

O-Bank and Subsidiaries

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

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders
O-Bank

Introduction

We have reviewed the accompanying consolidated financial statements of O-Bank and its subsidiaries (collectively referred to as the “Group”) as of March 31, 2026 and 2025, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, 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 Public Banks, Regulations Governing the Preparation of Financial Reports by Publicly Held Bills Finance Companies, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect 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

Except as explained in the following paragraph, 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 Auditor 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.

Basis for Qualified Conclusion

As disclosed in Notes 15 and 16 to the consolidated financial statements, the financial statements of non-significant subsidiaries and some investment accounted for using the equity method included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2026 and 2025, combined total assets of these non-significant subsidiaries were NT\$1,812,497 thousand and NT\$1,571,391 thousand, respectively, representing 0.25% and 0.23%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$356,218 thousand and NT\$188,707 thousand, respectively, representing 0.05% and 0.03%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2026 and 2025, the amounts of combined comprehensive income (loss) of these subsidiaries were NT\$(4,045) thousand and NT\$(2,210) thousand, respectively, representing (0.84%) and (0.15%), respectively, of the consolidated total comprehensive income (loss). As of March 31, 2026 and 2025, the amount of investment accounted for using the equity method was NT\$1,259,318 thousand and NT\$1,198,809 thousand, respectively, representing 0.18% and 0.18%, respectively, of the consolidated total assets; for the three months ended March 31, 2026 and 2025, the amount

of share of comprehensive income of associate accounted for using the equity method was NT\$42,292 thousand and NT\$11,450 thousand, respectively, representing 8.77% and 0.78%, respectively, of the consolidated total comprehensive income.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and the investment accounted for using the equity method described in the preceding paragraph been reviewed, 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 Group as of March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Publicly Held Bills Finance Companies, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Kuan-Hao Lee and Wei-Chun Ma.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 8, 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.

O-BANK AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	%	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS (Note 6)	\$ 6,137,312	1	\$ 6,378,883	1	\$ 6,098,356	1
DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS (Note 7)	28,557,892	4	27,572,813	4	16,572,803	3
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 8 and 42)	187,285,355	26	177,675,704	25	181,494,405	27
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 9, 42 and 46)	155,218,341	22	166,608,850	24	166,304,652	24
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST (Notes 10, 42 and 46)	33,622,263	5	29,395,624	4	26,898,898	4
BILLS AND BONDS PURCHASED UNDER RESELL AGREEMENTS (Note 11)	20,532,924	3	15,258,857	2	9,368,509	1
RECEIVABLES, NET (Notes 12 and 14)	5,079,764	1	4,053,276	1	4,471,489	1
CURRENT TAX ASSETS	124,016	-	357,959	-	478,229	-
DISCOUNTS AND LOANS, NET (Notes 13, 14, 41 and 42)	263,172,058	37	259,183,311	37	256,237,958	38
INVESTMENT ACCOUNTED FOR USING EQUITY METHOD, NET (Note 16)	6,438,099	1	6,352,298	1	6,939,239	1
OTHER FINANCIAL ASSETS (Note 17)	1,464,810	-	1,397,050	-	455,914	-
PROPERTY AND EQUIPMENT, NET (Notes 18 and 43)	2,592,322	-	2,623,501	1	2,370,934	-
RIGHT-OF-USE ASSETS, NET (Note 19)	363,285	-	396,226	-	391,654	-
INTANGIBLE ASSETS, NET (Note 20)	1,750,979	-	1,704,302	-	1,746,754	-
DEFERRED TAX ASSETS	809,319	-	662,306	-	780,387	-
OTHER ASSETS (Notes 19 and 21)	<u>1,793,970</u>	<u>-</u>	<u>1,678,137</u>	<u>-</u>	<u>1,545,439</u>	<u>-</u>
TOTAL	<u>\$ 714,942,709</u>	<u>100</u>	<u>\$ 701,299,097</u>	<u>100</u>	<u>\$ 682,155,620</u>	<u>100</u>
LIABILITIES AND EQUITY						
LIABILITIES						
Deposits from the Central Bank and other banks (Note 22)	\$ 60,980,908	9	\$ 48,610,170	7	\$ 51,342,747	8
Financial liabilities at fair value through profit or loss (Note 8)	1,159,312	-	678,730	-	546,585	-
Bills and bonds sold under repurchase agreements (Note 23)	214,562,769	30	219,199,111	31	213,564,277	31
Payables (Note 24)	5,599,533	1	4,366,854	1	4,118,187	1
Current tax liabilities	233,798	-	85,784	-	247,613	-
Deposits and remittances (Notes 25 and 41)	330,850,729	46	328,825,447	47	318,807,831	47
Bank debentures payable (Note 26)	14,660,000	2	14,660,000	2	13,450,000	2
Other financial liabilities (Note 27)	17,154,542	3	15,085,857	2	13,337,919	2
Provisions (Notes 14 and 28)	2,347,246	-	2,198,222	1	1,992,110	-
Lease liabilities (Note 19)	382,283	-	414,349	-	410,288	-
Deferred tax liabilities	1,018,226	-	957,101	-	972,290	-
Other liabilities (Note 30)	<u>695,639</u>	<u>-</u>	<u>1,405,636</u>	<u>-</u>	<u>510,677</u>	<u>-</u>
Total liabilities	<u>649,644,985</u>	<u>91</u>	<u>636,487,261</u>	<u>91</u>	<u>619,300,524</u>	<u>91</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK						
Capital						
Common stock	28,053,579	4	28,053,579	4	28,053,579	4
Preferred stock	<u>2,500,000</u>	<u>-</u>	<u>2,500,000</u>	<u>-</u>	<u>2,500,000</u>	<u>-</u>
Total capital	<u>30,553,579</u>	<u>4</u>	<u>30,553,579</u>	<u>4</u>	<u>30,553,579</u>	<u>4</u>
Capital surplus	<u>578,279</u>	<u>-</u>	<u>574,734</u>	<u>-</u>	<u>569,934</u>	<u>-</u>
Retained earnings						
Legal reserve	7,370,243	1	7,370,243	1	6,527,632	1
Special reserve	1,587,188	-	1,587,188	-	1,970,247	-
Unappropriated earnings	<u>5,269,552</u>	<u>1</u>	<u>4,506,695</u>	<u>1</u>	<u>5,264,749</u>	<u>1</u>
Total retained earnings	<u>14,226,983</u>	<u>2</u>	<u>13,464,126</u>	<u>2</u>	<u>13,762,628</u>	<u>2</u>
Other equity	<u>(490,341)</u>	<u>-</u>	<u>(159,058)</u>	<u>-</u>	<u>(1,037,535)</u>	<u>-</u>
Treasury stock	<u>(221,695)</u>	<u>-</u>	<u>(221,695)</u>	<u>-</u>	<u>(221,695)</u>	<u>-</u>
Total equity attributable to owners of the Bank	44,646,805	6	44,211,686	6	43,626,911	6
NON-CONTROLLING INTERESTS	<u>20,650,919</u>	<u>3</u>	<u>20,600,150</u>	<u>3</u>	<u>19,228,185</u>	<u>3</u>
Total equity (Note 31)	<u>65,297,724</u>	<u>9</u>	<u>64,811,836</u>	<u>9</u>	<u>62,855,096</u>	<u>9</u>
TOTAL	<u>\$ 714,942,709</u>	<u>100</u>	<u>\$ 701,299,097</u>	<u>100</u>	<u>\$ 682,155,620</u>	<u>100</u>

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

(With Deloitte & Touche auditors' review report dated May 8, 2026)

O-BANK 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	
	Amount	%	Amount	%
INTEREST REVENUE (Notes 32 and 41)	\$ 3,907,805	123	\$ 3,924,191	167
INTEREST EXPENSE (Notes 32 and 41)	<u>(3,069,183)</u>	<u>(97)</u>	<u>(3,346,812)</u>	<u>(142)</u>
NET INTEREST	<u>838,622</u>	<u>26</u>	<u>577,379</u>	<u>25</u>
NET REVENUE OTHER THAN INTEREST REVENUE				
Service fee income, net (Notes 33 and 41)	787,784	25	673,095	29
Gains on financial assets or liabilities measured at fair value through profit or loss (Note 34)	1,657,954	52	1,352,265	57
Realized gains on financial assets at fair value through other comprehensive income (Note 35)	288,750	9	82,237	3
Foreign exchange losses, net	(409,157)	(13)	(263,143)	(11)
Reversal of (losses on) impairment of assets	3,527	-	(2,352)	-
Share of loss of associates accounted for using equity method (Note 16)	(12,640)	-	(91,133)	(4)
Other net revenue other than interest	<u>15,375</u>	<u>1</u>	<u>22,617</u>	<u>1</u>
Total net revenue other than interest revenue	<u>2,331,593</u>	<u>74</u>	<u>1,773,586</u>	<u>75</u>
NET REVENUE	<u>3,170,215</u>	<u>100</u>	<u>2,350,965</u>	<u>100</u>
BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE LIABILITY PROVISION (Note 14)	<u>(259,589)</u>	<u>(8)</u>	<u>(34,497)</u>	<u>(2)</u>
OPERATING EXPENSES				
Employee benefits expenses (Notes 29, 36 and 41)	839,398	26	718,895	31
Depreciation and amortization expenses (Note 37)	123,640	4	122,104	5
Other general and administrative expenses (Notes 38 and 41)	<u>406,872</u>	<u>13</u>	<u>381,756</u>	<u>16</u>
Total operating expenses	<u>1,369,910</u>	<u>43</u>	<u>1,222,755</u>	<u>52</u>
PROFIT BEFORE INCOME TAX	1,540,716	49	1,093,713	46
INCOME TAX EXPENSE (Note 39)	<u>308,566</u>	<u>10</u>	<u>265,121</u>	<u>11</u>
NET PROFIT FOR THE PERIOD	<u>1,232,150</u>	<u>39</u>	<u>828,592</u>	<u>35</u>

(Continued)

O-BANK 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	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Components of other comprehensive income (loss) that will not be reclassified to profit or loss:				
Gains on remeasurements of defined benefit plans	\$ -	-	\$ 321	-
Revaluation losses on investments in equity instruments measured at fair value through other comprehensive income	(272,252)	(9)	(59,309)	(2)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	<u>(6,837)</u>	<u>-</u>	<u>6,739</u>	<u>-</u>
Components of other comprehensive loss that will not be reclassified to profit or loss, net of tax	<u>(279,089)</u>	<u>(9)</u>	<u>(52,249)</u>	<u>(2)</u>
Components of other comprehensive income (loss) that will be reclassified to profit or loss:				
Exchange differences on translation of financial statements of foreign operations	240,948	8	146,675	6
Gains (losses) on investments in debt instruments measured at fair value through other comprehensive income	(788,532)	(25)	646,585	27
Income tax related to components of other comprehensive income (loss) that will be reclassified to profit or loss (Note 39)	<u>76,866</u>	<u>2</u>	<u>(102,222)</u>	<u>(4)</u>
Components of other comprehensive income (loss) that will be reclassified to profit or loss, net of tax	<u>(470,718)</u>	<u>(15)</u>	<u>691,038</u>	<u>29</u>
Other comprehensive income (loss) for the period, net of income tax	<u>(749,807)</u>	<u>(24)</u>	<u>638,789</u>	<u>27</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 482,343</u>	<u>15</u>	<u>\$ 1,467,381</u>	<u>62</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Bank	\$ 766,449	24	\$ 537,095	23
Non-controlling interests	<u>465,701</u>	<u>15</u>	<u>291,497</u>	<u>12</u>
	<u>\$ 1,232,150</u>	<u>39</u>	<u>\$ 828,592</u>	<u>35</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Bank	\$ 431,574	14	\$ 955,128	40
Non-controlling interests	<u>50,769</u>	<u>1</u>	<u>512,253</u>	<u>22</u>
	<u>\$ 482,343</u>	<u>15</u>	<u>\$ 1,467,381</u>	<u>62</u>

(Continued)

O-BANK 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	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 40)				
Basic	\$ 0.28		\$ 0.19	
Diluted	\$ 0.25		\$ 0.18	

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

(With Deloitte & Touche auditors' review report dated May 8, 2026)

(Concluded)

O-BANK AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Bank (Notes 9 and 31)													
									Other Equity		Treasury Stock	Owners of the Bank	Non-controlling Interests (Note 31)	Total Equity
									Exchange Differences on the Translation of Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income				
	Common Stock	Capital Stock Preferred Stock	Total	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total						
BALANCE ON JANUARY 1, 2025	\$ 28,053,579	\$ 2,500,000	\$ 30,553,579	\$ 568,184	\$ 6,527,632	\$ 1,970,247	\$ 4,722,209	\$ 13,220,088	\$ 541,303	\$ (1,991,426)	\$ (87,267)	\$ 42,804,461	\$ 18,715,932	\$ 61,520,393
Changes in capital surplus from investments in associates accounted for using equity method	-	-	-	1,340	-	-	-	-	-	-	-	1,340	-	1,340
Unclaimed dividends	-	-	-	410	-	-	-	-	-	-	-	410	-	410
Net profit for the three months ended March 31, 2025	-	-	-	-	-	-	537,095	537,095	-	-	-	537,095	291,497	828,592
Other comprehensive income for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	-	337	337	120,406	297,290	-	418,033	220,756	638,789
Total comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	-	537,432	537,432	120,406	297,290	-	955,128	512,253	1,467,381
Purchase of treasury stock	-	-	-	-	-	-	-	-	-	-	(134,428)	(134,428)	-	(134,428)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	5,108	5,108	-	(5,108)	-	-	-	-
BALANCE ON MARCH 31, 2025	\$ 28,053,579	\$ 2,500,000	\$ 30,553,579	\$ 569,934	\$ 6,527,632	\$ 1,970,247	\$ 5,264,749	\$ 13,762,628	\$ 661,709	\$ (1,699,244)	\$ (221,695)	\$ 43,626,911	\$ 19,228,185	\$ 62,855,096
BALANCE ON JANUARY 1, 2026	\$ 28,053,579	\$ 2,500,000	\$ 30,553,579	\$ 574,734	\$ 7,370,243	\$ 1,587,188	\$ 4,506,695	\$ 13,464,126	\$ 283,699	\$ (442,757)	\$ (221,695)	\$ 44,211,686	\$ 20,600,150	\$ 64,811,836
Changes in capital surplus from investments in associates accounted for using equity method	-	-	-	2,993	-	-	-	-	-	-	-	2,993	-	2,993
Unclaimed dividends	-	-	-	(1,065)	-	-	-	-	-	-	-	(1,065)	-	(1,065)
Net profit for the three months ended March 31, 2026	-	-	-	-	-	-	766,449	766,449	-	-	-	766,449	465,701	1,232,150
Other comprehensive income (loss) for the three months ended March 31, 2026, net of income tax	-	-	-	-	-	-	-	-	196,926	(531,801)	-	(334,875)	(414,932)	(749,807)
Total comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	-	766,449	766,449	196,926	(531,801)	-	431,574	50,769	482,343
Changes in percentage of ownership interests in associates	-	-	-	1,617	-	-	-	-	-	-	-	1,617	-	1,617
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	(3,592)	(3,592)	-	3,592	-	-	-	-
BALANCE ON MARCH 31, 2026	\$ 28,053,579	\$ 2,500,000	\$ 30,553,579	\$ 578,279	\$ 7,370,243	\$ 1,587,188	\$ 5,269,552	\$ 14,226,983	\$ 480,625	\$ (970,966)	\$ (221,695)	\$ 44,646,805	\$ 20,650,919	\$ 65,297,724

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

(With Deloitte & Touche auditors’ review report dated May 8, 2026)

O-BANK AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,540,716	\$ 1,093,713
Adjustments for:		
Depreciation expense	87,301	77,430
Amortization expense	36,339	44,674
Expected credit losses/recognition of provisions	256,062	36,849
Net gain on financial assets or liabilities at fair value through profit or loss	(1,657,954)	(1,352,265)
Interest expense	3,069,183	3,346,812
Interest revenue	(3,907,805)	(3,924,191)
Dividend income	(110,323)	(9,495)
Share of loss of associates accounted for using equity method	12,640	91,133
Loss on disposal of property and equipment	301	863
Gain on disposal of investments	(178,427)	(72,742)
Changes in operating assets and liabilities:		
Due from the Central Bank and call loans to banks	(1,428,152)	1,744,801
Financial assets at fair value through profit or loss	(8,475,553)	4,255,783
Financial assets at fair value through other comprehensive income	11,146,284	2,632,497
Investment in debt instruments at amortized cost	(4,227,881)	(949,140)
Bills and bonds purchased under resell agreements	(3,428,120)	(3,273,855)
Receivables	(856,629)	(416,757)
Discounts and loans	(4,143,558)	(8,842,987)
Other assets	(115,833)	263,935
Deposits from the Central Bank and other banks	12,370,738	12,691,042
Financial liabilities at fair value through profit or loss	480,582	(818,047)
Bills and bonds sold under repurchase agreements	(4,636,342)	(1,740,354)
Payables	1,041,144	(1,529,322)
Deposits and remittances	2,025,282	(12,362,171)
Provisions	48,493	41,261
Other liabilities	(709,997)	(161,428)
Cash flows used in operations	(1,761,509)	(9,131,961)
Interest received	3,810,576	3,967,205
Dividend received	38,276	7,938
Interest paid	(2,967,177)	(3,588,963)
Income taxes refunded	79,327	25,461
Net cash used in operating activities	(800,507)	(8,720,320)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(48,499)	(36,881)
Proceeds from disposal of property and equipment	6	170
Acquisition of intangible assets	(36,369)	(27,797)
Increase in other financial assets	(46,369)	(9,529)
Net cash used in investing activities	(131,231)	(74,037)

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O-BANK AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2026	2025
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	\$ 40,000	\$ -
Increase in commercial papers	55,051	-
Decrease in commercial papers	-	(11,946)
Repayment of the principal portion of lease liabilities	(42,763)	(41,474)
Increase in other financial liabilities	1,973,634	1,956,128
Payments to acquire treasury stock	-	(134,428)
Net cash generated from financing activities	<u>2,025,922</u>	<u>1,768,280</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>88,510</u>	<u>65,199</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,182,694	(6,960,878)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>21,257,591</u>	<u>18,368,252</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 22,440,285</u>	<u>\$ 11,407,374</u>

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets as of March 31, 2026 and 2025:

	March 31	
	2026	2025
Cash and cash equivalents reported in the consolidated balance sheets	\$ 6,137,312	\$ 6,098,356
Due from the Central Bank and call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7	12,813,213	4,226,759
Bills and bonds purchased under resell agreements qualifying for cash and cash equivalents under the definition of IAS 7	2,210,358	750,377
Other items qualifying for cash and cash equivalents under the definition of IAS 7	<u>1,279,402</u>	<u>331,882</u>
Cash and cash equivalents at the end of the period	<u>\$ 22,440,285</u>	<u>\$ 11,407,374</u>

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

(With Deloitte & Touche auditors' review report dated May 8, 2026)

(Concluded)

O-BANK 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. GENERAL INFORMATION

Industrial Bank of Taiwan started its preparation for incorporation on March 2, 1998, was authorized for incorporation by the Ministry of Finance on July 27, 1999, and began its business operations on September 2, 1999.

To be in coordination with the government's financial liberation policy and to increase the operating efficiency, on August 14, 2015, the Industrial Bank of Taiwan's board of directors approved of the application for a change of registration to a commercial bank and for a change of name to "O-Bank Co., Ltd." ("O-Bank" or the "Bank"). The Financial Supervisory Commission ("FSC") accepted the application on December 15, 2016 and required the Bank to submit its proposed adjustment plan to comply with the Banking Act of the Republic of China. On January 1, 2017, the Banking Bureau approved and issued the operating license for the Bank to operate a commercial banking business. The Bank's name was changed from "Industrial Bank of Taiwan" to "O-Bank Co., Ltd." on January 1, 2017.

The Bank's operations include the following: (a) accepting various deposits; (b) issuing bank debentures; (c) providing loans, discounts, and acceptance business; (d) providing domestic and foreign exchange and guarantee business; (e) issuing letters of credit at home and abroad; (f) making receipts and payments by agents; (g) investing in and underwriting offering of securities; (h) dealing in bonds; (i) factoring; (j) providing financial advisory services to financing and non-financing business; (k) wealth management business; (l) providing personal insurance and property insurance agent business; (m) dealing with debit card business; (n) providing foreign exchange services for client's imports or exports, overseas remittances, foreign currency deposits, and foreign currency loans and guarantees; (o) overseeing trust business under the Trust Business Law and regulations; and (p) dealing in derivative financial instruments and participating in other operations authorized by the central authorities.

As of March 31, 2026, the Bank has ten main departments - Financial Business Department, Financial Market Department, Overseas Business Department, Risk Control Department, Operation Management Department, Science and Technology Financial Department, Legal Affairs and Legal Compliance Department, Strategic Development Department, Internal Audit Department and Corporate Sustainability and Communications Department. It also has Operating Segment, Nanjing Fuxing branch, Taoyuan branch, Hsinchu branch, Taichung branch and Kaohsiung branch. In addition, it has an Offshore Banking Unit, Hong Kong branch, and Shanghai and Sydney representative office.

The Bank's stocks were listed on the Emerging Stock Market of the Taipei Exchange ("TPEX") starting in August 2004. The TWSE approved the Bank's application for listing on November 28, 2016 and transferred the listing from the TPEX to the TWSE on May 5, 2017.

The consolidated financial statements are presented in the Bank's functional currency, the New Taiwan dollar.

As of March 31, 2026, December 31, 2025 and March 31, 2025, the Bank and its subsidiaries (the "Group") had 1,566, 1,554 and 1,501 employees, respectively.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on April 29, 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

Initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

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

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

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

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

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

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group 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 Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.

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

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

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

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations will have on the Group'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 Public Banks, the Regulations Governing the Preparation of Financial Reports by Publicly Held Bills Finance Companies, 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 IFRS Accounting Standards disclosure information required in a complete set of annual consolidated financial statements.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at revalued amounts or fair values and the net defined benefit liabilities (assets) recognized at the fair value of the assets. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Classification of Current and Non-current Assets and Liabilities

Since the operating cycle in the banking industry could not be clearly identified, accounts included in the consolidated financial statements of the Group were not classified as current or noncurrent. Nevertheless, accounts were properly categorized according to the nature of each account and sequenced by their liquidity. Refer to Note 46 for the maturity analysis of liabilities.

Basis of Consolidation

Principles for preparing consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Bank and the entities controlled by the Bank. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Bank. All intra-group transactions, balances, income, and expenses are eliminated in full upon consolidation. The total comprehensive income of subsidiaries shall be attributed to the owners of the Bank and to the non-controlling interests, even if the balance becomes negative or loss is incurred.

Refer to Note 15 and Table 3 for the list of main business activities and ownership percentages of subsidiaries.

Other Material Accounting and Reporting Policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2025.

a. 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.

b. 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 Group's material accounting policies, management is required to make judgments, estimations, 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.

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

Estimated Impairment of Loans and Financial Guarantee Contract

The impairment of loans and financial guarantee contracts is based on assumptions about the risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs of the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

6. CASH AND CASH EQUIVALENTS

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand and petty cash	\$ 123,004	\$ 150,928	\$ 115,285
Checking for clearing	203,569	41,836	243,662
Due from banks	<u>5,810,739</u>	<u>6,186,119</u>	<u>5,739,409</u>
	<u>\$ 6,137,312</u>	<u>\$ 6,378,883</u>	<u>\$ 6,098,356</u>

The cash and cash equivalents of the consolidated cash flows and the related adjustments of the consolidated balance sheets as of December 31, 2025 are as follows. The adjustments as March 31, 2026 and 2025, refer to the consolidated statements of cash flows.

	December 31, 2025
Cash and cash equivalents in the consolidated balance sheets	\$ 6,378,883
Due from the Central Bank and call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7	13,256,286
Bills and bonds purchased under resell agreements qualifying for cash and cash equivalents under the definition of IAS 7	364,411
Other items qualifying for cash and cash equivalents under the definition of IAS 7	<u>1,258,011</u>
Cash and cash equivalents in the consolidated statements of cash flows	<u>\$ 21,257,591</u>

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

	March 31, 2026	December 31, 2025	March 31, 2025
Reserves for deposits - Type A	\$ 5,157,268	\$ 3,382,230	\$ 3,904,443
Reserves for deposits - Type B	7,205,773	7,260,613	6,889,570
Due from Central Bank - Financial	1,515,495	3,006,939	1,502,249
Call loans to banks	14,640,974	13,885,291	4,226,759
Others	<u>38,382</u>	<u>37,740</u>	<u>49,782</u>
	<u>\$ 28,557,892</u>	<u>\$ 27,572,813</u>	<u>\$ 16,572,803</u>

Under a directive issued by the Central Bank, deposit reserves are determined monthly at prescribed rates on average balances of customers' deposits. Type B deposit reserves are subject to withdrawal restrictions.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets mandatorily classified as at FVTPL			
Hybrid financial assets			
Convertible bonds - domestic (include assets swap contracts)	\$ 14,638,680	\$ 13,098,472	\$ 10,025,289
Derivative financial assets			
Currency swap contracts	719,341	532,897	780,635
Forward contracts	95,624	49,365	56,574
Interest rate swap contracts	412,590	206,878	157,625
Currency option contracts - call	72,215	47,843	109,113
Promised purchase contracts	-	-	106
Future exchange margins	74,550	74,294	87,552
Total return swap agreement	435,226	425,908	89,721
Interest rate swap margins	40,000	-	-
	<u>1,849,546</u>	<u>1,337,185</u>	<u>1,281,326</u>
Non-derivative financial assets			
Commercial paper	140,212,425	137,744,656	132,077,179
Commercial paper contracts	248,095	175,482	182,307
Negotiable certificates of deposit	26,658,628	20,608,547	34,316,384
Stocks and beneficiary certificates	1,157,356	1,123,880	1,407,441
Government bonds	308,293	-	702,053
Corporate bonds	2,180,474	3,555,693	1,502,426
Bank debentures	31,858	31,789	-
	<u>170,797,129</u>	<u>163,240,047</u>	<u>170,187,790</u>
	<u>\$ 187,285,355</u>	<u>\$ 177,675,704</u>	<u>\$ 181,494,405</u>
<u>Held-for-trading financial liabilities</u>			
Derivative financial instruments			
Currency swap contracts	\$ 275,528	\$ 387,513	\$ 215,759
Forward contracts	81,716	33,455	48,829
Interest rate swap contracts	422,861	207,831	160,646
Currency option contracts - put	78,482	47,714	111,355
Promised purchase contracts	2,590	2,217	5,718
	<u>861,177</u>	<u>678,730</u>	<u>542,307</u>
Non-derivative financial liabilities			
When-issued government bonds	297,773	-	-
Commercial paper contracts	362	-	4,278
	<u>298,135</u>	<u>-</u>	<u>4,278</u>
	<u>\$ 1,159,312</u>	<u>\$ 678,730</u>	<u>\$ 546,585</u>

The Group engages in derivative transactions, including forward contracts, currency swap contracts and currency option contracts, mainly for accommodating customers' needs and managing the exposure positions. As for the engagement in interest rate swap contracts, its purpose is to hedge risk of cash flow and risk of market value caused by the change of interest rates or exchange rates. The Group strategy is to hedge most of the market risk exposures using hedging instruments with market value changes that have a high negative correlation with the changes in the market of the exposures being hedged.

The contract amounts (or notional amounts) of outstanding derivative transactions as of March 31, 2026, December 31, 2025 and March 31, 2025 were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Interest rate swap contracts	\$ 44,075,369	\$ 35,995,464	\$ 30,671,747
Currency swap contracts	121,374,559	95,377,508	99,916,346
Forward contracts	37,235,598	26,824,616	30,762,580
Currency option contracts			
Buy	6,620,766	3,659,031	7,895,924
Sell	6,620,766	3,596,130	6,566,077
Promised purchase contracts	3,400,000	4,250,000	6,450,000
Futures contract	47,970	84,883	497,730
Total return swap agreement	2,200,000	2,200,000	403,771

As of March 31, 2026, December 31, 2025 and March 31, 2025, financial assets at fair value through profit and loss under agreement to repurchase were in the face amounts of \$111,006,000 thousand, \$114,625,200 thousand and \$113,343,500 thousand, respectively.

Refer to Note 42 for information relating to financial assets at fair value through profit or loss pledged as security.

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	\$ 5,761,016	\$ 3,112,551	\$ 2,676,390
Investments in debt instruments at FVTOCI			
Government bonds	14,403,408	18,532,909	19,410,382
Bank debentures	23,966,801	29,341,013	25,758,899
Corporate bonds	87,793,626	91,707,448	88,552,187
Overseas government bonds	4,146,736	4,660,741	3,599,198
Commercial paper	3,286,038	2,147,443	6,816,795
Negotiable certificates of deposit	13,286,213	14,834,346	16,830,049
Mortgage-backed securities	<u>2,574,503</u>	<u>2,272,399</u>	<u>2,660,752</u>
	<u>\$ 155,218,341</u>	<u>\$ 166,608,850</u>	<u>\$ 166,304,652</u>

a. Investments in equity instruments at FVTOCI

These investments in listed, unlisted and emerging stocks are not held for trading. Instead, they are held for medium- to long-term strategic purposes. 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 Group's strategy of holding these investments for long-term purposes.

The Group disposed stock classified as at FVTOCI for invested management purpose for the three months ended March 31, 2026 and 2025. The fair value of stocks classified as at FVTOCI which had to be disposed of were \$3,715,765 thousand and \$408,424 thousand and the accumulated gain or loss related to the sold assets of \$3,592 thousand loss and \$5,108 thousand gain, respectively, were transferred from other equity-unrealized valuation gain or loss on financial assets at FVTOCI to retained earnings.

Dividends income from FVTOCI of \$110,323 thousand and \$9,495 thousand were recognized in profit or loss for the three months ended March 31, 2026 and 2025. The dividends related to investments held at the end of the reporting period were \$76,488 thousand and \$9,495 thousand, respectively.

In accordance with the Q&A issued by the FSC, for the investments in the limited partnership held before June 30, 2023 in which the investment contract stipulates that the limited partnership has a limited duration and whether the duration can be extended is subject to the resolution of partners in the partners' meeting, the Group elected not to retrospectively apply the Q&A "Classification of Investments in a Limited Partnership" issued by the Accounting Research and Development Foundation (ARDF), and therefore the abovementioned investments are still classified as investments in equity instruments at FVTOCI.

b. Investments in debt instruments at FVTOCI

- 1) Refer to Note 42 for information relating to investments in debt instruments at FVTOCI pledged as security.
- 2) Refer to Note 46 for information relating to the credit risk management and impairment assessment of investments in debt instruments at FVTOCI.
- 3) Investments in debt instruments at FVTOCI under agreement to repurchase were in the face amount of \$90,058,139 thousand, \$92,821,611 thousand and \$89,677,488 thousand, as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively.

10. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST

	March 31, 2026	December 31, 2025	March 31, 2025
Government bonds	\$ 13,892,345	\$ 13,896,849	\$ 13,710,262
Bank debentures	7,793,290	5,727,042	6,231,854
Corporate bonds	6,136,905	5,736,908	5,965,501
Overseas government bonds	159,380	156,621	496,550
Mortgage-backed securities	4,045,560	3,082,130	-
Principal of structured products	<u>1,600,000</u>	<u>800,000</u>	<u>500,000</u>
	33,627,480	29,399,550	26,904,167
Less: Allowance for impairment loss	<u>(5,217)</u>	<u>(3,926)</u>	<u>(5,269)</u>
	<u>\$ 33,622,263</u>	<u>\$ 29,395,624</u>	<u>\$ 26,898,898</u>

Refer to Note 42 for information relating to investments in debt instruments at amortized cost pledged as security.

Refer to Note 46 for information relating to the credit risk management and impairment assessment of investments in debt instruments at amortized cost.

Investments in debt instruments at amortized cost under agreement to repurchase was in the face amount of \$6,046,158 thousand, \$7,941,028 thousand and \$7,349,508 thousand, as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively.

11. BILLS AND BONDS PURCHASED UNDER RESELL AGREEMENTS

As of March 31, 2026, December 31, 2025 and March 31, 2025, bonds and bills in the amounts of \$20,532,924 thousand, \$15,258,857 thousand and \$9,368,509 thousand, respectively, had been purchased under resell agreements would subsequently be sold for \$20,613,237 thousand, \$15,327,544 thousand and \$9,408,041 thousand before June 2026, March 2026 and August 2025, respectively.

As of March 31, 2026, December 31, 2025 and March 31, 2025, bonds and bills purchased under resell agreements were sold under repurchase agreements in the face amount of \$6,963,600 thousand, \$3,684,000 thousand and \$2,929,500 thousand, respectively.

12. RECEIVABLES, NET

	March 31, 2026	December 31, 2025	March 31, 2025
Factored receivable	\$ 636,266	\$ 567,097	\$ 929,920
Interest receivable	2,585,330	2,488,101	2,402,352
Accounts receivable	332,856	337,367	317,397
Investment settlements receivable	1,026,968	271,029	619,620
Acceptances receivable	221,810	331,727	123,708
Dividends receivable	75,071	823	2,442
Notes receivable	134,000	-	-
Others	92,898	78,219	96,962
	<u>5,105,199</u>	<u>4,074,363</u>	<u>4,492,401</u>
Less: Allowance for credit losses	<u>25,435</u>	<u>21,087</u>	<u>20,912</u>
Receivables, net	<u>\$ 5,079,764</u>	<u>\$ 4,053,276</u>	<u>\$ 4,471,489</u>

The changes in gross carrying amount on receivables for the three months ended March 31, 2026 and 2025 were as follows:

	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit-impaired Financial Assets)	Total
Balance on January 1, 2026	\$ 3,925,326	\$ 85,678	\$ 63,359	\$ 4,074,363
Transfers				
To 12-month ECLs	653	(653)	-	-
To lifetime ECLs	(2,586)	2,635	(49)	-
To credit-impaired financial assets	(316)	(579)	895	-
New financial assets purchased or originated	2,139,047	153,471	6,763	2,299,281
Derecognition of financial assets in the reporting period	(1,221,419)	(51,717)	(4,576)	(1,277,712)
Exchange rate or other changes	<u>8,386</u>	<u>332</u>	<u>549</u>	<u>9,267</u>
Balance on March 31, 2026	<u>\$ 4,849,091</u>	<u>\$ 189,167</u>	<u>\$ 66,941</u>	<u>\$ 5,105,199</u>

(Continued)

	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit-impaired Financial Assets)	Total
Balance on January 1, 2025	\$ 3,888,297	\$ 186,309	\$ 37,779	\$ 4,112,385
Transfers				
To 12-month ECLs	3,794	(3,794)	-	-
To lifetime ECLs	(2,729)	2,758	(29)	-
To credit-impaired financial assets	(783)	(355)	1,138	-
New financial assets purchased or originated	1,864,558	47,753	11,101	1,923,412
Derecognition of financial assets in the reporting period	(1,382,858)	(126,366)	(6,510)	(1,515,734)
Exchange rate or other changes	<u>(28,536)</u>	<u>802</u>	<u>72</u>	<u>(27,662)</u>
Balance on March 31, 2025	<u>\$ 4,341,743</u>	<u>\$ 107,107</u>	<u>\$ 43,551</u>	<u>\$ 4,492,401</u> (Concluded)

The Group provides an appropriate allowance for doubtful debts for the assessment of receivables. Refer to Note 14 for the details and changes in the allowance for doubtful debts of receivables.

Refer to Note 46 for the impairment loss analysis of receivables.

13. DISCOUNTS AND LOANS, NET

	March 31, 2026	December 31, 2025	March 31, 2025
Short-term	\$ 109,263,967	\$ 106,294,393	\$ 108,188,097
Medium-term	114,970,851	114,431,651	116,297,149
Long-term	40,805,295	40,175,255	34,901,744
Secured overdrafts	319,625	313,105	-
Export bill negotiated	-	60,305	-
Overdue loans	<u>1,315,662</u>	<u>1,272,537</u>	<u>257,952</u>
	266,675,400	262,547,246	259,644,942
Less: Allowance for credit losses	<u>3,503,342</u>	<u>3,363,935</u>	<u>3,406,984</u>
	<u>\$ 263,172,058</u>	<u>\$ 259,183,311</u>	<u>\$ 256,237,958</u>

The changes in gross carrying amount on discounts and loans for the three months ended March 31, 2026 and 2025 were as follows:

	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit-impaired Financial Assets)	Total
Balance on January 1, 2026	\$ 232,239,868	\$ 27,103,452	\$ 3,203,926	\$ 262,547,246
Transfers				
To 12-month ECLs	339,044	(339,044)	-	-
To lifetime ECLs	(1,010,808)	1,018,389	(7,581)	-
To credit-impaired financial assets	(25,417)	(67,744)	93,161	-
New financial assets purchased or originated	82,525,492	7,180,962	92,819	89,799,273
Derecognition of financial assets in the reporting period	(73,119,980)	(13,509,603)	(113,811)	(86,743,394)
Write-offs	-	-	(42,757)	(42,757)
Exchange rate or other changes	<u>997,156</u>	<u>84,437</u>	<u>33,439</u>	<u>1,115,032</u>
Balance on March 31, 2026	<u>\$ 241,945,355</u>	<u>\$ 21,470,849</u>	<u>\$ 3,259,196</u>	<u>\$ 266,675,400</u>
Balance on January 1, 2025	\$ 229,270,483	\$ 18,338,346	\$ 3,210,384	\$ 250,819,213
Transfers				
To 12-month ECLs	1,066,939	(1,066,939)	-	-
To lifetime ECLs	(1,864,755)	1,872,576	(7,821)	-
To credit-impaired financial assets	(201,232)	(59,441)	260,673	-
New financial assets purchased or originated	80,039,706	6,393,351	73,574	86,506,631
Derecognition of financial assets in the reporting period	(72,413,884)	(5,781,942)	(369,454)	(78,565,280)
Write-offs	-	-	(47,259)	(47,259)
Exchange rate or other changes	<u>816,664</u>	<u>86,820</u>	<u>28,153</u>	<u>931,637</u>
Balance on March 31, 2025	<u>\$ 236,713,921</u>	<u>\$ 19,782,771</u>	<u>\$ 3,148,250</u>	<u>\$ 259,644,942</u>

The balance of the overdue loans of the Group as of March 31, 2026, December 31, 2025 and March 31, 2025 no longer include the calculation of interest. The unrecognized interest revenue on the above loans amounted to \$13,122 thousand and \$2,680 thousand for the three months ended March 31, 2026 and 2025, respectively. For the three months ended March 31, 2026 and 2025, the Group wrote off credits only upon completing the required legal procedures.

Refer to Note 42 for information relating to discounts and loan assets pledged as security.

The Group provides an appropriate allowance for doubtful debts based on the assessment of discounts and loans. Refer to Note 14 for the details and changes in the allowance for doubtful debts of discounts and loans.

Refer to Note 46 for the impairment loss analysis of discounts and loans.

14. ALLOWANCE FOR CREDIT LOSSES AND PROVISIONS

The changes in allowance for credit losses and provisions for the three months ended March 31, 2026 were as follows:

Allowance for Receivables	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit-impaired Financial Assets)	Accumulated Amount under IFRS 9	Difference Between IFRS 9 and Local Requirements	Total
Balance on January 1, 2026	\$ 2,843	\$ 606	\$ 8,710	\$ 12,159	\$ 8,928	\$ 21,087
Transfers						
To 12-month ECLs	2	(2)	-	-	-	-
To lifetime ECLs	(96)	101	(5)	-	-	-
To credit-impaired financial assets	(246)	(354)	600	-	-	-
New financial assets purchased or originated	1,995	171	443	2,609	-	2,609
Derecognition of financial assets in the reporting period	(2,135)	(185)	(288)	(2,608)	-	(2,608)
Change in model or risk parameters	334	281	2,247	2,862	-	2,862
Difference between IFRS 9 and local requirements	-	-	-	-	1,384	1,384
Exchange rate or other changes	4	-	50	54	47	101
Balance on March 31, 2026	<u>\$ 2,701</u>	<u>\$ 618</u>	<u>\$ 11,757</u>	<u>\$ 15,076</u>	<u>\$ 10,359</u>	<u>\$ 25,435</u>
Allowance for Discounts and Loans	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit-impaired Financial Assets)	Accumulated Amount under IFRS 9	Difference Between IFRS 9 and Local Requirements	Total
Balance on January 1, 2026	\$ 554,737	\$ 419,071	\$ 392,982	\$ 1,366,790	\$ 1,997,145	\$ 3,363,935
Transfers						
To 12-month ECLs	1,037	(1,037)	-	-	-	-
To lifetime ECLs	(28,998)	31,396	(2,398)	-	-	-
To credit-impaired financial assets	(17,607)	(30,968)	48,575	-	-	-
New financial assets purchased or originated	136,594	40,205	49,387	226,186	-	226,186
Derecognition of financial assets in the reporting period	(110,730)	(80,676)	(54,491)	(245,897)	-	(245,897)
Change in model or risk parameters	36,694	13,405	83,721	133,820	-	133,820
Difference between IFRS 9 and local requirements	-	-	-	-	40,701	40,701
Write-offs	-	-	(42,757)	(42,757)	-	(42,757)
Withdrawal after write-offs	-	-	10,841	10,841	-	10,841
Exchange rate or other changes	2,932	818	2,869	6,619	9,894	16,513
Balance on March 31, 2026	<u>\$ 574,659</u>	<u>\$ 392,214</u>	<u>\$ 488,729</u>	<u>\$ 1,455,602</u>	<u>\$ 2,047,740</u>	<u>\$ 3,503,342</u>
Reserve for Losses on Guarantees Contracts and Financing Commitments	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit-impaired Financial Assets)	Accumulated Amount under IFRS 9	Difference Between IFRS 9 and Local Requirements	Total
Balance on January 1, 2026	\$ 94,276	\$ 14,825	\$ -	\$ 109,101	\$ 2,000,495	\$ 2,109,596
Transfers						
To 12-month ECLs	4	(4)	-	-	-	-
To lifetime ECLs	(1,680)	1,680	-	-	-	-
New financial assets purchased or originated	38,797	6,035	-	44,832	-	44,832
Derecognition of financial assets in the reporting period	(38,577)	(2,761)	-	(41,338)	-	(41,338)
Change in model or risk parameters	(3,430)	10,673	-	7,243	-	7,243
Difference between IFRS 9 and local requirements	-	-	-	-	89,795	89,795
Withdrawal after write-offs	-	-	-	-	298	298
Exchange rate or other changes	267	16	-	283	184	467
Balance on March 31, 2026	<u>\$ 89,657</u>	<u>\$ 30,464</u>	<u>\$ -</u>	<u>\$ 120,121</u>	<u>\$ 2,090,772</u>	<u>\$ 2,210,893</u>

The changes in allowance for credit losses and provisions for the three months ended March 31, 2025 were as follows:

Allowance for Receivables	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit-impaired Financial Assets)	Accumulated Amount under IFRS 9	Difference Between IFRS 9 and Local Requirements	Total
Balance on January 1, 2025	\$ 2,727	\$ 1,837	\$ 7,579	\$ 12,143	\$ 12,174	\$ 24,317
Transfers						
To 12-month ECLs	14	(14)	-	-	-	-
To lifetime ECLs	(106)	108	(2)	-	-	-
To credit-impaired financial assets	(293)	(198)	491	-	-	-
New financial assets purchased or originated	1,796	507	778	3,081	-	3,081
Derecognition of financial assets in the reporting period	(2,058)	(1,422)	(644)	(4,124)	-	(4,124)
Change in model or risk parameters	382	152	(1,826)	(1,292)	-	(1,292)
Difference between IFRS 9 and local requirements	-	-	-	-	(1,173)	(1,173)
Exchange rate or other changes	3	6	11	20	83	103
Balance on March 31, 2025	<u>\$ 2,465</u>	<u>\$ 976</u>	<u>\$ 6,387</u>	<u>\$ 9,828</u>	<u>\$ 11,084</u>	<u>\$ 20,912</u>

Allowance for Discounts and Loans	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit-impaired Financial Assets)	Accumulated Amount under IFRS 9	Difference Between IFRS 9 and Local Requirements	Total
Balance on January 1, 2025	\$ 505,303	\$ 216,750	\$ 319,402	\$ 1,041,455	\$ 2,289,702	\$ 3,331,157
Transfers						
To 12-month ECLs	5,567	(5,567)	-	-	-	-
To lifetime ECLs	(31,891)	33,516	(1,625)	-	-	-
To credit-impaired financial assets	(21,713)	(23,222)	44,935	-	-	-
New financial assets purchased or originated	120,703	30,342	55,435	206,480	-	206,480
Derecognition of financial assets in the reporting period	(104,639)	(45,317)	(68,099)	(218,055)	-	(218,055)
Change in model or risk parameters	35,054	16,766	(20,201)	31,619	-	31,619
Difference between IFRS 9 and local requirements	-	-	-	-	73,041	73,041
Write-offs	-	-	(47,259)	(47,259)	-	(47,259)
Withdrawal after write-offs	-	-	15,787	15,787	-	15,787
Exchange rate or other changes	2,068	1,398	1,261	4,727	9,487	14,214
Balance on March 31, 2025	<u>\$ 510,452</u>	<u>\$ 224,666</u>	<u>\$ 299,636</u>	<u>\$ 1,034,754</u>	<u>\$ 2,372,230</u>	<u>\$ 3,406,984</u>

Reserve for Losses on Guarantees Contracts and Financing Commitments	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Credit-impaired Financial Assets)	Accumulated Amount under IFRS 9	Difference Between IFRS 9 and Local Requirements	Total
Balance on January 1, 2025	\$ 108,679	\$ 24,415	\$ -	\$ 133,094	\$ 1,769,174	\$ 1,902,268
Transfers						
To 12-month ECLs	303	(303)	-	-	-	-
To lifetime ECLs	(10)	10	-	-	-	-
New financial assets purchased or originated	19,470	5,594	-	25,064	-	25,064
Derecognition of financial assets in the reporting period	(37,184)	(12,159)	-	(49,343)	-	(49,343)
Change in model or risk parameters	(23,598)	(10,961)	-	(34,559)	-	(34,559)
Difference between IFRS 9 and local requirements	-	-	-	-	3,758	3,758
Withdrawal after write-offs	-	-	-	-	47,127	47,127
Exchange rate or other changes	227	8	-	235	155	390
Balance on March 31, 2025	<u>\$ 67,887</u>	<u>\$ 6,604</u>	<u>\$ -</u>	<u>\$ 74,491</u>	<u>\$ 1,820,214</u>	<u>\$ 1,894,705</u>

15. SUBSIDIARIES

a. Subsidiary included in consolidated financial statements:

Investor	Investee	Main Business	% of Ownership			Remark
			March 31, 2026	December 31, 2025	March 31, 2025	
The Bank	China Bills Finance Co. (CBF)	Bonds underwriting, dealing and brokerage of securities	28.37	28.37	28.37	Founded in 1978
	IBT Holding Corp. (IBTH)	Holding company	100.00	100.00	100.00	Founded in 2006 in California
	IBTM	Investment consulting	100.00	100.00	100.00	Founded in 2000
	IBT VII Venture Capital Co., Ltd.	Venture capital	100.00	100.00	100.00	Founded in 2014
IBTH	EverTrust Bank	Banking	91.78	91.78	91.78	Founded in 1994 in California
IBT VII Venture Capital Co., Ltd.	O-BANK CAPITAL ASIA PTE. LTD.	Market research and survey	100.00	100.00	-	Founded in 2025 in Singapore

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
		March 31, 2026	December 31, 2025	March 31, 2025
CBF	Taipei	71.63%	71.63%	71.63%

The summarized financial information below represents amounts before intragroup eliminations:

	March 31, 2026	December 31, 2025	March 31, 2025
CBF			
Equity attributable to:			
Owners of CBF	\$ 7,907,829	\$ 7,895,164	\$ 7,350,697
Non-controlling interests of CBF	<u>19,967,265</u>	<u>19,935,284</u>	<u>18,560,506</u>
	<u>\$ 27,875,094</u>	<u>\$ 27,830,448</u>	<u>\$ 25,911,203</u>
	For the Three Months Ended March 31		
	2026	2025	
Net revenue	<u>\$ 1,093,981</u>	<u>\$ 587,164</u>	
Net profit from continuing operations	\$ 639,894	\$ 396,542	
Other comprehensive income for the period	<u>(595,248)</u>	<u>292,497</u>	
Total comprehensive income for the period	<u>\$ 44,646</u>	<u>\$ 689,039</u>	
Profit attributable to:			
Owners of CBF	\$ 181,530	\$ 112,494	
Non-controlling interests of CBF	<u>458,364</u>	<u>284,048</u>	
	<u>\$ 639,894</u>	<u>\$ 396,542</u>	

(Continued)

	For the Three Months Ended March 31	
	2026	2025
Total comprehensive income attributable to:		
Owners of CBF	\$ 12,665	\$ 195,472
Non-controlling interests of CBF	<u>31,981</u>	<u>493,567</u>
	<u>\$ 44,646</u>	<u>\$ 689,039</u>
Net cash outflow from:		
Operating activities	\$ 470,854	\$ (1,765,398)
Investing activities	(5,964)	1,524
Financing activities	<u>(506,616)</u>	<u>1,202,933</u>
Net cash outflow	<u>(41,726)</u>	<u>\$ (560,941)</u>
Dividends paid to non-controlling interests of CBF	<u>\$ -</u>	<u>\$ -</u>
		(Concluded)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	March 31, 2026	December 31, 2025	March 31, 2025
Associates - Infinite Finance Co., Ltd.	\$ 5,178,781	\$ 5,135,273	\$ 5,740,430
Associates - Beijing Sunshine Consumer Finance Co., Ltd.	<u>1,259,318</u>	<u>1,217,025</u>	<u>1,198,809</u>
	<u>\$ 6,438,099</u>	<u>\$ 6,352,298</u>	<u>\$ 6,939,239</u>

The Bank was jointly invested in Beijing Sunshine Consumer Finance Co., Ltd., with China Everbright Bank and China CYT Holdings Co. The Bank's investment amounted to RMB200,000 thousand with the shareholding ratio of 20%, and Beijing Sunshine Consumer Finance Co., Ltd. has begun operation since August 17, 2020.

On July 21, 2022, the Bank's board of directors resolved to merge IBT Leasing with Jih Sun International Leasing & Finance Co., Ltd. (referred to as "Jih Sun Leasing"). In this merger, Jih Sun Leasing is the surviving company and is renamed Infinite Finance Co., Ltd. The share exchange ratio is one IBT Leasing ordinary share for 0.5834 Jih Sun Leasing shares, with Jih Sun Leasing anticipating issuing 156,193 thousand shares to the Bank. Merged conversion amounted to NT\$6,198,618 thousand. The record date of the merger is December 1, 2022. After the merger, the Bank will hold 44.48% shares of the surviving company and has no control over it.

On June 19, 2023, the Bank disposed of 713 thousand shares of Infinite Finance for NT\$26,738 thousand. After the disposal, the bank's shareholding ratio was 44.27%. The Bank subscribed for additional new shares issued of Infinite Finance at a percentage different from its existing ownership percentage in August 2024, and reduced its continuing interest from 44.27% to 41.64%.

The Board of Directors of Infinite Finance Co., Ltd. resolved on March 10, 2026 to repurchase treasury shares during the period from March 11, 2026 to May 10, 2026. As of March 31, 2026, Infinite Finance Co., Ltd. had repurchased 623 thousand shares, resulting in the Bank's shareholding ratio increasing from 41.64% to 41.70%

Refer to Table 3 "Information on Investments in Mainland China" for the nature of activities, principal place of business and country of incorporation of the associate.

Investment was accounted for using equity method, and the share of profit or loss and other comprehensive income of this investment were calculated based on financial statements which have not been reviewed. Management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements of Beijing Sunshine Consumer Finance Co., Ltd., which have not been reviewed.

17. OTHER FINANCIAL ASSETS

	March 31, 2026	December 31, 2025	March 31, 2025
Time deposits with original maturities more than 3 months	\$ 18,551	\$ 18,242	\$ 43,311
Call loans to securities corporation limited	1,279,402	1,258,011	331,882
Repurchase agreement margins	<u>166,857</u>	<u>120,797</u>	<u>80,721</u>
	<u>\$ 1,464,810</u>	<u>\$ 1,397,050</u>	<u>\$ 455,914</u>

18. PROPERTY AND EQUIPMENT, NET

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Carrying amounts of each class of</u>			
Land	\$ 781,970	\$ 781,970	\$ 781,970
Buildings	1,053,022	1,064,640	1,099,997
Machinery and computer equipment	520,529	536,402	298,093
Transportation equipment	33,484	35,751	22,271
Office and other equipment	43,212	45,089	34,563
Lease improvement	46,934	50,461	64,909
Construction in progress and prepayments for equipment	<u>113,171</u>	<u>109,188</u>	<u>69,131</u>
	<u>\$ 2,592,322</u>	<u>\$ 2,623,501</u>	<u>\$ 2,370,934</u>

The movements of property and equipment for the three months ended March 31, 2026 and 2025 are summarized as follows:

	Land	Buildings	Machinery and Computer Equipment	Transportation Equipment	Office and Other Equipment	Lease Improvement	Construction in Progress and Prepayments for Equipment	Total
<u>Cost</u>								
Balance on January 1, 2026	\$ 781,970	\$ 1,914,008	\$ 1,237,759	\$ 62,259	\$ 304,472	\$ 418,457	\$ 109,188	\$ 4,828,113
Additions	-	155	8,501	-	708	387	38,748	48,499
Disposals and scrapped	-	-	(1,746)	-	(89)	-	-	(1,835)
Reclassification and other	-	-	3,538	-	-	-	(34,765)	(31,227)
Effect of foreign currency exchange differences	-	-	497	48	885	2,403	-	3,833
Balance on March 31, 2026	<u>\$ 781,970</u>	<u>\$ 1,914,163</u>	<u>\$ 1,248,549</u>	<u>\$ 62,307</u>	<u>\$ 305,976</u>	<u>\$ 421,247</u>	<u>\$ 113,171</u>	<u>\$ 4,847,383</u>
<u>Accumulated depreciation and impairment</u>								
Balance on January 1, 2026	\$ -	\$ 849,368	\$ 701,357	\$ 26,508	\$ 259,383	\$ 367,996	\$ -	\$ 2,204,612
Disposals and scrapped	-	-	(1,443)	-	(85)	-	-	(1,528)
Depreciation expense	-	11,773	27,836	2,309	2,771	4,310	-	48,999
Effect of foreign currency exchange differences	-	-	270	6	695	2,007	-	2,978
Balance on March 31, 2026	<u>\$ -</u>	<u>\$ 861,141</u>	<u>\$ 728,020</u>	<u>\$ 28,823</u>	<u>\$ 262,764</u>	<u>\$ 374,313</u>	<u>\$ -</u>	<u>\$ 2,255,061</u>
<u>Carrying amounts</u>								
Balance on March 31, 2026	<u>\$ 781,970</u>	<u>\$ 1,053,022</u>	<u>\$ 520,529</u>	<u>\$ 33,484</u>	<u>\$ 43,212</u>	<u>\$ 46,934</u>	<u>\$ 113,171</u>	<u>\$ 2,592,322</u>
<u>Cost</u>								
Balance on January 1, 2025	\$ 781,970	\$ 1,919,554	\$ 902,979	\$ 58,709	\$ 299,134	\$ 424,936	\$ 65,871	\$ 4,453,153
Additions	-	-	12,646	825	4,486	-	18,924	36,881
Disposals and scrapped	-	(1,507)	(207)	(679)	(4,242)	-	-	(6,635)
Reclassification	-	-	10,729	-	-	-	(15,713)	(4,984)
Effect of foreign currency exchange differences	-	-	459	63	717	1,967	49	3,255
Balance on March 31, 2025	<u>\$ 781,970</u>	<u>\$ 1,918,047</u>	<u>\$ 926,606</u>	<u>\$ 58,918</u>	<u>\$ 300,095</u>	<u>\$ 426,903</u>	<u>\$ 69,131</u>	<u>\$ 4,481,670</u>
<u>Accumulated depreciation and impairment</u>								
Balance on January 1, 2025	\$ -	\$ 806,872	\$ 608,943	\$ 35,359	\$ 267,207	\$ 355,632	\$ -	\$ 2,074,013
Disposals and scrapped	-	(603)	(207)	(566)	(4,226)	-	-	(5,602)
Depreciation expense	-	11,781	19,570	1,795	1,928	4,816	-	39,890
Reclassification	-	-	(1)	-	1	-	-	-
Effect of foreign currency exchange differences	-	-	208	59	622	1,546	-	2,435
Balance on March 31, 2025	<u>\$ -</u>	<u>\$ 818,050</u>	<u>\$ 628,513</u>	<u>\$ 36,647</u>	<u>\$ 265,532</u>	<u>\$ 361,994</u>	<u>\$ -</u>	<u>\$ 2,110,736</u>
<u>Carrying amounts</u>								
Balance on March 31, 2025	<u>\$ 781,970</u>	<u>\$ 1,099,997</u>	<u>\$ 298,093</u>	<u>\$ 22,271</u>	<u>\$ 34,563</u>	<u>\$ 64,909</u>	<u>\$ 69,131</u>	<u>\$ 2,370,934</u>

The above items of property and equipment are depreciated on a straight-line basis at the following rates per annum:

Buildings	5-55 years
Machinery and computer equipment	3-25 years
Transportation equipment	3-5 years
Office and other equipment	3-15 years
Lease improvement	5-10 years

19. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Carrying amounts</u>			
Buildings	\$ 356,441	\$ 388,374	\$ 381,226
Transportation equipment	4,800	5,842	8,965
Office equipment	<u>2,044</u>	<u>2,010</u>	<u>1,463</u>
	<u>\$ 363,285</u>	<u>\$ 396,226</u>	<u>\$ 391,654</u>
	For the Three Months Ended March 31		
	2026	2025	
Additions to right-of-use assets		<u>\$ 3,963</u>	<u>\$ 17,158</u>
Depreciation charge for right-of-use assets			
Buildings		\$ 37,024	\$ 36,250
Transportation equipment		1,042	1,041
Office equipment		<u>236</u>	<u>249</u>
		<u>\$ 38,302</u>	<u>\$ 37,540</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the three months ended March 31, 2026 and 2025.

b. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amounts	<u>\$ 382,283</u>	<u>\$ 414,349</u>	<u>\$ 410,288</u>

Range of discount rates for lease liabilities was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Buildings	1.35%-5.88%	1.35%-5.88%	1.35%-5.88%
Transportation equipment	1.85%-2.76%	1.85%-2.76%	1.85%-2.76%
Office equipment	3.70%-4.51%	3.70%-4.51%	1.08%-4.51%

c. Material lease-in activities

Due to the rental of buildings, the Group had entered into various leasehold contracts with others, respectively. These contracts are gradually expiring before the end of March 2033. As of March 31, 2026, December 31, 2025 and March 31, 2025, refundable deposits paid under operating lease amounted to \$32,185 thousand, \$32,691 thousand and \$33,253 thousand, respectively.

d. Other lease information

	For the Three Months Ended March 31	
	2026	2025
Expenses relating to short-term leases	\$ 1,119	\$ 1,029
Expenses relating to low-value asset leases	\$ 2,156	\$ 1,589
Total cash outflow for leases	\$ (46,038)	\$ (44,092)

20. INTANGIBLE ASSETS

	March 31, 2026	December 31, 2025	March 31, 2025
<u>Carrying amounts of each class of</u>			
Computer software	\$ 537,580	\$ 511,027	\$ 488,076
Goodwill	<u>1,213,399</u>	<u>1,193,275</u>	<u>1,258,678</u>
	<u>\$ 1,750,979</u>	<u>\$ 1,704,302</u>	<u>\$ 1,746,754</u>

The changes in intangible assets for the three months ended March 31, 2026 and 2025 are summarized as follows:

	Computer Software	Goodwill	Others	Total
<u>Cost</u>				
Balance on January 1, 2026	\$ 2,919,705	\$ 1,193,275	\$ 7,678	\$ 4,120,658
Additions	36,369	-	-	36,369
Scrapped	(1,808)	-	-	(1,808)
Reclassification	26,397	-	-	26,397
Effect of foreign currency exchange differences	<u>1,077</u>	<u>20,124</u>	<u>131</u>	<u>21,332</u>
Balance on March 31, 2026	<u>\$ 2,981,740</u>	<u>\$ 1,213,399</u>	<u>\$ 7,809</u>	<u>\$ 4,202,948</u>
<u>Accumulated amortization and impairment</u>				
Balance on January 1, 2026	\$ 2,408,678	\$ -	\$ 7,678	\$ 2,416,356
Amortization	36,339	-	-	36,339
Scrapped	(1,808)	-	-	(1,808)
Effect of foreign currency exchange differences	<u>951</u>	<u>-</u>	<u>131</u>	<u>1,082</u>
Balance on March 31, 2026	<u>\$ 2,444,160</u>	<u>\$ -</u>	<u>\$ 7,809</u>	<u>\$ 2,451,969</u>
<u>Carrying amounts</u>				
Balance on March 31, 2026	<u>\$ 537,580</u>	<u>\$ 1,213,399</u>	<u>\$ -</u>	<u>\$ 1,750,979</u>

(Continued)

	Computer Software	Goodwill	Others	Total
<u>Cost</u>				
Balance on January 1, 2025	\$ 2,773,641	\$ 1,243,694	\$ 8,005	\$ 4,025,340
Additions	27,797	-	-	27,797
Scrapped	(1,478)	-	-	(1,478)
Reclassification	4,984	-	-	4,984
Effect of foreign currency exchange differences	<u>969</u>	<u>14,984</u>	<u>97</u>	<u>16,050</u>
Balance on March 31, 2025	<u>\$ 2,805,913</u>	<u>\$ 1,258,678</u>	<u>\$ 8,102</u>	<u>\$ 4,072,693</u>
<u>Accumulated amortization and impairment</u>				
Balance on January 1, 2025	\$ 2,273,778	\$ -	\$ 8,005	\$ 2,281,783
Amortization	44,674	-	-	44,674
Scrapped	(1,478)	-	-	(1,478)
Effect of foreign currency exchange differences	<u>863</u>	<u>-</u>	<u>97</u>	<u>960</u>
Balance on March 31, 2025	<u>\$ 2,317,837</u>	<u>\$ -</u>	<u>\$ 8,102</u>	<u>\$ 2,325,939</u>
<u>Carrying amounts</u>				
Balance on March 31, 2025	<u>\$ 488,076</u>	<u>\$ 1,258,678</u>	<u>\$ -</u>	<u>\$ 1,746,754</u>

(Concluded)

The goodwill was recognized from IBT Holding Corp.'s purchase of 100% of the stocks of Ever Trust Bank on March 30, 2007. The investment cost exceeded the fair value of net identifiable assets.

When the Group executes the goodwill impairment test, Ever Trust Bank was used as a cash-generating unit, and the recoverable amount is assessed by the value in use of the cash-generating unit. The key assumptions base the expected future cash flows on the actual profit conditions of the cash-generating units. On the assumption of sustainable operations, the Group discounts the net cash flows from those of the operations of the cash-generating units in the next five years in order to calculate the value in use. Under the estimation of the Group, there is no occurrence of impairment.

The computer software and other intangible assets are amortized on a straight-line basis of 1 to 15 years, respectively.

21. OTHER ASSETS

	March 31, 2026	December 31, 2025	March 31, 2025
Refundable deposits	\$ 976,152	\$ 1,051,518	\$ 827,781
Life insurance cash surrender value	360,090	353,426	370,802
Prepayments	243,323	95,848	160,215
Prepaid pension cost	38,251	-	-
Others	<u>176,154</u>	<u>177,345</u>	<u>186,641</u>
	<u>\$ 1,793,970</u>	<u>\$ 1,678,137</u>	<u>\$ 1,545,439</u>

22. DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS

	March 31, 2026	December 31, 2025	March 31, 2025
Call loans from banks	\$ 46,102,255	\$ 33,779,646	\$ 36,355,806
Deposits from Chunghwa Post Co., Ltd.	12,000,000	12,000,000	12,000,000
Call loans from the Central Bank	<u>2,878,653</u>	<u>2,830,524</u>	<u>2,986,941</u>
	<u>\$ 60,980,908</u>	<u>\$ 48,610,170</u>	<u>\$ 51,342,747</u>

23. BILLS AND BONDS SOLD UNDER REPURCHASE AGREEMENTS

	March 31, 2026	December 31, 2025	March 31, 2025
Bills	\$ 106,450,714	\$ 112,474,231	\$ 111,433,371
Government bonds	18,007,977	17,094,295	14,116,028
Corporate bonds	72,891,091	68,255,154	68,050,392
Bank debentures	17,212,987	21,375,431	19,914,486
Beneficiary securities	<u>-</u>	<u>-</u>	<u>50,000</u>
	<u>\$ 214,562,769</u>	<u>\$ 219,199,111</u>	<u>\$ 213,564,277</u>
Date of agreements to repurchase	Before February 2027	Before October 2026	Before February 2026
Amount of agreements to repurchase	\$ 212,198,852	\$ 214,280,604	\$ 211,158,748

The Group has repurchased bills and bond liabilities with an unspecified maturity date as of March 31, 2026, December 31, 2025 and March 31, 2025, with a face value of \$3,069,679 thousand, \$5,694,216 thousand and \$3,075,034 thousand, respectively.

24. PAYABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Investment settlements payables	\$ 1,689,537	\$ 140,836	\$ 252,599
Acceptances	221,810	331,727	123,708
Accounts payables	194,361	176,697	150,329
Accrued interest	1,756,632	1,657,986	1,715,238
Accrued expenses	869,174	1,291,070	827,624
Collections payables	183,780	205,138	171,040
Factored payables	383,800	383,845	565,175
Checks for clearing payables	203,569	41,836	243,662
Others	<u>96,870</u>	<u>137,719</u>	<u>68,812</u>
	<u>\$ 5,599,533</u>	<u>\$ 4,366,854</u>	<u>\$ 4,118,187</u>

25. DEPOSITS AND REMITTANCES

	March 31, 2026	December 31, 2025	March 31, 2025
Deposits			
Checking	\$ 6,571,196	\$ 6,231,375	\$ 5,589,589
Demand	42,985,965	44,829,231	44,660,587
Time	257,228,169	253,838,730	245,379,652
Savings deposits	23,993,969	23,892,327	23,131,364
Export remittances	<u>71,430</u>	<u>33,784</u>	<u>46,639</u>
	<u>\$ 330,850,729</u>	<u>\$ 328,825,447</u>	<u>\$ 318,807,831</u>

26. BANK DEBENTURES PAYABLE

	March 31, 2026	December 31, 2025	March 31, 2025
Subordinate bonds first issued in 2017; fixed 1.97% interest rate; maturity: September 5, 2027; interest paid annually and repayment of the principal at maturity	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Subordinate bonds B second issued in 2017; fixed 1.82% interest rate; maturity: December 27, 2027; interest paid annually and repayment of the principal at maturity	1,000,000	1,000,000	1,000,000
Subordinate bonds A first issued in 2018; fixed 4.00% interest rate; no maturity, interest paid annually	700,000	700,000	700,000
			(Continued)

	March 31, 2026	December 31, 2025	March 31, 2025
Subordinate bonds B first issued in 2018; fixed 1.75% interest rate; maturity: June 29, 2028; interest paid annually and repayment of the principal at maturity	\$ 1,050,000	\$ 1,050,000	\$ 1,050,000
Subordinate bonds first issued in 2019; fixed 1.50% interest rate; maturity: June 6, 2026; interest paid annually and repayment of the principal at maturity	2,500,000	2,500,000	2,500,000
Subordinate bonds first issued in 2021; fixed 0.90% interest rate; maturity: June 25, 2028; interest paid annually and repay the principal at maturity	1,000,000	1,000,000	1,000,000
Subordinate bonds first issued in 2022; fixed 2.30% interest rate; maturity: September 27, 2029; interest paid annually and repayment of the principal at maturity	1,100,000	1,100,000	1,100,000
Subordinate bonds first issued in 2023; fixed 2.00% interest rate; maturity: April 27, 2030; interest paid annually and repayment of the principal at maturity	900,000	900,000	900,000
Subordinate bonds second issued in 2023; fixed 2.20% interest rate; maturity: September 27, 2030; interest paid annually and repayment of the principal at maturity	700,000	700,000	700,000
Subordinate bonds first issued in 2024; fixed 2.30% interest rate; maturity: March 27, 2031; interest paid annually and repayment of the principal at maturity	1,500,000	1,500,000	1,500,000
Subordinate bonds second issued in 2024; fixed 2.50% interest rate; maturity: June 27, 2031; interest paid annually and repayment of the principal at maturity	1,000,000	1,000,000	1,000,000
Subordinate bonds A first issued in 2025; fixed 2.55% interest rate; maturity: September 26, 2032; interest paid annually and repayment of the principal at maturity	200,000	200,000	-
Subordinate bonds B first issued in 2025; fixed 2.70% interest rate; maturity: September 26, 2035; interest paid annually and repayment of the principal at maturity	<u>1,010,000</u>	<u>1,010,000</u>	<u>-</u>
	<u>\$ 14,660,000</u>	<u>\$ 14,660,000</u>	<u>\$ 13,450,000</u> (Concluded)

27. OTHER FINANCIAL LIABILITIES

	March 31, 2026	December 31, 2025	March 31, 2025
Bank borrowings	\$ 150,000	\$ 110,000	\$ 63,800
Commercial papers payable	184,724	129,673	91,727
Principal of structured products	14,939,034	12,803,363	10,862,542
Funds obtained from the government - intended for specific types of loans	<u>1,880,784</u>	<u>2,042,821</u>	<u>2,319,850</u>
	<u>\$ 17,154,542</u>	<u>\$ 15,085,857</u>	<u>\$ 13,337,919</u>

a. Bank borrowings

	March 31, 2026	December 31, 2025	March 31, 2025
Short-term borrowings	<u>\$ 150,000</u>	<u>\$ 110,000</u>	<u>\$ 63,800</u>
Interest rate interval (%) New Taiwan dollars	2.15%-2.20%	2.20%	2.20%-2.22%

b. Commercial papers payable

	March 31, 2026	December 31, 2025	March 31, 2025
Commercial papers payable	\$ 185,000	\$ 130,000	\$ 92,000
Less: Unamortized discount	<u>(276)</u>	<u>(327)</u>	<u>(273)</u>
	<u>\$ 184,724</u>	<u>\$ 129,673</u>	<u>\$ 91,727</u>
Interest rate interval (%)	2.22%	2.22%	2.22%-2.24%

c. Funds obtained from the government - intended for specific types of loans

	March 31, 2026	December 31, 2025	March 31, 2025
Funds obtained from the government - intended for specific types of loans	<u>\$ 1,880,784</u>	<u>\$ 2,042,821</u>	<u>\$ 2,319,850</u>

The Lending Fund is a development fund established by the Executive Yuan to promote the development of the financial market economy. The Bank applied for the quota and appointed, Export-Import Bank of the Republic of China and Taiwan Enterprise Bank to act as the managing bank wherein the loan quota is available for use.

28. PROVISIONS

	March 31, 2026	December 31, 2025	March 31, 2025
Provisions for employee benefits	\$ 136,353	\$ 88,626	\$ 97,405
Provisions for losses on guarantees contracts	2,123,172	2,021,875	1,806,984
Provisions for losses on financing commitments	<u>87,721</u>	<u>87,721</u>	<u>87,721</u>
	<u>\$ 2,347,246</u>	<u>\$ 2,198,222</u>	<u>\$ 1,992,110</u>

Refer to Note 14 for the details and changes in the provision for losses on guarantees contracts and financing commitments.

29. RETIREMENT BENEFIT PLANS

Defined Contribution Plan

The pension system under the “Labor Pensions Ordinance” applicable to the Bank and its subsidiaries is the required retirement plan stipulated by the government, except that of Ever Trust Bank which is not more than 10% of the annual salary of the respective employees. A pension of 6% of an employee’s monthly salary is paid to the Labor Insurance Bureau under each individual’s account.

The amount to be paid in accordance with the percentage specified in the proposed plan for the three months ended March 31, 2026 and 2025 was recognized in the consolidated statements of comprehensive income in the total amounts of \$24,757 thousand and \$23,911 thousand, respectively.

Defined Benefit Plan

The retirement expenses recognized under defined benefit plans for the three months ended March 31, 2026 and 2025 were calculated using the respective 2025 and 2024 annually determined discount rates as of December 31, 2025 and 2024 and amounted to \$2,788 thousand and \$2,892 thousand, respectively.

30. OTHER LIABILITIES

	March 31, 2026	December 31, 2025	March 31, 2025
Guarantee deposits received	\$ 396,124	\$ 162,446	\$ 239,260
Advance revenue	61,756	60,076	50,058
Payable for custody	15,295	61,052	14,091
Receipts in suspense and pending settlement	124,680	1,033,049	110,625
Deferred revenue	90,248	81,408	89,183
Others	<u>7,536</u>	<u>7,605</u>	<u>7,460</u>
	<u>\$ 695,639</u>	<u>\$1,405,636</u>	<u>\$ 510,677</u>

31. EQUITY

a. Capital stock

	March 31, 2026	December 31, 2025	March 31, 2025
Number of stocks authorized (in thousands)	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>
Amount of capital stock authorized	<u>\$ 35,000,000</u>	<u>\$ 35,000,000</u>	<u>\$ 35,000,000</u>
Number of stocks issued and fully paid (in thousands)			
Common stock	<u>2,805,358</u>	<u>2,805,358</u>	<u>2,805,358</u>
Preferred stock	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Amount of stocks issued	<u>\$ 30,553,579</u>	<u>\$ 30,553,579</u>	<u>\$ 30,553,579</u>

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

The Bank's board of directors resolved to issue 250,000 thousand Series B convertible preferred stock, with a par value of \$10. The issue price was \$12 per share, and the total amount issued was \$3,000,000 thousand on May 2, 2024. This issuance was approved by the Financial Supervisory Commission. The subscription date was September 25, 2024. The Bank finished the registration on October 29, 2024. The rights and obligations of Series B preferred stockholders are as follows:

- 1) The interest rate of Series B preferred stock shall be based on the 5-year NTD Interest Rate Swap (IRS) rate on the pricing date and the interest shall be calculated on the issue price per share; the interest rate is initially set at 1.7325% plus 2.7675% (total 4.5%) per annum. The NTD interest Rate Swap issued price per share. Interest rate per annum will be reset on the day after the 5.5-year anniversary of the issue date and the day after each subsequent period of 5.5 years thereafter. Dividends for the Series B preferred stock shall be declared once every year in cash. After the stockholders' approval of the Bank's financial statements at its annual stockholders' meeting, the board of directors may set a record date for the distribution of dividends declared from the previous year. Dividend distribution for the years of issuance and redemption shall be calculated pursuant to actual issued days of the given year.
- 2) The Bank has sole discretion on dividend issuance of Series B preferred stock including, but not limited to, its discretion to not declare dividends when no profit is recorded, or insufficient profit is recorded for preferred stock dividends, or preferred stock dividend declaration would render the Bank of International Settlement (BIS) ratio below the level required by the law or relevant authorities, or due other necessary consideration. The Series B preferred stockholders shall not have any objection toward the Bank's cancellation of preferred stock dividend declaration. Undeclared or under declared dividends are not cumulative and are not paid in subsequent years with profit.
- 3) Unless the authorities take over the Bank, order the Bank to suspend, terminate or liquidate its business in accordance with the "Regulations Governing the Capital Adequacy and Capital Category of Banks", Series B preferred stockholders shall have the same priority as the common stockholders in the event of liquidation, both second to tier 2 capital instrument holder, depositor, and common creditor, but will be capped at the value of issuance.
- 4) Series B preferred stockholders have no voting rights and cannot elect directors. However, the preferred stockholders should have voting rights at the preferred stockholders' meeting and also at the stockholders' meeting when it involves the rights and obligations of the preferred stockholders, and the aforesaid stockholders are eligible for director candidacy. Series B preferred stockholders have voting rights at Series B stockholders' meeting.

- 5) The Series B convertible preferred stock issued by the Bank shall not be converted within one year from the date of issuance. Starting from the day after the expiration of one year, stockholders of convertible preferred stock may apply for the conversion of part or all of the preferred stock held, from preferred stock to common stock during the conversion period (conversion ratio 1:1). After the convertible preferred stock are converted into common stock, their rights and obligations are the same as the common stock. The issuance of annual dividends for the convertible preferred stock is based on the ratio of the actual number of issued days in the current year to the number of days within the full year. However, stockholders who converted their preferred stock into common stock before the date of distribution of dividends (interests) in each year shall not participate in the distribution in that year but may participate in the distribution of common stock surplus and additional paid in capital.
- 6) After five and a half years from the issue date, the Bank may, subject to the authorities' approval, redeem a portion or all of the outstanding shares of preferred stock any time at the issue price. The rights and obligations associated with any remaining outstanding shares of preferred stock shall continue as specified in the agreement. If the Bank's board of directors approves the distribution of dividends in the year the Bank redeems the outstanding shares of preferred stock - B, the dividends payable shall be calculated at the ratio of the number of days outstanding from beginning of year to the redemption date to total days in a fiscal year.
- 7) When the Bank issues new shares for cash, Series B preferred stockholders have the same subscription rights as the common stockholders.

b. Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
May be used to offset a deficit, distributed as dividends, or transferred to capital stock (Note 1)			
Issuance of ordinary shares	\$ 500,000	\$ 500,000	\$ 500,000
Treasury share transactions	<u>10,746</u>	<u>10,746</u>	<u>10,746</u>
	<u>510,746</u>	<u>510,746</u>	<u>510,746</u>
Must be used to offset a deficit			
Disgorgement exercised	13	13	10
Unclaimed dividends	2,606	3,671	3,671
Share of changes in capital surplus of subsidiaries associates or joint ventures (Note 2)	<u>60,868</u>	<u>56,258</u>	<u>51,890</u>
	<u>63,487</u>	<u>59,942</u>	<u>55,571</u>
May not be used for any purpose			
Share of changes in capital surplus of subsidiaries associates or joint ventures	<u>4,046</u>	<u>4,046</u>	<u>3,617</u>
	<u>\$ 578,279</u>	<u>\$ 574,734</u>	<u>\$ 569,934</u>

Note 1: Such capital surplus may be used to offset a deficit; in addition, when the Bank has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital stock (limited to a certain percentage of the Bank's capital surplus and once a year).

Note 2: Such capital surplus arises from the effects of changes in ownership interests in associates resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of associates accounted for using equity method.

c. Special reserves

	March 31, 2026	December 31, 2025	March 31, 2025
Trading loss and default loss reserve	\$ 133,955	\$ 133,955	\$ 133,955
Employee transfer or placement expenditure related to financial technology development	3,110	3,110	7,899
Other equity deductions special reserves	<u>1,450,123</u>	<u>1,450,123</u>	<u>1,828,393</u>
	<u>\$ 1,587,188</u>	<u>\$ 1,587,188</u>	<u>\$ 1,970,247</u>

The Bank reclassified reserve for trading loss and default losses as of December 31, 2010 to a special reserve account, which is part of equity, in accordance with Order No. 1001000440 issued by the FSC.

In addition, according to Rule No. 10510001510 issued by the FSC on May 25, 2016, a public bank shall appropriate to special reserve an amount in the range of 0.5% to 1% of net profit after tax from 2016 to 2018; from 2017, the same amount of employee transfer or placement expenditure arising from financial technology development shall be reversed from the balance of the special reserve. The above order was repealed by the FSC Rule No. 10802714560 on May 15, 2019, which stipulates that in 2019, a public bank shall no longer continue to provide a special reserve for the purpose of protecting the interests of domestic bank practitioners in the development of financial technology. The Bank is allowed to reverse the special reserve appropriated in 2016 to 2018 at the amounts of the following expenses.

- 1) Expenses for staff transfer or placement, including the related expenses for assisting employees to transfer between departments or groups, and the payment of retirement and severance benefits to employees that are superior to labor-related laws and regulations.
- 2) Expenses for financial technology or banking business development, i.e., expenditure for education and training to enhance or develop employee functions.

Under related regulations, the Bank should appropriate or reverse to a special reserve according to the net debit balance of other equity. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

d. Retained earnings and dividends policy

- 1) The Bank's dividend policy approved by the stockholders' meeting of the Bank on June 13, 2025 is as follows:

Where the Bank made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 30% of the remaining profit until the accumulated legal reserve equals the Bank's paid-in capital, setting aside or reversing a special reserve in accordance with the laws and regulations, and then the remaining profit is undistributed retained earnings. These earnings, combined with undistributed retained earnings at the beginning of the period, shall form the cumulative distributable earnings. Dividends for preferred shares shall be distributed with priority, followed by dividends and bonuses for common shares (collectively referred to as "dividends"). The Board of Directors shall prepare a proposal for the distribution plan, which should be resolved in the stockholders' meeting for distribution of dividends and bonus to stockholders.

In the event of a shortfall in “other previously accumulated net deductions from stockholders’ equity” when the Bank sets aside a portion of distributable earnings for special reserve, it shall first set aside an equal amount of special reserve from undistributed earnings from the previous period. If any shortfall remains, the Bank shall make an allocation from the undistributed earnings of the current period that also take account of net profit plus other items of the current period.

The distribution of common stock dividend shall not be lower than 20% of distributable earnings after deducting distributable but not yet distributed preferred stock dividends for the current year. The aforesaid distributable earnings refer to the outstanding balance derived from deducting preferred stock dividends and reverse of any special reserve from the year’s undistributed earnings set forth in paragraph 1 of this article. In particular, the cash dividend payout shall account for not less than 20% of the total common stock dividend payout for any given year. Separately, before the legal reserve equals the total amount of capital stock, the maximum cash distribution of earnings shall not exceed 15% of the total amount of paid-in capital.

With regard to the foregoing distribution of common stock dividends, the Bank adopts a policy of stability and balance that takes into account capital budget planning, capital needs for business operations, and commitment to a sound financial structure. The aforesaid method of dividend distribution is intended only as a principle-based guideline; the Bank may consider actual needs and, via the Board of Directors, propose an amendment and seek stockholder approval in the form of a resolution adopted by a stockholders’ meeting.

2) The dividend policy before June 13, 2025 is as follows:

Under the dividends policy as set forth in the amended Articles, where the Bank made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 30% of the remaining profit until the accumulated legal reserve equals the Bank’s paid-in capital, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the board of directors as the basis for proposing a distribution plan, which should be resolved in the stockholders’ meeting for distribution of dividends and bonus to stockholders.

In the event of a shortfall in “other previously accumulated net deductions from stockholders’ equity” when the Bank sets aside a portion of distributable earnings for special reserve, it shall first set aside an equal amount of special reserve from undistributed earnings from the previous period. If any shortfall remains, the Bank shall make an allocation from the undistributed earnings of the current period that also take account of net profit plus other items of the current period.

In principle, common stock dividends shall not be less than 20% of the available for distribution retained earnings minus the amount for preferred stock dividends and the reversal of special reserve for the current year. Cash dividend shall not be less than 20% of the total dividend for the current year. When the amount of legal reserve has not reached the Bank’s total capital, the amount of cash dividends cannot exceed 15% of the Bank’s paid-in capital.

The Bank shall consider its future capital budget plan, financial needs for various businesses, and financial structure in the adoption of a stable and balanced dividend policy. The board of directors may, according to the actual needs, propose adjustments to the dividend distribution, and submit the proposal for approval in the stockholders’ meeting.

For the policies on distribution of compensation of employees and remuneration of directors, please refer to Note 36.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Bank's paid-in capital. Legal reserve may be used to offset deficit. If the Bank has no deficit and the legal reserve has exceeded 25% of the Bank's paid-in capital, the excess may be transferred to capital or distributed in cash. In addition, the Banking Law limits the appropriation of cash dividends to 15% of the Bank's paid-in capital.

The appropriations of earnings for 2025 and 2024 have been proposed by the Bank's board of directors and approved in the stockholders' meetings on March 11, 2026 and June 13, 2025, respectively. The appropriations and dividends per share were as follows:

	2025	2024
	Appropriation of Earnings	Appropriation of Earnings
Legal reserve	\$ 526,566	\$ 842,611
Special reserve reversed	(1,294,175)	(383,059)
Cash dividends - common stock	1,446,858	1,391,209
Series A Preferred stock dividends	-	83,825
Series B Preferred stock dividends	135,000	36,147

The appropriation of earnings for 2025 are subject to the resolution of the stockholders' meeting to be held on June 12, 2026.

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Three Months Ended March 31	
	2026	2025
Balance on January 1	\$ 283,699	\$ 541,303
Exchange differences arising on translating the financial statements of foreign operations	229,567	138,726
Income tax related to gains arising on translating the financial statements of foreign operations	<u>(32,641)</u>	<u>(18,320)</u>
Balance on March 31	<u>\$ 480,625</u>	<u>\$ 661,709</u>

2) Unrealized valuation gains (losses) on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2026	2025
Balance on January 1	\$ (442,757)	\$ (1,991,426)
Recognized during the period		
Unrealized gains (losses) - debt instruments	(347,858)	351,431
Unrealized gains (losses) - equity instruments	(212,432)	(24,533)
Tax effects	32,767	(32,306)
Loss allowance of debt instruments	<u>(4,278)</u>	<u>2,698</u>
Other comprehensive income recognized in the period	<u>(531,801)</u>	<u>297,290</u>
Cumulative unrealized losses of equity instruments transferred to retained earnings due to disposal	<u>3,592</u>	<u>(5,108)</u>
Balance on March 31	<u>\$ (970,966)</u>	<u>\$ (1,699,244)</u>

f. Non-controlling interests

	For the Three Months Ended March 31	
	2026	2025
Balance on January 1	\$ 20,600,150	\$ 18,715,932
Attribute to non-controlling interests		
Shares of profit for the year	465,701	291,497
Exchange differences arising on translation of foreign entities	11,381	7,949
Unrealized valuation gains or losses on FVTOCI		
Debt instruments	(436,396)	292,456
Equity instruments	(66,657)	(28,283)
Tax effects	76,740	(51,596)
Actuarial profit and loss of defined benefit plans	-	230
Balance on March 31	<u>\$ 20,650,919</u>	<u>\$ 19,228,185</u>

g. Treasury stocks

	Unit: In Thousands of Shares	
	For the Three Months Ended March 31	
	2026	2025
Number of shares on January 1	22,939	9,357
Increase during the year	-	13,582
Number of shares on March 31	<u>22,939</u>	<u>22,939</u>

On December 25, 2024, the board of directors proposed to acquire treasury stocks transfer to employees. The acquiring period was from December 26, 2024 to February 25, 2025. As of February 25, 2025, the Bank had acquired 13,582 thousand shares of treasury stocks for \$134,428 thousand.

Under the Securities and Exchange Act, the Bank shall neither pledge treasury shares nor exercise stockholders' rights on these shares, such as the rights to receive dividends or to vote.

32. NET INTEREST

	For the Three Months Ended March 31	
	2026	2025
<u>Interest revenue</u>		
Discounts and loans	\$ 2,548,162	\$ 2,721,668
Investments in securities	1,067,821	1,001,751
Due from the Central Bank and call loans to banks	169,065	121,331
Others	<u>122,757</u>	<u>79,441</u>
	<u>3,907,805</u>	<u>3,924,191</u>

(Continued)

	For the Three Months Ended March 31	
	2026	2025
<u>Interest expense</u>		
Deposits	\$ 1,861,856	\$ 2,071,676
Deposits from the Central Bank and banks	216,204	206,856
Bank debentures	74,230	66,249
Bills and bonds sold under repurchase agreements	889,639	986,698
Others	<u>27,254</u>	<u>15,333</u>
	<u>3,069,183</u>	<u>3,346,812</u>
	<u>\$ 838,622</u>	<u>\$ 577,379</u>
		(Concluded)

33. SERVICE FEE INCOME, NET

	For the Three Months Ended March 31	
	2026	2025
Service fee income		
Guarantee business	\$ 302,280	\$ 284,891
Loan business	148,146	128,193
Underwrite business	159,517	140,924
Trust business	14,447	16,186
Credit examining business	70,493	60,765
Import and export business	7,366	4,601
Factoring business	2,159	3,998
Insurance agent business	11,148	10,097
Others	<u>115,443</u>	<u>68,912</u>
	830,999	718,567
Service charge		
Others	<u>43,215</u>	<u>45,472</u>
	<u>\$ 787,784</u>	<u>\$ 673,095</u>

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

	For the Three Months Ended March 31	
	2026	2025
Realized gains or losses		
Bills	\$ 31,526	\$ 11,979
Stocks and beneficiary certificates	9,071	34,259
Bonds	115,129	79,982
Derivatives	<u>329,542</u>	<u>656,015</u>
	<u>485,268</u>	<u>782,235</u>
		(Concluded)

	For the Three Months Ended March 31	
	2026	2025
Gains (losses) on valuation		
Bills	\$ 72,866	\$ (43,834)
Stocks and beneficiary certificates	14,770	(43,509)
Bonds	21,053	1,663
Derivatives	<u>298,535</u>	<u>(124,017)</u>
	<u>407,224</u>	<u>(209,697)</u>
Interest revenue	<u>765,462</u>	<u>779,727</u>
	<u>\$ 1,657,954</u>	<u>\$ 1,352,265</u>

(Concluded)

35. REALIZED GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	For the Three Months Ended March 31	
	2026	2025
Realized gain - debt instruments	\$ 178,427	\$ 72,742
Dividend income	<u>110,323</u>	<u>9,495</u>
	<u>\$ 288,750</u>	<u>\$ 82,237</u>

36. EMPLOYEE BENEFITS EXPENSES

	For the Three Months Ended March 31	
	2026	2025
Short-term employee benefits		
Salaries and wages	\$ 666,281	\$ 579,061
Labor insurance and national health insurance	44,454	42,343
Others	100,242	70,246
Post-employment benefits		
Pension expenses	27,545	26,803
Pension benefits	<u>876</u>	<u>442</u>
	<u>\$ 839,398</u>	<u>\$ 718,895</u>

According to the Company's Articles of Incorporation, the Bank accrued employees' compensation and remuneration of directors at the rates no lower than 0.5% and no higher than 2.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. In accordance with the amendment to the Securities and Exchange Act in August 2024, the Bank revised its Articles of Incorporation at the stockholders' meeting held on June 13, 2025. The proposed revision will stipulate that among the total amount of employee compensation, the portion allocated to non-executive employees staff shall not be less than 20%.

The amounts and accrual rates of employees' compensation (including non-executive employees) and remuneration of directors for the three months ended March 31, 2026 and 2025 were as follows:

Accrual rate

	For the Three Months Ended March 31	
	2026	2025
Compensation of employees	1.50%	1.50%
Remuneration of directors	1.25%	1.30%

Amount

	For the Three Months Ended March 31	
	2026	2025
Compensation of employees	<u>\$ 13,525</u>	<u>\$ 10,282</u>
Remuneration of directors	<u>\$ 11,271</u>	<u>\$ 8,911</u>

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

The compensation of employees and remuneration of directors for 2025 and 2024, which were approved by the Bank's board of director on March 11, 2026 and May 2, 2025 respectively, were as follows:

	For the Year Ended December 31	
	2025	2024
	Cash	Cash
Compensation of employees	<u>\$ 33,822</u>	<u>\$ 52,586</u>
Remuneration of directors	<u>\$ 28,185</u>	<u>\$ 45,574</u>

There are no differences between 2025 and 2024 the actual amounts of compensation of employees and remuneration of directors paid and 2025 and 2024 the amounts recognized in the annual consolidated financial statement.

Information for the compensation of employees and remuneration of directors proposed by the Board is available at the Market Observation Post System website of the Taiwan Stock Exchange.

37. DEPRECIATION AND AMORTIZATION EXPENSES

	For the Three Months Ended March 31	
	2026	2025
Property and equipment	\$ 48,999	\$ 39,890
Right-of-use assets	38,302	37,540
Intangible assets	<u>36,339</u>	<u>44,674</u>
	<u>\$ 123,640</u>	<u>\$ 122,104</u>

38. OTHER GENERAL AND ADMINISTRATIVE EXPENSES

	For the Three Months Ended March 31	
	2026	2025
Taxation	\$ 115,981	\$ 106,488
Rental fees	3,276	2,618
Management fees	9,774	9,648
Computer operating and consulting fees	118,567	120,802
Entertainment fees	12,352	12,328
Professional services fees	24,480	16,169
Advertisement fees	10,381	11,187
Postage fees	23,501	20,132
Other fees	<u>88,560</u>	<u>82,384</u>
	<u>\$ 406,872</u>	<u>\$ 381,756</u>

39. INCOME TAXES

- a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended March 31	
	2026	2025
Current tax		
In respect of the current period	\$ 314,046	\$ 290,475
Adjustment of prior years	<u>-</u>	<u>1,793</u>
	<u>314,046</u>	<u>292,268</u>
Deferred tax		
In respect of the current period	<u>(5,480)</u>	<u>(27,147)</u>
Income tax expense recognized in profit or loss	<u>\$ 308,566</u>	<u>\$ 265,121</u>

- b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2026	2025
<u>Deferred tax</u>		
Translation of foreign operations	\$ 32,641	\$ 18,320
Unrealized gains or losses on financial assets at FVTOCI	<u>(109,507)</u>	<u>83,902</u>
Income tax expense (benefit) recognized in other comprehensive income	<u>\$ (76,866)</u>	<u>\$ 102,222</u>

c. Assessment of the income tax returns

The income tax returns of the Bank and IBT VII Venture Capital Co., Ltd through 2023 have been assessed by the tax authorities. The Bank's subsidiaries IBT Management Corp. through 2024 have been assessed by the tax authorities. The Bank's subsidiaries CBF through 2023, except 2021, have been assessed by the tax authorities.

40. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2026	2025
Basic earnings per share	\$ 0.28	\$ 0.19
Diluted earnings per share	\$ 0.25	\$ 0.18

Earnings used in calculating earnings per share and weighted average number of common stocks are as follows:

Net Profit for the Period

	For the Three Months Ended March 31	
	2026	2025
Earnings used in the computation of basic and diluted earnings per share	\$ 766,449	\$ 537,095

Stock (In Thousands of Shares)

	For the Three Months Ended March 31	
	2026	2025
Weighted average number of common stocks in computation of basic earnings per share	2,782,419	2,787,408
Effect of potentially dilutive common stocks:		
Compensation of employees	4,020	8,555
Convertible preferred stock	250,000	250,000
	254,020	258,555
Weighted average number of common stocks in the computation of diluted earnings per share	3,036,439	3,045,963

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

41. RELATED PARTY TRANSACTIONS

The transactions, account balances, income and loss of the Bank and its subsidiaries (which are the related parties of the Bank) are all eliminated upon consolidation, so they are not disclosed in this note. Except for other transactions disclosed in other notes, the transactions between the Group and other related parties are as follows:

- a. The related parties and their relationships with the Group are summarized as follows:

Related Party	Relationship with the Bank
Beijing Sunshine Consumer Finance Co., Ltd.	Associates
Infinite Finance Co., Ltd. (Infinite Finance)	Associates
IBT Education Foundation	The Bank is the major donor of the foundation
Yi Chang Investment Co., Ltd.	The Bank's legal director
Ming Shan Investment Co., Ltd.	The Group's legal director
Taixuan Investment Co., Ltd.	The Bank's legal director
Others	The Group's management and their other related party

- b. The significant transactions and balances with the related parties are summarized as follows:

- 1) Deposits (part of deposits and remittances)

	Ending Balance	Interest Expense	Rate (%)
For the three months ended <u>March 31, 2026</u>			
Associates	\$ 11,781	\$ 63	0.50-0.71
Others	<u>1,817,909</u>	<u>14,285</u>	0.00-7.18
	<u>\$ 1,829,690</u>	<u>\$ 14,348</u>	
For the three months ended <u>March 31, 2025</u>			
Associates	\$ 9,807	\$ 38	0.71-0.80
Others	<u>3,643,473</u>	<u>32,717</u>	0.00-7.18
	<u>\$ 3,653,280</u>	<u>\$ 32,755</u>	

2) Loan

	Maximum Balance	Ending Balance	Interest Revenue	Rate (%)
<u>For the three months ended March 31, 2026</u>				
Others	<u>\$ 95,888</u>	<u>\$ 90,466</u>	<u>\$ 502</u>	1.90-2.30
<u>For the three months ended March 31, 2025</u>				
Others	<u>\$ 89,048</u>	<u>\$ 85,287</u>	<u>\$ 462</u>	1.90-2.29

<u>March 31, 2026</u>							
Category	Account Volume or Name	Maximum Balance (Note)	Ending Balance	Normal Loans	Non- performing Loans	Collateral	Difference of Terms of the Trans- actions with Unrelated Parties
Consumer loans	14	<u>\$ 11,053</u>	<u>\$ 10,578</u>	<u>\$ 10,578</u>	<u>\$ -</u>	None	None
Self-used residential mortgage	5	<u>\$ 84,835</u>	<u>\$ 79,888</u>	<u>\$ 79,888</u>	<u>\$ -</u>	Real estate	None

<u>March 31, 2025</u>							
Category	Account Volume or Name	Maximum Balance (Note)	Ending Balance	Normal Loans	Non- performing Loans	Collateral	Difference of Terms of the Trans- actions with Unrelated Parties
Consumer loans	15	<u>\$ 13,580</u>	<u>\$ 13,079</u>	<u>\$ 13,079</u>	<u>\$ -</u>	None	None
Self-used residential mortgage	3	<u>\$ 75,468</u>	<u>\$ 72,208</u>	<u>\$ 72,208</u>	<u>\$ -</u>	Real estate	None

Note: The maximum balance of daily totals for each category of loan.

3) Service fees income (part of net service fee income, net)

For the Three Months Ended March 31		
	2026	2025
Others	<u>\$ 41</u>	<u>\$ 4</u>

Service fee income is earned by providing authentication, custody and fund purchase services.

4) Other expenses (part of other general and administrative expense)

For the Three Months Ended March 31		
	2026	2025
Others	<u>\$ 4,400</u>	<u>\$ 4,200</u>

Other expenses are donations.

c. Remuneration of key management personnel

The remuneration of directors and other members of key management personnel for the three months ended March 31, 2026 and 2025 were as follows:

	For the Three Months Ended March 31	
	2026	2025
Short-term employee benefits	\$ 67,562	\$ 50,112
Post-employment benefits	<u>1,084</u>	<u>1,053</u>
	<u>\$ 68,646</u>	<u>\$ 51,165</u>

The remuneration of directors and other key management personnel is reviewed by the remuneration committee and determined by the Bank's board of director or chairman.

The terms of the transactions with related parties are similar to those for third parties, except for the preferential interest rates given to employees for savings and loans. These rates should be within certain limits.

Under the Banking Law Article 32 and 33, except for consumer loans and government loans, credits extended by the Bank to any related party should be 100% secured, and the terms of credits extended to related parties should be similar to those for third parties.

42. PLEDGED ASSETS

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets at FVTPL	\$ 7,006,390	\$ 10,812,193	\$ 7,716,460
Financial assets at FVTOCI	11,075,432	6,581,048	10,734,462
Investment in debt instruments at amortized cost	2,702,871	2,702,159	2,488,899
Discounts and loans	<u>9,560,628</u>	<u>9,031,366</u>	<u>8,470,502</u>
	<u>\$ 30,345,321</u>	<u>\$ 29,126,766</u>	<u>\$ 29,410,323</u>

Pledged financial assets at FVPL are negotiable certificates of deposits, which are mainly collateral for participating in the requirement for joining the Central Bank's Real-time Gross Settlement (RTGS) clearing system, bills finance businesses operating guarantee deposits, day-term overdrafts, foreign currency remittance and foreign currency call-loan transactions to the financial institutions and the Central Bank. The pledged amount is adjustable based on the respective overdraft amount, and at the end of the day, the unused part can be used for liquidity reserve. Pledged financial assets at FVOCI include government bonds, which are mainly trust compensation reserves, bond delivery settlement reserves, treasury custody deposits, operating guarantee deposits and issuing certificates of deposit by EverTrust Bank's and credit facilities. Besides, the Bank engaged in foreign currency remittance and foreign currency call-loan transactions to provide the negotiable certificates of deposits to the financial institutions and the Central Bank. Pledged investments in debt instruments at amortized cost are government bonds, which are mainly for treasury custody deposits, intraday overdrafts to the financial institutions, collateral for interbank borrowing facilities, reserves deposited with the Taipei Exchange for bond outright trading and the provision of operating guarantee deposits. Furthermore, Pledged EverTrust Bank's loans, which are mainly collateral for applying for credit limits with the Federal Home Loan Bank of San Francisco.

43. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those mentioned in other notes, as of March 31, 2026, December 31, 2025 and March 31, 2025, the Group had commitments as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Office decorating and contracts of computer software			
Amount of contracts	\$ 206,077	\$ 196,144	\$ 144,158
Payments for construction in progress and prepayments for equipment	113,171	109,188	69,131

44. TRUST BUSINESS UNDER THE TRUST LAW

Balance Sheet of Trust Accounts

	March 31, 2026	December 31, 2025	March 31, 2025
Trust assets			
Petty cash	\$ 100	\$ 100	\$ 100
Bank deposits	425,537	682,698	1,035,519
Financial assets	3,651,918	3,395,056	3,897,171
Receivables	430	157	149
Prepayments	1,732	1,904	1,115
Real estate	7,680,706	8,143,198	8,435,793
Intangible assets	52,813	52,813	52,813
Structured products	323,451	260,109	231,322
Other assets	<u>29</u>	<u>182</u>	<u>29</u>
Total trust assets	<u>\$ 12,136,716</u>	<u>\$ 12,536,217</u>	<u>\$ 13,654,011</u>
Trust liabilities and capital			
Payables	\$ 40,562	\$ 969	\$ 42,700
Unearned receipts	839	1,085	3,554
Taxes payable	7,466	4,006	7,544
Guarantee deposits received	18,623	18,728	20,084
Other liabilities	681	865	485
Trust capital	11,614,932	12,036,902	13,155,382
Provisions and accumulated profit and loss	<u>453,613</u>	<u>473,662</u>	<u>424,262</u>
Total trust liabilities and capital	<u>\$ 12,136,716</u>	<u>\$ 12,536,217</u>	<u>\$ 13,654,011</u>

Income Statements of Trust Accounts

	For the Three Months Ended March 31	
	2026	2025
Trust revenue		
Interest revenue	\$ 1,290	\$ 1,868
Rent revenue	26,564	30,042
Other revenue	4	-
Total revenue	<u>27,858</u>	<u>31,910</u>
Trust expenses		
Tax	(3,459)	(5,049)
Other expenses	<u>(4,492)</u>	<u>(3,485)</u>
Total expenses	<u>(7,951)</u>	<u>(8,534)</u>
Profit before income tax	19,907	23,376
Income tax expense	<u>(81)</u>	<u>(133)</u>
Profit after income tax	<u>\$ 19,826</u>	<u>\$ 23,243</u>

Note: The above income accounts of the trust business were not included in the Group's income statement.

Trust Property List

	March 31, 2026	December 31, 2025	March 31, 2025
Petty cash	\$ 100	\$ 100	\$ 100
Bank deposits	425,537	682,698	1,035,519
Stocks	31,857	19,300	259,555
Funds	2,398,530	2,114,330	2,342,200
Bonds	1,221,531	1,261,426	1,295,416
Land	6,931,911	7,394,404	7,585,392
Buildings	748,795	748,794	850,401
Right of superficies	52,813	52,813	52,813
Receivables	430	157	149
Prepayments	1,732	1,904	1,115
Structured products	323,451	260,109	231,322
Other	<u>29</u>	<u>182</u>	<u>29</u>
	<u>\$ 12,136,716</u>	<u>\$ 12,536,217</u>	<u>\$ 13,654,011</u>

45. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not carried at fair value

1) Financial instruments significant difference between carrying amount and fair value

Except as detailed in the following table, the management considers that the carrying amounts of financial assets and financial liabilities recognized in the condensed consolidated financial statements approximate their fair values cannot be reliably measured.

	March 31, 2026		December 31, 2025		March 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial assets</u>						
Investments in debt instruments at amortized cost	\$ 33,622,263	\$ 33,194,638	\$ 29,395,624	\$ 29,384,489	\$ 26,898,898	\$ 26,485,029
<u>Financial liabilities</u>						
Bank debentures payable	14,660,000	14,694,478	14,660,000	14,700,412	13,450,000	13,508,333

2) The fair value hierarchy

Financial Instrument Items at Fair Value	March 31, 2026			
	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Investments in debt instruments at amortized cost	\$ 33,194,638	\$ 15,770,818	\$ 17,423,820	\$ -

Financial liabilities

Bank debentures payable	14,694,478	-	14,694,478	-
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Financial Instrument Items at Fair Value	December 31, 2025			
	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Investments in debt instruments at amortized cost	\$ 29,384,489	\$ 12,593,702	\$ 16,790,787	\$ -

Financial liabilities

Bank debentures payable	14,700,412	-	14,700,412	-
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Financial Instrument Items at Fair Value	March 31, 2025			
	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Investments in debt instruments at amortized cost	\$ 26,485,029	\$ 10,158,476	\$ 16,326,553	\$ -
<u>Financial liabilities</u>				
Bank debentures payable	13,508,333	-	13,508,333	-

Refer to quoted market prices for fair value if there are public quotations on financial instrument with active market. If quoted market prices are not available, the fair value is determined by using a valuation technique or counterparty quotation.

b. Fair value information - financial instruments measured at fair value on a recurring basis

- 1) The fair value hierarchy of the financial instruments as of March 31, 2026, December 31, 2025 and March 31, 2025 were as follows:

Item	March 31, 2026			
	Total	Level 1	Level 2	Level 3
<u>Non-derivative financial instruments</u>				
Assets				
Financial assets at FVTPL				
Stocks and beneficial certificates	\$ 1,157,356	\$ 574,598	\$ -	\$ 582,758
Bonds	2,520,625	-	2,520,625	-
Bills	140,460,520	-	140,460,520	-
Hybrid financial assets	14,638,680	516,745	229,511	13,892,424
Negotiable certificates of deposit	26,658,628	-	26,658,628	-
Financial assets at FVTOCI				
Equity instruments	5,761,016	4,618,773	204,450	937,793
Bills	3,286,038	-	3,286,038	-
Debt instruments	132,885,074	13,007,364	119,877,710	-
Negotiable certificates of deposit	13,286,213	-	13,286,213	-
Liabilities				
Financial liabilities at FVTPL	298,135	-	298,135	-
<u>Derivative financial instruments</u>				
Assets				
Financial assets at FVTPL	1,849,546	114,550	1,734,996	-
Liabilities				
Financial liabilities at FVTPL	861,177	-	861,177	-

Item	December 31, 2025			
	Total	Level 1	Level 2	Level 3
<u>Non-derivative financial instruments</u>				
Assets				
Financial assets at FVTPL				
Stocks and beneficial certificates	\$ 1,123,880	\$ 591,035	\$ 37,564	\$ 495,281
Bonds	3,587,482	-	3,587,482	-
Bills	137,920,138	-	137,920,138	-
Hybrid financial assets	13,098,472	361,688	344,004	12,392,780
Negotiable certificates of deposit	20,608,547	-	20,608,547	-
Financial assets at FVTOCI				
Equity instruments	3,112,551	2,019,162	195,810	897,579
Bills	2,147,443	-	2,147,443	-
Bonds	146,514,510	16,553,346	129,961,164	-
Negotiable certificates of deposit	14,834,346	-	14,834,346	-
<u>Derivative financial instruments</u>				
Assets				
Financial assets at FVTPL	1,337,185	74,294	1,262,891	-
Liabilities				
Financial liabilities at FVTPL	678,730	-	678,730	-
Item	March 31, 2025			
	Total	Level 1	Level 2	Level 3
<u>Non-derivative financial instruments</u>				
Assets				
Financial assets at FVTPL				
Stocks and beneficial certificates	\$ 1,407,441	\$ 482,593	\$ 497,474	\$ 427,374
Bonds	2,204,479	-	2,204,479	-
Bills	132,259,486	-	132,259,486	-
Hybrid financial assets	10,025,289	307,855	72,045	9,645,389
Negotiable certificates of deposit	34,316,384	-	34,316,384	-
Financial assets at FVTOCI				
Equity instruments	2,676,390	1,646,185	170,565	859,640
Bills	6,816,795	-	6,816,795	-
Debt instruments	139,981,418	15,033,929	124,947,489	-
Negotiable certificates of deposit	16,830,049	-	16,830,049	-
Liabilities				
Financial liabilities at FVTPL	4,278	-	4,278	-
<u>Derivative financial instruments</u>				
Assets				
Financial assets at FVTPL	\$ 1,281,326	\$ 87,552	\$ 1,193,774	\$ -
Liabilities				
Financial liabilities at FVTPL	542,307	-	542,307	-

2) Valuation techniques and assumptions applied for the purpose of measuring the fair values

In a fair deal, the transaction is fully understood and there is willingness to achieve by the two sides, in exchange of assets or settle of liabilities, fair value is the amount settled. Financial instruments at fair value through profit or loss and available-for-sale financial assets refer to quoted market prices for fair value. If quoted market prices are not available, then fair value is determined by using a valuation technique.

a) Marking-to-market

This measurement should be used first. Following are the factors that should be considered when using marking-to-market:

- i. Ensure the consistency and completeness of market data.
- ii. The source of market data should be transparent, easy to access, and should come from independent resources.
- iii. Listed securities with high liquidity and representative closing prices should be valued at closing prices.
- iv. Unlisted securities which lack tradable closing prices should use quoted middle prices from independent brokers and follow the guidelines required by regulatory authorities.

b) Marking-to-model

The marking-to-model is used if marking-to-market is infeasible. This valuation methodology is based upon the market parameters to derive the value of the positions and incorporate estimates, as well as assumptions consistent with acquirable information generally used by other market participants to price financial instruments.

Fair values of forward contracts used by the Group are estimated based on the forward rates provided by Bloomberg. Fair values of interest rate swap and cross-currency swap contracts are based on counterparties' quotation, using the Murex⁺ information system to capture market data from Bloomberg for calculating the fair value assessment of individual contracts. Option trading instruments use option pricing model commonly used in the market (ex: Black-Scholes model) to calculate the fair value.

- i. Level 1 - quoted prices in active markets for identical assets or liabilities. Active markets are markets with all of the following conditions: (i) the products traded in the market are homogeneous, (ii) willing parties are available anytime in the market, and (iii) price information is available to the public.
- ii. Level 2 - inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices).
- iii. Level 3 - inputs not based on observable market data (unobservable inputs. i.e., option pricing model of historical volatility, due to historical volatility could not represent the overall market participants' volatility expectations of the future).

3) Reconciliation of the financial instruments classified in Level 3

For the three months ended March 31, 2026

Financial Assets	Financial Assets at Fair Value Through Profit or Loss		Financial Assets at Fair Value Through Other Comprehensive Income Equity Instruments	Total
	Hybrid Financial Assets	Equity Instruments		
Beginning balance	\$ 12,392,780	\$ 495,281	\$ 897,579	\$ 13,785,640
Recognition in profit or loss - financial assets at fair value through profit or loss	5,944	38,982	-	44,926
Recognition in other comprehensive income - financial assets at fair value through other comprehensive income	-	-	40,214	40,214
Purchases	2,779,400	48,495	-	2,827,895
Disposals	(1,285,700)	-	-	(1,285,700)
Ending balance	<u>\$ 13,892,424</u>	<u>\$ 582,758</u>	<u>\$ 937,793</u>	<u>\$ 15,412,975</u>

For the three months ended March 31, 2025

Financial Assets	Financial Assets at Fair Value Through Profit or Loss		Financial Assets at Fair Value Through Other Comprehensive Income Equity Instruments	Total
	Hybrid Financial Assets	Equity Instruments		
Beginning balance	\$ 9,227,163	\$ 341,951	\$ 845,648	\$ 10,414,762
Recognition in profit or loss - financial assets at fair value through profit or loss	6,426	36,275	-	42,701
Recognition in other comprehensive income - financial assets at fair value through other comprehensive income	-	-	13,992	13,992
Purchases	1,932,600	49,148	-	1,981,748
Disposals	(1,520,800)	-	-	(1,520,800)
Ending balance	<u>\$ 9,645,389</u>	<u>\$ 427,374</u>	<u>\$ 859,640</u>	<u>\$ 10,932,403</u>

The assets held at the balance sheet date, which were included in the profit and loss and the unrealized gains and losses for the three months ended March 31, 2026 and 2025, were consisted of \$89,377 thousand and \$64,820 thousand in profit, respectively.

4) Transfers between Level 1 and Level 2

The Group had no significant transfers between Level 1 and Level 2 for the three months ended March 31, 2026 and 2025.

5) Quantitative information of Level 3 financial instruments

The financial instruments measured at fair value by the Group on a recurring basis are classified as Level 3 significant unobservable inputs as follows:

March 31, 2026

	Fair Value	Valuation Techniques	Significant Unobservable Input	Range	The Relation Between Inputs and Fair Value
<u>Financial assets at FVTPL</u>					
Hybrid financial assets	\$ 13,892,424	Discounted cash flow method	a) Discount rate b) Liquidity risk premium	1.7152%-2.1079% 66BP-307BP	The higher of discount rate, the lower of fair value. The higher of liquidity risk premium, the lower of fair value.
Unlisted shares	582,758	Market method	Lack of liquidity discount and control discount	10%-30%	The higher of liquidity and control discount, the lower of fair value.
<u>Financial assets at FVTOCI</u>					
Unlisted shares	447,041	Asset method	Lack of liquidity discount and control discount	10%	The higher of liquidity discount, the lower of fair value.
Unlisted shares	461,356	Market method	Lack of liquidity discount and control discount	10%-30%	The higher of liquidity and control discount, the lower of fair value.
Limited partnership	29,396	Asset method	Not applicable	-	Not applicable

December 31, 2025

	Fair Value	Valuation Techniques	Significant Unobservable Input	Range	The Relation Between Inputs and Fair Value
<u>Financial assets at FVTPL</u>					
Hybrid financial assets	\$ 12,392,780	Discounted cash flow method	a) Discount rate b) Liquidity risk premium	1.4932%-1.8914% 78BP-307BP	The higher of discount rate, the lower of fair value. The higher of liquidity risk premium, the lower of fair value.
Unlisted shares	495,281	Market method	Lack of liquidity discount and control discount	10%-30%	The higher of liquidity and control discount, the lower of fair value.
<u>Financial assets at FVTOCI</u>					
Unlisted shares	428,669	Asset method	Lack of liquidity discount and control discount	10%	The higher of liquidity discount, the lower of fair value.
Unlisted shares	439,514	Market method	Lack of liquidity discount and control discount	10%-30%	The higher of liquidity and control discount, the lower of fair value.
Limited partnership	29,396	Asset method	Not applicable	-	Not applicable

March 31, 2025

	Fair Value	Valuation Techniques	Significant Unobservable Input	Range	The Relation Between Inputs and Fair Value
<u>Financial assets at FVTPL</u>					
Hybrid financial assets	\$ 9,645,389	Discounted cash flow method	a) Discount rate b) Liquidity risk premium	1.7113%-1.8975% 65BP-307BP	The higher of discount rate, the lower of fair value. The higher of liquidity risk premium, the lower of fair value. The higher of liquidity and control discount, the lower of fair value.
Unlisted shares	427,374	Market method	Lack of liquidity discount and control discount	10%-30%	
<u>Financial assets at FVTOCI</u>					
Unlisted shares	401,904	Asset method	Lack of liquidity discount and control discount	10%	The higher of liquidity discount, the lower of fair value.
Unlisted shares	428,072	Market method	Lack of liquidity discount and control discount	10%-30%	The higher of liquidity and control discount, the lower of fair value.
Limited partnership	29,664	Asset method	Not applicable	-	Not applicable

6) Sensitivity to using reasonable alternative in assumption against Level 3 fair value

The fair value measurement of financial instruments is reasonable, although the use of different valuation models or parameters may lead to different evaluation results. For the fair value measurements of structured bonds which fall under Level 3 of the fair value hierarchy, they are evaluated according to counterparty quotes; bonds and convertible bonds for asset swaps that have no quoted market prices are evaluated using the future cash flows discounted model. Were there to be a 10% or 1 basis point change in either direction of the quotes from respective counterparties or in discount rates and all other conditions remained the same, the effects on the income and other comprehensive income for the three months ended March 31, 2026 and 2025 periods would be as follows:

For the three months ended March 31, 2026

Item	Movement: Upward/ Downward	Effect on Profit and Loss		Effect on Other Comprehensive Income	
		Favorable	Unfavorable	Favorable	Unfavorable
Convertible bond	1BP	\$ 1,922	\$ (1,922)	\$ -	\$ -
Equity instruments	10%	58,276	(58,276)	104,223	(104,223)

For the three months ended March 31, 2025

Item	Movement: Upward/ Downward	Effect on Profit and Loss		Effect on Other Comprehensive Income	
		Favorable	Unfavorable	Favorable	Unfavorable
Convertible bond	1BP	\$ 1,673	\$ (1,673)	\$ -	\$ -
Equity instruments	10%	42,737	(42,737)	95,351	(95,351)

c. Transfer of financial assets

Transferred financial assets not derecognized

Most of the transferred financial assets of the Group that were not fully derecognized were securities sold under repurchase agreements. Under the terms of these transfers, the right to the cash flows of the transferred financial assets would be transferred to other entities, and the associated liabilities of the Group's obligation to repurchase the transferred financial assets at a fixed price in the future would be recognized. Since the Group is restricted from using, selling, or pledging the transferred financial assets within the transaction period, and is still exposed to interest rate risks and credit risks on these assets, the transferred financial assets were not fully derecognized.

March 31, 2026

Category of Financial Assets	Carrying Amount of Transferred Financial Assets	Carrying Amount of Associated Financial Liabilities
Financial assets at fair value through gain or loss		
Bills sold under repurchase agreements	\$ 106,295,468	\$ 106,450,714
Bonds sold under repurchase agreements	4,362,542	4,302,955
Financial assets at FVTOCI		
Bonds sold under repurchase agreements	91,149,506	90,893,620
Instruments in debt instruments measured at amortized cost		
Bonds sold under repurchase agreements	6,139,745	5,801,363
Securities purchase under resell agreements		
Bonds sold under repurchase agreements	6,852,497	7,114,117

December 31, 2025

Category of Financial Assets	Carrying Amount of Transferred Financial Assets	Carrying Amount of Associated Financial Liabilities
Financial assets at fair value through gain or loss		
Bills sold under repurchase agreements	\$ 112,285,644	\$ 112,474,231
Bonds sold under repurchase agreements	1,897,340	1,872,617
Financial assets at FVTOCI		
Bonds sold under repurchase agreements	94,343,457	93,501,087
Instruments in debt instruments measured at amortized cost		
Bonds sold under repurchase agreements	8,155,648	7,625,442
Securities purchase under resell agreements		
Bonds sold under repurchase agreements	3,539,824	3,725,734

March 31, 2025

Category of Financial Assets	Carrying Amount of Transferred Financial Assets	Carrying Amount of Associated Financial Liabilities
Financial assets at fair value through gain or loss		
Bills sold under repurchase agreements	\$ 111,296,379	\$ 111,433,371
Bonds sold under repurchase agreements	1,642,936	1,626,997
Financial assets at FVTOCI		
Bonds sold under repurchase agreements	89,734,633	90,624,245
Instruments in debt instruments measured at amortized cost		
Bonds sold under repurchase agreements	7,530,944	6,920,670
Securities purchase under resell agreements		
Bonds sold under repurchase agreements	2,812,153	2,958,994

d. Offsetting financial assets and financial liabilities

Certain transactions of the Bank and its subsidiaries are covered by enforceable master netting agreements or similar agreements, or under similar repurchase agreements may not meet all offsetting criteria under IFRS Accounting Standards. However, in these transactions, financial liabilities are allowed to be offset against financial assets when any of the counterparties specifies to settle at net amounts. If no counterparty specifies to settle at net amounts, the transactions will be settled at gross amounts instead. One of the counterparties can decide to settle at net amounts if the other party of the transaction defaults.

The tables below present the quantitative information of financial assets and financial liabilities on the balance sheets that had been offset or 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 (Note)	Cash Collateral Pledged	
Derivatives	\$ 1,849,546	\$ -	\$ 1,849,546	\$ (149,231)	\$ (226,858)	\$ 1,473,457
Resell agreements	12,085,843	-	12,085,843	(12,085,843)	-	-
	<u>\$ 13,935,389</u>	<u>\$ -</u>	<u>\$ 13,935,389</u>	<u>\$ (12,235,074)</u>	<u>\$ (226,858)</u>	<u>\$ 1,473,457</u>

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet	Net Amounts of Financial Liabilities Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Collateral Pledged	
Derivatives	\$ 858,587	\$ -	\$ 858,587	\$ (149,231)	\$ (239,738)	\$ 469,618
Repurchase agreements	214,562,769	-	214,562,769	(214,282,268)	-	280,501
	<u>\$ 215,421,356</u>	<u>\$ -</u>	<u>\$ 215,421,356</u>	<u>\$ (214,431,499)</u>	<u>\$ (239,738)</u>	<u>\$ 750,119</u>

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 (Note)	Cash Collateral Pledged	
Derivatives	\$ 1,337,185	\$ -	\$ 1,337,185	\$ (162,294)	\$ (160,478)	\$ 1,014,413
Resell agreements	<u>10,952,720</u>	<u>-</u>	<u>10,952,720</u>	<u>(10,952,720)</u>	<u>-</u>	<u>-</u>
	<u>\$ 12,289,905</u>	<u>\$ -</u>	<u>\$ 12,289,905</u>	<u>\$ (11,115,014)</u>	<u>\$ (160,478)</u>	<u>\$ 1,014,413</u>

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet	Net Amounts of Financial Liabilities Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Collateral Pledged	
Derivatives	\$ 676,513	\$ -	\$ 676,513	\$ (162,294)	\$ (208,954)	\$ 305,265
Repurchase agreements	<u>219,199,111</u>	<u>-</u>	<u>219,199,111</u>	<u>(219,299,816)</u>	<u>-</u>	<u>(100,705)</u>
	<u>\$ 219,875,624</u>	<u>\$ -</u>	<u>\$ 219,875,624</u>	<u>\$ (219,462,110)</u>	<u>\$ (208,954)</u>	<u>\$ 204,560</u>

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 (Note)	Cash Collateral Pledged	
Derivatives	\$ 1,281,220	\$ -	\$ 1,281,220	\$ (159,217)	\$ (209,446)	\$ 912,557
Resell agreements	<u>6,437,660</u>	<u>-</u>	<u>6,437,660</u>	<u>(6,437,660)</u>	<u>-</u>	<u>-</u>
	<u>\$ 7,718,880</u>	<u>\$ -</u>	<u>\$ 7,718,880</u>	<u>\$ (6,596,877)</u>	<u>\$ (209,446)</u>	<u>\$ 912,557</u>

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet	Net Amounts of Financial Liabilities Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Collateral Pledged	
Derivatives	\$ 536,589	\$ -	\$ 536,589	\$ (159,217)	\$ (82,995)	\$ 294,377
Repurchase agreements	<u>213,564,277</u>	<u>-</u>	<u>213,564,277</u>	<u>(212,187,746)</u>	<u>-</u>	<u>1,376,531</u>
	<u>\$ 214,100,866</u>	<u>\$ -</u>	<u>\$ 214,100,866</u>	<u>\$ (212,346,963)</u>	<u>\$ (82,995)</u>	<u>\$ 1,670,908</u>

Note: Included non-cash financial collaterals.

46. FINANCIAL RISK MANAGEMENT

a. Overview

For the potential expected and unexpected risk, the Group establishes a comprehensive risk management system to distribute resource effectively and enhance competitiveness by ensuring that all operating risks are controlled to an acceptable extent. The Group continues to engage actively in the capital adequacy ratio within the accordance to the regulator's requirements and monitors to meet the international requirement of the Basel Commission.

b. Risk management framework

Ultimate responsibility for setting the Bank's risk appetite rests with the board of director. The Auditing Department, Audit Committee and Compensation Committee report to the board of director. Risk Management Committee, which is also authorized by the Chairman. The chairman serves as the chairman of the committee, and the members of the committee include at least 2 directors authored by the board of directors who own the background of risk management or finance, president, governance officer and designated senior supervisors at all levels under the Chairman, deliberate the bank risk management mechanism and the risk management proposals of the board of directors, supervising the risk management of each risk and review the implementation effect, new type business or setting up risk management. Assets and Liabilities Committee and Loan Evaluation Subcommittee, which are under the President, hold Meetings for discussing and considering risk management proposals regularly. The Risk Management Department is responsible for establishing a total scheme of risk management and monitoring the execution of such management.

China Bills Finance Corporation's (CBF) board of directors has the ultimate responsibility for risk framework decision making and oversees the implementation of risk management. Business risk management which is headed by the President is comprised of Financial Assets and Liabilities Management Committee, Business Committee, and the Investment Commission for the joint implementation of market risk, credit risk, operational risk control, and other set of business and oversight of the audit office, and the business risk control management unit case. To effectively manage the overall risk and risks associated with integration of information, CBF has defined risk assessment methods and has summarized risk positions for the risk management group responsible for implementing the risk management operations.

c. Credit risk

1) Sources and definition of credit risk

Credit risk is the potential loss due to the failure of counterparty to meet its obligations to pay the Group in accordance with agreed terms. The source of credit risks includes the subjects in the balance sheet and off-balance sheet items.

2) Strategy/objectives/policies and procedures

- a) Credit risk management strategy: The Bank implements the relevant provisions of the principles of credit risk management requirement and establish the Bank's credit risk management mechanism to ensure that credit risk control is within effective but affordable range, and maintain adequate capital, and execute sound management of the Bank credit risk, and achieve operational and management objectives.
- b) Credit risk management objectives: Through appropriate risk management strategies, policies and procedures, the Bank's credit risk management is carried out in accordance with the principle of risk diversification to minimize potential financial losses and optimize risk and rewards.

Sound risk management systems and control processes, strengthened information integration, analysis, and early warning validation, bring out credit management and monitoring functions to ensure compliance with laws, regulations, and group standards so as to maintain high credit standards and asset quality.

c) Credit risk management policy: In order to establish the Bank's risk management system and ensure the development and sound operations of the Bank and serve as the basis of business risk management and compliance, the Bank stipulated its "Risk Management Policy" in accordance with the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" issued by the FSC. The Bank maintains an adequate amount of capital within the Bank's acceptable range of credit risk to achieve the objectives of credit risk strategy and create maximum risk-adjusted returns.

d) Credit risk management process:

i. Risk identification

Credit risk management process begins with the identification of existing and potential risks, including all the transactions in banking book and trading book, balance sheet and off-balance sheet transactions. With financial innovation, as new credit businesses become increasingly complex; business executives in order do existing and new credit businesses, should be fully aware of the complexity involved in the business of re-order business and other cases or transactions to be able to identify any possibility of having an event of default.

ii. Risk measurement

i) The Bank manages asset portfolios by the risk rating scale

The risk rating scale qualifies the default possibilities of debtors and operation difficulty possibilities of investees in the next year. Risk ratings must actually be scaled when the individual credit and investment accounts are approved. The continual change of the market gives rise to the change in credit or investment household. Therefore, risk ratings must be reevaluated and updated often to adjust the risk rating scale when it is verified.

ii) Portfolio management:

- It is used to ensure the risk of loan is within the tolerable scope.
- "Concentrative risks" are concentration-limited, avoiding the risks to be overly centralized to sufficiently diversify the risk.
- It achieves the optimal profits.

iii. Risk communication

i) Internal reporting: Risk management position shall establish appropriate credit risk reporting mechanism for regular statistical reporting and the preparation of a variety of business risk management reports which contain correct, consistent, and real-time credit risk reporting information to ensure any exceptions can be acted on immediately, and as a reference for decision-making. The above communication may include asset quality, portfolio rating classification status, and all kinds of exception reports.

ii) External disclosure: To comply with the requirements for capital adequacy supervisory review and market discipline principles, the business director of credit risk level should prepare reports in the format specified by the authorities showing contents, methods and frequency to provide information on the credit risk of the Bank's quantitative, qualitative indicators to illustrate the self-assessment and credit risk management system and disclose information about capital and other capital adequacy matters.

iv. Risk monitoring

- i) The Bank establish monitoring system to assess the changes in credit risk of borrower or counterparty or issuer (e.g., bonds issuer and guarantor of issuers of equity related products, derivatives counterparties' credit rating information and credit information), to serve timely detection of problems on assets or transactions and take immediate action to cope with the possible breach.
- ii) Besides monitoring the individual credit risk, the Bank also deal with credit portfolio monitoring and management.
- iii) Establish stringent credit processes, credit standards and loan management; the project includes the credit factors that should be considered for new credit and credit transfer period, commitment to the periodic review of credit, maintenance of credit records and the proportion of various types of loans in the credit portfolio.
- iv) Establish quota management system to avoid excessive concentration of credit risk to nationality, industry types, same group, same relations, etc.
- v) Establish collateral management system to ensure that collaterals can be effectively managed.

3) Credit risk management and framework

- a) Board of Directors: Responsible for authorizing and reviewing the credit risk management strategies and approving the credit risk management framework. The strategy reflects the level of risk that the Bank can tolerate and the level of profitability that the Bank expects to achieve under various credit risks.
- b) Audit Committee: Responsible for the stipulation and amendment on issues relating to the internal control framework, effectiveness of the internal control framework, assessment of the effectiveness of the information security system, acquisition or disposal of assets or derivatives, monitoring of directors' self-interest issues, appointment or dismissal of the CPA and internal auditors, and other important issues ruled by the FSC.
- c) Risk Management Committee: Responsible for the risk management policies, various risk management regulations, annual risk appetites, limits, risk management proposals for the board of directors' approval and various risk management mechanisms, supervise and review credit, market, operations, liquidity, information security, AML, personal data protection, climate changes, emergencies and other risk management, improve the Bank's risk management mechanism to ensure the effective implementation of the Bank's risk management procedures.
- d) Assets and Liabilities Committee: Holds asset/liability management meeting to inspect asset/liability management, liquidity risk, interest rate sensitivity risk management, market risk, BIS management, and is in charge of making decisions on policies.
- e) Loan Evaluation Subcommittee: Reviews the loan cases rendered by the corporate credit management department and retail credit management department. After passing the provisions, the cases are still required to be submitted to the relevant management for review.
- f) Loan Assets Quality Evaluation Meeting: In charge of formulating policies and strategies for identifying the possibilities of loss on credit assets. The Bank evaluates the adequacy of the allowance for credit assets.

- g) Risk Management Department: Independent risk management unit which is in charge of risk management and responsible for the related operations of credit risks. It ensures the Bank follows the BASEL regulations and is also responsible for the preparation of risk management reports presented to the appropriate management and plans to establish monitoring tools for credit risk measurement.
 - h) Corporate Credit Management Department: Supervises the establishment of corporate finance risk identification, measurement, monitoring and management, preparation of regulatory review of credit grading, devising and enhancement of deed lists, deed for credit and guarantee amount control, proper release, and other release matters.
 - i) Retail Credit Management Department: Manages personal financial risk, identifies, measures, monitors the allowance for bad debts, and prepares for bad debts presentation, loss assessment and post-loan management.
- 4) The scope and characteristics of credit risk reports and measurement system

For the credit risks implicated in all products and business activities, new products and business, the Bank regularly monitors the credit risk management and is authorized by the board of directors or appropriate committee.

Credit risk measurement and control procedures include credit review, rating scoring, credit control, post-loan management and collection operations. The risk management units regularly provide analysis reports of various types of credit risk and asset quality in addition to the above operational procedures for management indicators. In addition, the Bank also actively controls and periodically reports the monitoring results to the board of directors to grasp the risk situations faced by the state, the group, the industry, the same related parties, and the related enterprise risks.

In order to understand the risk appetite and its changes in the financial environment and the impact on capital adequacy, the Bank handles its credit according to the “Bank Credit Risk Stress Test Guidelines” issued by the FSC, as an important basis for credit risk management, and continues to adjust the direction of business development, credit policy and credit evaluation procedures.

- 5) Mitigation of risks or hedging of credit risk and monitoring the risk avoidance

The Bank primarily applies the following risk mitigation tools to reduce extent of credit risk exposures: (1) by requiring the counterparty or third parties to provide collateral, (2) the balance sheet netting: Credit is backed by the counterparty’s bank deposits (on-balance sheet netting), (3) third party guarantees.

Credit risk mitigation tools can reduce or transfer credit risk, but may give rise to other residual risks, including: Legal risk, operational risk, liquidity risk and market risk. The Bank adopted stringent procedures necessary to control these risks, such as policy formulation, development of operating procedures to conduct credit checks and evaluation, system implementation, contract control and so on.

The Bank has developed collateral management policies and operating procedures and conducted recognition of all collateral data. The Bank uses a computing platform for mitigation of complex risk and completes the required collateral to offset data field collection and analysis, and links credit systems and collateral management system information to build up capital provision.

6) Maximum exposure to credit risk

The maximum credit risk exposure amount of financial assets is the book value of the specific asset on the balance sheet date. The analysis of the maximum credit exposure amount (excluding the fair value of collateral) of each off-balance sheet financial instrument held by the Bank and its subsidiaries is as follows:

Off-balance Sheet Item	Maximum Exposure Amount		
	March 31, 2026	December 31, 2025	March 31, 2025
Financial guarantees and irrevocable documentary letter of credit			
Contract amounts	\$ 153,414,002	\$ 151,353,336	\$ 146,519,976
Maximum exposure amounts	153,414,002	151,353,336	146,519,976
Loan commitments	61,533,161	64,954,985	62,672,152

7) Concentrations of credit risk exposure

Concentration of credit risk exist when the counterparty includes only one specific person or include many people who engage in similar business which are similar in economic characteristics. The Group does not concentrate on single customer or counterparty in trading but have similar counterparty, industry, and geographic region on the loan business (including loan commitments and guarantees and commercial bond issuing commitments).

On March 31, 2026, December 31, 2025 and March 31, 2025, the Group's significant concentrations of credit risk were summarized as follows (only the top three are shown below):

a) By industry

Credit Risk Profile by Industry Sector	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	%	Amount	%	Amount	%
Financial and insurance	\$ 110,784,083	29	\$ 107,744,055	28	\$ 111,828,501	30
Real estate	74,380,921	19	75,382,967	20	73,189,755	19
Private	69,475,756	18	68,336,403	18	61,543,999	16

b) By counterparty

Credit Risk Profile by Industry Sector	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	%	Amount	%	Amount	%
Private sector	\$ 197,199,644	74	\$ 194,210,843	74	\$ 198,100,943	76
Natural person	69,475,756	26	68,336,403	26	61,543,999	24

c) By geographical area

Credit Risk Profile by Industry Sector	March 31, 2026		December 31, 2025		March 31, 2025	
	Amount	%	Amount	%	Amount	%
Domestic	\$ 167,985,758	63	\$ 164,059,156	62	\$ 154,859,542	60
Other Asia area	44,835,031	17	42,855,183	16	47,523,682	18
America	43,318,324	16	43,300,444	16	49,023,882	19

8) Credit quality and impairment assessment of financial assets

Some financial assets such as cash and cash equivalents, due from Central Bank and call loan to other banks, financial asset at fair value through profit or loss, bills and bonds purchased under resell agreements, refundable deposits, operating deposits and settlement fund are regarded as very low credit risk owing to the good credit rating of counterparties.

The related financial asset impairment valuation is as follows:

a) Credit business (including loan commitments and guarantees)

On each reporting date, the Group assesses the change in the default risk of financial assets and considers reasonable and corroborative information that shows the credit risk has increased significantly since initial recognition, including the overdue status of credit assets from clients, actual repayment situations, credit investigation results, announcements of dishonored checks and negotiations of the debts from other financial institutions, or information that the debtor has reorganized or is likely to reorganize, to determine whether the credit risk has increased significantly.

The Group adopts the 12-month ECLs for the evaluation of the loss allowance of financial instruments whose credit risk has not increased significantly since initial recognition and adopts the lifetime ECLs for the evaluation of the loss allowance of financial instruments whose credit risk has increased significantly since initial recognition, or which are credit-impaired.

The Group considers both the 12-month and lifetime probability of default (“PD”) of the borrower together with the loss given default (“LGD”), multiplied by the exposure at default (“EAD”), and considers the impact of the time value of money in order to calculate the 12-month ECLs and lifetime ECLs, respectively.

The PD refers to the borrower’s probability to default, and the LGD refers to losses caused by such default. The Group applies the PD and LGD for the impairment assessment of the credit business according to each group entity’s historical information (such as credit loss experience) from internal statistical data and adjusts such historical data based on the current observable and forward-looking macroeconomic information. It then calculates the respective impairment by applying the progressive one factor model.

The Group estimates the balance of each account based on the method of amortization and considers the possible survival rate in order to calculate the EAD. The Group calculates the EAD of expected credit losses by considering the portion of the loan commitments expected to be used within 12 months after the reporting date as compared with the expected lifetime of the loan commitments. It follows the supervisory values of the Credit Conversion Factor (CCF) as stipulated in the Guidelines and Tables for the Calculation of Bank Capital and Risk-Weighted Assets - Standardized Approach for Credit Risk and Leverage Ratio.

The Group uses the same definitions for default and credit impairment of financial assets. If one or more of the conditions are met, for instance, the financial assets are overdue for more than 90 days or the credit investigation appears to be abnormal, then the Group determines that the financial assets have defaulted and are credit impaired.

Credit assets are classified into five categories. In addition to the first category of credit assets, which are normal credit assets classified as sound assets, the remaining credit assets are classified as unsound assets and assessed according to the respective collateral and the length of time in which the respective payments become overdue. Such unsound credit assets are then categorized within the second category if they should only be noted; within the third category if they have substandard expected recovery; within the fourth category if their collectability is highly doubtful; and within the fifth category if they are considered uncollectable. The Group also sets up policies for the management of provisions for doubtful credit assets and the collection and settlement of overdue debts in order to deal with collection problems.

b) Credit risk management for investments in debt instruments

The Group only invests in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Bank and its subsidiaries' exposure and the external credit ratings are continuously monitored. The Bank and its subsidiaries review changes in bond yields and other public information and make an assessment as to whether there has been a significant increase in credit risk since the last period to the current reporting date.

The Group considers the historical default rates of each credit rating supplied by external rating agencies, the current financial condition of debtors, and industry forecasts to estimate 12-month or lifetime expected credit losses.

The Group's current credit risk grading mechanism is as follows:

Category	Description	Basis for Recognizing Expected Credit Losses (ECLs)
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12-month ECLs
Doubtful	There has been a significant increase in credit risk since initial recognition	Lifetime ECLs - not credit-impaired
In default	There is evidence indicating the asset is credit-impaired	Lifetime ECLs - credit-impaired

The Group's gross carrying amounts of investments in debt instruments by credit category were as follows:

Category	March 31, 2026	December 31, 2025	March 31, 2025
Performing	\$ 183,698,537	\$ 192,625,940	\$ 192,843,493
Doubtful	-	99,595	-
In default	-	-	-

The allowance for impairment loss of investments in debt instruments at FVTOCI and amortized cost for the three months ended March 31, 2026 and 2025, grouped by credit rating, is reconciled as follows:

	Credit Rating		
	Performing (12-month ECLs)	Doubtful (Lifetime ECLs - Not Credit-impaired)	Total
Balance on January 1, 2026	\$ 42,148	\$ 1,843	\$ 43,991
New financial assets purchased or originated	7,206	-	7,206
Derecognition of financial assets	(8,500)	(1,843)	(10,343)
Change in model or risk parameters	(571)	-	(571)
Exchange rates or others	293	-	293
Balance on March 31, 2026	<u>\$ 40,576</u>	<u>\$ -</u>	<u>\$ 40,576</u>

(Continued)

	Credit Rating		Total
	Performing (12-month ECLs)	Doubtful (Lifetime ECLs - Not Credit- impaired)	
Balance on January 1, 2025	\$ 51,893	\$ -	\$ 51,893
New financial assets purchased or originated	15,041	-	15,041
Derecognition of financial assets	(10,624)	-	(10,624)
Change in model or risk parameters	(2,227)	-	(2,227)
Exchange rates or others	<u>263</u>	<u>-</u>	<u>263</u>
Balance on March 31, 2025	<u>\$ 54,346</u>	<u>\$ -</u>	<u>\$ 54,346</u>

(Concluded)

In addition to the above, the credit quality analysis of the remaining financial assets of the Bank and its subsidiaries is as follows:

a) Credit analysis for receivables and discounts and loans

March 31, 2026

	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Difference of Impairment Loss Under Regulations	Total
Receivables	\$ 4,849,091	\$ 189,167	\$ 66,941	\$ -	\$ 5,105,199
Allowance for credit losses	(2,701)	(618)	(11,757)	-	(15,076)
Difference of impairment loss under regulations	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,359)</u>	<u>(10,359)</u>
Net total	<u>\$ 4,846,390</u>	<u>\$ 188,549</u>	<u>\$ 55,184</u>	<u>\$ (10,359)</u>	<u>\$ 5,079,764</u>
Discounts and loans	\$ 241,945,355	\$ 21,470,849	\$ 3,259,196	\$ -	\$ 266,675,400
Allowance for credit losses	(574,659)	(392,214)	(488,729)	-	(1,455,602)
Difference of impairment loss under regulations	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,047,740)</u>	<u>(2,047,740)</u>
Net total	<u>\$ 241,370,696</u>	<u>\$ 21,078,635</u>	<u>\$ 2,770,467</u>	<u>\$ (2,047,740)</u>	<u>\$ 263,172,058</u>

December 31, 2025

	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Difference of Impairment Loss Under Regulations	Total
Receivables	\$ 3,925,326	\$ 85,678	\$ 63,359	\$ -	\$ 4,074,363
Allowance for credit losses	(2,843)	(606)	(8,710)	-	(12,159)
Difference of impairment loss under regulations	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,928)</u>	<u>(8,928)</u>
Net total	<u>\$ 3,922,483</u>	<u>\$ 85,072</u>	<u>\$ 54,649</u>	<u>\$ (8,928)</u>	<u>\$ 4,053,276</u>
Discounts and loans	\$ 232,239,868	\$ 27,103,452	\$ 3,203,926	\$ -	\$ 262,547,246
Allowance for credit losses	(554,737)	(419,071)	(392,982)	-	(1,366,790)
Difference of impairment loss under regulations	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,997,145)</u>	<u>(1,997,145)</u>
Net total	<u>\$ 231,685,131</u>	<u>\$ 26,684,381</u>	<u>\$ 2,810,944</u>	<u>\$ (1,997,145)</u>	<u>\$ 259,183,311</u>

March 31, 2025

	Stage 1 12-month ECLs	Stage 2 Lifetime ECLs	Stage 3 Lifetime ECLs	Difference of Impairment Loss Under Regulations	Total
Receivables	\$ 4,341,743	\$ 107,107	\$ 43,551	\$ -	\$ 4,492,401
Allowance for credit losses	(2,465)	(976)	(6,387)	-	(9,828)
Difference of impairment loss under regulations	-	-	-	(11,084)	(11,084)
Net total	<u>\$ 4,339,278</u>	<u>\$ 106,131</u>	<u>\$ 37,164</u>	<u>\$ (11,084)</u>	<u>\$ 4,471,489</u>
Discounts and loans	\$ 236,713,921	\$ 19,782,771	\$ 3,148,250	\$ -	\$ 259,644,942
Allowance for credit losses	(510,452)	(224,666)	(299,636)	-	(1,034,754)
Difference of impairment loss under regulations	-	-	-	(2,372,230)	(2,372,230)
Net total	<u>\$ 236,203,469</u>	<u>\$ 19,558,105</u>	<u>\$ 2,848,614</u>	<u>\$ (2,372,230)</u>	<u>\$ 256,237,958</u>

b) Credit analysis for marketable securities

March 31, 2026

	At FVTOCI Debt Instruments	At Amortized Cost - Debt Instruments	Total
Gross carrying amount	\$ 150,071,057	\$ 33,627,480	\$ 183,698,537
Allowance for impairment loss	<u>(35,359)</u>	<u>(5,217)</u>	<u>(40,576)</u>
Amortized cost	150,035,698	<u>\$ 33,622,263</u>	183,657,961
Fair value adjustment	<u>(578,373)</u>		<u>(578,373)</u>
	<u>\$ 149,457,325</u>		<u>\$ 183,079,588</u>

December 31, 2025

	At FVTOCI Debt Instruments	At Amortized Cost - Debt Instruments	Total
Gross carrying amount	\$ 163,325,985	\$ 29,399,550	\$ 192,725,535
Allowance for impairment loss	<u>(40,065)</u>	<u>(3,926)</u>	<u>(43,991)</u>
Amortized cost	163,285,920	<u>\$ 29,395,624</u>	192,681,544
Fair value adjustment	<u>210,379</u>		<u>210,379</u>
	<u>\$ 163,496,299</u>		<u>\$ 192,891,923</u>

March 31, 2025

	At FVTOCI Debt Instruments	At Amortized Cost - Debt Instruments	Total
Gross carrying amount	\$ 165,939,326	\$ 26,904,167	\$ 192,843,493
Allowance for impairment loss	<u>(49,077)</u>	<u>(5,269)</u>	<u>(54,346)</u>
Amortized cost	165,890,249	<u>\$ 26,898,898</u>	192,789,147
Fair value adjustment	<u>(2,261,987)</u>		<u>(2,261,987)</u>
	<u>\$ 163,628,262</u>		<u>\$ 190,527,160</u>

As of March 31, 2026, December 31, 2025 and March 31, 2025, the Group had no financial assets which were overdue but not impaired.

d. Liquidity risk

1) Source and definition of liquidity risk

Liquidity is the Group's capacity to realize assets, obtain financing or funds to meet obligations at maturity, including deposits and off-balance sheet guarantees.

Liquidity risk is the risk that the Group's fund is unable to meet its payment obligation and to operate normally.

2) Management strategy and principles of liquidity risk

- a) Liquidity risk management process should be able to adequately identify, measure effectively, monitor continuously, and properly control of the Group's liquidity risk, to ensure that banks both in normal operating environments or under pressure, have sufficient funds to cope assets or settle liabilities when due.
- b) Manage current assets to ensure that the Group have enough instantly realized assets to deal with currency risks.
- c) Capital management should include regular review of the asset and liability structure, and proper configuration of assets and liabilities, and should take into account the realization of assets and the stability of financing sources to plan combinations of funding sources to ensure the Group's liquidity.
- d) To establish an appropriate information system to measure, monitor and report liquidity risk.
- e) The setting of the measurement systems or models should include important factors which affect the currency risks of the Bank fund (including the introduction of new products or services) for managing current risks to help the Bank to evaluate and monitor the fund currency risks in the regular condition and under pressure.
- f) To use early warning tools and continuously monitor and report liquidity risk profile, and set liquidity risk limits, with due consideration of business strategy, operational characteristics and risk preference factors.
- g) In addition to the monitoring of the capital requirements, under normal business conditions, the Group should regularly conduct stress tests to evaluate the assumptions in the liquidity position and ensure that banks have sufficient liquidity to withstand stress scenarios; assessment should be made to view liquidity risk management indicators and reasonableness of limits.
- h) Develop appropriate action plans to respond to possible occurrence of liquidity crisis, and regularly review such plans to ensure that the action plans are in line with the Bank's operating environment and conditions and can continue to play its role effectively.

As of March 31, 2026, December 31, 2025 and March 31, 2025, the liquidity reserve ratio was 34.45%, 35.27% and 42.25%, respectively.

- 3) The analysis of cash outflow of non-derivative financial liabilities held was prepared according to the remaining periods from reporting date to contractual maturity date. The maturity analysis of non-derivative financial liabilities was as follows:

March 31, 2026	Less Than 1 Month	1-3 Months	3 Months to 6 Months	6 Months to 1 Year	More Than 1 Year	Total
Deposits from the Central Bank and other banks	\$ 48,980,908	\$ -	\$ 2,000,000	\$ 7,000,000	\$ 3,000,000	\$ 60,980,908
Financial liabilities at fair value through profit or loss	297,773	-	-	-	362	298,135
Bills and bonds sold under repurchase agreements	182,369,838	28,212,897	1,684,714	413,034	2,239,190	214,919,673
Payables	3,084,486	271,591	904,852	1,031,505	115,402	5,407,836
Deposits and remittances	73,962,704	83,682,525	80,406,236	27,348,930	65,450,334	330,850,729
Bank debentures payable	-	2,500,000	-	700,000	11,460,000	14,660,000
Other financial liabilities	1,312,570	279,813	84,976	200,763	15,276,420	17,154,542
Lease liabilities	12,625	28,132	38,532	68,518	260,735	408,542
	<u>\$ 310,020,904</u>	<u>\$ 114,974,958</u>	<u>\$ 85,119,310</u>	<u>\$ 36,762,750</u>	<u>\$ 97,802,443</u>	<u>\$ 644,680,365</u>
December 31, 2025	Less Than 1 Month	1-3 Months	3 Months to 6 Months	6 Months to 1 Year	More Than 1 Year	Total
Deposits from the Central Bank and other banks	\$ 36,610,170	\$ -	\$ -	\$ 9,000,000	\$ 3,000,000	\$ 48,610,170
Bills and bonds sold under repurchase agreements	180,297,575	32,823,661	2,420,950	372,339	3,669,502	219,584,027
Payables	1,355,602	692,513	776,031	1,276,690	57,346	4,158,182
Deposits and remittances	86,546,748	77,912,545	47,945,944	51,613,695	64,806,515	328,825,447
Bank debentures payable	-	-	2,500,000	700,000	11,460,000	14,660,000
Other financial liabilities	762,069	658,921	144,372	193,257	13,327,238	15,085,857
Lease liabilities	13,293	31,005	42,645	81,383	301,568	469,894
	<u>\$ 305,585,457</u>	<u>\$ 112,118,645</u>	<u>\$ 53,829,942</u>	<u>\$ 63,237,364</u>	<u>\$ 96,622,169</u>	<u>\$ 631,393,577</u>
March 31, 2025	Less Than 1 Month	1-3 Months	3 Months to 6 Months	6 Months to 1 Year	More Than 1 Year	Total
Deposits from the Central Bank and other banks	\$ 38,246,448	\$ 1,096,299	\$ 3,000,000	\$ -	\$ 9,000,000	\$ 51,342,747
Financial liabilities at fair value through profit or loss	-	38	-	527	3,713	4,278
Bills and bonds sold under repurchase agreements	179,855,949	29,264,786	1,916,915	748,867	2,205,379	213,991,896
Payables	1,646,319	178,382	972,783	966,228	91,362	3,855,074
Deposits and remittances	68,913,483	74,144,593	88,985,154	31,923,234	54,841,367	318,807,831
Bank debentures payable	-	-	-	700,000	12,750,000	13,450,000
Other financial liabilities	369,868	232,842	124,089	175,822	12,435,298	13,337,919
Lease liabilities	13,139	26,747	33,450	66,374	302,804	442,514
	<u>\$ 289,045,206</u>	<u>\$ 104,943,687</u>	<u>\$ 95,032,391</u>	<u>\$ 34,581,052</u>	<u>\$ 91,629,923</u>	<u>\$ 615,232,259</u>

- 4) The Group assessed based contractual maturities at the balance sheet to understand all the basic elements of derivative financial instruments. The maturity analysis of derivative financial liabilities was as follows:

March 31, 2026	Less Than 1 Month	1-3 Months	3 Months to 6 Months	6 Months to 1 Year	More Than 1 Year	Total
Deliverable						
Forward contracts	\$ 21,470	\$ 6,571	\$ 14,158	\$ 39,517	\$ -	\$ 81,716
Currency swap contracts	135,271	31,948	68,504	39,623	182	275,528
Others	<u>21,605</u>	<u>12,359</u>	<u>12,490</u>	<u>32,062</u>	<u>2,556</u>	<u>81,072</u>
	178,346	50,878	95,152	111,202	2,738	438,316
Non-deliverable						
Interest rate swap contracts	-	3,492	4,481	5,544	409,344	422,861
	<u>\$ 178,346</u>	<u>\$ 54,370</u>	<u>\$ 99,633</u>	<u>\$ 116,746</u>	<u>\$ 412,082</u>	<u>\$ 861,177</u>

December 31, 2025	Less Than 1 Month	1-3 Months	3 Months to 6 Months	6 Months to 1 Year	More Than 1 Year	Total
Deliverable						
Forward contracts	\$ 4,409	\$ 18,311	\$ 6,234	\$ 4,501	\$ -	\$ 33,455
Currency swap contracts	258,749	74,852	13,725	40,187	-	387,513
Others	<u>20,309</u>	<u>11,302</u>	<u>11,310</u>	<u>5,427</u>	<u>1,583</u>	<u>49,931</u>
	283,467	104,465	31,269	50,115	1,583	470,899
Non-deliverable						
Interest rate swap contracts	<u>79</u>	<u>-</u>	<u>2,376</u>	<u>2,593</u>	<u>202,783</u>	<u>207,831</u>
	<u>\$ 283,546</u>	<u>\$ 104,465</u>	<u>\$ 33,645</u>	<u>\$ 52,708</u>	<u>\$ 204,366</u>	<u>\$ 678,730</u>
March 31, 2025	Less Than 1 Month	1-3 Months	3 Months to 6 Months	6 Months to 1 Year	More Than 1 Year	Total
Deliverable						
Forward contracts	\$ 33,692	\$ 5,342	\$ 2,053	\$ 7,742	\$ -	\$ 48,829
Currency swap contracts	55,425	60,090	65,360	34,884	-	215,759
Others	<u>13,003</u>	<u>9,721</u>	<u>38,221</u>	<u>53,042</u>	<u>3,086</u>	<u>117,073</u>
	102,120	75,153	105,634	95,668	3,086	381,661
Non-deliverable						
Interest rate swap contracts	<u>-</u>	<u>918</u>	<u>4,961</u>	<u>5,280</u>	<u>149,487</u>	<u>160,646</u>
	<u>\$ 102,120</u>	<u>\$ 76,071</u>	<u>\$ 110,595</u>	<u>\$ 100,948</u>	<u>\$ 152,573</u>	<u>\$ 542,307</u>

- 5) The maturity analysis of off-balance sheet items shows the remaining balance from the balance sheet date to the maturity date. For the sent financial guarantee contracts, the maximum amounts are possibly asked for settlement in the earliest period. The amounts in the table below were on cash flow basis; therefore, some disclosed amounts will not match with the consolidated balance sheet.

March 31, 2026	Less Than 1 Month	1-3 Months	3 Months to 6 Months	6 Months to 1 Year	More Than 1 Year	Total
Unused letters of credit	\$ 964,143	\$ 482,626	\$ 253,651	\$ -	\$ -	\$ 1,700,420
Other guarantees	36,734,089	108,504,471	2,180,078	1,314,755	2,980,189	151,713,582
Loan commitments	<u>5,113,406</u>	<u>10,226,811</u>	<u>15,340,217</u>	<u>30,680,434</u>	<u>172,293</u>	<u>61,533,161</u>
	<u>\$ 42,811,638</u>	<u>\$ 119,213,908</u>	<u>\$ 17,773,946</u>	<u>\$ 31,995,189</u>	<u>\$ 3,152,482</u>	<u>\$ 214,947,163</u>
December 31, 2025	Less Than 1 Month	1-3 Months	3 Months to 6 Months	6 Months to 1 Year	More Than 1 Year	Total
Unused letters of credit	\$ 451,240	\$ 1,260,399	\$ 84,659	\$ -	\$ -	\$ 1,796,298
Other guarantees	46,959,851	92,084,459	6,455,571	875,999	3,181,158	149,557,038
Loan commitments	<u>5,397,759</u>	<u>10,795,518</u>	<u>16,193,278</u>	<u>32,386,556</u>	<u>181,874</u>	<u>64,954,985</u>
	<u>\$ 52,808,850</u>	<u>\$ 104,140,376</u>	<u>\$ 22,733,508</u>	<u>\$ 33,262,555</u>	<u>\$ 3,363,032</u>	<u>\$ 216,308,321</u>
March 31, 2025	Less Than 1 Month	1-3 Months	3 Months to 6 Months	6 Months to 1 Year	More Than 1 Year	Total
Unused letters of credit	\$ 341,088	\$ 690,500	\$ 129,428	\$ -	\$ -	\$ 1,161,016
Other guarantees	44,554,846	94,820,664	3,889,377	895,068	1,199,005	145,358,960
Loan commitments	<u>5,208,056</u>	<u>10,416,112</u>	<u>15,624,167</u>	<u>31,248,335</u>	<u>175,482</u>	<u>62,672,152</u>
	<u>\$ 50,103,990</u>	<u>\$ 105,927,276</u>	<u>\$ 19,642,972</u>	<u>\$ 32,143,403</u>	<u>\$ 1,374,487</u>	<u>\$ 209,192,128</u>

e. Market risk

1) Source and definition of market risk

Market risk is defined as an unfavorable change in market prices (such as interest rates, exchange rates, stock prices, commodity prices etc.) which may cause financial instruments classified in trading book a potential loss on or off the balance sheet.

2) Market risk management strategy and process

The Bank manages the market risk with active, careful attitude.

The Bank makes the profit mainly from trading business through knowing how market risk factors fluctuate. (e.g., market price, exchange rate, interest rate). More violent the market risk factors fluctuate, the bigger the opportunity for profit or loss. When preparing the Annual Trading Budget Report of the trading business, the Bank will refer to the overall economic and industrial analysis of the Bank itself and also the other similar business. After discussions by the president, the trading department and the market risk management department, it is reported to the Risk Management Committee and the Board with the plan of loss quotas and product parts quotas to avoid setting up the goal in an impracticable way that leads the dealer to take more risk on operating.

The Bank sets up definite management rules and risk management indicators for different trading business and its risk attribute. It stipulates exposure amount, submission of expiration, authorization management and ways of disposure. Implement certainly and ensure the trading department to abide by the discipline to control the market risk exposure extent in a safe range.

3) Market risk management organization and framework

- a) The Board of Directors: It is the top market risk supervising organization. The product part quotas and total annual stop-loss quotas of the trading business market risk monitored and managed by the Bank, approved by the Board, are the top stipulation in market risk management.
- b) Risk Management Committee: In charge of stipulating risk management policy and monitoring the operation of market risk management. The Bank hold a risk management meeting per month to review the market risk limits and regulations, report various market risk limit control situations and market risk related matters.
- c) Risk Management Department: In charge of market risk management. According to the Bank's regulation, the department is in charge of every operation related to market risk management, including planning of market risk limit, statistics, reporting and monitoring.

4) Market risk report and evaluation system

The Bank setup the risk index, exposure amount and authority levels by products' type (e.g., equity, interest rate, currency exchange rate).

The Bank setup the limit amount of trading and loss, and other index including VaR, MAT limit, 20-Day average liquidity and FS sensitivity limit to enhance the risk control system.

The Bank calculates the risk exposure amount of the trade department and traders based on authorized amount, and submits risk report, monitors the limits, and executes the following measures.

The Bank sets up the index of stop loss to control the risk of transaction including bonds, Forex, securities, and derivative by building the risk evaluation module, and monitor the loss caused by the fluctuation of stock market, exchange rate and interest rates.

5) Value at Risk

The Bank adopts Value at Risk to evaluate trading book products such as rate financial instruments, TWD interest products and market risks of trading assets IPO stocks. When market factors happen negative changes, Value at Risk reveals the potential losses of holding financial instruments during a certain period and in a confidence interval. The bank adopts variance-covariance method to estimate Value at Risk, the confidence interval is 99%, the sample interval of rate and stock products is the past year, the sample interval of interest products is the past three years.

The following table illustrates the Value at Risk of the Bank, this risk value is based on confidence interval, estimated in one day potential losses, and assumed unfavorable interest and rate changes can cover all possible fluctuation in one day. Based on this assumption, the Value at Risk of financial assets and liabilities in the table have one in hundred days possibility more than the amount in the table due to the fluctuation of interest, rate, and stock prices. Annual average value, maximum value and minimum value are calculated based on daily Value at Risk. The total market risk value of the bank is less than the sum of the fair value risk value, rate risk value and price risk value of interest changes.

O-Bank

	March 31, 2026			December 31, 2025			March 31, 2025		
	Average	High	Low	Average	High	Low	Average	High	Low
Currency exchange rate risk	\$ 2,910	\$ 6,266	\$ 1,437	\$ 4,281	\$ 19,871	\$ 197	\$ 6,306	\$ 19,871	\$ 1,025
Fair value risk resulting from interest rate	6,123	11,568	4,755	6,383	14,382	453	1,825	4,251	453
Fair value risk resulting from stock price	5,483	15,307	-	2,110	5,549	-	2,632	5,549	345

6) Foreign currency rate risk information

The information of significant foreign financial assets and liabilities is as follows:

Unit: Foreign Currencies (Thousands)/NT\$ (Thousands)

	March 31, 2026		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary item			
USD	\$ 3,563,962	31.9850	\$ 113,993,462
JPY	19,988,607	0.2004	4,004,917
HKD	10,103,101	4.0801	41,221,156
EUR	22,872	36.6817	838,974
GBP	15,668	42.2451	661,915
AUD	467,526	21.9344	10,254,913
CHF	66,169	39.9748	2,645,089
RMB	1,462,309	4.6295/4.6261	6,764,824
			(Continued)

	March 31, 2026		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Investments accounted for using equity method			
RMB	\$ 272,018	4.6295	\$ 1,259,318

Financial liabilities

Monetary item			
USD	4,499,979	31.9850	143,931,994
JPY	4,593,437	0.2004	920,341
HKD	6,939,048	4.0801	28,311,661
EUR	11,979	36.6817	439,416
GBP	14,225	42.2451	600,944
AUD	136,616	21.9344	2,996,587
CHF	9,283	39.9748	371,091
RMB	479,493	4.6261	2,218,193

(Concluded)

	December 31, 2025		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary item			
USD	\$ 3,702,517	31.4503	\$ 116,445,148
JPY	11,304,012	0.2007	2,268,489
HKD	10,382,458	4.0405	41,949,802
EUR	23,648	36.8810	872,166
GBP	44,359	42.2892	1,875,887
AUD	466,913	21.0189	9,813,978
CHF	60,608	39.6091	2,400,636
RMB	1,166,397	4.5025/4.5008	5,249,712
Investments accounted for using equity method			
RMB	270,302	4.5025	1,217,025

Financial liabilities

Monetary item			
USD	4,611,725	31.4503	145,040,014
JPY	5,276,033	0.2007	1,058,794
HKD	6,782,443	4.0405	27,404,122
EUR	7,539	36.8810	278,032
GBP	20,430	42.2892	863,972
AUD	182,660	21.0189	3,839,305
CHF	19,733	39.6091	781,624
RMB	524,358	4.5008	2,360,026

March 31, 2025			
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary item			
USD	\$ 3,330,104	33.1882	\$ 110,520,290
JPY	5,652,545	0.2225	1,257,801
HKD	10,181,374	4.2658	43,431,296
EUR	24,786	35.8844	889,418
GBP	9,212	42.9343	395,512
AUD	418,846	20.7722	8,700,325
CHF	411	39.6387	15,460
RMB	1,326,355	4.4925/4.5702	6,061,632
Investments accounted for using equity method			
RMB	266,848	4.4925	1,198,809
<u>Financial liabilities</u>			
Monetary item			
USD	4,417,567	33.1882	146,611,255
JPY	19,080,471	0.2225	4,245,777
HKD	6,513,470	4.2658	27,784,898
EUR	8,053	35.8844	288,994
GBP	7,309	42.9343	313,809
AUD	53,117	20.7722	1,103,360
CHF	3	39.6387	95
RMB	581,060	4.5702	2,655,544

f. Banking book interest rate risk

1) Source and definition of interest rate risk of banking book

Banking book's interest rate risk means the probable loss of non-trading book's position within balance sheet and off-balance sheet arises from interest change.

2) Management strategy and process of interest rate risk of banking book

The Bank controls this interest rate risk with a positive and strict attitude. The Bank hopes to pursue the stability and growth of surplus without liquidity flaws.

The Bank set the clear management methods and risk management indicators with different trading, investment, and risk, and set the report of risk amount and over limit, approved level and reaction plan. The Bank executes the procedures clearly, establishes a trading discipline that upholds the discipline of investment, and controls the interest rate risk of banking book within the limit.

3) Management organization and framework of interest rate risk of banking book

- a) The Board of Directors: It is the top organization to supervise interest rate risk of banking book. The product part quotas and total annual loss quotas of the trading business market risk monitored and managed by the Bank and approved by the board of director are the top stipulation in bank book interest risk.

- b) Risk Management Committee: In charge of stipulating risk management policy of interest rate risk of banking book and monitoring the risk management operating of interest rate risk of banking book. The Bank assembles related departments to hold a risk management assessment meeting to review the risk management conditions of interest rate risk of banking book and the result of interest rate pressure test once a month.
 - c) Risk Management Department: In charge of risk management of interest rate risk of banking book. According to the Bank's regulation, the department is in charge of every operation related to management of interest rate risk of banking book, including planning limits, statistics, reporting and monitoring.
- 4) The extent and characteristics of interest rate risk report and evaluation system of banking book

The Risk Management Department set the regulation with banking book interest risk as follow, limit of position, Annual loss limit, FS Sensitivity limit, duration/maturity limit, Individual Investment Target Warning Limits, Individual Investment Target stop buying limit, Earnings View Interest Rate Sensitivity Warning Limit-Rising/falling interest rates by 1bp, First Class Capital Interest Rate Sensitivity Warning Limit: Interest rate rise/fall 25bps, 50bps, 75bps, 100bps. In summary, it is intended to enhance the risk control framework of interest rate risk of banking book. In summary, it is intended to enhance the risk control framework of interest rate risk of banking book.

Besides, the Risk Management Department executes the following tests to assess the impact to the Bank's net income in special situation pressure test and reports the result to the Assets and Liabilities Committee.

The Risk Management Department calculates the exposure amount of each trading departments and traders, and it also reports the risk reports, monitors over-limits, and performs follow-up actions under the regulations.

g. Climate risk

1) Source and definition of climate risk

Due to the continuous emission of greenhouse gases from various economic activities, the earth is warming up and generating extreme climate, thus creating climate risk. Climate risk is mainly categorized as: Transformation risk due to the impact of external policies and regulations, technological transformation, market preference and reputation in order to achieve the goal of a low-carbon economy, and physical risk due to the impact of climate change or extreme climate.

2) Management strategy and principles of climate risk

The Bank has established climate risk management policies and monitoring indicators to ensure the effectiveness of implementation and the resilience to different climate scenarios and conducts annual scenario analyses of physical and transformational risks to assess the impact of climate risk on business and finance.

47. CAPITAL MANAGEMENT

a. Strategies to maintain capital adequacy

The Group's common equity ratio of Tier I capital ratio and capital adequacy ratio required by the authorities shall comply with the minimum capital ratio for each year; leverage ratio measurement basis is subject to the authorities. The calculation of the ratio mentioned above by authorities regulations.

b. Capital assessment program

Measures are taken when capital ratio and leverage ratio deteriorate such as regular calculation, analysis, monitoring and reporting, the annual allocation of each business's capital adequacy ratio targets and regularly tracking the target achievement rate in the capital.

48. ASSET QUALITY, CONCENTRATION OF LOANS EXTENSIONS, INTEREST RATE SENSITIVITY, PROFITABILITY AND DISCLOSURE OF RELATED INFORMATION OF INDUSTRY REGULATIONS OF MATURITY ANALYSIS OF ASSETS AND LIABILITIES

O-Bank

a. Asset quality: Refer to Table 2.

b. Concentration of credit extensions

March 31, 2026

Rank	Company Name	Credit Extensions Balance	% of Net Asset Value
1	A Company (wireless telecommunication)	\$ 8,866,260	19.86
2	B Company (the manufacture of other metal container)	5,253,017	11.77
3	C Company (unclassified other financial service)	5,131,417	11.49
4	D Company (real estate development)	3,807,090	8.53
5	E Company (unclassified other financial service)	3,333,654	7.47
6	F Company (other accommodation activities)	3,304,841	7.40
7	G Company (real estate development)	3,194,800	7.16
8	H Company (real estate development)	2,974,139	6.66
9	I Company (real estate development)	2,771,589	6.21
10	J Company (real estate broking)	2,676,778	6.00

March 31, 2025

Rank	Company Name	Credit Extensions Balance	% of Net Asset Value
1	A Company (wireless telecommunication)	\$ 9,256,207	21.22
2	C Company (building completion and finishing)	3,291,795	7.55
3	H Company (real estate development)	3,204,836	7.35
4	K Company (iron and steel rolling and extruding)	3,005,859	6.89
5	D Company (real estate development)	2,546,468	5.84
6	E Company (other activities auxiliary to financial service activities not elsewhere classified)	2,500,000	5.73
7	G Company (real estate development)	2,401,300	5.50
8	L Company (glass and glass made products manufacturing)	2,188,678	5.02
9	J Company (real estate broking)	2,084,536	4.78
10	I Company (real estate development)	2,063,052	4.73

Note 1: The list shows top 10 rankings by total amount of credit, endorsement or other transactions but excludes government-owned or state-run enterprises. If the borrower is a member of a group enterprise, the total amount of credit, endorsement or other transactions of the entire group enterprise must be listed and disclosed by code and line of industry. The industry of the group enterprise should be presented as the industry of the member firm with the highest risk exposure. The lines of industry should be described in accordance with the Standard Industrial Classification System of the Republic of China published by the Directorate - General of Budget, Accounting and Statistics under the Executive Yuan.

Note 2: Group enterprise refers to a group of corporate entities as defined by Article 6 of "Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Review of Securities Listings."

Note 3: Total amount of credit, endorsement or other transactions is the sum of various loans (including import and export negotiations, discounts, overdrafts, unsecured and secured short-term loans, margin loans receivable, unsecured and secured medium-term loans, unsecured and secured long-term loans and overdue loans), exchange bills negotiated, accounts receivable factored without recourse, acceptances and guarantees.

c. Interest rate sensitivity

Interest Rate Sensitivity Balance Sheet (New Taiwan Dollars)

March 31, 2026

Items	0 to 90 Days (Included)	91 to 180 Days (Included)	181 Days to One Year (Included)	Over One Year	Total
Interest rate-sensitive assets	\$ 220,843,017	\$ 12,168,989	\$ 9,387,102	\$ 34,654,442	\$ 277,053,550
Interest rate-sensitive liabilities	97,638,718	104,012,217	24,940,673	20,791,694	247,383,302
Interest rate-sensitive gap	123,204,299	(91,843,228)	(15,553,571)	13,862,748	29,670,248
Net worth					44,605,970
Ratio of interest rate-sensitive assets to liabilities					111.99%
Ratio of interest rate sensitivity gap to net worth					66.52%

March 31, 2025

Items	0 to 90 Days (Included)	91 to 180 Days (Included)	181 Days to One Year (Included)	Over One Year	Total
Interest rate-sensitive assets	\$ 202,197,292	\$ 7,772,687	\$ 10,708,969	\$ 46,467,972	\$ 267,146,920
Interest rate-sensitive liabilities	76,290,225	100,420,870	28,690,152	33,607,886	239,009,133
Interest rate-sensitive gap	125,907,067	(92,648,183)	(17,981,183)	12,860,086	28,137,787
Net worth					43,833,129
Ratio of interest rate-sensitive assets to liabilities					111.77%
Ratio of interest rate sensitivity gap to net worth					64.19%

Note 1: The above amounts included only New Taiwan dollar amounts held by the Bank and excluded contingent assets and contingent liabilities items.

Note 2: Interest rate-sensitive assets and liabilities mean the revenues or costs of interest-earning assets and interest-bearing liabilities 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 Balance Sheet (U.S. Dollars)

March 31, 2026

(In Thousands of U.S. Dollars, %)

Items	0 to 90 Days (Included)	91 to 180 Days (Included)	181 Days to One Year (Included)	Over One Year	Total
Interest rate-sensitive assets	\$ 1,093,270	\$ 11,731	\$ 26,667	\$ 1,716,243	\$ 2,847,911
Interest rate-sensitive liabilities	2,063,873	636,654	90,626	151	2,791,304
Interest rate-sensitive gap	(970,603)	(624,923)	(63,959)	1,716,092	56,607
Net worth					(1,702)
Ratio of interest rate-sensitive assets to liabilities					102.03%
Ratio of interest rate sensitivity gap to net worth					(3,325.91%)

March 31, 2025

(In Thousands of U.S. Dollars, %)

Items	0 to 90 Days (Included)	91 to 180 Days (Included)	181 Days to One Year (Included)	Over One Year	Total
Interest rate-sensitive assets	\$ 1,132,337	\$ 30,688	\$ 59,824	\$ 1,674,363	\$ 2,897,212
Interest rate-sensitive liabilities	1,947,120	800,011	114,251	251	2,861,633
Interest rate-sensitive gap	(814,783)	(769,323)	(54,427)	1,674,112	35,579
Net worth					(8,540)
Ratio of interest rate-sensitive assets to liabilities					101.24%
Ratio of interest rate sensitivity gap to net worth					(416.62%)

Note 1: The above amounts included only U.S. dollar amounts held by the Bank and excluded contingent assets and contingent liabilities.

Note 2: Interest rate-sensitive assets and liabilities mean the revenues or costs of interest-earning assets and interest-bearing liabilities 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

(In %)

Items		For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Return on total assets	Before income tax	0.21	0.16
	After income tax	0.18	0.13
Return on equity	Before income tax	1.97	1.54
	After income tax	1.73	1.24
Net income ratio		37.60	31.94

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 revenue.

Note 4: Income before (after) income tax represents income for the three months ended March 31, 2026 and 2025.

e. Maturity analysis of assets and liabilities

Maturity Analysis of Assets and Liabilities (New Taiwan Dollars)

March 31, 2026

	Total	Remaining Period to Maturity					
		0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	\$ 316,979,641	\$ 45,776,659	\$ 30,264,316	\$ 46,277,705	\$ 35,165,377	\$ 21,131,120	\$ 138,364,464
Main capital outflow on maturity	364,367,886	31,255,599	31,952,650	69,256,389	85,850,999	44,128,777	101,923,472
Gap	(47,388,245)	14,521,060	(1,688,334)	(22,978,684)	(50,685,622)	(22,997,657)	36,440,992

March 31, 2025

	Total	Remaining Period to Maturity					
		0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	\$ 301,347,272	\$ 46,442,980	\$ 29,678,275	\$ 34,806,147	\$ 21,613,405	\$ 23,323,355	\$ 145,483,110
Main capital outflow on maturity	347,771,079	20,555,691	26,345,311	62,419,405	91,869,105	41,506,569	105,074,998
Gap	(46,423,807)	25,887,289	3,332,964	(27,613,258)	(70,255,700)	(18,183,214)	40,408,112

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

Maturity Analysis of Assets and Liabilities (U.S. Dollars)

March 31, 2026

(In Thousands of U.S. Dollars)

	Total	Remaining Period to Maturity				
		0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	\$ 5,491,733	\$ 2,936,896	\$ 694,176	\$ 314,676	\$ 653,585	\$ 892,400
Main capital outflow on maturity	5,720,508	3,041,986	1,137,853	466,285	549,778	524,606
Gap	(228,775)	(105,090)	(443,677)	(151,609)	103,807	367,794

March 31, 2025

(In Thousands of U.S. Dollars)

	Total	Remaining Period to Maturity				
		0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	\$ 4,884,589	\$ 2,607,426	\$ 703,536	\$ 472,742	\$ 307,452	\$ 793,433
Main capital outflow on maturity	5,048,455	2,622,954	999,072	592,861	274,996	558,572
Gap	(163,866)	(15,528)	(295,536)	(120,119)	32,456	234,861

Note 1: The above amounts included only U.S. dollar amounts held by the Bank.

Note 2: If the overseas assets are at least 10% of the total assets, there should be additional disclosures.

Maturity Analysis of Overseas Assets and Liabilities (U.S. Dollars)

March 31, 2026

(In Thousands of U.S. Dollars)

	Total	Remaining Period to Maturity				
		0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	\$ 2,782,050	\$ 1,954,604	\$ 92,746	\$ 100,037	\$ 461,915	\$ 172,748
Main capital outflow on maturity	2,807,843	1,459,678	577,109	194,882	405,900	170,274
Gap	(25,793)	494,926	(484,363)	(94,845)	56,015	2,474

March 31, 2025

(In Thousands of U.S. Dollars)

	Total	Remaining Period to Maturity				
		0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	\$ 2,299,757	\$ 1,869,978	\$ 258,337	\$ 15,759	\$ 69,573	\$ 86,110
Main capital outflow on maturity	2,199,429	1,383,786	376,884	195,152	82,680	160,927
Gap	100,328	486,192	(118,547)	(179,393)	(13,107)	(74,817)

China Bills Finance Corporation

a. Asset quality

Item	Period	
	March 31, 2026	March 31, 2025
Balance of guarantees and endorsement credits overdue within 3 months	\$ -	\$ -
Nonperforming debts (include overdue receivables)	-	-
Credits under observation	-	-
Overdue receivables	-	-
Ratio of non-performing debts	0.00%	0.00%
Ratio of non-performing debts and credits under observation	0.00%	0.00%
Required provision for credit losses and reserve for losses on guarantees	1,445,887	1,409,643
Actual provision for credit losses and reserve for losses on guarantees	1,696,500	1,414,077

b. The principal operation

Item	Period	
	March 31, 2026	March 31, 2025
Balance of guarantees and endorsement securities	\$ 119,586,600	\$ 116,284,100
Multiple of guarantees and endorsement securities to net worth	5.03	4.93
Short-term bills and bonds sold under repurchase agreement	\$ 203,389,825	\$ 202,849,521
Multiple of short-term bills and bonds sold under repurchase agreement to net worth	8.55	8.60

c. The provision policy and allowance for doubtful accounts, refer to Note 14.

d. Concentrations of credit extensions

(In %)

Item \ Period	March 31, 2026		March 31, 2025	
Credit of the common interested party	\$ -		\$ -	
Ratio of credit extensions to common interest parties	-		-	
Ratio of credit extensions secured by pledged share	20.46		22.06	
Loan concentration by industry (ratio of top three industries to which credit line issued to credit extension balance)	Type of Industry	%	Type of Industry	%
	Finance and insurance industry	32.12	Finance and insurance industry	33.50
	Real estate industry	27.53	Real estate industry	27.33
	Manufacturing industry	12.79	Manufacturing industry	14.23

Note 1: Ratio of credit extensions to common interest related parties: Credit to common interest related party ÷ Total credit.

Note 2: Ratio of credit extensions secured by pledged stocks: Credit with stocks pledged ÷ Total credit.

Note 3: Total credit included guarantees, endorsement notes and overdue credit (including overdue receivables, accounts receivable, and notes receivable).

e. Average amount and average interest rate of interest-earning assets and interest-bearing liabilities

	For the Three Months Ended March 31			
	2026		2025	
	Average Balance	Average Rate (%)	Average Balance	Average Rate (%)
<u>Interest-earning assets</u>				
Cash and cash equivalents, other assets - refundable deposits	\$ 893,960	0.07	\$ 870,082	0.12
Due from the Central Bank and call loans to banks	-	-	3,667	0.80
Financial assets at FVTPL - bonds and bills	136,934,103	1.63	140,024,997	1.68
Financial assets at FVTOCI - debt instruments	96,064,907	2.39	94,583,876	2.16
Financial assets at FVTPL - hybrid financial assets	13,197,634	3.36	9,560,829	3.18
Investments in debt instruments measured at amortized cost	2,692,429	1.44	2,394,778	1.42
Bills and bonds purchased under resell agreements	7,736,813	1.29	4,211,122	1.04
<u>Interest-bearing liabilities</u>				
Call loans from other banks	33,513,064	1.58	21,562,964	1.96
Bank overdraft	14,687	2.38	6,415	2.38
Securities sold under repurchase agreements	197,965,559	1.65	204,056,006	1.80

f. Interest rate sensitivity information of the balance sheet

March 31, 2026

(In Millions of New Taiwan Dollars or in %)

Items	1 to 90 Days (Included)	91 to 180 Days (Included)	181 Days to One Year (Included)	Over One Year	Total
Interest rate-sensitive assets	\$ 138,118	\$ 10,842	\$ 12,583	\$ 96,919	\$ 258,462
Interest rate-sensitive liabilities	230,668	1,675	206	-	232,549
Interest rate-sensitive gap	(92,550)	9,167	12,377	96,919	25,913
Net worth					27,875
Ratio of interest rate-sensitive assets to liabilities (%)					111.14
Ratio of interest rate sensitivity gap to net worth (%)					92.95

March 31, 2025

(In Millions of New Taiwan Dollars or in %)

Items	1 to 90 Days (Included)	91 to 180 Days (Included)	181 Days to One Year (Included)	Over One Year	Total
Interest rate-sensitive assets	\$ 124,925	\$ 17,126	\$ 9,752	\$ 96,955	\$ 248,758
Interest rate-sensitive liabilities	222,772	1,898	118	-	224,788
Interest rate-sensitive gap	(97,847)	15,228	9,634	96,955	23,970
Net worth					25,911
Ratio of interest rate-sensitive assets to liabilities (%)					110.66
Ratio of interest rate sensitivity gap to net worth (%)					92.51

Note 1: Interest rate-sensitive assets and liabilities mean the revenues or costs of interest-earning assets and interest-bearing liabilities affected by interest rate changes.

Note 2: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities (in New Taiwan dollars).

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

g. The use of funding sources table

March 31, 2026

(In Millions of New Taiwan Dollars)

Period		1 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year
Items						
Cash used in	Bills	\$ 55,209	\$ 70,858	\$ 5,397	\$ 5,032	\$ -
	Bonds	1,429	1,848	5,445	7,551	96,919
	Due from banks	327	-	-	-	-
	Call loans	-	-	-	-	-
	Securities purchased under resell agreements	7,770	677	-	-	-
	Total	64,735	73,383	10,842	12,583	96,919
Cash provided by	Borrowing	29,463	-	-	-	-
	Securities sold under repurchase agreements	174,277	26,928	1,675	206	-
	Eligible capital	-	-	-	-	27,875
	Total	203,740	26,928	1,675	206	27,875
Net cash flows		(139,005)	46,455	9,167	12,377	69,044
Accumulated cash flows		(139,005)	(92,550)	(83,383)	(71,006)	(1,962)

March 31, 2025

(In Millions of New Taiwan Dollars)

Period		1 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year
Items						
Cash used in	Bills	\$ 53,836	\$ 64,080	\$ 13,595	\$ 5,840	\$ -
	Bonds	1,369	2,493	3,430	3,912	96,955
	Due from banks	317	-	-	-	-
	Call loans	-	-	-	-	-
	Securities purchased under resell agreements	2,439	391	101	-	-
	Total	57,961	66,964	17,126	9,752	96,955
Cash provided by	Borrowing	22,313	-	-	-	-
	Securities sold under repurchase agreements	173,758	26,701	1,898	118	-
	Eligible capital	-	-	-	-	25,911
	Total	196,071	26,701	1,898	118	25,911
Net cash flows		(138,110)	40,263	15,228	9,634	71,044
Accumulated cash flows		(138,110)	(97,847)	(82,619)	(72,985)	(1,941)

h. Matters requiring special notation

Causes	March 31, 2026	March 31, 2025
Within the past year, a responsible person or professional employee violated the law in the course of business, resulting in an indictment by a prosecutor	None	None
Within the past year, a fine was levied on for violations of the Act Governing Bills Finance Business and the other laws	None	None
Within the past year, misconduct occurred, resulting in the Ministry of Finance's imposing strict corrective measures	None	None
Within the past year, the individual loss or total loss from employee fraud, accidental and material events, or failure to abide by the "Guidelines for Maintenance of Soundness of Financial Institutions" which exceeded NT\$50 million	None	None
Other	None	None

Note: The term "within the past year" means one year before the balance sheet date.

49. CASH FLOWS INFORMATION

Changes in Liabilities from Financing Activities

For the three months ended March 31, 2026

	January 1, 2026	Cash Inflow (Outflow)	Non-cash Changes		March 31, 2026
			Add Leasing	Other	
Bank debentures payable	\$ 14,660,000	\$ -	\$ -	\$ -	\$ 14,660,000
Lease liabilities	414,349	(42,763)	3,963	6,734	382,283
Other financial liabilities	<u>15,085,857</u>	<u>2,068,685</u>	<u>-</u>	<u>-</u>	<u>17,154,542</u>
	<u>\$ 30,160,206</u>	<u>\$ 2,025,922</u>	<u>\$ 3,963</u>	<u>\$ 6,734</u>	<u>\$ 32,196,825</u>

For the three months ended March 31, 2025

	January 1, 2025	Cash Inflow (Outflow)	Non-cash Changes		March 31, 2025
			Add Leasing	Other	
Bank debentures payable	\$ 13,450,000	\$ -	\$ -	\$ -	\$ 13,450,000
Lease liabilities	428,616	(41,474)	17,158	5,988	410,288
Other financial liabilities	<u>11,393,737</u>	<u>1,944,182</u>	<u>-</u>	<u>-</u>	<u>13,337,919</u>
	<u>\$ 25,272,353</u>	<u>\$ 1,902,708</u>	<u>\$ 17,158</u>	<u>\$ 5,988</u>	<u>\$ 27,198,207</u>

50. SIGNIFICANT SUBSEQUENT EVENT

The Bank's board of directors resolved to approve a private placement proposal involving the issuance of common shares, preferred shares, convertible financial debentures, or a combination of above securities, with the aggregate number of shares not exceeding 500 million common shares and the total issuance amount not exceeding NT\$5 billion or its equivalent in other currencies on April 29, 2026. As this private placement proposal does not designate any specific subscribers, it is scheduled to be submitted for resolution at the Bank's stockholders' meeting to be convened on June 12, 2026.

Furthermore, the Bank's board of directors resolved to fully subscribe, in the amount of NT\$500,000 thousand, to the issuance of 50,000 thousand new shares through the cash capital increase of its subsidiary, IBT VII Venture Capital Co., Ltd. on April 29, 2026. This transaction shall proceed upon obtaining approval from the authorities.

51. ADDITIONAL DISCLOSURES

- a. Related information of significant transactions and investees and
- b. Names, locations, and other information of investees over which the Bank exercises significant influence.
 - 1) Financing provided: None
 - 2) Endorsement/guarantee provided: None
 - 3) Significant marketable securities held: The Bank and its financial industry subsidiaries - not applicable; other investees - Table 1 (attached)
 - 4) Allowance of service fees to related parties amounting to at least NT\$5 million: None

- 5) Receivables from related parties amounting to at least NT\$300 million or 10% of the paid-in capital: None
 - 6) Sale of non-performing loans: None
 - 7) Information of applying for authorization of securitized product type according to the “Regulations of Financial Assets Securitization or Regulations of Real Estate Securitization”: None
 - 8) Other significant transactions which may affect the decisions of users of financial statements: None
 - 9) Related information and total stockholding circumstances of “Name, locations and other information of investees on which the Group exercises significant influence.”: Exempt from disclosure.
- c. Investment in mainland China: Table 3 (attached)
- d. Business relationships and significant transactions among the Group: Table 4 (attached)

52. OPERATING SEGMENT FINANCIAL INFORMATION

The Group provides CODM to assess segment performance, focusing on the nature of business operations, assets and profit and loss. The accounting policies of each operating segment are described in Note 4 the same material accounting policies. The Group shall be reported to the operating divisions are as follows:

- a. Bank: Business ruled by in Low of Bank Law Article 71.
- b. Overseas: Overseas banking business.
- c. Bills: Bills-related business approved by the authorities.
- d. Others: Other non-core businesses.

The following was an analysis of the Group’s revenue and results by reportable segment.

	Bank	Overseas	Bills	Others	Eliminations	Consolidated
For the three months ended March 31, 2026						
Net interest						
From unaffiliated segment	\$ 898,250	\$ 281,109	\$ (339,447)	\$ (1,431)	\$ 141	\$ 838,622
From other segment	<u>(196)</u>	<u>-</u>	<u>-</u>	<u>196</u>	<u>-</u>	<u>-</u>
	<u>\$ 898,054</u>	<u>\$ 281,109</u>	<u>\$ (339,447)</u>	<u>\$ (1,235)</u>	<u>\$ 141</u>	<u>\$ 838,622</u>
Net revenue other than interest						
From unaffiliated segment	\$ 1,136,561	\$ 13,954	\$ 1,436,761	\$ 28,628	\$ -	\$ 2,615,904
From other segment	<u>3,661</u>	<u>-</u>	<u>(3,333)</u>	<u>(155)</u>	<u>(284,484)</u>	<u>(284,311)</u>
	<u>\$ 1,140,222</u>	<u>\$ 13,954</u>	<u>\$ 1,433,428</u>	<u>\$ 28,473</u>	<u>\$ (284,484)</u>	<u>\$ 2,331,593</u>
Income from continuing operation	<u>\$ 766,449</u>	<u>\$ 88,741</u>	<u>\$ 639,894</u>	<u>\$ 14,144</u>	<u>\$ (277,078)</u>	<u>\$ 1,232,150</u>
Identifiable assets	<u>\$ 413,183,096</u>	<u>\$ 35,718,003</u>	<u>\$ 264,308,740</u>	<u>\$ 1,887,432</u>	<u>\$ (154,562)</u>	<u>\$ 714,942,709</u>
Depreciation and amortization	<u>\$ 108,304</u>	<u>\$ 11,757</u>	<u>\$ 6,600</u>	<u>\$ 357</u>	<u>\$ (3,378)</u>	<u>\$ 123,640</u>
Capital expenditures	<u>\$ 46,936</u>	<u>\$ 42</u>	<u>\$ 1,521</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,499</u>

(Continued)

	Bank	Overseas	Bills	Others	Eliminations	Consolidated
For the three months ended March 31, 2025						
Net interest						
From unaffiliated segment	\$ 807,345	\$ 263,339	\$ (492,577)	\$ (941)	\$ 213	\$ 577,379
From other segment	<u>(62)</u>	<u>-</u>	<u>-</u>	<u>62</u>	<u>-</u>	<u>-</u>
	<u>\$ 807,283</u>	<u>\$ 263,339</u>	<u>\$ (492,577)</u>	<u>\$ (879)</u>	<u>\$ 213</u>	<u>\$ 577,379</u>
Net revenue other than interest						
From unaffiliated segment	\$ 870,761	\$ 9,473	\$ 1,083,005	\$ 18,352	\$ -	\$ 1,981,591
From other segment	<u>3,661</u>	<u>-</u>	<u>(3,264)</u>	<u>(147)</u>	<u>(208,255)</u>	<u>(208,005)</u>
	<u>\$ 874,422</u>	<u>\$ 9,473</u>	<u>\$ 1,079,741</u>	<u>\$ 18,205</u>	<u>\$ (208,255)</u>	<u>\$ 1,773,586</u>
Income from continuing operation	<u>\$ 537,095</u>	<u>\$ 90,149</u>	<u>\$ 396,542</u>	<u>\$ 5,584</u>	<u>\$ (200,778)</u>	<u>\$ 828,592</u>
Identifiable assets	<u>\$ 395,783,026</u>	<u>\$ 32,003,723</u>	<u>\$ 252,929,968</u>	<u>\$ 1,597,520</u>	<u>\$ (158,617)</u>	<u>\$ 682,155,620</u>
Depreciation and amortization	<u>\$ 107,131</u>	<u>\$ 11,670</u>	<u>\$ 6,328</u>	<u>\$ 353</u>	<u>\$ (3,378)</u>	<u>\$ 122,104</u>
Capital expenditures	<u>\$ 32,275</u>	<u>\$ 2,179</u>	<u>\$ 2,427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,881</u>
						(Concluded)

TABLE 1

O-BANK AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD
MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2026				Note
				Stocks/Units (Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
IBT Management Corp.	<u>Stocks</u> Shihlien China Holding Co.,Limited	-	Financial asset at FVTPL	19,682	\$ 159,047	0.46	\$ 159,047	Notes 1 and 2
	Andra Capital Fund LP Class U Side Pocket (Series B, xAI)	-	Financial asset at FVTPL	500	92,086	3.77	92,086	
IBT VII Venture Capital Co., Ltd	<u>Closed type beneficiary certificate</u> O-Bank Real Estate Investment Trust “Successful One”	- -	Financial asset at FVOCI	14,000	80,780	4.67	80,780	Note 2 Notes 1 and 2 Note 2
	<u>Stocks</u> TaiRx Co., Ltd.	-	Financial asset at FVTPL	3,435	50,910	3.06	50,910	
	Shihlien China Holding Co., Limited	-	Financial asset at FVTPL	41,635	336,450	0.96	336,450	
	Advanced Echem Materials Company Limited	-	Financial asset at FVTPL	161	128,478	0.17	128,478	
	Kaohsiung Rapid Transit Corporation All Rights Reserved	-	Financial asset at FVTPL	3,845	50,320	1.38	50,320	
	GRAID Technology Inc	-	Financial asset at FVTPL	314	67,066	0.80	67,066	
	MiTAC Digital Technology Corporation	-	Financial asset at FVTPL	1,000	67,730	0.91	67,730	
	AppWorks Fund IV L.P.	-	Financial asset at FVTPL	87,000	87,000	4.01	87,000	

Note 1: The holding company is registered in Hong Kong. The registered capital stock and number of stocks are in Hong Kong dollars and Hong Kong stocks.

Note 2: The securities are transferred within the group and are listed in the financial asset at FVTOCI when they are combined.

TABLE 2

O-BANK AND SUBSIDIARIES

NONPERFORMING LOANS AND ACCOUNTS RECEIVABLE
MARCH 31, 2026 AND 2025
(In Thousands of New Taiwan Dollars, %)

Period			March 31, 2026					March 31, 2025				
Items		Nonperforming Loans (Note 1)	Outstanding Loan Balance	Ratio of Nonperforming Loans (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)	Nonperforming Loans (Note 1)	Outstanding Loan Balance	Ratio of Nonperforming Loans (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)	
Corporate banking	Secured		\$ 1,134,118	\$ 108,071,875	1.05%	\$ 1,380,434	121.72%	\$ 155,199	\$ 109,965,788	0.14%	\$ 1,414,550	911.44%
	Unsecured		119,136	84,654,241	0.14%	1,079,529	906.13%	55,951	84,268,820	0.07%	1,054,466	1,884.62%
Consumer banking	Housing mortgage (Note 4)		4,146	16,995,721	0.02%	255,784	6,169.42%	2,254	12,291,491	0.02%	184,812	8,199.29%
	Cash card		-	-	-	-	-	-	-	-	-	-
	Small-scale credit loans (Note 5)		741	3,377,694	0.02%	57,846	7,806.48%	-	3,460,433	-	51,310	-
	Other (Note 6)	Secured	8,711	8,439,764	0.10%	85,847	985.50%	-	7,403,829	-	74,851	-
		Unsecured	49,550	18,779,843	0.26%	343,988	694.22%	44,547	18,369,763	0.24%	297,508	667.85%
Total lending business			1,316,402	240,319,138	0.55%	3,203,428	243.35%	257,951	235,760,124	0.11%	3,077,497	1,193.05%
			Nonperforming Receivables	Outstanding Receivable Balance	Ratio of Nonperforming Receivables	Allowance for Possible Losses	Coverage Ratio	Nonperforming Receivables	Outstanding Receivable Balance	Ratio of Nonperforming Receivables	Allowance for Possible Losses	Coverage Ratio
Credit cards			-	-	-	-	-	-	-	-	-	-
Factored accounts receivable without recourse (Note 7)			-	636,266	-	6,681	-	-	929,920	-	9,532	-
			Exempt from Reporting the Total Balance of Overdue Loans		Exempt from Reporting the Total Balance of Overdue Account Receivable		Exempt from Reporting the Total Balance of Overdue Loans		Exempt from Reporting the Total Balance of Overdue Account Receivable			
Exempt amount - due to debt negotiation and performance (Note 8)			\$ -		\$ -		\$ -		\$ -			
Debt settlement plan and rehabilitative program (Note 9)			235,091		-		182,200		-			
Total			235,091		-		182,200		-			

Note 1: Nonperforming loans are reported to the authorities and disclosed to the public, as required by the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Non-accrued Loans.” Nonperforming 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 credit card receivables: Nonperforming credit card receivables ÷ Outstanding credit card receivables balance.

Note 3: Coverage ratio of loans: Allowance for loans ÷ Nonperforming loans. Coverage ratio of credit card receivables: Allowance for credit card receivables ÷ Nonperforming credit card receivables.

Note 4: The mortgage loan is for house purchase or renovation and is fully secured by housing that is purchased (owned) by the borrower, the spouse or the minor children of the borrowers.

Note 5: Small-amount pure credit loans that must be governed by the Bank of China Ref. No. 09440010950 dated December 19, 2005 and are not credit cards or cash cards.

Note 6: “Others” in consumer finance refers to other secured or unsecured consumer loans that are not “residential property mortgage”, “cash cards”, “small amount pure credit loans”, excluding credit cards.

(Continued)

- Note 7: As required by the Banking Bureau in its letter dated July 19, 2005 (Ref. No. 0945000494), factored accounts receivable without recourse are reported as non-performing receivables within three months after the factoring or insurance companies refuse to indemnify banks for any liabilities on these accounts.
- Note 8: According to the letter of the Bank of China Ref. No. 09510001270 dated April 25, 2006, the letters of credit and the information disclosure requirements as required by the “Unsecured Debt Negotiation Mechanism for Consumer Financial Cases of the Republic of China Banking Association” should include supplemental disclosures of related matters.
- Note 9: According to the letter of the Bank of China Ref. No. 09700318940 dated September 15, 2008 and the letter of the Bank of China Ref. No. 10500134790 date September 20, 2016 regarding the “Consumer Debt Clearance Regulations” for pre-negotiation, rehabilitation and liquidation cases, credit reporting and the information disclosure requirements should include supplemental disclosures of related matters.

(Concluded)

TABLE 3

O-BANK AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Renminbi and U.S. Dollars)

O-Bank

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital (Note 1)	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2026 (Note 1)	Investment Flows (Note 1)		Accumulated Outflow of Investment from Taiwan as of March 31, 2026 (Note 1)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of March 31, 2026 (Note 1)	Accumulated Inward Remittance of Earnings as of March 31, 2026
					Outflow	Inflow					
Beijing Sunshine Consumer Finance Co., Ltd.	Financing business	\$ 4,629,530 (RMB 1,000,000)	Note 2 b.	\$ 925,906 (RMB 200,000)	\$ -	\$ -	\$ 925,906 (RMB 200,000)	20%	\$ 7,848	\$ 1,259,318	\$ -

Accumulated Investment in Mainland China as of March 31, 2026 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on Investment
\$925,906 (RMB200,000)	\$925,906 (RMB200,000)	Note 3

IBT Management Corp.

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital (Note 1)	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2026 (Notes 1)	Investment Flows (Note 1)		Accumulated Outflow of Investment from Taiwan as of March 31, 2026 (Note 1)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of March 31, 2026 (Note 1)	Accumulated Inward Remittance of Earnings as of March 31, 2026
					Outflow	Inflow					
Shanghai Douniushi F&B Management Co., Ltd.	Restaurant retailing	\$ 152,249 (USD 4,760)	Note 2 a.	\$ 2,591 (USD 81)	\$ -	\$ -	\$ 2,591 (USD 81)	2.17%	\$ -	\$ 760	\$ -
Topping Cuisine International Holding, Ltd.	Food retailing	241,625 (USD 7,554)	Note 2 a.	15,193 (USD 475)	-	-	15,193 (USD 475)	2.17%	-	4,456	-
Shanghai Dou Mao Food Management Co., Ltd.	Trading	6,397 (USD 200)	Note 2 a.	224 (USD 7)	-	-	224 (USD 7)	2.17%	-	66	-
Beauty Essential International, Ltd.	Cosmetic retailing	31,985 (USD 1,000)	Note 2 a.	22,006 (USD 688)	-	(USD 1,535 48)	20,471 (USD 640)	2.44%	-	19,319	-
Meike information technology	Cosmetic retailing information technology	38,382 (USD 1,200)	Note 2 a.	704 (USD 22)	-	-	704 (USD 22)	0.44%	-	618	-
Shihlien Chemical Industrial Jiangsu Co.	Production of glass materials	25,588,032 (USD 800,000)	Note 2 a.	86,328 (USD 2,699)	-	-	86,328 (USD 2,699)	0.40%	-	146,608	-
Shihlien Brine Huaian Co.	Production of glass materials	1,023,521 (USD 32,000)	Note 2 a.	7,325 (USD 229)	-	-	7,325 (USD 229)	0.46%	-	12,439	-

Accumulated Investment in Mainland China as of March 31, 2026 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on Investment
\$132,836 (USD4,153)	\$132,836 (USD4,153)	\$281,946 (Note 4)

(Continued)

IBT VII Venture Capital Co., Ltd.

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital (Note 1)	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2026 (Notes 1)	Investment Flows (Note 1)		Accumulated Outflow of Investment from Taiwan as of March 31, 2026 (Note 1)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of March 31, 2026 (Note 1)	Accumulated Inward Remittance of Earnings as of March 31, 2026
					Outflow	Inflow					
Shihlien Chemical Industrial Jiangsu Co.	Production of glass materials	\$ 25,588,032 (USD 800,000)	Note 2 a.	\$ 148,826 (USD 4,653)	\$ -	\$ -	\$ 148,826 (USD 4,653)	0.66%	\$ -	\$ 246,870	\$ -
Shihlien Brine Huaian Shiyuan Cailu Co., Ltd.	Production of glass materials	1,023,521 (USD 32,000)	Note 2 a.	10,331 (USD 323)	-	-	10,331 (USD 323)	0.75%	-	15,758	-
Arizon RFID Technology Co., Ltd.	RFID antenna design and manufacturing, RFID electronic label packaging, RFID reader design and manufacturing	899,471 (RMB 194,290)	Note 2 a.	6,013 (USD 188)	-	-	6,013 (USD 188)	0.10%	-	6,525	-

Accumulated Investment in Mainland China as of March 31, 2026 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on Investment
\$165,170 (USD5,164)	\$176,206 (USD5,509)	\$636,176 (Note 4)

- Note 1: The amount is after the exchange rate adjustment for the three months ended March 31, 2026.
- Note 2: There were three investment approaches stated as follows.

a. Indirect investment in mainland China via investing in a current company in a third country. (Shihlien China Holding Co., Limited, Topping Cuisine International Holding, Ltd., Beauty Essential International, Ltd., Arizon RFID Technology (Cayman) Co., Ltd., and YFY RFID CO. LIMITED (HK)).

b. Direct investment in mainland China.

c. Others.

Note 3: The Bank got the recognition from the Industrial Development Bureau, Industry of Economic Affairs in March 2023, so the Bank is not under “the regulation of investing or technology-cooperation in China”.

Note 4: The original investment is within the limit.

Note 5: IBT Management Corp. and IBT VII Venture Capital Co., Ltd. has obtained the verification letter of part of investment from the Investment Review Committee of the Ministry of Economic Affairs, and the remittance amount is mainly based on the verification letter.
- (Concluded)
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TABLE 4

O-BANK AND SUBSIDIARIES

**BUSINESS RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS AMONG THE BANK AND SUBSIDIARIES
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Transaction Corporation	Counterparty	Nature of Relationship (Note 2)	Description of Transactions			
				Financial Statement Account	Amounts	Trading Terms	Percentage of Total Revenue or Total Assets
0	The Bank	IBTM and IBTVC7	a	Deposits	\$ 73,881	Note 3	0.01%
0	The Bank	IBTM and IBTVC7	a	Interest expense	196	Note 3	0.01%
0	The Bank	IBTM and CBF	a	Other net revenue other than interest	3,661	Note 3	0.12%
0	The Bank	IBTM and IBTVC7	a	Payables	73	Note 3	-
1	IBTM	The Bank	b	Cash and cash equivalents	38,317	Note 3	0.01%
1	IBTM	The Bank	b	Receivable	68	Note 3	-
1	IBTM	The Bank	b	Interest revenue	185	Note 3	0.01%
1	IBTM	The Bank	b	Other operating and administrative expenses	184	Note 3	0.01%
1	IBTM	The Bank	b	Lease interest expense	4	Note 3	-
1	IBTM	IBTVC7	c	Consultancy service income	3,720	Note 3	0.12%
2	CBF	The Bank	b	Other operating and administrative expenses	3,360	Note 3	0.11%
2	CBF	The Bank	b	Lease interest expense	137	Note 3	-
3	IBTVC7	The Bank	b	Cash and cash equivalents	35,564	Note 3	-
3	IBTVC7	The Bank	b	Interest revenue	11	Note 3	-
3	IBTVC7	The Bank	b	Receivables	5	Note 3	-
3	IBTVC7	IBTM	c	Other operating and administrative expenses	3,720	Note 3	0.12%

(Continued)

Note 1: Information about the business transactions between the Bank and its subsidiaries were classified as follows:

- a. 0 for the Bank.
- b. Subsidiaries are numbered sequentially starting from the number 1.

Note 2: The types of transactions with related parties were classified as follows:

- a. Parent company to subsidiaries.
- b. Subsidiaries to parent company.
- c. Subsidiaries to subsidiaries.

Note 3: The terms for the transactions between the Bank and related parties are similar to those with unrelated parties.

(Concluded)