	(518,927)	(518,927)
	<u>\$ 325,519,417</u>	<u>\$ 8,428</u>	<u>\$ 81,716</u>	<u>\$ (518,927)</u>	<u>\$ 325,090,634</u>

TCB and its subsidiary’s management believes its ability to minimize credit risk exposures on off-balance sheet items is mainly due to its rigorous evaluation of credit extended and the periodic reviews of these credits.

Some financial assets held by TCB and its subsidiary, such as cash and cash equivalents, due from the Central Bank and call loans to other banks, call loans to security firms, financial assets at fair value through profit or loss, securities purchased under resell agreements and refundable deposits, are exposed to low credit risks because the counterparties have high credit ratings.

In addition to the above assets, credit quality analysis of other financial assets are as follows:

a) Credit quality analysis of discounts and loans

December 31, 2025					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Different of Impairment Loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	Total
Discounts and loans	\$ 3,120,412,699	\$ 4,988,372	\$ 37,691,058	\$ -	\$ 3,163,092,129
Allowance for possible losses	(4,656,231)	(182,221)	(4,121,392)	-	(8,959,844)
Difference of impairment loss under “Regulations Governing the Procedure for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans”	-	-	-	(28,536,318)	(28,536,318)
	<u>\$ 3,115,756,468</u>	<u>\$ 4,806,151</u>	<u>\$ 33,569,666</u>	<u>\$ (28,536,318)</u>	<u>\$ 3,125,595,967</u>

December 31, 2024					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Differnt of Impairment Loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	Total
Discounts and loans	\$ 3,058,112,727	\$ 3,548,709	\$ 34,757,643	\$ -	\$ 3,096,419,079
Allowance for possible losses	(4,512,112)	(33,968)	(4,662,035)	-	(9,208,115)
Difference of impairment loss under “Regulations Governing the Procedure for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans”	-	-	-	(26,490,820)	(26,490,820)
	<u>\$ 3,053,600,615</u>	<u>\$ 3,514,741</u>	<u>\$ 30,095,608</u>	<u>\$ (26,490,820)</u>	<u>\$ 3,060,720,144</u>

b) Credit quality analysis of receivables

December 31, 2025						
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Credit Impairment by Using Simplified Method	Differnt of Impairment Loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	Total
Receivables	\$ 17,998,002	\$ 68,456	\$ 365,573	\$ 5,217,258	\$ -	\$ 23,649,289
Allowance for possible losses	(27,508)	(18,207)	(155,479)	(208,347)	-	(409,541)
Difference of impairment loss under “Regulations Governing the Procedure for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans”	-	-	-	-	(244,140)	(244,140)
	<u>\$ 17,970,494</u>	<u>\$ 50,249</u>	<u>\$ 210,094</u>	<u>\$ 5,008,911</u>	<u>\$ (244,140)</u>	<u>\$ 22,995,608</u>

December 31, 2024						
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Credit Impairment by Using Simplified Method	Differnt of Impairment Loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	Total
Receivables	\$ 19,583,814	\$ 65,883	\$ 326,128	\$ 5,325,369	\$ -	\$ 25,301,194
Allowance for possible losses	(37,254)	(12,849)	(139,696)	(172,154)	-	(361,953)
Difference of impairment loss under “Regulations Governing the Procedure for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans”	-	-	-	-	(163,457)	(163,457)
	<u>\$ 19,546,560</u>	<u>\$ 53,034</u>	<u>\$ 186,432</u>	<u>\$ 5,153,215</u>	<u>\$ (163,457)</u>	<u>\$ 24,775,784</u>

c) Credit quality analysis of securities

	<b>December 31, 2025</b>			<b>Total</b>
	<b>Stage 1 12-month ECL</b>	<b>Stage 2 Lifetime ECL</b>	<b>Stage 3 Lifetime ECL</b>	
Investments in debt instruments at FVTOCI				
Gross carrying amount	\$ 431,822,830	\$ -	\$ 304,146	\$ 432,126,976
Allowance for possible losses	<u>(46,316)</u>	<u>-</u>	<u>(188,874)</u>	<u>(235,190)</u>
Amortized cost	431,776,514	-	115,272	431,891,786
Fair value adjustments	<u>(9,564,087)</u>	<u>-</u>	<u>82,842</u>	<u>(9,481,245)</u>
	<u>\$ 422,212,427</u>	<u>\$ -</u>	<u>\$ 198,114</u>	<u>\$ 422,410,541</u>
Investments in debt instruments at amortized cost	\$ 826,693,538	\$ -	\$ -	\$ 826,693,538
Allowance for possible losses	<u>(21,435)</u>	<u>-</u>	<u>-</u>	<u>(21,435)</u>
	<u>\$ 826,672,103</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 826,672,103</u>
	<b>December 31, 2024</b>			
	<b>Stage 1 12-month ECL</b>	<b>Stage 2 Lifetime ECL</b>	<b>Stage 3 Lifetime ECL</b>	<b>Total</b>
Investments in debt instruments at FVTOCI				
Gross carrying amount	\$ 420,741,779	\$ -	\$ 339,148	\$ 421,080,927
Allowance for possible losses	<u>(49,926)</u>	<u>-</u>	<u>(211,628)</u>	<u>(261,554)</u>
Amortized cost	420,691,853	-	127,520	420,819,373
Fair value adjustments	<u>(18,771,998)</u>	<u>-</u>	<u>143,617</u>	<u>(18,628,381)</u>
	<u>\$ 401,919,855</u>	<u>\$ -</u>	<u>\$ 271,137</u>	<u>\$ 402,190,992</u>
Investments in debt instruments at amortized cost	\$ 749,702,633	\$ -	\$ -	\$ 749,702,633
Allowance for possible losses	<u>(28,970)</u>	<u>-</u>	<u>-</u>	<u>(28,970)</u>
	<u>\$ 749,673,663</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 749,673,663</u>

d) The changes in allowance for possible losses of investments in debt instruments at FVTOCI are summarized below:

	<b>12-month ECL</b>	<b>Lifetime ECL (Collective Assessment)</b>	<b>Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)</b>	<b>Total</b>
Balance on January 1, 2025	\$ 49,926	\$ -	\$ 211,628	\$ 261,554
New financial assets purchased	8,360	-	-	8,360
Derecognition of financial assets in the current reporting period	(5,439)	-	-	(5,439)
Change in model or risk parameters	(5,137)	-	(14,104)	(19,241)
Changes in exchange rates and other changes	<u>(1,394)</u>	<u>-</u>	<u>(8,650)</u>	<u>(10,044)</u>
Balance on December 31, 2025	<u>\$ 46,316</u>	<u>\$ -</u>	<u>\$ 188,874</u>	<u>\$ 235,190</u>

	<b>12-month ECL</b>	<b>Lifetime ECL (Collective Assessment)</b>	<b>Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)</b>	<b>Total</b>
Balance on January 1, 2024	\$ 52,572	\$ -	\$ 210,853	\$ 263,425
New financial assets purchased	9,736	-	-	9,736
Derecognition of financial assets in the current reporting period	(7,259)	-	-	(7,259)
Change in model or risk parameters	(7,216)	-	(13,508)	(20,724)
Changes in exchange rates and other changes	<u>2,093</u>	<u>-</u>	<u>14,283</u>	<u>16,376</u>
Balance on December 31, 2024	<u>\$ 49,926</u>	<u>\$ -</u>	<u>\$ 211,628</u>	<u>\$ 261,554</u>

- e) The changes in allowance for possible losses of investments in debt instruments at amortized cost are summarized below:

	<b>12-month ECL</b>	<b>Lifetime ECL (Collective Assessment)</b>	<b>Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)</b>	<b>Total</b>
Balance on January 1, 2025	\$ 28,970	\$ -	\$ -	\$ 28,970
New financial assets purchased	2,512	-	-	2,512
Derecognition of financial assets in the current reporting period	(7,807)	-	-	(7,807)
Change in model or risk parameters	(1,830)	-	-	(1,830)
Changes in exchange rates and other changes	<u>(410)</u>	<u>-</u>	<u>-</u>	<u>(410)</u>
Balance on December 31, 2025	<u>\$ 21,435</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,435</u>

	<b>12-month ECL</b>	<b>Lifetime ECL (Collective Assessment)</b>	<b>Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)</b>	<b>Total</b>
Balance on January 1, 2024	\$ 33,530	\$ -	\$ -	\$ 33,530
New financial assets purchased	10,871	-	-	10,871
Derecognition of financial assets in the current reporting period	(11,155)	-	-	(11,155)
Change in model or risk parameters	(4,880)	-	-	(4,880)
Changes in exchange rates and other changes	<u>604</u>	<u>-</u>	<u>-</u>	<u>604</u>
Balance on December 31, 2024	<u>\$ 28,970</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,970</u>

### 3) Market risks

Market risk refers to the risk of losses in positions arising from adverse movements of market prices. It refers to interest rates, exchange rates, equity security prices, commodity prices, etc.

The main market risks that TCB and its subsidiary face are equity security, interest rates, and exchange rate risks. The market risk position of equity security mainly includes domestic listed and OTC stocks, domestic stock index options and stock market index futures; the position of interest rate mainly includes short-term bills, bonds and interest rate derivative instruments; and the instruments exposed to exchange rate risk mainly include spot contracts and forward contracts and derivatives denominated in foreign currency.

Under the market risk management policies approved by the board of directors, the new Basel Capital Accord and regulations implemented by relevant authorities and in consideration of the Bank's own market risk management system and its overall risk management goals and product features, TCB and its subsidiary have set all types of investment authorization limits and stop-loss rules, regularly reviews the customers' credit status and compiles management information reports to control all types of market risks effectively.

TCB and its subsidiary's market risk management procedures include risk identification, evaluation, and measurement as well as risk monitoring, and reporting. Every units' risk management personnel analyze data on market risk position and evaluate measurement methods, including the statistical basic measurement method, sensitivity analysis, and situational analysis. Monitoring content includes trading processes, collective and individual, of all transaction units and all financial instruments, such as change of position, change of profit and loss, trading pattern, and if trading objects are transacted within the authorized scope and limits.

TCB and its subsidiary's business units and risk management unit have established market risk factors for identifying risk exposure positions and use these factors to measure market risks. The market risk factors refer to the components of financial instruments' position, such as profit and loss and sensitivity to risk, which might be affected by interest rates, exchange rates and equity security market prices.

TCB and its subsidiary's risk management unit reports to management periodically the execution status of measures on market risk management, investment positions, and profit and loss control so that management can fully understand the status of market risk management. TCB and its subsidiary's also have cleared reporting procedures and rules for all types of transaction limits and the stop-loss order. If any transaction amount reaches the limit, the stop-loss order is executed immediately; if the stop-loss order is not executed, the transaction unit is required to explain the reasons for non-execution and prepare a response plan for management's approval.

TCB applies market risk sensitivity as a risk control instrument. Market risk sensitivity position refers to the change in the value of a position due to a change in a certain market risk factor. Market risk factors include interest rates, exchange rates, and equity security prices. TCB's position sensitivity exposure trading book contains all types of positions exposed to market risk and the range of change to which sensitivity analysis applied under various pressure scenarios for all types of risk factors.

Assuming all other factors are held constant, the effects of risks within defined change scenarios are shown below:

Main Risk	Change Scenario	December 31, 2025	December 31, 2024
Interest rate risk	Interest rate curve increased 100 basis points	\$ (402,145)	\$ (310,872)
	Interest rate curve fell 100 basis points	408,010	315,328
Exchange rate risk	US\$/NT\$, EUR/NT\$increased 3%	(320,755)	(324,939)
	US\$/NT\$, EUR/NT\$fell 3%	320,755	324,939
	Others (RMB, AUD etc.)/NT\$increased 5%	42,181	36,661
	Others (RMB, AUD etc.)/NT\$fell 5%	(42,181)	(36,661)
Equity security price risk	Equity security price increased by 15%	4,514	61,416
	Equity security price fell by 15%	(4,514)	(61,416)

The exchange rate risk of TCB and its subsidiary is as follows:

(In Thousands)

	December 31, 2025		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
USD	\$ 16,012,192	31.4450	\$ 503,503,384
RMB	7,845,885	4.5000	35,306,484
AUD	1,591,825	21.0600	33,523,844
JPY	128,337,702	0.2011	25,808,712
EUR	577,773	36.9400	21,342,925
<u>Financial liabilities</u>			
USD	24,867,164	31.4450	781,947,971
AUD	1,324,494	21.0600	27,893,838
RMB	5,864,831	4.5000	26,391,741
JPY	129,205,343	0.2011	25,983,194
EUR	486,405	36.9400	17,967,801
	December 31, 2024		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
USD	\$ 15,659,721	32.7850	\$ 513,403,948
RMB	8,969,191	4.4840	40,217,852
AUD	1,548,680	20.4200	31,624,046
JPY	131,652,664	0.2096	27,594,398
EUR	620,697	34.1400	21,190,581
<u>Financial liabilities</u>			
USD	22,931,454	32.7850	751,807,732
RMB	6,761,259	4.4840	30,317,485
JPY	127,965,733	0.2096	26,821,618
AUD	908,184	20.4200	18,545,117
EUR	451,348	34.1400	15,409,018

#### 4) Liquidity risk

Liquidity risk is inherent in all bank operations and might be affected by specific or general industry and environmental events. These events include credit-related events, mergers or acquisitions, systemic changes and natural disasters. The liquidity risk of TCB and its subsidiary is the risk of failing to obtain sufficient funds in a timely manner and at an acceptable cost to meet payment obligations that have occurred or are expected to occur.

The liquidity risk management strategy is based on the overall risk management objectives and involves liquidity risk, identification, measurement, monitoring and control to maintain TCB's appropriate liquidity and ensure adequate funding for meeting liability obligations or for capital growth.

The liquidity risk management procedures involve identification, measurement, monitoring and report of risk. Each business unit should identify the existing liquidity risk in business activities and financing products.

For adequate liquidity for all types of deposits, TCB follows the relevant regulations issued by the Central Bank to estimate the liquidity reserves and calculates and controls daily the liquidity reserve ratios.

For TCB's operating liquidity, the fund disbursement unit performs daily cash flow management and monitoring of the payments schedule on the basis of detailed reports by different departments and relevant rules.

The risk management department regularly generates risk reports, which include the liquidity reserve ratios, liquidity coverage ratio, net stable funding ratio, and the maturity analysis of instruments and transactions denominated in major foreign currencies, and submits these reports to the Asset and Liability Management Committee and the Board as reference for decision making.

TCB stipulates liquidity risk limits, which are regularly monitored and reviewed by the risk management department. If a liquidity risk limit is exceeded or other exception situations occur, the business supervising unit immediately develops appropriate contingency measures and submits them to the Asset and Liability Management Committee for approval and implementation.

TCB's guidelines for implementing contingency measures for business emergency or sudden liquidity crisis are aimed at quick crisis resolution and uninterrupted normal operations despite the crisis.

TCB's liquidity reserve ratios were 31.64% in December 2025 and 28.64% in December 2024.

TCB and its subsidiary disclosed the analysis of cash outflows on non-derivative financial liabilities by their residual maturities as of the balance sheet dates. The amounts of cash outflows are based on contractual cash flows, so some amounts may not correspond to those shown in the consolidated balance sheets.

December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Deposits from the Central Bank and other banks	\$ 217,697,606	\$ 93,658,833	\$ 74,541,697	\$ 115,500,000	\$ -	\$ 501,398,136
Financial liabilities at fair value through profit or loss	-	-	-	-	3,946,348	3,946,348
Securities sold under repurchase agreements	6,057,871	785,897	776,490	86,869	-	7,707,127
Payables	17,995,269	3,306,368	7,306,412	4,640,607	5,369,951	38,618,607
Deposits and remittances	524,797,086	637,800,838	586,536,654	875,731,828	1,577,939,733	4,202,806,139
Bank debentures	-	-	1,000,000	5,050,000	54,190,000	60,240,000
Lease liabilities	71,575	179,830	164,758	280,551	1,662,084	2,358,798
Other items of cash outflow on maturity	1,774,194	55,029	-	1,031,582	6,649,200	9,510,005

December 31, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Deposits from the Central Bank and other banks	\$ 184,271,895	\$ 76,600,286	\$ 20,505,823	\$ 151,155,700	\$ -	\$ 432,533,704
Financial liabilities at fair value through profit or loss	-	1,047,481	-	-	3,885,022	4,932,503
Securities sold under repurchase agreements	6,619,442	1,063,018	858,399	65,260	-	8,606,119
Payables	17,140,943	3,299,544	7,534,537	4,737,978	5,284,789	37,997,791
Deposits and remittances	439,240,691	688,082,630	586,928,286	835,580,055	1,536,245,088	4,086,076,750
Bank debentures	-	-	-	-	59,140,000	59,140,000
Lease liabilities	71,176	184,162	166,589	297,596	1,803,351	2,522,874
Other items of cash outflow on maturity	1,339,595	50,166	8	1,006,359	5,223,606	7,619,734

In the above table, the maturity analysis of deposits and remittances by residual-maturity period was based on TCB and its subsidiary's historical experience. Assuming that all demand deposits as of December 31, 2025 and 2024 must be repaid soon, the capital expenditure will be increased by \$2,197,363,862 thousand and \$2,110,803,628 thousand, respectively, within 30 days these balance sheet dates.

TCB and its subsidiary assess the maturity dates of contracts to understand the basic elements of all derivative financial instruments shown in the balance sheets. The amounts used in the maturity analyses of derivative financial liabilities are based on contractual cash flows, so some of these amounts may not correspond to the amounts shown in the consolidated balance sheets. The maturity analysis of derivative financial liabilities is as follows:

a) Derivative financial liabilities to be settled at net amounts

<b>December 31, 2025</b>	<b>0-30 Days</b>	<b>31-90 Days</b>	<b>91-180 Days</b>	<b>181 Days-1 Year</b>	<b>Over 1 Year</b>	<b>Total</b>
Derivative financial liabilities at fair value through profit or loss						
Currency	\$ 1,663	\$ 3,489	\$ 3,470	\$ 8,035	\$ -	\$ 16,657
Interest	(3,757)	(1,152)	(4,066)	19,942	276,320	287,287

<b>December 31, 2024</b>	<b>0-30 Days</b>	<b>31-90 Days</b>	<b>91-180 Days</b>	<b>181 Days-1 Year</b>	<b>Over 1 Year</b>	<b>Total</b>
Derivative financial liabilities at fair value through profit or loss						
Currency	\$ 1,814	\$ 2,777	\$ 429	\$ 648	\$ -	\$ 5,668
Interest	-	5,301	290	13,110	154,302	173,003

b) Derivative financial liabilities to be settled at gross amounts

<b>December 31, 2025</b>	<b>0-30 Days</b>	<b>31-90 Days</b>	<b>91-180 Days</b>	<b>181 Days-1 Year</b>	<b>Over 1 Year</b>	<b>Total</b>
Derivative financial liabilities at fair value through profit or loss						
Currency derivatives						
Cash outflow	\$ 19,586,452	\$ 8,430,217	\$ 10,344,012	\$ 1,067,039	\$ -	\$ 39,427,720
Cash inflow	19,739,357	8,603,896	10,635,721	1,120,369	-	40,099,343
Net cash flow	152,905	173,679	291,709	53,330	-	671,623

<b>December 31, 2024</b>	<b>0-30 Days</b>	<b>31-90 Days</b>	<b>91-180 Days</b>	<b>181 Days-1 Year</b>	<b>Over 1 Year</b>	<b>Total</b>
Derivative financial liabilities at fair value through profit or loss						
Currency derivatives						
Cash outflow	\$ 6,829,206	\$ 3,037,026	\$ 1,021,256	\$ 413,877	\$ -	\$ 11,301,365
Cash inflow	6,777,039	3,004,254	1,038,191	423,089	-	11,242,573
Interest derivatives						
Cash outflow	173,329	100,994	356,679	-	-	631,002
Cash inflow	173,428	96,750	346,586	-	-	616,764
Total cash outflow	7,002,535	3,138,020	1,377,935	413,877	-	11,932,367
Total cash inflow	6,950,467	3,101,004	1,384,777	423,089	-	11,859,337
Net cash flow	(52,068)	(37,016)	6,842	9,212	-	(73,030)

TCB and its subsidiary 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 balance sheets.

December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Irrevocable loan commitments issued	\$ 3,745,885	\$ 8,470,392	\$ 22,033,217	\$ 21,566,321	\$ 127,247,757	\$ 183,063,572
Irrevocable credit card commitments	239,729	720,313	1,050,358	3,562,610	57,254,889	62,827,899
Letters of credit issued yet unused	3,889,440	9,993,398	2,467,134	1,688,191	2,003,503	20,041,666
Other guarantees	8,174,018	4,955,267	9,252,014	13,122,957	44,812,475	80,316,731

December 31, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Irrevocable loan commitments issued	\$ 2,806,592	\$ 7,823,540	\$ 9,735,321	\$ 30,023,914	\$ 103,282,160	\$ 153,671,527
Irrevocable credit card commitments	157,258	859,424	1,497,143	4,792,261	56,319,004	63,625,090
Letters of credit issued yet unused	3,369,178	10,628,582	2,562,761	1,495,270	3,730,696	21,786,487
Other guarantees	10,293,392	6,351,691	5,146,662	12,012,060	53,527,622	87,331,427

## 5) Climate risk

In order to respond to global climate change and strengthen climate risk management, and to ensure the stable operation and sustainable development of TCB, in accordance with the Financial Supervisory Commission's "Guidelines for Financial Disclosure of Climate Risks by Banks in Taiwan" and TCB's "Climate Risk Management Guidelines", climate risk issues are incorporated into business operation considerations. In addition to the "High Pollution and Carbon-Ranking Industries" quota and the regular monitoring report, TCB is required to carry out industry-specific verification mechanisms prior to investment and financing operations. In addition to the "High Pollution and High Carbon Emission Industries" limit and regular monitoring and reporting, HBCL is required to conduct industry-specific checking mechanisms, and if it is a high-pollution and high-carbon emission industry, it should state the countermeasures as reference information for audits, and regularly disclose the implementation of climate risk management every year in order to enhance the quality and transparency of the information disclosure.

### BNP Paribas Cardif TCB Life Insurance Co., Ltd. (BPCTLI)

Financial risk arises when future cash flows generated from financial assets are insufficient to pay insurance and investment contracts. BPCTLI has already set up a risk management mechanism and control system that can effectively identify, measure, respond to, and monitor the level of risk BPCTLI is exposed to, including market risk, credit risk, liquidity risk, etc.

The strategies adopted by management to supervise and control different financial risks as well as consider competition and changes in the economic environment were as follows:

#### 1) Market risk

##### a) Market risk source and market risk factors

Market risk results from the fluctuation in the fair values of financial instruments or future cash. The risk factors causing market price changes include interest rates, exchange rates, stock prices and commodity prices, which may cause a gain or loss on net revenues and affect BPCTLI's investment portfolio.

##### b) Market risk strategy and procedures

BPCTLI has established management policies and market risk limits to monitor the market risk and tolerable losses.

BPCTLI monitors the limit management of financial instruments and the implementation of sensitivity analysis, stress testing and risk calculation. For management's decision making, the risk management department periodically reports to the board of directors and the Risk Management Committee.

In line with hedging against interest rate risk, the investment selection includes an assessment of the financial instrument issuers' credit and financial condition, the investing countries' risk condition and interest rate movements. If a foreign currency risk pertains to overseas investments, BPCTLI uses foreign exchange swaps and cross currency swaps for each overseas investment and periodically measures the efficiency of these swaps. BPCTLI has investment limits and stop-loss order to control equity risk.

c) Market risk management framework

To quantify the possible loss resulting from the price fluctuations of BPCTLI assets, BPCTLI control market risk through calculating value-at-risk (VaR) regularly, combining with back testing, sensitivity analysis method and stress testing.

d) Market risk information

i. VaR (value at risk)

VaR measures "the worst expected loss over a target horizon with a given level of confidence and normal market environment." BPCTLI's worst expected losses for two weeks with a 99% confidence level were \$961,949 thousand and \$612,119 thousand as of December 31, 2025 and 2024, respectively.

ii. Sensitivity analysis

i) Interest rate risk

Interest rate risk refers to the impact of interest rate changes on an investment portfolio value or investment gain or loss. The investment instruments exposed to interest rate risk are mainly bonds and derivative financial assets.

Assuming all other indicators had been held constant and had the interest rate increased by 0.01% as of December 31, 2025 and 2024 the fair values of financial assets would have decreased by \$34,840 thousand and \$20,979 thousand, respectively.

ii) Equity risk

The equity risk includes the individual risk from the movement of individual investments and the market risk from the movement of the market as a whole.

Assuming all other indicators had been held constant and based on the asset condition of BPCTLI on December 31, 2025 and 2024, had the TAIEX fallen 1%, the fair value of the equity assets would have decreased by \$5,750 thousand and \$21,859 thousand, respectively.

iii) Foreign currency risk

Foreign currency risk arises when a financial asset or liability is denominated in a currency different from the BPCTLI's base currency. This risk mainly refers to nonmonetary financial assets and liabilities.

BPCTLI's overseas financial instruments were primarily exposed to the U.S. dollar. Assuming all other factors had been held constant, no hedging had been involved, and had the U.S. dollar increased 1% for the years ended December 31, 2025 and 2024, the income before income tax would have decreased by \$233,065 thousand and \$173,949 thousand, respectively.

The table below shows the carrying value of financial assets and liabilities denominated in foreign currency as of December 31, 2025 and 2024.

December 31, 2025

	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>New Taiwan Dollars</b>
<u>Financial assets</u>			
Savings accounts			
USD	\$ 26,573	31.437	\$ 835,367
Receivables			
USD	9,684	31.437	304,431
EUR	1,463	36.890	53,968
Financial assets at FVTOCI			
USD	693,735	31.437	21,808,950
EUR	85,001	36.890	3,135,671
Financial assets at amortized cost			
EUR	9,447	36.890	348,485
USD	5,309	31.437	166,888
Refundable deposits			
USD	6,070	31.437	190,823

December 31, 2024

	<b>Foreign Currencies</b>	<b>Exchange Rate</b>	<b>New Taiwan Dollars</b>
<u>Financial assets</u>			
Savings accounts			
USD	\$ 11,024	32.768	\$ 361,238
ZAR	52,676	1.743	91,793
AUD	3,361	20.380	68,490
EUR	855	34.110	29,175
Receivables			
USD	5,935	32.768	194,464
EUR	235	34.110	8,021
Financial assets at FVTPL			
USD	13,819	32.768	452,813
Financial assets at FVTOCI			
USD	489,998	32.768	16,056,249
EUR	37,178	34.110	1,268,157
RMB	45,186	4.481	202,478
Financial assets at amortized cost			
EUR	10,168	34.110	346,829
USD	8,535	32.768	279,688
Refundable deposits			
USD	1,540	32.768	50,463

### iii. Stress testing

If an extreme event or systematic risk occurs, stress testing is done to measure the potential impact of a negative development on trading book portfolio during an abnormal market period.

BPCTLI does stress testing by analyzing market risk stress testing and different stress testing scenarios from Bloomberg.

Assuming the U.S. 10-year Treasury yield increased 1% as of December 31, 2025 and 2024, the financial assets of the BPCTLI would have decreased to \$1,853,163 thousand and \$826,842 thousand, respectively.

## 2) Credit risk

### a) Credit risk definition and classifications

Credit risk refers to the risks that debtors' credit is downgraded or the counterparty cannot make payments or refuses to perform contractual obligations. The credit exposure primarily refers to investments in debt instruments and derivative instruments.

### b) Credit risk strategy and procedures

BPCTLI controls credit risk as follows:

#### i. Investment credit limit and the control of concentration of credit risk

The investment department complies with insurance laws and applicable regulations, follows company credit limits and investment management policies for every type of investment product, and reviews the appropriateness of investment transactions to lower the concentration of risks. After the completion of each transaction, the risk management department regularly monitors the credit risk and reports the exposure to various credit limits in each committee meeting.

#### ii. Stress testing

Using the scenario from the Insurance Bureau, BPCTLI periodically tests the impact on financial asset income and loss of the concentration of credit risk and credit default ratio.

#### iii. Credit risk reduction policy

If a bond is downgraded below the authorized minimum rating, the investment department will assess the impact caused and decide whether or not to dispose of the assets. When a decision is reached not to dispose of the assets, the investment department should provide the investment withdrawal committee a sufficient reason for its decision. If approval by the investment withdrawal committee is not given within two months of the proposed asset disposal, the assets are disposed of immediately by the investment department.

Some financial assets such as cash and cash equivalents, financial assets at fair value through profit or loss and refundable deposits are regarded as having very low credit risk because of the good credit ratings of counterparties. The credit analysis of other financial assets is as follows:

iv. Credit analysis for bonds

	<b>December 31, 2025</b>		
	<b>Carrying Amount</b>	<b>Fair Value</b>	<b>%</b>
Domestic investment - government bonds (Note 1)	\$ 12,146,109	\$ 12,130,663	27
Domestic investment - corporate bonds (twAAA - twA)	7,928,181	7,928,181	17
Overseas investment - government bonds	5,531,374	5,517,362	12
Overseas investment - corporate bonds and bank debentures (A1 - A3)	17,689,277	17,689,371	39
Overseas investment - corporate bonds and bank debentures (Baa1 - Baa2)	<u>2,258,229</u>	<u>2,258,229</u>	<u>5</u>
	<u>\$ 45,553,170</u>	<u>\$ 45,523,806</u>	<u>100</u>
	<b>December 31, 2024</b>		
	<b>Carrying Amount</b>	<b>Fair Value</b>	<b>%</b>
Domestic investment - government bonds (Note 1)	\$ 11,498,906	\$ 11,465,044	33
Domestic investment - corporate bonds (twAAA - twA)	5,241,054	5,241,054	15
Overseas investment - government bonds	4,026,795	4,001,181	12
Overseas investment - corporate bonds and bank debentures (A1 - A3)	12,274,720	12,274,651	35
Overseas investment - corporate bonds and bank debentures (Baa1 - Baa2)	<u>1,737,872</u>	<u>1,737,872</u>	<u>5</u>
	<u>\$ 34,779,347</u>	<u>\$ 34,719,802</u>	<u>100</u>

Note 1: The above domestic government bonds include other assets - operating deposits.

Note 2: The sources of credit ratings are Taiwan Ratings Corp. or Moody's Investors Service, Inc.

3) Liquidity risk

a) Source and definition of liquidity risk

Liquidity risk means BPCTLI cannot provide sufficient funding for asset size growth and for meeting obligations on matured liabilities.

b) Liquidity risk management strategy and principles

BPCTLI does annual and monthly cash flow analysis based on its budgets, makes daily cash estimates, and reviews the flow of funds to ensure the accuracy and timeliness of liquidity risk management. BPCTLI's liquidity risk is reviewed by the Asset Liability Committee quarterly and by the Investment Committee, monthly.

c) Maturity analysis

- i. For the liquidity risk management of financial assets' and non-derivative financial liabilities' maturity analysis

To ensure that it has sufficient cash on hand for liability payments and asset purchases (BPCTLI has no bank loans and financial guarantees, and all the non-derivative liabilities will expire in less than one year), BPCTLI can use unrestricted cash, consisting of financial institution deposits, certificate deposits (including conditional bonds), quasi-foreign currency mutual funds, etc.

- ii. Maturity analysis of derivatives

The following table shows BPCTLI's liquidity analysis of its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by yield curves at the end of the reporting period.

	<b>December 31, 2025</b>			
	<b>Within One Year</b>	<b>1 Year to 3 Years</b>	<b>3 Years to 5 Years</b>	<b>Over Five Years</b>
<u>Net settled</u>				
Currency swap contracts	\$ (532,855)	\$ -	\$ -	\$ -
Cross-currency swap contracts	-	(6,475)	-	-
	<u>\$ (532,855)</u>	<u>\$ (6,475)</u>	<u>\$ -</u>	<u>\$ -</u>
	<b>December 31, 2024</b>			
	<b>Within One Year</b>	<b>1 Year to 3 Years</b>	<b>3 Years to 5 Years</b>	<b>Over Five Years</b>
<u>Net settled</u>				
Currency swap contracts	\$ (142,118)	\$ -	\$ -	\$ -
Cross-currency swap contracts	(36,292)	(8,863)	-	-
	<u>\$ (178,410)</u>	<u>\$ (8,863)</u>	<u>\$ -</u>	<u>\$ -</u>

- f. Insurance contracts

To pursue a sustainable development, to protect the interests of the policyholders and to ensure that capital is adequate for fulfilling its repayment obligations, BPCTLI has formed risk management policies, set up a risk management committee under the board of directors and a risk management department, which is independent from its operation departments, in accordance with the Risk Management Practice Manual for Insurance Industry issued by the Taiwan Financial Supervisory Commission.

The risk management program and procedure are summarized as follows:

1) Insurance risk management and measurement

Insurance risk refers to the possibility of BPCTLI's not having sufficient assets to meet future obligations on an insured event. The risk on an insurance contract is random and is thus unpredictable.

BPCTLI's risk exposures involve mortality, morbidity, withdrawal rates, interest rates and fee rates, as well as the uncertainty of the returns on insurance premium investments. Based on the nature of an insurance contract, the occurrence of a covered event, the uncertainty of the amount and the timing are the inherent risks. For life, injury or health insurance, underwriting risks include mortality, accident or morbidity. The significant insurance liability risks are the frequency and severity of the accident covered by the insurance and the actual liability payment exceeding the expected liability payment. BPCTLI is also exposed to loss from natural and man-made disasters, and the frequency and severity of and loss on these disasters are unpredictable. The risks on annuity insurance contracts pertain to the constantly improving health care in society, which helps extend people's life span.

The exposure to insurance risk is influenced by the policyholders' behavior, such as reducing insurance coverage in the future, stopping paying insurance premium or terminating the insurance contract.

BPCTLI spreads out its insurance risk by developing appropriate policy pricing and underwriting strategies and acquiring a sufficient number of policyholders in each risk range so that the variances in the average amounts of claim payments decrease as the number of claims increases. For added safety, BPCTLI manages its insurance risks through issuing a large number of mixed policies and obtaining reinsurance against natural disasters with reinsurance companies to avoid large claims.

2) Concentration of insurance risk and the development of claims

BPCTLI sells its products all over Taiwan and has no concentration of credit risk in a particular geographic region, clientele, age, or profession. To prevent the accumulated risk from going beyond what BPCTLI can tolerate, BPCTLI has evaluated the insurance risk associated with each product and obtained reinsurance against natural disasters with reinsurance companies to avoid the risk of large claims.

The following table shows the development of claims (the cases within one year are not included), and it explains how BPCTLI evaluates claims through development ages. The circumstance and development of reserve claims may change in the future. Thus, actual future claims cannot be determined just by using the following tables.

a) Development of direct business loss

Accident Year	Development Ages										Claim Reserve	
	1	2	3	4	5	6	7	8	9	10		
2016	26,382	31,217	31,407	31,432	31,444	31,445	31,450	31,450	31,450	31,450	-	
2017	40,288	56,835	57,519	57,865	58,051	58,483	58,903	59,081	59,258	59,258	-	
2018	35,793	45,800	46,168	46,232	46,243	46,303	46,362	46,420	46,459	46,459	39	
2019	48,395	62,885	63,898	64,531	66,129	67,818	69,407	69,770	70,096	70,096	689	
2020	44,757	52,491	53,603	54,024	54,615	55,017	55,665	55,868	56,051	56,051	1,034	
2021	33,181	43,831	45,025	45,892	46,736	47,518	48,357	48,621	48,858	48,858	2,122	
2022	54,909	64,054	64,838	65,381	66,109	66,860	67,654	67,903	68,128	68,128	2,747	
2023	51,719	62,162	62,517	62,926	63,389	63,856	64,338	64,489	64,625	64,625	2,108	
2024	55,705	71,072	72,124	72,875	73,730	74,612	75,546	75,840	76,104	76,104	5,032	
2025	62,156	77,258	77,862	78,107	78,381	78,640	78,883	78,959	79,028	79,028	16,872	
											Incurred but not reported	\$ 30,643
											Reported but not paid	<u>132,251</u>
											Balance of claim reserve	<u>\$ 162,894</u>

b) Development of retained business

Accident Year	Development Ages										Claim Reserve
	1	2	3	4	5	6	7	8	9	10	
2016	25,827	30,588	30,778	30,802	30,815	30,962	30,821	30,821	30,821	30,821	-
2017	40,181	54,667	55,350	55,696	56,197	56,306	56,719	56,897	57,074	57,074	-
2018	35,042	44,832	45,171	45,316	45,246	45,306	45,364	45,423	45,457	45,457	34
2019	44,461	58,698	59,279	58,627	59,466	60,393	61,223	61,413	61,585	61,585	362
2020	41,542	48,969	49,934	50,208	50,650	50,906	51,254	51,367	51,470	51,470	564
2021	31,873	40,730	41,782	42,508	43,212	43,750	44,302	44,483	44,646	44,646	1,434
2022	53,564	62,664	63,442	63,980	64,675	65,384	66,107	66,344	66,557	66,557	2,577
2023	49,286	56,898	57,253	57,656	58,112	58,571	59,029	59,179	59,314	59,314	2,061
2024	54,623	69,736	70,485	71,169	71,946	72,740	73,549	73,814	74,052	74,052	4,316
2025	60,834	75,253	75,766	75,988	76,234	76,463	76,667	76,733	76,793	76,793	15,959

Incurred but not reported  
Reported but not paid

\$ 27,307  
65,714

Balance of claim reserve

\$ 93,021

3) Sensitivity analysis of insurance risk

Based on relevant insurance laws and regulations, when calculating the liability reserve, assumptions used at the time of purchase are locked in, but such assumptions may change as time passes. According to IFRS 4 “Insurance Contracts,” a liability adequacy test is needed to determine whether BPCTLI has sufficient insurance liability. BPCTLI performed a sensitivity analysis with changes in the assumptions on death rate, illness rate, withdrawal rate and discount rate. The results are as follows:

Insurance contracts and investment contracts with a discretionary participation feature.

	<b>December 31, 2025</b>		
	<b>Changes in the Assumptions</b>	<b>Impact on Income Before Income Tax</b>	<b>Impact on Equity</b>
Discount rate	0.25%	\$ 103,017	\$ 82,413
Discount rate	(0.25%)	(103,245)	(82,596)
Mortality rate	10.00%	(50,953)	(40,763)
Mortality rate	(10.00%)	50,953	40,762
Withdrawal rate	30.00%	29,461	23,569
Withdrawal rate	(30.00%)	(29,519)	(23,615)
Illness rate/loss rate	15.00%	(30,106)	(24,085)
Expense rate	10.00%	(80,971)	(64,777)

  

	<b>December 31, 2024</b>		
	<b>Changes in the Assumptions</b>	<b>Impact on Income Before Income Tax</b>	<b>Impact on Equity</b>
Discount rate	0.25%	\$ 77,571	\$ 62,057
Discount rate	(0.25%)	(77,744)	(62,195)
Mortality rate	10.00%	(42,674)	(34,140)
Mortality rate	(10.00%)	42,674	34,139
Withdrawal rate	30.00%	14,595	11,676
Withdrawal rate	(30.00%)	(14,647)	(11,718)
Illness rate/loss rate	15.00%	(27,660)	(22,128)
Expense rate	10.00%	(85,988)	(68,791)

Note 1: After-tax balances were used to calculate the equity.

Note 2: The result is non-linear and is limited to changes in the assumptions presented above.

Note 3: Changes in the assumptions presented above are scenarios and the range of change may be interrelated.

Note 4: The sensitivity analysis does not consider market changes that have an impact on the operation (e.g., buy/sell asset positions, changes in the allocation of assets, adjustments in the declared interest rate of the policy, etc.).

#### 4) Credit risk, liquidity risk, and market risk

##### a) Market risk

Under the Regulations Governing the Reserves by Insurance Enterprises and relevant laws and regulations, BPCTLI calculates reserves at the assumed interest rate and risk occurrence rate set by the supervisory authorities. The expected rates are tied to the policy before sale. These rates are not affected by market rate changes since the long-term trend rate set by the authorities has taken into consideration the assumed interest and the related timing, amount and direction.

Based on IFRS 4, if the liability adequacy test is insufficient, BPCTLI should accrue the shortage as reserve for liability adequacy. The reserve for liability adequacy is not affected by market rate changes.

BPCTLI believes that the supervisory authorities would not soon change the calculation of life policy reserve from the fixed interest rate to float interest rate and that market risks would not significantly affect profit and loss.

##### b) Credit risk

BPCTLI has ceded reinsurance and assessed the credit of a reinsurance company to ensure the assets and claims recovered from reinsurances are not impaired. The biggest credit risk amount is equal to the book value of the reinsurance assets.

##### c) Liquidity risk

BPCTLI predicts the future cash flows of assets and liabilities through an asset-liability matching model to ensure there are enough cash flows to cover a predicted liability obligation. The measure is used as a long-term control mechanism for liquidity risk.

Under related laws and regulations, the individual face values of BPCTLI's insurance policies are all greater than their surrender value. Thus, the liquidity risks on agreement cancellations would not be significant. In addition, under the materiality principle, if a policyholder cancels its coverage, BPCTLI will not disclose the cash flow maturity analysis in its financial statements if the coverage amount is not significant.

g. Transfers of financial assets

Under the Company operations, most of derecognized financial assets are securities sold under repurchase agreements, and the contractual cash flows have been transferred to others. The Company has the responsibility to repurchase transferred financial assets at fixed prices, and cannot use, sell and pledge transferred financial assets. However, the Company is still in the risk exposure of interest rate and credit, so the transferred financial assets cannot be removed entirely. The information on derecognized financial assets and liabilities is as follows:

<b>December 31, 2025</b>					
<b>Financial Assets</b>	<b>Carrying Amount of Transferred Financial Assets</b>	<b>Carrying Amount of Related Financial Liabilities</b>	<b>Fair Value of Transferred Financial Assets</b>	<b>Fair Value of Related Financial Liabilities</b>	<b>Net Position of Fair Value</b>
Financial assets at FVTPL - securities sold under repurchase agreements	\$ 40,539,751	\$ 40,459,190	\$ 40,539,751	\$ 40,459,190	\$ 80,561
Financial assets at FVTOCI - securities sold under repurchase agreements	27,762,761	27,861,973	27,762,761	27,861,973	(99,212)

<b>December 31, 2024</b>					
<b>Financial Assets</b>	<b>Carrying Amount of Transferred Financial Assets</b>	<b>Carrying Amount of Related Financial Liabilities</b>	<b>Fair Value of Transferred Financial Assets</b>	<b>Fair Value of Related Financial Liabilities</b>	<b>Net Position of Fair Value</b>
Financial assets at FVTPL - securities sold under repurchase agreements	\$ 42,489,437	\$ 42,347,584	\$ 42,489,437	\$ 42,347,584	\$ 141,853
Financial assets at FVTOCI - securities sold under repurchase agreements	29,974,253	29,790,302	29,974,253	29,790,302	183,951

h. Offsetting financial assets and financial liabilities

The Company is eligible to present in the balance sheet on a net basis certain derivative assets and derivative liabilities pertaining to transactions with counterparties under enforceable master netting arrangements or similar agreements and there is an intention either to make settlements on a net basis or to realize the asset and settle the liability simultaneously. A master netting agreement provides for a single net settlement of all financial instruments covered by the agreement if the counterparty defaults on any contract. Parties may also settle transactions at gross amounts if a single settlement results in cash flows being equivalent to a single net amount.

The tables below present the quantitative information on financial assets and financial liabilities that have been offset in the balance sheet or that are covered by enforceable master netting arrangements or similar agreements.

December 31, 2025

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet	Net Amounts of Financial Assets Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Received	
Resell agreements	\$ 1,848,824	\$ -	\$ 1,848,824	\$ (1,848,824)	\$ -	\$ -

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet	Net Amounts of Financial Liabilities Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Pledged	
Repurchase agreements	\$ 68,321,163	\$ -	\$ 68,321,163	\$ (67,579,473)	\$ -	\$ 741,690

December 31, 2024

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet	Net Amounts of Financial Assets Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Received	
Resell agreements	\$ 1,315,855	\$ -	\$ 1,315,855	\$ (1,315,855)	\$ -	\$ -

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet	Net Amounts of Financial Liabilities Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Pledged	
Repurchase agreements	\$ 72,137,886	\$ -	\$ 72,137,886	\$ (71,281,498)	\$ -	\$ 856,388

#### 45. CAPITAL MANAGEMENT

To monitor capital adequacy, the risk management department regularly reports capital adequacy ratios every month and also quarterly reviews the execution status of and actual operation data variation on the Company's capital adequacy evaluation plan. When the actual capital adequacy ratio might go lower than the target, the Company immediately reviews the causes, prepares a report and proposes a response strategy to maintain the appropriate capital adequacy levels.

Under the Financial Holding Company Act and related regulations, TCFHC should maintain a consolidated capital adequacy ratio (CAR) of at least 100%. If the ratio falls below 100%, the appropriation of earnings as cash dividends or other assets will be restricted and the authorities may discipline TCFHC, depending on the situation.

The Banking Law and related regulations require that the Bank maintain the minimum requirement for unconsolidated and consolidated capital adequacy ratios (CAR), including the common equity Tier 1 ratio, Tier 1 capital ratio, and total capital adequacy ratio.

The Act Governing Bills Finance Business and related regulations require that the bills finance business maintain CARs at a minimum of 8%. The CARs of TCBF were 13.66% and 13.99% as of December 31, 2025 and 2024, respectively.

Under the rules governing securities firms and related regulations, the CAR of a securities firm should be at least 150% to ensure its stability as well as maintain the health of the security markets. If the ratio is below 150%, the authority may impose certain restrictions on a firm's operations. The CAR of TCS were 418% and 450% as of December 31, 2025 and 2024, respectively.

The Law of Insurance and related regulations require that the insurance business maintain CARs at a minimum of 200%. The CARs of BPCTLI were 2,050.10% and 1,285.11% as of December 31, 2025 and 2024, respectively.

Please refer to related information in Table 2 (attached).

**46. TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES' ASSET QUALITY, CONCENTRATION OF CREDIT EXTENSIONS, INTEREST RATE SENSITIVITY, PROFITABILITY AND MATURITY ANALYSIS OF ASSETS AND LIABILITIES**

a. Asset quality of Taiwan Cooperative Bank, Ltd.: Table 3 (attached).

b. Concentration of credit extensions

1) Taiwan Cooperative Bank, Ltd. (TCB)

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	December 31, 2025		
	Industry of Group Enterprise (Note 2)	Total Amount of Credit Endorsement or Other Transactions (Note 3)	Percentage of TCB's Equity
1	Group A Railway transportation	\$ 30,443,193	10.04
2	Group B Petroleum and coal products manufacturing	29,460,656	9.71
3	Group C Real estate development	24,068,353	7.94
4	Group D Smelting and refining of iron and steel	15,847,876	5.23
5	Group E Cotton and textile	15,287,200	5.04
6	Group F Smelting and refining of iron and steel	13,479,842	4.44
7	Group G Financial leasing	11,645,644	3.84
8	Group H Computers manufacturing	11,531,281	3.80
9	Group I LCD panel and its component manufacturing	11,200,854	3.69
10	Group J Wholesale of electronic and communication equipment and parts	10,986,934	3.62

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	December 31, 2024		
	Industry of Group Enterprise (Note 2)	Total Amount of Credit Endorsement or Other Transactions (Note 3)	Percentage of TCB's Equity
1	Group A Railway transportation	\$ 30,443,193	10.98
2	Group B Petroleum and coal products manufacturing	28,639,287	10.33
3	Group C Real estate development	26,529,265	9.57
4	Group J Wholesale of electronic and communication equipment and parts	15,634,013	5.64
5	Group E Cotton and textile	15,623,975	5.64
6	Group K Wire and cable manufacturing	15,049,571	5.43
7	Group D Iron and steel smelting	14,789,722	5.34
8	Group L Cotton and textile	14,277,513	5.15
9	Group G Financial leasing	13,948,259	5.03
10	Group F Iron and steel smelting	11,121,975	4.01

## 2) Taiwan Cooperative Bills Finance Corporation Ltd. (TCBF)

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	December 31, 2025		
	Industry of Group Enterprise (Note 2)	Total Amount of Credit Endorsement or Other Transactions (Note 3)	Percentage of TCBF's Equity
1	Group A Real estate development	\$ 1,209,400	15.57
2	Group B Real estate development	1,392,500	17.92
3	Group C Rolling and extruding of iron and steel	1,113,000	14.33
4	Group D Unclassified other financial service	800,000	10.30
5	Group E Unclassified other financial service	930,000	11.97
6	Group F Real estate development	856,800	11.03
7	Group G Unclassified other financial service	767,500	9.88
8	Group H Wholesale of electronic and communication equipment and parts	780,000	10.04
9	Group I Real estate development	765,500	9.85
10	Group J Wholesale of electronic and communication equipment and parts	750,000	9.65

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	December 31, 2024		
	Industry of Group Enterprise (Note 2)	Total Amount of Credit Endorsement or Other Transactions (Note 3)	Percentage of TCBF's Equity
1	Group A Real estate development	\$ 1,844,200	25.06
2	Group B Real estate development	1,359,600	18.48
3	Group C Rolling and extruding of iron and steel	1,103,000	14.99
4	Group D Unclassified other financial service	1,100,000	14.95
5	Group K Unclassified other financial service	1,095,000	14.88
6	Group E Unclassified other financial service	930,000	12.64
7	Group L Real estate development	919,300	12.49
8	Group M Unclassified other financial service	850,000	11.55
9	Group N Construction of buildings	800,000	10.87
10	Group O Wholesale of motor vehicles and motorcycles parts and accessories	761,500	10.35

Note 1: The list shows rankings by total amount of credit, endorsement or other transactions but excludes government-owned or state-run enterprises. If the borrower is a member of a group enterprise, the total amount of credit, endorsement or other transactions of the entire group enterprise must be listed and disclosed by code and line of industry. The industry of the group enterprise should be presented as the industry of the member firm with the highest risk exposure. The lines of industry should be described in accordance with the Standard Industrial Classification System of the Republic of China published by the Directorate-General of Budget, Accounting and Statistics under the Executive Yuan.

Note 2: Group enterprise refers to a group of corporate entities as defined by Article 6 of "Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Review of Securities Listings."

Note 3: Total amount of credit, endorsement or other transactions is the sum of various loans (including import and export negotiations, discounts, overdrafts, unsecured and secured short-term loans, margin loans receivable, unsecured and secured medium-term loans, unsecured and secured long-term loans and overdue loans), exchange bills negotiated, accounts receivable factored without recourse, acceptances and guarantees.

c. Interest rate sensitivity information - Taiwan Cooperative Bank, Ltd.

**Interest Rate Sensitivity  
December 31, 2025**

(In Thousands of New Taiwan Dollars, %)

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	\$ 3,449,200,835	\$ 181,623,732	\$ 95,717,019	\$ 477,233,982	\$ 4,203,775,568
Interest rate-sensitive liabilities	1,353,684,734	2,084,489,579	201,551,148	69,497,363	3,709,222,824
Interest rate sensitivity gap	2,095,516,101	(1,902,865,847)	(105,834,129)	407,736,619	494,552,744
Net worth					263,883,143
Ratio of interest rate-sensitive assets to liabilities					113.33
Ratio of interest rate sensitivity gap to net worth					187.41

**Interest Rate Sensitivity  
December 31, 2024**

(In Thousands of New Taiwan Dollars, %)

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	\$ 3,301,149,343	\$ 185,321,153	\$ 44,151,119	\$ 464,506,702	\$ 3,995,128,317
Interest rate-sensitive liabilities	1,283,762,352	2,050,339,323	161,367,737	72,636,338	3,568,105,750
Interest rate sensitivity gap	2,017,386,991	(1,865,018,170)	(117,216,618)	391,870,364	427,022,567
Net worth					241,626,007
Ratio of interest rate-sensitive assets to liabilities					111.97
Ratio of interest rate sensitivity gap to net worth					176.73

Note 1: The above amounts included only New Taiwan dollar amounts held by the head office and branches of the Bank (i.e., excluding foreign currency).

Note 2: Interest rate-sensitive assets and liabilities refer to interest-earning assets and interest-bearing liabilities with revenues or costs that are affected by interest rate changes.

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

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets/Interest rate-sensitive liabilities (in New Taiwan dollars).

**Interest Rate Sensitivity  
December 31, 2025**

(In Thousands of U.S. Dollars, %)

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	\$ 13,981,758	\$ 1,298,139	\$ 719,209	\$ 3,017,572	\$ 19,016,678
Interest rate-sensitive liabilities	22,671,808	2,681,151	2,088,944	-	27,441,903
Interest rate sensitivity gap	(8,690,050)	(1,383,012)	(1,369,735)	3,017,572	(8,425,225)
Net worth					1,253,094
Ratio of interest rate-sensitive assets to liabilities					69.30
Ratio of interest rate sensitivity gap to net worth					(672.35)

**Interest Rate Sensitivity**  
**December 31, 2024**

(In Thousands of U.S. Dollars, %)

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	\$ 13,314,869	\$ 1,251,944	\$ 943,651	\$ 3,119,778	\$ 18,630,242
Interest rate-sensitive liabilities	21,579,217	1,691,254	2,300,358	44,300	25,615,129
Interest rate sensitivity gap	(8,264,348)	(439,310)	(1,356,707)	3,075,478	(6,984,887)
Net worth					1,083,518
Ratio of interest rate-sensitive assets to liabilities					72.73
Ratio of interest rate sensitivity gap to net worth					(644.65)

Note 1: The above amounts included only U.S. dollar amounts held by the head office, domestic branches, OBU and overseas branches of the Bank and excluded contingent assets and contingent liabilities.

Note 2: Interest rate-sensitive assets and liabilities refer to interest-earning assets and interest-bearing liabilities with revenues or costs that are affected by interest rate changes.

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

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets/Interest rate-sensitive liabilities (in U.S. dollars).

d. Profitability

1) Taiwan Cooperative Financial Holding Co., Ltd. and its subsidiaries

(%)

Items		December 31, 2025	December 31, 2024
Return on total assets	Before income tax	0.50	0.50
	After income tax	0.41	0.40
Return on equity	Before income tax	9.65	9.88
	After income tax	7.87	7.84
Net income ratio		28.83	30.09

2) Taiwan Cooperative Financial Holding Co., Ltd.

(%)

Items		December 31, 2025	December 31, 2024
Return on total assets	Before income tax	6.73	6.61
	After income tax	6.68	6.47
Return on equity	Before income tax	8.05	7.95
	After income tax	7.99	7.78
Net income ratio		97.89	96.51

3) Taiwan Cooperative Bank, Ltd.

(%)

Items		December 31, 2025	December 31, 2024
Return on total assets	Before income tax	0.50	0.49
	After income tax	0.41	0.40
Return on equity	Before income tax	8.67	8.60
	After income tax	7.17	7.04
Net income ratio		35.17	33.00

4) Taiwan Cooperative Bills Finance Corporation Ltd.

(%)

Items		December 31, 2025	December 31, 2024
Return on total assets	Before income tax	0.59	0.18
	After income tax	0.46	0.09
Return on equity	Before income tax	5.57	1.69
	After income tax	4.32	0.89
Net income ratio		47.27	25.35

5) Taiwan Cooperative Securities Co., Ltd.

(%)

Items		December 31, 2025	December 31, 2024
Return on total assets	Before income tax	1.70	1.21
	After income tax	1.37	0.74
Return on equity	Before income tax	8.11	5.67
	After income tax	6.54	3.49
Net income ratio		25.23	14.43

6) BNP Paribas Cardif TCB Life Insurance Co., Ltd.

(%)

Items		December 31, 2025	December 31, 2024
Return on total assets	Before income tax	0.20	1.13
	After income tax	0.23	0.95
Return on equity	Before income tax	2.18	12.64
	After income tax	2.49	10.62
Net income ratio		26.28	52.48

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

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

Note 3: Net income ratio = Income after income tax/Total net revenues.

e. Maturity analysis of assets and liabilities - Taiwan Cooperative Bank, Ltd.

Maturity Analysis of Assets and Liabilities  
December 31, 2025

(In Thousands of New Taiwan Dollars)

	Total	Remaining Period to Maturity					
		0 to 10 Days	11 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year
Main capital inflow on maturity	\$ 4,576,119,300	\$ 673,687,959	\$ 421,010,526	\$ 192,114,616	\$ 211,472,394	\$ 664,702,963	\$ 2,413,130,842
Main capital outflow on maturity	5,327,890,528	302,499,478	250,527,626	650,074,816	651,252,642	1,192,253,681	2,281,282,285
Gap	(751,771,228)	371,188,481	170,482,900	(457,960,200)	(439,780,248)	(527,550,718)	131,848,557

Maturity Analysis of Assets and Liabilities  
December 31, 2024

(In Thousands of New Taiwan Dollars)

	Total	Remaining Period to Maturity					
		0 to 10 Days	11 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year
Main capital inflow on maturity	\$ 4,341,262,169	\$ 635,465,783	\$ 367,839,426	\$ 195,535,556	\$ 226,293,850	\$ 603,521,969	\$ 2,312,605,585
Main capital outflow on maturity	5,021,896,702	255,922,067	224,744,453	650,181,161	606,344,099	1,134,148,466	2,150,556,456
Gap	(680,634,533)	379,543,716	143,094,973	(454,645,605)	(380,050,249)	(530,626,497)	162,049,129

Note: The above amounts included only New Taiwan dollar amounts held by TCB.

Maturity Analysis of Assets and Liabilities  
December 31, 2025

(In Thousands of U.S. Dollars)

	Total	Remaining Period to Maturity				
		0 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year
Main capital inflow on maturity	\$ 29,956,343	\$ 8,312,037	\$ 3,134,716	\$ 2,831,028	\$ 4,676,970	\$ 11,001,592
Main capital outflow on maturity	34,421,176	13,751,956	6,828,188	5,469,288	4,622,216	3,749,528
Gap	(4,464,833)	(5,439,919)	(3,693,472)	(2,638,260)	54,754	7,252,064

Maturity Analysis of Assets and Liabilities  
December 31, 2024

(In Thousands of U.S. Dollars)

	Total	Remaining Period to Maturity				
		0 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year
Main capital inflow on maturity	\$ 27,622,491	\$ 7,656,351	\$ 4,829,029	\$ 2,162,888	\$ 3,099,446	\$ 9,874,777
Main capital outflow on maturity	31,405,000	11,145,648	8,550,829	4,060,666	4,400,437	3,247,420
Gap	(3,782,509)	(3,489,297)	(3,721,800)	(1,897,778)	(1,300,991)	6,627,357

Note: The above amounts included only U.S. dollar amounts held by TCB.

f. The statement of use/source funds of Taiwan Cooperative Bills Finance Corporation Ltd.

December 31, 2025

Items		Period				
		1 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year
Use of funds	Bills	\$ 19,723,151	\$ 19,238,476	\$ 706,506	\$ 1,258,881	\$ -
	Bonds	143,935	62,890	900,000	2,533,005	20,286,380
	Cash in bank	420,688	120,000	200	-	-
	Total	20,287,774	19,421,366	1,606,706	3,791,886	20,286,380
Source of funds	Borrowings	8,241,560	-	-	-	-
	Securities sold under repurchase agreements	50,900,038	2,522,076	53,136	-	-
	Total	59,141,598	2,522,076	53,136	-	-
Net flows		(38,853,824)	16,899,290	1,553,570	3,791,886	20,286,380
Accumulated capital net flows		(38,853,824)	(21,954,534)	(20,400,964)	(16,609,078)	3,677,302

December 31, 2024

Items		Period				
		1 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year
Use of funds	Bills	\$ 22,269,843	\$ 22,019,167	\$ 1,404,294	\$ 1,140,423	\$ -
	Bonds	-	296,710	648,355	2,093,420	18,949,315
	Cash in bank	325,700	120,200	-	-	-
	Total	22,595,543	22,436,077	2,052,649	3,233,843	18,949,315
Source of funds	Borrowings	7,740,000	-	-	-	-
	Securities sold under repurchase agreements	53,615,448	3,218,846	20,062	-	-
	Total	61,355,448	3,218,846	20,062	-	-
Net flows		(38,759,905)	19,217,231	2,032,587	3,233,843	18,949,315
Accumulated capital net flows		(38,759,905)	(19,542,674)	(17,510,087)	(14,276,244)	4,673,071

#### 47. TAIWAN COOPERATIVE BANK, LTD.'S TRUST BUSINESS UNDER THE TRUST LAW

a. Trust-related items are those shown in the following balance sheets, statements of income and trust property list

These items were managed by TCB's Trust Department. However, these items were not included in the consolidated financial statements.

##### Balance Sheets of Trust Accounts December 31, 2025 and 2024

Trust Assets	2025	2024	Trust Liabilities	2025	2024
Cash in banks	\$ 17,497,817	\$ 19,280,204	Payables		
Short-term investments			Accrued expense	\$ 2,806	\$ 2,185
Mutual funds	284,057,651	259,520,482	Others	337	550
Stocks	6,773,111	6,081,885	Payables on the purchase of securities	439	2,751
Debt instruments	453,465	495,569		3,582	5,486
	291,284,227	266,097,936	Accounts payable on securities under custody	265,337,844	249,124,099
Securities lending	164,026	122,984	Trust capital	423,830,076	405,684,760
Receivables	25,313	29,745	Reserves and retained earnings		
Real estate			Net income	2,003,438	1,438,821
Land	63,373,890	66,757,556	Retained earnings	194,144	153,887
Buildings	15,625	16,434		2,197,582	1,592,708
Construction in process	53,587,738	54,896,093			
	116,977,253	121,670,083			
Intangible assets					
Superficies	82,002	82,002			
Other assets	602	-			
Securities under custody	265,337,844	249,124,099			
Total	\$ 691,369,084	\$ 656,407,053	Total	\$ 691,369,084	\$ 656,407,053

Note: As of December 31, 2025 and 2024, total trust-related assets included OBU funds and bonds investment in the amount of \$1,764,358 thousand and \$1,821,967 thousand, respectively.

**Trust Property List  
December 31, 2025 and 2024**

<b>Investment Items</b>	<b>2025</b>	<b>2024</b>
Cash in banks	\$ 17,497,817	\$ 19,280,204
Short-term investments		
Mutual funds	284,057,651	259,520,482
Stocks	6,773,111	6,081,885
Debt instruments	453,465	495,569
Securities lending	164,026	122,984
Receivables		
Accrued interest	14,461	15,997
Mutual funds	-	307
Cash dividends	9,785	10,141
Receivables on the sale of securities	174	2,453
Others	893	847
Real estate		
Land	63,373,890	66,757,556
Buildings	15,625	16,434
Construction in process	53,587,738	54,896,093
Intangible assets		
Superficies	82,002	82,002
Other assets	602	-
Securities under custody	<u>265,337,844</u>	<u>249,124,099</u>
<b>Total</b>	<b><u>\$ 691,369,084</u></b>	<b><u>\$ 656,407,053</u></b>

**Statements of Income on Trust Accounts  
For the Years ended December 31, 2025 and 2024**

	<b>2025</b>	<b>2024</b>
Revenues		
Interest revenue	\$ 83,195	\$ 72,192
Lending stock	2,551	2,833
Cash dividends	202,564	154,215
Realized gain on investment - stocks	217,418	301,467
Unrealized gain on investment - stocks	1,591,424	1,174,030
Unrealized gain on capital - lending stock	60,367	49,005
Realized gain on investment - mutual funds	47,102	52,568
Unrealized gain on investment - mutual funds	141,497	98,553
Beneficial certificate appropriation	23,682	17,646
Others	<u>24,560</u>	<u>2,072</u>
Total revenues	<u>2,394,360</u>	<u>1,924,581</u>
Expenses		
Management fees	12,741	\$ 12,290
Monitoring fees	93	104
Taxes	56	461
Service charge	89	87
Postage	44,751	572
Unrealized loss on investment - stocks	260,518	390,421
Unrealized loss on capital lending stock	33,798	5,755
Unrealized loss on investment - mutual funds	22,795	13,027
Realized loss on investment - mutual funds	492	15,195
Realized loss on investment - stocks	15,493	47,753
Others	<u>96</u>	<u>95</u>
Total expenses	<u>390,922</u>	<u>485,760</u>
Income before income tax	2,003,438	1,438,821
Income tax expense	<u>-</u>	<u>-</u>
Net income	<u>\$ 2,003,438</u>	<u>\$ 1,438,821</u>

b. Nature of trust business operations under the Trust Law: Note 1.

**48. ALLOCATION OF REVENUE, COST AND EXPENSE THAT RESULTED FROM THE SHARING OF RESOURCES BETWEEN TAIWAN COOPERATIVE FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES**

Under cooperation arrangements, Taiwan Cooperative Bank, Ltd. (TCB) and Taiwan Cooperative Securities (TCS) promoted securities brokerage business together; thus, related revenues received by TCB were calculated as follows: (a) revenue based on 20% of the net revenue derived from security transactions for three years; (b) related revenues from utilizing some operating sites and equipment by the TCS; and (c) receiving cross-selling service fees of \$2,000 thousand annually, with the portion exceeding \$2,000 thousand calculated based on actual expenses incurred.

To promote the credit card business and corporate banking business together, TCB and TCS signed cooperation arrangements, and the related revenue and expenses were received or paid by TCB were based on the arrangements.

As of December 31, 2025 and 2024, TCB's accrued receivables were \$7,738 thousand and \$4,317 thousand, respectively. TCB's revenues from cross-selling transactions were \$24,253 thousand and \$22,101 thousand for the years ended December 31, 2025 and 2024, respectively.

To promote the insurance business together, TCB and TCS signed cooperation arrangements, and marketing expenses paid by TCB were based on the arrangements.

As of December 31, 2025 and 2024, TCB's accrued payables were \$6 thousand and \$2 thousand, respectively. TCB's expenses from cross-selling transactions were \$77 thousand and \$97 thousand for the years ended December 31, 2025 and 2024, respectively.

To promote the insurance business together, TCB and BNP Paribas Cardif TCB Life Insurance Co., Ltd. signed cooperation arrangements. The service fees earned by TCB were based on the agreed percentage of the premiums from the insurance companies' products sold by TCB.

As of December 31, 2025 and 2024, TCB's accrued receivables were \$2,660 thousand and \$3,952 thousand, respectively. TCB's revenues from cross-selling transactions were \$18,784 thousand and \$25,257 thousand for the years ended December 31, 2025 and 2024, respectively.

To promote the venture capital business together, TCB and Taiwan Cooperative Venture Capital Co., Ltd. signed cooperation arrangements. The service fees earned by TCB were based on the agreed from the contract by TCB.

TCB's revenues from cross-selling transactions were \$20 thousand in 2024.

To promote the venture capital business together, TCB and Co-operative Assets Management Co., Ltd. signed cooperation arrangements. The service fees earned by TCB were based on the agreed from the contract by TCB.

TCB's revenues from cross-selling transactions were \$40 thousand for the year ended December 31, 2025.

#### **49. TCFHC'S FINANCIAL STATEMENTS AND CONDENSED BALANCE SHEETS AND STATEMENTS OF COMPREHENSIVE INCOME OF SUBSIDIARIES**

Table 4 (attached).

#### **50. BUSINESS SEGMENT FINANCIAL INFORMATION**

Table 5 (attached).

#### **51. FINANCIAL HOLDING COMPANY ACT NO. 46 ANNOUNCEMENT**

Table 6 (attached).

#### **52. CASH FLOW INFORMATION**

##### **a. Non-cash financing activities**

Undistributed cash dividends approved by stockholders' meetings are \$557,672 thousand and \$519,049 thousand as of December 31, 2025 and 2024, respectively.

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2025

	Opening Balance	Cash Inflows (Outflows)	Non-cash Changes			Closing Balance
			New Leases	Fair Value Adjustments (Including Changes in the Fair Value Attributable to Changes in the Credit Risk)	Others	
Commercial paper issued	\$ 38,061,951	\$ 7,918,000	\$ -	\$ -	\$ (6,117)	\$ 45,973,834
Bonds payable	79,140,000	(1,000,000)	-	-	-	78,140,000
Other borrowings	11,033,195	(3,818,129)	-	-	771,220	7,986,286
Financial liabilities at fair value through profit or loss - bank debentures	4,768,858	(790,444)	-	5,449	(122,109)	3,861,754
Guarantee deposits received	2,507,956	(281,898)	-	-	701,008	2,927,066
Lease liabilities	1,720,552	(667,482)	(173)	-	526,730	1,579,627
Other liabilities - other	73,898	(941)	-	-	3,657	76,614
	<u>\$ 137,306,410</u>	<u>\$ 1,359,106</u>	<u>\$ (173)</u>	<u>\$ 5,449</u>	<u>\$ 1,874,389</u>	<u>\$ 140,545,181</u>

For the year ended December 31, 2024

	Opening Balance	Cash Inflows (Outflows)	Non-cash Changes			Closing Balance
			New Leases	Fair Value Adjustments (Including Changes in the Fair Value Attributable to Changes in the Credit Risk)	Others	
Commercial paper issued	\$ 33,651,757	\$ 4,400,000	\$ -	\$ -	\$ 10,194	\$ 38,061,951
Bonds payable	77,240,000	1,900,000	-	-	-	79,140,000
Other borrowings	11,266,712	(277,557)	-	-	44,040	11,033,195
Financial liabilities at fair value through profit or loss - bank debentures	2,774,538	1,916,941	-	(1,122)	78,501	4,768,858
Guarantee deposits received	1,921,350	512,049	-	-	74,557	2,507,956
Lease liabilities	1,545,153	(692,368)	118	-	867,649	1,720,552
Other liabilities - other	103,570	(51,620)	-	-	21,948	73,898
	<u>\$ 128,503,080</u>	<u>\$ 7,707,445</u>	<u>\$ 118</u>	<u>\$ (1,122)</u>	<u>\$ 1,096,889</u>	<u>\$ 137,306,410</u>

**53. ADDITIONAL DISCLOSURES**

a. Related information of significant transactions and b. investees:

- 1) Financing provided: TCFHC - none; TCB, UTB, TCBF, and BPCTLI - not applicable; investee company: Table 7 (attached).
- 2) Endorsements/guarantees provided: TCFHC - none; TCB, UTB, TCBF, and BPCTLI - not applicable; investee company: None.
- 3) Significant marketable securities held: TCFHC, TCB, UTB, TCBF, TCS and BPCTLI - not applicable; investee company: Table 8 (attached).
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 10% of the paid-in capital (TCFHC, TCB and UTB disclosed its investments acquired or disposed of): TCS and BPCTLI - not applicable; TCFHC and investee company: Table 9 (attached).
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 10% of the paid-in capital: Table 10 (attached).

- 6) Disposal of individual real estates at costs of at least NT\$300 million or 10% of the paid-in capital: None.
  - 7) Financial asset securitization by subsidiaries: None.
  - 8) Allowance of service fees to related parties amounting to at least NT\$5 million: Table 11 (attached).
  - 9) Sale of nonperforming loans by subsidiaries: Table 12 (attached).
  - 10) Receivables from related parties amounting to at least NT\$300 million or 10% of the paid-in capital: Table 13 (attached).
  - 11) Percentage share in investees and related information: Table 14 (attached).
  - 12) Derivative transactions: Notes 8, 41 and 44 to the consolidated financial statements.
  - 13) Other significant transactions which may affect the decisions of users of financial reports: None.
- c. Investments in Mainland China:
- Based on “Regulations Governing Approvals of Banks to Engage, Ltd. in Financial Activities between the Taiwan Area and the Mainland Area,” Taiwan Cooperative Bank, Ltd. set up the Suzhou Branch, Tianjin Branch, Fuzhou Branch and Changsha Branch; Co-operative Assets Management Co., Ltd. set up Taiwan Cooperative International Leasing Co., Ltd. in Mainland China. This investment has been approved by the Financial Supervisory Commission. The information - major operating items, capital stock, the way of investment, investment inflows and outflows, the holding percentage, the investment income or loss, the carrying amount at period-end, the remitted investment profits and the limit on the amount of investment in Mainland China - can be seen in Table 15 (attached).
- d. Business relationships and significant transactions among the parent company and subsidiaries: Table 16 (attached).
- e. Information on major shareholders: Table 17 (attached).

## 54. OPERATING SEGMENTS

The information reported to the Company’s chief operating decision makers for the assessment of segment performance focuses mainly on business and profit or loss. The Company’s reportable segments are as follows:

- a. TCB business, including deposits, loans, capital, trust, insurance and other businesses;
- b. Other noncore businesses.

The accounting policies of the reportable segments are the same as the Company’s accounting policies described in Note 4. Segment profit is measured at income before income tax, and this measure is reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance. The terms of transactions between segments are similar to those for third parties.

The revenue, expenses and related information of the Company's reportable segments for the years ended December 31, 2025 and 2024 are as follows:

	<b>For the Year Ended December 31, 2025</b>				
	<b>TCB Business</b>	<b>Others</b>	<b>Total</b>	<b>Adjustment and Elimination</b>	<b>Total</b>
Net interest	\$ 33,974,199	\$ 549,385	\$ 34,523,584	\$ 6,988	\$ 34,530,572
Net revenues and gains other than interest	<u>25,168,273</u>	<u>37,420,125</u>	<u>62,588,398</u>	<u>(22,731,345)</u>	<u>39,857,053</u>
Net revenues	59,142,472	37,969,510	97,111,982	(22,724,357)	74,387,625
Bad-debt expenses and provision for losses on commitment and guarantees	(4,348,077)	(289,543)	(4,637,620)	-	(4,637,620)
Net change in reserves for insurance liabilities	-	(10,738,384)	(10,738,384)	-	(10,738,384)
Operating expenses	<u>(29,632,326)</u>	<u>(3,371,180)</u>	<u>(33,003,506)</u>	<u>294,127</u>	<u>(32,709,379)</u>
Income before income tax	<u>\$ 25,162,069</u>	<u>\$ 23,570,403</u>	<u>\$ 48,732,472</u>	<u>\$ (22,430,230)</u>	<u>\$ 26,302,242</u>
	<b>For the Year Ended December 31, 2024</b>				
	<b>TCB Business</b>	<b>Others</b>	<b>Total</b>	<b>Adjustment and Elimination</b>	<b>Total</b>
Net interest	\$ 30,071,441	\$ 94,776	\$ 30,166,217	\$ 7,320	\$ 30,173,537
Net revenues and gains other than interest	<u>27,362,376</u>	<u>29,005,427</u>	<u>56,367,803</u>	<u>(20,717,648)</u>	<u>35,650,155</u>
Net revenues	57,433,817	29,100,203	86,534,020	(20,710,328)	65,823,692
Bad-debt expenses and provision for losses on commitment and guarantees	(5,550,894)	(199,360)	(5,750,254)	-	(5,750,254)
Net change in reserves for insurance liabilities	-	(3,368,758)	(3,368,758)	-	(3,368,758)
Operating expenses	<u>(28,732,576)</u>	<u>(3,292,105)</u>	<u>(32,024,681)</u>	<u>299,262</u>	<u>(31,725,419)</u>
Income before income tax	<u>\$ 23,150,347</u>	<u>\$ 22,239,980</u>	<u>\$ 45,390,327</u>	<u>\$ (20,411,066)</u>	<u>\$ 24,979,261</u>

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES**

**CONSOLIDATED ENTITIES  
DECEMBER 31, 2025 AND 2024**

Subsidiaries included in the consolidated financial statements

Investor Company	Investee Company	Location	Main Business and Products	Percentage of Ownership		Note
				December 31, 2025	December 31, 2024	
Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	Taipei City	Banking	100.00	100.00	
	Co-operative Assets Management Co., Ltd.	Taipei City	Acquisition of delinquent loans	100.00	100.00	
	Taiwan Cooperative Bills Finance Co., Ltd.	Taipei City	Bills finance dealer	100.00	100.00	
	Taiwan Cooperative Securities Co., Ltd.	Taipei City	Securities dealer	100.00	100.00	
	Taiwan Cooperative Securities Investment Trust Co., Ltd.	Taipei City	Securities investment trust	100.00	100.00	
	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taipei City	Life insurance	51.00	51.00	
	Taiwan Cooperative Venture Capital Co., Ltd.	Taipei City	Venture capital	100.00	100.00	
Taiwan Cooperative Bank, Ltd.	United Taiwan Bank S.A.	Belgium	Banking	90.02	90.02	
Co-operative Assets Management Co., Ltd.	Taiwan Cooperative International Leasing Co., Ltd.	Suzhou, China	Leasing	100.00	100.00	
Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Securities Investment Consultant Co., Ltd.	Taipei City	Securities investment consulting business	100.00	100.00	

Subsidiaries not included in the consolidated financial statements

Investor Company	Investee Company	Location	Main Business and Products	Percentage of Ownership		Note
				December 31, 2025	December 31, 2024	
None	-	-	-	-	-	

## TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CAPITAL ADEQUACY RATIO  
DECEMBER 31, 2025 AND 2024

## 1. Taiwan Cooperative Financial Holding Co., Ltd.'s capital adequacy ratio

Unit: In Thousands of New Taiwan Dollars, %

Items Company	December 31, 2025			December 31, 2024		
	Proportionate Share	Group's Net Eligible Capital	Group's Statutory Capital Requirement	Proportionate Share	Group's Net Eligible Capital	Group's Statutory Capital Requirement
Taiwan Cooperative Financial Holding Co., Ltd.		\$ 279,243,840	\$ 329,019,413		\$ 254,038,476	\$ 301,597,060
Taiwan Cooperative Bank, Ltd.	100	364,782,072	238,833,105	100	342,867,011	241,040,218
Taiwan Cooperative Bills Finance Co., Ltd.	100	7,503,047	4,394,219	100	7,105,780	4,061,912
Taiwan Cooperative Securities Co., Ltd.	100	6,214,746	2,231,061	100	5,761,768	1,920,240
Co-operative Assets Management Co., Ltd.	100	3,989,864	6,931,219	100	3,935,538	7,328,279
BNP Paribas Cardif TCB Life Insurance Co., Ltd.	51	5,810,746	566,875	51	6,058,879	942,935
Taiwan Cooperative Securities Investment Trust Co., Ltd.	100	425,386	249,739	100	430,050	246,925
Taiwan Cooperative Venture Capital Co., Ltd.	100	1,774,427	1,057,127	100	1,576,466	912,228
Deduction		(334,976,610)	(328,943,663)		(308,006,204)	(301,473,841)
Total		334,767,518	254,339,095		313,767,764	256,575,956
Group capital adequacy ratio			131.62%			122.29%

Note 1: The above amounts are calculated under the "Regulations Governing the Consolidated Capital Adequacy of Financial Holding Companies."

Note 2: Group capital adequacy ratio = Group's net eligible capital ÷ Group's statutory capital requirement.

(Continued)

2. Taiwan Cooperative Financial Holding Co., Ltd.'s eligible capital

**Unit: In Thousands of New Taiwan Dollars**

Items	December 31, 2025
Common stock	\$ 156,809,369
Capital instruments, which conform to the terms of Bank's other Tier 1 capital	-
Other preferred stocks and subordinated debts	-
Capital collected in advance	-
Capital surplus	45,652,306
Legal reserve	19,737,773
Special reserve	7,899,270
Cumulative earnings	42,866,703
Equity adjustments	6,287,172
Less: Capital deduction	8,753
Total eligible capital	279,243,840

Items	December 31, 2024
Common stock	\$ 152,242,106
Capital instruments, which conform to the terms of Bank's other Tier 1 capital	-
Other preferred stocks and subordinated debts	-
Capital collected in advance	-
Capital surplus	45,652,306
Legal reserve	17,288,787
Special reserve	7,127,657
Cumulative earnings	39,637,838
Equity adjustments	(7,899,270)
Less: Capital deduction	10,948
Total eligible capital	254,038,476

Note: The above amounts are calculated under the "Regulations Governing the Consolidated Capital Adequacy of Financial Holding Companies."

(Continued)

3. Taiwan Cooperative Bank, Ltd.'s capital adequacy ratio

(Unit: In Thousands of New Taiwan Dollars, %)

Items		Year	December 31, 2025	
			Standalone	Consolidated
Eligible capital	Common equity		\$ 281,415,375	\$ 281,524,949
	Other Tier 1 capital		35,690,000	35,690,000
	Tier 2 capital		47,676,697	47,760,760
	Eligible capital		364,782,072	364,975,709
Risk-weighted assets	Credit risk	Standardized approach	2,171,839,732	2,178,564,778
		Internal ratings based approach	-	-
		Securitization	3,079,602	3,079,602
	Operational risk	Basic indicator approach	-	-
		Standardized approach/alternative standardized approach	54,343,346	54,615,472
		Advanced measurement approach	-	-
	Market risk	Standardized approach	45,338,322	45,342,563
		Internal model approach	-	-
	Risk-weighted assets		2,274,601,002	2,281,602,415
	Capital adequacy ratio			16.04
Ratio of the common equity to risk-weighted assets			12.37	12.34
Ratio of Tier 1 capital to risk-weighted assets			13.94	13.90
Ratio of leverage			5.90	5.89

(Unit: In Thousands of New Taiwan Dollars, %)

Items		Year	December 31, 2024	
			Standalone	Consolidated
Eligible capital	Common equity		\$ 259,937,652	\$ 260,044,883
	Other Tier 1 capital		35,690,000	35,690,000
	Tier 2 capital		47,239,359	47,281,531
	Eligible capital		342,867,011	343,016,414
Risk-weighted assets	Credit risk	Standardized approach	2,159,571,459	2,162,945,202
		Internal ratings based approach	-	-
		Securitization	6,148,816	6,148,816
	Operational risk	Basic indicator approach	-	-
		Standardized approach/alternative standardized approach	96,020,823	96,316,781
		Advanced measurement approach	-	-
	Market risk	Standardized approach	33,880,025	33,870,338
		Internal model approach	-	-
	Risk-weighted assets		2,295,621,123	2,299,281,137
	Capital adequacy ratio			14.94
Ratio of the common equity to risk-weighted assets			11.32	11.31
Ratio of Tier 1 capital to risk-weighted assets			12.88	12.86
Ratio of leverage			5.75	5.73

Note 1: Eligible capital, risk-weighted assets and exposure measurement are calculated under the "Regulations Governing the Capital Adequacy Ratio of Banks" and the "Explanation of Methods for Calculating the Eligible Capital and Risk-weighted Assets of Banks."

(Continued)

Note 2: Formulas used were as follows:

- 1) Eligible capital = Common equity + Other Tier 1 capital + Tier 2 capital.
- 2) Risk-weighted assets = Risk-weighted assets for credit risk + Capital requirements for operational risk and market risk x 12.5.
- 3) Capital adequacy ratio = Eligible capital ÷ Risk-weighted assets.
- 4) Ratio of the common equity to risk-weighted assets = Common equity ÷ Risk-weighted assets.
- 5) Ratio of Tier 1 capital to risk-weighted assets = (Common equity + Other Tier 1 capital) ÷ Risk-weighted assets.
- 6) Ratio of leverage = Tier 1 capital ÷ Exposure measurement.

(Concluded)

## TAIWAN COOPERATIVE BANK, LTD.

ASSET QUALITY - NONPERFORMING LOANS AND RECEIVABLES  
DECEMBER 31, 2025 AND 2024  
(In Thousands of New Taiwan Dollars, %)

Period		December 31, 2025					December 31, 2024				
Items		Nonperforming Loans (Note 1)	Loans	Ratio of Nonperforming Loans (Note 2)	Allowance for Credit Losses	Coverage Ratio (Note 3)	Nonperforming Loans (Note 1)	Loans	Ratio of Nonperforming Loans (Note 2)	Allowance for Credit Losses	Coverage Ratio (Note 3)
Corporate banking	Secured	\$ 1,404,865	\$ 814,470,906	0.17	\$ 9,437,856	671.80	\$ 1,974,691	\$ 827,705,765	0.24	\$ 9,110,433	461.36
	Unsecured	625,559	1,147,431,830	0.05	10,407,318	1,663.68	1,009,232	1,139,329,739	0.09	10,379,764	1,028.48
Consumer banking	Housing mortgage (Note 4)	934,498	888,717,909	0.11	13,391,563	1,433.02	603,670	814,126,903	0.07	12,266,801	2,032.04
	Cash card	-	-	-	-	-	-	-	-	-	-
	Small-scale credit loans (Note 5)	47,052	14,695,081	0.32	235,336	500.16	15,348	13,256,233	0.12	185,100	1,206.02
	Other (Note 6)	Secured	1,631,204	275,579,165	0.59	3,674,683	225.27	1,350,058	280,886,874	0.48	3,322,360
Unsecured		42,993	10,045,213	0.43	166,196	386.57	38,173	11,060,398	0.35	169,113	443.02
Loan		4,686,171	3,150,940,104	0.15	37,312,952	796.24	4,991,172	3,086,365,912	0.16	35,433,571	709.92
		Nonperforming Receivables (Note 1)	Receivables	Ratio of Nonperforming Receivables (Note 2)	Allowance for Credit Losses	Coverage Ratio (Note 3)	Nonperforming Receivables (Note 1)	Receivables	Ratio of Nonperforming Receivables (Note 2)	Allowance for Credit Losses	Coverage Ratio (Note 3)
Credit cards		7,043	5,250,621	0.13	50,861	722.15	8,963	5,270,187	0.17	60,251	672.22
Accounts receivable factored without recourse (Note 7)		-	90,443	-	4,860	-	-	97,351	-	7,919	-
Amounts of executed contracts on negotiated debts not reported as nonperforming loans (Note 8)					59				90		
Amounts of executed contracts on negotiated debts not reported as nonperforming receivables (Note 8)					418				729		
Amounts of executed debt-restructuring projects not reported as nonperforming loans (Note 9)					11,514				10,967		
Amounts of executed debt-restructuring projects not reported as nonperforming receivables (Note 9)					51,300				47,479		

Note 1: Nonperforming loans are reported to the authorities and disclosed to the public, as required by the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Nonaccrual Loans." Nonperforming receivables are reported to the authorities and disclosed to the public, as required by the Banking Bureau's letter dated July 6, 2005 (Ref. No. 0944000378).

Note 2: Ratio of nonperforming loans: Nonperforming loans ÷ Outstanding loan balance.  
Ratio of nonperforming receivables: Nonperforming receivables ÷ Outstanding receivable balance.

Note 3: Coverage ratio of loans: Allowance for credit losses for loans ÷ Nonperforming loans.  
Coverage ratio of receivables: Allowance for credit losses for receivables ÷ Nonperforming receivables.

Note 4: The mortgage loan is for house purchase or renovation and is fully secured by housing that is purchased (owned) by the borrower, the spouse or minor children of the borrowers.

Note 5: Based on the Banking Bureau's letter dated December 19, 2005 (Ref. No. 09440010950), small-scale credit loans are unsecured, involve small amounts and exclude credit cards and cash cards.

Note 6: Other consumers banking loans refer to secured or unsecured loans that exclude housing mortgage, cash and credit cards, and small-scale credit loans.

Note 7: As required by the Banking Bureau in its letter dated July 19, 2005 (Ref. No. 0945000494), accounts receivable factored without recourse are reported as nonperforming receivables within three months after the factors or insurance companies refuse to indemnify banks for any liabilities on these accounts.

Note 8: Amounts of executed contracts on negotiated debts that are not reported as nonperforming loans or receivables are disclosed to the public in accordance with the Banking Bureau's letter dated April 25, 2006 (Ref. No. 09510001270).

Note 9: Amounts of executed debt-restructuring projects not reported as nonperforming loans or receivables are disclosed to the public in accordance with the Banking Bureau's letter dated September 15, 2008 (Ref. No. 09700318940) and letter dated September 20, 2016 (Ref. No. 10500134790).

## TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

TCFHC'S FINANCIAL STATEMENTS AND CONDENSED BALANCE SHEETS AND STATEMENTS OF COMPREHENSIVE INCOME  
OF SUBSIDIARIES  
DECEMBER 31, 2025 AND 2024

## 1. TCFHC's financial statements

## Taiwan Cooperative Financial Holding Co., Ltd.

Balance Sheets  
December 31, 2025 and 2024  
(In Thousands of New Taiwan Dollars)

Assets	2025	2024	Liabilities and Equity	2025	2024
Cash and cash equivalents	\$ 57,679	\$ 75,377	<u>Liabilities</u>		
Financial assets at fair value through other comprehensive income	-	14,950	Commercial paper issued, net	\$ 31,188,517	\$ 23,398,101
Receivables	351	352	Payables	589,971	539,514
Current tax assets	4,545,471	2,676,390	Current tax liabilities	4,639,948	3,281,791
Investments accounted for using equity method	328,943,663	301,473,841	Bonds payable	17,900,000	20,000,000
Properties and equipment, net	16,380	18,575	Other borrowings	-	3,000,000
Right-of-use assets, net	49,862	80,025	Other financial liabilities	2,030	2,767
Intangible assets	8,444	10,609	Lease liabilities	52,599	83,115
Deferred tax assets	309	339	Other liabilities	<u>5,658</u>	<u>5,063</u>
Other assets	<u>9,157</u>	<u>9,317</u>	Total liabilities	<u>54,378,723</u>	<u>50,310,351</u>
			<u>Equity</u>		
			Capital stock	156,809,369	152,242,106
			Capital surplus	45,652,306	45,652,306
			Retained earnings	70,503,746	64,054,282
			Other equity	<u>6,287,172</u>	<u>(7,899,270)</u>
			Total equity	<u>279,252,593</u>	<u>254,049,424</u>
Total	<u>\$ 333,631,316</u>	<u>\$ 304,359,775</u>	Total	<u>\$ 333,631,316</u>	<u>\$ 304,359,775</u>

(Continued)

**Taiwan Cooperative Financial Holding Co., Ltd.**

**Statements of Comprehensive Income**  
**For the Years Ended December 31, 2025 and 2024**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<b>2025</b>	<b>2024</b>
Revenues and gains		
Share of gains of subsidiaries, associates and joint ventures accounted for using equity method	\$ 22,285,964	\$ 20,410,144
Other revenues and gains	<u>8,260</u>	<u>7,534</u>
Total revenues and gains	<u>22,294,224</u>	<u>20,417,678</u>
Expenses and losses		
Operating expenses	(296,819)	(276,973)
Other expenses and losses	<u>(539,403)</u>	<u>(502,655)</u>
Total expenses and losses	<u>(836,222)</u>	<u>(779,628)</u>
Income before income tax	21,458,002	19,638,050
Income tax expense	<u>(163,231)</u>	<u>(418,111)</u>
Net income	21,294,771	19,219,939
Other comprehensive income	<u>14,565,345</u>	<u>4,962,926</u>
Total comprehensive income	<u>\$ 35,860,116</u>	<u>\$ 24,182,865</u>
Earnings per share (New Taiwan dollars)		
Basic	<u>\$1.36</u>	<u>\$1.23</u>
Diluted	<u>\$1.36</u>	<u>\$1.23</u>

(Continued)

Taiwan Cooperative Financial Holding Co., Ltd.

Statements of Changes in Equity  
For the Years Ended December 31, 2025 and 2024  
(In Thousands of New Taiwan Dollars)

	Capital Stock		Retained Earnings			Exchange Differences on the Translation of Financial Statements of Foreign Operations	Other Equity			Total Equity	
	Shares (In Thousands)	Common Stock	Capital Surplus	Legal Reserve	Special Reserve		Unappropriated Earnings	Unrealized Valuation Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Change in the Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities Designated as at Fair Value Through Profit or Loss		Other Comprehensive Income on Reclassification of Overlay Approach
	BALANCE AT JANUARY 1, 2024	14,709,382	\$ 147,093,822	\$ 45,650,280	\$ 15,582,312		\$ 21,509,719	\$ 17,181,771	\$ (578,527)		\$ (6,593,434)
Impact of initial application of IAS 29	-	-	-	-	-	(464,617)	-	-	-	-	(464,617)
Unclaimed dividends	-	-	2,026	-	-	-	-	-	-	-	2,026
Appropriation of the 2023 earnings											
Legal reserve	-	-	-	1,706,475	-	(1,706,475)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(9,561,098)	-	-	-	-	(9,561,098)
Stock dividends	514,828	5,148,284	-	-	-	(5,148,284)	-	-	-	-	-
Reversal of special reserve	-	-	-	-	(14,382,062)	14,382,062	-	-	-	-	-
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	4,963,274	-	(4,963,274)	-	-	-
Transfer of changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss upon derecognition	-	-	-	-	-	511	-	-	(511)	-	-
Total comprehensive income											
Net income for the year ended December 31, 2024	-	-	-	-	-	19,219,939	-	-	-	-	19,219,939
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	770,755	2,878,080	1,355,976	1,122	(43,007)	4,962,926
Total comprehensive income for the year ended December 31, 2024	-	-	-	-	-	19,990,694	2,878,080	1,355,976	1,122	(43,007)	24,182,865
BALANCE AT DECEMBER 31, 2024	15,224,210	152,242,106	45,652,306	17,288,787	7,127,657	39,637,838	2,299,553	(10,200,732)	(12,403)	14,312	254,049,424
Appropriation of the 2024 earnings											
Legal reserve	-	-	-	2,448,986	-	(2,448,986)	-	-	-	-	-
Cash dividends	-	-	-	-	771,613	(771,613)	-	-	-	-	-
Stock dividends	-	-	-	-	-	(10,656,947)	-	-	-	-	(10,656,947)
Reversal of special reserve	456,726	4,567,263	-	-	-	(4,567,263)	-	-	-	-	-
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(38,799)	-	38,799	-	-	-
Transfer of changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss upon derecognition	-	-	-	-	-	8,181	-	-	(8,181)	-	-
Total comprehensive income											
Net income for the year ended December 31, 2025	-	-	-	-	-	21,294,771	-	-	-	-	21,294,771
Other comprehensive income for the year ended December 31, 2025	-	-	-	-	-	409,521	(1,381,386)	15,675,325	(5,449)	(132,666)	14,565,345
Total comprehensive income for the year ended December 31, 2025	-	-	-	-	-	21,704,292	(1,381,386)	15,675,325	(5,449)	(132,666)	35,860,116
BALANCE AT DECEMBER 31, 2025	15,680,936	\$ 156,809,369	\$ 45,652,306	\$ 19,737,773	\$ 7,899,270	\$ 42,866,703	\$ 918,167	\$ 5,513,392	\$ (26,033)	\$ (118,354)	\$ 279,252,593

(Continued)

**Taiwan Cooperative Financial Holding Co., Ltd.**

**Statements of Cash Flows**  
**For the Years Ended December 31, 2025 and 2024**  
(In Thousands of New Taiwan Dollars)

	<b>2025</b>	<b>2024</b>
Cash flows from operating activities		
Income before income tax	\$ 21,458,002	\$ 19,638,050
Adjustments for:		
Share of gains of subsidiaries, associates and joint ventures accounted for using equity method	(22,285,964)	(20,410,144)
Depreciation and amortization expenses	40,932	40,591
Interest expense	539,403	502,655
Interest revenue	(1,163)	(1,717)
Net changes in operating assets and liabilities		
Decrease in financial assets at fair value through other comprehensive income	8,926	-
Decrease in receivables	1	9
Decrease in other assets	160	259
Increase in payables	56,623	49,967
Increase (decrease) in other liabilities	<u>595</u>	<u>(3,211)</u>
Cash used in operations	(182,485)	(183,541)
Interest received	1,163	1,717
Dividends received	9,387,511	8,566,650
Interest paid	(554,173)	(488,313)
Income tax (paid) refunded	<u>(674,125)</u>	<u>144,006</u>
Net cash generated from operating activities	<u>7,977,891</u>	<u>8,040,519</u>
Cash flows from investing activities		
Acquisition of properties and equipment	(4,015)	(12,953)
Acquisition of intangible assets	<u>(2,222)</u>	<u>(977)</u>
Net cash used in investing activities	<u>(6,237)</u>	<u>(13,930)</u>
Cash flows from financing activities		
Increase in commercial paper issued	7,800,000	3,890,000
Repayment of bonds payable	(2,100,000)	-
Decrease in other borrowings	(3,000,000)	(2,300,000)
Decrease in guarantee deposits received	(737)	(775)
Repayments of the principal portion of lease liabilities	(31,668)	(30,957)
Dividends paid	<u>(10,656,947)</u>	<u>(9,561,098)</u>
Net cash used in financing activities	<u>(7,989,352)</u>	<u>(8,002,830)</u>
Net (decrease) increase in cash and cash equivalents	(17,698)	23,759
Cash and cash equivalents, beginning of the year	<u>75,377</u>	<u>51,618</u>
Cash and cash equivalents, end of the year	<u>\$ 57,679</u>	<u>\$ 75,377</u>

(Continued)

## 2. Subsidiaries' condensed balance sheets

### Taiwan Cooperative Bank, Ltd.

#### Condensed Balance Sheets December 31, 2025 and 2024 (In Thousands of New Taiwan Dollars)

Assets	2025	2024	Liabilities and Equity	2025	2024
Cash and cash equivalents	\$ 69,943,156	\$ 78,908,785	<u>Liabilities</u>		
Due from the Central Bank and call loans to other banks	429,817,685	400,221,343	Deposits from the Central Bank and other banks	\$ 498,812,103	\$ 430,211,992
Financial assets at fair value through profit or loss	137,187,255	98,830,925	Financial liabilities at fair value through profit or loss	4,759,110	5,198,031
Financial assets at fair value through other comprehensive income	474,995,273	455,733,151	Securities sold under repurchase agreements	7,707,127	8,606,119
Investments in debt instruments at amortized cost	826,672,103	749,673,663	Payables	39,407,661	38,759,164
Receivables, net	22,882,743	24,632,132	Current tax liabilities	2,254,883	417,586
Current tax assets	2,513,952	3,547,836	Deposits and remittances	4,202,655,877	4,085,969,127
Discounts and loans, net	3,113,218,030	3,050,451,241	Bank debentures	60,240,000	59,140,000
Investments accounted for using equity method	2,688,883	2,363,231	Other financial liabilities	2,860,805	2,396,314
Other financial assets, net	7,747,528	8,586,033	Provisions	5,906,751	5,251,447
Properties and equipment, net	30,835,847	31,328,061	Lease liabilities	1,558,503	1,686,316
Right-of-use assets, net	1,594,036	1,730,204	Deferred tax liabilities	5,382,861	5,484,374
Investment properties, net	7,850,595	7,635,080	Other liabilities	1,147,387	871,425
Intangible assets	4,715,299	4,728,215	Total liabilities	<u>4,832,693,068</u>	<u>4,643,991,895</u>
Deferred tax assets	941,912	1,079,563	<u>Equity</u>		
Other assets, net	<u>2,375,455</u>	<u>1,691,577</u>	Capital stock	130,694,300	122,988,300
			Capital surplus	58,767,245	58,767,245
			Retained earnings	107,585,420	102,499,507
			Other equity	6,239,719	(7,105,907)
			Total equity	<u>303,286,684</u>	<u>277,149,145</u>
Total	<u>\$ 5,135,979,752</u>	<u>\$ 4,921,141,040</u>	Total	<u>\$ 5,135,979,752</u>	<u>\$ 4,921,141,040</u>

### Taiwan Cooperative Bills Finance Co., Ltd.

#### Condensed Balance Sheets December 31, 2025 and 2024 (In Thousands of New Taiwan Dollars)

Assets	2025	2024	Liabilities and Equity	2025	2024
Cash and cash equivalents	\$ 280,688	\$ 205,700	<u>Liabilities</u>		
Financial assets at fair value through profit or loss	43,883,638	48,598,518	Call loans from banks	\$ 8,241,560	\$ 7,740,000
Financial assets at fair value through other comprehensive income	23,076,777	20,802,628	Financial liabilities at fair value through profit or loss	4,727	6,140
Investments in debt instruments at amortized cost	1,426,133	1,429,520	Securities sold under repurchase agreements	53,421,138	56,795,155
Receivables, net	842,405	827,478	Payables	155,607	145,775
Current tax assets	16,364	48,498	Provisions	493,485	396,580
Other financial assets, net	260,200	240,200	Lease liabilities	21,475	30,364
Properties and equipment, net	19,366	18,999	Other liabilities	20,306	21,095
Right-of-use assets, net	20,725	29,684	Total liabilities	<u>62,358,298</u>	<u>65,135,109</u>
Intangible assets, net	4,774	3,317	<u>Equity</u>		
Deferred tax assets	1,285	2,280	Capital stock	4,877,740	4,877,740
Other assets, net	<u>294,727</u>	<u>286,903</u>	Capital surplus	312,633	312,633
			Retained earnings	2,248,862	2,147,336
			Other equity	329,549	20,907
			Total equity	<u>7,768,784</u>	<u>7,358,616</u>
Total	<u>\$ 70,127,082</u>	<u>\$ 72,493,725</u>	Total	<u>\$ 70,127,082</u>	<u>\$ 72,493,725</u>

(Continued)

**Taiwan Cooperative Securities Co., Ltd.**

**Condensed Balance Sheets  
December 31, 2025 and 2024  
(In Thousands of New Taiwan Dollars)**

<b>Assets</b>	<b>2025</b>	<b>2024</b>	<b>Liabilities and Equity</b>	<b>2025</b>	<b>2024</b>
Current assets	\$ 33,156,376	\$ 27,745,018	<u>Liabilities</u>		
Financial assets at fair value through other comprehensive income	48,740	42,103	Current liabilities	\$ 27,074,860	\$ 22,148,367
Investments accounted for using the equity method	56,973	51,346	Lease liabilities	168,456	59,377
Properties and equipment, net	96,542	97,338	Deferred tax liabilities	-	1,306
Right-of-use assets, net	166,986	57,899	Other liabilities	<u>5,612</u>	<u>6,169</u>
Intangible assets	69,628	64,939	Total liabilities	<u>27,248,928</u>	<u>22,215,219</u>
Deferred tax assets	16,486	17,957	<u>Equity</u>		
Other assets	<u>442,282</u>	<u>421,323</u>	Capital stock	5,206,131	5,206,131
			Capital surplus	294,440	294,440
			Retained earnings	1,402,992	1,084,626
			Other equity	<u>(98,478)</u>	<u>(302,493)</u>
			Total equity	<u>6,805,085</u>	<u>6,282,704</u>
Total	<u>\$ 34,054,013</u>	<u>\$ 28,497,923</u>	Total	<u>\$ 34,054,013</u>	<u>\$ 28,497,923</u>

**Co-operative Assets Management Co., Ltd.**

**Condensed Balance Sheets  
December 31, 2025 and 2024  
(In Thousands of New Taiwan Dollars)**

<b>Assets</b>	<b>2025</b>	<b>2024</b>	<b>Liabilities and Equity</b>	<b>2025</b>	<b>2024</b>
Current assets	\$ 69,663	\$ 178,656	<u>Liabilities</u>		
Financial assets at fair value through other comprehensive income	-	14,950	Current liabilities	\$ 9,635,383	\$ 10,471,406
Accounts receivable, net	2,300,177	4,296,688	Lease liabilities	34,381	41,773
Investments accounted for using the equity method	1,264,498	1,258,706	Deferred tax liabilities	86,689	86,786
Properties and equipment, net	20,781	15,364	Other liabilities	<u>116,121</u>	<u>121,054</u>
Investment properties, net	4,897,868	4,924,166	Total liabilities	<u>9,872,574</u>	<u>10,721,019</u>
Right-of-use assets, net	33,874	41,677	<u>Equity</u>		
Intangible assets	2,292	3,072	Capital stock	3,140,875	3,140,875
Deferred tax assets	244,601	217,746	Capital surplus	2,553	2,553
Long-term lease payment receivable	406,253	257,985	Retained earnings	903,133	862,490
Long-term urban regeneration advance payment	4,611,960	3,435,046	Other equity	<u>(56,697)</u>	<u>(70,380)</u>
Other assets	<u>10,471</u>	<u>12,501</u>	Total equity	<u>3,989,864</u>	<u>3,935,538</u>
Total	<u>\$ 13,862,438</u>	<u>\$ 14,656,557</u>	Total	<u>\$ 13,862,438</u>	<u>\$ 14,656,557</u>

(Continued)

**BNP Paribas Cardif TCB Life Insurance Co., Ltd.**

**Condensed Balance Sheets  
December 31, 2025 and 2024  
(In Thousands of New Taiwan Dollars)**

<b>Assets</b>	<b>2025</b>	<b>2024</b>	<b>Liabilities and Equity</b>	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ 4,933,960	\$ 3,140,709	<u>Liabilities</u>		
Receivables	1,294,380	1,190,879	Payables	\$ 2,082,422	\$ 1,482,307
Current tax assets	-	117,564	Current tax liabilities	53,624	-
Investments	48,864,207	39,291,784	Financial liabilities at fair value		
Reinsurance assets	493,996	216,517	through profit or loss	549,534	205,431
Equipment, net	276,811	185,247	Lease liabilities	49,071	68,797
Right-of-use assets, net	44,441	63,533	Insurance liabilities	42,381,616	32,172,620
Deferred tax assets	-	123,637	Reserve for insurance contracts		
Other assets	1,532,143	1,311,400	with financial instruments		
Separate-account assets	<u>63,382,420</u>	<u>79,800,216</u>	features	10,724	10,749
			Reserve of foreign exchange		
			variation	414,010	11,782
			Deferred tax liabilities	56,589	182,714
			Other liabilities	396,422	360,523
			Separate-account liabilities	<u>63,382,420</u>	<u>79,800,216</u>
			Total liabilities	<u>109,376,432</u>	<u>114,295,139</u>
			<u>Equity</u>		
			Capital stock	6,881,166	6,881,166
			Capital surplus	9,310	9,310
			Retained earnings	4,807,614	5,103,920
			Other equity	<u>(252,164)</u>	<u>(848,049)</u>
			Total equity	<u>11,445,926</u>	<u>11,146,347</u>
Total	<u>\$ 120,822,358</u>	<u>\$ 125,441,486</u>	Total	<u>\$ 120,822,358</u>	<u>\$ 125,441,486</u>

**Taiwan Cooperative Securities Investment Trust Co., Ltd.**

**Condensed Balance Sheets  
December 31, 2025 and 2024  
(In Thousands of New Taiwan Dollars)**

<b>Assets</b>	<b>2025</b>	<b>2024</b>	<b>Liabilities and Equity</b>	<b>2025</b>	<b>2024</b>
Current assets	\$ 408,440	\$ 423,827	<u>Liabilities</u>		
Financial assets at fair value			Current liabilities	\$ 48,978	\$ 57,843
through other			Lease liabilities	24,815	5,739
comprehensive income	3,957	3,433	Other liabilities	<u>310</u>	<u>309</u>
Properties and equipment,			Total liabilities	<u>74,103</u>	<u>63,891</u>
net	2,582	3,483	<u>Equity</u>		
Right-of-use assets	24,692	5,525	Capital stock	319,498	319,498
Intangible assets	1,747	1,286	Capital surplus	72,860	72,860
Prepaid equipment	1,592	167	Retained earnings	31,345	36,533
Other assets	<u>56,479</u>	<u>56,220</u>	Other equity	<u>1,683</u>	<u>1,159</u>
			Total equity	<u>425,386</u>	<u>430,050</u>
Total	<u>\$ 499,489</u>	<u>\$ 493,941</u>	Total	<u>\$ 499,489</u>	<u>\$ 493,941</u>

(Continued)

**Taiwan Cooperative Venture Capital Co., Ltd.**

**Condensed Balance Sheets**  
**December 31, 2025 and 2024**  
**(In Thousands of New Taiwan Dollars)**

<b>Assets</b>	<b>2025</b>	<b>2024</b>	<b>Liabilities and Equity</b>	<b>2025</b>	<b>2024</b>
Current assets	\$ 871,256	\$ 711,981	<u>Liabilities</u>		
Financial assets at fair value through profit or loss - noncurrent	1,231,589	1,096,198	Current liabilities	\$ 329,270	\$ 234,572
Properties and equipment, net	3,608	4,821	Lease liabilities	7,476	11,108
Right-of-use assets	7,294	10,947	Other liabilities	<u>3,089</u>	<u>2,319</u>
Intangible assets	4	7	Total liabilities	<u>339,835</u>	<u>247,999</u>
Other assets	<u>511</u>	<u>511</u>	<u>Equity</u>		
			Capital stock	1,513,958	1,349,269
			Retained earnings	<u>260,469</u>	<u>227,197</u>
			Total equity	<u>1,774,427</u>	<u>1,576,466</u>
Total	<u>\$ 2,114,262</u>	<u>\$ 1,824,465</u>	Total	<u>\$ 2,114,262</u>	<u>\$ 1,824,465</u>

3. Subsidiaries' condensed statements of comprehensive income

**Taiwan Cooperative Bank, Ltd.**

**Condensed Statements of Comprehensive Income**  
**For the Years Ended December 31, 2025 and 2024**  
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	<b>2025</b>	<b>2024</b>
Interest revenues	\$ 106,261,153	\$ 103,660,902
Less: Interest expenses	<u>(72,286,954)</u>	<u>(73,589,461)</u>
Net interest	33,974,199	30,071,441
Net revenues and gains other than interest	<u>25,168,273</u>	<u>27,362,376</u>
Total net revenues	59,142,472	57,433,817
Bad-debt expenses and provision for losses on commitment and guarantees	(4,348,077)	(5,550,894)
Operating expenses	<u>(29,632,326)</u>	<u>(28,732,576)</u>
Income before income tax	25,162,069	23,150,347
Income tax expense	<u>(4,363,607)</u>	<u>(4,197,559)</u>
Net income	20,798,462	18,952,788
Other comprehensive income	<u>13,750,077</u>	<u>4,906,743</u>
Total comprehensive income	<u>\$ 34,548,539</u>	<u>\$ 23,859,531</u>
Earnings per share (NT\$)		
Basic	<u>\$1.59</u>	<u>\$1.45</u>

(Continued)

**Taiwan Cooperative Bills Finance Co., Ltd.**

**Condensed Statements of Comprehensive Income  
For the Years Ended December 31, 2025 and 2024  
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)**

	<b>2025</b>	<b>2024</b>
Net interest	\$ 345,579	\$ 154,799
Net revenues and gains other than interest	<u>345,479</u>	<u>101,863</u>
Total net revenues	691,058	256,662
(Impairment losses) reversal of allowance for credit losses and provision	(72,419)	37,706
Operating expenses	<u>(197,045)</u>	<u>(170,782)</u>
Income before income tax	421,594	123,586
Income tax expense	<u>(94,952)</u>	<u>(58,514)</u>
Net income	326,642	65,072
Other comprehensive income	<u>309,744</u>	<u>216,323</u>
Total comprehensive income	<u>\$ 636,386</u>	<u>\$ 281,395</u>
Earnings per share (NT\$)		
Basic	<u>\$0.67</u>	<u>\$0.13</u>

**Taiwan Cooperative Securities Co., Ltd.**

**Condensed Statements of Comprehensive Income  
For the Years Ended December 31, 2025 and 2024  
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)**

	<b>2025</b>	<b>2024</b>
Revenues	\$ 2,166,576	\$ 2,192,907
Service charge	(112,527)	(121,574)
Other operating costs	(350,775)	(618,729)
Employee benefits	(671,374)	(637,346)
Other operating expenses	(493,599)	(506,960)
Other gains and losses	<u>(7,884)</u>	<u>42,036</u>
Income before income tax	530,417	350,334
Income tax expense	<u>(102,753)</u>	<u>(134,644)</u>
Net income	427,664	215,690
Other comprehensive income	<u>209,514</u>	<u>115,816</u>
Total comprehensive income	<u>\$ 637,178</u>	<u>\$ 331,506</u>
Earnings per share (NT\$)		
Basic	<u>\$0.82</u>	<u>\$0.41</u>

(Continued)

**Co-operative Assets Management Co., Ltd.**

**Condensed Statements of Comprehensive Income  
For the Years Ended December 31, 2025 and 2024  
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)**

	<b>2025</b>	<b>2024</b>
Operating revenues	\$ 1,139,488	\$ 1,000,587
Operating expenses	<u>(489,674)</u>	<u>(335,399)</u>
Operating benefits	649,814	665,188
Non-operating gains and losses	<u>(157,062)</u>	<u>(199,619)</u>
Income before income tax	492,752	465,569
Income tax expense	<u>(113,017)</u>	<u>(106,660)</u>
Net income	379,735	358,909
Other comprehensive income	<u>(2,391)</u>	<u>34,956</u>
 Total comprehensive income	 <u>\$ 377,344</u>	 <u>\$ 393,865</u>
 Earnings per share (NT\$)		
Basic	<u>\$1.21</u>	<u>\$1.14</u>

**BNP Paribas Cardif TCB Life Insurance Co., Ltd.**

**Condensed Statements of Comprehensive Income  
For the Years Ended December 31, 2025 and 2024  
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)**

	<b>2025</b>	<b>2024</b>
Operating revenues	\$ 20,452,765	\$ 16,191,439
Operating costs	(19,380,900)	(13,903,021)
Operating expenses	(825,650)	(859,885)
Non-operating gains and losses	<u>-</u>	<u>3,599</u>
Income before income tax	246,215	1,432,132
Income tax expense	<u>35,497</u>	<u>(229,239)</u>
Net income	281,712	1,202,893
Other comprehensive income	<u>595,885</u>	<u>(610,270)</u>
 Total comprehensive income	 <u>\$ 877,597</u>	 <u>\$ 592,623</u>
 Earnings per share (NT\$)		
Basic	<u>\$0.41</u>	<u>\$1.75</u>

(Continued)

**Taiwan Cooperative Securities Investment Trust Co., Ltd.**

**Condensed Statements of Comprehensive Income  
For the Years Ended December 31, 2025 and 2024  
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)**

	<b>2025</b>	<b>2024</b>
Operating revenues	\$ 284,161	\$ 294,546
Operating expenses	<u>(274,858)</u>	<u>(280,230)</u>
Operating income	9,303	14,316
Non-operating gains and losses	<u>6,409</u>	<u>5,338</u>
Income before income tax	15,712	19,654
Income tax expense	<u>(3,211)</u>	<u>-</u>
Net income	12,501	19,654
Other comprehensive income	<u>524</u>	<u>376</u>
 Total comprehensive income	 <u>\$ 13,025</u>	 <u>\$ 20,030</u>
 Earnings per share (NT\$)		
Basic	<u>\$0.39</u>	<u>\$0.62</u>

**Taiwan Cooperative Venture Capital Co., Ltd.**

**Condensed Statements of Comprehensive Income  
For the Years Ended December 31, 2025 and 2024  
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)**

	<b>2025</b>	<b>2024</b>
Operating revenues	\$ 275,861	\$ 240,888
Operating expenses	<u>(59,345)</u>	<u>(55,773)</u>
Operating income	216,516	185,115
Non-operating gains and losses	<u>(6,287)</u>	<u>(409)</u>
Income before income tax	210,229	184,706
Income tax expense	<u>(12,268)</u>	<u>(1,718)</u>
Net income	197,961	182,988
Other comprehensive income	<u>-</u>	<u>-</u>
 Total comprehensive income	 <u>\$ 197,961</u>	 <u>\$ 182,988</u>
 Earnings per share (NT\$)		
Basic	<u>\$1.31</u>	<u>\$1.21</u>

(Concluded)

TABLE 5

## TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

**BUSINESS SEGMENT FINANCIAL INFORMATION**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
(In Thousands of New Taiwan Dollars)

Business Segment Items	For the Year Ended December 31, 2025					
	Banking	Bill Finance	Security	Insurance	Others	Consolidated
Net interest	\$ 34,228,822	\$ (547,320)	\$ 179,086	\$ 1,289,870	\$ (619,886)	\$ 34,530,572
Net revenues and gains other than interest	23,036,380	1,277,590	1,516,280	12,326,190	1,700,613	39,857,053
Total net revenues	57,265,202	730,270	1,695,366	13,616,060	1,080,727	74,387,625
Bad-debt expenses and provision for losses on commitment and guarantees	(4,372,885)	(72,419)	975	-	(193,291)	(4,637,620)
Net change in reserves for insurance liabilities	-	-	-	(10,738,384)	-	(10,738,384)
Operating expenses	(29,710,111)	(188,259)	(1,037,318)	(848,041)	(925,650)	(32,709,379)
Income before income tax	23,182,206	469,592	659,023	2,029,635	(38,214)	26,302,242
Income tax expenses	(4,398,347)	(94,952)	(102,753)	35,497	(293,832)	(4,854,387)
Net income	18,783,859	374,640	556,270	2,065,132	(332,046)	21,447,855

Business Segment Items	For the Year Ended December 31, 2024					
	Banking	Bill Finance	Security	Insurance	Others	Consolidated
Net interest	\$ 30,348,304	\$ (607,670)	\$ 21,639	\$ 1,016,033	\$ (604,769)	\$ 30,173,537
Net revenues and gains other than interest	25,839,447	901,600	1,485,972	5,844,429	1,578,707	35,650,155
Total net revenues	56,187,751	293,930	1,507,611	6,860,462	973,938	65,823,692
Bad-debt expenses and provision for losses on commitment and guarantees	(5,660,804)	37,706	(4,198)	-	(122,958)	(5,750,254)
Net change in reserves for insurance liabilities	-	-	-	(3,368,758)	-	(3,368,758)
Operating expenses	(28,800,416)	(161,893)	(1,029,975)	(874,939)	(858,196)	(31,725,419)
Income before income tax	21,726,531	169,743	473,438	2,616,765	(7,216)	24,979,261
Income tax expenses	(4,219,967)	(58,514)	(134,644)	(229,239)	(527,636)	(5,170,000)
Net income	17,506,564	111,229	338,794	2,387,526	(534,852)	19,809,261

**TABLE 6****TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND  
SUBSIDIARIES****DISCLOSURE REQUIRED UNDER ARTICLE 46 OF THE FINANCIAL HOLDING COMPANY ACT  
DECEMBER 31, 2025 AND 2024  
(In Thousands of New Taiwan Dollars, %)**

December 31, 2025

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
1. Same person		
Central Bank of the Republic of China (ROC)	\$ 539,768,818	193.29
National Treasury Administration, ROC	385,382,630	138.01
Tai Power Co., Ltd.	220,933,782	79.12
CPC Corporation, Taiwan	86,005,709	30.80
Financial Bureau, Kaohsiung City Government	71,448,106	25.59
New Taipei City Government	69,109,389	24.75
Central Taiwan Science Park Bureau, NSTC	55,000,000	19.70
United States Treasury	32,428,175	11.61
Taiwan High Speed Rail Corp.	31,588,542	11.31
Southern Taiwan Science Park Bureau, NSTC	30,000,000	10.74
Kaohsiung Rapid Transit Corp.	27,075,565	9.70
Hon Hai Precision Co., Ltd.	25,695,180	9.20
Land Administration Bureau, Kaohsiung City Government	25,526,283	9.14
Taiwan Semiconductor Manufacturing Co., Ltd.	23,868,196	8.55
Taoyuan City Government	17,900,000	6.41
Railway Bureau, MOTC	17,493,631	6.26
Government National Mortgage Association	17,197,871	6.16
Taichung City Government	15,070,264	5.40
Transportation Bureau of Kaohsiung City Government	12,125,500	4.34
China Steel Corp.	9,936,009	3.56
Federal Home Loan Mortgage Corp.	9,485,864	3.40
CSBC Corporation, Taiwan	9,198,934	3.29
Nan Ya Plastics Corp.	8,758,993	3.14
Aerospace Industrial Development Corp.	8,721,495	3.12
AU Optronics Co., Ltd.	8,523,667	3.05
Powerchip Semiconductor Manufacturing Corp.	8,414,763	3.01
Quanta Computer Inc.	8,291,028	2.97
Formosa Plastics Corp.	7,924,771	2.84
FED NTL MORTGAGE ASSN (FANNIE MAE)	7,024,597	2.52
Hotai Finance Co., Ltd.	6,905,666	2.47
National Housing and Urban Regeneration Center	6,878,911	2.46

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Chailease Finance Co., Ltd.	\$ 6,850,721	2.45
Da-Li Development Co, Ltd.	6,765,182	2.42
Golden Supreme International Limited	6,760,675	2.42
Highwealth Construction Co., Ltd.	6,507,365	2.33
Yien United Steel Corp.	6,405,444	2.29
STARLUX Airlines CO., LTD.	5,973,546	2.14
Ruen Chen Investment Holding Co., Ltd.	5,952,000	2.13
Far Eastern New Century Corp.	5,526,903	1.98
Macronix International Co., Ltd.	5,489,285	1.97
Chang Hwa Commercial Bank, Ltd.	5,399,865	1.93
Uni-President Enterprises Corp.	5,320,546	1.91
Formosa Ha Tinh (Cayman) Limited Client A	5,151,005	1.84
Taiwan Water Corporation	5,012,000	1.79
Wt Microelectronics Co., Ltd.	5,000,000	1.79
Emirates Bank	4,990,100	1.79
Johnson Health Tech. Co., Ltd.	4,942,442	1.77
Cathay Financial Holdings Co., Ltd.	4,797,500	1.72
Taiwan Railway Corporation	4,730,675	1.69
Chung Hsin Electric & Machinery Manufacturing Corp.	4,728,794	1.69
Mercedes-Benz Financial Services Taiwan Ltd.	4,658,092	1.67
ChipMOS Technologies Inc.	4,400,000	1.58
Clevo Corp.	4,398,708	1.58
China Airlines	4,368,000	1.56
Farglory Land Development Co., Ltd.	4,306,131	1.54
FCF Co., Ltd.	4,215,280	1.51
Kuang Tian General Hospital	4,208,640	1.51
Winbond Electronics Corp.	4,200,000	1.50
Eva Airways Corporation	4,154,409	1.49
Yung Ching Construction Co., Ltd.	4,128,304	1.48
Bank of Montreal, Toronto	4,111,555	1.47
Prosperity Tieh Enterprise Co., Ltd.	4,110,422	1.47
Adata Technology Co., Ltd.	4,086,559	1.46
ASE Technology Holding Co., Ltd.	4,028,705	1.44
Tainan City Government	4,020,594	1.44
Tang Eng Iron Works Co., Ltd.	4,000,000	1.43
Economic Development Bureau, Kaohsiung City Government	3,970,829	1.42
Citigroup Global Markets Holdings Inc.	3,932,498	1.41
China Steel Power Corp.	3,930,625	1.41
Silicon Application Corp.	3,924,948	1.41
Yageo Corporation	3,811,409	1.36
Barclays Bank Plc., London	3,777,343	1.35
Reliance Industries Limited	3,774,138	1.35
Huang Hsiang Construction Corp.	3,708,328	1.33
Formosa Petrochemical Corp.	3,703,341	1.33
Acer Incorporated	3,699,207	1.32
	3,672,459	1.32

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Kookmin Bank Co Ltd	\$ 3,616,300	1.29
U-Ming Marine Transport Corp.	3,598,799	1.29
Asia Vital Components Co., Ltd.	3,587,925	1.28
National Australia Bank Ltd.	3,515,015	1.26
Kai Tai Fung International Co., Ltd.	3,506,260	1.26
United Microelectronics Corp.	3,500,000	1.25
Unimicron Technology Corp.	3,488,112	1.25
CREDIT AGRICOLE CIB, PARIS	3,419,392	1.22
Societe Generale SA	3,418,972	1.22
Chungwha Construction Corp.	3,416,777	1.22
Standard Chartered Bank, London	3,378,823	1.21
Kingdom of Saudi Arabia	3,358,664	1.20
San Miguel Corporation	3,348,893	1.20
Macquarie Group Limited	3,316,409	1.19
Ubs Switzerland Ag	3,311,698	1.19
Jpmorgan Chase Bank N.A.	3,272,749	1.17
Radium Life Tech. Co., Ltd.	3,267,541	1.17
Bank of America, Taipei	3,214,266	1.15
Cheng Shin Rubber Industry Co., Ltd.	3,208,879	1.15
BPCE (Banque Populaire Caisse D'epargne)	3,202,341	1.15
Chiao Lien Construction Co., Ltd.	3,183,250	1.14
Wiwynn Corp.	3,144,500	1.13
Cathay Life Insurance Co., Ltd.	3,139,227	1.12
COMPAL ELECTRONICS, INC.	3,119,517	1.12
Evergreen Marine (Asia) Pte. Ltd.	3,118,086	1.12
Sanyang Motor Co., Ltd.	3,093,793	1.11
2. Same related parties		
Client B	12,404,402	4.44
Client C	8,729,495	3.13
Client D	6,795,182	2.43
Client E	5,661,066	2.03
Client F	5,638,590	2.02
Client G	4,761,925	1.71
Client H	4,574,590	1.64
Client I	4,574,590	1.64
Client J	4,247,094	1.52
Client K	3,968,138	1.42
Client L	3,850,590	1.38
Client M	3,588,816	1.29
Client O	3,579,737	1.28
Client P	3,273,747	1.17
Client Q	3,207,812	1.15
Client R	3,020,443	1.08

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
3. Same affiliate		
Tai Power Co., Ltd.	\$ 223,391,101	80.00
CPC Corporation, Taiwan	87,277,709	31.25
United States Treasury	32,428,175	11.61
Invecas Technology Co., Ltd.	32,043,084	11.47
General Interface Solution (GIS) Holding Ltd.	32,043,084	11.47
General Interface Solution Limited	32,043,084	11.47
Formosa Ha Tinh (Cayman) Limited	31,185,334	11.17
Nan Ya Plastics Corp.	30,938,706	11.08
Hon Hai Precision Co., Ltd.	30,932,276	11.08
Reco Biotek Co., Ltd.	28,139,157	10.08
Foxconn Interconnect Technology Limited Taiwan Branch (Cayman)	27,613,325	9.89
Formosa Plastics Corp.	27,522,311	9.86
Taiwan Semiconductor Manufacturing Co., Ltd.	26,632,697	9.54
Shunyun Technology Holdings Limited	26,270,012	9.41
G-Tech Optoelectronics Corp.	26,064,380	9.33
Foxconn Far East Limited	25,955,562	9.29
Lanner Electronics Inc.	25,825,100	9.25
Hawkeye Tech, Co., Ltd.	25,825,100	9.25
Yi Zhan Construction Co., Ltd.	25,709,617	9.21
Tsmc Arizona Corporation	25,469,878	9.12
Formosa Plastics Resources (Australia) Company	25,307,821	9.06
Nan Ya Technology Corp.	25,125,311	9.00
Tsmc Global Ltd	24,424,347	8.75
Global Unichip Corp.	23,906,446	8.56
Asia Pacific Development Corp.	22,740,661	8.14
Pau Jar Construction Co., Ltd.	22,451,091	8.04
Binghe Construction Co., Ltd.	20,922,811	7.49
Yi-Shiang Construction Co., Ltd.	20,486,481	7.34
He yao Construction Co., Ltd.	19,787,811	7.09
Ruentex Development Co., Ltd.	19,625,497	7.03
Yieh Phui Enterprise Co., Ltd.	18,352,232	6.57
Nan Shan Life Insurance Company, Ltd.	18,047,605	6.46
Formosa Chemicals & Fibre Corp.	17,849,555	6.39
Ren Ying Enterprise Co., Ltd.	17,502,375	6.27
Yien United Steel Corp.	17,389,753	6.23
Yi Tai Fund Corp.	17,352,375	6.21
Eliter International Corp.	17,302,397	6.20
China Steel Structure Co., Ltd.	17,240,531	6.17
Hui Hong Investment Management Co., Ltd.	17,217,375	6.17
Ruentex Industries Ltd.	17,217,375	6.17
Lian Cheng Ready-Mixed Products Co., Ltd.	17,173,070	6.15
Formosa Heavy Industries Corp.	17,012,890	6.09
Fubon Securities Co., Ltd.	16,931,738	6.06
Ruen Hua Dyeing & Weaving Co., Ltd.	16,655,695	5.96

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Far Eastern International Leasing Corp.	\$ 16,318,691	5.84
Far Eastern Asset Management Co., Ltd.	16,260,822	5.82
Chailease Consumer Finance Co., Ltd.	16,219,937	5.81
Chailease Finance Co., Ltd.	16,194,425	5.80
Asia Cement Corp.	16,054,560	5.75
China Steel Power Corp.	15,958,758	5.71
Far Eastern New Century Corp.	15,792,191	5.66
Chailease Rental Corp.	15,769,141	5.65
Fina Finance & Trading Co., Ltd.	15,658,898	5.61
Kings Garden International Co., Ltd.	15,539,448	5.56
Great Emperor Hotel Co., Ltd.	15,539,448	5.56
Chailease Resources Technology Co., Ltd.	15,381,400	5.51
Chailease Holding Co., Ltd.	15,369,668	5.50
Ruentex Advanced Materials Co., Ltd.	15,282,375	5.47
Huo Jiun Construction Co., Ltd.	15,275,618	5.47
Chailease International Leasing Co., Ltd.	15,016,678	5.38
Wei Qiao Investment Development Co., Ltd.	15,002,087	5.37
EDA Hua Yue Hotel Corp.	14,815,448	5.31
Tien Chu Energy Co., Ltd.	14,624,563	5.24
Tien Jen Energy Co., Ltd.	14,621,438	5.24
Chailease International Leasing Co.	14,559,777	5.21
Chailease Berjaya Credit Sdn. Bhd.	14,090,508	5.05
Yieh Hsing Enterprise Co., Ltd.	13,594,064	4.87
Shin Yang Steel Co., Ltd.	13,446,209	4.82
China Steel Corp.	13,445,564	4.81
Kaohsiung Rapid Transit Corporation	13,445,564	4.81
C.S. Aluminium Corporation	13,445,564	4.81
China Steel Express Corporation	13,445,564	4.81
Cse Transport Corporation	13,445,564	4.81
Chung Hung Steel Corp.	13,440,260	4.81
World Peace Industrial Co., Ltd.	13,407,544	4.80
WPG Holdings Limited	13,257,604	4.75
Yosun Industrial Corp.	13,192,452	4.72
Richpower Electronic Devices Co., Ltd.	13,116,871	4.70
Yuan Ding Investment Corp.	13,106,555	4.69
U-Ming Marine Transport Corp.	13,106,555	4.69
Asian Information Technology Inc.	13,060,229	4.68
Frontek Technology Corp.	13,031,417	4.67
Genuine Crop.	12,876,167	4.61
Yieh Phui (Hong Kong) Holdings Limited	12,718,363	4.55
Vsell Enterprise Co., Ltd.	12,573,491	4.50
Chaico Investment Corp.	12,311,321	4.41
Yosun Hong Kong Corporation Limited	12,216,129	4.37
Yu Heng Intelligent Energy Co., Ltd.	12,020,580	4.30
Tien Chuan IntelligentEnergy Co., Ltd.	12,020,580	4.30

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
PowerMaster Energy Co., Ltd.	\$ 12,020,580	4.30
Yao Kuang Intelligent Energy Co., Ltd.	12,020,580	4.30
Tien Ying Energy Co., Ltd.	11,900,383	4.26
Tien Sin Intelligent Green Energy Co., Ltd.	11,810,581	4.23
Yu Yuan Investment Co., Ltd.	11,741,510	4.20
Jhong-An Investment Co., Ltd.	11,721,321	4.20
Tien Jui Energy Co., Ltd.	11,682,365	4.18
Ruen Chen Investment Holding Co., Ltd.	11,567,603	4.14
Jian Zhi Co., Ltd.	11,561,153	4.14
Highwealth Construction Co., Ltd.	11,545,342	4.13
Nan Ya Plastics Corp America	11,400,373	4.08
Formosa Industries Corp	11,231,133	4.02
QiYu Construction Co., Ltd.	11,146,265	3.99
Chuangju Limited Partnership	11,095,876	3.97
Alpha Networks Inc.	10,928,247	3.91
China Steel Chemical Corp.	10,718,782	3.84
AU Optronics Co., Ltd.	10,557,794	3.78
Dragon Steel Corp.	10,502,632	3.76
Trigold Holding Ltd.	10,446,831	3.74
CTBC Finance Co., Ltd.	10,331,359	3.70
Eva Airways Corporation	10,324,281	3.70
Chailease International Finance Corp.	10,176,844	3.64
BenQ Materials Corp.	10,147,333	3.63
MasterLink Securities Corp	10,133,652	3.63
CSBC Corporation, Taiwan	10,107,668	3.62
STARLUX Airlines CO., LTD.	10,101,850	3.62
Run Long Construction Co., Ltd.	10,070,336	3.61
CSBC Coating Solutions Co., Ltd.	10,051,320	3.60
CHC Resources Corp.	9,941,312	3.56
CSBC-DEME Wind Engineering Co., Ltd.	9,921,476	3.55
Quanta Computer Inc.	9,809,896	3.51
Quanta International Limited	9,809,896	3.51
XingRiSheng Investment Co., Ltd.	9,728,497	3.48
Raydium Semiconductor Corporation	9,658,504	3.46
PFG Fiber Glass Corp.	9,558,993	3.42
Far EasTone Telecommunications Co., Ltd.	9,507,756	3.40
CSBC Construction Co., Ltd.	9,328,778	3.34
Farglory Free Trade Zone Co., Ltd.	9,242,909	3.31
Formosa Sumco Technology Corp.	9,164,771	3.28
TPI Software Corp.	8,877,872	3.18
Mao Zheng Energy Corp.	8,832,280	3.16
Adlink Technology Inc.	8,823,667	3.16
Mao Xin Energy Corp.	8,771,699	3.14
Nan Ya Printed Circuit Board Corp.	8,758,993	3.14
Da-Li Development Co, Ltd.	8,758,224	3.14

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Aerospace Industrial Development Corp.	\$ 8,721,495	3.12
Cathay Financial Holdings Co., Ltd.	8,655,862	3.10
Cathay Life Insurance Co., Ltd.	8,651,484	3.10
AUO Display Plus Corp.	8,526,281	3.05
Hotai Finance Co., Ltd.	8,478,751	3.04
Powerchip Semiconductor Manufacturing Corp.	8,414,763	3.01
Dami Show Mall Co., Ltd.	8,352,697	2.99
Hotai Motor Co., Ltd.	8,348,029	2.99
Ebn Technology Corporation	8,300,536	2.97
He Jing Co., Ltd.	8,245,969	2.95
EDA Hospital Corp.	8,053,115	2.88
United Microelectronics Corp.	8,052,169	2.88
Supreme Electronic Co., Ltd.	7,915,447	2.83
China Trade International Co., Ltd.	7,877,787	2.82
Fubon Financial Holding Co, Ltd.	7,832,922	2.80
Chung Hwa Pulp Corporation	7,759,685	2.78
Da Li Miller Development Corp.	7,752,697	2.78
Chailease Royal Leasing Plc.	7,643,921	2.74
Chailease Royal Finance Plc.	7,643,921	2.74
Fubon Life Insurance Co., Ltd.	7,631,838	2.73
Coremate Digital Technology Limited	7,626,685	2.73
Fullon Hotels & Resorts	7,606,042	2.72
Hotai Leasing Corp.	7,596,342	2.72
Hoyun International Lease Co., Ltd.	7,596,342	2.72
Yuen Foong Yu Construction & Development Co., Ltd.	7,499,826	2.69
Golden Supreme International Trading (Shanghai) Co., Ltd.	7,496,570	2.68
Evergreen Marine Corp. (Taiwan) Ltd.	7,468,821	2.67
Clevo Corp.	7,459,445	2.67
Farglory Land Development Co., Ltd.	7,442,909	2.67
Bao-Shin Construction Co., Ltd.	7,421,115	2.66
E INK Holdings Inc.	7,159,524	2.56
Jau Feng Sheng Investment Co., Ltd.	7,110,795	2.55
Hotai Finance Co., Ltd.	7,105,950	2.54
Shinshunshin Investment Co., Ltd.	7,064,835	2.53
Uni-President Enterprises Corp.	7,052,092	2.53
Advance Materials Corporation	6,988,740	2.50
Unimicron Technology Corp.	6,988,112	2.50
Taipei Financial Center Corporation	6,952,434	2.49
FCF Co., Ltd.	6,941,997	2.49
Bumble Bee Foods, LLC	6,941,997	2.49
Formosa Ha Tinh Steel Corporation	6,921,673	2.48
Wan Sheng Fa Investment Co., Ltd.	6,906,442	2.47
Farglory Dome Co., Ltd.	6,897,410	2.47
YuanHan Materials Inc	6,889,468	2.47
Fujian Lian Wei Logistics Co., Ltd.	6,863,750	2.46

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Golden Supreme International Limited	\$ 6,850,675	2.45
TTET Union Corporation	6,828,733	2.45
Li Shuo Investment Co., Ltd.	6,815,122	2.44
President Securities Corporation	6,723,190	2.41
Ho Shin Construction Corp.	6,704,236	2.40
Chu Yuan Industrial Co., Ltd.	6,675,503	2.39
Castlenet Technology Inc.	6,551,120	2.35
Oriental Petrochemical (Taiwan) Corp.	6,533,414	2.34
SinoPac Securities Corporation	6,452,461	2.31
Fubon Insurance Co., Ltd.	6,413,888	2.30
Taipei Twin Towers Limited	6,344,925	2.27
Silicon Application Corp.	6,280,168	2.25
Everwiner Enterprise Co., Ltd.	6,204,334	2.22
Pernas Electronics Co., Ltd.	6,204,334	2.22
Bao Ding Reclaimed Water Co., Ltd.	6,054,024	2.17
Pacific China Holdings Ltd	6,053,403	2.17
Oriental Green Materials Ltd.	6,036,673	2.16
President Tokyo Corp.	6,000,546	2.15
Uni-Tokyo Rent-A-Car Co., Ltd.	6,000,546	2.15
Radium Life Tech. Co., Ltd.	5,815,349	2.08
Titan Development and Construction Co., Ltd.	5,815,349	2.08
Hong-Ye Steel Co., Ltd.	5,737,641	2.05
Prosperity Tieh Enterprise Co., Ltd.	5,737,641	2.05
Zhuwang Development Co., Ltd.	5,731,268	2.05
Taiwan Mobile Co., Ltd.	5,649,660	2.02
Jasilin Construction Co., Ltd.	5,583,398	2.00
Farglory Dome Co., Ltd.	5,576,903	2.00
Citibank, N.A. London	5,570,654	1.99
Jie Sheng Transportation Co., Ltd.	5,523,297	1.98
President Chain Store Corporation	5,523,297	1.98
Ji Shun Life Tech Co., Ltd.	5,515,974	1.98
Bank Sinopac Company Limited	5,499,203	1.97
Macronix International Co., Ltd.	5,489,285	1.97
Cathay United Bank, Taipei	5,473,752	1.96
YFY Inc.	5,417,295	1.94
JSL Construction & Development Co., Ltd.	5,409,158	1.94
Chang Hwa Commercial Bank, Ltd.	5,399,865	1.93
Tong-Yeen Enterprises Corp.	5,340,546	1.91
Hung Ching Development & Construction Co., Ltd.	5,334,541	1.91
ASE Technology Holding Co., Ltd.	5,334,541	1.91
Tong You Enterprise Co., Ltd.	5,326,446	1.91
Buynow (Texas) Corp.	5,144,250	1.84
San Miguel Corporation	5,093,878	1.82
Henghao Technology Co., Ltd.	5,072,707	1.82
CREDIT AGRICOLE CIB, PARIS	5,040,233	1.80

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Bejing Enterprise Co., Ltd.	\$ 5,037,978	1.80
Wt Microelectronics Co., Ltd.	4,990,100	1.79
Foxwell Energy Corporation Ltd.	4,952,025	1.77
Yuanta Securities Co., Ltd.	4,864,309	1.74
Yuanta Financial Holding Co., Ltd.	4,864,309	1.74
Yuanta Securities Co., Ltd.	4,864,309	1.74
Credit Agricole Sa	4,838,154	1.73
Formosa Petrochemical Corp.	4,834,307	1.73
Karton Formosa Polymers Corp.	4,834,207	1.73
China Man-Made Fiber Corp.	4,829,020	1.73
Johnson Health Tech. Co., Ltd.	4,797,500	1.72
Chung Hsin Electric & Machinery Manufacturing Corp.	4,782,494	1.71
Cathay Century Insurance Co., Ltd.	4,766,586	1.71
Yuantai Construction Co., Ltd.	4,756,298	1.70
Jaie Haour Industry Corporation	4,756,298	1.70
Cheng-Hsin Engineering & Services Co., Ltd.	4,691,494	1.68
Chunghwa Land Development Co., Ltd.	4,684,142	1.68
Taiwan Daimler Vehicles Co., Ltd.	4,674,142	1.67
Liz Electronics (Nantong) Co., Ltd.	4,673,228	1.67
Yung Ching Construction Co., Ltd.	4,662,903	1.67
Compal Ruifang Healthcare Asset Development Co., Ltd.	4,574,777	1.64
Kaohsiung Opto-Electronics Inc.	4,544,964	1.63
Zhong Tai Hotel Co., Ltd.	4,526,005	1.62
Kai Tai Fung International Co., Ltd.	4,526,005	1.62
Hung-You Copper Co., Ltd.	4,518,419	1.62
Fubon Asset Management Co., Ltd.	4,512,106	1.62
Chunghwa Land International Co., Ltd.	4,504,142	1.61
Buynow (Jinzhou) Industrial Co., Ltd.	4,489,500	1.61
Taizhou Buynow Electronic Information Co., Ltd.	4,458,077	1.60
Chicony Industrial (Wuhan) Co., Ltd.	4,458,000	1.60
China Airlines	4,456,131	1.60
Taoyuan International Airport Services Co., Ltd.	4,456,131	1.60
WPI International (Hong Kong) Limited	4,438,845	1.59
Mercedes-Benz Financial Services Taiwan Ltd.	4,400,000	1.58
ChipMOS Technologies Inc.	4,398,708	1.58
Evergreen Aviation Technologies Corp.	4,350,735	1.56
Pau Cheng Energy Corp.	4,348,733	1.56
Wistron Corporation	4,345,365	1.56
Macquarie Group Ltd	4,342,204	1.55
Macquarie International Finance Limited	4,342,204	1.55
Macquarie Bank Limited	4,342,204	1.55
Reliance Jio Infocomm Limited	4,337,228	1.55
Reliance Industries Limited	4,337,228	1.55
San Miguel Global Power Holdings	4,292,243	1.54
Union Paper Corp.	4,287,295	1.54

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
YFY Packaging INC.	\$ 4,287,295	1.54
Wiwynn Corp.	4,271,389	1.53
Standard Chartered Bank, London	4,260,229	1.53
Standard Chartered Plc	4,260,229	1.53
I-HsinInternational Co., Ltd.	4,221,013	1.51
FanGlory Life Insurance Co., Ltd.	4,218,489	1.51
Pan Asia Chemical Co.	4,199,457	1.50
KGI Securities Co., Ltd.	4,166,061	1.49
Winbond Electronics Corp.	4,154,409	1.49
Petron Corporation	4,150,528	1.49
Taichung Bank Leasing Co., Ltd.	4,139,457	1.48
Jpmorgan Chase Bank N.A.	4,115,342	1.47
Jpmorgan Chase & Co.	4,115,342	1.47
Bank Of Montreal, Toronto	4,110,422	1.47
Fengyun Advertising Co., Ltd.	4,100,576	1.47
Rih ding Water Enterprise Co., Ltd.	4,092,025	1.47
Adata Technology Co., Ltd.	4,048,725	1.45
Goldman Sachs Finance Corp	4,017,648	1.44
Sampan International Development Co., Ltd.	4,010,987	1.44
Hongdadi Construction Co., Ltd.	3,992,639	1.43
Abn Amro Bank N.V.	3,991,450	1.43
The Royal Bank Of Scotland Plc.	3,991,450	1.43
CTBC Financial Holding Co., Ltd.	3,975,638	1.42
Tang Eng Iron Works Co., Ltd.	3,970,829	1.42
Wonderful Hi-Tech Co., Ltd.	3,967,003	1.42
Sying-lung Co., Ltd.	3,959,460	1.42
Cheng Uei Precision Industry Co., Ltd.	3,953,313	1.42
Globalwafers Co., Ltd.	3,935,836	1.41
Citigroup Global Markets Holdings Inc.	3,932,204	1.41
Yieh Mau Corp.	3,931,594	1.41
KB Kookmin Card Co., Ltd	3,930,750	1.41
Hsin Hung International Investment Co., Ltd.	3,923,313	1.40
Yuanta Securities Investment Trust Co., Ltd.	3,871,402	1.39
Wavetek Microelectronics Corporation	3,865,213	1.38
Northlight Construction Ltd.	3,863,341	1.38
Huang Hsiang Construction Corp.	3,863,341	1.38
Hung Pan Development Co., Ltd.	3,850,109	1.38
Wan Xixing Construction Co., Ltd.	3,850,109	1.38
Weblink International Inc.	3,833,457	1.37
Acer Inc.	3,833,457	1.37
Acer E-Enabling Service Business Inc.	3,833,457	1.37
Huiwen Investment Limited	3,785,909	1.36
Chungwha Construction Corp.	3,780,919	1.35
Yageo Corporation	3,777,343	1.35
Capital Machinery Corp.	3,770,919	1.35

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
KGI Financial Holding Co., Ltd.	\$ 3,765,004	1.35
Axus Luxembourg S.A.	3,764,867	1.35
Shinfox Energy Co., Ltd.	3,752,567	1.34
Shuo Ming Green Energy Co., Ltd.	3,743,101	1.34
Foxwell Power Co., Ltd.	3,718,795	1.33
NKFG Corp.	3,699,307	1.32
Shinkong International Leasing Corp.	3,696,504	1.32
Nice Enterprise Co., Ltd.	3,667,190	1.31
Forest Water Environmental Engineering Ltd.	3,661,323	1.31
Taiwan Cement Corporation	3,660,778	1.31
Qatar National Bank	3,648,903	1.31
CSRC China (Maanshan) Corp.	3,631,820	1.30
COMPAL ELECTRONICS, INC.	3,621,587	1.30
Credit Agricole Cib, Taipei Branch	3,621,471	1.30
Kookmin Bank Co Ltd	3,616,300	1.29
Grand Hi-Lai Hotel Co., Ltd.	3,596,308	1.29
Unisense Technology Co., Ltd.	3,590,194	1.29
Asia Vital Components Co., Ltd.	3,587,925	1.28
Maxxis Rubber India Private Limited	3,586,219	1.28
Seetek Development Co., Ltd.	3,551,645	1.27
SunPlaza International Co., Ltd.	3,551,645	1.27
Infinite Finance Co., Ltd.	3,546,177	1.27
Sino-American Silicon Products Inc.	3,527,572	1.26
Pescadores Merchandise Co., Ltd.	3,525,909	1.26
KGI Leasing Corp.	3,450,554	1.24
Jih Sun International Leasing & Finance Co., Ltd.	3,420,076	1.22
Societe Generale SA	3,418,972	1.22
Jih Sun Formosa Auto Leasing Co., Ltd.	3,409,588	1.22
Changhua Southwest Offshore Wind Power Co., Ltd.	3,400,615	1.22
Jasilin Advertising Co., Ltd.	3,390,844	1.21
Ctbc Securities Co., Ltd.	3,369,424	1.21
Ubs Switzerland Ag	3,311,698	1.19
Shinhan Bank	3,302,546	1.18
Lih Pao Construction Co., Ltd.	3,284,140	1.18
Hanshin Shopping Plaza Co., Ltd.	3,264,000	1.17
Taiwan Specialty Chemicals Corporation	3,235,336	1.16
Cx Technology Corporation	3,221,151	1.15
Bank of America, Taipei	3,214,266	1.15
Chung Kung Safeguarding and Security Corp.	3,210,817	1.15
Cheng Shin Rubber Industry Co., Ltd.	3,208,879	1.15
Real Estate Development Lih Pao INVESTMENT, L.L.C	3,204,140	1.15
BPCE (Banque Populaire Caisse D'epargne)	3,202,341	1.15
Yieh Hong Enterprise Co., Ltd.	3,200,140	1.15
Chung Kung Management and Maintenance of Apartment Co., Ltd.	3,191,403	1.14
Chiao Lien Construction Co., Ltd.	3,183,250	1.14

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Sanyang Motor Co., Ltd.	\$ 3,147,140	1.13
Chaoyang Car Rental Co., Ltd.	3,147,140	1.13
Ho-Ping Power Company	3,146,823	1.13
Run Tai Construction Co., Ltd.	3,130,000	1.12
Taipei Fubon Commercial Bank Co., Ltd.	3,119,731	1.12
Evergreen Marine (Asia) Pte. Ltd.	3,118,086	1.12
Nankang Rubber Tire Corp., Ltd.	3,081,380	1.10
Yuan Hong Development Industrial Co., Ltd.	3,080,352	1.10
Peng Cheng Construction Co., Ltd.	3,042,746	1.09
Agv Products Corporation	3,025,913	1.08
Chailease International Financial Services	3,023,692	1.08
Xi Hua Construction Co., Ltd.	3,022,185	1.08
Fortune Beautiful Investment & Development Co., Ltd.	3,015,920	1.08

(Continued)

December 31, 2024

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
1. Same person		
Central Bank of the Republic of China (ROC)	\$ 469,892,074	184.96
National Treasury Administration, ROC	369,064,780	145.27
Tai Power Co., Ltd.	220,608,020	86.84
CPC Corporation, Taiwan	103,082,403	40.58
Taichung City Government	80,600,668	31.73
New Taipei City Government	64,839,073	25.52
Kaohsiung Rapid Transit Corp.	36,468,301	14.35
Financial Bureau, Kaohsiung City Government	32,879,190	12.94
Taiwan High Speed Rail Corp.	31,614,425	12.44
United States Treasury	27,957,743	11.00
Department of Urban Development, Taipei City Government	23,800,000	9.37
Land Administration Bureau, Kaohsiung City Government	19,526,283	7.69
Transportation Bureau of Kaohsiung City Government	19,223,652	7.57
Hon Hai Precision Co., Ltd.	18,245,450	7.18
Taiwan Semiconductor Manufacturing Co., Ltd.	17,611,227	6.93
Government National Mortgage Association	16,679,898	6.57
CTBC Financial Holding Co., Ltd.	13,737,702	5.41
AU Optronics Co., Ltd.	11,372,257	4.48
Taoyuan City Government	11,300,000	4.45

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Railway Bureau, MOTC	\$ 10,000,000	3.94
Yunlin County Government	9,514,860	3.75
Nan Ya Plastics Corp.	9,320,896	3.67
China Steel Corp.	9,258,175	3.64
Formosa Plastics Corp.	8,352,347	3.29
Powerchip Semiconductor Manufacturing Corp.	8,252,123	3.25
Da-Li Development Co, Ltd.	8,178,937	3.22
FED NTL MORTGAGE ASSN (FANNIE MAE)	8,050,774	3.17
Federal Home Loan Mortgage Corp.	8,006,580	3.15
Quanta Computer Inc.	7,566,139	2.98
Winbond Electronics Corp.	7,334,491	2.89
Walsin Lihwa Corp.	7,080,517	2.79
Wt Microelectronics Co., Ltd.	6,996,000	2.75
Chailease Finance Co., Ltd.	6,955,767	2.74
COMPAL ELECTRONICS, INC.	6,910,600	2.72
Tainan City Government	6,500,000	2.56
Macronix International Co., Ltd.	6,316,250	2.49
Ruen Chen Investment Holding Co., Ltd.	5,952,000	2.34
Yien United Steel Corp.	5,879,572	2.31
Aerospace Industrial Development Corp.	5,738,013	2.26
Economic Development Bureau, Kaohsiung City Government	5,342,905	2.10
Wistron Corporation	5,298,388	2.09
Emirates Bank	5,290,921	2.08
Asustek Computer INC.	5,200,949	2.05
Client A	5,012,000	1.97
Johnson Health Tech. Co., Ltd.	4,853,100	1.91
Uni-President Enterprises Corp.	4,848,304	1.91
Chang Hwa Commercial Bank, Ltd.	4,784,340	1.88
Formosa Petrochemical Corp.	4,783,798	1.88
Far Eastern New Century Corp.	4,700,790	1.85
Chung Hsin Electric & Machinery Manufacturing Corp.	4,696,780	1.85
Farglory Land Development Co., Ltd.	4,636,694	1.83
Formosa Chemicals & Fibre Corp.	4,635,435	1.82
Highwealth Construction Co., Ltd.	4,611,741	1.82
Yageo Corporation	4,581,121	1.80
Hotai Finance Co., Ltd.	4,570,130	1.80
Synnex Technology International Corp.	4,563,826	1.80
Clevo Corp.	4,496,000	1.77
Kookmin Bank Co., Ltd.	4,426,999	1.74
National Housing and Urban Regeneration Center	4,319,343	1.70
Prosperity Tieh Enterprise Co., Ltd.	4,224,818	1.66
Kuang Tien general hospital	4,200,000	1.65
Silicon Application Corp.	4,192,393	1.65
Kingdom of Saudi Arabia	4,176,051	1.64
Shinshin Credit Corporation	4,132,566	1.63

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Shinhan Bank, SINGAPORE BRANCH	\$ 4,119,909	1.62
STARLUX Airlines CO., LTD.	4,089,137	1.61
Unimicron Technology Corp.	4,059,360	1.60
China Airlines	4,000,000	1.57
SOCIETE GENERALE, S.A.	3,872,270	1.52
Chungwha Construction Corp.	3,735,519	1.47
Yi Tai Fund Corp.	3,729,654	1.47
Standard Chartered Bank (New York)	3,718,978	1.46
Tang Eng Iron Works Co., Ltd.	3,711,502	1.46
Cathay Financial Holdings Co., Ltd.	3,685,060	1.45
Taiwan Cement Corporation	3,684,789	1.45
China Steel Power Corp.	3,678,978	1.45
Citigroup Global Markets Holdings Inc. Client B	3,677,726	1.45
FCF Co., Ltd.	3,673,200	1.45
WPI International (Hong Kong) Limited	3,590,900	1.41
Yung Ching Construction Co., Ltd.	3,573,565	1.41
Huang Hsiang Construction Corp.	3,528,616	1.39
Kai Tai Fung International Co., Ltd.	3,523,066	1.39
CSBC Corporation, Taiwan	3,506,260	1.38
United Microelectronics Corp.	3,501,614	1.38
San Miguel Corporation	3,500,000	1.38
First Abu Dhabi Bank	3,491,602	1.37
Barclays Bank Plc., London	3,435,440	1.35
Commonwealth Bank Of Australia, Au	3,278,500	1.29
CREDIT AGRICOLE CIB, PARIS	3,233,766	1.27
Asia Vital Components Co., Ltd.	3,204,831	1.26
China Man-Made Fiber Corp.	3,185,358	1.25
BPCE	3,164,396	1.25
BES ENGINEERING Corp.	3,152,099	1.24
BANK OF AMERICA, N.A. HONG KONG	3,111,654	1.22
World Peace Industrial Co., Ltd.	3,105,625	1.22
Radium Life Tech. Co., Ltd.	3,091,580	1.22
ING Bank N.V., Netherlands	3,050,532	1.20
ING Bank N.V., Netherlands	3,005,904	1.18
2. Same related parties		
Client C	10,486,657	4.13
Client D	8,208,937	3.23
Client E	6,347,950	2.50
Client F	5,746,013	2.26
Client G	5,522,637	2.17
Client H	5,282,560	2.08
Client I	5,282,560	2.08
Client J	4,854,309	1.91

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Client K	\$ 4,737,200	1.86
Client L	4,002,375	1.58
Client M	3,823,066	1.50
Client N	3,305,377	1.30
Client O	3,305,377	1.30
Client P	3,274,743	1.29
Client Q	3,274,743	1.29
Client R	3,226,980	1.27
Client S	3,192,343	1.26
3. Same affiliate		
Tai Power Co., Ltd.	222,524,758	87.59
CPC Corporation, Taiwan	103552887	40.76
Nan Ya Plastics Corp.	35,230,854	13.87
Formosa Plastics Resources (Australia) Company	31,649,591	12.46
Yi Zhan Construction Co., Ltd.	30,205,301	11.89
Formosa Ha Tinh (Cayman) Limited	30,058,322	11.83
Federal Government Of the U.S.	27,957,743	11.00
Asia Pacific Development Corp.	27,292,476	10.74
General Interface Solution (GIS) Holding Ltd.	26,584,249	10.46
General Interface Solution Limited	26,584,249	10.46
Hon Hai Precision Co., Ltd.	25,792,955	10.15
Far Eastern New Century Corp.	25,113,639	9.89
CTBC Finance Co., Ltd.	24,128,698	9.50
Reco Biotek Co., Ltd.	22,353,355	8.80
Binghe Construction Co., Ltd.	21,703,271	8.54
Ruentex Development Co., Ltd.	21,531,651	8.48
Formosa Heavy Industries Corp.	21,389,231	8.42
Taiwan Semiconductor Manufacturing Co., Ltd.	21,347,816	8.40
Yi-Shiang Construction Co., Ltd.	21,108,771	8.31
Foxconn Interconnect Technology Limited Taiwan Branch (Cayman)	20,314,184	8.00
He yao Construction Co., Ltd.	20,182,671	7.94
Far Eastern Asset Management Co., Ltd.	19,654,462	7.74
Der Ching Investment Corp.	19,609,622	7.72
Asia Cement Corp.	19,593,439	7.71
Ren Ying Enterprise Co., Ltd.	19,562,166	7.70
Ruentex Industries Ltd.	19,382,166	7.63
Yi Tai Fund Corp.	19,382,166	7.63
Tsmc Arizona Corporation	19,279,384	7.59
Chailease Consumer Finance Co., Ltd.	19,255,786	7.58
TSMC Global. Ltd.	19,189,431	7.55
Shunyun Technology Holdings Ltd.	19,036,588	7.49
Chailease Finance Co., Ltd.	19,035,267	7.49

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Hui Hong Investment Management Co., Ltd.	\$ 19,032,304	7.49
G-Tech Optoelectronics Corp.	18,815,450	7.41
Foxconn(Far East)Limited	18,708,738	7.36
Hawkeye Tech, Co., Ltd.	18,273,754	7.19
Ennoconn Corporation	18,252,446	7.18
Finna Finance & Trading Co., Ltd.	17,964,781	7.07
Ruen Hua Dyeing & Weaving Co., Ltd.	17,801,997	7.01
Chailease Rental Corp.	17,749,030	6.99
Chailease Resources Technology Co., Ltd.	17,533,627	6.90
World Peace Industrial Co., Ltd.	17,492,863	6.89
Yosun Industrial Corp.	17,492,863	6.89
Silicon Application Corp.	17,486,476	6.88
Richpower Electronic Devices Co., Ltd.	17,486,476	6.88
WPG Holdings Limited	17,468,863	6.88
Frontek Technology Corp.	17,414,378	6.85
Yieh Phui Enterprise Co., Ltd.	17,302,207	6.81
Asia Sermkij Leasing public co.,	17,247,448	6.79
Chailease Holding Co.,	17,162,763	6.76
Genuine Crop.	17,121,300	6.74
Nan Shan Life Insurance Company, Ltd.	17,102,649	6.73
China Steel Corp.	16,994,929	6.69
Chaileasemobilityservice Co., Ltd.	16,958,763	6.68
CTBC Venture Capital Co., Ltd.	16,852,637	6.63
Chailease International Leasing Co., Ltd.	16,783,072	6.61
Chaileaseinternational Leasing Co.,	16,500,947	6.50
Vsell Enterprise Co., Ltd.	16,476,397	6.49
Wuzi Development Co., Ltd.	16,434,774	6.47
CTBC Securities Co., Ltd.	16,398,192	6.45
Tien Chu Energy Co., Ltd.	16,376,637	6.45
Tien Jen Energy Co., Ltd.	16,302,900	6.42
Yien United Steel Corp.	16,255,644	6.40
Sing Da Marine Structure Corp.	15,897,915	6.26
CTBC Investments Co., Ltd.	15,861,073	6.24
CTBC Financial Holding Co., Ltd.	15,861,073	6.24
Chailease Berjaya Credit	15,640,196	6.16
Chailease Energy Integration Co., Ltd.	15,616,346	6.15
China Steel Structure Co., Ltd.	15,597,915	6.14
Taiwan Life Insurance Co., Ltd.	15,363,714	6.05
Yu Heng Intelligent Energy Co., Ltd.	15,096,460	5.94
Tien Chuan IntelligentEnergy Co., Ltd.	15,096,460	5.94
PowerMaster Energy Co., Ltd.	15,096,460	5.94
Yao Kuang Intelligent Energy Co., Ltd.	15,096,460	5.94
Kings Garden International Co., Ltd.	14,924,495	5.87
Great Emperor Hotel Co., Ltd.	14,924,495	5.87
China Steel Power Corp.	14,894,526	5.86

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Chailease Consumer Finance Co., Ltd.	\$ 14,887,888	5.86
Huo Jiun Construction Co., Ltd.	14,663,134	5.77
Yuan Ding Investment Corp.	14,448,135	5.69
Chaico Investment Corp.	14,391,346	5.66
Xiamen Jinmeixin Consumer Finance Co., Ltd.	14,316,209	5.64
EDA Hua Yue Hotel Corp.	14,200,495	5.59
Jhong-An Investment Co., Ltd.	13,974,196	5.50
CTBC Bank Co., Ltd.	13,822,969	5.44
U-Ming Marine Transport Corp.	13,648,667	5.37
AU Optronics Co., Ltd.	13,623,686	5.36
BenQ Materials Corp.	13,376,575	5.27
Yieh Hsing Enterprise Co., Ltd.	13,238,750	5.21
Chuangju Limited Partnership	13,114,351	5.16
Yosun Hong Kong Co., Ltd.	13,034,344	5.13
Shin Yang Steel Co., Ltd.	12,871,621	5.07
Ruen Chen Investment Holding Co., Ltd.	12,613,283	4.96
Asian Information Technology Inc.	12,554,232	4.94
Yu Yuan Investment Co., Ltd.	12,475,814	4.91
Yieh Phui (Hong Kong) Holdings	12,316,472	4.85
Tien Ying Energy Co., Ltd.	12,304,773	4.84
Tien Sin Intelligent Green Energy Co., Ltd.	12,191,724	4.80
Chung Hung Steel Corp.	12,123,597	4.77
Tien Jui Energy Co., Ltd.	12,099,742	4.76
Chailease International Finance Corp.	12,061,929	4.75
C.S. Aluminium Corporation	11,918,937	4.69
China Steel Express Corporation	11,918,937	4.69
Nan Ya Plastics Corp., America	11,812,556	4.65
Mao Zheng Energy Corp.	11,725,302	4.62
Trigold Holding Ltd.	11,667,012	4.59
Mao Xin Energy Corp.	11,653,031	4.59
AUO Display Plus Corp.	11,378,771	4.48
AUO Envirotech Inc.	11,374,257	4.48
Formosa Sumco Technology Corp.	11,122,347	4.38
Formosa Plastics Corp.	11,001,450	4.33
Castlenet Technology Inc.	10,912,431	4.30
Nan Ya Technology Corp.	10,874,965	4.28
Far EasTone Telecommunications Co., Ltd.	10,863,048	4.28
Dragon Steel Corp.	10,743,712	4.23
Asia Investment Corp.	10,477,751	4.12
Da-Li Development Co, Ltd.	10,205,061	4.02
Dami Show Mall Co., Ltd.	10,135,161	3.99
Wpg Electronics Limited	9,830,863	3.87
Bank Sinopac	9,764,775	3.84
Farglory Free Trade Zone Co., Ltd.	9,666,232	3.80
PFG Fiber Glass Corp.	9,643,156	3.80

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
China Steel Chemical Corp.	\$ 9,472,057	3.73
CHC Resources Corp.	9,353,515	3.68
Nan Ya Printed Circuit Board Corp.	9,343,156	3.68
Highwealth Construction Co., Ltd.	9,324,494	3.67
Da Li Miller Development Corp.	9,235,555	3.64
Quanta Computer Inc.	9,208,623	3.62
Quanta International	9,208,623	3.62
Bao-Shin Construction Co., Ltd.	9,124,478	3.59
Henghao Technology Co., Ltd.	9,085,266	3.58
United Microelectronics Corp.	9,014,393	3.55
QiYu Construction Co., Ltd.	8,925,378	3.51
Ho Shin Construction Corp.	8,753,489	3.45
Liz Electronics (Nantong) Co., Ltd.	8,716,917	3.43
Jau Feng Sheng Investment Co., Ltd.	8,568,668	3.37
Shinshunshin Investment Co., Ltd.	8,528,725	3.36
Chailease Royal Leasing Plc.	8,436,824	3.32
Chailease Royal Finance Plc.	8,436,824	3.32
Eliter International Corp.	8,436,634	3.32
Run Long Construction Co., Ltd.	8,380,578	3.30
Powerchip Semiconductor Manufacturing Corp.	8,252,123	3.25
Li Shuo Investment Co., Ltd.	8,242,846	3.24
Clevo Corp.	8,234,908	3.24
Fubon Financial Holding Co, Ltd.	8,198,090	3.23
Fubon Asset Management Co., Ltd.	8,198,090	3.23
Wei Qiao Investment Development Co., Ltd.	7,971,569	3.14
Farglory Land Development Co., Ltd.	7,936,232	3.12
XingRiSheng Investment Co., Ltd.	7,780,782	3.06
Run Tai Construction Co., Ltd.	7,651,240	3.01
Ebn Technology Corporation	7,634,943	3.01
TPI Software Corp.	7,620,259	3.00
Mercuries & Associates Holding, Ltd.	7,598,417	2.99
Advance Materials Corporation	7,574,647	2.98
Unimicron Technology Corp.	7,559,360	2.98
MasterLink Securities Corp	7,533,871	2.97
Wpiinternational (HK)	7,505,402	2.95
Techmosa International Incorporation	7,492,710	2.95
Wt Microelectronics Co., Ltd.	7,492,710	2.95
EDA Hospital Corp.	7,486,385	2.95
COMPAL ELECTRONICS, INC.	7,410,600	2.92
Winbond Electronics Corp.	7,334,491	2.89
Walsin Lihwa Corp.	7,301,000	2.87
Pacific China Holdings	7,288,622	2.87
Farglory Dome Co., Ltd.	7,248,824	2.85
Walsin Energy Cable System Co., Ltd.	7,221,000	2.84
Cathay Securities Corp.	7,205,990	2.84

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Walton Advanced Engineering, Inc.	\$ 7,126,017	2.80
Cathay Financial Holdings Co., Ltd.	6,968,593	2.74
Cathay Life Insurance Co., Ltd.	6,963,863	2.74
Oriental Petrochemical (Taiwan) Corp.	6,773,684	2.67
E INK Holdings Inc.	6,694,642	2.64
Chung Hwa Pulp Corporation	6,694,642	2.64
Fortune Motors Co., Ltd.	6,658,174	2.62
Shinshin Credit Corporation	6,637,626	2.61
Carplus Auto Leasing Corp.	6,637,126	2.61
Chu Yuan Industrial Co., Ltd.	6,597,759	2.60
FCF Co., Ltd.	6,553,844	2.58
Bumble Bee Foods, LLC	6,553,844	2.58
President Securities Corporation	6,437,417	2.53
China Man-Made Fiber Corp.	6,431,228	2.53
RICHPOWER ELECTRONIC D	6,418,387	2.53
Formosa Chemicals & Fibre Corp.	6,405,825	2.52
Farglory Dome Co., Ltd.	6,401,790	2.52
Hong-Ye Steel Co., Ltd.	6,365,557	2.51
Prosperity Tieh Enterprise Co., Ltd.	6,365,557	2.51
Fujian Lian Wei Logistics Co., Ltd.	6,355,015	2.50
TTET Union Corporation	6,337,883	2.49
Macronix International Co., Ltd.	6,316,250	2.49
Hotai Finance Co., Ltd.	6,225,271	2.45
Taiwan Mobile Co., Ltd.	6,224,671	2.45
Taipei Twin Towers Limited	6,216,642	2.45
He Jing Co., Ltd.	6,194,271	2.44
Hotai Motor Co., Ltd.	6,157,271	2.42
MiTAC Information Technology Corp.	6,131,723	2.41
Hotai Leasing Corp.	5,954,271	2.34
Hoyun International Lease Co., Ltd.	5,954,271	2.34
Fubon Insurance Co., Ltd.	5,880,119	2.31
YuanHan Materials Inc	5,831,380	2.30
Victory Motors Co., Ltd.	5,830,336	2.29
Chenlong Motor Co., Ltd.	5,830,336	2.29
Pan Asia Chemical Co.	5,803,461	2.28
Taichung Bank Leasing Co., Ltd.	5,743,461	2.26
Aerospace Industrial Development Corp.	5,738,013	2.26
Everwiner Enterprise Co., Ltd.	5,729,206	2.26
Pernas Electronics Co., Ltd.	5,729,206	2.26
Formosa Petrochemical Corp.	5,713,898	2.25
Karton Formosa Polymers Corp.	5,713,798	2.25
SinoPac Securities Corporation	5,706,908	2.25
Fubon Asset Management Co., Ltd.	5,697,547	2.24
Uni-President Asset Management Corp.	5,668,991	2.23
Uni-President Enterprises Corp.	5,662,608	2.23

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Kaohsiung Opto-Electronics Inc.	\$ 5,659,976	2.23
Taishin Financial Holding	5,623,511	2.21
JSL Construction & Development Co., Ltd.	5,611,010	2.21
Foxwell Energy Corporation Ltd.	5,565,916	2.19
Bao Ding Reclaimed Water Co., Ltd.	5,526,071	2.18
Buynow (Texas) Corp.	5,516,110	2.17
President Tokyo Corp.	5,428,304	2.14
Oriental Green Materials Ltd.	5,404,060	2.13
Wistron Corporation	5,394,444	2.12
Bluestone Slab Investment Co., Ltd.	5,383,656	2.12
Pau Cheng Energy Corp.	5,359,074	2.11
Wiwynn Corp.	5,314,108	2.09
Unisense Technology Co., Ltd.	5,313,671	2.09
Chicony Industrial (Wuhan) Co., Ltd.	5,303,120	2.09
Advantech Co., Ltd.	5,200,949	2.05
Asustek Computer INC.	5,200,949	2.05
Sino-American Silicon Products Inc.	5,189,802	2.04
Yuanta Securities Co., Ltd.	5,178,755	2.04
Yuanta Financial Holding Co., Ltd.	5,178,755	2.04
Yuanta Securities Co., Ltd.	5,178,755	2.04
Feng Shehg Enterprise Company	5,153,659	2.03
CSRC China (Maanshan) Corp.	5,135,330	2.02
YFY Inc.	5,066,468	1.99
I-HsinInternational Co., Ltd.	5,037,831	1.98
Standard Chartered Bank, New York	5,034,964	1.98
Standard Chartered Plc	5,034,964	1.98
CITIBANK, N.A. LONDON	5,026,828	1.98
San Miguel Corporation	5,012,503	1.97
Wan Sheng Fa Investment Co., Ltd.	5,010,857	1.97
Chiahui Power Corporation	4,984,821	1.96
Taiwan Cement Corporation	4,984,400	1.96
Chang Hwa Commercial Bank, Ltd.	4,983,680	1.96
President Chain Store Corporation	4,954,293	1.95
Fubon Life Insurance Co., Ltd.	4,944,108	1.95
Qatar National Bank	4,914,483	1.93
Synnex Technology International Corp.	4,903,685	1.93
Zhenjiang Union Chemical Industrial Co., Ltd.	4,903,685	1.93
Tong-Yeen Enterprises Corp.	4,888,304	1.92
Radium Life Tech. Co., Ltd.	4,885,410	1.92
Titan Development and Construction Co., Ltd.	4,885,410	1.92
Yageo Corporation	4,861,305	1.91
Prasac Microfinance Institution Plc.	4,854,612	1.91
Kookmin Bank Co, Ltd.	4,854,612	1.91
Johnson Health Tech. Co., Ltd.	4,853,100	1.91
Sampan International Development Co., Ltd.	4,802,805	1.89

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Hung-You Copper Co., Ltd.	\$ 4,796,873	1.89
NKFG Corp.	4,783,898	1.88
Chung Hsin Electric & Machinery Manufacturing Corp.	4,768,582	1.88
Cheng-Hsin Engineering & Services Co., Ltd.	4,768,582	1.88
KB Kookmin Card Co Ltd.	4,754,849	1.87
Beijing Enterprise Co., Ltd.	4,712,753	1.86
Petron Corporation	4,684,653	1.84
Ji Shun Life Tech Co., Ltd.	4,677,160	1.84
Cheng Uei Precision Industry Co., Ltd.	4,666,883	1.84
FanGlory Life Insurance Co., Ltd.	4,648,024	1.83
Hsin Hung International Investment Co., Ltd.	4,636,883	1.83
Formosa Taffeta Co., Ltd.	4,635,435	1.82
Shinhan Bank, Singapore Branch	4,611,684	1.82
Capital Motors, Inc.	4,586,836	1.81
TCC International Ltd.	4,569,984	1.80
Formosa Steel IB Pty Ltd	4,557,115	1.79
Zhong Tai Hotel Co., Ltd.	4,532,907	1.78
Kai Tai Fung International Co., Ltd.	4,532,907	1.78
Hong-Zhu - Construction Co., Ltd.	4,518,370	1.78
Taipei Financial Center Corporation	4,514,950	1.78
Chungwha Construction Corp.	4,446,836	1.75
Capital Machinery Corp.	4,436,836	1.75
Union Paper Corp.	4,436,468	1.75
YFY Packaging INC.	4,436,468	1.75
Yuanta Funds	4,383,611	1.73
Cx Technology Corporation	4,368,965	1.72
Shinfox Energy Co., Ltd.	4,366,129	1.72
Shinkong Materials Technology Co., Ltd.	4,343,376	1.71
Macquarie Group Ltd.	4,339,753	1.71
Macquarie International Finance Ltd.	4,339,753	1.71
China Airlines	4,300,000	1.69
Taoyuan International Airport Services Co., Ltd.	4,300,000	1.69
TCC Energy Storage Technology Corporation	4,284,789	1.69
Cathay Securities Investment Trust	4,229,731	1.66
Kuo-kuang Motor Transportation Company Co., Ltd.	4,204,377	1.65
Yuantai Construction Co., Ltd.	4,198,206	1.65
Jaie Haour Industry Corporation	4,198,206	1.65
Far Eastern Dept. Store Ltd.	4,197,800	1.65
Huiwen Investment Limited	4,197,615	1.65
Shinkong International Leasing Corp.	4,194,719	1.65
Macquarie Bank Limited	4,159,943	1.64
Chailease Power Technology Co., Ltd.	4,145,916	1.63
Yung Ching Construction Co., Ltd.	4,102,621	1.61
Yieh Mau Corp.	4,092,162	1.61
Credit Agricole Cib, Paris	3,998,489	1.57

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Hongdadi Construction Co., Ltd.	\$ 3,963,774	1.56
Ta-Ho Maritime Corp.	3,948,689	1.55
Pescadores Merchandise Co., Ltd.	3,937,615	1.55
Citigroup Global Markets Holdings Inc.	3,936,988	1.55
Forest Water Environmental Engineering Ltd.	3,935,767	1.55
Grand Hi-Lai Hotel Co., Ltd.	3,910,695	1.54
Hanshin Shopping Plaza Co., Ltd.	3,910,695	1.54
Rih ding Water Enterprise Co., Ltd.	3,880,621	1.53
SOCIETE GENERALE,S.A.	3,872,270	1.52
Credit Agricole SA	3,860,531	1.52
Hung Pan Development Co., Ltd.	3,839,255	1.51
Wan Xixing Construction Co., Ltd.	3,839,255	1.51
Jpmorgan Chase Bank N.A.	3,838,855	1.51
Jpmorgan Chase & Co.	3,838,855	1.51
San Miguel Global Power Holdings	3,819,452	1.50
Wavetek Microelectronics Corporation	3,777,566	1.49
Molie Quantum Energy Corporation	3,769,054	1.48
Foxwell Power Co., Ltd.	3,746,868	1.47
Chung Kung Safeguarding and Security Corp.	3,737,575	1.47
TCC Chemical Corporation	3,734,789	1.47
Cathay Century Insurance Co., Ltd.	3,726,186	1.47
Chung Kung Management and Maintenance of Apartment Co., Ltd.	3,723,351	1.47
Tang Eng Iron Works Co., Ltd.	3,711,502	1.46
Cathay United Bank, Taipei	3,707,781	1.46
CSBC Corporation, Taiwan	3,704,300	1.46
Ho-Ping Power Company	3,685,952	1.45
Northlight Construction Ltd.	3,683,066	1.45
Huang Hsiang Construction Corp.	3,683,066	1.45
Sying-lung Co., Ltd.	3,669,129	1.44
CSBC Coating Solutions Co., Ltd.	3,617,951	1.42
Goldman Sachs Finance Corp	3,613,907	1.42
Lealea Enterprise Co., Ltd.	3,613,315	1.42
KGI Securities Co., Ltd.	3,586,817	1.41
Seetek Development Co., Ltd.	3,579,471	1.41
SunPlaza International Co., Ltd.	3,579,471	1.41
CSBC Construction Co., Ltd.	3,571,525	1.41
CSBC-DEME Wind Engineering Co., Ltd.	3,548,040	1.40
Reliance Jio Infocomm Limited	3,540,780	1.39
RelianceIndustries Limited	3,540,780	1.39
CSBC Power Technology Co., Ltd.	3,531,614	1.39
Asia Vital Components Co., Ltd.	3,523,808	1.39
AVCTECHNOLOGY(VIETNA	3,523,808	1.39
Supreme Electronic Co., Ltd.	3,512,768	1.38
First ABU Dhabi Bank	3,435,440	1.35
Han Ya American High-Tech Fund does not declare dividends	3,415,923	1.34

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Fortuna Development Co.	\$ 3,410,044	1.34
Lih Pao Construction Co., Ltd.	3,368,190	1.33
Real Estate Development Lih Pao INVESTMENT, L.L.C	3,368,190	1.33
Formosa Resources Corporation	3,344,070	1.32
CREDIT AGRICOLE CIB, TAIPEI BRANCH	3,342,789	1.32
Hk Xzj Digital Co., Limited	3,306,058	1.30
Far Eastern AI Mai Co., Ltd.	3,299,596	1.30
Kinpo Electronics, Inc.	3,299,428	1.30
Advanced Wireless Semiconductor Company	3,279,783	1.29
Commonwealth Bank Of Australia, Au	3,233,766	1.27
Xing He Investment Co., Ltd.,	3,195,958	1.26
Korea Ocean Business Corporation	3,169,830	1.25
BPCE	3,152,099	1.24
BES ENGINEERING Corp.	3,125,878	1.23
Fengyun Advertising Co., Ltd.	3,122,835	1.23
Infinite Finance Co., Ltd.	3,110,725	1.22
Bank Of America, N.A. Hong Kong	3,105,625	1.22
Shinkong International Securities Co., Ltd.	3,100,524	1.22
Xi Hua Construction Co., Ltd.	3,074,693	1.21
Nice Enterprise Co., Ltd.	3,064,980	1.21
Nankang Rubber Tire Corp., Ltd.	3,049,421	1.20
Humble Investment Ltd.	3,047,980	1.20
Maxxis Rubber India Private Limited	3,039,768	1.20
Jih Sun Formosa Auto Leasing Co., Ltd.	3,039,426	1.20
Rizal Commercial Banking	3,039,261	1.20
Yuanxin International Finance Co., Ltd.	3,020,524	1.19
Fu Chan High Pile Co., Ltd.	3,017,505	1.19
ING Bank N.V., Netherlands	3,005,904	1.18
Chuwang Development Co., Ltd.	3,004,096	1.18
Golden Supreme International Trading (Shanghai) Co., Ltd.	3,001,157	1.18

(Continued)

## TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Financier	Counterparty	Financial Statement Account	Related Parties	Maximum Balance for the Period	Ending Balance (Note 2)	Amount Actually Drawn	Interest Rate (%)	Financing Type	Transaction Amount	Financing Reasons	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limit
													Item	Value		
1	Co-operative Assets Management Co., Ltd.	I-Hwa Industrial Co., Ltd.	Receivables on lending funds	No	\$ 88,000	\$ 88,000	\$ 88,000	3-8	Short-term financing	\$ -	Operating use	\$ 880	Real estate	\$ 161,529	\$ 398,986 (Note 3)	\$ 1,595,945 (Note 3)
		Xiang Xing Trading Co., Ltd.	Receivables on lending funds	No	100,000	100,000	65,045	3-8	Short-term financing	-	Operating use	650	Stocks	30,000	398,986 (Note 3)	1,595,945 (Note 3)
		Tai-Hwei Trade Co., Ltd.	Receivables on lending funds	No	90,000	90,000	90,000	3-8	Short-term financing	-	Operating use	900	Real estate	303,793	398,986 (Note 3)	1,595,945 (Note 3)
		FLAGSHIP Square Enterprise Co., Ltd.	Receivables on lending funds	No	150,000	137,061	137,061	3-8	Short-term financing	-	Operating use	1,371	Real estate	209,575	398,986 (Note 3)	1,595,945 (Note 3)
		Tsuru Chikusan Co., Ltd.	Receivables on lending funds	No	200,000	182,500	182,500	3-8	Short-term financing	-	Operating use	1,825	Real estate	281,957	398,986 (Note 3)	1,595,945 (Note 3)
		Yieh Hong Enterprise Co., Ltd.	Receivables on lending funds	No	250,000	146,706	146,706	3-8	Short-term financing	-	Operating use	1,467	Stocks	101,250	398,986 (Note 3)	1,595,945 (Note 3)
		ET New Media Holding Co., Ltd.	Receivables on lending funds	No	100,000	42,113	42,113	3-8	Short-term financing	-	Operating use	421	None	-	398,986 (Note 3)	1,595,945 (Note 3)
		Tai Wan Asset Management Co.	Receivables on lending funds	No	50,000	50,000	50,000	3-8	Short-term financing	-	Operating use	500	None	-	398,986 (Note 3)	1,595,945 (Note 3)
		Feng Xin Development & Investment Co., Ltd.	Receivables on lending funds	No	30,000	23,770	23,770	3-8	Short-term financing	-	Operating use	238	Stocks	29,720	398,986 (Note 3)	1,595,945 (Note 3)
		Xiangde Development Co., Ltd.	Receivables on lending funds	No	50,000	50,000	50,000	3-8	Short-term financing	-	Operating use	500	Guarantee	5,000	398,986 (Note 3)	1,595,945 (Note 3)
		Era Energy Co., Ltd.	Receivables on lending funds	No	25,000	20,884	20,884	3-8	Short-term financing	-	Operating use	209	None	-	398,986 (Note 3)	1,595,945 (Note 3)
		Easy Life Station Co., Ltd.	Receivables on lending funds	No	20,000	15,075	15,075	3-8	Short-term financing	-	Operating use	151	Guarantee	3,000	398,986 (Note 3)	1,595,945 (Note 3)
		Monisun International Co., Ltd.	Receivables on lending funds	No	30,000	30,000	30,000	3-8	Short-term financing	-	Operating use	300	None	-	398,986 (Note 3)	1,595,945 (Note 3)

Note 1: The parent company and investee companies are numbered as follows:

- a. Parent company is denoted as 0.
- b. Investee companies are numbered sequentially from 1.

Note 2: Each lending of funds is resolved by the board of directors. The Company should disclose the monetary limit resolved by the board of directors even if the funds are not yet disbursed. When the funds are repaid, the Company should disclose the lending balance of funds after the repayments.

Note 3: Each financing limit for the borrowing company and the total financing amount limit of Co-operative Assets Management Co., Ltd. (CAM) are 10% and 40% of CAM's equity of the latest financial report, respectively. The equity of CAM as of December 31, 2025 was \$3,989,864 thousand.

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
				Shares (In Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Taiwan Cooperative Venture Capital Co., Ltd.	<u>Convertible bonds</u> Kumamoto Co., Ltd.	-	Financial assets at fair value through profit or loss	-	\$ 50,500	-	\$ 50,500	
Co-operative Assets Management	<u>Stock</u> Cooperative Financial International Lease Co., Ltd.	Subsidiary	Investments accounted for using equity method	-	1,264,498	100.00	1,264,498	Note
Taiwan Cooperative Securities Investment Trust Co., Ltd.	Fund Rich Securities Co., Ltd.	-	Financial assets at fair value through other comprehensive income	263	3,957	0.38	3,957	
Taiwan Cooperative Venture Capital Co., Ltd.	Handa Pharmaceuticals, Inc.	-	Financial assets at fair value through profit or loss	483	41,538	0.28	41,538	
	AnnJi Pharmaceutical Co., Ltd.	-	Financial assets at fair value through profit or loss	2,645	134,815	2.81	134,815	
	Anya Biopharm Inc.	-	Financial assets at fair value through profit or loss	966	45,866	1.97	45,866	
	Seetel New Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	200	31,600	0.38	31,600	
	Suregiant Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	100	43,426	0.46	43,426	
	SR Suntour Inc.	-	Financial assets at fair value through profit or loss	1,700	51,153	2.82	51,153	
	Phu Vinh Industrial Company	-	Financial assets at fair value through profit or loss	4,249	134,955	17.86	134,955	
	ULSee Cayman Co., Ltd.	-	Financial assets at fair value through profit or loss	651	13,190	0.43	13,190	
	Cloud Mile Inc.	-	Financial assets at fair value through profit or loss	838	93,881	2.31	93,881	
	Hoytek Precision Company	-	Financial assets at fair value through profit or loss	1,668	44,348	19.46	44,348	
	CDIB Capital Healthcare Ventures II Limited Partnership	-	Financial assets at fair value through profit or loss	-	42,474	-	42,474	
	Anivia Medical Holdings	-	Financial assets at fair value through profit or loss	752	72,201	1.48	72,201	
	Free Bionics Inc.	-	Financial assets at fair value through profit or loss	2,068	95,217	7.51	95,217	
	Revlis Biotech Co., Ltd.	-	Financial assets at fair value through profit or loss	2,813	29,165	3.34	29,165	
	Mesh Cooperative Ventures Fund LP	-	Financial assets at fair value through profit or loss	-	24,986	-	24,986	
	Knowledge Creation Innovation Co., Ltd.	-	Financial assets at fair value through profit or loss	530	12,238	13.19	12,238	
	YAYATECH CO., LTD.	-	Financial assets at fair value through profit or loss	2,200	176,198	12.27	176,198	
	P-Waver Inc.	-	Financial assets at fair value through profit or loss	692	9,827	11.53	9,827	
	WIN COAT CO.	-	Financial assets at fair value through profit or loss	1,100	44,000	2.17	44,000	
	GeNopsys Technologies INC.	-	Financial assets at fair value through profit or loss	3,947	260,416	16.37	260,416	
	APACECORE PTE. LTD.	-	Financial assets at fair value through profit or loss	8,000	12,720	19.51	12,720	
	Shuo Ming Green Energy Co.	-	Financial assets at fair value through profit or loss	2,000	24,180	3.78	24,180	
	TRON FUTURE TECH INC.	-	Financial assets at fair value through profit or loss	852	13,711	0.55	13,711	
	XConn Technologies Holdings, Ltd.	-	Financial assets at fair value through profit or loss	805	145,375	1.35	145,375	
	Greenway Environmental Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	860	15,036	6.09	15,036	
	Meridian Innovation Pte. Ltd.	-	Financial assets at fair value through profit or loss	760	73,264	3.20	73,264	

(Continued)

Holding Company Name	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
				Shares (In Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Taiwan Cooperative Securities Investment Trust Co., Ltd.	Ironyun Incorporated	-	Financial assets at fair value through profit or loss	5,263	\$ 11,421	2.76	\$ 11,421	
	Evtail Co., Ltd.	-	Financial assets at fair value through profit or loss	1,667	108,983	7.22	108,983	
	Carota Corporation	-	Financial assets at fair value through profit or loss	666	20,966	1.53	20,966	
	OXCCU Tech Limited	-	Financial assets at fair value through profit or loss	274	82,200	3.55	82,200	
	<u>Beneficial certificates</u>							
	TCB Taiwan Money Market Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.	Financial assets at fair value through profit or loss	1,702	18,224	-	18,224	
	CTBC Hwa-win Money Market Fund	-	Financial assets at fair value through profit or loss	1,301	15,158	-	15,158	
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	1,059	17,167	-	17,167	
	FSITC Money Market Fund	-	Financial assets at fair value through profit or loss	80	15,118	-	15,118	

Note: When Taiwan Cooperative Financial Holding Co., Ltd. prepared the consolidated financial statements, the related account and security transactions were eliminated.

(Concluded)

## TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 10% OF THE PAID-IN CAPITAL  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 (In Shares and in Thousands of New Taiwan Dollars)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-Party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Value	Gain (Loss) on Disposal	Shares	Amount
Taiwan Cooperative Bank, Ltd.	Taipei Financial Center Corporation	Financial assets at fair value through other comprehensive income	Itochu Taiwan Investment Corporation	Non-related parties	24,000,000	\$ 540,960	49,500,000	\$ 1,915,650	-	\$ -	\$ -	\$ -	73,500,000	\$ 2,844,450 (Note)

Note: The ending balance includes a valuation adjustment of \$387,840 thousand.

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES**

**ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 10% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

Buyer	Property	Event Date (Note 1)	Transaction Amount (Note 2)	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Taiwan Cooperative Bank, Ltd.	Urban renewal project located at Lot Nos. 480 and 480-2, Subsection 5, Ren'ai Section, Daan District, Taipei City.	2025.03.04	\$ 3,453,954	Payments shall be made upon acceptance of work based on construction progress.	Kedge Construction Co., Ltd. and Yvansor Engineering Co., Ltd.	Non-related parties	-	-	-	\$ -	Public selection	Urban renewal	None

Note 1: The actual date of occurrence refers to the date on which the counterparty and the transaction amount can be reasonably determined.

Note 2: The total contract amount for the construction project is \$3.698 billion (inclusive of tax). Based on TCB's proportionate share of 93.4006%, which corresponds to its share of the updated land rights value, the portion of the construction contract amount attributable to TCB as of December 31, 2025 was \$3,319,245 thousand.

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES**

**ALLOWANCE OF SERVICE FEES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$5 MILLION  
FOR THE YEAR ENDED DECEMBER 31, 2025**

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

<b>Securities Firms</b>	<b>Counterparty</b>	<b>Nature of Relationship</b>	<b>Total Amounts of Brokerage Service Revenue</b>	<b>Total Allowance of Brokerage Service Revenue</b>	<b>Service Revenue from Related Party</b>	<b>Allowance of Service Revenue for Related Party</b>	<b>Percentage of Service Revenue From Related Party to Total Amounts</b>	<b>Percentage of Allowance of Service Revenue for Related Party to Total Allowance</b>
Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	Same parent company	\$ 2,855,549	\$ 1,584,516	\$ 89,953	\$ 72,436	3.15	4.57

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES**

**SALE OF NONPERFORMING LOANS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Taiwan Cooperative Bank, Ltd.

1. Summary statement:

<b>Date of Transaction</b>	<b>Counterparty</b>	<b>Loan Composition</b>	<b>Book Value</b>	<b>Selling Price</b>	<b>Gain (Loss) on Disposal</b>	<b>Terms</b>	<b>Relationship Between the Counterparty and the Company</b>
2025.05.30 (Note 1)	Flynn Properties Inc.	Medium-term unsecured credit for corporate households (participate in the international syndicated loan case)	\$ 167,211 (US\$ 5,574) (Note 2)	\$ 275,095 (US\$ 9,170)	\$ 107,884 (US\$ 3,596)	None	Non-related parties

Note 1: The transaction date is based on U.S. local time.

Note 2: The balance of carrying amount was original loans US\$21,356 thousand deducted loss allowance US\$15,782 thousand.

2. Disposal of nonperforming loans amounts of \$1 billion (exclude disposal to the related parties): None.

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$300 MILLION OR 10% OF THE PAID-IN CAPITAL**

**DECEMBER 31, 2025**

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

Company Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	Subsidiary	\$ 1,877,224 (Note 1)	-	\$ -	-	\$ -	\$ -
Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Financial Holding Company, Ltd.	Parent company	2,428,825 (Note 1)	-	-	-	-	-
	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Sister company	413,339 (Note 2)	-	-	-	-	-

Note 1: The receivables related to consolidated tax returns. When preparing the consolidated financial statements, the receivables have been eliminated.

Note 2: It is a receivable income such as commissions. When preparing the consolidated financial statements, the receivables have been eliminated.

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD.**

**PERCENTAGE SHARE IN INVESTEEES AND RELATED INFORMATION**

**DECEMBER 31, 2025**

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

Investor Company	Investee Company	Location	Main Businesses and Products	Percentage of Ownership	Carrying Value	Investment Gain	Proportionate Share of the Company and Its Affiliates in Investees (Note 1)				Note
							Shares (Thousands)	Pro Forma Shares (Note 2)	Total		
									Shares (Thousands)	Percentage of Ownership	
Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	Taipei	Banking	100.00	\$ 302,335,405	\$ 20,798,073	13,069,430	-	13,069,430	100.00	Note 3
	Taiwan Cooperative Securities Co., Ltd.	Taipei	Securities dealer	100.00	6,806,468	427,600	520,613	-	520,613	100.00	Note 3
	Taiwan Cooperative Bills Finance Co., Ltd.	Taipei	Bills finance dealer	100.00	7,769,497	326,706	487,774	-	487,774	100.00	Note 3
	Co-operative Assets Management Co., Ltd.	Taipei	Acquisition of delinquent loans	100.00	3,990,365	380,147	314,088	-	314,088	100.00	Note 3
	Taiwan Cooperative Securities Investment Trust Co., Ltd.	Taipei	Securities investment trust	100.00	425,469	12,412	31,950	-	31,950	100.00	Note 3
	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taipei	Life insurance	51.00	5,842,032	143,065	350,939	-	350,939	51.00	Note 3
	Taiwan Cooperative Venture Capital Co., Ltd.	Taipei	Venture capital	100.00	1,774,427	197,961	151,396	-	151,396	100.00	Note 3

Note 1: Shares or proforma shares held by the Company, directors, supervisors, president, vice president and affiliates in accordance with the Company Law have been included.

Note 2: a. Proforma shares are shares that are assumed to have been obtained through buying equity-based securities or entering into equity-linked derivative contracts for purposes defined in Paragraph 2 of Article 36 and Article 37 of the Financial Holding Company Act.

b. Equity-based securities, such as convertible bonds and warrants, are covered by Article 11 of the "Securities and Exchange Law Enforcement Rules."

c. Derivative instruments, such as stock options, are those conforming to the definition of IFRS 39 - "Financial Instruments", such as stock options.

Note 3: When TCFHC prepares the consolidated financial statements, this investment has been eliminated.

## TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

## Taiwan Cooperative Bank, Ltd.

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2025	Investee Net Income	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Value as of December 31, 2025	Accumulated Inward Remittance of Earnings as of December 31, 2025
					Outflow	Inflow						
Taiwan Cooperative Bank Suzhou Branch	Deposits, loans, import and export, exchange and foreign exchange business	\$ 4,547,235 (US\$ 154,395) (Note 1)	Direct	\$ 4,547,235 (US\$ 154,395) (Note 1)	\$ -	\$ -	\$ 4,547,235 (US\$ 154,395) (Note 1)	\$ 236,835	100	\$ 236,835	\$ 7,336,428	\$ -
Taiwan Cooperative Bank Tianjin Branch	Deposits, loans, import and export, exchange and foreign exchange business	2,947,314 (US\$ 97,387) (Note 1)	Direct	2,947,314 (US\$ 97,387) (Note 1)	-	-	2,947,314 (US\$ 97,387) (Note 1)	79,822	100	79,822	2,542,143	-
Taiwan Cooperative Bank Fuzhou Branch	Deposits, loans, import and export, exchange and foreign exchange business	2,950,882 (US\$ 97,549) (Note 1)	Direct	2,950,882 (US\$ 97,549) (Note 1)	-	-	2,950,882 (US\$ 97,549) (Note 1)	95,413	100	95,413	3,756,994	-
Taiwan Cooperative Bank Changsha Branch	Deposits, loans, import and export, exchange and foreign exchange business	2,630,485 (US\$ 87,232) (Note 1)	Direct	2,630,485 (US\$ 87,232) (Note 1)	-	-	2,630,485 (US\$ 87,232) (Note 1)	74,533	100	74,533	2,590,676	-

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amount Approved by the Investment Commission, MOEA	Maximum Investment Allowable (Note 2)
\$ 13,075,916 (US\$ 436,563) (Note 1)	\$ 13,075,916 (US\$ 436,563) (Note 1)	\$ 182,141,071

## Co-operative Assets Management Co., Ltd.

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2025	Investee Net Income	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Value as of December 31, 2025	Accumulated Inward Remittance of Earnings as of December 31, 2025
					Outflow	Inflow						
Taiwan Cooperative International Leasing Co., Ltd.	Financial leasing	\$ 910,980 (RMB 185,460) (Note 1)	Direct	\$ 910,980 (RMB 185,460) (Note 1)	\$ -	\$ -	\$ 910,980 (RMB 185,460) (Note 1)	\$ 1,251	100	\$ 1,251	\$ 1,264,498	\$ -

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amount Approved by the Investment Commission, MOEA	Maximum Investment Allowable (Note 3)
\$ 910,980 (RMB 185,460) (Note 1)	\$ 910,980 (RMB 185,460) (Note 1)	\$ 2,393,918

(Continued)

Note 1: The currency was translated into New Taiwan dollars at the exchange rates on the date of each outflow of investment.

Note 2: Based on the Investment Commission's "Regulation on the Examination of Investment or Technical Cooperation in Mainland China," investments are limited to the higher of 60% of TCB's net asset value or 60% of TCB's consolidated net asset value.

Note 3: Based on the Investment Commission's "Regulation on the Examination of Investment or Technical Cooperation in Mainland China," investments are limited to the higher of 60% of CAM's net asset value or 60% of CAM's consolidated net asset value.

(Concluded)

## TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

## BUSINESS RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS AMONG THE PARENT COMPANY AND SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Transacting Company	Counterparty	Transaction Flow (Note 2)	Description of Transactions (Notes 3 and 5)			
				Financial Statement Account	Amounts	Trading Terms	Transaction Amount/Total Consolidated Net Revenue or Total Consolidated Assets (%)
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	a	Tax payables - consolidated tax return	\$ 2,428,825	Note 4	0.05
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Financial Holding Co., Ltd.	b	Tax receivables - consolidated tax return	2,428,825	Note 4	0.05
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	a	Tax receivables - consolidated tax return	1,877,224	Note 4	0.03
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Financial Holding Co., Ltd.	b	Tax payables - consolidated tax return	1,877,224	Note 4	0.03
1	Taiwan Cooperative Bank, Ltd.	United Taiwan Bank S.A.	a	Due from banks	581,536	Note 4	0.01
2	United Taiwan Bank S.A.	Taiwan Cooperative Bank, Ltd.	b	Deposits from banks	581,536	Note 4	0.01
1	Taiwan Cooperative Bank, Ltd.	United Taiwan Bank S.A.	a	Call loans to banks	2,068,640	Note 4	0.04
2	United Taiwan Bank S.A.	Taiwan Cooperative Bank, Ltd.	b	Call loans from banks	2,068,640	Note 4	0.04
1	Taiwan Cooperative Bank, Ltd.	United Taiwan Bank S.A.	a	Medium-term unsecured loans	3,509,300	Note 4	0.07
2	United Taiwan Bank S.A.	Taiwan Cooperative Bank, Ltd.	b	Long-term borrowings	3,509,300	Note 4	0.07
1	Taiwan Cooperative Bank, Ltd.	United Taiwan Bank S.A.	a	Interest revenue	113,606	Note 4	0.15
2	United Taiwan Bank S.A.	Taiwan Cooperative Bank, Ltd.	b	Interest expense	113,606	Note 4	0.15
1	Taiwan Cooperative Bank, Ltd.	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	c	Deposits and remittances	1,412,951	Note 4	0.03
3	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Cash and cash equivalents	1,412,951	Note 4	0.03
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Bills Finance Co., Ltd.	c	Call loans to banks	940,000	Note 4	0.02
4	Taiwan Cooperative Bills Finance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Call loans from banks	940,000	Note 4	0.02

(Continued)

No. (Note 1)	Transacting Company	Counterparty	Transaction Flow (Note 2)	Description of Transactions (Notes 3 and 5)			
				Financial Statement Account	Amounts	Trading Terms	Transaction Amount/Total Consolidated Net Revenue or Total Consolidated Assets (%)
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Call loans to banks	\$ 251,560	Note 4	0.00
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Securities Co., Ltd.	c	Call loans to securities company	251,560	Note 4	0.00
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Right-of-use assets, net	166,468	Note 4	0.00
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Lease liabilities	167,926	Note 4	0.00
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Interest expense	2,635	Note 4	0.00
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Depreciation expense	52,059	Note 4	0.07
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Securities Co., Ltd.	c	Lease income	54,711	Note 4	0.07
1	Taiwan Cooperative Bank, Ltd.	Co-operative Assets Management Co., Ltd.	c	Properties and equipment, net and deferred revenue	383,282	Note 4	0.01
1	Taiwan Cooperative Bank, Ltd.	Co-operative Assets Management Co., Ltd.	c	Gains on disposal of properties and equipment, accumulated earnings	580,423	Note 4	0.01
5	Co-operative Assets Management Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Investment properties, net	963,705	Note 4	0.02
1	Taiwan Cooperative Bank, Ltd.	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	c	Service fee and commission income	1,836,995	Note 4	2.47
3	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Service charge and commission expense and General and administrative	1,836,995	Note 4	2.47
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Right-of-use assets, net	46,305	Note 4	0.00
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Lease liabilities	48,949	Note 4	0.00
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Interest expense	861	Note 4	0.00
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Depreciation expense	29,195	Note 4	0.04
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Financial Holding Co., Ltd.	c	Lease income	30,445	Note 4	0.04
4	Taiwan Cooperative Bills Finance Co., Ltd.	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	c	Securities purchased under resell agreements	1,536,006	Note 4	0.03
3	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Cooperative Bills Finance Co., Ltd.	c	Securities sold under repurchase agreements	1,536,006	Note 4	0.03
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Settlement receivable	114,686	Note 4	0.00
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Securities Co., Ltd.	c	Payable on securities	114,686	Note 4	0.00

(Continued)

No. (Note 1)	Transacting Company	Counterparty	Transaction Flow (Note 2)	Description of Transactions (Notes 3 and 5)			
				Financial Statement Account	Amounts	Trading Terms	Transaction Amount/Total Consolidated Net Revenue or Total Consolidated Assets (%)
1	Taiwan Cooperative Bank, Ltd.	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	c	Other receivables, accrued income	\$ 413,339	Note 4	0.01
3	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Other payables	413,339	Note 4	0.01

Note 1: The parent company and subsidiaries are numbered as follows:

- a. Parent company is denoted as 0.
- b. Subsidiaries are numbered sequentially from 1.

Note 2: Transaction flows are as follows:

- a. From parent company to subsidiary.
- b. From subsidiary to parent company.
- c. Between subsidiaries.

Note 3: For calculating the percentages, the asset or liability account is divided by the consolidated total assets, and the revenue or expense account is divided by the total consolidated net revenue of the same period.

Note 4: The terms for the transactions between the transacting company and related parties are similar to those for unrelated parties.

Note 5: Referring to transactions exceeding NT\$100 million.

(Concluded)

**TABLE 17****TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD.****INFORMATION ON MAJOR SHAREHOLDERS  
DECEMBER 31, 2025**

Name of Major Shareholder	Shareholding	
	Number of Shares	Percentage of Ownership (%)
Ministry of Finance, Taiwan	4,087,117,858	26.06

The above table of major shareholders are based on the information from Taiwan Depository & Clearing Corporation which calculated the registration and delivery of non-physical (including treasury stock) common stocks and preferred stocks at least 5% as of the last business day of each quarter. There may be differences between the number of shares recorded in the consolidated financial statements and the registration number of non-physical shares due to different basis of preparation.

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES**

**DETAILED SCHEDULE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

**DECEMBER 31, 2025**

**(In Thousands of New Taiwan Dollars, Except Unit Price)**

Financial Instrument Items	Institution/ Notes and Securities Name	Interest Payment Date	Payback Date/ Maturity Date	Face Value/ In Thousands of Shares	Interest Rate (%)	Cost	Fair Value		Change in Fair Values Resulting from Credit Risk Variations	Note
							Unit Price (In Hundreds of New Taiwan Dollars)	Amount (Note 2)		
<u>Financial assets mandatorily classified as at fair value through profit or loss</u>										
Commercial paper										
TCBF (Note 1)						\$ 35,924,804		\$ 35,928,774		
TCB (Note 1)			2026/01/06-2026/11/16			126,575,819		126,421,077		
TCS (Note 1)						<u>302,972</u>		<u>302,972</u>		
						<u>162,803,595</u>		<u>162,652,823</u>		
Investment in equity instruments										
TCB (Note 1)						801,076		723,729		
United Taiwan Bank S.A. (Note 1)						103,341		88,147		
TCBF (Note 1)						13,781		13,751		
TCS (Note 1)						529,453		562,456		
TCVC (Note 1)						<u>1,383,853</u>		<u>1,909,350</u>		
						<u>2,831,504</u>		<u>3,297,433</u>		
Government bonds										
TCS (Note 1)			2030/08/12			<u>208,003</u>		<u>203,980</u>		
Corporate bonds										
TCS (Note 1)			2027/12/28-2035/03/28			699,639		704,328		
TCB (Note 1)			2026/04/26			<u>600,000</u>		<u>598,958</u>		
						<u>1,299,639</u>		<u>1,303,286</u>		
Convertible bonds										
TCS (Note 1)						925,590		939,047		
TCVC (Note 1)						<u>50,500</u>		<u>50,500</u>		
						<u>976,090</u>		<u>989,547</u>		
Negotiable certificates of deposit										
TCBF (Note 1)						<u>4,840,000</u>		<u>4,836,818</u>		Note 3
Beneficial certificates										
TCBF (Note 1)						65,014		65,668		
TCS (Note 1)						298,477		314,416		
TCB (Note 1)						10,000		13,370		
BPCTLI (Note 1)						<u>3,765,085</u>		<u>3,533,018</u>		
						<u>4,138,576</u>		<u>3,926,472</u>		

(Continued)

Financial Instrument Items	Institution/ Notes and Securities Name	Interest Payment Date	Payback Date/ Maturity Date	Face Value/ In Thousands of Shares	Interest Rate (%)	Cost	Fair Value		Change in Fair Values Resulting from Credit Risk Variations	Note
							Unit Price (In Hundreds of New Taiwan Dollars)	Amount (Note 2)		
Commercial paper contracts with reference rate										
TCBF (Note 1)						\$ -		\$ 21,042		
Currency swap contracts										
TCB (Note 1)						-		9,122,368		
BPCTLI (Note 1)						-		8,592		
						-		9,130,960		
Forward Contracts										
TCB (Note 1)						-		21,027		
Futures exchange margins										
TCS (Note 1)						131,883		138,113		
TCB (Note 1)						9,495		9,495		
TCBF (Note 1)						14,912		14,912		
						156,290		162,520		
Bank debentures										
TCS (Note 1)			2031/04/22-2034/06/15			148,452		163,135		
Currency option contracts - buy										
TCB (Note 1)						26,842		18,636		
Cross-currency swap contracts										
TCB (Note 1)						-		3,745		
Interest rate swap contracts										
TCB (Note 1)						-		230,028		
Asset swap IRS contracts value										
TCS (Note 1)						-		37,941		
Convertible Bond Asset SWAP										
TCBF (Note 1)						2,995,500		3,068,341		
						\$ 180,424,491		\$ 190,067,734		

Note 1: The cost of each individual item do not exceed 5% of the account balance.

Note 2: The book value which amounted to \$42,539,751 thousand had been sold under repurchase agreements.

Note 3: Among the negotiable certificates of deposit, face value of \$340,000 thousand had been provided as collaterals for domestic overdraft.

(Concluded)

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

DETAILED SCHEDULE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars, Except Unit Price)

Financial Instrument Items	Institution/ Notes and Securities Name	Interest Payment	Payback Date/ Maturity Date	Face Value/In Thousands of Shares	Interest Rate (%)	Cost	Allowance for Accumulated Losses	Fair Value		Note
								Unit Price (In Hundreds of New Taiwan Dollars)	Amount (Note 2)	
Government bonds										
TCB (Note 1)			2026/02/24-2053/05/12			\$ 276,050,036	\$ (197,510)		\$ 269,288,415	Note 3
BPCTLI (Note 1)			2032/01/20-2041/05/07			15,926,140	(2,383)		15,639,466	
TCBF (Note 1)			2026/01/23-2034/06/21			3,899,817	(42)		3,873,640	Note 4
TCS (Note 1)			2026/03/04-2035/05/15			2,290,488	(418)		2,234,733	
						<u>298,166,481</u>	<u>(200,353)</u>		<u>291,036,254</u>	
Corporate bonds										
TCB (Note 1)			2026/02/03-2110/06/24			71,964,003	(15,659)		69,575,892	
BPCTLI (Note 1)			2026/06/22-2033/08/16			8,934,970	(3,823)		8,888,718	
TCBF (Note 1)			2026/06/25-2035/12/14			16,017,619	(1,065)		16,199,052	
TCS (Note 1)			2026/01/17-2045/09/15			5,227,721	(2,069)		5,203,843	
						<u>102,144,313</u>	<u>(22,616)</u>		<u>99,867,505</u>	
Bank debentures										
TCB (Note 1)			2026/01/10-2059/05/16			77,165,850	(20,456)		76,598,877	Note 5
BPCTLI (Note 1)			2034/01/12-2043/02/24			18,665,314	(6,103)		18,980,736	
TCS (Note 1)			2028/03/24-2033/04/19			996,231	(567)		968,017	
TCBF (Note 1)			2027/03/27-2031/02/26			2,429,768	(11,635)		2,402,341	
						<u>99,257,163</u>	<u>(38,761)</u>		<u>98,949,971</u>	
Others (certificates of deposit)										
TCB (Note 1)			2026/01/23-2026/12/11			6,947,086	(1,565)		6,947,357	Note 6
Listed shares and emerging market shares										
TCB (Note 1)						30,501,793	-		38,278,777	
TCBF (Note 1)						403,490	-		447,769	
TCS (Note 1)						155,080	-		151,274	
						<u>31,060,363</u>	<u>-</u>		<u>38,877,820</u>	
Unlisted shares										
TCB (Note 1)						7,432,549	-		14,305,955	
TCBF (Note 1)						9,277	-		153,975	
TCS (Note 1)						16,845	-		38,793	
TCSIT (Note 1)						2,274	-		3,957	
						<u>7,460,945</u>	<u>-</u>		<u>14,502,680</u>	
						<u>\$ 545,036,351</u>	<u>\$ (263,295)</u>		<u>\$ 550,181,587</u>	

(Continued)

Note 1: The cost of each individual item do not exceed 5% of the account balance.

Note 2: The book value which amounted to \$27,762,761 thousand had been sold under repurchase agreements.

Note 3: Among the government bonds, face value of \$691,790 thousand had been provided as overseas branches' capital adequate reserve.

Note 4: Among the government bonds of deposit, face value of \$700,000 thousand had been provided as collateral for domestic overdraft.

Note 5: Among the bank debentures, US\$7,000 thousand was pledged as collateral for the bills discount window facility of the Federal Reserve Bank.

Note 6: Among the certificates of deposit, US\$40,000 thousand was pledged as collateral for the bills discount window facility of the Federal Reserve Bank.

(Concluded)

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES**

**DETAILED SCHEDULE OF INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST**

**DECEMBER 31, 2025**

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Bond Items	Institution	Interest Payment Date	Maturity Date	Face Value	Interest Rate (%)	Allowance for Impairment Losses	Unamortized Premium (Discount)	Book Value	Note
Negotiable certificates of deposit in the Central Bank									
TCB (Note 1)			2026/01/02-2027/11/17	539,430,000		\$ -	\$ -	\$ 539,430,000	Note 2
Government bonds									
TCB (Note 1)			2026/01/12-2055/11/14			-	4,449,571	169,170,406	Note 3
TCBF (Note 1)			2028/01/17-2051/12/23			-	49,575	1,426,133	Note 4
BPCTLI (Note 1)			2038/03/13-2048/04/23			(340)	23,796	999,882	
						<u>(340)</u>	<u>4,522,942</u>	<u>171,596,421</u>	
Corporate bonds									
TCB (Note 1)			2026/01/12-2035/11/20			(12,246)	20,855	87,451,046	
Bank debentures									
TCB (Note 1)			2026/06/01-2046/09/26			(8,291)	(7,810)	28,789,709	
BPCTLI (Note 1)			2028/03/22			(2)	(55)	6,233	
						<u>(8,293)</u>	<u>(7,865)</u>	<u>28,795,942</u>	
Certificates of deposit									
TCB (Note 1)			2026/01/22-2026/04/09			(898)	-	517,945	Notes 5 and 6
Time deposits that had maturity periods of more than three months									
BPCTLI (Note 1)						(8)	-	31,429	
Treasury bills									
TCB (Note 1)			2026/06/26			-	-	1,312,997	
						<u>\$ (21,785)</u>	<u>\$ 4,535,932</u>	<u>\$ 829,135,780</u>	

Note 1: The book value of each individual item does not exceed 5% of the account balance.

Note 2: Among the negotiable certificates of deposit in the Central Bank, face value of \$40,000,000 thousand had been provided as collateral for call loans of foreign currency; face value of \$30,000,000 thousand had been provided as collaterals for day overdraft guarantee; face value of \$11,000,000 thousand had been provided as collaterals for overdraft of domestic U.S. dollar settlement; face value of \$500,000 thousand had been provided as collateral for overdraft of domestic JPY settlement.

Note 3: Among the government bonds, face value of \$863,000 thousand were pledged as guarantee deposits for provisional collateral seizure in relation to loan defaults and other matters; face value of \$430,000 thousand were pledged as guarantee deposits for the trust business compensation reserve; face value of \$50,000 thousand were pledged as the guarantee deposits for the bills finance business; face value of \$50,000 thousand were pledged as guarantee deposits for the securities operation; face value of \$5,000 thousand had been provided as guarantee deposits for the securities investment consulting services through automated tools (Robo-Advisor).

Note 4: Among the government bonds, face value of \$1,185,000 thousand were pledged as collateral for domestic overdraft facilities; face value of \$30,000 thousand were pledged as deposits lodged with the courts.

Note 5: Among the certificates of deposit, face value of \$68,707 thousand were pledged as overseas branches' collaterals for overdraft of U.S. dollar settlement; face value of \$9,842 thousand had been provided as overseas branches' collateral for overdraft of KHR settlement; face value of \$220,115 thousand were pledged as capital adequate reserves of the overseas branches, and certificates of deposit with a face value of \$6,289 thousand were pledged as guarantee deposits for operations of the overseas branches.

Note 6: Among the certificates of deposit, US\$6,802 thousand were pledged as collateral for KHR-denominated loans from National Bank of Cambodia.

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND  
SUBSIDIARIES****DETAILED SCHEDULE OF DISCOUNTS AND LOANS  
DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

Items	Amount
Bills discounts	\$ 1,718,430
Unsecured overdrafts	<u>757</u>
Secured overdrafts	<u>12,660</u>
Import and export negotiations	<u>346,446</u>
Loans	
Short-term unsecured loans	588,403,887
Accounts receivable financing	286,462
Short-term secured loans	211,290,696
Medium-term unsecured loans	529,507,038
Medium-term secured loans	370,537,437
Long-term unsecured loans	65,473,934
Long-term secured loans	<u>1,391,260,940</u>
	<u>3,156,760,394</u>
Overdue loans	<u>4,253,442</u>
Life insurance loan	<u>663,294</u>
Temporary insurance paid	<u>111,227</u>
Total amount (Note)	3,163,866,650
Less: Allowance for possible losses	37,496,162
Less: Adjustment of discount	<u>409,442</u>
Net amount	<u>\$ 3,125,961,046</u>

Note: The amount of US\$872,566 thousand had been provided as collaterals at the Discount Window Account of the Federal Reserve Bank.

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES**

**DETAILED SCHEDULE OF INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD**

**FOR THE YEAR ENDED DECEMBER 31, 2025**

**(In Thousands of New Taiwan Dollars, Except Face Value and Unit Price)**

Investee Company	Type of Shares	Fact Value (NT\$)	Balance, January 1		Increase in the Current Year		Decrease in the Current Year		Balance, December 31			Market Value or Equity		Note
			Shares	Amount	Shares	Amount	Shares	Amount	Shares (Note 1)	Percentage of Ownership	Amount	Unit Price (NT\$)	Amount	
United Real Estate Management Co., Ltd.	Common stock	\$10	10,116	<u>\$ 144,941</u>	-	<u>\$ 8,217</u>	-	<u>\$ 7,081</u>	10,116	30.00	<u>\$ 146,077</u>	14.44	<u>\$ 146,077</u>	Note 2

Note 1: The investments accounted for using equity method had not provide for collaterals or settle for pledge.

Note 2: The balance increasing in the current year was due to share of gains of associates accounted for using equity method; the balance decreasing in the current year was due to payment of cash dividends.

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES**

**DETAILED SCHEDULE OF OTHER FINANCIAL ASSETS**  
**DECEMBER 31, 2025**

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Items	Payback Date/ Maturity Date	Face Value/ In Thousands of Shares	Amount	Note
Overdue receivables, net				
TCB				
Secured trade finance advance			\$ 1,148	
Trade finance advance - credit cards			<u>10,378</u>	
			11,526	
Less: Allowance for possible losses			<u>11,526</u>	
			-	
TCBF				
Overdue receivables			4,122	
Less: Allowance for possible losses			<u>4,122</u>	
			-	
TCS				
Overdue receivables			2,507	
Less: Allowance for possible losses			<u>2,507</u>	
			-	
CAM				
Overdue receivables			18,813	
Less: Allowance for possible losses			<u>18,813</u>	
			-	
			-	
Due from banks (Note)				
TCB			7,118,628	
TCBF			260,000	The face value of US\$260,000 thousand had been provided as overseas branches' capital adequate reserve.
			216,900	
TCSIT			4,900	
TCSIC			<u>7,600,428</u>	
Call loans to security firms				
TCB			<u>377,340</u>	
Separate - account assets				
BPCTLI				
Demand deposits			817,957	
Financial assets at FVTPL			62,391,872	
Other receivables			<u>172,591</u>	
			<u>63,382,420</u>	
			<u>\$ 71,360,188</u>	

Note: Due from banks held by the Company were demand deposits and time deposits could not be withdrawn and time deposits had maturity periods of more than three months and could not be used before maturity.

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES**

**DETAILED SCHEDULE OF INVESTMENT PROPERTIES  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

Items	Balance, January 1	Increase in the Current Year	Decrease in the Current Year	Reclassification Increase	Balance, December 31
Cost					
Land	\$ 8,906,201	\$ 47	\$ (257,546)	\$ 497,502	\$ 9,146,204
Buildings	3,750,607	9,859	(119,975)	203,780	3,844,271
Prepayments for land	<u>25,840</u>	<u>383,543</u>	<u>-</u>	<u>(349,323)</u>	<u>60,060</u>
Total cost	12,682,648	<u>\$ 393,449</u>	<u>\$ (377,521)</u>	<u>\$ 351,959</u>	13,050,535
Less: Accumulated depreciation					
Buildings	<u>1,380,867</u>	<u>\$ 105,147</u>	<u>\$ (13,690)</u>	<u>\$ 85,367</u>	<u>1,557,691</u>
	<u>\$ 11,301,781</u>				<u>\$ 11,492,844</u>

Note 1: Investment properties had not been provided as collaterals.

Note 2: Buildings are depreciated on the straight-line method over service lives estimated as follows: Main buildings, 50 years; Equipment installed in building, 5 to 15 years.

Note 3: As of December 31, 2025, the fair value of investment properties was \$26,739,131 thousand. The fair value was determined by internal appraisal personal using Level 3 inputs according to internal procedures, and related regulations, and evaluation by external independent evaluators.

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES**

**DETAILED SCHEDULE OF PROPERTIES AND EQUIPMENT  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

Items	Balance, January 1	Increase in the Current Year	Decrease in the Current Year	Reclassification Increase (Decrease)	Effects of Exchange Rate Changes and Others	Balance, December 31
Cost						
Land	\$ 20,505,029	\$ -	\$ (539)	\$ (207,621)	\$ (6,794)	\$ 20,290,075
Buildings	20,217,847	196,246	-	(30,492)	(243)	20,383,358
Machinery and equipment	6,050,750	398,776	(239,221)	90,441	(7,175)	6,293,571
Transportation equipment	729,615	54,144	(61,149)	4,001	(1,433)	725,178
Other equipment	1,706,579	188,752	(50,764)	6,341	(2,018)	1,848,890
Leasehold improvements	<u>1,405,159</u>	<u>65,682</u>	<u>(43,647)</u>	<u>4,016</u>	<u>(7,474)</u>	<u>1,423,736</u>
Total cost	<u>50,614,979</u>	<u>\$ 903,600</u>	<u>\$ (395,320)</u>	<u>\$ (133,314)</u>	<u>\$ (25,137)</u>	<u>50,964,808</u>
Less: Accumulated depreciation						
Buildings	11,212,277	\$ 742,840	\$ -	\$ (85,367)	\$ (242)	11,869,508
Machinery and equipment	4,661,432	530,008	(239,083)	(682)	(5,562)	4,946,113
Transportation equipment	570,701	46,525	(61,145)	682	(858)	555,905
Other equipment	1,485,090	96,305	(50,748)	-	(1,739)	1,528,908
Leasehold improvements	<u>1,135,460</u>	<u>95,606</u>	<u>(43,644)</u>	<u>-</u>	<u>(5,236)</u>	<u>1,182,186</u>
Total accumulated depreciation and impairment	<u>19,064,960</u>	<u>\$ 1,511,284</u>	<u>\$ (394,620)</u>	<u>\$ (85,367)</u>	<u>\$ (13,637)</u>	<u>20,082,620</u>
Less: Accumulated impairment						
Land	<u>2,344</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,344</u>
Prepayments for equipment, land and buildings and construction in progress						
Construction in progress	247,018	\$ 380,886	\$ -	\$ (121,436)	\$ -	506,468
Prepayments for equipment	<u>204,982</u>	<u>171,846</u>	<u>-</u>	<u>(141,683)</u>	<u>-</u>	<u>235,145</u>
	<u>452,000</u>	<u>\$ 552,732</u>	<u>\$ -</u>	<u>\$ (263,119)</u>	<u>\$ -</u>	<u>741,613</u>
	<u>\$ 31,999,675</u>					<u>\$ 31,621,457</u>

Note 1: Property and equipment had not been provided as collaterals.

Note 2: Properties and equipment are depreciated on the straight-line method over service lives estimated as follows: Buildings - main buildings, 37 to 50 years; buildings - equipment installed in buildings, 5 to 15 years; machinery and equipment, 1 to 10 years; transportation equipment, 3 to 10 years; other equipment, 1 to 20 years; leasehold improvements, 2 to 10 years.

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES**

**DETAIL SCHEDULE OF RIGHT-OF-USE ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

Items	Balance, January 1	Increase in the Current Year	Decrease in the Current Year	Effects of Exchange Rate Changes and Others	Balance, December 31
Cost					
Land	\$ 19,156	\$ 7,892	\$ (10,465)	\$ -	\$ 16,583
Buildings	3,164,714	484,342	(585,488)	(21,579)	3,041,989
Transportation equipment	195,587	100,515	(55,340)	(921)	239,841
Other equipment	<u>17,892</u>	<u>-</u>	<u>(3,656)</u>	<u>-</u>	<u>14,236</u>
Total cost	<u>3,397,349</u>	<u>\$ 592,749</u>	<u>\$ (654,949)</u>	<u>\$ (22,500)</u>	<u>3,312,649</u>
Accumulated depreciation					
Land	9,720	\$ 5,514	\$ (9,925)	\$ -	5,309
Buildings	1,508,180	611,957	(533,198)	(7,655)	1,579,284
Transportation equipment	103,032	55,426	(54,094)	(1,677)	102,687
Other equipment	<u>12,567</u>	<u>1,739</u>	<u>(3,656)</u>	<u>1</u>	<u>10,651</u>
Total accumulated depreciation	<u>1,633,499</u>	<u>\$ 674,636</u>	<u>\$ (600,873)</u>	<u>\$ (9,331)</u>	<u>1,697,931</u>
	<u>\$ 1,763,850</u>				<u>\$ 1,614,718</u>

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND  
SUBSIDIARIES****DETAILED SCHEDULE OF OTHER ASSETS  
DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Items</b>	<b>Amount</b>
Refundable deposits	\$ 1,969,795
Operating deposits and settlement funds	736,597
Prepayments	447,564
Prepayments pension cost	1,557,825
Amounts held for settlement	249,901
Other (Note)	<u>40,587</u>
	<u>\$ 5,002,269</u>

Note: The amount of each individual item does not exceed 5% of the account balance.

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES**

**DETAILED SCHEDULE OF FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS  
DECEMBER 31, 2025**

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Financial Instrument Items	Summary	Face Value	Interest Rate (%)	Fair Value		Change in Fair Values Resulting from Credit Risk Variations
				Unit Price	Amount	
Held-for-trading financial liabilities						
Payable - security borrowing						
TCS					\$ 59,627	
Securities purchased under resell agreements - short sale						
TCS					203,266	
Currency swap contracts						
TCB					585,784	
TCBF					2,792	
BPCTLI					520,172	
					<u>1,108,748</u>	
Currency option contracts - sell						
TCB					18,650	
Interest rate swap contracts						
TCB					261,350	
Forward contracts						
TCB					29,960	
Cross-currency swap contracts						
BPCTLI					6,475	
Asset swap option contracts						
TCS					160,866	
Financial liabilities designated as at fair value through profit or loss						
Bank debentures						
TCB					3,861,754	\$ (26,033)
					<u>\$ 5,710,696</u>	

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES**

**DETAILED SCHEDULE OF COMMERCIAL PAPER ISSUED**

**DECEMBER 31, 2025**

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

Company	Guarantee or Acceptance Agency	Terms of the Contract	Interest Rate (%)	Amount		
				Issue Amount	Unamortized Discount	Book Value
TCFHC	Ta Ching Bills Finance Corporation	2026/04/22	1.658	\$ 600,000	\$ 2,156	\$ 597,844
	Yuanta Commercial Bank Co., Ltd.	2026/06/30	1.553-1.583	4,290,000	3,140	4,286,860
	Bank Sinopac Co., Ltd.	2026/03/31	1.553-1.658	10,000,000	21,329	9,978,671
	E.Sun Commercial Bank, Ltd.	2026/12/31	1.583-1.588	4,100,000	5,172	4,094,828
	Mega Bills Finance Co.,Ltd.	2026/05/26	1.553-1.708	10,000,000	12,734	9,987,266
	Cathay United Bank Co., Ltd.	2026/11/30	1.658	1,500,000	5,442	1,494,558
	The commercial paper was accepted and guaranteed by financial institutions. (Note)	2026/10/13	1.588-1.628	<u>750,000</u>	<u>1,510</u>	<u>748,490</u>
			<u>31,240,000</u>	<u>51,483</u>	<u>31,188,517</u>	
CAM	The commercial paper was accepted and guaranteed by financial institutions. (Note)	2026/01/22	1.658-1.948	<u>8,848,000</u>	<u>5,162</u>	<u>8,842,838</u>
TCS	The commercial paper was accepted and guaranteed by financial institutions. (Note)	2026/03/05	1.530-1.700	<u>5,950,000</u>	<u>7,521</u>	<u>5,942,479</u>
			<u>\$ 46,038,000</u>	<u>\$ 64,166</u>	<u>\$ 45,973,834</u>	

Note: The book value of each individual item does not exceed 5% of the account balance.

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND  
SUBSIDIARIES****DETAILED SCHEDULE OF DEPOSITS AND REMITTANCES  
DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

<b>Items</b>	<b>Amount</b>
Checking deposits	
Checking deposits	\$ 58,873,040
Cashier's checks	12,524,211
Accepted checks	<u>18,121</u>
	<u>71,415,372</u>
Demand deposits	
Demand deposits	679,801,061
Foreign currency demand deposits	<u>227,077,820</u>
	<u>906,878,881</u>
Savings - demand deposits	
Savings - demand deposits	1,194,805,515
Bank employee demand savings deposits	<u>23,417,882</u>
	<u>1,218,223,397</u>
Time deposits	
Time deposits	580,486,111
Foreign currency time deposits	<u>510,165,301</u>
	<u>1,090,651,412</u>
Negotiable certificates of deposits	<u>45,562,933</u>
Savings - time deposits	
Withdrawals of interest savings	539,300,810
Round-amount savings	168,692,095
Bank employee time savings deposits	14,061,126
Regular deposits	<u>579,085</u>
	<u>722,633,116</u>
Treasury deposits	
Time deposits	69,801,272
Demand deposits	<u>75,444,971</u>
	<u>145,246,243</u>
Remittances	
Remittances outstanding	53,660
Outward remittances	<u>263,322</u>
	<u>316,982</u>
	<u>\$ 4,200,928,336</u>

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

DETAILED SCHEDULE OF BOND PAYABLES  
 DECEMBER 31, 2025  
 (In Thousands of New Taiwan Dollars)

Name	Trust Institutions	Issue Date	Interest Payment Date	Annual Interest Rate	Amount			Repayment Method	Types of Collateral	Note
					Total Issued Amount	Repaid Amount	Carrying Amount			
TCB										
First subordinated bonds in 2016, Type B	None	2016/09/26	September 26 in each year	Fixed interest rate 1.20%	\$ 4,050,000	\$ -	\$ 4,050,000	Repay on the maturity date	Unsecured	
First subordinated bonds in 2017, Type B	None	2017/09/26	September 26 in each year	Fixed interest rate 1.56%	1,400,000	-	1,400,000	Repay on the maturity date	Unsecured	
First non-cumulative perpetual subordinated bonds in 2018	None	2018/11/26	November 26 in each year	Fixed interest rate 2.28%	5,000,000	-	5,000,000	TCB may exercise its redemption right after 5 years and 2 months	Unsecured	
First non-cumulative perpetual subordinated bonds in 2019	None	2019/06/26	July 26 in each year	Fixed interest rate 1.90%	5,000,000	-	5,000,000	TCB may exercise its redemption right after 5 years and 1 month	Unsecured	
Third non-cumulative perpetual subordinated bonds in 2019	None	2019/12/31	December 31 in each year	Fixed interest rate 1.45%	5,000,000	-	5,000,000	TCB may exercise its redemption right after 5 years and 1 month	Unsecured	
First non-cumulative perpetual subordinated bonds in 2020	None	2020/06/29	July 29 in each year	Fixed interest rate 1.50%	5,000,000	-	5,000,000	TCB may exercise its redemption right after 5 years and 1 month	Unsecured	
First unsecured bank debentures bonds in 2021	None	2021/05/31	May 31 in each year	Fixed interest rate 0.40%	1,000,000	-	1,000,000	Repay on the maturity date	Unsecured	
Second unsecured bank debentures bonds in 2021	None	2021/10/29	October 29 in each year	Fixed interest rate 0.42%	1,000,000	-	1,000,000	Repay on the maturity date	Unsecured	
First non-cumulative perpetual subordinated bonds in 2022	None	2022/06/15	July 15 in each year	Fixed interest rate 2.50%	1,350,000	-	1,350,000	TCB may exercise its redemption right after 5 years and 2 months	Unsecured	
Second non-cumulative perpetual subordinated bonds in 2022	None	2022/08/17	August 17 in each year	Fixed interest rate 3.00%	8,650,000	-	8,650,000	TCB may exercise its redemption right after 5 years and 1 month	Unsecured	
Third unsecured bank debentures bonds in 2022	None	2022/09/28	September 28 in each year	Fixed interest rate 1.50%	2,500,000	-	2,500,000	Repay on the maturity date	Unsecured	
Fourth non-cumulative perpetual subordinated bonds in 2022	None	2022/12/07	December 7 in each year	Fixed interest rate 3.40%	5,690,000	-	5,690,000	TCB may exercise its redemption right after 5 years and 1 month	Unsecured	
Second unsecured bank debentures bonds in 2023	None	2023/03/20	March 20 in each year	Fixed interest rate 1.40%	2,500,000	-	2,500,000	Repay on the maturity date	Unsecured	
Second subordinated bank debentures bonds in 2024	None	2024/06/27	June 27 in each year	Fixed interest rate 2.10%	7,500,000	-	7,500,000	Repay on the maturity date	Unsecured	
Fourth subordinated bank debentures bonds in 2024	None	2024/09/27	September 27 in each year	Fixed interest rate 2.05%	2,500,000	-	2,500,000	Repay on the maturity date	Unsecured	
Fifth unsecured bank debentures bonds in 2024	None	2024/09/30	September 30 in each year	Fixed interest rate 1.60%	1,000,000	-	1,000,000	Repay on the maturity date	Unsecured	
Second unsecured bank debentures bonds in 2025	None	2025/06/26	June 26 in each year	Fixed interest rate 1.79%	1,100,000	-	1,100,000	Repay on the maturity date	Unsecured	
					<u>60,240,000</u>	<u>-</u>	<u>60,240,000</u>			
TCFHC										
First unsecured corporate bond of TCFHC in 2020	Yuanta Commercial Bank	2020/05/26	May 26 in each year	Fixed interest rate 0.68%	5,700,000	-	5,700,000	Repay on the maturity date	Unsecured	
Second unsecured corporate bond of TCFHC in 2020, Type B	Yuanta Commercial Bank	2020/10/07	October 7 in each year	Fixed interest rate 0.66%	2,200,000	-	2,200,000	Repay on the maturity date	Unsecured	
First unsecured corporate bond of TCFHC in 2021, Type A	Yuanta Commercial Bank	2021/07/12	July 12 in each year	Fixed interest rate 0.49%	3,400,000	-	3,400,000	Repay on the maturity date	Unsecured	
First unsecured corporate bond of TCFHC in 2021, Type B	Yuanta Commercial Bank	2021/07/12	July 12 in each year	Fixed interest rate 0.55%	6,600,000	-	6,600,000	Repay on the maturity date	Unsecured	
					<u>17,900,000</u>	<u>-</u>	<u>17,900,000</u>			
					<u>\$ 78,140,000</u>	<u>\$ -</u>	<u>\$ 78,140,000</u>			

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES**

**DETAILED SCHEDULE OF LEASE LIABILITIES**

**DECEMBER 31, 2025**

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

Item	Description	Lease Term	Discount Rate (%)	Balance, End of Year
Land	Branch lands	2025.01.01-2039.08.05	1.593-2.283	\$ 9,819
Buildings	Branch buildings	2025.01.01-2035.10.31	1.258-9.920	1,426,997
Transportation equipment	Business cars	2025.01.01-2030.05.31	1.000-10.302	138,754
Other equipment	Telephone switchboard systems	2025.01.01-2028.01.31	2.635-4.000	<u>4,057</u>
				<u>\$ 1,579,627</u>

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND  
SUBSIDIARIES****DETAILED SCHEDULE OF INTEREST REVENUE  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Items</b>	<b>Amount</b>
Interest revenue from discounts and loans	
Discounts and overdraft	\$ 91,659
Short-term loans	17,970,798
Medium-term loans	28,670,757
Long-term loans	32,848,696
Overdue loans	20,312
Others	<u>162,876</u>
	<u>79,765,098</u>
Interest revenue from investments	
Financial assets at fair value through other comprehensive income	9,085,779
Investments in debt instruments at amortized cost	<u>12,609,411</u>
	<u>21,695,190</u>
Interest revenue from due from banks and call loans to banks	
Due from the Central Bank	1,998,977
Due from banks	1,570,901
Call loans to banks	<u>2,390,464</u>
	<u>5,960,342</u>
Interest revenue from financing	<u>433,380</u>
Others	<u>1,224,092</u>
	<u>\$ 109,078,102</u>

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND  
SUBSIDIARIES****DETAILED SCHEDULE OF INTEREST EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

<b>Items</b>	<b>Amount</b>
Interest expenses from deposits	
Foreign currency deposits	\$ 23,569,261
Withdrawals of interest savings	9,024,050
Time deposits	9,568,532
Savings - demand deposits	8,693,889
Round-amount savings	2,776,045
Employee deposits	1,129,009
Treasury deposits	1,602,655
Negotiable certificates of deposit	1,041,310
Demand deposits	4,234,924
Others	8,432
	<u>61,648,107</u>
Interest expenses from due to the Central Bank and other banks	
Call loans from other banks	6,069,208
Due to other banks	437,339
	<u>6,506,547</u>
Interest expenses from issuing bonds payable	
Subordinated bank debentures	1,122,400
Priority bank debentures	106,896
Interest expenses from corporate bond	116,033
	<u>1,345,329</u>
Interest expenses from deposits from the Central Bank and other banks	<u>3,517,083</u>
Interest expenses from securities sold under repurchase agreements	<u>1,187,825</u>
Others	<u>342,639</u>
	<u>\$ 74,547,530</u>

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND  
SUBSIDIARIES****DETAILED SCHEDULE OF SERVICE FEE AND COMMISSION INCOME, NET  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

Items	Amount
Service fee and commission income	
Trust business	\$ 2,887,216
Guarantees	927,423
Loans	1,740,761
Insurance service	2,803,117
Brokerage service	1,269,675
Investment-linked products	383,232
Credit cards	1,688,495
Management fees of investment-linked products	79,781
Management fees remittance	284,161
Remittance	286,989
Cross-bank transactions	273,996
Agency service	134,441
Underwriting	141,181
Import/export service	84,661
Others (Note)	<u>529,273</u>
	<u>13,514,402</u>
Service charge and commission expenses	
Cross-bank transactions	(341,122)
Insurance commission	(495,795)
Credit cards	(394,904)
Credit cards billing collections	(1,207,276)
Custody	(101,780)
Others (Note)	<u>(321,415)</u>
	<u>(2,862,292)</u>
	<u>\$ 10,652,110</u>

Note: The amount of each individual item does not exceed 5% of the account balance.

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND  
SUBSIDIARIES****DETAILED SCHEDULE OF PREMIUM INCOME (LOSSES), NET  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Items</b>	<b>Amount</b>
Premium income	
Separate-account revenue	\$ 3,389,537
Premium income	<u>15,720,888</u>
	<u>19,110,425</u>
Premium losses	
Separate-account expense	(3,389,537)
Insurance claims and benefits	(2,960,724)
Reinsurance premium ceded	(450,122)
Others	<u>(78,044)</u>
	<u>(6,878,427)</u>
	<u>\$ 12,231,998</u>

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND  
SUBSIDIARIES**

**DETAILED SCHEDULE OF GAINS (LOSSES) ON FINANCIAL ASSETS AND LIABILITIES AT  
FAIR VALUE THROUGH PROFIT OR LOSS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

Items	Realized Gains (Losses)	Unrealized Gains (Losses)	Total
Financial assets at fair value through profit or loss			
Financial assets mandatorily classified as at fair value through profit or loss			
Acquired loans	\$ 637,246	\$ -	\$ 637,246
Commercial paper (including interest revenue)	2,596,934	(92,327)	2,504,607
Negotiable certificates of deposit (including interest revenue)	111,502	(1,220)	110,282
Investment in equity instruments (including cash dividend)	603,473	307,241	910,714
Government bonds (including interest revenue)	3,713	778	4,491
Convertible bonds	23,139	3,239	26,378
Beneficial certificates	(52,191)	(266,269)	(318,460)
Currency swap contracts	14,897,890	1,630,063	16,527,953
Forward contracts	447,850	(54,212)	393,638
Cross-currency swap contracts	14,633	42,403	57,036
Futures contracts	94,970	3,965	98,935
Currency option contracts - buy	(44,369)	(7,467)	(51,836)
Others	247,971	121,175	369,146
	<u>19,582,761</u>	<u>1,687,369</u>	<u>21,270,130</u>
Financial liabilities at fair value through profit or loss			
Held-for-trading financial liabilities			
Security borrowing	3,923	(2,371)	1,552
Currency option contracts - sell	30,696	7,429	38,125
Forward contracts	(637,476)	(927)	(638,403)
Currency swap contracts	(18,798,344)	(452,387)	(19,250,731)
Others	(58,057)	(7,587)	(65,644)
	<u>(19,459,258)</u>	<u>(455,843)</u>	<u>(19,915,101)</u>
Financial liabilities designated as at fair value through profit or loss (including interest expense)	<u>(231,527)</u>	<u>(73,602)</u>	<u>(305,129)</u>
	<u>\$ (108,024)</u>	<u>\$ 1,157,924</u>	<u>\$ 1,049,900</u>

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND  
SUBSIDIARIES**

**DETAILED SCHEDULE OF REALIZED GAINS ON FINANCIAL ASSETS AT FAIR VALUE  
THROUGH OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Items</b>	<b>Amount</b>
Government bonds	\$ (181,580)
Dividend income of listed and emerging market shares	2,455,052
Dividend income of unlisted shares	426,644
Corporate bonds	64,534
Bank debentures	<u>(19,625)</u>
	<u>\$ 2,745,025</u>

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND  
SUBSIDIARIES**

**DETAILED SCHEDULE OF FOREIGN EXCHANGE GAINS (LOSSES)  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Items</b>	<b>Amount</b>
Foreign exchange - current swap, net asset	\$ 11,061,204
Foreign exchange - spot	1,361,522
Foreign exchange - net asset	58,420
Foreign exchange - others	<u>(166,489)</u>
	<u>\$ 12,314,657</u>

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND  
SUBSIDIARIES****DETAILED SCHEDULE OF IMPAIRMENT LOSSES (REVERSAL OF IMPAIRMENT LOSS) ON  
ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Items</b>	<b>Impairment Loss</b>	<b>Reversal of Impairment Loss</b>	<b>Net Amount</b>
Investments in debt instruments measured at amortized cost	\$ -	\$ 6,871	\$ 6,871
Investments in debt instruments at fair value through other comprehensive income	<u>(5,586)</u>	<u>16,187</u>	<u>10,601</u>
	<u>\$ (5,586)</u>	<u>\$ 23,058</u>	<u>\$ 17,472</u>

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND  
SUBSIDIARIES**

**DETAILED SCHEDULE OF OTHER NONINTEREST GAINS, NET  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Items</b>	<b>Amount</b>
Rental revenue	\$ 537,845
Donation	(338,676)
Net income and loss from overdue accounts and others	<u>294,117</u>
	<u>\$ 493,286</u>

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND  
SUBSIDIARIES**

**DETAILED SCHEDULE OF BAD-DEBT EXPENSES AND PROVISION FOR LOSSES ON  
COMMITMENTS AND GUARANTEES  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Items</b>	<b>Amount</b>
Provision for possible losses on discounts and loans	\$ 3,403,294
Provision for possible losses on receivables	392,662
Provision for due from banks and call loans to banks	6,478
Provision for possible losses on overdue receivables	25,760
Provision for possible losses on guarantees	700,349
Provision for possible losses on loan commitments	109,010
Provision for other possible losses	<u>67</u>
	<u>\$ 4,637,620</u>

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND  
SUBSIDIARIES****DETAILED SCHEDULE OF NET CHANGES IN RESERVES FOR INSURANCE LIABILITIES  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Items</b>	<b>Amount</b>
Life policy reserve, net of release	\$ 10,351,612
Reserve for insurance contract with financial instrument features, net of release	(25)
Deficiency reserve, net of release	10,801
Claim reserve, net of release	5,230
Unearned premium reserve, net of release	(31,462)
Reserve for foreign exchange variation, net of release	<u>402,228</u>
	<u>\$ 10,738,384</u>

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND  
SUBSIDIARIES**

**DETAILED SCHEDULE OF EMPLOYEE BENEFITS EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

Items	Employee Benefits Expenses	Other Noninterest Gains, Net	Other Operating and Administrative Expenses	Total
Salary expense				
Salaries	\$ 10,327,425	\$ -	\$ -	\$ 10,327,425
Bonuses	3,795,164	-	-	3,795,164
Subsidies	757,422	-	-	757,422
Overtime	<u>475,481</u>	<u>-</u>	<u>-</u>	<u>475,481</u>
	15,355,492	-	-	15,355,492
Post-employment benefits, termination benefits and compensation	695,466	-	-	695,466
Excessive interest from preferential interest deposits	1,145,391	-	-	1,145,391
Insurance	1,038,978	-	-	1,038,978
Meal allowance	337,758	-	-	337,758
Employee benefits	377,160	-	-	377,160
Remuneration of directors	45,981	-	-	45,981
Others	<u>145,735</u>	<u>-</u>	<u>-</u>	<u>145,735</u>
	<u>\$ 19,141,961</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,141,961</u>

Note 1: For the years ended December 31, 2025 and 2024, the average number of employees of the Company was 9,722 and 9,704, of which the average number of directors who were not concurrently was 48 and 46, respectively.

Note 2: For the years ended December 31, 2025 and 2024, the average amount of employee benefits expenses of the Company was \$1,974 thousand and \$1,914 thousand, respectively.

Note 3: For the years ended December 31, 2025 and 2024, the average amount of salary expenses of the Company was \$1,587 thousand and \$1,539 thousand, respectively.

Note 4: The average salary expenses adjustment was 3.12%.

Note 5: For the year ended December 31, 2023, the amount of remuneration of the supervisor was \$1,409 thousand.

(Continued)

Note 6: The Company's salary and remuneration policy (including directors, managers and employees) are as follows:

The remuneration paid to the directors is based on their participation in company and their contribution, and the Company takes business performance and the industry average into consideration as well. The Company regularly reviews the directors' individual performance, company operating results and the connection of future risk. The amount and distribution are approved by the board of directors.

The total compensation paid to the executive officers and the employees is mainly based on their job responsibility, company operating results and individual performance. The Company also takes the factors such as the current market average and the risks into considerations, and appropriately applies the competitive benefits and compensation adjustment to recruit and retain talent.

(Concluded)

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND  
SUBSIDIARIES****DETAILED SCHEDULE OF DEPRECIATION AND AMORTIZATION  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Items</b>	<b>Amount</b>
Depreciation expense	
Property and equipment	
Building	\$ 742,840
Machinery and equipment	530,008
Transportation equipment	46,525
Other equipment	96,305
Leasehold improvements	<u>95,606</u>
	<u>1,511,284</u>
Investment properties	
Building	<u>105,147</u>
Right-of-use assets	
Land	5,514
Building	611,957
Transportation equipment	55,426
Others	<u>1,739</u>
	<u>674,636</u>
	<u>2,291,067</u>
Amortization expense	
Computer software	545,706
Others	<u>941</u>
	<u>546,647</u>
	<u>\$ 2,837,714</u>

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND  
SUBSIDIARIES****DETAILED SCHEDULE OF OTHER GENERAL AND ADMINISTRATIVE EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Items</b>	<b>Amount</b>
Tax	\$ 4,978,265
Insurance	837,513
Computer software services	850,531
Professional services	323,928
Repair and maintenance	576,056
Postage	327,396
Building management	294,388
Entertainment	273,492
Employee training	166,074
Utilities	229,455
Membership and registration	224,542
Outsourcing	228,069
Printing	146,894
Advertisement	142,136
Supplies	143,851
Others (Note)	<u>987,114</u>
	<u>\$ 10,729,704</u>

Note: The amount of each individual item does not exceed 5% of the account balance.