Taiwan Cooperative Financial Holding Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2026 and 2025 and Independent Auditors' Review Report

Deloitte.

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INDEPENDENT AUDITORS' REVIEW REPORT

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Taiwan Cooperative Financial Holding Co., Ltd. (TCFHC) and its subsidiaries (collectively, the "Company"), as of March 31, 2026 and the restated December 31, 2025, March 31, 2025 and January 1, 2025, and the related consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the three months ended March 31, 2026 and the restated three months ended March 31, 2025, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as 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 and International Accounting Standard 34 "Interim Financial Reporting" endorsed and enforced by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditors of the Entity." A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2026 and the restated December 31, 2025, March 31, 2025 and January 1, 2025, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and the restated three months ended March 31, 2025, 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 International Accounting Standard 34 “Interim Financial Reporting” endorsed and enforced by the Financial Supervisory Commission of the Republic of China.

Emphasis of Matter

We draw attention to Note 3 to the consolidated financial statements, which discloses that the Company adopted International Financial Reporting Standard No. 17, Insurance Contracts, effective January 1, 2026. As a result of the retrospective application of the aforesaid standard, the comparative financial statements have been restated accordingly.

Our review result is not modified in respect of this matter.

The engagement partners on the reviews resulting in this independent auditors’ review report are Wang-Shen Lin and Chen-Hsiu Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 25, 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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors’ review 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’ review report and consolidated financial statements shall prevail.

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2026		December 31, 2025 (Restated)		March 31, 2025 (Restated)		January 1, 2025 (Restated)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CASH AND CASH EQUIVALENTS (Note 6)	$ 54,560,035	1	$ 70,370,127	1	$ 71,679,557	2	$ 79,069,296	1
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Note 7)	451,565,247	8	429,484,047	8	375,938,140	7	398,748,466	8
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 8, 43 and 44)	209,625,886	4	190,067,734	4	172,341,004	3	156,824,572	3
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 9 and 44)	585,484,470	11	550,181,587	10	525,600,535	10	517,014,504	10
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST (Notes 10 and 44)	740,521,134	14	829,135,780	16	763,071,656	15	752,203,282	15
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Note 11)	2,281,860	-	1,848,824	-	1,993,221	-	1,315,855	-
RECEIVABLES, NET (Notes 12 and 43)	58,975,488	1	53,388,568	1	52,993,095	1	51,941,985	1
CURRENT TAX ASSETS	2,707,154	-	2,594,979	-	2,924,730	-	2,941,790	-
DISCOUNTS AND LOANS, NET (Notes 13, 43 and 44)	3,202,452,947	59	3,125,363,295	58	3,059,400,453	59	3,060,332,210	59
INSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT ASSETS (Notes 4 and 31)	260,675	-	304,815	-	176,002	-	114,293	-
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Note 14)	147,800	-	146,077	-	147,360	-	144,941	-
OTHER FINANCIAL ASSETS, NET (Notes 15 and 44)	63,211,520	1	71,360,188	1	86,030,445	2	88,542,630	2
INVESTMENT PROPERTIES, NET (Note 16)	11,722,422	-	11,492,844	-	11,344,712	-	11,301,781	-
PROPERTIES AND EQUIPMENT, NET (Note 17)	31,710,232	1	31,621,457	1	31,971,319	1	31,999,675	1
RIGHT-OF-USE ASSETS, NET (Note 18)	1,648,067	-	1,614,718	-	1,676,718	-	1,763,850	-
INTANGIBLE ASSETS (Note 19)	4,756,165	-	4,806,522	-	4,833,485	-	4,816,577	-
DEFERRED TAX ASSETS	1,468,427	-	1,305,017	-	1,493,827	-	1,483,107	-
OTHER ASSETS, NET (Notes 18 and 20)	6,775,756	-	5,002,269	-	4,953,680	-	4,296,553	-
TOTAL	$ 5,429,875,285	100	$ 5,380,088,848	100	$ 5,168,569,939	100	$ 5,164,855,367	100
LIABILITIES AND EQUITY								
DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS (Notes 21 and 43)	$ 544,320,245	10	$ 508,699,696	10	$ 467,475,135	9	$ 438,083,704	8
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 8, 26 and 43)	17,417,116	1	20,897,516	-	27,351,671	1	31,956,280	1
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 8, 9, 22 and 43)	69,438,837	1	68,321,163	1	72,113,689	1	72,137,886	1
COMMERCIAL PAPER ISSUED, NET (Note 23)	48,632,806	1	45,973,834	1	41,700,702	1	38,061,951	1
PAYABLES (Notes 24 and 43)	62,416,742	1	52,451,157	1	56,022,396	1	47,720,497	1
CURRENT TAX LIABILITIES	3,677,525	-	2,626,021	-	1,592,001	-	417,586	-
DEPOSITS AND REMITTANCES (Notes 25 and 43)	4,198,356,800	77	4,200,928,336	78	4,047,787,125	78	4,084,423,043	79
BONDS PAYABLE (Note 26)	78,140,000	2	78,140,000	2	79,140,000	2	79,140,000	2
OTHER BORROWINGS (Notes 23 and 27)	9,498,611	-	7,986,286	-	7,058,511	-	11,033,195	-
PROVISIONS (Notes 28 and 29)	6,281,039	-	6,400,236	-	5,656,744	-	5,648,027	-
OTHER FINANCIAL LIABILITIES (Notes 16, 30 and 43)	2,749,925	-	2,982,095	-	2,767,119	-	2,558,333	-
INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT LIABILITIES (Notes 4 and 31)	86,905,511	2	86,982,090	2	82,514,243	2	81,703,110	2
LEASE LIABILITIES (Note 18)	1,628,303	-	1,579,627	-	1,649,335	-	1,720,552	-
DEFERRED TAX LIABILITIES (Note 17)	6,654,742	-	6,629,248	-	6,861,346	-	6,619,521	-
OTHER LIABILITIES (Note 32)	3,441,017	-	1,945,554	-	1,331,867	-	1,247,308	-
Total liabilities	5,139,559,219	95	5,092,542,859	95	4,901,021,884	95	4,902,470,993	95
EQUITY ATTRIBUTABLE TO OWNERS OF TCFHC								
Capital stock								
Common stock	156,809,369	3	156,809,369	3	152,242,106	3	152,242,106	3
Capital surplus	45,652,306	1	45,652,306	1	45,652,306	1	45,652,306	1
Retained earnings								
Legal reserve	19,737,773	-	19,737,773	-	17,288,787	-	17,288,787	-
Special reserve	7,899,270	-	7,899,270	-	7,127,657	-	7,127,657	-
Unappropriated earnings	51,365,217	1	42,658,055	1	45,504,193	1	40,329,050	1
Total retained earnings	79,002,260	1	70,295,098	1	69,920,637	1	64,745,494	1
Other equity	1,252,662	-	6,724,900	-	(7,955,798)	-	(7,670,194)	-
Total equity attributable to owners of TCFHC	282,716,597	5	279,481,673	5	259,859,251	5	254,969,712	5
NON-CONTROLLING INTERESTS	7,599,469	-	8,064,316	-	7,688,804	-	7,414,662	-
Total equity	290,316,066	5	287,545,989	5	267,548,055	5	262,384,374	5
TOTAL	$ 5,429,875,285	100	$ 5,380,088,848	100	$ 5,168,569,939	100	$ 5,164,855,367	100

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

	For the Three Months Ended March 31			
	2026		2025 (Restated)	
	Amount	%	Amount	%
INTEREST REVENUE (Notes 33 and 43)	$ 27,329,968	169	$ 26,978,495	187
INTEREST EXPENSE (Notes 33 and 43)	(18,163,634)	(112)	(18,692,595)	(130)
NET INTEREST	9,166,334	57	8,285,900	57
NET REVENUES AND GAINS OTHER THAN INTEREST				
Service fee and commission income, net (Notes 34 and 43)	3,210,540	20	2,460,679	17
Insurance service results (Notes 31 and 35)	294,421	2	138,918	1
Net gains or losses on assets of separate account insurance products (Note 15)	(301,289)	(2)	1,042	-
Insurance finance income or expenses (Note 36)	(55,186)	-	(384,415)	(3)
Finance income or expenses from reinsurance contracts held (Note 36)	(976)	-	(1,168)	-
Gains on financial assets and liabilities at fair value through profit or loss (Notes 37 and 43)	8,896,480	55	5,805,853	40
Gains on disposal of investment properties, net	6,562	-	4,167	-
Realized gains on financial assets at fair value through other comprehensive income (Note 38)	380,003	2	149,155	1
Foreign exchange losses, net	(5,610,310)	(35)	(2,390,546)	(16)
(Impairment losses) gains on reversal of impairment losses (Notes 9 and 10)	(3,131)	-	8,740	-
Share of gains of associates and joint ventures accounted for using the equity method (Note 14)	1,723	-	2,419	-
Other noninterest gains, net (Notes 16 and 43)	147,913	1	343,785	3
Total net revenues and gains other than interest	6,966,750	43	6,138,629	43
TOTAL NET REVENUES	16,133,084	100	14,424,529	100
BAD-DEBT EXPENSES AND PROVISION FOR LOSSES ON COMMITMENT AND GUARANTEES (Note 13)	(1,165,653)	(7)	(668,354)	(5)
OTHER INSURANCE OPERATING COSTS AND EXPENSES (Note 32)	46,612	-	(53,511)	-

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TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2026		2025 (Restated)	
	Amount	%	Amount	%
OPERATING EXPENSES (Notes 4, 16, 17, 18, 19, 29 and 39)				
Employee benefits	$ (4,700,719)	(29)	$ (4,428,583)	(31)
Depreciation and amortization	(700,607)	(4)	(697,147)	(5)
General and administrative	(2,368,335)	(15)	(2,313,408)	(16)
Total operating expenses	(7,769,661)	(48)	(7,439,138)	(52)
INCOME BEFORE INCOME TAX	7,244,382	45	6,263,526	43
INCOME TAX EXPENSE (Notes 4 and 40)	(1,432,147)	(9)	(1,490,945)	(10)
NET INCOME	5,812,235	36	4,772,581	33
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss				
Change in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss	4,092	-	(3,090)	-
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	10,696	-	(2,973,327)	(20)
Items that will not be reclassified subsequently to profit or loss, net of income tax	14,788	-	(2,976,417)	(20)
Items that may be reclassified subsequently to profit or loss (Notes 8, 9, 36 and 40)				
Exchange differences on the translation of financial statements of foreign operations	981,151	6	784,716	5
Unrealized gains (losses) on investments in debt instruments at fair value through other comprehensive income	(3,331,787)	(20)	2,770,312	19
Insurance finance income or expenses - items reclassified to profit or loss	633,576	4	71,318	1

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TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2026		2025 (Restated)	
	Amount	%	Amount	%
Finance income or expenses from reinsurance contracts held	$ (70)	-	$ (1,881)	-
Income tax attributable to other comprehensive income	(139,892)	(1)	(256,948)	(2)
Items that may be reclassified subsequently to profit or loss, net of income tax	(1,857,022)	(11)	3,367,517	23
Other comprehensive (losses) income, net of income tax	(1,842,234)	(11)	391,100	3
TOTAL COMPREHENSIVE INCOME	$ 3,970,001	25	$ 5,163,681	36
NET INCOME ATTRIBUTABLE TO:				
Owners of TCFHC	$ 5,589,587	35	$ 4,650,661	32
Non-controlling interests	222,648	1	121,920	1
	$ 5,812,235	36	$ 4,772,581	33
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of TCFHC	$ 3,846,885	24	$ 4,889,539	34
Non-controlling interests	123,116	1	274,142	2
	$ 3,970,001	25	$ 5,163,681	36
EARNINGS PER SHARE (NEW TAIWAN DOLLAR; Note 41)				
Basic	$ 0.36		$ 0.30	
Diluted	$ 0.36		$ 0.30	

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
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of TCFHC													
							Other Equity							
	Capital Stock (Note 42)			Retained Earnings (Notes 9 and 42)										
	Shares (In Thousands)	Common Stock	Capital Surplus (Note 42)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences in Translation of Financial Statements of Foreign Operations	Unrealized 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	Insurance Finance Income or Expenses Recognized in other Comprehensive Income	Financial Income or Expenses from Reinsurance Contracts Held Recognized in Other Comprehensive Income	Non-controlling Interests (Note 42)	Total Equity
BALANCE ON JANUARY 1, 2026	15,680,936	$ 156,809,369	$ 45,652,306	$ 19,737,773	$ 7,899,270	$ 42,658,055	$ 918,167	$ 5,513,392	$ (26,033)	$ -	$ 319,816	$ (442)	$ 8,064,316	$ 287,545,989
Redesignation of financial assets	-	-	-	-	-	-	-	39	-	-	-	-	37	76
Redesignated balance as at January 1, 2026	15,680,936	156,809,369	45,652,306	19,737,773	7,899,270	42,658,055	918,167	5,513,431	(26,033)	-	319,816	(442)	8,064,353	287,546,065
Favorable impact on equity arising from the adoption of IFRS 17 reclassified to the foreign exchange valuation reserve	-	-	-	-	-	(612,000)	-	-	-	-	-	-	(588,000)	(1,200,000)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	3,729,544	-	(3,729,544)	-	-	-	-	-	-
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	-	-	-	-	-	31	-	-	(31)	-	-	-	-	-
Total comprehensive income														
Net income for the three months ended March 31, 2026	-	-	-	-	-	5,589,587	-	-	-	-	-	-	222,648	5,812,235
Other comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	-	-	785,606	(2,790,870)	4,092	-	258,506	(36)	(99,532)	(1,842,234)
Total comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	-	5,589,587	785,606	(2,790,870)	4,092	-	258,506	(36)	123,116	3,970,001
BALANCE ON MARCH 31, 2026	15,680,936	$ 156,809,369	$ 45,652,306	$ 19,737,773	$ 7,899,270	$ 51,365,217	$ 1,703,773	$ (1,006,983)	$ (21,972)	$ -	$ 578,322	$ (478)	$ 7,599,469	$ 290,316,066
BALANCE ON JANUARY 1, 2025	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
Impact of retrospective application and restatement under IFRS 17	-	-	-	-	-	691,212	-	-	-	(14,312)	243,072	316	1,707,143	2,627,431
Restated balance as at January 1, 2025	15,224,210	152,242,106	45,652,306	17,288,787	7,127,657	40,329,050	2,299,553	(10,200,732)	(12,403)	-	243,072	316	7,414,662	262,384,374
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	522,020	-	(522,020)	-	-	-	-	-	-
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	-	-	-	-	-	2,462	-	-	(2,462)	-	-	-	-	-
Total comprehensive income														
Net income for the three months ended March 31, 2025	-	-	-	-	-	4,650,661	-	-	-	-	-	-	121,920	4,772,581
Other comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	-	617,113	(403,590)	(3,090)	-	29,404	(959)	152,222	391,100
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	4,650,661	617,113	(403,590)	(3,090)	-	29,404	(959)	274,142	5,163,681
BALANCE ON MARCH 31, 2025	15,224,210	$ 152,242,106	$ 45,652,306	$ 17,288,787	$ 7,127,657	$ 45,504,193	$ 2,916,666	$ (11,126,342)	$ (17,955)	$ -	$ 272,476	$ (643)	$ 7,688,804	$ 267,548,055

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
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	2025 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 7,244,382	$ 6,263,526
Adjustments for:		
Depreciation expense	573,940	574,981
Amortization expense	143,851	137,042
Expected credit losses/bad-debt expenses	1,274,916	652,218
Gains on financial assets and liabilities at fair value through profit or loss	(8,896,480)	(5,805,853)
Interest expense	18,163,634	18,692,595
Interest revenue	(27,329,968)	(26,978,495)
Dividend income	(372,527)	(149,463)
Net change in reserve for foreign exchange valuation	(46,612)	53,511
Net changes in provision for losses on guarantees	(77,674)	(10,840)
Net changes in reserves for other liabilities	(31,589)	26,976
Share of gains of associates and joint ventures accounted for using the equity method	(1,723)	(2,419)
Losses on disposal of properties and equipment	54	76
Gains on disposal of investment properties	(6,562)	(4,167)
(Gains) losses on disposal of investments	(7,476)	308
Impairment losses on financial assets	3,131	375
Gains on reversal of impairment losses on financial assets	-	(9,115)
Unrealized gains on foreign exchange	(124,667)	(1,027,218)
Others	-	(157)
Net changes in operating assets and liabilities		
(Increase) decrease in due from the Central Bank and call loans to other banks	(24,576,405)	15,469,779
Increase in financial assets at fair value through profit or loss	(12,981,576)	(14,264,465)
Increase in financial assets at fair value through other comprehensive income	(36,965,596)	(6,502,524)
Decrease (increase) in investments in debt instruments at amortized cost	88,995,728	(10,359,494)
Increase in receivables	(5,428,859)	(2,409,092)
(Increase) decrease in discounts and loans	(78,387,701)	318,085
Decrease (increase) in insurance contract assets and reinsurance contract assets	44,289	(62,593)
Decrease in other financial assets	8,617,921	4,367,557
Increase in other assets	(1,497,950)	(393,467)
Increase in deposits from the Central Bank and other banks	35,620,549	29,391,431
Decrease in financial liabilities at fair value through profit or loss	(4,992,603)	(189,042)
Increase (decrease) in securities sold under repurchase agreements	1,117,674	(162,374)
Increase in payables	5,661,783	3,945,427

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TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	**2025 (Restated)**
Decrease in deposits and remittances	$ (2,571,536)	$ (36,635,918)
Decrease in provision for employee benefits	(11,888)	(8,684)
Increase in other financial liabilities	49,247	350,705
Increase in insurance contracts liabilities and reinsurance contracts liabilities	203,255	643,927
Increase in other liabilities	46,221	22,935
Cash used in operations	(36,548,817)	(24,063,926)
Interest received	28,203,001	28,650,887
Dividends received	101,469	244,507
Interest paid	(13,952,674)	(14,434,652)
Income tax paid	(320,902)	(327,858)
Net cash used in operating activities	(22,517,923)	(9,931,042)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of properties and equipment	(482,593)	(377,248)
Proceeds from disposal of properties and equipment	15	-
Increase in refundable deposits	(280,309)	(317,135)
Decrease in refundable deposits	-	335,221
Acquisition of intangible assets	(81,909)	(127,699)
Acquisition of investment properties	(291,866)	(108,805)
Proceeds from disposal of investment properties	40,790	43,748
Increase in other assets	-	(2,636)
Decrease in other assets	-	1,289
Net cash used in investing activities	(1,095,872)	(553,265)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in commercial paper issued	77,749,523	37,000,000
Decrease in commercial paper issued	(75,090,551)	(33,350,000)
Increase in other borrowings	9,469,279	7,727,607
Decrease in other borrowings	(7,956,954)	(12,231,161)
Increase in financial liabilities designated as at fair value through profit or loss	1,211,209	-
Decrease in financial liabilities designated as at fair value through profit or loss	(14,186)	(1,047,161)
Increase in guarantee deposits received	-	26,896
Decrease in guarantee deposits received	(281,417)	(170,064)
Repayments of the principal portion of lease liabilities	(150,130)	(152,900)
Decrease in other liabilities	-	(1,318)
Net cash generated from (used in) financing activities	4,936,773	(2,198,101)

(Continued)

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	2025 (Restated)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	$ 427,421	$ (1,365,472)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(18,249,601)	(14,047,880)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	129,543,093	129,189,132
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	$ 111,293,492	$ 115,141,252

Cash and cash equivalent reconciliations:

	March 31	
	2026	2025 (Restated)
Cash and cash equivalents in the consolidated balance sheets	$ 54,560,035	$ 71,679,557
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”	54,451,597	41,070,014
Securities purchased under resell agreements in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	2,281,860	1,993,221
Other items in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	-	398,460
Cash and cash equivalents, end of period	$ 111,293,492	$ 115,141,252

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 THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 March 31, 2026.

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 March 31, 2026 and 2025, TCFHC and its subsidiaries (the "Company") had 9,628 and 9,678 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 May 25, 2026.

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

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

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

   IFRS 17 "Insurance Contracts" (with 2020 and 2021 amendments)

   IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and replaces IFRS 4 "Insurance Contracts". The relevant accounting policies are set out in Note 4.

Under IFRS 4, for insurance contracts and financial instruments with discretionary participation features, initial and renewal premiums were recognised as revenue upon receipt and completion of underwriting procedures, and upon the due date for subsequent premiums, respectively. The related policy acquisition costs, such as commission expenses and underwriting costs, were recognised as expenses when the insurance contracts became effective. For non-participating financial instruments that are not classified as segregated account insurance products, premiums received were recognised in the balance sheet as insurance contract liabilities with financial instrument characteristics.

For financial instruments without discretionary participation features that are classified as segregated account insurance products, premiums received, net of front-end fees and investment management service fees, were recognised in full as liabilities for segregated account insurance products in the balance sheet.

Acquisition costs incurred for these policies in connection with investment management services, including commission expenses and incremental costs directly attributable to the issuance of new contracts, were deferred and recognised as deferred acquisition costs. Such costs were amortised on a straight-line basis over the period of services provided, and the amortisation was recognised under other operating costs.

The Company has applied the transition provisions of IFRS 17 in its accounting. As it is impracticable to apply the standard retrospectively for periods prior to January 1, 2024, the Company has elected to apply the fair value approach. Under this approach, the contractual service margin or loss component of the liability for remaining coverage at that date was determined as the difference between the fair value of groups of insurance contracts and the fulfilment cash flows measured at that date. For groups of insurance contracts to which the fair value approach is applied, the Company identifies, recognises and measures each group of insurance contracts as if IFRS 17 had always been applied from January 1, 2024. The relevant accounting policies are set out in Note 4.

In addition, prior to the adoption of IFRS 17, the Company applied the overlay approach to designated financial assets to mitigate accounting mismatches arising from the earlier application of IFRS 9. The Company ceased applying the overlay approach upon the adoption of IFRS 17.

The Company has applied IFRS 17 retrospectively, discontinued the application of the overlay approach and restated the comparative information. The resulting adjustments to assets, liabilities and equity as of 2025 are set out below.

	Amounts before Restatement	**Adjustments on Initial Application**	**Amounts after Restatement**
December 31, 2025			
Asset impact	$ 5,380,837,935	$ (749,087)	$ 5,380,088,848
Liability impact	(5,095,695,070)	3,152,211	(5,092,542,859)
Equity impact	$ 285,142,865	$ 2,403,124	$ 287,545,989
March 31, 2025			
Asset impact	$ 5,169,079,114	$ (509,175)	$ 5,168,569,939
Liability impact	(4,904,359,424)	3,337,540	(4,901,021,884)
Equity impact	$ 264,719,690	$ 2,828,365	$ 267,548,055

(Continued)

	Amounts before Restatement	Adjustments on Initial Application	Amounts after Restatement
January 1, 2025			
Asset impact	$ 5,165,509,688	$ (654,321)	$ 5,164,855,367
Liability impact	(4,905,752,745)	3,281,752	(4,902,470,993)
Equity impact	$ 259,756,943	$ 2,627,431	$ 262,384,374

(Concluded)

Redesignation of financial assets

In accordance with the transition provisions of IFRS 17, the Company reassessed the classification of financial assets held as at January 1, 2026 based on the facts and circumstances existing at that date, and changed the classification of certain financial assets to reduce or eliminate accounting mismatches between financial assets and insurance contract liabilities that would otherwise result in inconsistencies in profit or loss or other comprehensive income.

1) The Company reassessed its business model for managing financial assets and reclassified certain financial assets previously measured at amortised cost to financial assets at fair value through other comprehensive income (FVTOCI).

2) The Company revoked the previous designation of certain financial assets at fair value through profit or loss (FVTPL) and redesignated them as financial assets at fair value through other comprehensive income (FVTOCI).

The Company has elected not to restate comparative information for the redesignation and reclassification of financial assets, nor to apply the classification overlay approach to adjust financial assets for comparative periods. The redesignation and reclassification of financial assets resulted in an increase of $76 thousand in other equity - unrealised gains or losses on financial assets at fair value through other comprehensive income (FVTOCI) as at January 1, 2026. A summary of the measurement categories, carrying amounts and movements of financial assets subject to redesignation and reclassification is presented below:

Category of Financial Assets	Original Measurement Category	Measurement Category after Redesignation/Reclassification	Carrying Amount as at December 31, 2025	Adjusted Carrying Amount as at January 1, 2026
Investment in debt instruments	Financial assets measured at amortised cost	Financial assets at fair value through other comprehensive income (FVTOCI)	$ 6,233	$ 6,309
	Financial assets at fair value through profit or loss (FVTPL)	Financial assets at fair value through other comprehensive income (FVTOCI)	1,553,757	1,553,757

Reclassification for presentation

Investment contracts issued by the Company that are not within the scope of IFRS 17 have been reclassified in the comparative information for the three months ended March 31, 2025 to ensure consistency of presentation.

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.

b. 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.

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

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

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

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 IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments measured at fair value, net defined benefit liabilities (assets), which are measured at the present value of the defined benefit obligation less the fair value of plan assets, and insurance contract assets (liabilities) and reinsurance contract assets (liabilities), which are measured using fulfilment cash flows and the contractual service margin.

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).

Other Material Accounting Policies

In addition to the following, refer to the summary of material accounting policies of the consolidated financial statements for the year ended December 31, 2025.

a. Financial instruments

   Financial assets

   1) Measurement category

      a) Investments in debt instruments at FVTOCI

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

         i. The financial asset is held within a business model whose objective is achieved by both the collection of contractual cash flows and the sale of the financial assets; and

         ii. 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. New Taiwan Dollar-denominated overseas bond ETFs are accounted for in accordance with FSC Letter No. 1140131712 and the "Illustrative Guidance on the Classification of New Taiwan Dollar-denominated Overseas Bond ETFs as Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)" issued by the Life Insurance Association of the Republic of China.

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

b. Insurance contracts

1) Definitions and ranges

a) Insurance contracts issued (including reinsurance contracts):

An insurance contract is a contract under which the issuer accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. The Company considers insurance risk to be significant only if an insured event could cause the issuer to pay significant additional amounts in any single scenario, excluding scenarios that lack commercial substance (i.e. those that have no discernible effect on the economics of the transaction).

Certain insurance contracts issued by the Company contain direct participation features. These contracts primarily provide investment-related services, under which policyholders share in the returns on underlying items. Such contracts are measured under the variable fee approach. At initial recognition, these insurance contracts have the following characteristics:

i. The contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;

ii. The Company expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and

iii. The Company expects that a substantial proportion of any changes in the amounts to be paid to the policyholder will vary with changes in the fair value of the underlying items.

b) Investment contracts with discretionary participation features:

Certain investment contracts issued by the Company contain discretionary participation features. These contracts provide policyholders with the contractual right to receive additional amounts as a supplement to amounts that are not subject to the issuer’s discretion. Such additional benefits are based on the returns on a specified pool of assets and are expected to represent a substantial portion of the total contractual benefits.

The Company accounts for these contracts in accordance with IFRS 17.

c) Reinsurance contracts held:

The Company uses reinsurance to mitigate its exposure to insurance risk. Reinsurance contracts held transfer substantially all of the insurance risk relating to the reinsured portion of the underlying insurance contracts to the reinsurer.

A reinsurance contract held is considered to transfer significant insurance risk even if it does not expose the issuer to the possibility of significant loss.

2) Separation of components of insurance contracts

The Company assesses whether insurance contracts contain components that are required to be separated. IFRS 17 requires the following components to be separated if they were separate contracts:

a) Cash flows relating to embedded derivatives that are required to be separated in accordance with IFRS 9;

b) Cash flows relating to distinct investment components; and

c) Promises to transfer to the policyholder distinct goods or non-insurance services.

The Company has determined that none of its insurance contracts contain components that require further separation.

3) Level of aggregation

a) Insurance contracts

The Company groups insurance contracts issued into portfolios based on the nature of the underlying risks, with contracts within each portfolio having similar risks and being managed together. Each portfolio is further divided into groups of contracts based on the issuance period.

At initial recognition, the Company divides each portfolio into:

i. Groups of contracts that are onerous;

ii. Groups of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently; and

iii. Groups comprising the remaining contracts in the portfolio.

The level of aggregation is determined at initial recognition and is not subsequently reassessed.

For insurance contracts measured under the Premium Allocation Approach (PAA), the Company assumes that there are no onerous contracts within a portfolio at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, the Company performs an additional assessment to distinguish onerous contracts from non-onerous contracts.

b) Reinsurance contracts held

The level of aggregation for reinsurance contracts held is assessed separately from that for insurance contracts issued. For the purpose of applying the level of aggregation requirements, the Company groups reinsurance contracts that are issued within a period not exceeding one year at initial recognition into:

i. Groups of contracts that are net gain;

ii. Groups of contracts that, at initial recognition, have no significant possibility of becoming net gain subsequently; and

iii. Groups comprising the remaining contracts in the portfolio.

4) Initial recognition

a) Insurance contracts

The Company recognises groups of insurance contracts issued from the earliest of:

i. The beginning of the coverage period of the group of contracts;

ii. The date when the first payment from a policyholder in the group becomes due; and

iii. For groups of onerous contracts, when the group becomes onerous.

Investment contracts with discretionary participation features are recognised when the Company becomes a party to the contract.

Insurance contracts transferred that do not form part of a business and insurance contracts acquired in a business combination within the scope of IFRS 3 are treated as if they were entered into at the acquisition date.

b) Reinsurance contracts held

The Company recognises groups of reinsurance contracts held from the earliest of:

i. The beginning of the coverage period of the group of reinsurance contracts held; and

ii. The date on which the Company recognises an onerous group of underlying insurance contracts, if the Company has entered into the related reinsurance contracts held in the group at or before that date.

The Company defers the recognition of a group of reinsurance contracts held that provides proportionate coverage until the date when any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

c) Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the group of contracts. Contracts that meet the recognition criteria after the reporting period are included in the group in the reporting period in which they meet the criteria, subject to the annual cohort requirement.

5) Contract modifications and derecognition

When the Company and the counterparty agree to modify a contract, or when a contract is modified as a result of changes in laws or regulations, the Company treats changes in cash flows arising from the modification as changes in estimates of fulfilment cash flows, unless the contract modification results in the derecognition of the original contract. The Company derecognises an insurance contract when one of the following conditions is met:

a) The insurance contract is extinguished, that is, when the obligation specified in the insurance contract expires, is discharged or is cancelled;

b) When a modification of an insurance contract meets any of the following conditions, the Company derecognises the original contract and recognises the modified contract as a new contract:

i. If the modified terms had been included at contract inception and the Company would have concluded that:

i) The modified contract would not be within the scope of IFRS 17;

ii) The modification would result in separating different components from the host insurance contract, leading to different insurance contracts within the scope of IFRS 17;

iii) The modified contract would have substantially different contract boundaries; or

iv) The modified contract would be included in a different group of contracts;

ii. The original contract meets the definition of an insurance contract with direct participation features, but the modified contract no longer meets that definition (or vice versa); or

iii. The original contract is measured under the Premium Allocation Approach, but the modification results in the contract no longer meeting the eligibility criteria for that approach.

6) Measurement of insurance contracts and reinsurance contracts held

a) Insurance contract assets/liabilities:

Insurance contract assets and liabilities represent insurance contracts and investment contracts with discretionary participation features recognised in accordance with IFRS 17 and the relevant regulations governing the provisioning of insurance reserves. These amounts are presented as either assets or liabilities based on the net debit (asset) or net credit (liability) balance at the level of groups of insurance contracts. They comprise the liability for remaining coverage, the liability for incurred claims and insurance acquisition cash flow assets.

b) Reinsurance contract assets/liabilities:

Reinsurance contract assets and liabilities represent reinsurance contracts recognised in accordance with IFRS 17 and the relevant regulations governing the provisioning of insurance reserves. These amounts are presented as either assets or liabilities based on the net debit (asset) or net credit (liability) balance at the level of groups of reinsurance contracts held. They comprise the asset for remaining coverage, the asset for incurred claims, and include the effect of any non-performance risk of the reinsurer.

c) Initial recognition: Groups of contracts not measured under the Premium Allocation Approach

At initial recognition, the Company measures a group of insurance contracts as the sum of the fulfilment cash flows and the contractual service margin.

i. Fulfilment cash flows

i) The fulfilment cash flows comprise current estimates of future cash flows within the contract boundary of a group of contracts, including expected premiums to be received and claims, benefits and expenses to be paid, adjusted to reflect the time value of money and the uncertainty of future cash flows. They include:

- Estimates of future cash flows;

- An adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that such financial risks are not included in the estimates of future cash flows; and

- A risk adjustment for non-financial risk.

The discount rates applied to the estimates of future cash flows reflect the timing, currency and liquidity characteristics of the cash flows of the insurance contracts.

The Company uses consistent assumptions to measure the estimates of the present value of future cash flows for groups of reinsurance contracts held and the underlying groups of insurance contracts.

ii) Contract boundary

The Company applies the concept of contract boundaries to determine which cash flows are included within groups of insurance contracts. Cash flows that are outside the contract boundary and relate to future insurance contracts are recognised when those contracts meet the recognition criteria.

Cash flows are within the boundary of an insurance contract if they arise from rights and obligations that exist during the reporting period, such as the Company's ability to require policyholders to pay premiums or its substantive obligation to provide insurance contract services to policyholders.

A substantive obligation to provide insurance contract services ends when the Company has the practical ability to reassess the risks of a particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks, or when both of the following conditions are met:

- The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that includes the contract and, as a result, can set a price or level of benefits that fully reflects those risks; and

- The premiums up to the date when the risks are reassessed do not reflect risks that relate to periods after that reassessment date.

For investment contracts with discretionary participation features issued by the Company, cash flows are within the contract boundary if they arise from a substantive obligation of the Company to transfer cash at a current or future date.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from rights and obligations that exist during the reporting period. For example, the Company has an obligation to pay premiums to the reinsurer or has a substantive right to receive insurance contract services from the reinsurer.

iii) Insurance acquisition cash flows

Insurance acquisition cash flows are cash flows arising from the costs of selling, underwriting and initiating a group of insurance contracts (issued or expected to be issued) that are directly attributable to a portfolio of insurance contracts to which the group belongs.

The Company allocates insurance acquisition cash flows using a systematic and rational basis to:

- Insurance acquisition cash flows directly attributable to a group of insurance contracts, which are allocated to:

  - The group; and

  - Groups that include insurance contracts expected to arise from renewals of the insurance contracts in that group; and

- Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts, which are allocated to groups of insurance contracts in that portfolio that exist or are expected to exist.

Insurance acquisition cash flows paid before the recognition of the related group of insurance contracts (or recognised as a liability under another IFRS) are recognised as an insurance acquisition cash flow asset. The asset is derecognised when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts.

At the end of each reporting period, the Company assesses the recoverability of insurance acquisition cash flow assets. If facts and circumstances indicate that an insurance acquisition cash flow asset may be impaired, the Company adjusts the carrying amount of the asset and recognises an impairment loss in insurance service expenses.

To the extent that the impairment conditions no longer exist or have improved, the Company recognises a reversal of some or all of the previously recognised impairment loss in profit or loss and increases the carrying amount of the asset.

iv) Risk adjustment for non-financial risks

The Company adjusts the estimates of the present value of future cash flows to reflect the compensation that it requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk transferred by the Company to the issuer of those contracts.

ii. Contract service margins

i) Insurance contracts

The Company recognises the unearned profit relating to future insurance contract services as the contractual service margin, which forms part of the carrying amount of a group of insurance contracts (as an asset or a liability). The contractual service margin is recognised in profit or loss as the Company provides insurance contract services over the coverage period.

At initial recognition of a group of insurance contracts, the contractual service margin is measured at an amount that results in no income or expenses arising from:

- The initial recognition of the fulfilment cash flows;
- Cash flows arising from contracts in the group at that date;
- The derecognition of any insurance acquisition cash flow assets; and
- The derecognition of any other assets or liabilities previously recognised for cash flows related to the group of contracts, with the corresponding recognition of insurance revenue and insurance service expenses, unless the group of contracts is onerous or income or expenses arise from the derecognition of pre-recognition cash flows.

If the sum of the amounts described above results in a net outflow, the group of insurance contracts is onerous at initial recognition. The Company recognises the net outflow as a loss immediately in profit or loss so that the carrying amount of the liability for the group equals the fulfilment cash flows and the contractual service margin of the group is zero. At the same time, a loss component of the liability for remaining coverage is established for the amount of the loss recognised.

ii) Reinsurance contract held

At initial recognition, any net cost or net gain on a group of reinsurance contracts held is recognised as a contractual service margin, unless the net cost of purchasing reinsurance coverage relates to events that occurred before the acquisition of the group of reinsurance contracts held, in which case such cost is recognised immediately as an expense in profit or loss.

For reinsurance contracts held, the contractual service margin represents the deferred net cost or net gain that will be recognised as the Company receives insurance contract services from the reinsurer. It is included in the allocation of reinsurance premiums paid and comprises the following components:

- The fulfilment cash flows;

- The amount of any assets or liabilities previously recognised for cash flows related to the group of reinsurance contracts held that are derecognised at that date;

- Any cash flows arising at that date; and

- When the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or for the addition of onerous underlying insurance contracts to a group, the contractual service margin of the group of reinsurance contracts held is adjusted, and any resulting gain is recognised in profit or loss. At the same time, the amount of the gain recognised establishes or adjusts a loss-recovery component of the asset for remaining coverage.

When a group of onerous underlying insurance contracts includes both contracts that are covered by a group of reinsurance contracts held and contracts that are not covered, the Company applies a systematic and rational allocation method to determine the portion of the loss recognised that relates to the insurance contracts covered by the group of reinsurance contracts held.

iii) For insurance contracts acquired in a transfer of insurance contracts or in a business combination within the scope of IFRS 3, at initial recognition of a group of insurance contracts, the contractual service margin is measured at an amount that results in no income or expenses arising from:

- The initial recognition of the fulfilment cash flows; and

- Cash flows arising from contracts in the group at that date, including using the fair value of the group of contracts at the acquisition date as a substitute for the premiums received.

d) Subsequent measurement: Groups of contracts not measured under the Premium Allocation Approach

i. Groups of insurance contracts:

At the end of each reporting period, the carrying amount of a group of insurance contracts is the sum of:

i) The liability for remaining coverage, comprising:

- The fulfilment cash flows related to future service allocated to the group at that date; and

- The contractual service margin of the group at that date; and

ii) The liability for incurred claims, comprising the fulfilment cash flows related to past service allocated to the group at that date.

ii. Reinsurance contract group held:

At the end of each reporting period, the carrying amount of a group of reinsurance contracts held is the sum of:

i) The asset for remaining coverage, comprising:

- The fulfilment cash flows related to future service allocated to the group at that date; and

- The contractual service margin of the group at that date; and

ii) The asset for incurred claims, comprising the fulfilment cash flows related to past service allocated to the group at that date.

iii. Changes in fulfilment cash flows

i) At the end of each reporting period, the Company updates the fulfilment cash flows using current assumptions and current discount rates. Changes in fulfilment cash flows are recognised as follows:

- Changes that relate to current or past service are recognised in profit or loss; and

- Changes that relate to future service are recognised by adjusting the contractual service margin or the loss component.

ii) For insurance contracts measured under the general model, changes in fulfilment cash flows that relate to future service adjust the contractual service margin of the group of insurance contracts, including:

- Experience adjustments arising from premiums received in the period that relate to future service and related cash flows, such as insurance acquisition cash flows; and

- Changes in estimates of the present value of future cash flows within the liability for remaining coverage.

- Differences between any investment components expected to become payable in the period and the actual investment components that become payable in the period. Such differences are determined by comparing: (i) the actual investment components that become payable in the period; and (ii) the expected payments in the period at the beginning of the period, adjusted for any insurance finance income or expenses relating to those expected payments before they become payable;

- Differences between any policyholder loans expected to be repaid in the period and the actual policyholder loans repaid in the period. Such differences are determined by comparing: (i) the actual policyholder loans repaid in the period; and (ii) the expected repayments in the period at the beginning of the period, adjusted for any insurance finance income or expenses relating to those expected repayments before they become repayable.

- Changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments described in the first, second and fifth items (bullet points) listed above are measured using the discount rates determined at initial recognition.

iii) For insurance contracts measured under the general model, the following changes in fulfilment cash flows do not adjust the contractual service margin, as they do not relate to future service:

- The effects of the time value of money, changes in the time value of money, and the effects of financial risk and changes in financial risk on the fulfilment cash flows;

- Changes in estimates of fulfilment cash flows relating to the liability for incurred claims;

- Experience adjustments arising from premiums received in the period that do not relate to future service and related cash flows (such as insurance acquisition cash flows); and

- Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

iv) For investment contracts with discretionary participation features measured under the general model, the Company has discretion over the amount and timing of payments to policyholders. Changes in discretionary cash flows are regarded as relating to future service and, accordingly, adjust the contractual service margin.

At initial recognition, the Company determines the basis of its commitments to policyholders based on underwriting approval and the receipt of premiums.

Subsequent changes in discretionary cash flows affecting those commitments adjust the contractual service margin. However, changes in assumptions relating to financial risk that affect those commitments do not adjust the contractual service margin and are recognised in insurance finance expenses.

If, at contract inception, it is not possible to distinguish between what the Company considers to be its commitments and what it considers to be discretionary elements, all changes in assumptions relating to financial risk that affect those commitments are recognised in insurance finance expenses.

v) For insurance contracts measured under the variable fee approach, changes in fulfilment cash flows that relate to future service adjust the contractual service margin of the group of insurance contracts, including:

- Changes in the Company's share of the fair value of the underlying items;

- Changes in fulfilment cash flows that do not vary based on the returns on underlying items, including:

  - Changes in the time value of money and financial risk, including the effect of financial guarantees;

  - Experience adjustments arising from premiums received in the period that relate to future service and related cash flows, such as insurance acquisition cash flows;

  - Changes in estimates of the present value of future cash flows within the liability for remaining coverage;

  - Differences between any investment components expected to become payable in the period and the actual investment components that become payable in the period. Such differences are determined by comparing: (i) the actual investment components that become payable in the period; and (ii) the expected payments in the period at the beginning of the period, adjusted for any insurance finance income or expenses relating to those expected payments before they become payable;

  - Differences between any policyholder loans expected to be repaid in the period and the actual policyholder loans repaid in the period. Such differences are determined by comparing: (i) the actual policyholder loans repaid in the period; and (ii) the expected repayments in the period at the beginning of the period, adjusted for any insurance finance income or expenses relating to those expected repayments before they become repayable;

  - Changes in the risk adjustment for non-financial risk that relate to future service.

Except for changes in the time value of money and financial risk, the adjustments described above are measured using current discount rates.

vi) For insurance contracts measured under the variable fee approach, the following changes in fulfilment cash flows do not adjust the contractual service margin:

- Changes in the obligation to pay to policyholders an amount equal to the fair value of the underlying items;

- Changes in fulfilment cash flows that do not vary based on the returns on underlying items, including:

  - Changes in estimates of fulfilment cash flows relating to the liability for incurred claims;

  - Experience adjustments arising from premiums received in the period that do not relate to future service and related cash flows (such as insurance acquisition cash flows); and

- Experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

iv. Changes in the contractual service margin

i) For insurance contracts issued, the carrying amount of the contractual service margin at the end of each reporting period is equal to the carrying amount at the beginning of the reporting period, adjusted for:

- The effect of any new contracts added to the group;

- Interest accreted on the carrying amount of the contractual service margin during the reporting period, measured using the discount rates determined at initial recognition;

- Changes in fulfilment cash flows that relate to future service, as described in Note 6) d) iii ii), iv) and v), which adjust the contractual service margin, subject to the condition that such adjustments do not exceed the carrying amount of the contractual service margin. If an increase in fulfilment cash flows exceeds the carrying amount of the contractual service margin, the contractual service margin is reduced to zero and the excess is recognised as insurance service expenses, with a corresponding loss component recognised in the liability for remaining coverage. When the contractual service margin is zero, subsequent changes in fulfilment cash flows are recognised in insurance service expenses and adjust the loss component. If subsequent decreases in fulfilment cash flows exceed the loss component, the loss component is reduced to zero and a contractual service margin is re-established;

- The effect of any foreign exchange differences on the contractual service margin; and

- The amount recognised as insurance revenue because of the transfer of services in the period.

ii) For groups of reinsurance contracts held, the carrying amount of the contractual service margin at the end of each reporting period is equal to the carrying amount at the beginning of the reporting period, adjusted for:

- The effect of any new contracts added to the group;

- Interest accreted on the carrying amount of the contractual service margin during the reporting period, measured using the discount rates determined at initial recognition;

- The amount of any gain recognised in profit or loss when the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or for the addition of onerous underlying insurance contracts to a group, and the corresponding establishment or adjustment of a loss-recovery component of the asset for remaining coverage;

- Reversals of the loss-recovery component, to the extent that such reversals are not changes in fulfilment cash flows of the group of reinsurance contracts held;

- Changes in fulfilment cash flows that relate to future service, except to the extent that those changes arise from changes in fulfilment cash flows allocated to the underlying insurance contracts that do not adjust the contractual service margin of those underlying insurance contracts;

- The effect of any foreign exchange differences on the contractual service margin; and

- The amount recognised in profit or loss for services received in the period.

For the purpose of applying third, fourth and fifth items (bullet points) listed above, the Company applies a systematic and rational allocation method to determine the portion of the loss recognised that relates to the insurance contracts covered by the group of reinsurance contracts held.

iii) Discount rates used for interest accretion on the contractual service margin

For insurance contracts without direct participation features, interest accreted on the contractual service margin is determined using the discount rates established at the date of initial recognition of the group of contracts.

When additional contracts are added to an existing group, the Company uses the weighted-average discount rates determined at initial recognition of the contracts issued within the period, which does not exceed one year.

iv) Release of the contractual service margin to profit or loss

The amount of the contractual service margin recognised as insurance revenue in profit or loss for services provided in the period is determined by allocating the contractual service margin at the end of the reporting period over the current period and the remaining coverage period on the basis of coverage units.

The coverage period is the period during which the Company provides insurance contract services. Insurance contract services include coverage for insured events, investment-return services for policyholders and investment-related services of managing underlying items on behalf of policyholders. The period for investment-return services or investment-related services ends on or before the date when all amounts due to current policyholders relating to those services have been paid.

For insurance contracts without direct participation features, the Company provides investment-return services only when there is an investment component or when policyholders have the right to withdraw an amount and the Company expects that such amounts include an investment return and expects to perform investment activities to generate that return.

The quantity of coverage units in a group of contracts is determined based on the quantity of benefits provided under each contract and its expected coverage period.

For the purpose of allocating the contractual service margin, the Company adjusts coverage units to reflect the time value of money using the discount rates determined at initial recognition that apply to nominal cash flows that do not vary based on the returns on underlying items.

For reinsurance contracts held, coverage units are determined based on the insurance coverage provided by the reinsurer. In addition to the sum assured of the ceded contracts, the Company also considers expected new business within the contract boundary of the reinsurance contracts.

v) Onerous contracts - loss component

When an increase in fulfilment cash flows exceeds the carrying amount of the contractual service margin, the group of contracts becomes onerous. The excess is recognised as insurance service expenses in profit or loss and a loss component is established within the liability for remaining coverage.

After a loss on an onerous group of insurance contracts is recognised, the Company allocates the following amounts between the loss component and the liability for remaining coverage excluding the loss component, using a systematic basis based on the proportion of the loss component relative to the present value of expected future cash outflows:

- Changes in estimates of the present value of future cash flows for claims and expenses released from the liability for remaining coverage as insurance service expenses are incurred;

- Changes in the risk adjustment for non-financial risk; and

- Insurance finance income or expenses.

The allocation of first and second items (bullet points) listed above reduces the components of insurance revenue and insurance service expenses.

In subsequent periods, decreases in fulfilment cash flows reduce the remaining loss component. Once the loss component is reduced to zero, a contractual service margin is re-established. Conversely, increases in fulfilment cash flows increase the loss component.

For groups of reinsurance contracts held, the Company establishes or adjusts a loss-recovery component to reflect changes in the loss component of onerous underlying insurance contracts. The carrying amount of the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held.

The loss-recovery component determines the amount presented in profit or loss as reversals of recoveries of losses from reinsurance contracts held and is therefore excluded from the allocation of reinsurance premiums paid.

e) Initial recognition and subsequent measurement: Groups of contracts measured under the Premium Allocation Approach

i. Insurance contracts

The Company applies the Premium Allocation Approach to measure insurance contracts with a coverage period of one year or less. This approach is applied to contracts such as travel insurance and other short-duration contracts.

For insurance contracts issued, insurance acquisition cash flows allocated to groups of contracts measured under the Premium Allocation Approach are deferred and recognised over the coverage period of the group of contracts.

For insurance contracts issued, the Company recognises insurance acquisition cash flows allocated to groups of contracts to which the premium allocation approach is applied as an expense when incurred.

At initial recognition, the liability for remaining coverage is measured as the premiums received at that date, less any insurance acquisition cash flows at that date, adjusted for any amount arising from the derecognition of insurance acquisition cash flow assets and any other assets or liabilities previously recognised for cash flows related to the group of contracts.

At the end of each reporting period, the carrying amount of a group of insurance contracts is the sum of:

i) The liability for remaining coverage; and

ii) The liability for incurred claims, comprising the fulfilment cash flows related to past service allocated to the group at the reporting date.

For insurance contracts issued, at the end of each subsequent reporting period, the carrying amount of the liability for remaining coverage is:

i) Increased by premiums received in the period; and

ii) Decreased by the amount recognised as insurance revenue for services provided in the period.

ii. Reinsurance contracts held

The Company applies the Premium Allocation Approach to reinsurance contracts held, including catastrophe, accident and travel insurance reinsurance contracts, as their coverage periods are one year or less.

At initial recognition, the asset for remaining coverage is measured as the reinsurance premiums paid, adjusted for any amounts arising from the derecognition of any pre-recognition cash flows.

At the end of each reporting period, the carrying amount of a group of reinsurance contracts held is the sum of:

i) The asset for remaining coverage; and

ii) The asset for incurred claims, comprising the fulfilment cash flows related to past service allocated to the group at the reporting date.

At the end of each subsequent reporting period, the carrying amount of the asset for remaining coverage is:

i) Increased by reinsurance premiums paid in the period; and

ii) Decreased by the amount recognised as reinsurance expenses for services received in the period.

The Company adjusts the asset for remaining coverage of groups of reinsurance contracts held to reflect the effect of any non-performance risk of the reinsurer.

iii. Other considerations under the premium allocation approach

The Company's insurance contracts issued and reinsurance contracts held measured under the Premium Allocation Approach do not contain investment components. As the premiums are due within the coverage period and within one year, the Company does not adjust the liability for remaining coverage of insurance contracts issued to reflect the time value of money.

For contracts measured under the Premium Allocation Approach, the measurement of the liability (or asset) for incurred claims is similar to that under the general model. The future cash flows are discounted to reflect the time value of money when the expected claims settlement period exceeds one year.

iv. If, at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Company recognises a loss in profit or loss for the amount by which the fulfilment cash flows determined under the general model exceed the carrying amount of the liability for remaining coverage. The liability for remaining coverage is increased accordingly and a loss component is established.

Subsequently, at each reporting date, the loss component is remeasured as the difference between the fulfilment cash flows relating to future service determined under the general model and the carrying amount of the liability for remaining coverage. Changes in the loss component are allocated between insurance service expenses and insurance finance income or expenses to reflect the effects of the time value of money, financial risk and changes therein.

When the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts, or for the addition of onerous underlying insurance contracts to a group, it adjusts the asset for remaining coverage of the related group of reinsurance contracts held measured under the Premium Allocation Approach, recognises a gain in profit or loss, and establishes or adjusts a loss-recovery component of the asset for remaining coverage.

The amount of the gain recognised is determined by multiplying the loss recognised on the underlying insurance contracts by the percentage of claims expected to be recovered from the group of reinsurance contracts held. The reinsurance contracts held must be entered into at or before the same time as the recognition of the onerous underlying insurance contracts.

When a group of onerous insurance contracts includes both contracts that are covered by a group of reinsurance contracts held and contracts that are not covered, the Company applies a systematic and rational allocation method to determine the portion of the loss recognised that relates to the insurance contracts covered by the group of reinsurance contracts held.

Changes in the loss-recovery component of reinsurance contracts held are allocated between reinsurance income or expenses and reinsurance finance income or expenses to reflect the effects of the time value of money, financial risk and changes therein, consistent with the treatment of the underlying insurance contracts.

7) Insurance service result: Contracts issued

a) Insurance revenue

The Company recognises insurance revenue as it provides insurance contract services during the reporting period. Insurance revenue recognised in the period reflects the transfer of promised services in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services, by reducing the liability for remaining coverage.

For insurance contracts not measured under the Premium Allocation Approach, insurance revenue comprises:

i. Amounts relating to changes in the liability for remaining coverage, including:

   i) Insurance service expenses incurred in the period, measured at the amounts expected at the beginning of the period, excluding:

      - Amounts allocated to the loss component of the liability for remaining coverage;
      - Repayments of investment components;
      - Amounts relating to transaction-based taxes collected on behalf of third parties;
      - Insurance acquisition cash flows; and
      - Amounts relating to the risk adjustment for non-financial risk;

   ii) Changes in the risk adjustment for non-financial risk, excluding:

      - Changes included in insurance finance income or expenses;
      - Changes that relate to future service; and
      - Amounts allocated to the loss component of the liability for remaining coverage;

   iii) The amount of the contractual service margin recognised in profit or loss for the period; and

   iv) Other amounts, such as experience adjustments for premiums received that do not relate to future service.

ii. Allocation of premiums relating to the recovery of insurance acquisition cash flows, determined by allocating the portion of premiums related to the recovery of insurance acquisition cash flows to each reporting period on a systematic basis over time.

   For insurance contracts measured under the Premium Allocation Approach, the Company recognises insurance revenue based on the passage of time over the coverage period of the group of contracts.

b) Insurance service expenses

Insurance service expenses comprise:

i. Incurred claims (excluding repayments of investment components) and other insurance service expenses incurred;

ii. Amortisation of insurance acquisition cash flows;

iii. Changes that relate to past service, being changes in fulfilment cash flows relating to the liability for incurred claims;

iv. Changes that relate to future service, being losses on onerous groups of contracts and reversals of those losses; and

v. Impairment losses on insurance acquisition cash flow assets.

For insurance contracts not measured under the Premium Allocation Approach, the amortisation of insurance acquisition cash flows is included in insurance service expenses and corresponds to the allocation of premiums relating to the recovery of insurance acquisition cash flows recognised in insurance revenue.

For insurance contracts measured under the Premium Allocation Approach, insurance acquisition cash flows are amortised on a systematic basis over the coverage period.

Cash flows relating to costs that are not directly attributable to a portfolio of insurance contracts are recognised as other operating expenses in the statement of comprehensive income when incurred.

8) Insurance service result: Reinsurance contracts held

The Company presents the net income or expenses from a group of reinsurance contracts held as a single amount, comprising the following:

a) For reinsurance contracts held not measured under the Premium Allocation Approach, the allocation of reinsurance premiums paid includes amounts arising from changes in the asset for remaining coverage, including:

    i. Reinsurance service expenses for the period, measured at the amounts expected at the beginning of the period, including incurred recoveries of claims and other directly attributable expenses, excluding:

        i) Amounts allocated to the loss-recovery component of the asset for remaining coverage;

        ii) Repayments of investment components; and

        iii) Amounts relating to the risk adjustment for non-financial risk;

    ii. Changes in the risk adjustment for non-financial risk, excluding:

        i) Changes included in reinsurance finance income or expenses;

        ii) Changes that relate to future service; and

        iii) Amounts allocated to the loss-recovery component;

    iii. The amount of the contractual service margin recognised in profit or loss for the period as services are received; and

    iv. Other amounts, such as experience adjustments arising from reinsurance premiums paid that do not relate to future service.

b) For reinsurance contracts held measured under the Premium Allocation Approach, the Company recognises reinsurance expenses based on the passage of time over the coverage period of the group of contracts.

c) Amounts recovered from reinsurers, comprising:

    i. Recoveries of incurred reinsurance claims and benefits (excluding repayments of investment components and net of amounts allocated to the loss-recovery component);

ii. Other incurred reinsurance-related expenses;

iii. Changes that relate to past service, being changes in fulfilment cash flows relating to the asset for incurred claims; and

iv. Amounts relating to recoveries of losses on onerous underlying insurance contracts and reversals of such recoveries.

d) Changes in non-performance risk of the reinsurer

9) Insurance finance income or expenses

a) Insurance finance income or expenses comprise changes in the carrying amount of groups of insurance contracts arising from:

i. The effect of the time value of money and changes in the time value of money; and

ii. The effect of financial risk and changes in financial risk.

b) For contracts measured under the general model, insurance finance income or expenses primarily comprise:

i. Interest accreted on the fulfilment cash flows and the contractual service margin;

ii. The effects of changes in interest rates and other financial assumptions; and

iii. The effects of foreign exchange differences.

c) For contracts measured under the variable fee approach, insurance finance income or expenses include changes in the value of underlying items (excluding additions and withdrawals).

d) For contracts measured under the Premium Allocation Approach, insurance finance income or expenses primarily comprise:

i. Interest accreted on the liability for incurred claims; and

ii. The effects of changes in interest rates and other financial assumptions.

e) For contracts measured under the general model, the Company chooses to disaggregate insurance finance income or expenses for the period, recognising an amount in profit or loss and the remaining amount in other comprehensive income. The amount recognised in profit or loss is determined by allocating the expected total insurance finance income or expenses over the duration of the group of contracts on a systematic basis.

f) For contracts measured under the variable fee approach and the Premium Allocation Approach, the Company recognises insurance finance income or expenses entirely in profit or loss.

g) For groups of insurance contracts that generate cash flows in a foreign currency, the Company treats such groups (including the contractual service margin) as monetary items.

10) Interim financial reporting

The Company prepares its interim financial statements in accordance with IAS 34 Interim Financial Reporting.

For the application of IFRS 17, the Company elects to change the accounting estimates made in previous interim financial statements when applying IFRS 17 in subsequent interim financial statements or in the annual reporting period.

11) Transition

The Company applies IFRS 17 retrospectively. When full retrospective application is impracticable, the Company applies the fair value approach.

All contracts issued on or after January 1, 2024 are measured using the full retrospective approach. All contracts issued before January 1, 2024 are measured using the fair value approach.

a) Contracts measured under the full retrospective approach

The Company has determined that, for all insurance contracts issued on or after January 1, 2024, reasonable and supportable information is available to apply the full retrospective approach.

Under the full retrospective approach, the Company identifies, recognises and measures each group of insurance contracts and any insurance acquisition cash flow assets as if IFRS 17 had always been applied. The Company derecognises any existing balances that would not exist if IFRS 17 had always been applied and recognises any resulting net difference in equity.

In accordance with the transition requirements of IFRS 17, the Company did not assess impairment of insurance acquisition cash flow assets before the transition date.

b) Contracts measured under the fair value approach

The Company has concluded that, for all insurance contracts issued before January 1, 2024, reasonable and supportable information is not available to apply the modified retrospective approach. Accordingly, the fair value approach is applied.

The Company uses reasonable and supportable information available at the transition date to:

i. Identify groups of insurance contracts;

ii. Determine whether insurance contracts meet the definition of insurance contracts with direct participation features;

iii. Identify discretionary cash flows for insurance contracts without direct participation features; and

iv. Determine whether investment contracts meet the definition of investment contracts with discretionary participation features within the scope of IFRS 17.

Level of aggregation

Due to the absence of reasonable and supportable information to group contracts appropriately, the Company includes contracts in groups issued more than one year apart.

Measurement at the transition date

Under the fair value approach, at the transition date, the Company measures the contractual service margin or the loss component of the liability for remaining coverage as the difference between the fair value of a group of insurance contracts and the fulfilment cash flows at that date.

In determining fair value, the Company applies IFRS 13 Fair Value Measurement, except for the requirement relating to demand features (i.e. fair value shall not be less than the amount payable on demand), as this would conflict with the IFRS 17 requirement to include probability-weighted cash flows.

Discount rates

The Company uses discount rates at the transition date rather than those at initial recognition.

Insurance acquisition cash flows

At the transition date, the insurance acquisition cash flow asset determined by the Company represents the amount that would be incurred at that date to obtain the right to:

i. Recover insurance acquisition cash flows from premiums of insurance contracts issued before the transition date but not yet recognised at that date;

ii. Obtain future insurance contracts after the transition date without having to pay the related costs already incurred; and

iii. Obtain renewals of insurance contracts recognised at the transition date.

When measuring groups of insurance contracts recognised at the transition date, the Company excludes insurance acquisition cash flows from the measurement of those groups.

Insurance finance income or expenses

The Company elects to disaggregate insurance finance income or expenses and determines the cumulative amount recognised in other comprehensive income at the transition date as follows:

i. For contracts with direct participation features for which the Company holds underlying items, the cumulative amount recognised in other comprehensive income at the beginning of the period equals the cumulative amount recognised in other comprehensive income for the underlying items; and

ii. For all other contracts, the cumulative amount recognised in other comprehensive income is nil.

Reinsurance contracts held

For groups of reinsurance contracts held, the Company determines the loss-recovery component of the asset for remaining coverage at the transition date by multiplying:

i. The loss component of the liability for remaining coverage of the underlying insurance contracts at the transition date; by

ii. The percentage of claims expected to be recovered from the group of reinsurance contracts held for the underlying onerous insurance contracts.

Insurance contracts acquired

The Company elects to classify liabilities for the settlement of claims incurred before the acquisition date, relating to groups of insurance contracts acquired in a transfer of contracts or in a business combination within the scope of IFRS 3, as liabilities for incurred claims.

c. Employee benefits

Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

d. Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

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 46.

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 losses 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 less than expected, a material impairment loss may arise.

b. Assessment of insurance contracts

In measuring insurance contracts issued (including investment contracts with direct participation features) and reinsurance contracts held, the Company applies key estimates in respect of:

1) Future cash flows;

2) Discount rate;

The Company uses estimation techniques and assumptions, together with other sources of estimation uncertainty, in measuring insurance contracts issued (including investment contracts with direct participation features) and reinsurance contracts held. The carrying amounts of the related assets and liabilities affected are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Insurance contract liabilities	$ 86,439,789	$ 86,532,279	$ 81,944,326
Reinsurance contract assets	$ 260,675	$ 304,815	$ 176,002
Reinsurance contract liabilities	$ 465,722	$ 449,811	$ 569,917

1) Estimates of future cash flows

In estimating future cash flows within the contract boundary, the Company applies an unbiased approach that considers the full range of possible outcomes. Each scenario explicitly reflects the amount, timing and probability of cash flows, based on conditions existing at the measurement date, and the expected value is derived using probability-weighted averages.

The Company considers all reasonable and supportable information available without undue cost or effort, including information about past events, current conditions and forecasts of future conditions, in determining the relevant scenarios.

Estimates of future cash flows include both observable or directly derivable market variables and non-market variables, such as mortality, morbidity, lapse rates and expense assumptions. The Company maximises the use of observable market inputs and applies internally developed, portfolio-specific data where appropriate.

For life insurance contracts, actuarial assumptions are determined based on appropriate historical experience periods, prioritising the Company’s own experience, supplemented by industry data, domestic and international experience, and reinsurance data.

2) Determination of discount rates

For cash flows that do not vary based on the returns on underlying items for contracts without participation features, the Company applies a bottom-up approach to determine discount rates. Under this approach, yield curves are constructed by adding a liquidity premium to risk-free rates for each currency.

a) Within observable market ranges, risk-free rates are derived from market data;

b) The liquidity premium reflects the characteristics of the insurance liabilities and corresponding assets; and

c) For unobservable periods, yield curves are extrapolated from the last observable point to the ultimate forward rate using the Smith-Wilson method.

The resulting yield curves are used to discount future cash flows that do not vary based on the returns on underlying items:

March 31, 2026

Currency	1 Year	5 Years	10 Years	15 Years	20 Years	30 Years
NTD	1.39%	1.90%	2.06%	3.50%	4.13%	4.54%
USD	3.79%	4.63%	5.42%	6.54%	6.12%	4.77%
AUD	1.39%	1.93%	2.08%	3.50%	4.13%	4.54%
RMB	3.80%	4.66%	5.44%	6.54%	6.13%	4.77%

December 31, 2025

Currency	1 Year	5 Years	10 Years	15 Years	20 Years	30 Years
NTD	1.29%	1.67%	1.77%	3.39%	4.09%	4.53%
USD	3.58%	4.49%	5.42%	6.35%	6.16%	4.87%
AUD	1.29%	1.69%	1.78%	3.39%	4.09%	4.53%
RMB	3.59%	4.51%	5.42%	6.35%	6.16%	4.87%

March 31, 2025

Currency	1 Year	5 Years	10 Years	15 Years	20 Years	30 Years
NTD	1.52%	1.99%	2.06%	3.49%	4.13%	4.54%
USD	4.15%	4.69%	5.23%	5.87%	5.89%	4.48%
AUD	1.53%	2.01%	2.08%	3.50%	4.13%	4.54%
RMB	4.18%	4.79%	5.33%	5.93%	5.93%	4.49%

6. CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	$ 25,686,390	$ 23,172,142	$ 25,340,105
Notes and checks in clearing	4,691,359	5,455,684	5,393,333
Due from banks	24,191,697	41,751,863	40,948,878
	54,569,446	70,379,689	71,682,316
Less: Allowance for possible losses	9,411	9,562	2,759
	$ 54,560,035	$ 70,370,127	$ 71,679,557

Reconciliations of cash and cash equivalents between the consolidated statements of cash flows and the consolidated balance sheets as of March 31, 2026 and 2025 are shown in the consolidated statements of cash flows. The reconciliations as of December 31, 2025 are stated below:

	December 31, 2025
Cash and cash equivalent in the consolidated balance sheet	$ 70,370,127
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
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
Other in accordance with the definition of cash and cash equivalents under IAS 7 "Statement of Cash Flows"	377,340
Cash and cash equivalents, end of the year	$ 129,543,093

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

	March 31, 2026	December 31, 2025	March 31, 2025
Reserves for deposits - account A	$ 80,596,458	$ 63,421,866	$ 29,315,076
Reserves for deposits - account B	127,469,173	129,149,059	123,392,886
Reserves for deposits - community financial institutions	93,529,771	93,097,518	92,213,159
Reserves for deposits - foreign-currency deposits	649,795	637,675	675,435
Deposits in the Central Bank	44,200,000	44,200,000	39,200,000
Due from the Central Bank - others	32,282,934	28,793,415	31,774,183
Due from the Central Bank - central government agencies' deposits	2,772,829	4,070,308	2,379,567
Call loans to banks	70,064,287	66,114,206	56,987,834
	$ 451,565,247	$ 429,484,047	$ 375,938,140

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

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets mandatorily classified as at fair value through profit or loss			
Commercial paper	$ 176,835,523	$ 162,652,823	$ 144,969,761
Negotiable certificates of deposit	6,535,622	4,836,818	7,128,517
Beneficial certificates	2,755,654	3,926,472	5,408,807
Investment in equity instruments	4,351,352	3,297,433	3,034,267
Corporate bonds	1,303,304	1,303,286	1,288,810
Convertible bonds	1,609,554	989,547	696,650
Bank debentures	164,952	163,135	166,061
Government bonds	202,805	203,980	202,033
Commercial paper contracts with reference rate	23,976	21,042	10,825
Currency swap contracts	12,051,200	9,130,960	6,372,409
Futures exchange margins	183,731	162,520	166,779
Forward contracts	23,385	21,027	59,862
Convertible bonds assets swap contracts	3,337,092	3,068,341	2,595,378
Currency option contracts - buy	45,118	18,636	17,622
Cross-currency swap contracts	-	3,745	39
Interest rate swap contracts	145,098	230,028	205,969
Foreign-currency margin contracts	-	-	631
Asset swap IRS contracts value	57,520	37,941	16,584
Financial assets at fair value through profit or loss	$ 209,625,886	$ 190,067,734	$ 172,341,004
Held-for-trading financial liabilities			
Payable - security borrowing	$ 115,188	$ 59,627	$ -
Securities purchased under resell agreements - short sale	207,528	203,266	166,350
Currency swap contracts	726,338	1,108,748	312,332
Cross-currency swap contracts	11,112	6,475	69,331
Currency option contract - sell	45,406	18,650	17,686
Forward contracts	48,602	29,960	40,015
Foreign-currency margin contracts	-	-	398
Asset swap options contracts	374,849	160,866	40,712
Interest rate swap contracts	282,823	261,350	292,746
Investment contracts measured at FVTPL	10,578,431	15,186,820	22,589,907
	12,390,277	17,035,762	23,529,477
Financial liabilities designated to be measured at fair value through profit or loss			
Bank debentures (Note 27)	5,026,839	3,861,754	3,822,194
Financial liabilities at fair value through profit or loss	$ 17,417,116	$ 20,897,516	$ 27,351,671

As of March 31, 2026, December 31, 2025 and March 31, 2025, financial assets at fair value through profit or loss amounting to $37,369,753 thousand, $40,539,751 thousand and $41,749,778 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 March 31, 2026, December 31, 2025 and March 31, 2025, the contract (notional) amounts of derivative transactions of TCB were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Currency swap contracts	$ 310,594,346	$ 315,052,637	$ 287,624,246
Interest rate swap contracts	12,733,403	10,739,614	13,911,602
Forward contracts	6,316,257	4,125,107	6,629,768
Currency option contracts - sell	5,065,417	3,504,466	5,450,259
Currency option contracts - buy	5,065,417	3,504,466	5,450,259
Cross-currency swap contracts	237,429	232,693	533,150
Foreign-currency margin contracts	-	-	62,640

As of March 31, 2026, the open position of futures transactions of TCB were as follows:

		March 31, 2026			
		Open Position		Contract Amounts or Premium Paid (Charged)	
Items	Products	Buy/Sell	Number of Contracts		Fair Values
Futures contracts	Interest rate futures	Sell	5	$ 17,797	$ 17,777

As of March 31, 2026, December 31, 2025 and March 31, 2025, the open position of futures transactions of Taiwan Cooperative Securities Co., Ltd. (TCS) were as follows:

		March 31, 2026			
		Open Position		Contract Amounts or Premium Paid (Charged)	
Items	Products	Buy/Sell	Number of Contracts		Fair Values
Futures contracts	Interest rate futures	Buy	5	$ 18,202	$ 18,217
	Stock index futures	Buy	2	16,716	15,789
	Single-stock futures	Buy	161	85,228	78,887
	Stock index futures	Sell	74	356,351	337,834
	Single-stock futures	Sell	414	83,381	79,564
	Commodity futures	Sell	1	3,040	3,244

Items	Products	December 31, 2025			
		Open Position		Contract Amounts or Premium Paid (Charged)	Fair Values
		Buy/Sell	Number of Contracts		
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

Items	Products	March 31, 2025			
		Open Position		Contract Amounts or Premium Paid (Charged)	Fair Values
		Buy/Sell	Number of Contracts		
Futures contracts	Single-stock futures	Buy	3	$ 4,344	$ 4,270
	Single-stock futures	Sell	493	142,958	146,969
	Stock index futures	Sell	48	152,077	144,756
	Interest rate futures	Sell	5	18,517	18,465

As of March 31, 2026, December 31, 2025 and March 31, 2025, the contract (notional) amounts of asset swap contracts of TCS were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Asset swap contracts	$ 971,000	$ 646,000	$ 370,000

As of March 31, 2026, December 31, 2025 and March 31, 2025, the contract (notional) amounts of derivative transactions of TCBF were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Currency swap contracts	$ 501,658	$ 311,035	$ 225,820
Convertible (exchangeable) bond asset swap contracts	3,257,100	2,995,500	2,501,600

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 March 31, 2026, December 31, 2025 and March 31, 2025, the contract (notional) amounts of derivative transactions of BPCTLI were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Currency swap contracts	$ 9,518,374	$ 9,242,132	$ 9,322,131
Cross-currency swap contracts	96,255	94,335	431,665

The movements in financial liabilities at fair value through profit or loss under investment contracts of BPCTLI are as follows:

	March 31	
	2026	2025
Beginning balance	$ 15,186,820	$ 26,377,346
Premiums received	924,050	786,869
Benefit payments	(6,331,098)	(5,071,923)
Investment returns on underlying assets	818,695	521,179
Asset management fees	(20,036)	(23,564)
Ending balance	$ 10,578,431	$ 22,589,907

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2026	December 31, 2025	March 31, 2025
Investments in equity instruments at FVTOCI			
Listed shares and emerging market shares	$ 51,555,718	$ 38,877,820	$ 40,386,151
Unlisted shares	14,059,671	14,502,680	11,871,128
	65,615,389	53,380,500	52,257,279
Investments in debt instruments at FVTOCI			
Government bonds	304,441,267	291,036,254	276,598,843
Corporate bonds	100,745,846	99,867,505	98,237,667
Bank debentures	101,837,572	98,949,971	93,334,382
Negotiable certificates of deposit	10,826,816	6,947,357	5,172,364
Beneficial certificates	2,017,580	-	-
	519,869,081	496,801,087	473,343,256
	$ 585,484,470	$ 550,181,587	$ 525,600,535

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 $7,178,332 thousand and $4,508,189 thousand for the three months ended March 31, 2026 and 2025, respectively. The accumulated unrealized valuation gain or loss of financial assets at FVTOCI under other equity in the amount of $3,729,544 thousand and $522,020 thousand gains have been transferred to retained earnings, respectively.

For the three months ended March 31, 2026 and 2025, the Company recognized unrealized gains and losses on investments in equity instruments at FVTOCI of $10,696 thousand gains and $2,973,327 thousand losses, respectively.

For the three months ended March 31, 2026 and 2025, the Company recognized unrealized gains or losses on investments in debt instruments at FVTOCI of $3,331,787 thousand losses and $2,770,312 thousand gains, respectively.

As of March 31, 2026, December 31, 2025 and March 31, 2025, the allowance for possible losses of investment in debt instruments at FVTOCI recognized was $265,734 thousand, $263,295 thousand and $280,011 thousand, respectively, through expected credit loss. Impairment loss recognized in profit or loss for the three months ended March 31, 2026 and 2025 were $3,108 thousand losses and $7,204 thousand gains, respectively.

As of March 31, 2026, December 31, 2025 and March 31, 2025, financial assets at fair value through other comprehensive income amounting to $32,807,103 thousand, $27,762,761 thousand and $30,304,076 thousand, respectively, had been sold under repurchase agreements.

10. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST

	March 31, 2026	December 31, 2025	March 31, 2025
Negotiable certificates of deposit in the Central Bank	$ 449,490,000	$ 539,430,000	$ 471,985,000
Government bonds	170,597,995	171,596,761	167,752,471
Corporate bonds	88,484,312	87,463,292	89,868,107
Bank debentures	26,801,217	28,804,235	30,352,528
Certificates of deposit	678,033	550,280	869,982
Treasury bills	4,491,570	1,312,997	2,271,624
	740,543,127	829,157,565	763,099,712
Less: Allowance for impairment loss	21,993	21,785	28,056
	$ 740,521,134	$ 829,135,780	$ 763,071,656

Reversal of impairment loss recognized in profit or loss for the three months ended March 31, 2026 and 2025 were $23 thousand losses and $1,536 thousand gains, respectively.

11. SECURITIES PURCHASED UNDER RESELL AGREEMENTS

Securities acquired for $2,281,860 thousand, $1,848,824 thousand and $1,993,221 thousand under resell agreements as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively, will subsequently be sold for $2,284,424 thousand, $1,850,613 thousand and $1,995,225 thousand, respectively.

12. RECEIVABLES, NET

	March 31, 2026	December 31, 2025	March 31, 2025
Accrued interest	$ 14,876,668	$ 15,057,775	$ 15,148,348
Settlement consideration	36,277	330,077	102,260
Settlement receivable	15,095,704	9,717,852	8,594,975
Margin loans receivable	8,164,186	7,523,110	7,878,413
Credit cards	4,629,860	5,240,250	4,269,686
Acceptances	1,310,831	1,458,770	2,400,278
Lease payment receivable	2,238,274	2,102,446	2,038,097
Receivable on securities	505,032	476,631	1,578,885
Receivables on merchant accounts in the credit card business	1,236,150	1,402,418	1,740,818
Receivables on financing provided	747,690	941,154	844,270
Accounts receivable	1,097,497	913,902	489,945
Receivable - separated account	504,307	444,900	637,316
Refundable deposits receivable in leasehold agreements	123,585	126,585	126,585
Accounts receivable factored without recourse	4,031	90,443	4,377
Urban regeneration advance payment	6,263,018	5,729,322	5,026,751
Securities loan receivable	2,449,665	2,281,721	2,334,395
Dividends receivable	368,656	58,500	83,388
Others	378,346	551,866	502,255
	60,029,777	54,447,722	53,801,042
Less: Allowance for possible losses	950,835	958,783	695,551
Less: Unrealized interest revenue	103,454	100,371	112,396
	$ 58,975,488	$ 53,388,568	$ 52,993,095

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:

Gross Carrying Amount	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)	Total
Balance on January 1, 2026	$ 26,451,210	$ 68,456	$ 863,173	$ 27,382,839
Transfers to				
Lifetime ECL	(22,499)	24,207	(1,708)	-
Credit-impaired financial assets	(6,452)	(2,504)	8,956	-
12-month ECL	2,144	(2,073)	(71)	-
New financial assets purchased or originated	41,151,070	30,353	56,223	41,237,646
Write-offs	-	-	(8,210)	(8,210)
Derecognition of financial assets in the current reporting period	(41,828,270)	(48,585)	(50,060)	(41,926,915)
Changes in exchange rates and other changes	25,557	198	3,289	29,044
Balance on March 31, 2026	$ 25,772,760	$ 70,052	$ 871,592	$ 26,714,404

(Continued)

Gross Carrying Amount	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)	Total
Balance on January 1, 2025	$ 28,588,171	$ 65,883	$ 823,728	$ 29,477,782
Transfers to				
Lifetime ECL	(14,800)	14,843	(43)	-
Credit-impaired financial assets	(19,337)	(7,674)	27,011	-
12-month ECL	1,821	(1,520)	(301)	-
New financial assets purchased or originated	26,339,248	27,748	53,373	26,420,369
Write-offs	-	-	(4,404)	(4,404)
Derecognition of financial assets in the current reporting period	(27,516,004)	(42,998)	(51,044)	(27,610,046)
Changes in exchange rates and other changes	(1,145,231)	219	(489,076)	(1,634,088)
Balance on March 31, 2025	$ 26,233,868	$ 56,501	$ 359,244	$ 26,649,613

(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, 2026	$ 29,347	$ 18,207	$ 165,431	$ 212,985	$ 244,140	$ 457,125
Changes from financial instruments recognized at the beginning of the current reporting period						
Transfers to						
Lifetime ECL	(30)	69	(39)	-	-	-
Credit-impaired financial assets	(15)	(533)	548	-	-	-
12-month ECL	531	(116)	(415)	-	-	-
Derecognition of financial assets in the current reporting period	(13,565)	(8,942)	(11,262)	(33,769)	-	(33,769)
Reversal from financial instruments recognized at the beginning of the current reporting period	(2,452)	(1,998)	1,348	(3,102)	-	(3,102)
New financial assets purchased or originated	8,257	6,028	49,729	64,014	-	64,014
Difference of impairment loss under regulations	-	-	-	-	8,409	8,409
Write-offs	-	-	(8,210)	(8,210)	-	(8,210)
Recovery of written-off receivables	-	-	7,424	7,424	-	7,424
Changes in exchange rates and other changes	264	18	2,813	3,095	-	3,095
Balance on March 31, 2026	$ 22,337	$ 12,733	$ 207,367	$ 242,437	$ 252,549	$ 494,986
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	(143)	146	(3)	-	-	-
Credit-impaired financial assets	(12,432)	(249)	12,681	-	-	-
12-month ECL	272	(46)	(226)	-	-	-
Derecognition of financial assets in the current reporting period	(16,091)	(3,419)	(18,846)	(38,356)	-	(38,356)
Reversal from financial instruments recognized at the beginning of the current reporting period	9,580	(4,915)	(2,046)	2,619	-	2,619
New financial assets purchased or originated	14,696	8,204	8,943	31,843	-	31,843
Difference of impairment loss under regulations	-	-	-	-	3,028	3,028

(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
Write-offs	$ -	$ -	$ (4,404)	$ (4,404)	$ -	$ (4,404)
Recovery of written-off receivables	-	-	6,076	6,076	-	6,076
Changes in exchange rates and other changes	359	2	758	1,119	-	1,119
Balance on March 31, 2025	$ 35,643	$ 12,572	$ 152,581	$ 200,796	$ 166,485	$ 367,281

(Concluded)

Impairment assessment except the above receivables were based on the expected credit losses model at the beginning of the current reporting period by the simplified method. On March 31, 2026, December 31, 2025 and March 31, 2025, the amounts assessment to impairment of receivables were assessed as $33,315,373 thousand, $27,064,883 thousand and $27,151,429 thousands, respectively, and the amounts of allowance for possible losses were $455,849 thousand, $501,658 thousand and $328,270 thousand, respectively.

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

	For the Three Months Ended March 31	
	2026	2025
Balance on January 1	$ 501,658	$ 312,447
(Reversal of provision) provision for possible losses	(26,618)	34,714
Write-offs	(20,197)	(19,717)
Recovery of written-off receivables	168	286
Effects of exchange rate changes and other changes	838	540
Balance on March 31	$ 455,849	$ 328,270

13. DISCOUNTS AND LOANS, NET

	March 31, 2026	December 31, 2025	March 31, 2025
Bills discounted	$ 1,625,376	$ 1,718,430	$ 1,500,742
Overdraft			
Unsecured	10,809	757	9,230
Secured	15,322	12,660	15,235
Import and export negotiations	437,594	346,446	393,603
Short-term loans			
Unsecured	648,008,436	588,403,887	549,585,458
Accounts receivable financing	147,381	286,462	304,870
Secured	211,189,884	211,290,696	212,920,410
Medium-term loans			
Unsecured	549,952,585	529,507,038	556,791,746
Secured	364,916,498	370,537,437	381,701,104
Long-term loans			
Unsecured	71,335,189	65,473,934	60,425,375
Secured	1,389,908,129	1,391,260,940	1,326,609,365

(Continued)

	March 31, 2026	December 31, 2025	March 31, 2025
Overdue loans	$ 4,075,904	$ 4,253,442	$ 4,945,505
Policy loans under investment contracts	234,004	176,696	95,753
Premium loans under investment contracts	123	74	35
	3,241,857,234	3,163,268,899	3,095,298,431
Less: Allowance for possible losses	39,008,210	37,496,162	35,460,256
Less: Adjustment of discount	396,077	409,442	437,722
	$ 3,202,452,947	$ 3,125,363,295	$ 3,059,400,453

(Concluded)

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

Gross Carrying Amount	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)	Total
Balance on January 1, 2026	$ 3,120,589,469	$ 4,988,372	$ 37,691,058	$ 3,163,268,899
Transfers to				
Lifetime ECL	(2,152,164)	2,200,257	(48,093)	-
Credit-impaired financial assets	(2,610,218)	(340,954)	2,951,172	-
12-month ECL	433,283	(366,285)	(66,998)	-
New financial assets purchased or originated	524,865,626	207,915	413,557	525,487,098
Write-offs	-	-	(762,065)	(762,065)
Derecognition of financial assets in the current reporting period	(449,374,035)	(834,480)	(1,337,144)	(451,545,659)
Changes in exchange rates and other changes	4,961,391	62,389	385,181	5,408,961
Balance on March 31, 2026	$ 3,196,713,352	$ 5,917,214	$ 39,226,668	$ 3,241,857,234
Balance on January 1, 2025	$ 3,058,206,347	$ 3,548,709	$ 34,757,643	$ 3,096,512,699
Transfers to				
Lifetime ECL	(2,461,246)	2,492,352	(31,106)	-
Credit-impaired financial assets	(2,775,766)	(805,660)	3,581,426	-
12-month ECL	564,997	(370,939)	(194,058)	-
New financial assets purchased or originated	464,666,482	3,444	54,794	464,724,720
Write-offs	-	-	(1,014,919)	(1,014,919)
Derecognition of financial assets in the current reporting period	(466,965,229)	(167,973)	(1,118,207)	(468,251,409)
Changes in exchange rates and other changes	3,169,331	41,647	116,362	3,327,340
Balance on March 31, 2025	$ 3,054,404,916	$ 4,741,580	$ 36,151,935	$ 3,095,298,431

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, 2026	$ 4,656,231	$ 182,221	$ 4,121,392	$ 8,959,844	$ 28,536,318	$ 37,496,162
Changes from financial instruments recognized at the beginning of the current reporting period						
Transfers to						
Lifetime ECL	(4,596)	11,222	(6,626)	-	-	-
Credit-impaired financial assets	(29,281)	(9,716)	38,997	-	-	-
12-month ECL	6,510	(1,537)	(4,973)	-	-	-
Derecognition of financial assets in the current reporting period	(976,625)	(9,976)	(226,474)	(1,213,075)	-	(1,213,075)
Reversal from financial instruments recognized at the beginning of the current reporting period	(265,451)	(22,258)	412,793	125,084	-	125,084
New financial assets purchased or originated	1,047,881	27	6,216	1,054,124	-	1,054,124
Difference of impairment loss under regulations	-	-	-	-	1,292,716	1,292,716
Write-offs	-	-	(762,065)	(762,065)	-	(762,065)
Recovery of write-off credits	-	-	944,173	944,173	-	944,173
Changes in exchange rates and other changes	31,153	2,484	37,454	71,091	-	71,091
Balance on March 31, 2026	$ 4,465,822	$ 152,467	$ 4,560,887	$ 9,179,176	$ 29,829,034	$ 39,008,210
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	(9,369)	12,683	(3,314)	-	-	-
Credit-impaired financial assets	(20,155)	(5,155)	25,310	-	-	-
12-month ECL	17,207	(1,815)	(15,392)	-	-	-
Derecognition of financial assets in the current reporting period	(827,398)	(381)	(201,216)	(1,028,995)	-	(1,028,995)
Reversal from financial instruments recognized at the beginning of the current reporting period	(40,431)	31,096	691,427	682,092	-	682,092
New financial assets purchased or originated	951,386	-	6,934	958,320	-	958,320
Difference of impairment loss under regulations	-	-	-	-	(14,850)	(14,850)
Write-offs	-	-	(1,014,919)	(1,014,919)	-	(1,014,919)
Recovery of write-off credits	-	-	124,747	124,747	-	124,747
Changes in exchange rates and other changes	25,313	427	29,186	54,926	-	54,926
Balance on March 31, 2025	$ 4,608,665	$ 70,823	$ 4,304,798	$ 8,984,286	$ 26,475,970	$ 35,460,256

The bad-debt expenses and provision for losses on guarantees for the three months ended March 31, 2026 and 2025 were as follows:

	For the Three Months Ended March 31	
	2026	2025
Provision for possible losses on discounts and loans	$ 1,258,849	$ 596,567
Provision for possible losses on receivables	8,934	33,848
Reversal of provision for due from banks and call loans to banks	(293)	(261)
Provision for possible losses on overdue receivables	7,426	22,064
Reversal of provision for possible losses on guarantees	(77,674)	(10,840)
(Reversal of provision) provision for possible losses on loan commitment	(38,236)	25,111
Provision for other possible losses	6,647	1,865
	$ 1,165,653	$ 668,354

As of March 31, 2026, December 31, 2025 and March 31, 2025, TCB was in compliance with the FSC-required provision for credit assets.

As of March 31, 2026, December 31, 2025 and March 31, 2025, accrual of interest on the above overdue loans had been stopped. Thus, the unrecognized interest revenue was $25,406 thousand and $30,241 thousand for the three months ended March 31, 2026 and 2025, respectively, based on the average loan interest rate for the year.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	Percentage of Ownership (%)	Amount	Percentage of Ownership (%)	Amount	Percentage of Ownership (%)
Investment in associate						
United Real Estate Management Co., Ltd.	$ 147,800	30.00	$ 146,077	30.00	$ 147,360	30.00

Aggregate information of associate that is not individually material:

	For the Three Months Ended March 31	
	2026	2025
The Company’s share of:		
Net income	$ 1,723	$ 2,419
Other comprehensive income	-	-
Total comprehensive income for the period	$ 1,723	$ 2,419

The investments accounted for by equity method and the share of profit or loss and other comprehensive income of the investments for the three months ended March 31, 2026 and 2025 were based on the associates’ financial statements for the same period which have not been reviewed by the auditors. Management believes there is no material impact on the equity method 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 reviewed.

15. OTHER FINANCIAL ASSETS, NET

	March 31, 2026	December 31, 2025	March 31, 2025
Overdue receivables	$ 36,320	$ 36,968	$ 842,475
Less: Allowance for possible losses	36,320	36,968	341,903
Overdue receivables, net	-	-	500,572
Due from banks	7,165,305	7,600,428	10,790,833
Call loans to securities firms	-	377,340	398,460
Separate-account assets	56,046,215	63,382,420	74,340,580
	$ 63,211,520	$ 71,360,188	$ 86,030,445

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.

The status of the Company's investment-linked products - separate account as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Separate-account assets			
Demand deposits	$ 930,088	$ 817,957	$ 772,851
Financial assets at FVTPL	54,941,672	62,391,872	73,486,307
Other receivables			
Investments settlement receivables	174,455	172,591	81,422
	$ 56,046,215	$ 63,382,420	$ 74,340,580

Reconciliation of investment-linked products - separate account assets - FVTPL:

	March 31, 2026	December 31, 2025	March 31, 2025
Beginning balance	$ 62,391,872	$ 78,851,264	$ 78,851,264
Additions	1,237,017	4,297,534	905,707
Disposals	(7,769,163)	(21,943,668)	(6,625,175)
Investments gains or losses	(918,054)	1,186,742	354,511
Ending balance	$ 54,941,672	$ 62,391,872	$ 73,486,307

Net gains or losses on assets of investment-linked products - separate account

	For the Three Months Ended March 31	
	2026	2025
Income from segregated account insurance products		
(Loss) gain on financial assets at FVTPL	$ (808,324)	$ 10,159
Gain (loss) on foreign exchange	507,035	(9,117)
	$ (301,289)	$ 1,042

16. INVESTMENT PROPERTIES, NET

	March 31, 2026	December 31, 2025	March 31, 2025
Land	$ 9,442,832	$ 9,146,204	$ 8,891,621
Buildings	2,279,590	2,286,580	2,349,395
Prepayments for land and buildings	-	60,060	103,696
	$ 11,722,422	$ 11,492,844	$ 11,344,712

	Land	Buildings	Prepayments for Land and Buildings	Total
Cost				
Balance on January 1, 2026	$ 9,146,204	$ 3,844,271	$ 60,060	$ 13,050,535
Additions	-	1,020	290,846	291,866
Disposals	(25,980)	(8,442)	-	(34,422)
Reclassification	322,608	26,996	(350,906)	(1,302)
Balance on March 31, 2026	$ 9,442,832	$ 3,863,845	$ -	$ 13, 306,677
Balance on January 1, 2025	$ 8,906,201	$ 3,750,607	$ 25,840	$ 12,682,648
Additions	47	5,027	103,731	108,805
Disposals	(36,700)	(3,667)	-	(40,367)
Reclassification	22,073	3,622	(25,875)	(180)
Balance on March 31, 2025	$ 8,891,621	$ 3,755,589	$ 103,696	$ 12,750,906
Accumulated depreciation and impairment				
Balance on January 1, 2026	$ -	$ 1,557,691	$ -	$ 1,557,691
Disposals	-	(194)	-	(194)
Depreciation expenses	-	26,758	-	26,758
Balance on March 31, 2026	$ -	$ 1,584,255	$ -	$ 1,584,255
Balance on January 1, 2025	$ -	$ 1,380,867	$ -	$ 1,380,867
Disposals	-	(786)	-	(786)
Depreciation expenses	-	26,113	-	26,113
Reclassification	-	-	-	-
Balance on March 31, 2025	$ -	$ 1,406,194	$ -	$ 1,406,194

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 management of the Company had assessed and determined that there was no significant changes in the fair value of investment properties for the three months ended March 31, 2026 and 2025.

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

	For the Three Months Ended March 31	
	2026	2025
Rental income from investment properties (part of other noninterest gains, net)	$ 137,181	$ 134,664
Direct operating expenses for investment properties that generate rental income	(54,568)	(51,400)
	$ 82,613	$ 83,264

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 March 31, 2026, December 31, 2025 and March 31, 2025, guarantee deposits on these leases totaled $124,720 thousand, $118,523 thousand and $120,078 thousand, respectively (part of guarantee deposit received).

Minimum future annual rentals are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Year 1	$ 431,360	$ 418,395	$ 394,271
Year 2	389,282	375,494	350,801
Year 3	306,765	311,462	322,898
Year 4	211,124	237,582	252,967
Year 5	83,328	201,699	301,441
Over five years	136,622	119,736	117,240
	$ 1,558,481	$ 1,664,368	$ 1,739,618

17. PROPERTIES AND EQUIPMENT, NET

	March 31, 2026	December 31, 2025	March 31, 2025
Assets used by the Company			
Land	$ 20,286,116	$ 20,287,731	$ 20,501,051
Buildings	8,407,381	8,513,850	8,942,930
Machinery and equipment	1,299,074	1,346,772	1,436,105
Transportation equipment	182,221	169,273	168,596
Other equipment	320,448	316,476	279,184
Leasehold improvements	263,809	241,550	259,147
Prepayments for equipment, land and buildings and construction in progress	947,690	741,613	377,626
	$ 31,706,739	$ 31,617,265	$ 31,964,639

(Continued)

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Assets leased under operating leases</u>			
Machinery and equipment	$ 571	$ 686	$ 1,421
Other equipment	2,922	3,506	5,259
	$ 3,493	$ 4,192	$ 6,680

(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, 2026	$ 20,290,075	$ 20,383,358	$ 6,281,773	$ 725,178	$ 1,814,358	$ 1,423,736	$ 741,613	$ 51,660,091
Additions	-	32,251	70,643	24,309	23,166	4,025	328,199	482,593
Disposals	-	-	(28,117)	(2,476)	(6,749)	(7,373)	-	(44,715)
Reclassification	-	48,559	12,977	824	5,690	43,941	(122,084)	(10,093)
Effects of exchange rate changes and others	(1,615)	116	4,335	1,103	1,342	3,192	(38)	8,435
Balance on March 31, 2026	$ 20,288,460	$ 20,464,284	$ 6,341,611	$ 748,938	$ 1,837,807	$ 1,467,521	$ 947,690	$ 52,096,311
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	-	70,061	128,749	20,568	83,048	11,862	62,960	377,248
Disposals	-	-	(10,114)	(1,529)	(5,422)	(3,305)	-	(20,370)
Reclassification	-	51,527	54,600	807	4,177	1,477	(137,334)	(24,746)
Effects of exchange rate changes and others	(1,634)	76	2,953	743	1,003	2,590	-	5,731
Balance on March 31, 2025	$ 20,503,395	$ 20,339,511	$ 6,215,140	$ 750,204	$ 1,754,853	$ 1,417,783	$ 377,626	$ 51,358,512

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements	Total
<u>Accumulated depreciation and impairment</u>							
Balance on January 1, 2026	$ 2,344	$ 11,869,508	$ 4,935,001	$ 555,905	$ 1,497,882	$ 1,182,186	$ 20,042,826
Disposals	-	-	(28,048)	(2,476)	(6,749)	(7,373)	(44,646)
Depreciation expenses	-	187,279	132,162	12,368	25,050	25,724	382,583
Effects of exchange rate changes and others	-	116	3,422	920	1,176	3,175	8,809
Balance on March 31, 2026	$ 2,344	$ 12,056,903	$ 5,042,537	$ 566,717	$ 1,517,359	$ 1,203,712	$ 20,389,572
Balance on January 1, 2025	$ 2,344	$ 11,212,277	$ 4,651,561	$ 570,701	$ 1,456,401	$ 1,135,460	$ 19,028,744
Disposals	-	-	(10,038)	(1,529)	(5,422)	(3,305)	(20,294)
Depreciation expenses	-	184,228	135,251	11,863	23,821	24,452	379,615
Reclassification	-	-	-	-	-	(17)	(17)
Effects of exchange rate changes and others	-	76	2,261	573	869	2,046	5,825
Balance on March 31, 2025	$ 2,344	$ 11,396,581	$ 4,779,035	$ 581,608	$ 1,475,669	$ 1,158,636	$ 19,393,873

Taiwan Cooperative Bank, Ltd. (TCB) revalued its properties five times in 1979, 1998, 2007, 2011 and 2012. As of March 31, 2026, 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

b. Assets leased under operating leases

	Machinery and Equipment	Other Equipment	Total
Cost			
Balance on January 1, 2026	$ 11,798	$ 34,532	$ 46,330
Additions	-	-	-
Balance on March 31, 2026	$ 11,798	$ 34,532	$ 46,330
Balance on January 1, 2025	$ 11,798	$ 34,532	$ 46,330
Additions	-	-	-
Balance on March 31, 2025	$ 11,798	$ 34,532	$ 46,330
Accumulated depreciation and impartment			
Balance on January 1, 2026	$ 11,112	$ 31,026	$ 42,138
Depreciation expenses	115	584	699
Balance on March 31, 2026	$ 11,227	$ 31,610	$ 42,837
Balance on January 1, 2025	$ 9,871	$ 28,689	$ 38,560
Depreciation expenses	506	584	1,090
Balance on March 31, 2025	$ 10,377	$ 29,273	$ 39,650

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

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amounts			
Land	$ 12,359	$ 11,274	$ 7,849
Buildings	1,505,562	1,462,705	1,583,807
Transportation equipment	126,996	137,154	80,172
Other equipment	3,150	3,585	4,890
	$ 1,648,067	$ 1,614,718	$ 1,676,718

	For the Three Months Ended March 31	
	2026	2025
Depreciation charge for right-of-use assets		
Land	$ 1,397	$ 1,370
Buildings	147,739	153,326
Transportation equipment	14,329	13,031
Other equipment	435	436
	$ 163,900	$ 168,163

For the three months ended March 31, 2026 and 2025, the additions to right-of-use assets of the Company were $208,430 thousand and $83,833 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 three months ended March 31, 2026 and 2025.

b. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amounts	$ 1,628,303	$ 1,579,627	$ 1,649,335

Range of discount rates for lease liabilities was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Land	1.620%-2.294%	1.593%-2.283%	1.593%-2.076%
Buildings	1.258%-9.920%	1.258%-9.920%	1.346%-9.920%
Transportation equipment	1.000%-10.302%	1.000%-10.302%	0.863%-9.890%
Other equipment	2.635%-4.000%	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 March 31, 2026, December 31, 2025 and March 31, 2025, refundable deposits on these leases totaled $138,919 thousand, $137,800 thousand and $143,889 thousand, respectively, (part of refundable deposit).

d. Other lease information

	For the Three Months Ended March 31	
	2026	2025
Expenses relating to short-term leases	$ 15,777	$ 14,395
Expenses relating to low-value asset leases	$ 197	$ 1,173
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 790	$ 881

For the three months ended March 31, 2026 and 2025, the total cash outflow for leases of the Company was $178,010 thousand and $182,355 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

	March 31, 2026	December 31, 2025	March 31, 2025
Goodwill	$ 3,170,005	$ 3,170,005	$ 3,170,005
Computer software	1,586,018	1,636,375	1,663,338
Carbon credits	142	142	142
	$ 4,756,165	$ 4,806,522	$ 4,833,485

	Goodwill	Computer Software	Carbon Credits	Total
Balance on January 1, 2026	$ 3,170,005	$ 1,636,375	$ 142	$ 4,806,522
Separate acquisition	-	81,909	-	81,909
Amortization expenses	-	(143,851)	-	(143,851)
Reclassification	-	9,921	-	9,921
Effect of exchange rate changes and others	-	1,664	-	1,664
Balance on March 31, 2026	$ 3,170,005	$ 1,586,018	$ 142	$ 4,756,165

(Continued)

	Goodwill	Computer Software	Carbon Credits	Total
Balance on January 1, 2025	$ 3,170,005	$ 1,646,430	$ 142	$ 4,816,577
Separate acquisition	-	127,699	-	127,699
Amortization expenses	-	(136,755)	-	(136,755)
Reclassification	-	24,729	-	24,729
Effect of exchange rate changes and others	-	1,235	-	1,235
Balance on March 31, 2025	$ 3,170,005	$ 1,663,338	$ 142	$ 4,833,485

(Concluded)

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.

20. OTHER ASSETS, NET

	March 31, 2026	December 31, 2025	March 31, 2025
Refundable deposits	$ 2,250,104	$ 1,969,795	$ 1,688,333
Operating deposits and settlement funds	720,010	736,597	988,106
Prepaid expenses	1,126,574	447,564	1,016,647
Prepaid pensions	1,707,452	1,557,825	1,041,993
Settlement payments	481,894	249,901	141,989
Receipts under custody for securities under writing	449,546	-	25,393
Others	40,176	40,587	51,219
	$ 6,775,756	$ 5,002,269	$ 4,953,680

As of March 31, 2026, prepaid expenses included an amount of $110,150 thousand representing TCB's investment in an overseas branch.

21. DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS

	March 31, 2026	December 31, 2025	March 31, 2025
Deposits from banks	$ 176,868,538	$ 197,391,727	$ 174,655,128
Call loans from banks	189,458,451	127,760,336	134,297,699
Overdrafts from other banks	2,142,540	1,162,260	1,164,050
Transfer deposits from Chunghwa Post Co., Ltd.	175,595,665	182,095,665	157,095,665
Deposits from the Central Bank	255,051	289,708	262,593
	$ 544,320,245	$ 508,699,696	$ 467,475,135

22. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Securities sold for $69,438,837 thousand, $68,321,163 thousand and $72,113,689 thousand under repurchase agreements as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively, would subsequently be purchased for $69,506,768 thousand, $68,396,310 thousand and $72,195,188 thousand respectively.

23. COMMERCIAL PAPER ISSUED, NET

The face values of commercial paper issued were $48,700,000 thousand, $46,038,000 thousand and $41,770,000 thousand and the annual discount rates were from 1.598% to 1.888%, from 1.530% to 1.948% and from 1.758% to 1.948% as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively, and the commercial paper will mature by June 22, 2026, March 24, 2026 and June 4, 2025, respectively. The foregoing commercial paper was accepted and guaranteed by financial institutions. As of March 31, 2026, the Company had not used the amount of $110,624,669 thousand, the sum of the amount of the commercial paper issued and the credit.

24. PAYABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Settlement payable	$ 10,912,413	$ 9,730,380	$ 7,346,418
Settlement consideration	4,860,324	120,086	2,423,350
Accrued expenses	8,511,605	7,790,967	7,545,648
Collections payable	7,140,531	6,887,666	6,295,378
Checks for clearing	4,691,359	5,455,684	5,393,333
Collections of notes and checks for various financial institutions in other cities	4,067,250	3,934,023	4,955,140
Acceptances	1,408,088	1,579,938	2,567,117
Accrued interest	14,162,138	9,883,768	13,550,017
Payables on notes and checks collected for others	1,361,121	1,703,317	1,535,953
Payables for short-sale transactions	126,134	381,682	210,055
Deposits on short-sale transactions	117,564	354,591	179,204
Tax payable	626,451	870,648	614,072
Payables on securities	986,168	494,489	234,924
Dividends payable	557,672	557,672	519,017
Factored accounts payable	4,031	90,443	4,377
Others	2,883,893	2,615,803	2,648,393
	$ 62,416,742	$ 52,451,157	$ 56,022,396

25. DEPOSITS AND REMITTANCES

	March 31, 2026	December 31, 2025	March 31, 2025
Deposits			
Checking	$ 58,159,306	$ 71,415,372	$ 54,805,016
Demand	878,178,730	906,878,881	835,588,795
Savings - demand	1,227,080,811	1,218,223,397	1,173,897,036
Time	1,099,025,375	1,090,651,412	1,083,697,978
Negotiable certificates of deposit	58,499,414	45,562,933	64,405,041
Savings - time	727,952,357	722,633,116	705,627,590
Treasury	149,213,789	145,246,243	129,572,025
Remittances	247,018	316,982	193,644
	$ 4,198,356,800	$ 4,200,928,336	$ 4,047,787,125

26. BONDS PAYABLE

	March 31, 2026	December 31, 2025	March 31, 2025
Bank debentures	$ 60,240,000	$ 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	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	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	3,400,000
First unsecured corporate bond of TCFHC in 2021, Type B: Fixed rate of 0.55%; maturity - July 12, 2028	6,600,000	6,600,000	6,600,000
	$ 78,140,000	$ 78,140,000	$ 79,140,000

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

	March 31, 2026	December 31, 2025	March 31, 2025
First subordinated bonds in 2016, Type B: Fixed rate of 1.20%; maturity - September 26, 2026	$ 4,050,000	$ 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	1,400,000
First non-cumulative perpetual subordinated bonds in 2018: Fixed rated of 2.28%; TCB may exercise its redemption rights after 5 years and 2 months	5,000,000	5,000,000	5,000,000

(Continued)

	March 31, 2026	December 31, 2025	March 31, 2025
First non-cumulative perpetual subordinated bonds in 2019: Fixed rated of 1.90%; TCB may exercise its redemption rights after 5 years and 1 month	$ 5,000,000	$ 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	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	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	1,000,000
Second unsecured bank debentures (social responsibility) in 2021: Fixed rate of 0.42%; maturity - October 29, 2026	1,000,000	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	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	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	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	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	2,500,000
Second subordinated bonds in 2024: Fixed rate of 2.10%; maturity - June 27, 2034	7,500,000	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	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	1,000,000
Second unsecured bank debentures (green bond) in 2025: Fixed rate of 1.79%; maturity - June 26, 2030	1,100,000	1,100,000	-
	$ 60,240,000	$ 60,240,000	$ 59,140,000

(Concluded)

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 $32,800 thousand and Type B for $14,050 thousand), with a combination of fixed interest rate and structured interest rate (range accrual). TCB may make an early redemption on any interest payment from the date of issue. If TCB does not make redemption before maturity the principle of the debentures is repaid one lump sum upon maturity. Third unsecured bank debentures, which amounted to US$45,850 thousand on October 5, 2023, (Type A for $29,250 thousand and Type B for $16,600 thousand), first unsecured bank debentures, which amounted to US$55,400 thousand on May 3, 2024, (Type A for $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 $12,300 thousand and Type B for $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), third unsecured bank debentures, which amounted to US$22,800 thousand on September 30, 2025, and first unsecured bank debentures, which amounted to US$18,750 thousand on January 30, 2026, 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, and second unsecured bank debentures, which amounted to US$19,000 thousand on January 30, 2026, 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:

	March 31, 2026	December 31, 2025	March 31, 2025
First unsecured bank debentures bonds issued in 2023			
Type B	$ 418,598	$ 418,362	$ 436,962
Third unsecured bank debentures bonds issued in 2023			
Type B	468,525	465,532	517,695
First unsecured bank debentures bonds issued in 2024			
Type A	-	-	1,055,037
Type B	-	-	754,009
	-	-	1,809,046
Third unsecured bank debentures bonds issued in 2024			
Type A	378,088	379,422	400,337
Type B	607,569	602,619	658,154
	985,657	982,041	1,058,491
First unsecured bank debentures bonds issued in 2025			
Type A	567,475	557,921	-
Type B	279,111	275,204	-
	846,586	833,125	-

(Continued)

	March 31, 2026	December 31, 2025	March 31, 2025
Third unsecured bank debentures bonds issued in 2025	$ 707,277	$ 704,486	$ -
Fourth unsecured bank debentures bonds issued in 2025	457,151	458,208	-
First unsecured bank debentures bonds issued in 2026	575,158	-	-
Second unsecured bank debentures bonds issued in 2026	567,887	-	-
	$ 5,026,839	$ 3,861,754	$ 3,822,194

(Concluded)

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 March 31, 2026, 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 March 31, 2026, 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 March 31, 2026, 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 March 31, 2026, the amount of unissued unsecured bank debentures of TCB was US$187,200 thousand.

27. OTHER BORROWINGS

	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	Rate (%)	Amount	Rate (%)	Amount	Rate (%)
Borrowings (Note 23)	$ 9,498,611	0.350-4.323	$ 7,986,286	1.850-4.360	$ 7,058,511	1.850-5.100

28. PROVISIONS

	March 31, 2026	December 31, 2025	March 31, 2025
Provision for employee benefits	$ 3,861,563	$ 3,873,451	$ 3,918,866
Provision for losses on guarantees	1,986,223	2,063,571	1,353,850
Provision for losses on loan commitment	390,945	427,772	346,439
Provision for others	42,308	35,442	37,589
	$ 6,281,039	$ 6,400,236	$ 5,656,744

a. Provisions for employee benefits are summarized below:

	March 31, 2026	December 31, 2025	March 31, 2025
Present value of retired employees' preferential interest deposit obligation	$ 3,861,563	$ 3,873,451	$ 3,918,866

b. 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, 2026	$ 966,990	$ 7,440	$ 723,971	$ 1,698,401	$ 828,384	$ 2,526,785
Changes from financial instruments recognized at the beginning of the current reporting period						
Transfers to						
Lifetime ECL	(25)	25	-	-	-	-
Credit-impaired financial instruments	(94)	-	94	-	-	-
12-month ECL	-	-	-	-	-	-
Derecognition of financial instruments in the current reporting period	(132,080)	(659)	(10,018)	(142,757)	-	(142,757)
Reversal from financial instruments recognized at the beginning of the current reporting period	(20,355)	(285)	(11,365)	(32,005)	-	(32,005)
New financial instruments purchased or originated	114,169	-	1,653	115,822	-	115,822
Difference of impairment loss under regulations	-	-	-	-	(50,323)	(50,323)
Change in exchange rates and other changes	1,954	-	-	1,954	-	1,954
Balance on March 31, 2026	$ 930,559	$ 6,521	$ 704,335	$ 1,641,415	$ 778,061	$ 2,419,476
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	(164)	164	-	-	-	-
Credit-impaired financial instruments	(62)	-	62	-	-	-
12-month ECL	10	(10)	-	-	-	-
Derecognition of financial instruments in the current reporting period	(84,104)	-	-	(84,104)	-	(84,104)
Reversal from financial instruments recognized at the beginning of the current reporting period	(17,773)	(5)	7,276	(10,502)	-	(10,502)
New financial instruments purchased or originated	109,739	-	-	109,739	-	109,739
Difference of impairment loss under regulations	-	-	-	-	1,003	1,003
Change in exchange rates and other changes	1,264	1	-	1,265	-	1,265
Balance on March 31, 2025	$ 968,945	$ 160	$ 41,030	$ 1,010,135	$ 727,743	$ 1,737,878

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 $81,210 thousand and $78,523 thousand in the consolidated statement of comprehensive income for the three months ended March 31, 2026 and 2025, 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.

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.

For the three months ended March 31, 2026 and 2025, the pension expenses under defined benefit plan recognized in the consolidated statements of comprehensive income amounted to $75,673 thousand and $79,648 thousand, respectively. For more information about the defined benefit plan, refer to Note 29 of the consolidated financial statements for the year ended December 31, 2025.

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.

For the three months ended March 31, 2026 and 2025, the employee preferential deposit expense under employee's preferential deposit plan recognized in the consolidated statements of comprehensive income amounted to $188,490 thousand and $190,828 thousand, respectively. For more information about the employee preferential deposit plan, refer to Note 29 of the consolidated financial statements for the year ended December 31, 2025.

30. OTHER FINANCIAL LIABILITIES

	March 31, 2026	December 31, 2025	March 31, 2025
Structured products - host contracts	$ 104,276	$ 55,029	$ 401,028
Guarantee deposits received	2,645,649	2,927,066	2,366,037
Appropriation for loans	-	-	54
	$ 2,749,925	$ 2,982,095	$ 2,767,119

31. INSURANCE CONTRACT ASSETS AND REINSURANCE CONTRACT ASSETS/INSURANCE CONTRACT LIABILITIES AND REINSURANCE CONTRACT LIABILITIES

a. Insurance contract assets and liabilities

The following table shows the carrying amounts of insurance contract assets and liabilities of the insurance contracts issued:

March 31, 2026

	General Measurement Model	Variable Fee Approach	Premium Allocation Approach	Total
Insurance contract liabilities				
Insurance contract liabilities exclude insurance acquisition cash flow assets and other cash flows incurred before initial recognition.	$ 43,663,105	$ 42,775,623	$ 1,061	$ 86,439,789

December 31, 2025

	General Measurement Model	Variable Fee Approach	Premium Allocation Approach	Total
Insurance contract liabilities				
Insurance contract liabilities exclude insurance acquisition cash flow assets and other cash flows incurred before initial recognition.	$ 41,002,717	$ 45,528,255	$ 1,307	$ 86,532,279

March 31, 2025

	General Measurement Model	Variable Fee Approach	Premium Allocation Approach	Total
Insurance contract liabilities				
Insurance contract liabilities exclude insurance acquisition cash flow assets and other cash flows incurred before initial recognition.	$ 33,892,973	$ 48,047,128	$ 4,225	$ 81,944,326

Insurance contracts issued

1) Balance sheet of insurance contract

The following table sets out the adjustment of the insurance contracts issued to the balance of the remaining protection liabilities and claims liabilities from the beginning to the end of the period.

For the three months ended March 31, 2026

	Liability for Remaining Coverage			Liability for Incurred Claims Under the General Measurement Model and the Variable Fee Approach	Liability for Incurred Claims Under the Premium Allocation Approach			
	Exclude Any Loss Element	Any Loss Components	Subtotal		Estimated of the Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risks	Subtotal	Total
Balance of initial insurance contract liabilities	$ 86,225,075	$ 23	$ 86,225,098	$ 306,656	$ 472	$ 53	$ 525	$ 86,532,279
Net balance as of January 1, 2026	86,225,075	23	86,225,098	306,656	472	53	525	86,532,279
Insurance income								
All contracts	(682,088)	-	(682,088)	-	-	-	-	(682,088)
Subtotal of insurance income	(682,088)	-	(682,088)	-	-	-	-	(682,088)
Insurance service expenses								
Incurred claims (excluding investment components) and other incurred insurance service expenses	-	(42)	(42)	333,075	395	39	434	333,467
Changes related to past service - changes in fulfilment cash flows relating to the liability for incurred claims	-	-	-	(22,451)	(425)	(44)	(469)	(22,920)
Changes related to future service - losses on onerous groups of contracts and reversals of such losses	-	1,131	1,131	-	-	-	-	1,131
Amortization of insurance acquisition cash flows	43,611	-	43,611	-	-	-	-	43,611
Subtotal for insurance services	43,611	1,089	44,700	310,624	(30)	(5)	(35)	355,289
Insurance services results	(638,477)	1,089	(637,388)	310,624	(30)	(5)	(35)	(326,799)
Insurance finance income or expenses								
Insurance finance income or expenses recognized in profit or loss - interest-related	54,070	-	54,070	1,113	3	-	3	55,186
Insurance finance income or expenses recognized in profit or loss - foreign exchange and other	-	-	-	-	-	-	-	-
Insurance finance income or expenses recognized in other comprehensive income	(632,997)	-	(632,997)	(577)	(2)	-	(2)	(633,576)
Subtotal of insurance finance income or expenses	(578,927)	-	(578,927)	536	1	-	1	(578,390)
Foreign exchange gain or loss	352,262	43	352,305	605	-	-	-	352,910
Total amount recognized in the statement of comprehensive income	(865,142)	1,132	(864,010)	311,765	(29)	(5)	(34)	(552,279)
Investment components	(2,963,119)	-	(2,963,119)	2,963,119	-	-	-	-
Policy loans	(1,383)	-	(1,383)	1,383	-	-	-	-
Other changes	85,742	-	85,742	(108,033)	-	-	-	(22,291)
Cash flows during the period								
Premiums received for insurance contracts issued	4,090,343	-	4,090,343	-	-	-	-	4,090,343
Incurred claims and other insurance service expenses paid for insurance contracts issued	-	-	-	(3,303,660)	(23)	-	(23)	(3,303,683)
Insurance acquisition cash flows	(304,580)	-	(304,580)	-	-	-	-	(304,580)
Subtotal of cash flows during the period	3,785,763	-	3,785,763	(3,303,660)	(23)	-	(23)	482,080
Balance of insurance contract liabilities at the end of the period	86,266,936	1,155	86,268,091	171,230	420	48	468	86,439,789
Net balance as of March 31, 2026	$ 86,266,936	$ 1,155	$ 86,268,091	$ 171,230	$ 420	$ 48	$ 468	$ 86,439,789

For the three months ended March 31, 2025

	Liability for Remaining Coverage			Liability for Incurred Claims Under the General Measurement Model and the Variable Fee Approach	Liability for Incurred Claims Under the Premium Allocation Approach			
	Exclude Any Loss Element	Any Loss Components	Subtotal		Estimated of the Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risks	Subtotal	Total
Balance of initial insurance contract liabilities	$ 81,028,091	$ 17	$ 81,028,108	$ 141,066	$ 879	$ 93	$ 972	$ 81,170,146
Net balance as of January 1, 2025	81,028,091	17	81,028,108	141,066	879	93	972	81,170,146
Insurance income								
All contracts	(580,210)	-	(580,210)	-	-	-	-	(580,210)
Subtotal of insurance income	(580,210)	-	(580,210)	-	-	-	-	(580,210)
Insurance service expenses								
Incurred claims (excluding investment components) and other incurred insurance service expenses	-	(2)	(2)	379,302	3,274	327	3,601	382,901
Changes related to past service - changes in fulfilment cash flows relating to the liability for incurred claims	-	-	-	66,313	(18)	(40)	(58)	66,255
Changes related to future service - losses on onerous groups of contracts and reversals of such losses	-	121	121	-	-	-	-	121
Amortization of insurance acquisition cash flows	21,390	-	21,390	-	-	-	-	21,390
Subtotal for insurance services	21,390	119	21,509	445,615	3,256	287	3,543	470,667
Insurance services results	(558,820)	119	(558,701)	445,615	3,256	287	3,543	(109,543)
Insurance finance income or expenses								
Insurance finance income or expenses recognized in profit or loss - interest-related	383,270	-	383,270	1,140	5	-	5	384,415
Insurance finance income or expenses recognized in profit or loss - foreign exchange and other	-	-	-	-	-	-	-	-
Insurance finance income or expenses recognized in other comprehensive income	(67,618)	-	(67,618)	(3,601)	(99)	-	(99)	(71,318)
Subtotal of insurance finance income or expenses	315,652	-	315,652	(2,461)	(94)	-	(94)	313,097
Foreign exchange gain or loss	236,471	(61)	236,410	233	-	-	-	236,643
Total amount recognized in the statement of comprehensive income	(6,697)	58	(6,639)	443,387	3,162	287	3,449	440,197
Investment components	(3,064,279)	-	(3,064,279)	3,064,279	-	-	-	-
Policy loans	13,675	-	13,675	(13,675)	-	-	-	-
Other changes	63,527	-	63,527	(77,127)	-	-	-	(13,600)
Cash flows during the period								
Premiums received for insurance contracts issued	3,866,281	-	3,866,281	-	-	-	-	3,866,281
Incurred claims and other insurance service expenses paid for insurance contracts issued	-	-	-	(3,294,206)	(290)	-	(290)	(3,294,496)
Insurance acquisition cash flows	(224,202)	-	(224,202)	-	-	-	-	(224,202)
Subtotal of cash flows during the period	3,642,079	-	3,642,079	(3,294,206)	(290)	-	(290)	347,583
Balance of insurance contract liabilities at the end of the period	81,676,396	75	81,676,471	263,724	3,751	380	4,131	81,944,326
Net balance as of March 31, 2025	$ 81,676,396	$ 75	$ 81,676,471	$ 263,724	$ 3,751	$ 380	$ 4,131	$ 81,944,326

2) Reconciliation of insurance contract assets and liabilities

The following table presents a reconciliation of the components of insurance contracts issued not measured under the Premium Allocation Approach (PAA) from the opening balance to the closing balance.

For the three months ended March 31, 2026

			Contractual Service Margin				
	Estimated Present Value of Future Cash Flows	**Risk Adjustment for Non-financial Risks**	**Contracts Under the Modified Retrospective Approach**	**Contracts Under the Fair Value Approach**	**All Other Contracts**	**Subtotal**	**Total**
Balance of initial insurance contract liabilities	$ 76,715,727	$ 710,746	$ -	$ 4,574,999	$ 4,529,500	$ 9,104,499	$ 86,530,972
Net balance as of January 1, 2026	76,715,727	710,746	-	4,574,999	4,529,500	9,104,499	86,530,972
Changes related to future services							
Changes in estimates that adjust the contractual service margin	(106,929)	(11,353)	-	-	118,282	118,282	-
Losses on onerous groups of contracts and reversals of such losses	59	(298)	-	-	-	-	(239)
Effects of contracts initially recognized during the period	(914,231)	37,914	-	-	877,533	877,533	1,216
Subtotal of changes related to future services	(1,021,101)	26,263	-	-	995,815	995,815	977
Changes related to current service							
Amount of the contractual service margin recognized in profit or loss to reflect the transfer of services	-	-	-	(141,227)	(79,896)	(221,123)	(221,123)
Changes in the risk adjustment for non-financial risk that do not relate to future service or past service	-	(19,907)	-	-	-	-	(19,907)
Experience adjustments	(62,893)	-	-	-	-	-	(62,893)
Subtotal of changes related to current service	(62,893)	(19,907)	-	(141,227)	(79,896)	(221,123)	(303,923)
Changes related to past services							
Changes in fulfilment cash flows relating to incurred claims	(15,383)	(7,539)	-	-	-	-	(22,922)
Subtotal of changes related to past services	(15,383)	(7,539)	-	-	-	-	(22,922)
Insurance finance income or expenses							
Insurance finance income or expenses recognized in profit or loss - interest-related	4,259	-	-	16,914	34,010	50,924	55,183
Insurance finance income or expenses recognized in profit or loss - foreign exchange and other	-	-	-	-	-	-	-
Insurance finance income or expenses recognized in other comprehensive income	(633,574)	-	-	-	-	-	(633,574)
Subtotal of insurance finance income or expenses	(629,315)	-	-	16,914	34,010	50,924	(578,391)
Foreign exchange gain or loss	300,889	3,711	-	10,853	37,456	48,309	352,909
Total amount recognized in the statement of comprehensive income	(1,427,803)	2,528	-	(113,460)	987,385	873,925	(551,350)
Other changes	(22,291)	-	-	-	-	-	(22,291)
Cash flows during the period							
Premiums received for insurance contracts issued	4,089,635	-	-	-	-	-	4,089,635
Incurred claims and other insurance service expenses paid for insurance contracts issued	(3,303,660)	-	-	-	-	-	(3,303,660)
Insurance acquisition cash flows	(304,578)	-	-	-	-	-	(304,578)
Subtotal of cash flows during the period	481,397	-	-	-	-	-	481,397
Balance of insurance contract liabilities at the end of the period	75,747,030	713,274	-	4,461,539	5,516,885	9,978,424	86,438,728
Net balance as of March 31, 2026	$ 75,747,030	$ 713,274	$ -	$ 4,461,539	$ 5,516,885	$ 9,978,424	$ 86,438,728

For the three months ended March 31, 2025

	Estimated Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risks	Contractual Service Margin: Contracts Under the Modified Retrospective Approach	Contractual Service Margin: Contracts Under the Fair Value Approach	Contractual Service Margin: All Other Contracts	Contractual Service Margin: Subtotal	Total
Balance of initial insurance contract liabilities	$ 73,840,603	$ 796,555	$ -	$ 4,823,420	$ 1,708,338	$ 6,531,758	$ 81,168,916
Net balance as of January 1, 2025	73,840,603	796,555	-	4,823,420	1,708,338	6,531,758	81,168,916
Changes related to future services							
Changes in estimates that adjust the contractual service margin	178,184	1,071	-	(301,981)	122,726	(179,255)	-
Losses on onerous groups of contracts and reversals of such losses	(974)	(1,234)	-	-	-	-	(2,208)
Effects of contracts initially recognized during the period	(878,461)	41,704	-	-	838,922	838,922	2,165
Subtotal of changes related to future services	(701,251)	41,541	-	(301,981)	961,648	659,667	(43)
Changes related to current service							
Amount of the contractual service margin recognized in profit or loss to reflect the transfer of services	-	-	-	(131,772)	(34,143)	(165,915)	(165,915)
Changes in the risk adjustment for non-financial risk that do not relate to future service or past service	-	(15,493)	-	-	-	-	(15,493)
Experience adjustments	3,002	-	-	-	-	-	3,002
Subtotal of changes related to current service	3,002	(15,493)	-	(131,772)	(34,143)	(165,915)	(178,406)
Changes related to past services							
Changes in fulfilment cash flows relating to incurred claims	66,571	(671)	-	-	-	-	65,900
Others	522	-	-	-	-	-	522
Subtotal of changes related to past services	67,093	(671)	-	-	-	-	66,422
Insurance finance income or expenses							
Insurance finance income or expenses recognized in profit or loss - interest-related	352,193	-	-	15,514	16,703	32,217	384,410
Insurance finance income or expenses recognized in profit or loss - foreign exchange and other	-	-	-	-	-	-	-
Insurance finance income or expenses recognized in other comprehensive income	(71,219)	-	-	-	-	-	(71,219)
Subtotal of insurance finance income or expenses	280,974	-	-	15,514	16,703	32,217	313,191
Foreign exchange gain or loss	215,061	2,754	-	7,865	10,963	18,828	236,643
Total amount recognized in the statement of comprehensive income	(135,121)	28,131	-	(410,374)	955,171	544,797	437,807
Other changes	(14,122)	-	-	-	-	-	(14,122)
Cash flows during the period							
Premiums received for insurance contracts issued	3,865,909	-	-	-	-	-	3,865,909
Incurred claims and other insurance service expenses paid for insurance contracts issued	(3,294,206)	-	-	-	-	-	(3,294,206)
Insurance acquisition cash flows	(224,203)	-	-	-	-	-	(224,203)
Subtotal of cash flows during the period	347,500	-	-	-	-	-	347,500
Balance of insurance contract liabilities at the end of the period	74,038,860	824,686	-	4,413,046	2,663,509	7,076,555	81,940,101
Net balance as of March 31, 2025	$ 74,038,860	$ 824,686	$ -	$ 4,413,046	$ 2,663,509	$ 7,076,555	$ 81,940,101

3) Effect of insurance contracts originally recognized that do not apply the premium method of assessment

The following table shows the effect of the insurance contracts issued in the current period on this balance sheet:

For the three months ended March 31, 2026

	Insurance Contracts Issued		Transfer on Insurance Contract		
	Non-onerous Contracts	Onerous Contracts	Non-onerous Contracts	Onerous Contracts	Total
Estimates of the present value of future cash outflows					
Insurance acquisition cash flows	$ 443,353	$ 3,878	$ -	$ -	$ 447,231
Claims and other directly attributable expenses	4,471,336	38,700	-	-	4,510,036
	4,914,689	42,578	-	-	4,957,267
Estimated present value of future cash inflow	(5,829,824)	(41,674)	-	-	(5,871,498)
Risk adjustment for non-financial risks	37,602	312	-	-	37,914
Contractual service margin	877,533	-	-	-	877,533
Effects of contracts initially recognized during the period	$ -	$ 1,216	$ -	$ -	$ 1,216

For the three months ended March 31, 2025

	Insurance Contracts Issued		Transfer on Insurance Contract		
	Non-onerous Contracts	Onerous Contracts	Non-onerous Contracts	Onerous Contracts	Total
Estimates of the present value of future cash outflows					
Insurance acquisition cash flows	$ 410,757	$ 11,250	$ -	$ -	$ 422,007
Claims and other directly attributable expenses	3,780,826	129,934	-	-	3,910,760
	4,191,583	141,184	-	-	4,332,767
Estimated present value of future cash inflow	(5,070,975)	(140,253)	-	-	(5,211,228)
Risk adjustment for non-financial risks	40,470	1,234	-	-	41,704
Contractual service margin	838,922	-	-	-	838,922
Effects of contracts initially recognized during the period	$ -	$ 2,165	$ -	$ -	$ 2,165

b. Reinsurance contract assets/liabilities

The following table shows the carrying amounts of reinsurance contract assets and liabilities in respect of reinsurance contracts held:

March 31, 2026

	General Measurement Model	Premium Allocation Approach	Total
Reinsurance contract assets	$ 259,936	$ 739	$ 260,675
Reinsurance contract liabilities	(461,325)	(4,397)	(465,722)
Reinsurance contract net assets	$ (201,389)	$ (3,658)	$ (205,047)

December 31, 2025

	General Measurement Model	Premium Allocation Approach	Total
Reinsurance contract assets	$ 304,075	$ 740	$ 304,815
Reinsurance contract liabilities	(445,656)	(4,155)	(449,811)
Reinsurance contract net assets	$ (141,581)	$ (3,415)	$ (144,996)

March 31, 2025

	General Measurement Model	Premium Allocation Approach	Total
Reinsurance contract assets	$ 173,268	$ 2,734	$ 176,002
Reinsurance contract liabilities	(569,733)	(184)	(569,917)
Reinsurance contract net assets	$ (396,465)	$ 2,550	$ (393,915)

Reinsurance Contracts Held

a. Balance sheet of reinsurance contract held

The following table presents a reconciliation of reinsurance contracts held, showing the movement from the opening balance to the closing balance of the asset for remaining coverage and the asset for incurred claims.

For the three months ended March 31, 2026

	Asset for Remaining Coverage			Asset for Incurred Claims Under the General Measurement Model	Asset for Incurred Claims Under the Premium Allocation Approach			
	Excluding Loss-Recovery Component	Loss Recovery Components	Subtotal		Estimated Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risks	Subtotal	Total
Balance of reinsurance contract assets held at the beginning of the period	$ (81,465)	$ -	$ (81,465)	$ 385,849	$ 361	$ 70	$ 431	$ 304,815
Balance of reinsurance contract liabilities held at the beginning of the period	(732,233)	-	(732,233)	282,339	81	2	83	(449,811)
Net balance as of January 1, 2026	(813,698)	-	(813,698)	668,188	442	72	514	(144,996)
Allocation of reinsurance premiums paid	(85,346)	-	(85,346)	-	-	-	-	(85,346)
Amounts recovered from reinsurers								
Recoveries of incurred claims and benefits	-	-	-	15,748	14	1	15	15,763
Changes related to past service - adjustments to the asset for incurred claims	-	-	-	37,177	31	3	34	37,211
Subtotal of the Amounts recovered from reinsurers	-	-	-	52,925	45	4	49	52,974
Effect of changes in the risk of non-performance by the issuer of reinsurance contracts held	(36)	-	(36)	30	-	-	-	(6)
Net income or expense from reinsurance contracts held	(85,382)	-	(85,382)	52,955	45	4	49	(32,378)
Reinsurance finance income or expenses								
Reinsurance finance income or expenses recognized in profit or loss - interest-related	(1,109)	-	(1,109)	133	-	-	-	(976)
Reinsurance finance income or expenses recognized in profit or loss - foreign exchange and other	-	-	-	-	-	-	-	-
Reinsurance finance income or expenses recognized in other comprehensive income	113	-	113	(183)	-	-	-	(70)
Subtotal of reinsurance finance income or expenses	(996)	-	(996)	(50)	-	-	-	(1,046)
Foreign exchange gain or loss	(1,784)	-	(1,784)	1,169	-	-	-	(615)
Total amount recognized in the statement of comprehensive income	(88,162)	-	(88,162)	54,074	45	4	49	(34,039)
Cash flows during the period								
Amounts received (recoveries of claims and expenses from reinsurance contracts held)	-	-	-	(151,085)	-	-	-	(151,085)
Amounts paid (premiums paid for reinsurance contracts held)	125,073	-	125,073	-	-	-	-	125,073
Subtotal of cash flows during the period	125,073	-	125,073	(151,085)	-	-	-	(26,012)
Balance of reinsurance contract assets at the end of the period	12,954	-	12,954	247,290	361	70	431	260,675
Balance of reinsurance contract liabilities at the end of the period	(789,741)	-	(789,741)	323,887	126	6	132	(465,722)
Net balance as of March 31, 2026	$ (776,787)	$ -	$ (776,787)	$ 571,177	$ 487	$ 76	$ 563	$ (205,047)

For the three months ended March 31, 2025

	Asset for Remaining Coverage			Asset for Incurred Claims Under the General Measurement Model	Asset for Incurred Claims Under the Premium Allocation Approach			
	Excluding Loss-Recovery Component	Loss Recovery Components	Subtotal		Estimated Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risks	Subtotal	Total
Balance of reinsurance contract assets held at the beginning of the period	$ -	$ -	$ -	$ 114,284	$ (5)	$ 14	$ 9	$ 114,293
Balance of reinsurance contract liabilities held at the beginning of the period	(532,963)	-	(532,963)	-	-	-	-	(532,963)
Net balance as of January 1, 2025	(532,963)	-	(532,963)	114,284	(5)	14	9	(418,670)
Allocation of reinsurance premiums paid	(85,289)	-	(85,289)	-	-	-	-	(85,289)
Amounts recovered from reinsurers								
Recoveries of incurred claims and benefits	-	-	-	91,327	4,482	347	4,829	96,156
Other costs associated with reinsurance contracts held	(195)	-	(195)	-	-	-	-	(195)
Changes related to past service - adjustments to the asset for incurred claims	-	-	-	19,047	(229)	(37)	(266)	18,781
Subtotal of the Amounts recovered from reinsurers	(195)	-	(195)	110,374	4,253	310	4,563	114,742
Effect of changes in the risk of non-performance by the issuer of reinsurance contracts held	(57)	-	(57)	(19)	(2)	-	(2)	(78)
Net income or expense from reinsurance contracts held	(85,541)	-	(85,541)	110,355	4,251	310	4,561	29,375
Reinsurance finance income or expenses								
Reinsurance finance income or expenses recognized in profit or loss - interest-related	(1,338)	-	(1,338)	163	7	-	7	(1,168)
Reinsurance finance income or expenses recognized in profit or loss - foreign exchange and other	-	-	-	-	-	-	-	-
Reinsurance finance income or expenses recognized in other comprehensive income	(515)	-	(515)	(1,215)	(151)	-	(151)	(1,881)
Subtotal of reinsurance finance income or expenses	(1,853)	-	(1,853)	(1,052)	(144)	-	(144)	(3,049)
Foreign exchange gain or loss	(1,061)	-	(1,061)	178	-	-	-	(883)
Total amount recognized in the statement of comprehensive income	(88,455)	-	(88,455)	109,481	4,107	310	4,417	25,443
Other changes	(35,621)	-	(35,621)	138,065	-	-	-	102,444
Cash flows during the period								
Amounts received (recoveries of claims and expenses from reinsurance contracts held)	-	-	-	(105,234)	(1,194)	-	(1,194)	(106,428)
Amounts paid (premiums paid for reinsurance contracts held)	3,296	-	3,296	-	-	-	-	3,296
Subtotal of cash flows during the period	3,296	-	3,296	(105,234)	(1,194)	-	(1,194)	(103,132)
Balance of reinsurance contract assets at the end of the period	913	-	913	171,863	2,902	324	3,226	176,002
Balance of reinsurance contract liabilities at the end of the period	(654,656)	-	(654,656)	84,733	6	-	6	(569,917)
Net balance as of March 31, 2025	$ (653,743)	$ -	$ (653,743)	$ 256,596	$ 2,908	$ 324	$ 3,232	$ (393,915)

b. Balance sheet of reinsurance contracts held

The following table presents a reconciliation of the components of reinsurance contracts held not measured under the Premium Allocation Approach from the opening balance to the closing balance.

For the three months ended March 31, 2026

	Estimated Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risks	Contractual Service Margin: Contracts Under the Modified Retrospective Approach	Contractual Service Margin: Contracts Under the Fair Value Approach	Contractual Service Margin: All Other Contracts	Contractual Service Margin: Subtotal	Total
Balance of reinsurance contract assets held at the beginning of the period	$ 304,408	$ 19,191	$ -	$ (1,602)	$ (17,922)	$ (19,524)	$ 304,075
Balance of reinsurance contract liabilities held at the beginning of the period	(527,358)	25,675	-	7,260	48,767	56,027	(445,656)
Net balance as of January 1, 2026	(222,950)	44,866	-	5,658	30,845	36,503	(141,581)
Changes related to future services							
Changes in estimates that adjust the contractual service margin	58,461	595	-	-	(59,056)	(59,056)	-
Recoveries of losses on onerous underlying contracts and reversals of such recoveries	25	-	-	-	(4)	(4)	21
Effects of contracts initially recognized during the period	(2,974)	1,290	-	-	1,689	1,689	5
Subtotal of changes related to future services	55,512	1,885	-	-	(57,371)	(57,371)	26
Changes related to current service							
Contractual service margin recognized in profit or loss to reflect the transfer of services	-	-	-	2,300	228	2,528	2,528
Changes in the risk adjustment for non-financial risk that do not relate to future service or past service	-	(402)	-	-	-	-	(402)
Experience adjustments	(71,430)	-	-	-	-	-	(71,430)
Subtotal of changes related to current service	(71,430)	(402)	-	2,300	228	2,528	(69,304)
Changes related to past services							
Adjustments to the asset for incurred claims	42,245	(5,095)	-	-	-	-	37,150
Subtotal of changes related to past service	42,245	(5,095)	-	-	-	-	37,150
Effect of changes in the risk of non-performance by the issuer of reinsurance contracts held	(7)	-	-	-	-	-	(7)
Net income or expense from reinsurance contracts held	26,320	(3,612)	-	2,300	(57,143)	(54,843)	(32,135)
Reinsurance finance income or expenses							
Reinsurance finance income or expenses recognized in profit or loss - interest-related	(1,483)	-	-	56	451	507	(976)
Reinsurance finance income or expenses recognized in profit or loss - foreign exchange and other	-	-	-	-	-	-	-
Reinsurance finance income or expenses recognized in other comprehensive income	(70)	-	-	-	-	-	(70)
Subtotal of reinsurance finance income or expenses	(1,553)	-	-	56	451	507	(1,046)
Foreign exchange gain or loss	(1,795)	176	-	(49)	1,053	1,004	(615)
Other changes	-	-	-	-	-	-	-
Cash flows during the period							
Amounts received (recoveries of claims and expenses from reinsurance contracts held)	(151,085)	-	-	-	-	-	(151,085)
Amounts paid (premiums paid for reinsurance contracts held)	125,073	-	-	-	-	-	125,073
Subtotal of cash flows during the period	(26,012)	-	-	-	-	-	(26,012)
Balance of reinsurance contract assets held at the end of the period	260,196	15,308	-	2,307	(17,875)	(15,568)	259,936
The balance of reinsurance contract liabilities held at the end of the period	(486,186)	26,122	-	5,658	(6,919)	(1,261)	(461,325)
Net balance as of March 31, 2026	$ (225,990)	$ 41,430	$ -	$ 7,965	$ (24,794)	$ (16,829)	$ (201,389)

For the three months ended March 31, 2025

	Estimated Present Value of Future Cash Flows	Risk Adjustment for Non-financial Risks	Contractual Service Margin: Contracts Under the Modified Retrospective Approach	Contracts Under the Fair Value Approach	All Other Contracts	Subtotal	Total
Balance of reinsurance contract assets held at the beginning of the period	$ 120,424	$ 7,557	$ -	$ (6,866)	$ (4,014)	$ (10,880)	$ 117,101
Balance of reinsurance contract liabilities held at the beginning of the period	(592,303)	31,067	-	17,842	10,431	28,273	(532,963)
Net balance as of January 1, 2025	(471,879)	38,624	-	10,976	6,417	17,393	(415,862)
Changes related to future services							
Changes in estimates that adjust the contractual service margin	(8,432)	1,849	-	1,546	5,037	6,583	-
Recoveries of losses on onerous underlying contracts and reversals of such recoveries	118	-	-	-	-	-	118
Effects of contracts initially recognized during the period	(3,258)	1,959	-	-	1,299	1,299	-
Subtotal of changes related to future services	(11,572)	3,808	-	1,546	6,336	7,882	118
Changes related to current service							
Contractual service margin recognized in profit or loss to reflect the transfer of services	-	-	-	(378)	194	(184)	(184)
Changes in the risk adjustment for non-financial risk that do not relate to future service or past service	-	2,490	-	-	-	-	2,490
Experience adjustments	4,591	-	-	-	-	-	4,591
Subtotal of changes related to current service	4,591	2,490	-	(378)	194	(184)	6,897
Changes related to past services							
Adjustments to the asset for incurred claims	19,385	(350)	-	-	-	-	19,035
Subtotal of changes related to past service	19,385	(350)	-	-	-	-	19,035
Effect of changes in the risk of non-performance by the issuer of reinsurance contracts held	(76)	-	-	-	-	-	(76)
Net income or expense from reinsurance contracts held	12,328	5,948	-	1,168	6,530	7,698	25,974
Reinsurance finance income or expenses							
Reinsurance finance income or expenses recognized in profit or loss - interest-related	(1,423)	-	-	48	200	248	(1,175)
Reinsurance finance income or expenses recognized in profit or loss - foreign exchange and other	-	-	-	-	-	-	-
Reinsurance finance income or expenses recognized in other comprehensive income	(1,730)	-	-	-	-	-	(1,730)
Subtotal of reinsurance finance income or expenses	(3,153)	-	-	48	200	248	(2,905)
Foreign exchange gain or loss	(1,307)	96	-	47	281	328	(883)
Other changes	102,445	-	-	-	-	-	102,445
Cash flows during the period							
Amounts received (recoveries of claims and expenses from reinsurance contracts held)	(105,234)	-	-	-	-	-	(105,234)
Amounts paid (premiums paid for reinsurance contracts held)	-	-	-	-	-	-	-
Subtotal of cash flows during the period	(105,234)	-	-	-	-	-	(105,234)
Balance of reinsurance contract assets held at the end of the period	176,896	7,403	-	1,321	(12,352)	(11,031)	173,268
The balance of reinsurance contract liabilities held at the end of the period	(643,696)	37,265	-	10,918	25,780	36,698	(569,733)
Net balance as of March 31, 2025	$ (466,800)	$ 44,668	$ -	$ 12,239	$ 13,428	$ 25,667	$ (396,465)

c. Effect of reinsurance contracts originally recognized that do not apply to the premium method of assessment

The following table shows the effect of reinsurance contracts held under the original recognition for the current period:

	For the Three Months Ended March 31	
	2026	2025
	Reinsurance Contracts Held	Reinsurance Contracts Held
Estimates of the present value of future cash outflows	$ (162,134)	$ (199,058)
Estimates of the present value of future cash inflows	159,160	195,800
Risk adjustment for non-financial risks	1,290	1,959
Contractual service margin	1,689	1,299
Effects of contracts initially recognized during the period	$ 5	$ -

32. OTHER LIABILITIES

	March 31, 2026	December 31, 2025	March 31, 2025
Reserve for foreign exchange valuation	$ 1,867,398	$ 414,010	$ 65,293
Advance receipts	1,296,736	1,454,929	1,194,091
Others	276,883	76,615	72,483
	$ 3,441,017	$ 1,945,554	$ 1,331,867

a. Hedging strategy and foreign exchange exposure

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

2) Reconciliation of reserve for foreign exchange valuation

	For the Three Months Ended March 31, 2026
Beginning balance	$ 414,010
Favorable impact on equity arising from the adoption of IFRS 17 reclassified to the foreign exchange valuation reserve (Note)	1,500,000
Provisions	
Provision for statutory reserve	12,739
Provision for catastrophe reserve	34,650
	47,389
Reversal	(94,001)
Ending balance	$ 1,867,398

	For the Three Months Ended March 31, 2025
Beginning balance	$ 11,782
Provisions	
Compulsory provision	3,142
Additional provisions	59,945
	63,087
Reversal	(9,576)
Ending balance	$ 65,293

Note: Amounts were recognized in accordance with FSC Insurance Letter No. 1140153045 after restatement using the statutory tax rate.

3) Impact of the reserve of foreign exchange variation

For the three months ended March 31, 2026

Items	Amount Without Reserve	Amount With Reserve	Effect
Net income	$ 5,774,945	$ 5,812,235	$ 37,290
Earnings per share (NT$)	0.36	0.36	-
Reserve of foreign exchange variation	-	1,867,398	1,867,398
Equity	291,839,287	290,316,066	(1,523,221)

For the three months ended March 31, 2025

Items	Amount Without Reserve	Amount With Reserve	Effect
Net income	$ 4,815,390	$ 4,772,581	$ (42,809)
Earnings per share (NT$)	0.30	0.30	-
Reserve of foreign exchange variation	-	65,293	65,293
Equity	267,629,593	267,548,055	(81,538)

33. NET INTEREST

	For the Three Months Ended March 31	
	2026	2025
Interest revenue		
From discounts and loans	$ 20,154,235	$ 19,767,745
From investments	5,459,704	5,164,280
From due from banks and call loans to other banks	1,297,133	1,665,913
Others	418,896	380,557
	27,329,968	26,978,495

(Continued)

	For the Three Months Ended March 31	
	2026	2025
Interest expense		
From deposits	$ (14,916,839)	$ (15,570,750)
From due to the Central Bank and other banks	(1,668,398)	(1,586,164)
From issuing bonds payable	(331,637)	(329,939)
From deposits from the Central Bank and other banks	(886,746)	(792,101)
From securities sold under repurchase agreements	(262,024)	(314,460)
Others	(97,990)	(99,181)
	(18,163,634)	(18,692,595)
	$ 9,166,334	$ 8,285,900

(Concluded)

34. SERVICE FEE AND COMMISSION INCOME, NET

	For the Three Months Ended March 31	
	2026	2025
Service fee and commission revenues		
From trust business	$ 814,451	$ 704,421
From guarantee	221,318	233,923
From loans	413,490	416,406
From insurance service	1,004,242	605,757
From brokerage service	518,040	249,452
From credit cards	446,116	422,305
From management fees	56,886	69,937
From remittance	69,602	70,109
From cross-bank transactions	66,990	71,824
Agency fee income	27,993	36,409
From underwriting	34,461	24,653
From import/export service	27,357	21,106
Others	148,719	102,857
	3,849,665	3,029,159
Service charge and commission expenses		
From cross-bank transactions	(84,000)	(87,905)
From credit cards	(105,701)	(78,938)
From credit cards acquiring	(322,830)	(305,430)
From custody	(28,698)	(25,844)
Others	(97,896)	(70,363)
	(639,125)	(568,480)
	$ 3,210,540	$ 2,460,679

35. INSURANCE SERVICE RESULTS

a. Insurance revenue and insurance service expenses recognized

	For the Three Months Ended March 31	
	2025	2024
Insurance revenue	$ 682,088	$ 580,210
Insurance service expenses	$ (355,289)	$ (470,667)

b. Contract service margins are expected to be recognized in profit or loss

The following table presents the expected timing of recognition in profit or loss of the contractual service margin for insurance contracts issued not measured under the Premium Allocation Approach (PAA).

March 31, 2026

	Less than 5 Years	5 to 10 Years	10 to 15 Years	More than 15 Years	Total
Insurance contracts issued	$ 3,537,545	$ 2,516,385	$ 1,463,489	$ 2,461,005	$ 9,978,424

March 31, 2025

	Less than 5 Years	5 to 10 Years	10 to 15 Years	More than 15 Years	Total
Insurance contracts issued	$ 2,682,978	$ 1,961,336	$ 870,712	$ 1,561,529	$ 7,076,555

c. Net income or expenses from reinsurance contracts held

	For the Three Months Ended March 31	
	2026	2025
Allocation of reinsurance premiums paid	$ (85,346)	$ (85,289)
Amounts recovered from reinsurers	52,968	114,664
Net income (expenses) from reinsurance contracts held	$ (32,378)	$ 29,375

d. Contract service margins are expected to be recognized in profit or loss

The following table presents the expected timing of recognition in profit or loss of the contractual service margin for reinsurance contracts held not measured under the Premium Allocation Approach:

March 31, 2026

	Less than 5 Years	5 to 10 Years	10 to 15 Years	More than 15 Years	Total
Reinsurance contracts held	$ (25,028)	$ 29	$ 3,177	$ 4,993	$ (16,829)

March 31, 2025

	Less than 5 Years	5 to 10 Years	10 to 15 Years	More than 15 Years	Total
Reinsurance contracts held	$ 5,368	$ 11,197	$ 5,744	$ 3,358	$ 25,667

36. INSURANCE FINANCE INCOME OR EXPENSES/FINANCE INCOME OR EXPENSES FROM REINSURANCE CONTRACTS HELD

	For the Three Months Ended March 31	
	2026	2025
Net investment income from insurance assets	$ 248,398	$ 656,284
Insurance finance income (expenses)		
Recognized in profit or loss	$ (55,186)	$ (384,415)
Recognized in other comprehensive income	$ 633,576	$ 71,318
Finance income (expenses) from reinsurance contracts held		
Recognized in profit or loss	$ (976)	$ (1,168)
Recognized in other comprehensive income	$ (70)	$ (1,881)

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

	For the Three Months Ended March 31, 2026				
	Interest Revenue (Expense)	Gain (Loss) on Disposal	Gain (Loss) on Valuation	Dividend Income	Total
Financial assets mandatorily classified as at fair value through profit or loss	$ 728,229	$ 4,856,803	$ 3,273,529	$ 39,098	$ 8,897,659
Held-for-trading financial liabilities	-	(368,423)	326,051	-	(42,372)
Financial liabilities designated as at fair value through profit or loss	(67,410)	688	107,915	-	41,193
	$ 660,819	$ 4,489,068	$ 3,707,495	$ 39,098	$ 8,896,480

	For the Three Months Ended March 31, 2025				
	Interest Revenue (Expense)	Gain (Loss) on Disposal	Gain (Loss) on Valuation	Dividend Income	Total
Financial assets mandatorily classified as at fair value through profit or loss	$ 658,110	$ 6,551,645	$ (1,178,484)	$ 48,189	$ 6,079,460
Held-for-trading financial liabilities	-	(198,023)	30,423	-	(167,600)
Financial liabilities designated as at fair value through profit or loss	(58,050)	-	(47,957)	-	(106,007)
	$ 600,060	$ 6,353,622	$ (1,196,018)	$ 48,189	$ 5,805,853

38. REALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	For the Three Months Ended March 31	
	2026	**2025**
Dividends revenue on investments in equity instruments at FVTOCI	$ 372,527	$ 149,463
Derecognition of unrealized gains (losses) on investments in debt instruments at FVTOCI	7,476	(308)
	$ 380,003	$ 149,155

For the three months ended March 31, 2026 and 2025, dividend revenue related to derecognized investments were $11,278 thousand and $1,298 thousand, respectively, and dividends revenue related to investments held on March 31, 2026 and 2025 were $361,249 thousand and $148,165 thousand, respectively.

39. EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES

a. Employee benefits expenses

	For the Three Months Ended March 31	
	2026	**2025**
Salaries	$ 2,606,207	$ 2,353,865
Incentives	1,051,390	920,302
Excessive interest from preferential interest deposits	282,592	286,543
Post-employment benefits, termination benefits and compensation	167,384	157,441
Overtime	111,333	103,618
Others	481,813	606,814
	$ 4,700,719	$ 4,428,583

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 three months ended March 31, 2026 and 2025, compensation of employees were estimated at $957 thousand and $740 thousand and the remuneration of directors were estimated at $30,772 thousand and $27,139 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 2025 and 2024 approved by the board of directors on March 23, 2026 and March 24, 2025, respectively, were as follows:

	For the Year Ended December 31	
	2025	2024
Employees' compensation - cash	$ 3,410	$ 3,377
Remuneration of directors - cash	118,692	108,625

There were differences 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, which decreased by $279 thousand and increased $27 thousand, respectively. These differences were adjusted to profit or loss for the years ended December 31, 2026.

Information on the 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

	For the Three Months Ended March 31	
	2026	2025
Depreciation expenses (part of insurance service results)	$ 573,940	$ 574,981
Amortization expenses	$ 143,851	$ 137,042

40. INCOME TAX

a. Income tax expense recognized in profit or loss

Main components of income tax expense were as follows:

	For the Three Months Ended March 31	
	2026	2025
Current tax		
Current period	$ 1,406,588	$ 1,515,862
Land revaluation increment tax	-	233
House and land transactions income tax	1,262	448
Prior year's adjustments	93	246
	1,407,943	1,516,789
Deferred tax		
Current period	24,204	(25,844)
Income tax expense recognized in profit or loss	$ 1,432,147	$ 1,490,945

b. Income tax (benefit) expense recognized in other comprehensive income

	For the Three Months Ended March 31	
	2026	2025
Deferred tax		
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	$ 196,401	$ 154,278
Unrealized valuation gain or loss on financial assets at fair value through other comprehensive income	(183,210)	89,007
Insurance finance income or expenses - items reclassified to profit or loss	126,701	13,663
Income tax expense recognized in other comprehensive income	$ 139,892	$ 256,948

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

TCFHC	TCB	CAM	TCBF	TCS	BPCTLI	TCSIT	TCVC
2019	2019	2019	2019	2019	2023	2019	2019

d. Pillar Two income tax legislation

In March 2025, the government 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 March 31, 2026, the Company assessed that the current income tax related to Pillar Two did not have a material impact, and will continue to assess its impact on future financial performance.

41. EARNINGS PER SHARE

	Net Income (Numerator)	Shares (Denominator in Thousands)	Earnings Per Share (NT$)
For the three months ended March 31, 2026			
Basic earnings per share (EPS)	$ 5,589,587	15,680,936	$ 0.36
Effect of dilutive common stock:			
Employees' compensation	-	175	
Diluted EPS	$ 5,589,587	15,681,111	$ 0.36
For the three months ended March 31, 2025			
Basic earnings per share (EPS)	$ 4,650,661	15,680,936	$ 0.30
Effect of dilutive common stock:			
Employees' compensation	-	158	
Diluted EPS	$ 4,650,661	15,681,094	$ 0.30

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.

	For the Three Months Ended March 31, 2025	
	Before Adjusted Retrospectively	After Adjusted Retrospectively
Basic EPS (NT$)	$ 0.32	$ 0.30
Diluted EPS (NT$)	$ 0.32	$ 0.30

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.

42. EQUITY

a. Capital stock

Common stocks

	March 31, 2026	December 31, 2025	March 31, 2025
Number of shares authorized (in thousands)	20,000,000	20,000,000	20,000,000
Authorized capital	$ 200,000,000	$ 200,000,000	$ 200,000,000
Number of shares issued and fully paid (in thousands)	15,680,936	15,680,936	15,224,210
Common stocks issued	$ 156,809,369	$ 156,809,369	$ 152,242,106

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 March 31, 2026 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	10,410,804
	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	15,827
	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	(12,327,864)
	$ 45,652,306

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:

	For the Three Months Ended March 31	
	2026	**2025**
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	-	-
Balance on March 31	$ 985,539	$ 985,539

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 parent company in accordance with the letter is as follows:

	For the Three Months Ended March 31	
	2026	**2025**
Balance on January 1	$ 6,913,731	$ 6,142,118
Special reserve	-	-
Balance on March 31	$ 6,913,731	$ 6,142,118

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 2025 and 2024 were approved in the board of directors' meeting on March 23, 2026 and in the stockholders' meeting on June 20, 2025, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		**Dividends Per Share (NT$)**	
	2025	**2024**	**2025**	**2024**
Legal reserve	$ 2,167,368	$ 2,448,986		
Special reserve	-	771,613		
Cash dividends	12,544,750	10,656,947	$0.80	$0.70
Stock dividends	3,920,234	4,567,263	0.25	0.30

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

	For the Three Months Ended March 31	
	2026	**2025**
Balance on January 1	$ 8,064,316	$ 5,707,519
Redesignation of financial assets	37	-
Impact of retrospective application and restatement under IFRS 17	-	1,707,143
Favorable impact on equity arising from the adoption of IFRS 17 reclassified to the foreign exchange valuation reserve	(588,000)	-
Attributable to non-controlling interests		
Net income	222,648	121,920
Exchange differences on the translation of financial statements of foreign operations	(856)	13,325
Unrealized valuation (losses) gains on financial assets at FVTOCI	(347,011)	111,568
Insurance finance income recognized in OCI	248,369	28,251
Finance income or expenses from reinsurance contracts held recognized in OCI	(34)	(922)
Balance on March 31	$ 7,599,469	$ 7,688,804

43. 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

Related Party	Relationship with the Company
United Real Estate Management Co., Ltd.	Associated enterprise
TCB US Short Duration High Yield Bond 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 Global Healthcare Multi-Asset Income 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 6 Year Senior Emerging Market 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 2025 Maturity Emerging Market Bond Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
Tamshui First Credit Bank	Other related parties
The Kaohsiung Third Credit Cooperative	Other related parties
The Fifth Credit Cooperation of Taipei	Other related parties
Realtek Semiconductor Corporation	Other related parties
Krom Electronics Co., Ltd.	Other related parties
CyberSoft Digital Services Corporation	Other related parties
Financial Information Service Co., Ltd.	Other related parties
Agricultural Bank of Taiwan	Other related parties
Taiwan Asset Management Corporation	Other related parties
Others	Main management of the company and other related parties

b. Significant transactions between the Company and related parties:

1) Deposits from banks

	March 31	
	2026	2025
	Ending Balance	Ending Balance
Main management	$ 119	$ 110
Others		
Tamshui First Credit Bank	5,290,029	5,276,912
The Kaohsiung Third Credit Cooperative	-	4,484,580
The Fifth Credit Cooperation of Taipei	1,411,802	-
Others	398,845	30,041
	$ 7,100,795	$ 9,791,643

2) Call loans from banks

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
For the three months ended March 31, 2026				
Others				
Agricultural Bank of Taiwan	$ 3,915,680	$ -	$ 1,423	1.360-3.660
For the three months ended March 31, 2025				
Others				
Agricultural Bank of Taiwan	$ 1,975,620	$ -	$ 239	4.350

3) Loans

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
For the three months ended March 31, 2026				
Main management	$ 302,093	$ 294,050	$ 1,412	1.670-2.358
Others	291,652	287,628	1,524	1.620-2.858
	$ 593,745	$ 581,678	$ 2,936	
For the three months ended March 31, 2025				
Main management	$ 250,150	$ 230,071	$ 1,146	1.670-2.358
Others	222,451	201,502	1,097	1.370-3.215
	$ 472,601	$ 431,573	$ 2,243	

Loans

March 31, 2026

Type	Account Volume or Name	Highest Balance in the Year Ended March 31, 2026 (Note 1)	Ending Balance	Loan Classification: Normal Loans	Loan Classification: Nonperforming Loans	Collaterals	Differences in Terms of Transaction Compared with Those for Unrelated Parties
Consumer loans	71	$ 248,216	$ 239,107	$ 239,107	$ -	Note 2	None
Self-used housing mortgage loans	61	285,529	282,571	282,571	-	Land and buildings	None
Other loans	Krom Electronics Co., Ltd.	50,000	50,000	50,000	-	None	None
	CyberSoft Digital Services Corporation	10,000	10,000	10,000	-	None	None

March 31, 2025

Type	Account Volume or Name	Highest Balance in the Year Ended March 31, 2025 (Note 1)	Ending Balance	Loan Classification: Normal Loans	Loan Classification: Nonperforming Loans	Collaterals	Differences in Terms of Transaction Compared with Those for Unrelated Parties
Consumer loans	58	$ 171,113	$ 151,923	$ 151,923	$ -	Note 2	None
Self-used housing mortgage loans	51	251,488	229,650	229,650	-	Land and buildings	None
Other loans	Krom Electronics Co., Ltd.	50,000	50,000	50,000	-	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 consumer loans was real estate guaranteed.

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.

4) Deposits

	Ending Balance	Interest Expense	Interest Rate (%)
For the three months ended March 31, 2026			
Associates	$ 62,139	$ 157	0.000-1.700
Main management	907,608	2,792	0.000-13.000
Others			
Financial Information Service Co., Ltd.	20,609,333	3,883	0.000-5.110
Tamshui First Credit Bank	22,830,099	92,698	0.000-1.715
Realtek Semiconductor Corporation	11,017,678	70,940	0.010- 4.480
Others	8,831,519	30,999	0.000-13.000
	$ 64,258,376	$ 201,469	

(Continued)

	Ending Balance	Interest Expense	Interest Rate (%)
For the three months ended March 31, 2025			
Associates	$ 119,085	$ 32	0.000-0.800
Main management	852,419	2,954	0.000-13.000
Others			
Financial Information Service Co., Ltd.	18,699,358	5,711	0.000-5.110
The Kaohsiung Third Credit Cooperative	14,522,000	58,631	0.000-1.715
Tamshui First Credit Bank	21,896,437	87,829	0.000-1.715
Others	7,037,066	35,996	0.000-13.000
	$ 63,126,365	$ 191,153	

(Concluded)

	March 31, 2026	December 31, 2025	March 31, 2025
5) Accrued income (part of receivables)			
Others	$ 17,598	$ 20,263	$ 23,057
6) Receivable on securities (part of receivables)			
Others	$ 18,188	$ -	$ 8,453
7) Payable on securities (part of payables)			
Others	$ -	$ 37,996	$ 3,768
8) Guarantee deposits received (part of other financial liabilities)			
Others			
Taiwan Asset Management Corporation	$ 3,249	$ 4,300	$ 4,300
Agricultural Bank of Taiwan	10,700	10,700	10,700
	$ 13,949	$ 15,000	$ 15,000

	For the Three Months Ended March 31	
	2026	**2025**
9) Service fee income (part of service fee and commission income, net)		
Main management	$ 76	$ 194
Others	67,284	78,041
	$ 67,360	$ 78,235
10) Service charge (part of service fee and commission income, net)		
Main management	$ 37	$ 28

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.

11) 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:

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Others			
Agricultural Bank of Taiwan	$ 82,662	$ 104,525	$ 136,856
Taiwan Asset Management Corporation	21,658	23,855	33,601
	$ 104,320	$ 128,380	$ 170,457

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

	For the Three Months Ended March 31	
	2026	**2025**
Others		
Agricultural Bank of Taiwan	$ 10,777	$ 10,777
Taiwan Asset Management Corporation	3,249	3,249
	$ 14,026	$ 14,026

12) Derivatives

Related Party	Type of Derivatives	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Amounts on the Consolidated Balance Sheet: Account	Amounts on the Consolidated Balance Sheet: Amounts
For the Three Months Ended March 31, 2026						
Other - TCB US Short Duration High Yield Bond Fund	Currency swap	2025.09.23-2026.06.23	US$ 2,100	$ 1,665	Financial assets at fair value through profit or loss	$ 4,751
Other - TCB Global High Yield Bond Fund	Currency swap	2025.10.31-2026.10.30	US$ 2,600	1,784	Financial assets at fair value through profit or loss	2,660
Other - TCB Multi-Asset AI Theme Fund	Currency swap	2026.02.26-2026.05.29	US$ 2,500	1,598	Financial assets at fair value through profit or loss	1,598
Other - TCB Global Healthcare Multi-Asset Income Fund	Currency swap	2026.02.06-2026.05.06	US$ 4,000	2,192	Financial assets at fair value through profit or loss	2,192
Other - TCB Global Hybrid Income Bond Fund	Currency swap	2025.09.12-2026.06.12	US$ 5,550	4,199	Financial assets at fair value through profit or loss	7,712

Related Party	Type of Derivatives	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Amounts on the Consolidated Balance Sheet: Account	Amounts on the Consolidated Balance Sheet: Amounts
For the Three Months Ended March 31, 2025						
Other - TCB 6 Year Senior Emerging Market Bond Fund	Currency swap	2024.11.29-2025.08.29	US$ 3,000	$ (485)	Financial assets at fair value through profit or loss	$ 377
Other - TCB US Short Duration High Yield Bond Fund	Currency swap	2024.12.23-2025.09.23	US$ 3,250	2,067	Financial assets at fair value through profit or loss	2,645
Other - TCB Global Core Infrastructure Income Fund	Currency swap	2025.02.18-2025.05.19	US$ 300	(16)	Financial liabilities at fair value through profit or loss	(16)
Other - TCB 2032 Target Date Multi-Asset Income Fund	Currency swap	2025.03.18-2025.06.18	US$ 2,700	611	Financial assets at fair value through profit or loss	611
Other - TCB 2025 Maturity Emerging Market Bond Fund	Currency swap	2025.03.31-2025.06.30	US$ 13,650	(674)	Financial liabilities at fair value through profit or loss	(674)
	Currency swap	2025.03.21-2025.06.23	US$ 5,700	969	Financial assets at fair value through profit or loss	969
Other - TCB Global High Yield Bond Fund	Currency swap	2024.12.12-2025.07.10	US$ 2,910	1,493	Financial assets at fair value through profit or loss	1,899
Other - TCB Multi-Asset AI Theme Fund	Currency swap	2025.02.26-2025.05.27	US$ 1,500	767	Financial assets at fair value through profit or loss	767

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

	For the Three Months Ended March 31	
	2026	**2025**
Financial assets and liabilities at fair value through profit or loss		
Others	$ 9,802	$ 15,673

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

	March 31, 2026	December 31, 2025	March 31, 2025
Subsidiary	$ 608,214	$ 581,536	$ 557,895

b) Call loans to banks

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
For the three months ended March 31, 2026				
Subsidiary	$ 3,646,169	$ 2,799,080	$ 16,574	2.170-2.500
Sister companies				
TCBF	3,590,000	1,740,000	7,574	1.390-1.425
	$ 7,236,169	$ 4,539,080	$ 24,148	
For the three months ended March 31, 2025				
Subsidiary	$ -	$ 539,550	$ 13,497	2.900-3.650
Sister companies				
TCBF	3,350,000	2,260,000	8,361	1.590-1.655
	$ 3,350,000	$ 2,799,550	$ 21,858	

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

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
For the three months ended March 31, 2026				
Sister company				
TCS	$ 253,568	$ 224,595	$ 2,411	3.920-4.220
For the three months ended March 31, 2025				
Sister company				
TCS	$ 332,050	$ 332,050	$ 3,852	4.620-5.100

d) Deposits from banks

	March 31	
	2026	2025
	Ending Balance	Ending Balance
Subsidiary	$ -	$ 24
Main management	119	110
Others		
Tamshui First Credit Bank	5,290,029	5,276,912
The Kaohsiung Third Credit Cooperative	-	4,484,580
The Fifth Credit Cooperation of Taipei	1,411,802	-
Others	398,845	30,041
	$ 7,100,795	$ 9,791,667

e) Loans

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
For the three months ended March 31, 2026				
Subsidiary	$ 3,632,842	$ 3,388,360	$ 21,164	2.534-2.810
Main management	302,093	294,050	1,412	1.670-2.358
Others	291,652	287,628	1,524	1.620-2.858
	$ 4,226,587	$ 3,970,038	$ 24,100	
For the three months ended March 31, 2025				
Subsidiary	$ 4,703,957	$ 4,676,100	$ 39,946	2.999-3.645
Main management	250,150	230,071	1,146	1.670-2.358
Others	222,451	201,502	1,097	1.370-3.215
	$ 5,176,558	$ 5,107,673	$ 42,189	

Loans

March 31, 2026

Type	Account Volume or Name	Highest Balance in the Year Ended March 31, 2026 (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	$ 248,216	$ 239,107	$ 239,107	$ -	Note 2	None
Self-used housing mortgage loans	61	285,529	282,571	282,571	-	Land and buildings	None
Other loans	Krom Electronics Co., Ltd.	50,000	50,000	50,000	-	None	None
	CyberSoft Digital Services Corporation	10,000	10,000	10,000	-	None	None
	United Taiwan Bank	3,632,842	3,388,360	3,388,360	-	None	None

March 31, 2025

Type	Account Volume or Name	Highest Balance in the Year Ended March 31, 2026 (Note 1)	Ending Balance	Loan Classification		Collaterals	Differences in Terms of Transaction Compared with Those for Unrelated Parties
				Normal Loans	Nonperforming Loans		
Consumer loans	58	$ 171,113	$ 151,923	$ 151,923	$ -	Note 2	None
Self-used housing mortgage loans	51	251,488	229,650	229,650	-	Land and buildings	None
Others	Krom Electronics Co., Ltd.	50,000	50,000	50,000	-	None	None
	United Taiwan Bank	4,703,957	4,676,100	4,676,100	-	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.

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 three months ended March 31, 2026			
Parent company	$ 56,010	$ -	-
Sister companies	4,358,258	1,123	0.000-4.440
Associates	62,139	157	0.000-1.700
Main management	907,608	2,792	0.000-13.000
Others			
Financial Information Service Co., Ltd.	20,609,333	3,883	0.000-5.110
Tamshui First Credit Bank	22,830,099	92,698	0.000-1.715
Realtek Semiconductor Corporation	11,017,678	70,940	0.010- 4.480
Others	8,831,519	30,999	0.000-13.000
	$ 68,672,644	$ 202,592	

(Continued)

	Ending Balance	Interest Expense	Interest Rate (%)
For the three months ended March 31, 2025			
Parent company	$ 49,786	$ -	-
Sister companies	3,104,358	315	0.000-2.850
Associates	119,085	32	0.000-0.800
Main management	852,419	2,954	0.000-13.000
Others			
Financial Information Service Co., Ltd.	18,699,358	5,711	0.000-5.110
The Kaohsiung Third Credit Cooperative	14,522,000	58,631	0.000-1.715
Tamshui First Credit Bank	21,896,437	87,829	0.000-1.715
Others	7,037,066	35,996	0.000-13.000
	$ 66,280,509	$ 191,468	

(Concluded)

g) Accrued income (part of receivables)

	March 31, 2026	December 31, 2025	March 31, 2025
BPCTLI	$ 460,709	$ 410,679	$ 416,767
TCSIT	2,783	2,307	3,093
TCS	1,149	2,136	2,560
	$ 464,641	$ 415,122	$ 422,420

h) Receivable on securities (part of receivables)

	March 31, 2026	December 31, 2025	March 31, 2025
Sister company			
TCS	$ -	$ 114,686	$ 10,740

i) Tax receivable - consolidated tax return (part of current tax assets)

	March 31, 2026	December 31, 2025	March 31, 2025
Parent company	$ 2,428,825	$ 2,428,825	$ 3,233,193

j) Payable on securities (part of payables)

	March 31, 2026	December 31, 2025	March 31, 2025
Sister company			
TCS	$ 241,556	$ -	$ 161,183

k) Tax payable - consolidated tax return (part of current tax liabilities)

	March 31, 2026	December 31, 2025	March 31, 2025
Parent company	$ 2,707,468	$ 1,877,224	$ 1,011,537

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

	For the Three Months Ended March 31	
	2026	2025
Sister companies		
BPCTLI	$ 430,826	$ 513,558
Others	15,642	17,759
Main management	76	194
Others	10,179	7,568
	$ 456,723	$ 539,079

m) 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 based on the prices of nearby properties are calculated on the basis of the leased areas and are payable monthly.

i. Future lease payment receivable was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Parent company	$ 41,130	$ 50,263	$ 72,881
Sister companies			
TCS	161,180	145,413	46,517
BPCTLI	45,751	51,402	65,212
Co-operative Assets Management Co., Ltd.	32,928	39,245	47,772
TCBF	17,606	19,807	26,409
TCSIT	23,894	25,282	2,342
Others	3,868	3,992	1,674
Others			
Agricultural Bank of Taiwan	82,662	104,525	136,856
Taiwan Asset Management Corporation	21,658	23,855	33,601
	$ 430,677	$ 463,784	$ 433,264

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

	For the Three Months Ended March 31	
	2026	2025
Parent company	$ 7,712	$ 7,539
Sister companies		
TCS	14,071	13,386
BPCTLI	5,060	4,993
Co-operative Assets Management Co., Ltd.	2,329	2,329
Others	4,101	3,890
Others		
Agricultural Bank of Taiwan	10,777	10,777
Taiwan Asset Management Corporation	3,249	3,249
	$ 47,299	$ 46,163

n) Derivatives

	For the Three Months Ended March 31, 2026					
					Amounts on the Consolidated Balance Sheet	
Related Party	Type of Derivatives	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Account	Amounts
Sister company - BPCTLI	Currency swap	2025.10.27-2026.10.27	EUR 13,204	$ (776)	Financial assets at fair value through profit or loss	$ 16,944
	Currency swap	2026.03.16-2027.03.23	US$ 89,193	15,940	Financial assets at fair value through profit or loss	15,940
Sister company - TCBF	Currency swap	2026.02.12-2026.05.30	US$ 8,000	3,271	Financial assets at fair value through profit or loss	3,271
Other - TCB US Short Duration High Yield Bond Fund	Currency swap	2025.09.23-2026.06.23	US$ 2,100	1,665	Financial assets at fair value through profit or loss	4,751
Other - TCB Global High Yield Bond Fund	Currency swap	2025.10.31-2026.10.30	US$ 2,600	1,784	Financial assets at fair value through profit or loss	2,660
Other - TCB Multi-Asset AI Theme Fund	Currency swap	2026.02.26-2026.05.29	US$ 2,500	1,598	Financial assets at fair value through profit or loss	1,598
Other - TCB Global Healthcare Multi-Asset Income Fund	Currency swap	2026.02.06-2026.05.06	US$ 4,000	2,192	Financial assets at fair value through profit or loss	2,192
Other - TCB Global Hybrid Income Bond Fund	Currency swap	2025.09.12-2026.06.12	US$ 5,550	4,199	Financial assets at fair value through profit or loss	7,712

	For the Three Months Ended March 31, 2025					
					Amounts on the Consolidated Balance Sheet	
Related Party	Type of Derivatives	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Account	Amounts
Sister company - BPCTLI	Currency swap	2025.02.24-2025.09.30	EUR 7,844	$ 6,872	Financial assets at fair value through profit or loss	$ 6,872
	Currency swap	2025.02.27-2025.09.30	US$ 71,788	24,464	Financial assets at fair value through profit or loss	24,464
Sister company - TCBF	Currency swap	2025.02.24-2025.04.24	US$ 6,000	2,584	Financial assets at fair value through profit or loss	2,584
Other - TCB 6 Year Senior Emerging Market Bond Fund	Currency swap	2024.11.29-2025.08.29	US$ 3,000	(485)	Financial assets at fair value through profit or loss	377
Other - TCB US Short Duration High Yield Bond Fund	Currency swap	2024.12.23-2025.09.23	US$ 3,250	2,067	Financial assets at fair value through profit or loss	2,645

(Continued)

Related Party	Type of Derivatives	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Amounts on the Consolidated Balance Sheet: Account	Amounts on the Consolidated Balance Sheet: Amounts
	For the Three Months Ended March 31, 2025					
Other - TCB Global Core Infrastructure Income Fund	Currency swap	2025.02.18-2025.05.19	US$ 300	$ (16)	Financial liabilities at fair value through profit or loss	$ (16)
Other - TCB 2032 Target Date Multi-Asset Income Fund	Currency swap	2025.03.18-2025.06.18	US$ 2,700	611	Financial assets at fair value through profit or loss	611
Other - TCB 2025 Maturity Emerging Market Bond Fund	Currency swap	2025.03.31-2025.06.30	US$ 13,650	(674)	Financial liabilities at fair value through profit or loss	(674)
	Currency swap	2025.03.21-2025.06.23	US$ 5,700	969	Financial assets at fair value through profit or loss	969
Other - TCB Global High Yield Bond Fund	Currency swap	2024.12.12-2025.07.10	US$ 2,910	1,493	Financial assets at fair value through profit or loss	1,899
Other - TCB Multi-Asset AI Theme Fund	Currency swap	2025.02.26-2025.05.27	US$ 1,500	767	Financial assets at fair value through profit or loss	767

(Concluded)

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

	For the Three Months Ended March 31: 2026	2025
Financial assets and liabilities at fair value through profit or loss		
Sister companies		
BPCTLI	$ 58,457	$ 76,250
TCBF	5,140	555
Others	9,802	15,673
	$ 73,399	$ 92,478

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

a) Cash in bank (part of cash and cash equivalents)

	March 31, 2026	December 31, 2025	March 31, 2025
Sister companies	$ 834,966	$ 65,354	$ 135,123

b) Settlement receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Sister companies	$ 254,079	$ 15,292	$ 161,183
Others	18,188	-	8,453
	$ 272,267	$ 15,292	$ 169,636

c) Settlement payments (part of other current assets)

	March 31, 2026	December 31, 2025	March 31, 2025
Sister companies	$ 460,126	$ 230,253	$ 123,226

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

	March 31, 2026	December 31, 2025	March 31, 2025
Sister companies	$ 449,546	$ -	$ 25,393

e) Settlement payable (part of payables)

	March 31, 2026	December 31, 2025	March 31, 2025
Sister companies	$ 2,630	$ 216,166	$ 21,476
Others	-	37,996	3,768
	$ 2,630	$ 254,162	$ 25,244

f) TCS applied to TCB for call loans

	For the Three Months Ended March 31, 2026			
Related Party	Highest Balance	Ending Balance	Interest Expense	Interest Rate (%)
Sister companies				
TCB	$ 252,816	$ 224,595	$ 2,419	3.920-4.220

	For the Three Months Ended March 31, 2025			
Related Party	Highest Balance	Ending Balance	Interest Expense	Interest Rate (%)
Sister companies				
TCB	$ 332,050	$ 332,050	$ 3,866	4.620-5.100

g) To settle security transactions, TCS applied to TCB for a guarantee of $1,500,000 thousand for short-term loan and overdraft. As of March 31, 2026, December 31, 2025 and March 31, 2025, TCS had no borrowing and overdraft. The overdraft for the three months ended March 31, 2026 and 2025 were as follows:

	For the Three Months Ended March 31, 2026			
	Highest Balance	Ending Balance	Interest Expense	Interest Rate (%)
Sister companies	$ 1,000,000	$ -	$ -	-

	For the Three Months Ended March 31, 2025			
	Highest Balance	Ending Balance	Interest Expense	Interest Rate (%)
Sister companies	$ 1,000,000	$ -	$ -	-

h) Tax payable - consolidated tax return (part of current tax liabilities)

	March 31, 2026	December 31, 2025	March 31, 2025
Parent company	$ 96,246	$ 7,290	$ 107,451

i) Lease agreements - TCS is lessee

i. Right-of-use assets, net

	March 31, 2026	December 31, 2025	March 31, 2025
Sister companies			
TCB	$ 153,131	$ 166,468	$ 44,077

ii. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Sister companies	$ 154,769	$ 167,926	$ 44,896

iii. Interest expense

	For the Three Months Ended March 31	
	2026	2025
Sister companies	$ 914	$ 419

iv. Depreciation expense

	For the Three Months Ended March 31	
	2026	2025
Sister companies	$ 13,337	$ 12,781

3) Taiwan Cooperative Bills Finance Corporation Ltd.

a) Call loans from banks

	Highest Balance	Ending Balance	Interest Expense	Interest Rate (%)
For the three months ended March 31, 2026				
Sister companies				
TCB	$ 3,590,000	$ 1,740,000	$ 7,574	1.390-1.425
For the three months ended March 31, 2025				
Sister companies				
TCB	$ 3,350,000	$ 2,260,000	$ 8,361	1.590-1.655

b) Securities sold under repurchase agreement

	Ending Balance	Interest Expense	Interest Rate (%)
For the three months ended March 31, 2026			
Sister companies	$ 807,018	$ 3,936	1.425-1.450
For the three months ended March 31, 2025			
Sister companies	$ 728,711	$ 2,268	1.520-1.540

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

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

	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	%	Amount	%	Amount	%
Sister company						
TCB	$ 1,929,549	36	$ 2,230,909	39	$ 2,186,265	44

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

	For the Three Months Ended March 31, 2026		
		Securities Purchase Under Resell Agreements	
	Ending Balance	Amount (Note)	Rate (%)
Sister company			
TCBF	$ 807,018	$ 4,953,367	1.425-1.450

	For the Three Months Ended March 31, 2025		
		Securities Purchase Under Resell Agreements	
	Ending Balance	Amount (Note)	Rate (%)
Sister company			
TCBF	$ 728,711	$ 2,975,199	1.520-1.540

Note: The amount includes securities purchased under resell agreements.

c) Payables

	March 31, 2026	December 31, 2025	March 31, 2025
Sister company			
TCB	$ 458,868	$ 398,425	$ 433,024

d) Derivatives

For the three months ended March 31, 2026

Type of Derivatives	Related Party	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Amounts on the Balance Sheet	
					Account	Amounts
Currency swap	Sister company - TCB	2026.03.16-2027.03.23	US$ 89,193	$ (12,797)	Financial liabilities at fair value through profit or loss	$ (12,797)
		2025.10.27-2026.10.27	EUR 13,205	616	Financial liabilities at fair value through profit or loss	(16,168)
	Associate - Banque Nationale De Paris, Taipei Branch	2026.03.20-2027.03.25	EUR 10,254	2,020	Financial assets at fair value through profit or loss	2,020
		2025.05.21-2026.06.30	US$ 40,933	(29,573)	Financial liabilities at fair value through profit or loss	(100,743)
		2025.07.07-2026.09.08	EUR 20,282	(5,605)	Financial liabilities at fair value through profit or loss	(42,374)

For the three months ended March 31, 2025

Type of Derivatives	Related Party	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Amounts on the Balance Sheet	
					Account	Amounts
Currency swap	Sister company - TCB	2025.02.07-2025.09.30	US$ 71,788	$ (24,134)	Financial liabilities at fair value through profit or loss	$ (24,134)
		2025.02.24-2025.09.30	EUR 7,844	(6,863)	Financial liabilities at fair value through profit or loss	(6,863)
	Associate - Banque Nationale De Paris, Taipei Branch	2024.12.26-2026.03.13	US$ 73,367	(37,818)	Financial liabilities at fair value through profit or loss	(38,589)
		2025.02.25-2025.06.25	EUR 4,827	(7,962)	Financial liabilities at fair value through profit or loss	(7,962)

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

For the three months ended March 31, 2026 and 2025, the realized gains or losses on currency swaps with sister companies were $57,877 thousand losses and $74,769 thousand losses, respectively. Besides, the realized gains or losses on currency swaps with affiliates were $65,353 thousand losses and $66,010 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 March 31, 2026, December 31, 2025 and March 31, 2025, the BPCTLI had refundable deposits of $140,436 thousand, refundable deposits of $184,221 thousand and refundable deposits of $44,831 thousand, respectively.

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.

e) Insurance service expenses

	For the Three Months Ended March 31	
	2026	**2025**
Sister company		
TCB	$ 447,488	$ 529,708

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

	March 31, 2026	December 31, 2025	March 31, 2025
Management fee income (part of service fee income)			
Others	$ 56,675	$ 283,382	$ 69,736

6) Taiwan Cooperative Venture Capital Co., Ltd.

	March 31, 2026	December 31, 2025	March 31, 2025
Cash in banks (part of cash and cash equivalents)			
Sister company			
TCB	$ 64,900	$ 47,859	$ 156,166

7) Co-operative Assets Management Co., Ltd.

Tax payable - consolidated tax return (part of current tax liabilities)

	March 31, 2026	December 31, 2025	March 31, 2025
Parent company	$ 123,785	$ 119,943	$ 105,175

8) Taiwan Cooperative International Leasing Co., Ltd.

	March 31, 2026	December 31, 2025	March 31, 2025
Cash in banks (part of cash and cash equivalents)			
Sister company			
TCB	$ 67,033	$ 73,752	$ 111,048

d. Salaries, bonuses and remunerations to main management

The salaries, bonuses and remunerations of the directors and main management for the three months ended March 31, 2026 and 2025, are summarized as follows:

	For the Three Months Ended March 31	
	2026	**2025**
Salaries and other short-term employment benefits	$ 55,067	$ 49,980
Post-employment benefits	1,017	1,083
Interest arising from the employees' preferential rate in excess of normal rates	331	336
	$ 56,415	$ 51,399

44. 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:

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Financial assets mandatorily classified as at fair value through profit or loss - negotiable certificates of deposit	$ 830,000	$ 340,000	$ 942,305
Financial assets at fair value through other comprehensive income - debt instrument investments	1,505,870	1,391,790	610,909
Investments in debt instruments at amortized cost	84,424,716	84,417,953	84,480,948
Other financial assets - due from banks	260,000	260,000	243,985
	$ 87,020,586	$ 86,409,743	$ 86,278,147

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 March 31, 2026, December 31, 2025 and March 31, 2025. 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:

(In Thousands of U.S. Dollars)

Date	Outstanding Loan Balance	Bonds Balance	Collateral Value
March 31, 2026	$ 852,934	$ 92,000	$ 797,005
December 31, 2025	$ 872,566	$ 47,000	$ 755,410
March 31, 2025	$ 794,125	$ 97,000	$ 753,098

c. As of March 31, 2026, December 31, 2025 and March 31, 2025 due to the KHR loans borrowed from the National Bank of Cambodia, up to US$7,279 thousand, US$6,802 thousand and US$11,700 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.

45. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

a. Taiwan Cooperative Financial Holding Co., Ltd.

As of March 31, 2026, TCFHC's outstanding major construction and procurement contracts amounted to $241,356 thousand, of which $104,417 thousand was still unpaid.

b. Taiwan Cooperative Bank, Ltd. and subsidiary

1) As of March 31, 2026, TCB's outstanding major construction and procurement contracts amounted to $907,901 thousand, of which $540,356 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 March 31, 2026, the allocated costs amounted to approximately $3.319 billion.

c. Taiwan Cooperative Bills Finance Cooperation Ltd.

As of March 31, 2026, the commitments or contingencies arose from business were as follows:

	March 31, 2026
Guarantees of commercial paper	$ 36,038,500
Purchase of reference-rate commercial paper	$ 20,800,000

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

As of March 31, 2026, TCS's agreements on the acquisition equipment and house decoration project amounted to $25,507 thousand, of which $13,086 thousand was still unpaid.

46. FINANCIAL INSTRUMENTS

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

	March 31, 2026		December 31, 2025		March 31, 2025	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Financial assets						
Investments in debt instruments at amortized cost	$ 740,521,134	$ 737,180,115	$ 829,135,780	$ 827,311,623	$ 763,071,656	$ 757,814,261
Financial liabilities						
Bonds payable	78,140,000	78,429,572	78,140,000	78,442,515	79,140,000	79,055,340

Fair value hierarchy as at March 31, 2026, December 31, 2025 and March 31, 2025:

March 31, 2026

	Total	Level 1	Level 2	Level 3
Financial assets				
Investments in debt instruments at amortized cost	$ 737,180,115	$ 2,114,246	$ 734,969,641	$ 96,228
Financial liabilities				
Bonds payable	78,429,572	-	78,429,572	-

December 31, 2025

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

March 31, 2025

	Total	Level 1	Level 2	Level 3
Financial assets				
Investments in debt instruments at amortized cost	$ 757,814,261	$ 2,431,635	$ 755,216,601	$ 166,025
Financial liabilities				
Bonds payable	79,055,340	-	79,055,340	-

In addition to those listed above, the management 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 1.4300% and 1.7702%, between 1.4022% and 1.7486% and between 1.5268% and 2.0308% as of March 31, 2026, December 31, 2025 and March 31, 2025, 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 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 March 31, 2026, December 31, 2025 and March 31, 2025. 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:

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Discount for lack of marketability			
Increase 10%	$ (2,202,442)	$ (2,232,770)	$ (1,751,774)
Decrease 10%	$ 2,202,442	$ 2,232,770	$ 1,751,774
Discount for minority interest			
Increase 10%	$ (116,076)	$ (125,792)	$ (66,361)
Decrease 10%	$ 116,076	$ 125,792	$ 66,361

c. The fair value hierarchy of the Company's financial instruments measured at fair value on a recurring basis as of March 31, 2026, December 31, 2025 and March 31, 2025 were as follows:

1) Fair value hierarchy

Financial Instruments Measured at Fair Value	**March 31, 2026**			
	Total	**Level 1**	**Level 2**	**Level 3**
Non-derivative financial instruments				
Assets				
Financial assets at FVTPL				
Equity instruments	$ 4,351,352	$ 1,934,180	$ 23,144	$ 2,394,028
Debt instruments	3,280,615	1,959,777	1,270,338	50,500
Others	186,150,775	2,752,520	183,398,255	-

(Continued)

Financial Instruments Measured at Fair Value	March 31, 2026			
	Total	Level 1	Level 2	Level 3
Financial assets at FVTOCI				
Equity instruments	$ 65,615,389	$ 51,555,718	$ -	$ 14,059,671
Debt instruments	507,024,685	25,735,659	481,289,026	-
Others	12,844,396	2,017,580	10,826,816	-
Liabilities				
Financial liabilities at FVTPL	(15,927,986)	(10,901,147)	(5,026,839)	-
Derivative financial instruments				
Assets				
Financial assets at FVTPL	15,843,144	183,731	15,659,413	-
Liabilities				
Financial liabilities at FVTPL	(1,489,130)	-	(1,489,130)	-

(Concluded)

Financial Instruments Measured at Fair Value	December 31, 2025			
	Total	Level 1	Level 2	Level 3
Non-derivative financial instruments				
Assets				
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	-
Liabilities				
Financial liabilities at FVTPL	(19,311,467)	(15,449,713)	(3,861,754)	-
Derivative financial instruments				
Assets				
Financial assets at FVTPL	12,673,198	162,520	12,510,678	-
Liabilities				
Financial liabilities at FVTPL	(1,586,049)	-	(1,586,049)	-

Financial Instruments Measured at Fair Value	March 31, 2025 Total	Level 1	Level 2	Level 3
Non-derivative financial instruments				
Assets				
Financial assets at FVTPL				
Equity instruments	$ 3,034,267	$ 1,039,459	$ 22,879	$ 1,971,929
Debt instruments	2,353,554	895,758	1,457,796	-
Others	157,517,910	5,408,807	152,109,103	-
Financial assets at FVTOCI				
Equity instruments	52,257,279	40,386,151	-	11,871,128
Debt instruments	468,170,892	23,516,663	444,654,229	-
Others	5,172,364	-	5,172,364	-
Liabilities				
Financial liabilities at FVTPL	(26,578,451)	(22,756,257)	(3,822,194)	-
Derivative financial instruments				
Assets				
Financial assets at FVTPL	9,435,273	166,779	9,268,494	-
Liabilities				
Financial liabilities at FVTPL	(773,220)	-	(773,220)	-

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, 2026	$ 2,191,848	$ 14,502,680	$ 16,694,528
Recognized in profit	396,982	-	396,982
Recognized in OCI (investment in equity instruments at FVTOCI)	-	(443,009)	(443,009)
Purchases	95,898	-	95,898
Disposals	(240,200)	-	(240,200)
Balance on March 31, 2026	$ 2,444,528	$ 14,059,671	$ 16,504,199
Balance on January 1, 2025	$ 1,823,644	$ 9,352,061	$ 11,175,705
Recognized in profit	170,141	-	170,141
Recognized in OCI (investment in equity instruments at FVTOCI)	-	603,417	603,417
Purchases	145,947	1,915,650	2,061,597
Disposals	(167,803)	-	(167,803)
Balance on March 31, 2025	$ 1,971,929	$ 11,871,128	$ 13,843,057

The change in unrealized gains or losses for the three months ended March 31, 2026 and 2025 included in profit or loss for assets held at the March 31, 2026 and 2025, was $200,782 thousand gains and $19,338 thousand gains, respectively.

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

	March 31, 2026	December 31, 2025	March 31, 2025
Difference between carrying amount and contractual amount at maturity			
Fair value	$ 5,026,839	$ 3,861,754	$ 3,822,194
Amount payable at maturity	5,223,438	3,946,348	3,934,793
	$ (196,599)	$ (84,594)	$ (112,599)

	Changes in Fair Value Attributable to Changes in Credit Risk
Change in amount during the period	
As of March 31, 2026	$ 4,061
As of March 31, 2025	$ (5,552)
Accumulated amount of change	
As of March 31, 2026	$ (21,972)
As of December 31, 2025	$ (26,033)
As of March 31, 2025	$ (17,955)

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.

<u>Bonds and bills business</u>

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 March 31, 2026.

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 March 31, 2026.

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, 2025 and 2024 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:

March 31, 2026

Impaired financial assets	Gross Carrying Amount	Allowance for Possible Losses	Total Exposure Amount (Amortized Cost)	Fair Value of Collateral
Receivables	$ 373,992	$ 157,607	$ 216,385	$ -
Discount and loans	39,226,668	4,560,887	34,665,781	72,316,626

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

March 31, 2025

Impaired financial assets	Gross Carrying Amount	Allowance for Possible Losses	Total Exposure Amount (Amortized Cost)	Fair Value of Collateral
Receivables	$ 359,244	$ 152,581	$ 206,663	$ -
Discount and loans	36,151,935	4,304,798	31,847,137	65,781,719

The total amount of financial assets that have been written off but have recourse action by TCB and its subsidiary in March 31, 2026, December 31, 2025 and March 31, 2025 were $13,945,150 thousand, $13,976,838 thousand and $13,747,492 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	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	%	Amount	%	Amount	%
Natural person	$ 1,211,345,261	38	$ 1,215,269,061	39	$ 1,165,896,103	38
Manufacturing	577,143,775	18	548,300,886	17	570,538,928	19
Government agencies	314,793,941	10	349,525,771	11	287,621,438	9

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:

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets at fair value through profit or loss - debt instrument	$ 599,788	$ 598,958	$ 595,248

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

	March 31, 2026				
	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	$ 349,816,501	$ 609,113	$ 1,698,569	$ -	$ 352,124,183
Allowance for possible losses	(716,650)	(6,521)	(704,335)	-	(1,427,506)
Difference of impairment loss under "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans"	-	-	-	(535,293)	(535,293)
	$ 349,099,851	$ 602,592	$ 994,234	$ (535,293)	$ 350,161,384

	December 31, 2025				
	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)
	$ 342,851,746	$ 921,067	$ 966,522	$ (522,767)	$ 344,216,568

	March 31, 2025				
	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	$ 341,051,623	$ 57,773	$ 141,068	$ -	$ 341,250,464
Allowance for possible losses	(757,165)	(160)	(41,030)	-	(798,355)
Difference of impairment loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	(527,938)	(527,938)
	$ 340,294,458	$ 57,613	$ 100,038	$ (527,938)	$ 339,924,171

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

	March 31, 2026				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Difference 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	$ 3,196,479,225	$ 5,917,214	$ 39,226,668	$ -	$ 3,241,623,107
Allowance for possible losses	(4,465,822)	(152,467)	(4,560,887)	-	(9,179,176)
Difference of impairment loss under “Regulations Governing the Procedure for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	(29,829,034)	(29,829,034)
	$ 3,192,013,403	$ 5,764,747	$ 34,665,781	$ (29,829,034)	$ 3,202,614,897

	December 31, 2025				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Difference 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)
	$ 3,115,756,468	$ 4,806,151	$ 33,569,666	$ (28,536,318)	$ 3,125,595,967

	March 31, 2025				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Difference 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	$ 3,054,309,128	$ 4,741,580	$ 36,151,935	$ -	$ 3,095,202,643
Allowance for possible losses	(4,608,665)	(70,823)	(4,304,798)	-	(8,984,286)
Difference of impairment loss under "Regulations Governing the Procedure for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans"	-	-	-	(26,475,970)	(26,475,970)
	$ 3,049,700,463	$ 4,670,757	$ 31,847,137	$ (26,475,970)	$ 3,059,742,387

b) Credit quality analysis of receivables

	March 31, 2026					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Credit Impairment by Using Simplified Method	Difference of Impairment Loss under "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans"	Total
Receivables	$ 16,692,640	$ 70,052	$ 373,992	$ 5,606,911	$ -	$ 22,743,595
Allowance for possible losses	(20,366)	(12,733)	(157,607)	(111,984)	-	(302,690)
Difference of impairment loss under "Regulations Governing the Procedure for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans"	-	-	-	-	(252,549)	(252,549)
	$ 16,672,274	$ 57,319	$ 216,385	$ 5,494,927	$ (252,549)	$ 22,188,356

	December 31, 2025					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Credit Impairment by Using Simplified Method	Difference 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)
	$ 17,970,494	$ 50,249	$ 210,094	$ 5,008,911	$ (244,140)	$ 22,995,608

	March 31, 2025					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Credit Impairment by Using Simplified Method	Difference of Impairment Loss under "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans"	Total
Receivables	$ 17,648,022	$ 56,501	$ 359,244	$ 6,175,694	$ -	$ 24,239,461
Allowance for possible losses	(33,466)	(12,572)	(152,581)	(174,268)	-	(372,887)
Difference of impairment loss under "Regulations Governing the Procedure for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans"	-	-	-	-	(166,485)	(166,485)
	$ 17,614,556	$ 43,929	$ 206,663	$ 6,001,426	$ (166,485)	$ 23,700,089

c) Credit quality analysis of securities

	March 31, 2026			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Investments in debt instruments at FVTOCI				
Gross carrying amount	$ 452,955,562	$ -	$ 304,944	$ 453,260,506
Allowance for possible losses	(49,091)	-	(189,369)	(238,460)
Amortized cost	452,906,471	-	115,575	453,022,046
Fair value adjustments	(11,946,587)	-	86,397	(11,860,190)
	$ 440,959,884	$ -	$ 201,972	$ 441,161,856
Investments in debt instruments at amortized cost	$ 737,867,215	$ -	$ -	$ 737,867,215
Allowance for possible losses	(21,578)	-	-	(21,578)
	$ 737,845,637	$ -	$ -	$ 737,845,637

	December 31, 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Investments in debt instruments at FVTOCI				
Gross carrying amount	$ 431,822,830	$ -	$ 304,146	$ 432,126,976
Allowance for possible losses	(46,316)	-	(188,874)	(235,190)
Amortized cost	431,776,514	-	115,272	431,891,786
Fair value adjustments	(9,564,087)	-	82,842	(9,481,245)
	$ 422,212,427	$ -	$ 198,114	$ 422,410,541
Investments in debt instruments at amortized cost	$ 826,693,538	$ -	$ -	$ 826,693,538
Allowance for possible losses	(21,435)	-	-	(21,435)
	$ 826,672,103	$ -	$ -	$ 826,672,103

	March 31, 2025			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Investments in debt instruments at FVTOCI				
Gross carrying amount	$ 426,965,477	$ -	$ 337,912	$ 427,303,389
Allowance for possible losses	(47,585)	-	(209,842)	(257,427)
Amortized cost	426,917,892	-	128,070	427,045,962
Fair value adjustments	(16,392,271)	-	148,196	(16,244,075)
	$ 410,525,621	$ -	$ 276,266	$ 410,801,887
Investments in debt instruments at amortized cost	$ 760,821,713	$ -	$ -	$ 760,821,713
Allowance for possible losses	(27,638)	-	-	(27,638)
	$ 760,794,075	$ -	$ -	$ 760,794,075

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

	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)	Total
Balance on January 1, 2026	$ 46,316	$ -	$ 188,874	$ 235,190
New financial assets purchased	5,278	-	-	5,278
Derecognition of financial assets in the current reporting period	(722)	-	-	(722)
Change in model or risk parameters	(2,438)	-	(3,349)	(5,787)
Changes in exchange rates and other changes	657	-	3,844	4,501
Balance on March 31, 2026	$ 49,091	$ -	$ 189,369	$ 238,460
Balance on January 1, 2025	$ 49,926	$ -	$ 211,628	$ 261,554
New financial assets purchased	2,783	-	-	2,783
Derecognition of financial assets in the current reporting period	(1,059)	-	-	(1,059)
Change in model or risk parameters	(4,480)	-	(4,497)	(8,977)
Changes in exchange rates and other changes	415	-	2,711	3,126
Balance on March 31, 2025	$ 47,585	$ -	$ 209,842	$ 257,427

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

	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)	Total
Balance on January 1, 2026	$ 21,435	$ -	$ -	$ 21,435
New financial assets purchased	2,166	-	-	2,166
Derecognition of financial assets in the current reporting period	(1,237)	-	-	(1,237)
Change in model or risk parameters	(944)	-	-	(944)
Changes in exchange rates and other changes	158	-	-	158
Balance on March 31, 2026	$ 21,578	$ -	$ -	$ 21,578
Balance on January 1, 2025	$ 28,970	$ -	$ -	$ 28,970
New financial assets purchased	1,740	-	-	1,740
Derecognition of financial assets in the current reporting period	(372)	-	-	(372)
Change in model or risk parameters	(2,876)	-	-	(2,876)
Changes in exchange rates and other changes	176	-	-	176
Balance on March 31, 2025	$ 27,638	$ -	$ -	$ 27,638

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	March 31, 2026	December 31, 2025	March 31, 2025
Interest rate risk	Interest rate curve increased 100 basis points	$ (481,809)	$ (402,145)	$ (359,817)
	Interest rate curve fell 100 basis points	488,873	408,010	365,060
Exchange rate risk	US$/NT$, EUR/NT$ increased 3%	(318,922)	(320,755)	(300,889)
	US$/NT$, EUR/NT$ fell 3%	318,922	320,755	300,889
	Others (RMB, AUD etc.)/ NT$ increased 5%	48,626	42,181	50,965
	Others (RMB, AUD etc.)/ NT$ fell 5%	(48,626)	(42,181)	(50,965)
Equity security price risk	Equity security price increased by 15%	15,793	4,514	54,092
	Equity security price fell by 15%	(15,793)	(4,514)	(54,092)

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

(In Thousands)

	March 31, 2026		
	Foreign Currency	**Exchange Rate**	**New Taiwan Dollars**
Financial assets			
USD	$ 18,052,824	32.0850	$ 579,224,854
AUD	1,716,402	22.0200	37,795,178
RMB	7,604,289	4.6440	35,314,316
JPY	123,354,810	0.2009	24,781,981
EUR	596,939	36.8300	21,985,254
Financial liabilities			
USD	26,535,584	32.0850	851,394,225
AUD	1,561,148	22.0200	34,376,471
JPY	128,939,876	0.2009	25,904,021
RMB	5,524,519	4.6440	25,655,868
EUR	421,492	36.8300	15,523,537

	December 31, 2025		
	Foreign Currency	**Exchange Rate**	**New Taiwan Dollars**
Financial assets			
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
Financial liabilities			
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

	March 31, 2025		
	Foreign Currency	**Exchange Rate**	**New Taiwan Dollars**
Financial assets			
USD	$ 15,571,616	33.2050	$ 517,055,519
RMB	8,700,142	4.5720	39,777,050
AUD	1,549,339	20.8800	32,350,203
JPY	123,421,505	0.2227	27,485,969
EUR	571,364	35.9700	20,551,947

(Continued)

	March 31, 2025		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial liabilities			
USD	$ 23,018,131	33.2050	$ 764,317,031
RMB	6,433,966	4.5720	29,416,092
JPY	119,839,213	0.2227	26,688,193
AUD	1,040,202	20.8800	21,719,413
EUR	424,843	35.9700	15,281,609

(Concluded)

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 29.56% in March 2026, 31.64% in December 2025 and 29.97% in March 2025.

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.

March 31, 2026	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	$ 274,937,865	$ 126,461,667	$ 90,613,063	$ 43,387,650	$ -	$ 535,400,245
Financial liabilities at fair value through profit or loss	-	-	-	-	5,223,438	5,223,438
Securities sold under repurchase agreements	5,487,009	681,224	924,816	40,000	-	7,133,049
Payables	22,271,531	6,655,951	3,561,657	4,657,513	6,168,450	43,315,102
Deposits and remittances	472,379,622	590,232,380	632,388,960	935,191,953	1,570,489,501	4,200,682,416
Bank debentures	-	1,000,000	4,050,000	1,000,000	54,190,000	60,240,000
Lease liabilities	70,858	173,273	133,906	225,107	1,282,511	1,885,655
Other items of cash outflow on maturity	1,528,984	56,148	-	1,031,745	7,366,000	9,982,877

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

March 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	$ 214,140,231	$ 71,965,335	$ 142,042,284	$ 32,801,260	$ -	$ 460,949,110
Financial liabilities at fair value through profit or loss	-	-	-	-	3,934,793	3,934,793
Securities sold under repurchase agreements	7,159,309	737,859	1,053,093	94,814	-	9,045,075
Payables	21,764,794	6,497,810	4,925,950	4,534,640	5,639,371	43,362,565
Deposits and remittances	482,099,136	557,218,275	683,566,389	835,127,822	1,491,859,725	4,049,871,347
Bank debentures	-	-	-	-	59,140,000	59,140,000
Lease liabilities	72,138	165,213	144,518	246,783	1,269,876	1,898,528
Other items of cash outflow on maturity	1,531,932	51,137	2	1,014,086	5,503,457	8,100,614

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 March 31, 2026, December 31, 2025 and March 31, 2025 must be repaid soon, the capital expenditure will be increased by $2,169,208,444 thousand, $2,197,363,862 thousand and $2,064,614,807 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

March 31, 2026	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Currency	$ 316	$ 2,684	$ 3,104	$ 10,651	$ -	$ 16,755
Interest	(11,252)	(550)	(10,551)	20,240	306,522	304,409

December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Currency	$ 1,663	$ 3,489	$ 3,470	$ 8,035	$ -	$ 16,657
Interest	(3,757)	(1,152)	(4,066)	19,942	276,320	287,287

March 31, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Currency	$ 8	$ 92	$ 87	$ 446	$ -	$ 633
Interest	(3,321)	(9,022)	(2,660)	16,580	312,577	314,154

b) Derivative financial liabilities to be settled at gross amounts

March 31, 2026	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Currency derivatives						
Cash outflow	$ 13,803,281	$ 4,550,825	$ 1,645,723	$ 2,197,992	$ -	$ 22,197,821
Cash inflow	13,859,944	4,612,741	1,718,118	2,199,840	-	22,390,643
Interest derivatives						
Cash outflow	169,812	-	-	81,046	-	250,858
Cash inflow	162,300	-	-	75,108	-	237,408
Total cash outflow	13,973,093	4,550,825	1,645,723	2,279,038	-	22,448,679
Total cash inflow	14,022,244	4,612,741	1,718,118	2,274,948	-	22,628,051
Net cash flow	49,151	61,916	72,395	(4,090)	-	179,372

December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Currency derivatives						
Cash outflow	$ 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

March 31, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Currency derivatives						
Cash outflow	$ 12,035,066	$ 3,958,808	$ 1,257,480	$ 800,632	$ 37,816	$ 18,089,802
Cash inflow	12,071,322	3,992,844	1,250,729	820,483	38,199	18,173,577
Interest derivatives						
Cash outflow	248,557	112,691	-	101,435	-	462,683
Cash inflow	239,178	107,408	-	98,250	-	444,836
Total cash outflow	12,283,623	4,071,499	1,257,480	902,067	37,816	18,552,485
Total cash inflow	12,310,500	4,100,252	1,250,729	918,733	38,199	18,618,413
Net cash flow	26,877	28,753	(6,751)	16,666	383	65,928

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.

March 31, 2026	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Irrevocable loan commitments issued	$ 7,869,641	$ 11,790,377	$ 12,497,939	$ 30,474,233	$ 120,653,839	$ 183,286,029
Irrevocable credit card commitments	293,225	530,901	1,661,972	3,668,269	56,492,650	62,647,017
Letters of credit issued yet unused	4,231,959	11,751,559	2,737,618	1,124,127	1,486,822	21,332,085
Other guarantees	12,973,650	8,321,858	7,573,320	13,909,654	42,080,570	84,859,052

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

March 31, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Irrevocable loan commitments issued	$ 2,061,658	$ 9,234,617	$ 17,630,816	$ 25,559,416	$ 114,012,653	$ 168,499,160
Irrevocable credit card commitments	337,347	886,028	2,182,103	3,546,416	57,270,133	64,222,027
Letters of credit issued yet unused	5,117,619	10,632,200	2,741,570	1,351,313	2,265,245	22,107,947
Other guarantees	9,741,409	5,721,975	8,395,142	9,777,655	52,785,149	86,421,330

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 $1,077,905 thousand, $961,949 thousand and $640,486 thousand as of March 31, 2026, December 31, 2025 and March 31, 2025, 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 March 31, 2026, December 31, 2025 and March 31, 2025 the fair values of financial assets would have decreased by $35,825 thousand, $34,840 thousand and $22,342 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 March 31, 2026, December 31, 2025 and March 31, 2025, had the TAIEX fallen 1%, the fair value of the equity assets would have decreased by $14,767 thousand, $5,750 thousand and $23,013 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 three months ended March 31, 2026, the whole year ended December 31, 2025 and the three months ended March 31, 2025, the income before income tax would have decreased by $245,589 thousand, $233,065 thousand and $191,550 thousand, respectively.

The table below shows the carrying value of financial assets and liabilities denominated in foreign currency as of March 31, 2026, December 31, 2025 and March 31, 2025.

March 31, 2026

	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial assets			
Savings accounts			
USD	$ 13,810	32.063	$ 442,791
ZAR	22,095	1.872	41,359
AUD	1,147	21.980	25,208
Receivables			
USD	9,292	32.063	297,942
EUR	1,522	36.780	55,968
Financial assets at FVTPL			
USD	731,343	32.063	23,449,057
Financial assets at FVTOCI			
EUR	82,673	36.780	3,040,727
Financial assets at amortized cost			
EUR	9,899	36.780	364,099
USD	6,703	32.063	214,934
Refundable deposits			
USD	4,810	32.063	154,223

December 31, 2025

	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial assets			
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

March 31, 2025

	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial assets			
Savings accounts			
USD	$ 17,432	33.208	$ 578,868
ZAR	47,661	1.804	85,961
AUD	3,488	20.870	72,787
Receivables			
USD	6,354	33.208	211,010
EUR	446	35.980	16,061
RMB	467	4.574	2,135
Financial assets at FVTPL			
USD	13,334	33.208	442,795
Financial assets at FVTOCI			
USD	529,446	33.208	17,581,831
EUR	36,947	35.980	1,329,361
RMB	45,147	4.574	206,503
Financial assets at amortized cost			
EUR	9,852	35.980	354,469
USD	8,904	33.208	295,694
Refundable deposits			
USD	1,350	33.208	44,831

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 March 31, 2026, December 31, 2025 and March 31, 2025, the financial assets of the BPCTLI would have decreased to $1,801,163 thousand, $1,853,163 thousand and $872,781 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 products 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

	March 31, 2026		
	Carrying Amount	**Fair Value**	**%**
Domestic investment - government bonds (Note 1)	$ 12,114,138	$ 12,088,010	26
Domestic investment - corporate bonds and bank debentures (twAAA - twA)	7,924,578	7,924,578	17
Overseas investment - government bonds	7,272,100	7,241,830	15
Overseas investment - corporate bonds and bank debentures (A1 - A3)	17,471,836	17,471,836	37
Overseas investment - corporate bonds and bank debentures (Baa1 - Baa2)	2,276,463	2,276,463	5
	$ 47,059,115	$ 47,002,717	100

	December 31, 2025		
	Carrying Amount	Fair Value	%
Domestic investment - government bonds (Note 1)	$ 12,146,109	$ 12,130,663	27
Domestic investment - corporate bonds and bank debentures (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)	2,258,229	2,258,229	5
	$ 45,553,170	$ 45,523,806	100

	March 31, 2025		
	Carrying Amount	Fair Value	%
Domestic investment - government bonds (Note 1)	$ 11,535,460	$ 11,502,890	31
Domestic investment - corporate bonds and bank debentures (twAAA - twA)	5,443,997	5,443,997	15
Overseas investment - government bonds	4,713,109	4,687,850	13
Overseas investment - corporate bonds and bank debentures (A1 - A3)	13,151,079	13,151,097	36
Overseas investment - corporate bonds and bank debentures (Baa1 - Baa2)	1,787,196	1,787,196	5
	$ 36,630,841	$ 36,573,030	100

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.

	March 31, 2026			
	Within One Year	**1 Year to 3 Years**	**3 Years to 5 Years**	**Over Five Years**
Net settled				
Currency swap contracts	$ (548,251)	$ -	$ -	$ -
Cross-currency swap contracts	-	(7,669)	-	-
	$ (548,251)	$ (7,669)	$ -	$ -

	December 31, 2025			
	Within One Year	**1 Year to 3 Years**	**3 Years to 5 Years**	**Over Five Years**
Net settled				
Currency swap contracts	$ (532,855)	$ -	$ -	$ -
Cross-currency swap contracts	-	(6,475)	-	-
	$ (532,855)	$ (6,475)	$ -	$ -

	March 31, 2025			
	Within One Year	**1 Year to 3 Years**	**3 Years to 5 Years**	**Over Five Years**
Net settled				
Currency swap contracts	$ (216,905)	$ -	$ -	$ -
Cross-currency swap contracts	(43,356)	(10,722)	-	-
	$ (260,261)	$ (10,722)	$ -	$ -

f. Underwriting risk

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.

3) Sensitivity analysis of insurance risk

The following table presents the impact on profit or loss before tax, equity and the contractual service margin of reasonably possible changes in key actuarial assumptions, with all other assumptions held constant, both before and after the effect of reinsurance held by BPCTLI.

As actuarial assumptions may be correlated, changes in a single assumption in isolation are unlikely to occur, and accordingly, the sensitivity analysis may not be representative of actual outcomes.

There were no changes in the methods and assumptions used in the sensitivity analysis for the three months ended March 31, 2026 and 2025.

	March 31, 2026			
	Changes in the Assumptions	**Contractual Service Margin**	**Income Before Income Tax**	**Equity**
Death rate	+5%	$ (858,048)	$ (24,642)	$ (23,026)
Death rate	-5%	866,795	24,874	23,140
Illness rate/loss rate	+5%	(92,183)	(2,543)	(2,889)
Illness rate/loss rate	-5%	91,507	2,524	2,858
Expense rate	+10%	(121,665)	(3,011)	(3,189)
Expense rate	-10%	121,666	3,010	3,188
Withdrawal rate	+10%	(423,913)	(11,836)	(36,995)
Withdrawal rate	-10%	457,960	12,804	39,767
Equity price	+10%	73,876	2,992	2,393
Equity price	-10%	(99,767)	(4,069)	(3,255)

	December 31, 2025			
	Changes in the Assumptions	**Contractual Service Margin**	**Income Before Income Tax**	**Equity**
Death rate	+5%	$ (769,798)	$ (89,435)	$ (80,392)
Death rate	-5%	777,433	90,323	81,087
Illness rate/loss rate	+5%	(81,793)	(9,280)	(9,441)
Illness rate/loss rate	-5%	81,179	9,210	9,354
Expense rate	+10%	(109,105)	(10,513)	(10,299)
Expense rate	-10%	109,106	10,512	10,298
Withdrawal rate	+10%	(377,915)	(44,464)	(55,233)
Withdrawal rate	-10%	410,547	48,627	60,574
Equity price	+10%	67,367	11,112	8,889
Equity price	-10%	(88,719)	(14,830)	(11,863)

	March 31, 2025			
	Changes in the Assumptions	**Contractual Service Margin**	**Income Before Income Tax**	**Equity**
Death rate	+5%	$ (754,400)	$ (24,002)	$ (18,733)
Death rate	-5%	761,644	24,230	18,866
Illness rate/loss rate	+5%	(86,382)	(2,511)	(1,776)
Illness rate/loss rate	-5%	85,747	2,493	1,764
Expense rate	+10%	(106,103)	(2,883)	(2,186)
Expense rate	-10%	106,105	2,882	2,185
Withdrawal rate	+10%	(340,968)	(12,268)	(31,850)
Withdrawal rate	-10%	375,024	13,503	34,384
Equity price	+10%	68,732	2,772	2,218
Equity price	-10%	(94,617)	(3,830)	(3,064)

4) Market risk, liquidity risk, and credit risk

a) Market risk

BPCTLI's operating activities expose it to the following principal financial risks: Foreign exchange risk (see (i) below), interest rate risk (see (ii) below) and equity price risk (see (iii) below). These risks may give rise to variability in the fulfilment cash flows of insurance contracts and reinsurance contracts.

i. Foreign exchange risk

BPCTLI engages in transactions denominated in foreign currencies and is therefore exposed to foreign exchange risk. BPCTLI manages its exposure to foreign exchange risk, within the limits of its policies, primarily through the use of forward foreign exchange contracts.

ii. Interest rate risk

Interest rate risk on insurance and reinsurance contracts refers to the fluctuation of the fair value of their cash flows as a result of changes in interest rates. The carrying amounts of BPCTLI's insurance contracts subject to interest rate flash insurance at the balance sheet date are as follows:

March 31, 2026		**December 31, 2025**		**March 31, 2025**	
Insurance Contracts Issued	**Reinsurance Contracts Held**	**Insurance Contracts Issued**	**Reinsurance Contracts Held**	**Insurance Contracts Issued**	**Reinsurance Contracts Held**
$84,101,688	$ 205,047	$ 84,498,578	$ 144,996	$ 80,735,850	$ 393,915

iii. Equity price risk

BPCTLI is exposed to equity price risk arising from insurance contracts issued with direct participation features, investment contracts with discretionary participation features, participating insurance contracts without direct participation features, and reinsurance contracts held, as the benefits under these contracts are linked to the fair value of underlying items.

b) Credit risk

BPCTLI's credit risk primarily arises from the failure of reinsurers to meet their obligations under reinsurance contracts, which may result in financial losses to BPCTLI. Credit risk also arises from insurance contracts for which services have been provided but premiums have not yet been received.

Credit risk grading

To minimise credit risk arising from reinsurance contracts, BPCTLI has established and maintains a credit risk grading framework and classifies exposures based on the level of default risk. BPCTLI's credit risk grading framework comprises ten categories.

Credit rating information is based on a range of data that is predictive of default risk and incorporates experienced credit judgement. Credit risk grades are defined using both qualitative and quantitative factors indicative of the risk of default.

The design and calibration of credit risk grades reflect the risk of default as credit risk deteriorates. As credit risk increases, the differences in default risk between grades also change. At initial recognition, each exposure is assigned to a credit risk grade based on relevant information about the counterparty. All exposures are subject to ongoing monitoring, and credit risk grades are updated to reflect current information. The monitoring procedures applied are consistent across both broad and specific categories of exposures.

The following table presents the maximum exposure to credit risk for insurance contracts issued and reinsurance contracts held as at the balance sheet date.

	March 31, 2026	December 31, 2025	March 31, 2025
Reinsurance contractual assets	$ 260,675	$ 304,815	$ 176,002

c) Liquidity risk

Liquidity risk in respect of insurance and reinsurance contracts refers to the risk that BPCTLI is unable to meet its obligations to pay cash or other financial assets as they fall due in accordance with the contractual terms. The table below presents BPCTLI's exposure to liquidity risk based on the earliest expected timing of payments under insurance and reinsurance contracts.

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:

March 31, 2026					
Financial Assets	**Carrying Amount of Transferred Financial Assets**	**Carrying Amount of Related Financial Liabilities**	**Fair Value of Transferred Financial Assets**	**Fair Value of Related Financial Liabilities**	**Net Position of Fair Value**
Financial assets at FVTPL - securities sold under repurchase agreements	$ 37,369,753	$ 36,987,142	$ 37,369,753	$ 36,987,142	$ 382,611
Financial assets at FVTOCI - securities sold under repurchase agreements	32,807,103	32,451,695	32,807,103	32,451,695	355,408

December 31, 2025					
Financial Assets	**Carrying Amount of Transferred Financial Assets**	**Carrying Amount of Related Financial Liabilities**	**Fair Value of Transferred Financial Assets**	**Fair Value of Related Financial Liabilities**	**Net Position of Fair Value**
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)

March 31, 2025					
Financial Assets	**Carrying Amount of Transferred Financial Assets**	**Carrying Amount of Related Financial Liabilities**	**Fair Value of Transferred Financial Assets**	**Fair Value of Related Financial Liabilities**	**Net Position of Fair Value**
Financial assets at FVTPL - securities sold under repurchase agreements	$ 41,749,778	$ 41,758,380	$ 41,749,778	$ 41,758,380	$ (8,602)
Financial assets at FVTOCI - securities sold under repurchase agreements	30,304,076	30,355,309	30,304,076	30,355,309	(51,233)

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.

March 31, 2026

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	$ 2,281,860	$ -	$ 2,281,860	$ (2,281,860)	$ -	$ -

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	$ 69,438,837	$ -	$ 69,438,837	$ (68,903,737)	$ -	$ 535,100

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

March 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	$ 1,993,221	$ -	$ 1,993,221	$ (1,993,221)	$ -	$ -

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	$ 72,113,689	$ -	$ 72,113,689	$ (71,413,730)	$ -	$ 699,959

47. 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%.

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 Law of Insurance and related regulations require that the insurance business maintain CARs at a minimum of 100%.

48. 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 2 (attached).

b. Concentration of credit extensions

1) Taiwan Cooperative Bank, Ltd. (TCB)

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	March 31, 2026		
	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	9.92
2	Group B Petroleum and coal products manufacturing	30,417,488	9.91
3	Group C Real estate development	23,916,644	7.79
4	Group D Cotton and textile	16,657,200	5.43
5	Group E Iron and steel smelting	16,204,622	5.28
6	Group F Wholesale of electronic and communication equipment and parts	14,618,999	4.76
7	Group G Computers manufacturing	14,280,362	4.65
8	Group H Iron and steel smelting	12,815,322	4.18
9	Group I Panel and components manufacturing	12,723,145	4.15
10	Group J Wiring and cable system manufacturing	12,381,870	4.04

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	March 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	10.79
2	Group B Petroleum and coal products manufacturing	29,492,316	10.45
3	Group C Real estate development	25,889,314	9.18
4	Group D Cotton and textile	15,428,975	5.47
5	Group E Iron and steel smelting	14,666,351	5.20
6	Group J Wiring and cable system manufacturing	14,521,522	5.15
7	Group F Wholesale of electronic and communication equipment and parts	14,387,815	5.10
8	Group G Computers manufacturing	14,335,398	5.08
9	Group K Cotton and textile	13,835,883	4.90
10	Group H Iron and steel smelting	13,538,489	4.80

2) Taiwan Cooperative Bills Finance Corporation Ltd. (TCBF)

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	March 31, 2026		
	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	15.61
2	Group B Rolling and extruding of iron and steel	1,113,000	14.37
3	Group C Real estate development	1,000,000	12.91
4	Group D Rolling and extruding of iron and steel	930,000	12.01
5	Group E Real estate development	906,800	11.71
6	Group F Real estate development	837,500	10.81
7	Group G Wholesale of Motor Vehicles and Motorcycles Parts and Accessories	780,000	10.07
8	Group H Real estate development	753,100	9.72
9	Group I Real estate development	702,000	9.06
10	Group J Wholesale of electronic and communication equipment and parts	700,000	9.04

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	**March 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	$ 1,950,200	26.20
2	Group K Real estate development	1,200,000	16.12
3	Group B Rolling and extruding of iron and steel	1,123,000	15.08
4	Group L Real estate development	1,104,000	14.83
5	Group C Real estate development	1,100,000	14.78
6	Group M Construction of buildings	1,000,000	13.43
7	Group I Real estate development	939,300	12.62
8	Group D Rolling and extruding of iron and steel	930,000	12.49
9	Group H Real estate development	829,800	11.15
10	Group G Wholesale of Motor Vehicles and Motorcycles Parts and Accessories	761,500	10.23

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
March 31, 2026

(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	$ 3,344,979,473	$ 233,360,822	$ 89,442,910	$ 471,192,640	$ 4,138,975,845
Interest rate-sensitive liabilities	1,271,069,953	2,133,103,725	215,529,716	69,988,654	3,689,692,048
Interest rate sensitivity gap	2,073,909,520	(1,899,742,903)	(126,086,806)	401,203,986	449,283,797
Net worth					269,625,101
Ratio of interest rate-sensitive assets to liabilities					112.18
Ratio of interest rate sensitivity gap to net worth					166.63

Interest Rate Sensitivity
March 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	$ 3,278,799,595	$ 197,689,933	$ 61,026,172	$ 470,890,716	$ 4,008,406,416
Interest rate-sensitive liabilities	1,292,705,252	2,033,712,665	158,086,778	72,687,339	3,557,192,034
Interest rate sensitivity gap	1,986,094,343	(1,836,022,732)	(97,060,606)	398,203,377	451,214,382
Net worth					244,936,384
Ratio of interest rate-sensitive assets to liabilities					112.68
Ratio of interest rate sensitivity gap to net worth					184.22

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
March 31, 2026

(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	$ 15,037,418	$ 1,335,453	$ 1,087,808	$ 2,902,840	$ 20,363,519
Interest rate-sensitive liabilities	23,010,608	2,572,662	3,181,866	-	28,765,136
Interest rate sensitivity gap	(7,973,190)	(1,237,209)	(2,094,058)	2,902,840	(8,401,617)
Net worth					1,160,376
Ratio of interest rate-sensitive assets to liabilities					70.79
Ratio of interest rate sensitivity gap to net worth					(724.04)

Interest Rate Sensitivity
March 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	$ 12,365,261	$ 1,185,074	$ 1,181,242	$ 3,145,111	$ 17,876,688
Interest rate-sensitive liabilities	19,325,242	3,893,111	1,803,210	44,300	25,065,863
Interest rate sensitivity gap	(6,959,981)	(2,708,037)	(621,968)	3,100,811	(7,189,175)
Net worth					1,120,452
Ratio of interest rate-sensitive assets to liabilities					71.32
Ratio of interest rate sensitivity gap to net worth					(641.63)

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		March 31, 2026	March 31, 2025
Return on total assets	Before income tax	0.54	0.48
	After income tax	0.43	0.37
Return on equity	Before income tax	10.05	9.46
	After income tax	8.06	7.20
Net income ratio		36.03	33.09

2) Taiwan Cooperative Financial Holding Co., Ltd.

(%)

Items		March 31, 2026	March 31, 2025
Return on total assets	Before income tax	6.63	6.00
	After income tax	6.66	6.03
Return on equity	Before income tax	7.92	7.19
	After income tax	7.96	7.23
Net income ratio		99.30	99.24

3) Taiwan Cooperative Bank, Ltd.

(%)

Items		March 31, 2026	March 31, 2025
Return on total assets	Before income tax	0.49	0.51
	After income tax	0.39	0.40
Return on equity	Before income tax	8.33	8.90
	After income tax	6.66	7.08
Net income ratio		34.62	35.64

4) Taiwan Cooperative Bills Finance Corporation Ltd.

(%)

Items		March 31, 2026	March 31, 2025
Return on total assets	Before income tax	0.82	0.58
	After income tax	0.66	0.45
Return on equity	Before income tax	7.64	5.68
	After income tax	6.10	4.46
Net income ratio		58.93	51.09

5) Taiwan Cooperative Securities Co., Ltd.

(%)

Items		March 31, 2026	March 31, 2025
Return on total assets	Before income tax	4.53	(0.57)
	After income tax	4.15	(0.89)
Return on equity	Before income tax	24.99	(2.76)
	After income tax	22.86	(4.35)
Net income ratio		49.26	(32.41)

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

(%)

Items		March 31, 2026	March 31, 2025
Return on total assets	Before income tax	1.80	1.31
	After income tax	1.52	0.78
Return on equity	Before income tax	14.29	10.85
	After income tax	12.07	6.47
Net income ratio		77.63	54.41

Note 1: Return on total assets = Income before (after) income tax/Average total assets.

Note 2: Return on equity = Income before (after) income tax/Average equity.

Note 3: Net income ratio = Income after income tax/Total net revenues.

Note 4: Income before (after) income tax represents income for each period-end date.

Note 5: The above profitability ratios are calculated on the basis of annualized figures.

e. Maturity analysis of assets and liabilities - Taiwan Cooperative Bank, Ltd.

Maturity Analysis of Assets and Liabilities
March 31, 2026

(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	$ 4,550,243,760	$ 667,334,943	$ 295,544,134	$ 225,772,305	$ 310,072,813	$ 629,023,656	$ 2,422,495,909
Main capital outflow on maturity	5,187,503,523	316,129,031	246,150,708	601,680,439	712,316,740	1,086,163,492	2,225,063,113
Gap	(637,259,763)	351,205,912	49,393,426	(375,908,134)	(402,243,927)	(457,139,836)	197,432,796

Maturity Analysis of Assets and Liabilities
March 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	$ 4,344,793,191	$ 490,133,606	$ 434,538,816	$ 182,093,605	$ 303,325,289	$ 599,738,584	$ 2,334,963,291
Main capital outflow on maturity	5,038,707,844	297,513,922	271,200,261	551,120,913	774,093,387	991,750,513	2,153,028,848
Gap	(693,914,653)	192,619,684	163,338,555	(369,027,308)	(470,768,098)	(392,011,929)	181,934,443

Note: The above amounts included only New Taiwan dollar amounts held by TCB.

Maturity Analysis of Assets and Liabilities
March 31, 2026

(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	$ 31,182,614	$ 8,747,403	$ 3,954,749	$ 3,217,819	$ 3,874,929	$ 11,387,714
Main capital outflow on maturity	34,655,951	13,714,401	7,503,240	4,951,886	5,256,696	3,229,728
Gap	(3,473,337)	(4,966,998)	(3,548,491)	(1,734,067)	(1,381,767)	8,157,986

Maturity Analysis of Assets and Liabilities
March 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	$ 27,182,705	$ 7,671,142	$ 3,970,257	$ 2,631,837	$ 2,555,565	$ 10,353,904
Main capital outflow on maturity	31,373,739	10,827,619	6,821,851	6,251,107	3,948,537	3,524,625
Gap	(4,191,034)	(3,156,477)	(2,851,594)	(3,619,270)	(1,392,972)	6,829,279

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.

March 31, 2026

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	$ 20,291,453	$ 19,930,543	$ 1,298,689	$ 1,705,222	$ -
	Bonds	50,000	850,000	888,765	2,146,255	21,238,560
	Cash in bank	293,091	120,200	-	-	-
	Total	20,634,544	20,900,743	2,187,454	3,851,477	21,238,560
Source of funds	Borrowings	10,660,000	-	-	-	-
	Securities sold under repurchase agreements	51,745,865	2,055,719	746,881	-	-
	Equity fund	-	-	-	-	-
	Total	62,405,865	2,055,719	746,881	-	-
Net flows		(41,771,321)	18,845,024	1,440,573	3,851,477	21,238,560
Accumulated capital net flows		(41,771,321)	(22,926,297)	(21,485,724)	(17,634,247)	3,604,313

March 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	$ 25,353,472	$ 19,305,914	$ 1,511,476	$ 334,362	$ -
	Bonds	349,615	300,000	1,299,230	1,014,855	19,449,310
	Cash in bank	446,459	120,200	-	-	-
	Total	26,149,546	19,726,114	2,810,706	1,349,217	19,449,310
Source of funds	Borrowings	8,786,025	-	-	-	-
	Securities sold under repurchase agreements	53,156,395	3,358,920	23,066	-	-
	Equity fund	-	-	-	-	-
	Total	61,942,420	3,358,920	23,066	-	-
Net flows		(35,792,874)	16,367,194	2,787,640	1,349,217	19,449,310
Accumulated capital net flows		(35,792,874)	(19,425,680)	(16,638,040)	(15,288,823)	4,160,487

49. 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

Trust Assets	March 31, 2026	December 31, 2025	March 31, 2025	Trust Liabilities	March 31, 2026	December 31, 2025	March 31, 2025
Cash in banks	$ 15,715,064	$ 17,497,817	$ 16,802,580	Payables			
				Accrued expense	$ 2,797	$ 2,806	$ 2,308
Short-term investments				Others	152	337	509
Mutual funds	294,115,760	284,057,651	274,900,225	Payables on the purchase of securities			
Stocks	7,266,209	6,773,111	6,036,672				
Debt instruments	450,401	453,465	512,902		561	439	2,507
	301,832,370	291,284,227	281,449,799		3,510	3,582	5,324
Securities lending	8,140	164,026	96,367	Accounts payable on securities under custody			
Receivables	22,871	25,313	41,435		271,405,683	265,337,844	256,187,111
Real estate				Trust capital	432,663,611	423,830,076	418,852,913
Land	62,843,410	63,373,890	64,775,951				
Buildings	20,765	15,625	16,434	Reserves and retained earnings			
Construction in process	54,466,122	53,587,738	56,707,498				
	117,330,297	116,977,253	121,499,883	Net income	1,907,248	2,003,438	789,389
Intangible assets				Retained earnings	416,448	194,144	324,440
Superficies	82,002	82,002	82,002		2,323,696	2,197,582	1,113,829
Other assets	73	602	-				
Securities under custody	271,405,683	265,337,844	256,187,111				
Total	$ 706,396,500	$ 691,369,084	$ 676,159,177	Total	$ 706,396,500	$ 691,369,084	$ 676,159,177

Note: As of March 31, 2026, December 31, 2025 and March 31, 2025, total trust-related assets included OBU funds and bonds investments in the amount of $1,945,727 thousand, $1,764,358 thousand and $2,262,507 thousand, respectively.

Trust Property List

Investment Items	March 31, 2026	December 31, 2025	March 31, 2025
Cash in banks	$ 15,715,064	$ 17,497,817	$ 16,802,580
Short-term investments			
Mutual funds	294,115,760	284,057,651	274,900,225
Stocks	7,266,209	6,773,111	6,036,672
Debt instruments	450,401	453,465	512,902
Securities lending	8,140	164,026	96,367
Receivables			
Accrued interest	13,063	14,461	14,934
Mutual funds	-	-	15,057
Cash dividends	9,797	9,785	10,431
Receivables on the sale of securities	-	174	216
Others	11	893	797
Real estate			
Land	62,843,410	63,373,890	64,775,951
Buildings	20,765	15,625	16,434
Construction in process	54,466,122	53,587,738	56,707,498
Intangible assets			
Superficies	82,002	82,002	82,002
Other assets	73	602	-
Securities under custody	271,405,683	265,337,844	256,187,111
Total	$ 706,396,500	$ 691,369,084	$ 676,159,177

Statements of Income on Trust Accounts
For the Three Months Ended March 31, 2026 and 2025

	2026	2025
Revenues		
Interest revenue	$ 20,883	$ 20,156
Lending stock	590	629
Cash dividends	10,131	17,544
Realized gain on investment - stocks	41,416	22,892
Unrealized gain on investment - stocks	2,030,359	1,031,385
Unrealized gain on capital - lending stock	766	45,441
Realized gain on investment - mutual funds	1,178	4,483
Unrealized gain on investment - mutual funds	124,631	103,184
Beneficial certificate appropriation	6,349	5,855
Others	22,951	27,092
Total revenues	2,259,254	1,278,661
Expenses		
Management fees	3,237	3,170
Monitoring fees	3	4
Service charge	28	22
Postage	50,216	34,014
Unrealized loss on investment - stocks	216,944	401,378
Unrealized loss on capital - lending stock	3,782	32,200
Unrealized loss on investment - mutual funds	37,087	18,144
Realized loss on investment - mutual funds	668	29
Realized loss on investment - stocks	40,020	283
Others	21	28
Total expenses	352,006	489,272
Income before income tax	1,907,248	789,389
Income tax expense	-	-
Net income	$ 1,907,248	$ 789,389

b. Nature of trust business operations under the Trust Law: Note 1.

50. 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 paid by TCB were based on the arrangements.

As of March 31, 2026, December 31, 2025 and March 31, 2025, TCB’s accrued receivables were $6,607 thousand, $7,738 thousand and $4,441 thousand, respectively. TCB’s revenues from cross-selling transactions were $5,213 thousand and $4,920 thousand for the three months ended March 31, 2026 and 2025, 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, TCB's accrued payables were $6 thousand. TCB's revenues from cross-selling transactions were $7 thousand and $10 thousand for the three months ended March 31, 2026 and 2025, 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 March 31, 2025, TCB's accrued receivables were $2,660 thousand and $2,230 thousand, respectively. TCB's revenues from cross-selling transactions were $2,662 thousand and $2,923 thousand for the three months ended March 31, 2026 and 2025, respectively.

51. TCFHC'S FINANCIAL STATEMENTS AND CONDENSED BALANCE SHEETS AND STATEMENTS OF COMPREHENSIVE INCOME OF SUBSIDIARIES

Table 3 (attached).

52. BUSINESS SEGMENT FINANCIAL INFORMATION

Table 4 (attached).

53. CASH FLOW INFORMATION

a. Non-cash financing activities

Undistributed cash dividends approved by stockholders' meetings are $557,672 thousand, $557,672 thousand and $519,017 thousand as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively.

b. Changes in liabilities arising from financing activities

For the three months ended March 31, 2026

			Non-cash Changes			
	Opening Balance	Cash Inflows (Outflows)	New Leases	Fair Value Adjustments (Including Changes in the Fair Value Attributable to Changes in the Credit Risk)	Others	Closing Balance
Commercial paper issued	$ 45,973,834	$ 2,658,972	$ -	$ -	$ -	$ 48,632,806
Bonds payable	78,140,000	-	-	-	-	78,140,000
Other borrowings	7,986,286	1,512,325	-	-	-	9,498,611
Financial liabilities at fair value through profit or loss - bank debentures	3,861,754	1,197,023	-	(4,092)	(27,846)	5,026,839
Guarantee deposits received	2,927,066	(281,417)	-	-	-	2,645,649
Lease liabilities	1,579,627	(150,130)	30,780	-	168,026	1,628,303
Other liabilities - other	76,615	-	-	-	5,684	82,299
	$ 140,545,182	$ 4,936,773	$ 30,780	$ (4,092)	$ 145,864	$ 145,654,507

For the three months ended March 31, 2025

	Opening Balance	Cash Inflows (Outflows)	Non-cash Changes: New Leases	Non-cash Changes: Fair Value Adjustments (Including Changes in the Fair Value Attributable to Changes in the Credit Risk)	Others	Closing Balance
Commercial paper issued	$ 38,061,951	$ 3,650,000	$ -	$ -	$ (11,249)	$ 41,700,702
Bonds payable	79,140,000	-	-	-	-	79,140,000
Other borrowings	11,033,195	(4,503,554)	-	-	528,870	7,058,511
Financial liabilities at fair value through profit or loss - bank debentures	4,768,858	(1,047,161)	-	3,090	97,407	3,822,194
Guarantee deposits received	2,507,956	(143,168)	-	-	1,249	2,366,037
Lease liabilities	1,720,552	(152,900)	(88)	-	81,771	1,649,335
Other liabilities - other	73,898	(1,318)	-	-	(97)	72,483
	$ 137,306,410	$ (2,198,101)	$ (88)	$ 3,090	$ 697,951	$ 135,809,262

54. 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 5 (attached).

2) Endorsement/guarantee 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 6 (attached).

4) Financial asset securitization by subsidiaries: None.

5) Allowance of service fees to related parties amounting to at least NT$5 million: Table 7 (attached).

6) Sale of nonperforming loans by subsidiaries: None.

7) Receivables from related parties amounting to at least NT$300 million or 10% of the paid-in capital: Table 8 (attached).

8) Percentage share in investees and related information: Not applicable.

9) 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 had 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 9 (attached).

d. Business relationships and significant transactions among the parent company and subsidiaries: Table 10 (attached).

55. 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 three months ended March 31, 2026 and 2025 are as follows:

	For the Three Months Ended March 31, 2026				
	TCB Business	Others	Total	Adjustment and Elimination	Total
Net interest	$ 8,925,815	$ 238,464	$ 9,164,279	$ 2,055	$ 9,166,334
Net revenues and gains other than interest	5,751,423	7,537,508	13,288,931	(6,322,181)	6,966,750
Net revenues	14,677,238	7,775,972	22,453,210	(6,320,126)	16,133,084
Bad-debt expenses and provision for losses on commitment and guarantees	(1,115,852)	(49,801)	(1,165,653)	-	(1,165,653)
Other insurance operating costs and expenses	-	46,612	46,612	-	46,612
Operating expenses	(7,209,552)	(759,939)	(7,969,491)	199,830	(7,769,661)
Income before income tax	$ 6,351,834	$ 7,012,844	$ 13,364,678	$ (6,120,296)	$ 7,244,382

	For the Three Months Ended March 31, 2025				
	TCB Business	Others	Total	Adjustment and Elimination	Total
Net interest	$ 8,243,169	$ 41,124	$ 8,284,293	$ 1,607	$ 8,285,900
Net revenues and gains other than interest	5,652,454	5,937,460	11,589,914	(5,451,285)	6,138,629
Net revenues	13,895,623	5,978,584	19,874,207	(5,449,678)	14,424,529
Bad-debt expenses and provision for losses on commitment and guarantees	(605,480)	(62,874)	(668,354)	-	(668,354)
Other insurance operating costs and expenses	-	(53,511)	(53,511)	-	(53,511)
Operating expenses	(7,069,973)	(597,903)	(7,667,876)	228,738	(7,439,138)
Income before income tax	$ 6,220,170	$ 5,264,296	$ 11,484,466	$ (5,220,940)	$ 6,263,526

TABLE 1

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED ENTITIES
MARCH 31, 2026, DECEMBER 31, 2025 AND MARCH 31, 2025

Subsidiaries included in the consolidated financial statements

Investor Company	Investee Company	Location	Main Business and Products	Percentage of Ownership			Note
				March 31, 2026	December 31, 2025	March 31, 2025	
Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	Taipei City	Banking	100.00	100.00	100.00	
	Co-operative Assets Management Co., Ltd.	Taipei City	Acquisition of delinquent loans	100.00	100.00	100.00	Note
	Taiwan Cooperative Bills Finance Co., Ltd.	Taipei City	Bills finance dealer	100.00	100.00	100.00	
	Taiwan Cooperative Securities Co., Ltd.	Taipei City	Securities dealer	100.00	100.00	100.00	
	Taiwan Cooperative Securities Investment Trust Co., Ltd.	Taipei City	Securities investment trust	100.00	100.00	100.00	Note
	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taipei City	Life insurance	51.00	51.00	51.00	
	Taiwan Cooperative Venture Capital Co., Ltd.	Taipei City	Venture capital	100.00	100.00	100.00	Note
Taiwan Cooperative Bank, Ltd.	United Taiwan Bank S.A.	Belgium	Banking	90.02	90.02	90.02	
Co-operative Assets Management Co., Ltd.	Taiwan Cooperative International Leasing Co., Ltd.	Suzhou, China	Leasing	100.00	100.00	100.00	Note
Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Securities Investment Consultant Co., Ltd.	Taipei City	Securities investment consulting business	100.00	100.00	100.00	Note

Subsidiaries not included in the consolidated financial statements

Investor Company	Investee Company	Location	Main Business and Products	Percentage of Ownership			Note
				March 31, 2026	December 31, 2025	March 31, 2025	
None	-	-	-	-	-	-	

Note: Non-major subsidiary, which financial reports for the three months ended March 31, 2026 and 2025 are not reviewed.

TAIWAN COOPERATIVE BANK, LTD.

ASSET QUALITY - NONPERFORMING LOANS AND RECEIVABLES
MARCH 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars, %)

Period			March 31, 2026					March 31, 2025				
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		$ 1,644,602	$ 809,946,391	0.20	$ 9,269,336	563.62	$ 2,282,184	$ 813,821,182	0.28	$ 8,790,430	385.18
	Unsecured		647,311	1,232,182,605	0.05	12,165,699	1,879.42	799,791	1,133,527,284	0.07	10,277,952	1,285.08
Consumer banking	Housing mortgage (Note 4)		802,605	889,508,603	0.09	13,393,366	1,668.74	710,722	831,709,435	0.09	12,529,776	1,762.96
	Cash card		-	-	-	-	-	-	-	-	-	-
	Small-scale credit loans (Note 5)		41,257	14,869,357	0.28	230,258	558.11	27,211	13,471,935	0.20	183,227	673.36
	Other (Note 6)	Secured	1,666,788	272,058,273	0.61	3,610,294	216.60	1,439,314	281,582,578	0.51	3,220,579	223.76
		Unsecured	51,651	9,892,958	0.52	169,305	327.79	38,943	10,912,398	0.36	159,106	408.56
Loan			4,854,214	3,228,458,187	0.15	38,838,258	800.09	5,298,165	3,085,024,812	0.17	35,161,070	663.65
			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			7,682	4,640,188	0.17	50,816	661.49	8,327	4,279,558	0.19	59,739	717.41
Accounts receivable factored without recourse (Note 7)			-	4,031	-	3,105	-	-	4,377	-	4,106	-
Amounts of executed contracts on negotiated debts not reported as nonperforming loans (Note 8)			53					82				
Amounts of executed contracts on negotiated debts not reported as nonperforming receivables (Note 8)			364					646				
Amounts of executed debt-restructuring projects not reported as nonperforming loans (Note 9)			11,126					11,112				
Amounts of executed debt-restructuring projects not reported as nonperforming receivables (Note 9)			52,245					44,979				

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 credit card 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
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025

1. TCFHC's financial statements

Taiwan Cooperative Financial Holding Co., Ltd.

Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	March 31, 2026	December 31, 2025 (Restated)	March 31, 2025 (Restated)	January 1, 2025 (Restated)
Cash and cash equivalents	$ 55,805	$ 57,679	$ 49,548	$ 75,377
Financial assets at fair value through other comprehensive income	-	-	13,475	14,950
Receivables	349	351	352	352
Current tax assets	5,452,839	4,545,471	3,784,534	2,676,390
Investments accounted for using equity method	332,594,525	329,172,743	307,467,120	302,394,129
Properties and equipment, net	15,980	16,380	17,576	18,575
Right-of-use assets, net	42,266	49,862	72,451	80,025
Intangible assets	7,423	8,444	9,732	10,609
Deferred tax assets	310	309	286	339
Other assets	9,671	9,157	9,838	9,317
Total	$ 338,179,168	$ 333,860,396	$ 311,424,912	$ 305,280,063

Liabilities and Equity	March 31, 2026	December 31, 2025 (Restated)	March 31, 2025 (Restated)	January 1, 2025 (Restated)
Liabilities				
Commercial paper issued, net	$ 31,348,291	$ 31,188,517	$ 26,524,669	$ 23,398,101
Payables	641,264	589,971	593,267	539,514
Current tax liabilities	5,520,875	4,639,948	4,364,172	3,281,791
Bonds payable	17,900,000	17,900,000	20,000,000	20,000,000
Other borrowings	-	-	-	3,000,000
Other financial liabilities	-	2,030	2,772	2,767
Lease liabilities	44,758	52,599	75,556	83,115
Other liabilities	7,383	5,658	5,225	5,063
Total liabilities	55,462,571	54,378,723	51,565,661	50,310,351
Equity				
Capital stock	156,809,369	156,809,369	152,242,106	152,242,106
Capital surplus	45,652,306	45,652,306	45,652,306	45,652,306
Retained earnings	79,002,260	70,295,098	69,920,637	64,745,494
Other equity	1,252,662	6,724,900	(7,955,798)	(7,670,194)
Total equity	282,716,597	279,481,673	259,859,251	254,969,712
Total	$ 338,179,168	$ 333,860,396	$ 311,424,912	$ 305,280,063

(Continued)

Taiwan Cooperative Financial Holding Co., Ltd.

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

	For the Three Months Ended March 31	
	2026	**2025 (Restated)**
Revenues and gains		
Share of gains of subsidiaries, associates and joint ventures accounted for using equity method	$ 5,776,445	$ 4,900,818
Other revenues and gains	78	182
Total revenues and gains	5,776,523	4,901,000
Expenses and losses		
Operating expenses	(65,805)	(61,340)
Share of losses of subsidiaries, associates and joint ventures accounted for using equity method	-	(68,180)
Other expenses and losses	(147,573)	(146,529)
Total expenses and losses	(213,378)	(276,049)
Income before income tax	5,563,145	4,624,951
Income tax benefit	26,442	25,710
Net income	5,589,587	4,650,661
Other comprehensive income	(1,742,702)	238,878
Total comprehensive income	$ 3,846,885	$ 4,889,539
Earnings per share (New Taiwan dollars)		
Basic	$0.36	$0.30
Diluted	$0.36	$0.30

(Continued)

Taiwan Cooperative Financial Holding Co., Ltd.

Statements of Changes in Equity
(In Thousands of New Taiwan Dollars)

	Capital Stock			Retained Earnings			Other Equity						
	Shares (In Thousands)	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences in Translation of Financial Statements of Foreign Operations	Unrealized 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	Insurance Finance Income or Expenses Recognized in Other Comprehensive Income	Finance Income or Expenses from Reinsurance Contracts Held Recognized in Other Comprehensive Income	Total Equity
BALANCE ON JANUARY 1, 2026	15,680,936	$ 156,809,369	$ 45,652,306	$ 19,737,773	$ 7,899,270	$ 42,658,055	$ 918,167	$ 5,513,392	$ (26,033)	$ -	$ 319,816	$ (442)	$ 279,481,673
Redesignation of financial assets	-	-	-	-	-	-	-	39	-	-	-	-	39
Redesignated balance on January 1, 2026	15,680,936	156,809,369	45,652,306	19,737,773	7,899,270	42,658,055	918,167	5,513,431	(26,033)	-	319,816	(442)	279,481,712
Favorable impact on equity arising from the adoption of IFRS 17 reclassified to the foreign exchange valuation reserve	-	-	-	-	-	(612,000)	-	-	-	-	-	-	(612,000)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	3,729,544	-	(3,729,544)	-	-	-	-	-
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	-	-	-	-	-	31	-	-	(31)	-	-	-	-
Total comprehensive income													
Net income for the three months ended March 31, 2026	-	-	-	-	-	5,589,587	-	-	-	-	-	-	5,589,587
Other comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	-	-	785,606	(2,790,870)	4,092	-	258,506	(36)	(1,742,702)
Total comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	-	5,589,587	785,606	(2,790,870)	4,092	-	258,506	(36)	3,846,885
BALANCE ON MARCH 31, 2026	15,680,936	$ 156,809,369	$ 45,652,306	$ 19,737,773	$ 7,899,270	$ 51,365,217	$ 1,703,773	$ (1,006,983)	$ (21,972)	$ -	$ 578,322	$ (478)	$ 282,716,597
BALANCE ON JANUARY 1, 2025	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
Impact of retrospective application and restatement under IFRS 17	-	-	-	-	-	691,212	-	-	-	(14,312)	243,072	316	920,288
Restated balance as at January 1, 2025	15,224,210	152,242,106	45,652,306	17,288,787	7,127,657	40,329,050	2,299,553	(10,200,732)	(12,403)	-	243,072	316	254,969,712
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	522,020	-	(522,020)	-	-	-	-	-
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	-	-	-	-	-	2,462	-	-	(2,462)	-	-	-	-
Total comprehensive income													
Net income for the three months ended March 31, 2025	-	-	-	-	-	4,650,661	-	-	-	-	-	-	4,650,661
Other comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	-	617,113	(403,590)	(3,090)	-	29,404	(959)	238,878
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	4,650,661	617,113	(403,590)	(3,090)	-	29,404	(959)	4,889,539
BALANCE ON MARCH 31, 2025	15,224,210	$ 152,242,106	$ 45,652,306	$ 17,288,787	$ 7,127,657	$ 45,504,193	$ 2,916,666	$ (11,126,342)	$ (17,955)	$ -	$ 272,476	$ (643)	$ 259,859,251

(Continued)

Taiwan Cooperative Financial Holding Co., Ltd.

Statements of Cash Flows
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	**2025 (Restated)**
Cash flows from operating activities		
Income before income tax	$ 5,563,145	$ 4,624,951
Adjustments for:		
Share of gains of subsidiaries, associates and joint ventures accounted for using the equity method	(5,776,445)	(4,832,638)
Depreciation and amortization expenses	10,097	10,389
Interest expense	147,573	146,529
Net changes in operating assets and liabilities		
Decrease in receivables	2	-
Increase in other assets	(514)	(521)
Increase in payables	25,112	27,564
(Decrease) increase in other liabilities	(85)	162
Cash used in operations	(31,115)	(23,564)
Interest paid	(121,442)	(133,486)
Net cash used in operating activities	(152,557)	(157,050)
Cash flows from investing activities		
Acquisition of properties and equipment	(1,080)	(743)
Acquisition of intangible assets	-	(196)
Net cash used in investing activities	(1,080)	(939)
Cash flows from financing activities		
Increase in commercial paper issued	160,000	3,140,000
Decrease in other borrowings	-	(3,000,000)
(Decrease) increase in guarantee deposits received	(220)	5
Repayments of the principal portion of lease liabilities	(8,017)	(7,845)
Net cash generated from financing activities	151,763	132,160
Net decrease in cash and cash equivalents	(1,874)	(25,829)
Cash and cash equivalents, beginning of the period	57,679	75,377
Cash and cash equivalents, end of the period	$ 55,805	$ 49,548

(Continued)

2. Subsidiaries' condensed balance sheets

Taiwan Cooperative Bank, Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	March 31, 2026	December 31, 2025	March 31, 2025	Liabilities and Equity	March 31, 2026	December 31, 2025	March 31, 2025
Cash and cash equivalents	$ 53,926,140	$ 69,943,156	$ 71,514,069	Liabilities			
Due from the Central Bank and call loans to other banks	454,466,762	429,817,685	376,587,999				
Financial assets at fair value through profit or loss	153,707,113	137,187,255	113,671,565	Deposits from the Central Bank and other banks	$ 534,295,113	$ 498,812,103	$ 457,999,366
Financial assets at fair value through other comprehensive income	505,755,374	474,995,273	462,166,106	Financial liabilities at fair value through profit or loss	5,607,604	4,759,110	4,310,664
				Securities sold under repurchase agreements	7,133,049	7,707,127	9,045,075
Investments in debt instruments at amortized cost	737,845,637	826,672,103	760,794,075	Payables	43,857,517	39,407,661	43,910,964
Receivables, net	22,030,121	22,882,743	23,516,289	Current tax liabilities	3,230,703	2,254,883	1,517,996
Current tax assets	2,621,985	2,513,952	3,578,951	Deposits and remittances	4,200,528,734	4,202,655,877	4,049,776,762
Discounts and loans, net	3,189,224,129	3,113,218,030	3,049,426,457	Bank debentures	60,240,000	60,240,000	59,140,000
Investments accounted for using equity method	2,716,292	2,688,883	2,520,375	Other financial liabilities	2,616,877	2,860,805	2,597,204
Other financial assets, net	6,856,199	7,747,528	11,050,267	Provisions	5,824,362	5,906,751	5,245,159
Properties and equipment, net	30,890,475	30,835,847	31,243,136	Lease liabilities	1,567,459	1,558,503	1,618,661
Right-of-use assets, net	1,587,762	1,594,036	1,646,600	Deferred tax liabilities	5,574,505	5,382,861	5,474,721
Investment properties, net	7,835,474	7,850,595	7,624,804	Other liabilities	1,012,232	1,147,387	808,865
Intangible assets	4,669,658	4,715,299	4,752,760	Total liabilities	4,871,488,155	4,832,693,068	4,641,445,437
Deferred tax assets	995,213	941,912	1,060,988				
Other assets, net	3,215,586	2,375,455	2,431,989	Equity			
				Capital stock	130,694,300	130,694,300	122,988,300
				Capital surplus	58,767,245	58,767,245	58,767,245
				Retained earnings	116,386,111	107,585,420	107,970,636
				Other equity	1,008,109	6,239,719	(7,585,188)
				Total equity	306,855,765	303,286,684	282,140,993
Total	$ 5,178,343,920	$ 5,135,979,752	$ 4,923,586,430	Total	$ 5,178,343,920	$ 5,135,979,752	$ 4,923,586,430

(Continued)

Taiwan Cooperative Bills Finance Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	March 31, 2026	December 31, 2025	March 31, 2025	Liabilities and Equity	March 31, 2026	December 31, 2025	March 31, 2025
Cash and cash equivalents	$ 153,091	$ 280,688	$ 326,459	Liabilities			
Financial assets at fair value through profit or loss	46,456,070	43,883,638	49,048,577				
Financial assets at fair value through other				Call loans from banks	$ 10,660,000	$ 8,241,560	$ 8,786,025
comprehensive income	24,309,326	23,076,777	21,288,354	Financial liabilities at fair value through profit or loss	11,732	4,727	6,637
Investments in debt instruments at amortized cost	1,425,292	1,426,133	1,155,030	Securities sold under repurchase agreements	54,495,310	53,421,138	56,477,896
Receivables, net	782,345	842,405	308,193	Payables	333,604	155,607	316,615
Current tax assets	43,559	16,364	48,498	Current tax liabilities	29,900	-	22,600
Other financial assets, net	260,200	260,200	727,848	Provisions	456,677	493,485	411,585
Properties and equipment, net	18,845	19,366	18,656	Lease liabilities	19,532	21,475	28,506
Right-of-use assets, net	18,802	20,725	27,786	Other liabilities	23,443	20,306	20,062
Intangible assets, net	4,432	4,774	2,507	Total liabilities	66,030,198	62,358,298	66,069,926
Deferred tax assets	1,285	1,285	2,280				
Other assets, net	303,391	294,727	560,226	Equity			
				Capital stock	4,877,740	4,877,740	4,877,740
				Capital surplus	312,633	312,633	312,633
				Retained earnings	2,370,333	2,248,862	2,235,095
				Other equity	185,734	329,549	19,020
				Total equity	7,746,440	7,768,784	7,444,488
Total	$ 73,776,638	$ 70,127,082	$ 73,514,414	Total	$ 73,776,638	$ 70,127,082	$ 73,514,414

Taiwan Cooperative Securities Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	March 31, 2026	December 31, 2025	March 31, 2025	Liabilities and Equity	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$ 42,209,730	$ 33,156,376	$ 31,812,392	Liabilities			
Financial assets at fair value through other							
comprehensive income - non-current	54,552	48,740	47,408	Current liabilities	$ 35,751,135	$ 27,074,860	$ 26,252,871
Investments accounted for using the equity method	58,617	56,973	52,651	Lease liabilities	155,168	168,456	46,282
Properties and equipment, net	92,348	96,542	92,874	Deferred tax liabilities	503	-	1,816
Right-of-use assets, net	153,519	166,986	44,984	Other liabilities	6,968	5,612	6,603
Intangible assets	67,100	69,628	59,206	Total liabilities	35,913,774	27,248,928	26,307,572
Deferred tax assets	37,869	16,486	20,693				
Other non-current assets	425,167	442,282	425,894	Equity			
				Capital stock	5,206,131	5,206,131	5,206,131
				Capital surplus	294,440	294,440	294,440
				Retained earnings	1,809,868	1,402,992	1,016,446
				Other equity	(125,311)	(98,478)	(268,487)
				Total equity	7,185,128	6,805,085	6,248,530
Total	$ 43,098,902	$ 34,054,013	$ 32,556,102	Total	$ 43,098,902	$ 34,054,013	$ 32,556,102

(Continued)

Co-operative Assets Management Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	March 31, 2026	December 31, 2025	March 31, 2025	Liabilities and Equity	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$ 113,761	$ 69,663	$ 56,914	Liabilities			
Financial assets at fair value through other comprehensive income	-	-	13,475	Current liabilities	$ 10,225,553	$ 9,635,383	$ 8,928,480
Accounts receivable, net	2,655,659	2,300,177	2,659,877	Lease liabilities	33,462	34,381	39,602
Investments accounted for using the equity method	1,309,232	1,264,498	1,283,837	Deferred tax liabilities	86,603	86,689	86,699
Properties and equipment, net	41,600	20,781	14,265	Other liabilities	116,651	116,121	129,041
Investment properties, net	5,142,104	4,897,868	4,976,912	Total liabilities	10,462,269	9,872,574	9,183,822
Right-of-use assets, net	32,882	33,874	39,383				
Intangible assets	1,948	2,292	2,752	Equity			
Deferred tax assets	236,494	244,601	212,804				
Long-term lease payment receivable	418,094	406,253	391,540	Capital stock	3,140,875	3,140,875	3,140,875
Long-term urban regeneration advance payment	4,611,291	4,611,960	3,571,814	Capital surplus	2,553	2,553	2,553
Other assets	10,633	10,471	2,691	Retained earnings	992,273	903,133	951,103
				Other equity	(24,272)	(56,697)	(52,089)
				Total equity	4,111,429	3,989,864	4,042,442
Total	$ 14,573,698	$ 13,862,438	$ 13,226,264	Total	$ 14,573,698	$ 13,862,438	$ 13,226,264

(Continued)

BNP Paribas Cardif TCB Life Insurance Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	March 31, 2026	December 31, 2025 (Restated)	March 31, 2025 (Restated)	January 1, 2025 (Restated)
Cash and cash equivalents	$ 4,431,286	$ 4,933,960	$ 4,188,559	$ 3,140,709
Receivables	1,224,701	1,279,129	1,144,023	1,175,414
Current tax assets	-	-	10,871	117,564
Financial assets at fair value through profit or loss	2,446,873	3,543,222	4,827,969	4,788,353
Financial assets at fair value through other comprehensive income	47,043,858	43,508,920	34,599,729	32,773,080
Financial assets measured at amortized cost	1,250,206	1,037,544	1,122,552	1,100,099
Loans	234,127	176,770	95,788	93,620
Reinsurance assets	260,675	304,815	176,002	114,293
Equipment	272,565	276,811	248,610	185,247
Right-of-use assets	42,861	44,441	58,760	63,533
Deferred tax assets	148,323	53,097	154,344	123,637
Other assets	1,794,327	1,532,143	1,264,617	1,311,400
Separate-account assets	56,046,215	63,382,420	74,340,580	79,800,216
Total	$ 115,196,017	$ 120,073,272	$ 122,232,404	$ 124,787,165

Liabilities and Equity	March 31, 2026	December 31, 2025 (Restated)	March 31, 2025 (Restated)	January 1, 2025 (Restated)
Liabilities				
Payables	$ 983,383	$ 1,433,902	$ 1,072,908	$ 1,239,389
Current tax liabilities	75,907	53,624	3,176	-
Financial liabilities at fair value through profit or loss	11,136,371	15,736,354	22,860,890	26,582,777
Lease liabilities	47,240	49,071	63,942	68,797
Insurance liabilities	84,101,688	84,498,578	80,735,850	80,313,612
Reinsurance liabilities	465,722	449,811	569,917	532,963
Deferred tax liabilities	993,131	1,159,698	1,298,111	1,047,010
Other liabilities	2,464,302	809,484	472,814	372,305
Total liabilities	100,267,744	104,190,522	107,077,608	110,156,853
Equity				
Capital stock	6,881,166	6,881,166	6,881,166	6,881,166
Capital surplus	9,310	9,310	9,310	9,310
Retained earnings	7,632,975	8,386,148	8,379,738	8,138,717
Other equity	404,822	606,126	(115,418)	(398,881)
Total equity	14,928,273	15,882,750	15,154,796	14,630,312
Total	$ 115,196,017	$ 120,073,272	$ 122,232,404	$ 124,787,165

(Continued)

Taiwan Cooperative Securities Investment Trust Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	March 31, 2026	December 31, 2025	March 31, 2025	Liabilities and Equity	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$ 407,396	$ 408,440	$ 419,750	Liabilities			
Financial assets at fair value through other comprehensive income - non-current	4,216	3,957	3,609	Current liabilities	$ 48,081	$ 48,978	$ 49,804
Properties and equipment, net	3,310	2,582	2,899	Lease liabilities	23,382	24,815	4,349
Right-of-use assets	23,188	24,692	4,184	Other liabilities	310	310	309
Intangible assets	1,470	1,747	1,343	Total liabilities	71,773	74,103	54,462
Prepaid equipment	1,592	1,592	398				
Other assets	56,479	56,479	56,219	Equity			
				Capital stock	319,498	319,498	319,498
				Capital surplus	72,860	72,860	72,860
				Retained earnings	31,578	31,345	40,247
				Other equity	1,942	1,683	1,335
				Total equity	425,878	425,386	433,940
Total	$ 497,651	$ 499,489	$ 488,402	Total	$ 497,651	$ 499,489	$ 488,402

Taiwan Cooperative Venture Capital Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	March 31, 2026	December 31, 2025	March 31, 2025	Liabilities and Equity	March 31, 2026	December 31, 2025	March 31, 2025
Current assets	$ 2,290,316	$ 871,256	$ 1,864,555	Liabilities			
Financial assets at fair value through profit or loss - non-current	-	1,231,589	-	Current liabilities	$ 351,826	$ 329,270	$ 287,070
Properties and equipment, net	3,255	3,608	4,470	Lease liabilities	6,556	7,476	10,207
Right-of-use assets	6,381	7,294	10,034	Other liabilities	3,339	3,089	2,569
Intangible assets	3	4	6	Total liabilities	361,721	339,835	299,846
Other assets	511	511	511				
				Equity			
				Capital stock	1,513,958	1,513,958	1,349,269
				Retained earnings	424,787	260,469	230,461
				Total equity	1,938,745	1,774,427	1,579,730
Total	$ 2,300,466	$ 2,114,262	$ 1,879,576	Total	$ 2,300,466	$ 2,114,262	$ 1,879,576

(Continued)

3. Subsidiaries’ condensed statements of comprehensive income

Taiwan Cooperative Bank, Ltd.

Condensed Statements of Comprehensive Income
For the Three Months Ended March 31, 2026 and 2025
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2026	2025
Interest revenues	$ 26,519,848	$ 26,325,984
Less: Interest expenses	(17,594,033)	(18,082,815)
Net interest	8,925,815	8,243,169
Net revenues and gains other than interest	5,751,423	5,652,454
Total net revenues	14,677,238	13,895,623
Bad-debt expenses and provision for losses on commitment and guarantees	(1,115,852)	(605,480)
Operating expenses	(7,209,552)	(7,069,973)
Income before income tax	6,351,834	6,220,170
Income tax expense	(1,270,517)	(1,268,330)
Net income	5,081,317	4,951,840
Other comprehensive (loss) income	(1,512,236)	40,008
Total comprehensive income	$ 3,569,081	$ 4,991,848
Earnings per share (NT$)		
Basic	$0.39	$0.38

Taiwan Cooperative Bills Finance Co., Ltd.

Condensed Statements of Comprehensive Income
For the Three Months Ended March 31, 2026 and 2025
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2026	2025
Net interest	$ 99,655	$ 63,120
Net revenues and gains other than interest	101,150	98,490
Total net revenues	200,805	161,610
Reversal (impairment losses) of allowance for credit losses and provision	4,068	(8,924)
Operating expenses	(56,638)	(47,521)
Income before income tax	148,235	105,165
Income tax expense	(29,900)	(22,600)
Net income	118,335	82,565
Other comprehensive (loss) income	(140,679)	3,307
Total comprehensive (loss) income	$ (22,344)	$ 85,872
Earnings per share (NT$)		
Basic	$0.24	$0.17

(Continued)

Taiwan Cooperative Securities Co., Ltd.

Condensed Statements of Comprehensive Income
For the Three Months Ended March 31, 2026 and 2025
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2026	2025
Revenues	$ 946,876	$ 358,995
Service charge	(46,205)	(21,427)
Other operating costs	(92,909)	(97,187)
Employee benefits	(234,450)	(144,643)
Other operating expenses	(140,215)	(109,026)
Other gains and losses	3,836	(30,000)
Income (loss) before income tax	436,933	(43,288)
Income tax expense	(37,123)	(24,892)
Net income (loss)	399,810	(68,180)
Other comprehensive (loss) income	(19,767)	34,006
Total comprehensive income (loss)	$ 380,043	$ (34,174)
Earnings (loss) per share (NT$)		
Basic	$0.77	$(0.13)

Co-operative Assets Management Co., Ltd.

Condensed Statements of Comprehensive Income
For the Three Months Ended March 31, 2026 and 2025
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2026	2025
Operating revenues	$ 322,670	$ 258,856
Operating expenses	(171,025)	(106,231)
Operating benefits	151,645	152,625
Non-operating gains and losses	(38,617)	(40,982)
Income before income tax	113,028	111,643
Income tax expense	(23,888)	(23,030)
Net income	89,140	88,613
Other comprehensive income	32,425	18,291
Total comprehensive income	$ 121,565	$ 106,904
Earnings per share (NT$)		
Basic	$0.28	$0.28

(Continued)

BNP Paribas Cardif TCB Life Insurance Co., Ltd.

Condensed Statements of Comprehensive Income
For the Three Months Ended March 31, 2026 and 2025
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2026	2025 (Restated)
Insurance service results	$ 261,652	$ 124,168
Financial results	207,870	277,879
Other operating results	59,389	2,099
Income before income tax	528,911	404,146
Income tax expense	(82,084)	(163,125)
Net income	446,827	241,021
Other comprehensive (loss) income	(201,380)	283,463
Total comprehensive income	$ 245,447	$ 524,484
Earnings per share (NT$)		
Basic	$0.65	$0.35

Taiwan Cooperative Securities Investment Trust Co., Ltd.

Condensed Statements of Comprehensive Income
For the Three Months Ended March 31, 2026 and 2025
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2026	2025
Operating revenues	$ 56,886	$ 69,937
Operating expenses	(57,939)	(67,216)
Operating income	(1,053)	2,721
Non-operating gains and losses	1,344	993
Income before income tax	291	3,714
Income tax expense	(58)	-
Net income	233	3,714
Other comprehensive income	259	176
Total comprehensive income	$ 492	$ 3,890
Earnings per share (NT$)		
Basic	$0.01	$0.12

(Continued)

Taiwan Cooperative Venture Capital Co., Ltd.

Condensed Statements of Comprehensive Income
For the Three Months Ended March 31, 2026 and 2025
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2026	2025
Operating revenues	$ 181,748	$ 17,551
Operating expenses	(15,212)	(11,225)
Operating income	166,536	6,326
Non-operating gains and losses	(1,620)	(1,411)
Income before income tax	164,916	4,915
Income tax expense	(598)	(1,651)
Net income	164,318	3,264
Other comprehensive income	-	-
Total comprehensive income	$ 164,318	$ 3,264
Earnings per share (NT$)		
Basic	$1.09	$0.02

(Concluded)

TABLE 4

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

BUSINESS SEGMENT FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars)

Business Segment / Items	For the Three Months Ended March 31, 2026					
	Banking	**Bill Finance**	**Security**	**Insurance**	**Others**	**Consolidated**
Net interest	$ 8,986,459	$ (109,451)	$ 54,979	$ 405,598	$ (171,251)	$ 9,166,334
Net revenues and gains other than interest	5,230,401	324,141	757,162	96,794	558,252	6,966,750
Total net revenues	14,216,860	214,690	812,141	502,392	387,001	16,133,084
Bad-debt expenses and provision for losses on commitment and guarantees	(1,103,081)	4,068	(678)	-	(65,962)	(1,165,653)
Other insurance operating costs and expenses	-	-	-	46,612	-	46,612
Operating expenses	(7,099,134)	(54,456)	(342,156)	(33,403)	(240,512)	(7,769,661)
Income before income tax	6,014,645	164,302	469,307	515,601	80,527	7,244,382
Income tax expenses	(1,283,127)	(29,900)	(37,123)	(82,084)	87	(1,432,147)
Net income	4,731,518	134,402	432,184	433,517	80,614	5,812,235

Business Segment / Items	For the Three Months Ended March 31, 2025					
	Banking	**Bill Finance**	**Security**	**Insurance**	**Others**	**Consolidated**
Net interest	$ 8,302,482	$ (160,957)	$ 42,820	$ 266,954	$ (165,399)	$ 8,285,900
Net revenues and gains other than interest	5,068,979	335,787	169,893	220,763	343,207	6,138,629
Total net revenues	13,371,461	174,830	212,713	487,717	177,808	14,424,529
Bad-debt expenses and provision for losses on commitment and guarantees	(624,344)	(8,924)	(61)	-	(35,025)	(668,354)
Other insurance operating costs and expenses	-	-	-	(53,511)	-	(53,511)
Operating expenses	(6,932,961)	(45,350)	(224,079)	(25,686)	(211,062)	(7,439,138)
Income before income tax	5,814,156	120,556	(11,427)	408,520	(68,279)	6,263,526
Income tax expenses	(1,280,890)	(22,600)	(24,892)	(163,125)	562	(1,490,945)
Net income	4,533,266	97,956	(36,319)	245,395	(67,717)	4,772,581

TABLE 5

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(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	$ 187,377	$ 398,986 (Note 3)	$ 1,595,945 (Note 3)
		Xiang Ximg Trading Co., Ltd	Receivables on lending funds	No	100,000	93,360	93,360	3-8	Short-term financing	-	Operating use	934	Stocks	30,000	398,986 (Note 3)	1,595,945 (Note 3)
		FLAGSHIP Square Enterprise Co., Ltd.	Receivables on lending funds	No	148,679	143,707	143,707	3-8	Short-term financing	-	Operating use	1,437	Real estate	209,575	398,986 (Note 3)	1,595,945 (Note 3)
		Tsuru Chikusan Co., Ltd.	Receivables on lending funds	No	182,500	149,750	149,750	3-8	Short-term financing	-	Operating use	1,498	Real estate	228,078	398,986 (Note 3)	1,595,945 (Note 3)
		Yieh Hong Enterprise Co., Ltd.	Receivables on lending funds	No	146,706	84,117	84,117	3-8	Short-term financing	-	Operating use	841	Stocks	101,250	398,986 (Note 3)	1,595,945 (Note 3)
		ET New Media Holding Co., Ltd.	Receivables on lending funds	No	42,113	16,923	16,923	3-8	Short-term financing	-	Operating use	169	None	-	398,986 (Note 3)	1,595,945 (Note 3)
		Tai Wan Asset Management Co.	Receivables on lending funds	No	50,000	47,000	47,000	3-8	Short-term financing	-	Operating use	470	None	-	398,986 (Note 3)	1,595,945 (Note 3)
		Feng Xin Development & Investment Co., Ltd.	Receivables on lending funds	No	23,770	19,976	19,976	3-8	Short-term financing	-	Operating use	200	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	20,884	17,757	17,757	3-8	Short-term financing	-	Operating use	178	None	-	398,986 (Note 3)	1,595,945 (Note 3)
		Easy Life Station Co., Ltd.	Receivables on lending funds	No	15,075	10,100	10,100	3-8	Short-term financing	-	Operating use	101	Guarantee	3,000	398,986 (Note 3)	1,595,945 (Note 3)
		Monisun International Co., Ltd.	Receivables on lending funds	No	30,000	27,000	27,000	3-8	Short-term financing	-	Operating use	270	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 on December 31, 2025 was $3,989,864 thousand.

TABLE 6

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD
MARCH 31, 2026
(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	March 31, 2026				Note
				Shares (In Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Convertible bonds							
Taiwan Cooperative Venture Capital Co., Ltd.	Kumamoto Co., Ltd.	-	Financial assets at fair value through profit or loss	-	$ 50,500	-	$ 50,500	
	Stock							
Co-operative Assets Management Co., Ltd.	Cooperative Financial International Lease Co., Ltd.	Subsidiary	Investments accounted for using equity method	-	1,309,232	100.00	1,309,232	Note
Taiwan Cooperative Securities Investment Trust Co., Ltd.	Fund Rich Securities Co., Ltd.	-	Financial assets at fair value through other comprehensive income	263	4,216	0.38	4,216	
Taiwan Cooperative Venture Capital Co., Ltd.	Handa Pharmaceuticals, Inc.	-	Financial assets at fair value through profit or loss	483	33,327	0.28	33,327	
	AnnJi Pharmaceutical Co., Ltd.	-	Financial assets at fair value through profit or loss	2,486	166,282	2.47	166,282	
	Anya Biopharm Inc.	-	Financial assets at fair value through profit or loss	966	30,014	1.97	30,014	
	Seetel New Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	137	24,523	0.26	24,523	
	Suregiant Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	25	20,568	0.11	20,568	
	SR Suntour Inc.	-	Financial assets at fair value through profit or loss	1,700	51,629	2.82	51,629	
	Phu Vinh Industrial Company	-	Financial assets at fair value through profit or loss	4,249	144,048	17.86	144,048	
	ULSee Cayman Co., Ltd.	-	Financial assets at fair value through profit or loss	651	16,791	0.43	16,791	
	Cloud Mile Inc.	-	Financial assets at fair value through profit or loss	838	56,178	2.31	56,178	
	Hoytek Precision Company	-	Financial assets at fair value through profit or loss	1,668	166,786	15.78	166,786	
	CDIB Capital Healthcare Ventures II Limited Partnership	-	Financial assets at fair value through profit or loss	-	40,760	-	40,760	
	Anivia Medical Holdings	-	Financial assets at fair value through profit or loss	752	76,284	1.48	76,284	
	Free Bionics Inc.	-	Financial assets at fair value through profit or loss	2,068	106,796	7.51	106,796	
	Revlis Biotech Co., Ltd.	-	Financial assets at fair value through profit or loss	2,813	14,456	3.34	14,456	
	Mesh Cooperative Ventures Fund LP	-	Financial assets at fair value through profit or loss	-	27,840	-	27,840	
	Knowledge Creation Innovation Co., Ltd.	-	Financial assets at fair value through profit or loss	530	5,576	13.19	5,576	
	YAYATECH CO., LTD.	-	Financial assets at fair value through profit or loss	2,200	212,740	12.27	212,740	
	P-Waver Inc.	-	Financial assets at fair value through profit or loss	692	9,612	11.53	9,612	
	WIN COAT CO.	-	Financial assets at fair value through profit or loss	1,100	34,760	2.17	34,760	
	GeNopsys Technologies INC.	-	Financial assets at fair value through profit or loss	3,947	259,982	15.54	259,982	
	APACECORE PTE. LTD.	-	Financial assets at fair value through profit or loss	8,000	6,480	19.51	6,480	
	Shuo Ming Green Energy Co.	-	Financial assets at fair value through profit or loss	2,000	24,320	3.78	24,320	

(Continued)

Holding Company Name	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	March 31, 2026				Note
				Shares (In Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	TRON FUTURE TECH INC.	-	Financial assets at fair value through profit or loss	852	$ 12,271	0.55	$ 12,271	
	XConn Technologies Holdings, Ltd.	-	Financial assets at fair value through profit or loss	805	97,021	1.34	97,021	
	Greenway Environmental Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	860	15,346	6.09	15,346	
	Meridian Innovation Pte. Ltd.	-	Financial assets at fair value through profit or loss	760	48,731	3.20	48,731	
	Ironyun Incorporated	-	Financial assets at fair value through profit or loss	5,263	14,631	2.76	14,631	
	Evtail Co., Ltd.	-	Financial assets at fair value through profit or loss	1,667	150,900	7.22	150,900	
	Carota Corporation	-	Financial assets at fair value through profit or loss	666	83,250	1.47	83,250	
	OXCCU Tech Limited	-	Financial assets at fair value through profit or loss	274	82,200	3.55	82,200	
	Chainss Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,000	60,000	10.00	60,000	
	BraineuLink Technology Inc.	-	Financial assets at fair value through profit or loss	1,266	22,144	14.41	22,144	
	<u>Beneficiary certificates</u>							
Taiwan Cooperative Securities Investment Trust Co., Ltd.	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	18,288	-	18,288	
	CTBC Hwa-win Money Market Fund	-	Financial assets at fair value through profit or loss	868	10,152	-	10,152	

Note: When Taiwan Cooperative Financial Holding Co., Ltd. prepared the consolidated financial statements, the related account and security transaction were eliminated.

(Concluded)

TABLE 7

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

ALLOWANCE OF SERVICE FEES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$5 MILLION
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)

Securities Firms	Counterparty	Nature of Relationship	Total Amounts of Brokerage Service Revenue	Total Allowance of Brokerage Service Revenue	Service Revenue from Related Party	Allowance of Service Revenue for Related Party	Percentage of Service Revenue from Related Party to Total Amounts	Percentage of Allowance of Service Revenue for Related Party to Total Allowance
Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	Same parent company	$ 1,173,316	$ 654,671	$ 42,723	$ 32,633	3.64	4.98

TABLE 8

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
MARCH 31, 2026
(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	$ 2,707,468 (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	460,709 (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. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(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, 2026	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2026	Investee Net Income	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Value as of March 31, 2026	Accumulated Inward Remittance of Earnings as of March 31, 2026
					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)	$ 101,043	100	$ 101,043	$ 7,588,155	$ -
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)	51,145	100	51,145	2,645,720	-
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)	52,997	100	52,997	3,887,173	-
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)	29,274	100	29,274	2,673,074	-

Accumulated Investment in Mainland China as of March 31, 2026	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)	$ 184,284,228

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, 2026	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2026	Investee Net Income	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Value as of March 31, 2026	Accumulated Inward Remittance of Earnings as of March 31, 2026
					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)	$ 4,202	100	$ 4,202	$ 1,309,232	$ -

Accumulated Investment in Mainland China as of March 31, 2026	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)	$ 2,466,857

(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 THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Transacting Company	Counter-party	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	0.04
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Financial Holding Co., Ltd.	b	Tax receivables - consolidated tax return	2,428,825	Note 4	0.04
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	b	Tax receivables - consolidated tax return	2,707,468	Note 4	0.05
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Financial Holding Co., Ltd.	a	Tax payables - consolidated tax return	2,707,468	Note 4	0.05
0	Taiwan Cooperative Financial Holding Co., Ltd.	Co-operative Assets Management Co., Ltd.	b	Tax receivables - consolidated tax return	123,785	Note 4	0.00
5	Co-operative Assets Management Co., Ltd.	Taiwan Cooperative Financial Holding Co., Ltd.	a	Tax payables - consolidated tax return	123,785	Note 4	0.00
1	Taiwan Cooperative Bank, Ltd.	United Taiwan Bank S.A.	a	Due from banks	608,214	Note 4	0.01
2	United Taiwan Bank S.A.	Taiwan Cooperative Bank, Ltd.	b	Deposits from banks	608,214	Note 4	0.01
1	Taiwan Cooperative Bank, Ltd.	United Taiwan Bank S.A.	a	Call loans to banks	2,799,080	Note 4	0.05
2	United Taiwan Bank S.A.	Taiwan Cooperative Bank, Ltd.	b	Call loans from banks	2,799,080	Note 4	0.05
1	Taiwan Cooperative Bank, Ltd.	United Taiwan Bank S.A.	a	Medium-term unsecured loans	3,388,360	Note 4	0.06
2	United Taiwan Bank S.A.	Taiwan Cooperative Bank, Ltd.	b	Long-term borrowings	3,388,360	Note 4	0.06
1	Taiwan Cooperative Bank, Ltd.	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	c	Deposits and remittances	1,039,546	Note 4	0.02
3	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Cash and cash equivalents	1,039,546	Note 4	0.02
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Bills Finance Co., Ltd.	c	Call loans to banks	1,740,000	Note 4	0.03
4	Taiwan Cooperative Bills Finance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Call loans from banks	1,740,000	Note 4	0.03

(Continued)

No. (Note 1)	Transacting Company	Counter-party	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	Cash and cash equivalents	$ 834,966	Note 4	0.02
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Securities Co., Ltd.	c	Deposits and remittances	834,966	Note 4	0.02
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Call loans from banks	224,595	Note 4	0.00
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Securities Co., Ltd.	c	Call loans to securities company	224,595	Note 4	0.00
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Right-of-use assets, net	153,131	Note 4	0.00
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Lease liabilities	154,769	Note 4	0.00
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Interest expense	914	Note 4	0.01
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Depreciation expense	13,337	Note 4	0.08
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Securities Co., Ltd.	c	Lease income	14,071	Note 4	0.09
4	Taiwan Cooperative Bills Finance Co., Ltd.	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	c	Securities purchased under resell agreements	807,018	Note 4	0.01
3	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Cooperative Bills Finance Co., Ltd.	c	Securities sold under repurchase agreements	807,018	Note 4	0.01
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Securities Co., Ltd.	c	Payable on securities	241,556	Note 4	0.00
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Settlement receivable	241,556	Note 4	0.00
1	Taiwan Cooperative Bank, Ltd.	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	c	Other receivables, accrued income	460,709	Note 4	0.01
3	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Other payables	460,709	Note 4	0.01
1	Taiwan Cooperative Bank, Ltd.	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	c	Service charge and commission income	422,349	Note 4	2.62
1	Taiwan Cooperative Bank, Ltd.	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	c	Operating expense	128,994	Note 4	0.80
3	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Insurance service results	32,768	Note 4	0.20
3	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Insurance finance income or expenses	15,634	Note 4	0.10
3	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Foreign exchange gain or loss	28,180	Note 4	0.17
3	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Insurance liabilities	304,401	Note 4	0.01

(Continued)

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)