

English Translation of a Report and Financial Statements Originally Issued in Chinese

**TS FINANCIAL HOLDING CO., LTD. AND
SUBSIDIARIES (FORMERLY NAMED
TAISHIN FINANCIAL HOLDING CO., LTD.)
CONSOLIDATED FINANCIAL STATEMENTS FOR
THE NINE MONTHS ENDED SEPTEMBER 30,
2025 AND 2024 AND
INDEPENDENT AUDITORS' REPORT**

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Notice to Readers

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Consolidated Financial Statements

Table of Contents

Items	Page
1. Cover	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3-5
4. Consolidated Balance Sheets	6-7
5. Consolidated Statements of Comprehensive Income	8-9
6. Consolidated Statements of Changes in Equity	10
7. Consolidated Statements of Cash Flows	11-12
8. Notes to the Consolidated Financial Statements	
(1) History and Organization	13-19
(2) Date and Procedures of Authorization of Financial Statements for Issue	19
(3) Newly Issued or Revised Standards and Interpretations	19-25
(4) Summary of Significant Accounting Policies	25-31
(5) Significant Accounting Judgements, Estimates and Assumptions	31-32
(6) Contents of Significant Accounts	33-218
(7) Related Party Transactions	218-258
(8) Assets Pledged as Collateral	258
(9) Significant Contingencies and Unrecognized Contractual Commitment	259
(10) Losses Due to Major Disasters	259
(11) Significant Subsequent Events	259-261
(12) Others	261-317
(13) Other Disclosure	
A. Information Related to Significant Transactions	318-319, 336-337, 343-344
B. Information Related to Subsidiaries	319, 322-335
C. Information on Investees	319
D. Information on Investments in Mainland China	319, 338-342
E. Information on Major Shareholders	319
(14) Segment Information	319-321

Independent Auditors' Review Report Translated from Chinese

To TS Financial Holding Co., Ltd.

(Formerly Named Taishin Financial Holding Co., Ltd.)

Introduction

We have reviewed the accompanying consolidated balance sheets of TS Financial Holding Co., Ltd. (formerly named Taishin Financial Holding Co., Ltd.) and its subsidiaries as of September 30, 2025, the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2025, the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2025, and the related notes to the consolidated financial statements, including the summary of significant accounting policies (collectively referred to as “the consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, the Regulations Governing the Preparation of Financial Reports by Public Banks, the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Firms, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Accounting Standard 34 “Interim Financial Reporting” as endorsed and became effective by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. 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 and the review reports of other independent auditors (please refer to the Other Matter paragraph of our report), nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of TS Financial Holding Co., Ltd. and its subsidiaries as of September 30, 2025, and their consolidated financial performance for the three months and nine months ended September 30, 2025, and consolidated cash flows for the nine months ended September 30, 2025, in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, the Regulations Governing the Preparation of Financial Reports by Public Banks, the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Firms, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Accounting Standard 34 “Interim Financial Reporting” as endorsed and became effective by the Financial Supervisory Commission of the Republic of China.

Other Matter – Making Reference to the Reviews of Other Independent Auditors

We did not review the financial statements of certain consolidated subsidiaries which were reviewed by other independent auditors. Therefore, our report expressed herein, so far as it relates to the amounts in respect of these companies, is based solely on the reports of other independent auditors. Total assets of these subsidiaries amounted to NT\$1,581,913,935 thousand, constituting 18.22% of the consolidated total assets as of September 30, 2025. The net revenue and gains of these subsidiaries for both the three months and the nine months ended September 30, 2025 were NT\$7,209,743 thousand, constituting 16.05% and 8.04% of the consolidated net revenue and gains, respectively.

Other Matter – Prior Period Reviewed by Other Independent Auditors

The consolidated financial statements of TS Financial Holding Co., Ltd. (formerly named Taishin Financial Holding Co., Ltd.) and its subsidiaries for the third quarter of 2024 were reviewed by other independent auditors, and an unqualified review report was issued on November 28, 2024.

Fuh, Wen-Fang

Chang, Cheng-Tao

Ernst & Young, Taiwan

November 27, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations 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 accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)
CONSOLIDATED BALANCE SHEETS
September 30, 2025, December 31, 2024 and September 30, 2024
(In Thousands of New Taiwan Dollars)

Assets			September 30, 2025		December 31, 2024		September 30, 2024	
Code	Items	Notes	Amount	%	Amount	%	Amount	%
11000	Cash and cash equivalents	6(1)	\$84,042,770	1	\$33,110,688	1	\$29,537,379	1
11500	Due from the Central Bank and call loans to banks	6(2), 7	204,306,734	2	108,262,582	3	185,532,585	6
12000	Financial assets at fair value through profit or loss	6(3), 7	738,154,499	9	185,958,931	6	190,802,689	6
12150	Financial assets at fair value through other comprehensive income	6(4)	492,944,723	6	169,292,719	5	145,668,606	4
12200	Investments in debt instruments at amortized cost	6(5)	2,636,710,052	30	812,983,362	25	736,660,025	22
12500	Securities purchased under resell agreements	7	43,911,971	-	2,741,500	-	3,203,050	-
13000	Receivables, net	6(6), 6(8)	300,394,430	3	186,735,572	6	190,655,419	6
13300	Assets classified as held for sale	6(7)	5,657,800	-	-	-	-	-
13500	Loans, net	4, 5, 6(8), 7	2,901,547,544	33	1,660,513,546	50	1,700,966,339	51
13700	Reinsurance contract assets, net		2,531,559	-	702,364	-	649,217	-
15000	Investments accounted for using equity method	6(9)	3,343,161	-	527,999	-	516,094	-
15500	Other financial assets, net	6(6), 6(8), 6(10), 6(27), 7	158,503,981	2	55,826,062	2	52,550,946	2
18000	Investment properties, net	6(11)	246,651,230	3	10,856,081	-	5,496,795	-
18500	Property and equipment, net	6(12)	78,642,308	1	25,308,787	1	25,443,669	1
18600	Right-of-use assets, net	6(13)	5,808,663	-	2,218,285	-	2,156,894	-
19000	Intangible assets, net	6(14)	670,060,232	8	3,669,396	-	3,602,039	-
19300	Deferred tax assets		55,350,717	1	7,694,759	-	7,442,181	-
19500	Other assets, net	6(15)	52,123,958	1	24,302,711	1	19,533,345	1
19999	Total assets		<u>\$8,680,686,332</u>	<u>100</u>	<u>\$3,290,705,344</u>	<u>100</u>	<u>\$3,300,417,272</u>	<u>100</u>

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

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)
CONSOLIDATED BALANCE SHEETS (CONTINUED)
September 30, 2025, December 31, 2024 and September 30, 2024
(In Thousands of New Taiwan Dollars)

Liabilities and Equity			September 30, 2025		December 31, 2024		September 30, 2024	
Code	Items	Notes	Amount	%	Amount	%	Amount	%
21000	Deposits from the Central Bank and banks	6(16), 7	\$46,547,100	1	\$12,676,083	-	\$41,591,100	1
22000	Financial liabilities at fair value through profit or loss	6(3), 7	83,925,135	1	56,665,194	2	47,336,070	1
22500	Securities sold under repurchase agreements	7	127,462,306	2	64,973,243	2	88,059,091	3
22600	Commercial papers issued, net	6(17), 7	73,615,587	1	49,413,465	2	45,978,302	1
23000	Payables	6(18)	118,800,474	1	44,764,025	1	56,585,737	2
23200	Current tax liabilities		6,523,000	-	2,234,377	-	2,966,773	-
23500	Deposits and remittances	6(19), 7	3,609,926,017	42	2,320,225,929	71	2,292,773,543	70
24000	Bonds payable	6(20)	143,152,917	2	64,533,272	2	65,237,977	2
24400	Other borrowings	6(21), 7	7,252,503	-	10,243,711	-	11,420,030	-
24500	Preferred stock liabilities	6(22)	28,434,114	-	-	-	-	-
24600	Provisions	4, 5, 6(23), 6(24)	3,611,638,952	42	271,768,851	8	261,633,809	8
25500	Other financial liabilities	6(25), 6(27)	294,699,282	3	148,851,012	5	147,173,287	5
26000	Lease liabilities	6(13), 7	12,805,790	-	2,291,981	-	2,234,379	-
29300	Deferred tax liabilities		18,771,849	-	2,578,856	-	1,559,961	-
29500	Other liabilities	6(26)	26,748,584	-	10,600,758	-	9,993,213	-
29999	Total liabilities		<u>8,210,303,610</u>	<u>95</u>	<u>3,061,820,757</u>	<u>93</u>	<u>3,074,543,272</u>	<u>93</u>
31000	Equity attributable to owners of parent	6(29)						
31100	Share capital							
31101	Ordinary shares		248,663,992	3	129,761,443	4	129,761,443	4
31103	Preferred shares		13,946,680	-	11,000,000	-	11,000,000	-
31500	Capital surplus		136,480,391	2	38,197,778	1	38,197,778	1
32000	Retained earnings							
32001	Legal reserve		20,556,406	-	18,439,029	1	18,439,029	1
32003	Special reserve		468,184	-	1,146,190	-	1,146,190	-
32011	Unappropriated earnings		27,490,203	-	30,519,014	1	26,736,398	1
32500	Other equity		22,412,891	-	(116,447)	-	566,414	-
32600	Treasury shares		(89,298)	-	(89,298)	-	-	-
31000	Total equity attributable to owners of parent		<u>469,929,449</u>	<u>5</u>	<u>228,857,709</u>	<u>7</u>	<u>225,847,252</u>	<u>7</u>
39500	Non-controlling interests		453,273	-	26,878	-	26,748	-
39999	Total equity		<u>470,382,722</u>	<u>5</u>	<u>228,884,587</u>	<u>7</u>	<u>225,874,000</u>	<u>7</u>
	Total liabilities and equity		<u>\$8,680,686,332</u>	<u>100</u>	<u>\$3,290,705,344</u>	<u>100</u>	<u>\$3,300,417,272</u>	<u>100</u>

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

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three months and nine months ended September 30, 2025 and 2024
(In Thousands of New Taiwan Dollars)

Code	Items	Notes	For the three months ended September 30				For the nine months ended September 30			
			2025	%	2024	%	2025	%	2024	%
	Net Interest income									
41000	Interest income	6(30)	\$48,356,683	108	\$22,378,598	95	\$92,081,551	103	\$64,838,976	98
51000	Less: interest expenses	6(30)	(16,645,421)	(37)	(13,360,188)	(57)	(41,209,980)	(46)	(38,927,877)	(59)
49600	Net interest income	6(30)	31,711,262	71	9,018,410	38	50,871,571	57	25,911,099	39
	Net income other than net interest income									
49800	Net service fee and commission income	6(31), 7	3,220,253	7	3,287,207	14	8,362,550	9	8,939,293	14
49810	Net income from insurance operations	6(32)	274,240	1	6,492,036	28	19,046,734	21	19,286,203	29
49820	Gain (loss) on financial assets and liabilities at FVTPL	6(33)	(2,251,071)	(5)	546,577	2	1,033,532	1	6,788,112	10
49835	Realized gain (loss) on financial assets at FVTOCI	6(34)	1,781,684	4	2,039,798	9	2,399,903	3	2,486,040	4
49850	Gain (loss) on derecognition of financial assets at amortized cost	6(5)	86,744	-	7,602	-	116,071	-	13,134	-
49870	Foreign exchange gain (loss)		36,587,349	81	(910,150)	(4)	31,651,951	35	2,196,108	3
49880	(Impairment loss on assets) reversal of impairment loss on assets	6(4), 6(5), 6(9)	(857,982)	(2)	(31,146)	-	(862,656)	(1)	(38,821)	-
49891	Share of profit (loss) of associates accounted for using equity method	6(9)	48,676	-	14,835	-	46,533	-	34,633	-
49898	Gain (loss) on reclassification using the overlay approach	6(3)	(22,902,481)	(51)	2,388,206	10	(19,918,210)	(22)	126,868	-
	Net other non-interest income									
49999	Net other miscellaneous (loss) income		(2,789,016)	(6)	632,319	3	(3,100,126)	(3)	427,140	1
49700	Net income other than net interest income		13,198,396	29	14,467,284	62	38,776,282	43	40,258,710	61
4xxxx	Net revenue and gains		44,909,658	100	23,485,694	100	89,647,853	100	66,169,809	100
58100	Bad debt expenses, commitments and guarantees liabilities provision	6(6), 6(8), 6(23)	(1,274,513)	(3)	(575,308)	(3)	(2,455,611)	(3)	(1,482,513)	(2)
58300	Net changes in insurance liability reserve	6(24)	(13,779,897)	(30)	(6,137,917)	(26)	(25,987,078)	(29)	(17,845,899)	(27)
	Operating expenses									
58501	Employee benefits expenses	6(35), 7	(9,233,480)	(21)	(5,318,671)	(23)	(19,953,802)	(22)	(15,339,377)	(23)
58503	Depreciation and amortization expenses	6(36)	(1,805,090)	(4)	(715,116)	(3)	(3,146,264)	(4)	(2,105,280)	(3)
58599	Other general and administrative expenses	7	(5,629,868)	(12)	(3,439,039)	(14)	(12,336,819)	(14)	(9,642,427)	(15)
58500	Total operating expenses		(16,668,438)	(37)	(9,472,826)	(40)	(35,436,885)	(40)	(27,087,084)	(41)
61000	Income before income tax		13,186,810	30	7,299,643	31	25,768,279	28	19,754,313	30
61003	Income tax expense	6(37)	(775,982)	(2)	(1,216,162)	(5)	(3,135,107)	(3)	(3,094,125)	(5)
69000	Net income		\$12,410,828	28	\$6,083,481	26	\$22,633,172	25	\$16,660,188	25

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

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (CONTINUED)
For the three months and nine months ended September 30, 2025 and 2024
(In Thousands of New Taiwan Dollars)

Code	Items	Notes	For the three months ended September 30				For the nine months ended September 30			
			2025	%	2024	%	2025	%	2024	%
	Other comprehensive income (loss)									
69560	Items that will not be reclassified subsequently to profit or loss									
69564	Share of other comprehensive income of associates accounted for using equity method		\$-	-	\$-	-	\$-	-	\$(88)	-
69565	Changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at FVTPL		8,252	-	23,190	-	8,704	-	(117,230)	-
69567	Unrealized gain (loss) on investments in equity instruments designated as at FVTOCI		3,616,644	8	(208,674)	(1)	2,713,316	3	929,671	1
69569	Income tax relating to items that will not be reclassified subsequently to profit or loss		(396,716)	(1)	-	-	(396,716)	-	-	-
69570	Items that will be reclassified subsequently to profit or loss									
69571	Exchange differences on translation of foreign financial statements		147,239	-	42,172	-	(71,215)	-	109,411	-
69575	Share of other comprehensive income of associates accounted for using equity method		29	-	-	-	29	-	-	-
69585	Unrealized gain (loss) on investments in debt instruments at FVTOCI		1,414,327	3	2,316,445	10	3,549,106	4	1,423,372	2
69587	Impairment loss from investments in debt instruments at FVTOCI		17,612	-	6,502	-	23,007	-	8,789	-
69590	Other comprehensive income (loss) on reclassification using the overlay approach		22,902,481	51	(2,388,206)	(10)	19,918,210	22	(126,868)	-
69579	Income tax relating to items that will be reclassified subsequently to profit or loss		(2,752,092)	(6)	(124,427)	(1)	(3,054,614)	(3)	(134,699)	-
69500	Other comprehensive income (loss) for the period, net of tax		24,957,776	55	(332,998)	(2)	22,689,827	26	2,092,358	3
69700	Total comprehensive income (loss)		\$37,368,604	83	\$5,750,483	24	\$45,322,999	51	\$18,752,546	28
69900	Net income attributable to:									
69901	Owners of parent		\$12,387,567	28	\$6,083,659	26	\$22,610,779	25	\$16,659,662	25
69903	Non-controlling interests		23,261	-	(178)	-	22,393	-	526	-
			\$12,410,828	28	\$6,083,481	26	\$22,633,172	25	\$16,660,188	25
69950	Total comprehensive income (loss) attributable to:									
69951	Owners of parent		\$37,344,576	83	\$5,750,661	24	\$45,299,839	51	\$18,752,020	28
69953	Non-controlling interests		24,028	-	(178)	-	23,160	-	526	-
			\$37,368,604	83	\$5,750,483	24	\$45,322,999	51	\$18,752,546	28
	Earnings per share (dollar)	6(38)								
70000	Basic earnings per share		\$0.53		\$0.43		\$1.30		\$1.17	
71000	Diluted earnings per share		\$0.53		\$0.43		\$1.30		\$1.17	

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

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the nine months ended September 30, 2025 and 2024
(In Thousands of New Taiwan Dollars)

Code	Description	Equity attributable to owners of parent															Non-controlling interests	Total equity
		Share capital		Capital surplus				Retained earnings				Other equity						
		Ordinary shares	Preferred shares	Additional paid-in capital in excess of par	Treasury shares transactions	Share-based compensation	Others	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of financial statements of foreign operations	Unrealised gains (losses) from financial assets measured at FVTOCI	Changes in fair value of attributable to changes in the credit risk of financial liabilities at FVTPL	Gains (losses) on hedging instruments	Other comprehensive income (loss) on reclassification using the overlay approach	Treasury shares		
A1	Balance at January 1, 2024	\$124,770,618	\$11,000,000	\$36,066,458	\$2,075,475	\$52,632	\$3,213	\$16,926,942	\$10,920,515	\$15,513,819	\$(184,525)	\$(986,719)	\$161,394	\$-	\$215,398	\$-	\$27,253	\$216,562,473
	Appropriation of 2023 earnings																	
B1	Legal reserve appropriated	-	-	-	-	-	-	1,512,087	-	(1,512,087)	-	-	-	-	-	-	-	-
B5	Cash dividends of ordinary shares	-	-	-	-	-	-	-	-	(7,486,237)	-	-	-	-	-	-	-	(7,486,237)
B7	Cash dividends of preferred shares	-	-	-	-	-	-	-	-	(1,953,751)	-	-	-	-	-	-	-	(1,953,751)
B9	Stock dividends of ordinary shares	4,990,825	-	-	-	-	-	-	-	(4,990,825)	-	-	-	-	-	-	-	-
B17	Reversal of the special reserve	-	-	-	-	-	-	-	(9,774,325)	9,774,325	-	-	-	-	-	-	-	-
D1	Net income for the nine months ended September 30, 2024	-	-	-	-	-	-	-	-	16,659,662	-	-	-	-	-	-	526	16,660,188
D3	Other comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	-	-	-	(88)	109,411	2,239,970	(117,230)	-	(139,705)	-	-	2,092,358
D5	Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	-	-	-	16,659,574	109,411	2,239,970	(117,230)	-	(139,705)	-	526	18,752,546
Q1	Disposals of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	-	-	731,580	-	(731,580)	-	-	-	-	-	-
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,031)	(1,031)
Z1	Balance at September 30, 2024	\$129,761,443	\$11,000,000	\$36,066,458	\$2,075,475	\$52,632	\$3,213	\$18,439,029	\$1,146,190	\$26,736,398	\$(75,114)	\$521,671	\$44,164	\$-	\$75,693	\$-	\$26,748	\$225,874,000
A1	Balance at January 1, 2025	\$129,761,443	\$11,000,000	\$36,066,458	\$2,075,475	\$52,632	\$3,213	\$18,439,029	\$1,146,190	\$30,519,014	\$(98,874)	\$(1,099,440)	\$22,145	\$-	\$1,059,722	\$(89,298)	\$26,878	\$228,884,587
	Appropriation of 2024 earnings																	
B1	Legal reserve appropriated	-	-	-	-	-	-	2,117,377	-	(2,117,377)	-	-	-	-	-	-	-	-
B5	Cash dividends of ordinary shares	-	-	-	-	-	-	-	-	(22,379,759)	-	-	-	-	-	-	-	(22,379,759)
B7	Cash dividends of preferred shares	-	-	-	-	-	-	-	-	(1,980,182)	-	-	-	-	-	-	-	(1,980,182)
B17	Reversal of the special reserve	-	-	-	-	-	-	-	(678,006)	678,006	-	-	-	-	-	-	-	-
H1	Shares issued for pursuant to acquisitions	118,902,549	2,946,680	98,282,613	-	-	-	-	-	-	-	-	-	-	-	-	403,575	220,535,417
D1	Net income for the nine months ended September 30, 2025	-	-	-	-	-	-	-	-	22,610,779	-	-	-	-	-	-	22,393	22,633,172
D3	Other comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	-	-	-	-	-	(71,215)	5,504,992	8,704	29	17,246,550	-	767	22,689,827
D5	Total comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	-	-	-	-	22,610,779	(71,215)	5,504,992	8,704	29	17,246,550	-	23,160	45,322,999
Q1	Disposals of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	-	-	159,722	-	(159,722)	-	-	-	-	-	-
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(340)	(340)
Z1	Balance at September 30, 2025	\$248,663,992	\$13,946,680	\$134,349,071	\$2,075,475	\$52,632	\$3,213	\$20,556,406	\$468,184	\$27,490,203	\$(170,089)	\$4,245,830	\$30,849	\$29	\$18,306,272	\$(89,298)	\$453,273	\$470,382,722

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

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the nine months ended September 30, 2025 and 2024
(In Thousands of New Taiwan Dollars)

Code	Items	For the nine months ended September 30	
		2025	2024
	Cash flows from operating activities		
A10000	Income before income tax	\$25,768,279	\$19,754,313
A20000	Adjustments:		
	Adjustments for reconciliation of profit or loss		
A20100	Depreciation expenses	2,283,657	1,635,782
A20200	Amortization expenses	862,607	469,498
A20300	Provisions for bad debts expenses, commitments and guarantee liabilities	2,455,611	1,482,513
A20400	Net gain on financial assets or liabilities measured at FVTPL	(1,033,532)	(6,788,112)
A20450	Net gain on financial assets or liabilities measured at FVTOCI	(2,399,903)	(2,486,040)
A20900	Interest expenses	41,209,980	38,927,877
A21000	Gain on derecognition of financial assets at amortized cost	(116,071)	(13,134)
A21200	Interest income	(92,081,551)	(64,838,976)
A21400	Net change in insurance liabilities	44,001,861	19,879,535
A21800	Net change in other provisions	4,572,767	250,459
A22300	Share of profit of associates accounted for using equity method	(46,533)	(34,633)
A22450	Loss (gain) on reclassification using the overlay approach	19,918,210	(126,868)
A22500	Gain on disposal of property and equipment	(7,210)	-
A22700	Gain on disposal of investment properties	(99)	-
A22900	Loss on disposal of other assets	96	-
A23500	Impairment loss on financial assets	862,656	38,821
A29900	Other adjustments	(1,140)	(2,237)
	Changes in operating assets and liabilities		
A71110	Increase in due from the Central Bank and call loans to banks	(1,330,698)	(26,187,722)
A71120	Decrease in financial assets at FVTPL	16,514,116	50,644,242
A71121	(Increase) decrease in financial assets at FVTOCI	(5,187,025)	5,394,322
A71123	Increase in investments in debt instruments measured at amortised cost	(19,875,679)	(595,989)
A71160	Decrease (increase) in receivables	713,708	(23,832,806)
A71170	Increase in loans	(230,205,029)	(177,638,912)
A71180	Decrease in reinsurance contract assets	289,955	16,842
A71200	Increase in other financial assets	(86,365,726)	(13,227,375)
A71990	Decrease (increase) in other assets	86,079,365	(1,368,148)
A72110	Increase in deposits from the Central Bank and banks	19,416	414
A72120	Decrease in financial liabilities at FVTPL	(43,536,258)	(53,824,519)
A72140	Increase in securities sold under repurchase agreements	13,241,998	2,400,104
A72160	Increase in payables	3,929,755	15,199,111
A72170	Increase in deposits and remittances	158,355,898	190,259,897
A72190	Decrease in provisions	(254,900)	(63,015)
A72200	Increase in other financial liabilities	76,743,039	5,316,583
A72990	Decrease in other liabilities	(69,958,194)	(43,228)
A33000	Cash used in operations	(54,576,574)	(19,401,401)
A33100	Interest received	79,237,650	64,150,087
A33200	Dividends received	10,186,791	2,116,557
A33300	Interest paid	(36,385,587)	(36,916,647)
A33500	Income taxes paid	(2,636,662)	(3,580,951)
AAAA	Net cash (used in) generated from operating activities	<u>\$ (4,174,382)</u>	<u>\$ 6,367,645</u>

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

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
For the nine months ended September 30, 2025 and 2024
(In Thousands of New Taiwan Dollars)

Code	Items	For the nine months ended September 30	
		2025	2024
	Cash flows from investing activities		
B02700	Acquisition of property and equipment	\$(760,402)	\$(689,036)
B02800	Proceeds from disposal of property and equipment	100,371	13,804
B04500	Acquisition of intangible assets	(506,943)	(499,884)
B04900	Net cash receipts from acquisitions of subsidiaries and other business units	144,061,353	-
B05400	Acquisition of investment properties	(1,040,854)	(1,452,207)
B05500	Proceeds from disposal of investment properties	19,883	-
BBBB	Net cash generated from (used in) investing activities	141,873,408	(2,627,323)
	Cash flows from financing activities		
C00300	Increase in due to the Central Bank and banks	66,725,359	24,519,379
C00400	Decrease in due to the Central Bank and banks	(50,468,938)	-
C00700	Increase in commercial papers payable	12,830,502	15,808,000
C01200	Proceeds from corporate bonds	612,564	-
C01300	Repayments of corporate bonds	(2,707,000)	-
C01500	Repayments of bank notes payable	(4,950,000)	(3,000,000)
C01800	Increase in other borrowings	-	626,508
C01900	Decrease in other borrowings	(7,807,200)	-
C04020	Payments of lease liabilities	(729,148)	(685,823)
C04500	Cash dividends paid	(24,359,941)	(9,439,988)
C05800	Change in non-controlling interests	(340)	(1,031)
CCCC	Net cash (used in) generated from financing activities	(10,854,142)	27,827,045
DDDD	Effects of exchange rate changes on cash and cash equivalents	102,013	1,477
EEEE	Net increase in cash and cash equivalents	126,946,897	31,568,844
E00100	Cash and cash equivalents at the beginning of the period	38,180,562	74,140,886
E00200	Cash and cash equivalents at the end of the period	\$165,127,459	\$105,709,730
	Reconciliation of cash and cash equivalents:		
E00210	Cash and cash equivalents in consolidated balance sheets	\$84,042,770	\$29,537,379
E00220	Due from the Central bank and call loans to banks qualifying as cash and cash equivalents under the definition of IAS 7	37,172,718	72,969,301
E00230	Securities purchased under resell agreements qualifying as cash and cash equivalents under the definition of IAS 7	43,911,971	3,203,050
E00200	Cash and cash equivalents at the end of the period	\$165,127,459	\$105,709,730

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

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(formerly named Taishin Financial Holding Co., Ltd.)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

1. History and Organization

TS Financial Holding Co., Ltd. (formerly named Taishin Financial Holding Co., Ltd.) (“TS Financial Holding” or the “Company”) was established by Taishin International Bank Co., Ltd. (“Taishin Bank”) and Dah An Commercial Bank Co., Ltd. (“Dah An Bank”) pursuant to the ROC Financial Holding Company Act and related regulations through a share swap on February 18, 2002. TS Financial Holding’s main business activities are investing and managing its investments in financial institutions.

Taishin Bank and Dah An Bank established TS Financial Holding through a share swap. In forming the holding company, Taishin Bank merged with Dah An Bank, with Taishin Bank as the surviving company. In addition, Taishin Securities Co., Ltd. (“Taishin Securities A”) and Taishin Bills Finance Co., Ltd. (“Taishin Bills Finance”) became wholly-owned subsidiaries of TS Financial Holding through a share swap effective on December 31, 2002.

In order to better integrate the resources of the Company and its controlled affiliates, on December 19, 2009, the Company disposed of its wholly-owned subsidiary Taishin Securities A via a merger transaction of Taishin Securities A, as the dissolved company, and Taishin Bills Finance. In addition, on January 22, 2011, Taishin Bank merged with Taishin Bills Finance. Hence, Taishin Bank acquired total assets and assumed all liabilities and operations of Taishin Bills Finance.

The Company’s merger with Shin Kong Financial Holding Co., Ltd. (“Shin Kong Financial Holding”) was approved by the Company’s board of directors (“the Board of Directors”) on August 22, 2024 and by the shareholders at their extraordinary meeting on October 9, 2024. Following the completion of the merger, the Company became the surviving company and assumed all subsidiaries and sub-subsidiaries of Shin Kong Financial Holding. On January 9, 2025, the Fair Trade Commission resolved not to prohibit this merger, and the merger agreement was approved by the FSC on March 31, 2025. The merger became effective on July 24, 2025, and on the same day, the Company obtained approval from the Ministry of Economic Affairs to change the company name to TS Financial Holding Co., Ltd.

Taishin Bank started its business operations on March 23, 1992. Taishin Bank provides customers with general commercial banking services according to the Banking Act of the ROC.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Taishin Asset Management Co., Ltd. (“Taishin AMC”) was established on August 14, 2002 in accordance with the Company Law and other related laws. Taishin AMC’s operations include the acquisition, evaluation, auction, and management of delinquent loans.

TS Financial Holding acquired 100% equity interest of Franklin Insurance Brokers Co., Ltd. by cash investment on April 27, 2011 and changed the company name to Taishin Holdings Insurance Brokers Co., Ltd. (“Taishin Holdings Insurance Brokers”). Later Taishin Bank merged with Taishin Holdings Insurance Brokers. Therefore, the surviving company was Taishin Bank and the dissolved company was Taishin Holdings Insurance Brokers. The merger base date was set as April 24, 2016.

Taishin Venture Capital Investment Co., Ltd. (“Taishin Venture Capital Investment”) was approved for establishment on December 25, 2002. Its operations include engagement in investment start-ups.

TS Financial Holding acquired 100% equity interest of Taishin Securities Investment Trust Co., Ltd. (“Taishin Securities Investment Trust”) and 92% equity interest of Taishin Securities Investment Advisory Co., Ltd. (“Taishin Securities Investment Advisory ”) by cash investments on July 26, 2010. Taishin Securities Investment Trust and Taishin Securities Investment Advisory became subsidiaries of TS Financial Holding.

Taishin Securities Investment Advisory was established in March 1989, and its operations include accepting mandates from customers, providing analytical opinions or recommendations on securities investment, acting as an agent for investment consultancy of offshore funds, issuing publications or holding lectures about securities investment and other relevant business permitted by the competent authority.

Taishin Securities Investment Trust approved by the Securities and Futures Bureau, was established on May 31, 2004. Its operations include offering securities investment trust funds, issuing beneficial interest certificates and investing in or trading securities, securities-related products or other items approved by the FSC. In addition, Taishin Securities Investment Trust was approved to operate a full fiduciary discretionary investment business in 2005.

Taishin Securities Co., Ltd. (“Taishin Securities B”) (formerly known as Donshin Securities Co., Ltd.) was incorporated on January 15, 1990, and its operations include services dealing with margin lending and security transfer services, margin trading and short selling of marketable securities, money lending-purpose unrestricted, underwriting and proprietary trading of securities and other businesses as approved by the relevant authorities. TS Financial Holding acquired 100% equity interest in Taishin Securities B through cash investments on April 6, 2010. Taishin Securities B became a subsidiary of TS Financial Holding.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Taishin Securities B filed an application of ceasing to carry on futures supporting services on September 23, 2023, and it commenced futures introducing broker business on September 25 in the same year.

Taishin Securities B acquired 100% equity interest in Tachong Securities Co., Ltd. (“Tachong Securities”) via cash acquisition and assumed the net assets and operations of Tachong Venture Capital Co., Ltd. (“Tachong Venture Capital”), which was originally the subsidiary of Tachong Securities on August 28, 2017. After completing the aforementioned cash acquisition, the surviving company was Taishin Securities B, and Tachong Securities was dissolved accordingly.

In order to integrate financial resources to expand business development, enhance competitiveness and other expected benefits, the Group conducted an internal organization restructuring. Hence, on the base date, November 8, 2021, Taishin Securities B generally assumed all the assets, liabilities and operations of the share transfer agency department by Taishin Bank.

TS Financial Holding acquired 100% equity interest in Prudential Life Insurance Company of Taiwan Inc. (“Prudential Life Insurance”) through cash investment on June 30, 2021. Prudential Life Insurance became a subsidiary of TS Financial Holding and changed the company name to Taishin Life Insurance Co., Ltd. (“Taishin Life Insurance”) on August 10, 2021 with approval by the ROC Ministry of Economic Affairs. Taishin Life Insurance’s operations is personal insurance and its underwriting items include life insurance, medical insurance, accident insurance and investment insurance.

Taishin Real-Estate Management Co., Ltd. (“Taishin Real-Estate”) was established in August 1995, and its operations include audit and consultation of construction plans, contract verifications, assessments and trades of real estate, etc.

Taishin D.A. Finance Co., Ltd. (“Taishin D.A. Finance”) was established in October 1997. Its operations include the lease, wholesale and retail sale of machinery, precision machinery, motor vehicles, aircrafts and vessels and their components.

Tachong Venture Capital was established in December 2013 and changed its company name to Taishin Securities Venture Capital Co., Ltd. (“Taishin Securities Venture Capital”) on October 2, 2017. It mainly engages in making investments in start-up entities and in providing consultancy services.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Taishin Capital Co., Ltd. (“Taishin Capital”) was established in August 2019. It mainly engages in making investments in start-up entities and in providing consultancy services.

Taishin Venture Capital Investment, Taishin Securities Investment Advisory and Taishin Securities Venture Capital acquired 51% equity interest and controlling power of Credidi Inc. (“Credidi”) by cash investment on November 3, 2020. Therefore, Credidi became a subsidiary of TS Financial Holding. It mainly engages in information software services. The record date of liquidation for Credidi was on October 31, 2023, and as of March 26, 2024 the liquidation procedures were completed.

Taishin Financial Leasing (China) Co., Ltd. (“Taishin Financial Leasing (China)”) was approved for establishment on July 12, 2011 to provide financial leasing services; Taishin Financial Leasing (Tianjin) Co., Ltd. (“Taishin Financial Leasing (Tianjin)”) was approved for establishment on March 1, 2012 to provide financial leasing services. In order to integrate the group resources and increase competitiveness in financial leasing services, the Company conducted an internal group restructuring. The Company intended to merge Taishin Financial Leasing (China) and Taishin Financial Leasing (Tianjin). Therefore, the surviving company is Taishin Financial Leasing (China) and the dissolved company is Taishin Financial Leasing (Tianjin). The merger base date was set as March 31, 2021.

In order to integrate financial resources to expand business development, enhance competitiveness and achieve other expected benefits. The Group conducted an internal organization restructuring. Therefore, Taishin D.A. Finance acquired 100% equity interest in Taishin Financial Leasing (China) from Taishin Venture Capital Investment through cash investment on the settlement base date, December 5, 2023.

Taishin Health Investment Co., Ltd. (“Taishin Health Investment”) was approved for establishment on February 20, 2021 to provide investment services.

Taishin Futures Co., Ltd. (“Taishin Futures”) was approved for the establishment on December 2, 2022 and mainly engaged in futures brokerage business.

Taishin Sports Entertainment Co., Ltd. (“Taishin Sports Entertainment”) was approved for establishment on July 6, 2023. It mainly engages in sports services and arts and performance activities.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Shin Kong Life Insurance Co., Ltd. (“Shin Kong Life Insurance”) was established in July 1963. It went public in December 1993 and operates in the life insurance business, covering products such as individual and group life insurance, accident insurance, and health insurance. The headquarters is located in Taipei City, and there are 23 branches across various counties and cities in the province.

Taiwan Shin Kong Commercial Bank Co., Ltd. (“Taiwan Shin Kong Commercial Bank”) was approved by the Ministry of Finance on September 23, 1996, under letter No. Tai-Chai-Rong-Zi 85546025 to reorganize as a commercial bank. It obtained its business license from the Ministry of Economic Affairs on December 31, 1996, and its banking license from the Ministry of Finance on January 1, 1997. As of September 30, 2025, Taiwan Shin Kong Commercial Bank has a trust department, an overseas department, an international financial business branch, 103 domestic branches (including the business department), and a branch in Hong Kong. Its main business operations include those permitted for commercial banks under the Banking Act and other businesses approved by the competent authorities.

MasterLink Securities Corp. (“MasterLink Securities”) was approved for establishment by the Ministry of Economic Affairs on March 23, 1989, and officially commenced operations on May 29 of the same year. It was officially listed on September 16, 2002. The main business activities include securities underwriting, proprietary trading, agency trading, margin financing, futures trading, assisting in the operation of futures proprietary business, and other related businesses approved by the competent authorities. As of September 30, 2025, the Company has established 43 branches.

Shin Kong Securities Investment Trust Co., Ltd. (“Shin Kong Investment Trust”) primarily engages in securities investment trust business, securities investment advisory services, discretionary investment services, futures trust business, and other related businesses approved by the Securities and Futures Bureau of the Financial Supervisory Commission. On October 9, 2006, Shin Kong Investment Trust merged with New Shin Securities Investment Trust Co., Ltd., and Shin Kong Investment Trust is the surviving company after the merger.

Shin Kong International Venture Capital Co., Ltd. (“Shin Kong Venture Capital”) was established on April 20, 2011, and primarily engages in venture capital business. On May 11, 2011, Shin Kong Venture Capital established Lion Investment (Samoa) Co., Ltd., which primarily operates reinvestment activities.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Shin Kong Insurance Agent Co., Ltd. (“Shin Kong Insurance Agent”), formerly known as Shin Kong Property Insurance Agent Co., Ltd., was renamed by a board resolution on October 8, 2013. Its main business activities include property insurance agency services.

Shin Shou Apartment Building Management and Maintenance Co., Ltd. (“Shin Shou Building Management”) was established on July 12, 1988, and obtained its business registration certificate on August 17 of the same year. On December 31, 1999, it was renamed from “Shin Kong High-Rise Management Technology Co., Ltd.” to “Shin Shou Apartment Building Management and Maintenance Co., Ltd.” following a board resolution. Its main business activities include management services for office buildings, cleaning and waxing, maintenance of electrical and plumbing equipment, sales and installation of waterproofing, anti-theft, and disaster prevention equipment, sales and installation of parking lot equipment, management of parking lot operations, introduction of real estate for sale and lease, and real estate business management.

Shin Kong Vietnam Co., Ltd. was approved for establishment by the board of directors of Shin Kong Life Insurance on August 21, 2024, and was subsequently approved by the board of directors of Shin Kong Financial Holding on August 29 of the same year. Later on December 24, 2024, it received approval of establishment from the Financial Supervisory Commission. On February 24, 2025, it obtained foreign investment approval from the Hanoi Department of Planning and Investment in Vietnam, allowing Shin Kong Life Insurance to establish an insurance agency company in Hanoi, with approved business activities including “insurance agency and brokerage activities.” On March 26, 2025, it received its business registration from the Hanoi Finance Bureau and the registration certificate from the Department of Corporate Finance.

Shin Kong Life Singapore Pte. Ltd. was approved for establishment by the board of directors of Shin Kong Life Insurance on February 19, 2025, and was subsequently approved by the board of directors of Shin Kong Financial Holding on February 20 of the same year. It later received approval for establishment from the Insurance Bureau of the Financial Supervisory Commission on April 10, 2025, and was officially approved for establishment by the Accounting and Corporate Regulatory Authority (ACRA) of Singapore and was issued a business license on May 15, 2025. Its approved business activities included “OTHER HOLDING COMPANIES.”

Shin Kong Marketing Co., Ltd. (“Shin Kong Marketing”) primarily engages in accounts receivable factoring, credit investigation services, overdue accounts receivable management services, and marketing promotion activities.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Shin Kong Leasing (Suzhou) Co., Ltd. was established on September 15, 2011, and primarily engages in financing leasing business.

Within these consolidated financial statements, TS Financial Holding and its subsidiaries mentioned above are collectively referred to as the “Group”.

2. Date and Procedures of Authorization of Financial Statements for Issue

The consolidated financial statements were approved by the Company’s board of directors on November 27, 2025.

3. Newly Issued or Revised Standards and Interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after 1 January 2025.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which have been endorsed by FSC, and not yet adopted by the Group as at the date when the Group’s financial statements were authorized for issue, are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 17 “Insurance Contracts”	1 January 2023
b	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
c	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
d	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(a) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows comprise of the following:

- (1) Estimates of future cash flows;
- (2) Discount rate: an adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that the financial risks are not included in the estimates of the future cash flows; and
- (3) A risk adjustment for non-financial risk.

The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims. Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

Upon the initial application of this standard, entities that have already applied IFRS 9 may re-designate and reclassify financial assets that meet the requirements of this standard. Entities are not required to restate comparative information to reflect changes in the reclassification of such assets. The difference between the carrying amount of the financial assets prior to the initial application date and their carrying amount on the initial application date shall be recognized in the opening retained earnings or other equity on the initial application date. If an entity restates comparative information, the restated information must reflect the requirements of IFRS 9 for the affected financial assets. Furthermore, for financial assets that have been derecognized during the comparative period of the initial application date of this standard, entities may choose to apply the overlay approach based on individual financial assets, as if such financial assets had been reclassified in accordance with the re-designation requirements of this standard during the comparative period.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

- (b) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (1) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- (2) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- (3) Clarify the treatment of non-recourse assets and contractually linked instruments.
- (4) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

- (c) Annual Improvements to IFRS Accounting Standards – Volume 11

- (1) Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(2) Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(3) Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(4) Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(5) Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(6) Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

(d) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

- (1) Clarify the application of the ‘own-use’ requirements.
- (2) Permit hedge accounting if these contracts are used as hedging instruments.
- (3) Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The abovementioned standards and amendments are applicable for annual periods beginning on or after 1 January 2026 and have no material impact on the Group.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- (3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Group as at the date when the Group’s financial statements were authorized for issue, are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 18 “Presentation and Disclosure in Financial Statements”	1 January 2027 (Note)
c	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	1 January 2027

Note: On September 25, 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028.

- (a) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(b) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

(1) Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

(2) Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

(3) Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

(c) Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This new standard and its amendments permit subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (b), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. Summary of Significant Accounting Policies

The consolidated financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, the Regulations Governing the Preparation of Financial Reports by Public Banks, the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Firms, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Accounting Standard 34 "Interim Financial Reporting" as endorsed and became effective by the Financial Supervisory Commission of the Republic of China.

Except for the following, the accounting policies applied in the interim consolidated financial statements are the same as those in the consolidated financial statements as of and for the year ended December 31, 2024. Refer to Note 5 to the consolidated financial statements as of and for the year ended December 31, 2024 for related information.

(1)Basis of consolidation

Subsidiaries included in the consolidated financial statements were as follows

The Group's the consolidated entities are listed as follows:

Investor	Subsidiary	Percentage of ownership (%)		
		September 30, 2025	December 31, 2024	September 30, 2024
The Company	Taishin Bank	100.00%	100.00%	100.00%
The Company	Taishin Securities B	100.00%	100.00%	100.00%
The Company	Taishin AMC	100.00%	100.00%	100.00%
The Company	Taishin Venture Capital Investment	100.00%	100.00%	100.00%
The Company	Taishin Securities Investment Advisory	92.00%	92.00%	92.00%
The Company	Taishin Securities Investment Trust	100.00%	100.00%	100.00%
The Company	Taishin Life Insurance	100.00%	100.00%	100.00%
Taishin Bank	Taishin Real-Estate	60.00%	60.00%	60.00%
Taishin Bank	Taishin D.A. Finance	100.00%	100.00%	100.00%

English Translation of Financial Statements Originally Issued in Chinese

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Investor	Subsidiary	Percentage of ownership (%)		
		September 30, 2025	December 31, 2024	September 30, 2024
Taishin D.A. Finance	Taishin Financial Leasing (China)	100.00%	100.00%	100.00%
Taishin AMC	Taishin Real-Estate	40.00%	40.00%	40.00%
Taishin Venture Capital Investment	Taishin Sports Entertainment	100.00%	100.00%	100.00%
Taishin Securities B	Taishin Securities Venture Capital	100.00%	100.00%	100.00%
Taishin Securities B	Taishin Capital	100.00%	100.00%	100.00%
Taishin Securities B	Taishin Futures	100.00%	100.00%	100.00%
Taishin Capital	Taishin Health Investment	100.00%	100.00%	100.00%
The Company	Shin Kong Life Insurance	100.00%	-	-
The Company	Taiwan Shin Kong Commercial Bank	100.00%	-	-
The Company	Shin Kong Investment Trust	100.00%	-	-
The Company	Shin Kong Venture Capital	100.00%	-	-
The Company	Shin Kong Insurance Agent	100.00%	-	-
The Company	MasterLink Securities	100.00%	-	-
Shin Kong Life Insurance	Shin Shou Building Management	72.01%	-	-
Shin Kong Life Insurance	Shin Kong Vietnam Co., Ltd	100.00%	-	-
		(Note 1)		
Shin Kong Life Insurance	Shin Kong Life Singapore Pte. Ltd	100.00%	-	-
		(Note 2)		
Taiwan Shin Kong Commercial Bank	Shin Kong Marketing	100.00%	-	-
MasterLink Securities	MasterLink Futures Corporation	100.00%	-	-

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Investor	Subsidiary	Percentage of ownership (%)		
		September 30, 2025	December 31, 2024	September 30, 2024
MasterLink Securities	MasterLink Venture Management Corporation	100.00%	-	-
MasterLink Securities	MasterLink Venture Capital Corporation	100.00%	-	-
MasterLink Securities	MasterLink Securities Investment Advisory Co., Ltd.	100.00%	-	-
MasterLink Securities	MasterLink Securities (B.V.I.) Corporation	100.00%	-	-
MasterLink Securities	MasterLink Insurance Agency Co., Ltd.	100.00%	-	-
MasterLink Securities	MasterLink Innovation Venture Management (Tianjin) Co., Ltd.	100.00%	-	-
MasterLink Securities	MasterLink Securities Venture Capital (Tianjin) Co., Ltd.	100.00% (Note3)	-	-
MasterLink Securities (B.V.I.) Corporation	MasterLink Securities (Hong Kong) Co., Ltd.	100.00%	-	-
MasterLink Securities (B.V.I.) Corporation	MasterLink Investment Advisory (Tianjin) Co., Ltd.	100.00%	-	-
Shin Kong Venture Capital	Lion Investment (Samoa) Co., Ltd.	100.00%	-	-
Lion Investment (Samoa) Co., Ltd.	Shin Kong Leasing Corp. (Suzhou)	100.00%	-	-

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Note 1: Shin Kong Vietnam Co., Ltd was approved for establishment by the competent authorities in Vietnam on March 26, 2025. Shin Kong Life Insurance injected a capital of USD 600,000 on April 15, 2025.

Note 2: Shin Kong Life Singapore Pte. Ltd was approved for establishment by the competent authorities in Singapore on May 15, 2025. Shin Kong Life Insurance injected a capital of USD 20,000,000 on June 25, 2025.

Note 3: Including indirect holdings through MasterLink Securities' subsidiary, MasterLink Venture Capital Co., Ltd.

Note 4: MasterLink Securities (Hong Kong) Co., Ltd. was approved for dissolution by the board of directors of MasterLink Securities on February 23, 2023, and obtained approval from the Financial Supervisory Commission on March 23, 2023, in accordance with letter No. Jin-Guan-Cheng-Juan-Zi 1120335037. As of September 30, 2025, the securities broker license has been revoked, and related business operations have ceased, but the liquidation process has not yet been completed.

(2) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events. If a plan amendment, curtailment or settlement occurs, the current service cost and the net interest for the remainder of the annual reporting period are determined using the actuarial assumptions used for the remeasurement of the net defined benefit liabilities (assets).

(3) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Income taxes accrued for the interim period 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.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(4) Insurance contract liabilities

The Group's reserves of insurance contracts and financial instruments with discretionary participation features are recognized based on "Regulation Governing the Setting Aside of Various Reserves by Insurance Enterprises" and relevant regulations issued by the competent authority. The following various reserves do not apply discount method other than policy reserve, premium deficiency reserve, and liability adequacy reserve. Provision basis of various reserves are as follows:

A. Unearned premium reserve

For effective contract with a coverage period under one year, unearned premium reserve is provided based on various risk calculation for effective contracts yet to mature or covered risks yet to terminate in the coverage period.

B. Loss reserve

Loss reserves based on claim experience and expenses of various insurance types and are calculated with actuarial principles. Besides, reserves are provided for "claims reported but not paid" and "claims incurred but not reported". For "claim reported but not paid", a reserve is provided on an individual claim basis for each type of insurance.

- (a) Health insurance and life insurance with a coverage period of less than one year shall be provisioned according to types of insurance based on past claims experience and loss adjustment expenses, using methods that comply with actuarial principles (e.g., loss development triangle method).
- (b) Accident insurance: Reserves shall be calculated based on past claims experience and loss adjustment expenses, using methods that comply with actuarial principles (e.g., loss development triangle method).

C. Policy reserve

Long-term insurance contract reserves are recognized and calculated based on related regulation and the calculation manual approved by the authorities. Discount rate is provided by the estimated interest rate of policy reserve in the new insurance contract.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

For any in-force policies whose calculation of dividend applies the calculation formula specified in letter No. Tai-Chai-Bao-Zi 800484251 issued by the Financial Supervisory Commission, the amount of dividend reduced due to the offsetting of mortality savins/loss with interest rate spread gains/losses shall be additionally reserved as a liability reserve for long-term in-force policy.

In addition, pursuant to Jin-Guan-Pao-Tzai Letter No. 10102500530 dated January 19, 2012, the catastrophe reserve recovered by the Group was transferred to “life policy reserve - recovery of catastrophe reserve” and the unwritten-off allowance for doubtful debt of 3% decrease in business tax was also transferred from special reserve to “life policy reserve - unwritten-off allowance for doubtful debt of 3% decrease in business tax” in 2012.

The Group has adopted Article 3-1 of the “Directions for the Foreign Exchange Valuation Reserve by Life Insurance Enterprises” on December 31, 2024. As of that date, policy reserve - operating loss reserve and policy reserve - recovery of catastrophe reserve were reclassified to the foreign exchange valuation reserve.

D. Special reserve for life insurance

A special reserve for participating policy dividends is provided each year based on the pre-tax income of the participating life insurance business. This is calculated in accordance with the Revenues Allocation Principles of Participating and Nonparticipating Life Insurance as reported to Authorities. The special reserve should be reversed on the dividend declaration date. If the balance of the special reserve for participating policy dividends is negative, a special reserve for dividend risks should be recognized in an amount equal to the deficit.

E. Premium deficiency reserve

If the issued premiums of life insurance, health insurance, and annuity insurance contract with a coverage period over one year are less than the premiums of policy reserve in compliance with the regulation, the deficiency of subsequent periods should be recognized as premium deficiency reserve. In addition, potential claims and expenses are estimates for effective contracts yet to mature and injury insurance contracts with a coverage period over one year. If the assessed amount is more than the unearned premium reserve and expected premium income, the insufficient amount should be recognized as premium deficiency reserve by product types. Discount rate is provided by the estimated interest rate of reserve for policy benefit in the new insurance contract.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

F. Liability adequacy reserve

Liability adequacy reserve refers to the required additional reserve according to the liability adequacy test result under IFRS 4. The Group adopts gross premium valuation method for the liability adequacy test based on the entire contracts of the Group, in accordance with “Actuarial Practice Guidelines” issued by the Actuarial Institute of the ROC. At the end of each reporting period, the test is performed by comparing the net carrying amount of insurance liabilities with the present estimates of insurance contract future cash flows. If the net carrying amount is insufficient, the deficiency is charged to current expense or loss.

5. Significant Accounting Judgments, Estimates and Assumptions

Material accounting judgments and key sources of estimation uncertainty are the same as the consolidated financial statements as of and for the year ended December 31, 2024. Refer to Note 6 to the consolidated financial statements as of and for the year ended December 31, 2024 for related information.

(1) Assessment of liability reserves and liabilities adequacy testing

The management of the Group estimates that the liability reserves and liability adequacy test are based on actuarial models and involve several significant assumptions. Key assumptions related to measuring liability reserves include mortality rates, discount rates, lapse rates, and morbidity rates. These assumptions are determined based on laws, regulations and considering the company's actual experience as well as industry experience. The adequacy testing of liabilities for insurance contracts is conducted in accordance with the standards issued by the Actuarial Institute of Chinese Taipei. The discount rates in the future years used for the significant assumptions in the testing are set based on the company's best case scenario and the overall investment portfolio return rate considering current information.

The Group management continues to review these estimates and makes adjustments when necessary; however, the actual results may differ from those anticipated at the time the estimates were made.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(2) Valuation of non-derivative financial instruments measured at fair value using valuation models without an active market

When assets measured at fair value have no market quotes in an active market, the Group determines whether to outsource the valuation based on relevant laws or judgment, and decides on the appropriate fair value valuation techniques.

If Level 1 inputs are not available when estimating fair value, the Group or the appointed appraiser determines the input values by referencing information such as the financial condition and operating results of the investee, recent transaction prices, quotes for similar equity instruments in inactive markets, quotes for similar instruments in active markets, valuation multiples of comparable companies, and bond market interest rates. If the actual future changes in input values differ from those expected, it may result in changes in fair value.

Due to the military conflict between Russia and Ukraine, the related international sanctions, inflation, fluctuations in market interest rates, volatility in foreign exchange markets, and uncertainties regarding the subsequent developments of U.S. tariffs, the financial markets have experienced significant volatility, leading to uncertainties in the fair value assessment of financial instruments.

The Group or the appointed appraiser updates various input values quarterly based on market conditions to assess whether the fair value measurement is appropriate. For details on fair value valuation techniques and input values, please refer to Note 6.(43).

(3) Business combinations

The identifiable assets and liabilities acquired are measured at fair value on a provisional basis, pending final valuation. The Group will continue to review these matters during the measurement period. If new information regarding facts and circumstances that existed on the acquisition date is obtained within one year from the acquisition date, and the adjustments made to the provisional amounts mentioned above are identified, the accounting treatment as of the acquisition date will be modified. Please refer to Note 6.(39) for details.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

6. Contents of Significant Accounts

(1) Cash and cash equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand	\$15,745,399	\$15,675,761	\$12,740,952
Checks for clearing	2,266,923	1,388,142	585,355
Due from banks	61,398,538	9,043,186	12,118,411
Others	4,631,910	7,003,599	4,092,661
Total	<u>\$84,042,770</u>	<u>\$33,110,688</u>	<u>\$29,537,379</u>

A. Due from banks include time deposits that have a maturity of three months or less from the date of acquisition, are readily convertible to a known amount of cash, and are subject to an insignificant risk of change in value; these were held for the purpose of meeting short-term cash commitments.

B. The loss allowance was measured at an amount equal to 12-month ECLs based on historical experience and forward-looking information; there was no loss allowance on cash and cash equivalents as of September 30, 2025, December 31, 2024 and September 30, 2024.

(2) Due from the central bank and call loans to banks

	September 30, 2025	December 31, 2024	September 30, 2024
Required reserve - account A	\$46,355,465	\$34,343,001	\$36,882,147
Required reserve - account B	102,645,182	62,886,038	60,002,894
Required reserve - foreign currency	605,159	613,797	596,471
Required reserve - others	120,958	91,242	81,573
Call loans to other banks	37,172,718	2,328,374	72,969,301
Interbank clearing funds	17,407,252	8,000,130	15,000,199
Total	<u>\$204,306,734</u>	<u>\$108,262,582</u>	<u>\$185,532,585</u>

The loss allowance was measured at an amount equal to 12-month ECLs based on historical experience and forward-looking information; there was no loss allowance on due from the Central Bank and call loans to banks as of September 30, 2025, December 31, 2024 and September 30, 2024.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(3) Financial instruments measured at fair value through profit or loss

	September 30, 2025	December 31, 2024	September 30, 2024
Financial assets at fair value through profit or loss, mandatorily measured at fair value			
Derivative instruments			
Futures	\$1,321,013	\$1,006,291	\$958,795
Forward exchange contracts	10,057,634	1,224,827	785,428
Currency swaps	35,309,415	29,507,034	16,364,987
Interest rate swaps	14,857,357	16,505,697	13,608,426
Cross-currency swaps	1,224,478	553,260	377,445
Options	4,562,567	2,391,469	4,318,628
Equity-linked swaps	815	-	46
Structured products	-	-	14,996
Non-derivative financial assets			
Investment in bills	74,196,549	54,599,251	61,423,092
Domestic and overseas shares and beneficiary certificates	338,774,193	41,493,344	52,037,061
Government bonds	23,568,518	5,982,741	7,093,370
Corporate bonds, bank notes payable and other bonds	54,645,782	12,671,321	14,425,311
Beneficiary securities	98,073	10,493	142,099
Share borrowing	-	51,797	-
Negotiable certificates of deposit	80,425,442	-	-
Commercial papers payable	18,444,000	-	-
Trading securities			
Dealing	57,067,469	11,133,485	10,423,678
Underwriting	1,582,086	1,990,302	1,785,234
Hedging	22,019,108	6,837,619	7,044,093
Total	<u>\$738,154,499</u>	<u>\$185,958,931</u>	<u>\$190,802,689</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	September 30, 2025	December 31, 2024	September 30, 2024
Financial liabilities designated at fair value through profit or loss			
Bank notes payable	\$2,314,613	\$2,422,399	\$2,715,720
Structured products	4,052,642	3,064,794	3,497,247
Financial liabilities held for trading			
Derivative instruments			
Futures	85,287	69,873	209,387
Forward exchange contracts	2,400,650	1,082,272	897,377
Currency swaps	31,409,691	26,471,291	17,619,777
Interest rate swaps	16,315,044	16,140,016	13,341,441
Cross-currency swaps	858,348	925,507	244,463
Options	10,520,000	4,830,910	7,001,720
Equity-linked swaps	815	-	46
Credit default swaps	-	-	1,843
Structured products	31,208	-	-
Liabilities for issuance of call (put) warrants, net	1,064,219	35,855	79,423
Exchangeable corporate bonds embedded derivatives	-	127,782	274,500
Non-derivative financial liabilities			
Share borrowing	14,872,618	1,494,495	1,453,126
Total	<u>\$83,925,135</u>	<u>\$56,665,194</u>	<u>\$47,336,070</u>

- A. For the nine months ended September 30, 2025 and 2024, the primary purpose of the Group's derivative transactions was to meet customer demand and to manage foreign exchange funding and risks for the Group.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. The nominal principal amounts of outstanding derivative contracts were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Futures	\$14,301,131	\$14,374,616	\$16,667,095
Forward exchange contracts	576,972,711	117,934,364	108,552,534
Currency swaps	2,710,334,950	2,328,364,474	2,171,340,328
Interest rate swaps	973,093,090	814,564,149	838,867,651
Cross-currency swaps	60,221,680	44,560,830	38,921,510
Options	140,211,887	428,679,909	595,114,764
Equity-linked swaps	36,551	-	33,570
Credit default swaps	-	-	106,207
Guarantee products	1,260,000	2,960,000	3,440,000
Credit-linked products	61,100	52,400	36,800
Equity-linked products	26,000	35,000	22,000

C. Call (put) warrants

	September 30, 2025	December 31, 2024	September 30, 2024
Call (put) warrants issued	\$20,949,184	\$2,887,313	\$2,995,189
Loss (gain) on change in fair value	1,443,137	(476,704)	(290,822)
Subtotal	22,392,321	2,410,609	2,704,367
Repurchased call (put) warrants	18,818,174	2,749,587	2,810,578
Gain (loss) on change in fair value	2,509,928	(374,833)	(185,634)
Subtotal	21,328,102	2,374,754	2,624,944
Total	\$1,064,219	\$35,855	\$79,423

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The call (put) warrants which were issued by Taishin Securities B, are exercisable within six to eight months from the date listed on market and will be settled in cash or in securities at Taishin Securities B's discretions. The fair value of call (put) warrants was calculated using the closing price on the last transaction day of the balance sheet date.

MasterLink Securities issues American or European style warrants. At the time of issuance, the warrants are recognized as liabilities at the issuance price prior to the expiration of the rights or if not exercised. When the issued warrants are repurchased, the repurchase price is recorded as a reduction of the warrant liabilities. The duration of the warrants is from 6 months to 2 years from exchange-listing or over-the-counter-listing date, and the settlement method is either cash or physical delivery, at the discretion of MasterLink Securities.

D. Taishin Bank's unsecured USD senior bank notes payable were as follows:

First unsecured USD senior bank notes payable of Taishin Bank of year 2018, 30 years, US\$80,000 thousand, 100% of the principal amount of the bonds, put redemption on the fifth anniversaries of the notes payable issue, and repay the holders at principal value plus accrued interests, maturity: July 5, 2048.

Second unsecured USD senior bank notes payable of Taishin Bank of year 2018, 30 years, US\$20,000 thousand, 100% of the principal amount of the bonds, put redemption on the fifth anniversaries of the notes payable issue, and repay the holders at principal value plus accrued interests, maturity: July 5, 2048.

Taishin bank considered unsecured USD senior bank notes payable as financial instruments designated at fair value through profit or loss to eliminate the recognition inconsistency.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- E. The Group adopted the overlay approach of IFRS 4 for the presentation of profit or loss of designated financial assets.

The financial assets related to investment activities of issued insurance contracts that designated to adopt the overlay approach were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Domestic listed (OTC) shares	\$123,365,556	\$22,488,121	\$23,608,240
Domestic unlisted (OTC) shares	304,849	77,911	77,911
Foreign stocks	18,543,980	-	-
Domestic beneficiary certificates	138,181,855	4,674,199	8,699,154
Foreign beneficiary certificates	15,109,352	1,955,594	3,180,964
Foreign beneficiary bonds	-	10,493	142,099
Domestic financial bonds	17,863,747	-	-
Foreign financial bonds	7,490,532	-	-
Total	\$320,859,871	\$29,206,318	\$35,708,368

Reclassifications from profit or loss to other comprehensive income of the financial assets designated by the Group to apply overlay approach by the Group for the three months ended September 30, 2025 and 2024, respectively, and for the nine months ended September 30, 2025 and 2024, respectively were as follow:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Gain (loss) on application of IFRS 9	\$30,606,001	\$(904,058)	\$29,042,003	\$3,749,038
(Gain) loss if applying IAS 39	(7,703,520)	(1,484,148)	(9,123,793)	(3,875,906)
Gain (loss) on reclassification using the overlay approach	\$22,902,481	\$(2,388,206)	\$19,918,210	\$(126,868)

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Due to the application of overlay approach, the amount of (losses) gains on financial assets measured at fair value through profit or loss had been adjusted from \$(2,251,071) thousand to \$(25,153,552) thousand and from \$546,577 thousand to \$2,934,783 for the three months ended September 30, 2025 and 2024, respectively, and from \$1,033,532 thousand to \$(18,884,678) thousand and from \$6,788,112 thousand to \$6,914,980 thousand for the nine months ended September 30, 2025 and 2024, respectively.

- F. The Group issued the first domestic unsecured exchangeable corporate bonds to obtain Chang Hwa Bank's ordinary shares on April 1, 2022. According to IFRS 9 "Financial Instrument", the derivative financial instrument embedded in the exchangeable bonds shall be separated from the main contract and recognized as a derivative instrument, as its economic trait and risk are not closely related to the main contract's debt instruments. The fair value of the embedded derivatives at the exchangeable bonds' issuance date was \$398,500 thousand and was recognized as financial liabilities at fair value through profit or loss. Thus, the losses on financial liabilities at fair value through profit or loss amounted to \$0 thousand and \$63,000 thousand for the three months ended September 30, 2025, and 2024, respectively, and amounted to \$38,481 thousand and \$99,000 thousand for the nine months ended September 30, 2025, and 2024, respectively. Refer to Note 6.(20) for information related to the issuance of the exchangeable corporate bonds.

(4) Financial assets at fair value through other comprehensive income

	September 30, 2025	December 31, 2024	September 30, 2024
Debt instrument			
Government bonds	\$166,938,627	\$83,067,754	\$60,546,614
Corporate bonds	120,775,377	38,702,709	36,938,764
Bank notes payable	66,636,220	31,462,974	31,873,820
Beneficiary securities	2,339,024	955,554	1,007,448
Subtotal	<u>356,689,248</u>	<u>154,188,991</u>	<u>130,366,646</u>
Equity instrument			
Domestic and overseas shares	136,255,475	15,103,728	15,301,960
Total	<u>\$492,944,723</u>	<u>\$169,292,719</u>	<u>\$145,668,606</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- A. Because some equity instruments are held by the Group for medium- to long-term purposes and not for trading, which is reasonably reflected in the operating performance, equity instruments are classified as at fair value through other comprehensive income.
- B. The Group issued the first domestic unsecured exchangeable corporate bonds to obtain Chang Hwa Bank's ordinary shares on April 1, 2022. Refer to Note 6.(20) for information related to the issuance of the exchangeable corporate bonds.
- C. The amount of the loss allowance for debt instruments was as follows:

	12-month ECLs	Lifetime ECLs - not credit- impaired	Lifetime ECLs - credit-impaired	Total
September 30, 2025	\$93,523	\$-	\$-	\$93,523
December 31, 2024	35,055	-	-	35,055
September 30, 2024	34,553	-	-	34,553

As the Group's debt instruments at fair value through other comprehensive income were measured using the ECLs model, the Group recognized impairment loss on financial assets amounted to \$21,808 thousand and \$6,588 thousand for the three months ended September 30, 2025 and 2024, respectively, and amounted to \$28,369 thousand and \$8,508 thousand for the nine months ended September 30, 2025 and 2024, respectively.

- D. The Group sold the domestic shares for strategic purposes. The shares sold had a fair value of \$44,411,761 thousand and \$7,999,600 thousand, and the Group transferred \$159,722 thousand and \$731,580 thousand of gains from other equity to retained earnings for the nine months ended September 30, 2025 and 2024, respectively.
- E. Refer to Note 6.(43) for information relating to the management of credit risk and the impairment assessment on investments in debt instruments at fair value through other comprehensive income.
- F. Refer to Note 8 for information relating to debt instruments at fair value through other comprehensive income pledged as collateral.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(5) Investments in debt instruments at amortized cost

	September 30, 2025	December 31, 2024	September 30, 2024
Investment in bills	\$238,851,100	\$316,076,428	\$248,514,529
Bank notes payable	912,890,447	132,565,411	121,629,574
Corporate bonds	779,517,923	149,869,087	149,780,271
Government bonds	573,099,576	174,451,564	184,169,807
Beneficiary securities	102,277,426	41,975,323	34,392,033
Others	45,867,926	-	-
Subtotal	2,652,504,398	814,937,813	738,486,214
Less: allowance for impairment	(835,038)	(98,612)	(95,315)
Less: security deposit	(14,959,308)	(1,855,839)	(1,730,874)
Total	<u>\$2,636,710,052</u>	<u>\$812,983,362</u>	<u>\$736,660,025</u>

A. The Group disposed of bonds before maturity date because of infrequent sales, or because the sales were insignificant in value (either individually or in aggregate) and recognized gain (loss) on disposal of \$62,797 thousand and \$1 thousand for the three months ended September 30, 2025 and 2024, respectively, and disposal of \$62,797 thousand and \$(9,957) thousand for the nine months ended September 30, 2025 and 2024, respectively. The disposal of bonds due to other conditions such as repayments at maturities and redemptions resulted in gain (loss) on disposal of \$23,947 thousand and \$7,601 thousand for the three months ended September 30, 2025 and 2024, respectively, and disposal of \$53,274 thousand and \$23,091 thousand for the nine months ended September 30, 2025 and 2024, respectively.

B. As of September 30, 2025, the annual interest rates for time deposits with original maturities exceeding 3 months ranged between 1.62% and 1.76%.

C. The amount of the loss allowance for debt instruments was as follows:

	12-month ECLs	Lifetime ECLs - not credit- impaired	Lifetime ECLs - credit-impaired	Total
September 30, 2025	\$835,038	\$-	\$-	\$835,038
December 31, 2024	98,612	-	-	98,612
September 30, 2024	95,315	-	-	95,315

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

As the Group's investments in debt instruments at amortized cost were measured using the ECLs model, the Group had recognized impairment (loss) reversal of impairment loss on financial assets amounted to \$727,521 thousand and \$24,558 thousand for the three months ended September 30, 2025 and 2024, respectively, and amounted to \$725,634 thousand and \$30,313 thousand for the nine months ended September 30, 2025 and 2024, respectively.

- D. Refer to Note 6.(43) for information relating to the management of credit risk and the impairment assessment on investments in debt instruments at amortized cost.
- E. Refer to Note 8 for information relating to investments in debt instruments at amortized cost pledged as collateral.

(6) Receivables, net

- A. The details of receivables, net were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Notes and accounts			
receivable	\$92,272,939	\$76,876,408	\$76,436,044
Credit cards receivable	85,655,400	76,277,101	78,347,668
Interest receivable	37,128,950	11,619,640	11,188,009
Securities margin loans			
receivable	32,205,633	16,823,354	15,298,173
Delivery accounts receivable	49,838,234	6,756,093	11,106,558
Other receivables	8,596,142	3,034,417	3,007,134
Subtotal	305,697,298	191,387,013	195,383,586
Less: adjustment for			
discounts	(2,562,992)	(2,807,074)	(2,861,226)
Less: allowance for			
receivables	(2,739,876)	(1,844,367)	(1,866,941)
Total	\$300,394,430	\$186,735,572	\$190,655,419

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. The movements in the allowance for receivables (including non-performing receivables transferred from other than loans) for the nine months ended September 30, 2025 and 2024 were as follows:

	12-month ECLs	Lifetime ECLs (group assessment)	Lifetime ECLs (individual assessment)	Lifetime ECLs (non-purchased or originated credit- impaired (POCI) financial assets)	Loss allowance under IFRS 9	Recognized (reversal) based on the regulations governing the procedures for banking institutions to evaluate assets and deal with non- performing/non- accrual loans	Total
Loss allowance as of January 1, 2025	\$175,088	\$148,645	\$390,379	\$639,956	\$1,354,068	\$710,979	\$2,065,047
Changes of financial instruments recognized at the beginning of the reporting period							
Transferred to lifetime ECLs	-	27,647	-	-	27,647	-	27,647
Transferred to credit- impaired financial assets	(3,348)	(7,067)	-	155,431	145,016	-	145,016
Transferred to 12- month ECLs	11,103	(38,748)	-	(11,038)	(38,683)	-	(38,683)
Financial assets derecognized	(68,419)	(65,314)	(26,257)	(589,145)	(749,135)	-	(749,135)
New financial assets purchased or originated	39,936	95,015	6,105	-	141,056	-	141,056
Recognized (reversal) based on the regulations governing the procedures for banking institutions to evaluate assets and deal with non- performing/non- accrual loans	-	-	-	-	-	(11,236)	(11,236)
Write-offs	(25,925)	(36,642)	(597)	(787,964)	(851,128)	-	(851,128)
Recovery of written-off loans	(4,560)	-	-	687,806	683,246	-	683,246
Acquisitions through business combinations	174,397	94,165	90	279,296	547,948	228,301	776,249
Foreign exchange and other movements	(897)	32,238	8,930	768,707	808,978	-	808,978
Loss allowance as of September 30, 2025	\$297,375	\$249,939	\$378,650	\$1,143,049	\$2,069,013	\$928,044	\$2,997,057

English Translation of Financial Statements Originally Issued in Chinese

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	12-month ECLs	Lifetime ECLs (group assessment)	Lifetime ECLs (individual assessment)	Lifetime ECLs (non-purchased or originated credit-impaired (POCI) financial assets)	Loss allowance under IFRS 9	Recognized (reversal) based on the regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	Total
Loss allowance as of January 1, 2024	\$195,840	\$152,632	\$476,461	\$1,169,499	\$1,994,432	\$635,310	\$2,629,742
Changes of financial instruments recognized at the beginning of the reporting period							
Transferred to lifetime ECLs	(3,226)	30,301	-	(3,844)	23,231	-	23,231
Transferred to credit-impaired financial assets	(2,985)	(4,307)	-	195,055	187,763	-	187,763
Transferred to 12-month ECLs	1,297	(6,718)	-	(8,361)	(13,782)	-	(13,782)
Financial assets derecognized	(97,171)	(22,378)	(12,027)	(1,102,044)	(1,233,620)	-	(1,233,620)
New financial assets purchased or originated	71,152	16,529	12,420	540,089	640,190	-	640,190
Recognized (reversal) based on the regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	-	-	-	-	-	3,471	3,471
Write-offs	(10)	(18,142)	(11,381)	(506,308)	(535,841)	-	(535,841)
Recovery of written-off loans	-	-	3,316	724,568	727,884	-	727,884
Foreign exchange and other movements	13,497	17,780	96	132,353	163,726	-	163,726
Loss allowance as of September 30, 2024	\$178,394	\$165,697	\$468,885	\$1,141,007	\$1,953,983	\$638,781	\$2,592,764

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(7) Assets classified as held for sale

	September 30, 2025	December 31, 2024	September 30, 2024
	Land and buildings	Land and buildings	Land and buildings
Carrying amount	\$5,657,800	\$-	\$-

The assets held for sale by the Group are the building and parking spaces of the President Jasper Villa in Taipei City, measured at the lower of carrying value and net fair value.

(8) Loans, net

A. The details of loans, net were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Negotiated	\$1,613,881	\$2,732,507	\$3,643,391
Overdrafts	1,411,240	2,962,400	479,430
Short-term loans	625,231,670	311,754,093	359,378,805
Medium-term loans	916,785,912	581,300,393	571,737,067
Long-term loans	1,279,386,053	774,322,022	779,197,551
Policy loans	99,367,288	6,300,573	6,044,084
Automatic premium loans	11,769,795	1,958,511	1,916,679
Delinquent loans	2,532,007	1,710,192	1,604,954
Subtotal	2,938,097,846	1,683,040,691	1,724,001,961
Less: adjustment for discounts	(951,975)	(848,086)	(827,734)
Less: allowance for loan losses	(35,598,327)	(21,679,059)	(22,207,888)
Total	\$2,901,547,544	\$1,660,513,546	\$1,700,966,339

English Translation of Financial Statements Originally Issued in Chinese

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. The movements in the allowance for loans for the nine months ended September 30, 2025 and 2024 were as follows:

	12-month ECLs	Lifetime ECLs (group assessment)	Lifetime ECLs (individual assessment)	Lifetime ECLs (non-POCI financial assets)	Loss allowance under IFRS 9	Recognized (reversal) based on the regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	Total
Loss allowance as of January 1, 2025	\$2,303,783	\$941,807	\$182,445	\$2,866,898	\$6,294,933	\$15,384,126	\$21,679,059
Changes of financial instruments recognized at the beginning of the reporting period							
Transferred to lifetime ECLs	(25,729)	374,601	22,050	(16,899)	354,023	-	354,023
Transferred to credit-impaired financial assets	(11,813)	(129,139)	(18,023)	1,217,922	1,058,947	-	1,058,947
Transferred to 12-month ECLs	13,429	(344,154)	-	(239,898)	(570,623)	-	(570,623)
Financial assets derecognized	(1,336,015)	(824,856)	(16,071)	(1,367,011)	(3,543,953)	-	(3,543,953)
New financial assets purchased or originated	1,516,242	506,221	3,533	156,527	2,182,523	-	2,182,523
Recognized (reversal) based on the regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	-	-	-	-	-	2,184,712	2,184,712
Write-offs	(1,010)	(27,079)	-	(751,286)	(779,375)	-	(779,375)
Recovery of written-off loans	-	-	-	972,616	972,616	-	972,616
Acquisitions through business combinations	2,151,897	1,887,392	8,451	1,202,202	5,249,942	6,962,963	12,212,905
Foreign exchange and other movements	(88,085)	(171,669)	(5)	160,346	(99,413)	(53,094)	(152,507)
Loss allowance as of September 30, 2025	\$4,522,699	\$2,213,124	\$182,380	\$4,201,417	\$11,119,620	\$24,478,707	\$35,598,327

English Translation of Financial Statements Originally Issued in Chinese

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	12-month ECLs	Lifetime ECLs (group assessment)	Lifetime ECLs (individual assessment)	Lifetime ECLs (non-POCI financial assets)	Loss allowance under IFRS 9	Recognized (reversal) based on the regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	Total
Loss allowance as of January 1, 2024	\$2,112,673	\$1,122,220	\$102,749	\$3,122,610	\$6,460,252	\$14,121,810	\$20,582,062
Changes of financial instruments recognized at the beginning of the reporting period							
Transferred to lifetime ECLs	(11,281)	332,656	129,142	(11,437)	439,080	-	439,080
Transferred to credit-impaired financial assets	(5,780)	(41,272)	(8,944)	710,930	654,934	-	654,934
Transferred to 12-month ECLs	7,448	(221,950)	(4,489)	(167,992)	(386,983)	-	(386,983)
Financial assets derecognized	(448,829)	(270,028)	(46,356)	(1,281,025)	(2,046,238)	-	(2,046,238)
New financial assets purchased or originated	696,600	67,962	20,675	69,117	854,354	-	854,354
Recognized (reversal) based on the regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	-	-	-	-	-	1,635,649	1,635,649
Write-offs	(476)	(11,152)	-	(150,624)	(162,252)	-	(162,252)
Recovery of written-off loans	-	-	-	637,282	637,282	-	637,282
Loss allowance as of September 30, 2024	\$2,350,355	\$978,436	\$192,777	\$2,928,861	\$6,450,429	\$15,757,459	\$22,207,888

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- C. Details of the reversal of bad debt expenses, commitments, and guarantee liabilities (provision) for the nine months ended September 30, 2025 and 2024 were as follows:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
(Provision for) reversal of the allowance for losses on receivables, loans and other financial assets	\$(1,123,948)	\$(551,065)	\$(2,295,574)	\$(1,443,217)
(Provision for) reversal of the allowance for losses on guarantee liabilities	(110,157)	(24,341)	(105,054)	(35,327)
(Provision for) reversal of the allowance for losses on loan commitments	719	147	(13,654)	(4,028)
(Provision for) reversal of the allowance for letters of credit	(41,127)	(49)	(41,329)	59
Total	\$(1,274,513)	\$(575,308)	\$(2,455,611)	\$(1,482,513)

(9) Investments accounted for using equity method

A. Investments in associates

	September 30, 2025	December 31, 2024	September 30, 2024
Associates that are not individually material	\$3,343,161	\$527,999	\$516,094

Aggregate information of associates that are not individually material:

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
The Group's share of:				
Net income for the period	\$48,676	\$14,835	\$46,533	\$34,633
Other comprehensive income for the period	29	-	29	(88)
Total comprehensive income for the period	\$48,705	\$14,835	\$46,562	\$34,545

- B. Mega Solar Co., Ltd., an investee of Taishin Life Insurance accounted for under the equity method, resolved in July 2025 to cease operations. The company plans to implement a capital reduction to offset accumulated losses and return cash to shareholders. Taishin Life Insurance has conducted an assessment in accordance with internal policies and has booked impairment losses.
- C. On May 22, 2020, the board of directors of the subsidiary, Shin Kong Life Insurance, approved investment in the cash capital increase of Ding Cheng Life Insurance Company, in the amount of RMB 187,500 thousand. An equity transfer pre-contract was entered into with a legal entity in mainland China, with plans to sell all shares of Ding Cheng Life Insurance. Shin Kong Life Insurance received a deposit of RMB 187,500 thousand, which was recorded under the deposit account. On September 2, 2020, Shin Kong Life Insurance transferred \$807,188 thousand (RMB 187,500 thousand) to the capital increase account of Ding Cheng Life Insurance, which is still pending review by the China Banking and Insurance Regulatory Commission. The capital increase is recorded under other assets - prepaid investment. The regulatory authority reallocated the supervision of this capital increase in January 2021, transferring it from the China Banking and Insurance Regulatory Commission to the Beijing Regulatory Bureau of the China Banking and Insurance Regulatory Commission. The capital increase was terminated by the board of directors of Ding Cheng Life Insurance on June 30, 2021, and the payment of the capital increase was refunded on August 16, 2021. On June 29, 2021, the board of directors of Shin Kong Life Insurance approved to retrieve its original capital increase for Ding Cheng Life Insurance and to sell all shares of Ding Cheng Life Insurance. Additionally, on June 30, 2021, a share transfer agreement and a supplementary agreement were signed with Hongdou Group Co., Ltd., with a total transfer price of RMB 462,500 thousand, and it was agreed that Shin Kong Life Insurance would no longer contribute to Ding Cheng Life Insurance's subsequent capital increase plans. The share transfer is subject to approval by the regulatory authority, which changed to the Beijing Regulatory Bureau of the National Financial Supervisory Administration in May 2023.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Shin Kong Life Insurance and its subsidiaries have ceased recognizing further shares of losses from Ding Cheng Life Insurance Company under the equity method. When recognizing shares of losses from associated enterprises, Shin Kong Life Insurance and its subsidiaries considered the carrying amount of their equity investments in the associated enterprises. As of September 30, 2025, the cumulative shares of unrecognized losses from associated enterprises amounted to \$564,811 thousand.

- D. The Group's investments accounted for using equity method were not pledged as collateral as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively.

(10) Other financial assets, net

- A. The details of other financial assets, net items were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Non-performing receivables transferred from other than loans	\$403,230	\$383,975	\$892,858
Less: allowance for bad debt	(257,181)	(220,680)	(725,823)
Due from banks	21,017,402	6,592,320	5,817,520
Securities lending deposits	1,212,753	56,544	56,544
Gold deposit account	1,581,751	967,479	722,138
Customer margin account	15,074,631	3,678,499	3,592,272
Securities borrowing collateral price	1,126,402	-	-
Separate account insurance products assets (Note 6.(27))	118,344,993	44,367,925	42,195,437
Total	\$158,503,981	\$55,826,062	\$52,550,946

- B. The due from banks recognized under other financial assets held by the Group are time deposits with original maturities of more than 3 months or pledged as collateral. Refer to Note 8 for the information relating to the due from banks and time deposits pledged as collateral

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- C. Refer to Note 6.(6) for the movements of the allowance for non-performing receivables transferred from other than loans for the nine months ended September 30, 2025 and 2024.
- D. The loss allowance was measured at an amount equal to 12-month ECLs based on historical experience and forward-looking information; there was no allowance for loss on other financial assets excluding non-performing receivables transferred from other than loans as of September 30, 2025, December 31, 2024 and September 30, 2024.

(11) Investment properties, net

	September 30, 2025	December 31, 2024	September 30, 2024
Investment properties			
Land	\$150,782,682	\$4,348,096	\$4,348,099
Buildings			
Cost	96,519,589	1,412,670	1,412,670
Accumulated depreciation	(768,405)	(272,696)	(263,974)
Subtotal	95,751,184	1,139,974	1,148,696
Prepayments for buildings and land	40,607	5,368,011	-
Investment properties under construction	76,757	-	-
Total	<u>\$246,651,230</u>	<u>\$10,856,081</u>	<u>\$5,496,795</u>

The Group acquired investment properties in the amount of \$230,414,193 thousand due to business combinations for the nine months ended September 30, 2025.

The Group acquired investment properties in the amount of \$1,040,854 thousand and \$1,452,207 thousand, and disposed of \$20,629 thousand and \$0 thousand, for the nine months ended September 30, 2025 and 2024, respectively. Other than the recognized depreciation expenses and the reclassification of \$586,373 thousand from property and equipment to investment property, there were no significant changes in the value and impairment of other investment properties held by the Group for the nine months ended September 30, 2025 and 2024.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

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

Buildings 2~62 years

The Group's investment properties, which were leased out under operating leases, had lease terms between one and twenty years.

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

	September 30, 2025	December 31, 2024	September 30, 2024
Year 1	\$4,839,048	\$181,045	\$183,082
Year 2	4,002,662	172,579	172,559
Year 3	2,774,130	167,007	168,015
Year 4	2,073,468	159,471	162,354
Year 5	1,662,422	137,556	141,611
Over 5 years	5,265,866	679,398	712,099
Total	<u>\$20,617,596</u>	<u>\$1,497,056</u>	<u>\$1,539,720</u>

The rental income and direct operating expenses generated from investment properties for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024 were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Rental income	\$910,201	\$49,187	\$1,013,814	\$140,041
Direct operating expenses				
From investment properties generating rental income	1,386,930	10,256	1,415,057	32,267
From investment properties not generating rental income	11,401	625	14,019	3,147

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The fair values of the Group's investment properties (excluding prepayments for buildings and land) as of September 30, 2025, December 31, 2024 and September 30, 2024 were \$246,885,927 thousand, \$6,401,473 thousand and \$6,249,953 thousand, respectively. The fair values were determined by the Group's management and independent evaluation companies based on the valuation models measured by Level 3 inputs generally used by the market participants, the foregoing valuation was from the transaction value of property and equipment.

(12) Property and equipment, net

	September 30, 2025	December 31, 2024	September 30, 2024
Land	\$58,053,219	\$17,414,366	\$17,414,366
Buildings	15,293,010	5,264,716	5,284,467
Machinery equipment	2,264,643	1,974,582	2,046,159
Transportation equipment	118,361	126,090	123,245
Miscellaneous equipment	676,049	114,775	115,766
Leasehold improvements	817,309	320,798	331,110
Construction in progress	1,343,314	-	-
Prepayments for equipment	76,403	93,460	128,556
Total	\$78,642,308	\$25,308,787	\$25,443,669

	Land	Buildings	Machinery equipment	Transportation equipment	Miscellaneous equipment	Leasehold improvements	Construction in progress	Prepayments for equipment	Total
Cost:									
Balance, January 1, 2025	\$17,414,366	\$8,909,680	\$5,033,293	\$262,588	\$255,707	\$802,323	\$-	\$93,460	\$32,771,417
Additions	-	37,680	330,743	2,217	31,765	43,632	195,631	118,734	760,402
Disposals	(15,302)	(119,853)	(889,647)	(20,173)	(51,942)	(78,657)	-	(49,060)	(1,224,634)
Reclassification	(194,937)	(131,812)	50,726	-	-	53,963	(6,573)	(142,212)	(370,845)
Acquisitions through business combinations	40,849,092	10,438,669	502,612	22,726	584,444	512,388	1,154,256	55,481	54,119,668
Exchange differences	-	-	(1,351)	-	-	(3,461)	-	-	(4,812)
Balance, September 30, 2025	<u>\$58,053,219</u>	<u>\$19,134,364</u>	<u>\$5,026,376</u>	<u>\$267,358</u>	<u>\$819,974</u>	<u>\$1,330,188</u>	<u>\$1,343,314</u>	<u>\$76,403</u>	<u>\$86,051,196</u>

English Translation of Financial Statements Originally Issued in Chinese

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Land	Buildings	Machinery equipment	Transportation equipment	Miscellaneous equipment	Leasehold improvements	Construction in progress	Prepayments for equipment	Total
Balance, January									
1, 2024	\$17,403,987	\$8,752,343	\$5,188,817	\$248,877	\$271,727	\$884,089	\$-	\$103,020	\$32,852,860
Additions	-	36,164	300,961	24,628	40,341	52,994	-	233,948	689,036
Disposals	-	(11,567)	(399,765)	(24,353)	(73,447)	(164,418)	-	-	(673,550)
Reclassification	10,379	89,093	90,578	-	35,225	12,796	-	(208,412)	29,659
Exchange									
differences	-	-	1,208	-	-	3,327	-	-	4,535
Balance, September 30,									
2024	\$17,414,366	\$8,866,033	\$5,181,799	\$249,152	\$273,846	\$788,788	\$-	\$128,556	\$32,902,540
Accumulated depreciation:									
Balance, January									
1, 2025	\$-	\$3,644,964	\$3,058,711	\$136,498	\$140,932	\$481,525	\$-	\$-	\$7,462,630
Depreciation									
expenses	-	307,864	581,963	32,207	54,802	109,453	-	-	1,086,289
Disposals	-	(103,447)	(877,850)	(19,708)	(51,809)	(78,657)	-	-	(1,131,471)
Reclassification	-	(8,027)	-	-	-	3,266	-	-	(4,761)
Exchange									
differences	-	-	(1,091)	-	-	(2,708)	-	-	(3,799)
Balance, September 30,									
2025	\$-	\$3,841,354	\$2,761,733	\$148,997	\$143,925	\$512,879	\$-	\$-	\$7,408,888
Balance, January									
1, 2024	\$-	\$3,389,884	\$2,968,107	\$118,844	\$161,458	\$514,174	\$-	\$-	\$7,152,467
Depreciation									
expenses	-	199,884	589,642	31,385	34,626	105,648	-	-	961,185
Disposals	-	(11,567)	(390,073)	(24,322)	(73,229)	(164,421)	-	-	(663,612)
Reclassification	-	3,364	(33,028)	-	35,225	-	-	-	5,561
Exchange									
differences	-	-	993	-	-	2,277	-	-	3,270
Balance, September 30,									
2024	\$-	\$3,581,565	\$3,135,641	\$125,907	\$158,080	\$457,678	\$-	\$-	\$7,458,871

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

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

Buildings	5~62 years
Machinery equipment	1~30 years
Transportation equipment	2~7 years
Miscellaneous equipment	1~20 years
Leasehold improvements	1~50 years

No impairment testing was performed because there was no indication of impairment for the nine months ended September 30, 2025 and 2024.

(13) Lease arrangements

A. Right-of-use assets, net

	September 30, 2025	December 31, 2024	September 30, 2024
Carrying amount			
Land use rights	\$1,387,016	\$-	\$-
Buildings	4,332,693	2,188,259	2,130,252
Office and other equipment	41,827	1,244	2,232
Transportation equipment	47,127	28,782	24,410
Total	<u>\$5,808,663</u>	<u>\$2,218,285</u>	<u>\$2,156,894</u>

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Depreciation charge for right-of-use assets				
Land use rights	\$892	\$-	\$892	\$-
Buildings	320,092	213,612	703,622	635,150
Office and other equipment	3,847	988	4,647	3,168
Transportation equipment	5,572	3,604	14,494	10,672
Total	<u>\$330,403</u>	<u>\$218,204</u>	<u>\$723,655</u>	<u>\$648,990</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

For the nine months ended September 30, 2025 and 2024, the Group added \$832,575 thousand and \$514,196 thousand, respectively, to the right-of-use assets.

Some of the land use rights and their associated buildings acquired by the Group are subleased under operating leases, and the related right-of-use assets are reported as investment properties. The amounts related to the above right-of-use assets do not include those that meet the definition of investment properties.

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets for the nine months ended September 30, 2025 and 2024.

B. Lease liabilities

	September 30, 2025	December 31, 2024	September 30, 2024	
Carrying amount	<u>\$12,805,790</u>	<u>\$2,291,981</u>	<u>\$2,234,379</u>	
	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Interest expense (other interest expense)	<u>\$31,983</u>	<u>\$6,318</u>	<u>\$46,117</u>	<u>\$19,267</u>

The Group leases buildings for the use of its bank branches and offices. Lease terms and range of discount rate for lease liabilities as of September 30, 2025, December 31, 2024 and September 30, 2024 were as follows:

	The lease term	Discount rate
September 30, 2025		
Land use rights	50~141 years	2.300%~4.580%
Buildings	1~15 years	0.346%~6.210%
Office and other equipment	2~5 years	1.081%~4.350%
Transportation equipment	2~5 years	0.900%~4.575%
December 31, 2024		
Buildings	1~15 years	0.346%~5.247%
Office and other equipment	2~5 years	0.560%~3.099%
Transportation equipment	1~5 years	4.067%~5.087%

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	The lease term	Discount rate
September 30, 2024		
Buildings	1~10 years	0.346%~5.312%
Office and other equipment	2~6 years	0.560%~3.099%
Transportation equipment	1~3 years	4.067%~5.563%

C. Significant Lease Activities and Terms

The land use rights leased by the Group include the following items:

- (a) The subsidiary, Shin Kong Life Insurance, won the bid for the land use rights on the A12 lot in Xinyi District from the Taipei City Government in November 2003, with a use period of 50 years, expiring in December 2053.
- (b) The subsidiary, Shin Kong Life Insurance, obtained the land use rights for the Xinban section in Banqiao District from Taiwan Tobacco and Liquor Corporation in June 2013, with a use period of 50 years, expiring in June 2063.
- (c) The subsidiary, Shin Kong Life Insurance, acquired the land use rights for the Dalong section in Datong District from CPC Corporation, Taiwan in October 2013, with a use period of 50 years, expiring in October 2063.
- (d) The subsidiary, Shin Kong Life Insurance, obtained the land use rights for the Nangang Economic and Trade section from the Taipei City Government in March 2014, with a use period of 60 years, expiring in March 2074.
- (e) The subsidiary, Shin Kong Life Insurance, acquired the land use rights for the Wenhua section in Banqiao District from CPC Corporation, Taiwan in October 2014, with a use period of 50 years, expiring in October 2064.
- (f) The subsidiary, Shin Kong Life Insurance, obtained the land use rights in London, UK from Gracechurch Street No 1 Limited in December 2015, with the use period of 141 years and 10 months remaining at the time of acquisition, expiring in October 2157.
- (g) The subsidiary, Shin Kong Life Insurance, acquired the land use rights for the Chenggong section in Zhongzheng District from the National Property Administration, Ministry of Finance in June 2018, with a use period of 70 years, expiring in June 2088.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- (h) The subsidiary, Shin Kong Life Insurance, obtained the land use rights for the Nangang Transit Station from the Taipei City Government in December 2020, with a use period of 50 years, expiring in December 2070.
- (i) The subsidiary, Shin Kong Life Insurance, acquired the land use rights for the Qianjin section in Qianjin District from the Kaohsiung City Government in March 2021, with a use period of 70 years, expiring in April 2091.
- (j) The subsidiary, Shin Kong Life Insurance, obtained the land use rights for the Ruanchiao section in Beitou District from the Taipei City Government in February 2022, with a use period of 50 years, expiring in February 2072.

D. Other lease information

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Expenses relating to short-term leases	\$5,076	\$4,377	\$18,495	\$18,189
Expenses relating to low-value asset leases	\$268	\$1,022	\$3,843	\$5,586
Total cash outflow for leases			\$797,603	\$728,865

Certain lease contracts of the Group qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

All lease commitments with lease terms commencing after the balance sheet date were as follows:

	September 30,	December 31,	September 30,
	2025	2024	2024
Lease commitments	\$27,750	\$40,800	\$187,876

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(14) Intangible assets, net

	September 30, 2025	December 31, 2024	September 30, 2024
Goodwill	\$649,631,989	\$1,567,391	\$1,567,391
Client list	4,624,980	-	-
Computer software	2,804,576	2,083,067	2,014,023
Other intangible assets	12,998,687	18,938	20,625
Total	<u>\$670,060,232</u>	<u>\$3,669,396</u>	<u>\$3,602,039</u>

	Goodwill	Client list	Computer software	Other intangible assets	Total
Balance, January 1, 2025	\$1,567,391	\$-	\$2,083,067	\$18,938	\$3,669,396
Additions	-	-	456,578	50,365	506,943
Acquisitions through business combinations	648,064,598	4,703,370	833,046	13,119,242	666,720,256
Amortization	-	(78,390)	(592,480)	(189,858)	(860,728)
Reclassification	-	-	23,056	-	23,056
Exchange differences	-	-	1,309	-	1,309
Balance, September 30, 2025	<u>\$649,631,989</u>	<u>\$4,624,980</u>	<u>\$2,804,576</u>	<u>\$12,998,687</u>	<u>\$670,060,232</u>
Balance, January 1, 2024	\$1,567,391	\$-	\$1,972,227	\$25,703	\$3,565,321
Additions	-	-	499,884	-	499,884
Disposals	-	-	-	(15)	(15)
Amortization	-	-	(463,355)	(5,063)	(468,418)
Reclassification	-	-	4,512	-	4,512
Exchange differences	-	-	755	-	755
Balance, September 30, 2024	<u>\$1,567,391</u>	<u>\$-</u>	<u>\$2,014,023</u>	<u>\$20,625</u>	<u>\$3,602,039</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(15) Other assets, net

	September 30, 2025	December 31, 2024	September 30, 2024
Prepayments	\$3,016,730	\$1,358,952	\$1,652,751
Net defined benefit asset	6,480,933	-	-
Refundable deposits	35,918,990	20,395,380	15,357,741
Operating guarantee deposits and settlement funds	2,919,742	2,098,376	1,969,139
Client equity in segregated accounts	2,034,952	-	-
Collateral, net	256,349	256,349	234,499
Others	1,496,262	193,654	319,215
Total	\$52,123,958	\$24,302,711	\$19,533,345

- A. Refer to Note 20 to the consolidated financial statements as of and for the year ended December 31, 2024 for related information on other assets, net.
- B. Refer to Note 8 for information relating to refundable deposits, operating guarantee deposits and settlement funds pledged as collateral.
- C. The loss allowance was measured at an amount equal to 12-month ECLs based on historical experience and forward-looking information; there was no loss allowance on refundable deposits, operating guarantee deposits and settlement funds as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively.

(16) Deposits from the central bank and banks

	September 30, 2025	December 31, 2024	September 30, 2024
Deposits from other banks	\$24,597,218	\$7,216,030	\$7,229,595
Call loans from other banks	21,585,514	4,599,665	25,839,311
Bank overdrafts	275,201	763,102	8,419,079
Deposits from the Central Bank	89,167	97,286	103,115
Total	\$46,547,100	\$12,676,083	\$41,591,100

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(17) Commercial papers issued, net

Guarantee or acceptance institutions	September 30, 2025	December 31, 2024	September 30, 2024
Grand Bills Finance	\$3,113,000	\$4,837,000	\$4,085,000
China Bills Finance	12,680,000	9,170,000	8,680,000
Ta Ching Bills Finance	4,865,000	950,000	3,156,000
International Bills Finance	5,110,000	2,850,000	1,950,000
Taiwan Finance Corporation	3,500,000	2,375,000	2,775,000
Mega Bills Finance	4,585,000	7,125,000	6,665,000
Bank SinoPac	8,250,000	5,200,000	6,500,000
KGI Bank	1,550,000	2,450,000	1,700,000
Taiwan Cooperative Bills Finance	2,300,000	2,400,000	2,500,000
Taipei Fubon Commercial Bank	5,000,000	2,550,000	1,900,000
Cathay United Bank	4,000,000	-	-
Yuanta Commercial Bank	6,500,000	500,000	-
China Trust Commercial Bank	1,300,000	1,800,000	2,200,000
Union Bank of Taiwan	6,350,000	4,300,000	2,400,000
Sunny Commercial Bank	2,500,000	1,400,000	1,550,000
O-Bank	300,000	1,600,000	-
E.SUN Commercial Bank	1,850,000	-	-
Less: discounts on commercial papers issued	(137,413)	(93,535)	(82,698)
Total	<u>\$73,615,587</u>	<u>\$49,413,465</u>	<u>\$45,978,302</u>

As of September 30, 2025, December 31, 2024 and September 30, 2024, the interest rate ranges of commercial papers issued were 1.46%~2.25%, 1.55%~2.11% and 0.78%~2.08%, respectively.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(18) Payables

	September 30, 2025	December 31, 2024	September 30, 2024
Notes and accounts payable	\$15,089,024	\$10,950,788	\$15,937,358
Delivery accounts payable	43,516,808	5,823,502	9,695,639
Accrued expenses	25,533,393	11,292,563	9,379,717
Interest payable	13,015,995	7,859,633	9,514,002
Checks for clearance payable	2,266,140	1,312,582	540,902
Collection payable	7,744,220	914,473	4,863,174
Settlement	1,396,310	1,534,734	3,071,694
Tax payable	903,946	635,307	343,280
Dividend payable	100,855	-	-
Other payables	9,233,783	4,440,443	3,239,971
Total	<u>\$118,800,474</u>	<u>\$44,764,025</u>	<u>\$56,585,737</u>

(19) Deposits and remittances

	September 30, 2025	December 31, 2024	September 30, 2024
Checking deposits	\$11,543,540	\$7,683,354	\$6,541,741
Demand deposits	662,546,692	463,141,063	491,517,130
Time deposits	1,227,945,639	806,126,779	732,998,800
Negotiable certificates of deposit	17,686,000	2,262,715	5,480,396
Savings deposits	1,672,547,881	1,022,032,589	1,040,525,018
Public treasury deposits	14,484,349	16,477,490	13,209,600
Remittances	3,171,916	2,501,939	2,500,858
Total	<u>\$3,609,926,017</u>	<u>\$2,320,225,929</u>	<u>\$2,292,773,543</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(20) Bonds payable

	September 30, 2025	December 31, 2024	September 30, 2024
Corporate bonds	\$95,083,600	\$35,300,000	\$35,300,000
Exchangeable corporate bonds	-	4,259,400	5,025,000
Less: discount on exchangeable corporate bonds	-	(26,128)	(87,023)
Less: discount on foreign corporate bonds	(180,683)	-	-
Subtotal	94,902,917	39,533,272	40,237,977
Bank notes payable	48,250,000	25,000,000	25,000,000
Total	<u>\$143,152,917</u>	<u>\$64,533,272</u>	<u>\$65,237,977</u>

A. Corporate bonds issued by TS Financial Holding

To raise working capital and strengthen its financial structure, TS Financial Holding issued unsecured subordinated corporate bonds, unsecured ordinary corporate bonds and unsecured exchangeable corporate bonds under SFB approval. The bond issuance terms were as follows:

(a) Domestic unsecured subordinated corporate bonds and unsecured ordinary corporate bonds

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured subordinated corporate bonds - 2017 (I)	\$8,000,000	\$8,000,000	\$8,000,000
Unsecured subordinated corporate bonds - 2018 (I)	7,000,000	7,000,000	7,000,000
Unsecured subordinated corporate bonds - 2019 (I)	7,000,000	7,000,000	7,000,000
Unsecured ordinary corporate bonds - 2020 (I)	7,300,000	10,000,000	10,000,000
Unsecured ordinary corporate bonds - 2022 (I)	5,000,000	-	-
Total	<u>\$34,300,000</u>	<u>\$32,000,000</u>	<u>\$32,000,000</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The unsecured ordinary corporate bond Series A 2020 (I) matured on May 19, 2025, and the principal amount of \$2,700,000 thousand was repaid.

The issuance conditions of the 2022 first tranche of unsecured ordinary corporate bonds (formerly named: Shin Kong Financial Holding Co., Ltd. 2022 First Issue Unsecured Ordinary Corporate Bonds) are as follows:

- i. Total issuance amount: NT\$5,000,000 thousand.
- ii. Face value per bond: NT\$1 million.
- iii. Issuance date: April 12, 2022.
- iv. Issuance price: Issued at par value.
- v. Issuance period: 5 years.
- vi. Coupon rate: 0.90%.
- vii. Interest calculation and payment method: Simple interest paid once annually from the issuance date.
- viii. Principal repayment method: Principal repaid in full at maturity after 5 years from the issuance date.

(b) Domestic unsecured exchangeable corporate bonds

Name of bond	Duration	Interest rate	Total issued amount	September 30, 2025	December 31, 2024	September 30, 2024
Domestic unsecured exchangeable corporate bonds	2022.4.1~2025.4.1	0%	\$5,025,000	\$-	\$4,233,272	\$4,937,977

The domestic unsecured exchangeable corporate bonds issued by the Company had a total par value of \$5,000,000 thousand, of which bonds amounting to \$4,993,000 thousand were exchanged for 288,612 thousand common shares of Chang Hwa Bank by the bondholders. The remaining exchangeable bonds with a par value of \$7,000 thousand matured and were redeemed in April 2025.

Refer to Note 25 to the consolidated financial statements as of and for the year ended December 31, 2024 for related information on the unsecured subordinated corporate bonds, unsecured ordinary corporate bonds and unsecured exchangeable corporate bonds under SFB approval.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. Bank notes payable issued by Taishin Bank

Taishin Bank has issued financial bonds to enhance its capital ratio and raise medium- to long-term operating funds. Details of the issues were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Subordinated bank notes payable - 2015 (I)	\$4,850,000	\$9,100,000	\$9,100,000
Subordinated bank notes payable - 2015 (II)	6,000,000	6,000,000	6,000,000
Subordinated bank notes payable - 2015 (III)	4,200,000	4,900,000	4,900,000
Subordinated bank notes payable - 2019 (I)	5,000,000	5,000,000	5,000,000
Total	<u>\$20,050,000</u>	<u>\$25,000,000</u>	<u>\$25,000,000</u>

The subordinated financial bonds - 2015 (I) matured on June 10, 2025, and the principal amount of \$4,250,000 thousand was repaid. Additionally, the third tranche of subordinated financial bonds issued in 2015 matured on September 22, 2025, and the principal amount of \$700,000 thousand was repaid. Refer to Note 25 to the consolidated financial statements as of and for the year ended December 31, 2024 for related information on bank notes payable.

C. Subordinated corporate bonds issued by Taishin Securities B

To raise medium to long-term operating funds and strengthen its capital structure, Taishin Securities B issued unsecured subordinated corporate bonds - 2020 (I) on January 10, 2020. The total issuance amount was \$3,300,000 thousand and the issuance period is 10 years. A one-time repayment of principal will be made in full upon maturity on January 10, 2030, and interest will be repaid annually at a fixed coupon rate of 1.35%.

	September 30, 2025	December 31, 2024	September 30, 2024
Unsecured subordinated corporate bonds - 2020 (I)	<u>\$3,300,000</u>	<u>\$3,300,000</u>	<u>\$3,300,000</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

D. Financial bonds of Taiwan Shin Kong Commercial Bank

Financial bonds are issued by Taiwan Shin Kong Commercial Bank to enhance its capital adequacy ratio and to raise funds for medium- to long-term operations. The details of each issue are as follows:

	September 30, 2025
Senior Financial Bonds:	
First issue of 2021	\$1,000,000
Subordinated Financial Bonds:	
First issue of 2016	2,200,000
First issue of 2018	2,500,000
Second issue of 2018	2,500,000
First issue of 2019	4,500,000
First issue of 2020	3,000,000
Second issue of 2020	3,000,000
Third issue of 2020	2,000,000
First issue of 2022	2,800,000
First issue of 2023	2,200,000
First issue of 2024	2,500,000
Total	<u>\$28,200,000</u>

(a) Taiwan Shin Kong Commercial Bank was approved by the Banking Bureau, Financial Supervisory Commission (letter No. Jin-Guan-Yin-Kong-Zi: 10400308600) on December 22, 2015, to issue 2016 first tranche of subordinated financial bonds on January 29, 2016. The issuance conditions are as follows:

- i. Approved issuance amount: \$3,000,000 thousand.
- ii. Issuance amount: \$3,000,000 thousand.
- iii. Face value: Each bond has a face value of NT\$10,000 thousand, issued at par.
- iv. Issuance period: Class A bond has a seven-year term, maturing on January 29, 2023, while Class B bond has a ten-year term, maturing on January 29, 2026.
- v. Bond interest rates: Class A bond, with an issuance amount of \$800,000 thousand, has a fixed interest rate of 1.60%; Class B bond, with an issuance amount of \$2,200,000 thousand, has a fixed interest rate of 1.80%.
- vi. Principal repayment method: Principal repaid in full at maturity.
- vii. Interest payment method: Interest paid annually from the issuance date.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(b) Taiwan Shin Kong Commercial Bank was approved by the Banking Bureau, Financial Supervisory Commission (letter No. Jin-Guan-Yin-Kong-Zi: 10600186530) on August 7, 2017, to issue the first tranche of non-cumulative subordinated financial bonds with no maturity date on March 30, 2018. The issuance conditions are as follows:

- i. Approved issuance amount: \$2,500,000 thousand.
- ii. Issuance amount: \$2,500,000 thousand.
- iii. Face value: Each bond has a face value of NT\$10,000 thousand, issued at par.
- iv. Issuance period: No maturity date.
- v. Bond interest rate: Fixed interest rate of 3.40%.
- vi. Early redemption right: After five years and three months from the issuance date, if the capital adequacy ratio of Taiwan Shin Kong Commercial Bank meets the minimum requirements set by the regulatory authority after redemption, and with the consent of the regulatory authority, Taiwan Shin Kong Commercial Bank may redeem the bonds early at face value plus accrued interest.
- vii. Interest payment method: Interest paid annually from the issuance date.

(c) Taiwan Shin Kong Commercial Bank was approved by the Banking Bureau, Financial Supervisory Commission (letter No. Jin-Guan-Kong-Zi: 10600186530) on August 7, 2017, to issue the 2018 second tranche of subordinated financial bonds on June 28, 2018. The issuance conditions are as follows:

- i. Approved issuance amount: \$2,500,000 thousand.
- ii. Issuance amount: \$2,500,000 thousand.
- iii. Face value: Each bond has a face value of NT\$10,000 thousand, issued at par.
- iv. Issuance period: Ten years, maturing on June 28, 2028.
- v. Bond interest rate: Fixed interest rate of 1.62%.
- vi. Principal repayment method: Principal repaid in full at maturity.
- vii. Interest payment method: Interest paid annually from the issuance date.

(d) Taiwan Shin Kong Commercial Bank was approved by the Banking Bureau, Financial Supervisory Commission (letter No. Jin-Guan-Yin-Kong-Zi: 10802068560) on May 1, 2019, to issue the 2019 first tranche of non-cumulative subordinated financial bonds with no maturity date on June 21, 2019. The issuance conditions are as follows:

- i. Approved issuance amount: \$6,500,000 thousand.
- ii. Issuance amount: \$4,500,000 thousand.
- iii. Face value: Each bond has a face value of NT\$10,000 thousand, issued at par.
- iv. Issuance period: No maturity date.
- v. Bond interest rate: Fixed interest rate of 2.20%.
- vi. Early redemption right: After five years and three months from the issuance date, if the capital adequacy ratio of Taiwan Shin Kong Commercial Bank meets the minimum requirements set by the regulatory authority after redemption, and with the consent of the regulatory authority, Taiwan Shin Kong Commercial Bank may redeem the bonds early at face value plus accrued interest.
- vii. Interest payment method: Interest paid annually from the issuance date.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(e) Taiwan Shin Kong Commercial Bank was approved by the Banking Bureau, Financial Supervisory Commission (letter No. Jin-Guan-Yin-Kong-Zi: 1090209311) on April 30, 2020, to issue the first tranche of non-cumulative subordinated financial bonds with no maturity date on June 23, 2020. The issuance conditions are as follows:

- i. Approved issuance amount: \$3,000,000 thousand.
- ii. Issuance amount: \$3,000,000 thousand.
- iii. Face value: Each bond has a face value of NT\$10,000 thousand, issued at par.
- iv. Issuance period: No maturity date.
- v. Bond interest rate: Fixed interest rate of 1.70%.
- vi. Early redemption right: After five years and three months from the issuance date, if the capital adequacy ratio of Taiwan Shin Kong Commercial Bank meets the minimum requirements set by the regulatory authority after redemption, and with the consent of the regulatory authority, Taiwan Shin Kong Commercial Bank may redeem the bonds early at face value plus accrued interest.
- vii. Interest payment method: Interest paid annually from the issuance date.

(f) Taiwan Shin Kong Commercial Bank was approved by the Banking Bureau, Financial Supervisory Commission (letter No. Jin-Guan-Yin-Kong-Zi: 1090228036) on October 28, 2020, to issue the 2020 second tranche of non-cumulative subordinated financial bonds with no maturity date on December 16, 2020. The issuance conditions are as follows:

- i. Approved issuance amount: \$5,000,000 thousand.
- ii. Issuance amount: \$3,000,000 thousand.
- iii. Face value: Each bond has a face value of NT\$10,000 thousand, issued at par.
- iv. Issuance period: No maturity date.
- v. Bond interest rate: Fixed interest rate of 1.70%.
- vi. Early redemption right: After five years and three months from the issuance date, if the capital adequacy ratio of Taiwan Shin Kong Commercial Bank meets the minimum requirements set by the regulatory authority after redemption, and with the consent of the regulatory authority, Taiwan Shin Kong Commercial Bank may redeem the bonds early at face value plus accrued interest.
- vii. Interest payment method: Interest paid annually from the issuance date.

(g) Taiwan Shin Kong Commercial Bank was approved by the Banking Bureau, Financial Supervisory Commission (letter No. Jin-Guan-Yin-Kong Zi: 1090228036) on October 28, 2020, to issue the 2020 third tranche of subordinated financial bonds on December 23, 2020. The issuance conditions are as follows:

- i. Approved issuance amount: \$5,000,000 thousand.
- ii. Issuance amount: \$2,000,000 thousand.
- iii. Face value: Each bond has a face value of NT\$10,000 thousand, issued at par.
- iv. Issuance period: Ten years, maturing on December 23, 2030.
- v. Bond interest rate: Fixed interest rate of 0.75%.
- vi. Principal repayment method: Principal repaid in full at maturity.
- vii. Interest payment method: Interest paid annually from the issuance date.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(h) Taiwan Shin Kong Commercial Bank was approved by the Banking Bureau, Financial Supervisory Commission (letter No. Jin-Guan-Yin-Zi: 1100209942) on May 6, 2021, to issue the 2021 first tranche of unsecured senior financial bonds on June 23, 2021. The issuance conditions are as follows:

- i. Approved issuance amount: \$1,000,000 thousand.
- ii. Issuance amount: \$1,000,000 thousand.
- iii. Face value: Each bond has a face value of NT\$10,000 thousand, issued at par.
- iv. Issuance period: Five years, maturing on June 23, 2026.
- v. Bond interest rate: Fixed interest rate of 0.50%.
- vi. Principal repayment method: Principal repaid in full at maturity.
- vii. Interest payment method: Interest paid annually from the issuance date.

(i) Taiwan Shin Kong Commercial Bank was approved by the Banking Bureau, Financial Supervisory Commission (letter No. Jin-Guan-Yin-Kong-Zi: 1110211371) on May 24, 2022, to issue the 2022 first tranche of non-cumulative subordinated financial bonds with no maturity date on July 27, 2022. The issuance conditions are as follows:

- i. Approved issuance amount: \$5,000,000 thousand.
- ii. Issuance amount: \$2,800,000 thousand.
- iii. Face value: Each bond has a face value of NT\$10,000 thousand, issued at par.
- iv. Issuance period: No maturity date.
- v. Bond interest rate: Fixed interest rate of 3.50%.
- vi. Early redemption right: After five years and three months from the issuance date, if the capital adequacy ratio of Taiwan Shin Kong Commercial Bank meets the minimum requirements set by the regulatory authority after redemption, and with the consent of the regulatory authority, Taiwan Shin Kong Commercial Bank may redeem the bonds early at face value plus accrued interest.
- vii. Interest payment method: Interest paid annually from the issuance date.

(j) Taiwan Shin Kong Commercial Bank was approved by the Banking Bureau, Financial Supervisory Commission (letter No. Jin-Guan-Yin-Kong-Zi: 1110211371) on May 24, 2022, to issue the 2023 first tranche of non-cumulative subordinated financial bonds with no maturity date on April 17, 2023. The issuance conditions are as follows:

- i. Approved issuance amount: \$5,000,000 thousand.
- ii. Issuance amount: \$2,200,000 thousand.
- iii. Face value: Each bond has a face value of NT\$10,000 thousand, issued at par.
- iv. Issuance period: No maturity date.
- v. Bond interest rate: Fixed interest rate of 4.00%.
- vi. Early redemption right: After five years and three months from the issuance date, if the capital adequacy ratio of Taiwan Shin Kong Commercial Bank meets the minimum requirements set by the regulatory authority after redemption, and with the consent of the regulatory authority, Taiwan Shin Kong Commercial Bank may redeem the bonds early at face value plus accrued interest.
- vii. Interest payment method: Interest paid annually from the issuance date.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(k)Taiwan Shin Kong Commercial Bank was approved by the Banking Bureau, Financial Supervisory Commission (letter No. Jin-Guan-Yin-Kong-Zi: 1120212291) on May 9, 2023, to issue the 2024 first tranche of unsecured subordinated financial bonds on May 7, 2024. The issuance conditions are as follows:

- i. Approved issuance amount: \$3,000,000 thousand.
- ii. Issuance amount: \$2,500,000 thousand.
- iii. Face value: Each bond has a face value of NT\$10,000 thousand, issued at par.
- iv. Issuance period: Class A bond has a seven-year term, maturing on May 7, 2031, while Class B bond has a ten-year term, maturing on May 7, 2034.
- v. Bond interest rates: Class A bond, with an issuance amount of \$790,000 thousand, has a fixed interest rate of 2.70%; Class B bond, with an issuance amount of \$1,710,000 thousand, has a fixed interest rate of 3.00%.
- vi. Principal repayment method: Principal repaid in full at maturity.
- vii. Interest payment method: Interest paid annually from the issuance date.

E. Corporate bonds of Shin Kong Life Insurance and its subsidiaries

	September 30, 2025
2012 First tranche of domestic non-maturity cumulative subordinated corporate bonds	\$5,000,000
2016 First tranche of domestic non-maturity cumulative subordinated corporate bonds	13,000,000
2018 First tranche of domestic non-maturity cumulative subordinated corporate bonds	6,000,000
2023 First tranche of domestic unsecured cumulative subordinated ordinary corporate bonds	13,000,000
2024 First tranche of domestic secured cumulative subordinated ordinary corporate bonds	5,500,000
2024 Second tranche of domestic secured cumulative subordinated ordinary corporate bonds	2,000,000
2024 Third tranche of domestic secured cumulative subordinated ordinary corporate bonds	800,000
2025 First tranche of overseas subordinated corporate bonds guaranteed by Shin Kong Life Singapore Pte. Ltd	12,183,600
	57,483,600
Less: discount on the first tranche of overseas subordinated corporate bonds guaranteed by Shin Kong Life Singapore Pte. Ltd	(180,683)
Total	\$57,302,917

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(a) Shin Kong Life Insurance was notified by the Financial Supervisory Commission (Approval No. (101) Jin-Guan-Bao-Shou-Zi No. 10102908010 and Jin-Guan-Zheng-Fa-Zi No. 1010051395) that the application has been effective. On December 10, 2012, the 2012 first tranche of non-maturity cumulative subordinated corporate bonds was issued. The issuance conditions are as follows:

- i. Issuance amount: Total issuance amount of NT\$5,000,000 thousand.
- ii. Face value and issuance price: Each bond has a face value of NT\$1,000 thousand, issued at par.
- iii. Issuance period: No maturity date.
- iv. Coupon rate: From the issuance date until the end of the 10th year, the coupon rate is a fixed annual rate of 3.35%; after the 10th anniversary of the issuance date, if Shin Kong Life Insurance has not redeemed the bonds, the coupon rate will be 4.35%.
- v. Interest payment method: Interest paid annually based on the coupon rate, calculated as simple interest.
- vi. Early redemption right: After 10 years from the issuance date, if the capital adequacy ratio of Shin Kong Life Insurance exceeds twice the statutory minimum capital adequacy ratio at the time of calculation, and with the consent of the regulatory authority, Shin Kong Life Insurance may redeem the bonds early at face value plus accrued interest, with the option of redemption once per quarter.
- vii. Bond form: Issued in non-physical form.

(b) Shin Kong Life Insurance was approved by the Financial Supervisory Commission (letter No. Jin-Guan-Bao-Shou-Zi No. 10502911780) and notified by the Securities and Futures Bureau of the Republic of China (Taiwan) (letter No. Zheng-Gui-Dai-Zi: 10500291131) that the application has been effective. On October 31, 2016, the 2016 first tranche of domestic unsecured non-maturity cumulative subordinated corporate bonds was issued. The issuance conditions are as follows:

- i. Issuance amount: Total issuance amount of NT\$13,000,000 thousand.
- ii. Face value and issuance price: Each bond has a face value of NT\$1,000 thousand, issued at par.
- iii. Issuance period: No maturity date.
- iv. Early redemption right: After 10 years from the issuance date, if the capital adequacy ratio of Shin Kong Life Insurance exceeds twice the statutory minimum capital adequacy ratio at the time of calculation, and with the consent of the regulatory authority, Shin Kong Life Insurance may redeem the bonds early at face value plus accrued interest.
- v. Coupon rate: The coupon rate is a fixed rate. From the issuance date until the end of the 10th year, the rate is 3.80%; after the 10th anniversary of the issuance date, if Shin Kong Life Insurance has not redeemed the bonds, the coupon rate will increase by 1%.
- vi. Interest payment method: Interest paid annually based on the coupon rate from the issuance date.
- vii. Bond form: Issued in non-physical form.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(c) Shin Kong Life Insurance was approved by the Financial Supervisory Commission (letter No. Jin-Guan-Bao-Shou-Zi No. 10704276590) and notified by the Securities and Futures Bureau of the Republic of China (Taiwan) (letter No. Zheng-Gui-Dai-Zi: 10700153821) that the application has been effective. On June 29, 2018, the 2018 first tranche of domestic unsecured non-maturity cumulative subordinated corporate bonds was issued. The issuance conditions are as follows:

- i. Issuance amount: Total issuance amount of NT\$6,000,000 thousand.
- ii. Face value and issuance price: Each bond has a face value of NT\$1,000 thousand, issued at par.
- iii. Issuance period: No maturity date.
- iv. Early redemption right: After 10 years from the issuance date, if the capital adequacy ratio of Shin Kong Life Insurance exceeds twice the statutory minimum capital adequacy ratio at the time of calculation, and with the consent of the regulatory authority, Shin Kong Life Insurance may redeem the bonds early at face value plus accrued interest.
- v. Coupon rate: The coupon rate is a fixed rate. From the issuance date until the end of the 10th year, the rate is 3.50%; after the 10th anniversary of the issuance date, if Shin Kong Life Insurance has not redeemed the bonds, the coupon rate will increase by 1%.
- vi. Interest payment method: Interest paid annually based on the coupon rate from the issuance date.
- vii. Bond form: Issued in non-physical form.

(d) Shin Kong Life Insurance was approved by the Financial Supervisory Commission (letter No. Jin-Guan-Bao-Shou-Zi No. 1120435047) and notified by the Securities and Futures Bureau of the Republic of China (Taiwan) (letter No. Zheng-Gui-Dai-Zi: 11200101411) that the application has been effective. On October 26, 2023, the 2023 first tranche of domestic unsecured cumulative subordinated ordinary corporate bonds. The issuance conditions are as follows:

- i. Issuance amount: Total issuance amount of NT\$13,000,000 thousand.
- ii. Face value and issuance price: Each bond has a face value of NT\$1,000 thousand, issued at par.
- iii. Issuance period: Ten years, from October 26, 2023, to October 26, 2033.
- iv. Principal repayment method: Principal repaid in full at maturity.
- v. Coupon rate: Fixed annual interest rate of 4.00%.
- vi. Interest payment method: Interest paid annually based on the coupon rate, calculated as simple interest.
- vii. Bond form: Issued in non-physical form.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(e) Shin Kong Life Insurance was approved by the Financial Supervisory Commission (letter No. Jin-Guan-Bao-Shou-Zi No. 1130419849) and notified by the Securities and Futures Bureau of the Republic of China (Taiwan) (letter No. ZhengGui-Dai-Zi: 11300044461) that the application has been effective. On June 24, 2024, the 2024 first tranche of domestic secured cumulative subordinated ordinary corporate bonds was issued. The issuance conditions are as follows:

- i. Issuance amount: Total issuance amount of NT\$5,500,000 thousand.
- ii. Face value and issuance price: Each bond has a face value of NT\$1,000 thousand, issued at par.
- iii. Issuance period: Ten years, from June 24, 2024, to June 24, 2034.
- iv. Principal repayment method: Principal repaid in full at maturity.
- v. Coupon rate: Fixed annual interest rate of 3.50%.
- vi. Interest payment method: Interest paid annually based on the coupon rate, calculated as simple interest.
- vii. Bond form: Issued in non-physical form.

(f) Shin Kong Life Insurance was approved by the Financial Supervisory Commission (letter No. Jin-Guan-Bao-Shou-Zi: 1130426320) and notified by the Securities and Futures Bureau of the Republic of China (Taiwan) (letter No. Zheng-Gui-Dai-Zi: 11300071751) that the application has been effective. On August 28, 2024, the 2024 second tranche of domestic secured cumulative subordinated ordinary corporate bonds. The issuance conditions are as follows:

- i. Issuance amount: Total issuance amount of NT\$2,000,000 thousand.
- ii. Face value and issuance price: Each bond has a face value of NT\$1,000 thousand, issued at par.
- iii. Issuance period: Ten years, from August 28, 2024, to August 28, 2034.
- iv. Principal repayment method: Principal repaid in full at maturity.
- v. Coupon rate: Fixed annual interest rate of 3.50%.
- vi. Interest payment method: Interest paid annually based on the coupon rate, calculated as simple interest.
- vii. Bond form: Issued in non-physical form.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(g) Shin Kong Life Insurance was approved by the Financial Supervisory Commission (letter No. Jin-Guan-Bao-Shou-Zi: 1130434112) and notified by the Securities and Futures Bureau of the Republic of China (Taiwan) (letter No. Zheng-Gui-Dai-Zi: 11300108861) that the application has been effective. On December 9, 2024, the 2024 third tranche of domestic secured cumulative subordinated ordinary corporate bonds was issued. The issuance conditions are as follows:

- i. Issuance amount: Total issuance amount of NT\$800,000 thousand.
- ii. Face value and issuance price: Each bond has a face value of NT\$1,000 thousand, issued at par.
- iii. Issuance period: Ten years, from December 9, 2024, to December 9, 2034.
- iv. Principal repayment method: Principal repaid in full at maturity.
- v. Coupon rate: Fixed annual interest rate of 3.50%.
- vi. Interest payment method: Interest paid annually based on the coupon rate, calculated as simple interest.
- vii. Bond form: Issued in non-physical form.

(h) Shin Kong Life Singapore Pte. Ltd issued overseas ten-year unsecured cumulative subordinated ordinary corporate bonds on June 26, 2025, with Shin Kong Life Insurance acting as the guarantor. The issuance conditions are as follows:

- i. Issuance amount: Total issuance amount of USD 400,000 thousand.
- ii. Face value and issuance price: Each bond has a face value of USD 200 thousand, with any excess in multiples of USD 1 thousand; the issuance price is 99.023.
- iii. Issuance period: 10 years.
- iv. Coupon rate: Fixed interest rate of 6.95%.
- v. Interest payment method: Interest paid semi-annually based on the coupon rate from the issuance date.
- vi. Early redemption right: None.
- vii. Bond form: Issued in non-physical form.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(21) Other borrowings

	September 30, 2025	December 31, 2024	September 30, 2024
Short-term unsecured borrowings	\$4,895,744	\$7,645,830	\$8,681,448
Long-term borrowings	2,356,759	2,597,881	2,738,582
Total	<u>\$7,252,503</u>	<u>\$10,243,711</u>	<u>\$11,420,030</u>

As of September 30, 2025, December 31, 2024 and September 30, 2024, the interest rates on short-term unsecured borrowings ranged from 1.76%~5.28%, 1.88%~5.81% and 1.85%~6.02%, respectively.

As of September 30, 2025, December 31, 2024 and September 30, 2024, the interest rate on long-term borrowings ranged from 3.30%~3.70%, 3.80%-5.01% and 3.49%~4.10%, respectively.

(22) Preferred stock liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
Preferred stock liabilities	<u>\$28,434,114</u>	<u>\$-</u>	<u>\$-</u>

The Company resolved on April 24, 2025, upon board resolution, to merge with Shin Kong Financial Holding Company and issue new shares as consideration for the merger. On the merger reference date, the Company will issue new shares (including common shares and preferred shares) as payment. Among them, the issuance of Class H preferred shares will total 3,096,421 thousand shares, with a par value of NT\$10 per share and an issuance price of NT\$9.128 per share, resulting in a total issuance amount of NT\$28,264,127 thousand. The capital increase reference date was set on July 24, 2025. The issuance has been declared effective by the Taiwan Stock Exchange with letter No. Tai-Cheng-Shang-Yi-Zi: 1141802690 on June 27, 2025, and has been approved for registration change by the Ministry of Economic Affairs under letter No. Shou-Shang-Zi: 11430104260 on July 24, 2025. The rights and other important issuance conditions of the Class H preferred shares are detailed as follows:

A. Maturity Date: The maturity date of the Class H preferred shares is three years.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- B. Dividend: The annual interest rate for the Class H preferred shares is 1.665%, calculated based on the par value per share.
- C. Dividend Distribution: If there are no distributable earnings for the current fiscal year or if the distributable earnings are insufficient to distribute dividends for the Class H preferred shares, or if the distribution of dividends for the Class H preferred shares would cause the Company's capital adequacy ratio to fall below the minimum requirements set by laws or regulatory authorities, or for other necessary considerations, any undistributed or insufficiently distributed dividends shall be accumulated for distribution in future profitable years. The board of directors of the Company shall propose a plan for profit distribution or loss compensation in accordance with Article 40-1 of the Company's Articles of Incorporation for approval at the shareholders' meeting. The distributable earnings shall be prioritized in the following order: first, to distribute the dividends due to the Series E preferred shares for the current year; if there are remaining amounts, then to distribute the dividends due to the Class G preferred shares I for the current year; if there are still remaining amounts, then to distribute the dividends due to the Class G preferred shares II for the current year; if there are still remaining amounts, then to distribute the dividends due to the Series J preferred shares for the current year; if there are still remaining amounts, then to distribute the dividends due to the Class H preferred shares for the current year and any accumulated undistributed or insufficiently distributed dividends from previous years; thereafter, any remaining amounts shall be distributed to common shares. The dividends for the Class H preferred shares shall be paid in cash, and after the shareholders' meeting approves the financial statements and the profit distribution or loss compensation plan, the board of directors shall set the ex-dividend date for the Class H preferred shares, based on which the dividends for the previous year and any accumulated undistributed or insufficiently distributed dividends from previous years shall be paid. The distribution of dividends for the issuance year shall be calculated from the issuance date (capital increase reference date), based on the ratio of the actual issuance days in that year to the total number of days of the year. For the dividend distribution in the year of redemption, the dividend shall be calculated based on the actual issuance days in that year as of the date of cancellation of shares to the total number of days of the year. Upon redemption of the Class H preferred shares, the Company shall prioritize the full payment of any accumulated undistributed dividends in the current and subsequent years according to the aforementioned dividend distribution order.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- D. Excess Dividend Distribution: In addition to receiving dividends according to the previous paragraph, Class H preferred shareholders shall not participate in the distribution of earnings and capital reserves related to common shares and other preferred shares.
- E. Distribution of Residual Assets: The distribution of the Company's residual assets to Class H preferred shares shall take precedence over common shares; however, it shall be limited to an amount not exceeding the number of Class H preferred shares issued and outstanding at the time of distribution, calculated at the issuance price.
- F. Voting Rights and Election Rights: Class H preferred shareholders shall have no voting rights or election rights at the shareholders' meeting; however, at the Class H preferred shareholders' meeting and any shareholders' meeting related to the rights and obligations of Class H preferred shareholders, they shall have voting rights on matters related to the recognition and discussion of those matters.
- G. Cash Issuance of New Shares: In the event of a cash issuance of new shares by the Company, Class H preferred shareholders and common shareholders shall have the same rights to preemptively subscribe to the new shares.
- H. Redemption of Preferred Shares: The Class H preferred shares shall be redeemed by the Company at the issuance price for all issued and outstanding Class H preferred shares three years after the issuance date.

(23) Provisions

	September 30, 2025	December 31, 2024	September 30, 2024
Insurance liabilities (Note 6.(24))	\$3,609,464,662	\$270,261,597	\$259,700,086
Provisions for employee benefits	975,702	905,824	1,297,189
Provisions for guarantee liabilities	702,587	300,578	316,501
Provisions for loan commitments	254,278	172,967	192,967
Other provisions	241,723	127,885	127,066
Total	<u>\$3,611,638,952</u>	<u>\$271,768,851</u>	<u>\$261,633,809</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Provisions for guarantee liabilities	Provisions for loan commitments	Other provisions
Balance, January 1, 2025	\$300,578	\$172,967	\$127,885
Provision (reverse)	105,054	13,653	40,285
Acquisitions through business combinations	298,100	68,917	75,200
Exchange differences	(1,145)	(1,259)	(1,647)
Balance, September 30, 2025	<u>\$702,587</u>	<u>\$254,278</u>	<u>\$241,723</u>
Balance, January 1, 2024	\$280,152	\$187,967	\$123,683
Provision (reverse)	35,327	4,028	2,659
Exchange differences	1,022	972	724
Balance, September 30, 2024	<u>\$316,501</u>	<u>\$192,967</u>	<u>\$127,066</u>

Refer to Note 27 to consolidated financial statement as of and for the year ended December 31, 2024 for related information on provisions for liabilities.

The amount of the loss allowance for financial guarantees (including provisions for guarantee liabilities and letters of credit recognized in the other provisions) and loan commitments were as follows:

	12-month ECLs	Lifetime ECLs - not Credit- impaired	Lifetime ECLs - credit- impaired	Loss allowance under IFRS 9	Recognized based on the regulations governing the procedures for banking institutions to evaluate assets and deal with non- performing/non- accrual loans	Total
September 30, 2025	\$247,184	\$9,501	\$13,244	\$269,929	\$700,762	\$970,691
December 31, 2024	117,486	8,909	5,638	132,033	346,538	478,571
September 30, 2024	102,507	9,857	5,869	118,233	396,261	514,494

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(24) Insurance liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
Unearned premium reserve	\$14,376,835	\$1,338,993	\$1,301,519
Loss reserve	6,485,577	2,001,129	1,912,262
Policy reserve	3,443,758,442	243,785,053	233,765,388
Special reserve for life insurance	822,510	-	-
Premium deficiency reserve	1,047,045	241,928	259,561
Reserve for insurance contracts with the nature of financial products	155,022	1,465	1,558
Reserve for foreign exchange valuation	52,750,825	1,325,436	664,717
Other reserves	90,068,406	21,567,593	21,795,081
Total	<u>\$3,609,464,662</u>	<u>\$270,261,597</u>	<u>\$259,700,086</u>

Other reserves are the Group's compliance with IFRS 3 "Business Combinations". The acquirer measures the insurance liabilities and assets acquired by the business combinations on the basis of their fair value on the acquisition date, as it reflects the fair value of the insurance contracts.

Net changes in insurance liability reserves were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Provision of policy reserve	\$13,396,973	\$6,288,456	\$25,937,179	\$18,327,962
Provision of loss reserve	90,593	76,879	185,914	204,518
Provision (reversal) of premium deficiency reserve	175	(20,801)	(5,781)	(54,096)
Provision of special reserve for life insurance	370,574	-	403,667	-
Net changes in unearned premium reserve	574,641	20,937	574,237	57,905
Net changes in reserve for insurance contracts with the nature of financial products	20,155	(66)	20,050	(184)
Subtotal	14,453,111	6,365,405	27,115,266	18,536,105
Net changes in other reserves	(673,214)	(227,488)	(1,128,188)	(690,206)
Total	<u>\$13,779,897</u>	<u>\$6,137,917</u>	<u>\$25,987,078</u>	<u>\$17,845,899</u>

English Translation of Financial Statements Originally Issued in Chinese

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

A. Unearned premium reserve

	September 30, 2025			December 31, 2024			September 30, 2024		
	Insurance contracts	Financial instruments with discretionary participation features	Total	Insurance contracts	Financial instruments with discretionary participation features	Total	Insurance contracts	Financial instruments with discretionary participation features	Total
Individual life insurance	\$50,451	\$4	\$50,455	\$50,463	\$-	\$50,463	\$50,087	\$-	\$50,087
Individual injury insurance	6,147,292	-	6,147,292	97,327	-	97,327	96,684	-	96,684
Individual health insurance	6,297,567	-	6,297,567	1,163,340	-	1,163,340	1,127,319	-	1,127,319
Investment-linked insurance	71,180	-	71,180	27,863	-	27,863	27,429	-	27,429
Group insurance	1,810,341	-	1,810,341	-	-	-	-	-	-
Total	14,376,831	4	14,376,835	1,338,993	-	1,338,993	1,301,519	-	1,301,519
Less ceded unearned premium reserve									
Individual life insurance	304,372	-	304,372	197,459	-	197,459	178,204	-	178,204
Individual injury insurance	16,524	-	16,524	14,361	-	14,361	14,518	-	14,518
Individual health insurance	387,039	-	387,039	135,851	-	135,851	132,244	-	132,244
Investment-linked insurance	33,839	-	33,839	32,314	-	32,314	31,245	-	31,245
Group insurance	9,778	-	9,778	-	-	-	-	-	-
Total	751,552	-	751,552	379,985	-	379,985	356,211	-	356,211
Net ending balance	\$13,625,279	\$4	\$13,625,283	\$959,008	\$-	\$959,008	\$945,308	\$-	\$945,308

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The changes in unearned premium reserve are as follows:

	For the nine months ended September 30					
	2025			2024		
	Insurance contracts	Financial instruments with Discretionary participation features	Total	Insurance contracts	Financial instruments with Discretionary participation features	Total
Beginning balance	\$1,338,993	\$-	\$1,338,993	\$1,190,540	\$-	\$1,190,540
Provision	2,173,073	-	2,173,073	1,301,495	-	1,301,495
Recovery	(1,449,840)	(4)	(1,449,844)	(1,190,540)	-	(1,190,540)
Acquisitions through business combinations	12,314,677	8	12,314,685	24	-	24
Exchange differences	(72)	-	(72)	-	-	-
Ending balance	14,376,831	4	14,376,835	1,301,519	-	1,301,519
Less ceded unearned premium reserve						
Beginning balance	379,985	-	379,985	302,194	-	302,194
Increase	687,356	-	687,356	355,244	-	355,244
Decrease	(538,364)	-	(538,364)	(302,194)	-	(302,194)
Acquisitions through business combinations	229,550	-	229,550	967	-	967
Exchange differences	(6,975)	-	(6,975)	-	-	-
Ending balance	751,552	-	751,552	356,211	-	356,211
Net ending balance	\$13,625,279	\$4	\$13,625,283	\$945,308	\$-	\$945,308

English Translation of Financial Statements Originally Issued in Chinese

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. Loss reserve

	September 30, 2025			December 31, 2024			September 30, 2024		
	Insurance contracts	Financial instruments with discretionary participation features	Total	Insurance contracts	Financial instruments with discretionary participation features	Total	Insurance contracts	Financial instruments with discretionary participation features	Total
Individual life insurance									
Filed not yet paid	\$1,159,857	\$-	\$1,159,857	\$969,543	\$-	\$969,543	\$942,759	\$-	\$942,759
Not yet filed	5,909	1	5,910	-	-	-	-	-	-
Individual injury insurance									
Filed not yet paid	115,913	-	115,913	3,153	-	3,153	8,800	-	8,800
Not yet filed	1,214,581	-	1,214,581	11,785	-	11,785	12,668	-	12,668
Individual health insurance									
Filed not yet paid	918,151	-	918,151	722,224	-	722,224	679,950	-	679,950
Not yet filed	2,203,326	-	2,203,326	260,224	-	260,224	237,936	-	237,936
Investment-linked insurance									
Filed not yet paid	49,275	-	49,275	34,200	-	34,200	30,149	-	30,149
Group insurance									
Filed not yet paid	18,090	-	18,090	-	-	-	-	-	-
Not yet filed	800,474	-	800,474	-	-	-	-	-	-
Total	6,485,576	1	6,485,577	2,001,129	-	2,001,129	1,912,262	-	1,912,262
Less ceded loss reserve									
Individual life insurance	9,865	-	9,865	15,144	-	15,144	2,083	-	2,083
Individual injury insurance	768	-	768	7	-	7	2,959	-	2,959
Individual health insurance	79,584	-	79,584	84,537	-	84,537	75,258	-	75,258
Investment-linked insurance	-	-	-	147	-	147	147	-	147
Total	90,217	-	90,217	99,835	-	99,835	80,447	-	80,447
Net ending balance	\$6,395,359	\$1	\$6,395,360	\$1,901,294	\$-	\$1,901,294	\$1,831,815	\$-	\$1,831,815

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The changes in loss reserve are as follows:

	For the nine months ended September 30					
	2025			2024		
	Insurance contracts	Financial instruments with Discretionary participation features	Total	Insurance contracts	Financial instruments with Discretionary participation features	Total
Beginning balance	\$2,001,129	\$-	\$2,001,129	\$1,692,502	\$-	\$1,692,502
Provision	2,290,100	-	2,290,100	1,911,635	-	1,911,635
Recovery	(2,113,245)	-	(2,113,245)	(1,692,502)	-	(1,692,502)
Acquisitions through business combinations	4,307,458	1	4,307,459	-	-	-
Exchange differences	134	-	134	627	-	627
Ending balance	6,485,576	1	6,485,577	1,912,262	-	1,912,262
Less ceded loss reserve						
Beginning balance	99,835	-	99,835	65,748	-	65,748
Increase	90,784	-	90,784	80,381	-	80,381
Decrease	(99,843)	-	(99,843)	(65,766)	-	(65,766)
Exchange differences	(559)	-	(559)	84	-	84
Ending balance	90,217	-	90,217	80,447	-	80,447
Net ending balance	\$6,395,359	\$1	\$6,395,360	\$1,831,815	\$-	\$1,831,815

English Translation of Financial Statements Originally Issued in Chinese

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

C. Policy reserve:

	September 30, 2025			December 31, 2024			September 30, 2024		
	Financial instruments with Discretionary Insurance contracts	participation features	Total	Financial instruments with Discretionary Insurance contracts	participation features	Total	Financial instruments with Discretionary Insurance contracts	participation features	Total
Life insurance	\$3,031,046,960	\$4,097,530	\$3,035,144,490	\$214,860,440	\$-	\$214,860,440	\$205,304,229	\$-	\$205,304,229
Health insurance	392,406,026	-	392,406,026	27,178,012	-	27,178,012	26,557,473	-	26,557,473
Annuity insurance	315,187	13,197,555	13,512,742	30,436	-	30,436	30,733	-	30,733
Investment-linked insurance	1,763,201	-	1,763,201	1,663,221	-	1,663,221	1,656,996	-	1,656,996
Transferred-in unwritten-off balance of 3% decrease in business tax	-	-	-	-	-	-	158,276	-	158,276
Transferred-in recovery of catastrophe reserve	-	-	-	-	-	-	5,021	-	5,021
Total	3,425,531,374	17,295,085	3,442,826,459	243,732,109	-	243,732,109	233,712,728	-	233,712,728
Less ceded policy reserve	-	-	-	-	-	-	-	-	-
Net ending balance	<u>\$3,425,531,374</u>	<u>\$17,295,085</u>	<u>\$3,442,826,459</u>	<u>\$243,732,109</u>	<u>\$-</u>	<u>\$243,732,109</u>	<u>\$233,712,728</u>	<u>\$-</u>	<u>\$233,712,728</u>

Reserve for life insurance liability plus “Reserve for life insurance - pending payments to insured” and additional liability reserve under the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises were \$3,443,758,442 thousand, \$243,785,053 thousand and \$233,765,388 thousand as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively.

English Translation of Financial Statements Originally Issued in Chinese

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The changes in policy reserve are as follows:

	For the nine months ended September 30					
	2025			2024		
	Insurance contracts	Financial instruments with Discretionary participation features	Total	Insurance contracts	Financial instruments with Discretionary participation features	Total
Beginning balance	\$243,732,109	\$-	\$243,732,109	\$213,359,672	\$-	\$213,359,672
Provision	57,964,009	156,851	58,120,860	24,222,440	-	24,222,440
Recovery	(31,833,873)	(349,808)	(32,183,681)	(5,894,478)	-	(5,894,478)
Acquisitions through business combinations	3,137,642,258	17,488,042	3,155,130,300	-	-	-
Exchange differences	18,026,871	-	18,026,871	2,025,094	-	2,025,094
Ending balance	3,425,531,374	17,295,085	3,442,826,459	233,712,728	-	233,712,728
Less ceded policy reserve	-	-	-	-	-	-
Net ending balance	\$3,425,531,374	\$17,295,085	\$3,442,826,459	\$233,712,728	\$-	\$233,712,728

English Translation of Financial Statements Originally Issued in Chinese

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

D. Special reserve for life insurance:

	September 30, 2025			December 31, 2024			September 30, 2024		
	Insurance contracts	Financial instruments with discretionary participation features	Total	Insurance contracts	Financial instruments with discretionary participation features	Total	Insurance contracts	Financial instruments with discretionary participation features	Total
Reserve for participating policy dividends	\$822,510	\$-	\$822,510	\$-	\$-	\$-	\$-	\$-	\$-

The changes in special reserve for life insurance are as follows:

	For the nine months ended September 30					
	Insurance contracts	Financial instruments with discretionary participation features	Total	Insurance contracts	Financial instruments with discretionary participation features	Total
Beginning balance	\$-	\$-	\$-	\$-	\$-	\$-
Provision	403,667	-	403,667	-	-	-
Recovery	-	-	-	-	-	-
Acquisitions through business combinations	418,843	-	418,843	-	-	-
Ending balance	822,510	-	822,510	-	-	-
Less ceded premium deficiency reserve	-	-	-	-	-	-
Net ending balance	\$822,510	\$-	\$822,510	\$-	\$-	\$-

English Translation of Financial Statements Originally Issued in Chinese
 TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 (Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

E. Premium deficiency reserve:

	September 30, 2025			December 31, 2024			September 30, 2024		
	Financial instruments with discretionary Insurance contracts	participation features	Total	Financial instruments with discretionary Insurance contracts	participation features	Total	Financial instruments with discretionary Insurance contracts	participation features	Total
Individual life insurance	\$916,155	\$-	\$916,155	\$237,010	\$-	\$237,010	\$254,102	\$-	\$254,102
Individual health insurance	130,890	-	130,890	4,918	-	4,918	5,459	-	5,459
Total	1,047,045	-	1,047,045	241,928	-	241,928	259,561	-	259,561
Less ceded premium deficiency reserve	-	-	-	-	-	-	-	-	-
Net ending balance	<u>\$1,047,045</u>	<u>\$-</u>	<u>\$1,047,045</u>	<u>\$241,928</u>	<u>\$-</u>	<u>\$241,928</u>	<u>\$259,561</u>	<u>\$-</u>	<u>\$259,561</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The changes in premium deficiency reserve are as follows:

	For the nine months ended September 30					
	2025			2024		
	Insurance contracts	Financial instruments with discretionary participation features	Total	Insurance contracts	Financial instruments with discretionary participation features	Total
Beginning balance	\$241,928	\$-	\$241,928	\$305,766	\$-	\$305,766
Provision	48,132	-	48,132	13,285	-	13,285
Recovery	(53,913)	-	(53,913)	(67,381)	-	(67,381)
Acquisitions through business combinations	820,946	-	820,946	-	-	-
Exchange differences	(10,048)	-	(10,048)	7,891	-	7,891
Ending balance	1,047,045	-	1,047,045	259,561	-	259,561
Less ceded premium deficiency reserve	-	-	-	-	-	-
Net ending balance	\$1,047,045	\$-	\$1,047,045	\$259,561	\$-	\$259,561

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

F. Liability adequacy reserve

	Insurance contracts and financial instruments with discretionary participation features		
	September 30, 2025	December 31, 2024	September 30, 2024
Unearned premium reserve	\$14,376,835	\$1,338,993	\$1,301,519
Policy reserve	3,443,732,655	243,732,109	233,554,452
Premium deficiency reserve	1,047,045	241,928	259,561
Carrying amount of insurance liability	<u>\$3,459,156,535</u>	<u>\$245,313,030</u>	<u>\$235,115,532</u>
Current estimates of cash flows	<u>\$2,971,085,445</u>	<u>\$157,216,974</u>	<u>\$154,938,989</u>
Balance of liability adequacy reserve	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>

Note 1: Shown by liability adequacy test range (integrated contract).

Note 2: The loss reserve is determined based on claims incurred before valuation date and therefore not included in the liability adequacy test.

Note 3: Transferred-in unwritten-off balance of 3% decrease in business tax and the policy-reserve payable for the insured were not included in the liability adequacy test.

As of September 30, 2025, December 31, 2024 and September 30, 2024, Shin Kong Life Insurance and Taishin Life Insurance were not required to provide liability adequacy reserve after evaluation.

Method used in the liability adequacy test is shown as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Test method	Gross premium valuation method (GPV)	Gross premium valuation method (GPV)	Gross premium valuation method (GPV)
Test groups	Integrated testing	Integrated testing	Integrated testing
Significant assumptions	The assumption of discount rate of every year was based on the best estimate scenario as well as the rate of return on investment with current information	The assumption of discount rate of every year was based on the best estimate scenario as well as the rate of return on investment with current information	The assumption of discount rate of every year was based on the best estimate scenario as well as the rate of return on investment with current information

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

G. Reserve for insurance contracts with the nature of financial products

	September 30, 2025	December 31, 2024	September 30, 2024
Investment-linked insurance			
- annuity insurance	\$155,022	\$1,465	\$1,558

The Group issued financial instrument without discretionary participation feature and recognized reserve for insurance contracts with the nature of financial products. The changes and reconciliation for the nine months ended September 30, 2025 and 2024, were as follows:

Investment-linked insurance - annuity insurance

	For the nine months ended September 30	
	2025	2024
Beginning balance	\$1,465	\$1,742
Net recovery of legal reserve	20,050	(184)
Acquisitions through business combinations	132,189	-
Exchange differences	1,318	-
Ending balance	\$155,022	\$1,558

H. Reserve for foreign exchange valuation

In accordance with the “Regulation Governing the Setting Aside of Various Reserves by Insurance Enterprises”, the Group set aside reserve for foreign exchange valuation under liabilities. Details are as follows:

For the nine months ended September 30, 2025

	Reserve for foreign exchange valuation	Policy reserve - operating loss reserve	Policy reserve - recovery of catastrophe reserve
Beginning balance	\$1,325,436	\$-	\$-
Provision			
Compulsory provision	590,443	-	-
Additional provision	26,379,995	-	-
Subtotal	26,970,438	-	-
Recovery	(22,399,773)	-	-
Acquisitions through business combinations	46,854,724	-	-
Ending balance	\$52,750,825	\$-	\$-

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

For the nine months ended September 30, 2024

	Reserve for foreign exchange valuation	Policy reserve - operating loss reserve	Policy reserve - recovery of catastrophe reserve
Beginning balance	\$414,258	\$158,276	\$5,021
Provision			
Compulsory provision	96,582	-	-
Additional provision	762,797	-	-
Subtotal	859,379	-	-
Recovery	(608,920)	-	-
Ending balance	\$664,717	\$158,276	\$5,021

Taishin Life Insurance has adopted Article 3-1 of the “Directions for the Foreign Exchange Valuation Reserve by Life Insurance Enterprises” on December 31, 2024. As of that date, a total of \$163,297 thousand, including \$158,276 thousand from the policy reserve - operating loss reserve and \$5,021 thousand from the policy reserve - recovery of catastrophe reserve amounting to, was reclassified to the foreign exchange valuation reserve.

In accordance with the FSC Insurance Bureau ruling No. 11404924811, the release of the policy reserve for the current period amounted to \$5,258,166 thousand. Within the scope of the released amount, a foreign exchange valuation reserve of \$2,600,000 thousand was appropriated.

Shin Kong Life Insurance adjusted the mortality rates used to calculate the reserves for certain insurance products in accordance with the Financial Supervisory Commission's Order No. Jin-Guan-Bao-Cai-Zi: 11404924811. The difference in reserves before and after the adjustment may be released within 40% of the difference between the most recent fair value of liabilities and the recorded reserves. As of June 30, 2025, Shin Kong Life Insurance released an amount of \$63,110,676 thousand from the reserves, and within that released amount, the reserve for foreign exchange price fluctuations was set at \$61,100,000 thousand.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Shin Kong Life Insurance received approval from the Financial Supervisory Commission on December 23, 2024, for the application of Item 7, Point 3.1 of the "Matters to Note Regarding Foreign Exchange Price Fluctuation Reserves for Life Insurance Companies," as stipulated in the Financial Supervisory Commission's Order No. Jin-Guan-Bao-Cai-Zi: 11304931482 issued on September 6, 2024. The approval was granted under Letter No. Jin-Guan-Bao-Shou-Zi: 1130434269, allowing Shin Kong Life Insurance to reclassify its recorded reserve for significant incidents in the amount of \$58,034 thousand and the voluntarily additional reserves in the amount of \$12,000,000 thousand as foreign exchange price fluctuation reserve as per Letter No. Jin-Guan-Bao-Cai-Zi: 10904917647.

The effects applicable or inapplicable for reserve for foreign exchange valuation for the nine months ended September 30, 2025 and 2024 were as follows.

For the nine months ended September 30, 2025:

Accounts	Inapplicable amount	Applicable amount	Effect
Net income attributable to owners of parent	\$18,954,247	\$22,610,779	\$3,656,532
Earnings per share	1.07	1.30	0.23
Reserve for foreign exchange valuation	-	52,750,825	52,750,825
Equity attributable to owners of parent	467,077,252	469,929,449	2,852,197

For the nine months ended September 30, 2024:

Accounts	Inapplicable amount	Applicable amount	Effect
Net income attributable to owners of parent	\$16,860,029	\$16,659,662	\$(200,367)
Earnings per share	1.18	1.17	(0.01)
Reserve for foreign exchange valuation	-	664,717	664,717
Equity attributable to owners of parent	226,253,649	225,847,252	(406,397)

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(25) Other financial liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
Principal of structured products	\$157,190,484	\$99,553,850	\$100,304,597
Gold account	1,607,729	967,371	735,096
Futures traders' equity	17,556,076	3,961,866	3,938,157
Separate account insurance product liabilities (Note 6.(27))	118,344,993	44,367,925	42,195,437
Total	<u>\$294,699,282</u>	<u>\$148,851,012</u>	<u>\$147,173,287</u>

(26) Other liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
Unearned revenue	\$1,093,309	\$713,023	\$733,773
Unearned interest	1,471,466	1,397,351	1,412,191
Guarantee deposits	16,202,743	5,050,460	3,088,431
Deferred income	1,855,818	1,577,564	1,284,438
Temporary credits	3,510,645	1,034,350	1,191,842
Receivable from underwriting of shares	183,653	773,685	2,236,957
Client Equity in Segregated Accounts	2,029,682	-	-
Others	401,268	54,325	45,581
Total	<u>\$26,748,584</u>	<u>\$10,600,758</u>	<u>\$9,993,213</u>

(27) Separate account insurance products

	September 30, 2025	December 31, 2024	September 30, 2024
Separate account insurance product assets			
Cash in bank	\$2,431,226	\$2,190,118	\$2,201,746
Financial assets at fair value through profit or loss	114,484,318	41,591,323	39,496,557
Interest receivable	8,979	12,077	7,672
Other receivables	1,420,470	574,407	489,462
Total	<u>\$118,344,993</u>	<u>\$44,367,925</u>	<u>\$42,195,437</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	September 30, 2025	December 31, 2024	September 30, 2024
Separate account insurance product liabilities			
Other payables	\$554,183	\$113,978	\$205,940
Reserve for insurance products	68,258,709	29,620,413	29,176,101
Reserve for investment contracts	49,532,101	14,633,534	12,813,396
Total	<u>\$118,344,993</u>	<u>\$44,367,925</u>	<u>\$42,195,437</u>

A. The related income statement accounts of the Group's separate account insurance products were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Separate account insurance product income				
Premium income	\$2,362,446	\$681,667	\$5,952,743	\$1,638,047
Interest income	7,104	6,355	20,444	16,199
Gain (loss) on financial assets or liabilities measured at fair value through profit or loss	5,825,034	(45,293)	4,476,809	2,747,448
Total	<u>\$8,194,584</u>	<u>\$642,729</u>	<u>\$10,449,996</u>	<u>\$4,401,694</u>

Separate account insurance product expenses				
Provision (reversal) of separate account reserve	\$7,123,496	\$169,910	\$8,654,840	\$3,249,178
Claims, payments and surrender	871,533	324,922	1,407,459	829,301
Administrative expenses	199,555	147,897	387,697	323,215
Total	<u>\$8,194,584</u>	<u>\$642,729</u>	<u>\$10,449,996</u>	<u>\$4,401,694</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- B. The rebates earned from counterparties due to the business of separate account insurance products amounted to \$43,927 thousand and \$24,799 thousand for the three months ended September 30, 2025 and 2024, respectively, and amounted to \$96,288 thousand and \$70,595 thousand for the nine months ended September 30, 2025 and 2024, respectively, which were recorded under service fee income.

(28) Post-employment benefit plans

Except for the followings, refer to Note 32 to the consolidated financial statements as of and for the year ended December 31, 2024 for information on defined benefits.

Pension cost for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024 was calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year. Refer to Note 6.(35) for information on employee benefits expense.

(29) Equity

A. Share capital

	September 30, 2025	December 31, 2024	September 30, 2024
Number of shares authorized (in thousands)	35,000,000	20,000,000	20,000,000
Shares authorized	\$350,000,000	\$200,000,000	\$200,000,000
Number of shares issued and fully paid (in thousands)			
Ordinary shares	24,866,399	12,976,144	12,976,144
Preferred shares	1,394,668	1,100,000	1,100,000
Capital shares issued and outstanding	\$262,610,672	\$140,761,443	\$140,761,443

TS Financial Holding's shareholders had resolved the transfer of \$4,990,825 thousand of earnings to ordinary shares in the shareholders' meeting on June 14, 2024. The ex-dividend date was set on August 12, 2024, and the registration of the conversion had been completed.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

On April 24, 2025, the Company resolved by board of directors' decision to merge with Shin Kong Financial Holding Company. On the merger reference date, the Company will issue new shares (including common shares and preferred shares) as consideration for the merger, with the exchange ratio set at 0.672 common shares and 0.175 Class H preferred shares of the Company for each share of Shin Kong Financial Holding Company common stock, one share of Class G preferred shares of the Company for each share of Series A preferred shares of Shin Kong Financial Holding Company, and one share of Class G preferred shares II of the company for each share of Series B preferred shares of Shin Kong Financial Holding Company. On the merger reference date, July 24, 2025, the Company issued a total of 11,890,254,918 common shares, 75,000,000 Class G preferred shares I, 219,668,000 Class G preferred shares II, and 3,096,420,552 Class H preferred shares (with Class H preferred shares recorded as preferred share liabilities), and the registration change has been completed on July 24, 2025.

- B. In accordance with Article 8-4 of the Articles of Incorporation, the Company issued Class E registered preferred shares ("Class E preferred shares"), which totaled 500,000 thousand shares, with a par value of NT\$10. The issue price was NT\$50 per share, and the total amount issued was \$25,000,000 thousand on December 28, 2016. The issuance of shares was approved by the FSC under its Order No. 1050041849 issued on October 26, 2016, and the change in registration was approved by the ROC Ministry of Economic Affairs under its Order No. 10501302230 on January 5, 2017. The Class E preferred shares was listed on Taiwan Stock Exchange on February 10, 2017.

The rights and other important terms of issue associated with Class E preferred shares are as follows:

(a) Tenor: Perpetual

(b) Dividend yield: An annual dividend yield is set at 4.75% (7-year IRS 1.2175% + 3.5325%) per annum of the issue price at the pricing day. The 7-year IRS will be reset on the next business day after each seventh anniversary day after issuance and thereafter. The pricing date for reset is the second business day of financial industry in Taipei immediately preceding each reset date. The 7-year IRS rate is the arithmetic mean of 7-year IRS rates appearing on Reuters pages "PYTWDFIX" and "COSMOS3" at 11:00 a.m. (Taipei time) on the relevant pricing date for reset. If such rate cannot be obtained, the Company will determine the rate based on reasonable market price with good faith. The annual dividend yield has been reset at 4.8725% since December 28, 2023.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- (c) Dividend payment: In years when there is insufficient or no surplus to fully pay off dividends for Class E preferred shareholders, the unpaid dividend will not be carried forward to years with earnings. The Company has sole discretion over the distribution of Class E preferred share dividends. Earnings distribution proposals will be devised by the board of directors in accordance with Article 40-1 of the Articles of Incorporation and then submitted to the annual general meeting of shareholders for acknowledgment. Any earnings available for distribution to preferred shares and ordinary shares under an acknowledged earnings distribution proposal shall be distributed according to the Articles of Incorporation. Dividends on Class E preferred shares will be paid in cash. Once the Company's financial statements have been acknowledged and earnings distributions approved during the annual general meeting of shareholders, the board of directors shall be authorized to set the ex-dividend date for the distribution of the Class E preferred share dividend. Dividends that are payable for the year of issuance shall be prorated according to the actual number of days the shares have been in circulation since the date of issue, relative to the total number of days of that year. In the year of redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the preferred shares remained outstanding in that year.
- (d) Restrictions on payment of dividends to ordinary shares: Except for the dividends prescribed in the preceding subparagraphs herein, Class E preferred shareholders are not entitled to participate in the distribution of cash or stock dividends with regard to the ordinary shares and other preferred shares derived from earnings or capital reserves.
- (e) Redemption: Seven years after the issue date, the Company may at any time, subject to the competent authority's approval, recall a portion or all of the outstanding Class E preferred shares at the issue price. The rights and obligations associated with any remaining outstanding Class E preferred shares shall continue as specified herein.
- (f) Liquidation preference: In the event of liquidation, Class E preferred shareholders shall be given priority over ordinary shareholders when claiming the Company's remaining assets. The amount claimed shall not exceed the issuance amount of outstanding Class E preferred shares.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(g) Voting rights or election rights: Class E preferred shareholders are not entitled to any voting rights or election rights in shareholders' meetings. However, they may vote in Class E preferred shareholders' meetings and in general shareholders' meetings with regard to agenda items concerning the rights and obligations of Class E preferred shareholders.

(h) Class E preferred shares shall not be converted into ordinary shares. The Class E preferred shareholders shall not require the Company to redeem the rights of the Class E preferred shares.

(i) When the Company issues new shares for capital raising, Class E preferred shareholders shall be entitled to preemptive rights on the new shares equivalent to those of ordinary shareholders.

C. In accordance with Article 8-4 of the Articles of Incorporation, the Company issued Class E registered preferred shares ("Class E preferred shares"), which totaled 300,000 thousand shares, with a par value of NT\$10. The issue price was NT\$50 per share, and the total amount issued was \$15,000,000 thousand on November 30, 2018. The issuance of shares was approved by the FSC under its Order No. 1070329855 issued on September 6, 2018, and the change in registration was approved by the ROC Ministry of Economic Affairs under its Order No. 10701153080 on December 17, 2018. The Class E preferred shares was listed on Taiwan Stock Exchange on January 8, 2019.

The rights and other important terms of issue associated with Class E preferred shares are as follows:

(a) Tenor: Perpetual.

(b) Dividend yield: An annual dividend yield is set at 3.80% (7-year IRS 1.1% + 2.7%) per annum of the issue price at the pricing day. The 7-year IRS will be reset on the next business day after each seventh anniversary day after issuance and thereafter. The pricing date for reset is the second business day of financial industry in Taipei immediately preceding each reset date. The 7-year IRS rate is the arithmetic mean of 7-year IRS rates appearing on Reuters pages "PYTWDFIX" and "COSMOS3" at 11:00 a.m. (Taipei time) on the relevant pricing date for reset. If such rate cannot be obtained, the Company will determine the rate based on reasonable market price with good faith.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- (c) Dividend payment: In years when there is insufficient or no surplus to fully pay off dividends for Class E preferred shareholders, the unpaid dividend will not be carried forward to years with earnings. The Company has sole discretion over the distribution of Class E preferred share dividends. Earnings distribution proposals will be devised by the board of directors in accordance with Article 40-1 of the Articles of Incorporation and then submitted to the annual general meeting of shareholders for acknowledgment. Any earnings available for distribution to preferred shares and ordinary shares under an acknowledged earnings distribution proposal shall be distributed according to the Articles of Incorporation. Dividends on Class E preferred shares will be paid in cash. Once the Company's financial statements have been acknowledged and earnings distributions approved during the annual general meeting of shareholders, the board of directors shall be authorized to set the ex-dividend date for the distribution of the Class E preferred share dividend. Dividends that are payable for the year of issuance shall be prorated according to the actual number of days the shares have been in circulation since the date of issue, relative to the total number of days of that year. In the year of redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the preferred shares remained outstanding in that year.
- (d) Restrictions on payment of dividends to ordinary shares: Except for the dividends prescribed in the preceding subparagraphs herein, Class E preferred shareholders are not entitled to participate in the distribution of cash or stock dividends with regard to the ordinary shares and other preferred shares derived from earnings or capital reserves.
- (e) Redemption: Seven years after the issue date, the Company may at any time, subject to the competent authority's approval, recall a portion or all of the outstanding Class E preferred shares at the issue price. The rights and obligations associated with any remaining outstanding Class E preferred shares shall continue as specified herein.
- (f) Liquidation preference: In the event of liquidation, Class E preferred shareholders shall be given priority over ordinary shareholders when claiming the Company's remaining assets. The amount claimed shall not exceed the issuance amount of outstanding Class E preferred shares.
- (g) Voting rights or election rights: Class E preferred shareholders are not entitled to any voting rights or election rights in shareholders' meetings. However, they may vote in Class E preferred shareholders' meetings and in general shareholders' meetings with regard to agenda items concerning rights and obligations of the shareholders of Class E preferred shareholders.
- (h) When the Company issues new shares for capital raising, Class E preferred shareholders shall be entitled to preemptive rights on the new shares equivalent to those of ordinary shareholders.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

D. In accordance with Article 8-4 of the Articles of Incorporation, the Company issued Class F registered exchangeable preferred shares (“Class F preferred shares”), which totaled 300,000 thousand shares, with a par value of NT\$10. The issue price was NT\$17.65 per share, and the total amount issued was \$5,295,000 thousand on July 21, 2022. The issuance of shares was approved by the FSC under its Order No. 1110344348 issued on May 31, 2022, and the change in registration was approved by the ROC Ministry of Economic Affairs under its Order No. 11101143710 on August 5, 2022. The Class F preferred shares was listed on Taiwan Stock Exchange on July 26, 2022.

(a) Tenor: Perpetual.

(b) Dividend yield: An annual dividend yield is set at 3.70% (10-year IRS 1.3% + 2.4%) per annum of the issue price at the pricing day. The 10-year IRS will be reset on the next business day after each tenth anniversary day after issuance and thereafter. The pricing date for reset is the second business day of financial industry in Taipei immediately preceding each reset date. The 10-year IRS rate is the arithmetic mean of 10-year IRS rates appearing on Reuters pages “PYTWD01” and “COSMOS3” at 11:00 a.m. (Taipei time) on the relevant pricing date for reset. If such rate cannot be obtained, the Company will determine the rate based on reasonable market price with good faith.

(c) Dividend payment: Unless otherwise specified by the Articles of Incorporation, in years that conclude with insufficient or no surplus to fully pay off dividends for Class F preferred shareholders, the unpaid dividend will not be carried forward to years with earnings. The Company has sole discretion on the distribution of Class F preferred share dividends. Earnings distribution or loss make-up proposals will be devised by the Board of Directors in accordance with Article 40-1 of the Articles of Incorporation and then submitted to the Annual General Meeting of Shareholders for acknowledgment. Earnings available for distribution shall be distributed firstly to Class E preferred shares and then, if any earnings remain, to Class F preferred shares. Any remaining balance shall be distributed ordinary shares. Dividends on Class F preferred shares will be paid in cash. Once the Company’s financial statements have been acknowledged and the earnings distribution or loss make-up proposals approved have been approved during the Annual General Meeting of Shareholders, the Board of Directors shall be authorized to set the ex-dividend date for the distribution of the Class F preferred share dividend. Dividends that are payable for the year of issuance shall be prorated according to the actual number of days the shares have been in circulation since the date of issue, relative to the total number of days of that year. In the year of redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the preferred shares remained outstanding in that year.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- (d) Restrictions on payment of dividends to ordinary shares: Except for dividends prescribed in the preceding subparagraphs herein, Class F preferred shareholders are not entitled to participate in the distribution of cash or stock dividends with regard to ordinary shares and other preferred shares derived from earnings or capital reserves.
- (e) Liquidation preference: In the event of liquidation, Class F preferred shareholders shall be limited to claiming on the ordinary shares of Chang Hwa Commercial Bank Ltd owned by the Company (CHB shares). Class F preferred shareholders shall be given distribution sequence priority over ordinary shareholders. The exchange ratio of Class F preferred shares and CHB shares shall be set at 1:1.
- (f) Any premium received on the issue of Class F preferred shares shall be treated as capital surplus and should not be capitalized into paid-in capital during the circulation period of Class F preferred shares.
- (g) Voting rights or election rights: Class F preferred shareholders are not entitled to any voting rights or election rights in Shareholders' Meetings. However, they may vote in Class F preferred shareholder meetings on amendments to the Company's Articles of Incorporation which damage the rights of Class F preferred shareholders. The provisions governing Shareholders' Meetings shall apply.
- (h) When the Company issues new shares for capital raising, Class F preferred shareholders shall be entitled to preemptive rights on the new shares equivalents to those of ordinary shareholders and Class E preferred shareholders.
- (i) Right of exchange: The Company may notify Class F preferred shareholders of their right to exchange Class F preferred shares for CHB shares at the exchange ratio of 1:1 from the beginning of the 8th year of issuance up to the end of the 10th year of issuance.
- (j) Redemption: Ten years after the issue date, the Company may at any time, subject to the competent authority's approval, recall all outstanding Class F preferred shares and exchange them for CHB shares at the ratio of 1:1. If the 90-business-day weighted average price of CHB shares prior to the record date is lower than the issue price, the Company shall make up the gap with cash. The specifics of the cash reimbursement shall be determined by the Board.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- (k) On the issue date, the Company shall set aside and deliver to the appointed custodian for safekeeping a number of CHB shares equal to that of the total number of Class F preferred shares. In the event that Class F preferred shares are redeemed, the Company shall deliver the CHB shares from the custodian to the Class F preferred shareholders.
- (l) In the event that Class F preferred shareholders' equity decreases proportionally due to a reduction of share capital against cumulative losses, Class F preferred shareholders' equity shall be adjusted/made up for the amount decreased so that Class F preferred shareholders' interest is maintained at the same level as that the shares were initially issued.
- E. In accordance with Article 8-6 of the Company's Articles of Incorporation, on July 24, 2025, the Company increased its capital by issuing 294,668 thousand shares of registered Class G preferred shares due to the merger with Shin Kong Financial Holding Company. The Class G preferred shares are divided into Class G preferred shares I and Class G preferred shares II, which assume the rights and obligations of Shin Kong Financial Holding Company's Series A and Series B preferred shares, respectively. The rights and obligations related to the issuance date shall be calculated from September 27, 2019, and September 1, 2020, respectively. The par value and issuance price for each share are NT\$45, resulting in a total issuance amount of NT\$13,260,060 thousand. The issuance has been declared effective by the Taiwan Stock Exchange under letter No. Tai-Cheng-Shang-Yi-Zi: 1141802690 on June 27, 2025, and has been approved for registration change by the Ministry of Economic Affairs under letter No. Shou-Shang-Zi:11430104260 on July 24, 2025. The aforementioned preferred shares were officially listed and traded on July 24, 2025. The rights and other important issuance conditions of the Class G preferred shares are detailed as follows:
- (a) Maturity date: The Class G preferred shares have no maturity date.
- (b) Dividend: The annual interest rate for Class G preferred shares I is 3.80% (7-year IRS rate of 0.72% + 3.08%), calculated based on the issuance price per share; the two year interest rate for Class G preferred shares II is 4.00% (7-year IRS rate of 0.68% + 3.32%), also calculated based on the issuance price per share. The 7-year IRS rate will be reset on the first business day after the 7-year period from the issuance date and every seven years thereafter. The rate reset reference date will be two business days in the Taipei financial market prior to the reset date. The rate indicator for the 7-year IRS will be the arithmetic average of the rates quoted by Reuters for "TAIFXIRS" and "COSMOS3" for the 7-year swap rate, priced at 11:00 AM on the reset reference date. If the aforementioned quotes cannot be obtained on the rate reset reference date, the Company will determine the rate based on good faith principles and reasonable market conditions.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- (c) Dividend Distribution: If there are no distributable earnings for the current fiscal year or if the distributable earnings are insufficient to distribute dividends for the Class G preferred shares for that year, any undistributed or insufficiently distributed dividends, unless otherwise specified in the Company's Articles of Incorporation, shall not be made up for from the earnings of subsequent years. The Company has discretion over the distribution of dividends for the Class G preferred shares. The board of directors will propose a plan for profit distribution or loss compensation in accordance with Article 40-1 of the Company's Articles of Incorporation for approval at the shareholders' meeting. The distributable earnings shall be prioritized in the following order: first, to distribute the dividends due to the Series E preferred shares for the current year; if there are remaining amounts, to distribute the dividends due to Class G preferred shares I for the current year; if there are still remaining amounts, to distribute the dividends due to Class G preferred shares II for the current year. The dividends for Class G preferred shares will be paid in cash, and after the shareholders' meeting approves the financial statements and the profit distribution or loss compensation plan, the board of directors will set the ex-dividend date for the Class G preferred shares, based on which the dividends for the previous year will be paid. However, if the original Series A and Series B preferred shares of Shin Kong Financial Holding Company have participated in the ex-dividend process and dividends have been distributed, the Class G preferred shares shall not participate in the dividends distributed by the Company for that year. The distribution of dividends in the year of redemption will be calculated based on the ratio of the actual issuance days in that year to the total number of days in the year up to the date of cancellation of the shares.
- (d) Excess dividend distribution: In addition to receiving dividends according to the previous provisions, Class G preferred shareholders shall not participate in the distribution of earnings and capital reserves related to common shares and other preferred shares.
- (e) Distribution of residual assets: The distribution of the Company's residual assets to Class G preferred shares shall take precedence over common shares; however, it shall be limited to an amount not exceeding the number of Class G preferred shares issued and outstanding at the time of distribution, calculated at the issuance price.
- (f) The capital reserve from the premium on the issuance of Class G preferred shares shall not be used to increase capital during the issuance period of the Class G preferred shares.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- (g) Voting rights and election rights: Class G preferred shareholders shall have no voting rights or election rights at the shareholders' meeting; however, at the Class G preferred shareholders' meeting and any shareholders' meeting related to the rights and obligations of Class G preferred shareholders, they shall have voting rights on matters related to the recognition and discussion of those matters.
- (h) Cash issuance of new shares: In the event of a cash issuance of new shares by the Company, Class G preferred shareholders and common shareholders shall have the same rights to preemptively subscribe to the new shares.
- (i) Redemption of Preferred Shares: Class G preferred shares I may be redeemed by the Company at any time at the actual issuance price after the seventh anniversary of the issuance date, which is September 27, 2019, with the approval of the regulatory authority. Class G preferred shares II may be redeemed by the Company at any time at the actual issuance price after the seventh anniversary of the issuance date, which is September 1, 2020, with the approval of the regulatory authority. The rights and obligations of any Class G preferred shares that are not redeemed shall still be handled in accordance with this article.

F. The rights and other important issuance conditions of the Class H preferred shares are detailed in Note 6.(22).

G. Capital surplus

As of September 30, 2025, the Company recognized a capital surplus of \$136,480,391 thousand, in which there's a part of investees' unappropriated retained earnings totaling \$414,706 thousand. In addition to the other regulations, Article 47 (d) of Financial Holding Company Act stipulates that the appropriation is not restricted by Article 241 (a) of the Company Act. Furthermore, the capital surplus from Class E preferred shares and Class F, Class G.(I) and Class G.(II) preferred shares issued in excess of par cannot be transferred to its capital during the outstanding issuance periods of Class E preferred shares and Class F, Class G.(I) and Class G.(II) preferred shares.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

H. Retained earnings and dividend policy

In accordance with dividend policy of the Articles of Incorporation of the Company, whereas the Company makes profit in a fiscal year, the profit shall be first utilized for paying taxes, adjusted in accordance with accounting standards, offset losses of previous years, set aside 10% of the remaining profit as legal reserve, and set aside special reserve in accordance with the laws and regulations, the dividend rate of the Class E preferred shares and the Class F, Class G.(I) and Class G.(II) preferred shares should not be more than 8%, 4.5%, 3.8% and 4%, respectively. The distribution plan based on the Company's Articles of Incorporation clause 8-4 and 8-6 should be proposed by Company's board of directors in its meeting before its being resolved in the shareholders' meeting, and then any remaining profit together with the amount of reversed dividend or distributed-available special reserve and any undistributed earnings at the beginning of the fiscal year shall be resolved by the Company's board of directors in its meeting as the basis for proposing a distribution plan, of which cash dividends should not be less than 10% of total dividends distributed, to ordinary shareholders and each class of preferred shareholders. The distribution plan should be resolved in the shareholders' meeting. However, under the requirements of the MOF, if the Group's capital adequacy ratio is less than 100%, dividends cannot be distributed in cash or other assets. For the policies on distribution of employees' compensation and remuneration to directors before and after amendment, please refer to employee benefits expense in Note 6.(35).

Appropriation of earnings to legal reserve shall be made until legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no accumulated deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to Share capital or distributed in cash.

Refer to Note 6.(29)I for the information relating to special reserves.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The appropriations of earnings for 2024 and 2023 were resolved by the shareholders in their meetings on June 23, 2025 and June 14, 2024, respectively. However, as employee stock options were exercised, the actual number of common shares outstanding has changed, and the actual distribution amounts are as follows:

	Appropriation of earnings		Dividend per share (NT\$)	
	For year	For year	For year	For year
	2024	2023	2024	2023
Legal reserve appropriated	\$2,117,377	\$1,512,087		
Special reserve appropriated	-	-		
Reversal of the special reserve	(678,006)	(9,774,325)		
Cash dividends of Class E preferred shares	1,784,267	1,757,836	\$-	\$-
Cash dividends of Class F preferred shares	195,915	195,915	-	-
Cash dividends of ordinary shares (Note)	22,379,759	7,486,237	0.900	0.600
Stock dividends of ordinary shares	-	4,990,825	-	0.400

Note: The merger with Shin Kong Financial Holdings Company was approved by the FSC on March 31, 2025. Since this merger was followed by ex-rights and dividends, the ex-rights base date for common stock dividends after the merger and share exchange was also the date on which the shareholders of TS Financial Holding were determined as the distribution targets. The Company's outstanding common shares after the merger amounted to 24,866,399 thousand shares based on the share exchange ratio agreed upon by both parties on March 31, 2025, and the distributable cash dividend amounted to approximately \$0.9 per common share.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

I. Special reserves

The subsidiaries reclassified the reserve for trading losses and default losses as of December 31, 2010 to a special reserve account, which is part of equity, by Order No. 11202709871 issued by the FSC, which allowed the Company to recognize the special reserve because of investments accounted for using equity method.

The Company appropriated special reserves in accordance with Order No. 1090150022 issued by the FSC and the Q&As on “Question and Answer for Special Reserves Appropriated Following Adoption of IFRSs”.

In accordance with Order No. 1010045494 issued by the FSC, the subsidiaries reclassified from the balance of reserve for business loss to special reserves for Article 11 of Value-added and Non-value-added Business Tax an Act, which allowed the Company to recognize the special reserve because of investments accounted for using equity method.

The Company appropriated to special reserves an amount equal to the increase in retained earnings that resulted from recognizing gain on bargain purchase through acquisition in accordance with Order No. 10310006310 issued by the FSC. After a year, upon evaluation and confirmation by the accountant, a reversal was conducted as the assessed value of the acquired assets was found to be close to their value at the time of acquisition, and no unexpected material impairment losses were identified.

J. Other equity items

(a) Exchange differences on translation of the financial statements of foreign operations

	For the nine months ended	
	September 30	
	2025	2024
Beginning balance	\$(98,874)	\$(184,525)
Exchange differences on translating the net assets of foreign operations	(71,215)	109,411
Ending balance	\$(170,089)	\$(75,114)

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(b) Unrealized gains (losses) from financial assets at fair value through other comprehensive income

	For the nine months ended	
	September 30	
	2025	2024
Beginning balance	\$(1,099,440)	\$(986,719)
Recognized during the period		
Unrealized gains or losses		
Debt instruments	4,507,063	3,225,307
Equity instruments	2,714,083	929,671
Income tax related to profit or loss of debt instruments	(382,954)	(121,862)
Income tax - equity instruments gains and losses	(396,716)	-
Reclassification adjustments		
Disposal of investments in debt instruments	(936,484)	(1,793,146)
Other comprehensive income (loss) recognized during the period	5,504,992	2,239,970
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	(159,722)	(731,580)
Ending balance	\$4,245,830	\$521,671

(c) Changes in fair value attributable to changes in the credit risk of financial liabilities at FVTPL

	For the nine months ended	
	September 30	
	2025	2024
Beginning balance	\$22,145	\$161,394
Changes in fair value attributable to changes in the credit risk	8,704	(117,230)
Ending balance	\$30,849	\$44,164

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(d) Gains (losses) on hedging instruments

	For the nine months ended September 30	
	2025	2024
Beginning balance	\$-	\$-
Arising during the period		
Share of associates accounted for using the equity method	29	-
Other comprehensive income	29	-
Ending balance	\$29	\$-

(e) Other comprehensive income (loss) on reclassification using the overlay approach

	For the nine months ended September 30	
	2025	2024
Beginning balance	\$1,059,722	\$215,398
Recognized during the period		
Unrealized gain (loss)	19,918,210	(126,868)
Tax effects	(2,671,660)	(12,837)
Other comprehensive income (loss) recognized during the period	17,246,550	(139,705)
Ending balance	\$18,306,272	\$75,693

K. Non-controlling interests

	For the nine months ended September 30	
	2025	2024
Beginning balance	\$26,878	\$27,253
Attributable to non-controlling interests		
Net income for the year	22,393	526
Other comprehensive income	767	-
Changes in non-controlling interests -		
Subsidiary cash dividends	(340)	(1,031)
Changes in non-controlling interests - Due to business combination	403,575	-
Ending balance	\$453,273	\$26,748

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

L. Treasury shares

Purpose of buy-back	Shares acquired from shareholders with objections - ordinary shares (in thousands of shares)	Shares acquired from shareholders with objections - 2016 Class E preferred shares (in thousands of shares)	Shares acquired from shareholders with objections - 2018 Class E preferred shares (in thousands of shares)
Number of shares at January 1, 2025 and September 30, 2025	123	800	1,005

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights attached to these shares, including rights to dividends and voting.

(30) Net interest income

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Interest income				
Loans	\$20,290,057	\$13,648,439	\$47,040,194	\$38,768,018
Investment in	25,246,088	6,153,928	37,791,572	18,243,748
Revolving interest of	452,029	374,674	1,234,488	1,087,557
Finance leases	382,899	481,563	1,283,126	1,420,270
Others	1,985,610	1,719,994	4,732,171	5,319,383
Subtotal	48,356,683	22,378,598	92,081,551	64,838,976
Interest expense				
Deposits	(13,535,929)	(11,037,751)	(34,393,223)	(32,096,550)
Structured products	(757,357)	(911,624)	(2,252,243)	(2,762,331)
Others	(2,352,135)	(1,410,813)	(4,564,514)	(4,068,996)
Subtotal	(16,645,421)	(13,360,188)	(41,209,980)	(38,927,877)
Total	\$31,711,262	\$9,018,410	\$50,871,571	\$25,911,099

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(31) Net service fee and commission income

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Service fees and commission income				
Interbank fee	\$310,811	\$302,491	\$897,673	\$868,817
Loan and guarantee fee	430,413	236,327	965,127	642,528
Fee from certification, underwriting and brokerage	2,323,143	1,137,082	4,189,129	3,271,989
Fee from trustee business	1,717,903	1,248,030	3,837,883	3,240,799
Insurance commission fee	784,153	653,233	3,032,674	1,969,209
Fee from credit cards	2,344,480	1,796,958	6,001,131	4,821,764
Others	1,101,323	740,681	2,581,734	2,005,962
Subtotal	9,012,226	6,114,802	21,505,351	16,821,068
Service fees and commission expenses				
Fees from credit cards	(1,234,299)	(859,979)	(3,064,482)	(2,478,706)
Interbank fee	(127,958)	(106,078)	(338,681)	(295,279)
Marketing fee	(243,346)	(252,392)	(712,214)	(630,077)
Insurance commission fee	(3,527,359)	(1,202,897)	(7,501,627)	(3,193,557)
Others	(659,011)	(406,249)	(1,525,797)	(1,284,156)
Subtotal	(5,791,973)	(2,827,595)	(13,142,801)	(7,881,775)
Total	\$3,220,253	\$3,287,207	\$8,362,550	\$8,939,293

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(32) Net income from insurance operations

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Insurance business				
income				
Written premium				
income	\$37,999,318	\$9,337,830	\$62,764,196	\$27,511,613
Reinsurance premium				
expense	(663,904)	(189,193)	(1,069,094)	(515,652)
Separate account				
insurance product				
income	8,194,584	642,729	10,449,996	4,401,694
Subtotal	45,529,998	9,791,366	72,145,098	31,397,655
Insurance business				
expense				
Underwriting expense	(2,391)	(1,429)	(4,324)	(3,605)
Insurance claim				
payments	(37,261,038)	(2,738,195)	(42,937,396)	(7,867,143)
Claims and payments				
recovered from				
reinsurers	264,748	97,079	392,636	209,652
Disbursements toward				
industry stability				
fund	(62,493)	(14,056)	(99,284)	(48,662)
Separate account				
insurance product				
expense	(8,194,584)	(642,729)	(10,449,996)	(4,401,694)
Subtotal	(45,255,758)	(3,299,330)	(53,098,364)	(12,111,452)
Total	\$274,240	\$6,492,036	\$19,046,734	\$19,286,203

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

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

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Disposal (losses) gains				
Bank				
Shares and beneficiary				
certificates	\$197,320	\$320,844	\$1,019,569	\$798,601
Bills	19,689	65,843	92,715	131,013
Bonds	345,101	155,208	496,828	595,692
Derivative financial				
instruments	621,589	(171,839)	3,080,943	47,103
Subtotal	1,183,699	370,056	4,690,055	1,572,409
Securities				
Call (put) warrants issued	(325,537)	(91,230)	(249,806)	(135,439)
Trading securities - dealing	1,502,028	458,019	1,257,100	1,855,565
Trading securities -				
underwriting	95,788	44,398	126,820	91,207
Trading securities - hedging	1,394,674	281,760	1,480,288	794,102
Borrowed securities and				
bonds with resell				
agreements-short sales	(1,068,450)	(10,863)	(1,087,723)	(118,689)
Funds	3,444	-	4,553	437
Fixed-term fixed-amount				
reconciliation account				
shares	217	-	222	-
Derivative financial				
instruments	(1,863,593)	(4,913)	(1,452,778)	(1,077,726)
Subtotal	(261,429)	677,171	78,676	1,409,457
Life insurance				
Shares and beneficiary				
certificates	5,830,538	1,178,866	7,060,795	3,077,497
Funds	2,637	-	2,637	-
Derivative financial				
instruments	(12,207,510)	(174,955)	(12,886,945)	(1,048,820)
Subtotal	(6,374,335)	1,003,911	(5,823,513)	2,028,677

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Others				
Shares and beneficiary certificates	\$98,291	\$5,892	\$157,620	\$14,445
Derivative financial instruments	13,982	5,195	190,895	5,195
Subtotal	112,273	11,087	348,515	19,640
Total Gains (Losses) on Disposal	(5,339,792)	2,062,225	(706,267)	5,030,183
Valuation gains (losses)				
Bank				
Shares and beneficiary certificates	(42,016)	(1,005,159)	(1,873,860)	1,857,029
Bills	4,826	(24,462)	(24,538)	(4,115)
Bonds	(263,151)	(303,948)	720,041	449,171
Derivative financial instruments	18,129	1,751,036	(170,061)	(947,646)
Subtotal	(282,212)	417,467	(1,348,418)	1,354,439
Securities				
Call (put) warrants issued	(40,100)	148,839	(88,890)	89,197
Trading securities - dealing	1,434,216	(459,864)	1,277,666	(378,526)
Trading securities - underwriting	(17,259)	(42,337)	(73,573)	55,352
Trading securities - hedging	919,778	(531,862)	813,084	16,815
Borrowed securities and bonds with resell agreements-short sales	(202,094)	21,255	(72,718)	137,885
Funds	29,328	(15,344)	4,468	(16,871)
Derivative financial instruments	(129,413)	303,256	15,547	(91,150)
Subtotal	1,994,456	(576,057)	1,875,584	(187,298)

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Life insurance				
Shares and beneficiary certificates	\$23,381,075	\$(2,472,339)	\$20,127,368	\$(94,465)
Beneficiary securities	197	(18)	189	15
Bonds	395,517	-	395,517	-
Derivative financial instruments	(25,393,007)	575,024	(22,407,410)	(633,526)
Subtotal	(1,616,218)	(1,897,333)	(1,884,336)	(727,976)
Others				
Shares and beneficiary certificates	(171,560)	(317,751)	(1,352,863)	(621,509)
Derivative financial instruments	(13,839)	(76,128)	(68,886)	(119,983)
Subtotal	(185,399)	(393,879)	(1,421,749)	(741,492)
Total Gains (Losses) on Valuation	(89,373)	(2,449,802)	(2,778,919)	(302,327)
Net interest income	973,127	278,187	1,610,983	841,972
Dividends	2,255,729	706,560	3,058,831	1,365,268
Interest expense	(50,762)	(50,593)	(151,096)	(146,984)
Total	<u>\$ (2,251,071)</u>	<u>\$ 546,577</u>	<u>\$ 1,033,532</u>	<u>\$ 6,788,112</u>

(34) Realized gain (loss) on financial assets at FVTOCI

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Disposal gains (losses)				
Bonds	\$475,116	\$1,446,138	\$991,221	\$1,796,348
Beneficiary securities	1,514	(1,049)	(310)	(3,202)
Subtotal	476,630	1,445,089	990,911	1,793,146
Dividend income				
Related to investments held at the end of the period	1,018,221	377,043	1,103,535	459,887
Related to investments derecognized at the end of the period	286,833	217,666	305,457	233,007
Total	<u>\$ 1,781,684</u>	<u>\$ 2,039,798</u>	<u>\$ 2,399,903</u>	<u>\$ 2,486,040</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(35) Employee benefits expense

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Short-term benefits	\$8,910,336	\$5,078,950	\$19,189,582	\$14,645,208
Post-employment benefits				
Defined contribution plans	237,259	165,929	573,023	481,519
Defined benefit plans	(3,494)	11,508	12,011	35,215
Share-based payments (Note 6.(40))				
Cash-settled share-based payments	41,138	16,641	56,336	59,624
Others	48,241	45,643	122,850	117,811
Total	\$9,233,480	\$5,318,671	\$19,953,802	\$15,339,377

Employees' compensation and remuneration of directors

In accordance with the Articles of Incorporation, the Company accrues employees' compensation and directors' remuneration at a rate of no less than 0.01% and no more than 1%, respectively, of net profit before income tax, employees' compensation and directors' remuneration. Following the amendment to the Securities and Exchange Act in August 2024, the Company resolved at the 2025 shareholders' meeting to amend its Articles of Incorporation to specify that 80% of the employee remuneration appropriated for the year shall be allocated to rank-and-file employees. For the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, the amounts of employees' compensation (including remuneration of rank-and-file employees) and remuneration of directors were as follows:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Employees' compensation	\$1,210	\$624	\$2,230	\$1,656
Remuneration of directors	\$147,235	\$62,391	\$223,019	\$165,612

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

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

The Company held board of directors' meetings on March 27, 2025 and February 22, 2024 in which it resolved the appropriations of employees' compensation and remuneration of directors and which resulted in the actual amounts of the employees' compensation and remuneration of directors paid for 2024 and 2023 to differ from the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023, respectively. The differences were adjusted to profit or loss for the years ended December 31, 2025 and 2024.

	For the nine months ended September 30			
	2024		2023	
	Employees' compensation	Remuneration of directors	Employees' compensation	Remuneration of directors
Amounts approved at the board of directors' meeting	\$2,011	\$150,797	\$1,471	\$100,057
Amounts recognized in the annual financial statements	\$2,011	\$199,271	\$1,472	\$147,244

Information on the employees' compensation and the remuneration of directors resolved by the Company's board of directors in 2025 and 2024 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

(36) Depreciation and amortization expenses

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
	Property and equipment	\$499,483	\$321,029	\$1,086,289
Investment properties	456,152	8,725	473,713	25,607
Right-of-use assets	330,403	218,204	723,655	648,990
Intangible assets and other deferred assets	519,052	167,158	862,607	469,498
Total	\$1,805,090	\$715,116	\$3,146,264	\$2,105,280

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(37) Income tax

In 2003, TS Financial Holding adopted the linked tax system for tax filing (similar to a consolidated tax filling) along with its subsidiaries Taishin Bank and Taishin AMC. Taishin Venture Capital Investment was included in this tax system since 2004, and Taishin Securities B, Taishin Securities Investment Trust and Taishin Securities Investment Advisory were included in this tax system since 2011. Taishin Life Insurance was included in this tax system since 2022.

In July 2019, the president of the ROC announced the amendments to the Statute for Industrial Innovation, which stipulate that the amounts of unappropriated earnings in 2018 and thereafter that are reinvested in the construction or purchase of certain assets or technologies are allowed as deduction when computing the income tax on unappropriated earnings. When calculating the tax on unappropriated earnings, the Group only deducts the amount of the unappropriated earnings that has been reinvested in capital expenditure.

The governments of Japan, Australia, and Vietnam, where Taishin Bank is registered, enacted the Pillar Two income tax legislation, effective January 1, 2024. There was no related current income tax impact on the Group. The Group is continuously assessing the possible impact of the Pillar Two income tax legislation on its future financial performance.

A. Income tax recognized in profit or loss

The major components of tax expense (profit) were as follows:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Current tax				
In respect of the current period	\$1,229,340	\$1,826,150	\$5,768,272	\$3,078,414
Income tax on unappropriated earnings	1,697	-	1,697	377,022
Adjustments for prior years	(103,323)	(184,768)	(73,007)	(512,781)
Offshore income tax expense	26,462	28,876	78,792	76,266
Land value increment tax	1,691	3,774	1,691	3,774
Deferred tax				
In respect of the current period	(305,022)	(457,870)	(2,576,148)	75,806
Adjustments for prior years	(74,863)	-	(66,190)	(4,376)
Income tax expense recognized in profit or loss	<u>\$775,982</u>	<u>\$1,216,162</u>	<u>\$3,135,107</u>	<u>\$3,094,125</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. Income tax recognized in other comprehensive income (loss)

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Deferred tax				
In respect of the current period:				
Unrealized gains (losses) from debt instruments at fair value through other comprehensive income	\$91,033	\$108,486	\$382,954	\$121,862
Unrealized gains (losses) from investments in equity instruments designated at fair value through other comprehensive income	396,716	-	396,716	-
Reclassification using the overlay approach	2,661,059	15,941	2,671,660	12,837
Total income tax recognized in other comprehensive income	<u>\$3,148,808</u>	<u>\$124,427</u>	<u>\$3,451,330</u>	<u>\$134,699</u>

C. Except for the following, refer to Note 41 to the consolidated financial statements as of and for the year ended December 31, 2024 for the other related information on the Group's income tax assessments.

- (a) TS Financial Holding's income tax returns through 2019 have been assessed by the tax authorities.
- (b) Taishin Bank's income tax returns through 2019 have been assessed by the tax authorities. The income tax returns of Taishin Real-Estate through 2023 have been assessed by the tax authorities. The income tax returns of Taishin D.A. Finance through 2022 have been assessed by the tax authorities.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- (c) Taishin AMC's income tax returns through 2019 have been assessed by the tax authorities.
- (d) Taishin Venture Capital Investment's income tax returns through 2019 have been assessed by the tax authorities. Taishin Sports Entertainment's income tax returns through 2023 have been assessed by the tax authorities.
- (e) Taishin Securities Investment Trust's income tax returns through 2019 have been assessed by the tax authorities.
- (f) Taishin Securities B's income tax returns through 2019 have been assessed by the tax authorities. Taishin Securities Venture Capital's income tax returns through 2023 have been assessed by the tax authorities. Taishin Capital's income tax returns through 2023 have been assessed by the tax authorities. Taishin Futures's income tax returns through 2023 have been assessed by the tax authorities. Taishin Health Investment's income tax returns through 2023 have been assessed by the tax authorities.
- (g) Taishin Securities Investment Advisory's income tax returns through 2019 have been assessed by the tax authorities.
- (h) Taishin Life Insurance's income tax returns through 2021 have been assessed by the tax authorities.
- (i) Shin Kong Life Insurance's income tax filings for previous years have been assessed and approved by the tax authorities up to 2019.
- (j) Taiwan Shin Kong Commercial Bank's income tax filings for previous years have been assessed and approved by the tax authorities up to 2019. Shin Kong Marketing's income tax filings for previous years have been assessed and approved by the tax authorities up to 2023.
- (k) MasterLink Securities's income tax filings for previous years have been assessed and approved by the tax authorities up to 2019; however, MasterLink Securities believes that the approval contains many unreasonable aspects and is currently pursuing administrative relief procedures. The amount of tax that shall be paid as part of the tax administrative relief process amounted to NT\$29,338 thousand, which MasterLink Securities has fully paid.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- (l) Shin Kong Investment Trust's income tax filings for previous years have been assessed and approved by the tax authorities up to 2019.
- (m) Shin Kong Venture Capital's income tax filings for previous years have been assessed and approved by the tax authorities up to 2019.
- (n) Shin Kong Insurance Brokers' income tax filings for previous years have been assessed and approved by the tax authorities up to 2019.

(38) Earnings per share

	Unit: NT\$ per share			
	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Basic earnings per share	\$0.53	\$0.43	\$1.30	\$1.17
Diluted earnings per share	\$0.53	\$0.43	\$1.30	\$1.17

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net income for the period

	Unit: Dollars in thousands			
	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Net income for the periods attributable to owner of the Company	\$12,387,567	\$6,083,659	\$22,610,779	\$16,659,662
Less: dividends on preferred shares	(890,778)	(498,721)	(1,872,731)	(1,485,320)
Earnings used in computation of basic earnings per share	\$11,496,789	\$5,584,938	\$20,738,048	\$15,174,342

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Weighted average number of ordinary shares outstanding

	Unit: Number of shares in thousands			
	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Weighted average number of ordinary shares in computation of basic earnings per share	21,893,713	12,976,144	15,981,251	12,976,144
Effect of dilutive potential ordinary shares:				
Employees' compensation	103	90	124	106
Weighted average number of ordinary shares outstanding in computation of dilutive earnings per share	<u>21,893,816</u>	<u>12,976,234</u>	<u>15,981,375</u>	<u>12,976,250</u>

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

(39) Business combinations

Acquisition of Shin Kong Financial Holding

On July 24, 2025, the Company approved the acquisition of 100% Shin Kong Financial Holding Company's shares through the issuance of common shares, preferred shares, and preferred share liabilities, thereby gaining control of the financial holding group. Subsequently, Shin Kong Financial Holding Company was dissolved, and the Company directly holds the subsidiaries of the former Shin Kong Financial Holding Company.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

By acquiring control over Shin Kong Financial Holding Company, the group can now combine the group resources and management experience of Shin Kong Financial Holding Company to enhance the overall operational efficiency, provide more comprehensive and diverse financial services to a broader customer base, and further strengthen the group's overall competitiveness.

The Company elected to measure the non-controlling interests of the Shin Kong Financial Holding Group at fair value.

The preliminary fair value of the identifiable assets and liabilities of Shin Kong Financial Holding as at the date of acquisition were:

	Preliminary fair value recognized on the acquisition date
Assets	
Cash and cash equivalents	\$84,162,291
Due from the Central Bank	59,869,109
Call loans to banks	32,963,091
Financial assets at FVTPL	527,200,897
Financial assets at FVTOCI	315,373,977
Investments in debt instruments at amortized cost	1,809,848,973
Securities purchased under resell agreements	26,935,971
Receivables, net	115,728,940
Current tax assets	1,509,850
Assets classified as held for sale, net	6,135,020
Payables	1,012,936,895
Reinsurance contract assets, net	1,979,215
Investments accounted for using equity method, net	2,891,164
Other financial assets, net	16,368,015
Investment properties, net	232,432,113
Property and equipment, net	52,101,748
Right-of-use assets, net	5,207,856
Intangible assets, net	1,278,906
Identifiable intangible assets from transactions	17,376,752
Deferred tax assets	41,874,859
Others	99,175,563
Subtotal	<u>4,463,351,205</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Preliminary fair value recognized on the acquisition date
Liabilities	
Deposits from the Central Bank and banks	\$(17,553,653)
Financial liabilities at FVTPL	(25,818,550)
Securities sold under repurchase agreements	(49,247,066)
Commercial papers payable	(11,390,314)
Payables	(66,691,390)
Deposits and remittances	(1,131,344,190)
Bonds payable	(90,071,036)
Other borrowings	(5,158,224)
Provisions	(3,291,034,506)
Other financial liabilities	(69,105,230)
Lease liabilities	(10,336,354)
Deferred tax liabilities	(8,815,188)
Others	(86,031,905)
Subtotal	<u>(4,862,597,606)</u>
Identifiable net assets	<u><u>\$(399,246,401)</u></u>

Preliminary goodwill of Shin Kong Financial Holding is as follows:

Purchase consideration	\$248,414,622
Add: non-controlling interests at fair value	403,575
Less: identifiable net assets at fair value	<u>(399,246,401)</u>
Preliminary goodwill	<u><u>\$648,064,598</u></u>

Acquisition consideration

Shares issued, at fair value	\$220,150,495
Preferred stock liabilities	<u>28,264,127</u>
Total consideration	<u><u>\$248,414,622</u></u>

Analysis of cash flows on acquisition:

Transaction costs of the acquisition	\$(896)
Net cash acquired with the subsidiary	144,061,353
Transaction costs attributable to issuance of shares	<u>(18,653)</u>
Net cash flow on acquisition	<u><u>\$144,041,804</u></u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

As of September 30, 2025, the amount of net assets recognized in the financial statements is based on a preliminary fair value assessment. The Company has commissioned an independent third party to conduct a valuation assessment of the net assets of Shin Kong Financial Holding Company; however, the assessment results were not yet available at the time the third quarter financial statements of 2025 were approved for issue.

The Company issued 11,890,254,918 common shares, 75,000,000 Class G preferred shares I, 219,668,000 Class G preferred shares II, and 3,096,420,552 Class H preferred shares as consideration for acquiring 100% equity of Shin Kong Financial Holding Company. The preliminary fair value of these shares was set at \$17.4 per common share, \$45 per Class G preferred share, and \$9.128 per Class H preferred share, resulting in a total fair value of the consideration of \$248,414,622 thousand.

The transaction costs in the amount of \$896 thousand have been expensed and booked as management expenses. The attributable cost of issuing equity instruments in the amount of \$18,653 thousand has been directly accounted for in equity as a reduction of share premium.

From the acquisition day (July 24, 2025), the net profit generated by Shin Kong Financial Holding Company for the group amounted to \$7,061,955 thousand. If the merger had taken place at the beginning of the year, the net revenue and gains generated would have been \$(2,405,883) thousand, while the net income (loss) would have been \$(23,357,938) thousand.

The goodwill of \$648,064,598 thousand is expected to arise from the synergies generated by the acquisition. This goodwill is anticipated to be fully deductible for tax purposes.

(40) Share-based payment arrangements

Cash-settled share-based payments of Taishin appreciation rights plan

The Group issued share appreciation rights (SAR) to employees that required the Group to pay the intrinsic value of SAR to the qualified people at the date of exercise since 2013. The fair value of SAR was determined using the Black-Scholes pricing model based on the following assumptions:

	Plan of 2024	Plan of 2023	Plan of 2022	Plan of 2021	Plan of 2020
Grant-date share price (Note)	\$17.02	\$17.02	\$17.02	\$17.02	\$17.02
Exercise price	\$16.13	\$15.58	\$12.43	\$15.26	\$10.36
Outstanding period	1.3 years, 2.3 years, 3.3 years, 4.3 years	0.3 years, 1.3 years 2.3 years, 3.3 years	0.3 years, 1.3 years, 2.3 years	-	-
Expected volatility	31.15% - 31.15%	31.15% - 31.15%	31.15% - 31.15%	31.15% - 31.15%	31.15% - 31.15%
Risk-free interest rate	0.97% - 0.97%	0.97% - 0.97%	0.97% - 0.97%	0.97% - 0.97%	0.97% - 0.97%

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Note: The grant-date share price is calculated based on the average closing price of ordinary shares of the Company 30 business days before the balance sheet date.

The movements in the appreciation rights plan for the nine months ended September 30, 2025 and 2024 were as follows:

	For the nine months ended September 30, 2025	
	Unit	Weighted average exercise price (dollars)
Appreciation rights plan of 2024		
Outstanding, beginning	-	\$-
Granted	36,660	17.52
Ceased	(1,724)	17.03
Outstanding, ending	34,936	
Weighted-average fair value of appropriation rights (NT\$)	\$2.79	

	For the nine months ended September 30			
	2025		2024	
Appreciation Rights Plan of 2023	Unit	Weighted Average Exercise Price (Dollars)	Unit	Weighted Average Exercise Price (Dollars)
Outstanding, beginning	24,863	\$16.49	-	\$-
Granted	-	-	25,497	17.68
Ceased	(1,430)	16.32	(524)	16.49
Outstanding, ending	23,433		24,973	
Weighted-average fair value of appropriation rights (NT\$)	\$2.34		\$3.07	

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	For the nine months ended September 30			
	2025		2024	
Appreciation Rights Plan of 2022	Unit	Weighted Average Exercise Price (Dollars)	Unit	Weighted Average Exercise Price (Dollars)
Outstanding, beginning	22,695	\$13.16	24,065	\$14.11
Granted	(10,921)	-	-	-
Ceased	(847)	13.10	(1,190)	13.16
Outstanding, ending	<u>10,927</u>		<u>22,875</u>	
Weighted-average fair value of appropriation rights (NT\$)	<u>\$4.63</u>		<u>\$4.79</u>	

	For the nine months ended September 30			
	2025		2024	
Appreciation Rights Plan of 2021	Unit	Weighted Average Exercise Price (Dollars)	Unit	Weighted Average Exercise Price (Dollars)
Outstanding, beginning	9,969	\$15.26	21,319	\$16.36
Granted	(9,707)	15.26	(10,501)	16.36
Ceased	(262)	15.26	(758)	15.26
Outstanding, ending	<u>-</u>		<u>10,060</u>	
Weighted-average fair value of appropriation rights (NT\$)	<u>\$-</u>		<u>\$2.52</u>	

English Translation of Financial Statements Originally Issued in Chinese

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	<u>For the nine months ended September 30, 2024</u>	
	Unit	Weighted average exercise price (dollars)
Appreciation Rights Plan of 2020		
Outstanding, beginning	10,907	\$10.36
Granted	(10,562)	10.36
Ceased	(345)	10.36
Outstanding, ending	-	
Weighted-average fair value of appropriation rights (NT\$)	\$-	

As of September 30, 2025 and September 30, 2024, the related liabilities recognized amounted to \$109,975 thousand and \$120,965 thousand, respectively.

(41) Cash flow information

Changes in liabilities arising from financing activities:

For the nine months ended September 30, 2025

	<u>Non-cash changes</u>									
	Opening balance	Cash flows	Effect of				Generated			Closing balance
			exchange rate changes	New leases	Termination of lease contract	Amortization for discount	Fair value adjustments	Execution of exchange	from business combination	
Due to the Central Bank and banks (including call loans from other banks and bank overdrafts)	\$5,362,767	\$16,256,421	\$ 41,527	\$-	\$-	\$-	\$-	\$-	\$200,000	\$21,860,715
Commercial papers payable	49,413,465	12,830,502	-	-	-	(18,694)	-	-	11,390,314	73,615,587
Lease liabilities	2,291,981	(729,148)	65,321	857,057	(15,775)	-	-	-	10,336,354	12,805,790
Other borrowings	10,243,711	(7,807,200)	(342,232)	-	-	-	-	-	5,158,224	7,252,503
Financial liabilities designated at FVTPL	2,422,399	-	-	-	-	-	(107,786)	-	-	2,314,613
Bonds payable	64,533,272	(7,044,436)	-	-	-	(162,179)	-	(4,244,776)	90,071,036	143,152,917
Total	<u>\$134,267,595</u>	<u>\$13,506,139</u>	<u>\$(235,384)</u>	<u>\$857,057</u>	<u>\$(15,775)</u>	<u>\$(180,873)</u>	<u>\$(107,786)</u>	<u>\$(4,244,776)</u>	<u>\$117,155,928</u>	<u>\$261,002,125</u>

English Translation of Financial Statements Originally Issued in Chinese

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

For the nine months ended September 30, 2024

	Non-cash changes							Closing balance
	Opening balance	Cash flows	Effect of				Fair value adjustments	
			exchange rate changes	New leases	Termination of lease contract	Amortization for discount		
Due to the Central Bank and banks (including call loans from other banks and bank overdrafts)	\$9,739,011	\$24,519,379	\$-	\$-	\$-	\$-	\$-	\$34,258,390
Commercial papers payable	30,223,005	15,808,000	-	-	-	(52,703)	-	45,978,302
Lease liabilities	2,405,852	(685,823)	3,120	514,118	(2,888)	-	-	2,234,379
Other borrowings	10,387,601	626,508	405,921	-	-	-	-	11,420,030
Financial liabilities designated at								
FVTPL	2,548,652	-	-	-	-	-	167,068	2,715,720
Bonds payable	68,144,602	(3,000,000)	-	-	-	93,375	-	65,237,977
Total	\$123,448,723	\$37,268,064	\$409,041	\$514,118	(\$2,888)	\$40,672	\$167,068	\$161,844,798

(42) Capital risk management

A. Summary

To efficiently control the capital adequacy of the Group on the premise of balancing the Group's business development and risk control, TS Financial Holding had codified its "principles of capital adequacy management" and compiled related information to be reported to the Asset and Liability Management Committee periodically.

The Group's goals in capital management are as follows:

- (a) To ensure the Group conforms to related capital adequacy regulations and minimum basic criteria set by each industry's regulatory agencies.
- (b) To ensure every subsidiary is able to meet the capital needs of operating plan and the capital requirement, as well as to reach the optimization of capital allocation within the Group.
- (c) To implement capital management, TS Financial Holding and its significant subsidiaries should assess capital adequacy periodically and make proper arrangements of capital structure and application of capital instruments and adjustments of asset portfolio.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. Capital management procedures

In order to meet the Group's capital adequacy goals, TS Financial Holding established the Asset and Liability Committee (the "Committee") to review capital performance of TS Financial Holding and its significant subsidiaries' every month. If there is any concern that the Group's capital adequacy may be below the legal standard, the Committee would immediately find measures to increase the Group's net qualified capital or to reduce the Group's legal capital requirement so as to improve the Group's performance and meet capital adequacy ratio.

The Group's capital adequacy ratio is calculated based on the accounting reports and related data of capital adequacy provided by TS Financial Holding and its subsidiaries. TS Financial Holding and each of its subsidiaries should respectively report to the relevant regulatory agencies using the calculation formulas and forms according to the regulations before deadline.

(43) Financial instruments

A. Fair value of financial instruments

(a) Summary

Fair value is the exchange price in an orderly transaction between market participants and is the amount to be received on the sale of an assets or the amount to be paid on the transfer of a liability.

Financial instruments are initially measured at fair value. In many cases, the transaction price will equal the fair value. Subsequently, the financial instruments are measured at fair value, unless the financial assets meet the criteria for being measured at amortized cost. A quoted price in an active market provides the most reliable evidence of fair value. If financial instruments have no quoted prices in an active market, the Group will use valuation techniques or refer to Bloomberg or Reuters' quotes or the fair value quoted by the counterparty.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(b) The definition of three levels of fair value

- i. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Active markets must have the following attributes:
 - a. assets or liabilities traded in the market are identical,
 - b. the market is principal (or most advantageous), providing ease in finding buyers and sellers that are both able and willing to transact an asset sale or liability transfer; and
 - c. pricing information is readily available on an ongoing basis to the public.
- ii. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as price) or indirectly (i.e., value derived from price), in the active markets.
 - a. Quoted prices of similar financial instruments in active market are the Company's fair value of financial instruments if based on recent quoted price for similar financial instruments. Similar financial instruments should be decided in accordance with characteristics and transaction conditions of these instruments. Fair value of financial instruments will vary depending on factors specific to the similar asset or liability. The factors include: Prices are not current, price quotations vary substantially, transaction price between related parties, relevance of quoted price of similar instruments and the quoted price of financial instruments.
 - b. Quoted prices for identical or similar assets or liabilities in markets that are not active.
 - c. Valuation models are used to measure fair value, and the inputs (e.g., interest rate, yield curve, and volatilities) are based on accessible data from the markets (the observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data).
 - d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- iii. Level 3 inputs are inputs that are not available in the market. Unobservable inputs are inputs such as historical volatilities used in option pricing model. Historical volatility typically does not represent current market participants' expectations about future volatility.

(c) Financial instruments measured at fair value

i. Information on fair value hierarchy

The financial instruments measured at fair value of the Group are measured at fair value on a recurring basis.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

September 30, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Recurring fair value measurement</u>				
<u>Non-derivative assets and liabilities</u>				
Assets				
Financial assets at FVTPL				
Financial assets				
mandatorily classified as				
at FVTPL				
Shares and beneficiary				
certificates	\$362,785,323	\$4,724,284	\$4,267,925	\$371,777,532
Bond investments	64,672,038	35,798,120	25,409,466	125,879,624
Investment in bills	-	74,196,549	-	74,196,549
Beneficiary securities	98,073	-	-	98,073
Negotiable certificates of				
deposit	80,425,442	-	-	80,425,442
Commercial papers	18,444,000	-	-	18,444,000
Financial assets at FVTOCI				
Share investments	127,107,648	35,338	9,112,489	136,255,475
Bond investments	94,977,975	248,860,041	10,512,209	354,350,225
Beneficiary securities	-	2,339,023	-	2,339,023

English Translation of Financial Statements Originally Issued in Chinese

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Level 1	Level 2	Level 3	Total
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities				
designated as at FVTPL	\$-	\$2,314,613	\$-	\$2,314,613
Financial liabilities held for trading	14,872,618	-	-	14,872,618
<u>Derivative assets and liabilities</u>				
Assets				
Financial assets at FVTPL	1,326,676	58,486,811	7,519,792	67,333,279
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities				
designated at FVTPL	-	4,052,642	-	4,052,642
Financial liabilities held for trading	1,177,642	53,339,619	8,168,001	62,685,262
<u>December 31, 2024</u>				
	Level 1	Level 2	Level 3	Total
<u>Recurring fair value measurement</u>				
<u>Non-derivative assets and liabilities</u>				
Assets				
Financial assets at FVTPL				
Financial assets				
mandatorily classified as at FVTPL				
Shares and beneficiary certificates	\$46,872,137	\$1,218,426	\$3,529,161	\$51,619,724
Bond investments	14,854,113	13,686,772	-	28,540,885
Investment in bills	-	54,599,251	-	54,599,251
Beneficiary securities	-	10,493	-	10,493
Financial assets at FVTOCI				
Share investments	12,484,918	-	2,618,810	15,103,728
Bond investments	4,971,780	148,261,657	-	153,233,437
Beneficiary securities	-	955,554	-	955,554

English Translation of Financial Statements Originally Issued in Chinese

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Level 1	Level 2	Level 3	Total
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities				
designated at FVTPL	\$-	\$2,422,399	\$-	\$2,422,399
Financial liabilities held for trading	1,494,495	-	-	1,494,495
<u>Derivative assets and liabilities</u>				
Assets				
Financial assets at FVTPL	1,012,543	38,733,174	11,442,861	51,188,578
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities				
designated at FVTPL	-	3,064,794	-	3,064,794
Financial liabilities held for trading	108,570	37,223,672	12,351,264	49,683,506

September 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Recurring fair value measurement</u>				
<u>Non-derivative assets and liabilities</u>				
Assets				
Financial assets at FVTPL				
Financial assets				
mandatorily classified as at FVTPL				
Shares and beneficiary certificates	\$56,689,252	\$1,234,488	\$3,631,876	\$61,555,616
Bond investments	15,946,819	15,306,312	-	31,253,131
Investment in bills	-	61,423,092	-	61,423,092
Beneficiary securities	-	142,099	-	142,099
Financial assets at FVTOCI				
Share investments	12,766,394	-	2,535,566	15,301,960
Bond investments	5,253,957	124,105,241	-	129,359,198
Beneficiary securities	-	1,007,448	-	1,007,448

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Level 1	Level 2	Level 3	Total
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities				
designated at FVTPL	\$-	\$2,715,720	\$-	\$2,715,720
Financial liabilities held for trading	1,453,126	-	-	1,453,126
<u>Derivative assets and liabilities</u>				
Assets				
Financial assets at FVTPL	961,116	26,120,498	9,347,137	36,428,751
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities				
designated at FVTPL	-	3,497,247	-	3,497,247
Financial liabilities held for trading	289,886	29,315,376	10,064,715	39,669,977

ii. The valuation techniques based on fair value

Financial instruments are initially measured at fair value. In many cases the transaction price will equal the fair value. Subsequently, the financial instruments are measured at fair value, unless the financial assets meet the criteria for being measured at amortized cost. A quoted price in an active market provides the most reliable evidence of fair value. If financial instruments have no quoted prices in an active market, the Group will use valuation techniques or refer to Bloomberg or Reuters' quotes or the fair value quoted by the counterparty.

If there is an active market and a price for a financial instrument quoted in that market, the quoted price will be the fair value of the financial instrument. Market prices provided by major stock exchanges and market prices of popular central government bonds announced by the Taipei Exchange (formerly the GreTai Securities Market) are considered to be the basis of fair values for equity instruments and debt instruments with active market.

If a quoted price, which represents the price being practically and frequently transacted in orderly transactions, can be acquired from stock exchanges, brokers, underwriters, pricing service institutions or the administration in time then there is an active market for the financial instrument. If the conditions mentioned above are not met, then the market is regarded as inactive. Generally speaking, extremely high bid-ask spread, significant increase of bid-ask spread or extremely low transaction amounts are all indications of an inactive market.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The Group's financial instruments with active markets and the basis of their fair values are described as follows:

a. Foreign currency products

Since the foreign exchange market is very active, the Group adopts the market prices of each respective currency or the last trading prices as fair values.

b. Government bonds and part of interest rate derivatives

(i) New Taiwan Dollar Central Government Bonds:

If there is a trading price on the measurement date, then the last trading price is the fair value. If there is no trading price for reference and the subordinated bond fair price provided by the Taipei Exchange is not in the market quoted price interval, then the median price of the market quoted prices is the fair value. If the subordinated bond fair price is in the market quoted price interval, then the fair price is the fair value.

(ii) Interest rate derivatives: The quoted price from Reuters is the fair value.

c. Share-related products

The Group adopts stock market quoted prices or the last trading prices as fair values.

d. Credit-related products

The quoted price from Bloomberg is the fair value.

Except for the financial instruments with active market, fair values of other financial instruments are acquired based on valuation techniques or the quoted prices from counterparties. Fair values acquired through valuation techniques can be calculated using models based on fair values from financial instruments with similar conditions and characteristics, cash flow discount method and other valuation techniques, including accessible information on the consolidated balance sheet date such as the yield curve from the Taipei Exchange or the average quoted price from Reuters commercial papers interest rate.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

When measuring financial instruments that are not standardized and with low complexity such as options without active market, the Group will adopt valuation techniques consistent with those generally used by other market participants to price financial instruments. Parameters applied for the valuation models for this type of financial instruments are observable in the market.

With regard to financial instruments with high complexity, the Group will adopt self-developed valuation techniques and methods consistent with those generally used by other market participants and valuation models to measure fair values. These types of valuation models are often applied to derivatives, embedded bond instrument or securitized products, etc. Part of input parameters for the valuation models of this type of financial instruments are not observable in the market. Therefore, the Group makes appropriate estimates based on assumptions.

Valuation of derivatives is based on valuation models consistent with those generally used by other market participants, such as the discount rate method or the option pricing models.

Valuation of investments in equity instruments is based on generally used valuation methods, which are consistent with those described in the Statements of Valuation Standards (SVS) No. 11 “Business Valuation”, such as the asset-based approach and the market approach (which is comparable to the market approach).

iii. Adjustments of fair values

a. Limits of valuation models and indeterminate input value

Valuation models generate estimated approximate values. That is, valuation techniques may not be able to reflect all the factors relevant to the performance of the Group’s financial instruments. Thus, results generated by valuation models are adjusted appropriately by using additional parameters, such as determinants of fair value (prevailing economic conditions, financial condition of counterparties to financial instruments, etc.) or assumptions and forecasts (future economic conditions, amount and pricing of future cash flows, etc.). Based on TS Financial Holding’s valuation basis policies and model management policies, the price information and parameters used in the valuation process are carefully assessed and appropriately adjusted in accordance with actual market conditions.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

b. Credit risk value adjustments

Credit risk value adjustments are mainly classified into credit value adjustments (CVA) and debit value adjustments (DVA) as follows:

The CVA is an adjustment to the valuation of derivative contracts made in decentralized market, which is the over-the-counter (OTC) market, to reflect within fair value the possibility that the counterparty may default and that the Group may not receive the full market value of the transactions.

The DVA is an adjustment to the valuation of derivative contracts made in decentralized market, which is the OTC market, to reflect within fair value the possibility that the Group may default, and that the Group may not pay the full market value of the transactions.

The Group would calculate CVA by assessing probability of default (PD) and loss given default (LGD) of the counterparty before multiplying by exposure at default (EAD) of the counterparty. On the contrary, DVA is computed by applying probability of default of the Group and considering loss given default of the Group before being multiplied by exposure at default of the Group.

The Group manages PD through its regular internal rating review. After examining the experiences of foreign financial institutions, the Group adopted 60% as its LGD and chose the marking to market of OTC derivative instruments to determine EAD. In addition, in calculating the fair values of financial instruments, the Group took credit risk rating adjustments into consideration to reflect competitors' credit risk and the Group's credit quality, respectively.

iv. The transfer between Level 1 and Level 2

The source used to measure the fair value of part of bonds held by the Group has been changed from a quoted price in an active market to an evaluation price from yield curve information in the market put into the general practice bond evaluation model. Therefore, it has been reclassified to the Level 2 based on observable price information other than a quoted price in an active market. The bond investments transferred from Level 1 to Level 2 amounted to \$2,400,000 thousand and \$0 thousand, for the nine months ended September 30, 2025 and 2024, respectively.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

As market quoted prices became available, amounts of share investments of \$11,171,933 thousand and \$0 thousand were transferred from Level 2 to Level 1 for the nine months ended September 30, 2025 and 2024, respectively.

v. Reconciliation of Level 3 financial assets

The details of the changes in financial assets classified as Level 3 in fair value measurement are as follows:

For the nine months ended September 30, 2025

Item	Beginning balance	Valuation gains (losses)		Increase		Decrease		Acquisitions through business combinations	Ending Balance
		In net income	In other comprehensive income	Buy or issue	Transfer in	Sell, disposal or delivery	Transfer out		
Financial assets at FVTPL	\$14,972,022	\$(4,414,629)	\$-	\$470,706	\$9,765,269	\$(96,858)	\$-	\$16,500,673	\$37,197,183
Financial assets at FVTOCI	2,618,810	(2,280,455)	(388,129)	1,150,358	10,546,559	(15,826)	(23,585)	8,016,966	19,624,698
Total	\$17,590,832	\$(6,695,084)	\$(388,129)	\$1,621,064	\$20,311,828	\$(112,684)	\$(23,585)	\$24,517,639	\$56,821,881

Note: Financial assets transferred from Level 3 since observable inputs has become available.

For the nine months ended September 30, 2024

Item	Beginning balance	Valuation gains (losses)		Increase		Decrease		Ending balance
		In net income	In other comprehensive income	Buy or issue	Transfer in	Sell, disposal or delivery	Transfer out	
Financial assets at FVTPL	\$12,914,414	\$626,166	\$-	\$605,481	\$-	\$(1,147,601)	\$(19,447)	\$12,979,013
Financial assets at FVTOCI	2,511,967	-	23,599	-	-	-	-	2,535,566
Total	\$15,426,381	\$626,166	\$23,599	\$605,481	\$-	\$(1,147,601)	\$(19,447)	\$15,514,579

Note: Financial assets transferred from Level 3 since observable inputs has become available.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Above-mentioned valuation gains (losses) recognized in current profits or losses in the amounts of \$(4,417,835) thousand and \$625,529 thousand were attributed to gains (losses) on assets owned for the nine months ended September 30, 2025 and 2024 respectively.

Above-mentioned valuation (losses) gains recognized in other comprehensive income in the amounts of \$(389,023) thousand and \$23,599 thousand were attributed to (losses) gains on assets owned for the nine months ended September 30, 2025 and 2024 respectively.

Reconciliation of Level 3 financial liabilities:

For the nine months ended September 30, 2025

Item	Beginning balance	Valuation gains (losses)	Increase		Decrease		Ending Balance
			Buy or issue	Transfer in	Sell, disposal or delivery	Transfer out	
Financial liabilities at FVTPL	\$12,351,264	\$(3,926,314)	\$68,637	\$-	\$(325,586)	\$-	\$8,168,001

For the nine months ended September 30, 2024

Item	Beginning balance	Valuation gains (losses)	Increase		Decrease		Ending Balance
			Buy or issue	Transfer in	Sell, disposal or delivery	Transfer out	
Financial liabilities at FVTPL	\$10,084,023	\$976,009	\$17,526	\$-	\$(1,012,843)	\$-	\$10,064,715

Above-mentioned valuation (losses) gains recognized in current profits or losses in the amounts of \$(3,912,150) thousand and \$984,250 thousand were attributed to gains (losses) gains on liabilities owned for the nine months ended September 30, 2025 and 2024 respectively.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- ii. Quantitative information of the fair value measurement of significant unobservable inputs (Level 3)

Most of the Level 3 fair value attributed to the Group only has single significant unobservable input.

The quantitative information of significant unobservable inputs was as follows:

September 30, 2025

	Fair value	Valuation technique	Significant unobservable inputs	Range of estimate	Relationship between inputs and fair value
<u>Non-derivative financial instruments</u>					
Financial assets at FVTPL					
Financial assets mandatorily classified as at FVTPL					
Share investments	\$1,732,071	Assets method	Discount for lack of marketability	2%~40%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	2%~40%	The higher the discount for non-controlling interests, the lower the fair value.
	758,471	Market method	Discount for lack of marketability	10%~40%	The higher the discount for lack of marketability, the lower the fair value.
	57,016	Revenue method	Discount for lack of marketability	20%~60%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	20%~30%	The higher the discount for non-controlling interests, the lower the fair value.
			Discount rate	1%~9%	The higher the discount rate, the lower the fair value.
Private equity funds	1,720,367	Assets method	Discount for lack of marketability	0%~30%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	2%~10%	The higher the discount for non-controlling interests, the lower the fair value.

English Translation of Financial Statements Originally Issued in Chinese

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Fair value	Valuation technique	Significant unobservable inputs	Range of estimate	Relationship between inputs and fair value
Bonds	\$25,409,466	Yield book	Option-adjusted spread	0%~0.74%	The higher the option-adjusted spread, the lower the fair value.
<u>Financial assets at FVOCI</u>					
Share investments	6,249,022	Assets method	Discount for lack of marketability	3%~30%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	6%~30%	The higher the discount for non-controlling interests, the lower the fair value.
	735,680	Market method	Discount for lack of marketability	10%~30%	The higher the discount for lack of marketability, the lower the fair value
	2,126,450	Revenue method	Discount for lack of marketability	10%~30%	The higher the discount for lack of marketability, the lower the fair value
	1,337	Net asset adjustment method	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Bonds	10,512,209	Yield book	Option-adjusted spread	0%~0.74%	The higher the option-adjusted spread, the lower the fair value.
<u>Derivative financial assets</u>					
<u>Financial assets at FVTPL</u>					
Interest rate swaps	2,835	Cash flow discount method	Discount for lack of marketability	0%~20%	The higher the discount for lack of marketability, the lower the fair value.
<u>Derivative financial liabilities</u>					
<u>Financial liabilities at FVTPL</u>					
Interest rate swaps	599,891	Cash flow discount method	Discount for lack of marketability	0%~20%	The higher the discount for lack of marketability, the lower the fair value.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

December 31, 2024

	Fair value	Valuation technique	Significant unobservable inputs	Range of estimate	Relationship between inputs and fair value
<u>Non-derivative financial instruments</u>					
Financial assets at FVTPL					
Financial assets mandatorily classified as at FVTPL					
Share investments	\$1,537,362	Assets method	Discount for lack of marketability	2%~40%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	2%~40%	The higher the discount for non-controlling interests, the lower the fair value.
	352,642	Market method	Discount for lack of marketability	10%~40%	The higher the discount for lack of marketability, the lower the fair value.
	47,659	Revenue method	Discount for lack of marketability	20%~60%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	20%~30%	The higher the discount for non-controlling interests, the lower the fair value.
			Discount rate	1%~9%	The higher the discount rate, the lower the fair value.
Private equity funds	1,591,498	Assets method	Discount for lack of marketability	0%~30%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	2%~10%	The higher the discount for non-controlling interests, the lower the fair value.

English Translation of Financial Statements Originally Issued in Chinese

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Fair value	Valuation technique	Significant unobservable inputs	Range of estimate	Relationship between inputs and fair value
<u>Financial assets at FVTOCI</u>					
Share investments	2,481,076	Assets method	Discount for lack of marketability	3%~30%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	7%~30%	The higher the discount for non-controlling interests, the lower the fair value.
	137,734	Market method	Discount for lack of marketability	10%~30%	The higher the discount for lack of marketability, the lower the fair value.
<u>Derivative financial assets</u>					
<u>Financial assets at FVTPL</u>					
Interest rate swaps	\$6,730	Cash flow discount method	Discount for lack of marketability	0%~20%	The higher the discount for lack of marketability, the lower the fair value.
<u>Derivative financial liabilities</u>					
<u>Financial liabilities at FVTPL</u>					
Interest rate swaps	728,754	Cash flow discount method	Discount for lack of marketability	0%~20%	The higher the discount for lack of marketability, the lower the fair value.
Exchangeable corporate bond embedded product	127,782	Option pricing model	Volatility rate	11.07%	The higher the volatility rate, the higher the fair value.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

September 30, 2024

	Fair value	Valuation technique	Significant unobservable inputs	Range of estimate	Relationship between inputs and fair value
<u>Non-derivative financial instruments</u>					
Financial assets at FVTPL					
Financial assets mandatorily classified as at FVTPL					
Share investments	\$1,597,012	Assets method	Discount for lack of marketability	2%~40%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	2%~40%	The higher the discount for non-controlling interests, the lower the fair value.
	362,910	Market method	Discount for lack of marketability	30%~40%	The higher the discount for lack of marketability, the lower the fair value.
	49,741	Revenue method	Discount for lack of marketability	20%~60%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	20%~30%	The higher the discount for non-controlling interests, the lower the fair value.
			Discount rate	1%~9%	The higher the discount rate, the lower the fair value.
Private equity funds	1,622,213	Assets method	Discount for lack of marketability	0%~30%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	2%~10%	The higher the discount for non-controlling interests, the lower the fair value.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Fair value	Valuation technique	Significant unobservable inputs	Range of estimate	Relationship between inputs and fair value
<u>Financial assets at FVTOCI</u>					
Share investments	2,399,620	Assets method	Discount for lack of marketability	3%~30%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	7%~30%	The higher the discount for non-controlling interests, the lower the fair value.
	135,946	Market method	Discount for lack of marketability	10%~30%	The higher the discount for lack of marketability, the lower the fair value.
<u>Derivative financial assets</u>					
<u>Financial assets at FVTPL</u>					
Interest rate swaps	\$19,479	Cash flow discount method	Discount for lack of marketability	0%~20%	The higher the discount for lack of marketability, the lower the fair value
<u>Derivative financial liabilities</u>					
<u>Financial liabilities at FVTPL</u>					
Interest rate swaps	387,434	Cash flow discount method	Discount for lack of marketability	0%~20%	The higher the discount for lack of marketability, the lower the fair value.
Exchangeable corporate bond embedded product	274,500	Option pricing model	Volatility rate	11.15%	The higher the volatility rate, the higher the fair value.

iii. The assessment of fair value based on Level 3 inputs

The financial instruments assessment group of the Group's department of risk management is responsible for independently verifying fair value, using an impartial, reliable source of information, so that the evaluation results reflect market status closely, same with other resource and representing executable price calibrating the assessment model regularly, and updating input values, information and any other information needed to ensure that the assessment model results are reasonable.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The department of investment management targets in equity instruments which obtain financial information audited or reviewed recently from invested company and collect information acquired from public market or private market for the purpose of valuation in proper method.

The department of finance and the department of risk management set assessment policies and procedures for determining the fair values of financial instruments and ensure that these policies and procedures are in compliance with IFRS Accounting Standards.

D. Not measured at fair value

(a) Fair value information

The Group's assets that are not measured at fair value, such as cash and cash equivalents, due from the Central Bank and call loans to banks, securities purchased under resell agreements, receivables, reinsurance contract assets, other financial assets, loans, deposits from the Central Bank and banks, due to the Central Bank and banks, securities sold under repurchase agreements, commercial papers issued, payables, deposits and remittances, bonds payable, other borrowings and other financial liabilities have carrying amounts that are equal to, or reasonably approximate, their fair values.

	September 30, 2025		December 31, 2024		September 30, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<u>Financial assets</u>						
Investments in debt instruments at amortized cost						
(Note)	\$2,636,710,052	\$2,704,025,724	\$812,983,362	\$769,989,096	\$736,660,025	\$707,387,489

Note: Include security deposit.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(b) Information on fair value hierarchy

Assets and liabilities	September 30, 2025			
	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in debt instruments at amortized cost	\$386,311,428	\$1,629,311,818	\$688,402,478	\$2,704,025,724

Assets and liabilities	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in debt instruments at amortized cost	\$10,495,112	\$759,493,984	\$-	\$769,989,096

Assets and liabilities	September 30, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in debt instruments at amortized cost	\$4,675,808	\$702,711,681	\$-	\$707,387,489

(c) Valuation techniques

- i. Financial instruments such as cash and cash equivalents, due from the Central Bank and call loans to banks, securities purchased under resell agreements, receivables, other financial assets, deposits from the Central Bank and banks, securities sold under repurchase agreements, commercial papers issued, payables, remittance, other borrowings and other financial liabilities, are disclosed at their carrying amounts as shown in the consolidated balance sheets since their maturities are very short or their future payments/receipts approximate their carrying amounts.
- ii. Investments in debt instruments at amortized cost: Refer to Note 6.(43)A(c). for related information.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

iii. Loans (including delinquent loans)

The Group's loan interest rate is usually determined based on the prime rate plus or minus basis points (i.e. the floating rate), which reflects the market interest rate. The expected recovery of loans is taken into consideration. Therefore, loans are disclosed at their carrying amounts.

Medium and long-term loans, which are determined at fixed rates and account for a minor proportion of loans, are disclosed at their carrying amounts.

iv. Deposits

Considering that most of the banking transactions are within one year of maturity, deposits are disclosed at their carrying amounts.

v. Bonds payable

The bonds issued by the Group are intended to enhance liquidity or for capital management purpose instead of earning short-term profits; therefore, the bonds are disclosed at carrying amounts.

B. Financial assets and financial liabilities offsetting

The Group signs net settlement contracts or similar agreements with counterparties. When both transaction parties choose to do netting, the Group can offset financial assets and financial liabilities after the signing of the net settlement agreement. If not, the Group would execute total settlement. However, if one of the transaction parties breaks a contract, the other party can choose to execute net settlement. The table below shows more information on the offset of financial assets and financial liabilities.

September 30, 2025						
Offset and execution of net settlement or similar agreement on financial assets						
Interpretation	Gross amounts of recognized financial assets (a)	Gross amounts of recognized financial liabilities offset in the balance sheets (b)	Net amounts of financial assets presented in the balance sheets (c)=(a)-(b)	Related amounts not offset in the balance sheets (d)		Net (e)=(c)-(d)
				Financial instruments (note)	Received cash collateral	
Derivative	\$61,176,700	\$9,820,580	\$51,356,120	\$14,841,343	\$8,612,717	\$14,841,343
Repurchase agreement	8,181,618	-	8,181,618	4,136,292	-	4,136,292
Total	\$69,358,318	\$9,820,580	\$59,537,738	\$18,977,635	\$8,612,717	\$18,977,635

Note: Including net settlement and non-cash collateral.

English Translation of Financial Statements Originally Issued in Chinese

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

September 30, 2025						
Offset and execution of net settlement or similar agreement on financial liabilities						
Interpretation	Gross amounts of recognized financial liabilities (a)	Gross amounts of recognized financial assets offset in the balance sheets (b)	Net amounts of financial liabilities presented in the balance sheets (c)=(a)-(b)	Related amounts not offset in the balance sheets (d)		Net (e)=(c)-(d)
				Financial instruments (note)	Pledged cash collateral	
Derivative	\$63,724,956	\$14,844,418	\$48,880,538	\$15,310,586	\$15,860,947	\$17,709,005

Note: Including net settlement and non-cash collateral.

December 31, 2024						
Offset and execution of net settlement or similar agreement on financial assets						
Interpretation	Gross amounts of recognized financial assets (a)	Gross amounts of recognized financial liabilities offset in the balance sheets (b)	Net amounts of financial assets presented in the balance sheets (c)=(a)-(b)	Related amounts not offset in the balance sheets (d)		Net (e)=(c)-(d)
				Financial instruments (note)	Received cash collateral	
Derivative	\$33,696,879	\$-	\$33,696,879	\$21,102,363	\$4,152,341	\$8,442,175

Note: Including net settlement and non-cash collateral.

December 31, 2024						
Offset and execution of net settlement or similar agreement on financial liabilities						
Interpretation	Gross amounts of recognized financial liabilities (a)	Gross amounts of recognized financial assets offset in the balance sheets (b)	Net amounts of financial liabilities presented in the balance sheets (c)=(a)-(b)	Related amounts not offset in the balance sheets (d)		Net (e)=(c)-(d)
				Financial instruments (note)	Pledged cash collateral	
Derivative	\$74,541,795	\$29,682,442	\$44,859,353	\$21,229,918	\$17,099,937	\$6,529,498

Note: Including net settlement and non-cash collateral.

September 30, 2024						
Offset and execution of net settlement or similar agreement on financial assets						
Interpretation	Gross amounts of recognized financial assets (a)	Gross amounts of recognized financial liabilities offset in the balance sheets (b)	Net amounts of financial assets presented in the balance sheets (c)=(a)-(b)	Related amounts not offset in the balance sheets (d)		Net (e)=(c)-(d)
				Financial instruments (note)	Received cash collateral	
Derivative	\$37,645,367	\$15,393,044	\$22,252,323	\$18,800,863	\$2,228,185	\$1,223,275

Note: Including net settlement and non-cash collateral.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

September 30, 2024						
Offset and execution of net settlement or similar agreement on financial liabilities						
Interpretation	Gross amounts of recognized financial liabilities (a)	Gross amounts of recognized financial assets offset in the balance sheets (b)	Net amounts of financial liabilities presented in the balance sheets (c)=(a)-(b)	Related amounts not offset in the balance sheets (d)		Net (e)=(c)-(d)
				Financial instruments (note)	Pledged cash collateral	
Derivative	\$47,311,281	\$13,487,812	\$33,823,469	\$18,800,863	\$10,030,956	\$4,991,650

Note: Including net settlement and non-cash collateral.

C. Transfer of financial assets

The Group treats debt securities under repurchase agreements as transferred financial assets that do not qualify for full derecognition; thus, the Group will recognize debts on the transferred financial assets to be bought back at a confirmed price because of the transfer of cash on the debt security contracts. In addition, the Group should not use, sell or pledge the transferred financial assets during the transaction validity period. However, the Group still bears interest and credit risks although the financial assets will not be fully derecognized. The following table shows the amounts of the financial assets that did not qualify for full derecognition and information on the related financial liabilities:

September 30, 2025		
Financial assets	Transferred financial assets - carrying amount	Related financial liabilities - carrying amount
Financial assets at FVTPL		
Repurchase agreement	\$89,911,064	\$89,075,305
Securities lending agreement	1,046,465	-
Financial assets at FVTOCI		
Repurchase agreement	27,855,343	27,705,561
Securities Lending Agreement	821,099	-
Investments in debt instruments at amortized cost		
Securities Lending Agreement	7,279,006	10,681,440

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

December 31, 2024		
Financial assets	Transferred financial assets - carrying amount	Related financial liabilities - carrying amount
Financial assets at FVTPL Repurchase agreement	\$32,462,908	\$32,023,314
Financial assets at FVTOCI Repurchase agreement	33,817,274	32,949,929

September 30, 2024		
Financial assets	Transferred financial assets - carrying amount	Related financial liabilities - carrying amount
Financial assets at FVTPL Repurchase agreement	\$37,952,593	\$37,363,066
Financial assets at FVTOCI Repurchase agreement	44,472,601	44,500,329
Investments in debt instruments at amortized cost Securities Lending Agreement	6,821,405	6,195,696

D. Financial risk management objectives and policies

(a) Summary

The Group's goal in risk management is to balance the risks and returns by giving consideration to business operations, overall risk appetite, and external legal restrictions. The major risks the Group sustains include on- and off-balance-sheet credit risks, market risks (including interest rate, exchange rate, equity security prices, credit spread and commodity price risks), liquidity risks, insurance risk and climate-related risks.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The Group has rules for risk management policies, which, after review by the risk management committee, have been approved by the board of directors. Additionally, the Group has established written risk control procedures, which have been reviewed and approved by the level authorized by the board of directors, in order to effectively identify, measure, supervise and control credit risks, market risks, liquidity risks and climate-related risks. Climate-related risk is not an independent risk type that will directly or indirectly aggravate the impact of the above-mentioned existing risks through the economic environment and various businesses. The Group has established climate risk management principles in response to the impacts.

(b) Organizational structure of risk management function

The board of directors is the highest level in the risk management function in the Group and takes full responsibility for risk management issues. It has authorized the establishment of a risk management committee under the board of directors, responsible for overseeing the operation of the risk management mechanism, reviewing risk management systems, and discussing risk management issues. The risk control chief takes charge of risk management, reports to the risk management committee and the board of directors periodically and supervises risk management activities.

Risk management department is independent of business department and identifies, assesses, and controls various risks according to risk management standards. In addition, internal auditing department is responsible for the independent review of risk management and control environment.

(c) Market risk

Taishin Bank

i. The source and definition of market risk

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

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

a. Interest rate risk

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

b. Exchange rate risk

Exchange rate risk refers to the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in foreign exchange rates. Taishin Bank and subsidiaries exchange rate risk mainly comes from derivatives such as spot and forward exchange positions and forward exchange options, as well as assets and liabilities denominated in non-functional currencies.

c. Equity securities price risk

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

d. Credit spread risk

Credit spread risk is the risk of the effect of changes in credit spreads on positions held by the Group. The major risk comes from derivatives such as credit default swaps.

The major market risks of Taishin Bank and subsidiaries are equity securities price risks, credit spread risks, interest rate risks, and exchange rate risks. The main position of equity securities risk includes domestic public, OTC shares, domestic share index options and share index futures. The main position of credit spread risk includes the credit derivatives, such as credit default swaps and convertible bond asset swap (CBAS), etc. The main position of interest rate risk includes bonds and interest derivative instruments, such as interest rate swap. The main position of exchange rate risk includes the Taishin Bank and subsidiaries investments denominated in foreign currencies, such as foreign currency spots and foreign currency options.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ii. Market risk management policy

Taishin Bank and subsidiaries risk management policy clearly defines the risk management procedures for risk identifying, risk measuring, risk controlling and risk reporting, which are executed by risk management department independently of trading and other departments. The risk management department develops management principles for different businesses and for various aspects of market risk management based on the risk management policy. It establishes market risk management system and regulates market risks, risk limits, stop loss limit and stress tests of various financial assets.

iii. Market risk management procedures

a. Identifying risks and measuring possible effects

The Group's risk management department identifies the exposures of positions or new financial instruments to market risks and measures the gains and losses on positions held due to changes in market risk factors based on standards.

The risk management department calculates price sensitivity and gains and losses on positions which are recorded in trading books daily; and calculates the maximum potential losses recorded in each trading book monthly. The Group takes measures to avoid tremendous losses that will harm the Group's operations due to overwhelming changes in market risk factors.

b. Controlling of risk and reporting of issues

Taishin Bank and subsidiaries controls market risk by managing risk limits. The risk management department sets various trading and non-trading limits, such as value at risk, stop-loss limits, and maximum potential loss. The trading limits are implemented only after they are reported to and approved by the board of directors and monthly risk management meeting.

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

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

iv. Principles of the market risk management

Based on the related risk management standards, Taishin Bank and subsidiaries classifies financial instruments into trading books and banking books according to the purpose of holding the instruments and manages them with different methods.

Trading portfolios consists of financial instruments held for trading purposes or commodities held to hedge positions in trading books. A position, such as self-run position or position produced by matched principal brokering or market making, is for trading purposes if it is intended to be sold within a short period, to earn or to lock in profit from actual or expected short-term price fluctuations.

Non-trading portfolios are positions other than aforementioned trading portfolios positions, consisting of medium to long-term equity investments and hedging positions to earn from the appreciation of values and dividends, bonds and notes investments and hedging positions to earn interests, positions held for fund dispatching, liquidity risk management, and interest rate risk management in banking books, and positions held for other management purposes.

a. Management strategy

The goal of market risk management is to pursue maximum return on capital, meaning maximizing the capital usage efficiency to improve shareholders' equity.

In order to control market risks, the risk management department sets risk limits for various investment portfolio based on trading strategies, category of trading products and annual profit goals in order to control exposure to risks on positions and losses.

b. Management principles

The Group stipulated important control regulations "Principles of Market Risk Limit Management", "Instructions of Valuation Benchmark" and policies and standards of each subsidiary to manage market risk and valuation.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

c. Valuation gains and losses

If objective prices of financial instruments exist in open market, such as trading prices, gains and losses on positions are valued in accordance with the market prices by the risk management department. If fair value data is inaccessible, the risk management department will cautiously adopt verified mathematical models to value gains and losses and review the assumptions and parameters of the valuation models periodically.

d. Risk measuring methods

The methods applied by the risk management department in measuring market risks are as follows:

(i) Measure the price sensitivity of various risk factors

- Interest rate risk

It applies DV01 to measure interest risk. DV01 is the change in the value of interest rate risk positions when the yield curve moves upward by one basis point (1bp).

- Exchange rate risk

It applies Delta to measure the exchange rate risk of the first order change and applies Gamma to measure the exchange rate risk of the second order change. In addition, Vega is used to measure the first order risk of implied volatility rate.

- Equity securities price risk

It applies Delta to measure the independent equity security price risk of the first order change, or market value is applied to indicate the exposure risks on positions of shares.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- Credit spread risk

It applies CS 01, which is the impact of the changes in fair value of a position in response to a one basis point (1bp) credit spread change.

As Taishin Life Insurance's investments are in accordance with the proportionality of its assets and liabilities, there are different risk measurement mechanism. Refer to the descriptions of f. insurance risk and g. financial risk.

(ii) Refer to item (vi) for the risk assumptions and calculation methods.

(iii) Measure potential losses (stress losses) resulting from extreme market volatility in order to assess capital adequacy and essential position adjustments. Refer to item (vi) for the stress test.

e. Risk management procedures

The risk management department identifies the products that can be included in the portfolio, evaluates the risk factors on positions, and sets stop-loss limit and limit of VaR to control exposure to position loss. If the stop-loss limit is reached, then the trading department should take immediate remedial steps to reduce the exposure to the risk position.

v. Interest rate risk management in the banking book positions

Banking book interest rate risk involves bonds and bills, transactions under repurchase agreement, transactions under resell agreements and their hedge positions, which are held to manage the Bank's liquidity risk and the interest rate risk of deposits and loans undertaken by business departments. The interest rate risk is transferred to banking book management department for centralized management through internal fund transfer pricing (FTP) system. Banking book interest rate risk is the effect on net interest income of risk exposure positions held due to adverse changes in interest rate and shareholder equity economic value.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

a. Management strategy

The goal of banking book interest rate risk management is to control interest rate risk position and pursue stability and growth of banking book net interest income under the circumstances that liquidity is appropriate.

b. Management principles

Taishin Bank stipulated “The Principles of Banking Book Interest Rate Risk Management” as the important control regulations for banking book interest rate risk management.

c. Measuring methods

The banking book interest rate risk is the risk of quantitative or repricing term differences due to the differences in amounts or repricing dates of banking book assets, liabilities and off-balance-sheet items. Taishin Bank has rules for risk appetite and limits management. Risk appetite is in accordance with supervision regulation IRRBB (Interest Rate Risk in the Banking Book), monitoring changes in economic value, Tier I capital ratio and net interest income. Taishin Bank measures the effect on net interest income when the yield curve moves upward by 1bp.

d. Management procedures

Taishin Bank defines the instruments of banking book interest rate management and sets the risk appetite and limit of interest rate risk in order to avoid severe recession of net interest income when the interest rate changes unfavorably. The banking book management unit sets limits and keeps the interest rate risk within the risk appetite and limits.

vi. Methods for measuring market risk

a. Stress test

A stress test is applied to measure loss under extremely unfavorable market circumstances in order to assess financial institutions’ tolerance to extreme market volatility.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The risk management unit is required to execute the stress test at least once a month to calculate stress losses for trading portfolios. The risk management unit observes historical information on market prices and sets the biggest possible volatility range for various market risk factors as the stress circumstances. The stress circumstance should be reviewed annually, which should be approved by the high-level risk management and reported to the Chief of financial holding company risk management department. Since there are so many market risk factors that affect trading portfolios, there might be plenty of permutations and combinations of stress circumstances when the unit calculates stress loss. For instance, a change in a market risk factor might result in the biggest loss of one investment portfolio but create profits for another investment portfolio. Based on conservative principles, the risk management unit will take into account the correlation between various risk factors to calculate the biggest loss as the stress loss.

The risk management unit should confirm that overall stress loss for trading portfolios does not exceed the stress loss limit and report to the high-level management as references for adjusting positions or resource distributions.

b. Value at risk, “VaR”

Taishin Bank uses a variety of methods to control market risk; the VaR is one of them. Taishin Bank is using risk model to assess the value of trading portfolios and potential loss amount of holding positions. VaR is Taishin Bank’s important internal risk control system, and the board of directors and monthly risk management meeting review and establish trading portfolio’s limits annually. Actual exposures of Taishin Bank are monitored daily by risk management.

VaR is used to estimate adverse market potential loss of existing positions. The VaR model uses historical simulation method, a one-year historical observation period, the estimate of 99% confidence interval, the maximum possible amount of loss holding positions for one day, and the probability that actual losses may exceed the estimate.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	For the nine months ended September 30, 2025			
	Average	Highest	Lowest	Ending balance
Exchange VaR	\$30,955	\$60,858	\$4,221	\$36,964
Interest rate VaR	57,931	100,851	19,227	99,564
Equity securities				
VaR	26,750	54,471	8,711	39,160
Credit spread VaR	23,101	52,564	60	25,411
Value at risk	84,175	146,139	25,102	115,214
	For the nine months ended September 30, 2024			
	Average	Highest	Lowest	Ending balance
Exchange VaR	\$4,103	\$26,095	\$881	\$3,441
Interest rate VaR	28,396	92,579	10,909	36,961
Equity securities				
VaR	102,275	164,507	63,261	159,565
Credit spread VaR	7,200	22,431	217	4,471
Value at risk	105,620	166,681	69,708	147,818

c. Information of exchange rate risk concentration

For information regarding Taishin Bank's non-functional currency financial assets and liabilities on the balance sheet date, refer to Note 12.(5).

Shin Kong Life Insurance

Shin Kong Life Insurance and its subsidiaries face significant financial risks from their operating activities, primarily the foreign currency exchange rate risk (as detailed in Note 12.5), interest rate risk (as detailed in (c)), and price volatility risk of equity securities and beneficiary certificates investments (excluding money market and bond funds) (as detailed in (d)). Shin Kong Life Insurance and its subsidiaries engage in various derivative instruments to manage the foreign currency exchange rate, interest rate, and price risks associated with equity securities and beneficiary certificates, including:

- Using forward foreign exchange contracts and currency swap agreements to hedge against the exchange rate risk arising from foreign currency assets and liabilities; and;

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- Using index futures and options to mitigate the price volatility risk of equity securities and beneficiary certificates.

The exposure to market risk related to financial instruments and the management and measurement methods for such risks have not changed for Shin Kong Life Insurance and its subsidiaries.

Shin Kong Life Insurance and its subsidiaries continue to utilize market risk management tools such as Value at Risk (VaR) and stress testing to comprehensively and effectively measure, monitor, and manage market risk.

i. Value at risk, “VaR”

Value at Risk (VaR) is used to measure the maximum potential loss that a portfolio may incur due to changes in market risk factors over a specific period and at a given confidence level. Shin Kong Life Insurance and its subsidiaries currently use a bi-weekly market VaR at a 99% confidence level as their measurement indicator.

ii. Stress test

In addition to the Value at Risk (VaR) model, Shin Kong Life Insurance and its subsidiaries regularly use stress testing to measure potential risks during extreme abnormal events.

Currently, Shin Kong Life Insurance and its subsidiaries employ methods such as factor sensitivity analysis and hypothetical scenario simulation analysis to conduct stress tests on their positions. These tests can account for position losses caused by changes in various risk factors during different historical scenarios.

a. Factor sensitivity analysis (a simple sensitivity test)

Factor sensitivity analysis measures the change in the value of a portfolio resulting from changes in specific risk factors.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

b. Scenario analysis

Scenario analysis measures the change in the total value of investment positions resulting from hypothetical stress events. The methods include:

(i). Historical scenarios:

Historical events are selected, and the volatility of risk factors during those periods is incorporated into the current investment portfolio to calculate the loss incurred by the portfolio during those events.

(ii). Hypothetical scenarios:

Reasonable assumptions are made regarding potential extreme market changes in the future, incorporating changes in relevant risk factors into the current investment portfolio while considering the relationship between the underlying investment and risk factors to measure the loss incurred by the investment positions during those events.

The Risk Management Department regularly conducts stress testing reports for historical and hypothetical scenarios to serve as a basis for the Company's risk analysis, risk warning, and business management.

Stress test table

For the nine months ended September 30, 2025

Unit: Dollars in thousands

Risk factor	Variance (+/-)	Effects
Equity risk (stock price index)	-10%	\$(27,574,216)
Interest rate risk (yield curve)	+20bps	(780,243)
Exchange rate risk (exchange rate)	The US dollar depreciates by NT\$1 against the New Taiwan dollar.	(26,672,274)
Commodity risk (commodity prices)	-10%	-

Note: Equity risk is tested using stocks and funds (excluding money market and bond funds).

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Stress test table

For the nine months ended September 30, 2024

Unit: Dollars in thousands

Risk factor	Variance (+/-)	Effects
Equity risk (stock price index)	-10%	\$(18,347,008)
Interest rate risk (yield curve)	+20bps	(653,671)
Exchange rate risk (exchange rate)	The US dollar depreciates by NT\$1 dollar against the New Taiwan dollar.	(13,519,626)
Commodity risk (commodity prices)	-10%	-

Note: Equity risk is tested using stocks and funds (excluding money market and bond funds).

iii. Interest rate risk

Due to Shin Kong Life Insurance and its subsidiaries investing in financial assets with both fixed and floating interest rates, interest rate exposure arises. Shin Kong Life Insurance and its subsidiaries manage interest rate risk by maintaining an appropriate mix of fixed and floating rate portfolios. They regularly assess hedging activities to ensure alignment with interest rate views and established risk preferences, thereby ensuring the adoption of the most cost-effective hedging strategies.

As of the balance sheet date, the carrying amounts of financial assets exposed to interest rate risk for Shin Kong Life Insurance and its subsidiaries are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Fair value interest rate risk - financial assets	\$2,488,544,330	\$2,643,678,361	\$2,576,852,531
Fair value interest rate risk - financial assets	34,828,343	36,876,921	35,275,933

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The sensitivity analysis

The following sensitivity analysis is determined based on the interest rate exposure of derivative and non-derivative instruments as of the balance sheet date. For floating rate liabilities, the analysis assumes that the outstanding liability amount as of the balance sheet date remains outstanding for the entire year. The change rate used by Shin Kong Life Insurance and its subsidiaries when reporting interest rates to senior management is an increase or decrease of 1 basis point, which also represents management's assessment of the reasonable possible range of interest rate fluctuations. The positive numbers in the table below indicate the amounts by which pre-tax profit and pre-tax other comprehensive income would increase if interest rates decrease by 1 basis point; conversely, the impact on pre-tax profit and pre-tax other comprehensive income when interest rates increase by 1 basis point would be the same amount but in negative.

	For the nine months ended	
	September 30	
	2025	2024
Income (loss) before income tax	\$18,643	\$17,261
Other comprehensive income before income tax	20,369	15,423

The impact in the above table is primarily due to the changes in the fair value of debt instruments measured at fair value through profit or loss and at fair value through other comprehensive income by Shin Kong Life Insurance and its subsidiaries.

iv. Other price risk

Shin Kong Life Insurance and its subsidiaries incur equity securities and beneficiary certificates price exposure due to investments in equity securities and beneficiary certificates (excluding money market and bond funds). The primary purpose of these equity securities and beneficiary certificates investments is not for trading but rather as strategic investments aligned with the asset-liability management strategy of Shin Kong Life Insurance and its subsidiaries. The price risk of equity securities and beneficiary certificates for Shin Kong Life Insurance and its subsidiaries is mainly concentrated in the electronic (including telecommunications) industry equity instruments traded on the Taiwan stock exchange. Additionally, Shin Kong Life Insurance and its subsidiaries have designated a specific team to oversee and assess price risks and to propose responsive measures as needed.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The sensitivity analysis

The positive numbers in the table below indicate the amounts by which pre-tax profit and pre-tax other comprehensive income would increase when the prices of equity securities and beneficiary certificates increase by 1%, due to changes in the fair value of financial assets measured at fair value through profit or loss, as well as changes in the fair value of financial assets measured at fair value through other comprehensive income. Conversely, when the prices of equity securities and beneficiary certificates decrease by 1%, the impact on pre-tax profit and pre-tax other comprehensive income due to changes in the fair value of financial assets measured at fair value through profit or loss, as well as changes in the fair value of financial assets measured at fair value through other comprehensive income, would be in the same negative amount.

	For the nine months ended	
	September 30	
	2025	2024
Income (loss) before income tax	\$72,162	\$60,969
Other comprehensive income before income tax	3,749,655	3,632,834

(d)Credit risk

Taishin Bank

i. Source and definition

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

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Credit risk can be divided into the following categories based on the object and nature of business:

a. Credit risk

Credit risk is the risk that a borrower is unable to pay its debt or fulfill its debt commitments in credit loans operation.

b. Issuer (guarantor) risk of the underlying issue

It is the credit risk that share issuers go into liquidation or are unable to pay back money when debt, bills and other securities mature.

c. Counterparty risk

It is the credit risk that the counterparty undertaking OTC derivatives or RP/RS transactions are unable to fulfill settlement obligations.

Counterparty risk is also divided into settlement risk and pre-settlement risk.

— Settlement risk

It is the loss resulting from the counterparty failing to deliver goods or other money on the settlement date when the Group had fulfilled settlement obligations.

— Pre-settlement risk

It is the loss resulting from the counterparty failing to fulfill settlement or pay the obligations and from changes in market prices before the settlement date.

d. Risk of default in customer margin purchase and short sale business

When the customer engages in margin purchase and short sale transactions, there is risk that the customer is unable to repay the price of the margin purchase or the underlying stock of the short sale at the end of the contracted period, or is unable to cover the value of the collateral when the guarantee maintenance ratio is insufficient, resulting in losses borne by the Group.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

e. Other credit risks

Country risk, custodian risk, margin trading risk and brokers risk, etc.

ii. Credit risk management policies

To ensure its credit risk is under control within the tolerable range, Taishin Bank has stipulated in the guidelines for risk management that for all the products provided and businesses conducted, including all on- and off-balance sheet transactions in the banking and trading books, Taishin Bank should make detailed analyses to identify existing and potential credit risks and calculate the expected credit loss under different scenarios and time spans to measure climate-related risks through the analysis of climate change scenarios. Before launching new products or businesses, Taishin Bank ensures compliance with all applicable rules and regulations and identifies relevant credit risks. For sophisticated credit extensions, such as accounts receivable factoring and credit derivative instruments, Taishin Bank also establishes the risk management system described in the related rules and guidelines.

Unless the local authorities regulate the assessment of asset qualities and provision for potential losses of the overseas business department, it is in accordance with Taishin Bank's risk management policies and guidelines.

The measurement and management procedures of credit risks in Taishin Bank's main businesses are as follows:

a. Credit granting business (including loans and guarantees)

(i) Credit risk rating

For risk management purposes, Taishin Bank rates credit qualities (by using internal rating models for credit risk or credit score tables) in accordance with the nature and scale of a business.

The corporate finance department's internal rating adopts two aspects. One is obligor risk rating (ORR) and the other is Facility Risk Rating (FRR). ORR is used to assess the possibility of the debtor performing financial commitments, which is a quantitative value based on the probability of default (PD) within one year. FRR is used to assess the effect of rating structures and collateral conditions on credit rating, which is a quantitative value based on loss given default (LGD). At the same time, experts also engage in judging and adjusting the rating overrides of statistic models to make up for the limitation of the model.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The consumer finance department's internal rating system adopts product characteristic and debtor condition (such as new case or behavior grading) as the basis of segmentation. It is to ensure that the same pools of debtors and risk exposure are homogeneous. At the same time, review of loans based on experts' override is complemented to make up for the limitation of the model.

(ii) Strengthening of management and tracking of credit account after loan

Corporate Finance Department post-loan control unit has built post-loan management system. Online functions include post-loan condition inspections, reviews, early warning indicators, material information notifications, and management of accounts under observation etc. It hopes to make tracking and processing of interim management information of credit accounts faster via system automation and strengthen the management and reduce credit risk.

(iii) The measurement of ECLs

At the end of the reporting period, Taishin Bank evaluates the risk of default occurring over the expected life of loans, to determine if the credit risk has increased significantly since original recognition. In order to perform this evaluation, Taishin Bank considers the information regarding whose credit risk has significantly increased since the respective loan's initial recognition as well as corroborative information (including forward-looking information). The key indicators include quantitative indicators such as changes in internal and external credit ratings, overdue conditions (such as being more than one month overdue), etc., as well as qualitative indicators such as a worsening of debt paying ability, unfavorable changes in operating financial and economic conditions and significant increases in credit risk of borrowers' other financial instruments. At the end of the reporting period, Taishin Bank assumes that the credit risk has not increase significantly for those whose credit risk is determined to be low.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Taishin Bank has the same definition of default on credit assets and credit impairment. The evidence of credit losses on financial assets includes overdue conditions (e.g. past due for more than three months) and significant financial distress of the borrower. The definitions of default and credit impairment are consistent with the definitions of the financial assets for the purpose of internal credit risk management, which are also used in the relevant impairment assessment model.

In order to assess the ECLs, the loans will be assessed in groups based on the nature of the products, borrowers' credit ratings and collateral, and the Group takes into consideration each borrower's probability of default (PD), loss given default (LGD) and exposure at default (EAD) for the next 12 months and for the lifetime of the loan and considers the impact of the monetary time value in order to calculate the ECLs for 12 months and for the lifetime of the loan, respectively.

The PD and LGD used in the impairment assessment are based on internal historical information (such as credit loss experience) of each combination and are calculated based on current observable data and forward-looking general economic information.

Taishin Bank assesses the EAD, PD and LGD using the current exposure method, the group estimating method and the recovery rate adjustment method, respectively. When assessing internal credit ratings, the Group takes factors into account to adjust PD as follows: It considers the respective borrower's future financial and business prospect, guarantors, shareholders and group background, as well as the forward-looking effects of environmental changes in the economy, markets and regulations in corporate finance; and it considers overall economic indicators (e.g. gross domestic product (GDP)) that are adjusted according to the asymptotic single risk factor (ASRF) model.

There was no significant change in valuation techniques and major assumptions used to assess the ECLs of the loans by Taishin Bank in 2025 and 2024.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

In addition to the aforementioned assessment procedures, which classify loans in accordance with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans, the loans are classified into five categories for evaluation. Except for normal loans, the remainder are classified into the first category. After the assets are assessed on the basis of the guarantee status of the claims and the length of the time overdue, they are respectively classified within the remaining categories according to the probability of recovery as follows: The second category is for notable assets; the third category is for assets which are expected to be recovered; the fourth category is for assets which will be difficult to recover; and the fifth category is for assets for which recovery is considered hopeless. The highest values of the aforementioned evaluation results are taken to measure the allowance loss.

In order to manage problematic loans, procedures are adopted for the reorganization of loan loss provisions, the allowance for bad debt or guarantee liability provisions, the measurement of overdue loans and the collection of default loans. In the management of loans, Taishin Bank is also guided by the Regulations Governing the Procedures for Corporation Credit Businesses to Evaluate Assets and Deal with Non-performing Assets, Measures for Corporation Credit Businesses to Be Taken When Credit Extensions Become Past Due and Regulations Governing Collection Procedures, Regulations Governing the Procedures for Consumer Finance to Evaluate Assets and Deal with Non-performing Assets, Regulations Governing the Procedures for Overdue Loans, Non-accrual Loans and Doubtful Loans.

(iv) Write-off policy

Overdue loans and non-accrual loans for which one of the following events have occurred should have the estimated recoverable amount deducted and should then be written off as bad debts.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- The debtor may not recover all or part of the obligatory claim due to dissolution, disappearance, settlement, bankruptcy or other reasons.
- The appraisal of the collateral, the property of the principal debtor and the surety is low, or the amount of the loan's priority is deducted, or the collection implementation costs may approach or exceed the amount that Taishin Bank can repay, or the loan is not able to be collected.
- The property of the principal debtor and the surety were auctioned off at multiple auctions, no one was required to buy it and Taishin Bank did not bear the benefit.
- Overdue loans and non-accrual loans, which have been overdue for more than two years have been collected but have not been received.

However, for overdue loans and non-accrual loans which have been overdue for more than three months but less than two years, after the collection has not been recovered and after deducting the recoverable portion, the remainder will be written off as bad debts.

Loans are written off in accordance with relevant regulations and procedures; the activities of the principal debtor and the surety from obligatory claims shall still be monitored by the relevant business department. If there is property that is available for execution, the Group shall sue according to the relevant laws.

If an evaluation determines that there is no benefit to be gained from the collection activities described in the preceding paragraph, such shall be reported to and approved by the board of directors, and the debt shall no longer be posted in the accounts and subject to control; however, such debt shall continue to be recorded in registry books for acknowledgement.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

b. Due from and call loans to banks

Taishin Bank evaluates the credit status of counterparties before deals are closed. Taishin Bank grants different limits to the counterparties based on their respective credit ratings as suggested by external qualified credit rating institutes.

c. Security investment and financial derivatives transaction

Regarding the credit risk of security investments and financial derivatives, Taishin Bank manages the risk by internal credit rating of issuers, issued underlying assets, counterparties, and by external credit rating of debt instruments and counterparties or status of regions/countries.

The other banks with which Taishin Bank conducts derivative transactions are mostly considered investment grade. The credits extended to counterparties that are not rated as investment grade are assessed on a case-by-case basis. The credits extended to counterparties are monitored in accordance with the related contract terms and conditions, and the credit limits for derivatives established in normal credit granting processes. Meanwhile, Taishin Bank has set the total position limit on trading and banking book securities and each issuer's limit based on credit ratings.

Taishin Bank assesses the change in risk of default over the expected lifetime of investments in debt instruments as of the end of the reporting period, so as to determine whether there has been a significant increase in credit risk since initial recognition. In order to make this assessment, Taishin Bank considers reasonable indicators of a significant increase in credit risk since initial recognition and corroborative information (including forward-looking information). The main indicators include quantitative indicators, such as external credit ratings, qualitative indicators, such as weakening solvency from adverse changes in operating, financial and economic conditions, and a significant increase in credit risk of the issuer's other financial instruments. Where Taishin Bank determines that the credit risk is low as of the reporting date, it will assume that the credit risk will not have a significant increase.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Taishin Bank defines default of investments in debt instruments and credit impairment the same. Evidence of financial asset credit impairment includes external credit ratings and the issuers experiencing severe financial difficulties. The definitions of default and credit impairment apply to the relevant impairment assessment model.

Based on credit assessment charts, Taishin Bank manages the internal and external credit assessment of debt instruments according to Moody's long-term credit ratings. Credit risk is significantly increased if:

- The rating is over Baa3 on the initial recognition date, and the rating is lower than Ba1, not including ratings of Ca-D on the measurement date.
- The rating is Ba1-Ba3 on the initial recognition date, and the rating is downgraded to B1-Caa3 on the measurement date.
- The rating is B1-Caa3 on the initial recognition date.

A loan is considered to have been defaulted on if the rating is Ca-D on the measurement date.

The trading department should monitor the credit position of investments in debt instruments. Once it knows that the issuer, guarantor or issued underlying has a credit event (such as a downgrade of credit ratings to non-investment grade, a discharge or a default), it should notify the relevant department immediately and dispose of the investments in debt instruments.

In order to assess the purpose of the ECLs, debt instruments are assessed by grade based on their credit rating. In order to measure the ECLs, the default probability of the issuers is considered, the PD, LGD, EAD for the next 12 months and over the full lifetime of the debt instruments shall be considered, and the impact of the time value of money shall be considered. From this, the 12-month and full-lifetime ECLs shall be calculated separately.

Taishin Bank assesses the EAD of investments in debt instruments using the current exposure method (CEM) and adopts external rating information, PD and LGD which are announced periodically by international credit rating agencies (S&P and Moody's), to calculate the ECLs.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Due to international credit rating agencies already considering the prospective information, it is appropriate to assess such information and then include it in the assessment of the related ECLs of Taishin Bank.

Taishin Bank evaluated that the assessment techniques or material assumptions of the ECLs of investments in debt instruments had no material change in 2025 and 2024.

Lease payments receivable

Taishin Bank and subsidiaries adopt the simplified approach to assess the allowance for lease receivables based on their lifetime ECLs. In order to measure the loss allowance, the combination by past due positions is classified, the rating of losses are evaluated using the provision matrix approach, and the EAD of applicants is considered. With this and the impact of time value of money, the lifetime ECLs are calculated.

To loss ratings used in the impairment assessments are calculated based on internal historical data (such as credit loss experience) for each group and on currently observable data which is adjusted according to prospective general economic data.

Taishin Bank and subsidiaries evaluate EAD using the book amount of lease receivables and assesses the loss ratings using the recovery rate adjusted method. Taishin Bank and subsidiaries use economic indicators such as prospective data to adjust loss ratings using the standard deviation method. The Group uses Taiwan's composite leading index as the basis for the adjustments of prospective data.

Taishin Bank and subsidiaries evaluated that the assessment techniques or material assumptions of ECLs of lease receivables had no material change in 2025 and 2024.

The following table details lease receivables based on Taishin Bank and subsidiaries provision matrix using the simplified approach:

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

September 30, 2025

	Normal or less than 29 days past due	30-89 days past due	90-179 days past due	180-359 days past due
Loss rate	0.70%	9.33%	45.32%	90.46%
Amount of exposure	23,693,453	173,845	100,401	126,792
Loss allowance	165,690	16,221	45,499	114,694

December 31, 2024

	Normal or less than 29 days past due	30-89 days past due	90-179 days past due	180-359 days past due
Loss rate	0.65%	13.85%	57.64%	87.29%
Amount of exposure	25,159,830	253,196	176,919	68,525
Loss allowance	164,001	35,056	101,978	59,817

September 30, 2024

	Normal or less than 29 days past due	30-89 days past due	90-179 days past due	180-359 days past due
Loss rate	0.64%	13.56%	56.41%	89.77%
Amount of exposure	25,567,241	268,588	167,326	89,285
Loss allowance	164,873	36,422	94,389	80,153

Under TS Financial Holding and Taishin Bank's approval of asset quality, the minimum loss allowance of lease receivables shall be assessed in accordance with the Regulations of the Procedures for Banking Institutions to Evaluate Assets and Deal with Past Due/Non-performing Loans and Bad Debts issued by the MOF.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

When lease receivables are recognized as bad debts because they cannot be recovered or they are 360 days or more past due, the relevant regulations will be followed for recourse actions.

iii. Credit risk hedging or mitigation policies

a. Collateral

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

The requirements for collateral for other non-credit businesses depend on the nature of the financial instruments. Asset-backed securities and similar financial instruments are required to provide a pool of underlying financial assets as collateral.

The following table details the information on the collateral of credit-impaired financial assets:

September 30, 2025

	Gross carrying amount	Impairment under IFRS 9	Proportion of loans/ collateral (Note)
Personal housing loans	\$5,221,955	\$1,199,716	32.75%
Business guaranteed loans	1,645,866	450,409	103.31%
Others	6,355,493	1,768,077	
Total	\$13,223,314	\$3,418,202	

Note: The value of the collateral is calculated based on the latest accessible internal and external data.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

December 31, 2024

	Gross carrying amount	Impairment under IFRS 9	Proportion of loans/collateral (Note)
Personal housing loans	\$5,206,691	\$1,403,312	32.60%
Business guaranteed loans	1,386,200	342,879	103.17%
Others	5,904,124	1,760,271	
Total	\$12,497,015	\$3,506,462	

Note: The value of the collateral is calculated based on the latest accessible internal and external data.

September 30, 2025

	Gross carrying amount	Impairment under IFRS 9	Proportion of loans/collateral (Note)
Personal housing loans	\$4,994,807	\$1,369,057	31.96%
Business guaranteed loans	1,346,053	339,370	102.64%
Others	6,432,081	2,359,624	
Total	\$12,772,941	\$4,068,051	

Note: The value of the collateral is calculated based on the latest accessible internal and external data.

b. Credit risk concentration limits and control

To avoid the concentration of credit risks, Taishin Bank has included credit limits for the same person (entity) and for the same related-party corporation (group) based on the credit risk arising from loans, securities investment and derivative transactions.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Meanwhile, for trading and banking book investments, Taishin Bank has set a ratio, which is the credit limit of a single issuer in relation to the total security position. Taishin Bank has also included credit limits for a single counterparty and a single group.

In addition, to manage the concentration risk on each category of financial assets, Taishin Bank has set credit limits based on type of industry, conglomerate, country and transactions collateralized by shares, and integrated within one system to supervise concentration of credit risk in these categories. Taishin Bank monitors concentration of each asset and controls various types of credit risk concentration in a single transaction counterparty, group, related-party corporation, industries, or nations.

c. Net settlement

Taishin Bank settles most of its transactions at gross amounts. For further reduction of credit risks, settlement netting is used for some counterparties or some circumstances where the transactions with counterparties are terminated due to defaults.

d. Other credit enhancements

To reduce its credit risks, Taishin Bank stipulates in its credit contracts the terms for offsetting to state clearly that Taishin Bank reserves the right to offset the borrowers' debt against their deposits in Taishin Bank.

iv. Maximum exposure to credit risk and credit quality analysis

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

Part of financial assets held by the Taishin Bank and subsidiaries, such as cash and cash equivalents, due from the Central Bank and call loans to banks, financial assets at fair value through profit or loss, securities purchased under resell agreements, deposit refunds, operating deposits, and settlement deposits are exposed to low credit risks because the counterparties have rather high credit ratings.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Based on risk ratings, the amounts of maximum credit risk exposure (excluding the guarantees or other credit enhancements) at each stage of ECLs on September 30, 2025, December 31, 2024 and September 30, 2024 are as follows:

	September 30, 2025			
	12-month ECLs	Lifetime ECLs - unimpaired	Lifetime ECLs - impaired	Total
Loans				
Consumer finance				
Excellent	\$948,649,216	\$12,101,337	\$-	\$960,750,553
Good	13,966,970	290,966	-	14,257,936
Acceptable	-	334,953	-	334,953
Default	-	-	8,771,198	8,771,198
Corporate finance				
Excellent	582,226,404	-	-	582,226,404
Good	316,574,347	-	-	316,574,347
Acceptable	533,030	1,464,240	-	1,997,270
Default	-	-	2,379,969	2,379,969
Total	\$1,861,949,967	\$14,191,496	\$11,151,167	\$1,887,292,630
Receivables (including non-performing receivables transferred from other than loans)				
Consumer finance				
Excellent	\$75,189,507	\$48,731	\$-	\$75,238,238
Good	333,964	2,519	-	336,483
Acceptable	-	115,203	-	115,203
Default	-	-	1,742,750	1,742,750

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	September 30, 2025			
	12-month ECLs	Lifetime ECLs - unimpaired	Lifetime ECLs - impaired	Total
Corporate finance				
Excellent	\$34,741,021	\$-	\$-	\$34,741,021
Good	2,350,108	-	-	2,350,108
Acceptable	496	8,745	-	9,241
Default	-	-	125,719	125,719
Others	8,922,494	33,924,714	203,678	43,050,886
Total	\$121,537,590	\$34,099,912	\$2,072,147	\$157,709,649
Debt instruments at fair value through other comprehensive income				
Excellent	\$144,441,678	\$-	\$-	\$144,441,678
Investments in debt instruments at amortized cost				
Excellent	\$524,345,526	\$-	\$-	\$524,345,526
Financial guarantees				
Excellent	\$23,846,649	\$-	\$-	\$23,846,649
Good	6,527,028	-	-	6,527,028
Total	\$30,373,677	\$-	\$-	\$30,373,677
Loan commitments				
Excellent	\$1,353,484,587	\$240,432	\$-	\$1,353,725,019
Good	176,037,886	-	-	176,037,886
Acceptable	6,197	198,496	-	204,693
Default	-	-	184,551	184,551
Total	\$1,529,528,670	\$438,928	\$184,551	\$1,530,152,149

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	December 31, 2024			
	12-month ECLs	Lifetime ECLs - unimpaired	Lifetime ECLs - impaired	Total
Loans				
Consumer finance				
Excellent	\$912,007,130	\$16,099,891	\$-	\$928,107,021
Good	11,063,168	264,081	-	11,327,249
Acceptable	-	338,670	-	338,670
Default	-	-	8,727,265	8,727,265
Corporate finance				
Excellent	421,274,024	-	-	421,274,024
Good	301,370,784	-	-	301,370,784
Acceptable	399,108	1,613,507	-	2,012,615
Default	-	-	1,623,979	1,623,979
Total	\$1,646,114,214	\$18,316,149	\$10,351,244	\$1,674,781,607
Receivables (including non-performing receivables transferred from other than loans)				
Consumer finance				
Excellent	\$75,612,495	\$49,369	\$-	\$75,661,864
Good	328,394	2,910	-	331,304
Acceptable	-	120,080	-	120,080
Default	-	-	1,797,959	1,797,959
Corporate finance				
Excellent	31,441,681	-	-	31,441,681
Good	3,447,854	-	-	3,447,854
Acceptable	577	8,610	-	9,187
Default	-	-	115,640	115,640
Others	11,224,478	28,875,964	232,172	40,332,614
Total	\$122,055,479	\$29,056,933	\$2,145,771	\$153,258,183

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	December 31, 2024			
	12-month ECLs	Lifetime ECLs - unimpaired	Lifetime ECLs - impaired	Total
Debt instruments at fair value through other comprehensive income				
Excellent	\$150,085,746	\$-	\$-	\$150,085,746
Investments in debt instruments at amortized cost				
Excellent	\$584,724,735	\$-	\$-	\$584,724,735
Financial guarantees				
Excellent	\$22,825,780	\$-	\$-	\$22,825,780
Good	7,621,730	-	-	7,621,730
Acceptable	736	-	-	736
Total	\$30,448,246	\$-	\$-	\$30,448,246
Loan commitments				
Excellent	\$1,310,178,123	\$171,691	\$-	\$1,310,349,814
Good	246,383,620	496	-	246,384,116
Acceptable	151,674	78,258	-	229,932
Default	-	-	132,392	132,392
Total	\$1,556,713,417	\$250,445	\$132,392	\$1,557,096,254

	September 30, 2025			
	12-month ECLs	Lifetime ECLs - unimpaired	Lifetime ECLs - impaired	Total
Loans				
Consumer finance				
Excellent	\$922,117,589	\$17,031,835	\$-	\$939,149,424
Good	8,253,060	229,609	-	8,482,669
Acceptable	-	301,716	-	301,716
Default	-	-	8,403,960	8,403,960

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	September 30, 2025			
	12-month ECLs	Lifetime ECLs - unimpaired	Lifetime ECLs - impaired	Total
Corporate finance				
Excellent	\$424,568,457	\$-	\$-	\$424,568,457
Good	331,581,399	-	-	331,581,399
Acceptable	188,553	1,643,454	-	1,832,007
Default	-	-	1,721,566	1,721,566
Total	\$1,686,709,058	\$19,206,614	\$10,125,526	\$1,716,041,198
Receivables (including non- performing receivables transferred from other than loans)				
Consumer finance				
Excellent	\$77,614,575	\$82,709	\$-	\$77,697,284
Good	300,272	3,525	-	303,797
Acceptable	-	118,214	-	118,214
Default	-	-	1,848,094	1,848,094
Corporate finance				
Excellent	24,682,208	-	-	24,682,208
Good	4,736,455	-	-	4,736,455
Acceptable	5,409	7,807	-	13,216
Default	-	-	597,142	597,142
Others	12,002,775	32,062,539	202,179	44,267,493
Total	\$119,341,694	\$32,274,794	\$2,647,415	\$154,263,903
Debt instruments at fair value through other comprehensive income				
Excellent	\$126,315,064	\$-	\$-	\$126,315,064

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	September 30, 2025			
	12-month ECLs	Lifetime ECLs - unimpaired	Lifetime ECLs - impaired	Total
Investments in debt instruments at amortized cost				
Excellent	\$517,274,104	\$-	\$-	\$517,274,104
Financial guarantees				
Excellent	\$23,687,246	\$-	\$-	\$23,687,246
Good	8,364,054	-	-	8,364,054
Acceptable	8,210	-	-	8,210
Total	\$32,059,510	\$-	\$-	\$32,059,510
Loan commitments				
Excellent	\$1,222,777,935	\$197,919	\$-	\$1,222,975,854
Good	257,882,546	187	-	257,882,733
Acceptable	67,039	85,969	-	153,008
Default	-	-	177,800	177,800
Total	\$1,480,727,520	\$284,075	\$177,800	\$1,481,189,395

v. Situation of credit risk concentration

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

English Translation of Financial Statements Originally Issued in Chinese

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Taishin Bank and its subsidiaries' information on discounts and loans with a significant concentration of credit risk is as follows:

Industry type	September 30, 2025		December 31, 2024		September 30, 2024	
	Carrying amount	Percentage	Carrying amount	Percentage	Carrying amount	Percentage
		of item		of item		of item
		(%)		(%)		(%)
Manufacturing	\$272,539,522	14	\$187,626,371	11	\$214,454,381	12
Wholesale and retail	92,371,141	5	67,862,147	4	79,352,675	5
Finance and insurance	209,640,119	11	181,903,984	11	174,198,697	10
Real estate and leasing	171,176,859	9	164,324,308	10	168,248,652	10
Service	38,363,007	2	35,848,490	2	32,309,854	2
Individuals	995,423,237	53	962,848,658	58	970,973,636	57
Others	107,778,745	6	74,367,649	4	76,503,303	4
	<u>\$1,887,292,630</u>		<u>\$1,674,781,607</u>		<u>\$1,716,041,198</u>	

Industry type	September 30, 2025		December 31, 2024		September 30, 2024	
	Carrying amount	Percentage	Carrying amount	Percentage	Carrying amount	Percentage
		of item		of item		of item
		(%)		(%)		(%)
Asia	\$1,720,566,855	91	\$1,530,777,350	92	\$1,573,039,326	92
Europe	31,870,831	2	22,535,455	1	21,489,736	1
America	5,386,608	-	3,796,610	-	2,162,747	-
Africa	7,669,717	-	8,206,443	-	7,335,818	-
Others	121,798,619	7	109,465,749	7	112,013,571	7
Total	<u>\$1,887,292,630</u>		<u>\$1,674,781,607</u>		<u>\$1,716,041,198</u>	

Shin Kong Life Insurance

Credit risk refers to the risk of financial loss to Shin Kong Life Insurance and its subsidiaries due to a counterparty's failure to meet contractual obligations. As of the balance sheet date, the maximum credit risk exposure that Shin Kong Life Insurance and its subsidiaries may face due to counterparties' non-performance primarily arises from the carrying amounts of financial assets recognized in the consolidated balance sheet.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The investments cover a wide range of underlying assets across different industries and geographical regions. Shin Kong Life Insurance and its subsidiaries continuously assess the financial condition of underlying investment and manage credit risk exposure through risk management policies.

As of September 30, 2025 and 2024, apart from Citibank being the largest counterparty for Shin Kong Life Insurance and its subsidiaries, there are no significant credit exposures to any single counterparty or any group of counterparties with similar characteristics. When the counterparties are related parties, Shin Kong Life Insurance and its subsidiaries define them as counterparties with similar characteristics. For the nine months ended September 30, 2025 and 2024, the concentration of credit risk to Citibank did not exceed 3% of available funds; similarly, the concentration of credit risk to any other counterparties did not exceed 3% of available funds.

The geographical credit risk of Shin Kong Life Insurance and its subsidiaries is primarily concentrated in the United States. As of September 30, 2025, December 31, 2024, and September 30, 2024, the total investment in the US accounted for approximately 33.74%, 33.22%, and 32.82% of all foreign investments, respectively.

The credit risk of Shin Kong Life Insurance and its subsidiaries is mainly concentrated in the top five counterparties. As of September 30, 2025, December 31, 2024, and September 30, 2024, the total investment from the top five counterparties accounted for 10.93%, 11.05%, and 10.63% of available funds, respectively.

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The credit risk of Shin Kong Life Insurance and its subsidiaries arises from financial instrument transactions related to operating activities, including bond investments and loans. Through regular concentration statistics and monitoring, the likelihood of significant losses from a single credit risk event due to excessive concentration in the investment portfolio is reduced, as shown in the table below:

i. Exposure to credit risk – industry type

September 30, 2025

	Central and local government agencies	Financial	Energy	Materials	Industrial	Non-core consumer	Core consumer	Information technology	Telecommunications services	Public utilities	Total
Financial assets at FVTPL	\$20	\$25,464,174	\$-	\$-	\$171,948	\$-	\$-	\$-	\$-	\$-	\$25,636,142
Financial assets at FVTOCI	14,026,748	11,126,914	898,885	-	477,934	651,556	455,496	605,559	301,669	3,776,007	32,320,768
Financial assets measured at amortized cost	585,184,187	1,152,943,984	121,824,712	67,329,504	24,939,633	28,830,521	120,982,720	67,617,733	187,486,570	108,276,199	2,465,415,763
Total	\$599,210,955	\$1,189,535,072	\$122,723,597	\$67,329,504	\$25,589,515	\$29,482,077	\$121,438,216	\$68,223,292	\$187,788,239	\$112,052,206	\$2,523,372,673
Proportion of each industry to the overall total	23.75%	47.14%	4.86%	2.67%	1.01%	1.17%	4.82%	2.70%	7.44%	4.44%	100.00%

December 31, 2024

	Central and local government agencies	Financial	Energy	Materials	Industrial	Non-core consumer	Core consumer	Information technology	Telecommunicati ons services	Public utilities	Total
Financial assets at FVTPL	\$18	\$26,121,823	\$-	\$-	\$275,743	\$-	\$-	\$-	\$-	\$-	\$26,397,584
Financial assets at FVTOCI	10,461,788	11,119,261	-	-	-	650,680	249,883	602,153	-	3,417,498	26,501,263
Financial assets measured at amortized cost	640,296,740	1,206,634,179	133,561,363	72,532,683	28,406,473	31,445,151	125,702,269	70,651,685	201,320,043	117,105,849	2,627,656,435
Total	\$650,758,546	\$1,243,875,263	\$133,561,363	\$72,532,683	\$28,682,216	\$32,095,831	\$125,952,152	\$71,253,838	\$201,320,043	\$120,523,347	\$2,680,555,282
Proportion of each industry to the overall total	24.27%	46.39%	4.98%	2.71%	1.07%	1.20%	4.71%	2.66%	7.51%	4.50%	100.00%

English Translation of Financial Statements Originally Issued in Chinese
 TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 (Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

September 30, 2024

	Central and local government agencies	Financial	Energy	Materials	Industrial	Non-core consumer	Core consumer	Information technology	Telecommunications services	Public utilities	Total
Financial assets at FVTPL	\$18	\$26,379,842	\$-	\$-	\$310,223	\$-	\$-	\$59,400	\$-	\$-	\$26,749,483
Financial assets at FVTOCI	8,787,824	10,637,697	-	-	-	501,556	750,203	-	-	3,406,824	24,084,104
Financial assets measured at amortized cost	626,832,455	1,174,044,623	129,712,047	70,407,608	27,579,362	30,827,793	121,442,302	70,041,862	194,528,919	115,877,906	2,561,294,877
Total	\$635,620,297	\$1,211,062,162	\$129,712,047	\$70,407,608	\$27,889,585	\$31,329,349	\$122,192,505	\$70,101,262	\$194,528,919	\$119,284,730	\$2,612,128,464
Proportion of each industry to the overall total	24.32%	46.35%	4.97%	2.70%	1.07%	1.20%	4.69%	2.68%	7.45%	4.57%	100.00%

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ii. Exposure to credit risk – region

September 30, 2025

Financial Assets	Taiwan	North America	Eurozone	Non-Eurozone	Asia-Pacific	Central and South America	Middle East/Africa	Global	Total
Financial assets at FVTPL	\$25,526,226	\$55,208	\$54,708	\$-	\$-	\$-	\$-	\$-	\$25,636,142
Financial assets at FVTOCI	22,310,171	9,118,910	586,226	305,461	-	-	-	-	32,320,768
Financial assets measured at amortized cost	231,349,226	1,089,981,396	223,512,782	299,900,868	239,636,358	116,268,116	264,767,017	-	2,465,415,763
Total	\$279,185,623	\$1,099,155,514	\$224,153,716	\$300,206,329	\$239,636,358	\$116,268,116	\$264,767,017	\$-	\$2,523,372,673
Proportion of each industry to the overall total	11.06%	43.56%	8.88%	11.90%	9.50%	4.61%	10.49%	-	100.00%

December 31, 2024

Financial Assets	Taiwan	North America	Eurozone	Non-Eurozone	Asia-Pacific	Central and South America	Middle East/Africa	Global	Total
Financial assets at FVTPL	\$26,322,915	\$67,127	\$7,542	\$-	\$-	\$-	\$-	\$-	\$26,397,584
Financial assets at FVTOCI	22,048,375	3,934,060	-	518,828	-	-	-	-	26,501,263
Financial assets measured at amortized cost	245,425,830	1,159,957,824	239,698,360	324,315,492	242,764,051	132,886,103	282,608,775	-	2,627,656,435
Total	\$293,797,120	\$1,163,959,011	\$239,705,902	\$324,834,320	\$242,764,051	\$132,886,103	\$282,608,775	\$-	\$2,680,555,282
Proportion of each industry to the overall total	10.96%	43.42%	8.94%	12.12%	9.06%	4.96%	10.54%	-	100.00%

September 30, 2024

Financial Assets	Taiwan	North America	Eurozone	Non-Eurozone	Asia-Pacific	Central and South America	Middle East/Africa	Global	Total
Financial assets at FVTPL	\$26,673,777	\$69,620	\$6,086	\$-	\$-	\$-	\$-	\$-	\$26,749,483
Financial assets at FVTOCI	21,434,254	1,681,431	-	-	472,774	495,645	-	-	24,084,104
Financial assets measured at amortized cost	245,991,276	1,125,087,711	233,440,697	318,933,395	237,201,632	128,418,256	272,221,910	-	2,561,294,877
Total	\$294,099,307	\$1,126,838,762	\$233,446,783	\$318,933,395	\$237,674,406	\$128,913,901	\$272,221,910	\$-	\$2,612,128,464
Proportion of each industry to the overall total	11.26%	43.14%	8.94%	12.21%	9.10%	4.93%	10.42%	-	100.00%

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

In terms of credit quality, Shin Kong Life Insurance and its subsidiaries regularly track the credit rating information published by various rating agencies and classify them into low risk, moderate risk, and high risk based on the ratings. The definitions for each rating are as follows:

- Low Risk: This refers to companies that have a robust ability to meet contractual commitments, maintaining a good financial condition even in the face of various negative news or adverse economic conditions.
- Moderate Risk: This indicates that the company's ability to meet contractual commitments is lower, and various negative news or adverse economic conditions may weaken its financial condition, potentially leading to concerns about asset impairment or causing losses to Shin Kong Life Insurance and its subsidiaries.
- High Risk: This refers to companies with a weak likelihood of meeting contractual commitments, being dependent on the operating environment. Various negative news or adverse economic conditions will reduce their ability and willingness to meet obligations.
- Impaired: This indicates that the company has failed to meet its obligations as agreed, and Shin Kong Life Insurance and its subsidiaries have estimated potential losses that meet the impairment criteria.

Shin Kong Life Insurance and its subsidiaries have made provisions for impairment on various financial assets in accordance with accounting standards. Under the conservatism principle, the amounts recognized after impairment adequately reflect the current value. Credit quality information is shown in the table below:

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Credit quality analysis table of financial assets

September 30, 2025

	Stage 1				Stage 2				Stage 3			Loss allowance	Total
	Low risk	Moderate risk	High risk	Total	Low risk	Moderate risk	High risk	Total	Credit-impaired financial assets	Non-POCI financial assets	Total		
Financial assets at FVTOCI	\$32,320,768	\$-	\$-	\$32,320,768	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$32,320,768
Financial assets measured at amortized cost	2,377,620,209	24,781,514	24,879,146	2,427,280,869	-	-	5,906,927	5,906,927	32,227,967	-	32,227,967	(4,839,015)	2,460,576,748
Total	\$2,409,940,977	\$24,781,514	\$24,879,146	\$2,459,601,637	\$-	\$-	\$5,906,927	\$5,906,927	\$32,227,967	\$-	\$32,227,967	\$(4,839,015)	\$2,492,897,516
Proportion to the total amount	96.67%	0.99%	1.00%	98.66%	-	-	0.24%	0.24%	1.29%	-	1.29%	(0.19%)	100.00%

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

December 31, 2024

	Stage 1				Stage 2				Stage 3			Loss allowance	Total
	Low risk	Moderate risk	High risk	Total	Low risk	Moderate risk	High risk	Total	Credit-impaired financial assets	Non-POCI financial assets	Total		
Financial assets at FVTOCI	\$26,501,263	\$-	\$-	\$26,501,263	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$26,501,263
Financial assets measured at amortized cost	2,524,932,343	25,602,604	35,761,133	2,586,296,080	-	-	6,502,823	6,502,823	34,857,532	-	34,857,532	(5,287,849)	2,622,368,586
Total	\$2,551,433,606	\$25,602,604	\$35,761,133	\$2,612,797,343	\$-	\$-	\$6,502,823	\$6,502,823	\$34,857,532	\$-	\$34,857,532	\$(5,287,849)	\$2,648,869,849
Proportion to the total amount	96.32%	0.97%	1.35%	98.64%	-	-	0.25%	0.25%	1.31%	-	1.31%	(0.20%)	100.00%

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

September 30, 2024

	Stage 1				Stage 2				Stage 3			Loss allowance	Total
	Low risk	Moderate risk	High risk	Total	Low risk	Moderate risk	High risk	Total	Credit-impaired financial assets	Non-POCI financial assets	Total		
Financial assets at FVTOCI	\$24,084,104	\$-	\$-	\$24,084,104	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$24,084,104
Financial assets measured at amortized cost	2,467,885,752	13,334,306	43,164,628	2,524,384,686	-	-	3,199,100	3,199,100	33,711,091	-	33,711,091	(4,895,514)	2,556,399,363
Total	\$2,491,969,856	\$13,334,306	\$43,164,628	\$2,548,468,790	\$-	\$-	\$3,199,100	\$3,199,100	\$33,711,091	\$-	\$33,711,091	\$(4,895,514)	\$2,580,483,467
Proportion to the total amount	96.58%	0.52%	1.67%	98.77%	-	-	0.12%	0.12%	1.31%	-	1.31%	(0.20%)	100.00%

Note 1: Normal assets and impaired items include debt assets excluding funds and stocks. The impaired items are presented as the carrying amounts of the impaired asset, without deducting their accumulated impairment.

Note 2: The credit quality of normal assets is classified primarily based on the credit ratings of the issuer or guarantor. The credit ratings are taken from S&P, Moody's, Fitch, and Taiwan Ratings, using the second highest rating of the top three or the lower rating of any two.

Note 3: Low risk is defined as credit ratings of BBB (inclusive) or above, or equivalent ratings.

Note 4: Moderate risk is defined as credit ratings of BBB- (inclusive) or below, and BB+ (inclusive) or above, or equivalent ratings.

Note 5: High risk is defined as credit ratings of BB (inclusive) or below, or equivalent ratings, or unrated.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Loan distribution of maximum credit exposure by region (excluding policy loans and automatic premium loans)September 30, 2025

Collateral location	Northern region	Central region	Southern region	Eastern region	Total
Secured loans	\$22,552,444	\$8,618,870	\$16,423,536	\$239,781	\$47,834,631
Collection receivables	4,241	100	1,371	-	5,712
Total	\$22,556,685	\$8,618,970	\$16,424,907	\$239,781	\$47,840,343
Proportion to total amount	47.15%	18.02%	34.33%	0.50%	100.00%

December 31, 2024

Collateral location	Northern region	Central region	Southern region	Eastern region	Total
Secured loans	\$22,499,909	\$7,970,916	\$14,792,519	\$214,199	\$45,477,543
Collection receivables	2,372	112	309	-	2,793
Total	\$22,502,281	\$7,971,028	\$14,792,828	\$214,199	\$45,480,336
Proportion to total amount	49.48%	17.53%	32.52%	0.47%	100.00%

September 30, 2024

Collateral location	Northern region	Central region	Southern region	Eastern region	Total
Secured loans	\$23,397,033	\$7,950,425	\$17,511,499	\$214,182	\$49,073,139
Collection receivables	2,391	118	344	1	2,854
Total	\$23,399,424	\$7,950,543	\$17,511,843	\$214,183	\$49,075,993
Proportion to total amount	47.68%	16.20%	35.68%	0.44%	100.00%

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(e) Liquidity risk

i. The source and definition of liquidity risk

Liquidity risk is the potential loss that the Group may suffer due to inability to liquidate assets or raise enough funds in reasonable time to perform obligations when due and to meet the demands of assets growth. Sources of liquidity risk are as follows:

- a. Inability to fulfill funding gap due to asymmetric time and amount in cash inflows and outflows.
- b. Liabilities paid off in advance before maturity, inability to maintain liabilities at maturity or inability to acquire funds from the market.
- c. Inability to liquidate current assets at reasonable price or raising funds to fulfill funding gap with price higher than the reasonable one.

Except for the liquidity risks arising from normal operation, the Group's liquidity might be affected by events such as credit ratings being downgraded, credibility seriously damaged, financial system's system risk, causing customers to lack confidence and canceling deposits before maturity, call loans from banks being suspended, resell or repurchase transactions being deterred and liquidity of financial assets decreasing.

ii. Liquidity risk management policy

Taishin Bank

The objective of liquidity risk management is to ensure that Taishin Bank can acquire funds at a reasonable price to pay off debt, perform obligations and contingent liabilities and satisfy demands required by business growth either in normal operation or under sudden, serious and unusual circumstances.

Taishin Bank has established policies on assets and liabilities management that stipulate related liquidity risk management rules, stipulate clear distinction between accountability and responsibility of Asset and Liability Committee and management departments and regulate the setting of liquidity risk appetite and limits, risk measuring, risk monitoring and the scope and procedures of reporting to ensure that overall liquidity risk is within the limits of liquidity risk appetite approved by the board of directors.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Basic principles of liquidity risk management policy are as follows:

- a. Principle of risk diversification: Taishin Bank should avoid excessively concentrating funds on the same maturity, instruments, currencies, regions, funding sources or counterparties.
- b. Principle of stability: Taishin Bank should follow stable strategies and pay attention to market and internal funding liquidity. For example, Taishin Bank should absorb the core deposits at appropriate time in order to prevent market volatility from affecting funding sources and thus lower dependence on unstable fund sources.
- c. Principle of maintaining appropriate asset liquidity: Market liquidity will indirectly affect funding liquidity. Therefore, Taishin Bank should make sure total assets could pay off total liabilities and maintain certain proportion of assets with high liquidity or collateral in order to finance funds and pay off current liabilities in critical and urgent time.
- d. Principle of matching asset and liability maturity: Taishin Bank should pay attention to the spread of maturity and liquidity of liquid assets and current assets should be sufficient to pay off current liabilities.

For urgent or sudden liquidity events, Taishin Bank has stipulated urgent fund dispatching handling plan as the highest principle for urgent events in order to integrate the Bank's resources quickly to resolve emergencies efficiently.

Shin Kong Life Insurance

Shin Kong Life Insurance and its subsidiaries have sufficient operating capital to meet their obligations, and therefore, there is no liquidity risk due to the inability to raise funds to meet contractual obligations.

The bonds and stocks Shin Kong Life Insurance and its subsidiaries invested in are primarily in active markets, and it is expected that they can be quickly sold in the market at prices close to fair value. The forward foreign exchange contracts and currency swap contracts engaged by Shin Kong Life Insurance and its subsidiaries are of a hedging nature. They are settled on a net or gross basis, requiring minimal use of cash positions, thus avoiding significant cash flow risks.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- iii. Financial assets held to manage liquidity risk and maturity analysis

Financial assets held to manage liquidity risk:

The Group holds cash and cash equivalents, due from the Central Bank and banks and financial assets at fair value through other comprehensive income and investments in debt instruments at amortized cost held for the purpose of managing liquidity risk, in order to perform contractual obligations when due and meet the needs of urgent fund dispatching.

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Maturity analysis

Taishin Bank

a. Maturity analysis of non-derivative financial liabilities

Non-derivative financial liabilities of Taishin Bank and subsidiaries presented based on the residual maturities from the balance sheet date to the contract maturity date are as follows:

Financial instruments item	September 30, 2025									
	1-30 days	31-90 days	91-180 days	181 days - 1 year	1-2 years	2-3 years	3-4 years	4-5 years	over 5 years	Total
Deposits from the Central Bank and banks	\$8,836,519	\$10,070,270	\$5,504,593	\$2,312,127	\$-	\$18,000	\$-	\$-	\$-	\$26,741,509
Non-derivative financial liabilities at FVTPL	799,419	-	-	-	-	60,260	-	-	12,255,657	13,115,336
Securities sold under repurchase agreements	55,552,100	13,889,008	81,292	-	-	-	-	-	-	69,522,400
Payables	21,226,192	2,025,491	661,165	9,639,460	36,548	8,550	1	-	-	33,597,407
Deposits and remittances	334,416,009	419,572,431	285,130,433	364,564,140	1,099,308,160	3,019,670	1,512	-	-	2,506,012,355
Bank notes payable	-	-	-	-	6,000,000	-	-	9,050,000	5,000,000	20,050,000
Lease liabilities	122,362	122,341	179,733	346,192	539,514	401,316	297,927	224,595	374,594	2,608,574
Other financial liabilities	13,145,403	8,398,110	7,290,908	6,069,910	7,571,855	2,522,545	589,442	2,854,907	72,919,456	121,362,536
Total	\$434,098,004	\$454,077,651	\$298,848,124	\$382,931,829	\$1,113,456,077	\$6,030,341	\$888,882	\$12,129,502	\$90,549,707	\$2,793,010,117

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Financial instruments item	December 31, 2024									
	1-30 days	31-90 days	91-180 days	181 days - 1 year	1-2 years	2-3 years	3-4 years	4-5 years	over 5 years	Total
Deposits from the Central Bank and banks	\$5,032,291	\$3,361,917	\$788,875	\$3,489,500	\$3,500	\$-	\$-	\$-	\$-	\$12,676,083
Non-derivative financial liabilities at FVTPL	354,382	-	-	-	-	-	-	-	13,195,181	13,549,563
Securities sold under repurchase agreements	42,456,140	10,998,577	3,097,830	-	-	-	-	-	-	56,552,547
Payables	16,257,204	2,196,499	845,502	10,772,715	34,690	8,707	1	-	-	30,115,318
Deposits and remittances	329,970,899	401,543,866	234,171,339	376,962,095	1,002,043,704	3,128,515	890	-	-	2,347,821,308
Bank notes payable	-	-	4,250,000	700,000	-	6,000,000	-	-	14,050,000	25,000,000
Lease liabilities	120,768	114,753	171,042	393,368	480,099	351,787	242,232	166,080	409,019	2,449,148
Other financial liabilities	9,920,446	11,764,978	4,717,179	4,310,806	2,076,858	10,120,956	2,014,429	762,307	76,127,733	121,815,692
Total	\$404,112,130	\$429,980,590	\$248,041,767	\$396,628,484	\$1,004,638,851	\$19,609,965	\$2,257,552	\$928,387	\$103,781,933	\$2,609,979,659

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Financial instruments item	September 30, 2024									
	1-30 days	31-90 days	91-180 days	181 days - 1 year	1-2 years	2-3 years	3-4 years	4-5 years	over 5 years	Total
Deposits from the Central Bank and banks	\$21,380,031	\$12,620,253	\$5,367,816	\$2,200,000	\$23,000	\$-	\$-	\$-	\$-	\$41,591,100
Non-derivative financial liabilities at FVTPL	359,013	-	-	-	-	21,549	-	-	12,742,922	13,123,484
Securities sold under repurchase agreements	51,592,703	22,471,896	5,687,254	-	-	-	-	-	-	79,751,853
Payables	26,044,810	1,888,858	672,426	9,067,942	34,781	8,121	1	-	-	37,716,939
Deposits and remittances	303,523,103	359,422,130	274,964,652	338,285,924	1,042,151,707	3,292,132	840	-	-	2,321,640,488
Bank notes payable	-	-	-	4,950,000	-	6,000,000	-	-	14,050,000	25,000,000
Lease liabilities	120,138	116,688	168,400	395,034	499,737	344,093	236,197	137,305	229,614	2,247,206
Other financial liabilities	9,629,924	11,682,226	5,716,607	6,458,873	2,535,378	8,437,609	2,357,917	669,815	75,506,395	122,994,744
Total	\$412,649,722	\$408,202,051	\$292,577,155	\$361,357,773	\$1,045,244,603	\$18,103,504	\$2,594,955	\$807,120	\$102,528,931	\$2,644,065,814

The maturity analysis of time deposits in “deposits and remittances” is allocated to each time band based on Taishin Bank’s historical experience. If all the time deposits were required to be paid off in recent period, the funds outflows in less than one-month time band would have been \$1,237,967,487 thousand, \$1,132,811,769 thousand and \$1,179,006,318 thousand as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

b. Maturity analysis of derivative financial liabilities

Taishin Bank and subsidiaries disclosed amounts of derivative financial liabilities at FVTPL using fair values recognized in the earliest time band as follows:

Financial instruments item	September 30, 2025					
	1-30 days	31-90 days	91-180 days	181 days - 1 year	over 1 year	Total
Derivative financial liabilities at						
FVTPL	\$36,123,005	\$-	\$-	\$-	\$-	\$36,123,005

Financial instruments item	December 31, 2024					
	1-30 days	31-90 days	91-180 days	181 days - 1 year	over 1 year	Total
Derivative financial liabilities at						
FVTPL	\$46,968,611	\$-	\$-	\$-	\$-	\$46,968,611

Financial instruments item	September 30, 2024					
	1-30 days	31-90 days	91-180 days	181 days - 1 year	over 1 year	Total
Derivative financial liabilities at						
FVTPL	\$37,520,145	\$-	\$-	\$-	\$-	\$37,520,145

c. Maturity analysis of off-balance-sheet items

Below are the amounts of Taishin Bank and subsidiaries off-balance-sheet items presented based on the residual maturities from the balance sheet date to the maturity date of loan commitments, guarantees or letters of credit. As of September 30, 2025, December 31, 2024 and September 30, 2024, assuming that all amounts, including the amounts in the longest time band, were due in less than one-month time band, the amounts would have been \$27,107,524 thousand, \$26,912,147 thousand and \$28,831,007 thousand, respectively, for guarantees; \$3,266,153 thousand, \$3,536,099 thousand and \$3,228,503 thousand, respectively, for letters of credit; \$936,039,824 thousand, \$982,814,683 thousand and \$910,205,657 thousand, respectively, for loans commitments (excluding credit card); and \$12,895,171 thousand, \$10,465,147 thousand and \$10,495,124 thousand, respectively, for credit cards commitments.

English Translation of Financial Statements Originally Issued in Chinese

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Off-balance-sheet item	September 30, 2025					
	1-30 days	31-90 days	91-180 days	181 days - 1 year	over 1 year	Total
Guarantees	\$2,948,332	\$4,900,621	\$3,817,730	\$5,205,885	\$10,234,956	\$27,107,524
Letters of credit	575,004	2,581,140	95,024	14,985	-	3,266,153
Loans commitments (excluding credit cards)	11,450,581	159,600,443	167,641,155	452,038,157	145,309,488	936,039,824
Credit cards commitments	1,109	120,335	207,773	629,536	11,936,418	12,895,171

Off-balance-sheet item	December 31, 2024					
	1-30 days	31-90 days	91-180 days	181 days - 1 year	over 1 year	Total
Guarantees	\$3,607,461	\$3,854,164	\$2,841,172	\$5,383,932	\$11,225,418	\$26,912,147
Letters of credit	694,097	2,470,181	347,849	13,052	10,920	3,536,099
Loans commitments (excluding credit cards)	2,094,924	198,498,313	210,260,247	438,166,710	133,794,489	982,814,683
Credit cards commitments	758	73,638	131,997	334,113	9,924,641	10,465,147

Off-balance-sheet item	September 30, 2024					
	1-30 days	31-90 days	91-180 days	181 days - 1 year	over 1 year	Total
Guarantees	\$1,990,554	\$6,694,507	\$3,362,248	\$5,110,046	\$11,673,652	\$28,831,007
Letters of credit	1,057,353	1,634,956	524,632	-	11,562	3,228,503
Loans commitments (excluding credit cards)	5,009,502	128,614,167	158,940,304	487,542,208	130,099,476	910,205,657
Credit cards commitments	782	73,301	119,440	322,617	9,978,984	10,495,124

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Shin Kong Life Insurance

The table below provides a detailed analysis of the remaining contractual maturity of non-derivative financial liabilities of Shin Kong Life Insurance and its subsidiaries, based on the earliest possible repayment dates. The analysis is prepared using the undiscounted cash flows of the financial liabilities, which include both interest and principal cash flows.

The maturity analysis of other non-derivative financial liabilities is prepared according to the agreed repayment dates.

September 30, 2025

	Payable on			
	demand or			
	within 3	3 months to 1	1 to 5 years	> 5 years
	months	year		
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Non-derivative</u>				
<u>financial</u>				
<u>liabilities</u>				
Non-interest				
bearing				
liabilities	\$6,442,372	\$2,034,623	\$535,289	\$166,504
Fixed rate				
instruments	1,259,500	472,500	28,373,500	24,570,000
Outstanding				
claims reserves	195,442	63,770	134,665	56,123
Lease liabilities	62,479	1,321,718	2,012,720	9,712,704

English Translation of Financial Statements Originally Issued in Chinese
 TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 (Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

December 31, 2024

	Payable on demand or			
	within 3 months	3 months to 1 year	1 to 5 years	> 5 years
<u>Non-derivative</u>				
<u>financial</u>				
<u>liabilities</u>				
Non-interest				
bearing				
liabilities	\$9,330,403	\$119,082	\$615,909	\$166,612
Fixed rate				
instruments	-	1,732,000	28,583,500	24,832,500
Outstanding				
claims reserves	111,833	57,045	107,132	58,612
Lease liabilities	171,551	1,204,780	2,027,552	9,911,156

September 30, 2024

	Payable on demand or			
	within 3 months	3 months to 1 year	1 to 5 years	> 5 years
<u>Non-derivative</u>				
<u>financial</u>				
<u>liabilities</u>				
Non-interest				
bearing				
liabilities	\$8,012,366	\$1,025,644	\$460,123	\$163,149
Fixed rate				
instruments	1,231,500	472,500	29,183,000	24,412,500
Outstanding				
claims reserves	147,171	31,431	117,724	58,424
Lease liabilities	795,281	312,025	3,031,876	9,970,517

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The table below provides a detailed description of the expected cash flows of non-derivative financial assets of Shin Kong Life Insurance and its subsidiaries. This is prepared based on the undiscounted contractual cash flows of the financial assets and the interest income to be earned by the contract maturity date. To understand the liquidity risk management conducted by Shin Kong Life Insurance and its subsidiaries based on net assets and net liabilities, the information regarding non-derivative financial assets included in the table is essential.

September 30, 2025

	Payable on demand or within 3 months	3 months to 1 year	1 to 5 years	> 5 years
<u>Non-derivative financial assets</u>				
Domestic	\$4,076,269	\$16,459,872	\$247,590,670	\$133,856,908
Foreign	19,889,886	45,488,717	262,259,695	4,691,295,091

December 31, 2024

	Payable on demand or within 3 months	3 months to 1 year	1 to 5 years	> 5 years
<u>Non-derivative financial assets</u>				
Domestic	\$760,153	\$15,273,039	\$126,719,864	\$141,854,226
Foreign	16,838,613	47,895,690	279,903,620	5,056,574,657

September 30, 2024

	Payable on demand or within 3 months	3 months to 1 year	1 to 5 years	> 5 years
<u>Non-derivative financial assets</u>				
Domestic	\$614,057	\$9,325,780	\$128,760,044	\$147,185,677
Foreign	15,486,840	47,350,019	302,338,212	4,904,684,813

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The amounts of floating rate instruments for the aforementioned non-derivative financial assets and liabilities will change due to differences between the floating rates and the estimated rates as of the balance sheet date.

The table below provides a detailed liquidity analysis conducted by Shin Kong Life Insurance and its subsidiaries for derivative instruments. For derivatives settled on a net basis, the analysis is prepared based on the contractual undiscounted net cash inflows and outflows. For derivatives settled on a gross basis, the analysis is prepared based on the total undiscounted cash inflows and outflows. When the amounts payable or receivable are not fixed, the disclosed amounts are determined based on the estimated rates derived from the yield curve as of the balance sheet date.

September 30, 2025

	Payable on				
	demand or				
	within 1		3 months to 1		
	month	1 to 3 months	year	1 to 5 years	> 5 years
<u>Net settlement</u>					
Forward currency					
contract	\$1,148,238	\$6,385,123	\$-	\$-	\$-
<u>Gross settlement</u>					
Currency swap					
– Inflows	\$4,331,780	\$9,132,132	\$355,921	\$-	\$-
– Outflows	(364,168)	(3,285,012)	(4,389,990)	-	-
Forward currency					
contract					
– Inflows	-	16,739	-	-	-
– Outflows	(88,211)	(299,966)	-	-	-
	\$3,879,401	\$5,563,893	\$(4,034,069)	\$-	\$-

English Translation of Financial Statements Originally Issued in Chinese
 TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 (Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

December 31, 2024

	Payable on demand or				
	within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	> 5 years
<u>Net settlement</u>					
Forward currency					
contract	\$(2,791,132)	\$(2,735,679)	\$(290,818)	\$-	\$-
<u>Gross settlement</u>					
Currency swap					
– Inflows	\$-	\$-	\$-	\$-	\$-
– Outflows	(12,776,111)	(6,115,267)	(2,176,861)	-	-
	\$(12,776,111)	\$(6,115,267)	\$(2,176,861)	\$-	\$-

September 30, 2024

	Payable on demand or				
	within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	> 5 years
<u>Net settlement</u>					
Forward currency					
contract	\$2,570,641	\$7,781,979	\$693,409	\$-	\$-
<u>Gross settlement</u>					
Currency swap					
– Inflows	\$1,219,447	\$2,900,770	\$2,237,137	\$-	\$-
– Outflows	-	(3,263,821)	(6,256,579)	-	-
Forward currency					
contract					
– Inflows	537,108	-	-	-	-
– Outflows	(280,714)	-	-	-	-
	\$1,475,841	\$(363,051)	\$(4,019,442)	\$-	\$-

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(f) Insurance risk

Shin Kong Life Insurance

i. Risk management

a. Risk management policy

Shin Kong Life Insurance, in accordance with relevant laws and business needs, has established the "Risk Management Policy of Shin Kong Life Insurance Co., Ltd." with the approval of the Board of Directors. This policy clearly defines the objectives of risk management, risk management strategies, risk appetite and limits, the organization and responsibilities of risk management, as well as the categories and management of business operational risks.

b. The objective of risk management

The objective of risk management at Shin Kong Life Insurance is to protect the company's assets, ensure capital adequacy, enhance shareholder value, and compliance with relevant regulatory requirements. This is achieved by promoting sound operations and development of the company while balancing risk and reward.

c. Principles of risk management

The risk management at Shin Kong Life Insurance is strategically positioned to incorporate risk when considering relevant decision-making processes. Through qualitative and quantitative management methods, the company identifies, measures, responds to, and monitors risks, maintaining various potential risks encountered in operational activities within acceptable limits. This approach aims to pursue a sound operation policy while adhering to the standard of consistent execution.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

d. Organization and responsibilities

To effectively plan, supervise, and implement risk management affairs, Shin Kong Life Insurance has established a Risk Management Committee under the Board of Directors, as well as the risk management units that are independent from business units. The various levels of risk management and their responsibilities are as follows:

- (i) Board of Directors: Approves risk management policies, etc.
- (ii) Audit Committee: Oversees the management of existing or potential risks, etc.
- (iii) Risk Management Committee: Regularly reports on the status of risk management to the Board of Directors, etc.
- (iv) Risk Management Units: Analyzes and assesses changes in risks, etc.
- (v) Business Units: Executes risk management operations for their respective business areas, etc.

e. Categories and management of business operational risks

The business operational risks of Shin Kong Life Insurance include insurance risk, market risk, credit risk, liquidity risk, concentration risk, operational risk, information security risk, asset-liability matching risk, and other risks that are to be managed as approved by the parent company's risk management committee or the Board of Directors of Shin Kong Life Insurance. In response to the aforementioned business operational risks, Shin Kong Life Insurance establishes appropriate management mechanisms in accordance with the relevant regulations set by the competent authorities and ensures their effective implementation.

ii. Insurance risk information

a. Sensitivity of insurance risk

The sensitivity analysis of insurance risk at Shin Kong Life Insurance examines the impact of individual changes in financial income, operating expenses, death or illness-related insurance benefits of the current period, and surrender values (while keeping other assumptions constant) on pre-tax profit/loss and equity. The explanations of the assumptions are as follows:

- (i) Financial Income: includes income derived from leasing investment properties, dividends and bonus generated from financial assets, and interest from the use of funds.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- (ii) Operating Expenses: includes business expenses, management expenses, and employee training expenses.
- (iii) Death or Illness-Related Insurance Benefits: refers to benefits related to death or illness that arise from various insurance policies underwritten.
- (iv) Surrender Values: refers to the refund paid upon the surrender or lapse of an insurance contract.

Impact of sensitivity factor changes on pre-tax profit and equity			
	For the nine months ended September 30, 2025		
	Changes in assumptions	Changes in pre-tax profit	Changes in equity
Financial income	Decrease 5%	\$(4,469,837)	\$(3,575,870)
Operating expenses	Increase 5%	(1,059,428)	(847,542)
Death or illness-related insurance benefits	Increase 5%	(1,310,523)	(1,048,419)
Surrender values	Increase 5%	90,093	72,074

Note: The above assumption factors and analysis are based on the financial information of Shin Kong Life Insurance and its subsidiaries for the nine months ended September 30, 2025.

Supplementary explanation:

- The impact of the results is not linear, and the degree of impact cannot be estimated using interpolation or extrapolation methods.
- The changes in assumptions may not necessarily occur, and there may be correlations between different assumption changes.
- The sensitivity analysis does not consider factors that affect operational behavior due to market changes, such as buying/selling asset positions, changing asset allocations, or adjusting declared interest rates on policies.
- When calculating changes in equity, it is the amount after deducting income tax.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

b. Explanation of insurance risk concentration

The structure of the insurance products sold by Shin Kong Life Insurance includes life insurance, annuity insurance, accident insurance, and health insurance, with the majority of business originating from within the Republic of China. There are no significant regional differences in the insurance contracts underwritten.

Shin Kong Life Insurance's premium income is primarily concentrated in individual life insurance, followed by individual health insurance, and then individual accident insurance. Insurance payouts are mainly concentrated in surrender benefits, survival benefits, death benefits, and medical benefits.

In accordance with the "Regulations on the Reserve Fund for Insurance Companies," Shin Kong Life Insurance sets aside special surplus reserves – special reserves for major incidents, to cover potential large claims that may arise in the future, and special surplus reserves – special reserves for fluctuation of risks, to respond to extraordinary changes in loss ratio or claims for each type of insurance. The term "major incident" as aforementioned shall refer to events that meet the criteria set by the government for significant disasters, where a single incident results in cumulative retained claims for each type of insurance reaching NT\$30 million for an individual company, and the total claims for all personal insurance companies exceeding NT\$1 billion.

The annual addition to the aforementioned special reserves, after deducting income tax, is recorded under the special surplus reserve account in equity.

c. Claims development trend

Shin Kong Life Insurance sets aside claims reserves for reported and unreported claims, estimating future payouts and related claims handling costs. The process of establishing these reserves involves numerous uncertainties, estimates, and judgments, resulting in a high degree of complexity. Some claims may be reported to Shin Kong Life Insurance with delays, and estimating the potential payout for unreported claims involves past claims experience and subjective judgment. The recorded claims reserves are based on currently available information, and therefore, it cannot be confirmed that the estimated claims reserves as of the balance sheet date will equal the final payout amounts for the claims. The ultimate results may deviate from the original estimates due to subsequent developments in the claims.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The table below illustrates the claims development trends. Each accident year refers to the year in which the claim occurred, while the horizontal axis represents the development years of the claims. Each diagonal line represents the cumulative amount of claims incurred by the end of each year for each accident year. The term "incurred claims amount" includes the cumulative claims amounts and reported but unpaid claims, demonstrating how Shin Kong Life Insurance estimates the claims amounts for each accident year over time. The circumstances and trends affecting the amount of claims reserves set aside by Shin Kong Life Insurance may not necessarily align with subsequent developments and trends; therefore, the claims development trends in the table cannot confirm the estimated future payout amounts.

(i) Claims development of direct business

Accident year	Development year					Loss reserve
	1	2	3	4	5	
2021	11,459,775	13,865,668	14,065,816	14,095,288	14,105,071	
2022	12,414,515	15,337,966	15,571,133	15,589,108		
2023	13,751,413	16,972,094	17,180,039			
2024	14,316,700	17,455,978				
2025 Q3	10,175,480					

Loss reserve for unreported

and unpaid claims \$3,900,280

Add: reserves for

unreported claims

required by other

regulations 5,488

Add: reported but unpaid

claims 447,439

Loss reserve, balance \$4,353,207

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(ii) Claims development of retained business

Accident year	Development year					Loss reserve
	1	2	3	4	5	
2021	11,407,026	13,810,687	14,005,796	14,035,268	14,045,050	
2022	12,330,498	15,253,580	15,486,025	15,503,986		
2023	13,668,794	16,887,493	17,091,994			
2024	14,201,459	17,338,750				
2025 Q3	10,091,468					

Loss reserve for unreported and unpaid claims	\$3,881,832
Add: reserves for unreported claims required by other regulations	5,488
Add: reported but unpaid claims	447,439
Loss reserve, balance	<u><u>\$4,334,759</u></u>

iii. Credit risk, liquidity risk, and market risk of insurance contracts

a. Credit risk

Shin Kong Life Insurance has established the "Credit Risk Management Regulations of Shin Kong Life Insurance Co., Ltd." to control credit risk associated with the underlying investment assets and counterparties by setting risk limits and conducting regular credit checks. Assuming insurance risk is the core business of the insurance industry. Shin Kong Life Insurance is capable of taking on a considerable amount of insurance risk due to its operation scale. However, if specific risks become overly concentrated or exhibit significant uncertainty, reinsurance arrangements are made to diversify the risk. The credit ratings of reinsurance companies must comply with relevant regulatory requirements. Therefore, the portion of reinsurance risk of Shin Kong Life Insurance is not significantly different from the retained portion.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

b. Liquidity risk

Shin Kong Life Insurance has established the "Liquidity Risk Management Regulations of Shin Kong Life Insurance Co., Ltd." as a basis for managing funding liquidity risk and market liquidity risk. The company also employs an asset-liability matching model to forecast the future cash flows of assets and liabilities, ensuring that there is sufficient cash flow to meet the expected liability obligations, serving as a long-term mechanism for liquidity risk management.

Furthermore, according to the regulations governing reserve fund requirements, the book value of contracts is greater than their surrender value; therefore, the liquidity risk arising from surrenders is not significant. Considering the principle of materiality, there is no separate disclosure of the cash flow maturity analysis when policyholders exercise their withdrawal (surrender) options in different ways.

c. Market risk

Shin Kong Life Insurance calculates and sets aside various liability reserves in accordance with the "Regulations on the Reserve Fund for Insurance Companies" and relevant laws, based on the prescribed interest rates and incident rates set by the regulatory authorities. Since these prescribed interest rates are determined at the time of policy sale, they are not affected by fluctuations in market interest rates. The interest rates mandated by the regulatory authorities are based on a long-term perspective and may not change in the same time frame, amount, or direction as current market risk variables.

According to IFRS 4, if the results of the liability adequacy test indicate inadequacy, a liability adequacy reserve must be established for the amount of the inadequacy. Aside from this situation, reasonable potential changes in market risk will not affect the amount of insurance contract liabilities for Shin Kong Life Insurance and its subsidiaries.

Furthermore, regarding the calculation of liability reserves, the likelihood of the regulatory authorities changing the prescribed interest rates from fixed to floating based on market rates in the near future is low. Therefore, it is unlikely that market risk will have a significant impact on the insurance contract liabilities affecting profit and loss.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(g) Climate risks

Climate risk refers to the physical risks caused by climate change, including immediate and long-term risks such as flooding, heavy rain or persistent high temperatures, as well as transition risks to achieve a low-carbon economy, including regulatory and policy risks, technology risks, consumer preference/market supply and demand imbalance risks, and reputational risks. Climate-related risks are not an independent type of risk but will directly or indirectly exacerbate the impact of existing risks such as credit risk, market risk, operational risk and liquidity risk through the economic environment and the various businesses undertaken by the subsidiary. Therefore, the Group's climate change risk management is based on its own business content, identifying how climate-related entity risks and transition risks exacerbate the risks of the traditional financial industry, assessing the impact on its own operations, investment and financing and other business activities, and finally identifying material climate change risks and formulating response strategies.

E. Structured entities

The Group holds interests in structured entities which are not consolidated in the Group's consolidated financial statements and the Group does not provide financial support or other support to these structured entities. The maximum exposure to these structured entities is the carrying amount of the related assets held by the Group. The information of these unconsolidated structured entities is disclosed as follows:

Type of structured entity	Nature and purpose	Interests owned
Financing secured bonds	The risks and rewards related to the structured entities' assets transferred to investors to receive returns through bonds issued	Investment in financing secured bonds issued by the entities
Real estate-backed securities	The risks and rewards related to the structured entities' assets transferred to investors to receive returns through bonds issued	Investment in real estate-backed securities issued by the entities
Private equity fund	Invest in private funds issued by external third-party fund companies to obtain investment benefits	Invest in units issued or limited partnership equity by the fund

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

As of September 30, 2025, December 31, 2024 and September 30, 2024, the carrying amounts related to the interests in unconsolidated structured entities are disclosed as follows:

	September 30, 2025			
	Financing secured bonds	Real estate- backed securities	Private equity fund	Total
Financial assets at FVTPL	\$-	\$984,324	\$1,673,852	\$2,658,176
Financial assets at FVTOCI	-	2,339,024	-	2,339,024
Financial assets measured at amortized cost	-	102,277,426	-	102,277,426
Net ending balance	\$-	\$105,600,774	\$1,673,852	\$107,274,626

	December 31, 2024			
	Financing secured bonds	Real estate- backed securities	Private equity fund	Total
Financial assets at FVTPL	\$10,493	\$-	\$418,288	\$428,781
Financial assets at FVTOCI	-	955,554	-	955,554
Financial assets measured at amortized cost	-	41,975,323	-	41,975,323
Net ending balance	\$10,493	\$42,930,877	\$418,288	\$43,359,658

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	September 30, 2024			
	Financing secured bonds	Real estate- backed securities	Private equity fund	Total
Financial assets at FVTPL	\$142,099	\$-	\$405,584	\$547,683
Financial assets at FVTOCI	-	1,007,448	-	1,007,448
Financial assets measured at amortized cost	-	34,392,033	-	34,392,033
Net ending balance	\$142,099	\$35,399,481	\$405,584	\$35,947,164

7. Related Party Transactions

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

(1) Names and relationships of related parties were as follows:

Name	Relationship
Taishin Bank	Subsidiary
Taishin AMC	Subsidiary
Taishin Venture Capital Investment	Subsidiary
Taishin Securities B	Subsidiary
Taishin Securities Investment Trust	Subsidiary
Taishin Securities Investment Advisory	Subsidiary
Taishin Life Insurance	Subsidiary
Taiwan Shin Kong Commercial Bank	Subsidiary
Shin Kong Life Insurance	Subsidiary
MasterLink Securities	Subsidiary
Shin Kong Investment Trust	Subsidiary
Shin Kong Insurance Agent	Subsidiary

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Name	Relationship
Shin Kong Venture Capital	Subsidiary
Taishin D.A. Finance	Second-tier subsidiary
Taishin Real-Estate	Second-tier subsidiary
Taishin Financial Leasing (China)	Second-tier subsidiary
Taishin Securities Venture Capital	Second-tier subsidiary
Taishin Capital	Second-tier subsidiary
Taishin Health Investment	Second-tier subsidiary
Taishin Futures	Second-tier subsidiary
Taishin Sports Entertainment	Second-tier subsidiary
Shin Kong Marketing	Second-tier subsidiary
Shin Shou Building Management	Second-tier subsidiary
MasterLink Futures Corporation (“MasterLink Futures”)	Second-tier subsidiary
MasterLink Securities Investment Advisory	Second-tier subsidiary
Shin Kong Insurance Agent	Second-tier subsidiary
MasterLink Venture Capital Corporation (“MasterLink Venture Capital”)	Second-tier subsidiary
MasterLink Securities (B.V.I.) Corporation (“MasterLink Securities (B.V.I.)”)	Second-tier subsidiary
MasterLink Securities Venture Capital (Tianjin) Co., Ltd (“MasterLink Securities Venture Capital (Tianjin)”)	Second-tier subsidiary
MasterLink Innovation Venture Management(Tianjin) Co., Ltd (“MasterLink Innovation Venture Management(Tianjin)”)	Second-tier subsidiary
MasterLink Securities (Hong Kong) Co., Ltd (“MasterLink Securities (Hong Kong)”)	Second-tier subsidiary
MasterLink Investment Advisory (Tianjin) Co., Ltd (“MasterLink Investment Advisory (Tianjin)”)	Second-tier subsidiary
Lion Investment(Samoa) Co., Ltd. (“Lion Investment”)	Second-tier subsidiary
Shin Kong Leasing Corp. (Suzhou) (“Shin Kong Leasing”)	Second-tier subsidiary
Shin Kong Vietnam Co., Ltd	Second-tier subsidiary
Shin Kong Life Singapore Pte. Ltd	Second-tier subsidiary
An Shin Construction Manager Corp. (“An Shin Construction Manager”)	Associate
Shin Kong Insurance Co., Ltd. (“Shin Kong Insurance”)	Other
Shin Kong Synthetic Fibers Co., Ltd. (“Shin Kong Synthetic Fibers”)	Other
Shin Kong Mitsukoshi Department Store Co., Ltd. (“Shin Kong Mitsukoshi”)	Other
Dah Chung Bills Finance Corp. (“Dah Chung Bills”)	Other

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Name	Relationship
CyberSoft Digital Service Corp. (“CyberSoft Digital Service”)	Other
An Shin Construction Manager Corp. (“An Shin Construction Manager”)	Other
Yuanta Financial Holding Co., Ltd. (“Yuanta Financial Holding”)	Other
Yuanta Commercial Bank Co., Ltd. (“Yuanta Bank”)	Other
Grand Commercial Bank Co., Ltd (“Grand Commercial Bank”)	Other
Taichung Bank Leasing Corporation Limited (“Taichung Bank Leasing”)	Other
Ezconn Corporation (“Ezconn”)	Other
AcBel Polytech Inc. (“AcBel Polytech”)	Other
Jingji Investment Co., Ltd (“Jingji Investment”)	Other
Kuan Yueh Technology Engineering (“Kuan Yueh Technology Engineering”)	Other
Shin Kong Chao Feng	Other
Jia Bang Investment Co., Ltd (“Jia Bang Investment”)	Other
China Investment And Development Co., Ltd. (“China Investment And Development”)	Other
Robina Finance & Leasing Corp. (“Robina Finance & Leasing”)	Other
Jhujian Catering Group	Other
Hung Family Enterprise Co., Ltd. (“Hung Family”)	Other
Liang Mao Investment Co., Ltd. (“Liang Mao Investment”)	Other
Tasco Chemical Corp. (“Tasco Chemical”)	Other
Taiwan Fieldrich Corp. (“Taiwan Fieldrich”)	Other
Chin We Co., Ltd. (“Chin We”)	Other
Yi Huan Co., Ltd. (“Yi Huan”)	Other
Xiang Zhao Investment Co., Ltd. (“Xiang Zhao”)	Other
Excel Chemical Corp. (“Excel Chemical”)	Other
Yun Teh Corporation (“Yun Teh”)	Other
Chang Her Industrial Corp. (“Chang Her”)	Other
Hong Sin Development Co., Ltd. (“Hong Sin”)	Other
Hung Shin Enterprise Co., Ltd. (“Hung Shin”)	Other
Jia Hao Corporation (“Jia Hao”)	Other
Bor Sy Industrial Corp. (“Bor Sy”)	Other
Taipei Exchange (“TPEX”)	Other
Diamond Biofund Inc. (“Diamond Biofund”)	Other
Payeasy Digital Integration Co., Ltd. (“Payeasy”)	Other

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Name	Relationship
Acer Incorporated (“Acer”)	Other
Taishin Bank Foundation for Art and Culture	Other
Taishin Charity Foundation	Other
Taishin Youth Foundation	Other
Jaw Heng Co., Ltd. (“Jaw Heng”)	Other
Everbright Biofund Co., Ltd. (“Everbright Biofund”)	Other
National Defense Industrial Development Foundation	Other
Yi Cheng Co., Ltd. (“Yi Cheng”)	Other
Cotton Field Organic Co., Ltd. (“Cotton Field Organic”)	Other
Wowprime Corporation (“Wowprime”)	Other
Nuvoton Technology Corporation (“Nuvoton Technology”)	Other
Dongxing Securities Co., Ltd. (“Dongxing Securities”)	Other
The Ambassador Hotel Co., Ltd. (“The Ambassador Hotel”)	Other
17Life Inc. (“17Life”)	Other
Shing Kong Recreation Co., Ltd. (“Shing Kong Recreation”)	Other
Chi-Ye Chemical Engineering Co., Ltd. (“Chi-Ye Chemical Engineering”)	Other
Shin Hai Gas Corp. (“Shin Hai Gas”)	Other
The Great Taipei Gas Corporation (“The Great Taipei Gas”)	Other
Shin Kong Wu Ho-Su Cultural Foundation (“Shin Kong Memorial Hospital”)	Other
Century Development Corporation (“Century Development”)	Other
Chien Dou Investment Co., Ltd. (“Chien Dou Investment”)	Other
National Performing Arts Center	Other
Jaspervilla Co., Ltd. (“Jaspervilla”)	Other
Great Taipei Broadband Co., Ltd. (“Great Taipei Broadband”)	Other
Yi Kong Security Co., Ltd. (“Yi-Kong Security”)	Other
Taiwan Security Co., Ltd. (“Taiwan Security”)	Other
Ruey-Shin Enterprise Co., Ltd. (“Ruey-Shin Enterprise”)	Other
Shinsoft Co., Ltd. (“Shinsoft”)	Other
Taiwan Institute for Sustainable Energy	Other
Shin Kong Wu Ho-Su Cultural Foundation (“Shin Kong Wu Ho-Su Cultural”)	Other
Shin Kong Asset Management Company (“Shin Kong Asset Management”)	Other
Yi-Kong International Apartment Building Management And Maintenance Co., Ltd. (“Yi-Kong International Apartment Building Management And Maintenance”)	Other

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Name	Relationship
Shin Kong Development Co., Ltd. (“Shin Kong Development”)	Other
Shin Kong Life Charity Foundation (“Shin Kong Life Charity”)	Other
Tai-Po Service Technology Co., Ltd. (“Tai-Po Service Technology”)	Other
Mega Green Energy Corporation (“Mega Green Energy”)	Other
New Ma Cherie Co., Ltd. (“New Ma Cherie”)	Other
United Microelectronics Corp. (“United Microelectronics”)	Other
Delin Industrial Corp., Ltd. (“Delin Industrial”)	Other
Realtek Semiconductor Corp. (“Realtek”)	Other
Hsing An Chin Yeh Co., Ltd. (“Hsing An Chin Yeh”)	Other
Sercomm Corporation (“Sercomm”)	Other (became a non-related party on June 27, 2025)
Heran Co., Ltd. (“Heran”)	Other
Waibel Enterprise Inc. (“Waibel”)	Other
Scinopharm Taiwan, Ltd. (“Scinopharm”)	Other
Century Biotech Development Corporation (“Century Biotech Development”)	Other
Ubright Optronics Corporation (“Ubright Optronics”)	Other
Individual A	Key management personnel’s spouse
Individual B	Key management personnel
Individual C	Key management personnel
Individual D	Second-degree relatives of key management personnel
Individual E	Key management personnel
Individual F	Second-degree relatives of key management personnel
Others	Including key management personnel and others

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(2) Material transactions with related parties

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows:

A. Loans, deposits and guaranteed loans

Loans

	<u>Ending balance</u>
September 30, 2025	\$7,880,280
December 31, 2024	2,288,460
September 30, 2024	3,616,437

For the three months ended September 30, 2025 and 2024, the amounts of interest income were \$65,642 thousand and \$12,188 thousand, respectively. For the nine months ended September 30, 2025 and 2024, the amounts of interest income were \$90,987 thousand and \$42,869 thousand, respectively, and interest rates ranged from 1.51% ~ 13.99% and from 1.43% ~ 15.13%, respectively.

September 30, 2025						
	<u>Ending balance</u>	<u>Highest amount</u>	<u>Normal loans</u>	<u>Non-Performing loans</u>	<u>Collateral</u>	<u>The different terms with non-related parties</u>
<u>Consumer loans</u>						
270 accounts	\$802,137	\$922,987	\$802,137	\$-	Land, buildings and chattels	None
<u>Self-used residence mortgage loans</u>						
366 accounts	2,933,244	3,296,306	2,933,244	-	Land and buildings	None

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	September 30, 2025					
	Ending balance	Highest amount	Normal loans	Non- Performing loans	Collateral	The different terms with non-related parties
<u>Other loans</u>						
Taichung Bank Leasing	\$302,769	\$1,666,923	\$302,769	-	Securities - accounts receivable (checks)	None
Ezconn	100,000	1,050,000	100,000	-	None	None
AcBel Polytech	498,400	998,400	498,400	-	None	None
Shin Kong Chao Feng	744,000	756,000	744,000	-	Buildings	None
Jingji Investm ent	150,000	330,000	150,000	-	None	None
Jhujian Catering Group	280,022	308,881	280,022	-	Real estate	None
KuanYueh Technology Engineering	165,642	268,046	165,642	-	None	None
Robina Finance & Leasing	189,000	250,000	189,000	-	None	None
Individual D	210,000	210,000	210,000	-	Real estate	None
Hung Family Enterprise	162,500	196,000	162,500	-	Real estate, listed stocks	None
China Investment And Development	195,000	195,000	195,000	-	Real estate	None
Jia Bang Investment	180,000	180,000	180,000	-	Real estate	None
Shin Kong Synthetic Fibers	150,000	150,000	150,000	-	Securities - stocks	None
Others	817,566	1,403,607	817,566	-	Land, buildings, securities - deposits, securities - shares and policy value reserve	None
Total	<u>\$7,880,280</u>		<u>\$7,880,280</u>	<u>\$-</u>		

English Translation of Financial Statements Originally Issued in Chinese

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

December 31, 2024						
	Ending balance	Highest amount	Normal loans	Non-Performing loans	Collateral	The different terms with non-related parties
<u>Consumer loans</u>						
134 accounts	\$590,138	\$697,867	\$590,138	\$-	Land, buildings and chattels	None
<u>Self-used residence mortgage loans</u>						
153 accounts	1,031,937	1,239,128	1,031,937	-	Land and buildings	None
<u>Other loans</u>						
AcBel	500,000	1,800,000	500,000	-	None	None
Polytech						
Others	166,385	6,444,313	166,385	-	Land, buildings, securities - deposits, securities - shares and policy value reserve	None
Total	<u>\$2,288,460</u>		<u>\$2,288,460</u>	<u>\$-</u>		

September 30, 2024						
	Ending Balance	Highest Amount	Normal Loans	Non-performing Loans	Collateral	The Different Terms with Non-related Parties
<u>Consumer loans</u>						
132 accounts	\$548,685	\$639,576	\$548,685	\$-	Land, buildings and chattels	None
<u>Self-used residence mortgage loans</u>						
152 accounts	1,009,376	1,173,016	1,009,376	-	Land and buildings	None

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	September 30, 2024					
	Ending	Highest		Non-		The Different
	Balance	Amount	Normal Loans	performing	Collateral	Terms with
				Loans		Non-related
						Parties
<u>Other loans</u>						
AcBel	500,000	1,300,000	500,000	-	None	None
Polytech						
Realtek	1,266,800	1,279,200	1,266,800	-	None	None
Others	291,576	3,732,960	291,576	-	Land, buildings, securities - deposits, securities - shares and policy value reserve	None
Total	\$3,616,437		\$3,616,437	\$-		

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

Deposits

	Ending balance
September 30, 2025	\$37,685,577
December 31, 2024	19,332,692
September 30, 2024	15,176,858

For the three months ended September 30, 2025 and 2024, the amounts of interest expenses were \$210,129 thousand and \$52,663 thousand, respectively. For the nine months ended September 30, 2025 and 2024, the amounts of interest expense were \$325,297 thousand and \$226,134 thousand, respectively, and interest rates ranged from 0.00% to 9.00% and 0.00% to 8.00%, respectively.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	September 30, 2025			
	Ending balance	Interest rate range (per annum%)	For the three months ended September 30	For the nine months ended September 30
Shin Kong Insurance	\$3,096,822	0.00~1.80	\$(7,519)	\$(7,985)
Shin Kong Mitsukoshi	3,003,013	0.00~1.87	(14,426)	(49,928)
TPEX	1,949,823	0.55~1.67	(16,184)	(16,184)
Diamond Biofund	1,258,857	0.01~1.71	(5,748)	(17,993)
Shin Hai Gas	1,080,140	0.00~1.77	(2,865)	(2,865)
The Great Taipei Gas	1,008,561	0.00~1.76	(2,679)	(2,680)
Ezconn	963,249	0.00~4.76	(5,547)	(17,721)
Everbright Biofund	864,880	0.01~1.72	(3,031)	(8,224)
National Defense Industrial Development Foundation	861,369	0.66~1.72	(3,538)	(10,176)
Dah Chung Bills	627,645	0.00~1.76	(1,549)	(4,891)
Tasco Chemical	624,586	0.01~1.63	(654)	(1,005)
The Ambassador Hotel	607,638	0.00~1.76	(1,868)	(1,868)
Shin Kong Memorial Hospital	591,532	0.00~3.85	(1,423)	(1,423)
Century Development	571,484	0.65~1.77	(1,526)	(1,526)
Chien Dou Investment	538,841	0.00~1.76	(1,238)	(1,238)
National Performing Arts Center	518,291	0.73~1.76	(1,366)	(1,366)
Shin Kong Recreation	445,664	0.00~0.66	(391)	(391)
Wowprime	421,229	0.66~1.69	(3,263)	(3,263)
Excel Chemical	404,282	0.01~0.66	(6)	(19)
Payeasy	387,183	0.00~1.69	(967)	(2,448)
Hung Shin	385,876	0.00~1.76	(557)	(558)
Jaspervilla	330,537	0.00~1.75	(2,103)	(2,103)
Cotton Field Organic	325,773	0.00~1.64	(2,671)	(2,671)
Shin Kong Synthetic Fibers	321,273	0.00~4.00	(650)	(650)
Nuvoton Technology	300,284	0.01~4.45	(9,505)	(9,505)
Hong Sin Development	274,370	0.00~1.77	(762)	(762)
Great Taipei Broadband	261,459	0.00~1.76	(666)	(666)
Taiwan Security	255,414	0.00~0.66	(1,570)	(1,570)
Yi-Kong Security	219,322	0.00~1.76	(201)	(201)
Dongxing Securities	209,327	0.00~0.80	(3)	(3)
Ruey-Shin Enterprise	175,152	0.00~1.76	(392)	(392)
Shinsoft	170,418	0.00~1.29	(136)	(144)

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	September 30, 2025			
	Ending balance	Interest rate range	For the three months ended	For the nine months ended
		(per annum%)	September 30	September 30
Taiwan Institute for Sustainable Energy	\$151,236	0.00~1.76	\$(302)	\$(302)
Taiwan Fieldrich	150,687	0.01~4.32	(4,527)	(4,527)
Shin Kong Asset Management	136,510	0.00~1.76	(393)	(393)
Shin Kong Wu Ho-Su Cultural	135,176	0.00~1.77	(362)	(362)
Yi-Kong International Apartment Building Management And Maintenance	133,046	0.00~0.66	(145)	(145)
Mega Green Energy	122,489	0.65~1.77	(171)	(427)
Delin Industrial	119,721	0.00~4.15	(380)	(1,263)
Individual A	119,587	0.01~0.80	(324)	(944)
Shin Kong Development	117,944	0.00~1.70	(27)	(27)
Individual B	116,268	0.00~5.00	(337)	(961)
Tai-Po Service Technology	114,009	0.00~1.77	(306)	(306)
17Life	113,335	0.66~0.80	(318)	(318)
Shin Kong Life Charity	112,810	0.00~1.76	(204)	(204)
Chi-Ye Chemical Engineering	104,006	0.00~0.66	(2)	(2)
Jhujian Catering Group	103,373	0.65~1.70	(168)	(168)
An Shin Construction Manager	100,422	0.25~0.66	(216)	(390)
Others	12,680,664		(106,942)	(142,139)
Total	<u>\$37,685,577</u>		<u>\$(210,128)</u>	<u>\$(325,297)</u>

	December 31, 2024		
	Ending balance	Interest rate range	Interest expense
		(per annum %)	
Shin Kong Mitsukoshi	\$6,611,911	0.00~1.74	\$(26,496)
TPEX	1,963,000	0.43~1.67	(19,376)
Diamond Biofund	1,600,314	0.01~1.71	(4,241)
Ezconn	953,787	0.00~5.50	(12,766)
Tasco Chemical	622,590	0.01~1.15	(884)
Sercomm	523,168	0.50~1.65	(16,066)
Dah Chung Bills	418,788	0.00~1.66	(4,675)
Excel Chemical	404,270	0.01~0.66	(20)
Payeasy	355,123	0.00~1.69	(1,832)

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	December 31, 2024		
	Ending balance	Interest rate range (per annum %)	Interest expense
Shin Kong Synthetic			
Fibers	\$200,795	0.00~1.15	\$(1,805)
Taiwan Fieldrich	155,998	0.01~5.37	(6,830)
Delin Industrial	144,468	0.00~5.35	(2,106)
Shin Kong Life			
Insurance	142,058	0.05~1.15	(2,921)
Individual A	111,812	0.01~1.15	(1,297)
Waibel	102,564	0.00~0.66	(564)
Scinopharm	100,024	0.00~1.62	(556)
Others	4,922,022		(177,857)
Total	<u>\$19,332,692</u>		<u>(\$280,292)</u>

	September 30, 2025			
	Ending balance	Interest rate range (per annum%)	For the three months ended September 30	For the nine months ended September 30
Shin Kong Mitsukoshi	\$3,265,752	0.00~1.58	\$(5,773)	\$(8,854)
TPEX	1,949,151	0.43~1.67	(4,933)	(14,222)
Tasco Chemical	621,331	0.01~1.15	(232)	(658)
Ezconn	590,171	0.00~5.50	(3,348)	(8,809)
Sercomm	534,638	0.50~1.57	(2,371)	(13,971)
Dah Chung Bills	418,354	0.00~1.30	(1,129)	(3,100)
Excel Chemical	404,259	0.01~0.66	(4)	(13)
An Shin Construction				
Manager	400,147	0.25~0.66	(48)	(487)
Shin Kong Insurance	243,711	0.00~1.64	(273)	(2,610)
Payeasy	230,889	0.00~1.69	(1,412)	(1,412)
Shin Kong Synthetic				
Fibers	179,445	0.00~1.15	(502)	(1,483)
Chang Her	175,511	0.01~1.15	(135)	(216)
Taishin Leasing & Financing	174,031	0.00~0.66	(106)	(157)
Yun Teh	165,007	0.01~0.66	(87)	(110)

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	September 30, 2025				
	Ending balance	Interest rate range (per annum%)	For the three months ended September 30	For the nine months ended September 30	
Shinkong	\$161,922	0.00~0.66	\$-	\$-	
Taiwan Fieldrich	149,840	0.01~5.37	(1,804)	(5,348)	
Delin Industrial	142,294	0.00~5.35	(475)	(1,646)	
Shin Kong Life Insurance	124,498	0.05~1.15	(833)	(1,519)	
Individual A	111,514	0.01~1.15	(323)	(986)	
Scinopharm	110,126	0.00~1.62	(76)	(124)	
Hsing An Chin Yeh	100,077	0.01~5.35	(503)	(1,136)	
Others	4,924,190		(28,296)	(159,273)	
Total	<u>\$15,176,858</u>		<u>\$(52,663)</u>	<u>\$(226,134)</u>	

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

B. Guarantees on duties and contracts

	September 30, 2025				
	Ending balance	Highest amount	Guarantee liability reserve	Rate range	Collateral
			balance	(per annum%)	
Related parties					
Liang Mao Investment	\$400,000	\$400,000	\$4,000	0.75	Real estate
Century Biotech Development	3,750	7,500	38	0.60	None
Ubright Optronics	6,623	6,623	66	0.75	Certificate of deposit
Total	<u>\$410,373</u>		<u>\$4,104</u>		

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

C. Call loan to banks and call loan from banks

		September 30, 2025			
		Ending balance	Interest rate range (per annum%)	For the three months ended September 30	For the nine months ended September 30
Item	Ending balance	(per annum%)	September 30	September 30	
Yuanta Bank	Call loan to banks	\$-	4.34~4.39	\$-	\$1,283
		December 31, 2024			
Item	Ending balance	Interest rate range (per annum%)	Interest income (expense)		
Dah Chung Bills	Call loan to banks	\$-	1.60~1.63	\$1,082	
Yuanta Bank	Call loan to banks	-	4.59~5.38	996	
Yuanta Bank	Call loan from banks	-	1.05~5.40	(893)	
		September 30, 2024			
Item	Ending balance	Interest rate range (per annum%)	For the three months ended September 30	For the nine months ended September 30	
Dah Chung Bills	Call loan to banks	\$1,000,000	1.60~1.60	\$658	\$658
Yuanta Bank	Call loan to banks	-	4.88~5.38	258	705
Yuanta Bank	Call loan from banks	-	1.05~5.40	-	(893)

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

D. Trading securities

	September 30, 2025						
	Purchase price (accumulated amount)	Sales price (accumulated amount)	Repurchase agreements		Resell agreements		
			Ending Balance	Interest rate range		Ending Balance	Interest rate range
				(per annum%)	(per annum%)		
Dah Chung	\$149,887	\$-	\$-	-	\$698,187	1.47~1.65	
Chin We	-	-	50,125	0.96~1.08	-	-	
Yi Huan	-	-	10,057	0.96~1.04	-	-	
Xiang Zhao	-	-	12,002	0.96~1.02	-	-	
Jia Hao	-	-	25,004	0.96~1.02	-	-	
Chang Her	-	-	50,025	0.90~1.08	-	-	
Yun Teh	-	-	25,013	0.90~1.06	-	-	
Yuanta							
Bank	-	499,624	-	-	-	-	
Individual							
C	-	-	158,159	0.90~1.08	-	-	
Jaw Heng	-	-	30,033	0.96~1.08	-	-	
Yi Cheng	-	-	210,226	0.96~1.08	-	-	
Grand							
Commercial							
Bank	50,264	-	-	-	-	-	
Total	<u>\$200,151</u>	<u>\$499,624</u>	<u>\$570,644</u>		<u>\$698,187</u>		

	December 31, 2024						
	Purchase price (accumulated amount)	Sales price (accumulated amount)	Repurchase agreements		Resell agreements		
			Ending Balance	Interest rate range		Ending Balance	Interest rate range
				(per annum%)	(per annum%)		
MasterLink							
Securities	\$5,175,210	\$102,842	\$-	-	\$-	-	
Dah Chung							
Bills	-	200,000	-	-	-	-	
Yuanta							
Bank	-	899,644	-	-	-	-	

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	December 31, 2024					
				Repurchase agreements	Resell agreements	
	Purchase price	Sales price	Ending	Interest rate		Ending
	(accumulated	(accumulated		range	Interest rate	
amount)	amount)	Balance	(per	Balance	range	
			annum%)		(per annum%)	
Taiwan						
Shin Kong						
Commercial						
Bank	\$-	\$50,832	\$-	-	\$-	-
Chin We	-	-	15,012	0.97~1.20	-	-
Yun Teh	-	-	115,018	1.00~1.10	-	-
Chang Her	-	-	160,018	0.97~1.16	-	-
Bor Sy	-	-	15,064	1.04~1.12	-	-
Jaw Heng	-	-	125,116	1.06~1.10	-	-
Individual						
C	-	-	45,068	0.95~1.20	-	-
Total	<u>\$5,175,210</u>	<u>\$1,253,318</u>	<u>\$475,296</u>		<u>\$-</u>	

	September 30, 2024					
				Repurchase Agreements	Resell Agreements	
	Purchase Price	Sales Price	Ending	Interest		Ending
	(Accumulated	(Accumulated		Rate Range	Interest	
Amount)	Amount)	Balance	(Per	Balance	Rate Range	
			Annum%)		(Per Annum%)	
MasterLink						
Securities	\$2,790,637	\$102,842	\$-	-	\$-	-
Dah Chung						
Bills	-	200,000	-	-	-	-
Yuanta						
Bank	-	899,644	-	-	-	-
Chin We	-	-	55,040	0.97~1.20	-	-
Xian Zhao	-	-	25,208	1.00~1.20	-	-
Jia Hao	-	-	50,451	1.00~1.20	-	-
Individual						
C	-	-	95,787	0.95~1.20	-	-
Bor Sy	-	-	20,020	1.04~1.12	-	-
Taiwan						
Shin Kong						
Commercial						
Bank	-	50,832	-	-	-	-
Total	<u>\$2,790,637</u>	<u>\$1,253,318</u>	<u>\$246,506</u>		<u>\$-</u>	

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

English Translation of Financial Statements Originally Issued in Chinese
 TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 (Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

F. Lease arrangements

Lease liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
The Great Taipei Gas	\$308,515	\$-	\$-

G. Lease/sublease agreement

Operating lease rental/sublease

The total amount of lease payments to be received in the future is summarized as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Shin Kong Mitsukoshi	\$1,047,619	\$-	\$-
Jaspervilla	443,710	-	-
New Ma Cherie	113,843	-	-
Total	\$1,605,172	\$-	\$-

The terms of transactions of leasing investment properties to related parties are not significantly different from those of general transactions. The rental amounts listed above are pre-tax amounts.

The lease terms and payment collection methods are provided in the contract. The typical lease term ranges from 1 to 5 years, with payments primarily collected on a monthly basis.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

H. Liability contracts with related parties

	September 30, 2025	December 31, 2024	September 30, 2024
Securities purchased under resell agreements			
Grand Commercial Bank	\$159,631	\$-	\$-
Other financial assets - customer margin account			
Yuanta Bank	\$-	\$1,172,864	\$1,216,417
Other financial assets - due from banks			
Yuanta Bank	\$-	\$350,000	\$350,000

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

I. Borrowings from related parties

	September 30, 2025	December 31, 2024	September 30, 2024
Short-term borrowings			
Yuanta Bank	\$-	\$600,000	\$500,000
Commercial papers issued			
Yuanta Bank	\$-	\$499,640	\$-
Grand Commercial Bank	1,698,393	-	-
Total	\$1,698,393	\$499,640	\$-

The Group's borrowing interest rates with related parties are consistent with market rates.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

J. Financial assets at fair value through profit or loss

Item	Name	September 30, 2025		December 31, 2024		September 30, 2024	
		Ending shares (in thousands)	Ending balance	Ending shares (in thousands)	Ending balance	Ending shares (in thousands)	Ending balance
Trading securities - underwriting	Sercomm	-	\$-	2,699	\$298,240	2,885	\$319,370
Trading securities - underwriting	Ezconn	-	-	955	126,824	-	-

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

K. Donation expense

	For the three months ended September 30		For the nine months ended September 30	
	2025	2024	2025	2024
Taishin Bank Foundation for Arts and Culture	\$7,500	\$7,500	\$22,500	\$22,500
Taishin Charity Foundation	4,500	4,500	13,500	13,500
Taishin Youth Foundation	-	-	10,500	-
Total	\$12,000	\$12,000	\$46,500	\$36,000

Donation expense is used to promote Taiwan's contemporary arts and implement charity programs, meeting corporate social responsibility.

L. Other material transactions

	For the three months ended September 30			
	2025		2024	
	Item	Amount	Item	Amount
CyberSoft Digital Service	Operating expenses	\$(12,602)	Operating expenses	\$(40,729)
Shin Kong Mitsukoshi	Service charge and operating expenses	(82,706)	Service charge and operating expenses	(75,267)
Shin Kong Mitsukoshi	Fee income	57,451	Fee income	85,022
Shin Kong Insurance	Fee income	100,430	Fee income	-

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	For the nine months ended September 30			
	2025		2024	
	Item	Amount	Item	Amount
CyberSoft	Operating	\$(44,398)	Operating	\$(128,144)
Digital Service	expenses		expenses	
Shin Kong	Service charge	(188,477)	Service charge	(203,706)
Mitsukoshi	and		and	
	operating		operating	
	expenses		expenses	
Shin Kong	Fee income	192,295	Fee income	239,849
Mitsukoshi				
Shin Kong	Fee income	100,430	Fee income	-
Insurance				

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

(3) Compensation of key management personnel

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2025	2024	2025	2024
Short-term employee benefits	\$302,206	\$102,404	\$459,743	\$241,933
Post-employment benefits	1,830	228	3,179	804
Share-based payments	6,916	1,820	8,509	8,115
Total	\$310,952	\$104,452	\$471,431	\$250,852

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(4) Related-party transactions of subsidiaries amounting to more than \$100,000 thousand

A. Taishin Bank

(a) Loans, deposits and guaranteed loans

Loans

	September 30, 2025					
	Ending balance	Highest amount	Performance status			The different terms with non-related parties
			Normal loans	Non-performing loans	Collateral	
<u>Other loans</u>						
Taichung Bank Leasing	\$302,769	\$1,666,923	\$302,769	\$-	Securities - accounts receivable (checks)	None
Ezconn	100,000	1,050,000	100,000	-	None	None
AcBel	498,400	998,400	498,400	-	None	None
Jingji Investment	150,000	330,000	150,000	-	None	None
Kuan Yueh Technology Engineering	165,642	268,046	165,642	-	None	None
Shin Kong Synthetic Fibers	150,000	150,000	150,000	-	Securities - stocks	None
Total	<u>\$1,366,811</u>		<u>\$1,366,811</u>	<u>\$-</u>		

	September 30, 2024					
	Ending balance	Highest amount	Performance status			The different terms with non-related parties
			Normal loans	Non-performing loans	Collateral	
<u>Other loans</u>						
AcBel Polytech	\$500,000	\$1,300,000	\$500,000	\$-	None	None
Realtek	<u>1,266,800</u>	1,279,200	<u>1,266,800</u>	-	None	None
Total	<u>\$1,766,800</u>		<u>\$1,766,800</u>	<u>\$-</u>		

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Deposits

	September 30, 2025		
	Ending balance	Interest rate range (per annum%)	Interest expense
TS Financial Holding	\$21,269,470	0.00~1.76	\$(280,987)
Taishin Life Insurance	9,178,264	0.00~2.20	(16,646)
TPEX	1,949,823	0.55~1.67	(16,184)
Shin Kong Mitsukoshi	1,851,743	0.00~1.74	(47,071)
Taishin Securities B	1,633,309	0.00~2.00	(11,048)
Diamond Biofund	1,258,857	0.01~1.71	(17,993)
Ezconn	963,249	0.00~4.76	(17,721)
Everbright Biofund	864,880	0.01~1.72	(8,224)
Taishin Futures	863,757	0.00~4.83	(6,669)
National Defense Industrial Development Foundation	861,369	0.66~1.72	(10,176)
Tasco Chemical	624,586	0.01~1.63	(1,005)
Shin Kong Insurance	576,774	0.00~1.65	(1,374)
Wowprime	421,229	0.66~1.69	(3,263)
Dah Chung Bills	419,123	0.00~1.72	(4,325)
Excel Chemical	404,282	0.01~0.66	(19)
Payeasy	387,183	0.00~1.69	(2,448)
Taishin Securities Investment Trust	342,779	0.00~2.00	(2,561)
Taishin Securities Investment Advisory	329,856	0.66~5.20	(5,538)
Cotton Field Organic	325,773	0.00~1.64	(2,671)
Nuvoton Technology	300,284	0.01~4.45	(9,505)
Dongxing Securities	209,327	0.00~0.80	(3)
MasterLink Futures	193,242	0.66~1.64	-
Shin Kong Synthetic Fibers	159,698	0.00~0.80	(601)
Taiwan Fieldrich	150,687	0.01~4.32	(4,527)
The Ambassador Hotel	134,167	0.00~1.66	(875)
Taishin D.A. Finance	129,933	0.00~1.64	(453)
Hung Shin	123,361	0.01~0.01	(2)

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	September 30, 2025		
	Ending balance	Interest rate	Interest expense
		range (per annum%)	
Delin Industrial	\$119,721	0.00~4.15	\$(1,263)
Individual A	119,587	0.01~0.80	(944)
Individual B	116,268	0.00~5.00	(961)
17Life	113,335	0.66~0.80	(318)
Shin Kong Recreation	109,976	0.00~0.66	(184)
Chi-Ye Chemical Engineering	104,006	0.00~0.66	(2)
Shin Kong Life Insurance	103,985	0.03~4.00	-
An Shin Construction Manager	100,422	0.25~0.66	(390)
Total	<u>\$46,814,305</u>		<u>\$(475,951)</u>

	September 30, 2025		
	Ending balance	Interest rate	Interest expense
		range (per annum%)	
Taishin Financial Holding	\$21,218,096	0.00~1.66	\$(204,750)
Taishin Securities B	3,607,882	0.00~2.20	(9,844)
Shin Kong Mitsukoshi	3,265,752	0.00~1.58	(8,854)
Taishin Life Insurance	2,801,333	0.00~2.20	(12,507)
TPEX	1,949,151	0.43~1.67	(14,222)
Taishin Futures	1,096,558	0.00~5.53	(7,826)
Tasco Chemical	621,331	0.01~1.15	(658)
Ezconn	590,171	0.00~5.50	(8,809)
Sercomm	534,638	0.50~1.57	(13,971)
Dah Chung Bills	418,354	0.00~1.30	(3,100)
Tasco Chemical	404,259	0.01~0.66	(13)
An Shin Construction Manager	400,147	0.25~0.66	(487)
Taishin Securities Investment			
Advisory	324,430	0.53~5.35	(6,154)
Shin Kong Insurance	243,711	0.00~1.64	(2,610)
Taishin Securities Investment			
Trust	237,988	0.00~2.20	(1,297)

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	September 30, 2025		
	Ending balance	Interest rate	Interest
		(per annum%)	expense
Payeasy	\$230,889	0.00~1.69	\$(1,412)
Shin Kong Synthetic Fibers	179,445	0.00~1.15	(1,483)
Chang Her	175,511	0.01~1.15	(216)
Taishin Leasing & Financing	174,031	0.00~0.66	(157)
Taishin D.A. Finance	165,762	0.00~1.64	(425)
Yun Teh	165,007	0.01~0.66	(110)
Shinkong	161,922	0.00~0.66	-
Taiwan Fieldrich	149,840	0.01~5.37	(5,348)
Delin Industrial	142,294	0.00~5.35	(1,646)
Shin Kong Life Insurance	124,498	0.05~1.15	(1,519)
Individual A	111,514	0.01~1.15	(986)
Scinopharm	110,126	0.00~1.62	(124)
Hsing An Chin Yeh	100,077	0.01~5.35	(1,136)
Total	<u>\$39,704,717</u>		<u>\$(309,664)</u>

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

(b) Call loan to banks and call loan from banks

	September 30, 2024			
	Item	Ending	Interest rate	
		balance	range (per	For the nine
		annum%)	months ended	
			September 30	
Dah Chung Bills	Call loan to banks	\$1,000,000	1.60	\$658

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(c) Trading securities

	September 30, 2025					
	Purchase price	Sales price	Repurchase agreements		Resell agreements	
			Interest rate		Interest rate	
	(Accumulated amount)	(accumulated amount)	Ending balance	range (per annum%)	Ending balance	range (per annum%)
Dah Chung						
Bills	\$149,887	\$-	\$-	-	\$698,187	1.47~1.65
MasterLink						
Securities	9,867,293	-	-	-	-	-
TS Financial						
Holding	-	-	500,000	1.12~1.20	-	-
Yuanta Bank	-	499,624	-	-	-	-
Individual C	-	-	158,159	0.90~1.08	-	-
Yi Cheng	-	-	210,226	0.96~1.08	-	-
Total	\$10,017,180	\$499,624	\$868,385		\$698,187	

	September 30, 2024					
	Purchase price	Sales price	Repurchase agreements		Resell agreements	
			Interest rate		Interest rate	
	(Accumulated amount)	(accumulated amount)	Ending balance	range (per annum%)	Ending balance	range (per annum%)
MasterLink						
Securities	\$2,790,637	\$102,842	\$-	-	\$-	\$-
TS Financial						
Holding	-	-	500,000	0.95~1.20	-	-
Dah Chung						
Bills	-	200,000	-	-	-	-
Yuanta Bank	-	899,644	-	-	-	-
Total	\$2,790,637	\$1,202,486	\$500,000		\$-	

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(d) Derivatives

		September 30, 2025					
		Valuation Gain (Loss)				Balance sheet balance	
				For the three months ended September 30, 2025	For the nine months ended September 30, 2025		
Related Parties	Derivative Contracts	Period	Nominal Principal Amount	September 30, 2025	September 30, 2025	Account	Balance
Acer	Forward exchange contracts	2024/8/5- 2025/2/27	\$350,904	\$-	\$7,647	Financial liabilities at fair value through profit or loss	\$-
		September 30, 2024					
		Valuation Gain (Loss)				Balance sheet balance	
				For the three months ended September 30, 2024	For the nine months ended September 30, 2024		
Related Parties	Derivative Contracts	Period	Nominal Principal Amount	September 30, 2024	September 30, 2024	Account	Balance
Acer	Forward exchange contracts	2023/7/13- 2025/2/27	\$4,870,048	\$(4,071)	\$(4,071)	Financial assets at fair value through profit or loss	\$32,762
	Currency swaps	2023/12/27 -2024/9/30	12,668,000	(149)	(149)	Financial liabilities at fair value through profit or loss	-

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

(e) Liability contracts with related parties

Item	Related parties	September 30, 2025	September 30, 2024
Receivables	Taishin Life Insurance	\$471,545	\$273,339
Accounts payable under linked tax system	TS Financial Holding	2,984,578	1,063,607

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(f) Other material transactions

	For the nine months ended September 30			
	2025		2024	
	Item	Amount	Item	Amount
CyberSoft	Operating	\$(44,388)	Operating	\$(124,072)
Digital Service	expenses		expenses	
Shin Kong	Service charge	(188,431)	Service charge	(203,519)
Mitsukoshi	and operating		and	
	expenses		operating	
			expenses	
Shin Kong	Fee income	192,295	Fee income	239,849
Mitsukoshi				
Taishin	Fee income	59,678	Fee income	134,490
Securities B				
Taishin Life	Commission	2,780,592	Commission	2,900,395
Insurance	income		income	
Shin Kong Life	Commission	294,843	Commission	-
Insurance	income		income	

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

(g) Compensation of key management personnel

Item	For the nine months ended	
	2025	2024
Short-term employee benefits	\$210,023	\$208,190
Post-employment benefits	3,347	4,008
Share-based payments	9,868	10,313
Total	\$223,238	\$222,511

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. Taishin Life Insurance

(a) Liability contracts with related parties

Item	Related parties	For the nine months ended September 30	
		2025	2024
Cash and cash equivalents	Taishin Bank	\$9,178,264	\$2,801,333
Commission payables	Taishin Bank	498,613	288,861
Accounts payable under linked tax system	TS Financial Holding	183,757	-

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

Taishin Life Insurance has entered into a contract with Taishin Securities Investment Trust for discretionary account operation which includes domestic stocks, domestic government bonds, domestic corporate bonds, domestic financial bonds, domestic repurchase agreement of government bonds and bank deposits. The minimum authorized allocation amount was \$30,000 thousand. The management fees arising from the discretionary account operation for the nine months ended September 30, 2025 and 2024 were \$119,704 thousand and \$114,416 thousand, respectively. All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

(b) Other material transactions

Item	Related parties	For the nine months ended September 30	
		2025	2024
Commission expenses	Taishin Bank	\$2,800,214	\$2,898,949

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

C. Taishin Securities B

(a) Liability contracts with related parties

Item	Related parties	September 30	
		2025	2024
Cash and cash equivalents	Taishin Bank	\$882,285	\$768,490
Other current assets - settlements and receipts under custody	Taishin Bank	449,079	2,537,460
Operating guarantee deposits	Taishin Bank	290,000	290,000

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

(b) Lease arrangements

Item	Related parties	For the nine months ended September 30	
		2025	2024
Acquisition of use-of-right assets	Taishin Bank	\$8,082	\$102,229

Item	Related parties	September 30	
		2025	2024
Lease liabilities	Taishin Bank	\$130,698	\$169,612

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

(c) Borrowings from related parties

Item	Related parties	September 30	
		2025	2024
Short-term borrowings	Yuanta Bank	\$-	\$200,000

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Taishin Securities B's borrowing interest rates with related parties are consistent with market rates.

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

(d) Financial assets at fair value through profit or loss - current

Item	Related parties	September 30			
		2025		2024	
		Ending shares (in thousands)	Ending balance	Ending shares (in thousands)	Ending balance
Trading securities - dealing	Taishin Securities Investment Trust	9,591	\$128,599	837	\$15,896
Trading securities - underwriting	Sercomm	-	-	2,885	319,370

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

(e) As of September 30, 2025 and 2024, the amount of futures margin (recognized as financial assets at fair value through profit or loss - current) for the futures transactions between Taishin Securities B and Taishin Futures were \$416,994 thousand and \$794,664 thousand, respectively. All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

D. Taishin AMC

(a) Credit receivable

In June 2005, Taishin AMC bought 12 accounts of credit loans from Taishin Bank for \$986,000 thousand with carrying amount of \$2,951,353 thousand. According to the contract, the receivables of \$986,000 thousand will be paid off in seven installments by October 31, 2006.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

In July 2006, Taishin AMC bought non-performing loans that resulted from cash card, credit card and small consumer loans from Taishin Bank for \$546,697 thousand with carrying amount of \$9,494,153 thousand. According to the contract, June 30, 2006 was determined as the basic measurement date of this transaction, and the receivables of \$546,697 thousand will be paid off in two installments by September 15, 2006. In September 2006, Taishin AMC bought non-performing loans that consisted of cash card, credit card and small consumer loans from Taishin Bank for \$158,000 thousand with carrying amount of \$5,490,584 thousand. According to the contract, August 31, 2006 was determined as the basic measurement date of this transaction, and the receivables of \$158,000 thousand will be paid off in two installments by October 31, 2006. Also defined in the contract, 5 years from measurement date, Taishin AMC authorized Taishin Bank the rights to collect payments from debtors and will pay the 30% of loans collected as service fees and 40% of the remaining 70% of loan collected as commission. The service contracts mentioned were terminated on June 30, 2011 and August 31, 2011, respectively. From July 1, 2011 and September 1, 2011, Taishin AMC authorized Taishin Bank with the rights to collect payments from debtors and paid 32.5% of loans collected as service fees.

The transaction content summary is as follows:

Loans with transferred ownership

	For the nine months ended September 30, 2025			
	Beginning balance	Purchased	Collected	Ending balance
Loans with transferred ownership	\$14,412,344	\$-	\$(71,126)	\$14,341,218

	For the nine months ended September 30, 2024			
	Beginning balance	Purchased	Collected	Ending balance
Loans with transferred ownership	\$14,504,844	\$-	\$(71,058)	\$14,433,786

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

E. Taishin Venture Capital Investment

None.

F. Taishin Securities Investment Trust

(a) Liability contracts with related parties

Item	Related parties	September 30	
		2025	2024
Other financial assets	Taishin Bank	\$192,000	\$-
Refundable deposits	Taishin Bank	134,979	134,979

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

(b) Other material transactions

Item	Related parties	September 30	
		2025	2024
Fee income and Commission income	Taishin Life Insurance	\$139,481	\$126,866

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

G. Taishin Securities Investment Advisory

(a) Liability contracts with related parties

Item	Related parties	September 30	
		2025	2024
Other financial assets	Taishin Bank	\$321,894	\$314,862

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

H. Taiwan Shin Kong Commercial Bank

(a) Loans, deposits and guaranteed loans

Loans

	September 30, 2025					
	Ending Balance	Highest Amount	Normal loans	Non- performing loans	Collateral	The different terms with non-related parties
Shin Kong						
Chao Feng	\$744,000	\$756,000	\$744,000	\$-	Real estate	None
Jhujian						
Catering						
Group	280,022	308,881	280,022	-	Real estate	None
Robina						
Finance &						
Leasing	189,000	250,000	189,000	-	None	None
Individual D	210,000	210,000	210,000	-	Real estate	None
Hung Family					Real estate,	
Enterprise	162,500	196,000	162,500	-	listed stocks	None
China						
Investment						
And						
Development	195,000	195,000	195,000	-	Real estate	None
Jia Bang						
Investment	180,000	180,000	180,000	-	Real estate	None
Total	<u>\$1,960,522</u>		<u>\$1,960,522</u>	<u>\$-</u>		

Deposits

	September 30, 2025		
	Ending balance	Interest rate range (per annum%)	Interest expense
Shin Kong Life Insurance	\$35,322,902	0.00~1.76	\$(94,856)
MasterLink Securities	6,288,797	0.00~2.15	(10,704)
MasterLink Futures	2,691,354	0.00~4.40	(6,814)
Shin Kong Insurance	2,520,048	0.00~1.80	(6,611)
Shin Kong Mitsukoshi	1,151,270	0.00~1.87	(2,857)
Shin Hai Gas	1,060,756	0.00~1.77	(2,865)
The Great Taipei Gas	1,005,462	0.00~1.76	(2,679)
Shin Kong Memorial Hospital	591,084	0.00~3.85	(1,423)
Century Development	571,484	0.65~1.77	(1,526)

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	September 30, 2025		
	Ending balance	Interest rate range (per annum%)	Interest expense
Chien Dou Investment	\$534,017	0.00~1.76	\$(1,238)
Shin Kong Investment Trust	526,438	0.00~1.77	(1,276)
National Performing Arts Center	518,291	0.73~1.76	(1,366)
The Ambassador Hotel	473,471	0.00~1.76	(993)
Shin Kong Recreation	335,688	0.00~0.65	(207)
Jaspervilla	330,537	0.00~1.75	(2,103)
Hong Sin Development	274,271	0.00~1.77	(762)
Hung Shin	262,515	0.00~1.76	(556)
Great Taipei Broadband	261,459	0.00~1.76	(666)
Yi-Kong Security	219,159	0.00~1.76	(187)
Dah Chung Bills	208,522	0.00~1.76	(566)
Taiwan Security	181,806	0.00~0.65	(197)
Shin Shou Building Management	176,222	0.00~1.77	(459)
Ruey-Shin Enterprise	175,152	0.00~1.76	(392)
Shinsoft	169,930	0.00~1.29	(136)
Shin Kong Synthetic Fibers	161,575	0.00~4.00	(49)
Taiwan Institute for Sustainable Energy	151,236	0.00~1.76	(302)
Shin Kong Wu Ho-Su Cultural	135,176	0.00~1.77	(362)
Shin Kong Asset Management	126,372	0.00~1.76	(306)
Yi-Kong International Apartment Building Management And Maintenance	125,589	0.00~0.65	(102)
Shin Kong Development	117,937	0.00~1.70	(27)
Shin Kong Life Charity	112,800	0.00~1.76	(204)
Tai-Po Service Technology	110,732	0.00~1.77	(290)
Jhujian Catering Group	103,373	0.65~1.70	(168)
Mega Green Energy	102,050	0.65~1.77	(171)
Total	<u>\$57,097,474</u>		<u>\$(143,420)</u>

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

English Translation of Financial Statements Originally Issued in Chinese
 TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 (Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(b) Guarantees on duties and contracts

	September 30, 2025				
	Ending balance	Highest amount	Guarantee liability reserve balance	Rate range (per annum%)	Collateral
Liang Mao					
Investment	\$400,000	\$400,000	\$4,000	0.75	Real estate

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

(c) Lease arrangements

Item	Related parties	September 30, 2025
Lease liabilities	Shin Kong Life Insurance	\$750,763
Lease liabilities	The Great Taipei Gas	198,892
Total		\$949,655

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

(d) Other material transactions

Item	Related parties	For the nine months ended September 30, 2025
Fee income	Shin Kong Life Insurance	\$417,111

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- (e) Transactions in which the directors and supervisors of the parent company and Taiwan Shin Kong Commercial Bank serve as guarantors for credit cases of Taiwan Shin Kong Commercial Bank.

Key management personnel	Item	Highest amount	Ending balance
Individual E	Jia Bang	\$180,000	\$180,000
Individual F	Investment		
	Individual D	210,000	210,000
Total			<u>\$390,000</u>

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

I. MasterLink Securities

- (a) Lease arrangements

Item	Related parties	September 30, 2025
Lease liabilities	Shin Kong Life Insurance	<u>\$104,546</u>

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

- (b) Liability contracts with related parties

Item	Related parties	September 30, 2025
Cash and cash equivalents	Taiwan Shin Kong Commercial Bank	3,044,240
Other financial assets, net	Taiwan Shin Kong Commercial Bank	100,000
Restricted pledged assets	Taiwan Shin Kong Commercial Bank	2,701,000
Operating guarantee deposits	Taiwan Shin Kong Commercial Bank	430,000
Commercial papers issued	Taishin Bank	299,813

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(c) Outright sale

Item	Related parties	For the nine months ended September 30, 2025	
		Face value	Transaction price
Bond outright sale	Taishin Bank	\$3,900,000	\$3,877,668
Bond outright sale	Dah Chung Bills	760,000	763,209
Bond outright sale	Grand Bills		
	Finance	400,000	400,019
Total		<u>\$5,060,000</u>	<u>\$5,040,896</u>

The aforementioned bond outright sale transactions are conducted at general market prices, i.e. the interest rates applied are based on the prevailing market exchange rates at that time.

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

(d) Outright purchas

Item	Related parties	For the nine months ended September 30, 2025	
		Face value	Transaction price
Outright purchase	Grand Bills		
	Finance	<u>\$1,800,000</u>	<u>\$1,793,013</u>

The aforementioned outright purchase transactions are conducted at general market prices, i.e. the interest rates applied are based on the prevailing market exchange rates at that time.

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

English Translation of Financial Statements Originally Issued in Chinese
 TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 (Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

J. Shin Kong Life Insurance

(a) Lease/sublease agreement

The total amount of lease payments to be received in the future is summarized as follows:

	September 30, 2025
MasterLink Securities	\$101,760
Taiwan Shin Kong Commercial Bank	524,752
Jaspervilla	443,710
Shin Kong Mitsukoshi	1,047,619
New Ma Cherie	113,843
Total	<u>\$2,231,684</u>

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

(b) Liability contracts with related parties

Item	Related parties	September 30, 2025
Cash and cash equivalents	Taiwan Shin Kong Commercial Bank	\$32,100,954
Cash and cash equivalents	Taishin Bank	103,331
Consolidated tax receivables	TS Financial Holding	11,114,781
Other financial assets, net	Taiwan Shin Kong Commercial Bank	3,092,432

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

English Translation of Financial Statements Originally Issued in Chinese
 TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 (Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(c) Investment in beneficiary certificates

	September 30, 2025
Shin Kong Securities Investment Trust	\$4,919,986
Taishin Securities Investment Trust	2,495,224
Total	\$7,415,210

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

Shin Kong Life Insurance purchased and sold various mutual funds managed by Shin Kong Securities Investment Trust and Taishin Securities Investment Trust for the nine-month period ended September 30, 2025, as follows:

	For the nine months ended September 30, 2025	
	Buy	Sell
	Shin Kong Securities Investment Trust	\$3,293,003
Taishin Securities Investment Trust	2,859,443	1,147,438
Total	\$6,152,446	\$2,181,408

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

(d) Other material transactions

	Related parties	For the nine months ended September 30, 2025
Commission Expense	Taiwan Shin Kong Commercial Bank	\$360,987

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

K. Shin Kong Securities Investment Trust

(a) Debt and creditor transactions

Item	Related parties	September 30, 2025
Cash and cash equivalents	Taiwan Shin Kong Commercial Bank	<u>\$448,537</u>

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

8. Assets pledged as Collateral

The following assets were provided as collateral for overdrafts from Central Bank and other banks, derivative trading, repurchase agreements and other operating deposits:

Asset title	Collateral pledged	September 30, 2025	December 31, 2024	September 30, 2024
Refundable deposits	Cash and certificates of time deposits	\$35,918,990	\$20,395,380	\$15,357,741
Operating deposits and settlement funds	Cash, preferred shares, bonds and cash paid to stock exchange	2,919,742	2,098,376	1,969,139
Debt instruments at fair value through other comprehensive income	Bonds	5,378,784	178,775	229,098
Investments in debt instruments at amortized cost	Securities and bonds	28,921,792	16,441,538	16,626,873
Investment property	Land and buildings	198,407	-	-
Property and equipment	Land and buildings	1,535,654	-	-
Other financial assets - due from banks	Time deposits	4,397,372	75,000	75,000
Total		<u>\$79,270,741</u>	<u>\$39,189,069</u>	<u>\$34,257,851</u>

English Translation of Financial Statements Originally Issued in Chinese
 TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 (Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

9. Significant Contingencies and Unrecognized Contractual Commitments

In addition to those mentioned in other notes, the Group has items as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Trust liabilities	\$1,341,903,140	\$1,024,897,117	\$966,426,943
Securities custody payable	130,148,156	102,171,775	117,141,400
Unpaid engineering equipment and software	8,366,206	1,116,042	1,056,249
Total	<u>\$1,480,417,502</u>	<u>\$1,128,184,934</u>	<u>\$1,084,624,592</u>

As of September 30, 2025, the remaining capital commitments for the contracted private equity fund of the Group was \$1,138,631 thousand.

Certain former employees of Taishin Securities have been accused of fraudulent behavior involving soliciting investments privately. Between January and September 2025, Taishin Securities received five civil complaints (four of which were criminal cases with civil claims attached), with the plaintiffs claiming joint civil compensation from Taishin Securities in the amount of approximately \$387,762 thousand. As of September 30, 2025, the aforementioned five cases are still in the judicial process, pending the final outcome from a definitive court ruling. Taishin Securities assesses that there is currently no need to recognize a liability provision for the aforementioned cases.

10. Losses Due to Major Disasters

None.

11. Significant Subsequent Events

On September 12, 2025, Taishin Securities passed a resolution through the board of directors acting on behalf of the shareholders in an extraordinary meeting to merge with MasterLink Securities. After the merger, Taishin Securities will be the surviving company, while MasterLink Securities will be the extinguished company. From the merger reference date, all assets, liabilities, and all rights and obligations that remain valid as of the merger reference date of MasterLink Securities will be legally assumed by Taishin Securities. On October 21, 2025, Taishin Securities' board of directors resolved to jointly issue new shares with MasterLink Securities, whereby Taishin Securities will pay the consideration by issuing new shares, exchanging 1 share of MasterLink Securities for 1.1264 shares of Taishin Securities, with a total expected issuance of 1,812,995 thousand common shares.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

On September 12, 2025, Taishin Futures, a subsidiary of Taishin Securities, passed a resolution through the board of directors acting on behalf of the shareholders in an extraordinary meeting to merge with MasterLink Futures. After the merger, Taishin Futures will be the surviving company, while MasterLink Futures will be the extinguished company. From the merger reference date, all assets, liabilities, and all rights and obligations that remain valid as of the merger reference date of MasterLink Futures will be legally assumed by Taishin Futures. On October 23, 2025, Taishin Futures' board of directors resolved to jointly issue new shares with MasterLink Futures, whereby Taishin Futures will pay the consideration by issuing new shares along with cash, exchanging 1 share of MasterLink Futures for 2.1028 shares of Taishin Futures plus cash of NT\$3.5714, with a total expected issuance of 147,195 thousand common shares.

On July 24, 2025, Taishin Securities Investment Trust passed a resolution through the board of directors acting on behalf of the shareholders in an extraordinary meeting to merge with Shin Kong Securities Investment Trust. After the merger, Taishin Securities Investment Trust will be the surviving company, while Shin Kong Securities Investment Trust will be the extinguished company. From the merger reference date, all assets, liabilities, and all rights and obligations that remain valid as of the merger reference date of Shin Kong Securities Investment Trust will be legally assumed by Taishin Securities Investment Trust. The consideration for this merger will be paid by Taishin Securities Investment Trust by issuing new shares at a ratio of 1.3342 shares of Taishin Securities Investment Trust for 1 share of Shin Kong Securities Investment Trust, with Taishin Securities Investment Trust issuing 53,368,000 common shares at a par value of NT\$10 per share on the merger reference date, which is jointly set by both chairmen on November 24, 2025.

On November 21, 2025, Shin Kong Life Insurance's board of directors resolved to terminate the land use rights agreement with the Taipei City Government for the land parcels No. 88 (T17 Block) and No. 93 (T18 Block) in Ruan-Chiao Section, Beitou District, Taipei City. According to the termination agreement, Shin Kong Life Insurance shall cancel the registration of the land use rights for the municipal land at No. 88 (T17 Block) and No. 93 (T18 Block) in Ruan-Chiao Section, Beitou District, Taipei City, and return the land to the Taipei City Government. The Taipei City Government shall reimburse Shin Kong Life Insurance for the related costs incurred for performing obligations under the "Land Use Rights Agreement for the Municipal Land Located at No. 88 (T17 Block) and No. 93 (T18 Block) in Ruan-Chiao Section, Beitou District, Taipei City."

Taiwan Shin Kong Commercial Bank, in order to integrate overall resources, strengthen management, and enhance operational synergies, passed a board resolution on July 2, 2025, to merge with its wholly-owned subsidiary, Shin Kong Marketing, with the merger reference date jointly set by both chairmen on December 1, 2025.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

On July 25, 2025, Taishin Life Insurance's board of directors resolved to merge with Shin Kong Life Insurance, with Taishin Life Insurance as the surviving company and Shin Kong Life Insurance as the extinguished company. The surviving company, Taishin Life Insurance, will be renamed "Shin Kong Life Insurance Co., Ltd." effective from the merger reference date (tentatively set on January 1, 2026). This merger was approved by the Financial Supervisory Commission on November 25, 2025.

12. Others

(1) Financial information by business segments

For the nine months ended September 30, 2025					
Item	Bank business	Securities business	Insurance business	Other business	Total
Net interest income	\$27,444,944	\$299,292	\$19,811,907	\$3,315,428	\$50,871,571
Net income other than net interest income	19,688,297	6,720,665	12,564,666	(197,346)	38,776,282
Net revenue and gains	47,133,241	7,019,957	32,376,573	3,118,082	89,647,853
Reversal of bad debts expenses and guarantee liabilities (provision)	(2,511,772)	(6,201)	(1,840)	64,202	(2,455,611)
Net changes in insurance liability reserve	-	-	(25,987,078)	-	(25,987,078)
Operating expenses	(25,493,840)	(3,673,448)	(4,391,410)	(1,878,187)	(35,436,885)
Income before income tax	19,127,629	3,340,308	1,996,245	1,304,097	25,768,279
Income tax (expense) benefit	(3,575,375)	(190,064)	203,184	427,148	(3,135,107)
Income after income tax	15,552,254	3,150,244	2,199,429	1,731,245	22,633,172

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

For the nine months ended September 30, 2024					
Item	Bank business	Securities business	Insurance business	Other business	Total
Net interest income	\$22,064,117	\$259,185	\$4,934,624	\$(1,346,827)	\$25,911,099
Net income other than net interest income	16,052,503	4,481,896	19,339,859	384,452	40,258,710
Net revenue and gains	38,116,620	4,741,081	24,274,483	(962,375)	66,169,809
Reversal of bad debts expenses and guarantee liabilities (provision)	(1,483,117)	26	578	-	(1,482,513)
Net changes in insurance liability reserve	-	-	(18,536,105)	690,206	(17,845,899)
Operating expenses	(21,660,642)	(2,424,826)	(1,918,298)	(1,083,318)	(27,087,084)
Income before income tax	14,972,861	2,316,281	3,820,658	(1,355,487)	19,754,313
Income tax (expense) benefit	(2,917,413)	(273,594)	165,798	(68,916)	(3,094,125)
Income after income tax	12,055,448	2,042,687	3,986,456	(1,424,403)	16,660,188

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(2) Financial statements of TS financial holding

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)
BALANCE SHEETS (STANDALONE)
SEPTEMBER 30, 2025 AND 2024

Assets	September 30, 2025	September 30, 2024	Liabilities and Equity	September 30, 2025	September 30, 2024
Cash and cash equivalents	\$21,369,725	\$21,218,096	Financial liabilities measured at fair value through profit or loss	\$-	\$274,500
Financial assets measured at fair value through other comprehensive income	5,928,983	11,192,841	Commercial papers issued, net	24,451,622	11,524,712
Securities purchased under resell agreements	500,000	500,000	Payables	12,445,122	674,854
Receivables, net	3,479,529	1,361,301	Current tax liabilities	4,531,369	2,589,655
Current tax assets	1,516,552	-	Bonds payable	34,300,000	36,937,977
Investments accounted for using equity method	541,164,207	243,542,570	Preferred stock liabilities	28,434,114	-
Property and equipment, net	33,932	11,404	Lease liabilities	7,712	8,813
Right-of-use assets, net	6,520	7,587	Other liabilities	64	-
Intangible assets, net	938	938	Total liabilities	104,170,003	52,010,511
Other assets, net	99,066	23,026	Equity		
			Share capital		
			Ordinary shares	248,663,992	129,761,443
			Preferred shares	13,946,680	11,000,000
			Capital surplus	136,480,391	38,197,778
			Retained earnings		
			Legal reserve	20,556,406	18,439,029
			Special reserve	468,184	1,146,190
			Unappropriated earnings	27,490,203	26,736,398
			Other equity	22,412,891	566,414
			Treasury shares	(89,298)	-
			Total equity	469,929,449	225,847,252
Total assets	\$574,099,452	\$277,857,763	Total liabilities and equity	\$574,099,452	\$277,857,763

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
 (Formerly Named Taishin Financial Holding Co., Ltd.)
 STATEMENTS OF COMPREHENSIVE INCOME (STANDALONE)
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

	(In thousands of New Taiwan Dollars)	
	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Revenues		
Share of profit of subsidiaries and associates accounted for using equity method	\$23,621,613	\$17,183,190
Interest income	291,798	208,610
Gains on financial assets or liabilities measured at FVTPL	120,164	-
Realized gains on financial assets at FVTOCI	150,202	333,697
Other miscellaneous revenue	89,817	1,064
Total income	<u>24,273,594</u>	<u>17,726,561</u>
Expenses and losses		
Operating expense	(1,079,593)	(532,636)
Interest expenses	(810,883)	(544,474)
Losses on financial assets or liabilities measured at FVTPL	-	(99,000)
Total expenses and losses	<u>(1,890,476)</u>	<u>(1,176,110)</u>
Income before income tax	22,383,118	16,550,451
Income tax (expense) benefit	227,661	109,211
Net income	<u>22,610,779</u>	<u>16,659,662</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Other comprehensive income (loss)		
Items that will not be reclassified subsequently to profit or loss		
Revaluation gains (losses) on investments in equity instruments measured at FVTOCI	\$689,219	\$347,545
Share of other comprehensive income (loss) of associates accounted for using equity method	1,661,181	464,808
Items that will be reclassified subsequently to profit or loss		
Share of other comprehensive income (loss) of associate accounted for using equity method	20,338,660	1,280,005
Other comprehensive income (loss) for the period, net of tax	22,689,060	2,092,358
Total comprehensive income (loss)	<u>\$45,299,839</u>	<u>\$18,752,020</u>
Earnings per share		
Basic	<u>\$1.30</u>	<u>\$1.17</u>
Diluted	<u>\$1.30</u>	<u>\$1.17</u>

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)
STATEMENTS OF CHANGES IN EQUITY (STANDALONE)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

(In thousands of New Taiwan Dollars)

	Share capital		Capital surplus				Retained earnings			Other equity							Total equity
										Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at FVTOCI	Changes in fair value of attributable to changes in the credit risk of financial liabilities at FVTPL	Other comprehensive income (loss) on reclassification using the overlay approach	Treasury shares	Other		
	Gains (losses) on hedging instruments	comprehensive income (loss) on reclassification using the overlay approach															
	Ordinary shares	Preferred shares	Additional paid-in capital in excess of par	Treasury shares transactions	Share-based compensation	Others	Legal reserve	Special reserve	Unappropriated earnings								
Balance at January 1, 2024	\$124,770,618	\$11,000,000	\$36,066,458	\$2,075,475	\$52,632	\$3,213	\$16,926,942	\$10,920,515	\$15,513,819	\$(184,525)	\$(986,719)	\$161,394	\$-	\$215,398	\$-	\$216,535,220	
Appropriation of 2023 earnings																	
Legal reserve appropriated	-	-	-	-	-	-	1,512,087	-	(1,512,087)	-	-	-	-	-	-	-	
Cash dividends of ordinary shares	-	-	-	-	-	-	-	-	(7,486,237)	-	-	-	-	-	-	(7,486,237)	
Cash dividends of preferred shares	-	-	-	-	-	-	-	-	(1,953,751)	-	-	-	-	-	-	(1,953,751)	
Stock dividends of ordinary shares	4,990,825	-	-	-	-	-	-	-	(4,990,825)	-	-	-	-	-	-	-	
Reversal of the special reserve	-	-	-	-	-	-	-	(9,774,325)	9,774,325	-	-	-	-	-	-	-	
Net income for the nine months ended September 30, 2024	-	-	-	-	-	-	-	-	16,659,662	-	-	-	-	-	-	16,659,662	
Other comprehensive income (loss) for the nine months ended September 30, 2024, net of tax	-	-	-	-	-	-	-	-	(88)	109,411	2,239,970	(117,230)	-	(139,705)	-	2,092,358	
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	-	-	-	16,659,574	109,411	2,239,970	(117,230)	-	(139,705)	-	18,752,020	
Disposal of investments in equity instruments designated at FVTOCI	-	-	-	-	-	-	-	-	731,580	-	(731,580)	-	-	-	-	-	
Balance at September 30, 2024	\$129,761,443	\$11,000,000	\$36,066,458	\$2,075,475	\$52,632	\$3,213	\$18,439,029	\$1,146,190	\$26,736,398	\$(75,114)	\$521,671	\$44,164	\$-	\$75,693	\$-	\$225,847,252	

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	Share capital		Capital surplus				Retained earnings			Other equity						
										Exchange differences on translation of financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at FVTOCI	Changes in fair value of attributable to changes in the credit risk of financial liabilities at FVTPL	Other comprehensive income (loss) on reclassification using the overlay approach	Treasury shares	Total equity	
	Ordinary shares	Preferred shares	Additional paid-in capital in excess of par	Treasury shares transactions	Share-based compensation	Others	Legal reserve	Special reserve	Unappropriated earnings							
Balance at January 1, 2025	\$129,761,443	\$11,000,000	\$36,066,458	\$2,075,475	\$52,632	\$3,213	\$18,439,029	\$1,146,190	\$30,519,014	\$(98,874)	\$(1,099,440)	\$22,145	\$-	\$1,059,722	\$(89,298)	\$228,857,709
Appropriation of 2024 earnings																
Legal reserve appropriated	-	-	-	-	-	-	2,117,377	-	(2,117,377)	-	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	-	-	-	-	(22,379,759)	-	-	-	-	-	-	(22,379,759)
Cash dividends of preferred shares	-	-	-	-	-	-	-	-	(1,980,182)	-	-	-	-	-	-	(1,980,182)
Reversal of the special reserve	-	-	-	-	-	-	-	(678,006)	678,006	-	-	-	-	-	-	-
Shares issued for pursuant to acquisitions	118,902,549	2,946,680	98,282,613	-	-	-	-	-	-	-	-	-	-	-	-	220,131,842
Net income for the nine months ended September 30, 2025	-	-	-	-	-	-	-	-	22,610,779	-	-	-	-	-	-	22,610,779
Other comprehensive income (loss) for the nine months ended September 30, 2025, net of tax	-	-	-	-	-	-	-	-	-	(71,215)	5,504,992	8,704	29	17,246,550	-	22,689,060
Total comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	-	-	-	-	22,610,779	(71,215)	5,504,992	8,704	29	17,246,550	-	45,299,839
Disposal of investments in equity instruments designated at FVTOCI	-	-	-	-	-	-	-	-	159,722	-	(159,722)	-	-	-	-	-
Balance at September 30, 2025	\$248,663,992	\$13,946,680	\$134,349,071	\$2,075,475	\$52,632	\$3,213	\$20,556,406	\$468,184	\$27,490,203	\$(170,089)	\$4,245,830	\$30,849	\$29	\$18,306,272	\$(89,298)	\$469,929,449

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)
STATEMENTS OF CASH FLOWS (STANDALONE)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

	(In thousands of New Taiwan Dollars)	
	For the nine months ended	For the nine months ended
	<u>September 30, 2025</u>	<u>September 30, 2024</u>
Cash flows from operating activities		
Net income before income tax	\$22,383,118	\$16,550,451
Adjustments:		
Adjustments for reconciliation of profit or loss		
Depreciation expenses	13,950	5,903
Amortization expenses	1,874	1,080
Net (gain) loss on financial assets or liabilities measured at FVTPL	(120,164)	99,000
Net gain on financial assets or liabilities measured at FVTOCI	(150,202)	(333,697)
Interest expenses	810,883	544,474
Interest income	(291,798)	(208,610)
Share of profit of subsidiaries and associates accounted for using equity method	(23,621,613)	(17,183,190)
Other adjustments	(244)	15
Changes in operating assets and liabilities		
Decrease in receivables	1,099,460	3,486,021
Decrease in financial assets measured at FVTOCI	790,506	11,469
Increase in other assets	(41,831)	(4,510)
(Decrease) increase in payables	(37,229)	28,915
Decrease in other liabilities	(3,270,747)	-
Cash generated (used in) from operations	(2,434,037)	2,997,321
Interest received	302,041	194,113
Dividends received	15,667,929	14,456,918
Interest paid	(516,184)	(440,898)
Income taxes paid	(805,358)	(2,908,745)
Net cash generated from operating activities	<u>12,214,391</u>	<u>14,298,709</u>

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
Cash flows from investing activities		
Net cash flow from acquisition of subsidiaries	\$6,926,170	\$-
Acquisition of investments accounted for using equity method	-	(10,600,000)
Proceeds from capital reduction of investments accounted for using equity method	-	2,356,113
Acquisition of property and equipment	(7,569)	(9,734)
Net cash flows from (used in) investing activities	<u>6,918,601</u>	<u>(8,253,621)</u>
Cash flows from financing activities		
Decrease in short-term loans	(3,000,000)	-
Increase in commercial papers payable	10,950,000	5,100,000
Repayments of corporate bonds	(2,707,000)	-
Payments of lease liabilities	(10,516)	(4,647)
Cash dividends paid	(24,359,941)	(9,439,988)
Net cash generated used in financing activities	<u>(19,127,457)</u>	<u>(4,344,635)</u>
Net increase in cash and cash equivalents	5,535	1,700,453
Cash and cash equivalents at the beginning of the period	<u>21,864,190</u>	<u>20,017,643</u>
Cash and cash equivalents at the end of the period	<u>\$21,869,725</u>	<u>\$21,718,096</u>
Cash and cash equivalents in consolidated balance sheets	\$21,369,725	\$21,218,096
Securities purchased under resell agreements qualifying as cash and cash equivalents under the definition of IAS 7	<u>500,000</u>	<u>500,000</u>
Cash and cash equivalents at the end of the period	<u>\$21,869,725</u>	<u>\$21,718,096</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(3) Profitability of TS financial holding (standalone and consolidated)

The Company

Item		September 30, 2025	September 30, 2024
Return on total assets	Pretax	5.24%	6.11%
	After tax	5.29%	6.15%
Return on net equity	Pretax	6.41%	7.48%
	After tax	6.47%	7.53%
Profit margin		93.15%	93.98%

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

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

$$\text{Note c: Profit margin} = \frac{\text{Income after tax}}{\text{Total income}}$$

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

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

Item		September 30, 2025	September 30, 2024
Return on net equity - ordinary share	Pretax	6.94%	8.65%
	After tax	7.01%	8.71%

The Group

Item		September 30, 2025	September 30, 2024
Return on total assets	Pretax	0.43%	0.62%
	After tax	0.38%	0.53%
Return on net equity	Pretax	7.37%	8.93%
	After tax	6.47%	7.53%
Profit margin		25.25%	25.18%

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

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

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

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

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

$$\text{Note e: Return on net equity - ordinary share} = \frac{\text{Income before (after) tax (of the parent company's shareholders)}}{\text{Average net equity - ordinary share}}$$

Item		September 30, 2025	September 30, 2024
Return on net equity - ordinary share	Pretax	8.08%	10.49%
	After tax	7.02%	8.71%

(4) Condensed balance sheets and statements of comprehensive income and important financial notes of subsidiaries

A. Taishin Bank

(a) Balance sheets (standalone)

	September 30, 2025	September 30, 2024
Assets		
Cash and cash equivalents	\$25,238,766	\$25,992,972
Due from Central Bank and call loans to banks	114,843,084	185,532,585
Financial assets at fair value through profit or loss	139,259,975	127,990,761
Financial assets at fair value through other comprehensive income	156,583,210	129,005,654
Investments in debt instruments at amortized cost	524,310,100	517,225,654
Securities purchased under resell agreements	5,601,046	2,582,711
Receivables, net	129,412,396	123,268,645

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	September 30, 2025	September 30, 2024
Loans, net	\$1,862,728,273	\$1,693,011,455
Investments accounted for using equity method	4,790,382	4,790,150
Other financial assets, net	7,829,532	5,966,372
Property and equipment, net	20,283,485	20,829,923
Right-of-use assets, net	2,350,751	2,004,016
Intangible assets, net	2,617,154	2,612,376
Deferred tax assets	2,403,355	2,202,347
Other assets, net	20,048,702	16,606,561
Total assets	\$3,018,300,211	\$2,859,622,182
 Liabilities		
Deposits from the Central Bank and banks	\$26,741,509	\$41,591,100
Financial liabilities at fair value through profit or loss	39,265,566	40,595,317
Securities sold under repurchase agreements	69,522,400	79,751,853
Payables	32,723,987	37,194,012
Current tax liabilities	3,163,786	1,370,048
Deposits and remittances	2,506,184,905	2,321,848,016
Bank notes payable	20,050,000	25,000,000
Other financial liabilities	101,976,830	101,039,693
Provisions	1,347,739	1,769,015
Lease liabilities	2,438,096	2,087,585
Deferred tax liabilities	308,155	58,511
Other liabilities	6,981,913	6,623,958
Total liabilities	2,810,704,886	2,658,929,108
 Equity		
Share capital	122,991,646	98,709,186
Capital surplus	30,185,537	40,056,456
Retained earnings	54,408,392	63,022,046
Other equity	9,750	(1,094,614)
Total equity	207,595,325	200,693,074
Total liabilities and equity	\$3,018,300,211	\$2,859,622,182

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(b) Statements of comprehensive income (standalone)

	For the nine months ended September 30,	
	2025	2024
Interest income	\$59,196,663	\$58,575,556
Interest expense	(35,601,508)	(37,646,861)
Net interest income	23,595,155	20,928,695
Net income other than net interest income	19,504,630	18,196,920
Net revenue and gains	43,099,785	39,125,615
Bad debts expenses, commitment and guarantee liability provisions	(1,986,111)	(1,270,998)
Operating expenses	(22,494,032)	(21,029,242)
Income before income tax	18,619,642	16,825,375
Income tax expense	(3,165,193)	(2,870,230)
Net income	15,454,449	13,955,145
Other comprehensive income	1,534,108	1,965,838
Total comprehensive income	\$16,988,557	\$15,920,983
Basic earnings per share (dollar)	\$1.26	\$1.16
Diluted earnings per share (dollar)	\$1.26	\$1.16

(c) Key financial and business highlights

a. Profitability

Item		September 30, 2025	September 30, 2024
Return on total assets	Pretax	0.64%	0.61%
	After tax	0.53%	0.51%
Return on net equity	Pretax	9.04%	8.61%
	After tax	7.51%	7.14%
Profit margin		35.86%	35.67%

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

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

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

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

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

b. Asset quality

Non-performing loans and receivables

Item		September 30, 2025					September 30, 2024					
		Non-performing loans (Note a)	Loans	Non-performing loans ratio (Note b)	Allowance for loan losses	Coverage ratio (Note c)	Non-performing loans (Note a)	Loans	Non-performing loans ratio (Note b)	Allowance for loan losses	Coverage ratio (Note c)	
Corporate finance	Secured	\$720,277	\$386,914,276	0.19%	\$4,062,887	564.07%	\$464,915	\$345,208,709	0.13%	\$3,823,599	822.43%	
	Unsecured	134,144	530,824,597	0.03%	7,389,683	5508.77%	334,688	427,102,793	0.08%	6,389,502	1,909.09%	
Consumer finance	Mortgage loans (Note d)	513,341	418,476,366	0.12%	6,279,147	1223.19%	277,856	433,261,697	0.06%	6,484,224	2,333.66%	
	Cash cards	605	85,374	0.71%	27,151	4487.77%	2,636	138,132	1.91%	32,299	1,225.30%	
	Credit loans (Note e)	394,787	117,253,320	0.34%	1,341,373	339.77%	356,984	109,122,807	0.33%	1,242,711	348.11%	
	Others (Note f)	Secured	1,120,606	420,969,315	0.27%	4,414,522	393.94%	698,017	392,219,958	0.18%	4,136,786	592.65%
		Unsecured	2,072	12,769,382	0.02%	130,644	6305.21%	1,855	8,987,102	0.02%	92,887	5,007.39%
Subtotal		2,885,832	1,887,292,630	0.15%	23,645,407	819.36%	2,136,951	1,716,041,198	0.12%	22,202,008	1,038.96%	
Credit card		229,508	75,868,679	0.30%	755,040	328.98%	288,577	78,130,474	0.37%	778,064	269.62%	
Accounts receivable factoring with no recourse (Note g)		97,828	34,353,710	0.28%	422,431	431.81%	587,262	26,719,271	2.20%	820,964	139.80%	

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

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Note b: $\text{Non-performing loans ratio} = \text{Non-performing loans} \div \text{Loans}$

$\text{Non-performing loans of credit card ratio} = \text{Non-performing loans of credit cards} \div \text{Accounts receivable}$

Note c: $\text{Coverage ratio of allowances for loan losses} = \text{Allowances for loan losses} \div \text{Non-performing loans}$

$\text{Coverage ratio of allowance for loan losses of credit card} = \text{Allowance for loan losses of credit card} \div \text{Non-performing loans of credit cards}$

Note d: Mortgage loans are for applicants to build or repair the buildings owned by the applicants, their spouses or their minor children. These applicants provide their buildings as collaterals and assign the right on mortgage to financial institutions.

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

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

Note g: In accordance with the Letter issued by the Banking Bureau on August 24, 2009 (Ref. No. Jin-Guan-Yin 09850003180), accounts receivable without recourse are classified as non-performing loans if not compensated by the factor or insurance company within three months.

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Exempted from report as non-performing loans and receivables

Business type	Item	September 30, 2025		September 30, 2024	
		Exempted from report as non-performing loans	Exempted from report as non-performing receivables	Exempted from report as non-performing loans	Exempted from report as non-performing receivables
Amounts negotiated in accordance with the agreement (Note a)		\$41,278	\$15,881	\$69,343	\$25,323
Loans executed in accordance with debt clearing and renewal regulations (Note b)		1,763,823	1,062,530	1,668,232	1,009,168
Total		\$1,805,101	\$1,078,411	\$1,737,575	\$1,034,491

Note a: Disclosed in accordance with the Letter issued by the Banking Bureau on April 25, 2006 (Ref. No. FSC (1) 09510001270).

Note b: Disclosed in accordance with the letter issued by the Banking Bureau on September 15, 2008 (Ref. No. FSC (1) 09700318940) and September 20, 2016 (Ref. No. FSC 10500134790).

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

c. Concentration of credit risk

Concentration of credit risk

Year	September 30, 2025			September 30, 2024			
	Rank (Note a)	Transaction party (Note b)	Loans (Note c)	As proportion of net equity	Transaction party (Note b)	Loans (Note c)	As proportion of net equity
	1	A Group (manufacture of computers)	\$24,127,792	11.62%	A Group (manufacture of computers)	\$20,213,254	10.07%
	2	B Group(cement manufacturing industry)	20,155,171	9.71%	B Group (wireless telecommunications)	15,769,572	7.86%
	3	C Group (wireless telecommunications)	16,911,188	8.15%	C Group (other financial service not elsewhere classified)	13,296,477	6.63%
	4	D Group (real estate development)	13,986,105	6.74%	D Group (other financial service not elsewhere classified)	12,496,135	6.23%
	5	E Group (manufacture of computers)	13,678,451	6.59%	E Group (manufacture of computers)	12,437,951	6.20%
	6	F Group (real estate development)	13,048,758	6.29%	F Group (activities of other holding companies)	10,679,456	5.32%
	7	G Group (other financial service not elsewhere classified)	12,760,449	6.15%	G Group (activities of finance and leasing companies)	10,371,805	5.17%
	8	H Group (manufacture of computers)	12,009,295	5.78%	H Group (real estate development)	10,224,123	5.09%
	9	I Group (liquid crystal panel and components manufacturing industry)	10,914,351	5.26%	I Group (real estate development)	10,056,000	5.01%
	10	J Group (wholesale of electronic communication equipment and its parts and components)	9,215,822	4.44%	J Group (manufacture of other computer peripheral equipment)	8,607,501	4.29%

Note a: Sorted by the balance of loans, excluding government or state-owned business. If borrowers belong to the same business group, the aggregated credit amount of the business group is disclosed, and code and industry additionally disclosed. If the borrower is a business group, the industry with the largest risk exposures in the business group is disclosed. The industry disclosure should follow the guidelines of Directorate-General of Budget, Accounting and Statistics.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

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

Note c: Loans include import and export bill negotiations, bills discounted, overdrafts, short-term loans, short-term secured loans, financing receivables, medium-term loans, medium-term secured loans, long-term loans, long-term secured loans, delinquent loans, inward remittances, factoring without recourse, acceptances, and guarantees.

d. Interest rate sensitivity

Interest-sensitive asset and liability analysis table

(New Taiwan Dollars)

September 30, 2025

Item	1-90 days	91-180 days	181 days - 1 year	More than 1 year	Total
Interest-sensitive assets	\$1,712,587,410	\$75,757,954	\$73,166,578	\$194,696,538	\$2,056,208,480
Interest-sensitive liabilities	701,163,117	122,165,373	195,793,724	896,164,630	1,915,286,844
Interest rate sensitivity gap	1,011,424,293	(46,407,419)	(122,627,146)	(701,468,092)	140,921,636
Net equity					204,710,723
Ratio of interest-sensitive assets to liabilities					107.36%
Ratio of interest sensitivity gap to net equity					68.84%

Interest-sensitive asset and liability analysis table

(New Taiwan Dollars)

September 30, 2024

Item	1-90 days	91-180 days	181 days - 1 year	More than 1 year	Total
Interest-sensitive assets	\$1,570,333,684	\$56,907,913	\$75,510,776	\$191,441,172	\$1,894,193,545
Interest-sensitive liabilities	626,757,987	126,202,114	140,082,181	886,347,968	1,779,390,250
Interest rate sensitivity gap	943,575,697	(69,294,201)	(64,571,405)	(694,906,796)	114,803,295
Net equity					199,792,423
Ratio of interest-sensitive assets to liabilities					106.45%
Ratio of interest sensitivity gap to net equity					57.46%

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Note a: The amounts listed above include amounts in New Taiwan Dollars only (i.e., excluding foreign currency) for both head office and domestic branches, excluding contingent assets and contingent liabilities.

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

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

Note d: Ratio of interest-sensitive assets to interest-sensitive liabilities (N.T. dollars only) = $\frac{\text{Interest-sensitive assets}}{\text{Interest-sensitive liabilities}}$

Interest-sensitive asset and liability analysis table

(New Taiwan Dollars)

September 30, 2025

(In thousands of U.S. Dollars)

Item	1-90 days	91-180 days	181 days - 1 year	More than 1 year	Total
Interest-sensitive assets	\$12,277,907	\$1,790,167	\$1,538,534	\$7,801,673	\$23,408,281
Interest-sensitive liabilities	13,454,230	2,777,738	1,256,105	4,980,805	22,468,878
Interest rate sensitivity gap	(1,176,323)	(987,571)	282,429	2,820,868	939,403
Net equity					(3,407)
Ratio of interest-sensitive assets to liabilities					104.18%
Ratio of interest sensitivity gap to net equity					(27,572.73%)

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Interest-sensitive asset and liability analysis table

(US Dollars)

September 30, 2024

(In thousands of U.S. Dollars)

Item	1-90 days	91-180 days	181 days - 1 year	More than 1 year	Total
Interest-sensitive assets	\$13,642,241	\$3,692,954	\$2,205,109	\$3,860,168	\$23,400,472
Interest-sensitive liabilities	14,934,830	1,942,460	1,677,651	4,836,812	23,391,753
Interest rate sensitivity gap	(1,292,589)	1,750,494	527,458	(976,644)	8,719
Net equity					(16,407)
Ratio of interest-sensitive assets to liabilities					100.04%
Ratio of interest sensitivity gap to net equity					(53.14%)

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

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

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

Note d: Ratio of interest-sensitive assets to interest-sensitive liabilities (U.S. dollars only) = $\frac{\text{Interest-sensitive assets}}{\text{Interest-sensitive liabilities}}$

e. Maturity analysis of assets and liabilities

New Taiwan Dollars maturity date structure analysis table

September 30, 2025

	Total	Period remaining until due date and amount due				
		0-30 days	31-90 days	91-180 days	181 days - 1 year	More than 1 year
Major maturity cash inflow	\$2,910,130,669	\$825,033,782	\$404,132,293	\$322,826,318	\$278,328,444	\$1,079,809,832
Major maturity cash outflow	3,571,461,174	445,219,042	495,413,868	432,145,577	650,903,182	1,547,779,505
Gap	(661,330,505)	379,814,740	(91,281,575)	(109,319,259)	(372,574,738)	(467,969,673)

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

New Taiwan Dollars maturity date structure analysis table
September 30, 2024

	Total	Period remaining until due date and amount due				
		0-30 days	31-90 days	91-180 days	181 days - 1 year	More than 1 year
Major maturity cash inflow	\$2,780,280,710	\$825,108,357	\$326,194,272	\$329,855,272	\$260,062,690	\$1,039,060,119
Major maturity cash outflow	3,408,662,134	427,839,228	463,719,526	504,885,256	607,481,940	1,404,736,184
Gap	(628,381,424)	397,269,129	(137,525,254)	(175,029,984)	(347,419,250)	(365,676,065)

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

US Dollars maturity date structure analysis table
September 30, 2025

(In thousands of U.S. Dollars)

	Total	Period remaining until due date and amount due				
		0-30 days	31-90 days	91-180 days	181 days - 1 year	More than 1 year
Major maturity cash inflow	\$61,347,671	\$17,326,765	\$13,888,378	\$8,501,876	\$8,241,133	\$13,389,519
Major maturity cash outflow	61,161,457	18,646,098	16,979,811	11,882,663	7,161,932	6,490,953
Gap	186,214	(1,319,333)	(3,091,433)	(3,380,787)	1,079,201	6,898,566

US Dollars maturity date structure analysis table
September 30, 2024

(In thousands of U.S. Dollars)

	Total	Period remaining until due date and amount due				
		0-30 days	31-90 days	91-180 days	181 days - 1 year	More than 1 year
Major maturity cash inflow	\$59,786,852	\$19,690,992	\$13,136,498	\$10,531,206	\$7,033,955	\$9,394,201
Major maturity cash outflow	59,617,028	19,777,697	15,473,763	11,256,726	7,330,331	5,778,511
Gap	169,824	(86,705)	(2,337,265)	(725,520)	(296,376)	3,615,690

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

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. Taishin Life Insurance

(a) Balance sheets

	September 30	
	2025	2024
Assets		
Cash and cash equivalents	\$14,450,851	\$5,659,295
Receivables	4,565,896	3,290,036
Current tax assets	-	54,950
Financial assets at fair value through profit or loss	29,358,508	35,909,283
Financial assets at fair value through other comprehensive income	41,958	40,637
Financial assets measured at amortized cost	225,024,057	203,659,655
Investments accounted for using equity method	340,226	434,923
Investment properties	9,203,539	3,708,454
Loans	9,166,469	7,958,589
Reinsurance contract assets	755,199	649,217
Property and equipment	1,934,026	2,008,790
Right-of-use assets	99,169	30,411
Intangible assets	291,527	309,107
Deferred tax assets	78,455	501,026
Other assets	2,011,688	1,735,607
Separate account insurance product assets	60,700,424	42,195,437
Total assets	<u>\$358,021,992</u>	<u>\$308,145,417</u>
Liabilities		
Payables	\$5,210,507	\$2,554,526
Financial liabilities at fair value through profit or loss	371,836	443,969
Lease liabilities	96,511	27,079
Insurance liabilities	263,295,857	237,238,730
Reserve for insurance contracts with the nature of financial products	1,295	1,558
Current tax liabilities	183,757	-
Reserve for foreign exchange valuation	2,982,584	664,717
Provisions	67,441	117,370
Deferred tax liabilities	256,276	591,528
Other liabilities	950,181	859,439
Separate account insurance product liabilities	60,700,424	42,195,437
Total liabilities	<u>334,116,669</u>	<u>284,694,353</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	September 30	
	2025	2024
Equity		
Share capital	\$11,857,284	\$11,039,560
Capital surplus	4,363,636	4,363,636
Retained earnings	8,052,275	7,897,998
Other equity	(367,872)	149,870
Total equity	<u>23,905,323</u>	<u>23,451,064</u>
Total liabilities and equity	<u>\$358,021,992</u>	<u>\$308,145,417</u>

(b) Statements of comprehensive income (standalone)

	For the three months ended	
	September 30	
	2025	2024
Operating revenue	\$50,937,803	\$40,288,326
Operating cost	(47,106,982)	(36,683,573)
Operating expenses	(2,268,497)	(1,983,830)
Operating income	1,562,324	1,620,923
Non-operating income and expenses	(5,808)	103,727
Income before income tax	1,556,516	1,724,650
Income tax benefit	81,109	165,798
Net income	1,637,625	1,890,448
Other comprehensive income	(1,502,470)	(141,803)
Total comprehensive income	<u>\$135,155</u>	<u>\$1,748,645</u>
Basic earnings per share (dollar)	<u>\$1.38</u>	<u>\$1.65</u>
Diluted earnings per share (dollar)	<u>\$1.38</u>	<u>\$1.65</u>

(c) Profitability

Item		September 30, 2025	September 30, 2024
Return on total assets	Pretax	0.46%	0.59%
	After tax	0.48%	0.65%
Return on net equity	Pretax	6.53%	8.18%
	After tax	6.87%	8.97%
Profit margin		3.22%	4.68%

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

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

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

$$\text{Note c: Profit margin} = \frac{\text{Income after tax}}{\text{Operating income} + \text{Non-operating income}}$$

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

C. Taishin Securities B

(a) Balance sheets (standalone)

	September 30,	
	2025	2024
Current assets	\$52,002,418	\$62,536,988
Financial assets at fair value through profit or loss		
- non-current	296,554	230,486
Financial assets at fair value through other comprehensive income - non-current	5,020,351	5,080,155
Investments accounted for using equity method	1,501,670	1,406,351
Property and equipment	846,371	816,449
Right-of-use assets	167,745	194,840
Investment properties	93,388	96,250
Intangible assets	195,333	179,805
Deferred tax assets	30,367	9,498
Other non-current assets	572,914	604,938
Total assets	<u>\$60,727,111</u>	<u>\$71,155,760</u>
Current liabilities	\$45,573,385	\$56,068,022
Other non-current liabilities	3,466,290	3,491,142
Total liabilities	<u>49,039,675</u>	<u>59,559,164</u>
Share capital	6,924,125	6,924,125
Capital surplus	895,825	895,825
Retained earnings	4,219,744	3,869,653
Other equity	(352,258)	(93,007)
Total equity	<u>11,687,436</u>	<u>11,596,596</u>
Total liabilities and equity	<u>\$60,727,111</u>	<u>\$71,155,760</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(b) Statements of comprehensive income (standalone)

	For the nine months ended	
	September 30	
	2025	2024
Revenue	\$4,691,567	\$5,299,315
Expenses	(3,181,500)	(3,220,809)
Non-operating income and expenses	131,164	145,186
Income before income tax	1,641,231	2,223,692
Income tax expense	(129,328)	(273,594)
Net income	1,511,903	1,950,098
Other comprehensive income	(211,353)	(27,326)
Total comprehensive income	\$1,300,550	\$1,922,772
Basic earnings per share (dollar)	\$2.18	\$2.82
Diluted earnings per share (dollar)	\$2.18	\$2.82

(c) Profitability

Item		September 30, 2025	September 30, 2024
Return on total assets	Pretax	2.56%	3.40%
	After tax	2.36%	2.98%
Return on net equity	Pretax	13.90%	19.81%
	After tax	12.80%	17.37%
Profit margin		32.23%	36.80%

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

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

$$\text{Note c: Profit margin} = \frac{\text{Income after tax}}{\text{Revenue}}$$

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

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

D. Taishin AMC

(a) Balance sheets (standalone)

	September 30,	
	2025	2024
Current assets	\$309,331	\$292,366
Financial assets at fair value through other comprehensive income - non-current	193,536	331,925
Investments accounted for using equity method	147,938	143,766
Property and equipment	165,702	167,427
Investment properties	807,743	814,378
Deferred tax assets	3,065	3,065
Other non-current assets	329,779	259,623
Total assets	<u>\$1,957,094</u>	<u>\$2,012,550</u>
Current liabilities	\$706,470	\$550,545
Other non-current liabilities	4,278	3,492
Total liabilities	<u>710,748</u>	<u>554,037</u>
Share capital	671,000	671,000
Capital surplus	4,141	4,141
Retained earnings	508,453	582,257
Other equity	62,752	201,115
Total equity	<u>1,246,346</u>	<u>1,458,513</u>
Total liabilities and equity	<u>\$1,957,094</u>	<u>\$2,012,550</u>

(b) Statements of comprehensive income (standalone)

	For the nine months ended September 30	
	2025	2024
Operating revenue	\$198,685	\$303,777
Operating cost and expenses	(99,392)	(100,835)
Operating income	99,293	202,942
Non-operating income	13,517	9,213
Non-operating expenses	(7,099)	(4,456)
Income before income tax	105,711	207,699
Income tax expense	(18,997)	(27,049)
Net income	86,714	180,650
Other comprehensive income (loss)	(88,994)	(52,100)
Total comprehensive income (loss)	<u>\$(2,280)</u>	<u>\$128,550</u>
Basic earnings per share (dollar)	<u>\$1.29</u>	<u>\$2.69</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(c) Profitability

Item		September 30, 2025	September 30, 2024
Return on total assets	Pretax	5.34%	11.00%
	After tax	4.38%	9.57%
Return on net equity	Pretax	7.90%	13.88%
	After tax	6.48%	12.08%
Profit margin		40.86%	57.72%

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

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

Note c: Profit margin = $\frac{\text{Income after tax}}{\text{Operating income} + \text{Non-operating income}}$

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

E. Taishin Venture Capital Investment

(a) Balance sheets (standalone)

	September 30	
	2025	2024
Current assets	\$327,102	\$333,199
Financial assets at fair value through profit or loss		
- non-current	3,163,319	5,058,427
Investments accounted for using equity method	73,661	28,896
Property and equipment	917	1,096
Right-of-use assets	759	2,582
Other non-current assets	481	481
Total assets	<u>\$3,566,239</u>	<u>\$5,424,681</u>
Current liabilities	\$67,490	\$7,076
Non-current liabilities	-	778
Total liabilities	<u>67,490</u>	<u>7,854</u>
Share capital	7,140,927	7,140,927
Retained earnings	(3,642,178)	(1,724,100)
Total equity	<u>3,498,749</u>	<u>5,416,827</u>
Total liabilities and equity	<u>\$3,566,239</u>	<u>\$5,424,681</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(b) Statements of comprehensive income (standalone)

	For the nine months ended	
	September 30	
	2025	2024
Revenue	\$73,407	\$20,509
Expenses and losses	(1,309,656)	(732,705)
Loss income before income tax	(1,236,249)	(712,196)
Net loss	(1,236,249)	(712,196)
Total comprehensive income (loss)	<u>\$(1,236,249)</u>	<u>\$(712,196)</u>
Basic earnings per share (dollar)	<u>\$(1.73)</u>	<u>\$(1.02)</u>

(c) Profitability

Item		September 30, 2025	September 30, 2024
Return on total assets	Pretax	(29.74%)	(10.45%)
	After tax	(29.74%)	(10.45%)
Return on net equity	Pretax	(30.03%)	(10.47%)
	After tax	(30.03%)	(10.47%)
Profit margin		(1,684.10%)	(3,472.60%)

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

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

$$\text{Note c: Profit margin} = \frac{\text{Income after tax}}{\text{Revenue}}$$

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

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

F. Taishin Securities Investment Trust

(a) Balance sheets (standalone)

	September 30	
	2025	2024
Current assets	\$776,349	\$735,448
Financial assets at fair value through other comprehensive income - non-current	3,765	3,262
Property and equipment	17,874	5,401
Goodwill	410,930	410,930
Right-of-use assets	15,601	26,164
Other intangible assets	4,785	3,696
Deferred tax assets	-	33
Other non-current assets	218,071	203,361
Total assets	<u>\$1,447,375</u>	<u>\$1,388,295</u>
Current liabilities	\$220,204	\$202,650
Other non-current liabilities	5,994	15,769
Total liabilities	<u>226,198</u>	<u>218,419</u>
Share capital	831,350	831,350
Capital surplus	47,856	47,856
Retained earnings	341,206	290,409
Other equity	765	261
Total equity	<u>1,221,177</u>	<u>1,169,876</u>
Total liabilities and equity	<u>\$1,447,375</u>	<u>\$1,388,295</u>

(b) Statements of comprehensive income (standalone)

	For the nine months ended September 30	
	2025	2024
Operating revenue	\$772,822	\$718,125
Operating expenses	(506,853)	(487,578)
Operating income	265,969	230,547
Non-operating income	23,952	22,159
Non-operating expenses	(8,368)	(302)
Income before income tax	281,553	252,404
Income tax expense	(54,660)	(46,901)
Net income	226,893	205,503
Other comprehensive income	332	205
Total comprehensive income	<u>\$227,225</u>	<u>\$205,708</u>
Basic earnings per share (dollar)	<u>\$2.73</u>	<u>\$2.47</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(c) Profitability

Item		September 30, 2025	September 30, 2024
Return on total assets	Pretax	18.78%	18.64%
	After tax	15.14%	15.18%
Return on net equity	Pretax	22.71%	22.22%
	After tax	18.30%	18.09%
Profit margin		28.48%	27.76%

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

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

$$\text{Note c: Profit margin} = \frac{\text{Income after tax}}{\text{Operating income} + \text{Non-operating income}}$$

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

G. Taishin Securities Investment Advisory

(a) Balance sheets (standalone)

	September 30	
	2025	2024
Current assets	\$338,592	\$349,784
Property and equipment	1,632	1,786
Right-of-use assets	625	8,121
Deferred tax assets	526	707
Other non-current assets	6,887	6,887
Total assets	<u>\$348,262</u>	<u>\$367,285</u>
Current liabilities	\$20,916	\$28,293
Other non-current liabilities	2,918	4,705
Total liabilities	<u>23,834</u>	<u>32,998</u>
Share capital	300,000	300,000
Capital surplus	25,663	25,663
Retained earnings	(1,234)	8,624
Total equity	<u>324,429</u>	<u>334,287</u>
Total liabilities and equity	<u>\$348,262</u>	<u>\$367,285</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(b) Statements of comprehensive income (standalone)

	For the nine months ended	
	September 30	
	2025	2024
Operating revenue	\$87,643	\$87,409
Operating expenses	(92,177)	(88,368)
Operating loss	(4,534)	(959)
Non-operating income	5,566	10,611
Non-operating expenses	(5,799)	(1,472)
(Loss) income before income tax	(4,767)	8,180
Income tax expense	1,012	(1,605)
Net (loss) income	(3,755)	6,575
Total comprehensive income (loss)	<u>\$(3,755)</u>	<u>\$6,575</u>
Basic earnings (loss) per share (dollar)	<u>\$ (0.13)</u>	<u>\$ 0.22</u>

(c) Profitability

Item		September 30, 2025	September 30, 2024
Return on total assets	Pretax	(1.32%)	2.17%
	After tax	(1.04%)	1.75%
Return on net equity	Pretax	(1.45%)	2.42%
	After tax	(1.14%)	1.95%
Profit margin		(4.03%)	6.71%

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

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

Note c: Profit margin = $\frac{\text{Income after tax}}{\text{Operating income} + \text{Non-operating income}}$

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

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

H. Shin Kong Life Insurance

(a) Balance sheets (standalone)

	September 30, 2025
Assets	
Cash and cash equivalents	\$91,427,626
Receivables	33,330,952
Current tax assets	11,114,781
Financial assets at fair value through profit or loss	348,642,958
Financial assets at fair value through other comprehensive income	139,931,317
Financial assets measured at amortized cost	2,434,374,271
Investments accounted for using equity method	4,607,803
Investment properties	213,171,631
Assets classified as held for sale	5,657,800
Loans	149,126,281
Reinsurance contract assets	1,776,360
Property and equipment	24,936,345
Right-of-use assets	1,823,815
Intangible assets	832,916
Deferred tax assets	36,636,106
Other assets	23,056,204
Other financial assets	69,307,068
Total assets	<u>\$3,589,754,234</u>
Liabilities	
Payables	\$10,056,875
Financial liabilities at fair value through profit or loss	9,902,389
Bonds payable	45,300,000
Lease liabilities	8,509,445
Insurance liabilities	3,203,194,552
Reserve for insurance contracts with the nature of financial products	153,727
Current tax liabilities	963,372
Reserve for foreign exchange valuation	74,083,401
Provisions	36,549
Deferred tax liabilities	(1,228,883)
Other liabilities	9,454,134
Separate account insurance product liabilities	57,644,569
Total liabilities	<u>3,418,070,130</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	September 30, 2025
Equity	
Share capital	\$85,747,628
Capital surplus	39,902,990
Retained earnings	57,150,698
Other equity	(11,117,212)
Total equity	<u>171,684,104</u>
Total liabilities and equity	<u>\$3,589,754,234</u>

(b) Statements of comprehensive income (standalone)

	For the Six Months Ended September 30, 2025
Operating revenue	\$277,150,973
Operating cost	(305,184,371)
Operating expenses	(12,064,806)
Operating loss	(40,098,204)
Non-operating income and expenses	42,330
Loss income before income tax	(40,055,874)
Income tax benefit	8,878,309
Net loss	(31,177,565)
Other comprehensive income (loss)	7,659,833
Total comprehensive income (loss)	<u>\$(23,517,732)</u>
Basic earnings per share (dollar)	<u>\$(3.71)</u>
Diluted earnings per share (dollar)	<u>\$(3.71)</u>

(c) Profitability

Item		September 30, 2025
Return on total assets	Pretax	(1.10%)
	After tax	(0.86%)
Return on net equity	Pretax	(22.26%)
	After tax	(17.33%)
Profit margin		(8.20%)

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

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

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

$$\text{Note c: Profit margin} = \frac{\text{Income after tax}}{\text{Operating income} + \text{Non-operating income}}$$

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

I. Taiwan Shin Kong Commercial Bank

(a) Balance sheets (standalone)

	September 30, 2025
Assets	
Cash and cash equivalents	\$22,449,975
Due from the Central Bank and call loans to banks	89,463,650
Financial assets at fair value through profit or loss	128,740,143
Financial assets at fair value through other comprehensive income	169,686,958
Investments in debt instruments at amortized cost	62,552,667
Securities purchased under resell agreements	1,265,947
Receivables, net	15,006,915
Current tax assets	17,768
Loans, net	880,950,207
Investments accounted for using equity method	258,050
Other financial assets, net	21,131
Investment properties	950,916
Property and equipment, net	5,349,407
Right-of-use assets, net	2,192,239
Intangible assets, net	1,856,647
Deferred tax assets, net	1,219,248
Other assets, net	4,242,248
Total assets	<u>\$1,386,224,116</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	September 30, 2025
Liabilities	
Deposits from the Central Bank and banks	\$19,805,591
Financial liabilities at fair value through profit or loss	5,456,295
Securities sold under repurchase agreements	4,446,632
Payables	14,334,694
Current tax liabilities	1,439,212
Deposits and remittances	1,183,100,333
Bank notes payable	28,200,000
Other financial liabilities	44,728,462
Provisions	515,535
Lease liabilities	2,314,388
Deferred tax liabilities	382,363
Other liabilities	1,696,184
Total liabilities	1,306,419,689
Equity	
Share capital	49,815,329
Capital surplus	2,756,265
Retained earnings	33,140,148
Other equity	(5,907,315)
Total equity	79,804,427
Total liabilities and equity	\$1,386,224,116

(b) Statements of comprehensive income (standalone)

	For the nine months ended September 30, 2025
Interest income	\$24,417,828
Interest expenses	(13,876,902)
Net interest income	10,540,926
Net income other than net interest income	6,007,462
Net revenue and gains	16,548,388
Bad debt expenses, commitments and guarantees liabilities provision	(975,207)
Operating expenses	(10,794,438)
Operating (loss) income	4,778,743
Income tax expense	(736,030)
Net income	4,042,713
Other comprehensive income (loss)	3,067,254
Total comprehensive income (loss)	\$7,109,967
Basic earnings per share (dollar)	\$0.81
Diluted earnings per share (dollar)	\$0.81

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(c) Important financial and business overview

a. Profitability

Item		September 30, 2025
Return on total assets	Pretax	0.35%
	After tax	0.30%
Return on net equity	Pretax	6.07%
	After tax	5.14%
Profit margin		24.43%

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

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

Note c: Profit margin =
$$\frac{\text{Income after tax}}{\text{Operating income} + \text{Non-operating income}}$$

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

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

b. Asset quality

Non-performing loans and receivables

Business Type		Item	September 30, 2025				
			Non-performing Loans (Note a)	Loans	Non-performing Loans Ratio (Note b)	Allowance for Loan Losses	Coverage Ratio (Note c)
Corporate finance	Secured	\$123,406	\$233,462,284	0.05%	\$2,399,624	1,944.49%	
	Unsecured	169,010	193,446,923	0.09%	2,232,849	1,321.13%	
Consumer finance	Mortgage loans (Note d)	110,668	202,484,183	0.05%	3,129,447	2,827.79%	
	Cash cards	-	109	-	106	-	
	Credit loans (Note e)	231,311	41,140,962	0.56%	1,135,719	490.99%	
	Others (Note f)	Secured	423,776	219,328,407	0.19%	2,341,393	552.51%
		Unsecured	2,296	2,003,731	0.11%	26,746	1,165.06%
Subtotal		1,060,467	891,866,599	0.12%	11,265,884	1,062.35%	
Credit card		22,150	9,382,010	0.24%	199,893	902.46%	
Accounts receivable factoring with no recourse (Note g)		2,577	758,559	0.34%	15,534	602.77%	

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

English Translation of Financial Statements Originally Issued in Chinese
TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

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

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

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

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

Note d: Mortgage loans are for applicants to build or repair the buildings owned by the applicants, their spouses or their minor children. These applicants provide their buildings as collaterals and assign the right on mortgage to financial institutions.

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

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

Note g: In accordance with the Letter issued by the Banking Bureau on August 24, 2009 (Ref. No. Jin-Guan-Yin 09850003180), accounts receivable without recourse are classified as non-performing loans if not compensated by the factor or insurance company within three months.

English Translation of Financial Statements Originally Issued in Chinese
 TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 (Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Exempted from report as non-performing loans and receivables

Business Type	Item	September 30, 2025	
		Exempted from Report as Non-performing Loans	Exempted from Report as Non-performing Receivables
Amounts negotiated in accordance with the agreement (Note a)		\$687	\$23,493
Loans executed in accordance with debt clearing and renewal regulations (Note b)		216,191	201,712
Total		\$216,878	\$225,205

Note a: Disclosed in accordance with the Letter issued by the Banking Bureau on April 25, 2006 (Ref. No. FSC (1) 09510001270).

Note b: Disclosed in accordance with the letter issued by the Banking Bureau on September 15, 2008 (Ref. No. FSC (1) 09700318940) and September 20, 2016 (Ref. No. FSC 10500134790).

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

c. Concentration of credit risk

Concentration of credit risk

Year	September 30, 2025			
	Rank (Note a)	Transaction Party (Note b)	Loans (Note c)	As Proportion of Net Equity
	1	Group A (real estate leasing and sales industry)	\$5,848,476	7.33%
	2	Group B (real estate leasing and sales industry)	5,328,337	6.68%
	3	Group C (chemical raw materials manufacturing industry)	4,219,341	5.29%
	4	Group D (real estate leasing and sale industry)	3,632,806	4.55%
	5	Group E (real estate development)	3,582,411	4.49%
	6	Group F (other financial service not elsewhere classified)	3,349,120	4.20%
	7	Group G (investment advisory industry)	3,140,000	3.93%
	8	Group H (real estate development)	3,075,392	3.85%
	9	Group I (real estate development)	2,912,981	3.65%
	10	Group J (construction industry)	2,865,940	3.59%

Note a: Sorted by the balance of loans, excluding government or state-owned business. If borrowers belong to the same business group, the aggregated credit amount of the business group is disclosed, and code and industry additionally disclosed. If the borrower is a business group, the industry with the largest risk exposures in the business group is disclosed. The industry disclosure should follow the guidelines of Directorate-General of Budget, Accounting and Statistics.

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

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Note c: Loans include import and export bill negotiations, bills discounted, overdrafts, short-term loans, short-term secured loans, financing receivables, medium-term loans, medium-term secured loans, long-term loans, long-term secured loans, delinquent loans, inward remittances, factoring without recourse, acceptances, and guarantees.

d. Interest rate sensitivity

Interest-sensitive asset and liability analysis table

(New Taiwan Dollars)

September 30, 2025

Item	1-90 Days	91-180 Days	181 Days - 1 Year	More Than 1 Year	Total
Interest-sensitive assets	\$915,719,176	\$24,961,580	\$19,173,486	\$164,575,889	\$1,124,430,131
Interest-sensitive liabilities	335,934,483	515,649,685	159,410,854	31,719,718	1,042,714,740
Interest sensitivity gap	579,784,693	(490,688,105)	(140,237,368)	132,856,171	81,715,391
Net equity					79,804,427
Ratio of interest-sensitive assets to liabilities					107.84%
Ratio of interest sensitivity gap to net equity					102.39%

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

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

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

Note d: Ratio of interest-sensitive assets to interest-sensitive liabilities (N.T. dollars only) =
$$\frac{\text{Interest-sensitive assets}}{\text{Interest-sensitive liabilities}}$$

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Interest-sensitive asset and liability analysis table

(US Dollars)

September 30, 2025

(In thousands of U.S. Dollars)

Item	1-90 Days	91-180 Days	181 Days - 1 Year	More Than 1 Year	Total
Interest-sensitive assets	\$3,011,335	\$731,029	\$217,986	\$1,511,866	\$5,472,216
Interest-sensitive liabilities	4,143,748	729,704	386,310	1,856	5,261,618
Interest sensitivity gap	(1,132,413)	1,325	(168,324)	1,510,010	210,598
Net equity					2,620,061
Ratio of interest-sensitive assets to liabilities					104.00%
Ratio of interest sensitivity gap to net equity					8.04%

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

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

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

Note d: Ratio of interest-sensitive assets to interest-sensitive liabilities (U.S. dollars only) =
$$\frac{\text{Interest-sensitive assets}}{\text{Interest-sensitive liabilities}}$$

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

e. Maturity analysis of assets and liabilities

New Taiwan Dollars maturity date structure analysis table
September 30, 2025

	Total	Period Remaining until Due Date and Amount Due				
		0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	More Than 1 Year
Major maturity cash inflow	\$1,209,024,629	\$236,764,236	\$87,873,931	\$97,890,402	\$87,840,344	\$698,655,716
Major maturity cash outflow	1,497,431,548	184,780,050	202,345,674	201,374,953	349,177,528	559,753,343
Gap	(288,406,919)	51,984,186	(114,471,743)	(103,484,551)	(261,337,184)	138,902,373

Note: The amounts listed above include amounts in New Taiwan Dollars only (i.e., excluding foreign currency) for both head office and domestic branches.

US Dollars maturity date structure analysis table
September 30, 2025

(In thousands of U.S. Dollars)

	Total	Period Remaining until Due Date and Amount Due				
		0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	More Than 1 Year
Major maturity cash inflow	\$8,357,826	\$2,989,387	\$777,723	\$741,558	\$534,036	\$3,315,122
Major maturity cash outflow	10,530,558	2,930,336	2,311,134	1,495,328	1,800,135	1,993,625
Gap	(2,172,732)	59,051	(1,533,411)	(753,770)	(1,266,099)	1,321,497

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

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

J. MasterLink Securities

(a) Balance sheets (standalone)

	September 30, 2025
Current assets	\$166,310,830
Financial assets at fair value through other comprehensive income - non-current	1,076,683
Investments accounted for using equity method	3,039,504
Property and equipment	1,859,514
Right-of-use assets	328,559
Investment properties	198,407
Intangible assets	142,681
Deferred tax assets	587,502
Other non-current assets	1,706,846
Total assets	\$175,250,526
Current liabilities	\$146,835,286
Other non-current liabilities	794,160
Total liabilities	147,629,446
Share capital	16,096,099
Capital surplus	128,115
Retained earnings	10,722,310
Other equity	674,556
Total equity	27,621,080
Total liabilities and equity	\$175,250,526

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(b) Statements of comprehensive income (standalone)

	For the nine months ended September 30, 2025
Revenue	\$7,338,402
Expenses	(8,606,301)
Non-operating income and expenses	2,198,237
Income before income tax	930,338
Income tax benefit	90,796
Net income	1,021,134
Other comprehensive income (loss)	(2,067,465)
Total comprehensive income (loss)	\$(1,046,331)
Basic earnings per share (dollar)	\$0.63
Diluted earnings per share (dollar)	\$0.63

(c) Profitability

Item		September 30, 2025
Return on total assets	Pretax	0.57%
	After tax	0.63%
Return on net equity	Pretax	3.17%
	After tax	3.48%
Profit margin		16.68%

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

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

Note c: Profit margin = $\frac{\text{Income after tax}}{\text{Operating income} + \text{Non-operating income}}$

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

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

K. Shin Kong Securities Investment Trust

(a) Balance sheets (standalone)

	September 30, 2025
Current assets	\$745,332
Financial assets at fair value through other comprehensive income - non-current	4,869
Property and equipment	13,669
Right-of-use assets	64,816
Other intangible assets	11,917
Deferred tax assets	15,247
Other non-current assets	103,948
Total assets	<u>\$959,798</u>
Current liabilities	\$142,345
Other non-current liabilities	75,327
Total liabilities	<u>217,672</u>
Share capital	400,000
Capital surplus	129,725
Retained earnings	210,887
Other equity	1,514
Total equity	<u>742,126</u>
Total liabilities and equity	<u>\$959,798</u>

(b) Statements of comprehensive income (standalone)

	For the nine months ended September 30, 2025
Revenue	\$293,172
Expenses	(299,633)
Operating loss	(6,461)
Non-operating income	8,801
Non-operating expenses	(2,102)
Income before income tax	238
Income tax expense	(100)
Net income	<u>\$138</u>
Basic earnings per share (dollar)	<u>\$0.00</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(c) Profitability

Item		September 30, 2025
Return on total assets	Pretax	0.02%
	After tax	0.01%
Return on net equity	Pretax	0.03%
	After tax	0.02%
Profit margin		0.05%

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

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

$$\text{Note c: Profit margin} = \frac{\text{Income after tax}}{\text{Operating income} + \text{Non-operating income}}$$

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

L. Shin Kong Venture Capital

(a) Balance sheets (standalone)

	September 30, 2025
Current assets	\$282,804
Financial assets at fair value through profit or loss	
- non-current	429,047
Investments accounted for using equity method	831,652
Property and equipment	17
Other non-current assets	269,031
Total assets	<u>\$1,812,551</u>
Total liabilities	<u>\$161,373</u>
Share capital	1,824,155
Capital surplus	1,097
Retained earnings	(83,839)
Other equity	(90,235)
Total equity	<u>1,651,178</u>
Total liabilities and equity	<u>\$1,812,551</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(b) Statements of comprehensive income (standalone)

	For the nine months ended September 30, 2025
Revenue	\$36,535
Expenses	<u>(252,595)</u>
Loss before income tax	(216,060)
Income tax expense	<u>(1,040)</u>
Net loss	(217,100)
Other comprehensive income (loss)	<u>(35,413)</u>
Total comprehensive income (loss)	<u><u>\$(252,513)</u></u>
Basic earnings per share (dollar)	<u><u>\$(0.12)</u></u>

(c) Profitability

Item		September 30, 2025
Return on total assets	Pretax	(11.00%)
	After tax	(11.05%)
Return on net equity	Pretax	(11.99%)
	After tax	(12.04%)
Profit margin		(0.11%)

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

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

$$\text{Note c: Profit margin} = \frac{\text{Income after tax}}{\text{Revenue}}$$

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

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

M. Shin Kong Insurance Agent

(a) Balance sheets (standalone)

	September 30, 2025
Current assets	\$145,911
Property and equipment	1,854
Right-of-use assets	5,225
Other intangible assets	977
Deferred tax assets	1,391
Other non-current assets	5,602
Total assets	<u>\$160,960</u>
Current liabilities	\$58,307
Other non-current liabilities	5,355
Total liabilities	<u>63,662</u>
Share capital	10,000
Capital surplus	1,541
Retained earnings	85,757
Total equity	<u>97,298</u>
Total liabilities and equity	<u>\$160,960</u>

(b) Statements of comprehensive income (standalone)

	For the nine months ended September 30, 2025
Operating revenue	\$399,232
Operating expenses	(49,589)
Operating income	349,643
Non-operating income	557
Non-operating expenses	(269,319)
Income before income tax	80,881
Income tax expense	(16,184)
Net income	<u>\$64,697</u>
Basic earnings per share (dollar)	<u>\$64.70</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

(c) Profitability

Item		September 30, 2025
Return on total assets	Pretax	44.56%
	After tax	35.65%
Return on net equity	Pretax	74.58%
	After tax	59.66%
Profit margin		16.18%

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

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

$$\text{Note c: Profit margin} = \frac{\text{Income after tax}}{\text{Operating income} + \text{Non-operating income}}$$

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

(5) Significant financial assets and liabilities denominated in foreign currencies

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

Taishin Bank

(Foreign Currencies/New Taiwan Dollars in thousands)
September 30, 2025

Financial assets	Foreign currency	Exchange rate	New Taiwan
			Dollars
<u>Monetary items:</u>			
AUD	\$3,092,238	20.12	\$62,214,877
CAD	51,105	21.89	1,118,940
CHF	127,791	38.26	4,889,017
RMB	9,037,694	4.27	38,616,964
EUR	562,310	35.78	20,118,711
GBP	43,782	40.97	1,793,626
HKD	5,970,137	3.92	23,373,468
JPY	180,435,708	0.21	37,140,706
SGD	158,079	23.62	3,733,815
USD	18,682,789	30.46	569,059,079
ZAR	2,421,698	1.77	4,275,466
<u>Non-monetary items:</u>			
USD	-	30.46	-

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	September 30, 2025		
	Foreign currency	Exchange rate	New Taiwan Dollars
<u>Financial liabilities</u>			
<u>Financial assets:</u>			
AUD	\$962,576	20.12	\$19,366,728
CAD	62,985	21.89	1,379,054
RMB	11,089,021	4.27	47,382,033
EUR	789,096	35.78	28,232,806
GBP	45,343	40.97	1,857,585
HKD	7,679,327	3.92	30,065,056
JPY	293,249,059	0.21	60,362,093
SGD	94,871	23.62	2,240,836
USD	21,048,398	30.46	641,113,140
ZAR	3,454,611	1.77	6,099,056
<u>Non-monetary items:</u>			
AUD	573,888	20.12	11,546,446
USD	12,065	30.46	367,497
<u>Derivative instruments</u>			
<u>Financial assets</u>			
AUD	\$5,750	20.12	\$115,681
CAD	90,103	21.89	1,972,783
RMB	5,728,204	4.27	24,475,917
EUR	257,156	35.78	9,200,692
GBP	105,665	40.97	4,328,826
HKD	4,635,798	3.92	18,149,446
JPY	143,590,337	0.21	29,556,491
USD	6,605,630	30.46	201,200,881
ZAR	2,804,580	1.77	4,951,438
<u>Financial liabilities</u>			
AUD	\$1,537,095	20.12	\$30,925,887
CAD	78,909	21.89	1,727,708
CHF	124,857	38.26	4,776,769
RMB	4,516,989	4.27	19,300,542
EUR	6,804	35.78	243,425
GBP	99,556	40.97	4,078,549
HKD	2,862,755	3.92	11,207,868
JPY	29,296,083	0.21	6,030,277
SGD	79,088	23.62	1,868,043
USD	4,589,688	30.46	139,797,294
ZAR	1,757,954	1.77	3,103,637

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	December 31, 2024		
	Foreign currency	Exchange rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary items:			
AUD	\$2,466,478	20.40	\$50,306,844
CAD	48,718	22.81	1,111,461
CHF	63,571	36.31	2,308,186
RMB	8,128,047	4.48	36,406,383
EUR	281,903	34.15	9,625,613
GBP	41,944	41.17	1,726,689
HKD	4,235,744	4.22	17,890,242
JPY	122,101,200	0.21	25,642,351
SGD	159,133	24.13	3,839,196
USD	16,449,505	32.79	539,445,056
ZAR	1,688,775	1.75	2,958,249
Non-monetary items:			
USD	-	32.79	-
<u>Financial liabilities</u>			
Monetary items:			
AUD	\$889,503	20.40	\$18,142,507
CAD	59,241	22.81	1,351,530
RMB	9,304,945	4.48	41,677,833
EUR	463,084	34.15	15,812,061
GBP	93,072	41.17	3,831,412
HKD	5,238,232	4.22	22,124,383
JPY	174,956,918	0.21	36,742,527
NZD	71,699	18.47	1,324,134
SGD	43,021	24.13	1,037,903
USD	19,855,602	32.79	651,144,609
ZAR	3,642,992	1.75	6,381,476
Non-monetary items:			
AUD	385,628	20.40	7,865,348
USD	-	32.79	-

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	December 31, 2024		
	Foreign currency	Exchange rate	New Taiwan Dollars
<u>Derivative instruments</u>			
<u>Financial assets</u>			
AUD	\$4,943	20.40	\$100,826
CAD	274,012	22.81	6,251,323
RMB	47,043,593	4.48	210,713,239
EUR	210,656	34.15	7,192,871
GBP	62,508	41.17	2,573,212
HKD	2,792,731	4.22	11,795,480
JPY	68,781,419	0.21	14,444,717
SGD	21,470	24.13	517,973
USD	33,468,098	32.79	1,097,552,796
ZAR	2,659,810	1.75	4,659,223
<u>Financial liabilities</u>			
AUD	\$1,196,808	20.40	\$24,410,376
CAD	264,035	22.81	6,023,693
CHF	64,550	36.31	2,343,735
RMB	45,953,557	4.48	205,830,854
EUR	28,208	34.15	963,168
GBP	11,307	41.17	465,450
HKD	2,019,585	4.22	8,529,994
JPY	16,661,126	0.21	3,498,986
SGD	137,788	24.13	3,324,218
USD	30,448,699	32.79	998,534,647
ZAR	698,145	1.75	1,222,950
<u>September 30, 2024</u>			
	Foreign currency	Exchange rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary items:			
AUD	\$2,486,438	21.95	\$54,566,689
CAD	49,214	23.43	1,153,209
CHF	61,631	37.57	2,315,769
RMB	9,408,953	4.53	42,590,388
EUR	399,155	35.40	14,130,997
GBP	27,462	42.43	1,165,290
HKD	4,900,397	4.08	19,982,176
JPY	121,054,812	0.22	26,916,174
SGD	158,305	24.73	3,914,675
USD	18,621,888	31.67	589,755,208
ZAR	1,701,343	1.85	3,149,964
Non-monetary items:			
USD	81,551	31.67	2,582,711

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

	September 30, 2024		
	Foreign currency	Exchange rate	New Taiwan Dollars
<u>Financial liabilities</u>			
Monetary items:			
AUD	\$807,623	21.95	\$17,723,878
CAD	50,299	23.43	1,178,613
RMB	9,576,968	4.53	43,350,921
EUR	391,190	35.40	13,849,025
GBP	82,646	42.43	3,506,927
HKD	4,602,959	4.08	18,769,325
JPY	182,033,348	0.22	40,474,569
NZD	49,621	20.15	999,698
USD	21,458,047	31.67	679,576,362
ZAR	4,020,397	1.85	7,443,593
Non-monetary items:			
AUD	495,315	21.95	10,870,052
USD	363,856	31.67	11,523,312
<u>Derivative instruments</u>			
<u>Financial assets</u>			
AUD	\$252,893	21.95	\$5,549,926
CAD	1,244,971	23.43	29,172,611
CHF	310	37.57	11,648
RMB	47,864,296	4.53	216,661,611
EUR	102,978	35.40	3,645,666
GBP	79,227	42.43	3,361,832
HKD	1,984,303	4.08	8,091,321
JPY	75,474,420	0.22	16,781,511
NZD	14,671	20.15	295,571
SGD	9,678	24.73	239,315
USD	19,174,570	31.67	607,258,639
ZAR	3,083,599	1.85	5,709,152
<u>Financial liabilities</u>			
AUD	\$1,435,828	21.95	\$31,510,280
CAD	1,238,741	23.43	29,026,629
CHF	59,520	37.57	2,236,474
RMB	47,820,282	4.53	216,462,379
EUR	105,681	35.40	3,741,363
HKD	2,482,026	4.08	10,120,872
JPY	15,255,213	0.22	3,391,951
SGD	148,350	24.73	3,668,499
USD	16,362,661	31.67	518,205,474
ZAR	760,804	1.85	1,408,596

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Shin Kong Life Insurance

(Foreign Currencies/New Taiwan Dollars in thousands)

September 30, 2025

	Foreign currency	Exchange rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary items:			
USD	\$71,695,971	30.46	\$2,183,787,581
AUD	4,393,180	20.12	88,389,430
RMB(Offshore)	1,524,784	4.27	6,515,217
EUR	115,480	35.78	4,131,717
GBP	50,682	40.97	2,117,285
RMB	50,723	4.28	216,963
Non-monetary items:			
USD	1,867,001	30.46	56,866,985
EUR	8,234	35.78	294,608
AUD	178	20.12	3,575
JPY	10,857	0.21	2,235
RMB(Offshore)	351	4.27	1,501
HKD	64	3.92	250
<u>Financial liabilities</u>			
Non-monetary items			
USD	\$325,106	30.46	\$9,902,389

As of September 30, 2025, Shin Kong Life Insurance and its subsidiaries have utilized forward foreign exchange contracts and currency swap contracts to mitigate exchange rate risks, with a nominal principal totaling NT\$1,035,910,590 thousand. Shin Kong Life Insurance and its subsidiaries have maximized the effectiveness of hedging by aligning the terms of the derivative instruments with those of the contract of the hedged items.

Shin Kong Life Insurance and its subsidiaries are primarily affected by fluctuations in the US dollar exchange rate.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

The table below provides a detailed sensitivity analysis of the company when the exchange rate of the New Taiwan Dollars against the US Dollars increases or decreases by 1%. The 1% sensitivity ratio is used internally by Shin Kong Life Insurance and its subsidiaries when reporting exchange rate risks to senior management, and it represents the management's assessment of the reasonable potential range of fluctuations in foreign currency exchange rates. The sensitivity analysis includes outstanding foreign currency monetary items, and the year-end conversion is adjusted for a 1% change in the exchange rate. Positive values in the table indicate the amount by which pre-tax profit would increase if the New Taiwan Dollars depreciates by 1% against the US Dollars; conversely, if the New Taiwan Dollars appreciates by 1% against the US Dollars, the effect on pre-tax profit would be the same amount but negative.

	<u>Effect</u>
	For the nine months ended September 30, 2025
Income (loss) before income tax	\$8,124,108

The above amount reflects the net effect of exchange rate fluctuations after considering the physical foreign currency monetary assets and financial hedging derivative instruments.

Shin Kong Life Insurance and its subsidiaries are subject to the foreign exchange price fluctuation reserve system. The aforementioned foreign exchange-related stress testing scenarios will affect the amount calculated for the foreign exchange price fluctuation reserve in accordance with the regulations set by the competent authority.

- (6) Business or transaction activities, joint business promotion activities, interactive use of information, or sharing of business equipment or premises with various subsidiaries of financial holding companies, and the method of apportioning revenue, costs, expenses, and profits and losses

- A. Please refer to Attachment 8 for the major business or transactions between TS Financial Holding and its subsidiaries.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

B. Joint business promotion activities

In order to provide customers with diversified and convenient financial services to meet their needs, further improve the performance of each subsidiary, and create the best synergy, TS Financial Holding and its subsidiaries actively use the resources of each subsidiary to integrate the marketing mechanism through financial holdings, assist each other in the cross-selling business, and fully demonstrate the advantages of complementary channels.

C. Interactive use of information

In accordance with the “Financial Holding Company Act”, “Administrative Measures for Joint Marketing Between Subsidiaries of Financial Holding Companies”, “Personal Data Protection Act” and relevant letters and orders issued by the FSC, the Company and its subsidiaries that conduct joint marketing, and subsidiaries of mutual use have signed the “Joint Customer Information Confidentiality Agreement”, and announced “Joint Marketing Customer Information Confidentiality Measures” on its website and business offices to maintain the confidentiality of customer information or limit its use, and provide a customer exit mechanism in a legal and safe environment.

D. Sharing of business equipment or premises

In order to provide the most suitable products and one-stop shopping services, and to conduct joint marketing business within the scope approved by laws and regulations, customers can conduct related businesses at the business offices of Taishin Bank, Taishin Securities B, Taishin Life Insurance, Taiwan Shin Kong Commercial Bank, MasterLink Securities, and Shin Kong Life Insurance, the Company’s subsidiaries.

E. The method of apportioning revenue, costs, expenses, and profits and losses

In order to expand the economic scale and utilize the benefits of the Group’s resources, TS Financial Holding and its subsidiaries will jointly promote the business or share part of the business equipment and premises. Their income and expense allocation methods are directly attributable to the subsidiaries according to the nature of the business, or appropriately apportioned to the respective companies.

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

13. Other Disclosure

(1) Material transactions are summarized as follows:

- A. Securities of TS Financial Holding's investees acquired or disposed of at costs or prices of at least NT\$300 million or 10% of the paid-in capital: Please refer to Attachment 4.
- B. Acquisition or disposal of individual real estate at costs of at least NT\$300 million or 10% of the paid-in capital: None.
- C. Discounts of service charges for related parties amounting to at least \$5 million : None.
- D. Receivables from related parties amounting to at least NT\$300 million or 10% of the paid-in capital : Please refer to Attachment 5.
- E. Sales of NPL from subsidiaries : None.
- F. Authorities securitized instruments and related assets which are in accordance with the Statute for Financial Assets Securitization and the Statute for Real Estate Securitization : None.
- G. Other transactions that may have significant impact on the decision made by the financial statement users : None.
- H. Business relationships, significant transactions and amounts between parent and subsidiaries: Please refer to Attachment 7.

(2) Information on TS Financial Holding's subsidiaries:

- A. Financings provided to others: Please refer to Attachment 1 (Note).
- B. Endorsements/guarantees provided: Please refer to Attachment 2 (Note).
- C. Marketable securities held: Please refer to Attachment 3 (Note).
- D. Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 10% of the paid-in capital: None.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- E. Derivative transactions of investees: Please refer to Attachment Note 6.(3) and Note 6.(43).

Note: Not required to disclose No. 1 to 4 if the investee is a bank, insurance or security company.

- (3) Names, locations, and related information of investees: None.

- (4) Information of investment in mainland China

Subsidiary information of investment in Mainland China: Please refer to Attachment 6.

- (5) Information on major shareholders:

The names, numbers of shares held, and shareholding percentages of shareholders who hold 5% or more of the Company's equity: None.

14. Segment Information

- (1) General information

The report of TS Financial Holding and its subsidiaries is the same as the report for internal use of policy makers. Main policy makers distribute the resources to the operation department and evaluate its efficiency. TS Financial Holding's main policy makers are the board of directors.

Interdepartmental transactions are normal transactions. TS Financial Holding consolidates all its subsidiaries and writes off interdepartmental transaction gains and losses. The subsidiaries evaluate their own operation efficiency.

The operation departments of TS Financial Holding are subsidiaries of bank business, securities business, insurance business and other business, respectively. The board of directors, the main policy maker, reviews company operation result, distributes resources, and evaluates operation efficiency.

English Translation of Financial Statements Originally Issued in Chinese

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

September 30, 2025								
	Taishin Bank	Taishin Securities B	Taishin Life	Shin Kong Bank	Shin Kong Life Insurance	MasterLink Securities	Adjustments and	
	Consolidated	Consolidated	Insurance	Consolidated	Consolidated	Consolidated	Others	Total
							Eliminations	
Net interest								
income								
(expense)	\$23,572,256	\$297,569	\$5,930,365	\$2,663,102	\$17,101,900	\$18,651	\$437,087	\$50,871,571
Net income other								
than net								
interest								
income	19,296,407	3,813,877	20,934,280	1,793,522	(9,985,484)	2,575,075	24,478,638	38,776,282
Net revenue and								
gains	42,868,663	4,111,446	26,864,645	4,456,624	7,116,416	2,593,726	24,915,725	89,647,853
Reversal of bad								
debt expenses,								
commitments								
and guarantee								
liabilities								
(provision)	(1,986,111)	42	(892)	(97,631)	(817)	(6,244)	(535,083)	(2,455,611)
Net changes in								
insurance								
liability								
reserve	-	-	(23,019,664)	-	(4,095,602)	-	-	(25,987,078)
Operating								
expenses	(19,781,705)	(2,453,773)	(2,287,573)	(1,970,822)	(2,224,766)	(1,270,679)	(5,744,371)	(35,436,885)
Income (loss)								
before income								
tax	\$21,100,847	\$1,657,715	\$1,556,516	\$2,388,171	\$795,231	\$1,316,803	\$18,636,271	\$25,768,279
Total assets	\$2,759,147,816	\$66,272,945	\$358,021,991	\$1,385,133,986	\$3,603,984,294	\$187,563,273	\$864,693,409	\$8,680,686,332

English Translation of Financial Statements Originally Issued in Chinese

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

For the nine months ended September 30, 2024

	Taishin Bank							Total
	Taishin Bank (Retail Banking Group)	Taishin Bank (Wholesale Banking Group)	Taishin Bank (Financial and Financial Market Group)	Taishin Securities B Consolidated	Taishin Life Insurance	Others	Adjustments and Eliminations	
Net interest income (expense)	\$12,067,513	\$9,919,369	\$(1,086,907)	\$271,787	\$4,934,624	\$684,392	\$(879,679)	\$25,911,099
Net income other than net interest income	10,256,808	1,667,462	5,671,744	4,414,207	17,327,658	18,534,074	(17,613,243)	40,258,710
Net revenue and gains	22,324,321	11,586,831	4,584,837	4,685,994	22,262,282	19,218,466	(18,492,922)	66,169,809
Reversal of bad debt expenses, commitments and guarantee liabilities (provision)	(833,248)	(471,387)	33,637	26	578	(212,119)	-	(1,482,513)
Net changes in insurance liability reserve	-	-	-	-	(18,536,105)	-	690,206	(17,845,899)
Operating expenses	(13,087,635)	(3,045,351)	(2,242,195)	(2,462,328)	(2,002,105)	(4,669,469)	421,999	(27,087,084)
Income (loss) before income tax	\$8,403,438	\$8,070,093	\$2,376,279	\$2,223,692	\$1,724,650	\$14,336,878	\$(17,380,717)	\$19,754,313
Total assets	\$965,771,671	\$782,090,361	\$782,802,527	\$75,145,779	\$308,145,417	\$640,121,565	\$(253,660,048)	\$3,300,417,272

(2) Financial information by region

The operating income of the Group's overseas departments is not over 10% of the Group's consolidated operating income. In addition, their assets are not over 10% of the Group's consolidated total assets either. Thus, no financial information by region is required.

(3) Information of important customers

The Group does not have major customers contributing more than 10% of net revenue and gains to the Group's consolidated statements of comprehensive income.

English Translation of Financial Statements Originally Issued in Chinese

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ATTACHMENT 1

Financings provided to others for the nine months ended September 30, 2025

No. (Note 1)	Lender	Borrower	Financial statement account (note 2)	Related parties	Maximum balance for the period (note 3)	Ending balance (note 8)	Amount actually drawn	Interest rate (%)	Financing type (note 4)	Transaction amount (note 5)	Financing reasons (note 6)	Allowance for impairment loss	Collateral		Financing Limit for Each Borrowing Company (Note 7)	Financing Company's Financing Amount Limit (Note 7)
													Item	Value		
1	Taishin AMC	Xu O Zhen	Long-term receivables - advance payment	No	\$133,333	\$133,333	\$85,500	1%~10%	Business transaction	\$85,500	Advance payment of urban renewal	\$-	Land and buildings	\$160,000	\$614,849	\$8,607,888
1	Taishin AMC	Chen O Ming	Long-term receivables - advance payment	No	133,333	133,333	87,500	1%~10%	Business transaction	87,500	Advance payment of urban renewal	-	Land and buildings	160,000	614,849	8,607,888
1	Taishin AMC	Zhuang O Xiang	Long-term receivables - advance payment	No	66,667	66,667	43,500	1%~10%	Business transaction	43,500	Advance payment of urban renewal	-	Land and buildings	80,000	614,849	8,607,888
1	Taishin AMC	Zhuang O Ming	Long-term receivables - advance payment	No	66,667	66,667	43,500	1%~10%	Business transaction	43,500	Advance payment of urban renewal	-	Land and buildings	80,000	614,849	8,607,888
1	Taishin AMC	King Want Corporation, Co., Ltd.	Long-term receivables - advance payment	No	350,000	350,000	245,740	1%~10%	Business transaction	245,740	Advance payment of urban renewal	-	-	-	614,849	8,607,888
1	Taishin AMC	Teng Jun Construction Co., Ltd.	Long-term receivables - advance payment	No	136,000	90,000	46,835	1%~10%	Business transaction	46,835	Advance payment of urban renewal	-	Land and buildings	108,000	614,849	8,607,888
1	Taishin AMC	King Want Co., Ltd.	Long-term receivables - advance payment	No	20,000	20,000	-	1%~10%	Business transaction	-	Advance payment of urban renewal	-	Land and buildings	24,000	614,849	8,607,888

English Translation of Financial Statements Originally Issued in Chinese

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

No. (Note 1)	Lender	Borrower	Financial statement account (note 2)	Related parties	Maximum balance for the period (note 3)	Ending balance (note 8)	Amount actually drawn	Interest rate (%)	Financing type (note 4)	Transaction amount (note 5)	Financing reasons (note 6)	Allowance for impairment loss	Collateral		Financing Limit for Each Borrowing Company (Note 7)	Financing Company's Financing Amount Limit (Note 7)
													Item	Value		
1	Taishin AMC	In Life Development Corporation Co., Ltd	Long-term receivables - advance payment	No	\$150,000	\$150,000	\$17,964	1%~10%	Business transaction	\$17,964	Advance payment of urban renewal	\$-	-	\$-	\$614,849	\$8,607,888
2	Taishin D.A. Finance	Yongjia Management Consulting Co., Ltd.	Accounts receivable	No	20,000	-	-	2%~10%	Short-term financing	-	Business turnover	-	-	-	433,855	4,338,546

Note 1: The method for filling out the number column is as follows:

- a. Parent: 0.
- b. Subsidiaries are numbered starting from 1.

Note 2: If receivables from related companies, receivables from related parties, contracts between shareholders, advance payments, payment on behalf, etc. have financing type, they should fill into this column.

Note 3: The maximum balance of financings provided in the current year.

Note 4: The financing type column should be business transaction or short-term financing.

Note 5: If the financing type is a business transaction, the amount of business transaction should be filled. The amount of business transaction refers to the amount between the lender and the borrower in the recent year.

Note 6: If the financing type is a short-term financing, the reason for the financing and the use of the financing should be specified, such as repayment of loans, purchase of equipment, business turnover, etc.

Note 7: The accumulated balance of loans (including business dealings and short-term financing needs) of Taishin AMC shall be limited to seven times of its net worth; for Taishin D.A. Finance, it shall be limited to its net worth. The lending amount limit to the same person and the same affiliated entity of Taishin AMC shall be limited to 50% of its net worth based on latest financial statements; for Taishin D.A. Finance, it shall be limited 10% of its net worth based on the latest financial statements.

Note 8: If public company follows the Article 14(a) of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, it will resolve the allocation of funds within the board of directors. Although the amount has not been allocated, the company needs to announce the amount resolved by the board of directors, in order to bear the risk of disclosure; after the fund has been repaid, the company should disclose the balance after repayment, in order to reflect on the adjustment of risk. If the public company follows the Article 14(b) of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, after the resolution of board of directors, enables the chairman, within a certain monetary limit resolved by the board of directors, and within a period not exceeding one year, to give loans in installments or to make a revolving credit line available for the borrower to draw down, the company should still use the resolution amount and limit passed in the board of directors as the publicly disclosed balance. After the fund has been partially repaid, considering that there will be more allocation in the process, the company should use the resolution amount and the limit passed in the board of directors as the publicly disclosed balance.

English Translation of Financial Statements Originally Issued in Chinese

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ATTACHMENT 2

Endorsements/guarantees provided for the nine months ended September 30, 2025

No. (Note 1)	Endorser/ Guarantor	Endorsee/Guarantee		Limits on endorsement/ Guarantee given on behalf of each party (note 3)	Maximum amount endorsed/ guaranteed during the period (note 4)	Outstanding endorsement/ Guarantee at the end of the period (note 5)	Actual amount borrowed (note 6)	Amount endorsed/ Guaranteed by collateral	Ratio of accumulated endorsement/ Guarantee to net equity in latest financial statements (%)	Aggregate endorsement/ Guarantee limit (note 3)	Endorsement /Guarantee given by parent on behalf of subsidiaries (note 7)	Endorsement/ Guarantee given by subsidiaries on behalf of parent (note 7)	Endorsement/ Guarantee given on behalf of companies in mainland China (note 7)
		Name	Relationship (Note 2)										
1	Taishin D.A. Finance	Taishin Financial Leasing (China)	2	\$32,006,236	\$1,554,032	\$1,554,032	\$1,398,628	\$-	33.99%	\$32,006,236	Y	N	Y

Note 1: Column is numbered as follows:

- a. Parent: 0.
- b. Subsidiaries are numbered starting from 1.

Note 2: Relationship between the endorser/guarantor and the endorsee/guarantee is classified as follows:

- a. Having a business relationship.
- b. The endorser/guarantor directly or indirectly owns more than 50% of the ordinary shares of the endorsee/guarantee.
- c. The endorsee/guarantee directly or indirectly owns more than 50% of the ordinary shares of the endorser/guarantor.
- d. The Company in which the public company directly or indirectly holds 90% or more of the voting shares may make endorsements/guarantees for each other.
- e. Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or joint builders for purposes of undertaking a construction project.
- f. Due to a joint venture, all shareholders provide endorsements/guarantees to the endorsee/guarantee in proportion to their ownership.
- g. Where companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The company should specify the limits for endorsements and guarantees established for individual parties based on the endorsement guarantee procedures for others, as well as the maximum limit for endorsements and guarantees. Additionally, the calculation method for the limits for individual parties and the total limit should be explained in the remarks column.

Note 4: The maximum balance of the endorsement/guarantee provided to others in the current year.

Note 5: The amount approved by the board of directors shall be entered. However, it refers to the amount approved by the chairman if the board of directors authorizes the chairman to make a decision in accordance with Subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: The actual drawdown amount by the endorsed/guaranteed company within the range of the endorsement/guarantee balance shall be entered.

Note 7: It is a guarantor of the listed parent company to the endorsement of the subsidiary, the subsidiary company's endorsement to the listed parent company and the endorsement of the mainland area must be filled with Y.

Note 8: Foreign-currency amounts were translated to New Taiwan Dollars at the spot exchange rates on the balance sheet date.

English Translation of Financial Statements Originally Issued in Chinese

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ATTACHMENT 3

Significant securities held as of September 30, 2025 (Excluding subsidiaries, associates and jointly controlled entities)

(In Thousands Shares/Units; in Thousands of New Taiwan Dollars)

Holding company	Marketable securities type and name	Relationship with the holding company	Financial statement account	September 30, 2025				Note
				Number of shares/units/face value	Carrying amount	Percentage of ownership (%)	Market value	
Taishin Real Estate	Stock Metro Consulting Service Ltd.	Its corporate director is Taishin Real Estate	Financial assets at fair value through other comprehensive income	300	\$3,066	6.00	\$3,066	
Taishin D.A. Finance	Stock Yuan Tai Forex Brokerage Co., Ltd.	Its corporate director is Taishin D.A. Finance	Financial assets at fair value through other comprehensive income	600	8,132	5.00	8,132	
	Bon-Li International Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income	125	-	1.50	-	Go out of business
Taishin Venture Capital Investment	Equity Taishin Financial Leases (China)	Parent company and subsidiary	Investments measured by equity method	USD 80,000	2,348,395	100.00	2,348,395	
	Chime Biologics Limited	None	Financial assets at fair value through profit or loss	2,105	37,347	0.45	37,347	
	Delos Capital Fund, LP	None	Financial assets at fair value through profit or loss	8,144	115,067	7.63	115,067	
	Delos Capital Fund II, LP	None	Financial assets at fair value through profit or loss	7,447	253,815	7.46	253,815	
	Delos Capital Fund III, LP	None	Financial assets at fair value through profit or loss	12,117	262,468	8.31	262,468	
	CDIB Capital Global Opportunities Fund, L.P.	None	Financial assets at fair value through profit or loss	2,524	69,678	2.21	69,678	

English Translation of Financial Statements Originally Issued in Chinese

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Holding company	Marketable securities type and name	Relationship with the holding company	Financial statement account	September 30, 2025				Note
				Number of shares/units/face value	Carrying amount	Percentage of ownership (%)	Market value	
	Li Shen Zhi-Lian L.P.	None	Financial assets at fair value through profit or loss	30,000	\$36,900	10.59	\$36,900	
	Arm IoT Fund, L.P.	None	Financial assets at fair value through profit or loss	2,456	82,062	14.70	82,062	
	Stock							
	Hwei-Yang Venture Capital Investment Co., Ltd.	None	Financial assets at fair value through profit or loss	42	1,658	1.54	1,658	
	Century Development Corp.	Its corporate supervisor is Taishin Venture Capital Investment	Financial assets at fair value through profit or loss	10,910	133,025	3.03	133,025	
	Microbio Co., Ltd.	None	Financial assets at fair value through profit or loss	1,322	30,530	0.22	30,530	
	Winking Studios Limited	None	Financial assets at fair value through profit or loss	2,614	16,053	0.59	16,053	
	Diamond Biofund INC.	None	Financial assets at fair value through profit or loss	72,626	1,412,582	8.52	1,412,582	
	Stemcyten International ,Ltd.	None	Financial assets at fair value through profit or loss	730	17,776	0.38	17,776	
	VM Discovery, Inc. Preferred D	None	Financial assets at fair value through profit or loss	95	3,114	0.38	3,114	
	RevMab Biosciences, Inc.	None	Financial assets at fair value through profit or loss	400	14,944	2.26	14,944	
	Eden Biologics, Inc.	None	Financial assets at fair value through profit or loss	2,105	4,084	0.89	4,084	
	OME Technology Co., Ltd.	None	Financial assets at fair value through profit or loss	1,457	28,604	2.15	28,604	

English Translation of Financial Statements Originally Issued in Chinese

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Holding company	Marketable securities type and name	Relationship with the holding company	Financial statement account	September 30, 2025				Note
				Number of shares/units/face value	Carrying amount	Percentage of ownership (%)	Market value	
	Shin Yao Biomedical Venture Capital Investment Co., Ltd.	Its corporate director is Taishin Venture Capital Investment	Financial assets at fair value through profit or loss	35,000	\$240,100	10.00	\$240,100	
	Taxven BioPharma, Inc.	None	Financial assets at fair value through profit or loss	402	20,806	0.15	20,806	
	Great Agricultural Technology Co., Ltd.	None	Financial assets at fair value through profit or loss	578	2,223	3.33	2,223	
	Contact Digital Integration Co., Ltd.	Others	Financial assets at fair value through profit or loss	1,300	-	7.22	-	
	I.X	None	Financial assets at fair value through profit or loss	1,942	58	3.41	58	
	AMIS Technologies Co., Ltd.	None	Financial assets at fair value through profit or loss	17,500	-	7.92	-	
	IIH Biomedical Venture Fund I Co., Ltd.	Its corporate director is Taishin Venture Capital Investment	Financial assets at fair value through profit or loss	2,500	98,550	8.08	98,550	
	Taiwania Capital Management Corporation	None	Financial assets at fair value through profit or loss	17,760	58,075	7.10	58,075	
	Shenghe Energy Corporation	Its corporate supervisor is Taishin Venture Capital Investment	Financial assets at fair value through profit or loss	5,000	21,600	5.00	21,600	
	Jada International Development Corporation	None	Financial assets at fair value through profit or loss	1,946	8,661	5.68	8,661	
	Guoyu Global Company Limited	Its corporate director is Taishin Venture Capital Investment	Financial assets at fair value through profit or loss	300	534	9.68	534	
	Jing Ying Investment Co., Ltd.	Its corporate director is Taishin Venture Capital Investment	Financial assets at fair value through profit or loss	15,610	97,719	10.00	97,719	
	Gogoro Inc.	None	Financial assets at fair value through profit or loss	1,000	9,140	0.34	9,140	

English Translation of Financial Statements Originally Issued in Chinese

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Holding company	Marketable securities type and name	Relationship with the holding company	Financial statement account	September 30, 2025				Note
				Number of shares/units/face value	Carrying amount	Percentage of ownership (%)	Market value	
	CT Ambi Inc.	Its corporate supervisor is Taishin Venture Capital Investment	Financial assets at fair value through profit or loss	2,000	\$10,600	14.83	\$10,600	
	BSOS Holdings, INC.	None	Financial assets at fair value through profit or loss	2,406	26,755	2.69	26,755	
	All Win Fintech Company Limited	Its corporate director is Taishin Venture Capital Investment	Financial assets at fair value through profit or loss	8,617	50,928	13.70	50,928	
	ImmunAdd Inc.	None	Financial assets at fair value through profit or loss	2,130	28,393	10.00	28,393	
	Sim2 Travel Inc. Preferred A	None	Financial assets at fair value through profit or loss	350	-	0.88	-	
	PC Home Online Investment Inc.	None	Financial assets at fair value through profit or loss	79	-	3.03	-	Liquidated
	CC Media Co., Ltd.	None	Financial assets at fair value through profit or loss	400	-	0.48	-	
	Taishin Sports Entertainment Beneficiary certificates	Parent company and subsidiary	Investments measured by equity method	6,000	26,304	100.00	26,304	
	Capital Global Strategic Income High Yield Bond Fund	None	Financial assets at fair value through profit or loss	1,876	19,678	-	19,678	
	Taishin ESG Emerging Markets Bond Fund A	Issued by Taishin Securities Investment Trust	Financial assets at fair value through profit or loss	1,100	10,222	-	10,222	
	Fubon Money Market Fund	None	Financial assets at fair value through profit or loss	1,992	31,166	-	31,166	
	Fubon Chi-Hsiang Money Market Fund	None	Financial assets at fair value through profit or loss	4,273	70,590	-	70,590	
	Fubon Global Investment-grade Bond Fund	None	Financial assets at fair value through profit or loss	2,835	29,367	-	29,367	
	JKO Pion Money Market Fund	None	Financial assets at fair value through profit or loss	1,654	20,062	-	20,062	
	UPAMC James Bond Money Market Fund	None	Financial assets at fair value through profit or loss	577	10,152	-	10,152	

English Translation of Financial Statements Originally Issued in Chinese

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Holding company	Marketable securities type and name	Relationship with the holding company	Financial statement account	September 30, 2025				Note
				Number of shares/units/face value	Carrying amount	Percentage of ownership (%)	Market value	
Taishin AMC	Investment agreement Public Television Foundation (SEQALU: Formosa 1867)	None	Financial assets at fair value through profit or loss	2,000	\$-	1.06	\$-	
	Stock Linkou Golf Country Club	None	Financial assets at fair value through other comprehensive income	-	2,095	0.30	2,095	
	Dah Chung Bills	Its corporate director is Taishin Bank	Financial assets at fair value through other comprehensive income	2,465	36,631	0.51	36,631	
	Diamond Biofund INC.	None	Financial assets at fair value through other comprehensive income	5,788	112,584	0.68	112,584	
	Shin Yao Biomedical Venture Capital Investment Co., Ltd.	Its corporate director is Taishin Venture Capital Investment	Financial assets at fair value through other comprehensive income	4,375	30,013	1.25	30,013	
	Jing Ying Investment Co., Ltd.	Its corporate director is Taishin Venture Capital Investment	Financial assets at fair value through other comprehensive income	1,951	12,215	1.25	12,215	
	Taishin Real Estate	Investee under the equity method	Investments measured by equity method	8,000	147,938	40.00	147,938	
Taishin Securities Venture Capital	Stock Geniron.com.inc	None	Financial assets at fair value through profit or loss	434	7,577	4.06	7,577	
	Obigen Pharma, Inc.	None	Financial assets at fair value through profit or loss	1,000	26,810	0.01	26,810	
	Trans-IOT Technology Co., Ltd.	None	Financial assets at fair value through profit or loss	385	1,688	0.04	1,688	
	eTreego Co., Ltd.	None	Financial assets at fair value through profit or loss	520	4,025	0.00	4,025	
	Libo Pharma Corp.	None	Financial assets at fair value through profit or loss	2,500	100,000	0.03	100,000	

English Translation of Financial Statements Originally Issued in Chinese

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Holding company	Marketable securities type and name	Relationship with the holding company	Financial statement account	September 30, 2025				Note
				Number of shares/units/face value	Carrying amount	Percentage of ownership (%)	Market value	
	Accordance Systems Inc.	None	Financial assets at fair value through profit or loss	400	\$34,400	0.02	\$34,400	
	Honlynn Co., Ltd.	None	Financial assets at fair value through profit or loss	900	20,700	0.03	20,700	
	Da Yi Cheng Technology Co., Ltd.	None	Financial assets at fair value through profit or loss	650	117,000	0.03	117,000	
	Digital Idea Multi-Media Co., Ltd.	None	Financial assets at fair value through profit or loss	600	60,000	0.03	60,000	
	AV LINK Group Ltd.	None	Financial assets at fair value through profit or loss	370	-	0.02	-	
	Excelsior Bio-system Inc.	None	Financial assets at fair value through profit or loss	263	-	0.01	-	
	Finatext Ltd.	None	Financial assets at fair value through profit or loss	29	-	0.08	-	
	Tangeng Advanced Vehicle Co., Ltd.	None	Financial assets at fair value through profit or loss	1,400	-	0.02	-	
	Le Day Multimedia Co., Ltd.	None	Financial assets at fair value through profit or loss	459	-	0.04	-	
	Rich Healthy Fruits & Vegetable Corp.	None	Financial assets at fair value through profit or loss	288	-	0.02	-	
	Ecloudvalley Digital Technology Co., Ltd.	None	Financial assets at fair value through profit or loss	58	4,344	0.00	4,344	
	Fositek Corp.	None	Financial assets at fair value through profit or loss	100	21,912	0.00	21,912	
	Mega Union Technology Incorporated	None	Financial assets at fair value through profit or loss	10	5,270	0.01	5,270	
	Microprogram Information Co., Ltd.	None	Financial assets at fair value through profit or loss	185	11,285	0.00	11,285	
	H. H. Galaxy Co., Ltd.	None	Financial assets at fair value through profit or loss	41	2,854	0.00	2,854	
	Echem solutions Corp.	None	Financial assets at fair value through profit or loss	52	46,280	0.00	46,280	
	Hornng Terng Automation Co., Ltd.	None	Financial assets at fair value through profit or loss	105	54,495	0.00	54,495	

English Translation of Financial Statements Originally Issued in Chinese

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Holding company	Marketable securities type and name	Relationship with the holding company	Financial statement account	September 30, 2025				Note
				Number of shares/units/face value	Carrying amount	Percentage of ownership (%)	Market value	
Taishin Health Investment	Acepodia, Inc. (Cayman)	None	Financial assets at fair value through profit or loss	200	\$3,584	0.00	\$3,584	
	Taiwan Puritic Corp.	None	Financial assets at fair value through profit or loss	12	5,682	0.00	5,682	
	Taishin Healthcare Partnership	Its general partner is Taishin Health Investment	Financial assets at fair value through profit or loss	10,136	68,257	1.65	68,257	
Taishin Capital	Taishin Health Investment	Parent company and subsidiary	Investments measured by equity method	52,843	72,050	100.00	72,050	
Taishin Futures	Taishin AIoT Semiconductor LP.	Its general partner is Taishin Capital	Financial assets at fair value through profit or loss	1	1	16.67	1	
	Taiwan Futures Exchange	None	Financial assets at fair value through other comprehensive income	65	2,991	0.01	2,991	
MasterLink Securities Venture Capital	TacBright Optronics Corp.	None	Financial assets at fair value through profit or loss	3,300	19,239	0.71	19,239	
	Allied Biotech Corp.	None	Financial assets at fair value through profit or loss	940	16,412	0.98	16,412	
	Luo Lih-Fen Holding Co., Ltd.	None	Financial assets at fair value through profit or loss	165	8,242	0.35	8,242	
	Anya Biopharm Inc.	None	Financial assets at fair value through profit or loss	1,677	85,410	3.42	85,410	

English Translation of Financial Statements Originally Issued in Chinese

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Holding company	Marketable securities type and name	Relationship with the holding company	Financial statement account	September 30, 2025				Note
				Number of shares/units/face value	Carrying amount	Percentage of ownership (%)	Market value	
	AetherAI Co., Ltd.	None	Financial assets at fair value through profit or loss	1,000	\$35,280	1.13	\$35,280	
	Amaran Biotechnology Inc.	None	Financial assets at fair value through profit or loss	292	15,740	0.32	15,740	
	Minima Technology Co., Ltd.	None	Financial assets at fair value through profit or loss	1,290	29,700	3.25	29,700	
	NanoMed Targeting Systems Inc.	None	Financial assets at fair value through profit or loss	146	-	19.00	-	
	Excelsius Medical Co., Ltd.	Its corporate director is Master Link Venture Capital Corp., Ltd.	Financial assets at fair value through profit or loss	528	3,637	2.64	3,637	
	Sing Ge Biotechnology Co., Ltd.	Its corporate supervisor is Master Link Venture Capital Corp., Ltd.	Financial assets at fair value through profit or loss	2,950	44,791	9.83	44,791	
	Grow Trend Biomedical Co., Ltd.	Its corporate supervisor is Master Link Venture Capital Corp., Ltd.	Financial assets at fair value through profit or loss	1,004	10,044	6.98	10,044	
	Lattice Energy Technology Corporation	None	Financial assets at fair value through profit or loss	2,300	-	5.97	-	
	Bright Ideas for Life Co., Ltd.	None	Financial assets at fair value through profit or loss	1,000	-	3.85	-	
	Prosperity Power Technology Corporation	None	Financial assets at fair value through profit or loss	424	5,186	1.41	5,186	
	Taiwan Advanced Systems Corp.	None	Financial assets at fair value through profit or loss	2,080	21,840	5.20	21,840	
	Krisan Biotech Co., Ltd.	None	Financial assets at fair value through profit or loss	1,450	49,666	2.52	49,666	
	Teninco Technology Co., Ltd.	None	Financial assets at fair value through profit or loss	1,000	38,000	2.57	38,000	
	Revlis Biotech Co., Ltd.	None	Financial assets at fair value through other comprehensive income	3,114	3,410	3.70	3,410	

English Translation of Financial Statements Originally Issued in Chinese

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Holding company	Marketable securities type and name	Relationship with the holding company	Financial statement account	September 30, 2025				Note
				Number of shares/units/face value	Carrying amount	Percentage of ownership (%)	Market value	
Shin Shou Building Management	MIGO CORPORATION	None	Financial assets at fair value through other comprehensive income	2,301	\$-	0.54	\$-	
	Asia Best Healthcare	None	Financial assets at fair value through other comprehensive income	4	9,044	1.57	9,044	
	Asia Best Healthcare Co., Ltd.	None	Financial assets at fair value through other comprehensive income	2,748	13,761	1.60	13,761	
	Equity							
	MasterLink Securities Venture Capital (Tianjin)	Investee under the equity method	Investments measured by equity method	5,045	50,450	10.00	50,450	
	Stock							
	The Great Gas Corp.	Others	Financial assets at fair value through other comprehensive income	11,699	352,150	2.27	352,150	
	Taiwan Shin Kong Security Co., Ltd	None	Financial assets at fair value through other comprehensive income	3,450	140,945	0.89	140,945	
	Shin Kong Spinning Co., Ltd.	None	Financial assets at fair value through other comprehensive income	643	36,330	0.21	36,330	
	Shin Kong Insurance Co., Ltd.	Others	Financial assets at fair value through other comprehensive income	778	93,749	0.25	93,749	
	Yi Kong Security	Others	Financial assets at fair value through other comprehensive income	5,607	218,662	15.50	218,662	
	Lian-An Serve	Others	Financial assets at fair value through other comprehensive income	5	100	0.20	100	
	Grwat Taipei Broadband Co., Ltd.	Others	Financial assets at fair value through other comprehensive income	10,000	55,903	6.67	55,903	
	Yu Chi Venture Capital	None	Financial assets at fair value through other comprehensive income	125	1,337	2.50	1,337	
	Beneficiary certificates							
	Allianz Global Investors Taiwan Money Fund First Gold Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss	7,770	102,674	0.12	102,674	
	First Gold Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss	8,298	133,998	0.20	133,998	
Fubon Money Market Fund	None	Financial assets at fair value through profit or loss	6,566	102,755	0.19	102,755		
Yuanta U.S. Treasury 1-3 Year Bond ETF	None	Financial assets at fair value through profit or loss	1,000	30,190	0.21	30,190		
CAPITAL ICE ESG 20+Year BBB Corporate ETF	None	Financial assets at fair value through profit or loss	1,900	28,500	0.01	28,500		

English Translation of Financial Statements Originally Issued in Chinese

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Holding company	Marketable securities type and name	Relationship with the holding company	Financial statement account	September 30, 2025				Note
				Number of shares/units/face value	Carrying amount	Percentage of ownership (%)	Market value	
Shin Kong Investment Trust	CTBC Enhanced Yield 15+Year Investment Grade Senior US Developed Markets Corporate ESG Screened Bond ETF	None	Financial assets at fair value through profit or loss	3,000	\$28,530	0.10	\$28,530	
	KGI Global 10+Year USD Single A Corporate Bond ETF	None	Financial assets at fair value through profit or loss	1,400	19,726	0.06	19,726	
	Bond Mercuries Life Insurance Co., Ltd	None	Investments in debt instruments at amortized cost	-	39,929	-	39,929	
	Stock FundRich	None	Financial assets at fair value through other comprehensive income	340	4,869	0.49	4,869	
	Victor Taichung Machinery Works Co., Ltd	None	Financial assets at fair value through profit or loss	-	1,546	0.04	1,546	
Shin Kong Venture Capital	Stock Tiantai II Optoelectronics Co., Ltd.	None	Financial assets at fair value through other comprehensive income	1,338	23,569	0.05	23,569	
	Mesh Ventures Fund 1 LP	None	Financial assets at fair value through other comprehensive income	-	1,780	0.03	1,780	
	Aulisa Medical USA, Inc.	None	Financial assets at fair value through other comprehensive income	309	9,990	0.01	9,990	
	Sounds Great Co., Ltd.	None	Financial assets at fair value through other comprehensive income	7,450	-	0.09	-	
	Puhui Financial Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income	230	-	0.12	-	
	Evergreen Steel Corp.	None	Financial assets at fair value through other comprehensive income	315	30,461	0.00	30,461	
	Value Valves Co., Ltd.	None	Financial assets at fair value through other comprehensive income	37	3,308	0.00	3,308	
	Alar Pharmaceuticals Inc.	None	Financial assets at fair value through other comprehensive income	288	67,536	0.00	67,536	
	Taiya Renewable Energy Co., Ltd	None	Financial assets at fair value through profit or loss	600	8,021	0.00	8,021	
	Daheng	None	Financial assets at fair value through profit or loss	1,250	22,500	0.02	22,500	

English Translation of Financial Statements Originally Issued in Chinese

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Holding company	Marketable securities type and name	Relationship with the holding company	Financial statement account	September 30, 2025				Note
				Number of shares/units/face value	Carrying amount	Percentage of ownership (%)	Market value	
	Eco Energy Corporation	None	Financial assets at fair value through profit or loss	857	\$12,342	0.02	\$12,342	
	Zimmit Taiwan Ltd.	None	Financial assets at fair value through profit or loss	611	35,766	0.02	35,766	
	AnnJi Pharmaceutical Co., Ltd.	None	Financial assets at fair value through profit or loss	133	6,259	0.00	6,259	
	Chyunn Environment Corporation	None	Financial assets at fair value through profit or loss	929	31,435	0.04	31,435	
	Techzone Technology Materials Co., Ltd.	None	Financial assets at fair value through profit or loss	492	38,622	0.01	38,622	
	Sync-Tech System Corp.	None	Financial assets at fair value through profit or loss	2	341	0.00	341	
	Jih-yao Energy Co., Ltd. Beneficiary certificates	Associate	Investments measured by equity method	500	5,141	1.67	5,141	
	Li Shen Zhi-Lian L.P.	None	Financial assets at fair value through profit or loss	-	117,099	0.15	117,099	
	Andra Capital Fund LP	None	Financial assets at fair value through profit or loss	-	204,983	0.04	204,983	
	Pacific 8 Ventures Fund II, L.P.	None	Financial assets at fair value through profit or loss	-	64,102	0.06	64,102	
	Bond							
	Mercuries Life Insurance Co., Ltd	None	Investments in debt instruments at amortized cost	-	231,573	-	231,573	
	Equity							
	Lion Investment (Samoa) Co., Ltd.	Parent company and subsidiary	Investments measured by equity method	30,010	826,511	100.00	826,511	

English Translation of Financial Statements Originally Issued in Chinese

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ATTACHMENT 4

Accumulated purchases and sales of specific marketable securities over NT\$300 million or 10% of outstanding capital

For the nine months ended September 30, 2025

Buyer or seller	Type and name of marketable security	Account Recorded	Transaction Party	Issuer's relationship to the buyer or seller	Beginning of the period		Purchases		Sales				Others		End of the period	
					Shares (units)	Amount	Shares (units)	Amount	Shares (units)	Selling Price	Carrying Amount	Disposal Gain (loss)	Shares (units)	Amount	Shares (units)	Amount
The Company	Stock															
	Chang Hwa Bank	Financial assets at fair value through other comprehensive income	Open market	-	575,291	\$10,268,948	-	\$-	42,873	\$790,506	\$653,656	\$136,850	230,803 (Note 1)	\$3,551,707 (Note 2)	301,615	\$5,926,735
Taishin Bank	Stock															
	Taiwan Stock Exchange Corporation	Investments in equity instruments designated at fair value through other comprehensive income	Private market	-	-	-	8,495	722,075	-	-	-	-	-	(252,120) (Note 3)	8,495	469,955

Note 1: "Others" refers to number of shares exchanged upon request by bondholders of exchangeable corporate bonds.

Note 2: "Others" refers to fair value adjustments and derecognition of shares at fair value upon share exchange.

Note 3: "Others" refers to fair value adjustments.

English Translation of Financial Statements Originally Issued in Chinese

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ATTACHMENT 5

Receivables from related parties amounting to NT\$300 million or 10% of the paid-in capital

September 30, 2025

Company name	Related party	Relationship	Ending balance	Turnover rate	Overdue		Amount received in subsequent year	Allowance for bad debts	Note
					Amount	Actions taken			
TS Financial Holding	Taishin Bank	Wholly-owned subsidiary of TS Financial Holding	\$2,984,578 (Note 1)	-	\$-	-	\$-	\$-	-
Shin Kong Life Insurance	TS Financial Holding	Wholly-owned subsidiary of TS Financial Holding	11,114,781 (Note 1)	-	-	-	-	-	-
Taishin Bank	Taishin Life Insurance	Wholly-owned subsidiary of TS Financial Holding	471,545 (Note 2)	-	-	-	-	-	-

Note 1: The ending balance is comprised of accounts receivable under linked tax system. The amount was eliminated from the consolidated financial statements.

Note 2: The ending balance is comprised of commission receivable. The amount was eliminated from the consolidated financial statements.

English Translation of Financial Statements Originally Issued in Chinese

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ATTACHMENT 6

1. Investments in Mainland China

(In Thousands of New Taiwan Dollars, In Thousands of Specified Foreign Currency)

Investor (Note 1)	Investee	Main businesses and products of investee	Total amount of paid-in capital of investee (US\$ in thousand)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025 (US\$ in thousand)	Investment flows (US\$ in thousand)		Accumulated outflow of investment from Taiwan as of September 30, 2025 (US\$ in thousand)	Investee's net income	Percentage of ownership (%)	Investment profit (loss) recognized in the current period	Carrying value as of September 30, 2025	Accumulated inward remittance of earnings as of September 30, 2025
						Outflow	Inflow						
Taishin D.A. Finance	Taishin Financial Leases (China)	Financial leasing	\$2,437,967 (USD80,000)	Note 1(1)	\$2,117,767 (USD70,000)	\$-	\$-	\$2,117,767 (USD70,000)	\$(4,982)	100%	\$(4,982) (Note 2(2)A)	\$2,348,395	\$397,631
MasterLink Securities	MasterLink Investment Advisory (Tianjin)	Securities investment consulting, training, and teaching services.	13,774	Note 1(2) MasterLink Securities (B.V.I.)	13,774	-	-	13,774	(47)	100%	(47) (Note 2(2)A)	25,957	-
MasterLink Securities	MasterLink Innovation Venture Management (Tianjin)	Entrusted management of venture capital enterprises' investment business and investment consulting services.	50,450	Note 1(1)	50,450	-	-	50,450	3,151	100%	3,151 (Note 2(2)A)	87,288	-

English Translation of Financial Statements Originally Issued in Chinese

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Investor (Note 1)	Investee	Main businesses and products of investee	Total amount of paid-in capital of investee (US\$ in thousand)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025 (US\$ in thousand)	Investment flows (US\$ in thousand)		Accumulated outflow of investment from Taiwan as of September 30, 2025 (US\$ in thousand)	Investee's net income	Percentage of ownership (%)	Investment profit (loss) recognized in the current period	Carrying value as of September 30, 2025	Accumulated inward remittance of earnings as of September 30, 2025
						Outflow	Inflow						
MasterLink Securities	MasterLink Securities Venture Capital (Tianjin)	Providing venture capital consulting for newly established enterprises, investing in established enterprises, accepting equity transfers from investors of established enterprises, and other methods permitted by regulations, as well as providing management consulting for invested enterprises.	\$504,500	Note 1(1)	\$504,500	\$-	\$-	\$504,500	\$598	100%	\$598 (Note 2(2)A)	\$420,645	\$-

English Translation of Financial Statements Originally Issued in Chinese

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Investor (Note 1)	Investee	Main businesses and products of investee	Total amount of paid-in capital of investee (US\$ in thousand)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2025 (US\$ in thousand)	Investment flows (US\$ in thousand)		Accumulated outflow of investment from Taiwan as of September 30, 2025 (US\$ in thousand)	Investee's net income	Percentage of ownership (%)	Investment profit (loss) recognized in the current period	Carrying value as of September 30, 2025	Accumulated inward remittance of earnings as of September 30, 2025
						Outflow	Inflow						
Shin Kong Life Insurance	DingCheng Life Insurance	Insurance business operations.	\$5,544,400 (CNY1,250,000)	Note 1(1)	\$1,386,100	\$-	\$-	\$1,386,100	\$ (889,712)	25%	\$ (5,157) (Note 2(2)A)	\$-	\$1,688,029
Shin Kong Venture Capital	Shin Kong Leasing (Suzhou)	Operating finance leasing.	909,540 (USD30,000)	Note 1(2) Lion Investment (Samoa) Co., Ltd.	909,540 (USD30,000)	-	-	909,540 (USD30,000)	(203,987)	100%	(203,987) (Note 2(2)A)	775,895	-

2. Investment limits for the mainland region:

Investor	Accumulated investment in Mainland China as of September 30, 2025 (US\$ in thousand)	Investment amounts authorized by investment commission, MOEA (US\$ in thousand)	Upper limit on investment (US\$ in thousand)
Taishin D.A. Finance	\$2,117,767 (USD70,000)	\$2,356,113 (USD80,000)	\$31,139,299
MasterLink Securities	568,724	568,724	16,572,648
Shin Kong Life Insurance	1,386,100	337,721 (USD12,642)	103,010,463
Shin Kong Venture Capital	909,540 (USD30,000)	909,540 (USD30,000)	960,646

Note 1: The methods of investment are as follows:

- (1) Direct investment in mainland China.
- (2) Investment in mainland China through reinvestment in an existing enterprise in a third area.
- (3) Others.

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Note 2: Recognized in profit (loss) in the current period:

- (1) If the entity is still in the preparation stage and there is no profit (loss) yet, it should be disclosed.
- (2) The basis of recognition of profit (loss), one of the following categories, should be disclosed:
 - A. Financial statements have been audited (reviewed) by an international accounting firm that has a working relationship with an accounting firm in the ROC.
 - B. Financial statements have been audited (reviewed) by the Taiwan parent company's CPA.
 - C. Others.

Note 3: For Taiwanese banks establishing branches, subsidiary banks, or participating in equity investment in mainland China, as well as Taiwanese banks and their subsidiaries that hold more than 50% of the total issued voting shares or total capital and subsidiary banks in a third area, the accumulated operating funds and investment of related-party corporations that are directly or indirectly controlled by companies investing in the mainland shall not exceed 15% of the bank's net worth at the time of application.

Note 4: In the current period, the investment gains and losses are recognized in the column:

- (1) Shin Kong Life Insurance Co., Ltd. obtained approval from the Ministry of Finance and the Ministry of Economic Affairs' Investment Review Committee to invest in establishing an insurance company in the mainland region in 2003. On November 5, 2007, it received approval from the China Insurance Regulatory Commission (CIRC) for the establishment of a Sino-foreign joint venture life insurance company with HNA Group Co., Ltd. The initial investment amount of RMB 250,000 thousand (equivalent to USD 36,150 thousand) was remitted on June 6, 2008, and Shin Kong HNA Life Insurance Co., Ltd. officially commenced operations on April 27, 2009. Shin Kong Life Insurance Co., Ltd. applied for an increase in investment in the mainland region amounting to RMB 187,500 thousand (equivalent to USD 28,310 thousand), which was approved by the Ministry of Economic Affairs' Investment Review Committee on September 25, 2018. Shin Kong Life Insurance Co., Ltd. sold part of its equity in Shin Kong HNA and applied to remit the equity transfer price of RMB 350,000 thousand (equivalent to USD 51,818 thousand), which was recorded by the Ministry of Economic Affairs' Investment Review Committee on February 18, 2019. Shin Kong Life Insurance Co., Ltd. applied for an increase in investment in the mainland region amounting to RMB 187,500 thousand (equivalent to USD 26,865 thousand), which was recorded by the Ministry of Economic Affairs' Investment Review Committee on August 24, 2020. The aforementioned increase in capital of RMB 187,500 thousand was recovered on August 16, 2021, and was recorded by the Ministry of Economic Affairs' Investment Review Committee on September 10, 2021.
- (2) The cumulative investment amount remitted from Taiwan and the investment amount remitted or recovered in the current period are based on the original investment amount.
- (3) On September 29, 2018, Shin Kong Life Insurance Co., Ltd. received approval from the CIRC for the equity transfer and capital increase of Shin Kong HNA. Shin Kong Life Insurance Co., Ltd. has remitted the capital increase amount of RMB 838,125 thousand (equivalent to RMB 187,500 thousand) to the verification account of Shin Kong HNA. Shin Kong HNA recognized the registered capital in accordance with Chinese enterprise accounting standards for the fiscal year 2018. Shin Kong Life Insurance Co., Ltd. completed the equity transfer in 2018 and recognized a disposal gain of RMB 1,688,029 thousand, recorded under operating income - other net investment gains and losses. In the fiscal year 2018, Shin Kong Life Insurance Co., Ltd. reclassified the 25% equity intended for sale to assets held for sale, with related other equity reclassified to other equity under rights directly related to assets held for sale, amounting to RMB 6,130 thousand. After the completion of the equity transfer, the assets held for sale and rights directly related to the assets held for sale were derecognized.
- (4) On April 3, 2019, Shin Kong HNA obtained approval from the CIRC to change its name to Ding Cheng Life Insurance Co., Ltd.
- (5) On September 2, 2020, Shin Kong Life Insurance Co., Ltd. remitted the capital increase amount of RMB 807,188 thousand (equivalent to RMB 187,500 thousand) to the Ding Cheng Life Insurance capital increase account, which is still under review by the CIRC. This capital increase amount is recorded under other assets as prepaid investment. The supervisory authority reallocated this capital increase case on January 1, 2021, from the CIRC to the Beijing Regulatory Bureau of the CIRC. This capital increase case was terminated by the Ding Cheng Life Insurance Board on June 30, 2021, and the capital increase amount was remitted back on August 16, 2021. On June 29, 2021, the Board of Directors approved the recovery of the original capital increase amount and the sale of all equity in Ding Cheng Life Insurance. On June 30, 2021, an equity transfer agreement and a supplementary agreement were signed with Red Bean Group Co., Ltd., with a total transfer price of RMB 462,500 thousand, and it was agreed that Shin Kong Life Insurance Co., Ltd. would no longer contribute to Ding Cheng Life Insurance's subsequent capital increase plans. This equity transfer is subject to approval from the supervisory authority, which was changed to the National Financial Supervisory Administration's Beijing Regulatory Bureau in May 2023.

English Translation of Financial Statements Originally Issued in Chinese

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

- (6) The shareholders of Ding Cheng Life Insurance Co., Ltd., Shenzhen Bailin Asset Management Co., Ltd. and Shenzhen Guozhan Investment Development Co., Ltd., donated RMB 450,000 thousand and RMB 50,000 thousand, respectively, to Ding Cheng Life Insurance Co., Ltd. on March 16, 2021, totaling RMB 500,000 thousand. This donation is a gratuitous gift, and Ding Cheng Life Insurance Co., Ltd. has no obligation to repay this amount, nor does it affect the shareholding ratio of Shin Kong Life Insurance Co., Ltd. and other shareholders. The funds are used to enhance the company's solvency ratio to support business development. The donation is recorded under the capital reserve of Ding Cheng Life Insurance Co., Ltd., and Shin Kong Life Insurance Co., Ltd. recognizes its share under capital reserve - other, totaling RMB 543,285 thousand.
- (7) Location: Beijing, China.
- (8) Fund utilization and its gains and losses: As of September 30, 2025, Ding Cheng Life Insurance Co., Ltd.'s fund utilization includes: bank deposits, securities, and life insurance loans totaling RMB 47,298,154 thousand; additionally, its investment income as of September 30, 2025, is RMB 1,001,768 thousand.
- (9) Method and amount of reserve provision:

	September 30, 2025
	(in thousands of New Taiwan Dollars)
Unearned premium reserves	\$876
Claims reserves	306
Liability reserves	49,833,416
	<u>\$49,834,598</u>

- A. Unearned premium reserves: For short-term insurance policies with a coverage period of one year or less, as well as universal life insurance risk premiums, unearned premiums are calculated based on the unexpired portion of the retained risk for each type of insurance, and unearned premium reserves are established by type of insurance.
- B. Claims reserves: Claims reserves are calculated by type of insurance based on past claims experience and expenses, using methods that comply with actuarial principles. Reserves are established for reported but unpaid claims and for claims that have not yet been reported. Reported but unpaid claims should be estimated on a case-by-case basis using actual relevant data, and reserves are established by type of insurance.
- C. Liability reserves: Life insurance liability reserves are established in accordance with the mortality tables and interest rates specified by the relevant regulations in China, and are recorded according to the "Regulations on the Establishment of Various Reserves in the Insurance Industry."
- (10) The ratio of premium income to the Group's total premium income: 9.44%.
- (11) The ratio of insurance claims and benefits to the Group's total insurance claims and benefits: 0.18%.

English Translation of Financial Statements Originally Issued in Chinese

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

ATTACHMENT 7

Intercompany Relationships and significant intercompany transactions:

Number (Note 1)	Main party	Counterparty	Relationship (Note 2)	Transactions			% of Consolidated operating revenues or consolidated total assets (Note 3)
				Account	Amount	Terms	
0	TS Financial Holding	Taishin Bank	1	Cash and cash equivalents	\$21,269,470	Under arm's length terms	0.24%
0	TS Financial Holding	Taishin Bank	1	Securities purchased under resell agreements	500,000	Under arm's length terms	0.01%
0	TS Financial Holding	Taishin Life Insurance	1	Receivable, net	183,757	Under arm's length terms	0.00%
0	TS Financial Holding	MasterLink Securities	1	Receivable, net	128,200	Under arm's length terms	0.00%
0	TS Financial Holding	Shin Kong Life Insurance	1	Payables	11,114,781	Under arm's length terms	0.13%
1	Taishin Bank	TS Financial Holding	2	Interest expenses	280,987	Under arm's length terms	0.30%
1	Taishin Bank	Taishin Securities Investment Advisory	3	Deposits and remittances	329,856	Under arm's length terms	0.00%
1	Taishin Bank	Taishin Securities Investment Trust	3	Deposits and remittances	342,779	Under arm's length terms	0.00%
1	Taishin Bank	Taishin Securities B	3	Deposits and remittances	1,633,309	Under arm's length terms	0.02%
1	Taishin Bank	Taishin Life Insurance	3	Deposits and remittances	9,178,264	Under arm's length terms	0.11%
1	Taishin Bank	Shin Kong Life Insurance	3	Deposits and remittances	103,985	Under arm's length terms	0.00%
1	Taishin Bank	TS Financial Holding	2	Payables	2,984,578	Under arm's length terms	0.03%
1	Taishin Bank	Taishin Life Insurance	3	Net service fee and commission income	2,780,592	Under arm's length terms	2.99%
1	Taishin Bank	Taishin Life Insurance	3	Receivable, net	471,545	Under arm's length terms	0.01%
1	Taishin Bank	Taishin Life Insurance	3	Lease liabilities	164,371	Under arm's length terms	0.00%
1	Taishin Bank	Taishin Life Insurance	3	Right-of-use assets, net	157,357	Under arm's length terms	0.00%
1	Taishin Bank	Taishin D.A. Finance	4	Deposits and remittances	129,933	Under arm's length terms	0.00%
1	Taishin Bank	Taishin Futures	4	Deposits and remittances	888,124	Under arm's length terms	0.01%
1	Taishin Bank	MasterLink Securities	4	Deposits and remittances	193,242	Under arm's length terms	0.00%
2	Taishin Securities B	Taishin Bank	3	Lease liabilities	130,698	Under arm's length terms	0.00%
2	Taishin Securities B	Taishin Bank	3	Right-of-use assets, net	128,278	Under arm's length terms	0.00%
3	Taishin Life Insurance	Taishin Securities Investment Trust	3	Net service fee and commission income	119,704	Under arm's length terms	0.13%
4	Taishin Futures	Taishin Securities B	5	Other financial assets	416,994	Under arm's length terms	0.00%
4	Taishin Futures	Taishin Securities B	5	Other financial liabilities	416,994	Under arm's length terms	0.00%
5	Taiwan Shin Kong Commercial Bank	Shin Kong Life Insurance	3	Deposits and remittances	35,322,902	Under arm's length terms	0.41%

English Translation of Financial Statements Originally Issued in Chinese

TS Financial Holding Co., Ltd. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

Number (Note 1)	Main party	Counterparty	Relationship (Note 2)	Transactions			% of Consolidated operating revenues or consolidated total assets (Note 3)
				Account	Amount	Terms	
5	Taiwan Shin Kong Commercial Bank	Shin Kong Life Insurance	3	Net service fee and commission income	\$417,103	Under arm's length terms	0.45%
5	Taiwan Shin Kong Commercial Bank	Shin Kong Life Insurance	3	Lease liabilities	750,763	Under arm's length terms	0.01%
5	Taiwan Shin Kong Commercial Bank	Shin Kong Life Insurance	3	Right-of-use assets, net	703,306	Under arm's length terms	0.01%
5	Taiwan Shin Kong Commercial Bank	MasterLink Securities	3	Deposits and remittances	6,288,797	Under arm's length terms	0.07%
5	Taiwan Shin Kong Commercial Bank	Shin Kong Investment Trust	3	Deposits and remittances	526,438	Under arm's length terms	0.01%
5	Taiwan Shin Kong Commercial Bank	MasterLink Securities	4	Deposits and remittances	2,697,142	Under arm's length terms	0.03%
5	Taiwan Shin Kong Commercial Bank	Shin Shou Building Management	4	Deposits and remittances	175,460	Under arm's length terms	0.00%
6	MasterLink Securities	Taishin Bank	3	Commercial papers payable, net	299,813	Under arm's length terms	0.00%
6	MasterLink Securities	Shin Kong Life Insurance	3	Lease liabilities	104,546	Under arm's length terms	0.00%
6	MasterLink Securities	Shin Kong Life Insurance	3	Right-of-use assets, net	101,689	Under arm's length terms	0.00%

Note 1: Business relationships between the parent and subsidiaries are numbered as follows:

- (1) Parent: 0.
- (2) Subsidiaries are numbered starting from 1.

Note 2: Relationship between the main party and the counterparty is numbered as follows:

- (1) Parent to subsidiary.
- (2) Subsidiary to parent.
- (3) One subsidiary to another subsidiary.
- (4) Subsidiary to second tier subsidiary.
- (5) Second tier subsidiary to subsidiary.

Note 3: Percentage of consolidated operating revenues or consolidated total assets: If the account is a balance sheet account, it was calculated by dividing the ending balance into consolidated total assets; if the account is an income statement account, it was calculated by dividing the interim cumulative balance into consolidated operating revenues.