Chang Hwa Commercial Bank, Ltd. and Subsidiaries

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

Deloitte.

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INDEPENDENT AUDITORS' REVIEW REPORT

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

Introduction

We have reviewed the accompanying consolidated financial statements of Chang Hwa Commercial Bank, Ltd. (the "Bank") and its subsidiaries (collectively referred to as the "Group") as of March 31, 2026 and 2025, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks 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 March 31, 2026 and 2025, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2026 and 2025 in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks 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 Tza Li Gung and Han Ni Fang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 14, 2026

Notice to Readers

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

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

CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2026		December 31, 2025		March 31, 2025	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Cash and cash equivalents (Notes 4, 6 and 35)	$ 40,993,679	1	$ 38,807,540	1	$ 38,780,900	1
Due from the Central Bank and call loans to banks (Notes 4, 6 and 35)	227,103,958	7	211,749,070	6	201,753,328	6
Financial assets at fair value through profit or loss (Notes 4, 7, 33, 35 and 36)	147,868,594	4	124,312,609	4	81,156,940	2
Financial assets at fair value through other comprehensive income (Notes 4, 8, 10, 33 and 36)	326,606,213	9	319,082,057	10	338,366,167	11
Investments in debt instruments at amortized cost (Notes 4, 5, 9, 10, 33 and 36)	555,066,240	16	542,424,600	16	499,833,330	16
Receivables, net (Notes 4, 11 and 12)	27,910,366	1	26,360,804	1	24,832,281	1
Current tax assets (Notes 4 and 30)	117,704	-	116,626	-	316,474	-
Discounts and loans, net (Notes 4, 5, 12, 33, 34 and 35)	2,110,014,150	61	2,067,768,378	61	1,978,906,732	62
Other financial assets, net (Notes 4, 13 and 36)	388,889	-	371,614	-	801,530	-
Property and equipment, net (Notes 4 and 15)	22,046,268	1	21,962,532	1	21,401,302	1
Right-of-use assets, net (Notes 4 and 16)	2,256,697	-	1,941,470	-	1,870,032	-
Investment properties, net (Notes 4 and 17)	14,014,588	-	14,014,912	-	13,930,523	-
Intangible assets, net (Notes 4 and 18)	990,491	-	1,013,697	-	987,987	-
Deferred tax assets (Notes 4 and 30)	2,985,574	-	5,204,876	-	5,165,168	-
Other assets, net (Notes 19 and 36)	3,200,043	-	1,880,453	-	2,373,658	-
TOTAL	$ 3,481,563,454	100	$ 3,377,011,238	100	$ 3,210,476,352	100
LIABILITIES AND EQUITY						
Deposits from the Central Bank and banks (Notes 4, 20 and 35)	$ 348,285,729	10	$ 333,816,006	10	$ 299,720,033	9
Financial liabilities at fair value through profit or loss (Notes 4, 7 and 33)	2,737,070	-	2,015,551	-	1,672,214	-
Securities sold under repurchase agreements (Note 4)	32,571,432	1	15,879,836	1	11,835,945	1
Payables (Notes 4, 21 and 28)	33,300,497	1	30,429,530	1	32,861,480	1
Current tax liabilities (Notes 4 and 30)	1,942,477	-	1,241,065	-	2,910,020	-
Deposits and remittances (Notes 4, 22 and 35)	2,774,469,785	80	2,710,322,674	80	2,591,814,352	81
Bank notes payable (Notes 4, 23 and 33)	42,780,117	1	41,785,176	1	41,800,352	1
Other financial liabilities (Notes 4 and 24)	2,040,406	-	1,363,223	-	1,460,559	-
Reserve for liabilities (Notes 4, 5, 26 and 27)	2,540,073	-	2,481,891	-	2,383,032	-
Lease liabilities (Notes 4 and 16)	2,133,080	-	1,815,412	-	1,734,656	-
Deferred tax liabilities (Notes 4 and 30)	8,644,410	1	11,113,797	-	11,503,077	1
Other liabilities (Notes 4, 15 and 25)	4,141,653	-	4,420,022	-	4,825,001	-
Total liabilities	3,255,586,729	94	3,156,684,183	93	3,004,520,721	94
EQUITY (Notes 4, 28 and 30)						
Capital stock						
Common stock	117,660,462	3	117,660,462	4	112,057,583	3
Capital surplus	24	-	24	-	24	-
Retained earnings						
Legal reserve	55,621,220	2	55,621,220	2	50,685,866	2
Special reserve	12,201,590	-	12,201,590	-	12,201,590	-
Unappropriated earnings	24,136,768	1	18,684,444	1	20,929,903	1
Other equity	16,356,661	-	16,159,315	-	10,080,665	-
Total equity	225,976,725	6	220,327,055	7	205,955,631	6
TOTAL	$ 3,481,563,454	100	$ 3,377,011,238	100	$ 3,210,476,352	100

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 March 31			
	2026		2025	
	Amount	%	Amount	%
INTEREST INCOME (Notes 4, 29, 35 and 39)	$ 19,734,736	159	$ 19,086,777	178
INTEREST EXPENSE (Notes 29, 35 and 39)	(12,315,830)	(99)	(12,713,856)	(119)
NET INTEREST INCOME	7,418,906	60	6,372,921	59
NET NON-INTEREST INCOME				
Net service fee income (Notes 4 and 29)	2,625,905	21	1,961,149	18
Gain on financial assets or liabilities measured at fair value through profit or loss (Notes 4, 7 and 29)	1,276,479	10	1,701,389	16
Realized gain on financial assets at fair value through other comprehensive income (Notes 4 and 29)	358,597	3	225,125	2
Loss arising from derecognition of financial assets at amortized cost	(2,495)	-	(517)	-
Foreign exchange gain (Notes 4 and 33)	614,221	5	350,945	4
Net other non-interest income (Note 14)	113,964	1	130,203	1
Net non-interest income	4,986,671	40	4,368,294	41
NET REVENUE AND GAINS	12,405,577	100	10,741,215	100
BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE LIABILITY PROVISION (Notes 4 and 12)	(699,747)	(6)	(470,703)	(5)
OPERATING EXPENSES				
Employee benefits expenses (Notes 4 and 29)	(3,615,011)	(29)	(3,405,492)	(32)
Depreciation and amortization expenses (Notes 4 and 29)	(450,787)	(4)	(427,240)	(4)
Other general and administrative expenses	(1,426,576)	(11)	(1,342,677)	(12)
Total operating expenses	(5,492,374)	(44)	(5,175,409)	(48)
INCOME BEFORE INCOME TAX	6,213,456	50	5,095,103	47
INCOME TAX EXPENSE (Notes 4 and 30)	(992,320)	(8)	(960,337)	(9)
NET INCOME	5,221,136	42	4,134,766	38

(Continued)

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 March 31			
	2026		2025	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
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	$ 1,503,845	12	$ (2,157,504)	(20)
Items that will be reclassified to profit or loss, net of tax:				
Exchange differences on translation (Note 4)	836,582	7	791,042	7
Revaluation (losses) gains on investments in debt instruments measured at fair value through other comprehensive income	(2,033,411)	(16)	1,837,465	17
Impairment loss from investments in debt instruments measured at fair value through other comprehensive income	1,199	-	2,630	-
Income tax related to items that will be reclassified to profit or loss (Notes 4 and 30)	120,319	1	(50,156)	-
Other comprehensive income, net of tax	428,534	4	423,477	4
TOTAL COMPREHENSIVE INCOME	$ 5,649,670	46	$ 4,558,243	42
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Bank	$ 5,221,136	42	$ 4,134,766	38
Non-controlling interests	$ -	-	$ -	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Bank	$ 5,649,670	46	$ 4,558,243	42
Non-controlling interests	$ -	-	$ -	-
EARNINGS PER SHARE (Note 31)				
Basic	$ 0.44		$ 0.35	
Diluted	$ 0.44		$ 0.35	

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								
	Capital Stock			Retained Earnings			Other Equity		
	Common Stock (In Thousand)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE ON 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
Net income for the three months ended March 31, 2025	-	-	-	-	-	4,134,766	-	-	4,134,766
Other comprehensive income (loss) for the three months ended March 31, 2025, net of tax	-	-	-	-	-	-	734,698	(311,221)	423,477
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	4,134,766	734,698	(311,221)	4,558,243
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	318,900	-	(318,900)	-
BALANCE ON MARCH 31, 2025	11,205,758	$ 112,057,583	$ 24	$ 50,685,866	$ 12,201,590	$ 20,929,903	$ 1,695,400	$ 8,385,265	$ 205,955,631
BALANCE ON JANUARY 1, 2026	11,766,046	$ 117,660,462	$ 24	$ 55,621,220	$ 12,201,590	$ 18,684,444	$ (117,227)	$ 16,276,542	$ 220,327,055
Net income for the three months ended March 31, 2026	-	-	-	-	-	5,221,136	-	-	5,221,136
Other comprehensive income (loss) for the three months ended March 31, 2026, net of tax	-	-	-	-	-	-	842,492	(413,958)	428,534
Total comprehensive income (loss) for the three months ended March 31, 2026	-	-	-	-	-	5,221,136	842,492	(413,958)	5,649,670
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	231,188	-	(231,188)	-
BALANCE ON MARCH 31, 2026	11,766,046	$ 117,660,462	$ 24	$ 55,621,220	$ 12,201,590	$ 24,136,768	$ 725,265	$ 15,631,396	$ 225,976,725

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 Three Months Ended March 31 2026	For the Three Months Ended March 31 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before income tax	$ 6,213,456	$ 5,095,103
Non-cash (income and gains) or expenses and losses		
Expected credit loss recognized	699,747	470,703
Depreciation expense	337,701	329,535
Amortization expense	113,086	97,705
Interest income	(19,734,736)	(19,086,777)
Dividend income	(301,615)	(147,783)
Interest expense	12,315,830	12,713,856
Net gain on financial assets or liabilities at fair value through profit or loss	(1,811,649)	(1,163,138)
Gain on disposal of investments	(56,768)	(80,401)
Unrealized foreign exchange loss (gain)	535,170	(538,251)
Other adjustments	(36,935)	(71,785)
Changes in operating assets and liabilities		
(Increase) decrease in due from the Central Bank	(26,072,699)	22,561,593
Increase in financial assets at fair value through profit or loss	(22,522,097)	(943,697)
(Increase) decrease in receivables	(1,300,480)	801,780
Increase in discounts and loans	(42,908,268)	(11,770,199)
Increase in financial assets at fair value through other comprehensive income	(7,993,260)	(28,446,888)
(Increase) decrease in investments in debt instruments at amortized cost	(12,641,608)	12,887,914
Increase in other financial assets	(19,984)	(482,484)
Increase in other assets	(1,308,618)	(811,873)
(Decrease) increase in deposits from the Central Bank and banks	(4,431,652)	10,128,576
Increase (decrease) in deposits and remittances	64,147,111	(38,542,158)
Increase in payables	526,660	2,470,775
Increase in financial liabilities at fair value through profit or loss	432,348	2,758,791
Increase in reserve for liabilities	2,711	1,887
Increase in other financial liabilities	677,183	170,328
Decrease in other liabilities	(287,166)	(44,105)
Cash flows used in operations	(55,426,532)	(31,640,993)
Interest received	20,294,875	18,745,469
Dividends received	51,355	66,126
Interest paid	(9,987,784)	(10,385,550)
Income taxes paid	(420,674)	(182,821)
Net cash flows used in operating activities	(45,488,760)	(23,397,769)

(Continued)

CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES

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

	For the Three Months Ended March 31	
	2026	2025
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	$ (233,643)	$ (122,636)
Acquisition of intangible assets	(71,783)	(94,163)
Acquisition of investment properties	(70)	-
Net cash flows used in investing activities	(305,496)	(216,799)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in due to the Central Bank and banks	18,901,375	55,280,707
Proceeds from issuing bank notes	1,000,000	1,000,000
Increase in securities sold under repurchase agreement	16,691,596	432,038
Repayments of the principal portion of lease liabilities	(166,969)	(166,971)
Net cash flows generated from financing activities	36,426,002	56,545,774
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	836,582	791,042
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(8,531,672)	33,722,248
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	111,896,611	78,930,343
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 103,364,939	$ 112,652,591

	March 31	
	2026	2025
Reconciliation of cash and cash equivalents		
Cash and cash equivalents in the balance sheets	$ 40,993,679	$ 38,780,900
Call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7	62,371,260	73,871,691
Cash and cash equivalents at end of period	$ 103,364,939	$ 112,652,591

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

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 CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Bank's board of directors on May 14, 2026.

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

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

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

   Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

   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.

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

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

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

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

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

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.

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

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

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.

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

Except for the standards described above, 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, for the summary of other material accounting policies, refer to the Group's consolidated financial statements for the year ended December 31, 2025.

a. Retirement benefits

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

b. Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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, 2025.

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

a. Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	$ 15,720,509	$ 13,884,772	$ 15,688,459
Checks for clearing	2,196,674	3,496,062	2,506,623
Due from banks	21,092,092	19,366,763	18,722,686
Foreign currencies on hand	1,984,404	2,059,943	1,863,132
	$ 40,993,679	$ 38,807,540	$ 38,780,900

Refer to the consolidated statements of cash flows for the cash and cash equivalents reconciliation information as of March 31, 2026 and 2025. Cash and cash equivalents as of December 31, 2025 as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated balance sheets as follows:

	December 31, 2025
Cash and cash equivalents	$ 38,807,540
Call loans to banks	73,089,071
	$ 111,896,611

b. Due from Central Bank and call loans to banks

	March 31, 2026	December 31, 2025	March 31, 2025
Call loans to banks	$ 62,371,260	$ 73,089,071	$ 73,871,691
Reserve for checking accounts	67,901,321	42,045,192	34,485,232
Reserve for demand accounts	81,588,882	79,233,428	74,722,810
Reserve for foreign deposits	702,668	690,338	728,008
Others	14,539,827	16,691,041	17,945,587
	$ 227,103,958	$ 211,749,070	$ 201,753,328

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)

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets mandatorily classified at FVTPL			
Derivative financial assets (not under hedge accounting)			
Futures	$ 765,248	$ 740,804	$ 723,479
Forward exchange contracts	40,956	69,700	26,574
Interest rate swaps	542,413	397,469	259,937
Currency swaps	6,162,777	5,270,369	6,067,809
Currency call option premiums	155,577	76,056	71,677
Non-derivative financial assets			
Investments in bills	134,807,025	112,831,418	71,060,574
Domestic listed stocks and emerging market stocks	992,510	598,750	361,012
Domestic unquoted stock	550,338	567,581	765,656
Funds	298,987	262,338	295,692
Government bonds	4,730	4,740	4,758
Corporate bonds	3,548,033	3,493,384	1,519,772
	$ 147,868,594	$ 124,312,609	$ 81,156,940

The par values of notes provided for transactions with repurchase agreements were $50,600 thousand, $121,100 thousand and $20,200 thousand as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively.

Financial Liabilities at FVTPL

	March 31, 2026	December 31, 2025	March 31, 2025
Financial liabilities held for trading			
Derivative financial liabilities (not applying hedge accounting)			
Forward exchange contracts	$ 185,458	$ 160,210	$ 111,631
Interest rate swaps	546,508	390,132	245,113
Currency swaps	1,849,481	1,389,142	1,243,785
Currency put option premiums	155,623	76,067	71,685
	$ 2,737,070	$ 2,015,551	$ 1,672,214

The Group entered into derivative contracts during the three months ended March 31, 2026 and 2025 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 March 31, 2026, December 31, 2025 and March 31, 2025 were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Currency swaps	$ 387,561,003	$ 357,967,924	$ 383,199,145
Currency options	25,472,685	18,836,162	26,008,529
Forward exchange contracts	17,469,464	14,549,473	12,097,148
Interest rate swaps	134,619,832	124,881,637	75,546,895

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2026	December 31, 2025	March 31, 2025
Investments in equity instruments at FVTOCI			
Domestic listed stocks	$ 25,387,147	$ 20,850,799	$ 22,650,494
Domestic unquoted stocks	19,304,840	16,954,686	14,897,324
Beneficiary and asset-based securities	-	-	154,430
	44,691,987	37,805,485	37,702,248
Investments in debt instruments at FVTOCI			
Government bonds	125,829,474	132,891,067	148,560,020
Corporate bonds	40,450,945	42,793,785	48,638,801
Bank notes	93,804,581	86,055,730	83,085,995
Bonds issued by international organizations	8,874,693	8,839,308	9,580,533
Beneficiary and asset-based securities	12,726,068	10,696,682	10,798,570
Investment in bills	228,465	-	-
	281,914,226	281,276,572	300,663,919
	$ 326,606,213	$ 319,082,057	$ 338,366,167

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 agreement were $33,531,850 thousand, $15,059,600 thousand and $11,136,800 thousand as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively.

c. Government bonds placed as deposits in courts amounted to $600,465 thousand, $568,461 thousand and $483,554 thousand as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively. Government bonds placed as operating deposits amounted to $312,694 thousand, $314,099 thousand and $307,926 thousand as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively. Government bonds placed as a reserve fund for trust compensation amounted to $331,222 thousand, $332,769 thousand and $326,134 thousand as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively. Government bonds provided as collateral for government bidding were $1,894 thousand, $1,902 thousand and $932 thousand as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively. Overseas branches' bonds provided as collateral for operations were $744,279 thousand, $540,499 thousand and $561,159 thousand as of March 31, 2026, December 31, 2025 and March 31, 2025, 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

	March 31, 2026	December 31, 2025	March 31, 2025
Investments in bills	$ 312,247,654	$ 337,698,179	$ 339,695,694
Bank notes	139,945,951	113,684,613	100,577,206
Corporate bonds	57,527,664	45,529,242	10,257,301
Government bonds	21,386,517	23,958,125	27,187,794
Bonds issued by international organizations	-	125,779	4,248,308
Beneficiary and asset-based securities	23,958,454	21,428,662	17,867,027
	$ 555,066,240	$ 542,424,600	$ 499,833,330

a. Refer to Note 10 for information relating to their credit risk management and impairment of investments in financial assets at amortized cost.

b. The amounts of the overseas branches' bonds provided as collateral for operations were $166,025 thousand as of March 31, 2025.

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 the Central Bank and pledged for call loans from banks amounted to $5,300,000 thousand as of March 31, 2026, December 31, 2025 and March 31, 2025.

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.

March 31, 2026

	At FVTOCI	At Amortized Cost
Gross carrying amount	$ 284,500,570	$ 555,136,875
Less: Allowance for impairment loss	(58,433)	(70,635)
Amortized cost	284,442,137	$ 555,066,240
Adjustment to fair value	(2,527,911)	
	$ 281,914,226	

December 31, 2025

	At FVTOCI	At Amortized Cost
Gross carrying amount	$ 281,829,505	$ 542,480,392
Less: Allowance for impairment loss	(57,234)	(55,792)
Amortized cost	281,772,271	$ 542,424,600
Adjustment to fair value	(495,699)	
	$ 281,276,572	

March 31, 2025

	At FVTOCI	At Amortized Cost
Gross carrying amount	$ 304,526,133	$ 499,868,360
Less: Allowance for impairment loss	(54,941)	(35,030)
Amortized cost	304,471,192	$ 499,833,330
Adjustment to fair value	(3,807,273)	
	$ 300,663,919	

The Group only invests in debt instruments that are rated as investment grade or higher and are assessed as having low credit for impairment assessment. 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 loss 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:

Category	**Description**	**Basis for Recognizing Expected Credit Losses**
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:

March 31, 2026

Category	**Expected Loss Rate**	**At FVTOCI**	**At Amortized Cost**
Performing	0%-0.3880%	$ 284,500,570	$ 555,136,875

December 31, 2025

Category	**Expected Loss Rate**	**At FVTOCI**	**At Amortized Cost**
Performing	0%-0.3880%	$ 281,829,505	$ 542,480,392

March 31, 2025

Category	**Expected Loss Rate**	**At FVTOCI**	**At Amortized Cost**
Performing	0%-0.2011%	$ 304,526,133	$ 499,868,360

At FVTOCI

Allowance for Impairment Loss	Credit Rating: Performing (12-month ECLs)	Doubtful (Lifetime ECLs - Not Credit-impaired)	Defaulted (Lifetime ECLs - Credit-impaired)	Total
Balance on January 1, 2026	$ 57,234	$ -	$ -	$ 57,234
Purchase of investments in debt instruments	3,245	-	-	3,245
Derecognition	(2,430)	-	-	(2,430)
Change in exchange rates or others	384	-	-	384
Balance on March 31, 2026	$ 58,433	$ -	$ -	$ 58,433
Balance on January 1, 2025	$ 52,312	$ -	$ -	$ 52,312
Purchase of investments in debt instruments	4,702	-	-	4,702
Derecognition	(3,012)	-	-	(3,012)
Change in exchange rates or others	939	-	-	939
Balance on March 31, 2025	$ 54,941	$ -	$ -	$ 54,941

At amortized cost

Allowance for Impairment Loss	Credit Rating: Performing (12-month ECLs)	Doubtful (Lifetime ECLs - Not Credit-impaired)	Defaulted (Lifetime ECLs - Credit-impaired)	Total
Balance on January 1, 2026	$ 55,792	$ -	$ -	$ 55,792
Purchase of investments in debt instruments	13,617	-	-	13,617
Derecognition	(455)	-	-	(455)
Change in exchange rates or others	1,681	-	-	1,681
Balance on March 31, 2026	$ 70,635	$ -	$ -	$ 70,635
Balance on January 1, 2025	$ 31,064	$ -	$ -	$ 31,064
Purchase of investments in debt instruments	3,458	-	-	3,458
Derecognition	(115)	-	-	(115)
Change in exchange rates or others	623	-	-	623
Balance on March 31, 2025	$ 35,030	$ -	$ -	$ 35,030

11. RECEIVABLES, NET

a. Details of receivables

	March 31, 2026	December 31, 2025	March 31, 2025
Accounts receivable	$ 6,396,558	$ 5,982,122	$ 5,204,147
Accrued incomes	1,099	3,564	1,006
Interests receivable	10,517,139	10,536,719	10,280,701
Acceptances receivable	3,593,347	3,579,526	3,508,396
Credit card accounts receivable	2,870,666	3,081,706	3,870,221
Settlement price	1,605,394	1,826,314	712,233
Accounts receivable for settlement	2,821,592	1,530,825	1,251,069
Other receivables	317,635	57,669	360,764
	28,123,430	26,598,445	25,188,537
Less: Allowance for impairment loss	(213,064)	(237,641)	(356,256)
	$ 27,910,366	$ 26,360,804	$ 24,832,281

b. Allowance for impairment loss

1) Movements in the allowance for impairment loss

	For the Three Months Ended March 31, 2026					
	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	$ 15,612	$ 5,861	$ 27,446	$ 48,919	$ 188,722	$ 237,641
Changes from financial instruments recognized at the beginning of the period:						
Transfers to lifetime expected credit losses	(1,481)	1,687	(206)	-	-	-
Transfers to credit-impaired financial assets	(1,299)	(189)	1,488	-	-	-
Transfers to 12-month expected credit losses	391	(301)	(90)	-	-	-
Financial assets derecognized for the period	(10,776)	(3,270)	(14,516)	(28,562)	-	(28,562)
Purchased or originated financial assets	11,717	866	2,402	14,985	-	14,985
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	-	-	-	-	(3,533)	(3,533)
Doubtful debts written off	-	-	(7,598)	(7,598)	-	(7,598)
Changes in exchange rates or others	90	10	31	131	-	131
Ending balance	$ 14,254	$ 4,664	$ 8,957	$ 27,875	$ 185,189	$ 213,064

	For the Three Months Ended March 31, 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	$ 453,621
Changes from financial instruments recognized at the beginning of the period:						
Transfers to lifetime expected credit losses	(2,227)	2,455	(228)	-	-	-
Transfers to credit-impaired financial assets	(1,686)	(996)	2,682	-	-	-
Transfers to 12-month expected credit losses	4,090	(2,097)	(1,993)	-	-	-
Financial assets derecognized for the period	(6,893)	(883)	(2,099)	(9,875)	-	(9,875)
Purchased or originated financial assets	5,837	1,005	12,462	19,304	-	19,304
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	-	-	-	-	(105,631)	(105,631)
Doubtful debts written off	-	-	(3,279)	(3,279)	-	(3,279)
Changes in exchange rates or others	129	7	1,980	2,116	-	2,116
Ending balance	$ 10,127	$ 5,162	$ 163,990	$ 179,279	$ 176,977	$ 356,256

2) Movements in the total carrying amount of receivables

	For the Three Months Ended March 31, 2026			
	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	$ 26,298,228	$ 217,082	$ 83,135	$ 26,598,445
Changes from financial instruments recognized at the beginning of the period:				
Transfers to lifetime expected credit loss	(14,543)	15,600	(1,057)	-
Transfers to credit-impaired financial assets	(6,920)	(2,119)	9,039	-
Transfers to 12-month expected credit losses	12,571	(12,118)	(453)	-
Purchased or originated financial assets	9,230,123	51,519	6,575	9,288,217
Derecognized	(7,676,188)	(101,992)	(33,357)	(7,811,537)
Doubtful debts written off	-	-	(7,598)	(7,598)
Changes in exchange rates or others	55,110	752	41	55,903
Ending balance	$ 27,898,381	$ 168,724	$ 56,325	$ 28,123,430

	For the Three Months Ended March 31, 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	(8,472)	9,178	(706)	-
Transfers to credit-impaired financial assets	(4,327)	(12,099)	16,426	-
Transfers to 12-month expected credit losses	14,318	(9,208)	(5,110)	-
Purchased or originated financial assets	8,837,206	67,848	13,882	8,918,936
Derecognized	(8,975,006)	(81,989)	(13,832)	(9,070,827)
Doubtful debts written off	-	-	(3,279)	(3,279)
Changes in exchange rates or others	78,786	682	2,909	82,377
Ending balance	$ 24,737,615	$ 172,096	$ 278,826	$ 25,188,537

12. DISCOUNTS AND LOANS, NET

a. Details of discounts and loans

	March 31, 2026	December 31, 2025	March 31, 2025
Negotiated and discounted	$ 1,545,260	$ 1,662,283	$ 1,935,881
Overdrafts	1,156,173	600,751	731,673
Short-term loans	487,719,822	463,254,506	441,470,737
Margin loans receivable	716,512	682,582	439,091
Medium-term loans	729,544,323	718,615,603	679,429,315
Long-term loans	914,684,964	908,085,723	877,773,665
Overdue loans	3,448,287	2,993,689	3,284,010
	2,138,815,341	2,095,895,137	2,005,064,372
Less: Allowance for loan losses	(28,801,191)	(28,126,759)	(26,157,640)
	$ 2,110,014,150	$ 2,067,768,378	$ 1,978,906,732

Loans of which the accrual of interest income had ceased internally as of March 31, 2026, December 31, 2025 and March 31, 2025 were $3,448,287 thousand, $2,993,689 thousand and $3,284,010 thousand, respectively. The amounts of interest income that would have been accrued on these loans for the three months ended March 31, 2026 and 2025 were $28,535 thousand and $27,175 thousand, respectively.

The Group did not write off any loans without legal claims process for the three months ended March 31, 2026 and 2025.

b. Allowance for impairment loss

1) Movements in the allowance for impairment loss

	For the Three Months Ended March 31, 2026					
	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	$ 3,384,150	$ 3,321,977	$ 2,379,419	$ 9,085,546	$ 19,041,213	$ 28,126,759
Changes from financial instruments recognized at the beginning of the period:						
Transfers to lifetime expected credit losses	(23,349)	377,971	(354,622)	-	-	-
Transfers to credit-impaired financial assets	(1,416)	(28,999)	30,415	-	-	-
Transfers to 12-month expected credit losses	140,146	(136,121)	(4,025)	-	-	-
Financial assets derecognized for the period	(867,555)	(773,776)	(80,596)	(1,721,927)	-	(1,721,927)
Purchased or originated financial assets	548,337	602,813	469,122	1,620,272	-	1,620,272
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	-	-	-	-	1,085,282	1,085,282
Doubtful debts written off	-	-	(343,193)	(343,193)	-	(343,193)
Changes in exchange rates or others	16,667	5,965	11,366	33,998	-	33,998
Ending balance	$ 3,196,980	$ 3,369,830	$ 2,107,886	$ 8,674,696	$ 20,126,495	$ 28,801,191

	For the Three Months Ended March 31, 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
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	(2,500)	5,666	(3,166)	-	-	-
Transfers to credit-impaired financial assets	(135)	(25,973)	26,108	-	-	-
Transfers to 12-month expected credit losses	186,429	(177,524)	(8,905)	-	-	-
Financial assets derecognized for the period	(521,728)	(176,289)	152,805	(545,212)	-	(545,212)
Purchased or originated financial assets	386,821	253,429	1,088,565	1,728,815	-	1,728,815
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	-	-	-	-	496,407	496,407
Doubtful debts written off	-	-	(539,363)	(539,363)	-	(539,363)
Changes in exchange rates or others	11,423	6,071	13,241	30,735	-	30,735
Ending balance	$ 2,725,267	$ 2,284,685	$ 2,405,926	$ 7,415,878	$ 18,741,762	$ 26,157,640

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

	For the Three Months Ended March 31, 2026			
	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	$ 1,997,895,292	$ 89,859,737	$ 8,140,108	$ 2,095,895,137
Changes from financial instruments recognized at the beginning of the period:				
Transfers to lifetime expected credit losses	(6,763,744)	7,244,739	(480,995)	-
Transfers to credit-impaired financial assets	(525,540)	(711,153)	1,236,693	-
Transfers to 12-month expected credit losses	7,721,710	(7,685,859)	(35,851)	-
Financial assets derecognized for the period	(349,554,089)	(18,924,738)	(1,069,567)	(369,548,394)
Purchased or originated financial assets	392,113,786	14,949,450	717,188	407,780,424
Doubtful debts written off	-	-	(343,193)	(343,193)
Changes in exchange rates or others	4,810,349	204,816	16,202	5,031,367
Ending balance	$ 2,045,697,764	$ 84,936,992	$ 8,180,585	$ 2,138,815,341

	For the Three Months Ended March 31, 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	(1,861,219)	1,886,946	(25,727)	-
Transfers to credit-impaired financial assets	(83,884)	(1,512,547)	1,596,431	-
Transfers to 12-month expected credit losses	5,844,299	(5,767,309)	(76,990)	-
Financial assets derecognized for the period	(328,468,879)	(14,268,699)	(824,386)	(343,561,964)
Purchased or originated financial assets	338,107,550	12,463,292	679,295	351,250,137
Doubtful debts written off	-	-	(539,363)	(539,363)
Changes in exchange rates or others	4,788,820	198,677	21,783	5,009,280
Ending balance	$ 1,928,177,651	$ 69,555,897	$ 7,330,824	$ 2,005,064,372

c. Details of provision for bad debts expense, commitment and guarantee for the three months ended March 31, 2026 and 2025

	For the Three Months Ended March 31	
	2026	**2025**
Provision for receivable and loan (including overdue loan) losses	$ 644,277	$ 705,802
Reversal for loan commitment	(24,781)	(52,620)
Provision (reversal) for guarantee liability	79,984	(182,404)
Provision (reversal) for others	267	(75)
	$ 699,747	$ 470,703

13. OTHER FINANCIAL ASSETS

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Time deposits with original maturities of more than 3 months	$ 371,520	$ 360,000	$ 777,240
Exchange bills negotiated	17,434	11,604	24,328
Overdue receivables	4,492	3,946	5,848
Less: Allowance for bad debts	(4,557)	(3,936)	(5,886)
	$ 388,889	$ 371,614	$ 801,530

The interest rates of time deposits with original maturities of more than 3 months were 1.45% and 2.25%-3.20% for the three months ended March 31, 2026 and 2025, respectively.

14. SUBSIDIARIES

Subsidiaries Included in Consolidated Financial Statements

			% of Ownership		
Investor	**Investee**	**Main Business**	**March 31, 2026**	**December 31, 2025**	**March 31, 2025**
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

	March 31, 2026	December 31, 2025	March 31, 2025
Assets used by the Group	$ 21,836,315	$ 21,750,924	$ 21,182,865
Assets leased under operating leases	209,953	211,608	218,437
	$ 22,046,268	$ 21,962,532	$ 21,401,302

a. Asset used by the Group

	Freehold Land	Buildings	Machinery Equipment	Transportation Equipment	Miscellaneous Equipment	Leasehold Improvements	Construction in Progress and Prepayment for Buildings and Equipment	Total
Cost								
Balance on January 1, 2026	$ 15,069,848	$ 9,601,944	$ 4,914,476	$ 776,320	$ 1,654,778	$ 1,155,454	$ 827,279	$ 34,000,099
Additions	-	5,105	15,054	10,576	5,548	1,879	195,481	233,643
Disposals	-	-	(481,879)	(5,476)	(15,532)	-	-	(502,887)
Reclassification	-	-	23,725	-	-	-	(38,582)	(14,857)
Transfers to assets leased under operating leases	-	(649)	-	-	-	-	-	(649)
Effect of foreign currency exchange differences	-	23,903	6,789	570	1,261	2,305	148	34,976
Balance on March 31, 2026	$ 15,069,848	$ 9,630,303	$ 4,478,165	$ 781,990	$ 1,646,055	$ 1,159,638	$ 984,326	$ 33,750,325
Accumulated depreciation and impairment								
Balance on January 1, 2026	$ -	$ 5,198,107	$ 3,995,806	$ 650,518	$ 1,411,370	$ 993,374	$ -	$ 12,249,175
Disposals	-	-	(481,443)	(4,936)	(15,532)	-	-	(501,911)
Depreciation expense	-	55,141	65,772	8,006	14,371	10,253	-	153,543
Transfers to assets leased under operating leases	-	(17)	-	-	-	-	-	(17)
Effect of foreign currency exchange differences	-	5,611	4,287	406	986	1,930	-	13,220
Balance on March 31, 2026	$ -	$ 5,258,842	$ 3,584,422	$ 653,994	$ 1,411,195	$ 1,005,557	$ -	$ 11,914,010
Carrying amount at March 31, 2026	$ 15,069,848	$ 4,371,461	$ 893,743	$ 127,996	$ 234,860	$ 154,081	$ 984,326	$ 21,836,315
Carrying amount at December 31, 2025 and January 1, 2026	$ 15,069,848	$ 4,403,837	$ 918,670	$ 125,802	$ 243,408	$ 162,080	$ 827,279	$ 21,750,924
Cost								
Balance on 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	-	16,640	14,432	13,938	11,250	1,497	64,879	122,636
Disposals	-	-	(196,972)	(6,066)	(5,649)	-	-	(208,687)
Reclassification	-	85,330	22,373	-	297	-	(112,646)	(4,646)
Effect of foreign currency exchange differences	-	14,607	4,060	678	1,078	2,377	591	23,391
Balance on March 31, 2025	$ 15,024,617	$ 9,507,928	$ 4,753,470	$ 769,422	$ 1,619,083	$ 1,083,620	$ 450,302	$ 33,208,442
Accumulated depreciation and impairment								
Balance on January 1, 2025	$ -	$ 5,005,919	$ 4,063,768	$ 648,213	$ 1,396,772	$ 968,692	$ -	$ 12,083,364
Disposals	-	-	(196,948)	(6,065)	(5,633)	-	-	(208,646)
Depreciation expense	-	52,784	62,148	7,057	12,930	7,196	-	142,115
Effect of foreign currency exchange differences	-	3,007	2,838	414	819	1,666	-	8,744
Balance on March 31, 2025	$ -	$ 5,061,710	$ 3,931,806	$ 649,619	$ 1,404,888	$ 977,554	$ -	$ 12,025,577
Carrying amount at March 31, 2025	$ 15,024,617	$ 4,446,218	$ 821,664	$ 119,803	$ 214,195	$ 106,066	$ 450,302	$ 21,182,865

b. Assets leased under operating leases

	Buildings
Cost	
Balance on January 1, 2026	$ 492,095
Transfers from assets used by the Group	649
Balance on March 31, 2026	$ 492,744
Accumulated depreciation and impairment	
Balance on January 1, 2026	$ 280,487
Depreciation expense	2,287
Transfers from assets used by the Group	17
Balance on March 31, 2026	$ 282,791
Carrying amount on March 31, 2026	$ 209,953
Carrying amount on December 31, 2025 and January 1, 2026	$ 211,608
Cost	
Balance on January 1 and March 31, 2025	$ 492,061
Accumulated depreciation and impairment	
Balance on January 1, 2025	$ 271,337
Depreciation expense	2,287
Balance on March 31, 2025	$ 273,624
Carrying amount on March 31, 2025	$ 218,437

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:

	March 31, 2026	December 31, 2025	March 31, 2025
Year 1	$ 42,637	$ 40,311	$ 43,789
Year 2	37,213	34,051	41,278
Year 3	22,709	17,397	17,643
Year 4	15,067	11,500	8,538
Year 5	2,916	7,041	6,892
Over 5 years	-	-	2,871
	$ 120,542	$ 110,300	$ 121,011

The depreciation expense is calculated on a straight-line basis over the following useful lives:

Building	
Main buildings	20-60 years
Air-conditioning	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

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amounts			
Land	$ 4,358	$ 4,613	$ 1,302
Buildings	2,112,330	1,824,163	1,778,875
Machinery equipment	19,816	2,071	3,317
Transportation equipment	103,510	96,109	73,783
Miscellaneous equipment	16,683	14,514	12,755
	$ 2,256,697	$ 1,941,470	$ 1,870,032

	For the Three Months Ended March 31	
	2026	2025
Additions to right-of-use assets	$ 486,472	$ 55,795
Depreciation charge for right-of-use assets		
Land	$ 538	$ 277
Buildings	164,091	168,608
Machinery equipment	217	1,354
Transportation equipment	12,183	10,706
Miscellaneous equipment	1,967	1,944
	$ 178,996	$ 182,889

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 three months ended March 31, 2026 and 2025.

b. Lease liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount	$ 2,133,080	$ 1,815,412	$ 1,734,656

Range of discount rates for lease liabilities was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Land	0.31%-1.81%	0.31%-1.81%	0.31%-1.81%
Buildings	0.20%-5.52%	0.20%-5.52%	0.20%-5.52%
Machinery equipment	0.31%-4.69%	0.31%-4.69%	0.31%-4.69%
Transportation equipment	0.15%-4.71%	0.35%-4.71%	0.13%-4.71%
Miscellaneous equipment	0.17%-4.89%	0.26%-4.89%	0.17%-4.89%

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 lease deposits were $59,377 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 three months ended March 31, 2026 and 2025.

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 March 31	
	2026	2025
Expenses relating to short-term leases	$ 56,257	$ 19,102
Expenses relating to low-value asset leases	$ 28,507	$ 7,398
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 10,583	$ 62,890
Total cash outflow for leases	$ (95,347)	$ (89,390)

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:

	March 31, 2026	December 31, 2025	March 31, 2025
Lease commitments	$ 60,900	$ 40,577	$ 51,301

17. INVESTMENT PROPERTY

	March 31, 2026	December 31, 2025	March 31, 2025
Completed investment property	$ 14,014,588	$ 14,014,912	$ 13,930,523

Except for depreciation recognized, the Group had no significant additions, disposals, and impairment of investment property during the three months ended March 31, 2026 and 2025.

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 expiry of the lease period.

The maturity analysis of lease payments receivable under operating leases of investment properties as of March 31, 2026, December 31, 2025 and March 31, 2025 was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Year 1	$ 245,659	$ 260,015	$ 177,853
Year 2	192,283	253,753	181,657
Year 3	132,451	135,089	110,160
Year 4	105,519	108,139	87,077
Year 5	101,106	102,105	72,451
Over 5 years	141,664	157,984	220,067
	$ 918,682	$ 1,017,085	$ 849,265

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 by the Group's internal valuation personnel. The Group conducts valuation process regularly, which is measured by Level 3 inputs. The fair values were $31,087,871 thousand, $31,087,871 thousand and $34,017,161 thousand as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively.

All investment properties are held under ownership rights by the Group.

Rental income and direct operating expenses generated by the investment property for the three months ended March 31, 2026 and 2025 were as follows:

	For the Three Months Ended March 31	
	2026	2025
Rental incomes	$ 61,015	$ 49,241
Direct operating expenses	$ 29,844	$ 27,925

18. INTANGIBLE ASSETS

	Computer Software
Balance on January 1, 2026	$ 1,013,697
Additions	71,783
Amortization expense	(112,854)
Reclassification	12,377
Effect of foreign currency exchange differences and others	5,488
Balance on March 31, 2026	$ 990,491
Balance on January 1, 2025	$ 985,194
Additions	94,163
Amortization expense	(97,473)
Reclassification	4,646
Effect of foreign currency exchange differences and others	1,457
Balance on March 31, 2025	$ 987,987

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

	March 31, 2026	December 31, 2025	March 31, 2025
Guarantee deposits	$ 1,260,111	$ 842,989	$ 776,031
Collaterals	23,418	23,418	205,599
Less: Accumulated impairment	(23,418)	(23,418)	(74,183)
Prepayments	1,312,106	383,820	1,209,021
Prepaid pension cost	622,888	646,282	251,549
Others	4,938	7,362	5,641
	$ 3,200,043	$ 1,880,453	$ 2,373,658

20. DEPOSITS FROM THE CENTRAL BANK AND BANKS

	March 31, 2026	December 31, 2025	March 31, 2025
Deposits from the Central Bank	$ 26,924	$ 25,874	$ 25,757
Deposits from banks	786,542	214,244	249,940
Overdrafts on banks	2,453,926	208,959	75,692
Call loans from banks	199,907,534	183,251,126	169,242,591
Deposits transferred from Chunghwa Post Co., Ltd.	145,110,803	150,115,803	130,126,053
	$ 348,285,729	$ 333,816,006	$ 299,720,033

21. PAYABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Checks issued to payees for clearing	$ 5,030,619	$ 6,066,398	$ 6,235,077
Accounts payable	3,733,219	2,843,585	4,785,262
Accrued expenses	4,568,047	4,006,488	4,017,760
Accrued interests	8,872,327	6,528,020	9,264,350
Acceptances	3,618,001	3,621,743	3,558,956
Others	7,478,284	7,363,296	5,000,075
	$ 33,300,497	$ 30,429,530	$ 32,861,480

22. DEPOSITS AND REMITTANCES

	March 31, 2026	December 31, 2025	March 31, 2025
Checking account deposits	$ 37,015,891	$ 51,788,195	$ 37,228,420
Demand deposits	619,002,737	598,930,692	559,757,976
Time deposits	879,520,620	829,639,800	779,465,220
Negotiable certificates of deposit	3,551,960	3,562,110	3,533,680
Savings account deposits	1,233,933,132	1,224,392,870	1,210,396,352
Remittances	1,445,445	2,009,007	1,432,704
	$ 2,774,469,785	$ 2,710,322,674	$ 2,591,814,352

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 Group issued $1,000 million ordinated bank notes 115-1 with 5-year term on February 25, 2026.

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

Bank Note, Interest Rate and Maturity Date	**March 31, 2026**	**December 31, 2025**	**March 31, 2025**
Non-hedged bank notes payable			
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	1,000,000	1,000,000
115-1, 5-year term, interest payable annually, interest rate 1.60%, maturity date: February 25, 2031	1,000,000	-	-
Valuation adjustment	10,117	15,176	30,352
	$ 42,780,117	$ 41,785,176	$ 41,800,352

24. OTHER FINANCIAL LIABILITIES

	March 31, 2026	December 31, 2025	March 31, 2025
Principal received on structured notes	$ 1,945,294	$ 1,328,000	$ 1,403,471
Appropriations for loans	30,612	35,223	57,088
Short-term borrowings	64,500	-	-
	$ 2,040,406	$ 1,363,223	$ 1,460,559

The principal received from structured products mainly represents hybrid transactions entered into by the Bank with customers as counterparty, combining fixed-income products and derivative financial instruments. Returns are paid in accordance with the contracts and are determined based on the pricing of the linked benchmark interest rates specified in the contracts.

25. OTHER LIABILITIES

	March 31, 2026	December 31, 2025	March 31, 2025
Advance receipts	$ 997,968	$ 973,884	$ 913,468
Guarantee deposits	3,123,703	3,424,408	3,888,751
Deferred revenue	17,370	16,764	20,827
Business tax received	2,612	4,966	1,955
	$ 4,141,653	$ 4,420,022	$ 4,825,001

26. RESERVE FOR LIABILITIES

	March 31, 2026	December 31, 2025	March 31, 2025
Reserve for employee benefits (Note 27)	$ 1,634,584	$ 1,634,599	$ 1,610,414
Reserve for guarantee liabilities	680,658	600,248	600,117
Reserve for loan commitments	167,761	192,210	110,474
Reserve for decommissioning restoration and rehabilitation costs	23,381	23,097	29,329
Reserve for contingencies	1,648	-	753
Others	32,041	31,737	31,945
	$ 2,540,073	$ 2,481,891	$ 2,383,032

Movements in reserve for guarantee liabilities, reserve for loans commitments and reserve for others for the three months ended March 31, 2026 and 2025 were as follows:

	For the Three Months Ended March 31, 2026					
	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	$ 305,801	$ 25,798	$ 19,362	$ 350,961	$ 473,234	$ 824,195
Changes from financial instruments recognized at the beginning of the period:						
Transfers to lifetime expected credit losses	(112)	112	-	-	-	-
Transfers to credit-impaired financial assets	(23)	-	23	-	-	-
Transfers to 12-month expected credit losses	1,670	(1,670)	-	-	-	-
Financial instruments derecognized for the period	(77,530)	(7,418)	(209)	(85,157)	-	(85,157)
Purchased or originated financial instruments	58,187	6,470	470	65,127	-	65,127
Recognized impairment difference based on the Laws	-	-	-	-	75,510	75,510
Changes in exchange rates or others	773	12	-	785	-	785
Ending balance	$ 288,766	$ 23,304	$ 19,646	$ 331,716	$ 548,744	$ 880,460

	For the Three Months Ended March 31, 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	(733)	733	-	-	-	-
Transfers to 12-month expected credit losses	1,806	(1,806)	-	-	-	-
Financial instruments derecognized for the period	(96,224)	(4,562)	(244)	(101,030)	-	(101,030)
Purchased or originated financial instruments	34,904	5,582	816	41,302	-	41,302
Recognized impairment difference based on the Laws	-	-	-	-	(174,936)	(174,936)
Changes in exchange rates or others	434	27	-	461	-	461
Ending balance	$ 208,977	$ 9,998	$ 20,247	$ 239,222	$ 503,314	$ 742,536

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 rate as of December 31, 2025 and 2024 and the amounts were $81,568 thousand and $44,400 thousand for the three months ended March 31, 2026 and 2025, respectively.

28. EQUITY

a. Capital

Common stock

	March 31, 2026	December 31, 2025	March 31, 2025
Shares authorized (in thousands)	15,000,000	15,000,000	12,000,000
Capital authorized	$ 150,000,000	$ 150,000,000	$ 120,000,000
Shares issued and fully paid (in thousands)	11,766,046	11,766,046	11,205,758
Capital stock issued	$ 117,660,462	$ 117,660,462	$ 112,057,583

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, 2025, 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 $112,057,583 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 out of retained earnings in August 2025. As of December 31, 2025, the Bank's authorized and registered capital were $150,000,000 thousand divided into 15,000,000 thousand shares. Also on that date, the total amounts of paid-in capital amounted to $117,660,462 thousand, divided into 11,766,046 thousand outstanding shares at $10 par value.

b. Distribution of earnings and dividend 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 of 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 44-1 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 2025 and 2024 were proposed by the board of directors on April 30, 2026 and approved in the stockholders' meetings on June 13, 2025, respectively. The appropriations of earnings and dividends per stock were as follows:

	For the Year Ended December 31	
	2025	**2024**
Legal reserve	$ 5,504,796	$ 4,935,354
Cash dividends	$ 9,412,837	$ 5,602,879
Share dividends	$ 2,941,512	$ 5,602,879
Cash dividends per share (NT$)	$ 0.80	$ 0.50
Share dividends per share (NT$)	$ 0.25	$ 0.50

The appropriation of earnings for 2025 is subject to the resolution of the shareholders in the shareholders' meeting to be held on June 18, 2026.

c. Special reserve

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Initial application of IFRSs	$ 12,201,590	$ 12,201,590	$ 12,201,590

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 IFRS Accounting Standards. 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 interest income

	For the Three Months Ended March 31	
	2026	2025
Interest income		
Loans	$ 14,198,664	$ 13,781,852
Due from and call loans to banks	749,614	848,248
Investments in marketable securities	4,733,556	4,403,852
Others	52,902	52,825
	19,734,736	19,086,777
Interest expense		
Deposits	(9,442,207)	(10,262,659)
Due to Central Bank and call loans from banks	(2,451,699)	(2,110,729)
Others	(421,924)	(340,468)
	(12,315,830)	(12,713,856)
Net interest income	$ 7,418,906	$ 6,372,921

b. Net service fee income

	For the Three Months Ended March 31	
	2026	2025
Service fee income		
Fees from import and export	$ 51,144	$ 49,575
Remittance fees	81,569	84,213
Loan fees	285,184	270,654
Fees from trust	510,268	388,008
Fees from trust affiliated	216,740	176,158
Fees from insurance agency	1,573,603	1,052,921
Others	500,458	423,247
	3,218,966	2,444,776
Service charge		
Interbank charges	(51,752)	(49,944)
Charges from trust	(946)	(374)
Custodian charges	(60,046)	(53,837)
Charges from insurance agency	(148,064)	(78,710)
Others	(332,253)	(300,762)
	(593,061)	(483,627)
Net service fee income	$ 2,625,905	$ 1,961,149

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

	For the Three Months Ended March 31	
	2026	2025
Realized gain (loss) on financial assets or liabilities measured at FVTPL		
Stock and mutual funds	$ 15,420	$ (643)
Bonds	240	62
Bills	(3)	-
Derivative financial instruments	907,146	2,190,503
Net interest gain	531,762	318,479
Dividends and bonus	2,281	3,577
	1,456,846	2,511,978
Valuation gain (loss) on financial assets or liabilities measured at FVTPL		
Stock and mutual funds	14,304	(39,400)
Bonds	(16,210)	(10,143)
Bills	(4,008)	(997)
Derivative financial instruments	(174,453)	(760,049)
	(180,367)	(810,589)
	$ 1,276,479	$ 1,701,389

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

	For the Three Months Ended March 31	
	2026	2025
Dividends and bonus	$ 299,334	$ 144,206
Disposal gains		
Bonds	59,738	81,128
Disposal losses		
Bonds	(475)	(209)
	$ 358,597	$ 225,125

e. Depreciation and amortization expense

	For the Three Months Ended March 31	
	2026	2025
Property and equipment	$ 155,831	$ 144,402
Investment property	2,874	2,244
Right-of-use assets	178,996	182,889
Intangible assets and other assets	113,086	97,705
	$ 450,787	$ 427,240

f. Employee benefits expenses

	For the Three Months Ended March 31	
	2026	2025
Short-term employee benefits	$ 3,257,715	$ 3,068,446
Post-employment benefits		
Defined contribution plans	82,705	112,668
Defined benefit plans (Note 27)	81,568	44,400
High-yield savings account for employees	153,739	150,179
Other post-employment benefits	30,837	29,665
Termination benefits	8,447	134
	$ 3,615,011	$ 3,405,492

g. Compensation of employees 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 compensation of employees (including non-executive employees) and remuneration of directors for the three months ended March 31, 2026 and 2025 are as follows:

Accrual rate

	For the Three Months Ended March 31	
	2026	2025
Compensation of employees	5.10%	5.00%
Remuneration of directors	0.40%	0.40%

Amount

	For the Three Months Ended March 31	
	2026	2025
	Cash	Cash
Compensation of employees	$ 335,500	$ 269,000
Remuneration of directors	26,500	22,000

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 2025 and 2024, which were approved by the board of directors on March 27, 2026 and March 20, 2025, respectively, were as below:

Amount

	For the Year Ended December 31	
	2025	2024
	Cash	Cash
Compensation of employees	$ 1,139,763	$ 970,119
Remuneration of directors	89,383	77,609

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 27, 2026 and March 20, 2025, differs from what was accrued in the consolidated financial statements. The difference was then adjusted to profit and loss for 2026 and 2025, respectively.

	For the Year Ended December 31			
	2025		2024	
	Employees' Compensation	Remuneration of Directors	Employees' Compensation	Remuneration of Directors
Amounts approved in the board of directors' meeting	$ 1,139,763	$ 89,383	$ 970,119	$ 77,609
Amounts recognized in the annual consolidated financial statements	$ 1,154,647	$ 89,500	$ 981,276	$ 77,837
Differences	$ (14,884)	$ (117)	$ (11,157)	$ (228)

Information on the compensation of employees 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 March 31	
	2026	2025
Current income tax		
In respect of the current period	$ 1,319,866	$ 1,247,613
Deferred income tax		
In respect of the current period	(327,546)	(287,276)
Income tax expense recognized in profit or loss	$ 992,320	$ 960,337

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2026	**2025**
Deferred tax		
In respect of the current year:		
Exchange differences on translation	$ (5,910)	$ 56,345
Unrealized losses of financial assets at FVTOCI	(114,409)	(6,189)
Total income tax recognized in other comprehensive income	$ (120,319)	$ 50,156

c. Income tax assessments

The Bank's and Chang Hwa Bank Venture Capital Co., Ltd.'s income tax returns through 2024 have 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 ended March 31, 2025 were adjusted retrospectively as follows:

Unit: NT$ Per Share

	Before Adjusted Retrospectively	**After Adjusted Retrospectively**
Basic earnings per share	$ 0.37	$ 0.35
Diluted earnings per share	$ 0.37	$ 0.35

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

	For the Three Months Ended March 31	
	2026	**2025**
Net profit for the period	$ 5,221,136	$ 4,134,766

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

	For the Three Months Ended March 31	
	2026	2025
Weighted average number of common stock used in the computation of basic earnings per stock	11,766,046	11,766,046
Effect of potentially dilutive common stock:		
Compensation of employees issued	60,963	59,507
Weighted average number of common stock used in the computation of diluted earnings per stock	11,827,009	11,825,553

The Group may settle compensation or bonuses paid to employees in cash or stock; therefore, the Group assumes that the 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, 2025.

33. FINANCIAL INSTRUMENTS

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

Fair value of financial assets and liabilities have material difference at carrying amount

March 31, 2026

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost	$ 555,066,240	$ 127,171,077	$ 419,492,463	$ -	$ 546,663,540
Financial liabilities					
Bank notes payable	42,780,117	-	10,117	41,531,856	41,541,973

December 31, 2025

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost	$ 542,424,600	$ 110,214,750	$ 426,067,727	$ -	$ 536,282,477
Financial liabilities					
Bank notes payable	41,785,176	-	15,176	40,533,406	40,548,582

March 31, 2025

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost	$ 499,833,330	$ 113,210,391	$ 378,249,189	$ -	$ 491,459,580
Financial liabilities					
Bank notes payable	41,800,352	-	30,352	40,455,004	40,485,356

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

1) Fair value hierarchy

March 31, 2026

Fair Value Measurement of Financial Instruments	Level 1	Level 2	Level 3	Total
Non-derivative financial instruments				
Assets				
Financial assets at FVTPL	$ 914,612	$ 138,359,788	$ 927,223	$ 140,201,623
Financial assets mandatorily measured at FVTPL				
Stock and fund investments	914,612	-	927,223	1,841,835
Bond investments	-	3,552,763	-	3,552,763
Others	-	134,807,025	-	134,807,025
Financial assets at FVTOCI	173,595,781	133,705,592	19,304,840	326,606,213
Stock investments	25,387,147	-	19,304,840	44,691,987
Bond investments	135,482,566	133,477,127	-	268,959,693
Others	12,726,068	228,465	-	12,954,533
Derivative financial instruments				
Assets				
Financial assets at FVTPL	765,248	6,901,723	-	7,666,971
Liabilities				
Financial liabilities at FVTPL	-	2,737,070	-	2,737,070

December 31, 2025

Fair Value Measurement of Financial Instruments	Level 1	Level 2	Level 3	Total
Non-derivative financial instruments				
Assets				
Financial assets at FVTPL	$ 298,476	$ 116,386,348	$ 1,073,387	$ 117,758,211
Financial assets mandatorily measured at FVTPL				
Stock and fund investments	298,476	56,806	1,073,387	1,428,669
Bond investments	-	3,498,124	-	3,498,124
Others	-	112,831,418	-	112,831,418
Financial assets at FVTOCI	167,623,378	134,503,993	16,954,686	319,082,057
Stock investments	20,850,799	-	16,954,686	37,805,485
Bond investments	136,075,897	134,503,993	-	270,579,890
Others	10,696,682	-	-	10,696,682
Derivative financial instruments				
Assets				
Financial assets at FVTPL	740,804	5,813,594	-	6,554,398
Liabilities				
Financial liabilities at FVTPL	-	2,015,551	-	2,015,551

March 31, 2025

Fair Value Measurement of Financial Instruments	Level 1	Level 2	Level 3	Total
Non-derivative financial instruments				
Assets				
Financial assets at FVTPL	$ 518,669	$ 72,649,895	$ 838,900	$ 74,007,464
Financial assets mandatorily measured at FVTPL				
Stock and fund investments	518,669	64,791	838,900	1,422,360
Bond investments	-	1,524,530	-	1,524,530
Others	-	71,060,574	-	71,060,574
Financial assets at FVTOCI	183,701,214	139,767,629	14,897,324	338,366,167
Stock investments	22,650,494	-	14,897,324	37,547,818
Bond investments	150,097,720	139,767,629	-	289,865,349
Others	10,953,000	-	-	10,953,000
Derivative financial instruments				
Assets				
Financial assets at FVTPL	723,479	6,425,997	-	7,149,476
Liabilities				
Financial liabilities at FVTPL	-	1,672,214	-	1,672,214

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 three months ended March 31, 2026

Financial Assets	Financial Assets at FVTPL Equity Instrument	Financial Assets at FVTOCI Equity Instrument
Beginning balance	$ 1,073,387	$ 16,954,686
Recognized in profit or loss (loss on financial assets or liabilities measured at FVTPL)	(31,774)	-
Recognized in other comprehensive income (unrealized gain on financial assets at FVTOCI)	-	2,350,154
Purchase	66,885	-
Sell	(5,422)	-
Transfer to Level 3	34,981	-
Transfer out of Level 3	(210,834)	-
Ending balance	$ 927,223	$ 19,304,840

For the three months ended March 31, 2025

Financial Assets	Financial Assets at FVTPL Equity Instrument	Financial Assets at FVTOCI Equity Instrument
Beginning balance	$ 746,823	$ 13,747,021
Recognized in profit or loss (gain on financial assets or liabilities measured at FVTPL)	32,197	-
Recognized in other comprehensive income (unrealized loss on financial assets at FVTOCI)	-	(840,812)
Purchase	117,775	1,991,115
Transfer out of Level 3	(57,895)	-
Ending balance	$ 838,900	$ 14,897,324

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 instruments and 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. Hybrid instruments: 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.

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 controls market risk by managing risk limits. The risk management department sets various trading limits, such as position limits, stop-loss limits, and maximum potential loss. The trading limits are implemented only after they are reported to and approved by the board of directors.

The risk management department calculates exposures and estimated gains and losses on positions daily to make sure that the positions held and losses do not exceed the limits approved by the board of directors and prepares reports to the high-level management and the board of directors periodically for their sufficient understanding of the implementation of the market risk management and, if necessary, issuance of additional guidance.

The risk management department reports important market risk issues, such as discovery of possible loss on positions in each trading book or identification of weakness in the market risk management system, to the Risk Management Committee in order to improve the effectiveness of the market risk management.

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 March 31, 2026 and 2025, the Group's VaR factors based on historical simulation method were as follows:

	For the Three Months Ended March 31, 2026			
	Average	**Highest**	**Lowest**	**Ending Balance**
Exchange VaR	$ 100,562	$ 139,510	$ 76,313	$ 109,571
Interest rate VaR	16,560	32,339	2,094	28,906
Equity securities VaR	10,929	14,126	2,801	10,995
Value at risk	$ 128,051	$ 185,975	$ 81,208	$ 149,472

	For the Three Months Ended March 31, 2025			
	Average	**Highest**	**Lowest**	**Ending Balance**
Exchange VaR	$ 153,328	$ 170,782	$ 123,031	$ 160,358
Interest rate VaR	10,994	34,513	1,061	12,145
Equity securities VaR	10,151	16,277	877	12,751
Value at risk	$ 174,473	$ 221,572	$ 124,969	$ 185,254

2) Primary foreign currencies

The significant foreign-currency financial assets and liabilities as of March 31, 2026, December 31, 2025 and March 31, 2025 were as follows:

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	March 31, 2026		
	Foreign Currency	**Exchange Rate**	**New Taiwan Dollars**
<u>Financial assets</u>			
Monetary items			
USD	$ 12,099,797	32.0850	$ 388,221,987
GBP	63,657	42.4000	2,699,057
AUD	2,701,346	22.0200	59,483,639
CAD	46,568	23.0500	1,073,392
CHF	28,121	40.1750	1,129,761
ZAR	928,580	1.8740	1,740,159
JPY	272,350,359	0.2009	54,715,187
EUR	1,142,606	36.8300	42,082,179
RMB	6,907,254	4.6440	32,077,288
<u>Financial liabilities</u>			
Monetary items			
USD	17,047,787	32.0850	546,978,246
GBP	59,804	42.4000	2,535,690
AUD	2,214,388	22.0200	48,760,824
HKD	335,251	4.0940	1,372,518
CAD	65,641	23.0500	1,513,025
ZAR	2,249,708	1.8740	4,215,953
JPY	251,426,348	0.2009	50,511,553
EUR	1,068,977	36.8300	39,370,423
RMB	6,426,800	4.6440	29,846,059

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	December 31, 2025		
	Foreign Currency	**Exchange Rate**	**New Taiwan Dollars**
Financial assets			
Monetary items			
USD	$ 11,504,484	31.4450	$ 361,758,499
GBP	62,251	42.3500	2,636,330
AUD	2,333,857	21.0600	49,151,028
HKD	564,962	4.0390	2,281,882
CAD	44,787	22.9700	1,028,757
CHF	40,834	39.7150	1,621,722
ZAR	719,627	1.8940	1,362,974
JPY	279,662,161	0.2011	56,240,061
EUR	1,229,227	36.9400	45,407,645
NZD	65,771	18.2000	1,197,032
RMB	7,000,454	4.5000	31,502,043
Financial liabilities			
Monetary items			
USD	16,404,453	31.4450	515,838,025
GBP	53,449	42.3500	2,263,565
AUD	1,705,801	21.0600	35,924,169
HKD	1,098,129	4.0390	4,435,343
CAD	64,458	22.9700	1,480,600
CHF	23,801	39.7150	945,257
ZAR	2,145,322	1.8940	4,063,240
JPY	263,491,142	0.2011	52,988,069
EUR	1,152,875	36.9400	42,587,203
NZD	71,492	18.2000	1,301,154
RMB	6,793,699	4.5000	30,571,646

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	March 31, 2026		
	Foreign Currency	**Exchange Rate**	**New Taiwan Dollars**
Financial assets			
Monetary items			
USD	$ 10,460,112	33.2050	$ 347,328,019
GBP	145,987	43.0500	6,284,740
AUD	2,169,642	20.8800	45,302,125
HKD	814,354	4.2680	3,475,663
SGD	62,537	24.7700	1,549,041
CAD	89,922	23.21	2,087,090
CHF	64,455	37.7450	2,432,854
ZAR	2,346,189	1.8020	4,227,833
JPY	240,804,601	0.2227	53,627,185
EUR	1,239,119	35.9700	44,571,110
NZD	91,055	18.9600	1,726,403
RMB	6,934,093	4.5720	31,702,673
Financial liabilities			
Monetary items			
USD	16,234,818	33.2050	539,077,132
GBP	93,490	43.0500	4,024,745
AUD	1,722,078	20.8800	35,956,989
HKD	1,792,352	4.2680	7,649,758
CAD	88,490	23.2100	2,053,853
CHF	34,586	37.7450	1,305,449
ZAR	2,983,296	1.8020	5,375,899
JPY	229,585,956	0.2227	51,128,792
EUR	1,146,602	35.9700	41,243,274
NZD	85,506	18.9600	1,621,194
RMB	6,882,283	4.5720	31,465,798

For the three months ended March 31, 2026 and 2025, net foreign exchange gains were $614,221 thousand and $350,945 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) 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 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 and 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. Relevant credit deterioration indicators have been established and are reviewed when customers conduct credit facilities/transactions with the Bank to strengthen the control of customer credit risk and to prevent the Bank's debts from being damaged.

iv. To control concentration risk, the Group sets limits for statutory single creditors, related companies, stakeholders limit of the Group, 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 are distinguished according to the risk rating, so as to strengthen the Group's management on credit, investment and of 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 which may be unfavorable to the Group and in compliance with the requirements of the competent authority supervising risk management and improves 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 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) which indicates a significant increase in credit risk since 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 certain levels or if the scoring of a housing loan debtor of the Bank is lower than the set standard.

- 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 Bank 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 the 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 high risk or default.

- 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:

Business	Combination
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 the credit risk standardized approach of the Capital Adequacy Ratio 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 classifies credit assets as either corporate banking - domestic, corporate banking - overseas, and individual banking business. Macroeconomic indicators for each the above categories are estimated using the domestic economic growth rate, global economic growth rate (or relevant macroeconomic indicators of each overseas branch) 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:

	March 31	
	2026	**2025**
Discounts and loans	$ 717,188	$ 679,295

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 status. The Group efficiently manages 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 evaluation of credit qualities of bonds, regional conditions and counterparty risks.

The Group has established procedures for impairment assessment of debt instruments held at amortized cost and investments in debt instruments at FVTOCI. The Group determines whether there is a significant increase in credit risk through various quantitative indicators to assess the related expected credit losses.

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. For the Group's credit extension, securities investment and derivative financial product transactions with customers, the credit risk limit for the same legal person and group company is distinguished according to the risk rating, 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 to supervise concentration of credit risk in these categories, and control single counterparties, related companies, industries, and ultimate risks 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 and 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:

March 31, 2026

		Maximum Exposure to Credit Risk Mitigated by			
	Carrying Amount	Collateral	Master Netting Arrangement	Other Credit Enhancements	Total
Discounts and loans	$ 2,138,815,341	$ 1,408,906,283	$ -	$ -	$ 1,408,906,283
Financial assets at FVTPL	147,868,594	5,224,311	-	-	5,224,311
Investments in debt instruments at FVTOCI	281,914,226	18,710,480	-	-	18,710,480
Investments in debt instruments at amortized cost	555,066,240	-	-	-	-

December 31, 2025

		Maximum Exposure to Credit Risk Mitigated by			
	Carrying Amount	Collateral	Master Netting Arrangement	Other Credit Enhancements	Total
Discounts and loans	$ 2,095,895,137	$ 1,419,945,834	$ -	$ -	$ 1,419,945,834
Financial assets at FVTPL	124,312,609	5,024,284	-	-	5,024,284
Investments in debt instruments at FVTOCI	281,276,572	12,146,966	-	-	12,146,966
Investments in debt instruments at amortized cost	542,424,600	-	-	-	-

March 31, 2025

		Maximum Exposure to Credit Risk Mitigated by			
	Carrying Amount	Collateral	Master Netting Arrangement	Other Credit Enhancements	Total
Discounts and loans	$ 2,005,064,372	$ 1,368,824,341	$ -	$ -	$ 1,368,824,341
Financial assets at FVTPL	81,156,940	5,159,380	-	-	5,159,380
Investments in debt instruments at FVTOCI	300,663,919	11,693,303	-	-	11,693,303
Investments in debt instruments at amortized cost	499,833,330	-	-	-	-

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

	Discounts and Loans			
	March 31, 2026			
	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)	$ 1,279,816,701	$ 32,230,581	$ 38,889	$ 1,312,086,171
Levels 16-18	-	50,506,629	1,276,957	51,783,586
Levels 19-21	-	-	5,134,471	5,134,471
No rating	765,881,063	2,199,782	1,730,268	769,811,113
Total carrying amount	$ 2,045,697,764	$ 84,936,992	$ 8,180,585	$ 2,138,815,341
Expected credit losses	$ 3,196,980	$ 3,369,830	$ 2,107,886	$ 8,674,696
Recognized impairment based on the Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing Loans and Bad Debts				20,126,495
				$ 28,801,191

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

	Discounts and Loans			
	December 31, 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)	$ 1,247,905,264	$ 35,218,722	$ 88,131	$ 1,283,212,117
Levels 16-18	-	52,427,020	1,319,960	53,746,980
Levels 19-21	-	-	4,980,916	4,980,916
No rating	749,990,028	2,213,995	1,751,101	753,955,124
Total carrying amount	$ 1,997,895,292	$ 89,859,737	$ 8,140,108	$ 2,095,895,137
Expected credit losses	$ 3,384,150	$ 3,321,977	$ 2,379,419	$ 9,085,546
Recognized impairment based on the Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing Loans and Bad Debts				19,041,213
				$ 28,126,759

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

	Discounts and Loans			
	March 31, 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)	$ 1,200,245,850	$ 22,345,983	$ 82,758	$ 1,222,674,591
Levels 16-18	-	45,169,748	1,229,582	46,399,330
Levels 19-21	-	-	4,481,961	4,481,961
No rating	727,931,801	2,040,166	1,536,523	731,508,490
Total carrying amount	$ 1,928,177,651	$ 69,555,897	$ 7,330,824	$ 2,005,064,372
Expected credit losses	$ 2,725,267	$ 2,284,685	$ 2,405,926	$ 7,415,878
Recognized impairment based on the Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing Loans and Bad Debts				18,741,762
				$ 26,157,640

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

	Guarantees in Guarantee Business			
	March 31, 2026			
	Stage 1 12-month Expected Credit Losses	**Stage 2 Lifetime Expected Credit Losses**	**Stage 3 Lifetime Expected Credit Losses**	**Total**
Carrying amount	$ 53,349,200	$ 350,870	$ 79,918	$ 53,779,988
Expected credit losses	141,017	1,396	19,641	162,054

	Guarantees in Guarantee Business			
	December 31, 2025			
	Stage 1 12-month Expected Credit Losses	**Stage 2 Lifetime Expected Credit Losses**	**Stage 3 Lifetime Expected Credit Losses**	**Total**
Carrying amount	$ 50,282,175	$ 389,079	$ 75,168	$ 50,746,422
Expected credit losses	143,410	1,056	19,362	163,828

	Guarantees in Guarantee Business			
	March 31, 2025			
	Stage 1 12-month Expected Credit Losses	**Stage 2 Lifetime Expected Credit Losses**	**Stage 3 Lifetime Expected Credit Losses**	**Total**
Carrying amount	$ 50,106,323	$ 386,727	$ 75,168	$ 50,568,218
Expected credit losses	112,269	3,028	19,362	134,659

	Unused Loan Commitments			
	March 31, 2026			
	Stage 1 12-month Expected Credit Losses	**Stage 2 Lifetime Expected Credit Losses**	**Stage 3 Lifetime Expected Credit Losses**	**Total**
Carry amount - non-cancellable	$ 124,483,772	$ 2,125,498	$ 21	$ 126,609,291
Carry amount - cancellable	620,219,248	13,374,250	137,093	633,730,591
	$ 744,703,020	$ 15,499,748	$ 137,114	$ 760,339,882
Expected credit losses - non-cancellable	$ 92,344	$ 20,936	$ 5	$ 113,285
Expected credit losses - cancellable	48,962	420	132	49,514
	$ 141,306	$ 21,356	$ 137	$ 162,799

	Unused Loan Commitments			
	December 31, 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	$ 131,339,821	$ 3,030,793	$ -	$ 134,370,614
Carry amount - cancellable	639,198,717	14,983,627	37,381	654,219,725
	$ 770,538,538	$ 18,014,420	$ 37,381	$ 788,590,339
Expected credit losses - non-cancellable	$ 103,519	$ 23,865	$ -	$ 127,384
Expected credit losses - cancellable	54,108	473	136	54,717
	$ 157,627	$ 24,338	$ 136	$ 182,101

	Unused Loan Commitments			
	March 31, 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	$ 113,273,423	$ 1,859,698	$ 8,220	$ 115,141,341
Carry amount - cancellable	611,655,554	11,726,633	6,246	623,388,433
	$ 724,928,977	$ 13,586,331	$ 14,466	$ 738,529,774

(Continued)

	Unused Loan Commitments			
	March 31, 2025			
	Stage 1 12-month Expected Credit Losses	Stage 2 Lifetime Expected Credit Losses	Stage 3 Lifetime Expected Credit Losses	Total
Expected credit losses - non-cancellable	$ 66,003	$ 6,063	$ 885	$ 72,951
Expected credit losses - cancellable	27,750	401	123	28,274
	$ 93,753	$ 6,464	$ 1,008	$ 101,225

(Concluded)

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 March 31, 2026, December 31, 2025 and March 31, 2025, the maximum exposure 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	March 31, 2026	December 31, 2025	March 31, 2025
Unused loan commitments (excluding credit card)	$ 126,609,291	$ 134,370,614	$ 115,141,341
Credit card commitments	319,643	329,376	340,434
Unused issued letters of credit	23,372,759	17,597,109	21,075,437
Guarantees in guarantee business	53,779,988	50,746,422	50,568,218

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:

	March 31, 2026	
Industry Type	Carrying Amount	Percentage of Item (%)
Financial and insurance	$ 172,037,657	8
Manufacturing	512,370,963	24
Wholesale and retail	200,289,848	9
Real estate and leasing	180,013,153	9
Service	45,746,854	2
Individuals	742,389,676	35
Others	285,967,190	13
	$ 2,138,815,341	

Industry Type	December 31, 2025 Carrying Amount	Percentage of Item (%)
Financial and insurance	$ 160,413,990	8
Manufacturing	509,809,047	24
Wholesale and retail	192,461,309	9
Real estate and leasing	179,387,093	9
Service	45,465,880	2
Individuals	739,723,878	35
Others	268,633,940	13
	$ 2,095,895,137	

Industry Type	March 31, 2025 Carrying Amount	Percentage of Item (%)
Financial and insurance	$ 151,316,686	8
Manufacturing	468,403,044	23
Wholesale and retail	183,149,181	9
Real estate and leasing	173,243,723	9
Service	40,894,845	2
Individuals	711,131,638	35
Others	276,925,255	14
	$ 2,005,064,372	

Geographic Location	March 31, 2026 Carrying Amount	Percentage of Item (%)
Asia	$ 1,971,648,831	92
America	97,699,401	5
Europe	39,154,759	2
Others	30,312,350	1
	$ 2,138,815,341	

Geographic Location	December 31, 2025 Carrying Amount	Percentage of Item (%)
Asia	$ 1,937,549,470	93
America	89,914,211	4
Europe	39,641,679	2
Others	28,789,777	1
	$ 2,095,895,137	

Geographic Location	March 31, 2025 Carrying Amount	Percentage of Item (%)
Asia	$ 1,855,006,240	92
America	79,244,430	4
Europe	39,135,646	2
Others	31,678,056	2
	$ 2,005,064,372	

Securities Type	March 31, 2026 Carrying Amount	Percentage of Item (%)
Unsecured	$ 729,909,058	34
Secured		
Properties	1,214,515,112	57
Others	194,391,171	9
	$ 2,138,815,341	

Securities Type	December 31, 2025 Carrying Amount	Percentage of Item (%)
Unsecured	$ 675,949,303	32
Secured		
Properties	1,225,210,980	59
Others	194,734,854	9
	$ 2,095,895,137	

Securities Type	March 31, 2025 Carrying Amount	Percentage of Item (%)
Unsecured	$ 636,240,031	32
Secured		
Properties	1,177,995,874	59
Others	190,828,467	9
	$ 2,005,064,372	

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 is the potential loss that the Group may suffer due to inability to liquidate assets or raise enough funds in reasonable time to perform obligations when due and to meet the demands of assets growth.

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 March 31, 2026 and 2025, the ratios of the liquidity reserve were 26.59% and 26.87%, 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:

(In Thousands of New Taiwan Dollars)

Item	March 31, 2026					
	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	$ 18,311,406	$ -	$ -	$ -	$ -	$ 18,311,406
Due from the Central Bank and call loans to banks	103,232,977	10,273,261	9,049,818	11,968,218	44,390,489	178,914,763
Financial assets at FVTPL	136,470,180	-	-	-	157,216	136,627,396
Receivables	36,446,515	1,661,996	1,042,253	957,648	135,600	40,244,012
Discounts and loans	104,047,423	168,238,181	221,076,392	264,911,225	1,015,652,727	1,773,925,948
Investments in equity instruments designated at FVTOCI	-	-	-	-	44,691,987	44,691,987
Investments in debt instruments at FVTOCI	4,247,809	5,593,149	6,451,949	9,297,522	98,762,667	124,353,096
Investments in debt instruments at amortized cost	138,550,000	44,559,018	23,949,575	55,167,774	107,697,110	369,923,477
Other maturity funds inflow items	254,312	55	-	-	14,465,055	14,719,422
	541,560,622	230,325,660	261,569,987	342,302,387	1,325,952,851	2,701,711,507
Major maturity fund outflows						
Deposits from the Central Bank and banks	3,297,108	55,012,770	20,011,945	67,600,789	-	145,922,612
Due to the Central Bank and banks	4,005,000	25,000	-	-	-	4,030,000
Securities sold under repurchase agreements	982,129	468,875	10,486	-	-	1,461,490
Payables	26,985,983	3,414,199	2,555,603	1,824,522	2,605,090	37,385,397
Deposits and remittances	209,997,489	217,797,878	238,963,227	316,024,496	1,171,512,134	2,154,295,224
Bank notes payable	-	-	3,300,000	18,470,000	21,000,000	42,770,000
Other maturity fund outflow items	36,400	40,892	9,219	299,477	2,657,815	3,043,803
	245,304,109	276,759,614	264,850,480	404,219,284	1,197,775,039	2,388,908,526
Gap	$ 296,256,513	$ (46,433,954)	$ (3,280,493)	$ (61,916,897)	$ 128,177,812	$ 312,802,981

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

(In Thousands of New Taiwan Dollars)

Item	December 31, 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	$ 17,622,672	$ -	$ -	$ -	$ -	$ 17,622,672
Due from the Central Bank and call loans to banks	85,444,899	10,651,752	8,652,029	11,856,762	43,919,182	160,524,624
Financial assets at FVTPL	114,081,218	-	-	-	157,216	114,238,434
Receivables	31,565,628	1,052,431	954,932	1,002,437	108,924	34,684,352
Discounts and loans	116,310,482	152,170,766	172,816,924	296,489,551	1,031,901,904	1,769,689,627
Investments in equity instruments designated at FVTOCI	-	-	-	-	37,805,485	37,805,485
Investments in debt instruments at FVTOCI	1,899,113	349,630	9,817,934	10,905,619	103,556,746	126,529,042
Investments in debt instruments at amortized cost	175,764,896	30,100,000	40,358,177	46,924,353	84,683,414	377,830,840
Other maturity funds inflow items	4,107	-	-	-	14,455,084	14,459,191
	542,693,015	194,324,579	232,599,996	367,178,722	1,316,587,955	2,653,384,267
Major maturity fund outflows						
Deposits from the Central Bank and banks	223,396	10,017,272	57,503,502	82,609,963	-	150,354,133
Due to the Central Bank and banks	5,000	25,000	-	-	-	30,000
Securities sold under repurchase agreements	981,465	492,722	-	-	-	1,474,187
Payables	23,260,842	730,431	3,206,683	2,918,815	1,929,889	32,046,660
Deposits and remittances	197,368,953	198,377,078	231,105,626	316,707,729	1,172,721,298	2,116,280,684
Bank notes payable	-	-	-	6,300,000	35,470,000	41,770,000
Other maturity fund outflow items	15,201	34,623	149,493	290,151	2,656,038	3,145,506
	221,854,857	209,677,126	291,965,304	408,826,658	1,212,777,225	2,345,101,170
Gap	$ 320,838,158	$ (15,352,547)	$ (59,365,308)	$ (41,647,936)	$ 103,810,730	$ 308,283,097

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

(In Thousands of New Taiwan Dollars)

Item	March 31, 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	$ 18,414,229	$ -	$ -	$ -	$ -	$ 18,414,229
Due from the Central Bank and call loans to banks	64,757,733	7,084,566	8,126,737	11,000,481	42,472,848	133,442,365
Financial assets at FVTPL	72,332,747	-	-	-	131,118	72,463,865
Receivables	15,332,367	1,807,945	880,278	918,421	163,920	19,102,931
Discounts and loans	101,643,926	158,045,227	205,680,969	235,443,044	1,000,585,072	1,701,398,238
Investments in equity instruments designated at FVTOCI	-	-	-	-	37,702,248	37,702,248
Investments in debt instruments at FVTOCI	1,399,222	673,650	2,692,414	8,615,593	124,135,855	137,516,734
Investments in debt instruments at amortized cost	160,200,000	42,849,994	31,298,526	65,112,256	38,200,354	337,661,130
Other maturity funds inflow items	-	-	-	-	14,613,560	14,613,560
	434,080,224	210,461,382	248,678,924	321,089,795	1,258,004,975	2,472,315,300
Major maturity fund outflows						
Deposits from the Central Bank and banks	260,671	12,217	55,019,414	75,107,473	-	130,399,775
Due to the Central Bank and banks	10,000	20,000	-	-	-	30,000
Securities sold under repurchase agreements	641,855	667,897	10,406	-	-	1,320,158
Payables	21,378,287	3,081,902	2,447,641	1,635,357	3,386,593	31,929,780
Deposits and remittances	157,820,776	183,786,721	211,419,403	286,180,669	1,104,528,737	1,943,736,306
Bank notes payable	-	-	-	-	41,770,000	41,770,000
Other maturity fund outflow items	11,233	21,285	34,149	288,525	2,676,670	3,031,862
	180,122,822	187,590,022	268,931,013	363,212,024	1,152,362,000	2,152,217,881
Gap	$ 253,957,402	$ 22,871,360	$ (20,252,089)	$ (42,122,229)	$ 105,642,975	$ 320,097,419

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

(In Thousands of United States Dollars)

Item	March 31, 2026					
	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	$ 188,017	$ -	$ -	$ -	$ -	$ 188,017
Due from the Central Bank and call loans to banks	1,121,591	157,525	93,405	32,713	3,264	1,408,498
Financial assets at FVTPL	110,582	-	-	-	817	111,399
Receivables	541,088	69,122	101,915	20,158	19,860	752,143
Discounts and loans	725,829	514,120	978,844	427,710	5,500,187	8,146,690
Investments in debt instruments designated at FVTOCI	4,991	262,569	87,781	358,740	3,398,952	4,113,033
Investments in debt instruments at amortized cost	-	7,003	2,997	-	3,727,302	3,737,302
Other maturity fund inflow items	543	-	-	-	23,936	24,479
	2,692,641	1,010,339	1,264,942	839,321	12,674,318	18,481,561
Major maturity fund outflows						
Deposits from the Central Bank and banks	6,996	-	-	-	-	6,996
Due to the Central Bank and banks	2,731,870	2,274,500	133,000	-	-	5,139,370
Securities sold under repurchase agreements	-	572,350	397,260	-	-	969,610
Payables	975,276	69,842	11,326	7,767	3,051	1,067,262
Deposits and remittances	4,350,082	4,342,741	2,350,371	2,142,369	2,555,143	15,740,706
Other maturity fund outflow items	44,936	18,900	5,494	381	52,867	122,578
	8,109,160	7,278,333	2,897,451	2,150,517	2,611,061	23,046,522
Gap	$ (5,416,519)	$ (6,267,994)	$ (1,632,509)	$ (1,311,196)	$ 10,063,257	$ (4,564,961)

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

(In Thousands of United States Dollars)

Item	December 31, 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	$ 169,243	$ -	$ -	$ -	$ -	$ 169,243
Due from the Central Bank and call loans to banks	949,334	320,726	22,648	80,670	3,262	1,376,640
Financial assets at FVTPL	111,095	-	-	-	839	111,934
Receivables	410,458	83,561	134,605	27,091	20,566	676,281
Discounts and loans	513,323	524,572	555,671	437,401	5,163,778	7,194,745
Investments in debt instruments designated at FVTOCI	50,928	57,542	569,803	319,504	3,348,582	4,346,359
Investments in debt instruments at amortized cost	-	4,000	7,008	2,997	3,207,188	3,221,193
Other maturity fund inflow items	369	-	-	-	10,756	11,125
	2,204,750	990,401	1,289,735	867,663	11,754,971	17,107,520
Major maturity fund outflows						
Deposits from the Central Bank and banks	10,584	-	-	-	-	10,584
Due to the Central Bank and banks	3,478,769	1,335,900	95,000	-	-	4,909,669
Securities sold under repurchase agreements	-	438,087	-	-	-	438,087
Payables	923,317	65,793	10,821	6,179	2	1,006,112
Deposits and remittances	4,038,026	5,167,184	1,976,633	1,663,480	2,494,379	15,339,702
Other maturity fund outflow items	59,747	-	500	3,403	61,696	125,346
	8,510,443	7,006,964	2,082,954	1,673,062	2,556,077	21,829,500
Gap	$ (6,305,693)	$ (6,016,563)	$ (793,219)	$ (805,399)	$ 9,198,894	$ (4,721,980)

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

(In Thousands of United States Dollars)

Item	March 31, 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	$ 98,795	$ -	$ -	$ -	$ -	$ 98,795
Due from the Central Bank and call loans to banks	602,212	406,175	123,915	146,500	32,851	1,311,653
Financial assets at FVTPL	45,769	-	-	-	718	46,487
Receivables	329,402	98,831	90,487	20,965	16,414	556,099
Discounts and loans	479,474	346,249	413,558	416,259	4,549,316	6,204,856
Investments in debt instruments designated at FVTOCI	69,951	22,692	82,798	149,370	3,932,545	4,257,356
Investments in debt instruments at amortized cost	-	-	128,942	4,000	2,970,932	3,103,874
Other maturity fund inflow items	-	-	-	-	1,550	1,550
	1,625,603	873,947	839,700	737,094	11,504,326	15,580,670
Major maturity fund outflows						
Deposits from the Central Bank and banks	7,599	-	-	-	-	7,599
Due to the Central Bank and banks	3,194,959	399,500	1,000	-	-	3,595,459
Securities sold under repurchase agreements	303,750	-	-	-	-	303,750
Payables	365,576	87,025	18,641	12,190	1,090	484,522
Deposits and remittances	3,709,430	5,406,438	2,515,603	2,431,683	2,358,430	16,421,584
Other maturity fund outflow items	51,184	1,500	2,000	-	63,023	117,707
	7,632,498	5,894,463	2,537,244	2,443,873	2,422,543	20,930,621
Gap	$ (6,006,895)	$ (5,020,516)	$ (1,697,544)	$ (1,706,779)	$ 9,081,783	$ (5,349,951)

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	March 31, 2026					
	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Foreign currency derivative instruments						
Outflows	$ 127,331,544	$ 158,265,072	$ 56,588,177	$ 42,499,344	$ 1,216,025	$ 385,900,162
Inflows	128,531,801	160,086,776	57,433,775	43,334,807	1,213,416	390,600,575
Interest rate derivative instruments						
Inflows	723,827	-	-	-	-	723,827
Others						
Inflows	19,557	-	-	-	-	19,557
Total outflows	$ 127,331,544	$ 158,265,072	$ 56,588,177	$ 42,499,344	$ 1,216,025	$ 385,900,162
Total inflows	$ 129,275,185	$ 160,086,776	$ 57,433,775	$ 43,334,807	$ 1,213,416	$ 391,343,959

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

Item	December 31, 2025					
	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Foreign currency derivative instruments						
Outflows	$ 126,480,012	$ 132,431,516	$ 48,016,942	$ 48,759,512	$ 279,294	$ 355,967,276
Inflows	127,755,032	133,914,499	48,946,327	49,872,474	280,973	360,769,305
Interest rate derivative instruments						
Inflows	707,711	-	-	-	-	707,711
Others						
Inflows	23,133	-	-	-	-	23,133
Total outflows	$ 126,480,012	$ 132,431,516	$ 48,016,942	$ 48,759,512	$ 279,294	$ 355,967,276
Total inflows	$ 128,485,876	$ 133,914,499	$ 48,946,327	$ 49,872,474	$ 280,973	$ 361,500,149

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

Item	March 31, 2025					
	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Foreign currency derivative instruments						
Outflows	$ 106,911,523	$ 147,274,684	$ 87,217,805	$ 32,317,685	$ -	$ 373,721,697
Inflows	108,317,523	149,462,465	88,873,707	33,238,693	-	379,892,388
Interest rate derivative instruments						
Inflows	695,015	-	-	-	-	695,015
Others						
Inflows	24,984	-	-	-	-	24,984
Total outflows	$ 106,911,523	$ 147,274,684	$ 87,217,805	$ 32,317,685	$ -	$ 373,721,697
Total inflows	$ 109,037,522	$ 149,462,465	$ 88,873,707	$ 33,238,693	$ -	$ 380,612,387

e) Maturity analysis of off-balance sheet items

The 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	March 31, 2026					
	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Unused loan commitments (excluding credit cards)	$ 110,008,924	$ 221,446	$ 3,239,654	$ 4,097,207	$ 9,042,060	$ 126,609,291
Credit card commitments	3	23	34	175	319,408	319,643
Unused issued letters of credit	23,277,556	95,203	-	-	-	23,372,759
Guarantees in guarantee business	51,705,684	1,016,904	48,762	245,436	763,202	53,779,988
	$ 184,992,167	$ 1,333,576	$ 3,288,450	$ 4,342,818	$ 10,124,670	$ 204,081,681

(In Thousands of New Taiwan Dollars)

Item	December 31, 2025					
	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Unused loan commitments (excluding credit cards)	$ 118,653,491	$ 5,175	$ 555,685	$ 5,683,512	$ 9,472,751	$ 134,370,614
Credit card commitments	3	25	64	175	329,109	329,376
Unused issued letters of credit	17,495,645	89,740	11,724	-	-	17,597,109
Guarantees in guarantee business	49,719,325	4,924	66,810	218,925	736,438	50,746,422
	$ 185,868,464	$ 99,864	$ 634,283	$ 5,902,612	$ 10,538,298	$ 203,043,521

(In Thousands of New Taiwan Dollars)

Item	March 31, 2025					
	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Unused loan commitments (excluding credit cards)	$ 102,886,002	$ 535,808	$ 1,235,562	$ 1,241,117	$ 9,242,852	$ 115,141,341
Credit card commitments	7	26	64	262	340,075	340,434
Unused issued letters of credit	20,941,116	128,611	5,710	-	-	21,075,437
Guarantees in guarantee business	49,204,190	751,443	44,805	91,472	476,308	50,568,218
	$ 173,031,315	$ 1,415,888	$ 1,286,141	$ 1,332,851	$ 10,059,235	$ 187,125,430

34. OTHER DISCLOSURES OF FINANCIAL INSTITUTION

a. Asset quality

Business Type			March 31, 2026 Non-performing Loans (Note a)	March 31, 2026 Loans	March 31, 2026 Non-performing Loans Ratio (Note b)	March 31, 2026 Allowance for Loan Losses	March 31, 2026 Coverage Ratio (Note c)	March 31, 2025 Non-performing Loans (Note a)	March 31, 2025 Loans	March 31, 2025 Non-performing Loans Ratio (Note b)	March 31, 2025 Allowance for Loan Losses	March 31, 2025 Coverage Ratio (Note c)
Corporate finance	Secured		$ 1,973,403	$ 668,484,373	0.30%	$ 9,073,705	459.80%	$ 1,601,764	$ 659,227,800	0.24%	$ 8,494,730	530.34%
	Unsecured		189,535	705,496,318	0.03%	9,367,598	4,942.41%	665,431	616,944,777	0.11%	7,839,471	1,178.10%
Consumer finance	Mortgage loans (Note d)		607,689	494,491,793	0.12%	7,466,793	1,228.72%	514,634	466,403,099	0.11%	7,039,585	1,367.88%
	Cash cards (Note h)		-	-	-	-	-	-	-	-	-	-
	Credit loans (Note e)		13,659	5,793,899	0.24%	80,894	592.24%	21,340	4,609,438	0.46%	66,373	311.03%
	Others (Note f)	Secured	506,664	240,369,704	0.21%	2,446,923	482.95%	453,175	238,454,355	0.19%	2,424,522	535.01%
		Unsecured	331	1,734,280	0.02%	22,857	6,905.44%	228	1,664,746	0.01%	20,887	9,160.96%
Total			3,291,281	2,116,370,367	0.16%	28,458,770	864.67%	3,256,572	1,987,304,215	0.16%	25,885,568	794.87%

Business Type	March 31, 2026 Non-performing Loans (Note a)	March 31, 2026 Loans	March 31, 2026 Non-performing Loans Ratio (Note b)	March 31, 2026 Allowance for Loan Losses	March 31, 2026 Coverage Ratio (Note c)	March 31, 2025 Non-performing Loans (Note a)	March 31, 2025 Loans	March 31, 2025 Non-performing Loans Ratio (Note b)	March 31, 2025 Allowance for Loan Losses	March 31, 2025 Coverage Ratio (Note c)
Credit card	$ 6,497	$ 2,826,946	0.23%	$ 24,119	371.23%	$ 7,499	$ 3,423,448	0.22%	$ 25,831	344.46%
No recourse receivable factoring (Note g)	-	3,993,828	-	89,938	-	-	4,223,060	-	92,231	-

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 receivable 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.

Business Type \ Item	March 31, 2026		March 31, 2025	
	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)	$ -	$ 72	$ -	$ 104
Negotiated accounts receivable transacted in accordance with the agreement and exempted from reporting as non-performing receivables (Note b)	1,721	19,279	2,038	17,503
Total	1,721	19,351	2,038	17,607

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

March 31, 2026			
Rank (Note a)	**Transaction Party (Note b)**	**Loans (Note c)**	**As Proportion of Net Equity (%) (Note d)**
1	A Group (other holdings industry)	$ 22,326,376	9.88
2	B Group (other holdings industry)	21,591,156	9.55
3	C Corporation (railway transportation industry)	19,385,852	8.58
4	D Group (uncategorized other financial services)	17,885,450	7.91
5	E Group (vessel carriers industry)	14,048,603	6.22
6	F Group (steel manufacturing industry)	12,239,371	5.42
7	G Group (integrated circuit manufacturing)	10,491,312	4.64
8	H Group (chemical raw material manufacturing)	10,266,099	4.54
9	I Group (real estate development industry)	10,032,000	4.44
10	J Group (real estate development industry)	9,105,834	4.03

March 31, 2025			
Rank (Note a)	**Transaction Party (Note b)**	**Loans (Note c)**	**As Proportion of Net Equity (%) (Note d)**
1	B Group (other holdings industry)	$ 20,628,584	10.02
2	A Group (other holdings industry)	20,108,863	9.76
3	C Corporation (railway transportation industry)	19,404,993	9.42
4	D Group (uncategorized other financial services)	14,431,975	7.01
5	H Group (chemical raw material manufacturing)	11,619,815	5.64
6	F Group (steel manufacturing industry)	11,608,237	5.64
7	I Group (real estate development industry)	9,392,000	4.56
8	E Group (air transportation industry)	9,237,985	4.49
9	G Group (integrated circuit manufacturing)	8,929,123	4.34
10	J Group (real estate development industry)	8,827,532	4.29

Note a: The top ten non-government or non-state-owned enterprise borrowers are ranked based on total credit extension balances. If a borrower belongs to a group, the credit extension balances of the group are aggregated and disclosed by code and industry. For a group, the industry with the largest exposure to the group is disclosed. The industry classification is based on the detailed industry classification of the Directorate-General of Budget, Accounting and Statistics.

Note b: Group enterprises refer to those meeting the definition under Article 6 of the Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules Governing the 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

(In Thousands of New Taiwan Dollars; %)

Item	March 31, 2026				
	1-90 Days	**91-180 Days**	**181 Days - 1 Year**	**More Than 1 Year**	**Total**
Interest-sensitive assets	$ 2,151,113,731	$ 90,719,647	$ 90,458,587	$ 210,618,249	$ 2,542,910,214
Interest-sensitive liabilities	728,639,452	1,343,634,178	194,168,558	45,053,935	2,311,496,123
Interest sensitivity gap	1,422,474,279	(1,252,914,531)	(103,709,971)	165,564,314	231,414,091
Net equity					193,291,572
Ratio of interest-sensitive assets to liabilities					110.01%
Ratio of interest sensitivity gap to net equity					119.72%

(In Thousands of New Taiwan Dollars; %)

Item	March 31, 2025				
	1-90 Days	**91-180 Days**	**181 Days - 1 Year**	**More Than 1 Year**	**Total**
Interest-sensitive assets	$ 1,949,081,120	$ 82,852,398	$ 85,884,556	$ 257,491,554	$ 2,375,309,628
Interest-sensitive liabilities	637,551,467	1,239,012,039	149,221,159	54,981,720	2,080,766,385
Interest sensitivity gap	1,311,529,653	(1,156,159,641)	(63,336,603)	202,509,834	294,543,243
Net equity					174,189,617
Ratio of interest-sensitive assets to liabilities					114.16%
Ratio of interest sensitivity gap to net equity					169.09%

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 = $\frac{\text{Interest-sensitive assets}}{\text{Interest-sensitive liabilities}}$ (N.T. dollars only)

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

Item	March 31, 2026				
	1-90 Days	91-180 Days	181 Days - 1 Year	More Than 1 Year	Total
Interest-sensitive assets	$ 17,615,277	$ 1,171,117	$ 361,770	$ 5,452,641	$ 24,600,805
Interest-sensitive liabilities	25,151,818	2,236,864	1,622,503	-	29,011,185
Interest sensitivity gap	(7,536,541)	(1,065,747)	(1,260,733)	5,452,641	(4,410,380)
Net equity					693,905
Ratio of interest-sensitive assets to liabilities					84.80%
Ratio of interest sensitivity gap to net equity					(635.59%)

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

Item	March 31, 2025				
	1-90 Days	91-180 Days	181 Days - 1 Year	More Than 1 Year	Total
Interest-sensitive assets	$ 14,445,224	$ 998,315	$ 294,053	$ 5,807,431	$ 21,545,023
Interest-sensitive liabilities	22,698,377	2,295,933	1,870,892	-	26,865,202
Interest sensitivity gap	(8,253,153)	(1,297,618)	(1,576,839)	5,807,431	(5,320,179)
Net equity					692,201
Ratio of interest-sensitive assets to liabilities					80.20%
Ratio of interest sensitivity gap to net equity					(768.59%)

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 = $\frac{\text{Interest-sensitive assets}}{\text{Interest-sensitive liabilities}}$ (U.S. dollars only)

d. Profitability

Item		March 31, 2026	March 31, 2025
Return on total assets	Pretax	0.18%	0.16%
	After tax	0.15%	0.13%
Return on net equity	Pretax	2.78%	2.50%
	After tax	2.34%	2.03%
Profit margin		42.09%	38.49%

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

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

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

Note d: Profitability presented above is cumulative from January 1 to March 31 of 2026 and 2025, respectively.

e. Maturity analysis of assets and liabilities

(In Thousands of New Taiwan Dollars)

	Total	March 31, 2026					
		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	$ 2,846,495,066	$ 375,752,101	$ 180,129,996	$ 289,856,941	$ 281,338,076	$ 354,917,844	$ 1,364,500,108
Major maturity cash outflows	3,484,548,144	172,486,938	213,245,636	486,776,506	432,985,869	704,411,184	1,474,642,011
Gap	(638,053,078)	203,265,163	(33,115,640)	(196,919,565)	(151,647,793)	(349,493,340)	(110,141,903)

(In Thousands of New Taiwan Dollars)

	Total	March 31, 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	$ 2,597,219,162	$ 244,825,470	$ 210,384,765	$ 257,254,370	$ 261,667,400	$ 328,457,366	$ 1,294,629,791
Major maturity cash outflows	3,185,929,493	101,080,732	183,948,789	393,164,874	466,997,295	638,387,476	1,402,350,327
Gap	(588,710,331)	143,744,738	26,435,976	(135,910,504)	(205,329,895)	(309,930,110)	(107,720,536)

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	March 31, 2026				
		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	$ 33,892,179	$ 12,885,536	$ 4,239,644	$ 2,288,887	$ 1,772,946	$ 12,705,166
Major maturity cash outflows	37,547,582	15,863,729	9,120,950	4,150,096	3,562,094	4,850,713
Gap	(3,655,403)	(2,978,193)	(4,881,306)	(1,861,209)	(1,789,148)	7,854,453

(In Thousands of U.S. Dollars)

	Total	March 31, 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	$ 30,541,914	$ 10,630,808	$ 3,794,519	$ 3,157,112	$ 1,470,127	$ 11,489,348
Major maturity cash outflows	34,906,326	15,441,090	6,954,991	3,649,025	3,970,553	4,890,667
Gap	(4,364,412)	(4,810,282)	(3,160,472)	(491,913)	(2,500,426)	6,598,681

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

f. Trust accounts

Pursuant to Article 3 of the Trust Enterprise Act, the Bank may concurrently engage in trust business. The types and amounts of trust business as of March 31, 2026 and 2025 were as follows:

	March 31	
	2026	2025
Special purpose trust accounts - domestic	$ 46,123,924	$ 45,841,842
Special purpose trust accounts - foreign	116,067,417	109,302,004
Insurance trust	10,236	10,112
Retirement and breeds trust	1,047,578	1,000,931
Umbilical cord blood trust	18,267,885	17,349,845
Money claim and guarantee trust	29,800	40,800
Marketable securities trust	2,641,084	1,777,029
Real estate trust	59,600,268	57,252,871
Securities under custody	935,651,225	781,173,509
Other money trust	9,269,692	7,941,679
	$ 1,188,709,109	$ 1,021,690,622

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
Taiwan High Speed Rail Corporation	Its director is the Bank's corporate director
CPC Corporation, Taiwan	Its director is the Bank's corporate director representative
CSBC Corporation	Its director is the Bank's corporate director
Vanguard International Semiconductor Corporation	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
Kaohsiung Rapid Transit Corporation	Its director is the Bank's corporate director
Yang Ming Marine Transport Corporation	Its director is the Bank's corporate director
Taiwan Acceptance Corporation	Its director is the spouse of the Bank's director
Lungteh Shipbuilding Co., Ltd.	Its director is the Bank's corporate director
ScinoPharm Taiwan, Ltd.	Its director is the Bank's corporate director
Quaser Machine Tools, Inc.	Its director is the Bank's corporate director
Promised Land Co., Ltd.	Its director is the Bank's corporate director
Others	Other related parties (IAS 24 "Related Party Disclosures")

b. Significant transactions with related parties

1) Loans

	Balance	Percentage of Loans (%)
Balance as of March 31, 2026	$ 38,898,288	1.84
Balance as of December 31, 2025	41,548,252	2.01
Balance as of March 31, 2025	39,337,682	1.99

For the three months ended March 31, 2026 and 2025, the interest rates ranged from 1.63% to 6.20% and from 1.72% to 5.71%, respectively, and interest income amounted to $202,441 thousand and $192,239 thousand, respectively.

	March 31, 2026					
	Ending Balance	Highest Amount	Normal Loans	Non-performing Loans	Collateral	Difference in Terms Between Related Parties and Non-related Parties
Consumer loans						
48 accounts	$ 29,807	$ 31,844	$ 29,807	$ -	Credit	None
Self-use residential mortgage loans						
259 accounts	2,374,745	2,470,321	2,374,745	-	Real estate	None
Others						
Taiwan High Speed Rail Corporation	19,308,161	19,308,161	19,308,161	-	Station equipment	None
CPC Corporation, Taiwan	13,700,000	16,700,000	13,700,000	-	Credit	None
CSBC Corporation	2,294,091	3,872,157	2,294,091	-	Credit	None
Vanguard International Semiconductor	243,640	243,640	243,640	-	Credit	None
TSEC Corporation	218,088	286,339	218,088	-	Credit and land and plant	None
China Metal Products Co., Ltd.	200,000	600,000	200,000	-	Land and plant	None
Kaohsiung Rapid Transit	110,000	110,000	110,000	-	Credit	None
Other - corporation 10 accounts (Note 1)	418,877	684,873	418,877	-	Credit and fund guarantee and real estate	None
Other - 3 individual accounts (Note 2)	880	917	880	-	Foreign currency and deposit	None

	December 31, 2025					
	Ending Balance	Highest Amount	Normal Loans	Non-performing Loans	Collateral	Difference in Terms Between Related Parties and Non-related Parties
Consumer loans						
44 accounts	$ 24,626	$ 26,153	$ 24,626	$ -	Credit	None
Self-use residential mortgage loans						
261 accounts	2,305,103	2,364,673	2,305,103	-	Real estate	None
Others						
Taiwan High Speed Rail Corporation	19,308,161	19,308,161	19,308,161	-	Station equipment	None
CPC Corporation, Taiwan	16,700,000	34,200,000	16,700,000	-	Credit	None
CSBC Corporation	2,287,697	7,899,031	2,287,697	-	Credit	None
TSEC Corporation	286,339	522,201	286,339	-	Credit and land and plant	None
China Metal Products Co., Ltd.	200,000	1,400,000	200,000	-	land and plant	None
Other - corporation 12 accounts (Note 1)	427,634	1,906,517	427,634	-	Credit and fund guarantee and real estate	None
Other - 6 individual accounts (Note 2)	8,693	8,859	8,693	-	Deposit	None

	March 31, 2025					
	Ending Balance	Highest Amount	Normal Loans	Non-performing Loans	Collateral	Difference in Terms Between Related Parties and Non-related Parties
Consumer loans						
37 accounts	$ 18,729	$ 19,895	$ 18,729	$ -	Credit	None
Self-use residential mortgage loans						
247 accounts	2,114,792	2,191,994	2,114,792	-	Real estate	None
Others						
Taiwan High Speed Rail Corporation	19,308,161	19,308,161	19,308,161	-	Station equipment	None
CPC Corporation, Taiwan	15,900,000	20,500,000	15,900,000	-	Credit	None
CSBC Corporation	1,156,505	2,317,839	1,156,505	-	Credit	None
TSEC Corporation	310,679	331,173	310,679	-	Credit and land and plant	None
China Metal Products Co., Ltd.	200,000	600,000	200,000	-	Land and plant	None
Promised Land Co., Ltd.	108,532	112,738	108,532	-	Land and building	None
Other - corporation 8 accounts (Note 1)	219,497	503,867	219,497	-	Credit and fund guarantee and real estate	None
Other - 6 individual accounts (Note 2)	787	2,363	787	-	Deposit	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 and consumer loans to the above management personnel within $8,000 thousand and $800 thousand per person, respectively, bore interest at 1.89% per annum as of March 31, 2026, December 31, 2025 and March 31, 2025. The terms of transactions with other related parties were the same as those offered to general borrowers.

2) Guaranteed loans

	March 31, 2026				
	Ending Balance	Highest Amount	Reserve for Guarantee Liabilities	Interest Rate (Per Annum %)	Collateral
Yang Ming Marine Transport Corporation	$ 251,688	$ 251,688	$ 2,517	0.80	None
CSBC Corporation	214,032	214,032	2,140	0.50	None
Lungteh Shipbuilding Co., Ltd.	101,396	101,396	1,014	1.00-1.20	None
Taiwan Acceptance Corporation	200,000	600,000	2,000	0.55	None

	December 31, 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
Taiwan Acceptance Corporation	200,000	600,000	2,000	0.55	None

	March 31, 2025				
	Ending Balance	**Highest Amount**	**Reserve for Guarantee Liabilities**	**Interest Rate (Per Annum %)**	**Collateral**
CSBC Corporation	$ 214,032	$ 1,992,982	$ 2,140	0.50-0.65	None
Yang Ming Marine Transport Corporation	503,375	503,375	5,034	0.80	None
Lungteh Shipbuilding Co., Ltd.	97,524	97,524	975	1.00-1.20	None

3) Deposits

	Balance	**Percentage of Deposits (%)**
Balance as of March 31, 2026	$ 53,134,830	1.92
Balance as of December 31, 2025	49,424,878	1.82
Balance as of March 31, 2025	39,545,311	1.53

For the three months ended March 31, 2026 and 2025, the interest rates ranged from 0.00% to 13.00% for both periods, and interest expense amounted to $282,435 thousand and $367,639 thousand, respectively.

For employee savings deposits of the above management personnel, amounts up to $480 thousand per person bore interest at 13% per annum, and the portion exceeding $480 thousand bore interest at the demand savings deposit rate. The terms of transactions with other related parties were the same as those offered to general depositors.

4) Transactions of derivative financial instruments

(In Thousands of New Taiwan Dollars)

	March 31, 2026					
					Balance Sheet	
Name	**Contract**	**Duration**	**Notional Principle Amount**	**Current Valuation Gain (Loss)**	**Account**	**Amount**
Chunghwa Post Co., Ltd.	Currency swaps	2025.09.05-2026.10.30	$ 21,432,780	$ 469,537	Financial assets at fair value through profit or loss	$ 1,194,294
Scinopharm Taiwan, Ltd.	Currency forward	2026.01.09-2026.04.02	18,609	355	Financial assets at fair value through profit or loss	355
TSEC Corporation	Currency forward	2026.03.31-2026.05.25	1,030	1	Financial assets at fair value through profit or loss	1

(In Thousands of New Taiwan Dollars)

	December 31, 2025					
					Balance Sheet	
Name	**Contract**	**Duration**	**Notional Principle Amount**	**Current Valuation Gain (Loss)**	**Account**	**Amount**
Chunghwa Post Co., Ltd.	Currency swaps	2025.1.13-2026.10.30	$ 21,005,260	$ 647,477	Financial assets at fair value through profit or loss	$ 647,477
Scinopharm Taiwan, Ltd.	Currency forward	2025.12.1-2026.3.5	57,544	34	Financial assets at fair value through profit or loss	34
Quaser Machine Tools, Inc.	Currency forward	2025.11.20-2026.2.25	17,620	426	Financial assets at fair value through profit or loss	426

(In Thousands of New Taiwan Dollars)

Name	Contract	Duration	Notional Principle Amount	Current Valuation Gain (Loss)	Balance Sheet Account	Balance Sheet Amount
			March 31, 2025			
Chunghwa Post Co., Ltd.	Currency swaps	2024.09.05-2026.01.13	$ 22,180,940	$ 430,787	Financial assets at fair value through profit or loss	$ 1,039,890
Scinopharm Taiwan, Ltd.	Currency forward	2025.03.04-2025.05.02	68,734	221	Financial assets at fair value through profit or loss	221
Quaser Machine Tools, Inc.	Currency forward	2025.03.04-2025.05.07	14,586	606	Financial assets at fair value through profit or loss	606
CPC Corporation, Taiwan	Currency forward	2025.03.26-2025.04.02	796,920	(2,898)	Financial liabilities at fair value through profit or loss	2,898

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 %)	Interest Income
		March 31, 2026			
The Export-Import Bank	DBU	NTD	$ 1,500,000	1.36-1.39	$ 4,768
Land Bank	DBU	NTD	25,000	1.61-1.68	102
	OBU	USD	95,000	3.62-4.11	84
	London Branch	USD	10,000	3.90-4.06	63
	Hong Kong Branch	USD	10,000	3.67-4.08	207
Taiwan Business Bank	Singapore Branch	USD	12,000	3.86	89
	Tokyo Branch	USD	20,000	3.76-4.06	192
	Hong Kong Branch	USD	70,000	3.64-4.09	130

Name	Department	Currency	Ending Balance	Interest Rate (Per Annum %)	Interest Income
		December 31, 2025			
The Export-Import Bank	DBU	NTD	$ 1,500,000	1.38-1.57	$ 16,567
Land Bank	DBU	NTD	25,000	1.00-1.69	7,702
	OBU	EUR	10,500	2.09-2.15	32
	London Branch	USD	20,000	4.06-4.58	477
	Hong Kong Branch	USD	20,000	3.71-4.60	1,144
Taiwan Business Bank	OBU	RMB	100,000	1.10-1.75	79
	Tokyo Branch	USD	20,000	4.05-4.54	853
	Hong Kong Branch	USD	20,000	4.05-4.60	268

Name	Department	Currency	Ending Balance	Interest Rate (Per Annum %)	Interest Income
		March 31, 2025			
The Export-Import Bank	DBU	NTD	$ 1,500,000	1.56-1.57	$ 459
Land Bank	DBU	NTD	25,000	1.65-1.69	103
	OBU	USD	100,000	4.32-5.03	679
	London Branch	USD	10,000	4.53-4.58	163
	Hong Kong Branch	USD	36,000	4.32-4.52	73
Taiwan Business Bank	Tokyo Branch	USD	20,000	4.47-4.54	185
	Hong Kong Branch	USD	20,000	4.50	38

Call loans from banks

(In Thousands of Original Currencies)

Name	Department	Currency	March 31, 2026 Ending Balance	Interest Rate (Per Annum %)	Interest Expense
Land Bank	DBU	NTD	$ 5,000	0.82-1.66	$ 357
	DBU	HKD	56,000	1.90-2.70	344
	Los Angeles Branch	USD	30,000	3.65-4.15	52
Taiwan Business Bank	DBU	NTD	50,000	1.90	52

Name	Department	Currency	December 31, 2025 Ending Balance	Interest Rate (Per Annum %)	Interest Expense
Land Bank	DBU	NTD	$ 5,000	0.81-1.68	$ 778
	OBU	HKD	135,000	2.00-4.30	1,353
Taiwan Business Bank	Los Angeles Branch	USD	30,000	3.93-4.40	508

Name	Department	Currency	March 31, 2025 Ending Balance	Interest Rate (Per Annum %)	Interest Expense
Land Bank	DBU	NTD	$ 5,000	1.68	$ 21
	OBU	HKD	100,000	3.65-4.30	508
	New York Branch	USD	25,000	4.33-4.51	56
Taiwan Business Bank	OBU	HKD	50,000	3.65-4.35	246
	New York Branch	USD	35,000	4.35-4.50	17

6) Due from banks and deposits from banks

Due from banks

(In Thousands of New Taiwan Dollars)

Name	Department	Currency	March 31, 2026 Ending Balance	December 31, 2025 Ending Balance	March 31, 2025 Ending Balance
Land Bank	DBU	NTD	$ 9	$ 9	$ 9
Taiwan Business Bank	DBU	NTD	9	63	9
Chunghwa Post Co., Ltd.	DBU	NTD	117	100	199

Deposits from banks

(In Thousands of New Taiwan Dollars)

Name	Department	Currency	March 31, 2026 Ending Balance	December 31, 2025 Ending Balance	March 31, 2025 Ending Balance
Land Bank	DBU	NTD	$ 275	$ 275	$ 275
The Export-Import Bank	DBU	NTD	3,182	3,311	2,290
Chunghwa Post Co., Ltd.	DBU	NTD	145,210,004	150,159,002	130,232,594

c. Compensation of directors and management personnel

	For the Three Months Ended March 31	
	2026	2025
Short-term employee benefits	$ 16,489	$ 15,036
Post-employment benefits	545	12,079
	$ 17,034	$ 27,115

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 a three-year legal consulting service contract with its subsidiary, Chang Hwa Bank Venture Capital Co., Ltd., on December 26, 2022, commencing on January 1, 2023, with an annual service fee of $73 thousand.

The Bank also signed a three-year legal consulting service contract with its subsidiary, Chang Hwa Bank Venture Capital Co., Ltd., on December 22, 2025, commencing on January 1, 2026, with an annual service fee of $74 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 March 31, 2026, December 31, 2025 and March 31, 2025 is as follows:

Pledged Assets	Description	March 31, 2026	December 31, 2025	March 31, 2025
Investments in debt instruments at FVTOCI	Bonds	$ 1,990,554	$ 1,757,730	$ 1,679,705
Investments in debt instruments at amortized cost	Bonds and certificates of deposit	41,300,000	41,300,000	41,466,025
Refundable deposits	Cash	1,260,111	842,989	776,031

37. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. In addition to those mentioned in Note 7, the Group had the following contingent liabilities and commitments as of March 31, 2026, December 31, 2025 and March 31, 2025:

	March 31, 2026	December 31, 2025	March 31, 2025
Trust liabilities	$ 1,188,709,109	$ 1,092,256,468	$ 1,021,689,407
Unused loan commitments (excluding credit cards)	126,609,291	134,370,614	115,141,341
Credit card commitments	319,643	329,376	340,434
Unused issued letters of credit	23,372,759	17,597,109	21,075,437
Guarantees in guarantee business	53,779,988	50,746,422	50,568,218
Repayment notes and times deposit held for custody	17,624,773	18,896,375	19,612,771
Liabilities on joint loans	35,524	40,135	62,620

The unrecognized commitments for the acquisition of equipment and intangible assets, construction contracts, mandate/service contracts, security service contracts and consulting service contracts as of March 31, 2026 were $676,699 thousand, $3,301,867 thousand, $597,845 thousand, $127,937 thousand and $11,840 thousand, respectively.

b. Regarding the case in which a former wealth management specialist of the Bank's North Taichung Branch was penalized for misappropriating customer deposits, the customer has filed a lawsuit against the Bank with the Taichung District Court for the amount of deposits misappropriated by the wealth management specialist and losses incurred from wealth management products. The Taichung District Court held a hearing on March 3, 2026, and the next hearing is currently scheduled for May 26, 2026.

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 three months ended March 31, 2026	None
2	Acquisition of fixed assets over NT$300 million or 10% of outstanding capital for the three months ended March 31, 2026	None
3	Disposal of fixed assets over NT$300 million or 10% of outstanding capital for the three months ended March 31, 2026	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 March 31, 2026	None
6	Sale of NPL	None
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 March 31, 2026	Table 2
5	Accumulated purchases and sales balance of specific marketable security over NT$300 million or 10% of outstanding capital for the three months ended March 31, 2026	None
6	Acquisition of property, plant and equipment over NT$300 million or 10% of outstanding capital for the three months ended March 31, 2026	None
7	Disposal of property, plant and equipment over NT$300 million or 10% of outstanding capital for the three months ended March 31, 2026	None
8	Receivables from related parties over NT$300 million or 10% of outstanding capital as of March 31, 2026	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.

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 Three Months Ended March 31, 2026						
	Loans	Deposits	Financial Instruments and Investments	Wealth Management	Overseas Branch and Subsidiaries	Others	Total
Net interest income	$ 3,897,260	$ 3,710,638	$ (1,319,320)	$ -	$ 1,137,741	$ (7,413)	$ 7,418,906
Net service fee income	499,886	48,272	(12,758)	2,068,016	22,489	-	2,625,905
Net income on financial instrument	-	-	2,162,067	-	69,735	-	2,231,802
Others	4,312	-	74	-	1,494	123,084	128,964
Net revenue and gains	4,401,458	3,758,910	830,063	2,068,016	1,231,459	115,671	12,405,577
Bad debts expense, commitment and guarantee liability provision	(728,405)	-	(104)	-	28,762	-	(699,747)
Operating expenses							(5,492,374)
Income before income tax							$ 6,213,456

	For the Three Months Ended March 31, 2025						
	Loans	Deposits	Financial Instruments and Investments	Wealth Management	Overseas Branch and Subsidiaries	Others	Total
Net interest income	$ 3,841,793	$ 3,748,875	$ (2,155,143)	$ -	$ 944,799	$ (7,403)	$ 6,372,921
Net service fee income	442,273	37,956	(11,644)	1,471,029	21,535	-	1,961,149
Net income on financial instrument	-	-	2,151,516	-	176,050	-	2,327,566
Others	4,174	-	88	-	3,683	71,634	79,579
Net revenue and gains	4,288,240	3,786,831	(15,183)	1,471,029	1,146,067	64,231	10,741,215
Bad debts expense, commitment and guarantee liability provision	(453,162)	-	28	-	(17,569)	-	(470,703)
Operating expenses							(5,175,409)
Income before income tax							$ 5,095,103

The segment revenue and results reported above were generated from transactions with external customers. There were no inter-segment sales for the three months ended March 31, 2026 and 2025.

Segment profit represents the profit earned by each segment. This measure is reported to the chief operating decision maker for the purposes of resource allocation to segments and assessment of segment performance.

b. Segment total assets and liabilities

	March 31, 2026						
	Loans	Deposits	Financial Instruments and Investments	Wealth Management	Oversea Branch and Subsidiaries	Others	Total
Assets	$ 1,900,909,707	$ -	$ 1,138,701,294	$ -	$ 342,884,702	$ 99,067,751	$ 3,481,563,454
Liabilities	$ 1,714,219	$ 2,821,272,131	$ 126,066,930	$ -	$ 257,070,340	$ 49,463,109	$ 3,255,586,729

	December 31, 2025						
	Loans	Deposits	Financial Instruments and Investments	Wealth Management	Oversea Branch and Subsidiaries	Others	Total
Assets	$ 1,871,570,904	$ -	$ 1,083,074,059	$ -	$ 326,439,264	$ 95,927,011	$ 3,377,011,238
Liabilities	$ 1,484,985	$ 2,767,186,107	$ 91,058,454	$ -	$ 248,166,814	$ 48,787,823	$ 3,156,684,183

	March 31, 2025						
	Loans	Deposits	Financial Instruments and Investments	Wealth Management	Oversea Branch and Subsidiaries	Others	Total
Assets	$ 1,810,874,426	$ -	$ 1,006,133,253	$ -	$ 298,811,374	$ 94,657,299	$ 3,210,476,352
Liabilities	$ 1,745,762	$ 2,631,284,509	$ 95,101,979	$ -	$ 223,846,521	$ 52,541,950	$ 3,004,520,721

CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES' NAMES AND LOCATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(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 March 31, 2026	End of December 31, 2025	Number of Shares	Ownership Interest (%)	Book Value			
Chang Hwa Bank	Chang Hua Commercial Bank, Ltd.	Mainland China	Banking	$ 12,117,288	$ 12,117,288	Note	100	$ 14,623,766	$ 1,866	$ 1,866	
	Chang Hwa Bank Venture Capital Co., Ltd.	Taiwan	Venture capital	1,258,694	1,258,694	125,869,403	100	1,488,916	32,777	32,777	

Note: Limited company organization.

CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2026
(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	March 31, 2026				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.	-	Financial assets at fair value through other comprehensive income	2,919,378	$ 32,435	8.5	$ 32,435	
	Package Plus Sustainable Integration Co., Ltd.	-	Financial assets at fair value through other comprehensive income	256,411	10,010	2.6	10,010	
	Digit Spark Co., Ltd.	-	Financial assets at fair value through other comprehensive income	275,000	9,435	1.2	9,435	
	Yuh Shan Environmental Engineering Co., Ltd.	-	Financial assets at fair value through profit or loss	102,764	2,980	0.3	2,980	
	Ina Energy Corporation	-	Financial assets at fair value through profit or loss	1,440,000	28,987	0.6	28,987	
	Imedtac Co., Ltd.	-	Financial assets at fair value through profit or loss	420,000	19,614	1.6	19,614	
	Ace Medical Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	1,000,000	-	4.9	-	
	Mesh Cooperative Ventures, Inc.	-	Financial assets at fair value through profit or loss	-	29,360	-	29,360	
	Minima Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	570,000	5,603	1.3	5,603	
	Sunpower Energy Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	1,269,825	53,612	3.4	53,612	
	Outstanding Management Consultants Co., Ltd.	CHBVC is its director	Financial assets at fair value through profit or loss	117,040	1,384	19.0	1,384	
	Outstanding Capital Limited Partnership	-	Financial assets at fair value through profit or loss	-	24,955	-	24,955	
	Glory Wheel Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss	394,108	23,355	0.9	23,355	
	Red Sunrise Co., Ltd.	-	Financial assets at fair value through profit or loss	1,171,677	21,922	6.5	21,922	
	Starlux Airlines Co., Ltd.	-	Financial assets at fair value through profit or loss	500,000	10,475	0.0	10,475	
	P-Waver Inc.	-	Financial assets at fair value through profit or loss	230,575	14,111	3.8	14,111	
	Champ-Ray Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss	508,000	37,693	1.7	37,693	
	Forward BioT Venture Capital	-	Financial assets at fair value through profit or loss	-	28,092	-	28,092	
	Annji Pharmaceutical Co., Ltd.	-	Financial assets at fair value through profit or loss	500,000	33,445	0.5	33,445	
	Techplasma Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	210,000	9,965	0.6	9,965	
	Mercuries F&B Co., Ltd.	-	Financial assets at fair value through profit or loss	333,000	11,522	0.5	11,522	
	Trio Technology International Group Co., Ltd.	-	Financial assets at fair value through profit or loss	414,000	66,447	0.8	66,447	
	Jhu Jian Catering Co., Ltd.	-	Financial assets at fair value through profit or loss	300,000	10,380	0.6	10,380	
	Andros Pharmaceuticals Co., Ltd.	-	Financial assets at fair value through profit or loss	1,000,000	21,740	1.8	21,740	
	WiAdvance Technology Corporation	-	Financial assets at fair value through profit or loss	200,000	36,044	0.9	36,044	
	GEOSAT Aerospace & Technology Inc.	-	Financial assets at fair value through profit or loss	700,000	20,034	0.5	20,034	
	Zeitec Semiconductor Co., Ltd.	-	Financial assets at fair value through profit or loss	408,000	20,359	1.4	20,359	
	Kkday.com International Company Limited	-	Financial assets at fair value through profit or loss	2,577,320	25,876	0.2	25,876	
	Wavesplitter Technologies, Inc.	-	Financial assets at fair value through profit or loss	1,087,792	73,720	3.2	73,720	
	U-Neuron Biomedical Inc.	-	Financial assets at fair value through profit or loss	800,000	29,312	2.0	29,312	
	GreenRock Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	712,001	21,766	1.7	21,766	
	HOW KAN ENTERTAINMENT PRODUCTION CO., LTD	-	Financial assets at fair value through profit or loss	1,080,232	38,500	5.3	38,500	
	KEYXENTIC INC.	-	Financial assets at fair value through profit or loss	600,000	28,590	8.8	28,590	
	YU-CHEN SYSTEM TECHNOLOGY CORP.	-	Financial assets at fair value through profit or loss	101,000	9,081	0.5	9,081	
	DEXATEK TECHNOLOGY LTD.	-	Financial assets at fair value through profit or loss	100,000	5,994	0.4	5,994	
	Chi Yi Hsin Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	600,000	247,446	2.0	247,446	
	UNITED PURIFICATION TECHNOLOGY CO., LTD.	-	Financial assets at fair value through profit or loss	291,000	77,773	2.1	77,773	
	DA YI CHENG Technology CO., LTD.	-	Financial assets at fair value through profit or loss	262,500	45,000	1.3	45,000	
	JUOKU TECHNOLOGY CO., LTD.	-	Financial assets at fair value through profit or loss	889,000	22,278	2.0	22,278	
	TAC Dynamics Co., Ltd.	-	Financial assets at fair value through profit or loss	500,000	26,500	8.6	26,500	
	Daiken Biomedical Co., Ltd.	-	Financial assets at fair value through profit or loss	200,000	4,000	0.0	4,000	
	Agility Robotics, Inc.	-	Financial assets at fair value through profit or loss	15,118	32,086	0.1	32,086	
	Linker Vision Co., Ltd.	-	Financial assets at fair value through profit or loss	1,155,000	45,045	1.3	45,045	
	E-CHEM ENTERPRISE CORP.	-	Financial assets at fair value through profit or loss	153,000	22,252	0.7	22,252	
	Handa Pharmaceuticals, Inc.	-	Financial assets at fair value through profit or loss	204,000	14,076	0.1	14,076	
	XALLOY Advanced Materials Corporation	-	Financial assets at fair value through profit or loss	100,000	4,500	0.2	4,500	
	DLI MEMORY, INC.	-	Financial assets at fair value through profit or loss	86,000	9,635	0.2	9,635	
	Ascension Medical Biotechnology CO., LTD.	-	Financial assets at fair value through profit or loss	444,600	30,600	2.5	30,600	
	TAIWAN MASK CORPORATION	-	Financial assets at fair value through profit or loss	1,000,000	43,300	0.3	43,300	
	Recharge Power CO., LTD.	-	Financial assets at fair value through profit or loss	150,000	16,200	0.4	16,200	

(Continued)

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)

CHANG HWA COMMERCIAL BANK, LTD.

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(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, 2026	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2026	Net Income (Loss) of the Investee (Note 2)	% of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of March 31, 2026	Accumulated Repatriation of Investment Income as of March 31, 2026	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)	$ 1,866	100	$ 1,866	$ 14,623,766	$ -	

2.

Accumulated Outward Remittance for Investment in Mainland China March 31, 2026	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)	$ 33,896,509

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.

CHANG HWA COMMERCIAL BANK, LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(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.	Deposits from the Central Bank and banks	$ 54,865	Same as normal customers	-
		Chang Hua Commercial Bank, Ltd.	a.	Cash and cash equivalents	73,205	Same as normal customers	-
		Chang Hua Commercial Bank, Ltd.	a.	Receivables	102,599	Same as normal customers	-
		Chang Hua Commercial Bank, Ltd.	a.	Other financial assets	5,108,400	Same as normal customers	0.15
		Chang Hua Commercial Bank, Ltd.	a.	Interest income	23,284	Same as normal customers	0.19
		Chang Hwa Bank Venture Capital Co., Ltd.	a.	Deposits and remittances	84,366	Same as normal customers	-
		Chang Hwa Bank Venture Capital Co., Ltd.	a.	Other liabilities	5	Same as normal customers	-
		Chang Hwa Bank Venture Capital Co., Ltd.	a.	Interest expense	23	Same as normal customers	-
		Chang Hwa Bank Venture Capital Co., Ltd.	a.	Net non-interest income	608	Same as normal customers	-

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.