Far Eastern International 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 Shareholders
Far Eastern International Bank Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Far Eastern International Bank Ltd. and its subsidiaries as of March 31, 2026 and 2025, and the related 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 Far Eastern International Bank Ltd. and its subsidiaries 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 Chia-Huang Hu and Chen-Hsiu Yang.

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.

FAR EASTERN INTERNATIONAL 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**	**%**
ASSETS						
Cash and cash equivalents, net (Notes 6 and 39)	$ 7,041,472	1	$ 5,378,820	1	$ 5,657,938	1
Due from the Central Bank and call loans to other banks, net (Notes 7 and 39)	56,065,373	6	50,315,876	6	48,653,534	6
Financial assets at fair value through profit or loss (Notes 8, 39, 43 and 44)	63,751,696	7	55,688,152	7	60,571,558	7
Financial assets at fair value through other comprehensive income (Notes 9, 11, 21, 28, 40, 43 and 44)	64,687,004	7	63,132,388	7	56,715,501	7
Investments in debt instruments at amortized cost, net (Notes 10, 11, 21, 40, 43 and 44)	139,889,374	16	147,693,446	17	146,112,468	17
Securities purchased under resale agreements, net (Notes 12 and 44)	1,518,471	-	2,703,167	-	3,263,763	-
Receivables, net (Notes 13 and 44)	22,559,577	3	19,108,530	2	17,820,916	2
Discounts and loans, net (Notes 14, 39 and 44)	512,668,886	58	506,589,988	58	495,728,943	58
Investments accounted for using the equity method (Notes 15 and 28)	2,974,575	-	2,979,414	-	2,854,153	-
Other financial assets, net (Notes 16 and 40)	11,125,972	1	11,222,142	1	8,472,472	1
Property and equipment, net (Note 17)	5,190,367	1	5,220,517	1	5,193,806	1
Right-of-use assets, net (Notes 18 and 39)	1,681,178	-	1,435,267	-	884,143	-
Intangible assets, net (Note 19)	1,538,210	-	1,538,210	-	1,540,334	-
Deferred tax assets (Note 4)	182,110	-	121,612	-	149,728	-
Other assets	619,131	-	583,363	-	389,156	-
TOTAL	$ 891,493,396	100	$ 873,710,892	100	$ 854,008,413	100
LIABILITIES AND EQUITY						
LIABILITIES						
Deposits from the Central Bank and other banks (Notes 20 and 44)	$ 1,634,853	-	$ 966,213	-	$ 2,805,946	1
Funds borrowed from the Central Bank and other banks (Notes 44 and 46)	2,722,731	1	3,048,949	-	2,577,333	-
Financial liabilities at fair value through profit or loss (Notes 8, 39, 43 and 44)	8,874,115	1	7,729,839	1	8,072,797	1
Securities sold under repurchase agreements (Notes 9, 10, 21, 44 and 46)	2,250,078	-	1,953,568	-	-	-
Payables (Notes 22 and 44)	7,356,994	1	6,341,467	1	7,800,857	1
Current tax liabilities (Note 4)	369,599	-	236,153	-	284,805	-
Deposits and remittances (Notes 23, 39 and 44)	729,332,357	82	711,752,762	82	699,183,308	82
Bank debentures (Notes 24, 43, 44 and 46)	25,301,720	3	25,301,720	3	22,901,900	3
Principal received on structured products (Note 44)	37,648,458	4	42,130,399	5	44,402,573	5
Other financial liabilities (Notes 25, 44 and 46)	2,027,889	-	1,842,970	-	1,402,411	-
Provisions (Notes 26 and 39)	632,337	-	659,372	-	612,133	-
Lease liabilities (Notes 18, 39, 44 and 46)	1,701,926	-	1,457,282	-	897,100	-
Other liabilities (Note 4)	438,475	-	441,532	-	666,226	-
Total liabilities	820,291,532	92	803,862,226	92	791,607,389	93
EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK (Notes 9, 15, 28 and 38)						
Share capital	48,652,847	6	48,652,847	6	42,753,997	5
Capital surplus	830,560	-	830,560	-	302,926	-
Retained earnings						
Legal reserve	14,816,444	2	14,816,444	2	13,510,272	1
Special reserve	84,254	-	84,254	-	164,485	-
Unappropriated earnings	5,676,245	-	4,454,667	-	5,657,547	1
Total retained earnings	20,576,943	2	19,355,365	2	19,332,304	2
Other equity	1,141,514	-	1,009,894	-	11,797	-
Total equity	71,201,864	8	69,848,666	8	62,401,024	7
TOTAL	$ 891,493,396	100	$ 873,710,892	100	$ 854,008,413	100

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

FAR EASTERN INTERNATIONAL 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				Percentage Increase (Decrease)
	2026		2025		
	Amount	%	Amount	%	%
INTEREST REVENUES (Notes 29 and 39)	$ 5,118,680	145	$ 4,955,139	155	3
INTEREST EXPENSES (Notes 18, 29 and 39)	3,294,466	93	3,390,946	106	(3)
NET INTERESTS	1,824,214	52	1,564,193	49	17
NET REVENUES AND GAINS OTHER THAN INTEREST					
Net service fee income (Notes 30 and 39)	836,131	24	764,537	24	9
Gain on financial assets and liabilities at fair value through profit or loss (Notes 31, 39 and 43)	640,178	18	650,000	20	(2)
Realized gain on financial assets at fair value through other comprehensive income (Notes 9, 28 and 43)	15,328	-	3,942	-	289
Net gain on derecognition of financial assets at amortized cost	36	-	-	-	-
Net foreign exchange gain	88,003	2	108,144	4	(19)
Reversal of impairment loss (impairment loss) on assets (Notes 9, 10 ,12 and 16)	1,230	-	(6,022)	-	120
Share of profit of associates accounted for using the equity method (Note 15)	58,016	2	37,088	1	56
Others	65,676	2	70,135	2	(6)
Total net revenues and gains other than interest	1,704,598	48	1,627,824	51	5
NET REVENUES	3,528,812	100	3,192,017	100	11
NET PROVISION FOR POSSIBLE LOSS ON BAD DEBTS EXPENSE, COMMITMENT GUARANTEE AND LETTERS OF CREDIT ISSUED (Notes 6, 7,13, 14, 16, 26 and 39)	135,318	4	40,994	1	230

(Continued)

FAR EASTERN INTERNATIONAL 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				Percentage Increase (Decrease)
	2026		2025		
	Amount	%	Amount	%	%
OPERATING EXPENSES					
Employee benefits expense (Notes 4, 27, 32, 33 and 39)	$ 1,256,467	36	$ 1,165,913	36	8
Depreciation and amortization (Notes 17, 18, 19 and 34)	187,200	5	187,812	6	-
Other general and administrative expenses (Notes 18, 35 and 39)	584,651	17	571,908	18	2
Total operating expenses	2,028,318	58	1,925,633	60	5
INCOME BEFORE INCOME TAX	1,365,176	38	1,225,390	39	11
INCOME TAX EXPENSE (Notes 4 and 36)	143,704	4	118,029	4	22
NET INCOME FOR THE PERIOD	1,221,472	34	1,107,361	35	10
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 9, 11, 15, 28, 36 and 43)					
Items that will not be reclassified subsequently to profit or loss:					
Gain (loss) on valuation of investments in equity instruments at fair value through other comprehensive income	222,027	7	(156,930)	(5)	241
Share of other comprehensive income of associates accounted for using the equity method	6,884	-	3,071	-	124
	228,911	7	(153,859)	(5)	249
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations	39,575	1	7,022	-	464
Share of other comprehensive income (loss) of associates accounted for using the equity method	(69,739)	(2)	30,893	1	(326)

(Continued)

FAR EASTERN INTERNATIONAL 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				Percentage Increase (Decrease)
	2026		2025		
	Amount	%	Amount	%	%
Gain (loss) on investments in debt instruments measured at fair value through other comprehensive income	$ (60,640)	(2)	$ 164,435	5	(137)
Income tax expense relating to items that may be reclassified subsequently to profit or loss	(6,381)	-	(4,617)	-	(38)
	(97,185)	(3)	197,733	6	(149)
Other comprehensive income for the period	131,726	4	43,874	1	200
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 1,353,198	38	$ 1,151,235	36	18
NET INCOME ATTRIBUTABLE TO:					
Owners of the Bank	$ 1,221,472	34	$ 1,107,361	35	10
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Bank	$ 1,353,198	38	$ 1,151,235	36	18
EARNINGS PER SHARE (Note 37)					
Basic	$0.25		$0.25		
Diluted	$0.25		$0.25		

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

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Bank							
			Retained Earnings (Notes 9 and 28)			Others		
	Share Capital (Note 28)	Capital Surplus (Notes 28 and 38)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Notes 9, 15 and 28)	Total Equity
BALANCE ON JANUARY 1, 2025	$ 42,753,997	$ 302,926	$ 13,510,272	$ 164,485	$ 4,596,441	$ (65,383)	$ (12,949)	$ 61,249,789
Net income for the three months ended March 31, 2025	-	-	-	-	1,107,361	-	-	1,107,361
Other comprehensive income for the three months ended March 31, 2025	-	-	-	-	-	2,405	41,469	43,874
Total comprehensive income for the three months ended March 31, 2025	-	-	-	-	1,107,361	2,405	41,469	1,151,235
Disposal of investments in equity instruments as at fair value through other comprehensive income (loss)	-	-	-	-	(46,255)	-	46,255	-
BALANCE ON MARCH 31, 2025	$ 42,753,997	$ 302,926	$ 13,510,272	$ 164,485	$ 5,657,547	$ (62,978)	$ 74,775	$ 62,401,024
BALANCE ON JANUARY 1, 2026	$ 48,652,847	$ 830,560	$ 14,816,444	$ 84,254	$ 4,454,667	$ (117,494)	$ 1,127,388	$ 69,848,666
Net income for the three months ended March 31, 2026	-	-	-	-	1,221,472	-	-	1,221,472
Other comprehensive income for the three months ended March 31, 2026	-	-	-	-	-	33,194	98,532	131,726
Total comprehensive income for the three months ended March 31, 2026	-	-	-	-	1,221,472	33,194	98,532	1,353,198
Disposal of investments in equity instruments as at fair value through other comprehensive income (loss)	-	-	-	-	106	-	(106)	-
BALANCE ON MARCH 31, 2026	$ 48,652,847	$ 830,560	$ 14,816,444	$ 84,254	$ 5,676,245	$ (84,300)	$ 1,225,814	$ 71,201,864

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

FAR EASTERN INTERNATIONAL 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 OPERATING ACTIVITIES		
Income before income tax	$ 1,365,176	$ 1,225,390
Adjustments for:		
Depreciation	187,200	181,442
Amortization	-	6,370
Provision for possible loss on bad debts expense, commitments, guarantee and letters of credit issued	240,713	131,033
Net valuation loss on financial assets and liabilities at fair value through profit or loss	445,499	371,842
Interest expenses	3,294,466	3,390,946
Interest revenues	(5,313,179)	(5,136,403)
Dividend income	(17,700)	(4,774)
Share of profit of associates	(58,016)	(37,088)
Impairment loss (reversal of impairment loss) on financial assets	(1,235)	5,998
Unrealized net foreign exchange loss (gain) on assets and liabilities other than foreign currency cash and cash equivalents	5,925	(16,161)
Other adjustments	2,779	535
Changes in operating assets and liabilities		
Decrease in due from the Central Bank and call loans to other banks	81,383	340,226
Increase in financial assets at fair value through profit or loss	(7,946,395)	(7,430,157)
Decrease (increase) in financial assets at fair value through other comprehensive income	(1,140,452)	3,026,193
Decrease in investments in debt instruments at amortized cost	8,117,446	306,143
Decrease (increase) in receivables	(3,734,214)	613,950
Increase in discounts and loans	(4,937,506)	(6,226,899)
Decrease in other financial assets - financial transaction margin	298,831	319,067
Increase (decrease) in deposits from the Central Bank and other banks	643,827	(79,968)
Increase (decrease) in financial liabilities at fair value through profit or loss	1,107,054	(680,174)
Increase (decrease) in payables	1,155,658	(8,009,731)
Increase (decrease) in deposits and remittances	14,839,169	(1,247,477)
Increase (decrease) in principal received on structured products	(4,614,064)	1,956,210
Increase (decrease) in other financial liabilities - financial transaction margin	(28,251)	105,689
Decrease in provisions for employee benefits	(34,998)	(14,312)
Increase (decrease) in other liabilities	(8,057)	204,828
Cash generated from (used in) operations	3,951,059	(16,697,282)
Interest received	5,375,977	5,216,645
Dividends received	7,393	5,314
Interest paid	(3,087,035)	(2,952,125)
Income tax paid	(70,684)	(49,404)
Net cash generated from (used in) operating activities	6,176,710	(14,476,852)

(Continued)

FAR EASTERN INTERNATIONAL 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	$ (59,503)	$ (79,729)
Proceeds from disposal of property and equipment	14	10
Increase in other financial assets	(94,412)	(108,306)
Increase in other assets	(40,015)	(38,769)
Net cash used in investing activities	(193,916)	(226,794)
CASH FLOWS FROM FINANCING ACTIVITIES (Note 46)		
Increase (decrease) in funds borrowed from the Central Bank and other banks	(326,218)	1,414,000
Proceeds from the issuance of bank debentures	-	6,000,000
Increase (decrease) in securities sold under repurchase agreements	259,430	(2,650,606)
Repayments of the principal portion of lease liabilities	(102,095)	(107,869)
Increase in other financial liabilities	210,948	66,139
Net cash generated from financing activities	42,065	4,721,664
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	283,977	169,581
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,308,836	(9,812,401)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	37,941,002	48,449,246
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	$ 44,249,838	$ 38,636,845

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Cash and cash equivalents in consolidated balance sheets	$ 7,041,472	$ 5,378,820	$ 5,657,938
Due from the Central Bank and call loans to other banks that meet the IAS 7 definition of "cash and cash equivalents"	35,689,895	29,859,015	29,715,144
Securities purchased under resale agreements that meet the IAS 7 definition of "cash and cash equivalents"	1,518,471	2,703,167	3,263,763
Cash and cash equivalents in consolidated statements of cash flows	$ 44,249,838	$ 37,941,002	$ 38,636,845

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

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

1. GENERAL INFORMATION

Far Eastern International Bank Ltd. (the "Bank") obtained its license on January 11, 1992 and started its business on April 11, 1992. The Bank (a) accepts deposits and extends loans and guarantees; (b) issues letters of credit, handles domestic and foreign remittances, and accepts commercial drafts; (c) invests in securities and acts as an agent for trading government bonds, corporate bonds and bank debentures; and (d) conducts relevant businesses that are authorized by the relevant authorities.

The operations of the Bank's Trust Department include pecuniary trust, securities trust, real estate trust, creditor's right of money or guarantee, movable property trust and ground right trust and related operations. These operations are regulated under the Banking Act and Trust Enterprise Act.

As of March 31, 2026, the Bank's operating units included the Business Department, International Banking Department, Trust Department, Credit Card Department, Offshore Banking Unit (OBU), and 52 domestic branches, as well as one branch office (Hong Kong) and two representative offices (Ho Chi Minh City, Vietnam and Singapore).

The Bank's shares are listed on the Taiwan Stock Exchange. Global depositary receipts (GDR), which represent ownership of ordinary shares of the Bank, have been listed on the Luxembourg Stock Exchange since January 2014.

2. APPROVAL OF FINANCIAL STATEMENTS

The 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 in 2026 of the amendments to the Regulations Governing the Preparation of Financial Statements by Public Banks and 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) did not have a material impact on the Bank and its subsidiaries' accounting policies.

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 the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

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

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

The impact of the application of IFRS 18 “Presentation and Disclosure in Financial Statements” on the Bank and its subsidiaries is described as follows:

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, an Entity 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: An entity 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. An entity shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. An entity 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 an entity as a whole, an entity 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”:

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

Except for the above impact, as of the date the financial statements were authorized for issue, the Bank and its subsidiaries are continuously assessing the other impacts of the above amended standards and interpretations on the Bank and its subsidiaries’ financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

The 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 the interim financial statements is less than the disclosure information required in a complete set of annual financial statements.

Basis of Preparation

The financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Current and Noncurrent Assets and Liabilities

Accounts included in the balance sheets are not classified as current or noncurrent since the major components of the financial statements are from the banking sector, whose operating cycle cannot be reasonably identified. Nevertheless, accounts are properly categorized in accordance with their nature and sequenced by their liquidity. Refer to Note 44 for the maturity analysis of liabilities.

Basis of Consolidation

a. Principles of preparing consolidated financial statements

   The financial statements incorporate the financial statements of the Bank and its subsidiaries.

   Account balances, income and expenses arising from intercompany transactions between the Bank and its subsidiaries have been eliminated upon consolidation.

b. Entities included in consolidated financial statements

   Entities included in consolidated financial statements were as follows:

			% of Ownership		
Investor Company	**Investee Company**	**Nature of Businesses**	**March 31, 2026**	**December 31, 2025**	**March 31, 2025**
The Bank	Far Eastern Asset Management Co., Ltd.	Purchase, evaluation, auction and management of rights of financial institution creditors	100	100	100
	Far Eastern International Securities Co., Ltd.	Foreign securities broker, wealth management and offshore fund consulting	100	100	100
Far Eastern Asset Management Co., Ltd.	FEIB Financial Leasing Co., Ltd.	Leasing operation	100	100	100

Other Material Accounting Policies

Except for those described below, please refer to consolidated financial statements for the year ended December 31, 2025 for details of summary of material accounting policies.

a. Retirement benefits

   Pension cost of 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 market fluctuations since that time and for 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

The same material accounting judgements and key sources of estimation uncertainty have been followed in the financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2025.

6. CASH AND CASH EQUIVALENTS NET

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	$ 3,489,338	$ 2,721,637	$ 3,278,967
Notes and checks for clearing (Note 22)	287,191	314,820	247,521
Due from other banks, net	2,942,274	2,081,920	1,845,612
Balance with other banks	322,669	260,443	285,838
	$ 7,041,472	$ 5,378,820	$ 5,657,938

The allowance for possible losses of the deposits due from other banks was measured at an amount equal to the 12-month expected credit loss based on historical experience and forward-looking information.

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

	March 31, 2026	December 31, 2025	March 31, 2025
Call loans to other banks, net	$ 21,948,339	$ 11,687,467	$ 15,000,326
New Taiwan dollar reserve deposits - Type A	10,575,073	15,007,061	11,546,222
New Taiwan dollar reserve deposits - Type B	20,375,478	20,456,861	18,938,390
Foreign-currency reserve deposits	165,871	163,672	167,980
Due from the Central Bank - Interbank fund transfer account	3,000,612	3,000,815	3,000,616
	$ 56,065,373	$ 50,315,876	$ 48,653,534

The reserve deposits are required by law and determined at a prescribed percentage of the monthly average balances. The Type B reserve deposits can be withdrawn only when the balances are adjusted monthly. The Type A and foreign-currency reserve deposits can be withdrawn on demand but bear no interest.

As of March 31, 2026, December 31, 2025 and March 31, 2025, due from the Central Bank and call loans to other banks falling in the definition of IAS 7 "cash and cash equivalents" (i.e. short-term, highly liquid investments, readily convertible to known amounts of cash and subject to an insignificant risk of changes in value); amounted to $35,689,895 thousand, $29,859,015 thousand and $29,715,144 thousand, respectively, and were included in cash and cash equivalents in the statements of cash flows.

The allowance for possible loss of the call loans to other banks was measured at an amount equal to the 12-month expected credit loss based on historical experience and forward-looking information.

8. FINANCIAL INSTRUMENTS AT FVTPL

Financial assets mandatorily classified as at FVTPL

	March 31, 2026	December 31, 2025	March 31, 2025
Non-derivative financial assets			
Government bonds	$ 15,037,240	$ 10,855,166	$ 14,984,360
Shares listed on TWSE and TPEx	628,292	923,296	575,837
Beneficiary certificates	159,182	326,871	79,116
	15,824,714	12,105,333	15,639,313
Derivative financial assets			
Interest rate swap contracts	4,715,531	4,223,400	$ 4,762,797
Foreign-currency swap contracts	4,059,551	3,542,866	3,526,089
Non-deliverable forward contracts	472,040	207,046	-
Forward exchange contracts	133,848	133,866	101,230
Currency option contracts	102,961	64,229	79,122
Cross-currency swap contracts	61,831	41,889	128,437
Others	45,367	23,591	54,858
	9,591,129	8,236,887	8,652,533
Hybrid contract			
Asset swap fixed-income	25,899,786	23,603,640	24,223,488
Credit linked note contracts	9,327,789	8,687,649	9,471,661
Credit linked loan contracts	3,078,936	3,026,777	2,522,604
Convertible bonds	29,342	27,866	61,959
	38,335,853	35,345,932	36,279,712
Total financial assets classified as at FVTPL	$ 63,751,696	$ 55,688,152	$ 60,571,558

Financial liabilities held for trading

	March 31, 2026	December 31, 2025	March 31, 2025
Derivative financial liabilities			
Interest rate swap contracts	$ 4,759,900	$ 3,791,968	$ 4,298,461
Foreign-currency swap contracts	3,054,955	3,261,547	3,233,550
Non-deliverable forward contracts	471,156	206,343	-
Forward exchange contracts	252,117	154,717	77,318
Cross-currency swap contracts	172,799	191,014	326,825
Currency option contracts	95,097	69,825	77,964
Others	68,091	54,425	58,679
Total financial liabilities at FVTPL	$ 8,874,115	$ 7,729,839	$ 8,072,797

The Bank engages in derivative transactions mainly to accommodate customers' needs, manage its exposure positions and to accommodate its fund needs in different currencies.

Outstanding derivative contract (notional) amounts were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Interest rate swap contracts	$ 359,752,023	$ 371,586,036	$ 370,579,641
Foreign-currency swap contracts	326,777,330	322,192,985	338,033,105
Non-deliverable forward contracts	54,081,912	47,482,575	-
Currency option contracts	41,782,697	38,189,987	38,532,007
Seller of credit default swap contracts	28,740,542	25,023,398	29,520,612
Forward exchange contracts	27,087,925	21,724,281	22,419,354
Convertible bond option contracts	25,742,842	23,469,509	24,039,962
Cross-currency swap contracts	10,304,800	6,946,900	27,653,750
Interest rate option contracts	2,000,000	2,000,000	2,000,000
Government bond futures contracts	466,229	344,537	170,882
Share index futures contracts	47,926	14,400	28,014

9. FINANCIAL ASSETS AT FVTOCI

	March 31, 2026	December 31, 2025	March 31, 2025
Investments in equity instruments	$ 5,564,840	$ 4,642,724	$ 3,942,706
Investments in debt instruments	59,122,164	58,489,664	52,772,795
Total financial assets at FVTOCI	$ 64,687,004	$ 63,132,388	$ 56,715,501

a. Investments in equity instruments

	March 31, 2026	December 31, 2025	March 31, 2025
Share listed on TWSE and TPEx	$ 5,183,625	$ 4,261,509	$ 3,617,552
Share unlisted on TWSE and TPEx	381,215	381,215	325,154
Total investments in equity instruments	$ 5,564,840	$ 4,642,724	$ 3,942,706

The above investments in equity instrument are held for medium and long-term strategic purposes and expects to make a profit through long-term investments. Therefore, the investments are designated as measured at FVTOCI. The Bank recognized dividend revenue from equity instruments at FVTOCI as below:

	For the Three Months Ended March 31	
	2026	2025
Dividend revenue recognized in profit or loss		
On equity held at period end	$ 14,684	$ 4,034
On equity disposed of in current period	-	-
	$ 14,684	$ 4,034

Because of the management and adjustment of the investment portfolio, the information about the disposal of equity instruments in the current period is as below:

	For the Three Months Ended March 31	
	2026	2025
Fair value at the date of disposal	$ -	$ 63,895
Accumulated gain transferred to retained earnings due to disposal, net	$ -	$ (46,255)

b. Investments in debt instruments

	March 31, 2026	December 31, 2025	March 31, 2025
Government bonds	$ 13,209,556	$ 20,508,812	$ 20,201,086
Treasury bills	11,450,587	3,480,056	-
Corporate bonds	11,306,245	11,391,697	11,160,911
Bank debentures	8,603,773	9,396,815	12,700,849
Commercial paper	6,911,888	6,766,350	3,717,944
Collateralized mortgage obligation	6,338,168	6,702,583	4,992,005
Negotiable certificates of deposit	1,301,947	243,351	-
Total investments in debt instruments	$ 59,122,164	$ 58,489,664	$ 52,772,795

For more information on credit risk management and impairment assessment of investments in debt instruments at FVTOCI, refer to Note 11. The assets pledged as collaterals are disclosed in Note 40.

The carrying amount of the bank debentures that have been issued under repurchase agreements (refer to Note 21 for related information) was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Bank debentures	$ 1,766,778	$ 1,577,469	$ -
Collateralized mortgage obligation	$ -	$ 476,893	$ -

10. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST, NET

	March 31, 2026	December 31, 2025	March 31, 2025
Negotiable certificates of deposits - issued by the CBC	$ 83,350,000	$ 100,550,000	$ 103,620,000
Corporate bonds	20,050,000	19,700,000	16,749,731
Bank debentures	17,661,703	16,692,100	16,296,852
Government bonds	17,629,371	10,754,308	9,456,033
Collateralized mortgage obligation	1,201,257	-	-
	139,892,331	147,696,408	146,122,616
Less: Accumulated impairment loss	2,957	2,962	10,148
	$ 139,889,374	$ 147,693,446	$ 146,112,468

For the information on related financial assets' credit risk management and impairment at amortized cost, see Note 11. The assets pledged as collaterals are disclosed in Note 40.

The carrying amount of the bank debentures sold under repurchase agreements (refer to Note 21 for related information) was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Bank debentures	$ 576,981	$ -	$ -

11. CREDIT RISK MANAGEMENT OF INVESTMENTS IN DEBT INSTRUMENTS

The policy which the Bank implements is to invest mainly in debt instruments with credit ratings above (and including) investment grade.

The Bank continued to track external rating information to monitor changes in credit risk of the investments in debt instruments and to review other information such as the bond yield curve and the debtor's material information to assess whether the credit risk of the debt instrument investments has increased significantly since the original recognition. The Bank considers the historical default loss rate announced by the independent rating agencies, the debtor's current financial status and the industry's forward-looking forecasts when measuring the expected credit loss of the debt instrument investments on an annual basis.

The investments in debt instruments are classified at FVTOCI and at amortized cost. The information of changes in total carrying amount was as follows:

March 31, 2026

	At FVTOCI	At Amortized Cost	Total
Total carrying amount	$ 59,455,461	$ 139,892,331	$ 199,347,792
Less: Accumulated impairment loss	3,204	2,957	6,161
Amortized cost	59,452,257	$ 139,889,374	199,341,631
Fair value adjustment	(330,093)		(330,093)
	$ 59,122,164		$ 199,011,538

December 31, 2025

	At FVTOCI	At Amortized Cost	Total
Total carrying amount	$ 58,762,953	$ 147,696,408	$ 206,459,361
Less: Accumulated impairment loss	3,836	2,962	6,798
Amortized cost	58,759,117	$ 147,693,446	206,452,563
Fair value adjustment	(269,453)		(269,453)
	$ 58,489,664		$ 206,183,110

March 31, 2025

	At FVTOCI	At Amortized Cost	Total
Total carrying amount	$ 53,453,497	$ 146,122,616	$ 199,576,113
Less: Accumulated impairment loss	10,257	10,148	20,405
Amortized cost	53,443,240	$ 146,112,468	199,555,708
Fair value adjustment	(670,445)		(670,445)
	$ 52,772,795		$ 198,885,263

The accumulated impairment loss of the investments in debt instruments was measured at an amount equal to the 12-month expected credit loss based on historical experience and forward-looking information. The information on changes in the allowance for accumulated impairment losses was as follows:

For the three months ended March 31, 2026

	At FVTOCI	At Amortized Cost	Total
Beginning on January 1, 2026	$ 3,836	$ 2,962	$ 6,798
Impairment loss on the acquisition of new debt instruments for the current period	2,396	-	2,396
Derecognition	(3,025)	-	(3,025)
Exchange rate changes	-	5	5
Expected credit losses and other changes	(3)	(10)	(13)
Balance on March 31, 2026	$ 3,204	$ 2,957	$ 6,161

For the three months ended March 31, 2025

	At FVTOCI	At Amortized Cost	Total
Beginning on January 1, 2025	$ 7,429	$ 5,984	$ 13,413
Impairment loss on the acquisition of new debt instruments for the current period	2,084	567	2,651
Derecognition	(2,353)	(50)	(2,403)
Exchange rate changes	43	43	86
Expected credit losses and other changes	3,054	3,604	6,658
Balance on March 31, 2025	$ 10,257	$ 10,148	$ 20,405

12. SECURITIES PURCHASED UNDER RESALE AGREEMENTS, NET

	March 31, 2026	December 31, 2025	March 31, 2025
Commercial paper	$ 1,318,472	$ 1,703,169	$ 1,149,752
Negotiable certificates of deposit	200,000	1,000,000	2,114,907
	1,518,472	2,703,169	3,264,659
Less: Accumulated impairment loss	1	2	896
	$ 1,518,471	$ 2,703,167	$ 3,263,763
Resale price	$ 1,519,924	$ 2,705,560	$ 3,268,502
Resale date	2026.04.02-2026.04.20	2026.01.05-2026.01.19	2025.04.02-2025.04.18

The total carrying amounts shown above have been included as cash and cash equivalents in the statements of cash flows. The allowance for accumulated impairment loss was measured at an amount equal to the 12-month expected credit loss based on historical experience and forward-looking information.

13. RECEIVABLES, NET

	March 31, 2026	December 31, 2025	March 31, 2025
Credit card	$ 10,346,200	$ 11,143,227	$ 11,292,566
Factoring	6,633,990	2,524,871	1,075,944
Interest	1,974,767	2,033,795	1,806,327
Buying debt receivables	1,758,405	1,528,635	1,333,148
Lease receivables	690,095	740,132	753,046
Spot exchange transactions	584,556	576,480	572,945
Proceeds from disposal of securities	316,806	19,282	31,553
Acceptances	27,587	414,482	189,457
Receivable convertible bond redemption payment	-	-	348,500
Others	625,830	497,093	804,671
	22,958,236	19,477,997	18,208,157
Less: Allowance for possible losses	398,659	369,467	387,241
	$ 22,559,577	$ 19,108,530	$ 17,820,916

The changes in the total carrying amount of receivables and other financial assets (including credit card, factoring, interest, other receivables, and other financial assets) categorized by credit evaluation stage were as follows:

For the three months ended March 31, 2026

	Stage 1 (Note 1)	Stage 2 (Note 2)	Stage 3 (Note 3)	Total Receivables and Other Financial Assets
Balance on January 1, 2026	$ 17,849,366	$ 43,535	$ 787,621	$ 18,680,522
Changes in financial instruments recognized at the beginning of the period:				
Transfer to Stage 2	(36,272)	38,680	(456)	1,952
Transfer to Stage 3	(17,590)	(15,614)	35,213	2,009
Transfer to Stage 1	6,935	(9,963)	(430)	(3,458)
Financial assets derecognized in the current period	(4,966,283)	(4,057)	(49,048)	(5,019,388)
Purchased or originated financial assets	8,033,668	831	1,016	8,035,515
Write-offs	(1,212)	(10,471)	(23,044)	(34,727)
Exchange rate and other changes	46,866	(6)	(139)	46,721
Balance on March 31, 2026	$ 20,915,478	$ 42,935	$ 750,733	$ 21,709,146

For the three months ended March 31, 2025

	Stage 1 (Note 1)	Stage 2 (Note 2)	Stage 3 (Note 3)	Total Receivables and Other Financial Assets
Balance on January 1, 2025	$ 16,036,037	$ 71,235	$ 908,200	$ 17,015,472
Changes in financial instruments recognized at the beginning of the period:				
Transfer to Stage 2	(37,484)	40,070	(103)	2,483
Transfer to Stage 3	(20,016)	(34,353)	67,040	12,671
Transfer to Stage 1	9,613	(12,638)	(432)	(3,457)
Financial assets derecognized in the current period	(4,688,019)	(4,549)	(49,980)	(4,742,548)
Purchased or originated financial assets	3,453,567	1,163	769	3,455,499
Write-offs	(1,323)	(15,403)	(28,204)	(44,930)
Exchange rate and other changes	35,965	37	471	36,473
Balance on March 31, 2025	$ 14,788,340	$ 45,562	$ 897,761	$ 15,731,663

Note 1: 12-month ECLs (evaluate the receivables and other financial assets whose credit risk has not increased significantly since initial recognition).

Note 2: Lifetime ECLs (evaluate the receivables and other financial assets whose credit risk has increased significantly since initial recognition).

Note 3: Lifetime ECLs (evaluate impaired financial assets).

The changes in the allowance for possible loss of receivables and other financial assets categorized by credit evaluation stage were as follows:

For the three months ended March 31, 2026

	12-Month Expected Credit Loss (Stage 1)	Lifetime Expected Credit Loss (Stage 2)	Lifetime Expected Credit Loss (Credit Impairment on Financial Assets) (Stage 3)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulations	Total Allowance for Possible Losses
Balance on January 1, 2026	$ 17,080	$ 5,786	$ 251,109	$ 273,975	$ 95,849	$ 369,824
Changes in financial instruments recognized at the beginning of the period:						
Transfer to Stage 2	(15)	5,441	(183)	5,243	-	5,243
Transfer to Stage 3	(7)	(2,158)	12,578	10,413	-	10,413
Transfer to Stage 1	3	(1,600)	(121)	(1,718)	-	(1,718)
Financial assets derecognized in the current period	(3,354)	(709)	(17,170)	(21,233)	-	(21,233)
Purchased or originated financial assets	13,222	168	1,666	15,056	-	15,056
The difference of impairment under the Regulations	-	-	-	-	28,326	28,326
Write-offs	(1,212)	(10,471)	(23,044)	(34,727)	-	(34,727)
Exchange rate and other changes	(1,468)	9,717	19,421	27,670	-	27,670
Balance on March 31, 2026	$ 24,249	$ 6,174	$ 244,256	$ 274,679	$ 124,175	$ 398,854

For the three months ended March 31, 2025

	12-Month Expected Credit Loss (Stage 1)	Lifetime Expected Credit Loss (Stage 2)	Lifetime Expected Credit Loss (Credit Impairment on Financial Assets) (Stage 3)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment under the Regulations	Total Allowance for Possible Losses
Balance on January 1, 2025	$ 14,483	$ 8,424	$ 256,281	$ 279,188	$ 120,243	$ 399,431
Changes in financial instruments recognized at the beginning of the period:						
Transfer to Stage 2	(24)	5,100	(89)	4,987	-	4,987
Transfer to Stage 3	(12)	(3,070)	18,482	15,400	-	15,400
Transfer to Stage 1	6	(2,284)	(170)	(2,448)	-	(2,448)
Financial assets derecognized in the current period	(5,435)	(861)	(13,157)	(19,453)	-	(19,453)
Purchased or originated financial assets	2,461	237	1,501	4,199	-	4,199
The difference of impairment under the Regulations	-	-	-	-	(6,343)	(6,343)
Write-offs	(1,323)	(15,403)	(28,204)	(44,930)	-	(44,930)
Exchange rate and other changes	3,806	14,027	18,866	36,699	-	36,699
Balance on March 31, 2025	$ 13,962	$ 6,170	$ 253,510	$ 273,642	$ 113,900	$ 387,542

14. DISCOUNTS AND LOANS, NET

	March 31, 2026	December 31, 2025	March 31, 2025
Bills negotiated, discounts and overdraft	$ 16,572	$ 10,665	$ 46,153
Short-term loans	104,339,018	104,032,705	90,745,746
Medium-term loans	212,381,027	206,584,222	208,767,062
Long-term loans	202,316,209	202,257,226	202,380,730
Overdue receivables	120,524	108,404	96,681
	519,173,350	512,993,222	502,036,372
Less: Allowance for possible losses	6,504,464	6,403,234	6,307,429
	$ 512,668,886	$ 506,589,988	$ 495,728,943

The details of the provision for possible losses on bad debts, commitment, guarantee and letters of credit issued were as follows:

	For the Three Months Ended March 31	
	2026	2025
Provision for possible losses - discounts and loans	$ 168,705	$ 100,017
Provision for possible losses - due from other banks, call loans to other banks, receivables and other financial assets	65,265	36,448
Provision for (reversal of) possible losses - commitment, guarantee obligations and letters of credit issued	7,550	(3,657)
Amounts recovered - discounts and loans	(62,653)	(52,013)
Amounts recovered - receivables and other financial assets	(43,549)	(39,801)
	$ 135,318	$ 40,994

The changes in the total carrying amount of discounts and loan categorized by credit evaluation stage were as follows:

For the three months ended March 31, 2026

	Stage 1 (Note 1)	Stage 2 (Note 2)	Stage 3 (Note 3)	Total Discounts and Loans
Beginning on January 1, 2026	$ 510,861,102	$ 396,629	$ 1,735,491	$ 512,993,222
Changes of financial instruments recognized at the beginning of the period:				
Transfer to Stage 2	(266,283)	263,697	(2,129)	(4,715)
Transfer to Stage 3	(37,011)	(106,514)	143,281	(244)
Transfer to Stage 1	112,173	(111,327)	(7,297)	(6,451)
Financial assets derecognized in the current period	(49,745,429)	(45,492)	(71,265)	(49,862,186)
Purchased or originated financial assets	54,896,151	366	1,645	54,898,162
Write-offs	(4,493)	(287)	(77,622)	(82,402)
Exchange rate and other changes	1,232,446	6	5,512	1,237,964
Balance on March 31, 2026	$ 517,048,656	$ 397,078	$ 1,727,616	$ 519,173,350

For the three months ended March 31, 2025

	Stage 1 (Note 1)	Stage 2 (Note 2)	Stage 3 (Note 3)	Total Discounts and Loans
Beginning on January 1, 2025	$ 492,981,294	$ 714,901	$ 1,454,570	$ 495,150,765
Changes of financial instruments recognized at the beginning of the period:				
Transfer to Stage 2	(1,372,917)	1,747,998	(2,723)	372,358
Transfer to Stage 3	(35,284)	(438,832)	477,594	3,478
Transfer to Stage 1	80,769	(83,627)	(2,489)	(5,347)
Financial assets derecognized in the current period	(41,125,403)	(54,431)	(53,662)	(41,233,496)
Purchased or originated financial assets	46,980,003	658	1,532	46,982,193
Write-offs	-	(143)	(149,197)	(149,340)
Exchange rate and other changes	913,929	2	1,830	915,761
Balance on March 31, 2025	$ 498,422,391	$ 1,886,526	$ 1,727,455	$ 502,036,372

Note 1: 12-month ECLs (evaluate the discounts and loans whose credit risk has not increased significantly since initial recognition).

Note 2: Lifetime ECLs (evaluate the discounts and loans whose credit risk has increased significantly since initial recognition).

Note 3: Lifetime ECLs (evaluate impaired financial assets).

The changes in the allowance of discounts and loan categorized by credit evaluation stage were as follows:

For the three months ended March 31, 2026

	12-Month Expected Credit Loss (Stage 1)	Lifetime Expected Credit Loss (Stage 2)	Lifetime Expected Credit Loss (Credit Impairment on Financial Assets) (Stage 3)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment Under the Regulations	Total Allowance for Possible Losses
Beginning on January 1, 2026	$ 653,558	$ 88,094	$ 385,797	$ 1,127,449	$ 5,275,785	$ 6,403,234
Changes of financial instruments recognized at the beginning of the period:						
Transfer to Stage 2	(686)	77,941	(1,789)	75,466	-	75,466
Transfer to Stage 3	(156)	(44,767)	77,683	32,760	-	32,760
Transfer to Stage 1	166	(20,452)	(1,036)	(21,322)	-	(21,322)
Financial assets derecognized in the current period	(108,020)	(5,111)	(16,996)	(130,127)	-	(130,127)
Purchased or originated financial assets	62,272	214	1,745	64,231	-	64,231
The difference of impairment under the Regulations	-	-	-	-	246,951	246,951
Write-offs	(4,493)	(287)	(77,622)	(82,402)	-	(82,402)
Exchange rate and other changes	(130,865)	107	46,431	(84,327)	-	(84,327)
Balance on March 31, 2026	$ 471,776	$ 95,739	$ 414,213	$ 981,728	$ 5,522,736	$ 6,504,464

For the three months ended March 31, 2025

	12-Month Expected Credit Loss (Stage 1)	Lifetime Expected Credit Loss (Stage 2)	Lifetime Expected Credit Loss (Credit Impairment on Financial Assets) (Stage 3)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment Under the Regulations	Total Allowance for Possible Losses
Beginning on January 1, 2025	$ 678,821	$ 97,943	$ 369,148	$ 1,145,912	$ 5,199,534	$ 6,345,446
Changes of financial instruments recognized at the beginning of the period:						
Transfer to Stage 2	(5,128)	81,778	(2,358)	74,292	-	74,292
Transfer to Stage 3	(261)	(44,037)	144,209	99,911	-	99,911
Transfer to Stage 1	234	(17,851)	(1,857)	(19,474)	-	(19,474)
Financial assets derecognized in the current period	(96,272)	(7,130)	(12,679)	(116,081)	-	(116,081)
Purchased or originated financial assets	129,755	327	804	130,886	-	130,886
The difference of impairment under the Regulations	-	-	-	-	(222,467)	(222,467)
Write-offs	-	(143)	(149,197)	(149,340)	-	(149,340)
Exchange rate and other changes	133,849	83	30,324	164,256	-	164,256
Balance on March 31, 2025	$ 840,998	$ 110,970	$ 378,394	$ 1,330,362	$ 4,977,067	$ 6,307,429

15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2026	December 31, 2025	March 31, 2025
Associates that are not individually material	$ 2,974,575	$ 2,979,414	$ 2,854,153

As of March 31, 2026, December 31, 2025 and March 31, 2025, the Bank held 29.58% of the shares of Dah Chung Bills Finance Corp. and was the single largest shareholder. The Bank's shareholding ratio has no absolute difference compared with those of other shareholders, and the Bank does not control more than half of the seats in the board of directors, does not have the control power to dominate the related activities, and only has significant influence over the invested company. Therefore, Dah Chung is reported as an associate in the financial statements.

The share of the Bank and its subsidiaries in these associates' financial performance is summarized as follows:

	For the Three Months Ended March 31	
	2026	2025
Net income from continuing operations	$ 58,016	$ 37,088
Other comprehensive income (loss)	(62,855)	33,964
Total comprehensive income	$ (4,839)	$ 71,052

16. OTHER FINANCIAL ASSETS, NET

	March 31, 2026	December 31, 2025	March 31, 2025
Nonaccrual loans other than discounts and loans	$ 327	$ 621	$ 530
Less: Allowance for possible losses (Note 13)	195	357	301
	132	264	229
Refundable deposits	7,184,069	7,385,063	4,694,164
Less: Accumulated impairment loss	3,126	3,708	1,063
	7,180,943	7,381,355	4,693,101
Restricted time deposits (Note 40)	3,702,160	3,599,200	3,655,760
Time deposits with original maturities of more than 3 months	148,086	143,968	123,382
Others	94,651	97,355	-
	$ 11,125,972	$ 11,222,142	$ 8,472,472

The accumulated impairment loss of the refundable deposits was measured at an amount equal to the 12-month expected credit loss based on historical experience and forward-looking information.

17. PROPERTY AND EQUIPMENT, NET

For the three months ended March 31, 2026

	Land	Buildings and Improvements	Computer Equipment	Transportation Equipment	Miscellaneous Equipment	Properties and Equipment Prepayment	Total
Cost							
Beginning balance	$ 3,460,213	$ 1,190,180	$ 3,261,442	$ 778	$ 1,643,611	$ 133,884	$ 9,690,108
Additions	-	1,059	26,711	80	20,687	10,966	59,503
Disposals	-	-	(55,295)	-	(1,091)	-	(56,386)
Others	-	-	20,681	-	248	(23,056)	(2,127)
Ending balance	3,460,213	1,191,239	3,253,539	858	1,663,455	121,794	9,691,098
Accumulated depreciation							
Beginning balance	-	700,122	2,396,667	741	1,372,061	-	4,469,591
Depreciation	-	7,282	64,275	13	14,816	-	86,386
Disposals	-	-	(55,295)	-	(1,091)	-	(56,386)
Others	-	-	904	-	236	-	1,140
Ending balance	-	707,404	2,406,551	754	1,386,022	-	4,500,731
Net ending balance	$ 3,460,213	$ 483,835	$ 846,988	$ 104	$ 277,433	$ 121,794	$ 5,190,367

For the three months ended March 31, 2025

	Land	Buildings and Improvements	Computer Equipment	Transportation Equipment	Miscellaneous Equipment	Properties and Equipment Prepayment	Total
Cost							
Beginning balance	$ 3,460,213	$ 1,150,581	$ 3,038,064	$ 962	$ 1,594,752	$ 171,200	$ 9,415,772
Additions	-	50,216	21,226	-	7,437	850	79,729
Disposals	-	-	(1,801)	(37)	(18,057)	-	(19,895)
Others	-	-	23,196	-	230	(22,153)	1,273
Ending balance	3,460,213	1,200,797	3,080,685	925	1,584,362	149,897	9,476,879
Accumulated depreciation							
Beginning balance	-	686,001	2,171,841	895	1,361,648	-	4,220,385
Depreciation	-	6,471	60,625	8	14,123	-	81,227
Disposals	-	-	(1,801)	(37)	(17,842)	-	(19,680)
Others	-	-	811	-	330	-	1,141
Ending balance	-	692,472	2,231,476	866	1,358,259	-	4,283,073
Net ending balance	$ 3,460,213	$ 508,325	$ 849,209	$ 59	$ 226,103	$ 149,897	$ 5,193,806

The above items of property and equipment are depreciated on a straight-line basis over the following estimated useful lives:

Buildings and improvements	5 to 55 years
Computer equipment	3 to 7 years
Transportation equipment	3 to 7 years
Miscellaneous equipment	3 to 20 years

In order to build the Bank’s headquarters office, the Bank entered into an entrusted construction contract with Far Eastern Construction Co., Ltd. in June 2024. The Bank will provide the land and capital, and Far Eastern Construction Co., Ltd. will provide plan, design, construction, construction management and construction manager services for the building on the construction site. The estimated value of the entrusted construction contract is $2,485 million. The Bank and the other landowners will allocate the construction costs in proportion to their respective land area interests in the construction site. The Bank is expected to afford $486 million. The contract stipulates that if there is an additional construction costs, it will be limited to 15% of the original contract amount. As of March 31, 2026, this project has passed the Urban Design Review. Far Eastern Construction Co., Ltd. is currently applying for the building permit, and construction will commence after the permit is obtained.

18. LEASE ARRANGEMENTS

The Bank and its subsidiaries lease property mainly for the use of the Bank’s branches and offices within 2 to 20 years. Right-of-use assets, lease liabilities and recognition of depreciation expense and interest expense are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Net carrying amount of right-of-use assets	$ 1,681,178	$ 1,435,267	$ 884,143
Carrying amount of lease liabilities	$ 1,701,926	$ 1,457,282	$ 897,100
The range of discount rates	0.83%-4.30%	0.83%-4.30%	0.83%-4.30%

	For the Three Months Ended March 31	
	2026	2025
Additions to right-of-use assets	$ 346,120	$ 80,261
Cash outflow for leases	$ 108,552	$ 111,439
Depreciation expense of right-of-use assets	$ 100,814	$ 100,215
Interest expense of lease liabilities	$ 5,599	$ 2,724
Other lease information		
Short-term lease expenses	$ 858	$ 846

The analysis of the total future payment maturity of the lease liability contracts is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Within 1 year	$ 404,539	$ 371,437	$ 369,620
1-5 years	1,179,723	969,471	471,120
5-10 years	183,132	169,497	75,708
10-15 years	1,549	1,549	1,549
15-20 years	542	619	852
	$ 1,769,485	$ 1,512,573	$ 918,849

19. INTANGIBLE ASSETS, NET

	March 31, 2026	December 31, 2025	March 31, 2025
Operation rights	$ 1,538,210	$ 1,538,210	$ 1,538,210
Fair value of core deposits	428,887	428,887	428,887
Less: Accumulated amortization	428,887	428,887	426,763
	-	-	2,124
	$ 1,538,210	$ 1,538,210	$ 1,540,334

In April 2010, the Bank acquired the assets and liabilities of Chinfon Bank's domestic branch Package B through a bidding process. The acquired operation rights of Chinfon Bank's branches have indefinite useful life, while the fair value of core deposits is amortized over 4 to 15 years.

After assessment, the Bank determined that the operation rights of branches are franchise rights with indefinite useful life, and the operation rights are expected to generate net cash flows continuously; therefore, the operation rights are not amortized annually.

The Bank assesses the recoverable amount of the cash-generating unit of the operation rights for impairment on an annual basis. To reflect risks specific to the operation, the Bank estimated the recoverable amount based on the net fair value of the discounted future cash flows of the cash-generating unit based on the Bank's financial forecast, and no impairment was assessed for the years 2025 and 2024. There were no significant changes in the assessment for the three months ended March 31, 2026 and 2025, no impairment loss was recognized for the operation rights.

20. DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS

	March 31, 2026	December 31, 2025	March 31, 2025
Call loans from banks	$ 1,599,000	$ 943,140	$ 2,787,288
Bank overdrafts	19,547	6,767	2,470
Deposits from banks	16,306	16,306	16,188
	$ 1,634,853	$ 966,213	$ 2,805,946

21. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

	March 31, 2026	December 31, 2025	March 31, 2025
Bank debentures (Notes 9 and 10)	$ 2,250,078	$ 1,506,177	$ -
Collateralized mortgage obligation (Note 9)	-	447,391	-
	$ 2,250,078	$ 1,953,568	$ -
Repurchase price	$ 2,254,838	$ 1,964,204	$ -
Repurchase date	2026.04.09-2026.04.13	2026.01.20-2026.02.09	-

22. PAYABLES

	March 31, 2026	December 31, 2025	March 31, 2025
Interest	$ 2,253,441	$ 2,048,232	$ 2,369,838
Expenses	1,289,234	1,489,773	1,249,458
Accounts payable factoring	1,235,585	708,544	599,393
Securities settlement	947,394	49,116	1,877,475
Credit card	377,602	372,932	339,425
Collections payable and withholding tax payable	370,454	290,844	268,105
Notes and checks for clearing (Note 6)	287,191	314,820	247,521
Taxes	77,025	145,216	74,768
Acceptances	27,587	414,482	189,457
Others	491,481	507,508	585,417
	$ 7,356,994	$ 6,341,467	$ 7,800,857

23. DEPOSITS AND REMITTANCES

	March 31, 2026	December 31, 2025	March 31, 2025
Checking deposits	$ 3,164,787	$ 3,240,727	$ 3,125,508
Demand deposits	157,981,092	122,593,150	117,519,057
Demand savings	119,795,886	121,590,796	113,231,744
Time savings	122,384,330	123,678,163	134,324,908
Negotiable certificates of deposit	14,214,500	11,157,500	24,508,500
Time deposits	311,280,511	329,275,862	306,367,508
Remittances	511,251	216,564	106,083
	$ 729,332,357	$ 711,752,762	$ 699,183,308

24. BANK DEBENTURES

Domestic Bank Debentures

Item	Issuance Period	Note	March 31, 2026	December 31, 2025	March 31, 2025
Subordinated bank debentures - noncumulative perpetual; first issue in 2018	From 2018.09.18	Interest payable on September 18 each year fixed interest rate at 3.20%	$ 2,900,000	$ 2,900,000	$ 2,900,000
Subordinated bank debentures - seven-year maturity; second issue in 2019	2019.07.30-2026.07.30	Interest payable on July 30 each year fixed interest rate at 1.15%	2,000,000	2,000,000	2,000,000
Subordinated bank debentures - ten-year maturity; second issue in 2019	2019.07.30-2029.07.30	Interest payable on July 30 each year fixed interest rate at 1.25%	2,000,000	2,000,000	2,000,000
Subordinated bank debentures - seven-year maturity; first issue in 2020	2020.11.26-2027.11.26	Interest payable on November 26 each year fixed interest rate at 0.75%	1,600,000	1,600,000	1,600,000
Subordinated bank debentures - seven-year maturity; first issue in 2021	2021.04.27-2028.04.27	Interest payable on April 27 each year fixed interest rate at 0.83%	2,400,000	2,400,000	2,400,000
General bank debentures - five-year maturity; first issue in 2024	2024.10.24-2029.10.24	Interest payable on October 24 each year fixed interest rate at 1.95%	5,000,000	5,000,000	5,000,000
General bank debentures - seven-year maturity; first issue in 2024	2024.10.24-2031.10.24	Interest payable on October 24 each year fixed interest rate at 2.00%	1,000,000	1,000,000	1,000,000
General bank debentures - five-year maturity; first issue in 2025	2025.03.20-2030.03.20	Interest payable on March 20 each year fixed interest rate at 2.00%	6,000,000	6,000,000	6,000,000
Subordinated bank debentures - seven-year maturity; second issue in 2025	2025.09.18-2032.09.18	Interest payable on September 18 each year fixed interest rate at 2.35%	2,400,000	2,400,000	-
Subordinated bank debentures - seven-year maturity; 1-1 issue in 2005; acquired from Chinfon Bank	Matured on 2012.06.28	-	1,660	1,660	1,660
Subordinated bank debentures - seven-year maturity; 1-1 issue in 2002; acquired from Chinfon Bank	Matured on 2009.06.28	-	60	60	240
Total bank debentures			$ 25,301,720	$ 25,301,720	$ 22,901,900

The Bank made a first issuance of perpetual non-cumulative subordinated bank debentures in 2018 in the amount of $2,900,000 thousand on September 18, 2018, with an interest rate of 3.20% payable once a year if the interest payment condition is met. After five years of issuance, the Bank has the right to redeem these bank debentures in advance under the authorities' regulation of issuance and permission. As of March 31, 2026, the Bank had not exercised the right of redemption.

25. OTHER FINANCIAL LIABILITIES

	March 31, 2026	December 31, 2025	March 31, 2025
Bank loan	$ 990,000	$ 890,000	$ 550,000
Commercial paper	605,000	475,000	325,000
Deposits received	433,833	478,458	528,152
Less: Unamortized discount on commercial paper	944	488	741
	$ 2,027,889	$ 1,842,970	$ 1,402,411
Interest rates			
Bank loan	2.10%-2.17%	2.11%-2.17%	2.09%-2.15%
Commercial paper	2.14%	2.14%	2.14%

26. PROVISIONS

	March 31, 2026	December 31, 2025	March 31, 2025
Reserve for employee benefits liability - defined benefit plans (Note 27)	$ 323,403	$ 358,401	$ 399,925
Reserve for guarantee obligations	263,231	245,533	144,237
Reserve for financing commitments	43,127	53,360	64,390
Reserve for letters of credit issued	2,576	2,078	3,581
	$ 632,337	$ 659,372	$ 612,133

The changes in provision for losses on financing commitments, obligations guarantees, and letters of credit issued categorized by credit evaluation stage are as follows:

For the three months ended March 31, 2026

	12-Month Expected Credit Loss (Stage 1)	Lifetime ECLs (Stage 2)	Lifetime ECLs (Credit Impairment on Financial Assets) (Stage 3)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment Under the Regulations	Total Provision for Losses on Financing Commitments, Obligations Guarantee and Letters of Credit Issued
Balance on January 1, 2026	$ 98,982	$ 7,648	$ 169	$ 106,799	$ 194,172	$ 300,971
Changes at the beginning of the period:						
Transfer to Stage 2	(4)	5,531	-	5,527	-	5,527
Transfer to Stage 3	-	(13)	172	159	-	159
Transfer to Stage 1	5	(6,629)	(72)	(6,696)	-	(6,696)
Financial assets derecognized in the current period	(13,149)	(550)	(97)	(13,796)	-	(13,796)
Purchased or originated	11,284	156	-	11,440	-	11,440
The difference of impairment under the Regulations	-	-	-	-	31,575	31,575
Exchange rate and other changes	(20,241)	(5)	-	(20,246)	-	(20,246)
Balance on March 31, 2026	$ 76,877	$ 6,138	$ 172	$ 83,187	$ 225,747	$ 308,934

For the three months ended March 31, 2025

	12-Month Expected Credit Loss (Stage 1)	Lifetime ECLs (Stage 2)	Lifetime ECLs (Credit Impairment on Financial Assets) (Stage 3)	Impairment Under the Guidelines of IFRS 9	The Difference of Impairment Under the Regulations	Total Provision for Losses on Financing Commitments, Obligations Guarantee and Letters of Credit Issued
Balance on January 1, 2025	$ 68,866	$ 8,096	$ 329	$ 77,291	$ 138,284	$ 215,575
Changes at the beginning of the period:						
Transfer to Stage 2	(9)	6,220	-	6,211	-	6,211
Transfer to Stage 3	-	(7)	210	203	-	203
Transfer to Stage 1	6	(6,610)	(118)	(6,722)	-	(6,722)
Financial assets derecognized in the current period	(5,820)	(1,133)	(211)	(7,164)	-	(7,164)
Purchased or originated	12,523	110	-	12,633	-	12,633
The difference of impairment under the Regulations	-	-	-	-	(22,448)	(22,448)
Exchange rate and other changes	13,920	-	-	13,920	-	13,920
Balance on March 31, 2025	$ 89,486	$ 6,676	$ 210	$ 96,372	$ 115,836	$ 212,208

27. RETIREMENT BENEFIT PLANS

Defined contribution plans

The Bank and its subsidiaries make monthly contributions to employees' individual pension accounts in the Bureau of Labor Insurance for those who qualify a pension plan for the Labor Pension Act. Pension expenses were $36,976 thousand and $37,019 thousand for the three months ended March 31, 2026 and 2025, respectively.

Defined benefit plans

The Bank's pension expenses related to the defined benefit plans were estimated based on the pension cost rate determined by actuarial calculations on December 31, 2025 and 2024. The related pension expenses for the three months ended March 31, 2026 and 2025 were $1,754 thousand and $2,233 thousand, respectively.

28. EQUITY

a. Share capital

Ordinary shares

	March 31, 2026	December 31, 2025	March 31, 2025
Authorized shares (in thousands)	6,500,000	6,500,000	5,500,000
Authorized capital	$ 65,000,000	$ 65,000,000	$ 55,000,000
Issued and fully paid shares (in thousands)	4,865,285	4,865,285	4,275,400
Issued capital	$ 48,652,847	$ 48,652,847	$ 42,753,997

Issued ordinary shares with par value of $10 are entitled to the right to vote and to receive dividends.

At the shareholders' meeting held on May 22, 2025, the Bank resolved to increase its capital by using its undistributed earnings of $1,068,850 thousand. As a result, the Bank issued 106,885 thousand ordinary shares at a par value of NT$10. After the issuance, the share capital of the Bank amounted to $43,822,847 thousand.

At the board of directors' meeting held on May 5, 2025, the Bank resolved to increase its capital by issuing 483,000 thousand ordinary shares. The issuance was approved by the Securities and Futures Bureau, FSC on August 1, 2025 and the issuance price was NT$11.06 per share. The record date for the capital increase by cash was September 30, 2025, after the capital increase by cash, the total capital amounted to $48,652,847 thousand.

Global depository receipts

As of March 31, 2026, the outstanding GDRs were 238 thousand units, equivalent to 4,761 thousand ordinary shares.

b. Capital surplus

	March 31, 2026	December 31, 2025	March 31, 2025
Issuance of ordinary shares	$ 830,560	$ 830,560	$ 302,926

According to the Company Law, the capital surplus arising from shares issued in excess of par may be used to offset a deficit, or, if the Bank has no deficit, distributed as cash dividends or transferred to capital (limited to a certain percentage of the Bank's paid-in capital and once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Bank's Articles of Incorporation (the "Articles"), in the case of surplus earnings after settlement of accounts for each fiscal year, the Bank shall offset losses of previous years, if any, before setting aside a legal reserve of thirty percent (30%) of the net profit and appropriating, according to law and regulations, a special reserve shall be retained and shall first be distributed to the dividends of preference shares. The remaining amount together with the accumulated retained profits of the last year and the reversals of special reserves are available for distribution as dividends for ordinary shares. The dividends for ordinary shares shall be distributed at least thirty percent (30%) of the remaining amount. The Board of Directors shall prepare the earnings distribution in accordance with the existing circumstances at the time, taking into account the future development plan of the Bank. Any allocation of cash dividend shall, in principle, be no less than 10% of the total dividends to be distributed that year.

The Banking Law provides that, unless legal reserve reached the Bank's paid-in capital, cash dividends are limited to 15% of paid-in capital.

Under the Company Law, legal reserve should be appropriated until it has reached the Bank's paid-in capital. This reserve may be used to offset a deficit. According to an amendment to the Company Law, when the Bank has no deficit and its legal reserve has exceeded 25% of its paid-in capital, the excess may be distributed in the form of shares or cash.

The appropriations of earnings for the 2025 and 2024, which were approved in the board of directors' meetings on March 2, 2026 and the shareholders' meeting on May 22, 2025, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (Dollars)	
	2025	2024	2025	2024
Cash dividends	$ 2,500,756	$ 2,137,700	$0.5140	$0.5000
Share dividends	581,402	1,068,850	0.1195	0.2500

The appropriations of earnings for 2025 are subject to the resolution of the shareholders' meeting to be held on May 22, 2026.

d. Other equity items

Change in unrealized gain or loss on financial assets measured at FVTOCI:

	For the Three Months Ended March 31	
	2026	2025
Balance on January 1	$ 1,127,388	$ (12,949)
Recognized for the period		
Valuation gain or loss		
Debt instruments	(59,995)	164,343
Equity instruments	222,027	(156,930)
Share of other comprehensive income (loss) of associates for using the equity method	(62,855)	33,964
Loss (gain) debt instruments transferred to current loss (income) due to disposal	(645)	92
Other comprehensive income recognized for the period	98,532	41,469
Loss (gain) on equity instruments transferred to retained earnings due to disposal	(106)	46,255
Balance on March 31	$ 1,225,814	$ 74,775

29. NET INTERESTS

	For the Three Months Ended March 31	
	2026	2025
Interest revenues		
Loans	$ 3,777,191	$ 3,682,549
Bonds and bills	898,801	845,116
Credit cards	185,665	180,832
Call loans to other banks	81,881	85,725
Others	175,142	160,917
	5,118,680	4,955,139
Interest expenses		
Deposits	2,901,281	2,981,680
Structured products	213,911	255,506
Bank debentures	115,057	75,506
Others	64,217	78,254
	3,294,466	3,390,946
Net interests	$ 1,824,214	$ 1,564,193

30. NET SERVICE FEE INCOME

	For the Three Months Ended March 31	
	2026	2025
Service fee income		
Trustee business	$ 372,077	$ 308,400
Credit cards	249,090	252,868
Loan	177,245	191,506
Insurance commission	126,138	141,709
Guarantee	55,177	28,047
Others	87,303	78,873
	1,067,030	1,001,403
Service fee expense		
Credit card reward fee	65,181	68,358
Visa, Mastercard, and JCB fee	54,010	53,850
Credit card center fee	40,573	42,015
Interbank service fee	19,494	19,126
Agency service fee	14,344	15,306
Others	37,297	38,211
	230,899	236,866
Net service fee income	$ 836,131	$ 764,537

31. NET GAIN ON FINANCIAL ASSETS AND LIABILITIES AT FVTPL

	For the Three Months Ended March 31	
	2026	2025
Gain on disposal	$ 888,162	$ 839,838
Net interest revenues	194,499	181,264
Dividends	3,016	740
Loss on valuation	(445,499)	(371,842)
	$ 640,178	$ 650,000

32. EMPLOYEE BENEFIT EXPENSE

	For the Three Months Ended March 31	
	2026	2025
Salaries (Notes 33, 38 and 39)	$ 1,027,761	$ 952,380
Labor and health insurance	70,525	71,048
Post-employment benefits (Notes 27 and 39)	38,730	39,252
Others (Notes 33 and 39)	119,451	103,233
	$ 1,256,467	$ 1,165,913

33. EMPLOYEES' COMPENSATION AND REMUNERATION OF DIRECTORS

According to the Bank's Articles, the Bank accrues remuneration of directors and compensation of employees at rates of no higher than 1.5% and 3.5%-4.5%, respectively, of net profit before income tax, compensation of employees and remuneration of directors. At least 25% of the compensation of employees shall allocated as compensation distributions for non-executive employees. The estimated appropriations of employees' compensation and remuneration of directors for the three months ended March 31, 2026 and 2025 were as follows:

Amount

	For the Three Months Ended March 31	
	2026	2025
Employees' compensation	$ 52,369	$ 41,156
Remuneration of directors	$ 17,409	$ 13,718

The appropriations of employees' compensation and remuneration of directors in cash for 2025 and 2024 were resolved by the Board of Directors on March 2, 2026 and March 4, 2025, respectively. The distribution amounts were as follows:

Amount

	For the Year Ended December 31	
	2025	2024
Employees' compensation	$ 189,675	$ 197,473
Remuneration of directors	$ 63,389	$ 65,824

The employees' compensation and remuneration of directors for 2025 has not yet been paid. There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2024.

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

34. DEPRECIATION AND AMORTIZATION

	For the Three Months Ended March 31	
	2026	2025
Depreciation		
Property and equipment (Note 17)	$ 86,386	$ 81,227
Leased right-of-use assets (Note 18)	100,814	100,215
	$ 187,200	$ 181,442
Amortization - intangible assets (Note 19)	$ -	$ 6,370

35. OTHER GENERAL AND ADMINISTRATIVE EXPENSES

	For the Three Months Ended March 31	
	2026	2025
Tax and government fees	$ 219,462	$ 205,759
Software	105,052	92,975
Marketing and advertising	57,275	65,495
Telecommunications	37,304	41,025
Others	165,558	166,654
	$ 584,651	$ 571,908

36. INCOME TAX EXPENSE

	For the Three Months Ended March 31	
	2026	2025
Income tax recognized in profit or loss		
Current tax expense	$ 210,052	$ 200,404
Deferred tax benefit	(66,348)	(82,375)
	$ 143,704	$ 118,029
Income tax recognized in other comprehensive income		
Income tax expense of exchange differences on translating foreign operations	$ 6,381	$ 4,617

Income tax assessments

The income tax returns of the Bank and FEIS through 2023, have been assessed by the tax authorities. The income tax returns of FEAMC through 2024 had been assessed by the tax authorities.

37. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended March 31	
	2026	2025
Basic EPS	$ 0.25	$ 0.25
Diluted EPS	$ 0.25	$ 0.25

The net income and weighted average number of ordinary shares outstanding for EPS calculation were as follows:

	For the Three Months Ended March 31	
	2026	**2025**
Net income attributable to owners of the Bank	$ 1,221,472	$ 1,107,361
Number of ordinary shares (in thousand shares)		
Weighted average number of ordinary shares in the computation of basic EPS	4,865,285	4,382,285
Effect of dilutive potential ordinary shares		
Employees' compensation	13,971	12,754
Weighted average number of ordinary shares used in the computation of diluted EPS	4,879,256	4,395,039

Employees' compensation for the current period should be considered in calculating the current period's weighted-average shares outstanding number of shares used for calculating diluted EPS. The dilutive effect of the potential shares should be included in the calculation of diluted EPS until the board meeting resolves the number of shares to be distributed as employees' compensation at their board meeting in the following year.

The weighted average number of ordinary shares outstanding for the three months ended March 31, 2025 EPS calculation was retroactively adjusted to the issuance of stock dividends. The basic and diluted after-tax EPS were adjusted retrospectively as follows:

Unit: NT$ Per Share

	Before Retrospective Adjustment	After Retrospective Adjustment
Basic EPS	$ 0.26	$ 0.25
Diluted EPS	$ 0.26	$ 0.25

38. SHARE-BASED PAYMENT ARRANGEMENTS

In August 2025, the Bank resolved to increase its capital by issuing 483,000 thousand ordinary shares. According to the Company Act, the Bank shall allocate 48,300 thousand of shares as provision for subscription by employees. Lock-up period is 2 years. The relevant remuneration costs of $22,218 thousand was recognized based on fair value on the grant date according to the valuation report issued by the experts. The valuation report applied the Black-Scholes pricing model, and the inputs to the model are as follows:

Grant date (the date on which employees are informed of their rights)	August 26, 2025
Grant date share price (after considering ex-rights and ex-dividends)	$12.74
Exercise price	$11.06
Expected volatility	9.66%
Duration	0.068 years
Restricted period (from the grant date until the end of the lock-up period)	2.099 years
Risk-free interest rate	0.9486%

39. RELATED-PARTY TRANSACTIONS

The Bank and its subsidiaries had significant business transactions with the following related parties:

Related Party	Relationship with the Bank
Dah Chung Bills Finance Corp.	Associate
Ding Ding Integrated Marketing Service Co.	Chairman is the vice-chairman of the Bank
Far Eastern Department Store Corp.	Chairman is the vice-chairman of the Bank
Yuan Ding Co., Ltd.	Chairman is the vice-chairman of the Bank
Far Eastern New Century Corp.	Chairman is the vice-chairman of the Bank
New Century InfoComm Tech Co., Ltd.	Chairman is the vice-chairman of the Bank
Far Eastern Ai Mai Co., Ltd.	Chairman is the vice-chairman of the Bank
Ding Ding Hotel Co., Ltd.	Chairman is the vice-chairman of the Bank
U-Ming Marine Transport (Singapore) Private, Ltd.	Chairman of parent company is the vice-chairman of the Bank
Yuan Long Stainless Steel Co.	Chairman of parent company is the vice-chairman of the Bank
Everest Textile Co., Ltd.	Chairman is a second-degree relative of the vice chairman of the Bank
Far Eastern Construction Co., Ltd.	Chairman is the director of the Bank
Der Ching Investment Corporation	Substantive related party
Far Eastern International Leasing Corp.	Substantive related party
Pacific SOGO Department Stores Corp.	Substantive related party
Far EasTone Insurance Agent Co., Ltd.	Substantive related party
Others	The Bank's chairman, vice-chairman, director, managers, their second-degree relatives or substantive related party

The significant transactions and account balances with the above parties (in addition to those disclosed in other notes) are summarized as follows:

a. Notes and checks for clearing/notes and checks for clearing payable

	March 31, 2026	December 31, 2025	March 31, 2025
Far Eastern Department Store Corp.	$ 130,493	$ 200,000	$ 50,000
Far EasTone Insurance Agent Co., Ltd.	43,147	-	-
Der Ching Investment Corporation	-	-	100,000
	$ 173,640	$ 200,000	$ 150,000

b. Call loans to other banks

	Highest Balance in Current Period	Ending Balance	Interest Revenues	Interest Rates
Dah Chung Bills Finance Corp.				
For the three months ended March 31				
2026	$ 500,000	$ -	$ 451	1.43%
2025	$ 1,000,000	$ -	$ 833	1.62%-1.65%

c. Loans

Category	Number of Accounts and Related Party	Highest Balance in Current Period	Ending Balance	Normal Loans	Non-performing Loans	Collateral	Whether Transaction Terms Differ from Those with Unrelated Parties
For the three months ended March 31, 2026							
Consumer loans	Five individuals	$ 2,029	$ 1,898	$ 1,898	$ -	Unsecured loan	No significant difference
Loans for residential mortgage	Forty seven individuals	433,026	426,281	426,281	-	Real estate	No significant difference
Others	Yuan Long Stainless Steel Co.	720,000	720,000	720,000	-	Real estate	No significant difference
	Far Eastern International Leasing Corp.	700,000	700,000	700,000	-	Real estate	No significant difference
	Everest Textile Co., Ltd.	651,840	650,092	650,092	-	Real estate	No significant difference
	Far Eastern Ai Mai Co., Ltd	400,000	400,000	400,000	-	Real estate	No significant difference
	Others (Note)	718,992	380,439	380,439	-	Real estate, shares listed on TWSE and TPEx, and Other movable property	No significant difference
			$ 3,278,710	$ 3,278,710	$ -		
Allowance for possible losses			$ 34,918				
For the three months ended March 31, 2025							
Consumer loans	Four individuals	1,679	$ 1,568	$ 1,568	$ -	Unsecured loan	No significant difference
Loans for residential mortgage	Forty nine individuals	443,557	406,288	406,288	-	Real estate	No significant difference
Others	Yuan Long Stainless Steel Co.	1,450,000	1,250,000	1,250,000	-	Real estate	No significant difference
	Far Eastern International Leasing Corp.	700,000	700,000	700,000	-	Real estate	No significant difference
	Everest Textile Co., Ltd.	699,143	687,958	687,958	-	Real estate	No significant difference
	Far Eastern Ai Mai Co., Ltd	450,000	450,000	450,000	-	Real estate	No significant difference
	Others (Note)	610,936	236,886	236,886	-	Real estate, certificates of deposits, shares listed on TWSE and TPEx and Other movable property	No significant difference
			$ 3,732,700	$ 3,732,700	$ -		
Allowance for possible losses			$ 39,358				

Note: The individual amounts did not each exceed 10% of the total disclosure amount.

The information related to the above loans is as follows:

	For the Three Months Ended March 31	
	2026	2025
Interest revenues	$ 12,853	$ 18,431
Interest rate	1.95%-4.59%	1.95%-5.38%
Provision for (reversal of) possible losses	$ 8,169	$ (2,390)

d. Guarantees

Related Party	Highest Balance in Current Period	Ending Balance	Reserve for Guarantee Obligations	Interest Rate	Collateral
For the three months ended March 31, 2026					
Yuan Ding Co., Ltd.	$ 20,000	$ 20,000	$ 200	0.80%	Shares unlisted on TWSE and TPEx
Ding Ding Hotel Co., Ltd.	10,000	10,000	100	0.80%	Shares unlisted on TWSE and TPEx
		$ 30,000	$ 300		
For the three months ended March 31, 2025					
Yuan Ding Co., Ltd.	25,000	$ 25,000	$ 250	0.80%	Shares unlisted on TWSE and TPEx
Ding Ding Hotel Co., Ltd.	10,000	10,000	100	0.80%	Shares unlisted on TWSE and TPEx
		$ 35,000	$ 350		

e. Derivative instruments (Note 8)

Related Party	Derivative Instrument	Contract Period	Nominal Amount	Valuation Gain (Loss) For the Three Months Ended March 31	Balance Sheet Items	Balance Sheet Balance
For the three months ended March 31, 2026						
U-Ming Marine Transport (Singapore) Private, Ltd.	Interest rate swap contracts	2020.07.17-2028.01.10	$ 804,217	$ 88	Financial liabilities at FVTPL	$ 9,460
Far Eastern New Century Corp.	Forward exchange contracts	2026.03.19-2026.07.01	159,149	149	Financial assets at FVTPL	149
		2026.01.08-2026.06.30	2,000,650	(33,738)	Financial liabilities at FVTPL	33,738
For the three months ended March 31, 2025						
U-Ming Marine Transport (Singapore) Private, Ltd.	Interest rate swap contracts	2020.07.17-2028.01.10	1,311,270	11,654	Financial liabilities at FVTPL	24,692
Far Eastern New Century Corp.	Forward exchange contracts	2025.01.22-2025.06.30	1,064,209	15,854	Financial assets at FVTPL	15,854
		2025.02.25-2025.04.30	381,526	(2,446)	Financial liabilities at FVTPL	2,446

f. Deposits

	March 31, 2026	December 31, 2025	March 31, 2025
Deposits of related parties (each account balance did not exceed 5% of total deposits)	$ 61,807,084	$ 61,685,845	$ 50,139,529
Interest rate	0%-6.72%	0%-6.72%	0%-6.72%

	For the Three Months Ended March 31	
	2026	2025
Interest expenses	$ 214,563	$ 173,877

g. Lessee agreements

	For the Three Months Ended March 31	
	2026	2025
Acquisition of right-of-use assets		
Far Eastern Department Store Corp.	$ -	$ 20,404

	March 31, 2026	December 31, 2025	March 31, 2025
Carrying amount of lease liabilities			
Yuan Ding Co., Ltd.	$ 601,005	$ 627,628	$ 158,625
Pacific SOGO Department Stores Corp.	42,899	44,102	47,685
Far Eastern Department Store Corp.	15,826	16,814	19,755
	$ 659,730	$ 688,544	$ 226,065

The Bank and its subsidiaries rented part of its office premises from related parties. All the rent determinations and payment methods of leases are not significantly different from those of normal business practices.

h. Service fee expense

	For the Three Months Ended March 31	
	2026	**2025**
Ding Ding Integrated Marketing Service Co.	$ 27,759	$ 29,521

i. Operating expenses

	For the Three Months Ended March 31	
	2026	**2025**
Far Eastern Department Store Corp.	$ 22,534	$ 25,100
New Century InfoComm Tech Co., Ltd	11,741	14,056
	$ 34,275	$ 39,156

j. Compensation of key management personnel (Note 32)

	For the Three Months Ended March 31	
	2026	**2025**
Short-term employee benefits	$ 52,341	$ 56,985
Post-employment benefits	1,528	1,577
	$ 53,869	$ 58,562

40. PLEDGED ASSETS

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets at FVTOCI - government bonds	$ -	$ 3,129,516	$ 3,636,869
Investment in debt instruments at amortized cost - negotiable certificates of deposits - issued by the CBC	2,400,000	2,400,000	2,400,000
Investment in debt instruments at amortized cost - government bonds	3,678,173	579,282	-
Other financial assets - restricted time deposits	3,702,160	3,599,200	3,655,760
	$ 9,780,333	$ 9,707,998	$ 9,692,629

The government bonds had been provided as the reserve for compensation of trust department as well as security deposits for provisional seizures of the debtors' properties. The negotiable certificates of deposits issued by the CBC had been pledged as collaterals to back the extension of intraday credit in the Central Bank's real-time gross settlement system. The balance of intraday credit and the amount of collateral may vary at any time. Restricted time deposits have been provided as collaterals for maximum daylight overdraft facilities of the CNY settlement account.

41. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in Note 44, the Bank's and its subsidiaries' contingent liabilities and commitments resulting from operating activities as of March 31, 2026, December 31, 2025 and March 31, 2025 are summarized as follows:

Balance sheets and income statements of trust accounts and the trust assets lists were as follows:

Balance Sheets of Trust Accounts

	March 31, 2026	December 31, 2025	March 31, 2025
Assets			
Deposits in banks	$ 12,831,078	$ 12,605,216	$ 11,676,306
Accounts receivable	15,224	7,519	13,662
Funds	68,256,319	66,603,129	68,546,993
Equity shares	6,255,907	6,424,806	6,466,953
Bonds	25,250	25,746	11,751
Real estate, net			
Land	11,068,134	10,018,156	10,282,556
Building	138,554	135,851	199,184
Construction in progress	11,203,320	10,493,618	11,028,168
Marketable securities in custody	11,484,091	10,272,531	8,863,908
Others	2,976,425	2,979,050	2,902,258
	$ 124,254,302	$ 119,565,622	$ 119,991,739
Liabilities			
Accounts payable	$ 4,216	$ 3,927	$ 3,048
Income tax payable	1,013	694	835
Marketable securities in custody payable	11,484,091	10,272,531	8,863,908
Trust capital	112,010,732	108,320,744	109,811,648
Reserve and earnings			
Net income or loss for current period	916,613	3,299,191	890,483
Accumulated profit or loss	(162,398)	(2,331,500)	421,781
Exchange	35	35	36
	$ 124,254,302	$ 119,565,622	$ 119,991,739

Income Statements of Trust Accounts

	For the Three Months Ended March 31	
	2026	2025
Trust revenue		
Interest	$ 24,945	$ 22,992
Cash dividends	936,794	867,982
Realized capital gain - Funds	711,579	218,515
Realized capital gain - Ordinary shares	1,472	768
Unrealized capital gain - Ordinary shares	-	235,312
Unrealized capital gain - Bonds	-	66
	1,674,790	1,345,635
Trust expenses		
Management	22,142	13,774
Supervision	36	31
Service charges	5,266	23,335
Taxes	41,937	1,516
Realized capital loss - Funds	490,738	395,613
Realized capital loss - Ordinary shares	4	-
Unrealized capital loss - Funds	4,112	1,541
Unrealized capital loss - Ordinary shares	192,441	18,864
Unrealized capital loss - Bonds	939	-
	757,615	454,674
Net income before tax	917,175	890,961
Income tax	562	478
Net income	$ 916,613	$ 890,483

Trust Asset Lists

	March 31, 2026	December 31, 2025	March 31, 2025
Deposits in banks	$ 12,831,078	$ 12,605,216	$ 11,676,306
Funds	68,256,319	66,603,129	68,546,993
Equity shares	6,255,907	6,424,806	6,466,953
Bonds	25,250	25,746	11,751
Accounts receivable	15,224	7,519	13,662
Real estate, net			
Land	11,068,134	10,018,156	10,282,556
Building	138,554	135,851	199,184
Construction in progress	11,203,320	10,493,618	11,028,168
Marketable securities in custody	11,484,091	10,272,531	8,863,908
Others	2,976,425	2,979,050	2,902,258
	$ 124,254,302	$ 119,565,622	$ 119,991,739

As of March 31, 2026, December 31, 2025 and March 31, 2025, funds amounting to $1,655,736 thousand, $1,650,124 thousand and $1,659,326 thousand, respectively, had been recognized in the OBU's books as investment in overseas securities through the Non-discretionary Pecuniary Trust of the OBU.

42. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant financial assets and liabilities denominated in foreign currencies were as follows:

	March 31, 2026			December 31, 2025			March 31, 2025		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets									
Monetary items									
USD	$ 3,545,276	31.980	$ 113,377,926	$ 3,344,535	31.438	$ 105,145,491	$ 2,656,553	33.182	$ 88,149,742
CNY	3,065,700	4.628	14,187,145	3,254,224	4.499	14,640,754	2,952,217	4.570	13,490,746
AUD	375,456	21.956	8,243,452	420,609	21.018	8,840,318	470,475	20.780	9,776,565
JPY	28,382,918	0.200	5,685,098	23,480,732	0.201	4,714,931	18,492,590	0.222	4,112,752
EUR	120,865	36.684	4,433,811	210,098	36.897	7,752,027	259,075	35.918	9,305,430
ZAR	1,142,332	1.875	2,141,530	1,088,025	1.895	2,062,243	1,144,844	1.816	2,078,693
HKD	503,199	4.080	2,052,955	598,957	4.039	2,419,187	938,647	4.265	4,003,705
SGD	27,430	24.785	679,843	27,202	24.453	665,177	3,953	24.734	97,769
Non-monetary items									
USD	1,037,031	31.980	33,164,263	951,190	31.438	29,903,507	946,771	33.182	31,415,759
Financial liabilities									
Monetary items									
USD	4,306,702	31.980	137,728,330	3,960,516	31.438	124,510,702	3,280,199	33.182	108,843,563
CNY	3,069,733	4.628	14,205,801	3,246,665	4.499	14,606,748	2,937,353	4.570	13,422,824
AUD	371,952	21.956	8,166,541	411,285	21.018	8,644,347	469,696	20.780	9,760,377
JPY	23,411,448	0.200	4,689,313	24,298,970	0.201	4,879,233	17,444,107	0.222	3,879,569
EUR	121,105	36.684	4,442,664	207,913	36.897	7,671,408	265,041	35.918	9,519,716
HKD	457,120	4.080	1,864,958	550,121	4.039	2,221,940	930,393	4.265	3,968,499
ZAR	725,388	1.875	1,359,885	684,303	1.895	1,297,028	578,126	1.816	1,049,703
SGD	27,713	24.785	686,854	27,199	24.453	665,097	3,986	24.734	98,578
Non-monetary items									
USD	271,533	31.980	8,683,626	265,230	31.438	8,338,307	266,637	33.182	8,847,563
ZAR	450,650	1.875	844,834	502,312	1.895	952,082	517,411	1.816	939,464

43. FINANCIAL INSTRUMENTS

a. Information of fair value

1) Overview

Fair value is defined as the price the trader collected or paid in an ordinary transaction for disposal or acquisition of assets or transfer of liabilities on the measurement date.

Financial instruments are initially recognized at fair value on transaction date (Normally, refer to transaction price). All financial instruments are subsequently measured at fair value on balance sheet date except for financial instruments which are valued at amortized cost.

2) Valuation principles of fair value measurement

When the Bank determines the fair value of financial instruments, they consider the market. If the market is active, then the fair value of the instruments will be consistent with quoted market prices. If the market is not active, then the fair value will be estimated by using a valuation model that is widely adopted by market participants or by referring to counterparties' parameters or to parameters based on conditions and quoted market prices of financial instruments that are similar to those of the Bank' instruments.

The parameters of valuation model used to measure fair value of financial instruments are observable data from market, such as OTC, Reuters and Bloomberg's offering price. The valuation department determines the scope of valuation model and assesses any uncertainty and its impact. In its assessment, the valuation department ensures the following:

a) The consistency and adequacy of the market parameters used in the valuation;

b) The appropriateness of the valuation model in light of the assumptions to be used, the internal control and risk management framework, and the degree of mathematical expertise required for an independent unit to make the valuation;

c) Reliability of price information and other parameters used in the valuation and any model adjustments to be made on the basis of current market conditions.

3) Credit risk valuation adjustment

In order to reflect the credit risk of the counterparty and the credit quality of the Bank, credit risk valuation adjustment is for financial instrument transactions made outside the stock exchange, namely the transactions made over-the-counter, which could be mainly divided into credit value adjustment and debit value adjustment. The definition is as follows:

a) Credit Value Adjustment (the “CVA”) is the reflection of possibility that counterparty is likely to default and the possible loss that the counter party may not be able to reimburse entire market value. The CVA is calculated by multiplying the probability of default (the “PD”) (under zero default rate of the Bank), loss given default (the “LGD”) and exposure at default (the “EAD”) of counterparty together.

b) Debit Value Adjustment (the “DVA”) is the reflection of possibility that the Bank is likely to default and the uncertainly that the Bank may not be able to reimburse for the entire market value. The DVA is calculated by multiplying PD (under zero default rate of the counterparty), LGD and EAD of the Bank together.

The Bank follows the advice in “The disclosure guidelines of CVA and DVA under IFRS 13” issued by the TWSE. The Bank uses the appropriate ratio as the counterparty’s LGD and PD, calculates the EAD based on the fair value method and incorporates credit risk adjustments into measuring the fair value of financial instruments.

4) The definition of measuring three levels of the fair value of financial instruments

a) Level 1

Level 1 inputs are observable inputs that reflect quoted prices for identical financial instruments in an active market. A market is active if it has these characteristics: Products traded in the market are homogeneous; willing buyers and sellers can be found immediately, and the price information is publicly available.

b) Level 2

Level 2 inputs are observable information other than quoted prices for identical assets or liabilities in active markets, including direct inputs (such as market prices) or indirect inputs (such as prices derived from market prices).

c) Level 3

Level 3 inputs are unobservable items, such as inputs derived through extrapolation or Interpolation, and thus cannot be corroborated by observable market data.

b. Fair value information - financial instrument measured at fair value under repetitive basis

1) Information of the financial instruments measured at fair value categorized by level is as follows:

Financial Instruments	March 31, 2026 Total	Level 1	Level 2	Level 3
Non-derivative financial assets and liabilities				
Financial assets at FVTPL				
Bonds investments	$ 15,037,240	$ 15,037,240	$ -	$ -
Shares investments	628,292	628,292	-	-
Others	159,182	159,182	-	-
Financial assets at FVTOCI				
Bonds investments	39,457,742	39,457,742	-	-
Shares investments	5,564,840	5,183,625	-	381,215
Others	19,664,422	-	19,664,422	-
Derivative financial assets and liabilities				
Financial assets at FVTPL	9,591,129	232	9,545,762	45,135
Financial liabilities at FVTPL	8,874,115	2,087	8,869,855	2,173
Hybrid contract				
Financial assets at FVTPL	38,335,853	29,342	38,306,511	-

Financial Instruments	December 31, 2025 Total	Level 1	Level 2	Level 3
Non-derivative financial assets and liabilities				
Financial assets at FVTPL				
Bonds investments	$ 10,855,166	$ 10,855,166	$ -	$ -
Shares investments	923,296	923,296	-	-
Others	326,871	326,871	-	-
Financial assets at FVTOCI				
Bonds investments	47,999,907	47,999,907	-	-
Shares investments	4,642,724	4,261,509	-	381,215
Others	10,489,757	-	10,489,757	-
Derivative financial assets and liabilities				
Financial assets at FVTPL	8,236,887	524	8,213,296	23,067
Financial liabilities at FVTPL	7,729,839	235	7,725,706	3,898
Hybrid contract				
Financial assets at FVTPL	35,345,932	27,866	35,318,066	-

Financial Instruments	March 31, 2025 Total	Level 1	Level 2	Level 3
Non-derivative financial assets and liabilities				
Financial assets at FVTPL				
Bonds investments	$ 14,984,360	$ 14,984,360	$ -	$ -
Shares investments	575,837	575,837	-	-
Others	79,116	79,116	-	-
Financial assets at FVTOCI				
Bonds investments	49,054,852	49,054,852	-	-
Shares instruments	3,942,706	3,617,552	-	325,154
Others	3,717,943	-	3,717,943	-
Derivative financial assets and liabilities				
Financial assets at FVTPL	8,652,533	16	8,597,675	54,842
Financial liabilities at FVTPL	8,072,797	2,327	8,055,056	15,414
Hybrid contract				
Financial assets at FVTPL	36,279,712	61,959	36,217,753	-

2) Fair value information levels transfers between Level 1 and Level 2

There was no transfer between Level 1 and Level 2 for the three months ended March 31, 2026 and 2025.

3) Fair value measurement information of Level 3 financial instruments

a) Movements of Level 3 financial assets

For the Three Months Ended March 31, 2026

Item	Beginning Balance	Valuation		Increase in the Current Period		Decrease in the Current Period		Ending Balance
		Included in Profit or Loss	Included in Other Compre-hensive Income	Purchase or Issue	Transfer-in	Sale, Disposition or Settlement	Transfer-out from Level 3	
Financial assets at FVTPL - derivative financial assets	$ 23,067	$ 18,430	$ -	$ 4,201	$ -	$ (563)	$ -	$ 45,135
Financial assets at FVTOCI	381,215	-	-	-	-	-	-	381,215
Total	$ 404,282	$ 18,430	$ -	$ 4,201	$ -	$ (563)	$ -	$ 426,350

For the Three Months Ended March 31, 2025

Item	Beginning Balance	Valuation		Increase in the Current Period		Decrease in the Current Period		Ending Balance
		Included in Profit or Loss	Included in Other Compre-hensive Income	Purchase or Issue	Transfer-in	Sale, Disposition or Settlement	Transfer-out from Level 3	
Financial assets at FVTPL - derivative financial assets	$ 55,948	$ (731)	$ -	$ 2,413	$ -	$ (2,788)	$ -	$ 54,842
Financial assets at FVTOCI	325,154	-	-	-	-	-	-	325,154
Total	$ 381,102	$ (731)	$ -	$ 2,413	$ -	$ (2,788)	$ -	$ 379,996

b) Movements of Level 3 financial liabilities

For the Three Months Ended March 31, 2026

Item	Beginning Balance	Valuation Included in Profit or Loss	Increase in the Current Period		Decrease in the Current Period		Ending Balance
			Purchase or Issue	Transfer-in	Sale, Disposition or Settlement	Transfer-out from Level 3	
Financial liabilities at FVTPL - derivative financial liabilities	$ 3,898	$ (3,049)	$ 1,778	$ -	$ (454)	$ -	$ 2,173

For the Three Months Ended March 31, 2025

Item	Beginning Balance	Valuation Included in Profit or Loss	Increase in the Current Period		Decrease in the Current Period		Ending Balance
			Purchase or Issue	Transfer-in	Sale, Disposition or Settlement	Transfer-out from Level 3	
Financial liabilities at FVTPL - derivative financial liabilities	$ -	$ -	$ 15,414	$ -	$ -	$ -	$ 15,414

c) Related information of significant unobservable parameters used to measure fair value

Level 3 financial instruments mainly consist of credit default swap and part of investment in equity instrument at FVTOCI which have single major unobservable parameters; quantitative information is as follows:

Measured at Fair Value Based on Repetition	Fair Value	Valuation Techniques	Significant Unobservable Parameters	Interval (Weighted-average)	Relationship Between Parameters and Fair Value
Derivative financial assets					
March 31, 2026	$ 45,135	Default probability model	Credit spread	0.50%-1.80%	The increase of credit spread decreases its fair value.
December 31, 2025	23,067	Default probability model	Credit spread	0.50%-1.80%	The increase of credit spread decreases its fair value.
March 31, 2025	54,842	Default probability model	Credit spread	0.45%-1.80%	The increase of credit spread decreases its fair value.
Investments in equity					
March 31, 2026	375,641	Income approach - cash dividend discount method	Without open market marketable discount	19.17%	The increase of discount decreases its fair value.
	5,574	Asset approach	Net asset value; liquidity discount; allowance of minority interest	N/A; 10%; 10%	The decrease of net asset value, the increase the lack of liquidity or the increase of allowance of minority interest, the decrease of the fair value.
December 31, 2025	375,641	Income approach - cash dividend discount method	Without open market marketable discount	19.17%	The increase of discount decreases its fair value.
	5,574	Asset approach	Net asset value; liquidity discount; allowance of minority interest	N/A; 10%; 10%	The decrease of net asset value, the increase the lack of liquidity or the increase of allowance of minority interest, the decrease of the fair value.
March 31, 2025	318,258	Income approach - cash dividend discount method	Without open market marketable discount	19.29%	The increase of discount decreases its fair value.
	6,896	Net asset value method	Net asset value	N/A	The increase of net asset value increases its fair value.
Derivative financial liabilities					
March 31, 2026	2,173	Default probability model	Credit spread	0.50%-1.80%	The increase of credit spread decreases its fair value.
December 31, 2025	3,898	Default probability model	Credit spread	0.50%-1.80%	The increase of credit spread decreases its fair value.
March 31, 2025	15,414	Default probability model	Credit spread	0.45%-1.80%	The increase of credit spread decreases its fair value.

d) Valuation procedures for fair value measurements categorized within Level 3

The evaluation of financial instruments is from specific departments independent of the business unit or external experts evaluating report, ensuring the data source is independent, reliable, and consistent with other resources, reviewing the evaluation parameters regularly, updating the required input values, confirming whether correcting the valuation technique is necessary, and adjusting fair value if necessary to ensure the rationality in the evaluation results.

e) The sensitivity analysis of reasonably possible alternative assumptions for fair value measurements categorized within Level 3

The fair value of the Bank's financial instruments is evaluated as reasonable. Had the valuation parameters for financial instruments categorized within Level 3 been 0.01% higher/lower, the impact of fair value on the assets and liabilities would have been as follows:

Item	Impact on Gain and Loss					
	March 31, 2026		December 31, 2025		March 31, 2025	
	Favorable	Unfavorable	Favorable	Unfavorable	Favorable	Unfavorable
Assets						
Mandatorily at FVTPL	$ 892	$ (892)	$ 487	$ (487)	$ 2,508	$ (3,638)
Liabilities						
Financial liabilities at FVTPL	854	(854)	472	(472)	1,895	(1,895)

Item	Impact on Other Comprehensive Income and Losses					
	March 31, 2026		December 31, 2025		March 31, 2025	
	Favorable	Unfavorable	Favorable	Unfavorable	Favorable	Unfavorable
Assets						
Financial assets at FVTOCI	$ 1	$ (1)	$ 1	$ (1)	$ 77	$ (77)

c. Fair value information - financial instruments not measured at fair value

The Bank considers that the carrying amount of financial assets and liabilities which not measured at fair value is close to fair value, except for the carrying amount of those measured at cost and of the items below:

March 31, 2026

	Carrying Amount	Fair Value	The Fair Value Hierarchy of Financial Instruments	
			Level 1	Level 2
Financial asset				
Investments in debt instrument at amortized cost	$ 139,889,374	$ 140,026,138	$ 56,596,271	$ 83,429,867
Financial liabilities				
Bank debentures	25,301,720	25,334,712	-	25,334,712

December 31, 2025

	Carrying Amount	Fair Value	The Fair Value Hierarchy of Financial Instruments	
			Level 1	Level 2
Financial asset				
Investments in debt instrument at amortized cost	$ 147,693,446	$ 148,035,909	$ 47,327,591	$ 100,708,318
Financial liabilities				
Bank debentures	25,301,720	25,293,956	-	25,293,956

March 31, 2025

	Carrying Amount	Fair Value	The Fair Value Hierarchy of Financial Instruments	
			Level 1	Level 2
Financial asset				
Investments in debt instrument at amortized cost	$ 146,112,468	$ 146,193,038	$ 42,471,022	$ 103,722,016
Financial liabilities				
Bank debentures	22,901,900	22,906,885	-	22,906,885

For the valuation methods and assumptions for Level 2 financial instruments in the table above, negotiable certificates of deposit of investments in debt instruments at amortized cost are calculated by discounting future cash flows using the TAIBIR which is provided by the TDCC, and the bank debentures are estimated based on the public price information on the OTC exchange.

44. FINANCIAL RISK MANAGEMENT

a. Overview

The Bank's risk management policy is to form a risk management-oriented culture, use both qualitative (such as each operating procedure), quantitative (such as asset quality ratios) indexes from internal and external risk management regulations and set relevant risk appetites in developing operating strategies.

The Bank has set up an independent risk control department to implement and monitor risk management policies. The Bank's risk management policies are established to identify and measure the risks faced by the Bank, to set appropriate risk limits and controls, to monitor risks and adherence to limits, and to maximize shareholder value and achieve sustainable development goals of the enterprise.

Each subsidiary has its own risk management mechanism to identify, measure, monitor, and control the credit risk, liquidity risk, and market risk.

b. Risk management framework

The Board of Directors, the highest decision-making unit of the Bank, has overall responsibility for the establishment and oversight of the Bank's risk management framework.

The Assets and Liabilities Management Committee and the Risk Management Committee have been formed to examine and manage the Bank's risks, assess the execution of risk management policies and evaluate risk tolerance. The general manager is the convener and is responsible for designating relevant department heads to serve as committee members.

The Risk Management Group comprises the Risk Control Department, Corporate Banking Department and Retail Banking Department, which directly manage business risks in their respective areas and present risk management report to the Risk Management Committee and the Board of Directors regularly. The Internal Audit Group undertakes regular reviews of risk management controls and procedures, including risk management framework and operating procedures for risk management, and provides timely suggestions for improvements.

c. Credit risk management

1) Definition and scope of credit risk

Credit risk is the risk of financial loss to the Bank if a borrower, issuer or counterparty to a financial instrument fails to meet its contractual obligations due to its credit deterioration or other factors, such as a dispute between the borrower and its counterparty.

Credit risk includes all risks derived from on- and off-balance sheet business, and all credit risk related to products, businesses and positions.

2) Management policies on credit risk

The Bank shall identify risk factors and consider appropriate risk evaluation and control process prior to taking the existing or new business. For all credit risks identified on- and off-balance sheet, adequate credit limits are set based on the same borrower, counterparty, related party, group, or industry. The Bank shall establish review mechanism to track and assess changes in each borrower's or issuer's financial position; regularly assess and manage asset quality, also strengthen the management of unusual borrowers.

3) The credit risk management processes and valuation methods for credit extension are as follows:

a) The credit risk has increased significantly after original recognition

The Bank assesses the change in the risk of default over the expected duration of each type of credit asset on each reporting date in order to determine whether the credit risk has increased significantly since original recognition. For this assessment, the Bank's considerations show that the credit risk has increased significantly since original recognition and can be corroborated. The main considerations include the following:

<u>Qualitative Index</u>

The debtor's payment is overdue for 30-89 days.

<u>Quantitative Index</u>

i. Unfavorable changes in current or predicted operating, financial or economic conditions that are expected to result in significant changes in the ability of the debtor to perform its debt obligations.

ii. Significant changes in actual or expected results of the debtor's operations.

iii. The credit risk of other financial instruments of the same debtor has increased significantly.

b) The definition of default and credit impairment on financial assets

The Bank's definition of default on financial assets is the same as the judgment of credit impairment on financial assets. If one or more of the following conditions are met, the Bank determines that the financial assets have defaulted and have credit impairment:

<u>Qualitative Index</u>

The debtor's payment is overdue for more than 90 days.

Quantitative Index

If there is any evidence indicates that the debtor can not pay the contract, or the debtor is in a material financial difficulties as follows:

i. The debtor has become bankrupt or may file for bankruptcy or financial restructuring.

ii. The debtor has conformed to a non-performed loan by authorities.

iii. The debtor has conducted a negotiation of debts or self-negotiating.

iv. The active market of the financial assets disappeared due to financial difficulties.

The aforementioned default and credit impairment definitions apply to all financial assets held by the Bank and its subsidiaries and are consistent with the definitions used for the internal credit risk management purposes of the financial assets and are applied to the relevant impairment assessment model.

If the financial assets have not conformed to the definition of default and credit impairment on financial assets for 6 consecutive months, it would not be classified as a default and credit impairment on financial assets.

c) Measurement of expected credit loss

i. Loan and receivables

The Bank considers both the 12-month and lifetime probability of default ("PD") of the borrower with the loss given default ("LGD"), multiplying, the exposure at default ("EAD"), as well as the impact of time value, to calculate the 12-month ECLs and lifetime ECLs, respectively.

The above-mentioned "PD" and "LGD" are determined based on each group's historical information (such as credit loss experience) from internal statistical data and adjustment of historical data based on current observable and forward-looking macroeconomic information (such as GDP and unemployment rate).

When the Bank measured the expected credit loss of assets combination, the forward-looking information was taken into the PD's consideration. Among them, the index of forward-looking adjustment in PD is predicted by the Corporate banking Sector which adopted the growth rate of real GDP in Taiwan and the Consumer banking Sector which adopted the unemployment rate in Taiwan. According to the measurement of predict loss in IFRS 9, the forward-looking adjustment in PD is requested to assess any consequences (at least 2 circumstances) and expresses with weighted-average probability. As a result, the Bank took the prediction authorities' consensus forecasting into consideration and adopted the weighted-average prediction value by at least 2 macroeconomic prediction authorities to calculate.

ii. The investments in debt instrument at amortized cost and at FVTOCI

The measurement of expected credit loss was based on the information of PD and LGD which is announced from the external credit ratings and Moody's to calculate. The international credit rating authority has considered the forward-looking information when it assessed the credit rating.

d) Write off policy

When the Bank can not reasonably expect the recoverable from the entire or partial financial assets, the entire or partial financial assets will be written off. Financial assets which has been written off still possibly do the recovery of debt and institute legal proceedings continuously under related policies.

The above-mentioned index of unexpected reasonably recoverable amount includes the following:

i. The recovery of debt has stopped.

ii. The debtor doesn't have enough assets or income resource to pay the debt after assessment.

4) Credit risk hedging and mitigation policies

a) When contracting, the terms of credit facilities are determined in the light of assessments of probability and amounts of default and collateral and guarantees are obtained, including bank deposit receipts, securities (such as treasury securities, government bonds, bank debentures, shares and bonds guaranteed by financial institutions) and real estate such as land and buildings. Shares listed on TWSE and TPEx are marked to market day to day, and changes in the value of their collaterals are monitored all the time; values of land and buildings are examined every time the contract is renewed.

b) Through policy mechanism, such as credit limits and credit regulation prior to the credit being committed to customers, to control the quality of credit assets. Via post-loan management, concentration analysis, midway credit and review tracking to view assets quality and changes of each case. Master and monitor risk in time. Periodic reports and feedbacks to understand credit portfolios and overall credit risks, ensure risk offsets for continued effectiveness.

c) When a risk occurs, according to the Bank's "Principles for Acceptance and Disposal of Collaterals," collateral of nonperforming loans secured through compulsory enforcement or participating distribution, if the minimum auction price or liquidation price of the collateral is too low and damage the Bank's credit right, the Bank will participate in the auction or declare to undertake, for example, the minimum auction price is too low to compensate the principal and interest of loans but the collateral must not be difficult to dispose in the future. For collaterals tendered or undertaken, the Bank should actively seek buyers, and if the collateral is real estate, the Bank should dispose of it within the period prescribed under the Banking Law.

d) Other credit enhancements

If there are guarantee, strategic alliance or collaterals provided in the terms of the loan contracts which the Bank recognized as unsecured loan, when default events occur, the Bank will demand compensation from the guarantor, strategic alliance, transfer of credits to the Bank or disposal of collaterals to decrease credit risk.

5) The maximum credit risk exposure

The carrying amount represents the Bank's maximum exposure to credit risk of the on-balance sheet assets, without taking into account the collaterals held or other credit enhancements. The amounts of the maximum credit exposure of the irrevocable off-balance commitments and guarantees, without taking into account the collaterals held or other credit enhancements, were as follows:

	March 31, 2026	**December 31, 2025**	**March 31, 2025**
Unused portion of credit card lines	$ 166,596,798	$ 166,419,618	$ 174,553,188
Guarantees and standby L/Cs	27,501,487	25,167,411	15,170,974
Irrevocable loan commitments	28,902,097	27,902,389	22,216,556

The Bank has documented procedures for the assessment and classification of nonperforming loans and for evaluating adequacy of collaterals.

The breakdown of maximum credit risk exposure of the Bank according to whether collaterals are held or other credit enhancements exist is as follows:

March 31, 2026

	Maximum Credit Risk Exposure			
	With Collaterals	**Other Credit Enhancements**	**Without Collaterals**	**Total**
Balance sheet items				
Discounts and loans	$ 304,604,079	$ 70,336,508	$ 144,232,763	$ 519,173,350
Receivables - credit card	-	-	10,289,227	10,289,227
Factoring	-	-	6,633,990	6,633,990
Receivables - acceptances	-	24,180	3,407	27,587
Off-Balance sheet items				
Unused portion of credit card lines	-	-	166,596,798	166,596,798
Guarantee	8,684,446	8,978,653	8,613,754	26,276,853
Letters of credit issued	5,851	502,790	715,993	1,224,634
Irrevocable loan commitments	2,795,345	2,291,065	23,815,687	28,902,097
	$ 316,089,721	$ 82,133,196	$ 360,901,619	$ 759,124,536

December 31, 2025

	Maximum Credit Risk Exposure			
	With Collaterals	**Other Credit Enhancements**	**Without Collaterals**	**Total**
Balance sheet items				
Discounts and loans	$ 298,614,842	$ 72,829,520	$ 141,548,860	$ 512,993,222
Receivables - credit card	-	-	11,055,349	11,055,349
Factoring	-	-	2,524,871	2,524,871
Receivables - acceptances	5,206	108,948	300,328	414,482
Off-Balance sheet items				
Unused portion of credit card lines	-	-	166,419,618	166,419,618
Guarantee	8,456,206	7,911,262	8,163,338	24,530,806
Letters of credit issued	260	455,145	181,200	636,605
Irrevocable loan commitments	2,828,870	1,588,575	23,484,944	27,902,389
	$ 309,905,384	$ 82,893,450	$ 353,678,508	$ 746,477,342

March 31, 2025

	Maximum Credit Risk Exposure			
	With Collaterals	Other Credit Enhancements	Without Collaterals	Total
Balance sheet items				
Discounts and loans	$ 304,609,609	$ 72,753,976	$ 124,672,787	$ 502,036,372
Receivables - credit card	-	-	11,121,603	11,121,603
Factoring	-	-	1,075,944	1,075,944
Receivables - acceptances	5,495	99,682	84,280	189,457
Off-Balance sheet items				
Unused portion of credit card lines	-	-	174,553,188	174,553,188
Guarantee	3,599,913	5,061,669	5,762,085	14,423,667
Letters of credit issued	275	384,168	362,864	747,307
Irrevocable loan commitments	1,366,948	433,920	20,415,688	22,216,556
	$ 309,582,240	$ 78,733,415	$ 338,048,439	$ 726,364,094

When loan contracts set the security of nonperforming loans, article of collaterals and definition of credit event occurrence, the quota and the repayment period can be reduced or regard as maturity to reduce the credit risk.

Stage 3 credit-impaired financial assets

Refer to Notes 13 and 14 for the credit impairment of Stage 3 financial assets. The information of provision for allowance for possible losses amount, collateral fair value and other credit enhancements which reduce their potential loss are as below. The provision for allowance for possible losses takes into consideration the fair value of collateral, other credit enhancements amount and the recoverable amount in the future.

	Carrying Amount	Allowance for Possible Losses Under IFRS 9	Collateral Fair Value and Other Credit Enhancements
March 31, 2026			
Receivables			
Credit cards	$ 614,724	$ 162,636	$ -
Others	136,009	81,620	952
Discounts and loans	1,727,616	414,213	556,250
	$ 2,478,349	$ 658,469	$ 557,202
December 31, 2025			
Receivables			
Credit cards	$ 641,663	$ 170,352	$ -
Others	145,958	80,757	850
Discounts and loans	1,735,491	385,797	552,321
	$ 2,523,112	$ 636,906	$ 553,171

(Continued)

	Carrying Amount	Allowance for Possible Losses Under IFRS 9	Collateral Fair Value and Other Credit Enhancements
March 31, 2025			
Receivables			
Credit cards	$ 709,231	$ 187,575	$ -
Others	188,530	65,935	560
Discounts and loans	1,727,455	378,394	543,934
	$ 2,625,216	$ 631,904	$ 544,494

(Concluded)

6) Concentrations of credit risk

The concentration of credit risk exists when counterparties to financial transactions are individuals or groups engaging in similar business activities and having similar economic features. The similarity would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Bank's concentrations of credit risk by industry, geography and type of collaterals were as follows:

a) By industry

Industry Sector	March 31, 2026 Amount	%	December 31, 2025 Amount	%	March 31, 2025 Amount	%
Finance and insurance	$ 90,851,377	17	$ 84,665,462	17	$ 83,455,570	17
Manufacturing	62,105,175	12	68,125,979	13	61,825,810	12
Real estate	42,946,467	9	39,641,027	8	44,245,923	9
	$ 195,903,019	38	$ 192,432,468	38	$ 189,527,303	38

b) By geography

Region	March 31, 2026 Amount	%	December 31, 2025 Amount	%	March 31, 2025 Amount	%
Taiwan	$ 444,656,616	86	$ 443,419,244	86	$ 435,121,255	87
Asia Pacific except Taiwan	41,331,498	8	38,432,967	8	36,931,401	7
Others	33,185,236	6	31,141,011	6	29,983,716	6
	$ 519,173,350	100	$ 512,993,222	100	$ 502,036,372	100

c) By type of collaterals

Type of Collaterals	March 31, 2026 Amount	%	December 31, 2025 Amount	%	March 31, 2025 Amount	%
Unsecured	$ 214,569,271	41	$ 214,378,380	41	$ 197,426,763	39
Secured						
Real estate	263,572,029	51	259,942,629	51	264,547,245	53
Financial collateral	22,352,781	4	18,057,728	4	20,587,750	4
Movable property	17,933,843	4	19,815,826	4	18,523,796	4
Others	745,426	-	798,659	-	950,818	-
	$ 519,173,350	100	$ 512,993,222	100	$ 502,036,372	100

d. Liquidity risk management

1) Sources and definition of liquidity risk

Liquidity risk is the risk that the Bank is unable to liquidate assets or obtain loans to meet its obligations when they fall due as a result of customer deposits being early withdrawn, deteriorating access to and terms of interbank facilities, deteriorating delinquency by borrowers, or financial instruments not easily liquidated. Such outflows would deplete available cash resources for client lending, trading activities and investments. In extreme circumstances, lack of liquidity could result in reductions in the balance sheet and sales of assets, or potentially an inability to fulfill lending commitments. The risk that the Bank will be unable to do so is inherent in all banking operations and can be affected by a range of institution-specific and market-wide events including, but not limited to, credit events, merger and acquisition activities, systemic shocks and natural disasters, etc.

2) Risk management policies on liquidity risk

The Bank's liquidity management processes, which are implemented by an independent department, include:

a) Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met.

b) Maintaining high-quality liquid assets (HQLA), for example, highly liquid cash and cash equivalents, qualified central bank reserves held at the Central Bank and securities investments that can easily be liquidated as protection against any unforeseen interruption to cash flow; and

c) Monitoring the liquidity ratios against internal and regulatory requirements. Monitoring and reporting take the form of cash flow measurement and projections of various future days. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets. Related information is submitted regularly to the Bank's Assets and Liabilities Management Committee and the Board of Directors.

d) Regularly conducting liquidity risk stress tests.

e) Formulating an emergency response plan and carrying out drills.

3) Maturity analysis of non-derivative financial liabilities

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities by remaining contractual maturities at the date of the balance sheet.

March 31, 2026	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Deposits from the Central Bank and other banks	$ 666,431	$ 968,422	$ -	$ -	$ -	$ 1,634,853
Funds borrowed from the Central Bank and other banks	15,385	15,385	15,385	87,179	2,589,397	2,722,731
Securities sold under repurchase agreements	2,254,838	-	-	-	-	2,254,838
Payables	3,139,662	1,748,255	982,719	780,884	705,474	7,356,994
Deposits and remittances	110,845,156	121,838,969	113,687,547	161,096,813	221,863,872	729,332,357
Bank debentures	1,720	-	2,000,000	-	23,300,000	25,301,720
Principal received on structured products	681,143	62,002	39,303	224,882	36,641,128	37,648,458
Other financial liabilities	550,000	695,000	250,000	100,000	433,833	2,028,833
Lease liabilities	25,525	81,562	101,891	195,561	1,364,946	1,769,485
Total	$ 118,179,860	$ 125,409,595	$ 117,076,845	$ 162,485,319	$ 286,898,650	$ 810,050,269

December 31, 2025	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Deposits from the Central Bank and other banks	$ 328,431	$ 637,782	$ -	$ -	$ -	$ 966,213
Funds borrowed from the Central Bank and other banks	348,718	15,385	15,385	58,974	2,610,487	3,048,949
Securities sold under repurchase agreements	449,042	1,515,162	-	-	-	1,964,204
Payables	2,319,174	2,022,437	682,301	700,529	617,026	6,341,467
Deposits and remittances	113,622,537	116,573,989	121,225,742	162,728,602	197,601,892	711,752,762
Bank debentures	1,720	-	-	2,000,000	23,300,000	25,301,720
Principal received on structured products	1,044,353	110,894	694,958	172,022	40,108,172	42,130,399
Other financial liabilities	510,000	625,000	230,000	-	478,458	1,843,458
Lease liabilities	31,339	74,453	94,110	171,535	1,141,136	1,512,573
Total	$ 118,655,314	$ 121,575,102	$ 122,942,496	$ 165,831,662	$ 265,857,171	$ 794,861,745

March 31, 2025	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Deposits from the Central Bank and other banks	$ 1,171,455	$ 1,634,491	$ -	$ -	$ -	$ 2,805,946
Funds borrowed from the Central Bank and other banks	-	-	15,384	294,103	2,267,846	2,577,333
Payables	3,962,739	1,270,844	914,150	815,678	837,446	7,800,857
Deposits and remittances	100,162,733	121,910,911	143,330,716	167,613,829	166,165,119	699,183,308
Bank debentures	1,900	-	-	-	22,900,000	22,901,900
Principal received on structured products	171,517	1,769,385	512,588	1,273,186	40,675,897	44,402,573
Other financial liabilities	210,000	265,000	400,000	-	528,152	1,403,152
Lease liabilities	23,942	75,619	93,725	176,334	549,229	918,849
Total	$ 105,704,286	$ 126,926,250	$ 145,266,563	$ 170,173,130	$ 233,923,689	$ 781,993,918

Note: The amounts disclosed in the tables are the contractual cash flows, some of which may not reconcile to the corresponding items in the balance sheet.

The amount of demand deposits in “deposits and remittances” in the above maturity analysis are allocated based on historical experience. If all demand deposits were required to be paid off in recent period, the cash outflows on period of due in 30 days would have been $361,411,509 thousand, $336,596,895 thousand and $309,738,750 thousand as of March 31, 2026, December 31, 2025 and March 31, 2025, respectively.

4) Maturity analysis of derivative financial liabilities

a) Maturity analysis of derivative financial liabilities that will be settled on a net basis is as follows:

March 31, 2026	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Derivative financial liabilities at FVTPL						
Foreign exchange derivatives	$ 439,893	$ 28,697	$ (1,591)	$ (3,483)	$ -	$ 463,516
Interest rate derivatives	12,423	14,277	14,954	192,152	4,592,012	4,825,818
Total	$ 452,316	$ 42,974	$ 13,363	$ 188,669	$ 4,592,012	$ 5,289,334

December 31, 2025	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Derivative financial liabilities at FVTPL						
Foreign exchange derivatives	$ 193,608	$ 12,206	$ (465)	$ (1,043)	$ -	$ 204,306
Interest rate derivatives	22,988	53,170	32,862	164,201	3,569,274	3,842,495
Total	$ 216,596	$ 65,376	$ 32,397	$ 163,158	$ 3,569,274	$ 4,046,801

March 31, 2025	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Derivative financial liabilities at FVTPL						
Foreign exchange derivatives	$ 483	$ 469	$ 1,266	$ 2,197	$ -	$ 4,415
Interest rate derivatives	18,747	17,710	19,794	203,207	4,081,335	4,340,793
Total	$ 19,230	$ 18,179	$ 21,060	$ 205,404	$ 4,081,335	$ 4,345,208

Note: The amounts disclosed in the table are the contractual cash flows, some of which may not reconcile to the corresponding items in the balance sheet.

b) Maturity analysis of derivative financial liabilities that will be settled on a gross basis is as follows:

March 31, 2026	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Derivative financial liabilities at FVTPL						
Foreign exchange derivatives						
Cash outflow	$ 84,715,123	$ 46,658,734	$ 30,815,126	$ 19,307,250	$ 41,640	$ 181,537,873
Cash inflow	83,611,987	45,781,914	29,657,837	18,951,545	38,539	178,041,822
Interest rate derivatives						
Cash outflow	996,630	1,599,000	3,198,000	2,558,400	-	8,352,030
Cash inflow	959,400	1,575,500	3,157,600	2,513,900	-	8,206,400
Credit derivatives						
Cash outflow	-	-	-	-	-	-
Cash inflow	-	4,161	3,998	7,995	60,700	76,854
Subtotal of cash outflow	85,711,753	48,257,734	34,013,126	21,865,650	41,640	189,889,903
Subtotal of cash inflow	84,571,387	47,361,575	32,819,435	21,473,440	99,239	186,325,076
Net cash flow	$ (1,140,366)	$ (896,159)	$ (1,193,691)	$ (392,210)	$ 57,599	$ (3,564,827)

December 31, 2025	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Derivative financial liabilities at FVTPL						
Foreign exchange derivatives						
Cash outflow	$ 77,712,813	$ 62,774,918	$ 28,810,916	$ 25,959,271	$ 122,803	$ 195,380,721
Cash inflow	76,605,512	61,689,382	28,130,850	25,194,276	116,475	191,736,495
Interest rate derivatives						
Cash outflow	2,146,035	1,971,780	996,630	-	-	5,114,445
Cash inflow	2,043,470	1,886,280	943,140	-	-	4,872,890
Credit derivatives						
Cash outflow	-	-	-	-	-	-
Cash inflow	-	2,310	2,303	4,606	31,143	40,362
Subtotal of cash outflow	79,858,848	64,746,698	29,807,546	25,959,271	122,803	200,495,166
Subtotal of cash inflow	78,648,982	63,577,972	29,076,293	25,198,882	147,618	196,649,747
Net cash flow	$ (1,209,866)	$ (1,168,726)	$ (731,253)	$ (760,389)	$ 24,815	$ (3,845,419)

March 31, 2025	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Derivative financial liabilities at FVTPL						
Foreign exchange derivatives						
Cash outflow	$ 46,354,328	$ 78,441,510	$ 40,841,234	$ 20,094,296	$ -	$ 185,731,368
Cash inflow	45,652,974	76,737,188	39,911,679	19,493,865	-	181,795,706
Interest rate derivatives						
Cash outflow	-	1,659,100	19,411,470	663,640	-	21,734,210
Cash inflow	-	1,626,250	19,238,630	650,200	-	21,515,080
Credit derivatives						
Cash outflow	-	-	-	-	-	-
Cash inflow	-	9,056	8,860	17,719	130,593	166,228
Subtotal of cash outflow	46,354,328	80,100,610	60,252,704	20,757,936	-	207,465,578
Subtotal of cash inflow	45,652,974	78,372,494	59,159,169	20,161,784	130,593	203,477,014
Net cash flow	$ (701,354)	$ (1,728,116)	$ (1,093,535)	$ (596,152)	$ 130,593	$ (3,988,564)

Note: The amounts disclosed in the table are the contractual cash flows, some of which may not reconcile to the corresponding items in the balance sheet.

5) Maturity analysis of off-balance sheet items

Maturity analysis of the off-balance sheet items that can be withdrawn or required to realize on the basis of their earliest possible contractual maturity is as follows:

March 31, 2026	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Developed and irrevocable loan commitments	$ 28,902,097	$ -	$ -	$ -	$ -	$ 28,902,097
Irrevocable credit card commitments	166,596,798	-	-	-	-	166,596,798
Issued but unused letters of credit	1,224,634	-	-	-	-	1,224,634
Other guarantees	17,607,412	3,886,100	1,570,000	-	3,213,341	26,276,853
Total	$ 214,330,941	$ 3,886,100	$ 1,570,000	$ -	$ 3,213,341	$ 223,000,382

December 31, 2025	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Developed and irrevocable loan commitments	$ 27,902,389	$ -	$ -	$ -	$ -	$ 27,902,389
Irrevocable credit card commitments	166,419,618	-	-	-	-	166,419,618
Issued but unused letters of credit	636,605	-	-	-	-	636,605
Other guarantees	18,467,265	2,850,200	-	-	3,213,341	24,530,806
Total	$ 213,425,877	$ 2,850,200	$ -	$ -	$ 3,213,341	$ 219,489,418

March 31, 2025	Due in 30 Days	Due Between 31 Days and 90 Days	Due Between 91 Days and 180 Days	Due Between 181 Days and One Year	Due After One Year	Total
Developed and irrevocable loan commitments	$ 22,216,556	$ -	$ -	$ -	$ -	$ 22,216,556
Irrevocable credit card commitments	174,553,188	-	-	-	-	174,553,188
Issued but unused letters of credit	747,307	-	-	-	-	747,307
Other guarantees	13,921,986	248,000	-	-	253,681	14,423,667
Total	$ 211,439,037	$ 248,000	$ -	$ -	$ 253,681	$ 211,940,718

e. Market risk management

1) Definition and scope of market risk

Market risk is the risk that unfavorable changes in market prices, such as interest rates, foreign exchange rates, equity prices and commodity prices will affect the Bank’s income or its holdings of on- and off-balance sheet positions. The Bank’s market risk mainly comes from equity investment securities, interest rates, foreign exchange rates and commodity.

2) Management policies of market risk

The Bank develops appropriate management process to identify and measure market risk, and to effectively manage and control credit limits, valuation of profits and losses, sensitivity analysis and stress tests of each financial instrument position. Besides, the Bank takes appropriate management strategy while facing market risk in its daily operating activities and management processes. The information of market risk and implementation are managed, monitored and disclosed by the Risk Management Group. A summary report, including suggestion, is submitted regularly to the Risk Management Committee and the Board of Directors.

3) Market risk management process

a) Recognition and measurement

The risk measurement system first identifies the market risk factors of the exposure positions (such as interest rates, share price, foreign exchange rates, commodity price, etc.) and then measures the risks assumed in on- and off-balance sheet trading positions with the change in market risk factors.

Risk measurement adds sensitivity analysis (DV01, Delta, Vega) etc. or situational analysis, to assess the changes in the value of the asset portfolio. And perform stress testing in accordance with the regulations of the administration, to measure abnormal losses under extreme conditions.

b) Monitoring and reporting

The Bank's Risk Management Group regularly reviews market risk management objective, positions and control of gain and loss, sensitivity analysis and pressure test and reports to the Risk Management Committee and the Board of Directors to well understand the situation of market risk control. The Bank has established explicit notification process, the limit and stop-loss regulation for various transactions. Stop-loss order must be taken when the limit is reached, otherwise the trading department's reasons and plans must be approved by the management.

4) Management process of interest risk

Interest rate risk is the risk of loss or changes in the fair value resulting from interest rate or credit spread fluctuations.

The Bank classifies the instruments it holds into the trading book and banking book based on their intended purpose. Financial instruments and commodity positions held for purposes including, but not limited to, short-term holding for sale, profiting from short-term price fluctuations, locking in arbitrage gains, and hedging instruments that fall within the above scope are carried in the trading book. Positions not classified in the trading book are carried in banking book.

a) Management process and valuation methods of interest rate risk in trading book

To limit the loss within acceptable range, the Bank imposes trading limits and stop loss limits on trading room, traders and commodity; it also imposes monthly maximum loss limit on trading positions.

The operation limit of securities and interest rate related derivative instruments are controlled by the notional amount or DV01. The risk of bonds and interest rate related options are additionally measured using Vega. The stop loss limits are controlled on a daily basis.

b) Management process and valuation methods of interest rate risk in banking book

To improve its capacity to adapt to changes, the Bank measures, manages and mitigates changes in its earnings and economic values of balance sheet items arising from interest rate fluctuations.

When undertaking the operations relating to interest rate instruments, the Bank identifies the repricing risk of interest rate, yield curve risk, basis risk and options risk characteristics. In addition, the Bank also measures the potential impact of interest rate changes on earnings.

The measurement of interest rate risk in banking book is based on the analysis of position change of interest rate sensitivity among the durations of all products. The measurement is also derived from the interest rate shock scenarios regulated by the domestic and foreign supervisory agency to calculate the impact of changes in the economic value of equity (△EVE) and changes in net interest income (△NII).

The Bank periodically analyzes and monitors the interest risk limits and various targets of interest risk management. The results of analysis and monitoring are submitted regularly to the Assets and Liabilities Management Committee and the Board of Directors. If the risk management targets are found to be in excess of early warning thresholds during the monitoring process, the Bank will report to the Assets and Liabilities Management Committee and propose remedial action to be taken.

5) Management of foreign exchange risk

a) Definition of foreign exchange risk

Foreign exchange risk is the risk of loss or changes in fair value arising from open trading positions in currency due to exchange rate fluctuations. Foreign exchange transactions include spot exchange, forward exchange, non-deliverable forward and foreign currency option between New Taiwan dollars and a foreign currency or between two foreign currencies.

b) Foreign exchange risk management policies, process and valuation methods

To manage foreign exchange risk and limit the loss within acceptable range, the Bank imposes trading limits and stop loss limits on trading room, traders and commodity; it also imposes monthly maximum loss limit on trading positions. Spot exchange, forward exchange, non-deliverable forward and foreign currency option are controlled collectively using Delta; foreign currency option is additionally controlled using Vega. The stop loss limits are controlled on a daily basis.

c) Concentration of foreign exchange risk

Information on concentration of foreign currency exposures at the balance sheet date is shown in Note 42.

6) Management of equity securities market risk

a) Definition and measurement bases of equity market risk

Equity market risk is the risk arising from open positions in equity securities as a result of fluctuations in the market prices of individual securities. The Bank manages market risk on the basis of closing prices of equity securities to calculate their fair values.

b) Management processes of equity market risk

The Bank sets gross limits on overall positions, by industries, and by groups. For shares listed on TWSE and TPEx and beneficiary certificates, the Bank sets the limit of investment in each share and stop loss/gain limits on overall and particular positions, which are monitored daily.

A stop loss/gain order would be executed once a given stop price has been reached; otherwise, traders should report to the manager of its department, including reasons for not executing stop loss/gain order.

7) Management of commodity risk

a) Definition of commodity risk

Commodity risk is the risk of loss due to changes in market value arising from open positions in commodity price fluctuations. Commodity transactions include energy, non-ferrous metals (including precious metals), agricultural products, and other commodity futures and options.

b) Commodity risk management policies, process and valuation methods

To manage commodity risk and limit the loss within acceptable range, the Bank imposes trading limits and stop loss limits on trading room, traders and commodity; it also imposes monthly maximum loss limit on trading positions. Energy, non-ferrous metals (including precious metals), agricultural products, and other commodity futures and options are controlled collectively using Delta; commodity option is additionally controlled using Vega. The stop loss limits are controlled on a daily basis.

8) Stress testing

The Risk Management Group performs stress testing at least once a year and submits the results of stress testing to the Risk Management Committee and the Board of Directors. The Bank applies market risk factors sensitivity analysis under extreme scenarios to analyze the situational profit and loss and risk exposure of risk factors on asset portfolios in trading book that have become extremely volatile for the management to evaluate the market risk-bearing capacity and ensure the continuous solvency of the Bank.

9) Sensitivity analysis

a) Interest rate sensitivity

Interest rate factor sensitivity ("DV01" or "PVBP") measured at the balance sheet date is the impact on the discounted future cash flows of bonds, bills and interest-rate-based derivative instruments in trading book for 1 basis points ("bps") parallel shift in all yield curves.

Assuming all other variables remain constant, where the interest rate increases/decreases by 1 bps, there would be a decrease/increase of $4,658 thousand and $2,574 thousand in income before income tax for the three months ended March 31, 2026 and 2025, respectively. There would be a decrease/increase of $11 thousand in other comprehensive income for the three months ended March 31, 2025.

b) Foreign exchange sensitivity

Foreign exchange rate factor sensitivity ("FX Delta") measured at the balance sheet date is the impact on the values of foreign exchange positions in trading book for a 1% change in foreign exchange rates.

Where the foreign exchange increases/decreases by 1%, assuming all other risk factors remain constant, there would be an increase/decrease of $56 thousand in income before income tax for the three months ended March 31, 2026. There would be a decrease/increase of $119,318 thousand income before income tax for the three months ended March 31, 2025.

c) Equity securities market risk

Equity securities market factor sensitivity measured at the balance sheet date is the impact on the values of open positions in equity securities in trading book for a 1% change in stock market prices.

Where the securities prices increases/decreases by 1%, assuming all other risk factors remain constant, there would be an increase/decrease of $8,265 thousand and $3,796 thousand in income before income tax for the three months ended March 31, 2026 and 2025, respectively.

d) Commodity sensitivity

Commodity sensitivity measured at the balance sheet date is the impact on the values of commodity positions in trading book for a 1% change in market prices.

The Bank has none net position of the commodity as of March 31, 2026 and 2025; changes in commodity prices have no impact on income before income tax for the Three Months ended March 31, 2026 and 2025.

f. Transfer of financial assets

In the daily operations of the Bank, the transactions of the transferred financial assets not eligible for derecognition in full are mainly bonds under repurchase agreement. Since the cash flows of those financial assets have been transferred to outsiders, the Bank is not eligible to conduct, sell, or pledge the transferred financial assets during the effective period. However, the Bank is still exposed to interest rate risks and credit risks. The liabilities of repurchasing the transferred financial assets in an agreed amount have been recognized. The following tables show the transferred financial assets not eligible for derecognition in full and related amounts.

	March 31, 2026		December 31, 2025		March 31, 2025	
Items	Carrying Amount of Transferred Financial Assets	Carrying Amount of Related Financial Liabilities	Carrying Amount of Transferred Financial Assets	Carrying Amount of Related Financial Liabilities	Carrying Amount of Transferred Financial Assets	Carrying Amount of Related Financial Liabilities
FVTOCI - transactions under repurchase agreements	$ 1,766,778	$ 1,694,470	$ 2,054,362	$ 1,953,568	$ -	$ -
Amortized cost - transactions under repurchase agreements	576,981	555,608	-	-	-	-

g. Offset of financial assets and financial liabilities

The Bank has an exercisable master netting arrangement or similar agreement in place with counterparties. When both parties reach a consensus regarding net settlement, the aforesaid exercisable master netting arrangement or similar agreement can be net settled by offsetting financial assets and financial liabilities. If not, the transaction can be settled at gross amount. In the event of default involving one of the parties, the other party can choose to settle the transaction at net amount.

Information of the above-mentioned financial assets and financial liabilities that are offset, and have an exercisable master netting arrangement or similar agreement is summarized as follows:

March 31, 2026

Financial Asset	Gross Amount of Recognized Financial Assets	Gross Amount of Financial Liabilities Offset in the Balance Sheets	Net Amount of Financial Assets Presented in the Balance Sheet	Amount Not Offset in the Balance Sheets		Net Amount
				Financial Instruments (Note)	Cash Collateral Received	
Derivatives	$ 9,591,129	$ -	$ 9,591,129	$ 1,373,051	$ 376,277	$ 7,841,801
Securities purchased under resale agreements	1,518,472	-	1,518,472	1,518,472	-	-
	$ 11,109,601	$ -	$ 11,109,601	$ 2,891,523	$ 376,277	$ 7,841,801

Financial Liability	Gross Amount of Recognized Financial Liabilities	Gross Amount of Financial Assets in the Balance Sheets	Net Amount of Financial Liabilities Presented in the Balance Sheet	Amount Not Offset in the Balance Sheets		Net Amount
				Financial Instruments (Note)	Cash Collateral Pledged	
Derivatives	$ 8,874,115	$ -	$ 8,874,115	$ 790,983	$ 3,715,247	$ 4,367,885
Securities sold under repurchase agreements	2,250,078	-	2,250,078	2,250,078	-	-
	$ 11,124,193	$ -	$ 11,124,193	$ 3,041,061	$ 3,715,247	$ 4,367,885

December 31, 2025

Financial Asset	Gross Amount of Recognized Financial Assets	Gross Amount of Financial Liabilities Offset in the Balance Sheets	Net Amount of Financial Assets Presented in the Balance Sheet	Amount Not Offset in the Balance Sheets		Net Amount
				Financial Instruments (Note)	Cash Collateral Received	
Derivatives	$ 8,236,887	$ -	$ 8,236,887	$ 1,536,854	$ 363,287	$ 6,336,746
Securities purchased under resale agreements	2,703,169	-	2,703,169	2,703,169	-	-
	$ 10,940,056	$ -	$ 10,940,056	$ 4,240,023	$ 363,287	$ 6,336,746

Financial Liability	Gross Amount of Recognized Financial Liabilities	Gross Amount of Financial Assets in the Balance Sheets	Net Amount of Financial Liabilities Presented in the Balance Sheet	Amount Not Offset in the Balance Sheets		Net Amount
				Financial Instruments (Note)	Cash Collateral Pledged	
Derivatives	$ 7,729,839	$ -	$ 7,729,839	$ 959,589	$ 3,419,666	$ 3,350,584
Securities sold under repurchase agreements	1,953,568	-	1,953,568	1,953,568	-	-
	$ 9,683,407	$ -	$ 9,683,407	$ 2,913,157	$ 3,419,666	$ 3,350,584

March 31, 2025

Financial Asset	Gross Amount of Recognized Financial Assets	Gross Amount of Financial Liabilities Offset in the Balance Sheets	Net Amount of Financial Assets Presented in the Balance Sheet	Amount Not Offset in the Balance Sheets		Net Amount
				Financial Instruments (Note)	Cash Collateral Received	
Derivatives	$ 8,652,533	$ -	$ 8,652,533	$ 1,391,110	$ 346,207	$ 6,915,216
Securities purchased under resale agreements	3,264,659	-	3,264,659	3,264,659	-	-
	$ 11,917,192	$ -	$ 11,917,192	$ 4,655,769	$ 346,207	$ 6,915,216

Financial Liability	Gross Amount of Recognized Financial Liabilities	Gross Amount of Financial Assets in the Balance Sheets	Net Amount of Financial Liabilities Presented in the Balance Sheet	Amount Not Offset in the Balance Sheets: Financial Instruments (Note)	Amount Not Offset in the Balance Sheets: Cash Collateral Pledged	Net Amount
Derivatives	$ 8,072,797	$ -	$ 8,072,797	$ 757,758	$ 3,432,814	$ 3,882,225

Note: Including the master netting arrangements and non-cash financial collaterals.

h. Disclosures required by the Regulations Governing the Preparation of Financial Statements by Public Banks

1) Asset quality of loans

Nonperforming loans and nonperforming receivables of the Bank

Business \ Item			March 31, 2026				
			Nonperforming Loans (Note a)	Loans	Ratio of Nonperforming Loans (Note b)	Allowance for Possible Losses	Coverage Ratio (Note c)
Corporate Banking	Secured		$ 56,193	$ 74,903,983	0.08%	$ 1,008,593	1,794.87%
	Unsecured		18,484	180,219,075	0.01%	1,963,714	10,623.86%
Consumer Banking	Residential mortgage (Note d)		47,771	134,556,353	0.04%	2,036,331	4,262.69%
	Cash card		-	-	-	-	-
	Small-scale credit loan (Note e)		107,852	26,126,337	0.41%	397,482	368.54%
	Others (Note f)	Secured	38,214	95,143,743	0.04%	1,007,611	2,636.76%
		Unsecured	7,008	8,223,859	0.09%	90,733	1,294.71%
Total			275,522	519,173,350	0.05%	6,504,464	2,360.78%
Business \ Item			Nonperforming Receivables	Accounts Receivable	Ratio of Nonperforming Receivables	Allowance for Possible Losses	Coverage Ratio
Credit card			28,618	10,289,227	0.28%	205,539	718.22%
Accounts receivable factored without recourse (Note g)			-	6,633,990	-	69,814	-

Business \ Item			December 31, 2025				
			Nonperforming Loans (Note a)	Loans	Ratio of Nonperforming Loans (Note b)	Allowance for Possible Losses	Coverage Ratio (Note c)
Corporate Banking	Secured		63,343	69,815,607	0.09%	938,546	1,481.69%
	Unsecured		18,797	179,646,479	0.01%	1,940,271	10,322.24%
Consumer Banking	Residential mortgage (Note d)		33,022	134,578,697	0.02%	2,033,229	6,157.20%
	Cash card		-	-	-	-	-
	Small-scale credit loan (Note e)		109,561	26,262,634	0.42%	401,736	366.68%
	Others (Note f)	Secured	33,526	94,220,538	0.04%	996,247	2,971.57%
		Unsecured	7,215	8,469,267	0.09%	93,205	1,291.82%
Total			265,464	512,993,222	0.05%	6,403,234	2,412.09%
Business \ Item			Nonperforming Receivables	Accounts Receivable	Ratio of Nonperforming Receivables	Allowance for Possible Losses	Coverage Ratio
Credit card			30,462	11,055,349	0.28%	215,554	707.62%
Accounts receivable factored without recourse (Note g)			-	2,524,871	-	28,088	-

Business \ Item			March 31, 2025				
			Nonperforming Loans (Note a)	Loans	Ratio of Nonperforming Loans (Note b)	Allowance for Possible Losses	Coverage Ratio (Note c)
Corporate Banking	Secured		$ 67,059	$ 77,379,399	0.09%	$ 963,882	1,437.36%
	Unsecured		25,827	163,879,279	0.02%	1,839,051	7,120.65%
Consumer Banking	Residential mortgage (Note d)		26,430	136,184,272	0.02%	2,049,824	7,755.67%
	Cash card		-	-	-	-	-
	Small-scale credit loan (Note e)		128,155	26,069,159	0.49%	411,202	320.86%
	Others (Note f)	Secured	20,109	91,045,938	0.02%	961,192	4,779.91%
		Unsecured	411	7,478,325	0.01%	82,278	20,018.98%
Total			267,991	502,036,372	0.05%	6,307,429	2,353.60%
Business \ Item			Nonperforming Receivables	Accounts Receivable	Ratio of Nonperforming Receivables	Allowance for Possible Losses	Coverage Ratio
Credit card			29,321	11,121,603	0.26%	242,832	828.18%
Accounts receivable factored without recourse (Note g)			-	1,075,944	-	13,120	-

Note a: Nonperforming credit cards receivables represent the amounts of nonperforming receivables reported to the authorities and disclosed to the public, as required by the Banking Bureau’s letter dated July 6, 2005 (Ref. No. 0944000378).

Note b: Ratio of nonperforming loans: Nonperforming loans ÷ Outstanding loan balance.

Ratio of nonperforming credit cards receivables: Nonperforming credit cards receivables ÷ Outstanding credit cards receivables balance.

Note c: Coverage ratio of allowance for possible losses for loans: Allowance for possible losses for loans ÷ Nonperforming loans.

Coverage ratio of allowance for possible losses for credit cards receivables: Allowance for possible losses for credit cards receivables ÷ Nonperforming credit cards receivables.

Note d: Residential mortgage is a loan given to the borrower who provides a house, to be purchased (or already owned) by the borrower or the spouse or the minor children of the borrower, as a mortgage to the Bank and will use the loan for house purchase or refurbishment.

Note e: Small-scale credit loans refer to the loans under the Banking Bureau’s regulation, dated December 19, 2005 (Ref. No. 09440010950), but excluding small-scale unsecured loans obtained through credit cards and cash cards.

Note f: Other loans of consumer banking refer to secured or unsecured loans, excluding residential mortgage, cash card, small-scale credit loans and credit card.

Note g: As required by the Banking Bureau’s letter dated July 19, 2005 (Ref. No. 0945000494), factoring without recourse is disclosed as nonperforming receivables in three months upon the factors’ or insurance companies’ rejection of claims.

<u>Nonperforming loans and nonperforming receivables excluded from the information stated above</u>

Business \ Item	March 31, 2026		December 31, 2025		March 31, 2025	
	Nonperforming Loans Excluded	Nonperforming Receivables Excluded	Nonperforming Loans Excluded	Nonperforming Receivables Excluded	Nonperforming Loans Excluded	Nonperforming Receivables Excluded
Loans not classified as NPL upon debt restructuring and performed as agreed (Note a)	$ 1,865	$ 8,260	$ 2,243	$ 9,496	$ 3,302	$ 14,586
Loans upon performance of a debt discharge program and rehabilitation program (Note b)	942,003	529,219	949,461	544,633	986,525	593,016
Total	943,868	537,479	951,704	554,129	989,827	607,602

Note a: Supplementary disclosure related to the loans which need not be classified as NPL upon debt restructuring and performed as agreed, as stipulated in the Banking Bureau's letter dated April 25, 2006 (Ref. No. 09510001270).

Note b: About the Bank disclosures information and enumerates credit for case of pre-negotiation, pre-mediation, debt settlement proceedings and liquidation under Statute for Consumer Debt Clearance, as stipulated in the Banking Bureau's letter dated September 15, 2008 (Ref. No. 09700318940) and dates September 20, 2016 (Ref. No. 10500134790).

2) Concentration of credit extensions

Ranking (Note a)	March 31, 2026		
	Group Entity Industry and Code (Note b)	**Total Balances of Credit Extensions (Note c)**	**Ratio of Credit Extensions to Net Worth (%)**
1	A Group - 6700 - real estate development activities	$ 13,674,539	19
2	B Group - 4652 - wholesale of motorcycles	10,300,548	14
3	C Group - 6499 - other financial service activities not elsewhere classified	5,838,147	8
4	D Group - 2691 - manufacture of printed circuit assembly	4,958,891	7
5	E Group - 6700 - real estate development activities	4,802,918	7
6	F Group - 2711 - computers manufacturing	4,355,941	6
7	G Group - 2699 - non-categorized and other electronic component manufacturing	4,322,740	6
8	H Group - 4642 - electricity transmission and distribution enterprise	3,902,111	5
9	I Group - 6700 - real estate development activities	3,609,060	5
10	J Group - 3700 - wastewater and sewage treatment	3,510,123	5

Ranking (Note a)	December 31, 2025		
	Group Entity Industry and Code (Note a)	**Total Balances of Credit Extensions (Note c)**	**Ratio of Credit Extensions to Net Worth (%)**
1	A Group - 6700 - real estate development activities	$ 14,872,054	21
2	B Group - 4652 - wholesale of motorcycles	10,443,230	15
3	D Group - 2691 - manufacture of printed circuit assembly	7,823,891	11
4	C Group - 6499 - other financial service activities not elsewhere classified	5,901,970	8
5	K Group - 2711 - computers manufacturing	5,550,226	8
6	E Group - 6700 - real estate development activities	4,802,918	7
7	I Group - 6700 - real estate development activities	3,580,887	5
8	L Group - 0899 - manufacture of other food products not elsewhere classified	3,337,943	5
9	J Group - 3700 - wastewater and sewage treatment	3,336,873	5
10	M Group - 2712 - manufacture of monitors and terminals	3,271,639	5

Ranking (Note a)	March 31, 2025		
	Group Entity Industry and Code (Note b)	Total Balances of Credit Extensions (Note c)	Ratio of Credit Extensions to Net Worth (%)
1	A Group - 6700 - real estate development activities	$ 14,820,215	24
2	D Group - 2691 - manufacture of printed circuit assembly	8,113,845	13
3	N Group - 4652 - wholesale of motorcycles	7,765,369	12
4	C Group - 6499 - other financial service activities not elsewhere classified	5,392,997	9
5	E Group - 6700 - real estate development activities	4,302,108	7
6	J Group - 3700 - wastewater and sewage treatment	3,726,873	6
7	O Group - 6429 - other holding companies	3,652,208	6
8	I Group - 6700 - real estate development activities	3,544,500	6
9	L Group - 0899 - manufacture of other food products not elsewhere classified	3,405,823	5
10	P Group - 6700 - real estate development activities	3,401,501	5

Note a: The rankings above represent the top 10 corporate entities except for government or state-owned enterprises, based on the total balance of credit extension granted by the Bank. The amount of credit extensions should be disclosed in aggregate for each group entity, the code and industry of which are also required. The industry of the group entities is designated as the industry of the individual group entity with the greatest risk exposure. The lines of industry should conform to the industry sub-categorization of the Standard Industrial Classification System of the Republic of China published by the Directorate-General of Budget, Accounting and Statistics under the Executive Yuan.

Note b: "Group Entity" is defined in Article 6 of "Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Review of Securities Listings."

Note c: Credit extension balance includes various loans (import and export negotiations, discounts, overdrafts, unsecured and secured short-term loans, margin loans receivable, unsecured and secured medium-term loans, unsecured and secured long-term loans; and nonaccrual loans), bills purchased, factored accounts receivable without recourse, acceptances and guarantees.

3) Interest rate sensitivity

Table 1: Interest rate sensitivity analysis for New Taiwan dollar items

March 31, 2026

Items	1 Day to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	$ 536,600,154	$ 23,722,783	$ 28,603,258	$ 80,920,873	$ 669,847,068
Interest rate-sensitive liabilities	244,537,138	261,877,603	92,757,422	31,036,844	630,209,007
Interest rate sensitivity gap	292,063,016	(238,154,820)	(64,154,164)	49,884,029	39,638,061
Net worth					71,201,864
Ratio of interest rate-sensitive assets to liabilities					106.29%
Ratio of interest rate-sensitivity gap to net worth					55.67%

December 31, 2025

Items	1 Day to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	$ 544,901,633	$ 14,068,461	$ 24,890,840	$ 74,179,140	$ 658,040,074
Interest rate-sensitive liabilities	256,735,929	260,836,649	92,545,463	31,166,919	641,284,960
Interest rate sensitivity gap	288,165,704	(246,768,188)	(67,654,623)	43,012,221	16,755,114
Net worth					69,848,666
Ratio of interest rate-sensitive assets to liabilities					102.61%
Ratio of interest rate-sensitivity gap to net worth					23.99%

March 31, 2025

Items	1 Day to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	$ 530,388,021	$ 18,659,409	$ 30,313,131	$ 79,791,423	$ 659,151,984
Interest rate-sensitive liabilities	240,802,613	260,727,222	96,186,031	30,353,007	628,068,873
Interest rate sensitivity gap	289,585,408	(242,067,813)	(65,872,900)	49,438,416	31,083,111
Net worth					62,401,024
Ratio of interest rate-sensitive assets to liabilities					104.95%
Ratio of interest rate-sensitivity gap to net worth					49.81%

Note a: The New Taiwan dollar amounts held by the Bank.

Note b: Interest rate-sensitive assets and liabilities refer to interest-earning assets and interest-bearing liabilities that were affected by interest rate changes.

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

Note d: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities.

Table 2: Interest rate sensitivity analysis for U.S. dollar items

March 31, 2026

(In Thousands of U.S. Dollars)

Items	1 Day to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	$ 4,075,284	$ 149,353	$ 14,028	$ 237,582	$ 4,476,247
Interest rate-sensitive liabilities	3,586,330	484,009	249,211	-	4,319,550
Interest rate sensitivity gap	488,954	(334,656)	(235,183)	237,582	156,697
Net worth					2,226,450
Ratio of interest rate-sensitive assets to liabilities					103.63%
Ratio of interest rate-sensitivity gap to net worth					7.04%

December 31, 2025

(In Thousands of U.S. Dollars)

Items	1 Day to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	$ 3,814,353	$ 188,908	$ 3,796	$ 225,796	$ 4,232,853
Interest rate-sensitive liabilities	2,585,228	305,016	562,441	-	3,452,685
Interest rate sensitivity gap	1,229,125	(116,108)	(558,645)	225,796	780,168
Net worth					2,221,791
Ratio of interest rate-sensitive assets to liabilities					122.60%
Ratio of interest rate-sensitivity gap to net worth					35.11%

March 31, 2025

(In Thousands of U.S. Dollars)

Items	1 Day to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	$ 3,262,414	$ 60,764	$ 43,968	$ 167,847	$ 3,534,993
Interest rate-sensitive liabilities	2,821,741	287,880	230,131	-	3,339,752
Interest rate sensitivity gap	440,673	(227,116)	(186,163)	167,847	195,241
Net worth					1,880,569
Ratio of interest rate-sensitive assets to liabilities					105.85%
Ratio of interest rate-sensitivity gap to net worth					10.38%

Note a: The total U.S. dollar amounts held by the Bank, excluding contingent assets and liabilities.

Note b: Interest rate-sensitive assets and liabilities refer to interest-earning assets and interest-bearing liabilities that were affected by interest rate changes.

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

Note d: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities.

4) Profitability

Items		For the Three Months Ended March 31, 2026	For the Three Months Ended March 31, 2025
Return on total assets	Before tax	0.15%	0.14%
	After tax	0.14%	0.13%
Return on equity	Before tax	1.94%	1.98%
	After tax	1.73%	1.79%
Net income ratio		34.61%	34.69%

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

Note b: Return on equity = Income before (after) income tax ÷ Average equity.

Note c: Net income ratio = Income after income tax ÷ Total net profit.

5) Maturity analysis of assets and liabilities

a) For New Taiwan dollar items

March 31, 2026

	Total	Amount for Remaining Period to Maturity					
		0 Day to 10 Days	11 Days to 30 Days	31 Days to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year
Main capital inflow on maturity	$ 859,113,185	$ 127,057,120	$ 104,645,352	$ 104,190,735	$ 87,069,074	$ 93,786,921	$ 342,363,983
Main capital outflow on maturity	1,126,094,527	67,191,196	88,974,089	163,332,055	153,401,620	236,374,221	416,821,346
Gap	(266,981,342)	59,865,924	15,671,263	(59,141,320)	(66,332,546)	(142,587,300)	(74,457,363)

December 31, 2025

	Total	Amount for Remaining Period to Maturity					
		0 Day to 10 Days	11 Days to 30 Days	31 Days to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year
Main capital inflow on maturity	$ 858,639,589	$ 117,280,928	$ 117,727,558	$ 123,562,222	$ 70,883,607	$ 94,219,356	$ 334,965,918
Main capital outflow on maturity	1,107,742,639	48,784,451	91,875,245	147,979,506	180,964,653	342,202,187	295,936,597
Gap	(249,103,050)	68,496,477	25,852,313	(24,417,284)	(110,081,046)	(247,982,831)	39,029,321

March 31, 2025

	Total	Amount for Remaining Period to Maturity					
		0 Day to 10 Days	11 Days to 30 Days	31 Days to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year
Main capital inflow on maturity	$ 854,603,171	$ 111,291,612	$ 104,591,353	$ 106,749,397	$ 88,488,514	$ 83,685,134	$ 359,797,161
Main capital outflow on maturity	1,089,741,568	65,752,610	98,256,803	174,569,548	231,452,906	241,752,952	277,956,749
Gap	(235,138,397)	45,539,002	6,334,550	(67,820,151)	(142,964,392)	(158,067,818)	81,840,412

Note: This table refers to the New Taiwan dollar amounts held by the Bank.

b) For U.S. dollar items

March 31, 2026

(In Thousands of U.S. Dollars)

	Total	Amount for Remaining Period to Maturity				
		0 Day to 30 Days	31 Days to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year
Main capital inflow on maturity	$ 10,734,779	$ 3,597,317	$ 2,185,440	$ 1,053,667	$ 878,615	$ 3,019,740
Main capital outflow on maturity	11,792,742	4,403,107	2,305,451	1,752,550	1,213,808	2,117,826
Gap	(1,057,963)	(805,790)	(120,011)	(698,883)	(335,193)	901,914

December 31, 2025

(In Thousands of U.S. Dollars)

	Total	Amount for Remaining Period to Maturity				
		0 Day to 30 Days	31 Days to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year
Main capital inflow on maturity	$ 9,842,221	$ 2,698,331	$ 1,570,543	$ 1,545,323	$ 1,237,206	$ 2,790,818
Main capital outflow on maturity	10,895,453	3,729,177	2,478,372	1,311,676	2,181,399	1,194,829
Gap	(1,053,232)	(1,030,846)	(907,829)	233,647	(944,193)	1,595,989

March 31, 2025

(In Thousands of U.S. Dollars)

	Total	Amount for Remaining Period to Maturity				
		0 Day to 30 Days	31 Days to 90 Days	91 Days to 180 Days	181 Days to One Year	Over One Year
Main capital inflow on maturity	$ 9,712,888	$ 3,104,887	$ 1,483,210	$ 1,158,210	$ 1,071,454	$ 2,895,127
Main capital outflow on maturity	10,908,836	2,891,222	3,220,220	2,470,510	1,795,406	531,478
Gap	(1,195,948)	213,665	(1,737,010)	(1,312,300)	(723,952)	2,363,649

Note: This table refers to the U.S. dollar amounts held by the Bank.

45. CAPITAL MANAGEMENT

a. Objective of capital management

1) The basic goal of the Bank's capital management is that unconsolidated regulatory capital and the consolidated regulatory capital should meet the requirements of the related regulations. The ratio of regulatory capital and risk assets (the "capital adequacy ratio") should meet the statutory threshold according to the "Regulations Governing the Capital Adequacy and Capital Category of Banks".

2) In order to maintain an adequate level of capital to bear various risks, the Bank makes capital planning based on the operating plans and budget, the development strategies and dividend policy. The objective is to optimize assets allocation and strengthen capital structure.

b. Procedure of capital management

1) The calculation of the Bank's capital adequacy ratio is based on the "The Methods for Calculating the Bank's regulatory Capital and Risk-weighted Assets" enacted by the Financial Supervisory Commission and the related information is reported to the competent authority on a regular basis.

2) In order to monitor capital adequacy ratio, the execution and changes in the parameters of the capital planning are reported to the Bank's Risk Management Committee on a quarterly basis. The Bank are performed stress testing periodically and evaluated capital adequacy to assesses whether the Bank's capital is able to respond to various risks and whether the objective of capital management is met.

46. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the three months ended March 31, 2026

Liabilities Items	Beginning Balance	Cash Inflows (Outflows)	Non-cash Changes Exchange Rate	Non-cash Changes Others	Ending Balance
Funds borrowed from the Central Bank and other banks	$ 3,048,949	$ (326,218)	$ -	$ -	$ 2,722,731
Securities sold under repurchase agreement	1,953,568	259,430	37,080	-	2,250,078
Bank debentures	25,301,720	-	-	-	25,301,720
Other financial liabilities (except for financial transaction margin)	1,575,747	210,948	-	2,222	1,788,917
Lease liabilities	1,457,282	(102,095)	912	345,827	1,701,926
	$ 33,337,266	$ 42,065	$ 37,992	$ 348,049	$ 33,765,372

For the three months ended March 31, 2025

Liabilities Items	Beginning Balance	Cash Inflows (Outflows)	Non-cash Changes Exchange Rate	Non-cash Changes Others	Ending Balance
Funds borrowed from the Central Bank and other banks	$ 1,163,333	$ 1,414,000	$ -	$ -	$ 2,577,333
Securities sold under repurchase agreement	2,643,625	(2,650,606)	6,981	-	-
Bank debentures	16,901,900	6,000,000	-	-	22,901,900
Other financial liabilities (except for financial transaction margin)	1,026,742	66,139	-	1,254	1,094,135
Lease liabilities	924,169	(107,869)	496	80,304	897,100
	$ 22,659,769	$ 4,721,664	$ 7,477	$ 81,558	$ 27,470,468

47. SEGMENT INFORMATION

Information provided to the Bank's and its subsidiaries' chief operating decision makers for resource allocation and segment performance assessment focuses on nature of operation and profits. Based on IFRS 8 - "Operating Segments," the reportable segments were as follows:

a. Individual banking: Responsible for investment management, consumer finance, credit card, and trust business;

b. Corporate banking: Responsible for corporate-related business and foreign-currency business;

c. Financial market: Responsible for investing financial instruments, operating financial market and using working capital in a dispatch business;

d. Others: Any business not included the list above.

Segment Income and Operating Results

The accounting policies adopted by each reportable segment are the same as those stated in Note 4 to the consolidated financial statements.

The income and operating results of the reportable segments of the Bank and its subsidiaries were as follows:

	Individual Banking	Corporate Banking (Including Overseas Branches)	Financial Market	Others	Total
For the three months ended March 31, 2026					
Net interests	$ 1,131,486	$ 884,353	$ (54,101)	$ (137,524)	$ 1,824,214
Net revenues and gains other than interest					
Net service fee income	594,441	218,750	(5,073)	28,013	836,131
Other net income	86,520	32,584	795,483	(46,120)	868,467
Net revenues	1,812,447	1,135,687	736,309	(155,631)	3,528,812
Provision for bad debt expenses	(1,770)	(112,006)	(4,623)	(16,919)	(135,318)
Operating expenses	(1,349,630)	(382,143)	(145,340)	(151,205)	(2,028,318)
Segment income before income tax	$ 461,047	$ 641,538	$ 586,346	$ (323,755)	$ 1,365,176
For the three months ended March 31, 2025					
Net interests	$ 1,069,056	$ 839,759	$ (39,992)	$ (304,630)	$ 1,564,193
Net revenues and gains other than interest					
Net service fee income	544,902	198,240	(5,221)	26,616	764,537
Other net income	76,356	43,197	635,663	108,071	863,287
Net revenues	1,690,314	1,081,196	590,450	(169,943)	3,192,017
Reversal of (provision for) bad debt expenses	(51,252)	10,852	2,372	(2,966)	(40,994)
Operating expenses	(1,303,598)	(354,487)	(140,412)	(127,136)	(1,925,633)
Segment income before income tax	$ 335,464	$ 737,561	$ 452,410	$ (300,045)	$ 1,225,390

48. ADDITIONAL DISCLOSURES

a. Information about significant transactions:

   1) Service charge discounts on transactions with related parties in aggregated amount of at least NT$5 million: Nil

   2) Receivables from related parties amounting to at least NT$300 million or 10% of the paid-in capital: Nil

   3) Sale of nonperforming loans: Nil

   4) The type and related information of any securitization product that has been approved in accordance with the Financial Asset Securitization Act or the Real Estate Securitization Act: Nil

   5) Intercompany relationships and significant intercompany transactions: Table 1 (attached)

   6) Other significant transactions which may have effects on decision making of financial statement users: Nil

b. Information of subsidiaries' financing provided, endorsement/guarantee provided, marketable securities held, marketable securities acquired and disposed of at cost or prices at least NT$300 million or 10% of the paid-in capital and derivative transactions: Table 2 (attached)

c. Related information of investees on which the Bank exercises significant influence: Exempt from disclosure

d. Information about branches and investments in mainland China: Table 3 (attached)

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Flow of Transaction	Transaction Details			
				Financial Statement Account	Amount	Terms	Percentage of Consolidated Net Profit or Consolidated Total Assets (%, Note 2)
0	Far Eastern International Bank Ltd.	Far Eastern International Securities Co., Ltd.	From parent company to subsidiary	Deposits and remittances	$ 222,979	Note 3	0.03
		Far Eastern International Securities Co., Ltd.	From parent company to subsidiary	Interest expense	483	Note 3	0.01
		Far Eastern International Securities Co., Ltd.	From parent company to subsidiary	Service fee expense	657	Note 3	0.02
		Far Eastern International Securities Co., Ltd.	From parent company to subsidiary	Loss on disposal of financial assets at FVTPL	806	Note 3	0.02
1	Far Eastern International Securities Co., Ltd.	Far Eastern International Bank Ltd.	From subsidiary to parent company	Cash and cash equivalents	222,979	Note 3	0.03
		Far Eastern International Bank Ltd.	From subsidiary to parent company	Interest revenue	483	Note 3	0.01
		Far Eastern International Bank Ltd.	From subsidiary to parent company	Service fee income	1,463	Note 3	0.04

Note 1: Transacting parties are identified as follows: Number 0 - parent company; and number 1 and the following numbers - subsidiaries.

Note 2: The ratio is calculated as follows: For asset and liability accounts = Transaction amount/Consolidated total assets; and for income and expenses = Transaction amount/Consolidated net profit.

Note 3: The terms of intercompany transactions are not significantly different from those with third parties.

TABLE 2

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

SUBSIDIARIES' FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance (Note 2)	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 3)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 4)	Aggregate Financing Limit (Note 4)
													Item	Value		
1	FEIB Financial Leasing Co., Ltd.	A company	Other receivables	No	$ 16,660	$ 16,660	$ 16,660	10.0%	1	$ 17,467	-	$ 8,226	Real estate	$ 34,915	$ 343,634	$ 1,145,446
2	Far Eastern Asset Management Co., Ltd.	B company	Receivables	No	225,000	225,000	108,121	6.0%	1	108,121	-	5	Real estate	207,298	1,723,575	5,170,725
		B company	Receivables	No	323,585	323,585	206,585	6.0%	1	206,585	-	2	Real estate	247,237	1,723,575	5,170,725
		C company	Receivables	No	212,000	212,000	212,000	5.5%	1	212,000	-	-	Real estate	322,601	1,723,575	5,170,725
		C company	Receivables	No	39,600	39,600	6,000	6.0%	1	6,000	-	-	Real estate	65,037	1,723,575	5,170,725
		D company	Receivables	No	30,000	30,000	30,000	5.5%	1	30,000	-	-	Real estate	322,601	1,723,575	5,170,725
		E company	Receivables	No	234,677	234,677	36,570	6.5%	1	36,570	-	2	Real estate	558,750	1,723,575	5,170,725
		F company	Receivables	No	117,000	117,000	39,768	5.5%	1	39,768	-	-	Real estate	158,400	1,723,575	5,170,725
		G company	Receivables	No	600,000	600,000	-	10.0%	1	-	-	-	Real estate	946,308	1,723,575	5,170,725

Note 1: No. column is coded as follows:

a. The Issuer is coded "0".
b. The investees are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: It refers to the lending limit for funds approved by the company's Board of Directors.

Note 3: The nature of financing is described as follows:

a. Business transaction is coded "1".
b. Short-term financing is coded "2".

Note 4: The limits on financing are as follows:

a. Financing limit for each borrower

FEIB Financial Leasing Co., Ltd.:

1) In the case of lending funds to companies or firms who have a business relationship with the lender, the total lending amount to an individual borrower shall not exceed 30% of the net value of the lender as shown in the latest financial report audited or reviewed by a CPA.

2) In the case of lending funds to the companies or firms in need of short-term financing, the total lending amount to an individual borrower shall not exceed 30% of the net value of the lender as shown in the latest financial report audited or reviewed by a CPA.

Far Eastern Asset Management Co., Ltd.:

1) The total lending amount to an individual borrower shall not exceed the net value of the lender as shown in the latest financial report audited by a CPA.

b. Aggregate financing limit

FEIB Financial Leasing Co., Ltd.:

1) In the case of lending funds to companies or firms who have a business relationship with the lender, the total accumulation lending amount shall not exceed two times of the net value of the lender as shown in the latest financial report audited or reviewed by a CPA.

2) In the case of lending funds to the companies or firms in need of short-term financing, the total accumulation lending amount shall not exceed 40% of the net value of the lender as shown in the latest financial report audited or reviewed by a CPA.

The total accumulated lending amount of the above shall not exceed the net value of the lender as shown in the latest financial report audited by a CPA.

Far Eastern Asset Management Co., Ltd.:

The total lending amount shall not exceed 300% of the net value of the lender, as shown in the latest financial report audited by a CPA.

FAR EASTERN INTERNATIONAL BANK LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Name	Main Business and Product	Total Paid-in Capital (Note 4)	Investment Type (Note 1)	Accumulated Outflow of Investment as of January 1, 2026	Investment Flow (Note 4)		Accumulated Outflow of Investment as of March 31, 2026 (Note 4)	Net Income (Loss) of Investee (Notes 2 and 5)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 5)	Carrying Value as of March 31, 2026 (Note 2)	Accumulated Inward Remittance of Earnings as of March 31, 2026	Note
					Outflow	Inflow							
FEIB Financial Leasing Co., Ltd.	Leasing operation	$ 959,400 (US$ 30,000 thousand)	a	$ 959,400 (US$ 30,000 thousand)	$ -	$ -	$ 959,400 (US$ 30,000 thousand)	$ 2,653 (CNY 584 thousand)	100	$ 2,653 (CNY 584 thousand)	$ 1,148,150	$ -	

Accumulated Investment in Mainland China as of March 31, 2026 (Note 4)	Investment Amount Authorized by Investment Commission, MOEA (Note 4)	Limit on Investment Authorized by Investment Commission MOEA (Note 3)
$959,400 (US$30,000 thousand)	$959,400 (US$30,000 thousand)	$1,033,868

Note 1: Routes of investment in mainland China are listed below:

a. Direct investment.
b. Investment via third place company (state third place investment company).
c. Others.

Note 2: Calculation based on investee company's financial statements unreviewed by a local CPA and covering the same reporting period as that of Far Eastern International Bank.

Note 3: Under the "Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China" announced by Investment Commission, MOEA, upper limit is calculated by applicant company - Far Eastern Asset Management Co., Ltd.

Note 4: Calculated using the closing exchange rate on March 31, 2026.

Note 5: Calculated using the average exchange rate for the three months ended March 31, 2026.