

**Chang Hwa Commercial Bank, Ltd. and  
Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 2025 and 2024 and  
Independent Auditors' Review Report**

## INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders  
Chang Hwa Commercial Bank, Ltd.

### Introduction

We have reviewed the accompanying consolidated balance sheets of Chang Hwa Commercial Bank, Ltd. (the "Bank") and its subsidiaries (collectively the "Group") as of September 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the nine 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 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

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.

### Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2025 and 2024, its consolidated financial performance for the three months ended September 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks 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 Mei Hui Wu and Tza Li Gung.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

November 14, 2025

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.*

# CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2025		December 31, 2024		September 30, 2024	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents (Notes 4, 6 and 35)	\$ 40,341,683	1	\$ 41,389,706	1	\$ 36,834,051	1
Due from the Central Bank and call loans to banks (Notes 4, 6 and 35)	256,563,508	8	187,983,867	6	243,708,190	8
Financial assets at fair value through profit or loss (Notes 4, 7, 33, 35 and 36)	124,133,394	4	82,798,865	3	79,914,026	3
Financial assets at fair value through other comprehensive income (Notes 4, 8, 10, 33, 35 and 36)	332,656,318	10	310,155,769	10	300,212,671	9
Investments in debt instruments at amortized cost (Notes 4, 5, 9, 10, 33 and 36)	517,000,245	15	512,721,202	16	472,944,365	15
Receivables, net (Notes 4, 11 and 12)	24,631,461	1	24,807,709	1	28,225,791	1
Current tax assets (Notes 4 and 30)	282,043	-	282,646	-	173,463	-
Discounts and loans, net (Notes 4, 5, 12, 33, 34 and 35)	2,014,382,480	60	1,967,920,024	62	1,963,575,712	62
Other financial assets, net (Notes 4, 13 and 36)	17,486	-	324,530	-	457,625	-
Property and equipment, net (Notes 4 and 15)	21,778,911	1	21,413,108	1	21,162,532	1
Right-of-use assets, net (Notes 4 and 16)	1,982,926	-	1,966,622	-	1,861,189	-
Investment property, net (Notes 4 and 17)	14,020,609	-	13,932,767	-	13,926,451	-
Intangible assets, net (Notes 4 and 18)	958,051	-	985,194	-	929,564	-
Deferred tax assets (Notes 4 and 30)	4,721,616	-	4,510,535	-	1,777,835	-
Other assets, net (Notes 19 and 36)	<u>1,652,504</u>	<u>-</u>	<u>1,528,587</u>	<u>-</u>	<u>1,426,214</u>	<u>-</u>
<b>TOTAL</b>	<b>\$ 3,355,123,235</b>	<b>100</b>	<b>\$ 3,172,721,131</b>	<b>100</b>	<b>\$ 3,167,129,679</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>						
Deposits from the Central Bank and banks (Notes 4, 20 and 35)	\$ 359,734,803	11	\$ 234,310,750	8	\$ 184,578,811	6
Financial liabilities at fair value through profit or loss (Notes 4, 7, 33 and 35)	3,101,259	-	2,881,955	-	4,406,705	-
Notes and bonds issued under repurchase agreement (Note 4)	1,420,182	-	11,403,907	1	1,568,755	-
Payables (Notes 4, 21 and 28)	38,493,654	1	28,023,911	1	52,865,983	2
Current tax liabilities (Notes 4 and 30)	1,157,540	-	1,841,194	-	1,371,950	-
Deposits and remittances (Notes 4, 22 and 35)	2,676,985,245	80	2,630,356,510	83	2,663,849,515	84
Bank notes payable (Notes 4, 23 and 33)	41,790,234	1	40,805,410	1	40,810,469	2
Other financial liabilities (Notes 4 and 24)	1,369,723	-	1,290,231	-	1,075,908	-
Reserve for liabilities (Notes 4, 5, 26 and 27)	2,427,151	-	2,616,244	-	3,079,163	-
Lease liabilities (Notes 4 and 16)	1,852,943	-	1,837,221	-	1,729,314	-
Deferred tax liabilities (Notes 4 and 30)	10,779,883	1	11,089,598	-	8,427,951	-
Other liabilities (Notes 4, 15 and 25)	<u>3,525,029</u>	<u>-</u>	<u>4,866,812</u>	<u>-</u>	<u>3,547,313</u>	<u>-</u>
<b>Total liabilities</b>	<b><u>3,142,637,646</u></b>	<b><u>94</u></b>	<b><u>2,971,323,743</u></b>	<b><u>94</u></b>	<b><u>2,967,311,837</u></b>	<b><u>94</u></b>
<b>EQUITY (Notes 4, 28 and 30)</b>						
Capital stock						
Common stock	117,660,462	4	112,057,583	4	112,057,583	4
Capital surplus	24	-	24	-	24	-
Retained earnings						
Legal reserve	55,621,220	2	50,685,866	2	50,685,866	2
Special reserve	12,201,590	-	12,201,590	-	12,201,590	-
Unappropriated earnings	15,058,683	-	16,476,237	-	11,889,386	-
Other equity	<u>11,943,610</u>	<u>-</u>	<u>9,976,088</u>	<u>-</u>	<u>12,983,393</u>	<u>-</u>
<b>Total equity</b>	<b><u>212,485,589</u></b>	<b><u>6</u></b>	<b><u>201,397,388</u></b>	<b><u>6</u></b>	<b><u>199,817,842</u></b>	<b><u>6</u></b>
<b>TOTAL</b>	<b><u>\$ 3,355,123,235</u></b>	<b><u>100</u></b>	<b><u>\$ 3,172,721,131</u></b>	<b><u>100</u></b>	<b><u>\$ 3,167,129,679</u></b>	<b><u>100</u></b>

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

# CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
INTEREST INCOME (Notes 4, 29 and 35)	\$ 19,770,755	165	\$ 19,719,640	174	\$ 58,081,316	168	\$ 56,959,341	177
INTEREST EXPENSE (Notes 29 and 35)	(12,937,831)	(108)	(13,960,037)	(123)	(38,283,342)	(111)	(40,136,431)	(125)
NET INCOME OF INTEREST	6,832,924	57	5,759,603	51	19,797,974	57	16,822,910	52
NET NON-INTEREST INCOME								
Net service fee income (Notes 4 and 29)	1,824,846	15	1,597,514	14	5,520,749	16	5,434,679	17
Gain on financial assets or liabilities measured at fair value through profit or loss (Notes 4, 7 and 29)	1,700,778	14	2,895,172	26	6,015,883	18	7,389,832	23
Realized gain on financial assets at fair value through other comprehensive income (Notes 4 and 29)	1,043,388	9	866,279	8	2,149,104	6	1,473,099	5
Loss arising from derecognition of financial assets at amortized cost	(895)	-	(316)	-	(1,384)	-	(40,129)	-
Foreign exchange gain (Notes 4 and 33)	397,129	4	150,084	1	382,707	1	798,813	2
Net other non-interest income (Note 13)	146,711	1	48,835	-	614,023	2	192,114	1
Net non-interest income	5,111,957	43	5,557,568	49	14,681,082	43	15,248,408	48
NET REVENUE AND GAINS	11,944,881	100	11,317,171	100	34,479,056	100	32,071,318	100
BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE LIABILITY PROVISION (Notes 4 and 12)	(518,729)	(4)	(1,408,253)	(13)	(1,664,416)	(5)	(2,947,215)	(9)
OPERATING EXPENSE								
Employee benefits expenses (Notes 4 and 29)	(3,563,104)	(30)	(3,544,441)	(31)	(10,303,684)	(30)	(9,788,475)	(30)
Depreciation and amortization expense (Notes 4 and 29)	(446,377)	(4)	(409,947)	(4)	(1,310,796)	(4)	(1,211,296)	(4)
Other general and administrative expense	(1,461,113)	(12)	(1,386,476)	(12)	(4,263,340)	(12)	(4,126,846)	(13)
Total operating expense	(5,470,594)	(46)	(5,340,864)	(47)	(15,877,820)	(46)	(15,126,617)	(47)
INCOME BEFORE INCOME TAX	5,955,558	50	4,568,054	40	16,936,820	49	13,997,486	44
INCOME TAX EXPENSE (Notes 4 and 30)	(934,417)	(8)	(763,093)	(7)	(2,786,369)	(8)	(2,748,528)	(9)
NET INCOME	5,021,141	42	3,804,961	33	14,150,451	41	11,248,958	35

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# CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2025	%	2024	%	2025	%	2024	%
	Amount		Amount		Amount		Amount	
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>								
Items that will not be reclassified to profit or loss, net of tax:								
Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	\$ 2,221,736	19	\$ (1,774,829)	(16)	\$ 195,087	-	\$ 2,757,983	8
Items that will be reclassified to profit or loss, net of tax:								
Exchange differences on translation (Note 4)	2,158,058	18	(443,480)	(4)	(2,850,528)	(8)	1,509,599	5
Revaluation gains (losses) on investments in debt instruments measured at fair value through other comprehensive income	1,162,424	10	4,634,605	41	4,993,669	14	2,476,917	8
Impairment loss (reversal of impairment loss) on investments in debt instruments measured at fair value through other comprehensive income	9,128	-	(2,099)	-	6,404	-	(2,467)	-
Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Notes 4 and 30)	(120,812)	(1)	(65,422)	-	195,997	1	(199,167)	(1)
Other comprehensive income, net of tax	5,430,534	46	2,348,775	21	2,540,629	7	6,542,865	20
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>\$ 10,451,675</b>	<b>88</b>	<b>\$ 6,153,736</b>	<b>54</b>	<b>\$ 16,691,080</b>	<b>48</b>	<b>\$ 17,791,823</b>	<b>55</b>
<b>NET PROFIT ATTRIBUTABLE TO:</b>								
Owners of the Bank	\$ 5,021,141	42	\$ 3,804,961	33	\$ 14,150,451	41	\$ 11,248,958	35
Non-controlling interests	\$ -	-	\$ -	-	\$ -	-	\$ -	-
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>	<b>\$ 10,451,675</b>	<b>88</b>	<b>\$ 6,153,736</b>	<b>54</b>	<b>\$ 16,691,080</b>	<b>48</b>	<b>\$ 17,791,823</b>	<b>55</b>
<b>EARNINGS PER SHARE</b>								
(Note 31)								
Basic	\$ 0.43		\$ 0.32		\$ 1.20		\$ 0.96	
Diluted	\$ 0.42		\$ 0.32		\$ 1.20		\$ 0.95	

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

(Concluded)

## CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars, Except Shares of Capital Stock)

	Equity Attributable to Owners of the Bank						Other Equity			Total Equity	
	Capital Stock			Retained Earnings			Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income			
	Common Stock (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE, JANUARY 1, 2024	10,858,293	\$ 108,582,930	\$ -	\$ 46,674,889	\$ 12,201,590	\$ 13,482,750	\$ (1,211,214)	\$ 8,267,111	\$ 187,998,056		
Appropriation of 2023 earnings:											
Legal reserve appropriated	-	-	-	4,010,977	-	(4,010,977)	-	-	-	-	
Cash dividends	-	-	-	-	-	(5,972,061)	-	-	-	(5,972,061)	
Stock dividends	347,465	3,474,653	-	-	-	(3,474,653)	-	-	-	-	
Other changes in capital surplus:											
Due to donated assets received	-	-	13	-	-	-	-	-	-	13	
Additional paid-in capital	-	-	11	-	-	-	-	-	-	11	
Net income for the nine months ended September 30, 2024	-	-	-	-	-	11,248,958	-	-	-	11,248,958	
Other comprehensive income for the nine months ended September 30, 2024, net of tax	-	-	-	-	-	-	1,423,426	5,119,439	6,542,865		
Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	-	11,248,958	1,423,426	5,119,439	17,791,823		
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	615,369	-	(615,369)	-	-	
BALANCE, SEPTEMBER 30, 2024	11,205,758	\$ 112,057,583	\$ 24	\$ 50,685,866	\$ 12,201,590	\$ 11,889,386	\$ 212,212	\$ 12,771,181	\$ 199,817,842		
BALANCE, JANUARY 1, 2025	11,205,758	\$ 112,057,583	\$ 24	\$ 50,685,866	\$ 12,201,590	\$ 16,476,237	\$ 960,702	\$ 9,015,386	\$ 201,397,388		
Appropriation of 2024 earnings:											
Legal reserve appropriated	-	-	-	4,935,354	-	(4,935,354)	-	-	-	-	
Cash dividends	-	-	-	-	-	(5,602,879)	-	-	-	(5,602,879)	
Stock dividends	560,288	5,602,879	-	-	-	(5,602,879)	-	-	-	-	
Net income for the nine months ended September 30, 2025	-	-	-	-	-	14,150,451	-	-	-	14,150,451	
Other comprehensive income for the nine months ended September 30, 2025, net of tax	-	-	-	-	-	-	(2,658,468)	5,199,097	2,540,629		
Total comprehensive income for the nine months ended September 30, 2025	-	-	-	-	-	14,150,451	(2,658,468)	5,199,097	16,691,080		
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	573,107	-	(573,107)	-	-	
BALANCE, SEPTEMBER 30, 2025	11,766,046	\$ 117,660,462	\$ 24	\$ 55,621,220	\$ 12,201,590	\$ 15,058,683	\$ (1,697,766)	\$ 13,641,376	\$ 212,485,589		

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

# CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income before income tax	\$ 16,936,820	\$ 13,997,486
Non-cash (income and gains) or expenses and losses		
Expected credit loss recognized on trade receivables	1,664,416	2,947,215
Depreciation expense	997,842	941,782
Amortization expense	312,954	269,514
Interest income	(58,081,316)	(56,959,341)
Dividend income	(2,001,506)	(1,800,467)
Interest expense	38,283,342	40,136,431
Net gain on financial assets or liabilities at fair value through profit or loss	(2,277,406)	(10,328,301)
(Gain) loss on disposal of investments	(178,730)	349,761
Unrealized foreign exchange (gain) loss	(3,738,477)	2,938,469
Other adjustments	(179,402)	(35,036)
Changes in operating assets and liabilities		
Decrease (increase) in due from the Central Bank	11,052,904	(35,721,654)
Increase in financial assets at fair value through profit or loss	(45,666,204)	(5,016,232)
Decrease (increase) in receivables	851,322	(5,896,863)
Increase in discounts and loans	(48,528,648)	(164,240,282)
Increase in financial assets at fair value through other comprehensive income	(17,125,276)	(33,553,866)
Increase in investments in debt instruments at amortized cost	(4,278,964)	(19,801,321)
Decrease in other financial assets	295,699	774,288
(Increase) decrease in other assets	(72,873)	1,653,440
Increase in deposits from the Central Bank and banks	45,149,707	54,956,852
Increase in deposits and remittances	46,628,735	188,060,560
Increase in payables	8,368,449	13,292,892
Increase in financial liabilities at fair value through profit or loss	9,341,333	3,059,462
Decrease in reserve for liabilities	(945)	(12,284)
Increase (decrease) in other financial liabilities	34,492	(158,350)
(Decrease) increase in other liabilities	<u>(1,351,698)</u>	<u>1,085,083</u>
Cash flows used in operations	(3,563,430)	(9,060,762)
Interest received	58,916,110	56,429,716
Dividends received	1,950,593	1,786,176
Interest paid	(36,248,964)	(37,126,694)
Income taxes paid	<u>(3,794,822)</u>	<u>(3,233,772)</u>
Net cash flows generated from operating activities	<u>17,259,487</u>	<u>8,794,664</u>

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# CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2025	2024
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	\$ (1,100,732)	\$ (664,253)
Proceeds from disposal of property and equipment	1	2,351
Acquisition of intangible assets	(153,343)	(85,317)
Acquisition of investment properties	(178,048)	(95)
Proceeds from disposal of investment properties	<u>430,248</u>	<u>-</u>
Net cash flows used in investing activities	<u>(1,001,874)</u>	<u>(747,314)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term loans	45,000	-
Increase in due to the Central Bank and banks	80,274,346	16,403,711
Proceeds from issuing bank notes payable	1,000,000	1,000,000
Repayments of bank notes payable	-	(9,330,000)
Decrease in notes and bonds issued under repurchase agreement	(9,983,725)	(9,569,571)
Repayments of the principal portion of lease liabilities	(555,305)	(548,410)
Cash dividends paid	<u>(5,602,879)</u>	<u>(5,972,061)</u>
Net cash flows (used in) generated from financing activities	<u>65,177,437</u>	<u>(8,016,331)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		
	<u>(2,850,528)</u>	<u>1,509,599</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>78,584,522</b>	<b>1,540,618</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>78,930,343</b>	<b>135,031,401</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b><u>\$ 157,514,865</u></b>	<b><u>\$ 136,572,019</u></b>
<b>September 30</b>		
	<b>2025</b>	<b>2024</b>
Reconciliation of cash and cash equivalents		
Cash and cash equivalents reported in the statement of financial position	\$ 40,341,683	\$ 36,834,051
Call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7	117,173,182	99,737,968
Cash and cash equivalents at end of period	<u>\$ 157,514,865</u>	<u>\$ 136,572,019</u>

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

(Concluded)

# **CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

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### **1. ORGANIZATION AND BUSINESS SCOPE**

Chang Hwa Commercial Bank, Ltd. (the “Bank”) was incorporated under Banking Law, Securities and Exchange Law and Taiwan Company Law on March 1, 1947 and obtained its banking license from the Ministry of Economic Affairs in July 1950. The Bank’s shares have been listed and traded on the Taiwan Stock Exchange (TWSE) since February 1962.

The Bank mainly engages in the following business:

- a. All commercial banking operations allowed by the Banking Law;
- b. Trust operations;
- c. International banking operations;
- d. Overseas branch operations authorized by the respective foreign governments; and
- e. Other operations authorized by the central authority.

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

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

The consolidated financial statements were approved by the Bank’s board of directors on November 14, 2025.

### **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 FSC
  - 1) Amendments to IAS 21 “Lack of Exchangeability”

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the Group’s accounting policies.

- 2) Identification of related parties (expected to be applied from the consolidated financial statements for fiscal year 2025)

In accordance with the Q&A “Identification of Related Parties” issued by the Accounting Research and Development Foundation (ARDF) in June 2025, the Group has reassessed its relationship with its managed funds to determine whether it exercises control or significant influence, or if it solely provides key management services to them. As a result, the Group may revise the previous identification of related parties based on the Q&A issued by the ARDF in July 2013. The assessment is currently in progress. Furthermore, in accordance with the Q&A issued by the FSC, comparative information for the year 2024 needs not to be restated, which means the identified and disclosed related party relationships and transactions in prior financial statements are not required to be adjusted retrospectively.

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

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

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

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

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

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

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

- The Group having no practical ability to withdraw, stop or cancel the payment instruction;
- The Group having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system being insignificant.

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

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group's financial position and financial performance. The relevant impacts will be disclosed upon completion of the assessment.

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

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date</b>
	<b>Announced by IASB (Note 1)</b>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (Including amendments for 2025)	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 domestic companies should apply IFRS 18 from January 1, 2028, but they may also choose to apply it early after IFRS 18 is approved by the Commission.

#### IFRS 18 "Presentation and Disclosures in Financial Statements"

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- 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.

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 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**

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

### **Basis of Preparation**

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

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

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

### **Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the Bank and the entities controlled by the Bank (i.e., its subsidiaries).

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.

See Note 14 and Table 1 for detailed information on subsidiaries (including percentages of ownership and main businesses).

## **Other Material Accounting Policies**

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

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**

Refer to the summary of material accounting judgments and key sources of estimation uncertainty in the Group's consolidated financial statements for the year ended December 31, 2024.

## **6. CASH AND CASH EQUIVALENTS/DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS/DUE TO THE CENTRAL BANK AND BANKS**

a. Cash and cash equivalents

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Cash on hand	\$ 13,806,596	\$ 22,657,752	\$ 13,008,916
Checks for clearing	3,065,122	2,862,751	2,931,101
Due from banks	21,550,070	14,006,362	19,108,443
Foreign currencies on hand	<u>1,919,895</u>	<u>1,862,841</u>	<u>1,785,591</u>
	<u><u>\$ 40,341,683</u></u>	<u><u>\$ 41,389,706</u></u>	<u><u>\$ 36,834,051</u></u>

Refer to the consolidated statements of cash flows for the cash and cash equivalents reconciliation information as of September 30, 2025 and 2024. Cash and cash equivalents as of December 31, 2024 as shown in the consolidated statements of cash flows can be reconciled to the related items in the consolidated balance sheets as follows:

	<b>December 31, 2024</b>
Cash and cash equivalents	\$ 41,389,706
Call loans to banks	<u>37,540,637</u>
	<u><u>\$ 78,930,343</u></u>

b. Due from the Central Bank and call loans to banks

	September 30, 2025	December 31, 2024	September 30, 2024
Call loans to banks	\$ 117,173,182	\$ 37,540,637	\$ 99,737,968
Reserve for checking accounts	46,420,507	50,605,021	49,337,792
Reserve for demand accounts	77,858,103	75,515,078	73,330,547
Reserve for foreign deposits	672,273	715,368	695,840
Others	<u>14,439,443</u>	<u>23,607,763</u>	<u>20,606,043</u>
	<u><u>\$ 256,563,508</u></u>	<u><u>\$ 187,983,867</u></u>	<u><u>\$ 243,708,190</u></u>

Cash and cash equivalents and due from the Central Bank and call loans to banks are assessed for impairment using an approach similar to those used for investments in debt instruments (refer to Note 10). The Group considers its cash and cash equivalents to have low credit risk so its credit loss evaluation is on a 12-month expected credit loss basis.

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

### Financial Assets at Fair Value through Profit or Loss (FVTPL)

	September 30, 2025	December 31, 2024	September 30, 2024
Financial assets mandatorily classified at FVTPL			
Derivative financial assets (not under hedge accounting)			
Futures	\$ 719,131	\$ 668,074	\$ 1,077,327
Forward exchange contracts	91,287	89,852	82,298
Interest rate swaps	254,052	359,880	324,095
Currency swaps	4,170,195	8,435,820	3,021,718
Currency call option premiums	37,853	58,982	53,277
Non-derivative financial assets			
Investments in bills	114,978,691	70,630,917	72,733,060
Domestic listed stock	360,071	156,252	171,550
Domestic unquoted stock	926,633	704,982	759,012
Funds	278,907	178,700	214,701
Government bonds	4,753	4,754	4,769
Corporate bonds	<u>2,311,821</u>	<u>1,510,652</u>	<u>1,472,219</u>
	<u><u>\$ 124,133,394</u></u>	<u><u>\$ 82,798,865</u></u>	<u><u>\$ 79,914,026</u></u>

The par values of notes provided for transactions with repurchase agreements were \$20,500 thousand and \$20,400 thousand as of September 30, 2025 and December 31, 2024, respectively.

### Financial Liabilities at FVTPL

	September 30, 2025	December 31, 2024	September 30, 2024
Financial liabilities held for trading			
Derivative financial liabilities (not applying hedge accounting)			
Forward exchange contracts	\$ 123,689	\$ 68,970	\$ 48,659
Interest rate swaps	223,973	347,569	305,397
Currency swaps	2,715,735	2,406,421	3,999,359
Currency put option premiums	<u>37,862</u>	<u>58,995</u>	<u>53,290</u>
	<u><u>\$ 3,101,259</u></u>	<u><u>\$ 2,881,955</u></u>	<u><u>\$ 4,406,705</u></u>

The Group entered into derivative contracts during the nine months ended September 30, 2025 and 2024 to manage exposures due to exchange rate and interest rate fluctuations. The financial risk management objective of the Group is to minimize risks due to changes in fair value and cash flows.

The nominal principal amounts of outstanding derivative contracts as of September 30, 2025, December 31, 2024 and September 30, 2024 were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Currency swaps	\$ 336,316,266	\$ 428,920,217	\$ 448,481,719
Currency options	18,717,837	21,936,081	22,765,140
Forward exchange contracts	12,644,915	8,228,173	7,161,597
Interest rate swaps	93,295,917	93,627,915	107,191,071

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

	September 30, 2025	December 31, 2024	September 30, 2024
Investments in equity instruments designated at FVTOCI			
Domestic listed stock	\$ 22,386,613	\$ 19,696,299	\$ 22,255,659
Domestic unquoted stock	15,762,686	13,747,021	13,480,756
Beneficiary and asset-based securities	<u>-</u>	<u>196,076</u>	<u>225,000</u>
	<u><u>38,149,299</u></u>	<u><u>33,639,396</u></u>	<u><u>35,961,415</u></u>
Investments in debt instruments designated at FVTOCI			
Government bonds	143,020,022	135,118,656	116,471,989
Corporate bonds	45,463,310	49,872,159	58,480,249
Bank notes	85,928,840	73,780,413	71,046,689
Bonds issued by international organizations	8,556,217	8,834,054	8,778,097
Beneficiary and asset-based securities	<u>11,538,630</u>	<u>8,911,091</u>	<u>9,474,232</u>
	<u><u>294,507,019</u></u>	<u><u>276,516,373</u></u>	<u><u>264,251,256</u></u>
	<u><u>\$ 332,656,318</u></u>	<u><u>\$ 310,155,769</u></u>	<u><u>\$ 300,212,671</u></u>

A portion of investments in equity instruments is for strategic instruments and are not held for trading, the management designated these investments as at FVTOCI.

- a. Refer to Note 10 for information relating to their credit risk management and impairment.
- b. The par values of bonds provided for transactions with repurchase agreements were \$1,265,400 thousand, \$11,190,300 thousand and \$1,417,200 thousand as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively.
- c. Government bonds placed as deposits in courts amounted to \$520,540 thousand, \$424,825 thousand and \$529,434 thousand as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively. Government bonds placed as operating deposits amounted to \$313,959 thousand, \$315,572 thousand and \$330,428 thousand as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively. Government bonds placed a reserve fund for trust compensation amounted to \$332,623 thousand, \$277,799 thousand and \$279,999 thousand as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively. Government bonds provided as collateral for government bidding were \$950 thousand, \$926 thousand and \$933 thousand as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively. Overseas branches' bonds provided as collateral for operations were \$674,721 thousand, \$483,331 thousand and \$466,444 thousand as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively. Refer to Note 36 for information relating to investments in debt instruments at FVTOCI pledged as security.

## 9. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST

	September 30, 2025	December 31, 2024	September 30, 2024
Investments in bills	\$ 341,489,150	\$ 362,392,924	\$ 325,354,058
Bank notes	101,535,301	91,776,427	89,306,383
Corporate bonds	27,301,744	9,160,822	7,399,836
Government bonds	27,505,601	27,493,537	26,089,360
Bonds issued by international organizations	122,137	4,166,899	7,525,820
Beneficiary and asset-based securities	<u>19,046,312</u>	<u>17,730,593</u>	<u>17,268,908</u>
	<u>\$ 517,000,245</u>	<u>\$ 512,721,202</u>	<u>\$ 472,944,365</u>

- a. Refer to Note 10 for information relating to their credit risk management and impairment.
- b. The amounts of the overseas branches' bonds provided as collateral for operations were \$163,925 thousand and \$158,000 thousand as of December 31, 2024 and September 30, 2024, respectively.
- c. Certificates of deposit placed as reserves for clearing at the Central Bank amounted to \$36,000,000 thousand; certificates of deposit which were issued by Central Bank and pledged for call loans from banks amounted to \$5,300,000 thousand as of September 30, 2025, December 31, 2024 and September 30, 2024.
- d. Refer to Note 36 for information relating to investments in debt instruments at amortized cost pledged as security.

## 10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments are classified as at FVTOCI and as at amortized cost.

September 30, 2025

	<b>At FVTOCI</b>	<b>At Amortized Cost</b>
Gross carrying amount	\$ 295,213,029	\$ 517,043,877
Less: Allowance for impairment loss	<u>(58,715)</u>	<u>(43,632)</u>
Amortized cost	<u>295,154,314</u>	<u>\$ 517,000,245</u>
Adjustment to fair value	<u>(647,295)</u>	
	<u><u>\$ 294,507,019</u></u>	

December 31, 2024

	<b>At FVTOCI</b>	<b>At Amortized Cost</b>
Gross carrying amount	\$ 282,216,052	\$ 512,752,266
Less: Allowance for impairment loss	<u>(52,312)</u>	<u>(31,064)</u>
Amortized cost	<u>282,163,740</u>	<u>\$ 512,721,202</u>
Adjustment to fair value	<u>(5,647,367)</u>	
	<u><u>\$ 276,516,373</u></u>	

September 30, 2024

	<b>At FVTOCI</b>	<b>At Amortized Cost</b>
Gross carrying amount	\$ 266,648,534	\$ 472,973,277
Less: Allowance for impairment loss	<u>(55,993)</u>	<u>(28,912)</u>
Amortized cost	<u>266,592,541</u>	<u>\$ 472,944,365</u>
Adjustment to fair value	<u>(2,341,285)</u>	
	<u><u>\$ 264,251,256</u></u>	

The Group only invests in debt instruments that are rated as investment grade or higher and are assessed as having low credit impairment. The credit rating information is supplied by independent rating agencies. The Group's exposure and the external credit ratings are continuously monitored and assessed for whether there has been a significant increase in credit risk since the last period to the reporting date.

The Group considers the historical default rates of each credit rating supplied by external rating agencies to estimate 12-month or lifetime expected credit losses. The Group's current credit risk grading framework comprises the following categories:

<b>Category</b>		<b>Basis for Recognizing Expected Credit Losses</b>
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
Defaulted	There is evidence indicating that the asset is credit impaired.	Lifetime ECLs - credit impaired

Gross carrying amount and applicable expected credit loss rate of investments in debt instruments are as follows:

September 30, 2025

<b>Category</b>	<b>Expected Loss Rate</b>	<b>At FVTOCI</b>	<b>At Amortized Cost</b>
Performing	0%-0.3880%	<u>\$ 295,213,029</u>	<u>\$ 517,043,877</u>

December 31, 2024

<b>Category</b>	<b>Expected Loss Rate</b>	<b>At FVTOCI</b>	<b>At Amortized Cost</b>
Performing	0%-0.4204%	<u>\$ 282,216,052</u>	<u>\$ 512,752,266</u>

September 30, 2024

<b>Category</b>	<b>Expected Loss Rate</b>	<b>At FVTOCI</b>	<b>At Amortized Cost</b>
Performing	0%-0.4204%	<u>\$ 266,648,534</u>	<u>\$ 472,973,277</u>

At FVTOCI

<b>Allowance for Impairment Loss</b>	<b>Credit Rating</b>			
	<b>Performing (12-month ECLs)</b>	<b>Doubtful (Lifetime ECLs - Not Credit- impaired)</b>	<b>Defaulted (Lifetime ECLs - Credit- impaired)</b>	<b>Total</b>
Balance at January 1, 2025	\$ 52,312	\$ -	\$ -	\$ 52,312
Purchase of investments in debt instruments	10,222	-	-	10,222
Derecognition	(9,853)	-	-	(9,853)
Change in exchange rates or others	<u>6,034</u>	<u>—</u>	<u>—</u>	<u>6,034</u>
Balance at September 30, 2025	<u>\$ 58,715</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 58,715</u>
Balance at January 1, 2024	\$ 58,460	\$ -	\$ -	\$ 58,460
Purchase of investments in debt instruments	7,879	-	-	7,879
Derecognition	(12,771)	-	-	(12,771)
Change in exchange rates or others	<u>2,425</u>	<u>—</u>	<u>—</u>	<u>2,425</u>
Balance at September 30, 2024	<u>\$ 55,993</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 55,993</u>

At amortized cost

	Credit Rating			<b>Total</b>
	<b>Performing (12-month ECLs)</b>	<b>Doubtful (Lifetime ECLs - Not Credit- impaired)</b>	<b>Defaulted (Lifetime ECLs - Credit- impaired)</b>	
<b>Allowance for Impairment Loss</b>				
Balance at January 1, 2025	\$ 31,064	\$ -	\$ -	\$ 31,064
Purchase of investments in debt instruments	16,644	-	-	16,644
Derecognition	(1,135)	-	-	(1,135)
Change in exchange rates or others	<u>(2,941)</u>	<u>-</u>	<u>-</u>	<u>(2,941)</u>
Balance at September 30, 2025	<u>\$ 43,632</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,632</u>
Balance at January 1, 2024	\$ 19,223	\$ -	\$ -	\$ 19,223
Purchase of investments in debt instruments	9,238	-	-	9,238
Derecognition	(858)	-	-	(858)
Change in exchange rates or others	<u>1,309</u>	<u>-</u>	<u>-</u>	<u>1,309</u>
Balance at September 30, 2024	<u>\$ 28,912</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,912</u>

## 11. RECEIVABLES, NET

a. Details of receivables

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Accounts receivable	\$ 5,310,301	\$ 5,774,271	\$ 6,762,663
Accrued incomes	735	4,042	729
Interests receivable	10,019,269	9,618,619	9,249,224
Acceptances receivable	3,281,443	3,979,153	4,321,076
Credit cards accounts receivable	3,460,960	4,170,975	4,998,335
Settlement price	1,426,090	660,184	1,618,580
Accounts receivable for settlement	1,234,712	784,042	1,346,221
Other receivables	<u>104,600</u>	<u>270,044</u>	<u>292,995</u>
Less: Allowance for bad debts, receivables	<u>24,838,110</u>	<u>25,261,330</u>	<u>28,589,823</u>
	<u><u>\$ 24,631,461</u></u>	<u><u>\$ 24,807,709</u></u>	<u><u>\$ 28,225,791</u></u>

b. Allowance for receivables

1) Movements in the allowance for receivables

	For the Nine Months Ended September 30, 2025				
	12-month Expected Credit Losses	Lifetime Expected Credit Losses	Realized Credit Impairment	Loss Recognized Based on IFRS 9	Recognized Impairment Difference Based on Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Non- performing Loans and Bad Debts
					Total
Receivables					
Beginning balance	\$ 10,877	\$ 5,671	\$ 154,465	\$ 171,013	\$ 282,608
Changes from financial instruments recognized at the beginning of the period:					\$ 453,621
Transfers to lifetime expected credit losses	(1,101)	1,282	(181)	-	-
Transfers to credit-impaired financial assets	(1,782)	(507)	2,289	-	-
Transfers to 12-month expected credit losses	1,150	(538)	(612)	-	-
Financial assets derecognized for the period	(7,112)	(2,100)	(139,202)	(148,414)	- (148,414)
Purchase or originated financial assets	12,489	1,132	5,296	18,917	- 18,917
Recognized impairment difference based on the Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing Loans and Bad Debts	-	-	-	-	(104,154) (104,154)
Doubtful debts written off	-	-	(13,131)	(13,131)	- (13,131)
Changes in exchange rates or others	(154)	(36)	-	(190)	- (190)
Ending balance	<u>\$ 14,367</u>	<u>\$ 4,904</u>	<u>\$ 8,924</u>	<u>\$ 28,195</u>	<u>\$ 178,454</u> <u>\$ 206,649</u>

**For the Nine Months Ended September 30, 2024**

	<b>12-month Expected Credit Losses</b>	<b>Lifetime Expected Credit Losses</b>	<b>Realized Credit Impairment</b>	<b>Loss Recognized Based on IFRS 9</b>	<b>Recognized Impairment Difference Based on Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Non- performing Loans and Bad Debts</b>	<b>Total</b>
<b>Receivables</b>						
Beginning balance	\$ 15,977	\$ 3,874	\$ 141,807	\$ 161,658	\$ 177,217	\$ 338,875
Changes from financial instruments recognized at the beginning of the period:						
Transfers to lifetime expected credit losses	(1,814)	1,893	(79)	-	-	-
Transfers to credit-impaired financial assets	(950)	(12)	962	-	-	-
Transfers to 12-month expected credit losses	621	(397)	(224)	-	-	-
Financial assets derecognized for the period	(15,412)	(1,764)	6,518	(10,658)	-	(10,658)
Purchase or originated financial assets	13,113	1,111	13,702	27,926	-	27,926
Recognized impairment difference based on the Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing Loans and Bad Debts	-	-	-	-	20,940	20,940
Doubtful debts written off	-	-	(17,219)	(17,219)	-	(17,219)
Changes in exchange rates or others	104	10	4,054	4,168	-	4,168
<b>Ending balance</b>	<b><u>\$ 11,639</u></b>	<b><u>\$ 4,715</u></b>	<b><u>\$ 149,521</u></b>	<b><u>\$ 165,875</u></b>	<b><u>\$ 198,157</u></b>	<b><u>\$ 364,032</u></b>

2) Movements in the total carrying amount of receivables

	For the Nine Months Ended September 30, 2025			
	12-month Expected Credit Losses	Significant Increase in Risk Due to Lifetime Expected Credit Losses	Credit Impairment Due to Lifetime Expected Credit Losses	Total
Beginning balance	\$ 24,795,110	\$ 197,684	\$ 268,536	\$ 25,261,330
Changes from financial instruments recognized at the beginning of the period:				
Transfers to lifetime expected credit loss	(36,983)	37,888	(905)	-
Transfers to credit-impaired financial assets	(9,452)	(3,156)	12,608	-
Transfers to 12-month expected credit losses	13,683	(10,567)	(3,116)	-
Purchase or originated financial assets	9,858,523	57,654	22,068	9,938,245
Derecognized	(9,847,918)	(126,976)	(233,074)	(10,207,968)
Doubtful debts written off	-	-	(13,131)	(13,131)
Changes in exchange rates or others	<u>(138,265)</u>	<u>(2,101)</u>	<u>-</u>	<u>(140,366)</u>
Ending balance	<u><u>\$ 24,634,698</u></u>	<u><u>\$ 150,426</u></u>	<u><u>\$ 52,986</u></u>	<u><u>\$ 24,838,110</u></u>
	For the Nine Months Ended September 30, 2024			
	12-month Expected Credit Losses	Significant Increase in Risk Due to Lifetime Expected Credit Losses	Credit Impairment Due to Lifetime Expected Credit Losses	Total
Beginning balance	\$ 20,868,783	\$ 215,948	\$ 245,768	\$ 21,330,499
Changes from financial instruments recognized at the beginning of the period:				
Transfers to lifetime expected credit loss	(25,000)	25,550	(550)	-
Transfers to credit-impaired financial assets	(8,477)	(426)	8,903	-
Transfers to 12-month expected credit losses	16,501	(11,664)	(4,837)	-
Purchase or originated financial assets	15,287,255	75,387	30,668	15,393,310
Derecognized	(8,028,371)	(143,870)	(9,691)	(8,181,932)
Doubtful debts written off	-	-	(17,219)	(17,219)
Changes in exchange rates or others	<u>58,084</u>	<u>1,064</u>	<u>6,017</u>	<u>65,165</u>
Ending balance	<u><u>\$ 28,168,775</u></u>	<u><u>\$ 161,989</u></u>	<u><u>\$ 259,059</u></u>	<u><u>\$ 28,589,823</u></u>

## 12. DISCOUNTS AND LOANS, NET

### a. Details of discounts and loans

	September 30, 2025	December 31, 2024	September 30, 2024
Negotiated and discounted	\$ 1,690,914	\$ 1,745,853	\$ 1,747,455
Overdrafts	615,027	1,167,870	1,138,219
Short-term loans	436,862,857	437,178,852	446,057,968
Margin loans receivable	539,217	447,349	409,244
Medium-term loans	699,985,006	668,311,512	663,078,691
Long-term loans	898,898,406	881,321,719	873,081,449
Overdue loans	<u>2,965,182</u>	<u>2,733,127</u>	<u>2,889,600</u>
Less: Allowance for loan losses	<u>(27,174,129)</u>	<u>(24,986,258)</u>	<u>(24,826,914)</u>
	<u>\$ 2,014,382,480</u>	<u>\$ 1,967,920,024</u>	<u>\$ 1,963,575,712</u>

Loans of which the accrual of interest income was ceased internally as of September 30, 2025, December 31, 2024 and September 30, 2024 were \$2,965,182 thousand, \$2,733,127 thousand and \$2,889,600 thousand, respectively. The amounts of interest income that would have been accrued on these loans for the nine months ended September 30, 2025 and 2024 were \$73,611 thousand and \$71,734 thousand, respectively.

The Group did not write off any loans without legal claims process during the nine months ended September 30, 2025 and 2024.

### b. Allowance for discounts and loans

#### 1) Movements in the allowance for discounts and loans

	For the Nine Months Ended September 30, 2025					Total
	12-month Expected Credit Losses	Lifetime Expected Credit Losses	Realized Credit Impairment	Loss Recognized Based on IFRS 9	Recognized Impairment Difference Based on Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing Loans and Bad Debts	
Loans						
Beginning balance	\$ 2,664,957	\$ 2,399,305	\$ 1,676,641	\$ 6,740,903	\$ 18,245,355	\$ 24,986,258
Changes from financial instruments recognized at the beginning of the period:						
Transfers to lifetime expected credit losses	(89,276)	90,972	(1,696)	-	-	-
Transfers to credit impaired financial assets	(1,623)	(24,240)	25,863	-	-	-
Transfers to 12-month expected credit losses	453,656	(446,508)	(7,148)	-	-	-
Financial assets derecognized for the period	(1,076,368)	(413,874)	(1,033,462)	(2,523,704)	-	(2,523,704)
Purchased or originated financial assets	1,330,887	1,288,372	1,366,578	3,985,837	-	3,985,837

(Continued)

**For the Nine Months Ended September 30, 2025**

	12-month Expected Credit Losses	Lifetime Expected Credit Losses	Realized Credit Impairment	Loss Recognized Based on IFRS 9	Recognized Impairment Difference Based on Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing Loans and Bad Debts	Total
Recognized impairment difference based on the Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing Loans and Bad Debts	\$ -	\$ -	\$ -	\$ -	\$ 761,627	\$ 761,627
Doubtful debts written off	- -	- -	(1,815,533)	(1,815,533)	-	(1,815,533)
Change in exchange rates or others	(20,685)	(6,152)	1,806,481	1,779,644	-	1,779,644
Ending balance	<u>\$ 3,261,548</u>	<u>\$ 2,887,875</u>	<u>\$ 2,017,724</u>	<u>\$ 8,167,147</u>	<u>\$ 19,006,982</u>	<u>\$ 27,174,129</u>
						(Concluded)

**For the Nine Months Ended September 30, 2024**

	12-month Expected Credit Losses	Lifetime Expected Credit Losses	Realized Credit Impairment	Loss Recognized Based on IFRS 9	Recognized Impairment Difference Based on Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing Loans and Bad Debts	Total
Loans						
Beginning balance	\$ 2,937,671	\$ 2,907,188	\$ 2,371,543	\$ 8,216,402	\$ 14,129,867	\$ 22,346,269
Changes from financial instruments recognized at the beginning of the period:						
Transfers to lifetime expected credit losses	(38,896)	228,330	(189,434)	-	-	-
Transfers to credit impaired financial assets	(1,211)	(41,245)	42,456	-	-	-
Transfers to 12-month expected credit losses	568,023	(560,439)	(7,584)	-	-	-
Financial assets derecognized for the period	(1,777,996)	(1,252,828)	156,261	(2,874,563)	-	(2,874,563)
Purchased or originated financial assets	884,859	1,398,404	865,699	3,148,962	-	3,148,962
Recognized impairment difference based on the Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing Loans and Bad Debts	-	-	-	-	3,793,698	3,793,698
Doubtful debts written off	- -	- -	(1,617,199)	(1,617,199)	-	(1,617,199)
Change in exchange rates or others	12,004	5,358	12,385	29,747	-	29,747
Ending balance	<u>\$ 2,584,454</u>	<u>\$ 2,684,768</u>	<u>\$ 1,634,127</u>	<u>\$ 6,903,349</u>	<u>\$ 17,923,565</u>	<u>\$ 24,826,914</u>

2) Movements in the total carrying amount of discounts and loans

	For the Nine Months Ended September 30, 2025			
	12-month Expected Credit Losses	Significant Increase in Risk Due to Lifetime Expected Credit Losses	Credit Impairment Due to Lifetime Expected Credit Losses	Total
Beginning balance	\$ 1,909,850,964	\$ 76,555,537	\$ 6,499,781	\$ 1,992,906,282
Changes from financial instruments recognized at the beginning of the period:				
Transfers to lifetime expected credit losses	(13,870,652)	13,879,508	(8,856)	-
Transfers to credit-impaired financial assets	(1,127,172)	(666,438)	1,793,610	-
Transfers to 12-month expected credit losses	11,416,318	(11,350,198)	(66,120)	-
Financial assets derecognized for the period	(650,953,115)	(31,288,047)	(1,825,572)	(684,066,734)
Purchase or originated financial assets	713,097,547	27,670,521	2,817,550	743,585,618
Doubtful debts written off	-	-	(1,815,533)	(1,815,533)
Changes in exchange rates or others	(8,609,903)	(428,985)	(14,136)	(9,053,024)
Ending balance	<u>\$ 1,959,803,987</u>	<u>\$ 74,371,898</u>	<u>\$ 7,380,724</u>	<u>\$ 2,041,556,609</u>
	For the Nine Months Ended September 30, 2024			
	12-month Expected Credit Losses	Significant Increase in Risk Due to Lifetime Expected Credit Losses	Credit Impairment Due to Lifetime Expected Credit Losses	Total
Beginning balance	\$ 1,741,258,692	\$ 75,225,471	\$ 8,386,802	\$ 1,824,870,965
Changes from financial instruments recognized at the beginning of the period:				
Transfers to lifetime expected credit losses	(14,051,059)	15,176,526	(1,125,467)	-
Transfers to credit-impaired financial assets	(754,270)	(861,514)	1,615,784	-
Transfers to 12-month expected credit losses	8,922,917	(8,869,247)	(53,670)	-
Financial assets derecognized for the period	(619,012,620)	(32,343,166)	(2,693,944)	(654,049,730)
Purchase or originated financial assets	780,755,450	31,560,222	1,805,389	814,121,061
Doubtful debts written off	-	-	(1,617,199)	(1,617,199)
Changes in exchange rates or others	4,783,699	267,670	26,160	5,077,529
Ending balance	<u>\$ 1,901,902,809</u>	<u>\$ 80,155,962</u>	<u>\$ 6,343,855</u>	<u>\$ 1,988,402,626</u>

c. Details of provision for bad debts expense, commitment and guarantee for the three months and the nine months ended September 30, 2025 and 2024

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Provision for receivable and loan (including overdue loan) losses	\$ 498,638	\$ 1,426,487	\$ 1,852,564	\$ 3,162,611
Provision (reversal) for loan commitment	30,204	4,922	13,418	(201,248)
Reversal for guarantee liability	(10,198)	(20,348)	(201,508)	(12,043)
Provision (reversal) provision for others	85	(2,808)	(58)	(2,105)
	<u>\$ 518,729</u>	<u>\$ 1,408,253</u>	<u>\$ 1,664,416</u>	<u>\$ 2,947,215</u>

### 13. OTHER FINANCIAL ASSETS

	September 30, 2025	December 31, 2024	September 30, 2024
Time deposits with original maturities of more than 3 months	\$ -	\$ 313,880	\$ 452,000
Exchange bills negotiated	17,536	10,758	5,682
Overdue receivables	3,997	3,594	3,131
Less: Allowance for bad debts	(4,047)	(3,702)	(3,188)
	<u>\$ 17,486</u>	<u>\$ 324,530</u>	<u>\$ 457,625</u>

The rates of time deposits with original maturities of more than 3 months were 2.75% as of September 30, 2024

### 14. SUBSIDIARIES

#### Subsidiaries Included in Consolidated Financial Statements

Investor	Investee	Main Business	% of Ownership		
			September 30, 2025	December 31, 2024	September 30, 2024
The Bank	Chang Hua Commercial Bank, Ltd.	Banking	100	100	100
The Bank	Chang Hwa Bank Venture Capital Co., Ltd.	Investing	100	100	100

### 15. PROPERTY AND EQUIPMENT

	September 30, 2025	December 31, 2024	September 30, 2024
Assets used by the Group	\$ 21,576,373	\$ 21,192,384	\$ 20,939,530
Assets leased under operating leases	<u>202,538</u>	<u>220,724</u>	<u>223,002</u>
	<u>\$ 21,778,911</u>	<u>\$ 21,413,108</u>	<u>\$ 21,162,532</u>

a. Asset used by the Group

	Freehold Land	Buildings	Machinery Equipment	Transportation Equipment	Miscellaneous Equipment	Leasehold Improvements	Construction in Progress and Prepayments for Buildings and Equipment	Total
<u>Cost</u>								
Balance at January 1, 2025	\$ 15,024,617	\$ 9,391,351	\$ 4,909,577	\$ 760,872	\$ 1,612,107	\$ 1,079,746	\$ 497,478	\$ 33,275,748
Additions	160,686	125,669	154,646	33,656	60,505	5,686	559,884	1,100,732
Disposals	-	-	(251,152)	(17,325)	(26,544)	(2,078)	-	(296,899)
Transfers from assets leased under operating leases	-	27,467	-	-	-	-	-	27,467
Reclassification	(115,455)	64,461	22,009	-	4,274	24,603	(279,844)	(279,952)
Effect of foreign currency exchange differences	-	(40,125)	(8,807)	(1,393)	(2,774)	(5,584)	(1,428)	(60,111)
Balance at September 30, 2025	<u>\$ 15,069,848</u>	<u>\$ 9,568,823</u>	<u>\$ 4,826,273</u>	<u>\$ 775,810</u>	<u>\$ 1,647,768</u>	<u>\$ 1,102,373</u>	<u>\$ 776,090</u>	<u>\$ 33,766,985</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2025	\$ -	\$ 5,005,919	\$ 4,063,768	\$ 648,213	\$ 1,396,772	\$ 968,692	\$ -	\$ 12,083,364
Disposals	-	-	(250,559)	(17,307)	(26,296)	(2,078)	-	(296,240)
Depreciation expense	-	160,523	189,469	21,818	39,713	21,950	-	433,473
Transfers from assets leased under operating leases	-	15,784	-	-	-	-	-	15,784
Reclassification	-	(24,074)	-	-	-	-	-	(24,074)
Effect of foreign currency exchange differences	-	(6,915)	(6,446)	(1,006)	(2,451)	(4,877)	-	(21,695)
Balance at September 30, 2025	<u>\$ -</u>	<u>\$ 5,151,237</u>	<u>\$ 3,996,232</u>	<u>\$ 651,718</u>	<u>\$ 1,407,738</u>	<u>\$ 983,687</u>	<u>\$ -</u>	<u>\$ 12,190,612</u>
Carrying amount at September 30, 2025	<u>\$ 15,069,848</u>	<u>\$ 4,417,586</u>	<u>\$ 830,041</u>	<u>\$ 124,092</u>	<u>\$ 240,030</u>	<u>\$ 118,686</u>	<u>\$ 776,090</u>	<u>\$ 21,576,373</u>
Carrying amount at December 31, 2024 and January 1, 2025	<u>\$ 15,024,617</u>	<u>\$ 4,385,432</u>	<u>\$ 845,809</u>	<u>\$ 112,659</u>	<u>\$ 215,335</u>	<u>\$ 111,054</u>	<u>\$ 497,478</u>	<u>\$ 21,192,384</u>
<u>Cost</u>								
Balance at January 1, 2024	\$ 14,962,032	\$ 8,922,794	\$ 4,673,136	\$ 757,083	\$ 1,558,793	\$ 1,062,832	\$ 671,004	\$ 32,607,674
Additions	-	36,658	240,531	27,265	40,777	12,092	306,930	664,253
Disposals	-	-	(84,712)	(29,603)	(21,423)	(5,926)	-	(141,664)
Transfers to assets leased under operating leases	-	(32,820)	-	-	-	-	-	(32,820)
Reclassification	(47,485)	(6,463)	8,303	832	691	-	(150,155)	(194,277)
Effect of foreign currency exchange differences	-	31,870	7,651	1,213	2,053	4,059	1,034	47,880
Balance at September 30, 2024	<u>\$ 14,914,547</u>	<u>\$ 8,952,039</u>	<u>\$ 4,844,909</u>	<u>\$ 756,790</u>	<u>\$ 1,580,891</u>	<u>\$ 1,073,057</u>	<u>\$ 828,813</u>	<u>\$ 32,951,046</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2024	\$ -	\$ 4,843,480	\$ 3,938,365	\$ 658,708	\$ 1,374,974	\$ 955,259	\$ -	\$ 11,770,786
Disposals	-	-	(84,293)	(29,482)	(21,423)	(5,926)	-	(141,124)
Depreciation expense	-	141,237	182,110	19,340	35,361	19,341	-	397,389
Transfers to assets leased under operating leases	-	(13,767)	-	-	-	-	-	(13,767)
Reclassification	-	(17,939)	-	-	-	-	-	(17,939)
Effect of foreign currency exchange differences	-	5,728	5,015	738	1,612	3,078	-	16,171
Balance at September 30, 2024	<u>\$ -</u>	<u>\$ 4,958,739</u>	<u>\$ 4,041,197</u>	<u>\$ 649,304</u>	<u>\$ 1,390,524</u>	<u>\$ 971,752</u>	<u>\$ -</u>	<u>\$ 12,011,516</u>
Carrying amount at September 30, 2024	<u>\$ 14,914,547</u>	<u>\$ 3,993,300</u>	<u>\$ 803,712</u>	<u>\$ 107,486</u>	<u>\$ 190,367</u>	<u>\$ 101,305</u>	<u>\$ 828,813</u>	<u>\$ 20,939,530</u>

b. Assets leased under operating leases

	Buildings
<u>Cost</u>	
Balance at January 1, 2025	\$ 492,061
Transfers to assets used by the Group	<u>(27,467)</u>
Balance at September 30, 2025	<u>\$ 464,594</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2025	\$ 271,337
Depreciation expense	6,503
Transfers to assets used by the Group	<u>(15,784)</u>
Balance at September 30, 2025	<u>\$ 262,056</u>
Carrying amounts at September 30, 2025	<u>\$ 202,538</u>
	(Continued)

**Buildings**

Cost

Balance at January 1, 2024	\$ 459,229
Transfers from assets used by the Group	<u>32,820</u>
Balance at September 30, 2024	<u>\$ 492,049</u>
<u>Accumulated depreciation and impairment</u>	
Balance at January 1, 2024	\$ 248,417
Depreciation expense	6,863
Transfers from assets used by the Group	<u>13,767</u>
Balance at September 30, 2024	<u>\$ 269,047</u>
Carrying amounts at September 30, 2024	<u>\$ 223,002</u>
	(Concluded)

Operating leases relate to buildings owned by the Group with lease terms between 1 and 20 years without an option to extend lease terms. All operating lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating lease payments for property used by the Group was as follows:

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Year 1	\$ 41,813	\$ 43,516	\$ 43,789
Year 2	34,358	39,689	41,278
Year 3	15,940	15,639	17,643
Year 4	10,528	8,374	8,538
Year 5	7,041	6,892	6,892
Year 5 onwards	<u>—</u>	<u>1,149</u>	<u>2,871</u>
	<u>\$ 109,680</u>	<u>\$ 115,259</u>	<u>\$ 121,011</u>

The above items of property and equipment leased under operating leases are depreciated on a straight-line basis over the estimated useful lives of the assets:

**Buildings**

Main buildings	20-60 years
Air-conditioning units	5-10 years
Machinery equipment	4-16 years
Transportation equipment	2-10 years
Miscellaneous equipment	3-10 years
Leasehold improvements	5 years

## 16. LEASE ARRANGEMENTS

### a. Right-of-use assets

	September 30, 2025	December 31, 2024	September 30, 2024
<b><u>Carrying amounts</u></b>			
Land	\$ 2,875	\$ 1,156	\$ 1,321
Buildings	1,874,236	1,865,439	1,744,419
Machinery equipment	3,225	4,671	6,025
Transportation equipment	89,194	81,332	89,452
Miscellaneous equipment	<u>13,396</u>	<u>14,024</u>	<u>19,972</u>
	<u>\$ 1,982,926</u>	<u>\$ 1,966,622</u>	<u>\$ 1,861,189</u>
<b>For the Nine Months Ended September 30</b>			
	<b>2025</b>	<b>2024</b>	
Additions to right-of-use assets		<u>\$ 563,570</u>	<u>\$ 420,111</u>
 <b>For the Three Months Ended September 30</b>			
	<b>2025</b>	<b>2024</b>	
Depreciation charge for right-of-use assets			
Land	\$ 276	\$ 223	\$ 712
Buildings	170,329	165,392	506,613
Machinery equipment	1,354	1,354	4,025
Transportation equipment	11,193	10,597	32,640
Miscellaneous equipment	<u>1,922</u>	<u>2,178</u>	<u>5,737</u>
	<u>\$ 185,074</u>	<u>\$ 179,744</u>	<u>\$ 549,727</u>

In addition to the additions and recognition of depreciation expenses mentioned above, the Group's right-of-use assets did not have significant sublease and impairment during the nine months ended September 30, 2025 and 2024.

### b. Lease liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
<b>Carrying amounts</b>			
	<u>\$ 1,852,943</u>	<u>\$ 1,837,221</u>	<u>\$ 1,729,314</u>

Range of discount rate for lease liabilities was as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Land	0.31%-1.81%	0.31%-1.81%	0.31%-1.24%
Buildings	0.20%-5.52%	0.20%-5.52%	0.20%-5.52%
Machinery equipment	0.31%-4.69%	0.31%-4.91%	0.31%-2.89%
Transportation equipment	0.35%-4.71%	0.22%-4.71%	0.22%-3.53%
Miscellaneous equipment	0.26%-4.89%	0.17%-4.89%	0.17%-3.60%

c. Material lease-in activities and terms

The Group leases certain buildings for operations of branches with lease terms from 3 to 15 years. The lease contract for offices located in New York specifies that lease payments are subject to 4 modifications during the lease terms and the Group can sublease the underlying assets. The lease contracts for offices located in Hong Kong and Taiwan specify that the premium for lease was \$60,187 thousand and lease payments will be adjusted each year. In addition, the Group was prohibited from subleasing all or any portion of the underlying assets.

The Group did not have significant acquisition of lease contracts during the nine months ended September 30, 2025 and 2024.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties and freehold property, plant and equipment are set out in Notes 15 and 17.

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Expenses relating to short-term leases	\$ 10,226	\$ 8,121	\$ 41,451	\$ 32,383
Expenses relating to low-value asset leases	\$ 6,042	\$ 7,258	\$ 21,327	\$ 21,564
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 63,423	\$ 67,660	\$ 193,231	\$ 207,639
Total cash outflow for leases			\$ (256,009)	\$ (261,586)

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

All lease commitments with lease terms commencing after the balance sheet dates are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Lease commitments	\$ 43,081	\$ 37,033	\$ 39,500

## 17. INVESTMENT PROPERTY

	Completed Investment Property
<u>Cost</u>	
Balance on January 1, 2025	\$ 14,367,957
Additions	178,048
Reclassification	143,086
Disposals	<u>(201,079)</u>
Balance on September 30, 2025	<u>\$ 14,488,012</u>
<u>Accumulated depreciation and impairment</u>	
Balance on January 1, 2025	\$ 435,190
Depreciation expense	8,139
Reclassification	<u>24,074</u>
Balance on September 30, 2025	<u>\$ 467,403</u>
Carrying amounts on September 30, 2025	<u>\$ 14,020,609</u>
Carrying amounts on December 31, 2024 and January 1, 2025	<u>\$ 13,932,767</u>
<u>Cost</u>	
Balance on January 1, 2024	\$ 14,290,300
Additions	95
Reclassification	<u>77,103</u>
Balance on September 30, 2024	<u>\$ 14,367,498</u>
<u>Accumulated depreciation and impairment</u>	
Balance on January 1, 2024	\$ 417,603
Depreciation expense	5,505
Reclassification	<u>17,939</u>
Balance on September 30, 2024	<u>\$ 441,047</u>
Carrying amounts on September 30, 2024	<u>\$ 13,926,451</u>

Operating leases relate to the investment property owned by the Group with lease terms between 1 and 20 years with no option to extend. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have a bargain purchase option to acquire the property at the expiration of the lease period.

The maturity analysis of lease payments receivable under operating lease of investment properties as of September 30, 2025, December 31, 2024 and September 30, 2024 was as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Year 1	\$ 262,377	\$ 218,240	\$ 176,210
Year 2	255,198	227,996	174,324
Year 3	141,439	136,906	105,261
Year 4	112,458	100,994	57,998
Year 5	101,265	91,093	44,090
Year 5 onwards	<u>180,903</u>	<u>238,263</u>	<u>148,951</u>
	<u><u>\$ 1,053,640</u></u>	<u><u>\$ 1,013,492</u></u>	<u><u>\$ 706,834</u></u>

The investment properties are depreciated using the straight-line method over their estimated useful lives as follows:

Main buildings	20-60 years
Air-conditioning units	5-10 years

The investment properties are measured and stated at cost in the consolidated balance sheets. For management's purpose, the Group periodically measures the fair value of investment properties in accordance with the Group's internal rules and procedures. The Group conducts valuation process regularly, which is measured by level 3 inputs. The fair values were \$33,158,996 thousand, \$34,017,161 thousand and \$34,017,161 thousand as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively.

All investment properties are own right and interest.

Rental income and direct operating expenses generated by the investment property for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024 were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Rental incomes	\$ 65,528	\$ 43,765	\$ 164,745	\$ 125,686
Direct operating expenses	<u>\$ 20,257</u>	<u>\$ 26,835</u>	<u>\$ 76,831</u>	<u>\$ 79,533</u>

## 18. INTANGIBLE ASSETS

	Computer Software
Balance at January 1, 2025	\$ 985,194
Additions	153,343
Amortization expense	(312,258)
Reclassification	136,866
Effect of foreign currency exchange differences and others	<u>(5,094)</u>
Balance at September 30, 2025	<u>\$ 958,051</u>

(Continued)

	Computer Software
Balance at January 1, 2024	\$ 996,476
Additions	85,317
Amortization expense	(269,316)
Reclassification	113,325
Effect of foreign currency exchange differences and others	<u>3,762</u>
Balance at September 30, 2024	<u>\$ 929,564</u>
	(Concluded)

The intangible asset mentioned above is amortized on a straight-line basis over the estimated useful life of 3 to 5 years.

## 19. OTHER ASSETS

	September 30, 2025	December 31, 2024	September 30, 2024
Guarantee deposits paid	\$ 905,612	\$ 920,987	\$ 917,214
Collaterals	23,418	196,328	202,097
Accumulated impairment, collaterals	(23,418)	(127,415)	(136,007)
Prepayments	565,379	264,342	436,915
Prepaid pension cost	176,391	265,855	-
Others	<u>5,122</u>	<u>8,490</u>	<u>5,995</u>
	<u><u>\$ 1,652,504</u></u>	<u><u>\$ 1,528,587</u></u>	<u><u>\$ 1,426,214</u></u>

## 20. DEPOSITS FROM THE CENTRAL BANK AND BANKS

	September 30, 2025	December 31, 2024	September 30, 2024
Deposits from the Central Bank	\$ 25,533	\$ 24,897	\$ 24,139
Deposits from banks	279,861	116,978	226,986
Overdrafts on banks	450,645	313,496	413,947
Call loans from banks	193,861,277	113,724,080	128,780,315
Deposits transferred from Chunghwa Post Co., Ltd.	<u>165,117,487</u>	<u>120,131,299</u>	<u>55,133,424</u>
	<u><u>\$ 359,734,803</u></u>	<u><u>\$ 234,310,750</u></u>	<u><u>\$ 184,578,811</u></u>

## 21. PAYABLES

	September 30, 2025	December 31, 2024	September 30, 2024
Checks issued to payees for clearing	\$ 6,452,947	\$ 5,519,762	\$ 6,465,113
Accounts payable	3,583,689	2,298,748	2,574,397
Accrued expenses	3,202,341	3,630,845	2,820,130
Accrued interests	8,998,850	6,897,556	9,184,843
Acceptances	3,284,431	4,032,828	4,553,167
Others	<u>12,971,396</u>	<u>5,644,172</u>	<u>27,268,333</u>
	<u>\$ 38,493,654</u>	<u>\$ 28,023,911</u>	<u>\$ 52,865,983</u>

## 22. DEPOSITS AND REMITTANCES

	September 30, 2025	December 31, 2024	September 30, 2024
Checking account deposits	\$ 36,985,675	\$ 49,880,450	\$ 37,597,862
Demand deposits	587,013,151	573,909,670	569,003,158
Time deposits	836,008,345	770,487,422	829,837,877
Negotiable certificates of deposit	3,517,479	3,515,332	3,593,427
Savings account deposits	1,211,135,750	1,231,212,647	1,222,371,153
Remittances	<u>2,324,845</u>	<u>1,350,989</u>	<u>1,446,038</u>
	<u>\$ 2,676,985,245</u>	<u>\$ 2,630,356,510</u>	<u>\$ 2,663,849,515</u>

## 23. BANK NOTES PAYABLE

The Group has issued bank notes to enhance its capital adequacy ratio and raise medium-to long-term operating funds. The information of the bank notes is as follows:

The Group issued \$3,000 million subordinated bank notes A 105-1 with 7-year term on September 27, 2016. The Bank notes had been redeemed on September 27, 2023.

The Group issued \$3,300 million subordinated bank notes B 105-1 with 10-year term on September 27, 2016.

The Group issued \$1,530 million subordinated bank notes A 106-1 with 7-year term on March 29, 2017. The Bank notes had been redeemed on March 29, 2024.

The Group issued \$8,670 million subordinated bank notes B 106-1 with 10-year term on March 29, 2017.

The Group issued \$7,000 million perpetual subordinated bank notes 107-1 on April 26, 2018. Callable 5 years and 3 months after issue date.

The Group issued \$3,000 million perpetual subordinated bank notes 107-2 on November 8, 2018. Callable 5 years and 1 month after issue date.

The Group issued \$5,960 million perpetual subordinated bank notes 108-1 on June 27, 2019. Callable 5 years and 1 month after issue date.

The Group issued \$4,040 million perpetual subordinated bank notes 109-1 on May 27, 2020. Callable 5 years and 1 month after issue date.

The Group issued \$6,800 million perpetual subordinated bank notes 109-2 on December 25, 2020. Callable 5 years and 1 month after issue date.

The Group issued \$1,000 million ordinated bank notes 112-1 with 5-year term on February 22, 2023.

The Group issued \$1,000 million ordinated bank notes 113-1 with 5-year term on February 5, 2024.

The Group issued \$1,000 million ordinated bank notes 114-1 with 5-year term on February 26, 2025.

The outstanding balance and details of bank notes are as follows:

<b>Bank Note, Interest Rate and Maturity Date</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
<b><u>Non-hedged bank notes payable</u></b>			
105-1 Note B, 10-year term, interest payable annually, interest rate 1.20%, maturity date: September 27, 2026	\$ 3,300,000	\$ 3,300,000	\$ 3,300,000
106-1 Note B, 10-year term, interest payable annually, interest rate 1.85%, maturity date: March 29, 2027	8,670,000	8,670,000	8,670,000
107-1, no maturity date, interest payable annually, interest rate 2.66%	7,000,000	7,000,000	7,000,000
107-2, no maturity date, interest payable annually, interest rate 2.30%	3,000,000	3,000,000	3,000,000
108-1, no maturity date, interest payable annually, interest rate 1.90%	5,960,000	5,960,000	5,960,000
109-1, no maturity date, interest payable annually, interest rate 1.40%	4,040,000	4,040,000	4,040,000
109-2, no maturity date, interest payable annually, interest rate 1.25%	6,800,000	6,800,000	6,800,000
112-1 5-year term, interest payable annually, interest rate 1.40%, maturity date: February 22, 2028	1,000,000	1,000,000	1,000,000
113-1 5-year term, interest payable annually, interest rate 1.50%, maturity date: February 5, 2029	1,000,000	1,000,000	\$ 1,000,000
114-1, 5-year term, interest payable annually, interest rate 1.80%, maturity date: February 26, 2030	1,000,000	-	-
Valuation adjustment	20,234	35,410	40,469
	<b>\$ 41,790,234</b>	<b>\$ 40,805,410</b>	<b>\$ 40,810,469</b>

#### 24. OTHER FINANCIAL LIABILITIES

	September 30, 2025	December 31, 2024	September 30, 2024
Principal received on structured notes	\$ 1,283,709	\$ 1,225,162	\$ 1,002,178
Appropriations for loans	41,014	65,069	73,730
Short-term borrowings	<u>45,000</u>	<u>-</u>	<u>-</u>
	<u><u>\$ 1,369,723</u></u>	<u><u>\$ 1,290,231</u></u>	<u><u>\$ 1,075,908</u></u>

The principal as received on structured notes were the hybrid instruments issued at fixed income. The related income of structured notes was determined by the interest rates linked to targets.

#### 25. OTHER LIABILITIES

	September 30, 2025	December 31, 2024	September 30, 2024
Advance receipts	\$ 909,870	\$ 903,876	\$ 918,309
Guarantee deposits	2,591,823	3,936,422	2,614,033
Deferred revenue	20,670	20,923	13,099
Business tax received	<u>2,666</u>	<u>5,591</u>	<u>1,872</u>
	<u><u>\$ 3,525,029</u></u>	<u><u>\$ 4,866,812</u></u>	<u><u>\$ 3,547,313</u></u>

#### 26. RESERVE FOR LIABILITIES

	September 30, 2025	December 31, 2024	September 30, 2024
Reserve for employee benefits (Note 27)	\$ 1,609,745	\$ 1,610,392	\$ 2,194,828
Reserve for guarantee liabilities	578,945	781,975	646,677
Reserve for loan commitments	174,910	162,767	168,951
Reserve for decommissioning restoration and rehabilitation costs	29,847	28,983	35,580
Reserve for contingencies	1,887	130	1,096
Others	<u>31,817</u>	<u>31,997</u>	<u>32,031</u>
	<u><u>\$ 2,427,151</u></u>	<u><u>\$ 2,616,244</u></u>	<u><u>\$ 3,079,163</u></u>

Movements in reserve for guarantee liabilities, reserve for loans commitments and reserve for others were as follows:

	For the Nine Months Ended September 30, 2025					
	12-month Expected Credit Losses	Lifetime Expected Credit Losses	Realized Credit Impairment	Loss Recognized Based on IFRS 9	Recognized Impairment Difference Based on the Laws	Total
Beginning balance	\$ 268,790	\$ 10,024	\$ 19,675	\$ 298,489	\$ 678,250	\$ 976,739
Changes from financial instruments recognized at the beginning of the period:						
Transfers to lifetime expected credit losses	(2,529)	2,529	-	-	-	-
Transfers to 12-month expected credit losses	12	(12)	-	-	-	-
Financial assets derecognize for the period	(89,437)	(8,303)	(313)	(98,053)	-	(98,053)
Purchase or originated financial assets	122,428	19,534	808	142,770	-	142,770
Recognized impairment difference based on the laws	-	-	-	-	(234,485)	(234,485)
Changes in exchange rates or others	(1,185)	(114)	-	(1,299)	-	(1,299)
Ending balance	<u>\$ 298,079</u>	<u>\$ 23,658</u>	<u>\$ 20,170</u>	<u>\$ 341,907</u>	<u>\$ 443,765</u>	<u>\$ 785,672</u>
	For the Nine Months Ended September 30, 2024					
	12-month Expected Credit Losses	Lifetime Expected Credit Losses	Realized Credit Impairment	Loss Recognized Based on IFRS 9	Recognized Impairment Difference Based on the Laws	Total
Beginning balance	\$ 530,377	\$ 53,099	\$ 19,642	\$ 603,118	\$ 456,093	\$ 1,059,211
Changes from financial instruments recognized at the beginning of the period:						
Transfers to lifetime expected credit losses	(3,745)	3,745	-	-	-	-
Transfers to credit-impaired financial asset	(1)	-	1	-	-	-
Transfers to 12-month expected credit losses	2,504	(2,504)	-	-	-	-
Financial assets derecognize for the period	(383,637)	(48,977)	(54)	(432,668)	-	(432,668)
Purchase or originated financial assets	132,127	4,862	86	137,075	-	137,075
Recognized impairment difference based on the laws	-	-	-	-	83,357	83,357
Changes in exchange rates or others	678	6	-	684	-	684
Ending balance	<u>\$ 278,303</u>	<u>\$ 10,231</u>	<u>\$ 19,675</u>	<u>\$ 308,209</u>	<u>\$ 539,450</u>	<u>\$ 847,659</u>

## 27. RETIREMENT BENEFIT PLANS

Employee benefits expense in respect of the Group's defined benefit retirement plans was calculated using the prior year's actuarially determined pension cost discount rate as of December 31, 2024 and 2023, and the amounts were \$41,008 thousand, \$74,767 thousand, \$128,726 thousand and \$231,932 thousand for the three months ended and for the nine months ended September 30, 2025 and 2024, respectively.

## 28. EQUITY

### a. Capital

#### Common stock

	September 30, 2025	December 31, 2024	September 30, 2024
Shares granted (in thousands)	<u>15,000,000</u>	<u>12,000,000</u>	<u>12,000,000</u>
Capital stock granted	<u>\$ 150,000,000</u>	<u>\$ 120,000,000</u>	<u>\$ 120,000,000</u>
Shares issued and fully paid (in thousands)	<u>11,766,046</u>	<u>11,205,758</u>	<u>11,205,758</u>
Capital stock issued	<u>\$ 117,660,462</u>	<u>\$ 112,057,583</u>	<u>\$ 112,057,583</u>

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

As of January 1, 2024, the Bank's authorized and registered capital was \$120,000,000 thousand divided into 12,000,000 thousand shares at \$10 par value; The total paid-in capital was \$108,582,930 thousand. The Bank's authorized capital was increased by \$30,000,000 thousand in July 2025. The paid-in capital increased by \$5,602,879 thousand and \$3,474,653 thousand out of retained earnings in August 2025 and August 2024, respectively. As of September 30, 2025 and 2024, the Bank's authorized and registered capital were \$150,000,000 thousand and \$120,000,000 thousand divided into 15,000,000 thousand shares and 12,000,000 thousand shares, respectively. also on that date, the total amounts of paid-in capital amounted to \$117,660,462 thousand and \$112,057,583 thousand divided into 11,766,046 thousand and 11,205,758 thousand outstanding shares at \$10 par value, respectively.

### b. Distribution of earnings and dividends policy

Under the dividends policy as set forth in the Bank's amended Articles of Incorporation, where the Bank generates 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, setting aside or reversing 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 Bank's board of directors as the basis for proposing distribution plan, and 30% to 100% of the basis for proposing distribution plan should be resolved in the stockholders' meeting for distribution of dividends and bonus to stockholders. For the policies on distribution compensation of employees and remuneration of directors after amendment, refer to Note 29 (g) "compensation of employees and remuneration of directors".

To ensure the Bank has sufficient cash for present and future expansion plans and to enhance the profitability, the Bank prefers to distribute more stock dividends, but cash dividends shall not be less than 10% of total dividends distributed. If the cash dividends are less than \$0.1 per share, the Bank will not distribute any cash dividends, unless otherwise adopted in the stockholders' meeting.

Appropriation of earnings to legal reserve shall be made until the balance of legal reserve reaches 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.

The amendments explicitly stipulate that when a special reserve is appropriated for cumulative net debit balance reserves from prior period, the sum of net profit for current period and items other than net profit that are included directly in the unappropriated earnings for current period is used if the prior unappropriated earnings is not sufficient. Before the amendment of the Articles, the special reserve is appropriated from the prior unappropriated earnings.

Under Rule No. 10510001510 issued by the FSC on May 25, 2016, the Bank should appropriate 0.5%-1.0% net income as a special reserve when distributing surplus earnings for 2016, 2017 and 2018. Since 2017, the Bank should reverse an amount which is the same as the distributed surplus earnings mentioned above for the expense of employees' bridging-over arrangements and settlements caused by the development of financial technology.

The Bank cannot distribute cash dividends or purchase treasury stocks if the Bank has any of the situations cited in Item 1, Section 1, Article 44 of the Banking Law.

The maximum amount of cash dividends cannot exceed 15% of the Bank's total capital if the Bank's capital surplus is less than the capital based on Section 1.

The restriction of the cash dividends stated above does not apply if the Bank's capital surplus exceeds the capital or the Bank's financial position satisfied the criteria from the authority and also the Bank appropriates the legal reserve based on the Banking Law.

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

	<b>Appropriation of Earnings</b>	
	<b>2024</b>	<b>2023</b>
Legal reserve	<u>\$ 4,935,354</u>	<u>\$ 4,010,977</u>
Cash dividends	<u>\$ 5,602,879</u>	<u>\$ 5,972,061</u>
Share dividends	<u>\$ 5,602,879</u>	<u>\$ 3,474,653</u>
Cash dividends per share (NT\$)	\$0.50	\$0.55
Share dividends per share (NT\$)	\$0.50	\$0.32

c. Special reserve

	<b>September 30, 2025</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
Initial application of IFRSs	<u>\$ 12,201,590</u>	<u>\$ 12,201,590</u>	<u>\$ 12,201,590</u>

The special reserve relating to land may be reversed on the disposal or reclassification of the related assets. Additional special reserve should be appropriated for the amount equal to the difference between net debit balance reserves and the special reserve appropriated on the first-time adoption of IFRSs. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and is thereafter distributed.

## 29. NET INCOME

### a. Net income of interest

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Interest income				
Loans	\$ 14,051,457	\$ 14,112,179	\$ 41,465,346	\$ 40,515,783
Due from and call loans to banks	964,833	1,262,317	2,765,662	4,023,301
Investments in marketable securities	4,672,315	4,267,375	13,648,512	12,215,025
Others	<u>82,150</u>	<u>77,769</u>	<u>201,796</u>	<u>205,232</u>
	<u>19,770,755</u>	<u>19,719,640</u>	<u>58,081,316</u>	<u>56,959,341</u>
Interest expense				
Deposits	(9,864,188)	(11,767,041)	(29,892,529)	(33,465,737)
Due to Central Bank and other banks	(2,831,392)	(1,863,765)	(7,438,022)	(5,378,293)
Others	<u>(242,251)</u>	<u>(329,231)</u>	<u>(952,791)</u>	<u>(1,292,401)</u>
	<u>(12,937,831)</u>	<u>(13,960,037)</u>	<u>(38,283,342)</u>	<u>(40,136,431)</u>
Net income of interest	<u>\$ 6,832,924</u>	<u>\$ 5,759,603</u>	<u>\$ 19,797,974</u>	<u>\$ 16,822,910</u>

### b. Net service fee income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Service fee income				
Fees from import and export	\$ 44,973	\$ 53,703	\$ 145,094	\$ 178,038
Remittance fees	86,493	90,237	257,076	263,001
Loan fees	274,881	160,525	795,194	1,069,095
Fees from trust	399,299	476,147	1,104,721	1,315,715
Fees from trust affiliated	177,579	155,356	515,321	422,775
Fees from insurance agency	938,289	776,276	2,932,929	2,381,684
Others	<u>451,339</u>	<u>350,650</u>	<u>1,295,075</u>	<u>1,060,822</u>
	<u>2,372,853</u>	<u>2,062,894</u>	<u>7,045,410</u>	<u>6,691,130</u>
Service charge				
Interbank fees	(49,271)	(49,550)	(148,307)	(144,838)
Charges from trust	(611)	(600)	(1,311)	(1,881)
Custodian fees	(49,886)	(43,854)	(153,293)	(111,907)
Charges from insurance agency	(115,069)	(93,047)	(276,235)	(257,325)
Others	<u>(333,170)</u>	<u>(278,329)</u>	<u>(945,515)</u>	<u>(740,500)</u>
	<u>(548,007)</u>	<u>(465,380)</u>	<u>(1,524,661)</u>	<u>(1,256,451)</u>
Net service fee income	<u>\$ 1,824,846</u>	<u>\$ 1,597,514</u>	<u>\$ 5,520,749</u>	<u>\$ 5,434,679</u>

c. Gain (loss) on financial assets or liabilities measured at FVTPL

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
<b>Realized gain (loss) on financial assets or liabilities measured at FVTPL</b>				
Stock and mutual funds	\$ 49,471	\$ (12,220)	\$ 22,722	\$ 51,465
Bonds	-	677	141	(3,870)
Bills	-	1	-	(1)
Derivative financial instruments	1,412,357	2,202,270	5,541,606	5,890,621
Net interest gain	473,418	291,547	1,225,529	820,531
Stock dividends and bonus	<u>10,505</u>	<u>3,540</u>	<u>32,515</u>	<u>17,736</u>
	<u>1,945,751</u>	<u>2,485,815</u>	<u>6,822,513</u>	<u>6,776,482</u>
<b>Valuation gain (loss) on financial assets or liabilities measured at FVTPL</b>				
Stock and mutual funds	150,001	(6,949)	107,628	31,411
Bonds	(14,245)	(2,941)	(11,461)	1,436
Bills	(6,140)	(518)	(22,481)	3,881
Derivative financial instruments	<u>(374,589)</u>	<u>419,765</u>	<u>(880,316)</u>	<u>576,622</u>
	<u>(244,973)</u>	<u>409,357</u>	<u>(806,630)</u>	<u>613,350</u>
	<u>\$ 1,700,778</u>	<u>\$ 2,895,172</u>	<u>\$ 6,015,883</u>	<u>\$ 7,389,832</u>

d. Realized gain (loss) on financial assets at FVTOCI

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
<b>Stock dividends and bonus</b>				
Stock dividends and bonus	\$ 992,344	\$ 1,026,078	\$ 1,968,991	\$ 1,782,730
<b>Disposal gains</b>				
Bonds	135,424	19,170	503,793	257,042
Beneficiary certificates	14	-	14	-
<b>Disposal losses</b>				
Bonds	(84,394)	(178,809)	(323,694)	(325,718)
Beneficiary certificates	<u>-</u>	<u>(160)</u>	<u>-</u>	<u>(240,955)</u>
	<u>\$ 1,043,388</u>	<u>\$ 866,279</u>	<u>\$ 2,149,104</u>	<u>\$ 1,473,099</u>

e. Depreciation and amortization expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Property and equipment	\$ 148,962	\$ 137,461	\$ 439,976	\$ 404,252
Investment property	3,144	1,854	8,139	5,505
Right-of-use assets	185,074	179,744	549,727	532,025
Intangible assets and other deferred assets	<u>109,197</u>	<u>90,888</u>	<u>312,954</u>	<u>269,514</u>
	<u>\$ 446,377</u>	<u>\$ 409,947</u>	<u>\$ 1,310,796</u>	<u>\$ 1,211,296</u>

f. Employee benefits expenses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 3,216,748	\$ 3,213,251	\$ 9,276,741	\$ 8,800,504
Post-employment benefits				
Defined contribution plans	109,139	69,434	328,316	204,605
Defined benefit plans (Note 27)	41,008	74,767	128,726	231,932
High-yield savings account for employees	154,949	150,104	458,545	446,604
Other post-employment benefits	26,056	29,337	85,370	87,800
Termination benefits	<u>15,204</u>	<u>7,548</u>	<u>25,986</u>	<u>17,030</u>
	<u>\$ 3,563,104</u>	<u>\$ 3,544,441</u>	<u>\$ 10,303,684</u>	<u>\$ 9,788,475</u>

g. Employees' compensation and remuneration of directors

The Bank accrued compensation of employees and remuneration of directors at the rates of 1%-6% and no higher than 0.8%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. In accordance with the amendments to the Securities and Exchange Act in August 2024, the shareholders of the Company resolved the amendment to the Company's Articles at their 2025 regular meeting. The amendments explicitly stipulate the allocation of employees at rates of no less than 20% of the actual employee remuneration distributed for the fiscal year as compensation distributions for non-executive employees.

The employees' compensation and remuneration of directors (including non-executive employees) for the three months and the nine months ended September 30, 2025 and 2024 are as follows:

Accrual rate

	For the Nine Months Ended September 30	
	2025	2024
Employees' compensation	5.10%	5.00%
Remuneration of directors	0.40%	0.40%

Amount

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
	Cash	Cash	Cash	Cash
Employees' compensation	\$ 341,163	\$ 249,557	\$ 922,377	\$ 748,557
Remuneration of directors	\$ 25,000	\$ 19,000	\$ 72,000	\$ 59,000

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.

The appropriations of compensation of employees and remuneration of directors for 2024 and 2023, which were approved by the board of directors on March 20, 2025 and March 20, 2024, respectively, were as below:

	For the Year Ended December 31	
	2024	2023
	Cash	Cash
Employees' compensation	\$ 970,119	\$ 858,114
Remuneration of directors	77,609	68,649

Due to changes in accounting estimates, the actual amount of compensation of employees and remuneration of directors, which was resolved by the board of directors in their meetings dated on March 20, 2025 and March 20, 2024, differs from what was accrued in the consolidated financial statements. The difference was then adjusted to profit and loss for 2025 and 2024, respectively.

	For the Year Ended December 31			
	2024		2023	
	Employees' Compensation	Remuneration of Directors	Employees' Compensation	Remuneration of Directors
Amounts approved in the board of directors' meeting	\$ 970,119	\$ 77,609	\$ 858,114	\$ 68,649
Amounts recognized in the annual consolidated financial statements	\$ 981,276	\$ 77,837	\$ 864,242	\$ 69,400
Differences	\$ (11,157)	\$ (228)	\$ (6,128)	\$ (751)

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

### 30. INCOME TAX

a. Major components of tax expense recognized in profit or loss

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Current income tax				
In respect of the current period	\$ 1,190,970	\$ 868,881	\$ 3,212,249	\$ 2,806,786
Deferred income tax				
In respect of the current period	<u>(256,553)</u>	<u>(105,788)</u>	<u>(425,880)</u>	<u>(58,258)</u>
Income tax expense recognized in profit or loss	<u>\$ 934,417</u>	<u>\$ 763,093</u>	<u>\$ 2,786,369</u>	<u>\$ 2,748,528</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
<u>Deferred tax</u>				
In respect of the current year:				
Exchange differences on translation	\$ 128,645	\$ (23,146)	\$ (192,062)	\$ 86,173
Unrealized (losses) gains of financial assets at FVTOCI	<u>(7,833)</u>	<u>88,568</u>	<u>(3,935)</u>	<u>112,994</u>
Total income tax loss (benefit) recognized in other comprehensive income	<u>\$ 120,812</u>	<u>\$ 65,422</u>	<u>\$ (195,997)</u>	<u>\$ 199,167</u>

c. Income tax assessments

The income tax returns of the bank and Chang Hwa Bank Venture Capital Co., Ltd. through 2023 had been examined and cleared by the tax authority.

### 31. EARNINGS PER SHARE

The computation of earnings per share was retrospectively adjusted for the effects of adjustments resulting from bonus stock issues on August 6, 2025. The basic and diluted after-tax earnings per stock of three months and nine months ended September 30, 2024 were adjusted retrospectively as follows:

**Unit: NT\$ Per Share**

	Before Adjusted Retrospectively		After Adjusted Retrospectively	
	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2024	For the Three Months Ended September 30, 2024	For the Nine Months Ended September 30, 2024
Basic earnings per stock	\$ 0.34	\$ 1.00	\$ 0.32	\$ 0.96
Diluted earnings per stock	\$ 0.34	\$ 1.00	\$ 0.32	\$ 0.95

The earnings and weighted average number of common stock outstanding in the computation of earnings per stock were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Net profit for the period	\$ 5,021,141	\$ 3,804,961	\$ 14,150,451	\$ 11,248,958

The weighted average number of common stocks outstanding (in thousands of stock) is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Weighted average number of common stock used in computation of basic earnings per stock	11,766,046	11,766,046	11,766,046	11,766,046
Effect of potentially dilutive common stock: Compensation of employees issued	52,408	41,819	61,239	55,586
Weighted average number of common stock used in the computation of diluted earnings per stock	11,818,454	11,807,865	11,827,285	11,821,632

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

## 32. CAPITAL RISK MANAGEMENT

The description of the goals and procedures of the capital risk management of the Group is the same as the description in the Group's consolidated financial statements for the year ended December 31, 2024.

## 33. FINANCIAL INSTRUMENTS

- a. Fair value information - Financial instruments that are not measured at fair value

Financial assets and liabilities with significant differences between book value and fair value

September 30, 2025

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost	\$ 517,000,245	\$ 103,889,667	\$ 407,121,654	\$ -	\$ 511,011,321
<u>Financial liabilities</u>					
Bank notes payable	41,790,234	-	20,234	40,509,254	40,529,488

December 31, 2024

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost	\$ 512,721,202	\$ 103,610,833	\$ 399,391,069	\$ -	\$ 503,001,902
<u>Financial liabilities</u>					
Bank notes payable	40,805,410	-	35,410	39,452,179	39,487,589

September 30, 2024

	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets at amortized cost	\$ 472,944,365	\$ 105,706,863	\$ 360,917,069	\$ -	\$ 466,623,932
<u>Financial liabilities</u>					
Bank notes payable	40,810,469	-	40,469	39,448,674	39,489,143

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

1) Fair value hierarchy

September 30, 2025

<b>Fair Value Measurement of Financial Instruments</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Non-derivative financial products</u>				
Assets				
Financial assets at FVTPL	\$ 497,279	\$ 117,557,825	\$ 805,772	\$ 118,860,876
Financial assets mandatorily measured at FVTPL				
Stock and fund investments	497,279	262,560	805,772	1,565,611
Bond investments	-	2,316,574	-	2,316,574
Others	-	114,978,691	-	114,978,691
Financial assets at FVTOCI	177,887,166	139,006,466	15,762,686	332,656,318
Stock investments	22,386,613	-	15,762,686	38,149,299
Bond investments	143,961,923	139,006,466	-	282,968,389
Others	11,538,630	-	-	11,538,630
<u>Derivative financial products</u>				
Assets				
Financial assets at FVTPL	719,131	4,553,387	-	5,272,518
Liabilities	-	3,101,259	-	3,101,259

December 31, 2024

<b>Fair Value Measurement of Financial Instruments</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Non-derivative financial products</u>				
Assets				
Financial assets at FVTPL	\$ 292,368	\$ 72,147,066	\$ 746,823	\$ 73,186,257
Financial assets mandatorily measured at FVTPL				
Stock and fund investments	292,368	743	746,823	1,039,934
Bond investments	-	1,515,406	-	1,515,406
Others	-	70,630,917	-	70,630,917
Financial assets at FVTOCI	156,884,577	139,524,171	13,747,021	310,155,769
Stock investments	19,696,299	-	13,747,021	33,443,320
Bond investments	128,081,111	139,524,171	-	267,605,282
Others	9,107,167	-	-	9,107,167
<u>Derivative financial products</u>				
Assets				
Financial assets at FVTPL	668,074	8,944,534	-	9,612,608
Liabilities	-	2,881,955	-	2,881,955

September 30, 2024

<b>Fair Value Measurement of Financial Instruments</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Non-derivative financial products</u>				
Assets				
Financial assets at FVTPL	\$ 435,866	\$ 74,331,293	\$ 588,152	\$ 75,355,311
Financial assets mandatorily measured at FVTPL				
Stock and fund investments	435,866	121,245	588,152	1,145,263
Bond investments	-	1,476,988	-	1,476,988
Others	-	72,733,060	-	72,733,060
Financial assets at FVTOCI	161,546,726	125,185,189	13,480,756	300,212,671
Stock investments	22,255,659	-	13,480,756	35,736,415
Bond investments	129,591,835	125,185,189	-	254,777,024
Others	9,699,232	-	-	9,699,232
<u>Derivative financial products</u>				
Assets				
Financial assets at FVTPL	1,077,327	3,481,388	-	4,558,715
Liabilities	-	4,406,705	-	4,406,705

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the nine months ended September 30, 2025

<b>Financial Assets</b>	<b>Financial Assets at FVTPL</b>	<b>Financial Assets at FVTOCI</b>
	<b>Equity Instrument</b>	<b>Equity Instrument</b>
Beginning balance	\$ 746,823	\$ 13,747,021
Recognized in profit or loss (gain on financial assets or liabilities measured at FVTPL)	38,512	-
Recognized in other comprehensive income (unrealized gain on financial assets at FVTOCI)	-	33,275
Purchase	190,168	1,991,115
Sell	(238)	(8,725)
Transfer out of Level 3	(169,493)	-
Ending balance	<u>\$ 805,772</u>	<u>\$ 15,762,686</u>

For the nine months ended September 30, 2024

<b>Financial Assets</b>	<b>Financial Assets at FVTPL</b>	<b>Financial Assets at FVTOCI</b>
	<b>Equity Instrument</b>	<b>Equity Instrument</b>
Beginning balance	\$ 423,375	\$ 12,040,323
Recognized in profit or loss (gain on financial assets or liabilities measured at FVTPL)	60,927	-
Recognized in other comprehensive income (unrealized gain on financial assets at FVTOCI)	-	1,440,433
Purchase	179,480	-
Sell	(9,218)	-
Transfer out of Level 3	(66,412)	-
Ending balance	<u>\$ 588,152</u>	<u>\$ 13,480,756</u>

3) Definition for the hierarchy classifications of fair value measurements

a) Level 1

Level 1 inputs are quoted prices unadjusted in active markets for identical financial instruments. An active market indicates the market that is in conformity with all of the following conditions: The products in the market are identical; it is easy to find a knowledgeable and willing transaction counterparty; and price information is available to the public.

The fair values of the Group investments in listed stocks, beneficiary certificates, on-the-run Taiwan central government bonds and derivative instruments with quoted market prices are included in Level 1.

b) Level 2

Level 2 inputs are inputs other than quoted prices with reference to an active market that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The fair values of the Group's investments in off-the-run government bonds, corporate bonds, bank debentures, convertible bonds and most derivative bank debentures issued by the Group are included in Level 2.

c) Level 3

The input parameters used are not based on observable market data (unobservable input parameters are those such as option pricing models using historical volatility which cannot represent the expected value of all market participants). The fair values of the Group's investments in derivatives and equity investments without an active market are included in Level 3.

4) Valuation techniques and assumptions applied for the purpose of measuring fair value

a) Determination of fair value

A quoted market price is used as the fair value when a financial instrument has an active market. Such market prices are provided by the Stock Exchange Corporation, Bloomberg and Reuters, which are all the foundation of fair values for listed equity securities and debt instruments with a quoted market price in an active market.

If the market quotation from the Stock Exchange Corporation, commission merchants, underwriters or pricing service institutions can be frequently and readily obtained and the price represents actual and frequent at arm's length transactions, then a financial instrument is deemed to have an active market. If the above conditions are not met, the market is deemed inactive. In general, a significant price variance between the purchase price and selling price or a significantly increasing price variance are both indicators of an inactive market.

In addition to the above financial instruments with an active market, other financial instruments at fair value are assessed by valuation techniques or by referencing counterparties with other financial instruments at fair value with similar conditions and characteristics in actual practice, including market information obtained by exercising valuation models at the balance sheet date (such as yield curves used by TPEx and TAIBIR (page 02) secondary market fixing rates used by the Taiwan Depository & Clearing Corporation).

When a financial instrument has no standardized valuation and has a greater level of complexity, such as interest rate swaps, currency swaps and options, the Group usually adopts the valuation generally accepted by market users. The inputs used for these financial instruments' valuations are usually observable information in the market.

For financial instruments with greater complexity, the fair value is assessed through the valuation model developed by valuation methods and techniques generally accepted by competitors. These kinds of valuation models are usually applicable for derivative instruments, debt instruments without quoted market price (including debt instruments of embedded derivatives) or other debt instruments with low market liquidity. Certain inputs used in these valuation models are not observable in the market, and the Group need to make appropriate estimates based on assumptions.

- b) The types and nature of the valuation methods for financial instruments used by the Bank and its subsidiaries are as follows:
  - i. NTD central government bonds: The bond market rate and theoretical interest rate are price-per-hundred conversions announced by TPEx.
  - ii. NTD corporate bonds and bank notes: The corporate bond reference rate is announced by TPEx, and the Group uses the appropriate credit rate and the remaining period to calculate the yield rate and convert it to price-per-hundred.
  - iii. NTD convertible corporate bonds: The closing prices of outright purchase/sale trading are listed on TPEx on the valuation day. If the price is not available, the price is referenced from the outright purchase/sale trading information listed on TPEx.
  - iv. Securitization instruments: Prices are those quoted from Bloomberg.
  - v. NTD short-term bills: The TAIBIR (page 02) secondary market fixing rates used by the Taiwan Depository & Clearing Corporation are discounted from future cash flows.
  - vi. Foreign securities: The latest prices quoted from Bloomberg, Reuters or other systems on the valuation day are used, if there is no available price or valuation, then the price used is that which is quoted from counterparties.
  - vii. Listed stock, call/put warrants and depositary receipts: The closing price listed on TWSE or TPEx is adopted.
  - viii. Unlisted stock: The fair value is referenced from related financial information or estimated using the price and parameters of listed companies which have similar service attributes.

ix. Beneficiary certificates: Closed-end funds use the closing price in an active market as the fair value and open-end funds use the net asset value of the fund as the fair value.

x. Derivatives:

i) Call/put warrants and stock index futures: Prices quoted from an active market are deemed the fair values.

ii) Foreign currency forward contracts, currency swaps, interest rate swaps, cross currency swaps and operating deposits of transactions: Discounted future cash flows are adopted.

iii) Options: The Black-Scholes model, binomial tree model and Monte Carlo method are mainly adopted for valuation.

iv) Certain derivatives use the quoted price from counterparties.

xi. Mixing Tools: The price from the active market, deal brokers and valuation models is used.

c) Adjustments for credit risks and the definitions are as follows:

Credit valuation adjustment (CVA) is a measurement for derivatives which are not transacted through the stock market, or for over-the-counter derivatives. CVA reflects the fair value should a counterparty default and the possibility of not collecting the derivative's full market value.

CVA is calculated by applying the loss given default (LGD) to the exposure at default (EAD), along with the consideration of the counterparty's probability of default (PD) assuming the condition that the Group does not default.

c. The impact of the interest rate benchmark reform

The financial instruments of the Group affected by the interest rate benchmark reform include loan, floating-rate bonds and asset exchanges. The link of interest rate benchmark is London Interbank Offered Rate (LIBOR). It is expected that LIBOR will be replaced by the alternative interest rate recommended by the interest rate reform group of various countries; the differences of the two rates are discussed in the next paragraph.

LIBOR is a forward-looking interest rate indicator that implies market expectations for future interest rate trends, and includes inter-bank credit discounts. The alternative interest rate recommended by the interest rate reform group of various countries is Overnight Financing Rate (secured or unsecured), which is a retrospective interest rate indicator calculated using actual transaction data, and does not include credit discounts. Therefore, when an existing contract is modified from a linked LIBOR to a linked Overnight Financing Rate, additional adjustments must be made to the aforementioned differences to ensure that the interest rate basis before and after the modification is economically equivalent.

The Group has formulated a plan for LIBOR conversion and exit and has handled risk management policy adjustments, internal process adjustments, information system updates, financial instrument evaluation model adjustments, and related accounting or tax issues required to match the interest benchmark reform. The Group has identified all the information systems and internal processes that need to be updated, and has updated some of them. For affected financial instrument contracts, the Group has completed amendments with most contract counterparties, and some of them are still in the process of agreement amendments.

Due to the interest benchmark reform, the Group faces interest rate basis risks. If the Group fails to complete the negotiation with the counterparty in the financial instrument, it will bring about material uncertainty, and trigger exposure to interest rate risk that the Group had not expected.

September 30, 2024

Financial Assets	Projects Affected by Interest Rate Benchmark Reform Indicators	
	USD LIBOR	Number of Contracts
	Adjusted Average Assets	
Non-derivative financial assets		
Holding bonds	\$ 158,000	\$ 1

d. Financial risk management objectives and policies

1) Market risk

a) The source and definition of market risk

Market risk is the uncertainty of changes in fair value of on- and off-balance sheet financial instruments due to changes in market risk factors. Market risk factors include interest rates, exchange rates, equity security prices and commodity prices.

The major market risks of the Group are equity securities price risks, interest rate risks, and exchange rate risks. The majority of equity securities risk includes domestic public stocks and unlisted stocks and foreign currency bond funds. The main position of interest rate risk includes bonds and interest derivative instruments, such as interest rate swap. The main position of exchange rate risk includes the Group's investments denominated in foreign currencies, such as foreign currency spots, currency futures and foreign currency options.

b) Market risk management policy

The Group classifies the financial instruments held by the Group as trading book and banking book, and determines the market risk as interest rate risk, exchange rate risk, and equity security price risk. The Group establishes "Market Risk Management Regulation", "Derivative Financial Trading Process" and various financial instrument related regulations to manage the market risk of overall foreign exchange position, normal position, interest rate position of trading book and equity security position. The overall interest rate risk management of banking book belongs to assets and liabilities management committee.

The market risk management regulations are as follows:

- i. Establish the market risk management process to ensure the risk would be identified, measured, monitored and reported.
- ii. Measure and monitor the market risk and keep it under the risk limit and minimize unexpected loss from market risk.
- iii. Follow the regulations of Basel Accord.
- iv. Establish the market risk management system and economic capital allocation process.

- v. Monitor the credit line management of financial instrument, sensitivity analysis, stress testing and the calculation of VaR and report the result of market risk monitoring to risk management committee periodically and board of director quarterly.
- c) Market risk management procedures

According to “Whole Risk Management Policy”, risk management department is the second line of defense against the market risk. Risk management department performs the market risk management, establishes related management process, and reports to the appropriate level of the management. Besides, risk management department establishes independent risk management process and ensures its effectiveness.

i. Identifying and measuring

The effective market risk management process begins with identifying the inherent risk of operating activities and financial instruments. The Group reviews the risk identifying method timely when the market environment changes and makes necessary adjustment to ensure the effective operation of the market risk management process. The Group’s risk management department identifies market risk factors and measures the market risk. The market risk factors refer to the factors which affect the interest rate, exchange rate or the fair value of equity instruments. The market risk factors include the position, profits and loss, loss from stress testing, PVO1, Delta, VaR, etc.

ii. Monitoring and reporting

The Group, within the framework of its overall risk appetite, shall define its market risk appetite and limits based on business strategy, Prevailing market conditions, and risk-adjusted returns. It shall assess the market risks faced by the company according to the results of regular risk assessments. The Risk Management Department shall continuously monitor the company’s financial market transactions on a daily basis in accordance with established risk monitoring procedures. This includes monitoring changes in positions, profit and loss fluctuations, trading patterns, and trading instruments. If any breaches of limits or abnormal conditions are identified, they must be promptly reported to senior management, and necessary actions must be taken.

The reporting principles are as follows:

- i) Regularly report the status of market risk monitoring to the Risk Management Committee providing sufficient information to enable effective oversight.
- ii) In the event of limit breaches or abnormal conditions, necessary information shall be provided according to the reporting structure for breaches or internal reporting procedures.
- iii) Regularly report to the Board of Directors and the Risk Management Committee regarding the risk status and concentration of the company’s investment portfolio to assist in evaluating whether strategic adjustments are needed.

iii. Stress testing

The stress testing is one of the important tools for risk management. It is used for verifying effects on the investment portfolio due to some extremely disadvantageous but possible stressful events and for analyzing exposure level and risk tolerance in such situations and furthermore evaluating the portfolio loss or the impact on the capital. The Group performs stress testing for forecasting risk and for assessment and reinforcement of statistical models or historical data limitations.

d) Trading book market risk management

The trading book refers to the position of financial instruments held for trading or hedging. The position of financial instruments held for trading refers to the position which earns profits from actual or expected short-term price fluctuations.

i. Strategy

The Group determines the risk limitation of the investment portfolio of trading book by evaluating trading strategy, trading category, and annual performance.

ii. Management policy and procedures

The Group follows “Market Risk Management Rules”, “Derivative Financial Trading Process” and various financial instrument related regulations as the important management rules of trading book.

iii. Valuation policy

The trading positions are valued on a real time or daily basis. The hedging derivatives are valued at least twice a month. The resources of fair value of financial instruments are categorized as: (1) those derived from quoted prices in active markets; (2) the latest price without active market; (3) valuation without active market.

iv. Risk measuring methods

i) The sensitivity of the interest rate changes of investment portfolio is measured by DVO1. The sensitivity of the foreign exchange derivatives is measured by the sensitivity factors (Delta, Gamma, and Vega).

ii) With regard to the Group’s Value at Risk assumptions and calculation methods, refer to item i.

iii) The Group performs the stress test quarterly and report the result to Risk Management Committee periodically.

e) Trading book interest rate risk management

i. Definition of interest rate risk

Interest rate risk is fair value changes in interest rate risk position held by the Group due to interest rate changes. The risks are mainly in debt securities and interest rate derivatives.

ii. Management procedures on trading book interest rate risk

The Group defines the trading limit of trading book and the stop-loss limit of different financial instruments by assessing the credit and the financial position of the issuers.

iii. Measuring methods

The interest rate factor sensitivity of debt securities and interest rate derivatives is measured by DVO1. With regard to the Group’s Value at Risk assumptions and calculation methods, refer to item i.

f) Banking book interest rate risk management

i. Definition of banking book interest rate risk

The Group's banking book interest rate risk means the unfavorable change of interest rate in its non-trading-book interest rate position which changes the present value of revenue and costs or assets and liabilities and causes decrease in earnings or impairment of economic value.

ii. Management strategy on banking book interest rate risk

According to the Group's interest rate risk management policy, the Group has set various measurement indicators and limits on banking book interest rate risk. To pursue profits and steady growth of stockholder value without exposure to extreme loss risks, the Group applies appropriate management strategy including on- and off-balance sheet adjustments and maintains appropriate amounts of assets and liabilities.

iii. Banking book interest rate risk report/range of measuring system

The Group mainly applies standard method for interest rate risk sensitivity gap analysis to measure banking book interest rate risks. The responsible department periodically measures banking book interest rate risks and reports to related departments and to the asset and liability management committee in order to adopt appropriate strategies for adjusting banking book interest rate risk combinations. Assessment information of banking book interest rate risk would be presented to the board of directors periodically to let the high-level management controls such risks.

g) Exchange rate risk management

i. Definition of exchange rate risk

Every financial derivative listed in the trading book is affected by changes in exchange rate risk factors that affect the profit and loss of the commodity, and all foreign exchange positions of the Bank must be included in the measurement. The exchange rate risk of the Bank is mainly due to the derivatives business, which includes spot and forward foreign exchange and exchange rate options. Most of the foreign exchange transactions that the Bank engages in are based on the principle of leveling customer positions on the same day. The exchange rate option is based on back-to-back transactions, so the exchange rate risk assumed is relatively small.

ii. Exchange rate risk management policy, procedures and measuring methods

To control exchange rate risk, the Bank has set operating limits and stop-loss limits for the trading rooms and traders of each unit and keeps losses within an acceptable range.

Exchange rate derivatives use Delta, Gamma, Vega, and other sensitivity factors to measure the sensitivity of such commodities to exchange rates and their volatility.

The exchange rate risk is mainly based on the risk value control basis; refer to item i.

h) Equity security price risk management

i. Definition of equity security price risk

Equity security price risk is the valuation effect on the position held by the Group when the equity security price changes. The Group's equity security price risk mainly comes from public and over-the-counter stock, index futures and options.

ii. Equity security price risk management purpose

Avoid drastic fluctuations in the price of equity securities, which may adversely affect the Bank's financial position or suffer loss of earnings and hope to improves the efficiency of capital utilization and business operations.

iii. Equity security price risk management procedures

The Group sets restrictions on credit extensions with the same person, the same concerned party or the same affiliate to control the risk concentration. Risk management department monitors unrealized gain or loss of the holding position daily. If unrealized loss is over the stop-loss threshold, risk management department would notice the department which holds the position to subject to the related regulations. The department which holds the position should report to risk management committee if unrealized loss is over the stop-loss threshold but the department still holds the position.

iv. Measuring methods

The equity security price risk of trading book is monitored and controlled by VaR, please refer to item i.

The Group would perform stress testing for the equity security price risk of non-trading position and report the result to risk management committee.

i) Market risk measuring method

i. Value at Risk, "VaR"

The Group uses VaR model and stress testing to evaluate the risk of trading portfolio the market risk and the maximum expected loss of positions held through assumptions of changing market situation. VaR is the statistical estimation of potential losses of existing positions arising from unfavorable market changes. VaR refers to the maximum potential loss that the Group might be exposed to within the confidence interval (99%), which means there is a certain probability (1%) that the actual loss would exceed VaR. Significant loss caused by excessive market volatility could not be avoided by using VaR.

The Group has been using historical simulation method to calculate VaR since January 27, 2014. The historical simulation method is based on historical data to estimate the future cash flow and assess the market risk of financial instrument. There are more and more financial institutions using the historical simulation method. However, there are some limitations for using the method. One of the limitations is that the assumption used in the method may not reflect the real situation. Besides, the simulation result may not be representative if the historical data used are too small. The Group would use proxy to respond to the limitations mentioned above.

According to the Group's "Risk Management Committee Establishment Points", the risk appetite of trading book market risk, operating limits and VaR limits should be approved by the risk management committee. VaR is an important internal risk control in the Group. The VaR limits of investment portfolio are approved annually by the risk management committee and reported to the board of directors. In addition, the daily actual VaR is monitored by the Group's risk management department.

ii. As of September 30, 2025 and 2024, the Group's VaR factors based on historical simulation method were as follows:

<b>For the Nine Months Ended September 30, 2025</b>				
	<b>Average</b>	<b>Highest</b>	<b>Lowest</b>	
	<b>Ending Balance</b>			
Exchange VaR	\$ 139,665	\$ 163,325	\$ 124,930	\$ 149,876
Interest rate VaR	11,609	29,963	3,539	22,810
Equity securities VaR	<u>11,271</u>	<u>16,047</u>	<u>4,762</u>	<u>11,698</u>
Value at risk	<u>\$ 162,545</u>	<u>\$ 209,335</u>	<u>\$ 133,231</u>	<u>\$ 184,384</u>

  

<b>For the Nine Months Ended September 30, 2024</b>				
	<b>Average</b>	<b>Highest</b>	<b>Lowest</b>	
	<b>Ending Balance</b>			
Exchange VaR	\$ 212,781	\$ 338,284	\$ 122,842	\$ 137,988
Interest rate VaR	14,994	68,533	1,670	23,080
Equity securities VaR	<u>5,209</u>	<u>8,782</u>	<u>3,466</u>	<u>7,223</u>
Value at risk	<u>\$ 232,984</u>	<u>\$ 415,599</u>	<u>\$ 127,978</u>	<u>\$ 168,291</u>

2) Primary foreign currencies

The significant foreign-currency financial assets and liabilities as of September 30, 2025, December 31, 2024 and September 30, 2024 were as follows:

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	<b>September 30, 2025</b>		
	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>New Taiwan Dollars</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 12,098,666	30.5350	\$ 369,432,766
GBP	54,565	41.0100	2,237,711
AUD	2,347,830	20.0800	47,144,426
HKD	387,224	3.9230	1,519,080
CAD	100,552	21.9400	2,206,111
CHF	41,308	38.2650	1,580,651
ZAR	1,561,970	1.7670	2,760,001
JPY	270,867,202	0.2053	55,609,037
EUR	1,246,688	35.7800	44,606,497
RMB	7,729,176	4.2830	33,104,061

(Continued)

	September 30, 2025		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 17,343,884	30.5350	\$ 529,595,498
GBP	49,120	41.0100	2,014,411
AUD	1,998,338	20.0800	40,126,627
HKD	729,786	3.9230	2,862,950
CAD	97,876	21.9400	2,147,399
ZAR	2,629,662	1.7670	4,646,613
JPY	253,673,592	0.2053	52,079,188
EUR	1,126,961	35.7800	40,322,665
NZD	102,862	17.6500	1,815,514
RMB	7,026,604	4.2830	30,094,945
			(Concluded)

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	December 31, 2024		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary items			
USD	\$ 9,699,030	32.7850	\$ 317,982,699
GBP	57,398	41.1800	2,363,650
AUD	1,962,081	20.4200	40,065,694
HKD	852,948	4.2220	3,601,146
CAD	69,869	22.8600	1,597,205
CHF	74,663	36.3050	2,710,640
ZAR	2,368,163	1.7440	4,130,076
JPY	259,629,148	0.2096	54,418,269
EUR	1,204,346	34.1400	41,116,372
NZD	99,777	18.5000	1,845,875
RMB	6,150,062	4.4840	27,576,878

Financial liabilities

	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Monetary items</u>			
USD			
GBP	15,395,692	32.7850	504,747,762
AUD	53,434	41.1800	2,200,412
HKD	1,396,258	20.4200	28,511,588
CAD	1,401,266	4.2220	5,916,145
CHF	92,730	22.8600	2,119,808
ZAR	39,560	36.3050	1,436,226
JPY	2,999,694	1.7440	5,231,466
EUR	254,423,680	0.2096	53,327,203
NZD	1,149,291	34.1400	39,236,795
RMB	87,614	18.5000	1,620,859
	6,843,662	4.4840	30,686,980

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	September 30, 2024		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary items			
USD	\$ 9,934,920	31.6000	\$ 313,943,472
GBP	156,117	42.3000	6,603,749
AUD	2,431,584	21.8700	53,178,742
HKD	482,309	4.0650	1,960,586
SGD	52,990	24.6800	1,307,793
CAD	69,045	23.3900	1,614,963
CHF	86,316	37.5550	3,241,597
ZAR	2,289,466	1.8460	4,226,354
JPY	226,208,862	0.2218	50,173,126
EUR	1,173,027	35.2800	41,384,393
NZD	114,717	20.110	2,306,959
RMB	7,238,681	4.5200	32,718,838
<u>Financial liabilities</u>			
Monetary items			
USD	16,772,377	31.6000	530,007,113
GBP	99,820	42.3000	4,222,386
AUD	1,750,720	21.8700	38,288,246
HKD	808,918	4.0650	3,288,252
CAD	69,314	23.3900	1,621,254
CHF	45,252	37.5550	1,699,439
ZAR	2,995,405	1.8460	5,529,518
JPY	235,681,101	0.2218	52,274,068
EUR	1,075,610	35.2800	37,947,521
NZD	92,737	20.1100	1,864,941
RMB	7,310,856	4.5200	33,045,069

For the three months ended September 30, 2025 and 2024, net foreign exchange gains were \$397,129 thousand and \$150,084 thousand, respectively. For the nine months ended September 30, 2025 and 2024, net foreign exchange gains were \$382,707 thousand and \$798,813 thousand, respectively. It is impractical to disclose net foreign exchange gains by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Bank and entities under its control.

3) Credit risk

a) Credit risk source and definition

Credit risk means the possible loss due to failure of debtors or counterparties to fulfill their contractual obligations or their ability to fulfill contractual obligations is impaired. Credit risk of the Group arises from the operation, on- and off-balance sheet items, including credit loans, derivatives transactions and securities investment, etc. Because the business becomes more complex, the credit risk is often generated with other risks that affect one another. For example, exchange rate risk also exists in foreign currency debt investment. Secured loans will be affected by the price volatility of the collateral and market liquidity risk of the collateral.

b) Credit risk management policy

The related mechanism and procedures for monitoring credit risk includes:

- i. The Group continuously improves its credit risk management technology and its efficiency to meet the requirements of internal operations, business scale and management objectives and buildup the risk management system that fits the requirement of accuracy and completeness of the Group's risk management technology.
- ii. The Group is building a complete monitoring mechanism, setting up a loan early warning system to track down bad indications and risk changes of high-risk credits, setting up "corporate clients' risk exposure and credit risk quick-search system" to understand the negative reporting and transactions with the Group in order to enhance the credit risk's identification, measurement and monitoring and improve the quality of risk management.
- iii. "Chang Hwa Bank Customer Credit Define Notice and Control Index Notice" has been developed to strengthen the control of customer credit risk and prevent the Bank's debts from being damaged.
- iv. To control concentration risk, the Group sets limits for statutory single creditors, related companies, stakeholders, industries, real estate, and high-risk industries in mainland China to monitor and control the overall credit risk. In addition, in order to effectively control the credit risk limit control of the Group's credit, securities investment and derivative financial product transactions with customers, the credit risk limit of the same legal person and group companies is distinguished according to the risk rating, so as to strengthen the Group's management on credit, investment and derivative financial product transactions.
- v. The Group actively utilizes the database system and related risk quantification tools to identify, measure and monitor risks. The Group also adjusts risk management policies and procedures in a timely manner to implement an independent and professional risk management mechanism, which enhances risk management effectiveness.
- vi. The Group implements strict and forward-looking credit risk stress testing to respond to the events or changes that may be unfavorable to the Group, in compliance with the requirements of the competent authority supervising risk management and to improve the effectiveness of the Group's risk management.
- vii. The Group is holding sessions and training in risk management to strengthen risk management intelligence and increase the Group's financial institution of loan.
- viii. Information on credit risk would be presented to the high-level management periodically.

The Group's expected credit loss and measuring methods for major business operations are described as follows:

- i. Credit business (including loan commitments and guarantees)

The various types of credit assets of the Group are classified as follows based on credit quality and internal and external ratings.

- i) A determined significant increase in credit risk since initial recognition.

At the end of every reporting period, the Group evaluates the risk of default on credit assets occurring over their expected lifetime to determine whether the credit risk has increased significantly since their initial recognition.

For this credit risk evaluation, the Group considers corroborative information (including forward-looking information) that indicates a significant increase in credit risk since the initial recognition of the credit assets. The key indicators include:

- Quantitative indicators

A change in internal credit rating

A financial instrument is determined as having a significant increase in credit risk since initial recognition if its internal credit rating is at the level of 16-18 or if the scoring of a housing loan debtor is lower than 340.

- Qualitative indicators

A credit account is rated as ordinary-overdue in accordance with the Group's "Detailed Rules for the Processing of Ordinary-overdue Accounts".

The result of the credit review shows that the credit application and the loan application are inconsistent.

A list of early warning accounts and the latest financial statements show a net worth of less than three-fourths of the share capital.

ii) Definition of the credit-impaired financial assets

A credit account that meets one of the following conditions is classified under Stage 3 (Credit impaired):

- The debtor's payment of the principal or interest is past due for more than 3 months from the end of the credit term; or the Group has already petitioned or withdrawn the debtor's collateral.
- The case has been agreed to be repaid in installments and is exempt from being listed as an overdue loan.
- The case was negotiated and adopted in accordance with the debt negotiation mechanism set by the Association of Banks in 2006.
- The case has been negotiated and agreed upon in accordance with "The Statute for Consumer Debt Clearance" (excluding secured debt fulfilled under the original contractual conditions).
- The case is ruled to undergo restructuring or liquidation by the court.
- The case is ruled to be restricted by the court.
- The case is declared bankrupt by the court.
- The case involves credit accounts of a debtor, excluding credit card accounts, which is partly transferred to class A and B non-performing loans (excluding the sixth item of class B: The credit account is totally guaranteed and the interest payment is not past due during the inheritance period after the death of the debtor and the collateral provider), as well as overdue loans or bad debt loans.

- Enterprises apply to Ministry of Economic Affairs for credit and debt negotiation in accordance with the “Operating Guidelines for Assisting Enterprises in Bank Credit and Debt Negotiation by the Ministry of Economic Affairs”.
- The case involves a credit account which has an internal credit rating at the level of 19-21.
- The case is a mortgage loan credit account of the Group which has no rating score.
- The case is a credit account which is determined as Stage 3 by the internal or external auditors, or the risk management department of the Group.

iii) Expected credit loss measurement

The Group classifies credit assets into the following nine categories by the credit risk characteristics of the debtor's industry and organization size:

<b>Business</b>	<b>Combination</b>
Corporate banking loans	Government
	Large enterprise
	Small enterprise
	Legal person/group
	Overseas credit account
	Other groups
Individual banking loans	Individual-residential loan group
	Individual-other groups (unsecured)
	Individual-other groups (secured)

The Group measures the expected credit loss as follows:

- Stage 1, no significant increase in credit risk

The Group measures the loss allowance for Stage 1 financial instruments at an amount equal to the 12-month ECLs based on past loss experience. The ECLs is the difference between the respective asset's EAD carrying amount and the present value of its estimated future cash flows, estimated at the forward-looking adjusted PD and discounted at the effective interest rate.

- Stage 2, significant increase in credit risk

The Group measures the loss allowance for Stage 2 financial instruments at an amount equal to the lifetime ECLs. The ECLs is the difference between the respective asset's EAD carrying amount and the present value of its computed outcome which is discounted at the effective interest rate. The computed outcome is the product of the unpaid principal for each year end over instruments expected lifetime, the forward-looking adjusted PD, and the LGD.

- Stage 3, credit impairment

The Group measures the loss allowance for Stage 3 financial instruments at an amount equal to the lifetime ECLs. The ECLs is the difference between the asset's EAD carrying amount and the present value of its estimated future cash flows, estimated assuming the credit impairment situation is given and discounted at effective interest rate.

The PD and EAD and LGD are used to measure the impairment loss for financial assets in the credit business:

- PD is meaning of using past credit-impaired situations to predict the probability of credit impairment in normal situation in a year. The PD for Stage 3 financial instruments is determined as 100%. The PD for Stages 1 and 2 are based on the categories and the remaining lifetime for each credit account. The credit accounts are divided into groups by remaining lifetimes. The PD of each group is determined as the PD of each credit quality stage. The Group shall update the probability of default at least once a year.
- The EAD is the total expected exposure amount of default which includes the unsecured line of credit.
- The exposure amount of impairment-tested off-balance sheet assets (i.e., guarantees, letters of credit issued yet unused, irrevocable loan commitments issued, and revocable loan commitments issued) is converted into the equivalent exposure amount of on-balance sheet assets through a credit conversion factor (CCF). The CCF is determined according to credit risk the standardized approach of the Capital Adequacy Ratio as either 0%, 20%, 50% or 100% by referring to the respective off-balance sheet item's characteristics.
- The LGD is one minus the present value of the annual recovery rate. The annual recovery rate refers to the annual recovery amount of principal (including litigation expenses) and interest over non-performing loans plus accrued interest and litigation expenses.

iv) Forward-looking information

The Group segments credit assets as either domestic banking, overseas corporate banking - overseas, and individual banking business. Macroeconomic indicators for segment are estimated using the domestic economic growth rate, global economic growth rate, economic growth rate in Southeast Asia and the domestic unemployment rate, respectively, and are updated at least once a year.

Macroeconomic indicators include the actual statistical value of the past five years and predicted value of the current year and the next five years at the time of calculation. The forward-looking adjusted PD is adjusted based on the reasonableness of each value's predicted trend.

The total amount of undiscounted ECLs at the time of initial recognition of the credit impaired financial assets - loans which were purchased or originated is as follows:

	<b>September 30</b>	
	<b>2025</b>	<b>2024</b>
Discounts and loans	<u>\$ 2,817,550</u>	<u>\$ 1,805,389</u>

ii. Call loans to banks

The Group evaluates the credit status of counterparties before deals are closed. The Group grants different limits to counterparties in the foreign exchange market and New Taiwan Dollar call loans to banks limit based on their respective credit ratings as suggested by domestic and foreign credit rating agencies. The Group efficiently manages the financial counterparties' credit risks through regular and special reviews, monitoring and reporting. Additionally, in accordance with the application of IFRS 9, the Group performs credit impairment assessments for call loans to banks, transfers the related credit losses to each of the three stages of credit impairment, and measures the related expected credit loss, so as to ensure adequate allowance for losses, in accordance with regulations.

iii. Debt instruments

The Group identifies and manages the credit risks from debt instruments through the use of external credit ratings of the debt instruments along with the evaluation of credit qualities of bonds, regional conditions and counterparty risks.

A change in an external credit rating announced by international credit rating institutions (e.g. S&P and Moody's) is one of the quantitative indicators for judging a significant increase in the credit risk of financial assets at amortized cost and investments in debt instruments at FVTOCI. The measurement of ECLs is calculated using the PD and LGD announced periodically by international credit rating institutions. The international credit rating institutions consider forward-looking information when establishing credit ratings. Thus, when the Group measures ECLs using such credit ratings it holds that an adequate evaluation of the forward-looking information, which was used by the institutions for establishing such credit rating, is inherent therein.

c) Credit risk hedging or mitigation policies

i. Collateral

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

ii. Credit line credit risks and control over concentration of credit risks

To avoid the concentration of credit risks, the Group has included credit limits for an individual (entity) and for related enterprises (group) in the guidelines for investment and regulations for risk control on equity investments. To manage the concentration risk on the assets, and the Group has set credit limits by industry, conglomerate, real estate loan, and high-risk industries in China. In accordance with risk ratings, differentiate between the credit risk limits of the same legal entity and the Group's enterprises in order to supervise the concentration of credit risk in these categories, and control single counterparties, related companies, industries, and the ultimate risk concentration of various types of credit risk by country. Various credit limits are regularly evaluated and revised in a timely manner based on the economic circumstances, financial environment, business development strategies, etc.

The table below analyzes the collateral held as security and other credit enhancements, and their financial effect in respect of the financial assets recognized in the Group's consolidated balance sheets:

September 30, 2025

	Carrying Amount	Maximum Exposure to Credit Risk Mitigated by			
		Collateral	Master Netting Arrangement	Other Credit Enhancements	Total
Discounts and loans	\$ 2,041,556,609	\$ 1,395,504,880	\$ -	\$ -	\$ 1,395,504,880
Financial assets at FVTPL	124,133,394	5,016,798	-	-	5,016,798
Investments in debt instruments at FVTOCI	294,507,019	11,733,807	-	-	11,733,807
Investments in debt instruments at amortized cost	517,000,245	-	-	-	-

December 31, 2024

	Carrying Amount	Maximum Exposure to Credit Risk Mitigated by			
		Collateral	Master Netting Arrangement	Other Credit Enhancements	Total
Discounts and loans	\$ 1,992,906,282	\$ 1,371,624,608	\$ -	\$ -	\$ 1,371,624,608
Financial assets at FVTPL	82,798,865	5,104,133	-	-	5,104,133
Investments in debt instruments at FVTOCI	276,516,373	10,225,407	-	-	10,225,407
Investments in debt instruments at amortized cost	512,721,202	-	-	-	-

September 30, 2024

	Carrying Amount	Maximum Exposure to Credit Risk Mitigated by			
		Collateral	Master Netting Arrangement	Other Credit Enhancements	Total
Discounts and loans	\$ 1,988,402,626	\$ 1,377,060,855	\$ -	\$ -	\$ 1,377,060,855
Financial assets at FVTPL	79,914,026	5,095,607	-	-	5,095,607
Investments in debt instruments at FVTOCI	264,251,256	9,822,581	-	-	9,822,581
Investments in debt instruments at amortized cost	472,944,365	-	-	-	-

The carrying amount of financial assets with maximum exposure is as follows:

	Discounts and Loans				
	September 30, 2025				
	Stage 1 12-month Expected Credit Losses	Stage 2 Lifetime Expected Credit Losses	Stage 3 Lifetime Expected Credit Losses	Total	
Credit rating					
Levels 1-15 (Note)	\$ 1,220,767,142	\$ 25,201,081	\$ 119,580	\$ 1,246,087,803	
Levels 16-18	-	46,649,289	1,321,126	47,970,415	
Levels 19-21	-	-	4,211,627	4,211,627	
No rating	739,036,845	2,521,528	1,728,391	743,286,764	
Total carrying amount	<u>\$ 1,959,803,987</u>	<u>\$ 74,371,898</u>	<u>\$ 7,380,724</u>	<u>\$ 2,041,556,609</u>	
Expected credit losses	\$ 3,261,548	\$ 2,887,875	\$ 2,017,724	\$ 8,167,147	
Recognized impairment based on the Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing Loans and Bad Debts				19,006,982	
				<u>\$ 27,174,129</u>	

Note: In addition to quantitative indicators, the Group takes qualitative indicators into consideration as well.

	Discounts and Loans			
	December 31, 2024			
	Stage 1 12-month Expected Credit Losses	Stage 2 Lifetime Expected Credit Losses	Stage 3 Lifetime Expected Credit Losses	Total
Credit rating				
Levels 1-15 (Note)	\$ 1,172,864,766	\$ 27,262,289	\$ 67,616	\$ 1,200,194,671
Levels 16-18	-	47,303,987	756,731	48,060,718
Levels 19-21	-	-	4,047,090	4,047,090
No rating	<u>736,986,198</u>	<u>1,989,261</u>	<u>1,628,344</u>	<u>740,603,803</u>
Total carrying amount	<u><u>\$ 1,909,850,964</u></u>	<u><u>\$ 76,555,537</u></u>	<u><u>\$ 6,499,781</u></u>	<u><u>\$ 1,992,906,282</u></u>
Expected credit losses	\$ 2,664,957	\$ 2,399,305	\$ 1,676,641	\$ 6,740,903
Recognized impairment based on the Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing Loans and Bad Debts				<u>18,245,355</u>
				<u><u>\$ 24,986,258</u></u>

Note: In addition to quantitative indicators, the Group takes qualitative indicators into consideration as well.

	Discounts and Loans			
	September 30, 2024			
	Stage 1 12-month Expected Credit Losses	Stage 2 Lifetime Expected Credit Losses	Stage 3 Lifetime Expected Credit Losses	Total
Credit rating				
Levels 1-15 (Note)	\$ 1,166,624,463	\$ 33,648,681	\$ 40,437	\$ 1,200,313,581
Levels 16-18	-	44,792,180	705,762	45,497,942
Levels 19-21	-	-	3,991,172	3,991,172
No rating	<u>735,278,346</u>	<u>1,715,101</u>	<u>1,606,484</u>	<u>738,599,931</u>
Total carrying amount	<u><u>\$ 1,901,902,809</u></u>	<u><u>\$ 80,155,962</u></u>	<u><u>\$ 6,343,855</u></u>	<u><u>\$ 1,988,402,626</u></u>
Expected credit losses	\$ 2,584,454	\$ 2,684,768	\$ 1,634,127	\$ 6,903,349
Recognized impairment based on the Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing Loans and Bad Debts				<u>17,923,565</u>
				<u><u>\$ 24,826,914</u></u>

Note: In addition to quantitative indicators, the Group takes qualitative indicators into consideration as well.

	Guarantees in Guarantee Business			
	September 30, 2025			
	Stage 1 12-month Expected Credit Losses	Stage 2 Lifetime Expected Credit Losses	Stage 3 Lifetime Expected Credit Losses	Total
Carrying amount	\$ 47,438,316	\$ 819,706	\$ 75,168	\$ 48,333,190
Expected credit losses	146,187	4,942	19,362	170,491

Guarantees in Guarantee Business				
December 31, 2024				
	Stage 1 12-month Expected Credit Losses	Stage 2 Lifetime Expected Credit Losses	Stage 3 Lifetime Expected Credit Losses	Total
Carrying amount	\$ 54,117,076	\$ 853,654	\$ 76,135	\$ 55,046,865
Expected credit losses	124,076	2,597	19,589	146,262

  

Guarantees in Guarantee Business				
September 30, 2024				
	Stage 1 12-month Expected Credit Losses	Stage 2 Lifetime Expected Credit Losses	Stage 3 Lifetime Expected Credit Losses	Total
Carrying amount	\$ 53,899,656	\$ 701,024	\$ 76,135	\$ 54,676,815
Expected credit losses	117,868	3,757	19,589	141,214

  

Loan Commitments				
September 30, 2025				
	Stage 1 12-month Expected Credit Losses	Stage 2 Lifetime Expected Credit Losses	Stage 3 Lifetime Expected Credit Losses	Total
Carry amount - non-cancellable	\$ 120,669,381	\$ 2,335,142	\$ 7,942	\$ 123,012,465
Carry amount - cancellable	<u>587,553,513</u>	<u>15,743,468</u>	<u>28,975</u>	<u>603,325,956</u>
	<u>\$ 708,222,894</u>	<u>\$ 18,078,610</u>	<u>\$ 36,917</u>	<u>\$ 726,338,421</u>
Expected credit losses - non-cancellable	\$ 96,161	\$ 18,088	\$ 808	\$ 115,057
Expected credit losses - cancellable	<u>50,589</u>	<u>475</u>	<u>133</u>	<u>51,197</u>
	<u>\$ 146,750</u>	<u>\$ 18,563</u>	<u>\$ 941</u>	<u>\$ 166,254</u>

  

Loan Commitments				
December 31, 2024				
	Stage 1 12-month Expected Credit Losses	Stage 2 Lifetime Expected Credit Losses	Stage 3 Lifetime Expected Credit Losses	Total
Carry amount - non-cancellable	\$ 102,029,946	\$ 1,621,113	\$ 279	\$ 103,651,338
Carry amount - cancellable	<u>644,126,588</u>	<u>13,673,414</u>	<u>6,886</u>	<u>657,806,888</u>
	<u>\$ 746,156,534</u>	<u>\$ 15,294,527</u>	<u>\$ 7,165</u>	<u>\$ 761,458,226</u>
Expected credit losses - non-cancellable	\$ 60,670	\$ 7,044	\$ 86	\$ 67,800
Expected credit losses - cancellable	<u>81,201</u>	<u>291</u>	<u>121</u>	<u>81,613</u>
	<u>\$ 141,871</u>	<u>\$ 7,335</u>	<u>\$ 207</u>	<u>\$ 149,413</u>

Loan Commitments September 30, 2024				
	Stage 1 12-month Expected Credit Losses	Stage 2 Lifetime Expected Credit Losses	Stage 3 Lifetime Expected Credit Losses	Total
Carry amount - non-cancellable	\$ 120,570,523	\$ 3,204,260	\$ 279	\$ 123,775,062
Carry amount - cancellable	<u>591,072,053</u>	<u>15,698,104</u>	<u>14,879</u>	<u>606,785,036</u>
	<u><u>\$ 711,642,576</u></u>	<u><u>\$ 18,902,364</u></u>	<u><u>\$ 15,158</u></u>	<u><u>\$ 730,560,098</u></u>
Expected credit losses - non-cancellable	\$ 74,574	\$ 6,002	\$ 87	\$ 80,663
Expected credit losses - cancellable	<u>82,826</u>	<u>403</u>	<u>115</u>	<u>83,344</u>
	<u><u>\$ 157,400</u></u>	<u><u>\$ 6,405</u></u>	<u><u>\$ 202</u></u>	<u><u>\$ 164,007</u></u>

d) Maximum exposure to credit risk

The maximum credit risk exposures of various financial instruments held by the Group are the same as per book amounts. Refer to the notes to the consolidated financial statements.

As of September 30, 2025, December 31, 2024 and September 30, 2024, the maximum exposures to credit risk (before deducting the guarantees or other credit enhancement instruments and the irrepealably maximum amount of exposure) were as follows:

Financial Instrument Type	September 30, 2025	December 31, 2024	September 30, 2024
Unused loan commitments (excluding credit card)	\$ 123,012,465	\$ 103,651,338	\$ 123,775,062
Credit card commitments	358,164	335,136	349,895
Unused issued letters of credit	18,315,546	17,588,646	21,543,478
Guarantees in guarantee business	48,333,190	55,046,865	54,676,815

e) Situation of credit risk concentration

Prominent concentration of credit risks occurs when transaction parties for financial instruments prominently concentrate on one party, or on a few that are in similar business lines or exhibit similar economic characteristics. The characteristics of concentration of credit risks include the nature of business activities engaged by debtors. The Group has not engaged in transactions that involved a prominent concentration to one client or one transaction party, but has engaged in transaction parties of similar industry type or from similar region.

The Group's information on prominent concentration of credit risk was as follows:

Industry Type	September 30, 2025	
	Carrying Amount	Percentage of Item (%)
Financial and insurance	\$ 143,073,278	7
Manufacturing	495,957,657	24
Wholesale and retail	188,611,589	9
Real estate and leasing	178,592,910	9
Service	44,327,630	2
Individuals	729,041,453	36
Others	<u>261,952,092</u>	13
	<u>\$ 2,041,556,609</u>	
Industry Type	December 31, 2024	
	Carrying Amount	Percentage of Item (%)
Financial and insurance	\$ 137,623,680	7
Manufacturing	479,452,700	24
Wholesale and retail	178,494,692	9
Real estate and leasing	166,708,347	8
Service	44,533,113	2
Individuals	714,642,151	36
Others	<u>271,451,599</u>	14
	<u>\$ 1,992,906,282</u>	
Industry Type	September 30, 2024	
	Carrying Amount	Percentage of Item (%)
Financial and insurance	\$ 140,183,104	7
Manufacturing	484,799,955	24
Wholesale and retail	178,356,737	9
Real estate and leasing	172,086,340	9
Service	42,666,322	2
Individuals	707,480,317	36
Others	<u>262,829,851</u>	13
	<u>\$ 1,988,402,626</u>	

<b>September 30, 2025</b>		
<b>Geographic Location</b>	<b>Carrying Amount</b>	<b>Percentage of Item (%)</b>
Asia	\$ 1,890,316,935	93
America	83,570,787	4
Europe	38,827,169	2
Others	<u>28,841,718</u>	1
	<u><u>\$ 2,041,556,609</u></u>	
<b>December 31, 2024</b>		
<b>Geographic Location</b>	<b>Carrying Amount</b>	<b>Percentage of Item (%)</b>
Asia	\$ 1,850,850,805	93
America	75,502,876	4
Europe	36,160,158	2
Others	<u>30,392,443</u>	1
	<u><u>\$ 1,992,906,282</u></u>	
<b>September 30, 2024</b>		
<b>Geographic Location</b>	<b>Carrying Amount</b>	<b>Percentage of Item (%)</b>
Asia	\$ 1,849,987,620	93
America	72,521,943	4
Europe	34,651,877	2
Others	<u>31,241,186</u>	1
	<u><u>\$ 1,988,402,626</u></u>	
<b>September 30, 2025</b>		
<b>Securities Type</b>	<b>Carrying Amount</b>	<b>Percentage of Item (%)</b>
Unsecured	\$ 646,051,729	32
Secured		
Properties	1,205,825,632	59
Others	<u>189,679,248</u>	9
	<u><u>\$ 2,041,556,609</u></u>	

<b>Securities Type</b>	<b>December 31, 2024</b>	
	<b>Carrying Amount</b>	<b>Percentage of Item (%)</b>
Unsecured	\$ 621,281,674	31
Secured		
Properties	1,175,062,801	59
Others	<u>196,561,807</u>	10
	<u><u>\$ 1,992,906,282</u></u>	
<b>Securities Type</b>	<b>September 30, 2024</b>	
	<b>Carrying Amount</b>	<b>Percentage of Item (%)</b>
Unsecured	\$ 611,341,771	31
Secured		
Properties	1,172,550,536	59
Others	<u>204,510,319</u>	10
	<u><u>\$ 1,988,402,626</u></u>	

f) Financial assets credit quality and non-performing impairment analysis

A portion of financial assets held by the Group, such as cash and cash equivalents, due from the Central Bank and call loans to banks, financial assets at FVTPL, securities investments purchased under resell agreements, refundable deposits, operating deposits, and settlement deposits are exposed to low credit risks because the counterparties have rather high credit ratings.

4) Liquidity risk management

a) The definition of liquidity risk

Liquidity risk refers to the risk that a bank may not be able to obtain sufficient funds in a timely manner at an acceptable cost to meet current or upcoming payment obligations (such as customer withdrawals, repayment of maturing debt, credit disbursements, or other cash outflows from interest, fees, or off-balance sheet transactions).

b) Liquidity risk management procedures

According to the Group's liquidity risk management policy, the Group clearly sets various indicators and limits for liquidity risk. The responsible department should implement operation procedures for funding liquidity, monitor and prepare maturity analysis periodically to assess liquidity risk. In addition, the responsible department should also report to related departments and asset and liability committee to enable them to make appropriate adjustments to meet the needs of liquidity. Related information about the liquidity risk assessment should be reported to the board of directors to let the high-level management understand the Group's funding liquidity.

As of September 30, 2025 and 2024, the ratios of the liquidity reserve were 29.33% and 26.75%, respectively. Since the capital and working funds are deemed sufficient to meet the cash flow needs for performance of all contracted obligations, liquidity risk is not considered to be significant.

c) Maturity analysis of non-derivative financial assets and liabilities

The Group adopted appropriate grouping methods, which are based on the nature of non-derivative financial assets and liabilities, to do maturity analysis in order to assess liquidity. The maturity analysis is presented as follows:

Item	September 30, 2025						(In Thousands of New Taiwan Dollars)
	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total	
Major maturity fund inflows							
Cash and cash equivalents	\$ 17,090,763	\$ -	\$ -	\$ -	\$ -	\$ 17,090,763	
Due from the Central Bank and call loans to banks	111,077,775	13,052,702	7,767,649	11,944,369	42,789,604	186,632,099	
Financial assets at FVTPL	116,366,119	-	-	-	159,784	116,525,903	
Receivables	22,961,268	1,159,479	802,956	999,625	121,921	26,045,249	
Discounts and loans	94,878,460	170,521,063	174,365,146	267,314,751	1,028,495,525	1,735,574,945	
Investments in equity instruments designated at FVTOCI	-	-	-	-	38,149,299	38,149,299	
Investments in debt instruments designated at FVTOCI	799,887	5,616,308	2,244,703	17,893,606	105,465,066	132,019,570	
Investments in debt instruments at amortized cost	174,200,000	35,875,425	31,764,076	63,206,459	56,775,229	361,821,189	
Other maturity funds inflow items	60,051	-	-	-	14,456,651	14,516,702	
	<u>537,434,323</u>	<u>226,224,977</u>	<u>216,944,530</u>	<u>361,358,810</u>	<u>1,286,413,079</u>	<u>2,628,375,719</u>	
Major maturity fund outflows							
Deposits from the Central Bank and banks	20,296,588	45,107,814	10,002,627	90,015,014	-	165,422,043	
Due to the Central Bank and banks	10,000	20,000	-	-	-	30,000	
Notes and bonds issued under repurchase agreement	729,675	533,109	157,398	-	-	1,420,182	
Payables	25,470,391	3,840,403	511,698	3,946,010	1,438,230	35,206,732	
Deposits and remittances	214,565,437	195,712,283	207,321,179	318,799,236	1,141,448,866	2,077,847,001	
Bank notes payable	-	-	-	3,300,000	38,470,000	41,770,000	
Other maturity fund outflow items	24,628	12,594	34,239	308,786	2,655,176	3,035,423	
	<u>261,096,719</u>	<u>245,226,203</u>	<u>218,027,141</u>	<u>416,369,046</u>	<u>1,184,012,272</u>	<u>2,324,731,381</u>	
Gap	<u>\$ 276,337,604</u>	<u>\$ (19,001,226)</u>	<u>\$ (1,082,611)</u>	<u>\$ (55,010,236)</u>	<u>\$ 102,400,807</u>	<u>\$ 303,644,338</u>	

Note: The amounts listed above were the position in N.T. dollars of the Group.

Item	December 31, 2024						(In Thousands of New Taiwan Dollars)
	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total	
Major maturity fund inflows							
Cash and cash equivalents	\$ 25,600,416	\$ -	\$ -	\$ -	\$ -	\$ 25,600,416	
Due from the Central Bank and call loans to banks	79,281,008	9,276,705	8,004,987	13,850,580	37,814,677	148,227,957	
Financial assets at FVTPL	71,560,854	-	-	-	114,751	71,675,605	
Receivables	18,785,848	1,243,216	1,573,883	799,552	125,065	22,527,564	
Discounts and loans	101,913,707	141,683,665	187,034,878	271,259,513	1,000,123,042	1,702,014,805	
Investments in equity instruments designated at FVTOCI	-	-	-	-	33,639,396	33,639,396	
Investments in debt instruments designated at FVTOCI	-	99,243	2,067,706	9,051,107	119,919,371	131,137,427	
Investments in debt instruments at amortized cost	194,574,935	14,202,626	43,450,101	64,634,962	40,787,183	357,649,807	
Other maturity funds inflow items	-	-	-	-	14,669,868	14,669,868	
	<u>491,716,768</u>	<u>166,505,455</u>	<u>242,131,555</u>	<u>359,595,714</u>	<u>1,247,193,353</u>	<u>2,507,142,845</u>	
Major maturity fund outflows							
Deposits from the Central Bank and banks	129,496	20,018	1,815	120,119,237	-	120,270,566	
Due to the Central Bank and banks	20,000	10,000	-	-	-	30,000	
Notes and bonds issued under repurchase agreement	832,274	686,956	-	-	-	1,519,230	
Payables	15,916,065	712,227	2,666,785	2,548,848	3,001,090	24,845,015	
Deposits and remittances	173,321,091	243,595,511	210,428,500	364,092,624	993,311,796	1,984,749,522	
Bank notes payable	-	-	-	3,000,000	37,770,000	40,770,000	
Other maturity fund outflow items	19,596	37,542	26,989	267,564	2,711,112	3,062,803	
	<u>190,238,522</u>	<u>245,062,254</u>	<u>213,124,089</u>	<u>490,028,273</u>	<u>1,036,793,998</u>	<u>2,175,247,136</u>	
Gap	<u>\$ 301,478,246</u>	<u>\$ (78,556,799)</u>	<u>\$ 29,007,466</u>	<u>\$ (130,432,559)</u>	<u>\$ 210,399,355</u>	<u>\$ 331,895,709</u>	

Note: The amounts listed above were the position in N.T. dollars of the Group.

(In Thousands of New Taiwan Dollars)

Item	September 30, 2024					
	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Major maturity fund inflows						
Cash and cash equivalents	\$ 16,119,932	\$ -	\$ -	\$ -	\$ -	\$ 16,119,932
Due from the Central Bank and call loans to banks	98,796,310	8,164,672	8,542,358	14,020,249	35,858,230	165,381,819
Financial assets at FVTPL	73,767,342	-	-	-	115,750	73,883,092
Receivables	18,076,397	1,707,019	1,226,337	1,483,316	130,640	22,623,709
Discounts and loans	99,908,688	178,409,988	186,674,606	251,038,244	985,452,329	1,701,483,855
Investments in equity instruments designated at FVTOCI	-	-	-	-	35,961,415	35,961,415
Investments in debt instruments designated at FVTOCI	-	549,024	1,393,292	5,439,025	118,376,226	125,757,567
Investments in debt instruments at amortized cost	167,800,000	26,370,000	10,180,312	76,247,073	39,013,253	319,610,638
Other maturity funds inflow items	-	-	-	-	14,358,455	14,358,455
	<u>474,468,669</u>	<u>215,200,703</u>	<u>208,016,905</u>	<u>348,227,907</u>	<u>1,229,266,298</u>	<u>2,475,180,482</u>
Major maturity fund outflows						
Deposits from the Central Bank and banks	246,930	106,304	-	55,028,825	-	55,382,059
Due to the Central Bank and banks	10,000	20,000	-	-	-	30,000
Notes and bonds issued under repurchase agreement	574,084	903,719	90,952	-	-	1,568,755
Payables	44,301,498	3,670,425	513,047	2,803,769	1,904,196	53,192,935
Deposits and remittances	183,813,138	220,633,789	231,406,831	379,799,281	970,491,056	1,986,144,095
Bank notes payable	-	-	-	-	40,770,000	40,770,000
Other maturity fund outflow items	<u>15,565</u>	<u>52,212</u>	<u>39,114</u>	<u>262,014</u>	<u>3,252,563</u>	<u>3,621,468</u>
	<u>228,961,215</u>	<u>225,386,449</u>	<u>232,049,944</u>	<u>437,893,889</u>	<u>1,016,417,815</u>	<u>2,140,709,312</u>
Gap	<u>\$ 245,507,454</u>	<u>\$ (10,185,746)</u>	<u>\$ (24,033,039)</u>	<u>\$ (89,665,982)</u>	<u>\$ 212,848,483</u>	<u>\$ 334,471,170</u>

Note: The amounts listed above were the position in N.T. dollars of the Group.

(In Thousands of United States Dollars)

Item	September 30, 2025					
	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Major maturity fund inflows						
Cash and cash equivalents	\$ 164,717	\$ -	\$ -	\$ -	\$ -	\$ 164,717
Due from the Central Bank and call loans to banks	1,368,729	413,840	122,616	50,789	3,230	1,959,204
Financial assets at FVTPL	75,711	-	-	-	758	76,469
Receivables	326,327	72,868	123,217	27,025	16,512	565,949
Discounts and loans	486,498	387,393	474,206	433,820	5,025,089	6,807,006
Investments in debt instruments designated at FVTOCI	27,877	10,928	107,649	657,926	3,977,904	4,782,284
Investments in debt instruments at amortized cost	-	-	4,000	10,009	3,119,466	3,133,475
Other maturity fund inflow items	<u>574</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,066</u>	<u>14,640</u>
	<u>2,450,433</u>	<u>885,029</u>	<u>831,688</u>	<u>1,179,569</u>	<u>12,157,025</u>	<u>17,503,744</u>
Major maturity fund outflows						
Deposits from the Central Bank and banks	10,017	-	-	-	-	10,017
Due to the Central Bank and banks	3,647,002	1,677,500	30,000	1,000	-	5,355,502
Payables	613,194	68,439	14,886	6,609	8,421	711,549
Deposits and remittances	4,116,918	4,974,873	2,606,491	1,791,372	2,595,101	16,084,755
Other maturity fund outflow items	<u>71,699</u>	<u>1,000</u>	<u>1,000</u>	<u>4,375</u>	<u>41,367</u>	<u>119,441</u>
	<u>8,458,830</u>	<u>6,721,812</u>	<u>2,652,377</u>	<u>1,803,356</u>	<u>2,644,889</u>	<u>22,281,264</u>
Gap	<u>\$ (6,008,397)</u>	<u>\$ (5,836,783)</u>	<u>\$ (1,820,689)</u>	<u>\$ (623,787)</u>	<u>\$ 9,512,136</u>	<u>\$ (4,777,520)</u>

Note: The amounts listed above were the position in U.S. dollars of the Group.

(In Thousands of United States Dollars)

Item	December 31, 2024					
	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Major maturity fund inflows						
Cash and cash equivalents	\$ 96,246	\$ -	\$ -	\$ -	\$ -	\$ 96,246
Due from the Central Bank and call loans to banks	646,690	145,558	43,128	51,330	62,908	949,614
Financial assets at FVTPL	46,078	-	-	-	-	46,078
Receivables	301,610	117,117	103,510	18,922	18,643	559,802
Discounts and loans	510,087	343,201	388,502	290,152	4,538,059	6,070,001
Investments in debt instruments designated at FVTOCI	-	71,767	97,401	125,829	3,486,171	3,781,168
Investments in debt instruments at amortized cost	-	-	-	128,098	2,818,104	2,946,202
Other maturity fund inflow items	-	-	-	-	9,890	9,890
	<u>1,600,711</u>	<u>677,643</u>	<u>632,541</u>	<u>614,331</u>	<u>10,933,775</u>	<u>14,459,001</u>
Major maturity fund outflows						
Deposits from the Central Bank and banks	9,767	-	-	-	46	9,813
Due to the Central Bank and banks	1,892,836	766,000	20,000	-	-	2,678,836
Notes and bonds issued under repurchase agreement	-	301,500	-	-	-	301,500
Payables	499,724	88,696	19,098	13,241	32	620,791
Deposits and remittances	3,700,028	5,516,773	2,551,337	2,336,773	2,420,182	16,525,093
Other maturity fund outflow items	43,959	5,838	1,200	2,000	71,353	124,350
	<u>6,146,314</u>	<u>6,678,807</u>	<u>2,591,635</u>	<u>2,352,014</u>	<u>2,491,613</u>	<u>20,260,383</u>
Gap	<u>\$ (4,545,603)</u>	<u>\$ (6,001,164)</u>	<u>\$ (1,959,094)</u>	<u>\$ (1,737,683)</u>	<u>\$ 8,442,162</u>	<u>\$ (5,801,382)</u>

Note: The amounts listed above were the position in U.S. dollars of the Group.

(In Thousands of United States Dollars)

Item	September 30, 2024					
	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Major maturity fund inflows						
Cash and cash equivalents	\$ 99,176	\$ -	\$ -	\$ -	\$ -	\$ 99,176
Due from the Central Bank and call loans to banks	1,155,445	658,797	94,875	91,645	62,832	2,063,594
Financial assets at FVTPL	46,589	-	-	-	-	46,589
Receivables	478,556	108,447	121,414	22,222	14,698	745,337
Discounts and loans	535,254	489,761	433,584	367,451	4,322,413	6,148,463
Investments in debt instruments designated at FVTOCI	38,954	7,491	71,537	184,595	3,432,262	3,734,839
Investments in debt instruments at amortized cost	111,924	-	-	127,235	2,823,817	3,062,976
Other maturity fund inflow items	-	-	-	-	13,010	13,010
	<u>2,465,898</u>	<u>1,264,496</u>	<u>721,410</u>	<u>793,148</u>	<u>10,669,032</u>	<u>15,913,984</u>
Major maturity fund outflows						
Deposits from the Central Bank and banks	5,166	-	-	-	46	5,212
Due to the Central Bank and banks	3,095,442	296,000	-	20,000	-	3,411,442
Payables	476,429	99,673	27,396	18,720	1,193	623,411
Deposits and remittances	3,845,191	5,469,770	3,286,425	2,872,913	2,556,425	18,030,724
Other maturity fund outflow items	43,011	7,854	2,838	2,700	34,830	91,233
	<u>7,465,239</u>	<u>5,873,297</u>	<u>3,316,659</u>	<u>2,914,333</u>	<u>2,592,494</u>	<u>22,162,022</u>
Gap	<u>\$ (4,999,341)</u>	<u>\$ (4,608,801)</u>	<u>\$ (2,595,249)</u>	<u>\$ (2,121,185)</u>	<u>\$ 8,076,538</u>	<u>\$ (6,248,038)</u>

Note: The amounts listed above were the position in U.S. dollars of the Group.

d) Maturity analysis of derivative financial assets and liabilities

The derivative instruments held by the Group, except for interest rate swaps with leveraging effects, have very little probabilities of failing to be sold with reasonable prices in the market, and thus have very low liquidity risks.

(New Taiwan Dollars and Foreign Currencies Combined In Thousands of New Taiwan Dollars)

Item	September 30, 2025					
	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Foreign currency derivative instruments						
Outflows	\$ 100,672,490	\$ 151,954,840	\$ 32,749,789	\$ 53,510,443	\$ 1,577,669	\$ 340,465,231
Inflows	100,809,732	153,236,624	33,138,681	54,118,476	1,612,230	342,915,743
Interest rate derivative instruments						
Inflows	706,008	-	-	-	-	706,008
Others						
Inflows	27,118	-	-	-	-	27,118
Total outflows	\$ 100,672,490	\$ 151,954,840	\$ 32,749,789	\$ 53,510,443	\$ 1,577,669	\$ 340,465,231
Total inflows	\$ 101,542,858	\$ 153,236,624	\$ 33,138,681	\$ 54,118,476	\$ 1,612,230	\$ 343,648,869

(New Taiwan Dollars and Foreign Currencies Combined In Thousands of New Taiwan Dollars)

Item	December 31, 2024					
	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Foreign currency derivative instruments						
Outflows	\$ 123,091,246	\$ 165,588,927	\$ 78,056,770	\$ 42,342,869	\$ -	\$ 409,079,812
Inflows	124,981,775	168,358,315	79,679,141	43,466,842	-	416,486,073
Interest rate derivative instruments						
Inflows	645,345	-	-	-	-	645,345
Others						
Inflows	16,220	-	-	-	-	16,220
Total outflows	\$ 123,091,246	\$ 165,588,927	\$ 78,056,770	\$ 42,342,869	\$ -	\$ 409,079,812
Total inflows	\$ 125,643,340	\$ 168,358,315	\$ 79,679,141	\$ 43,466,842	\$ -	\$ 417,147,638

(New Taiwan Dollars and Foreign Currencies Combined In Thousands of New Taiwan Dollars)

Item	September 30, 2024					
	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Foreign currency derivative instruments						
Outflows	\$ 103,865,243	\$ 179,563,401	\$ 107,360,768	\$ 46,424,568	\$ 6,952	\$ 437,220,932
Inflows	103,773,969	179,312,030	108,305,067	46,868,735	6,578	438,266,379
Interest rate derivative instruments						
Inflows	1,060,017	-	-	-	-	1,060,017
Others						
Inflows	16,780	-	-	-	-	16,780
Total outflows	\$ 103,865,243	\$ 179,563,401	\$ 107,360,768	\$ 46,424,568	\$ 6,952	\$ 437,220,932
Total inflows	\$ 104,850,766	\$ 179,312,030	\$ 108,305,067	\$ 46,868,735	\$ 6,578	\$ 439,343,176

e) Maturity analysis of off-balance sheet items

Group's off-balance sheet items - irrevocable loans, guarantees, and letters of credit presented based on the residual time from the balance sheet date to the maturity date were as follows:

(In Thousands of New Taiwan Dollars)

Item	September 30, 2025					
	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Unused loan commitments (excluding credit cards)	\$ 106,910,241	\$ 331,288	\$ 180,682	\$ 4,904,853	\$ 10,685,401	\$ 123,012,465
Credit card commitments	3	25	64	233	357,839	358,164
Unused issued letters of credit	18,247,699	67,847	-	-	-	18,315,546
Guarantees in guarantee business	46,770,826	687,016	61,247	150,861	663,240	48,333,190
	\$ 171,928,769	\$ 1,086,176	\$ 241,993	\$ 5,055,947	\$ 11,706,480	\$ 190,019,365

(In Thousands of New Taiwan Dollars)

Item	December 31, 2024					
	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Unused loan commitments (excluding credit cards)	\$ 90,215,479	\$ 1,305,179	\$ 1,723,704	\$ 2,071,388	\$ 8,335,588	\$ 103,651,338
Credit card commitments	7	45	66	278	334,740	335,136
Unused issued letters of credit	17,332,746	255,900	-	-	-	17,588,646
Guarantees in guarantee business	52,621,167	45,252	1,930,280	43,943	406,223	55,046,865
	\$ 160,169,399	\$ 1,606,376	\$ 3,654,050	\$ 2,115,609	\$ 9,076,551	\$ 176,621,985

(In Thousands of New Taiwan Dollars)

Item	September 30, 2024					
	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Unused loan commitments (excluding credit cards)	\$ 109,887,568	\$ 2,469,252	\$ 913,597	\$ 3,001,780	\$ 7,502,865	\$ 123,775,062
Credit card commitments	10	45	70	290	349,480	349,895
Unused issued letters of credit	21,031,148	512,330	-	-	-	21,543,478
Guarantees in guarantee business	52,365,123	-	45,200	1,990,339	276,153	54,676,815
	\$ 183,283,849	\$ 2,981,627	\$ 958,867	\$ 4,992,409	\$ 8,128,498	\$ 200,345,250

#### 34. OTHER DISCLOSURES OF FINANCIAL INSTITUTION

##### a. Asset quality

Business Type	Item	September 30, 2025					September 30, 2024				
		Non-performing Loans (Note a)	Loans	Non-performing Loans Ratio (Note b)	Allowance for Loan Losses	Coverage Ratio (Note c)	Non-performing Loans (Note a)	Loans	Non-performing Loans Ratio (Note b)	Allowance for Loan Losses	Coverage Ratio (Note c)
Corporate finance	Secured	\$ 1,946,306	\$ 668,415,169	0.29%	\$ 8,907,347	457.65%	\$ 1,829,586	\$ 670,365,546	0.27%	\$ 8,087,037	442.01%
	Unsecured	198,965	626,433,474	0.03%	8,175,097	4108.81%	165,593	592,565,209	0.03%	6,981,569	4216.10%
Consumer finance	Mortgage loans (Note d)	594,935	482,298,146	0.12%	7,282,878	1224.15%	464,871	464,235,787	0.10%	7,000,887	1505.98%
	Cash cards (Note h)	-	-	-	-	-	-	-	-	-	-
	Credit loans (Note e)	13,722	5,166,388	0.27%	71,889	523.90%	18,102	4,423,732	0.41%	58,543	323.41%
	Others (Note f)	Secured Unsecured	474,350 434	239,601,464 1,975,455	0.20% 0.02%	2,441,051 25,564	514.61% 5890.32%	604,370 259	237,680,818 1,139,981	0.25% 0.02%	2,415,679 13,326
Total		3,228,712	2,023,890,096	0.16%	26,903,826	833.27%	3,082,781	1,970,411,073	0.16%	24,557,041	796.59%

Business Type	Item	September 30, 2025					September 30, 2024				
		Non-performing Loans (Note a)	Loans	Non-performing Loans Ratio (Note b)	Allowance for Loan Losses	Coverage Ratio (Note c)	Non-performing Loans (Note a)	Loans	Non-performing Loans Ratio (Note b)	Allowance for Loan Losses	Coverage Ratio (Note c)
Credit card		\$ 6,061	\$ 3,210,042	0.19%	\$ 24,750	408.35%	\$ 5,933	\$ 4,637,220	0.13%	\$ 23,064	388.74%
No recourse receivable factoring (Note g)		-	3,894,339	-	88,943	-	-	5,207,380	-	102,074	-

Note a: Non-performing loans are classified in accordance with the Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Past Due/Non-performing Loans and Bad Debts issued by the MOF. Non-performing loans of credit cards are defined in the Letter issued by the Banking Bureau on July 6, 2005 (Ref. No. Jin-Guan-Yin (4) 0944000378).

Note b: Non-performing loans ratio = Non-performing loan ÷ Loans.

Non-performing loans of credit card ratio = Non-performing loans of credit cards ÷ Accounts receivable.

Note c: Coverage ratio of allowances for loan losses = Allowances for loan losses ÷ Non-performing loans.

Coverage ratio of allowance for loan losses of credit card = Allowance for loan losses of credit card ÷ Non-performing loans of credit cards.

Note d: Mortgage loans are for borrowers to build or repair buildings, allowing the borrowers, their spouses or their minor children to fully use their buildings as collateral and to mortgage their rights to financial institutions.

Note e: Credit loans are defined in the Letter issued by the Banking Bureau on December 19, 2005 (Ref. No. Jin-Guan-Yin (4) 09440010950), excluding credit loans of credit cards and cash cards.

Note f: The other consumer financial businesses are defined as secured or unsecured consumer financial businesses, excluding mortgage loans, cash cards, credit loans and credit cards.

Note g: In accordance with the Letter issued by the Banking Bureau on July 19, 2005 (Ref. No. Jin-Guan-Yin (5) 094000494) non-recourse factorings are not defined as non-performing loans until compensation from factors or insurance companies are ascertained to be non-recoverable.

Note h: The Bank does not engage in cash cards business.

Item Business Type	September 30, 2025		September 30, 2024	
	Non-performing Loans Exempted from Reporting	Non-performing Receivables Exempted from Reporting	Non-performing Loans Exempted from Reporting	Non-performing Receivables Exempted from Reporting
Negotiated loans transacted in accordance with the agreement and exempted from reporting as non-performing loans (Note a)	\$ -	\$ 87	\$ -	\$ 121
Negotiated accounts receivable transacted in accordance with the agreement and exempted from reporting as non-performing receivables (Note b)	1,781	18,818	1,454	16,084
Total	1,781	18,905	1,454	16,205

Note a: Negotiated loans and accounts receivable transacted in accordance with the agreement and exempted from reporting as non-performing loans are disclosed in accordance with the Letter issued by Banking Bureau on April 25, 2006 (Ref. No. Jin-Guan-Yin (1) 09510001270).

Note b: Loans and receivables transacted in accordance with debt clearance and renewal regulation and exempted from reporting as non-performing loans or receivables are disclosed in accordance with the Letter issued by Banking Bureau on September 15, 2008 (Ref. No. Jin-Guan-Yin (1) 09700318940).

b. Concentration of credit risk

September 30, 2025			
Rank (Note a)	Transaction Party (Note b)	Loans (Note c)	As Proportion of Net Equity (%) (Note d)
1	A Group (other holdings industry)	\$ 21,159,249	9.96
2	B Corporation (railway transportation industry)	19,431,712	9.14
3	C Group (other holdings industry)	19,302,748	9.08
4	D Group (uncategorized other financial service)	16,626,600	7.82
5	E Group (steel manufacturing industry)	12,020,040	5.66
6	F Group (integrated circuit manufacturing)	11,488,600	5.41
7	G Group (chemical materials industry)	11,285,817	5.31
8	H Group (real estate development industry)	10,032,000	4.72
9	I Group (real estate development industry)	8,850,719	4.17
10	J Group (air transportation industry)	8,751,391	4.12

September 30, 2024			
Rank (Note a)	Transaction Party (Note b)	Loans (Note c)	As Proportion of Net Equity (%) (Note d)
1	B Corporation (railway transportation industry)	\$ 19,402,761	9.71
2	A Group (other holdings industry)	16,756,391	8.39
3	C Group (steel smelting industry)	16,263,735	8.14
4	D Group (uncategorized other financial service)	14,659,650	7.34
5	K Group (liquid crystal panel and components manufacturing industry)	12,563,928	6.29
6	G Group (chemical materials industry)	12,203,400	6.11
7	E Group (steel manufacturing industry)	11,107,833	5.56
8	F Group (integrated circuit manufacturing)	9,602,223	4.81
9	J Group (air transportation industry)	9,508,548	4.76
10	H Group (real estate development industry)	8,892,000	4.45

Note a: Sorted by the balance of loans on September 30, 2025 and 2024, excluding government or state-run business. The number of transaction party which belongs to a group business was included in the balance of group business.

Note b: Transaction party is in accordance with article 6 of the Supplementary Provisions to the Taiwan Stock Exchange Corporation Criteria for Review of Securities Listings.

Note c: Loans include import and export bill negotiations, bills discounted, overdraft, short-term loan, short-term secured loan, accounts receivable financing, medium-term loan, medium-term secured loan, long-term loan, long-term secured loan, delinquent loans, inward remittances, factoring without recourse, acceptance, and guarantee.

Note d: The percentage of loans to equity for the period: Domestic banks should use bank equity to calculate; the Taiwan branch of foreign banks should use branch's equity to calculate.

c. Interest rate sensitivity

Item	September 30, 2025				
	1-90 Days	91-180 Days	181 Days-1 Year	More Than 1 Year	Total
Interest-sensitive assets	\$ 2,162,166,645	\$ 61,173,616	\$ 116,551,668	\$ 173,772,234	\$ 2,513,664,163
Interest-sensitive liabilities	734,590,933	1,271,023,829	191,475,338	53,087,835	2,250,177,935
Interest sensitivity gap	1,427,575,712	(1,209,850,213)	(74,923,670)	120,684,399	263,486,228
Net equity					178,281,094
Ratio of interest-sensitive assets to liabilities					111.71%
Ratio of interest sensitivity gap to net equity					147.79%

(In Thousands of New Taiwan Dollars; %)

Item	September 30, 2024				
	1-90 Days	91-180 Days	181 Days-1 Year	More Than 1 Year	Total
Interest-sensitive assets	\$ 1,976,817,406	\$ 40,998,670	\$ 96,133,360	\$ 246,761,838	\$ 2,360,711,274
Interest-sensitive liabilities	607,882,399	1,230,812,148	156,308,080	52,202,602	2,047,205,229
Interest sensitivity gap	1,368,935,007	(1,189,813,478)	(60,174,720)	194,559,236	313,506,045
Net equity					170,160,724
Ratio of interest-sensitive assets to liabilities					115.31%
Ratio of interest sensitivity gap to net equity					184.24%

Note a: The amounts listed above include accounts in N.T. dollars only (i.e. excluding foreign currency) for both head office and domestic branches.

Note b: Interest-sensitive assets and liabilities are interest-earning assets and interest-bearing liabilities with income or cost affected by interest rate fluctuations.

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

Note d: Ratio of interest-sensitive assets to interest-sensitive liabilities =  $\frac{\text{Interest-sensitive assets}}{\text{Interest-sensitive liabilities}}$

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

Item	September 30, 2025				
	1-90 Days	91-180 Days	181 Days-1 Year	More Than 1 Year	Total
Interest-sensitive assets	\$ 17,186,439	\$ 917,046	\$ 584,210	\$ 5,641,039	\$ 24,328,734
Interest-sensitive liabilities	25,395,562	2,312,488	1,250,059	-	28,958,109
Interest sensitivity gap	(8,209,123)	(1,395,442)	(665,849)	5,641,039	(4,629,375)
Net equity					808,181
Ratio of interest-sensitive assets to liabilities					84.01%
Ratio of interest sensitivity gap to net equity					(572.81%)

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

Item	September 30, 2024				
	1-90 Days	91-180 Days	181 Days-1 Year	More Than 1 Year	Total
Interest-sensitive assets	\$ 14,688,139	\$ 978,502	\$ 344,014	\$ 5,322,476	\$ 21,333,131
Interest-sensitive liabilities	22,292,558	2,995,474	2,341,348	-	27,629,380
Interest sensitivity gap	(7,604,419)	(2,016,972)	(1,997,334)	5,322,476	(6,296,249)
Net equity					688,205
Ratio of interest-sensitive assets to liabilities					77.21%
Ratio of interest sensitivity gap to net equity					(914.88%)

Note a: The amounts listed above include accounts in U.S. dollars only for domestic branches, offshore banking unit (OBU), and overseas branches, excluding contingent assets and contingent liabilities.

Note b: Interest-sensitive assets and liabilities are interest-earning assets and interest-bearing liabilities with income or cost affected by interest rate fluctuations.

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

Note d: Ratio of interest-sensitive assets to interest-sensitive liabilities =  $\frac{\text{Interest-sensitive assets}}{\text{Interest-sensitive liabilities}}$

d. Profitability

Item	September 30, 2025	September 30, 2024
Return on total assets	Pretax	0.52%
	After tax	0.43%
Return on net equity	Pretax	8.18%
	After tax	6.84%
Profit margin	41.04%	35.07%

Note a: Return on total assets = 
$$\frac{\text{Income before (after) tax}}{\text{Average assets}}$$

Note b: Return on net equity = 
$$\frac{\text{Income before (after) tax}}{\text{Average net equity}}$$

Note c: Profit margin = 
$$\frac{\text{Income after tax}}{\text{Net revenue and gains}}$$

Note d: Profitability presented above is cumulative from January 1 to September 30 of 2025 and 2024, respectively.

e. Maturity analysis of assets and liabilities

(In Thousands of New Taiwan Dollars)

	Total	September 30, 2025					
		Period Remaining until Due Date and Amount Due					
		0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	More Than 1 Year
Major maturity cash inflows	\$ 2,747,728,974	\$ 353,025,107	\$ 197,353,301	\$ 275,082,585	\$ 222,223,791	\$ 377,327,408	\$ 1,322,716,782
Major maturity cash outflows	3,347,041,005	128,923,552	244,176,629	452,256,166	373,308,933	707,047,397	1,441,328,328
Gap	(599,312,031)	224,101,555	(46,823,328)	(177,173,581)	(151,085,142)	(329,719,989)	(118,611,546)

(In Thousands of New Taiwan Dollars)

	Total	September 30, 2024					
		Period Remaining until Due Date and Amount Due					
		0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	More Than 1 Year
Major maturity cash inflows	\$ 2,623,681,750	\$ 364,006,503	\$ 138,969,105	\$ 260,837,258	\$ 232,958,601	\$ 361,456,556	\$ 1,265,453,727
Major maturity cash outflows	3,217,358,130	142,323,345	191,379,979	475,454,698	457,360,928	759,465,077	1,191,374,103
Gap	(593,676,380)	221,683,158	(52,410,874)	(214,617,440)	(224,402,327)	(398,008,521)	74,079,624

Note: The amounts listed above include accounts in N.T. dollars only (i.e., excluding foreign currency) for both head office and domestic branches.

(In Thousands of U.S. Dollars)

	Total	September 30, 2025					
		Period Remaining until Due Date and Amount Due					
		1-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	More Than 1 Year	
Major maturity cash inflows	\$ 32,996,837	\$ 12,173,707	\$ 4,554,137	\$ 1,699,148	\$ 2,346,628	\$ 12,223,217	
Major maturity cash outflows	36,966,297	16,578,919	8,416,636	3,406,736	3,548,842	5,015,164	
Gap	(3,969,460)	(4,405,212)	(3,862,499)	(1,707,588)	(1,202,214)	7,208,053	

(In Thousands of U.S. Dollars)

	Total	September 30, 2024					
		Period Remaining until Due Date and Amount Due					
		1-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	More Than 1 Year	
Major maturity cash inflows	\$ 32,072,662	\$ 10,662,177	\$ 5,644,031	\$ 3,335,790	\$ 1,806,796	\$ 10,623,868	
Major maturity cash outflows	36,270,928	14,813,314	7,398,121	4,945,436	4,973,111	4,140,946	
Gap	(4,198,266)	(4,151,137)	(1,754,090)	(1,609,646)	(3,166,315)	6,482,922	

Note: The amounts listed above include accounts in U.S. dollars for head office, branches and OBU.

f. Non-performing loan selling information

September 30, 2025							
Transaction Date	Trading Partners	Non-Perform Loan Composition	Book Value	Price	Distribution Profit	Accompanying	Relationship
2025.08.28	HIGHGATE 2 HOTEL LLC	International lending (foreign currency medium-term secured loan-real estate secured)	\$ -	\$ 965,356	\$ 965,356 (including fees and other branch income totaling NT\$269,123 thousand)	None	None
2025.6.12	United Overseas Bank Ltd. New York Agency	International lending (foreign currency unsecured loan)	-	191,869	191,869	None	None

g. Trust accounts

Under Article 3 of the Trust Law, the Bank can offer trust services. The items and amounts of trust accounts as of September 30, 2025 and 2024 were as follows:

	September 30	
	2025	2024
Special purpose trust accounts - domestic	\$ 43,659,303	\$ 41,258,487
Special purpose trust accounts - foreign	106,822,775	101,330,286
Insurance trust	10,174	10,050
Care and nurturing trust	1,254,740	1,211,145
Umbilical cord blood trust	17,579,844	16,706,348
Money claim and guarantee trust	39,800	44,800
Marketable securities trust	2,566,786	1,614,950
Real estate trust	61,089,717	49,234,047
Securities under custody	786,630,667	633,226,725
Other money trust	<u>7,164,816</u>	<u>6,286,215</u>
	<u>\$ 1,026,818,622</u>	<u>\$ 850,923,053</u>

### 35. RELATED PARTY TRANSACTIONS

a. Related parties and their relationships with the Bank

Name	Relationship
Director and managers	The Bank's director and managers
Chunghwa Post Co., Ltd.	The Bank's corporate director
The Export-Import Bank	Its director is the Bank's corporate director
Land Bank	Its director is the Bank's corporate director
Taiwan Business Bank	Its director is the Bank's corporate director
CPC Corporation, Taiwan	Its director is the Bank's corporate director representative
Taiwan High Speed Rail Corporation	Its director is the Bank's corporate director
Yang Ming Marine Transport Corporation	Its director is the Bank's corporate director
Quaser Machine Tools, Inc.	Its director is the Bank's corporate director
CSBC Corporation	Its director is the Bank's corporate director

(Continued)

<b>Name</b>	<b>Relationship</b>
Lungteh Shipbuilding Co., Ltd.	Its director is the Bank's corporate director
TSEC Corporation	Its director is the Bank's corporate director
China Metal Products Co., Ltd.	Its director is the Bank's director
ScinoPharm Taiwan, Ltd.	Its director is the Bank's corporate director
Others	Other related parties (IAS 24 "Related Party Disclosures)
	(Concluded)

b. Significant transactions with related parties

1) Loans

	<b>Balance</b>	<b>Percentage of Loans (%)</b>
Balance as of September 30, 2025	\$ 36,181,144	1.80
Balance as of December 31, 2024	40,654,497	2.07
Balance as of September 30, 2024	37,435,949	1.91

For the nine months ended September 30, 2025 and 2024, interest rates ranged from 1.72% to 5.71% and from 1.46% to 6.85%, and interest income was \$601,806 thousand and \$634,223 thousand, respectively.

For the three months ended September 30, 2025 and 2024, interest income was \$203,345 thousand and \$197,011 thousand, respectively.

	<u>September 30, 2025</u>						Difference in Terms Between Related Parties and Non-related Parties
	Ending Balance	Highest Amount	Normal Loans	Non-performing Loans	Collateral		
<u>Consumer loans</u>							
45 accounts	\$ 24,561	\$ 25,889	\$ 24,561	\$ -	Credit		None
<u>Self-use residential mortgage loans</u>							
270 accounts	2,331,845	2,419,668	2,331,845	- -	Real estate		None
<u>Others</u>							
Taiwan High Speed Rail Corporation	19,308,161	19,308,161	19,308,161	- -	station equipment		None
CPC Corporation	12,500,000	30,000,000	12,500,000	- -	Credit		None
CSBC Corporation	1,150,163	5,171,781	1,150,163	- -	Credit		None
TSEC Corporation	306,834	458,525	306,834	- -	Credit and land and plant		None
China Metal Products Co., Ltd.	200,000	1,200,000	200,000	- -	land and plant		None
Other - corporation 11 accounts (Note 1)	359,196	1,354,664	359,196	- -	Credit and fund guarantee and real estate		None
Other - individual 2 accounts (Note 2)	384	469	384	- -	Deposits		None

	December 31, 2024						Difference in Terms Between Related Parties and Non-related Parties	
	Ending Balance	Highest Amount	Normal Loans	Non-performing Loans	Collateral			
<u>Consumer loans</u>								
35 accounts	\$ 16,824	\$ 17,933	\$ 16,824	\$ -	Credit			None
<u>Self-use residential mortgage loans</u>								
242 accounts	1,977,139	2,032,531	1,977,139	-	Real estate			None
<u>Others</u>								
Taiwan High Speed Rail Corporation	19,308,161	19,308,161	19,308,161	-	station equipment			None
CPC Corporation	17,500,000	52,500,000	17,500,000	-	Credit			None
CSBC Corporation	1,162,546	2,940,285	1,162,546	-	Credit			None
TSEC Corporation	331,173	682,475	331,173	-	Credit and land and plant			None
Other - corporation 11 accounts (Note 1)	328,737	3,372,815	328,737	-	Credit and fund guarantee and real estate			None
Other - individual 5 accounts (Note 2)	29,917	31,059	29,917	-	Deposits			None
 <u>September 30, 2024</u>								
	Ending Balance	Highest Amount	Normal Loans	Non-performing Loans	Collateral			
<u>Consumer loans</u>								
34 accounts	\$ 16,150	\$ 17,231	\$ 16,150	\$ -	Credit			None
<u>Self-use residential mortgage loans</u>								
242 accounts	1,940,731	2,002,933	1,940,731	-	Real estate			None
<u>Others</u>								
CPC Corporation	14,000,000	46,500,000	14,000,000	-	Credit			None
Taiwan High Speed Rail Corporation	19,308,161	19,308,161	19,308,161	-	station equipment			None
CSBC Corporation	1,154,423	2,701,080	1,154,423	-	Credit			None
TSEC Corporation	438,518	611,483	438,518	-	Credit and land and plant			None
China Metal Products Co., Ltd.	200,000	712,500	200,000	-	land and plant			None
Other - corporation 11 accounts (Note 1)	375,241	2,513,652	375,241	-	Credit and fund guarantee and real estate			None
Other - individual 3 accounts (Note 2)	2,725	4,263	2,725	-	Deposits			None

Note 1: The balance of each corporate entity does not exceed \$0.1 billion.

Note 2: The balance of each single entity does not exceed 1% of the total ending balance.

Mortgage loans to managers within \$8,000 thousand and credit loans within \$800 thousand per person all bore interests were 1.89% on September 30, 2025, December 31, 2024 and September 30, 2024, respectively. The interest rates and other terms provided to the other related parties are the same as those offered to the public.

2) Guaranteed loans

September 30, 2025						
	Ending Balance	Highest Amount	Reserve for Guarantee Liabilities	Interest Rate (Per Annum %)	Collateral	
Yang Ming Marine Transport Corporation	\$ 251,688	\$ 503,375	\$ 2,517	0.80	None	
CSBC Corporation	214,032	1,992,982	2,140	0.50-0.65	None	
Lungteh Shipbuilding Co., Ltd.	101,396	101,396	1,014	1.00-1.20	None	

  

December 31, 2024						
	Ending Balance	Highest Amount	Reserve for Guarantee Liabilities	Interest Rate (Per Annum %)	Collateral	
CSBC Corporation	\$ 1,992,982	\$ 2,027,094	\$ 19,930	0.50-0.65	None	
Yang Ming Marine Transport Corporation	503,375	1,008,925	5,034	0.80	None	
Lungteh Shipbuilding Co., Ltd.	97,524	97,524	975	1.00-1.20	None	

  

September 30, 2024						
	Ending Balance	Highest Amount	Reserve for Guarantee Liabilities	Interest Rate (Per Annum %)	Collateral	
CSBC Corporation	\$ 2,010,038	\$ 2,027,094	\$ 20,100	0.50-0.65	None	
Yang Ming Marine Transport Corporation	1,008,925	1,008,925	10,089	0.80-1.00	None	
Lungteh Shipbuilding Co., Ltd.	73,260	73,260	733	1.00-1.20	None	

3) Deposits

	Balance	Percentage of Loans (%)
Balance as of September 30, 2025	\$ 42,411,203	1.58
Balance as of December 31, 2024	28,861,900	1.10
Balance as of September 30, 2024	37,149,243	1.39

For the nine months ended September 30, 2025 and 2024, the interest rates intervals were both between 0.00% to 13.00%; the interest expense was \$1,057,417 thousand and \$640,973 thousand, respectively. For the three months ended September 30, 2025 and 2024, the interest expense was \$277,214 thousand and \$238,107 thousand, respectively.

The interest rate for managers' deposits amounting to \$480 thousand per person was 13% per annum. The part of deposit exceeding \$480 thousand will earn interest calculated at the demand savings rate. The interest rates and other terms provided to the other related parties are the same as those offered to general public.

4) Transactions of derivative financial products

(In Thousands of New Taiwan Dollars)

Name	Contract	Duration	September 30, 2025			Balance Sheet	
			Nominal Principle Amount	Current Valuation Gain (Loss)	Subject	Amount	
Chunghwa Post Co., Ltd.	Currency swaps	2024.10.11-2026.9.21	\$ 20,397,380	\$ (296,172)	Financial liability at fair value through profit or loss	\$ 156,852	
Quaser Machine Tools, Inc.	Currency forward	2025.7.14-2025.12.19	26,154	721	Financial asset at fair value through profit or loss	721	
Scinopharm Taiwan, Ltd.	Currency forward	2025.8.14-2025.10.23	18,016	412	Financial asset at fair value through profit or loss	412	

(In Thousands of New Taiwan Dollars)

Name	Contract	Duration	December 31, 2024			Balance Sheet	
			Nominal Principle Amount	Current Valuation Gain (Loss)	Subject	Amount	
Chunghwa Post Co., Ltd.	Currency swaps	2024.04.12-2025.11.13	\$ 21,900,380	\$ 707,749	Financial assets at fair value through profit or loss	\$ 707,749	
Scinopharm Taiwan, Ltd.	Currency forward	2024.12.11-2025.2.13	\$ 51,472	430	Financial assets at fair value through profit or loss	430	

(In Thousands of New Taiwan Dollars)

Name	Contract	Duration	September 30, 2024			Balance Sheet	
			Nominal Principle Amount	Current Valuation Gain (Loss)	Subject	Amount	
Chunghwa Post Co., Ltd.	Currency swaps	2024.04.11-2025.09.24	\$ 21,108,800	\$ (190,871)	Financial liability at fair value through profit or loss	\$ 190,871	
Scinopharm Taiwan, Ltd.	Currency forward	2024.08.30-2024.11.28	30,652	(246)	Financial liability at fair value through profit or loss	246	
Quaser Machine Tools, Inc.	Currency forward	2024.09.19-2024.12.23	32,978	(294)	Financial liability at fair value through profit or loss	294	

5) Call loans to banks and call loans from banks

Call loans to banks

(In Thousands of Original Currencies)

Name	Department	Currency	Ending Balance	Interest Rate (Per Annum %)	September 30, 2025		For the Nine Months Ended September 30, 2025 Interest Income	For the Nine Months Ended September 30, 2025 Interest Income
					2025 Interest Income	2025 Interest Income		
The Export-Import Bank	DBU	NTD	\$ 1,500,000	1.41-1.57	\$ 5,365	\$ 11,274		
Land Bank	DBU	NTD	25,000	1.00-1.69	1,001	7,597		
	OBU	AUD	10,010	3.80	10	10		
	Singapore Branch	USD	50,000	4.40-4.49	465	465		
	Hong Kong Branch	USD	20,000	4.32-4.60	243	851		
Taiwan Business Bank	Singapore Branch	USD	30,000	4.30-4.40	132	132		
	Tokyo Branch	USD	20,000	4.38-4.54	228	641		

(In Thousands of Original Currencies)

December 31, 2024						
Name	Department	Currency	Ending Balance	Interest Rate (Per Annum %)	Interest Income	
Land Bank	DBU	NTD	\$ 25,000	0.69-1.68	\$ 2,964	
	OBU	USD	10,000	4.61-5.90	3,070	
Taiwan Business Bank	OBU	USD	20,000	4.60-5.71	1,199	

  

September 30, 2024						
Name	Department	Currency	Ending Balance	Interest Rate (Per Annum %)	For the Three Months Ended September 30, 2024 Interest Income	For the Nine Months Ended September 30, 2024 Interest Income
The Export-Import Bank	DBU	NTD	\$ 1,000,000	1.33-1.55	\$ 682	\$ 1,822
Land Bank	DBU	NTD	25,000	0.69-1.66	103	2,091
	OBU	USD	120,000	4.90-5.90	145	2,701
	Hong Kong Branch	USD	50,000	5.36-6.00	954	2,141
Taiwan Business Bank	DBU	NTD	4,000,000	1.33-1.45	1,876	9,668
	OBU	USD	30,000	5.35-5.71	163	828
	OBU	JPY	1,300,000	0.02-0.21	137	166
	Singapore Branch	USD	20,000	5.48	170	170
	Tokyo Branch	USD	20,000	5.38-5.63	282	571
	Hong Kong Branch	USD	20,000	4.92-5.78	103	348

### Call loans from banks

(In Thousands of Original Currencies)						
September 30, 2025						
Name	Department	Currency	Ending Balance	Interest Rate (Per Annum %)	For the Three Months Ended September 30, 2025 Interest Expense	For the Nine Months Ended September 30, 2025 Interest Expense
Land Bank	DBU	NTD	\$ 5,000	1.66-1.68	\$ 21	\$ 62
	DBU	USD	10,000	4.49-4.50	95	189
Taiwan Business Bank	Los Angeles Branch	USD	62,000	4.15-4.45	137	172
	OBU	HKD	100,000	1.85-4.35	211	772
	New York Branch	USD	45,000	4.12-4.60	293	514
	Los Angeles Branch	USD	60,000	4.28-4.40	45	50
	London Branch	USD	30,000	4.20-4.40	49	54

  

December 31, 2024						
Name	Department	Currency	Ending Balance	Interest Rate (Per Annum %)	Interest Expense	
Land Bank	DBU	NTD	\$ 5,000	0.70-1.68	\$ 1,976	
	OBU	HKD	18,000	4.30	40	
Taiwan Business Bank	OBU	HKD	100,000	4.20-4.35	187	

  

September 30, 2024						
Name	Department	Currency	Ending Balance	Interest Rate (Per Annum %)	For the Three Months Ended September 30, 2024 Interest Expense	For the Nine Months Ended September 30, 2024 Interest Expense
Land Bank	DBU	NTD	\$ 5,000	0.70-1.63	\$ 133	\$ 1,399
	New York Branch	USD	138,000	4.90-5.83	85	341
Taiwan Business Bank	OBU	AUD	31,000	4.10-4.75	49	51

6) Due from banks and deposits from banks

Due from banks

(In Thousands of New Taiwan Dollars)						
Name	Department	Currency	September 30,	December 31,	September 30,	
			2025	2024	2024	Ending Balance
Land Bank	DBU	NTD	\$ 9	\$ 9	\$ 9	9
Taiwan Business Bank	DBU	NTD	6	13		4
Chunghua Post Co., Ltd.	DBU	NTD		261	134	98

Deposits from banks

(In Thousands of New Taiwan Dollars)						
Name	Department	Currency	September 30,	December 31,	September 30,	
			2025	2024	2024	Ending Balance
Land Bank	DBU	NTD	\$ 275	\$ 275	\$ 275	275
The Export-Import Bank	DBU	NTD	3,108	3,420		2,525
Chunghua Post Co., Ltd.	DBU	NTD	165,189,157	120,160,203		55,212,564

c. Compensation of directors and management personnel

	For the Three Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 14,428	\$ 14,719	\$ 43,953	\$ 41,569
Post-employment benefits	<u>557</u>	<u>554</u>	<u>13,164</u>	<u>1,455</u>
	<u><u>\$ 14,985</u></u>	<u><u>\$ 15,273</u></u>	<u><u>\$ 57,117</u></u>	<u><u>\$ 43,024</u></u>

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

d. Others

The Bank signed three-year legal advice service contract with its subsidiary, Chang Hwa Bank Venture Capital Co., Ltd., on December 26, 2022. Under the contract, the annual service fee is \$73 thousand.

The Bank signed three-year information system service contracts in the amounts of \$4,410 thousand and \$68 thousand each on April 6, 2022 and February 15, 2022, with its subsidiaries Chang Hua Commercial Bank, Ltd. and Chang Hwa Bank Venture Capital Co., Ltd. In 2025, the Bank recognized other income according to the former contract in the amount of \$1,389 thousand.

The Bank signed three-year information system service contracts in the amounts of \$82 thousand and \$4,526 thousand each on January 2, 2025 and February 13, 2025, with its subsidiaries Chang Hwa Bank Venture Capital Co., Ltd. and Chang Hua Commercial Bank, Ltd.

## 36. PLEDGED ASSETS

The summary of the Group's pledged assets as of September 30, 2025, December 31, 2024 and September 30, 2024 is as follows:

Pledged Assets	Description	September 30, 2025	December 31, 2024	September 30, 2024
Investments in debt instruments designated at FVTOCI	Bonds	\$ 1,842,793	\$ 1,502,453	\$ 1,606,305
Investments in debt instruments at amortized cost	Bonds and certificates of deposits	41,300,000	41,463,925	41,458,000
Guarantee deposits paid	Cash	905,612	920,987	917,214

## 37. CONTINGENT LIABILITIES AND COMMITMENTS

a. In addition to those mentioned in Note 7, the Group had the following contingent liabilities and commitments as of September 30, 2025, December 31, 2024 and September 30, 2024:

	September 30, 2025	December 31, 2024	September 30, 2024
Trust liabilities	\$ 1,026,818,622	\$ 974,781,762	\$ 850,923,053
Unused loan commitments (excluding credit cards)	123,012,465	103,651,338	123,775,062
Credit card commitments	358,164	335,136	349,895
Unused issued letters of credit	18,315,546	17,588,646	21,543,478
Guarantees in guarantee business	48,333,190	55,046,865	54,676,815
Repayment notes and times deposit held for custody	18,485,183	19,781,507	19,352,446
Liabilities on joint loans	46,546	70,601	79,261

The unrecognized commitments for the acquisition of equipment and intangible assets, as well as the commitments for construction, appointment and security service and consultant appointment contracts as of September 30, 2025 were \$704,619 thousand, \$3,444,001 thousand, \$450,958 thousand, \$41,643 thousand and \$14,640 thousand, respectively.

b. The former financial advisor of our bank's North Taichung branch was penalized for embezzling customer deposits. The customer has filed a lawsuit against our bank at the Taichung District Court for the amount embezzled by the manager and the losses incurred from the investment products. The Taichung District Court held a hearing on September 24, 2025, and is scheduled to continue the hearing on December 31, 2025.

## 38. DISCLOSURES UNDER STATUTORY REQUIREMENTS

### a. Material transactions

No.	Item	Explanation
1	Accumulated purchases and sales balance of specific investees' marketable security over NT\$300 million or 10% of outstanding capital for the nine months ended September 30, 2025	None
2	Acquisition of fixed assets over NT\$300 million or 10% of outstanding capital for the nine months ended September 30, 2025	None
3	Disposal of fixed assets over NT\$300 million or 10% of outstanding capital for the nine months ended September 30, 2025	None
4	Discount on fees income from related parties over NT\$5 million	None
5	Receivables from related parties over NT\$300 million or 10% of outstanding capital as of September 30, 2025	None
6	Sale of NPL	Note 34
7	Securitized instruments and related assets which are in accordance with the Statute for Financial Assets Securitization and the Statute for Real Estate Securitization	None
8	Other significant transactions which may affect decisions of the users of the financial statements	None

### b. Information on the Bank's investees

No.	Item	Explanation
1	Investees' names, locations, etc.	Table 1
2	Capital lending to another party	None
3	Endorsement for another party	None
4	Marketable securities held as of September 30, 2025	Table 2
5	Accumulated purchases and sales balance of specific marketable security over NT\$300 million or 10% of outstanding capital for the nine months ended September 30, 2025	None
6	Acquisition of Fixed assets over NT\$300 million or 10% of outstanding capital for the nine months ended September 30, 2025	None
7	Disposal of Fixed assets over NT\$300 million or 10% of outstanding capital for the nine months ended September 30, 2025	None
8	Receivables from related parties over NT\$300 million or 10% of outstanding capital as of September 30, 2025	None
9	Derivative instrument	None
10	Discount on fees income from related parties over NT\$5 million	None
11	Sale of NPL by subsidiary	None
12	Other significant transactions which may affect decisions of the users of the financial statements	None

### c. Investment in mainland China: Table 3

### d. Intercompany relationships and significant intercompany transactions: Table 4

### e. Information of major shareholders: The name of the shareholder, shareholding amount and ratio of shareholders with a shareholding ratio more than 5%. (Table 5)

## 39. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of services provided.

### a. Segment revenue and results

	For the Nine Months Ended September 30, 2025						
	Loans	Deposits	Financial Instruments and Investments	Wealth Management	Overseas Branches and Subsidiaries	Others	Total
Net income of interest	\$ 11,251,702	\$ 11,415,103	\$ (5,854,528)	\$ -	\$ 3,008,150	\$ (22,453)	\$ 19,797,974
Net service fee income	1,305,719	122,452	(36,154)	4,057,736	70,996	-	5,520,749
Net income on financial instrument	-	-	8,113,404	-	516,827	-	8,630,231
Others	12,899	-	3,393	-	7,574	506,236	530,102
Net revenue and gains	12,570,320	11,537,555	2,226,115	4,057,736	3,603,547	483,783	34,479,056
Bad debts expense, commitment and guarantee liability provision	(2,284,761)	-	94	-	620,251	-	(1,664,416)
Operating expense							(15,877,820)
Income before income tax							\$ 16,936,820
	For the Nine Months Ended September 30, 2024						
	Loans	Deposits	Financial Instruments and Investments	Wealth Management	Overseas Branches and Subsidiaries	Others	Total
Net income of interest	\$ 11,194,195	\$ 11,766,540	\$ (8,863,903)	\$ -	\$ 2,745,549	\$ (19,471)	\$ 16,822,910
Net service fee income	1,620,134	106,359	(35,089)	3,659,250	84,025	-	5,434,679
Net income on financial instrument	-	-	9,379,719	-	125,364	-	9,505,083
Others	26,086	-	1,968	-	3,675	276,917	308,646
Net revenue and gains	12,840,415	11,872,899	482,695	3,659,250	2,958,613	257,446	32,071,318
Bad debts expense, commitment and guarantee liability provision	(2,196,488)	-	(68)	-	(750,659)	-	(2,947,215)
Operating expense							(15,126,617)
Income before income tax							\$ 13,997,486

All amounts represent transactions with external customers. No inter-segment sales occurred during the nine-month periods ended September 30, 2025 and 2024.

This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

### b. Segment total assets and liabilities

	September 30, 2025						
	Loans	Deposits	Financial Instruments and Investments	Wealth Management	Overseas Branches and Subsidiary	Others	Total
Assets	\$ 1,833,055,033	\$ -	\$ 1,115,026,857	\$ -	\$ 265,413,012	\$ 141,628,333	\$ 3,355,123,235
Liabilities	\$ 1,428,069	\$ 2,753,904,364	\$ 94,392,157	\$ -	\$ 209,111,795	\$ 83,801,261	\$ 3,142,637,646
December 31, 2024							
	Loans	Deposits	Financial Instruments and Investments	Wealth Management	Overseas Branches and Subsidiary	Others	Total
Assets	\$ 1,814,455,843	\$ -	\$ 1,002,324,039	\$ -	\$ 256,005,523	\$ 99,935,726	\$ 3,172,721,131
Liabilities	\$ 1,780,747	\$ 2,663,698,932	\$ 93,034,064	\$ -	\$ 166,602,680	\$ 46,207,320	\$ 2,971,323,743
September 30, 2024							
	Loans	Deposits	Financial Instruments and Investments	Wealth Management	Overseas Branches and Subsidiary	Others	Total
Assets	\$ 1,818,403,643	\$ -	\$ 992,440,342	\$ -	\$ 266,650,203	\$ 89,635,491	\$ 3,167,129,679
Liabilities	\$ 1,496,986	\$ 2,629,490,842	\$ 78,884,062	\$ -	\$ 189,579,739	\$ 67,860,208	\$ 2,967,311,837

**TABLE 1****CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES**

**INFORMATION ON INVESTEES' NAMES AND LOCATIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025**  
(In Thousands of New Taiwan Dollars, Except for Percentage and Shares)

Investor	Investees' Names	Investees' Location	Line of Business	Original Investment Amount		Ending Balance			Net Income (Loss) of Current Period	Recognized Income (Loss) of Current Period	Note
				End of September 30, 2025	End of December 31, 2024	Number of Shares	Percentage of Ownership (%)	Book Value			
Chang Hwa Bank	Chang Hua Commercial Bank, Ltd. Chang Hwa Bank Venture Capital Co., Ltd.	Mainland China Taiwan	Banking Venture capital	\$ 12,117,288 1,258,694	\$ 12,117,288 1,155,676	Note 125,869,403	100 100	\$ 13,487,312 1,474,453	\$ 53,622 174,771	\$ 53,622 174,771	

Note: Limited company organization.

**TABLE 2****CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES****MARKETABLE SECURITIES HELD****SEPTEMBER 30, 2025**

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	September 30, 2025				Note
				Number of Shares	Carrying Amount (Note 3)	Percentage of Ownership (%)	Fair Value	
Chang Hwa Bank Venture Capital Co., Ltd. (CHBVC)	Jada International Development Co., Ltd.	CHBVC is its director	Financial assets at fair value through other comprehensive income	2,919,378	\$ 33,777	8.52	\$ 33,777	
	Package Plus Sustainable Integration Co., Ltd		Financial assets at fair value through other comprehensive income	256,411	10,177	2.93	10,177	
	Digit Spark Co., Ltd.		Financial assets at fair value through other comprehensive income	275,000	8,720	1.30	8,720	
	Daiken Biomedical Co., Ltd.		Financial assets at fair value through profit or loss	20,000	3,960	0.02	3,960	
	Starlux Airlines Co., Ltd.		Financial assets at fair value through profit or loss	800,000	19,760	0.03	19,760	
	Trio Technology International Group Co., Ltd.		Financial assets at fair value through profit or loss	414,000	62,100	0.83	62,100	
	Mercuries F&B Co., Ltd.		Financial assets at fair value through profit or loss	333,000	13,953	0.50	13,953	
	Yuh Shan Environmental Engineering Co., Ltd.		Financial assets at fair value through profit or loss	182,764	6,561	0.55	6,561	
	Ina Energy Corporation		Financial assets at fair value through profit or loss	1,440,000	41,890	0.65	41,890	
	Imedtac Co., Ltd.		Financial assets at fair value through profit or loss	300,000	15,657	1.64	15,657	
	Ace Medical Technology Co., Ltd-Preferred stock		Financial assets at fair value through profit or loss	1,000,000	-	4.90	-	
	Minima Technology Co., Ltd.		Financial assets at fair value through profit or loss	570,000	5,603	1.44	5,603	
	Sunpower Energy Technology Co., Ltd.		Financial assets at fair value through profit or loss	1,269,825	84,189	3.45	84,189	
	Outstanding Management Consultants Co., Ltd.		Financial assets at fair value through profit or loss	117,040	1,550	19.00	1,550	
	Glory Wheel Enterprise Co., Ltd.		Financial assets at fair value through profit or loss	394,108	32,837	0.93	32,837	
	Red Sunrise Co., Ltd.		Financial assets at fair value through profit or loss	1,309,677	54,011	8.48	54,011	
	P-Waver Inc.		Financial assets at fair value through profit or loss	588,000	22,844	3.84	22,844	
	Champ-Ray Industrial Co., Ltd.		Financial assets at fair value through profit or loss	508,000	54,356	1.68	54,356	
	Anji Pharmaceutical Co., Ltd.		Financial assets at fair value through profit or loss	500,000	23,530	0.53	23,530	
	Techplasma Technology Co., Ltd.		Financial assets at fair value through profit or loss	210,000	8,627	0.63	8,627	
	Jhu Jian Catering Co., Ltd.		Financial assets at fair value through profit or loss	300,000	11,175	0.59	11,175	
	Andros Pharmaceuticals Co., Ltd.		Financial assets at fair value through profit or loss	1,000,000	19,873	2.20	19,873	
	WiAdvance Technology Corporation		Financial assets at fair value through profit or loss	200,000	27,610	0.88	27,610	
	GEOSAT Aerospace & Technology Inc.		Financial assets at fair value through profit or loss	700,000	19,783	0.55	19,783	
	Zeitec Semiconductor Co., Ltd.		Financial assets at fair value through profit or loss	408,000	31,808	1.50	31,808	
	Kkday.com International Company Limited		Financial assets at fair value through profit or loss	2,577,320	27,191	0.23	27,191	
	Wavesplitter Technologies, Inc.		Financial assets at fair value through profit or loss	1,000,000	47,600	4.05	47,600	
	U-Neuron Biomedical Inc.		Financial assets at fair value through profit or loss	800,000	39,136	2.02	39,136	
	GreenRock Energy Co., Ltd.		Financial assets at fair value through profit or loss	712,001	42,506	1.66	42,506	
	HOW KAN ENTERTAINMENT PRODUCTION CO., LTD		Financial assets at fair value through profit or loss	1,080,232	35,370	5.33	35,370	
	KEYXENTIC INC.		Financial assets at fair value through profit or loss	600,000	30,000	8.82	30,000	
	Chi Yi Hsin Technology Co., Ltd.		Financial assets at fair value through profit or loss	600,000	178,164	2.01	178,164	
	YU-CHEN SYSTEM TECHNOLOGY CORP.		Financial assets at fair value through profit or loss	90,000	8,088	0.48	8,088	

(Continued)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	September 30, 2025				Note
				Number of Shares	Carrying Amount (Note 3)	Percentage of Ownership (%)	Fair Value	
	U-Neuron Biomedical Inc.	-	Financial assets at fair value through profit or loss	100,000	\$ 7,271	0.39	\$ 7,271	
	UNITED PURIFICATION TECHNOLOGY CO., LTD.	-	Financial assets at fair value through profit or loss	145,000	23,808	1.04	23,808	
	DA YI CHENG Technology CO., LTD.	-	Financial assets at fair value through profit or loss	250,000	45,000	1.32	45,000	
	JUOKU TECHNOLOGY CO., LTD.	-	Financial assets at fair value through profit or loss	1,000,000	26,000	2.29	26,000	
	TAC Dynamics Co., Ltd.	-	Financial assets at fair value through profit or loss	500,000	26,500	8.56	26,500	
	Outstanding Capital Limited Partnership	-	Financial assets at fair value through profit or loss	-	25,632	-	25,632	
	Forward BioT Venture Capital	-	Financial assets at fair value through profit or loss	-	25,697	-	25,697	
	DEXATEK TECHNOLOGY LTD.	-	Financial assets at fair value through profit or loss	-	29,236	-	29,236	

Note 1: The securities referred to in this table refer to stocks, bonds, beneficiary certificates and securities derived from the above items within the scope of IFRS 9 “Financial Instruments”.

Note 2: If the issuer of securities is not a related party, this column is exempt.

Note 3: As measured by fair value, fill in the balance of book value after adjustment of the fair value and deduct the allowance loss. If not measured by fair value, fill in the amortized cost (after allowance loss has been deducted) of the book balance.

(Concluded)

**TABLE 3****CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES****INFORMATION ON INVESTMENT IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

1.

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2025	Net Income (Loss) of the Investee (Note 2)	% of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of September 30, 2025	Accumulated Repatriation of Investment Income as of September 30, 2025	Note
					Outflow	Inflow							
Chang Hua Commercial Bank, Ltd.	Banking	\$ 12,117,288 (US\$ 399,558)	Note 1.c.	\$ 12,117,288 (US\$ 399,558)	\$ -	\$ -	\$ 12,117,288 (US\$ 399,558)	\$ 53,622	100	\$ 53,622	\$ 13,487,312	\$ -	

2.

Accumulated Outward Remittance for Investment in Mainland China September 30, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 3)
\$ 12,117,288 (US\$ 399,558)	\$ 12,117,288 (US\$ 399,433)	\$ 31,872,838

Note 1: The three methods of investment are as follows:

- a. Direct investment in mainland China.
- b. Investment in mainland China through reinvestment in existing enterprise in a third area.
- c. Others.

Note 2: Equity in the profit (loss):

- a. If the entity is still in the preparation stage and there is no equity in profit (loss), the condition should be noted.
- b. The basis of recognizing equity in profit (loss) is categorized in the following three types and each entity should be noted according to its condition.
  - 1) Financial statements audited (reviewed) by international accounting firms that cooperate with the accounting firms in the ROC.
  - 2) Financial statements audited (reviewed) by the Taiwan-based parent company's CPA.
  - 3) Others.

Note 3: In accordance with the "Bank, Financial Holding Corporation and Related Party Invest China Business Rules" announced by the FSC, the accumulated outflow of operating funds and investment from the following parties may not exceed 15% of net assets while they applied:

- a. Banks in Taiwan (or subsidiaries in a third area) which establish branches, establish/acquire subsidiaries or acquire stock or capital contributions from local stockholders in mainland China.
- b. The subsidiaries whose issued stocks with voting rights or more than 50% of capital held by banks in Taiwan that have investments in mainland China.

**TABLE 4****CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES****INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025  
(In Thousands of New Taiwan Dollars, Except for Percentage)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
0	The Bank	Chang Hua Commercial Bank, Ltd.	a.	Due from the Central Bank and banks	\$ 25,878	Same as normal customers	-
		Chang Hua Commercial Bank, Ltd.		Cash and cash equivalents	142,879	Same as normal customers	-
		Chang Hua Commercial Bank, Ltd.		Receivables	215,516	Same as normal customers	0.01
		Chang Hua Commercial Bank, Ltd.		Other financial assets	5,567,900	Same as normal customers	0.17
		Chang Hua Commercial Bank, Ltd.		Interest income	93,380	Same as normal customers	0.27
		Chang Hua Commercial Bank, Ltd.		Net non-interest income	1,389	Same as normal customers	-
		Chang Hwa Bank Venture Capital Co., Ltd.		Deposits and remittances	212,080	Same as normal customers	0.01
		Chang Hwa Bank Venture Capital Co., Ltd.		Other liabilities	5	Same as normal customers	-
		Chang Hwa Bank Venture Capital Co., Ltd.		Interest expense	1,625	Same as normal customers	-
		Chang Hwa Bank Venture Capital Co., Ltd.		Net non-interest income	1,823	Same as normal customers	0.01

Note 1: Transaction details: Methods of numbering are as follows:

- a. 0 for parent company.
- b. In accordance with subsidiary number starts from 1.

Note 2: Relationships are as follows:

- a. Parent company to subsidiary.
- b. Subsidiary to parent company.
- c. Subsidiary to subsidiary.

Note 3: Transactions amounts are calculated as percentage of accrued amounts of total income or ending balance of total assets.

**TABLE 5****CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS  
SEPTEMBER 30, 2025**

<b>Name of Major Shareholders</b>	<b>Shares</b>	
	<b>Number of Shares</b>	<b>Percentage of Ownership (%)</b>
Ministry of Finance	1,434,632,308	12.19
Chunghwa Post Co., Ltd.	882,503,514	7.50
National Development Fund, Executive Yuan	638,056,505	5.42

Note: The main shareholder information in this table is calculated by the insurance company on the last business day at the end of the quarter, and the total number of ordinary shares and special shares held by the shareholders who have completed the delivery of the Bank without physical registration (including treasury shares) is more than 5%. The share capital recorded in the Bank's consolidated financial statements and the actual number of shares delivered without physical registration may be different due to the basis of preparation and calculation.