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
WITH
REPORT OF INDEPENDENT ACCOUNTANTS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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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

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REPRESENTATION LETTER

The entities included in the consolidated financial statements as of December 31, 2025 and for the year then ended prepared under the International Financial Reporting Standards, No.10 are the same as the entities to be included in the combined financial statements of the Company, if any to be prepared, pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises (referred to as "Combined Financial Statements"). Also, the footnotes disclosed in the Consolidated Financial Statements have fully covered the required information in such Combined Financial Statements. Accordingly, the Company did not prepare any other set of Combined Financial Statements than the Consolidated Financial Statements.

Very truly yours,

TS Financial Holding Co., Ltd.

Chairman: Tong-Liang, Wu

February 26, 2026

English Translation of a Report Originally Issued in Chinese

Independent Auditors' Report

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

Opinion

We have audited the accompanying consolidated balance sheet of TS Financial Holding Co., Ltd. (formerly named Taishin Financial Holding Co., Ltd.) and its subsidiaries (the "Group") as of December 31, 2025 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2025, and notes to the consolidated financial statements, including the summary of material accounting policies (collectively referred to as "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025, and its consolidated financial performance and cash flows for the year ended December 31, 2025, in conformity with the requirements of 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 Securities Firms, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants, Order No. 10802731571 issued by Financial Supervisory Commission and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following were the key audit matters in the audit of the consolidated financial statements of the Group for the year ended December 31, 2025:

Impairment of Loans

Commercial lending is the core business of the Group. Loans are mainly recorded in Taishin International Bank Co., Ltd. ("Taishin Bank"), and Taiwan Shin Kong Commercial Bank Co., Ltd. ("Taiwan Shin Kong Commercial Bank"), the subsidiaries of TS Financial Holding, and represent the Group's significant accounts, which reached around 32% of the Group's total assets as of December 31, 2025. The expected credit losses must be assessed in accordance with IFRS 9 and the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans". The assumptions used by management in estimating expected credit losses include the criteria for determining whether credit risk has significantly increased, the criteria for determining whether there is a credit impairment, the estimation of parameters such as the default probability and loss given default adopted when assessing credit losses, as well as the selection and assessment of forward-looking factors, which involve high degree of professional judgment. Therefore, the auditor has determined this to be a key audit matter.

The auditor performed the following audit procedures to assess the impairment evaluation of the aforementioned loans (including but not limited to): evaluating and testing internal controls related to the calculation of expected credit losses, including reviewing whether the assumptions and model parameters (including forward-looking factors) used by Taishin Bank and Taiwan Shin Kong Commercial Bank to assess expected credit losses have been approved by management, and testing the data sources used for calculating expected credit losses; reviewing the appropriateness of the expected credit loss assessment model and testing the adequacy of input parameters for the expected credit loss model, including probability of default, loss given default, and forward-looking factors. Additionally, the auditor also sampled loan files and conducted sampling tests on individually assessed cases that have been credit impaired to evaluate the appropriateness of the classification of discounts and loans and ensure allowance for bad debts complies with regulatory requirements.

The auditor also assessed the appropriateness of the disclosures related to the allowance for bad debts on discounts and loans. Please refer to Notes 4, 5, 6, and 12 of the financial statements.

Valuation of Reserve for Life Insurance Liability and Liability Adequacy Test

Shin Kong Life Insurance Co., Ltd. (“Shin Kong Life Insurance”) and Taishin Life Insurance Co., Ltd. (“Taishin Life Insurance”), as of December 31, 2025, have insurance liabilities where the reserves for liabilities account for approximately 42% of total liabilities. The assessment of the reserves for liabilities is based on the assumptions established at the inception of insurance contracts and is evaluated in accordance with relevant regulatory requirements. However, The underlying assumptions involve significant actuarial judgment and a high degree of complexity. Additionally, the liability adequacy test is based on the overall contracts of Shin Kong Life Insurance and complies with the relevant regulations issued by the Actuarial Society of the Republic of China. This test compares the net carrying amount of insurance liabilities, after deducting deferred acquisition costs and related intangible assets, with the present estimated value of future cash flows from insurance contracts on each balance sheet date. If the net carrying amount is insufficient, the shortfall will be recognized as a liability adequacy reserve. The amounts of reserve for life insurance liability and the results of the liability adequacy test have a significant impact on the financial reports of TS Financial Holding Co., Ltd. and its subsidiaries; therefore, the auditor has determined this to be a key audit matter.

The auditor performed the following audit procedures to assess the valuation of reserve for life insurance liabilitiy of Shin Kong Life Insurance and Taishin Life Insurance, as well as the liability adequacy test of Shin Kong Life Insurance (including but not limited to): understanding and testing the execution of the internal controls related to management's assessment of reserve for life insurance liability and liability adequacy testing; obtaining the actuarial report issued by the certified actuary on which management's assessment of reserve for life insurance liabilitiy and liability adequacy test is based, and evaluating the expert's professional competence and suitability; engaging our internal actuarial experts to assist in executing relevant audit procedures, including confirming the completeness of the data used to calculate the reserve for life insurance liability; assessing whether the methods and assumptions for establishing reserve for life insurance liability comply with relevant regulatory requirements; selecting sample insurance contracts to test the actuarial models and key assumptions for reserve for life insurance liability to verify the accuracy of the reserve amounts; performing roll-forward analyses to estimate the reasonableness of the overall reserves for liabilities; and additionally, for the liability adequacy test, evaluating whether the scope of the testing is complete, the reasonableness of the relevant methods and assumptions, and analyzing the reasonableness of the results of sensitivity tests on significant assumptions.

The auditor also assessed the appropriateness of the disclosures related to valuation of reserve for life insurance liability and liability adequacy test. Please refer to Notes 4, 5, 6 and 12 of the financial statements.

Business combinations

TS Financial Holding Co., Ltd. acquired 100% of the shares of Shin Kong Financial Holding Co., Ltd. on July 24, 2025, thereby gaining control over the financial holding group. In the accounting treatment for business combinations, management must determine the provisional fair value of the identifiable assets acquired and liabilities assumed as of the acquisition date. Since this process involves numerous assumptions and complexity, the auditor has determined this to be a key audit matter.

The auditor performed the following audit procedures regarding the provisional fair value assessment of the identifiable assets acquired and liabilities assumed as of the acquisition date (including but not limited to): assessing the suitability and objectivity of the external experts appointed by management; reviewing the methods used in the acquisition price allocation report prepared by the external experts for the fair value assessment of the identifiable assets and liabilities; and utilizing internal experts from the firm to assist in evaluating the reasonableness of the content of the aforementioned allocation report (including but not limited to the valuation models used, the parameters adopted, and the identifiable intangible assets and their estimated useful lives).

The auditor also assessed the appropriateness of the disclosures related to business combinations. Please refer to Notes 4, 5, and 6 of the financial statements.

Other Matter – Prior Period Audited by Other Independent Auditors

The consolidated financial statements of TS Financial Holding Co., Ltd. and its subsidiaries for the year ended December 31, 2024 were audited by other independent auditors, and an unqualified audit report was issued on February 21, 2025.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of 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 Securities Firms, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Group. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2025 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fuh, Wen-Fang

Chang, Cheng-Tao

Ernst & Young, Taiwan
February 26, 2026

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
As of December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars)

Assets			December 31, 2025		December 31, 2024	
Code	Items	Notes	Amount	%	Amount	%
11000	Cash and cash equivalents	6(1)	$75,873,586	1	$33,110,688	1
11500	Due from the Central Bank and call loans to banks	6(2)	207,851,113	2	108,262,582	3
12000	Financial assets at fair value through profit or loss	6(3)	710,743,765	8	185,958,931	6
12150	Financial assets at fair value through other comprehensive income	6(4)	579,747,660	6	169,292,719	5
12200	Investments in debt instruments at amortized cost	6(5)	2,711,655,457	31	812,983,362	25
12500	Securities purchased under resell agreements		14,772,034	-	2,741,500	-
13000	Receivables, net	6(6), 6(8)	310,060,954	4	186,735,572	6
13200	Current tax assets	6(37)	1,516,382	-	-	-
13300	Assets classified as held for sale	6(7)	5,272,964	-	-	-
13500	Loans, net	6(8)	2,838,237,093	32	1,660,513,546	50
13700	Reinsurance contract assets, net		2,604,822	-	702,364	-
15000	Investments accounted for using equity method	6(9)	3,006,990	-	527,999	-
15500	Other financial assets, net	6(6), 6(8), 6(10), 6(27)	167,506,565	2	55,826,062	2
18000	Investment properties, net	6(11)	229,762,102	3	10,856,081	-
18500	Property and equipment, net	6(12)	86,204,326	1	25,308,787	1
18600	Right-of-use assets, net	6(13)	6,932,645	-	2,218,285	-
19000	Intangible assets, net	6(14)	674,881,130	8	3,669,396	-
19300	Deferred tax assets	6(37)	75,799,329	1	7,694,759	-
19500	Other assets, net	6(15)	73,063,275	1	24,302,711	1
19999	Total assets		$8,775,492,192	100	$3,290,705,344	100

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)
As of December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars)

Liabilities and Equity			December 31, 2025		December 31, 2024	
Code	Items	Notes	Amount	%	Amount	%
21000	Deposits from the Central Bank and banks	6(16)	$47,884,309	1	$12,676,083	-
22000	Financial liabilities at fair value through profit or loss	6(3)	95,363,679	1	56,665,194	2
22500	Securities sold under repurchase agreements		108,170,455	1	64,973,243	2
22600	Commercial papers issued, net	6(17)	92,136,825	1	49,413,465	2
23000	Payables	6(18)	124,574,417	1	44,764,025	1
23200	Current tax liabilities		8,401,212	-	2,234,377	-
23500	Deposits and remittances	6(19)	3,581,227,317	41	2,320,225,929	71
24000	Bonds payable	6(20)	148,689,477	2	64,533,272	2
24400	Other borrowings	6(21)	7,858,402	-	10,243,711	-
24500	Preferred stock liabilities	6(22)	28,322,642	-	-	-
24600	Provisions	6(23), 6(24)	3,666,478,458	42	271,768,851	8
25500	Other financial liabilities	6(25), 6(27)	310,791,976	4	148,851,012	5
26000	Lease liabilities	6(13)	9,540,928	-	2,291,981	-
29300	Deferred tax liabilities		40,808,731	-	2,578,856	-
29500	Other liabilities	6(26)	21,139,584	-	10,600,758	-
29999	Total liabilities		8,291,388,412	94	3,061,820,757	93
31000	Equity attributable to owners of parent	6(29)				
31100	Share capital					
31101	Ordinary shares		248,663,992	3	129,761,443	4
31103	Preferred shares		13,946,680	-	11,000,000	-
31500	Capital surplus		133,732,478	2	38,197,778	1
32000	Retained earnings					
32001	Legal reserve		20,556,406	-	18,439,029	1
32003	Special reserve		468,184	-	1,146,190	-
32011	Unappropriated earnings		43,134,428	1	30,519,014	1
32500	Other equity		23,225,354	-	(116,447)	-
32600	Treasury shares		(89,298)	-	(89,298)	-
31000	Total equity attributable to owners of parent		483,638,224	6	228,857,709	7
39500	Non-controlling interests		465,556	-	26,878	-
39999	Total equity		484,103,780	6	228,884,587	7
	Total liabilities and equity		$8,775,492,192	100	$3,290,705,344	100

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 years ended December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars)

Code	Items	Notes	For the years ended December 31			
			2025	%	2024	%
	Net Interest income					
41000	Interest income	6(30)	$150,423,982	100	$86,933,748	100
51000	Less: interest expenses	6(30)	(58,409,761)	(39)	(52,007,044)	(60)
49600	Net interest income	6(30)	92,014,221	61	34,926,704	40
	Net income other than net interest income					
49800	Net service fee and commission income	6(31)	11,085,391	7	11,653,951	14
49810	Net income from insurance operations	6(32)	19,454,350	13	25,908,327	30
49820	Gain (loss) on financial assets and liabilities at FVTPL	6(33)	(15,517,178)	(10)	8,084,887	9
49835	Realized gain (loss) on financial assets at FVTOCI	6(34)	2,928,564	2	2,596,587	3
49850	Gain (loss) on derecognition of financial assets at amortized cost	6(5)	98,465	-	28,352	-
49870	Foreign exchange gain (loss)		65,759,515	44	4,075,593	5
49880	(Impairment loss on assets) reversal of impairment loss on assets	6(4), 6(5), 6(9)	(1,395,921)	(1)	(41,852)	-
49891	Share of profit (loss) of associates accounted for using equity method	6(9)	77,726	-	46,235	-
49898	Gain (loss) on reclassification using the overlay approach	6(3)	(17,488,537)	(12)	(846,542)	(1)
	Net other non-interest income					
49999	Net other miscellaneous (loss) income		(6,443,892)	(4)	176,008	-
49700	Net income other than net interest income		58,558,483	39	51,681,546	60
4xxxx	Net revenue and gains		150,572,704	100	86,608,250	100
58100	Bad debt expenses, commitments and guarantees liabilities provision	6(6), 6(8), 6(23)	(2,643,389)	(2)	(1,194,596)	(1)
58300	Net changes in insurance liability reserve	6(24)	(50,146,163)	(33)	(24,814,519)	(29)
	Operating expenses					
58501	Employee benefits expenses	6(35)	(30,864,545)	(20)	(20,680,145)	(24)
58503	Depreciation and amortization expenses	6(36)	(5,229,206)	(3)	(2,810,367)	(3)
58599	Other general and administrative expenses		(20,432,694)	(14)	(13,452,498)	(16)
58500	Total operating expenses		(56,526,445)	(37)	(36,943,010)	(43)
61000	Income before income tax		41,256,707	28	23,656,125	27
61003	Income tax expense	6(37)	(3,895,974)	(3)	(3,591,125)	(4)
69000	Net income		$37,360,733	25	$20,065,000	23

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 years ended December 31, 2025 and 2024
(In Thousands of New Taiwan Dollars)

Code	Items	Notes	For the years ended December 31			
			2025	%	2024	%
	Other comprehensive income (loss)					
69560	Items that will not be reclassified subsequently to profit or loss					
69561	Gain (loss) on remeasurements of defined benefit plans		$399,028	-	$352,558	-
69564	Share of other comprehensive income of associates accounted for using equity method		(317)	-	214	-
69565	Changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at FVTPL		(69,997)	-	(139,249)	-
69567	Unrealized gain (loss) on investments in equity instruments designated as at FVTOCI		6,897,299	5	832,380	1
69569	Income tax relating to items that will not be reclassified subsequently to profit or loss		(897,074)	(1)	(68,586)	-
69570	Items that will be reclassified subsequently to profit or loss					
69571	Exchange differences on translation of foreign financial statements		112,347	-	85,651	-
69585	Unrealized gain (loss) on investments in debt instruments at FVTOCI		3,252,961	2	(146,056)	-
69587	Impairment loss from investments in debt instruments at FVTOCI		27,988	-	9,291	-
69590	Other comprehensive income (loss) on reclassification using the overlay approach		17,488,537	12	846,542	1
69579	Income tax relating to items that will be reclassified subsequently to profit or loss		(2,778,161)	(2)	14,686	-
69581	Gain (loss) on hedging instrument that will be reclassified to profit or loss		4	-	-	-
69500	Other comprehensive income (loss) for the period, net of tax		24,432,615	16	1,787,431	2
69700	Total comprehensive income (loss)		$61,793,348	41	$21,852,431	25
69900	Net income attributable to:					
69901	Owners of parent		$37,326,812	25	$20,064,396	23
69903	Non-controlling interests		33,921	-	604	-
			$37,360,733	25	$20,065,000	23
69950	Total comprehensive income (loss) attributable to:					
69951	Owners of parent		$61,756,527	41	$21,851,775	25
69953	Non-controlling interests		36,821	-	656	-
			$61,793,348	41	$21,852,431	25
	Earnings per share (dollar)	6(38)				
70000	Basic earnings per share		$1.91		$1.39	
71000	Diluted earnings per share		$1.91		$1.39	

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 years ended December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

		Equity attributable to owners of parent																
		Share capital		Capital surplus				Retained earnings			Other equity							
Code	Description	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	Gain (loss) on hedging instruments	Other comprehensive income (loss) on reclassification using the overlay approach	Treasury shares	Non-controlling interests	Total equity
		3110	3120	3200	3200	3200	3190	3310	3320	3350	3410	3420	3440	3450	3485	3500	36XX	3XXX
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 year ended December 31, 2024	-	-	-	-	-	-	-	-	20,064,396	-	-	-	-	-	-	604	20,065,000
D3	Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	-	-	284,134	85,651	712,519	(139,249)	-	844,324	-	52	1,787,431
D5	Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	-	-	20,348,530	85,651	712,519	(139,249)	-	844,324	-	656	21,852,431
L1	Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(89,298)	-	(89,298)
Q1	Disposals of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	-	-	825,240	-	(825,240)	-	-	-	-	-	-
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,031)	(1,031)
Z1	Balance at December 31, 2024	$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
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	95,534,700	-	-	-	-	-	-	-	-	-	-	-	-	403,575	217,787,504
D1	Net income for the year ended December 31, 2025	-	-	-	-	-	-	-	-	37,326,812	-	-	-	-	-	-	33,921	37,360,733
D3	Other comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	-	-	-	-	308,393	112,347	9,090,074	(69,997)	4	14,988,894	-	2,900	24,432,615
D5	Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	-	-	-	-	37,635,205	112,347	9,090,074	(69,997)	4	14,988,894	-	36,821	61,793,348
Q1	Disposals of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	-	-	779,521	-	(779,521)	-	-	-	-	-	-
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,718)	(1,718)
Z1	Balance at December 31, 2025	$248,663,992	$13,946,680	$131,601,158	$2,075,475	$52,632	$3,213	$20,556,406	$468,184	$43,134,428	$13,473	$7,211,113	$(47,852)	$4	$16,048,616	$(89,298)	$465,556	$484,103,780

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 years ended December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

Code	Items	For the years ended December 31	
		2025	2024
	Cash flows from operating activities		
A10000	Income before income tax	$41,256,707	$23,656,125
A20000	Adjustments:		
	Adjustments for reconciliation of profit or loss		
A20100	Depreciation expenses	3,720,496	2,172,826
A20200	Amortization expenses	1,508,710	637,541
A20300	Provisions for bad debts expenses, commitments and guarantee liabilities	2,643,389	1,194,596
A20400	Net loss (gain) on financial assets or liabilities measured at FVTPL	15,517,178	(8,084,887)
A20450	Net gain on financial assets or liabilities measured at FVTOCI	(2,928,564)	(2,596,587)
A20900	Interest expenses	58,409,761	52,007,044
A21000	Gain on derecognition of financial assets at amortized cost	(98,465)	(28,352)
A21200	Interest income	(150,423,982)	(86,933,748)
A21400	Net change in insurance liabilities	95,303,984	29,903,081
A21800	Net change in other provisions	7,828,883	747,881
A22300	Share of profit of associates accounted for using equity method	(77,726)	(46,235)
A22450	Loss on reclassification using the overlay approach	17,488,537	846,542
A22500	Gain on disposal of property and equipment	(32,288)	-
A22700	Gain on disposal of investment properties	1,173	-
A22800	Loss on disposal of intangible assets	1,692	-
A23000	Loss on disposal of assets classified as held for sale	323,760	-
A23500	Impairment loss on financial assets	1,395,067	41,852
A23700	Impairment loss recognised in profit or loss, property and equipment	854	-
A29900	Other adjustments	3,473	719
	Changes in operating assets and liabilities		
A71110	Increase in due from the Central Bank and call loans to banks	(18,133,186)	(19,558,646)
A71120	Decrease in financial assets at FVTPL	30,402,329	84,966,531
A71121	Increase in financial assets at FVTOCI	(87,187,830)	(20,581,145)
A71123	Increase in investments in debt instruments measured at amortised cost	(88,793,652)	(76,725,175)
A71160	Increase in receivables	(6,890,264)	(19,773,131)
A71170	Increase in loans	(166,969,183)	(136,717,782)
A71180	Decrease in reinsurance contract assets	177,392	3,954
A71200	Increase in other financial assets	(95,457,302)	(16,645,534)
A71990	Decrease (increase) in other assets	79,388,248	(6,006,817)
A72110	Decrease in deposits from the Central Bank and banks	(5,364,682)	(18,980)
A72120	Decrease in financial liabilities at FVTPL	(38,632,020)	(73,094,496)
A72140	Decrease in securities sold under repurchase agreements	(6,049,854)	(20,685,744)
A72160	Increase in payables	14,918,844	5,029,829
A72170	Increase in deposits and remittances	129,657,199	217,712,283
A72190	Decrease in provisions	29,087	(109,242)
A72200	Increase in other financial liabilities	92,835,733	6,994,308
A72990	(Decrease) increase in other liabilities	(80,752,770)	579,156
A33000	Cash used in operations	(154,979,272)	(61,112,233)
A33100	Interest received	117,715,809	85,935,124
A33200	Dividends received	12,537,217	2,286,894
A33300	Interest paid	(56,486,319)	(51,682,036)
A33500	Income taxes refund	33,062	6
A33500	Income taxes paid	(1,233,039)	(3,967,954)
AAAA	Net cash used in operating activities	$(82,412,542)	$(28,540,199)

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 years ended December 31, 2025 and 2024

(In Thousands of New Taiwan Dollars)

Code	Items	For the years ended December 31	
		2025	2024
	Cash flows from investing activities		
B01800	Acquisition of investments accounted for using equity method	$(195,000)	$-
B01900	Proceeds from disposal of investments accounted for using equity method	58,800	-
B02600	Proceeds from disposal of assets classified as held for sale	538,296	-
B02700	Acquisition of property and equipment	(1,654,836)	(872,989)
B02800	Proceeds from disposal of property and equipment	159,639	13,804
B04500	Acquisition of intangible assets	(819,918)	(738,032)
B04900	Net cash receipts from acquisitions of subsidiaries and other business units	144,061,353	-
B05400	Acquisition of investment properties	(2,186,344)	(6,820,218)
B05500	Proceeds from disposal of investment properties	3,932,467	-
BBBB	Net cash generated from (used in) investing activities	143,894,457	(8,417,435)
	Cash flows from financing activities		
C00300	Increase in due to the Central Bank and banks	22,699,491	-
C00400	Decrease in due to the Central Bank and banks	-	(4,376,244)
C00700	Increase in commercial papers payable	31,396,160	19,254,000
C01300	Repayments of corporate bonds	(2,707,000)	-
C01500	Repayments of bank notes payable	(4,950,000)	(3,000,000)
C01900	Decrease in other borrowings	(5,521,893)	(457,803)
C04020	Payments of lease liabilities	(1,228,594)	(898,821)
C04500	Cash dividends paid	(24,359,941)	(9,439,988)
C04900	Payments to acquire treasury shares	-	(89,298)
C05800	Change in non-controlling interests	(1,718)	(1,031)
CCCC	Net cash generated from financing activities	15,326,505	990,815
DDDD	Effects of exchange rate changes on cash and cash equivalents	(428,751)	6,495
EEEE	Net increase (decrease) in cash and cash equivalents	76,379,669	(35,960,324)
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	$114,560,231	$38,180,562
	Reconciliation of cash and cash equivalents:		
E00210	Cash and cash equivalents in consolidated balance sheets	$75,873,586	$33,110,688
E00220	Due from the Central bank and call loans to banks qualifying as cash and cash equivalents under the definition of IAS 7	23,914,611	2,328,374
E00230	Securities purchased under resell agreements qualifying as cash and cash equivalents under the definition of IAS 7	14,772,034	2,741,500
E00200	Cash and cash equivalents at the end of the period	$114,560,231	$38,180,562

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 YEARS ENDED DECEMBER 31, 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.

The relevant merged financial report preparation entities are detailed in Note 4(3).

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

The consolidated financial statements of TS Financial Holding Co., Ltd. and its subsidiaries ("the Group") for the years ended December 31, 2025 and 2024 were authorized for issue by the Board of Directors in their meeting on February 26, 2026.

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

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 (Note)
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

Note: On 30 September 2020, the FSC announced in a press release that Taiwan will adopt IFRS 17 in 2026.

A. IFRS 17 "Insurance Contracts"

The effective date of this Standard supersedes the interim standard (i.e., IFRS 4 Insurance Contracts) and provides a comprehensive model for insurance contracts, covering all accounting aspects (classification, measurement, presentation, and disclosure). The details are as follows:

(a) Changes in Classification and Measurement

IFRS 17 establishes specific principles for the recognition and measurement of issued insurance contracts, investment contracts with discretionary participation features, and reinsurance contracts held.

The main principles of IFRS 17 are as follows:

i. Identify as insurance contracts those contracts under which the issuer accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event (insurance event) adversely affects the policyholder.
ii. Separate certain embedded derivatives, distinct investment components, and obligations to provide goods or services that are not insurance contract services to the policyholder, and account for them under other applicable standards.
iii. Aggregate insurance contracts with similar risks and managed together into portfolios, and further divide the portfolios into groups to apply recognition and measurement requirements.

Under IFRS 17, measurement approaches include the General Model, the Variable Fee Approach, and the Premium Allocation Approach.

Key principles for models other than the Premium Allocation Approach:

i. Measure the carrying amount of a group of contracts as the sum of:
   (i) Fulfilment cash flows, which incorporate all available information about future cash flows that is consistent with observable market information.
   (ii) Contractual service margin (CSM), representing the unearned profit.
ii. The CSM of an insurance contract group is recognized as profit as the entity provides insurance contract services. For onerous groups, losses must be recognized immediately in profit or loss so that the carrying amount of the group equals the fulfilment cash flows, and the CSM is set to zero.

Key principles of the Premium Allocation Approach:

i. The liability for remaining coverage reflects premiums received, less deferred acquisition cash flows, and less the amount of insurance revenue recognized for services provided.
ii. If the expected period between the provision of each service component and the related premium due date does not exceed one year, the liability for remaining coverage does not need to be adjusted for the effects of the time value of money and financial risk.
iii. When an insurance contract group is onerous, the liability for remaining coverage should incorporate fulfilment cash flows related to that group in measuring the loss component.
iv. When an insurance contract group is onerous, the liability for remaining coverage should incorporate fulfilment cash flows related to that group in measuring the loss component.

(b) Changes in Presentation and Disclosure

On the balance sheet, entities shall separately present the carrying amounts of groups of insurance contracts issued that are assets, reinsurance contracts held that are assets, insurance contracts issued that are liabilities, and reinsurance contracts held that are liabilities.

On the statement of comprehensive income, entities shall separately present insurance revenue, insurance service expenses, insurance finance income or expenses, and income or expenses from reinsurance contracts held.

(c) Transition Requirements

Unless impracticable, IFRS 17 shall be applied retrospectively. At the transition date (January 1, 2025 in ROC calendar years, i.e., Minguo Year 114), each group of insurance contracts shall be identified, recognized, and measured as if IFRS 17 had always been applied (the full retrospective approach). Any balances that would not exist under IFRS 17 shall be derecognized, and the resulting net difference shall be recognized in equity.

If it is impracticable to apply the full retrospective approach to a group of insurance contracts, an entity may apply either the modified retrospective approach or the fair value approach.

Under the modified retrospective approach, reasonable and supportable information (that can be obtained without undue cost or effort) shall be used to achieve the closest possible outcome to full retrospective application. If such information is not available, the fair value approach must be used.

Under the fair value approach, the contractual service margin or the loss component of the liability for remaining coverage as at the transition date is determined as the difference between the fair value of a group of insurance contracts and the fulfilment cash flows measured on that date. In determining fair value, IFRS 13 Fair Value Measurement shall be applied, except for paragraph 47 of IFRS 13 (which relates to demand features).

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

The subsidiary, Taishin Life Insurance Co., Ltd., has assessed the expected impacts of applying IFRS 17 on major financial information at the transition date, as follows:

	Under IFRS 4	Impact of IFRS 17	Under IFRS 17
	Dec 31, 2024		Jan 1, 2025
Total Assets	$322,736,542	$(9,386,282)	$313,350,260
Total Liabilities	298,966,374	(42,275,087)	256,691,287
Total Equity	23,770,168	32,888,805	56,658,973

For entities that have already applied IFRS 9 before initial application of IFRS 17, IFRS 17 allows the re-designation or re-classification of financial assets based on facts and circumstances at the initial application date. Prior periods need not be restated unless restatement can be made without the use of hindsight. If prior periods are not restated, differences between the previous carrying amounts and the carrying amounts at the initial application date shall be recognized in opening retained earnings or other equity.

Taishin Life Insurance Co., Ltd. intends not to restate comparative periods, and will recognize the differences in carrying amounts of such financial assets in opening retained earnings or other equity at the initial application date.

For financial assets derecognized between the transition date and the initial application date of IFRS 17, the overlay approach may be used for presenting comparative information. Taishin Life Insurance Co., Ltd. does not expect to apply the overlay approach.

Our company obtained control of the subsidiary Shin Kong Life Insurance Co., Ltd. on July 24, 2025.

B. Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

(a) 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.

(b) 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.

(c) Clarify the treatment of non-recourse assets and contractually linked instruments.

(d) 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

(a) 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.

(b) Amendments to IFRS 7

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

(c) 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.

(d) 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”.

(e) Amendments to IFRS 10

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

(f) Amendments to IAS 7

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

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

D. Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

(a) Clarify the application of the ‘own-use’ requirements.
(b) Permit hedge accounting if these contracts are used as hedging instruments.
(c) 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 interpretations issued by IASB have endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the abovementioned standards and amendments are applicable for annual periods beginning on or after 1 January 2026. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (a), 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.

(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
D	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)	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.

B. IFRS 18 “Presentation and Disclosure in Financial Statements”

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

(a) 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.

(b) 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.

(c) 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.

D. Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

The amendments include:

(a) Clarify that when the entity's functional currency is that of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the entity shall translate its results and financial position using the closing rate at the date of the most recent statement of financial position.
(b) In the above circumstances, when the presentation currency ceases to be hyperinflationary economy, the entity shall not retranslate amounts that arose before the beginning of the reporting period.
(c) When the entity's functional currency and presentation currency are the currency of a hyperinflationary economy, the entity shall apply the relevant accounting treatment in accordance with paragraph 34 of IAS 29.

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

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2025 and 2024 have been 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 Securities Firms, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, the IFRSs, IASs, interpretations as well as related guidance endorsed and became effective by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments ,the payables arising from cash-settled share-based payments and the net defined benefit liabilities recognized as the present value of defined benefit obligations less the fair value of plan assets, that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

A. power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
B. exposure, or rights, to variable returns from its involvement with the investee, and
C. the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

A. the contractual arrangement with the other vote holders of the investee
B. rights arising from other contractual arrangements
C. the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

A. derecognizes the assets (including goodwill) and liabilities of the subsidiary;
B. derecognizes the carrying amount of any non-controlling interest;
C. recognizes the fair value of the consideration received;
D. recognizes the fair value of any investment retained;
E. reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfer directly to retained earnings if required by other IFRSs; and
F. recognizes any resulting difference in profit or loss.

The consolidated entities are listed as follows:

		Percentage of ownership (%)	
Investor	Subsidiary	December 31, 2025	December 31, 2024
The Company	Taishin Bank	100.00%	100.00%
The Company	Taishin Securities Co., Ltd. ("Taishin Securities B")	100.00%	100.00%
The Company	Taishin Asset Management Co., Ltd. ("Taishin AMC")	100.00%	100.00%
The Company	Taishin Venture Capital Investment Co., Ltd. ("Taishin Venture Capital Investment")	100.00%	100.00%
The Company	Taishin Securities Investment Advisory Co., Ltd. ("Taishin Securities Investment Advisory")	92.00%	92.00%
The Company	Taishin Securities Investment Trust Co., Ltd ("Taishin Securities Investment Trust")	100.00%	100.00%

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

		Percentage of ownership (%)	
Investor	Subsidiary	December 31, 2025	December 31, 2024
The Company	Taishin Life Insurance	100.00%	100.00%
Taishin Bank	Taishin Real-Estate Management Co., Ltd. (“Taishin Real-Estate”)	60.00%	60.00%
Taishin Bank	Taishin D.A. Finance Co., Ltd. (“Taishin D.A. Finance”)	100.00%	100.00%
Taishin D.A. Finance	Taishin Financial Leasing (China) Co., Ltd. (“Taishin Financial Leasing (China)”)	100.00%	100.00%
Taishin AMC	Taishin Real-Estate	40.00%	40.00%
Taishin Venture Capital Investment	Taishin Sports Entertainment Co., Ltd. (“Taishin Sports Entertainment”)	100.00%	100.00%
Taishin Securities B	Taishin Securities Venture Capital Co., Ltd. (“Taishin Securities Venture Capital”)	100.00%	100.00%
Taishin Securities B	Taishin Capital Co., Ltd. (“Taishin Capital”)	100.00%	100.00%
Taishin Securities B	Taishin Futures Co., Ltd. (“Taishin Futures”)	100.00%	100.00%
Taishin Capital	Taishin Health Investment Co., Ltd. (“Taishin Health Investment”)	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 International Venture Capital Co., Ltd (“Shin Kong Venture Capital”)	100.00%	-
The Company	Shin Kong Insurance Agent Co., Ltd. (“Shin Kong Insurance Agent”)	100.00%	-
The Company	MasterLink Securities Corp. (“MasterLink Securities”)	100.00%	-
Shin Kong Life Insurance	Shin Shou Apartment Building Management and Maintenance Co., Ltd. (“Shin Shou Building Management”)	72.01%	-
Shin Kong Life Insurance	Shin Kong Vietnam Co., Ltd. (“Shin Kong Vietnam”)	100.00% (Note 1)	-
Shin Kong Life Insurance	Shin Kong Life Singapore Pte. Ltd. (“Shin Kong Life Singapore”)	100.00% (Note 2)	-
MasterLink Securities	MasterLink Futures Corporation (“MasterLink Futures”)	100.00%	-
MasterLink Securities	MasterLink Venture Management Corporation (“MasterLink Venture Management”)	100.00%	-
MasterLink Securities	MasterLink Venture Capital Corporation (“MasterLink Venture Capital”)	100.00%	-
MasterLink Securities	MasterLink Securities Investment Advisory Co., Ltd. (“MasterLink Securities Investment Advisory”)	100.00%	-
MasterLink Securities	MasterLink Securities (B.V.I.) Corporation (“MasterLink Securities (B.V.I.)”)	100.00%	-
MasterLink Securities	MasterLink Insurance Agency Co., Ltd. (“MasterLink Insurance Agency”)	100.00%	-
MasterLink Securities	MasterLink Innovation Venture Management (Tianjin) Co., Ltd. (“MasterLink Innovation Venture Management (Tianjin)”)	100.00%	-
MasterLink Securities	MasterLink Securities Venture Capital (Tianjin) Co., Ltd. (“MasterLink Securities Venture Capital (Tianjin)”)	100.00% (Note3)	-

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

		Percentage of ownership (%)	
Investor	Subsidiary	December 31, 2025	December 31, 2024
MasterLink Securities (B.V.I.)	MasterLink Securities (Hong Kong) Co., Ltd. (Note 4) (“MasterLink Securities (Hong Kong)”)	100.00%	-
MasterLink Securities (B.V.I.)	MasterLink Investment Advisory (Tianjin) Co., Ltd. (“MasterLink Investment Advisory (Tianjin)”)	100.00%	-
Shin Kong Venture Capital	Lion Investment (Samoa) Co., Ltd. (“Lion Investment”)	100.00%	-
Lion Investment	Shin Kong Leasing Corp. (Suzhou) (“Shin Kong Leasing (Suzhou)”)	100.00%	-

Note 1: Shin Kong Vietnam was approved for establishment by the competent authorities in Vietnam on March 26, 2025. Shin Kong Life Insurance injected a capital of USD 600 thousand 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 thousand on June 25, 2025.

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

Note 4: MasterLink Securities (Hong Kong) was approved for dissolution by the board of directors of MasterLink Securities on February 23, 2023 under Order No. 1120335037 issued by the FSC on March 23, 2023. As of December 31, 2025, the securities broker license has been revoked, and related business operations have ceased, but the liquidation process has not yet been completed.

(4) Foreign currency transactions

The Group’s consolidated financial statements are presented in NT$, which is also the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
B. Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.
C. Exchange differences arising on a monetary item that forms part of a reporting entity’s net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

A. when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
B. when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Regarding the consolidated statement of cash flows, it also includes deposits with the central bank, interbank borrowings, and investments in repurchase agreements and bonds that meet the definition of cash and cash equivalents as recognized by the Financial Supervisory Commission in accordance with International Accounting Standard No. 7.

(7) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

A. Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(a) the Group's business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

Financial assets *measured at amortized cost*

A financial asset is measured at amortized cost if both of the following conditions are met and presented as Cash and cash equivalents ,Due from the Central Bank and call loans to banks, Securities purchased under resell agreements, Receivables, Loans,Investments in debt instruments at amortized cost,Other financial assets,Other assets－deposit and Other assets－Operating guarantee deposits and settlement funds etc., on balance sheet as at the reporting date:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
(b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is *measured* at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
    i. Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
    ii. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) the time value of money; and
(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
(c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
(d) For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

The Group’s insurance subsidiaries, in accordance with the "Regulations Governing Asset Evaluation and Handling of Overdue Loans and Bad Debt Collection for the Insurance Industry," have made sufficient provisions for doubtful accounts. The amount of such provisions shall not be less than the following standards:

(a) 0.5% of the balance of Category 1 loan assets after deducting life insurance loans, premium advances, and claims against government agencies of the Republic of China, and for Category 2 to 5 loan assets—namely, loans requiring attention, loans expected to be collectible, loans difficult to collect, and loans deemed uncollectible—the provisions shall be 2%, 10%, 50%, and 100% of the respective loan balances.
(b) 1% of the total balance of Category 1 to 5 loan assets after deducting life insurance loans, premium advances, and claims against government agencies of the Republic of China.
(c) The amount of unsecured claims of overdue loans and collection accounts reasonably assessed as uncollectible.

(d) If the total minimum provision calculated based on the standards in items 1 to 3 is less than the amount assessed in accordance with generally accepted accounting principles (GAAP), the provision amount based on GAAP shall be the minimum required provision. If the competent authority requires, for the purpose of strengthening loss absorption capacity for specific loan assets, that provisions for such assets be increased according to designated standards and within specified timeframes, the insurance subsidiaries shall comply accordingly.

In addition to the aforementioned assessments, specific industries conduct evaluations of credit assets by referring to the "Regulations Governing the Evaluation of Bank Assets, Provision for Losses, and Handling of Overdue Loans and Bad Debt Collection," and the higher amount between this evaluation and the previous assessment is used to measure the allowance for losses.

C. Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired
(b) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
(c) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Group evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Group assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 Financial Instruments.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

(a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
(b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
(c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

(a) it eliminates or significantly reduces a measurement or recognition inconsistency; or
(b) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss. However, for financial liabilities designated as measured at fair value through profit or loss, changes in fair value attributable to credit risk shall be recognized in other comprehensive income, except to avoid inappropriate accounting mismatches or when related to loan commitments and financial guarantee contracts that must be recognized in profit or loss.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of the following and should be dealt with based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans:

(a) The amount of the loss allowance reflecting the ECLs; and
(b) The amount initially recognized less, where appropriate, the cumulative amount of revenue recognized in accordance with IFRS 15 as endorsed by the FSC.

Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

(a) The amount of the loss allowance reflecting the ECLs; and
(b) The amount initially recognized less, where appropriate, the cumulative amount of revenue recognized in accordance with IFRS 15 as endorsed by the FSC.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

F. Interest rate benchmark reform

For financial assets or financial liabilities measured at amortized cost, when the basis of their cash flows changes due to interest rate benchmark reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the changes resulting from the reform.

G. Overlay Approach for Financial Assets

Upon the initial application of IFRS 9, the Group elected to apply the overlay approach as permitted under IFRS 4 Insurance Contracts. Under this approach, an amount is reclassified between profit or loss and other comprehensive income for the designated financial assets such that, at the end of the reporting period, the profit or loss for those designated financial assets is the same as if IAS 39 had been applied to them. Accordingly, the reclassified amount is the difference between:

(a) the amount recognized in profit or loss for the designated financial assets under IFRS 9; and
(b) the amount that would have been recognized in profit or loss for the designated financial assets if IAS 39 had been applied.

A financial asset qualifies for designation under the overlay approach only when all of the following conditions are met:

(a) the financial asset is measured at fair value through profit or loss under IFRS 9, but would not have been measured entirely at fair value through profit or loss under IAS 39; and
(b) the financial asset is not held in respect of activities that are unconnected with contracts within the scope of IFRS 4 Insurance Contracts.

Thereafter, a financial asset may be newly designated under the overlay approach only when:

(a) the asset is newly originated or newly recognized; or
(b) the asset newly meets the condition of being held in respect of activities connected with contracts within the scope of IFRS 4, whereas it did not previously meet that condition.

The overlay approach shall continue to be applied to a designated financial asset until the asset is derecognized. However, designation must be discontinued when the financial asset no longer meets the condition of being held in respect of activities connected with contracts within the scope of IFRS 4. Additionally, at the beginning of any annual period, the Group may elect to discontinue the overlay approach for all designated financial assets. Such discontinuation shall be accounted for as a change in accounting policy in accordance with IAS 8.

H. classification of Financial Assets

The Group reclassifies financial assets only when it changes the business model for managing those financial assets. Such a change must result from external or internal circumstances and must be significant to the Group’s operations, as determined by the Group’s senior management, and demonstrable to external parties. The reclassification is applied prospectively from the date on which the reclassification occurs.

(8) Derivative instrument

The Group uses derivative instruments to hedge its foreign currency risks and interest rate risks.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value through profit or loss.

Margin paid on futures contracts purchased or sold is recorded as refundable deposits, the market value of futures contracts is recognized as financial assets or liabilities measured at FVTPL, and the gain (loss) on open positions and on maturity or early settlement of contracts is recorded as profit (loss) for the current period.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability, or
B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Securities Lending

When the Company enters into securities borrowing transactions, the amount of sales of borrowed securities are recorded in the account of “Liabilities for securities and bonds borrowed”, which are adjusted to market value at the balance sheet date. “Market value” refers to the closing price at the balance sheet date. When the borrowed securities are returned, the resulting difference between actual cost of securities returned and the amount of “Liabilities for securities and bonds borrowed” is recorded as “Gains/(losses) on covering of securities borrowing and short sales of bonds with reverse repurchase agreements-net”.

(11) Futures

These represent margins paid for the trading in futures and options by cash or securities are recognized as futures trading margins-proprietary funds/securities through evaluating day by day; options premium paid to the Taiwan Future Exchange upon purchase of options for trading is recognized as “purchase of options-futures”; options premium received upon sale of options is recognized as “liability on sale of options-futures”.

Realized gains or losses are recognized when the futures and options contracts are fulfilled. The difference between the average cost and market value is evaluated on the balance sheet date, and the unrealized gains and losses are recognized as “gains/(losses) on derivative financial product- futures”.

Margins paid for the futures over the original ones are recognized as “cash and cash equivalents”.

(12) Securities Trading Margin Purchase and Short Sale

Margin loans extended to customers by the Group conducting securities trading margin purchases and short sale business are recognized as receivables from margin loans. Customers provide all the stocks purchased in trading margin operations as collateral, which the Group records by using memorandum entries. Stocks are returned when customers pay back money.

Margins received from short-selling customers by the Group conducting securities trading margin purchases and short sales are recognized as short sale margins. In addition, short sale proceeds (less securities transaction taxes, handling fees for execution of customer orders and short sale handling fees) received as collateral from short-selling customers by the Group conducting securities trading margin purchases and short sales are recognized as payable for short sale collateral received. The interest on the payable for short sale collateral received and short sale margins under the preceding paragraph is accrued and paid to customers. The stocks lent to customers are recorded using memorandum entries. Short sale margins and payables for short sale collateral received are reimbursed when customers return their stocks.

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(13) Bonds and Securities Purchased/Sold under Specific Agreements

Bonds and securities purchased under resell agreements recorded at purchase price and bonds and securities sold under repurchase agreements recorded at sale price are all accounted for as financing transactions. Interest revenue and expenses recognized from the transactions mentioned above are recorded on accrual basis.

(14) Customer Margin Accounts and Futures Customers' Equity

Customer margin accounts

Receiving margin deposits from customers for futures transactions as requirements is in accordance with the regulations. Customer margin account balances are calculated daily by marking to market the open positions of each customer and determining the required margin levels, recognized as current assets in the balance sheet.

Futures customers' equity

Margin deposits received from customers for futures transactions and futures customers' equity calculated daily by marking to market, recognized as current liabilities in the balance sheet. Futures customers' equity cannot be offset unless these accounts pertain to the same customers. The debit balance of "futures customers' equity", which results from losses on futures transactions in excess of the margin deposits, is recorded as "futures commission merchant receivable.

(15) Non-current assets held for sale and discontinued operations

Non-current assets and are classified as held for sale if their carrying amounts will be recovered through a sale transaction that is highly probable within one year from the date of classification and the asset or disposal group is available for immediate sale in its present condition. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

(16) Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid in capital and investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Group estimates:

A. Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(17) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

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

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(18) Investment property

The Group’s owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. The original cost of investment properties under construction mainly includes directly attributable construction costs that meet the capitalization criteria. After initial recognition, investment properties are measured using the cost model and accounted for in accordance with the requirements of IAS 40.

The Group is the lessee and holds the investment properties as right-of-use assets , and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	2～55years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Group transfers properties to or from investment properties according to the actual use of the properties.

The Group transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(19) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

<u>Group as a lessee</u>

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
C. amounts expected to be payable by the lessee under residual value guarantees;
D. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

A. the amount of the initial measurement of the lease liability;
B. any lease payments made at or before the commencement date, less any lease incentives received;
C. any initial direct costs incurred by the lessee; and
D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 "Impairment of Assets" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statement of comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(20) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortized over their useful lives and are first reviewed for any indication of impairment; if such indication exists, an impairment test is performed. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized..

Customer list

The existing customer relationships provide a source of sustainable future revenue, including contractual or non-contractual customer interactions. Since the benefits of customer relationships diminish as customers gradually churn, they usually have finite useful lives and are amortized on a straight-line basis over the estimated period during which benefits are expected to be generated.

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life .

Other intangible assets

Other intangible assets include identifiable intangible assets acquired in business combinations, such as brand-related rights, customer relationships, or other assets that can bring future economic benefits to The Group.

These intangible assets are assessed based on their characteristics to determine whether they have finite or indefinite useful lives.

	Customer list	Computer software	Other intangible assets
Useful lives	Finite	Finite	Judged based on its characteristics
Amortization method used	Amortized on a straight-line basis over the estimated useful life	Amortized on a straight-line basis over the estimated useful life	Those with finite useful lives are amortized on a straight-line basis; those with indefinite useful lives are not amortized.
Internally generated or acquired	Acquired	Acquired	Acquired

(21) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 *Financial Instruments* either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

In addition, the Accounting Research and Development Foundation of the Republic of China issued an IFRS Q&A on October 26, 2018, titled "Accounting Treatment Issues for Business Combinations under Common Control," explaining that since IFRS 3 "Business Combinations" does not provide clear guidance on business combinations under common control, the relevant interpretations issued by Taiwan are still applicable.

The mergers between the Group's affiliated companies are considered organizational restructurings. According to the Accounting Research and Development Foundation of the Republic of China’s letter No. 390 (100), the long-term equity investments in the affiliated companies are recorded at the carrying amount (after impairment assessment) held by the Group. If the affiliated company is dissolved, the long-term equity investments are reclassified into assets and liabilities. In addition, according to letter No. 301 (101), the affiliated company is treated as if it had been consolidated from the beginning, and prior years' financial statements are restated. The equity held by the Group in the affiliated company is presented in the financial statements as pre-combination equity under common control.

(22) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (“CGU”) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset’s or cash-generating unit’s recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(23) Reinsurance

The Group enters into reinsurance arrangements in accordance with business needs and relevant insurance regulations in order to limit potential losses arising from certain risk events. For ceded reinsurance, the Group may not refuse to fulfill its obligations to policyholders on the grounds that the reinsurer fails to perform its obligations.

The Group evaluates whether privileges of reinsured, including items under reinsurance contract assets such as reinsurance reserve assets, claims recoverable from reinsurers, and due from reinsurers and ceding companies, are impaired or unrecoverable on a regular basis. When objective evidence indicates that such privilege after the initial recognition will possibly lead to the Group being unable to collect all receivables on the contract, and the impact of the receivables from reinsured can be reliably measured with regard to the aforementioned event, the provision for impairment loss shall be recognized to the extent that the recoverable amounts are no greater than the reinsurance reserve asset of the aforementioned rights.

With respect to the classification of reinsurance contracts, the Group assesses whether the contract transfers significant insurance risk to the reinsurer. If the reinsurance contract does not transfer significant insurance risk, it is accounted for using the deposit accounting method.

For reinsurance contracts that transfer significant insurance risk, if the Group is able to separately measure the deposit component of the contract, the insurance component and the deposit component are recognized separately. That is, the consideration received (or paid) under the contract, after deducting the portion attributable to the insurance component, is recognized as a financial liability (or asset) rather than as revenue (or expense). Such financial liability (or asset) is recognized and measured at fair value, with the present value of future cash flows serving as the basis for determining fair value.

(24) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(25) Classification of Insurance Products

An insurance contract is a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. The Group considers insurance risk to be significant when, under any scenario, the insured event could cause the insurer to pay significant additional benefits. This assessment excludes circumstances that lack commercial substance (i.e., situations that have no discernible effect on the economic consequences of the transaction).

An insurance contract with financial instrument characteristics refers to a contract that transfers significant financial risk. Financial risk refers to the risk of future changes in one or more of the following variables: a specified interest rate, financial instrument price, commodity price, foreign exchange rate, price or rate index, credit rating or credit index, or other variables (provided that, if the variable is non-financial, it is not specific to a party to the contract).

A contract that meets the definition of an insurance contract at initial recognition continues to be classified as an insurance contract until all rights and obligations under the contract expire, even if the insurance risk subsequently becomes insignificant during the policy period. However, an insurance contract with financial instrument characteristics shall be reclassified as an insurance contract if, in subsequent periods, it transfers significant insurance risk to the Group.

Insurance contracts and insurance contracts with financial instrument characteristics may further be classified based on whether they contain discretionary participation features (DPF). A discretionary participation feature is a contractual right to receive, as a supplement to the guaranteed benefits, additional benefits that:

A. are expected to form a significant portion of the total contractual benefits;
B. are contractually based on the issuer’s discretion regarding the amount or timing of the additional benefits; and
C. are contractually based on:

(a) the performance of a specified pool of contracts or a specified type of contract;
(b) the realised and/or unrealised investment returns on a specified pool of assets held by the Group; or
(c) the profit or loss of the Group, a fund, or another entity.

When the economic characteristics and risks of an embedded derivative are not closely related to those of the host contract, the embedded derivative shall be separated and accounted for at fair value, with changes in fair value recognized in profit or loss. However, separation is not required if the embedded derivative meets the definition of an insurance contract, or if the entire contract is measured at fair value with changes in fair value recognized in profit or loss.

(26) Separate Account Insurance Products

The Group sells separate account insurance products. The insurance premiums according to agreed terms paid by proposers, net of the expenses incurred by the insurer, are invested in separate accounts at allocation agreed with or directed by the proposers. The separate account assets are measured at fair value on the valuation date and in compliance with the relevant regulations and Net asset value calculated in accordance with Generally Accepted Accounting Principles (GAAP).

In accordance with the Regulation Governing the Preparation of Financial Reports by Insurance Enterprises, the assets and liabilities of separate accounts, which are generated either from insurance contracts or from insurance contracts with features of financial instrument, are recorded in separate account insurance product assets and separate account insurance product liabilities. The income and expenses of separate accounts, pursuant to IFRS 4, are recorded in separate account insurance product income and separate account insurance product expenses

(27) Basis for Provisioning Various Insurance Liabilities

The reserves for insurance contracts and financial instruments with or without discretionary participation features held by the Group are established in accordance with the “Regulations Governing the Reserves of Insurance Enterprises” (Taiwan) and are certified by actuaries approved by the Financial Supervisory Commission (“FSC”). Except for group short-term insurance, where reserves are determined based on the higher of earned premium income and premium income calculated in accordance with FSC directive Jin-Guan-Bao-Tsai No. 11004925801, the bases for recognizing various insurance liabilities are as follows:

A. Unearned Premium Reserve

For effective policies with coverage periods of less than one year and for accident insurance with coverage periods exceeding one year, unearned premium reserves are established based on the unexpired risk for each line of business.

B. Claim Reserve

Claim reserves include reserves for reported but unpaid claims and for incurred but not reported ("IBNR") claims. Reserves for reported but unpaid claims are estimated on a case-by-case basis based on actual information and recognized by line of business. IBNR reserves are calculated using actuarial methods consistent with past loss experience and related expenses.

C. Policy Reserve

For life insurance, policy reserves are determined using the mortality tables and the assumed interest rates approved by the competent authority at the time each product was filed. The reserves are calculated in accordance with Article 12 of the "Regulations Governing the Reserves of Insurance Enterprises" (Taiwan) under the modified net premium method, and in accordance with the calculation descriptions approved for each product.

For in-force participating contracts subject to the bonus calculation formula prescribed under FSC directive Jin-Guan-Bao-Tsai No. 11004931041, any reduction in policyholder dividends caused by offsetting mortality and interest variances shall be added to the policy reserve for long-duration contracts.

D. Special Reserve

For participating life insurance products, the Group is required to determine the pre-bonus profit or loss attributable to participating business in accordance with the "Regulations Governing Allocation of Revenue and Expenses Between Participating and Non-Participating Life Insurance Business" filed with the competent authority. The amount shall be appropriated to the "Special Reserve – Participating Policyholder Dividend Reserve," and subsequently reversed upon dividend declaration.

In addition, the impact on retained earnings from gains or losses arising from the disposal of equity instruments measured at fair value through other comprehensive income ("FVOCI"), attributable to participating contracts, shall also be transferred on a pre-tax basis to this special reserve. If the reserve balance becomes negative, an equivalent amount shall be appropriated to a "Special Reserve – Dividend Risk Reserve."

In addition, the impact on retained earnings from gains or losses arising from the disposal of equity instruments measured at fair value through other comprehensive income (“FVOCI”), attributable to participating contracts, shall also be transferred on a pre-tax basis to this special reserve. If the reserve balance becomes negative, an equivalent amount shall be appropriated to a “Special Reserve – Dividend Risk Reserve.”

In accordance with Article 32 of the “Regulations for the Preparation of Financial Statements by Insurance Enterprises,” if the fair value of investment property increases after fair value measurement, any excess—after offsetting adverse effects arising from the initial adoption of IFRS—shall be appropriated in full as a special reserve under insurance liabilities at the transition date.

E. Premium Deficiency Reserve

For life, health, and annuity contracts issued from 2001 with coverage periods exceeding one year, if the premium charged is lower than the premium required to establish the policy reserve, the shortfall for the unpaid premium period is set aside as a premium deficiency reserve.

Additionally, for in-force policies with coverage periods of less than one year and long-term accident insurance, the Group assesses expected future claims and expenses. If the expected amount exceeds the unearned premium reserve plus expected future premium income, the excess is provided as a premium deficiency reserve by line of business.

F. Liability Adequacy Reserve

This reserve represents the amount required based on the liability adequacy test (“LAT”) performed under IFRS 4. The Group conducts the LAT for its insurance subsidiaries based on all contracts collectively and in accordance with the standards promulgated by the Actuarial Institute of the Republic of China.

At each reporting date, the net carrying amount of insurance liabilities (after deducting deferred acquisition costs and related intangible assets) is compared with the present value of estimated future cash flows under the contracts. Any deficiency is recognized as a liability adequacy reserve.

G. Reserve for Financial Instruments with Insurance Characteristics

These reserves represent provisions required for financial instruments without discretionary participation features, in accordance with the “Regulations Governing the Reserves of Insurance Enterprises” and other applicable laws and regulations in Taiwan.

(28) Foreign Exchange Valuation Reserve

This reserve is established by life insurance companies in Taiwan to manage foreign exchange risk, reduce related costs, and strengthen solvency. In accordance with the "Regulations Governing the Reserves of Insurance Enterprises" and the "Guidelines for Foreign Exchange Valuation Reserves of Life Insurance Enterprises," the Group recognizes this reserve under liabilities for foreign investment assets held.

(29) Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

(30) Income Recognition

A. Interest income

Except for financial assets at FVTPL, interest income of all financial instruments is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable and recognized in the consolidated statements of comprehensive income. When the loans become past due and are considered uncollectible, the principal and interest receivable are transferred to delinquent loan accounts and the accrual of interest income is stopped. Interest income will be recognized when the delinquent interest is collected. If the repayment of loan is extended under an agreement, the related interest should be recognized as deferred revenue and recognized as income when collected. Interest income from securities trading margin purchase and short sale is accrued according to the terms stated in the financing and trading contract.

B. Service fee and commission income

Service fee revenue is recognized from providing loans and other services. The Group identifies contracts with the customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied. If the service fee revenue is for further loan service and of significant amount, it is recognized over the period of the service or included in the base of calculation of the effective interest rate of loans and receivables. The Group's customer loyalty program provides customers with award credits, which gives customers material rights by providing discount to future consumption. The transaction price allocated to award credit is recognized as a liability, and the Group recognizes revenue when award credits are redeemed or forfeited. Brokerage commission is recognized on the trading day. Purchasing commission is recognized when the commission is received; underwriting commission is recognized at the completion of the underwriting contracts.

(31) Employee Benefits

A. Retirement benefits

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

(a) the date of the plan amendment or curtailment, and
(b) the date that the Group recognizes restructuring-related costs or termination benefits

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

B. High-yield savings account for employee

The Group provides employees with high-yield savings account. The premium interest rate applies to a fixed amount of principal and the interest is paid to present employees (within employment and retirement) and retired employees. The difference between the premium rate and the market rate is classified as employee benefits.

(32) Share-based Payment Arrangements

Equity-settled share-based payment

The fair value determined at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's estimate of employee share options that will eventually vest, with a corresponding increase in capital surplus – employee share options. The fair value determined at the grant date of the employee share options is recognized as an expense in full at the grant date when the share options granted vest immediately.

The grant date of employee share options, which are reserved when the Company issues new shares, is the date when the number of employee subscription is confirmed. The Company recognized an expense and capital surplus at the fair value of the share options determined at the grant date.

Cash-settled share-based payment

For cash-settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of the liability incurred. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in profit or loss.

(33) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

Linked-tax system

TS Financial Holding Co., Ltd. and its more than 90% owned subsidiaries , And starting from the tax year in which the holding period reaches twelve months within one taxable year. Differences between current and deferred income tax expenses on consolidated entity basis and those on nonconsolidated entity basis are adjusted in TS Financial Holding’s income tax expenses. Related reimbursement and appropriation are recognized as receivables or payables.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Group's consolidated financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Impairment of Loans

The measurement of ECLs is based on the present value of the difference of all contractual cash flows receivable from a contract and all cash flows that are expected to be received, discounted at the original or credit-adjusted effective interest rate, and the calculated weighted average of the probability of default.

In the calculation of required provision of allowance for possible losses, the Group also takes into consideration the classification of loans based on the status of the loan collaterals and the length of time the loans are overdue. The Group evaluates the impairment of loans based on the customer's financial conditions, whether the repayments of principal and interest are overdue and the status of the collateral, etc. If future actual cash flows are lesser than expected, material impairment losses may arise.

Please refer to Note 12 for the assumptions and inputs used to determine impairment calculations.

(2) 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.

(3) 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 12.

(4) Business combinations

The Group will continue to review new information related to facts and circumstances that existed as of the acquisition date regarding the provisional amounts of identifiable assets acquired and liabilities assumed during the measurement period, which shall not exceed one year from the acquisition date. If 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.

(5) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The former is obtained by deducting directly attributable incremental disposal costs from the orderly transaction price among market participants at the measurement date; the latter is the discounted amount of future cash flows. The Group evaluates based on the business nature of each subsidiary: insurance subsidiaries estimate value in use using the IFRS 17 measurement model (including contract service margin, onerous contract liability, and new business value); other subsidiaries estimate value in use based on discounted future cash flows. The key assumptions used in the impairment tests above have a significant impact on the impairment results.

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

6. Contents of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand	$15,474,513	$15,675,761
Checks for clearing	1,837,287	1,388,142
Due from banks	53,665,895	9,043,186
Others	4,895,891	7,003,599
Total	$75,873,586	$33,110,688

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 December 31, 2025 and 2024.

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

	December 31, 2025	December 31, 2024
Required reserve - account A	$62,898,820	$34,343,001
Required reserve - account B	103,223,558	62,886,038
Required reserve - foreign currency	538,264	613,797
Required reserve - others	124,158	91,242
Call loans to other banks	23,914,611	2,328,374
Interbank clearing funds	17,151,702	8,000,130
Total	$207,851,113	$108,262,582

A. Deposit reserves are calculated according to the legal reserve ratio and the average daily balance of various deposits subject to statutory reserve requirements each month, and are deposited with the central bank. Required reserve - account A and Required reserve - foreign currency do not earn interest and can be withdrawn at any time; Required reserve - account B earn interest but cannot be used except under specified conditions.

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 due from the Central Bank and call loans to banks as of December 31, 2025 and 2024.

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

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

	December 31, 2025	December 31, 2024
Financial assets at fair value through profit or loss, mandatorily measured at fair value		
Derivative instruments		
Futures	$2,320,463	$1,006,291
Forward exchange contracts	772,496	1,224,827
Currency swaps	24,459,627	29,507,034
Interest rate swaps	15,662,174	16,505,697
Cross-currency swaps	696,120	553,260
Options	4,194,973	2,391,469
Equity-linked swaps	4,737	-
Non-derivative financial assets		
Investment in bills	161,453,205	54,599,251
Domestic and overseas shares and beneficiary certificates	325,673,943	41,493,344
Government bonds	41,206,388	5,982,741
Corporate bonds, bank notes payable and other bonds	44,739,397	12,671,321
Beneficiary securities	-	10,493
Share borrowing	-	51,797
Trading securities		
Dealing	57,520,029	11,133,485
Underwriting	3,122,261	1,990,302
Hedging	28,917,952	6,837,619
Total	$710,743,765	$185,958,931

	December 31, 2025	December 31, 2024
Financial liabilities designated at fair value through profit or loss		
Bank notes payable	$2,337,743	$2,422,399
Structured products	2,617,957	3,064,794
Financial liabilities held for trading		
Derivative instruments		
Futures	320,750	69,873
Forward exchange contracts	3,300,811	1,082,272
Currency swaps	43,988,051	26,471,291
Interest rate swaps	16,791,277	16,140,016
Cross-currency swaps	1,189,107	925,507
Options	10,238,982	4,830,910
Equity-linked swaps	4,737	-
Structured products	15,872	-
Liabilities for issuance of call (put) warrants, net	1,648,578	35,855
Exchangeable corporate bonds embedded derivatives	-	127,782
Non-derivative financial liabilities		
Share borrowing	12,909,814	1,494,495
Total	$95,363,679	$56,665,194

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

A. For the years ended December 31, 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.

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

	December 31, 2025	December 31, 2024
Futures	$25,090,776	$14,374,616
Forward exchange contracts	83,973,191	117,934,364
Currency swaps	2,391,519,233	2,328,364,474
Interest rate swaps	1,124,433,156	814,564,149
Cross-currency swaps	56,840,936	44,560,830
Options	162,561,291	428,679,909
Equity-linked swaps	69,186	-
Guarantee products	12,066,536	2,960,000
Credit-linked products	2,606,128	52,400
Equity-linked products	-	35,000

C. Call (put) warrants

	December 31, 2025	December 31, 2024
Call (put) warrants issued	$20,771,431	$2,887,313
Loss (gain) on change in fair value	2,531,598	(476,704)
Subtotal	23,303,029	2,410,609
Repurchased call (put) warrants	18,690,100	2,749,587
Gain (loss) on change in fair value	2,964,351	(374,833)
Subtotal	21,654,451	2,374,754
Total	1,648,578	$35,855

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.

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

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.

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:

	December 31, 2025	December 31, 2024
Domestic listed (OTC) shares	$95,959,449	$22,488,121
Domestic unlisted (OTC) shares	305,149	77,911
Foreign stocks	32,903,473	-
Domestic beneficiary certificates	149,037,528	4,674,199
Foreign beneficiary certificates	2,209,272	1,955,594
Foreign beneficiary bonds	-	10,493
Domestic financial bonds	17,882,399	-
Foreign financial bonds	7,620,880	-
Total	$305,918,150	$29,206,318

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 years ended December 31, 2025 and 2024, respectively were as follow:

	For the years ended December 31	
	2025	2024
Gain (loss) on application of IFRS 9	$43,891,177	$5,201,081
(Gain) loss if applying IAS 39	(26,402,640)	(4,354,539)
Gain (loss) on reclassification using the overlay approach	$17,488,537	$846,542

(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 $(15,517,178) thousand to $(33,005,715) thousand and from $8,084,887 thousand to $7,238,345 for the years ended December 31, 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 $38,481 thousand and $26,535 thousand for the years ended December 31, 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

	December 31, 2025	December 31, 2024
Debt instrument		
Government bonds	$179,262,361	$83,067,754
Corporate bonds	136,696,582	38,702,709
Bank notes payable	73,265,637	31,462,974
Beneficiary securities	2,397,879	955,554
Subtotal	391,622,459	154,188,991
Equity instrument		
Domestic and overseas shares	188,125,201	15,103,728
Total	$579,747,660	$169,292,719

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.

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

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
December 31, 2025	$88,926	$-	$-	$88,926
December 31, 2024	35,055	-	-	35,055

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 $32,830 thousand and $9,068 thousand for the years ended December 31, 2025 and 2024, respectively.

D. The Group sold the domestic shares for strategic purposes. The shares sold had a fair value of $28,590,501 thousand and $8,865,289 thousand, and the Group transferred $779,521 thousand and $825,240 thousand of gains from other equity to retained earnings for the years ended December 31, 2025 and 2024, respectively.

E. Refer to Note 12 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.

(5) Investments in debt instruments at amortized cost

	December 31, 2025	December 31, 2024
Investment in bills	$250,398,083	$316,076,428
Bank notes payable	948,541,708	132,565,411
Corporate bonds	796,483,231	149,869,087
Government bonds	599,155,111	174,451,564
Beneficiary securities	114,396,000	41,975,323
Others	34,045,730	-
Subtotal	2,743,019,863	814,937,813
Less: allowance for impairment	(850,330)	(98,612)
Less: security deposit	(30,514,076)	(1,855,839)
Total	$2,711,655,457	$812,983,362

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

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 $99,376 thousand and $9,957 thousand for the years ended December 31, 2025 and 2024, respectively. The disposal of bonds due to other conditions such as repayments at maturities and redemptions resulted in (loss) gain on disposal of $(911) thousand and $38,309 thousand for the years ended December 31, 2025 and 2024, respectively.

B. The amount of the loss allowance for debt instruments refers to the allowance amounts shown above was as follows:

	12-month ECLs	Lifetime ECLs - not credit-impaired	Lifetime ECLs - credit-impaired	Total
December 31, 2025	(850,330)	-	-	(850,330)
December 31, 2024	98,612	-	-	98,612

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 $772,112 thousand and $32,784 thousand for the years ended December 31, 2025 and 2024, respectively.

C. Refer to Note 12 for information relating to the management of credit risk and the impairment assessment on investments in debt instruments at amortized cost.

D. 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:

	December 31, 2025	December 31, 2024
Notes and accounts receivable	$92,941,157	$76,876,408
Credit cards receivable	84,632,218	76,277,101
Interest receivable	38,998,517	11,619,640
Securities margin loans receivable	37,984,487	16,823,354
Delivery accounts receivable	53,049,534	6,756,093
Other receivables	7,426,665	3,034,417
Subtotal	315,032,578	191,387,013
Less: adjustment for discounts	(2,580,422)	(2,807,074)
Less: allowance for receivables	(2,391,202)	(1,844,367)
Total	$310,060,954	$186,735,572

(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 years ended December 31, 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	9,493	23,355	-	(2,122)	30,726	-	30,726
Transferred to credit-impaired financial assets	(3,215)	(5,222)	-	179,294	170,857	-	170,857
Transferred to 12-month ECLs	3,292	(16,242)	-	(11,157)	(24,107)	-	(24,107)
Financial assets derecognized	(85,462)	(70,550)	(27,824)	(709,143)	(892,979)	-	(892,979)
New financial assets purchased or originated	109,874	109,007	17,187	(992,391)	(756,323)	-	(756,323)
Recognized (reversal) based on the regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	-	-	-	-	-	5,284	5,284
Write-offs	(10)	(50,652)	(3,654)	(762,168)	(816,484)	-	(816,484)
Recovery of written-off loans	-	-	-	885,324	885,324	-	885,324
Acquisitions through business combinations	128,391	83,647	90	335,837	547,965	228,301	776,266
Foreign exchange and other movements	36,960	447,695	550,690	159,711	1,195,056	-	1,195,056
Loss allowance as of December 31, 2025	$374,411	$669,683	$926,868	$(276,859)	$1,694,103	$944,564	$2,638,667

(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	(1,603)	23,754	-	(714)	21,437	-	21,437
Transferred to credit-impaired financial assets	(3,454)	(3,036)	-	194,455	187,965	-	187,965
Transferred to 12-month ECLs	458	(7,956)	-	(8,539)	(16,037)	-	(16,037)
Financial assets derecognized	(110,431)	(23,889)	(14,018)	(1,138,732)	(1,287,070)	-	(1,287,070)
New financial assets purchased or originated	82,609	36,346	18,448	95,325	232,728	-	232,728
Recognized (reversal) based on the regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	-	-	-	-	-	75,669	75,669
Write-offs	(20)	(33,225)	(96,032)	(665,323)	(794,600)	-	(794,600)
Recovery of written-off loans	-	-	3,572	883,397	886,969	-	886,969
Foreign exchange and other movements	11,689	4,019	1,948	110,588	128,244	-	128,244
Loss allowance as of December 31, 2024	$175,088	$148,645	$390,379	$639,956	$1,354,068	$710,979	$2,065,047

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

(7) Assets classified as held for sale

	December 31, 2025	December 31, 2024
	Land and buildings	Land and buildings
Carrying amount	$5,272,964	$-

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:

	December 31, 2025	December 31, 2024
Negotiated	$1,362,708	$2,732,507
Overdrafts	1,538,899	2,962,400
Short-term loans	529,496,937	311,754,093
Medium-term loans	936,059,372	581,300,393
Long-term loans	1,290,705,121	774,322,022
Policy loans	100,768,130	6,300,573
Automatic premium loans	11,991,923	1,958,511
Delinquent loans	2,676,312	1,710,192
Subtotal	2,874,599,402	1,683,040,691
Less: adjustment for discounts	(989,583)	(848,086)
Less: allowance for loan losses	(35,372,726)	(21,679,059)
Total	$2,838,237,093	$1,660,513,546

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

B. The movements in the allowance for loans for the years ended December 31, 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	(30,331)	453,143	30,286	(13,735)	439,363	-	439,363
Transferred to credit-impaired financial assets	(14,947)	(127,590)	(20,787)	1,732,653	1,569,329	-	1,569,329
Transferred to 12-month ECLs	32,308	(687,784)	-	(271,760)	(927,236)	-	(927,236)
Financial assets derecognized	(1,864,750)	(1,114,672)	(12,011)	(1,858,249)	(4,849,682)	-	(4,849,682)
New financial assets purchased or originated	2,091,059	567,714	1,108	298,134	2,958,015	-	2,958,015
Recognized (reversal) based on the regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	-	-	-	-	-	1,893,488	1,893,488
Write-offs	(2,235)	(41,993)	-	(1,342,088)	(1,386,316)	-	(1,386,316)
Recovery of written-off loans	-	-	-	1,546,207	1,546,207	-	1,546,207
Acquisitions through business combinations	2,203,208	1,887,712	8,451	1,201,147	5,300,518	6,912,388	12,212,906
Foreign exchange and other movements	(130,150)	(25,731)	(8,451)	352,202	187,870	49,723	237,593
Loss allowance as of December 31, 2025	$4,587,945	$1,852,606	$181,041	$4,511,409	$11,133,001	$24,239,725	$35,372,726

(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	(12,750)	394,482	126,413	(14,175)	493,970	-	493,970
Transferred to credit-impaired financial assets	(7,945)	(46,579)	(14,866)	939,342	869,952	-	869,952
Transferred to 12-month ECLs	7,952	(280,655)	(4,489)	(224,126)	(501,318)	-	(501,318)
Financial assets derecognized	(590,569)	(313,497)	(46,526)	(1,589,684)	(2,540,276)	-	(2,540,276)
New financial assets purchased or originated	795,401	78,719	19,164	113,657	1,006,941	-	1,006,941
Recognized (reversal) based on the regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	-	-	-	-	-	1,262,316	1,262,316
Write-offs	(979)	(12,883)	-	(333,482)	(347,344)	-	(347,344)
Recovery of written-off loans	-	-	-	852,756	852,756	-	852,756
Loss allowance as of December 31, 2024	$2,303,783	$941,807	$182,445	$2,866,898	$6,294,933	$15,384,126	$21,679,059

(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 years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31	
	2025	2024
(Provision for) reversal of the allowance for losses on receivables, loans and other financial assets	$(2,532,799)	$(1,192,329)
(Provision for) reversal of the allowance for losses on guarantee liabilities	(117,181)	(18,584)
(Provision for) reversal of the allowance for losses on loan commitments	(13,589)	16,192
(Provision for) reversal of the allowance for letters of credit	20,180	125
Total	$(2,643,389)	$(1,194,596)

(9) Investments accounted for using equity method

A. Investments in associates

	December 31, 2025	December 31, 2024
Associates that are not individually material	$3,006,990	$527,999

Aggregate information of associates that are not individually material:

	For the years ended December 31	
	2025	2024
The Group's share of:		
Net income for the period	$77,726	$46,235
Other comprehensive income for the period	(313)	214
Total comprehensive income for the period	$77,413	$46,449

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 of NT$87,757 thousand.

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.

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.

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

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

(10) Other financial assets, net

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

	December 31, 2025	December 31, 2024
Non-performing receivables transferred from other than loans	$398,473	$383,975
Less: allowance for bad debt	(247,465)	(220,680)
Due from banks	14,701,875	6,592,320
Securities lending deposits	1,080,323	56,544
Gold deposit account	2,238,089	967,479
Customer margin account	17,955,465	3,678,499
Securities borrowing collateral price	843,385	-
Separate account insurance products assets (Note 6.(27))	130,536,420	44,367,925
Total	$167,506,565	$55,826,062

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

C. Refer to Note 6.(6) for the movements of the allowance for non-performing receivables transferred from other than loans for the years ended December 31, 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 December 31, 2025 and 2024.

(11) Investment properties, net

	December 31, 2025	December 31, 2024
Investment properties		
Land	$149,792,811	$4,348,096
Buildings		
Cost	81,071,473	1,412,670
Accumulated depreciation	(1,224,345)	(272,696)
Subtotal	79,847,128	1,139,974
Prepayments for buildings and land	45,405	5,368,011
Investment properties under construction	76,758	-
Total	$229,762,102	$10,856,081

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

	Land	Buildings	Prepayments for buildings and land	Investment property under construction	Total
Cost:					
Balance, January 1, 2025	$4,348,096	$1,412,670	$5,368,011	$-	$11,128,777
Additions	110,395	1,985,220	13,971	76,758	2,186,344
Disposals	(17,468)	(7,021,599)	-	-	(7,039,067)
Reclassification	5,316,133	(6,086,134)	(5,369,369)	-	(6,139,370)
Acquisitions through business combinations	140,035,655	90,781,316	32,792	-	230,849,763
Balance, December 31, 2025	$149,792,811	$81,071,473	$45,405	$76,758	$230,986,447
Balance, January 1, 2024	$3,246,556	$1,088,681	$-	$-	$4,335,237
Additions	1,111,919	340,288	5,368,011	-	6,820,218
Reclassification	(10,379)	(16,299)	-	-	(26,678)
Balance, December 31, 2024	$4,348,096	$1,412,670	$5,368,011	$-	$11,128,777
Accumulated depreciation:					
Balance, January 1, 2025	$-	$272,696	$-	$-	$272,696
Depreciation expenses	-	788,578	-	-	788,578
Disposals	-	(450)	-	-	(450)
Reclassification	-	766,009	-	-	766,009
Acquisitions through business combinations	-	(602,488)	-	-	(602,488)
Balance, December 31, 2025	$-	$1,224,345	$-	$-	$1,224,345
Balance, January 1, 2024	$-	$241,728	$-	$-	$241,728
Depreciation expenses	-	34,332	-	-	34,332
Reclassification	-	(3,364)	-	-	(3,364)
Balance, December 31, 2024	$-	$272,696	$-	$-	$272,696

The Group acquired investment properties in the amount of $230,849,763 thousand due to business combinations for the year ended December 31, 2025.

The Group acquired investment properties in the amount of $2,186,344 thousand and $6,820,218 thousand, and disposed of $7,039,067 thousand and $0 thousand, for the years ended December 31, 2025 and 2024, respectively. Other than the recognized depreciation expenses and the reclassification of $6,139,370 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 years ended December 31, 2025 and 2024.

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

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

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

	December 31, 2025	December 31, 2024
Year 1	$4,846,236	$181,045
Year 2	3,951,788	172,579
Year 3	2,614,501	167,007
Year 4	2,045,546	159,471
Year 5	1,586,639	137,556
Over 5 years	5,015,949	679,398
Total	$20,060,659	$1,497,056

The rental income and direct operating expenses generated from investment properties for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31	
	2025	2024
Rental income	$5,306,126	$191,020
Direct operating expenses		
From investment properties generating rental income	1,314,658	46,544
From investment properties not generating rental income	22,624	3,705

The fair values of the Group's investment properties (excluding prepayments for buildings and land) as of December 31, 2025 and 2024 were $215,727,313 thousand and $6,401,473 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.

Please refer to Note 8 for information on investment properties pledged as collateral.

(12) Property and equipment, net

	December 31, 2025	December 31, 2024
Land	$62,880,777	$17,414,366
Buildings	17,638,925	5,264,716
Machinery equipment	2,611,599	1,974,582
Transportation equipment	106,416	126,090
Miscellaneous equipment	679,779	114,775
Leasehold improvements	464,491	320,798
Construction in progress	1,754,921	-
Prepayments for equipment	67,418	93,460
Total	$86,204,326	$25,308,787

(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
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	-	49,709	659,395	2,895	84,579	105,008	617,116	136,135	1,654,837
Disposals	(46,814)	(267,301)	(1,086,614)	(23,077)	(78,328)	(105,954)	-	-	(1,608,088)
Reclassification	4,939,323	2,478,372	59,805	970	2,008	57,475	(16,667)	(171,692)	7,349,594
Acquisitions through business combinations	40,574,756	11,200,281	1,769,807	34,742	762,898	(1,529)	1,154,472	9,515	55,504,942
Exchange differences	-	-	227	-	1,051	167	-	-	1,445
Balance, December 31, 2025	$62,881,631	$22,370,741	$6,435,913	$278,118	$1,027,915	$857,490	$1,754,921	$67,418	$95,674,147
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	-	57,931	405,394	38,553	50,638	71,064	-	249,409	872,989
Disposals	-	(16,984)	(666,956)	(24,842)	(101,883)	(174,228)	-	-	(984,893)
Reclassification	10,379	116,390	105,137	-	35,225	18,864	-	(258,969)	27,026
Exchange differences	-	-	901	-	-	2,534	-	-	3,435
Balance, December 31, 2024	$17,414,366	$8,909,680	$5,033,293	$262,588	$255,707	$802,323	$-	$93,460	$32,771,417
Accumulated depreciation:									
Balance, January 1, 2025	$-	$3,644,964	$3,058,711	$136,498	$140,932	$481,525	$-	$-	$7,462,630
Depreciation expenses	-	453,749	841,546	44,521	113,234	173,705	-	-	1,626,755
Disposals	-	(210,600)	(1,072,059)	(21,224)	(70,900)	(105,954)	-	-	(1,480,737)
Reclassification	-	(61,764)	39,669	357	-	-	-	-	(21,738)
Acquisitions through business combinations	-	905,467	956,276	11,550	164,567	(156,683)	-	-	1,881,177
Exchange differences	-	-	171	-	303	406	-	-	880
Balance, December 31, 2025	$-	$4,731,816	$3,824,314	$171,702	$348,136	$392,999	$-	$-	$9,468,967
Balance, January 1, 2024	$-	$3,389,884	$2,968,107	$118,844	$161,458	$514,174	$-	$-	$7,152,467
Depreciation expenses	-	268,700	780,163	42,465	45,920	139,899	-	-	1,277,147
Disposals	-	(16,984)	(657,279)	(24,811)	(101,671)	(174,232)	-	-	(974,977)
Reclassification	-	3,364	(33,029)	-	35,225	-	-	-	5,560
Exchange differences	-	-	749	-	-	1,684	-	-	2,433
Balance, December 31, 2024	$-	$3,644,964	$3,058,711	$136,498	$140,932	$481,525	$-	$-	$7,462,630
Accumulated Impairment									
Balance, January 1, 2025	$-	$-	$-	$-	$-	$-	$-	$-	$-
Increase	854	-	-	-	-	-	-	-	854
Balance, December 31, 2025	$854	$-	$-	$-	$-	$-	$-	$-	$854

Please refer to Note 8 for information on properties and equipment pledged as collateral.

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

(13) Lease

A. Right-of-use assets, net

	December 31, 2025	December 31, 2024
Carrying amount		
Land use rights	$2,815,346	$-
Buildings	4,040,760	2,188,259
Office and other equipment	36,537	1,244
Transportation equipment	40,002	28,782
Total	$6,932,645	$2,218,285

	For the years ended December 31	
	2025	2024
Depreciation charge for right-of-use assets		
Land use rights	$15,619	$-
Buildings	1,258,567	842,278
Office and other equipment	9,818	4,156
Transportation equipment	21,159	14,913
Total	$1,305,163	$861,347

For the years ended December 31, 2025 and 2024, the Group added $1,239,057 thousand and $789,904 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 years ended December 31, 2025 and 2024.

B. Lease liabilities

	December 31, 2025	December 31, 2024
Carrying amount		
Buildings	$9,474,680	$2,261,648
Office and other equipment	17,377	1,273
Transportation equipment	48,871	29,060
Total	$9,540,928	$2,291,981

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

	For the years ended December 31	
	2025	2024
Interest expense (other interest expense)	$93,625	$25,141

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 December 31, 2025 and 2024 were as follows:

	The lease term	Discount rate
December 31, 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%~4.490%
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%

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.

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

(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.

(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 years ended December 31	
	2025	2024
Expenses relating to short-term leases	$28,643	$24,215
Expenses relating to low-value asset leases	$4,834	$6,725
Total cash outflow for leases	$1,351,673	$954,902

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.

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

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

	December 31, 2025	December 31, 2024
Lease commitments	$18,150	$40,800

(14) Intangible assets, net

	December 31, 2025	December 31, 2024
Goodwill	$657,490,149	$1,567,391
Client list	4,664,294	-
Computer software	2,688,545	2,083,067
Other intangible assets	10,038,142	18,938
Total	$674,881,130	$3,669,396

	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	-	-	733,602	86,316	819,918
Acquisitions through business combinations	655,922,758	4,867,089	436,276	10,264,173	671,490,296
Disposals	-	-	(1,692)	-	(1,692)
Amortization	-	(202,795)	(950,567)	(346,505)	(1,499,867)
Reclassification	-	-	25,914	15,220	41,134
Exchange differences	-	-	361,945	-	361,945
Balance, December 31, 2025	$657,490,149	$4,664,294	$2,688,545	$10,038,142	$674,881,130
Balance, January 1, 2024	$1,567,391	$-	$1,972,227	$25,703	$3,565,321
Additions	-	-	738,032	-	738,032
Disposals	-	-	(2,934)	(15)	(2,949)
Amortization	-	-	(629,350)	(6,750)	(636,100)
Reclassification	-	-	4,511	-	4,511
Exchange differences	-	-	581	-	581
Balance, December 31, 2024	$1,567,391	$-	$2,083,067	$18,938	$3,669,396

A. Other intangible assets include carbon credit and right to participate in professional basketball league.

B. The acquisition and main movements of goodwill were as follows:

(a) Taishin Bank merged with Dah An Bank through a share swap in February 2002, in which Taishin Bank issued new shares to acquire the total assets and liabilities of Dah An Bank. The difference between the fair value of the new shares issued by Taishin Bank and the fair value of net assets acquired was recognized as goodwill. The unamortized amount as of December 31, 2025 and 2024 was all $884,937 thousand with no material impairment loss noted.

(b) Taishin AMC acquired 40% ownership of Taishin Real-Estate in April 2003. The difference between the purchase price and the net assets acquired was recognized as goodwill. The unamortized amount as of December 31, 2025 and 2024 was all $4,187 thousand with no material impairment loss noted.

(c) Taishin Bank acquired the net assets of the 10th Credit Cooperative of Hsin-Chu in October 2004. The acquisition price in excess of the net assets of 10th Credit Cooperative of Hsin-Chu was recognized as goodwill. The unamortized amount as of December 31, 2025 and 2024 was all $267,337 thousand with no material impairment loss noted.

(d) Taishin Securities Investment Trust merged with IBT Securities Investment Trust Co., Ltd. on December 18, 2010, in which Taishin Securities Investment Trust acquired the total assets and liabilities of IBT Securities Investment Trust Co., Ltd. The difference between the purchase price and the net assets acquired was recognized as goodwill valued at $425,300 thousand. Taishin Securities Investment Trust valued the recoverable amount of goodwill and recognized impairment loss for goodwill in the amount of $14,370 thousand for the year ended December 31, 2016. The recoverable amount was valued on the basis of use value. The main reason of impairment was the profitability of Taishin Securities Investment Trust. The unamortized amount as of December 31, 2025 and 2024 was all $410,930 thousand.

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

(e) On July 24, 2025, the Company acquired 100% of Shin Kong Financial Holding Co., Ltd. shares, thereby gaining control over the financial holding group. Subsequently, Shin Kong Financial Holding was dissolved, and the Company directly holds the subsidiaries originally under Shin Kong Financial Holding. The difference between the acquisition consideration and the provisional fair value of identifiable net assets was recognized as goodwill amounting to $655,922,758 thousand. As of December 31, 2025, the unamortized balance remains $655,922,758 thousand, and no significant impairment has been identified upon evaluation. Details of the provisional fair value of identifiable net assets at the acquisition date and the transaction consideration are provided in Note 6.(39).

(15) Other assets, net

	December 31, 2025	December 31, 2024
Prepayments	$2,456,599	$1,358,952
Net defined benefit asset	7,136,255	-
Refundable deposits	45,511,793	20,395,380
Operating guarantee deposits and settlement funds	14,899,537	2,098,376
Collateral, net	234,499	256,349
Others	2,824,592	193,654
Total	$73,063,275	$24,302,711

A. Refer to Note 8 for information relating to refundable deposits, operating guarantee deposits and settlement funds pledged as collateral.

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 refundable deposits, operating guarantee deposits and settlement funds as of December 31, 2025 and 2024, respectively.

(16) Deposits from the central bank and banks

	December 31, 2025	December 31, 2024
Deposits from other banks	$19,412,649	$7,216,030
Call loans from other banks	27,658,654	4,599,665
Bank overdrafts	723,368	763,102
Deposits from the Central Bank	89,638	97,286
Total	$47,884,309	$12,676,083

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

(17) Commercial papers issued, net

Guarantee or acceptance institutions	December 31, 2025	December 31, 2024
Grand Bills Finance	$4,355,000	$4,837,000
China Bills Finance	17,370,000	9,170,000
Ta Ching Bills Finance	3,300,000	950,000
International Bills Finance	9,260,000	2,850,000
Taiwan Finance Corporation	3,940,000	2,375,000
Mega Bills Finance	9,095,000	7,125,000
Bank SinoPac	9,150,000	5,200,000
KGI Bank	1,650,000	2,450,000
Taiwan Cooperative Bills Finance	2,700,000	2,400,000
Union Bills Finance Corporation	1,300,000	-
Taipei Fubon Commercial Bank	5,570,000	2,550,000
Cathay United Bank	3,500,000	-
Yuanta Commercial Bank	7,700,000	500,000
China Trust Commercial Bank	4,130,000	1,800,000
Union Bank of Taiwan	5,650,000	4,300,000
Sunny Commercial Bank	3,050,000	1,400,000
O-Bank	600,000	1,600,000
Less: discounts on commercial papers issued	(183,175)	(93,535)
Total	$92,136,825	$49,413,465

As of December 31, 2025 and 2024, the interest rate ranges of commercial papers issued were 1.48%~2.24% and 1.55%~2.11%, respectively.

(18) Payables

	December 31, 2025	December 31, 2024
Notes and accounts payable	$19,902,620	$10,950,788
Delivery accounts payable	46,631,099	5,823,502
Accrued expenses	28,192,866	11,292,563
Interest payable	9,557,864	7,859,633
Checks for clearance payable	1,836,384	1,312,582
Collection payable	2,381,884	914,473
Settlement	5,850,099	1,534,734
Tax payable	1,396,179	635,307
Dividend payable	230,803	-
Other payables	8,594,619	4,440,443
Total	$124,574,417	$44,764,025

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

(19) Deposits and remittances

	December 31, 2025	December 31, 2024
Checking deposits	$16,184,907	$7,683,354
Demand deposits	701,747,750	463,141,063
Time deposits	1,164,791,836	806,126,779
Negotiable certificates of deposit	7,320,400	2,262,715
Savings deposits	1,673,552,726	1,022,032,589
Public treasury deposits	15,091,267	16,477,490
Remittances	2,538,431	2,501,939
Total	$3,581,227,317	$2,320,225,929

(20) Bonds payable

	December 31, 2025	December 31, 2024
Corporate bonds	$95,479,200	$35,300,000
Exchangeable corporate bonds	-	4,259,400
Less: discount on exchangeable corporate bonds	-	(26,128)
Less: discount on domestic corporate bonds	(54,578)	-
Less: discount on foreign corporate bonds	(183,190)	-
Purchase price allocation adjustment	4,878,193	-
Subtotal	100,119,625	39,533,272
Bank notes payable	48,250,000	25,000,000
Purchase price allocation adjustment	319,852	-
Subtotal	48,569,852	25,000,000
Total	$148,689,477	$64,533,272

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:

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

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

	December 31, 2025	December 31, 2024
Unsecured subordinated corporate bonds - 2017 (I)	$8,000,000	$8,000,000
Unsecured subordinated corporate bonds - 2018 (I)	7,000,000	7,000,000
Unsecured subordinated corporate bonds - 2019 (I)	7,000,000	7,000,000
Unsecured ordinary corporate bonds - 2020 (I)	7,300,000	10,000,000
Unsecured ordinary corporate bonds - 2022 (I)	5,000,000	-
	34,300,000	32,000,000
Less：discount on Unsecured ordinary corporate bonds - 2022 (I)	(54,578)	-
Total	$34,245,422	$32,000,000

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.

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

(b) Domestic unsecured exchangeable corporate bonds

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

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.

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:

	December 31, 2025	December 31, 2024
Subordinated bank notes payable - 2015 (I)	$4,850,000	$9,100,000
Subordinated bank notes payable - 2015 (II)	6,000,000	6,000,000
Subordinated bank notes payable - 2015 (III)	4,200,000	4,900,000
Unsecured, no maturity, and non-cumulative subordinated bank notes payable - 2019 (I)	5,000,000	5,000,000
Total	$20,050,000	$25,000,000

(a) Taishin Bank made first issue of $9,100 million in subordinated bank notes payable in 2015 as follows:

Bank Notes Payable	Issue Date	Maturity Date	Term	Issue Amount	Interest Rate
A	2015.6.10	2025.6.10	10 years	$4,250 million	2.15 fixed interest rate
B	2015.6.10	2030.6.10	15 years	$4,850 million	2.45 fixed interest rate

(b) Taishin Bank made second issue of $6,000 million in subordinated bank notes payable in 2015 as follows:

Bank Notes Payable	Issue Date	Maturity Date	Term	Issue Amount	Interest Rate
2015, second issue	2015.9.18	2027.9.18	12 years	$6,000 million	2.25 fixed interest rate

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

(c) Taishin Bank made third issue of $4,900 million in subordinated bank notes payable in 2015 as follows:

Bank Notes Payable	Issue Date	Maturity Date	Term	Issue Amount	Interest Rate
A	2015.9.22	2025.9.22	10 years	$700 million	2.15 fixed interest rate
B	2015.9.22	2030.9.22	15 years	$4,200 million	2.45 fixed interest rate

(d) Taishin Bank’s made first issue of $5,000 million in unsecured, no maturity, and non-cumulative subordinated bank notes payable in 2019 was as follows:

Bank Notes Payable	Issue Date	Maturity Date	Term	Issue Amount	Interest Rate
2019, first issue	2019.03.28	No maturity. (Issuer has redemption right.)	No maturity. (Issuer has redemption right.)	$5,000 million	2.45 fixed interest rate

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.

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%.

	December 31, 2025	December 31, 2024
Unsecured subordinated corporate bonds - 2020 (I)	$3,300,000	$3,300,000

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:

	December 31, 2025
Senior Financial Bonds	$1,000,000
Subordinated Financial Bonds	27,200,000
Purchase price allocation adjustment	319,852
Total	$28,519,852

(a) Taiwan Shin Kong Commercial Bank was approved by the Banking Bureau, Financial Supervisory Commission (Order No. 10400308600 issued by the FSC) 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.

(b) Taiwan Shin Kong Commercial Bank was approved by the Banking Bureau, Financial Supervisory Commission (Order No. 10600186530 issued by the FSC) 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 (Order No. 10600186530 issued by the FSC) 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 (Order No. 10802068560 issued by the FSC) 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.

(e) Taiwan Shin Kong Commercial Bank was approved by the Banking Bureau, Financial Supervisory Commission (Order No. 1090209311 issued by the FSC) 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 (Order No. 1090228036 issued by the FSC) 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 (Order No. 1090228036 issued by the FSC) 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.

(h) Taiwan Shin Kong Commercial Bank was approved by the Banking Bureau, Financial Supervisory Commission (Order No. 1100209942 issued by the FSC) 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 (Order No. 1110211371 issued by the FSC) 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 (Order No. 1110211371 issued by the FSC) 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.

(k) Taiwan Shin Kong Commercial Bank was approved by the Banking Bureau, Financial Supervisory Commission (Order No. 1120212291 issued by the FSC) 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.

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

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

	December 31, 2025
Non-maturity cumulative subordinated corporate bonds	$24,000,000
Ten-year secured cumulative subordinated corporate bonds	21,300,000
Overseas ten-year unsecured cumulative subordinated corporate bonds denominated in US dollars	12,579,200
	57,879,200
Less: Discount on overseas ten-year unsecured cumulative subordinated corporate bonds denominated in US dollars	(183,190)
Purchase price allocation adjustment	4,878,193
Total	$62,574,203

(a) Shin Kong Life Insurance was notified by the Financial Supervisory Commission (Approval Rule No. 10102908010 issued by the Insurance Bureau of the FSC and Rule No. 1010051395 issued by the FSC) 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 (Rule No. 10502911780 issued by the Insurance Bureau of the FSC) and notified by the Securities and Futures Bureau of the Republic of China (Taiwan) (Rule No. 10500291131 issued by the Taipei Exchange) 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.

(c) Shin Kong Life Insurance was approved by the Financial Supervisory Commission (Rule No. 10704276590 issued by the Insurance Bureau of the FSC) and notified by the Securities and Futures Bureau of the Republic of China (Taiwan) (Rule No. 10700153821 issued by the Taipei Exchange) 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 (Rule No. 1120435047 issued by the Insurance Bureau of the FSC) and notified by the Securities and Futures Bureau of the Republic of China (Taiwan) (Rule No. 11200101411 issued by the Taipei Exchange.) 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.

(e) Shin Kong Life Insurance was approved by the Financial Supervisory Commission (Rule No. 1130419849 issued by the Insurance Bureau of the FSC) and notified by the Securities and Futures Bureau of the Republic of China (Taiwan) (Rule No. 11300044461 issued by the Taipei Exchange) 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 (Rule No. 1130426320 issued by the Insurance Bureau of the FSC) and notified by the Securities and Futures Bureau of the Republic of China (Taiwan) (Rule No. 11300071751 issued by the Taipei Exchange) 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.

(g) Shin Kong Life Insurance was approved by the Financial Supervisory Commission (Rule No. 1130434112 issued by the Insurance Bureau of the FSC) and notified by the Securities and Futures Bureau of the Republic of China (Taiwan) Rule No. 11300108861 issued by the Taipei Exchange) 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.

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

(21) Other borrowings

	December 31, 2025	December 31, 2024
Short-term unsecured borrowings	$4,829,805	$7,645,830
Long-term borrowings	3,028,597	2,597,881
Total	$7,858,402	$10,243,711

As of December 31, 2025 and 2024, the interest rates on short-term unsecured borrowings ranged from 1.78%~4.81% and 1.88%~5.81%, respectively.

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

(22) Preferred stock liabilities

	December 31, 2025	December 31, 2024
Preferred stock liabilities	$28,322,642	$-

The Company resolved on April 24, 2025, upon board resolution, to merge with Shin Kong Financial Holding 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$9.00 per share, resulting in a total issuance amount of NT$27,867,785 thousand. The capital increase reference date was set on July 24, 2025. The issuance has been declared effective by the official letter No. 1141802690 issued by Taiwan Stock Exchange on June 27, 2025, and has been approved for registration change by the Ministry of Economic Affairs under official letter 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.

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.

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.

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

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

	December 31, 2025	December 31, 2024
Insurance liabilities (Note 6.(24))	$3,664,010,878	$270,261,597
Provisions for employee benefits	1,246,559	905,824
Provisions for guarantee liabilities	715,219	300,578
Provisions for loan commitments	255,718	172,967
Other provisions	250,084	127,885
Total	$3,666,478,458	$271,768,851

	Provisions for guarantee liabilities	Provisions for loan commitments	Other provisions
Balance, January 1, 2025	$300,578	$172,967	$127,885
Provision (reverse)	117,181	13,589	2,014
Used	-	-	-
Acquisitions through business combinations	298,100	68,917	120,993
Exchange differences	(640)	245	(808)
Balance, December 31, 2025	$715,219	$255,718	$250,084
Balance, January 1, 2024	$280,152	$187,967	$123,683
Provision (reverse)	18,584	(16,192)	2,631
Exchange differences	1,842	1,192	1,571
Balance, December 31, 2024	$300,578	$172,967	$127,885

Other provisions are Taishin Bank’s loss allowance for letters of credit and the provisions for compensation of dispute cases.

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

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 are 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
December 31, 2025	$258,684	$9,846	$13,555	$282,085	$702,776	$984,861
December 31, 2024	117,486	8,909	5,638	132,033	346,538	478,571

(24) Insurance liabilities

	December 31, 2025	December 31, 2024
Unearned premium reserve	$14,653,293	$1,338,993
Loss reserve	6,572,146	2,001,129
Policy reserve	3,495,185,115	243,785,053
Special reserve for life insurance	1,157,062	-
Premium deficiency reserve	1,013,153	241,928
Reserve for insurance contracts with the nature of financial products	175,874	1,465
Reserve for foreign exchange valuation	56,009,043	1,325,436
Other reserves	89,245,192	21,567,593
Total	$3,664,010,878	$270,261,597

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 years ended December 31	
	2025	2024
Provision of policy reserve	$50,208,542	$25,464,408
Provision of loss reserve	269,273	272,564
Reversal of premium deficiency reserve	(47,674)	(78,847)
Provision of special reserve for life insurance	738,220	-
Net changes in unearned premium reserve	889,841	74,365
Net changes in reserve for insurance contracts with the nature of financial products	39,469	(277)
Subtotal	52,097,671	25,732,213
Net changes in other reserves	(1,951,508)	(917,694)
Total	$50,146,163	$24,814,519

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

A. Unearned premium reserve

	December 31, 2025			December 31, 2024		
	Insurance contracts	Financial instruments with discretionary participation features	Total	Insurance contracts	Financial instruments with discretionary participation features	Total
Individual life insurance	$50,549	$9	$50,558	$50,463	$-	$50,463
Individual injury insurance	6,354,614	-	6,354,614	97,327	-	97,327
Individual health insurance	6,646,650	-	6,646,650	1,163,340	-	1,163,340
Investment-linked insurance	76,816	-	76,816	27,863	-	27,863
Group insurance	1,524,655	-	1,524,655	-	-	-
Total	14,653,284	9	14,653,293	1,338,993	-	1,338,993
Less ceded unearned premium reserve						
Individual life insurance	326,729	-	326,729	197,459	-	197,459
Individual injury insurance	16,595	-	16,595	14,361	-	14,361
Individual health insurance	338,682	-	338,682	135,851	-	135,851
Investment-linked insurance	34,984	-	34,984	32,314	-	32,314
Group insurance	-	-	-	-	-	-
Total	716,990	-	716,990	379,985	-	379,985
Net ending balance	$13,936,294	$9	$13,936,303	$959,008	$-	$959,008

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

The changes in unearned premium reserve are as follows:

	For the years ended December 31					
	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	15,790,060	8	15,790,068	1,338,935	-	1,338,935
Recovery	(14,790,404)	(7)	(14,790,411)	(1,190,540)	-	(1,190,540)
Acquisitions through business combinations	12,314,677	8	12,314,685	-	-	-
Exchange differences	(42)	-	(42)	58	-	58
Ending balance	14,653,284	9	14,653,293	1,338,993	-	1,338,993
Less ceded unearned premium reserve						
Beginning balance	379,985	-	379,985	302,194	-	302,194
Increase	875,110	-	875,110	376,224	-	376,224
Decrease	(765,294)	-	(765,294)	(302,194)	-	(302,194)
Acquisitions through business combinations	229,549	-	229,549	-	-	-
Exchange differences	(2,360)	-	(2,360)	3,761	-	3,761
Ending balance	716,990	-	716,990	379,985	-	379,985
Net ending balance	$13,936,294	$9	$13,936,303	$959,008	$-	$959,008

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

B. Loss reserve

	December 31, 2025			December 31, 2024		
	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	$1,265,535	$593	$1,266,128	$969,543	$-	$969,543
Not yet filed	6,041	1	6,042	-	-	-
Individual injury insurance						
Filed not yet paid	115,177	-	115,177	3,153	-	3,153
Not yet filed	1,239,204	-	1,239,204	11,785	-	11,785
Individual health insurance						
Filed not yet paid	895,637	-	895,637	722,224	-	722,224
Not yet filed	2,230,427	-	2,230,427	260,224	-	260,224
Investment-linked insurance						
Filed not yet paid	42,473	-	42,473	34,200	-	34,200
Group insurance						
Filed not yet paid	21,574	-	21,574	-	-	-
Not yet filed	755,484	-	755,484	-	-	-
Total	6,571,552	594	6,572,146	2,001,129	-	2,001,129
Less ceded loss reserve						
Individual life insurance	11,246	-	11,246	3,754	-	3,754
Individual injury insurance	79,123	-	79,123	7	-	7
Individual health insurance	31	-	31	84,537	-	84,537
Investment-linked insurance	-	-	-	11,537	-	11,537
Total	90,400	-	90,400	99,835	-	99,835
Net ending balance	$6,481,152	$594	$6,481,746	$1,901,294	$-	$1,901,294

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

The changes in loss reserve are as follows:

	For the years ended December 31					
	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	6,759,681	5,877	6,765,558	1,998,960	-	1,998,960
Recovery	(6,500,289)	(5,284)	(6,505,573)	(1,692,502)	-	(1,692,502)
Acquisitions through business combinations	4,307,458	1	4,307,459	-	-	-
Exchange differences	3,573	-	3,573	2,169	-	2,169
Ending balance	6,571,552	594	6,572,146	2,001,129	-	2,001,129
Less ceded loss reserve						
Beginning balance	99,835	-	99,835	65,748	-	65,748
Increase	90,555	-	90,555	99,660	-	99,660
Decrease	(99,843)	-	(99,843)	(65,766)	-	(65,766)
Exchange differences	(147)	-	(147)	193	-	193
Ending balance	90,400	-	90,400	99,835	-	99,835
Net ending balance	$6,481,152	$594	$6,481,746	$1,901,294	$-	$1,901,294

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

C. Policy reserve:

	December 31, 2025			December 31, 2024		
	Insurance contracts	Financial instruments with Discretionary participation features	Total	Insurance contracts	Financial instruments with Discretionary participation features	Total
Life insurance	$3,076,182,489	$4,239,755	$3,080,422,244	$214,860,440	$-	$214,860,440
Health insurance	398,887,598	-	398,887,598	27,178,012	-	27,178,012
Annuity insurance	313,872	12,839,219	13,153,091	30,436	-	30,436
Investment-linked insurance	1,764,354	-	1,764,354	1,663,221	-	1,663,221
Transferred-in unwritten-off balance of 3% decrease in business tax	-	-	-	-	-	-
Transferred-in recovery of catastrophe reserve	-	-	-	-	-	-
Total	3,477,148,313	17,078,974	3,494,227,287	243,732,109	-	243,732,109
Less ceded policy reserve	-	-	-	-	-	-
Net ending balance	$3,477,148,313	$17,078,974	$3,494,227,287	$243,732,109	$-	$243,732,109

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 $3,495,185,115 thousand and $243,785,053 thousand as of December 31, 2025 and 2024, respectively.

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

The changes in policy reserve are as follows:

	For the years ended December 31					
	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	135,558,313	374,892	135,933,205	33,305,662	-	33,305,662
Recovery	(84,940,703)	(783,960)	(85,724,663)	(7,841,254)	-	(7,841,254)
Acquisitions through business combinations	3,137,642,258	17,488,042	3,155,130,300	-	-	-
Reclassification to reserve for foreign exchange valuation	-	-	-	(163,297)	-	(163,297)
Exchange differences	45,156,336	-	45,156,336	5,071,326	-	5,071,326
Ending balance	3,477,148,313	17,078,974	3,494,227,287	243,732,109	-	243,732,109
Less ceded policy reserve	-	-	-	-	-	-
Net ending balance	$3,477,148,313	$17,078,974	$3,494,227,287	$243,732,109	$-	$243,732,109

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

D. Special reserve for life insurance:

	December 31, 2025			December 31, 2024		
	Insurance contracts	Financial instruments with discretionary participation features	Total	Insurance contracts	Financial instruments with discretionary participation features	Total
Reserve for participating policy dividends	$700,002	$-	$700,002	$-	$-	$-
Dividend risk reserve	457,060	-	457,060	-	-	-
Total	$1,157,062	$-	$1,157,062	$-	$-	$-

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

	For the years ended December 31					
	2025			2024		
	Insurance contracts	Financial instruments with discretionary participation features	Total	Insurance contracts	Financial instruments with discretionary participation features	Total
Beginning balance	$-	$-	$-	$-	$-	$-
Provision	738,220	-	738,220	-	-	-
Recovery	-	-	-	-	-	-
Acquisitions through business combinations	418,842	-	418,842	-	-	-
Ending balance	1,157,062	-	1,157,062	-	-	-
Less ceded premium deficiency reserve	-	-	-	-	-	-
Net ending balance	$1,157,062	$-	$1,157,062	$-	$-	$-

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

E. Premium deficiency reserve:

	December 31, 2025			December 31, 2024		
	Insurance contracts	Financial instruments with discretionary participation features	Total	Insurance contracts	Financial instruments with discretionary participation features	Total
Individual life insurance	$887,161	$-	$887,161	$237,010	$-	$237,010
Individual health insurance	125,992	-	125,992	4,918	-	4,918
Total	1,013,153	-	1,013,153	241,928	-	241,928
Less ceded premium deficiency reserve	-	-	-	-	-	-
Net ending balance	$1,013,153	$-	$1,013,153	$241,928	$-	$241,928

The changes in premium deficiency reserve are as follows:

	For the years ended December 31					
	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	57,758	-	57,758	20,886	-	20,886
Recovery	(105,432)	-	(105,432)	(99,733)	-	(99,733)
Acquisitions through business combinations	820,946	-	820,946	-	-	-
Exchange differences	(2,047)	-	(2,047)	15,009	-	15,009
Ending balance	1,013,153	-	1,013,153	241,928	-	241,928
Less ceded premium deficiency reserve	-	-	-	-	-	-
Net ending balance	$1,013,153	$-	$1,013,153	$241,928	$-	$241,928

(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	
	December 31, 2025	December 31, 2024
Unearned premium reserve	$14,653,293	$1,338,993
Policy reserve	3,495,157,115	243,732,109
Loss reserve	6,572,146	-
Premium deficiency reserve	1,013,153	241,928
Special reserve	1,157,062	-
Carrying amount of insurance liability	$3,518,552,769	$245,313,030
Current estimates of cash flows	$2,949,198,099	$157,216,974
Balance of liability adequacy reserve	$-	$-

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

Note 2: 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 December 31, 2025 and 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:

	December 31, 2025	December 31, 2024
Test method	Gross premium valuation method (GPV)	Gross premium valuation method (GPV)
Test groups	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

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

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

	December 31, 2025	December 31, 2024
Investment-linked insurance - annuity insurance	$175,874	$1,465

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 years ended December 31, 2025 and 2024, were as follows:

Investment-linked insurance - annuity insurance

	For the years ended December 31	
	2025	2024
Beginning balance	$1,465	$1,742
Net provision (recovery) of legal reserve	39,469	(277)
Acquisitions through business combinations	132,189	-
Exchange differences	2,751	-
Ending balance	$175,874	$1,465

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 year ended December 31, 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	5,059,982	-	-
Additional provision	49,623,272	-	-
Subtotal	54,683,254	-	-
Recovery	(46,854,371)	-	-
Acquisitions through business combinations	46,854,724	-	-
Ending balance	$56,009,043	$-	$-

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

For the year ended December 31, 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	138,482	-	-
Additional provision	1,237,223	-	-
Subtotal	1,375,705	-	-
Recovery	(627,824)	-	-
Reclassification from various reserves	163,297	(158,276)	(5,021)
Ending balance	$1,325,436	$-	$-

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.

According to the regulations stipulated in the Financial Supervisory Commission Insurance Finance Letter No. 11404924813, relevant matters were handled accordingly. For the years ended December ,31 2025, 30% of the pre-tax earnings was appropriated as a foreign exchange price fluctuation reserve. The amount appropriated for the foreign exchange price fluctuation reserve was $817,725 thousand.

Shin Kong Life Insurance adjusted the mortality rates used to calculate the reserves for certain insurance products in accordance with the Financial Supervisory Commission Insurance Finance Letter No. 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.

(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 Insurance Finance Letter No. 11304931482 issued on September 6, 2024. The approval was granted under FSC's Letter No. 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 FSC's Letter No. 10904917647.

The effects applicable or inapplicable for reserve for foreign exchange valuation for the years ended December 31, 2025 and 2024 were as follows.

For the year ended December 31, 2025:

Accounts	Inapplicable amount	Applicable amount	Effect
Net income attributable to owners of parent	$43,589,918	$37,326,812	$(6,263,106)
Earnings per share	$2.25	$1.91	$(0.34)
Reserve for foreign exchange valuation	-	56,009,043	56,009,043
Equity attributable to owners of parent	490,705,665	483,638,224	(7,067,441)

For the year ended December 31, 2024:

Accounts	Inapplicable amount	Applicable amount	Effect
Net income attributable to owners of parent	$20,662,700	$20,064,396	$(598,304)
Earnings per share	$1.44	$1.39	$(0.05)
Reserve for foreign exchange valuation	-	1,325,436	1,325,436
Equity attributable to owners of parent	229,662,044	228,857,709	(804,335)

(25) Other financial liabilities

	December 31, 2025	December 31, 2024
Principal of structured products	$157,465,827	$99,553,850
Gold account	2,358,464	967,371
Futures traders' equity	20,431,265	3,961,866
Separate account insurance product liabilities (Note 6.(27))	130,536,420	44,367,925
Total	$310,791,976	$148,851,012

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

(26) Other liabilities

	December 31, 2025	December 31, 2024
Unearned revenue	$1,291,421	$713,023
Unearned interest	1,733,199	1,397,351
Guarantee deposits	10,097,171	5,050,460
Deferred income	1,964,185	1,577,564
Temporary credits	2,680,925	1,034,350
Receivable from underwriting of shares	18,800	773,685
Others	3,353,883	54,325
Total	$21,139,584	$10,600,758

(27) Separate account insurance products

	December 31, 2025	December 31, 2024
Separate account insurance product assets		
Cash in bank	$2,656,242	$2,190,118
Financial assets at fair value through profit or loss	126,953,246	41,591,323
Interest receivable	13,089	12,077
Other receivables	913,843	574,407
Total	$130,536,420	$44,367,925
Separate account insurance product liabilities		
Other payables	$726,600	$113,978
Reserve for insurance products	75,232,541	29,620,413
Reserve for investment contracts	54,577,279	14,633,534
Total	$130,536,420	$44,367,925

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

	For the years ended December 31	
	2025	2024
Separate account insurance product income		
Premium income	$9,000,897	$2,136,604
Interest income	504,144	22,483
Gain (loss) on financial assets or liabilities measured at fair value through profit or loss	9,807,407	2,902,878
Total	$19,312,448	$5,061,965
Separate account insurance product expenses		
Provision (reversal) of separate account reserve	$15,238,320	$3,572,627
Claims, payments and surrender	3,031,793	1,074,600
Administrative expenses	1,042,335	414,738
Total	$19,312,448	$5,061,965

B. The rebates earned from counterparties due to the business of separate account insurance products amounted to $149,843 thousand and $96,471 thousand for the years ended December 31, 2025 and 2024, respectively, which were recorded under service fee income.

(28) Post-employment benefit plans

A. Defined contribution plans

The Company and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company and its domestic subsidiaries will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

The subsidiaries within Mainland China, in accordance with the local government regulations, allocate a certain percentage of the total employee salaries as pension insurance contributions, which are paid to the relevant government authorities and separately deposited into individual accounts for each employee.

Pension benefits for employees of overseas subsidiaries are provided in accordance with the local regulations.

Expenses under the defined contribution plan for the years ended December 31, 2025 and 2024 were $842,800 thousand and $648,117 thousand, respectively.

B. Defined benefit plans

The Company and its domestic subsidiaries also have defined benefit plan under the Labor Standards Act (LSA). Under the LSA, pension benefits are calculated on the basis of the length of service and average monthly salaries of six months before retirement. The Company and its domestic subsidiaries has also implemented a special retention bonus plan, applicable to certain employees. The Company and its domestic subsidiaries contributes amounts equal to 2% to 15% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name.

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

Before the end of each year, The Company and its domestic subsidiaries assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, The Company and its domestic subsidiaries is required to fund the difference in one appropriation that should be made before the end of March of the next year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandates, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT$132,952 thousand to its defined benefit plan during the 12 months beginning after December 31, 2025.

The Group's defined benefit plans are expected to mature in 2034, as of December 31, 2025 and December 31, 2024.

Pension costs of defined benefit plan recognized in profit or loss for the years ended December 31, 2025 and 2024 are as follows:

	For the years ended December 31	
	2025	2024
Current service costs	$34,978	$17,753
Past service costs	(35,132)	2,673
Interest cost, net	104,945	17,967
The planned asset remuneration	(213,622)	-
Acquisitions through business combinations	(6,869)	-
Total	$(115,700)	$38,393

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

Present value of defined benefit obligation and fair value of plan assets are reconciled as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	$(7,358,091)	$(2,757,510)
Fair value of plan assets	13,299,194	1,882,737
Net defined benefit asset (liability)	$5,941,103	$(874,773)
Net liability arising from defined benefit obligation	$1,246,559	$905,824
Prepaid pension cost	$7,187,662	$31,051

Reconciliation of liability (asset) of the defined benefit plan is as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability (asset)
As of January 1, 2024	$3,124,364	$(1,783,253)	$1,341,111
Current service costs	17,753	-	17,753
Interest expense (income)	41,645	(23,678)	17,967
Past service cost	2,673	-	2,673
Subtotal	62,071	(23,678)	38,393
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	(36,393)	-	(36,393)
Experience adjustments	(149,534)	-	(149,534)
The planned asset remuneration	-	(166,631)	(166,631)
Subtotal	(185,927)	(166,631)	(352,558)
Contributions by employer	-	(92,556)	(92,556)
Payments from the plan	(242,998)	(183,381)	(426,379)
As of December 31, 2024	2,757,510	(1,882,737)	874,773
Current service costs	34,978	-	34,978
Interest expense (income)	104,945	(213,622)	(108,677)
Past service cost	(35,132)	-	(35,132)
Other	4,504,073	(10,435,430)	(5,931,357)
Subtotal	4,608,864	(10,649,052)	(6,040,188)

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

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability (asset)
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains (losses) arising from changes in demographic assumptions	7,256	-	7,256
Actuarial gains and losses arising from changes in financial assumptions	246,183	-	246,183
Experience adjustments	218,988	-	218,988
The planned asset remuneration	-	(846,984)	(846,984)
Subtotal	472,427	(846,984)	(374,557)
Contributions by employer	-	(357,107)	(357,107)
Payments from the plan	(480,710)	436,686	(44,024)
As of December 31, 2025	$7,358,091	$(13,299,194)	$(5,941,103)

The principal actuarial assumptions used were as follows:

	December 31, 2025	December 31, 2024
Discount rate	1.250%~1.250%	1.375%~1.500%
Future salary increase rate	1.50%~3.50%	2.75%~3.50%

Sensitivity analysis for significant assumption are shown below:

	December 31, 2025		December 31, 2024	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Discount rate increased by 0.25%	$-	$7,171,799	$-	$2,683,439
Discount rate decreased by 0.25%	7,559,510	-	2,831,638	-
Future salary increased by 0.25%	7,547,790	-	2,823,727	-
Future salary decreased by 0.25%	-	7,182,453	-	2,690,403

The foregoing sensitivity analysis is conducted to analyze the possible impact of determining a benefit obligation when a single actuarial assumption (e. g. discount rate or expected salary) is reasonably possible, assuming other assumptions remain unchanged. Since some of the actuarial assumptions are related to each other, there are only a few single actuarial assumptions that can be changed in practice, so the analysis has its limitations.

The methods and assumptions used in this period of sensitivity analysis are not different from the previous period.

(29) Equity

A. Share capital

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

On April 24, 2025, the Company resolved by board of directors' decision to merge with Shin Kong Financial Holding. 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 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, 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. 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.

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

B. Details of outstanding share capital as of December 31, 2025 were as follows:

	Ordinary Share	Preferred Share	Total
First share swap	$23,000,000	$-	$23,000,000
Second share swap	13,316,236	-	13,316,236
Capital infusion with cash	13,222,223	-	13,222,223
Share exchange in a merger	118,902,549	-	118,902,549
Convertible bonds converted to ordinary shares	5,989,867	-	5,989,867
Issuance of Class E preferred shares	-	8,000,000	8,000,000
Issuance of Class F preferred shares	-	3,000,000	3,000,000
Issuance of Class G preferred shares	-	2,946,680	2,946,680
Stock dividends and employees' bonus in share distributed	79,315,338	-	79,315,338
Less: Cancellation of treasury shares	(2,733,505)	-	(2,733,505)
Less: Capital reduction to recover loss	(3,864,802)	-	(3,864,802)
Employee share options converted to new shares	1,516,086	-	1,516,086
Shares issued	$248,663,992	$13,946,680	$262,610,672

(a) On February 18, 2002, TS Financial Holding issued 2,300,000 thousand shares of ordinary share of Taishin Bank through a share swap at a 1:1 ratio to exchange for the whole ordinary share owned by Taishin Bank's shareholders after consolidation.

(b) On December 31, 2002, TS Financial Holding issued 1,331,624 thousand common shares to acquire all the issued ordinary shares of Taishin Securities A and Taishin Bills Finance through share swaps at ratios of 1:1.2 and 1:1.3, respectively, with "1" representing TS Financial Holding.

(c) On March 22, 2006, TS Financial Holding issued through private placement ordinary share totaling $10,000,000 thousand for 555,556 thousand shares at NT$18 per share. The rights and obligations are the same as those of the ordinary share outstanding. The mentioned ordinary shares have been published in open market by the approval of the FSC on May 17, 2011.

(d) On December 27, 2006, TS Financial Holding issued through private placement ordinary share totaling $4,000,000 thousand for 266,667 thousand shares at NT$15 per share. The rights and obligations are the same as those of the ordinary share outstanding. The mentioned ordinary share has been published in open market by the approval of the FSC on May 17, 2011.

(e) TS Financial Holding has proposed to effect capital reduction by cancelling 386,480 thousand outstanding common shares (capital reduction ratio 6.7681) on December 4, 2009.

(f) On December 31, 2013, TS Financial Holding's board of directors resolved to issue 500,000 thousand ordinary shares, with a par value of NT$10, for consideration of NT$12 per share. On January 17, 2014, the above transaction was approved by the FSC, and the subscription base date was set by board of directors at April 14, 2014.

(g) 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.

(h) TS Financial Holding's group capital adequacy ratio was 111.14% and 138.77% as of December 31, 2025 and 2024, respectively.

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 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.

(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 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.

D. 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. The annual dividend yield has been reset at 4.59125% since December 1, 2025.

(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.

E. 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.

(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.

(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.

F. 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. 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'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 official letter No. 1141802690 issued by Taiwan Stock Exchange on June 27, 2025, and has been approved for registration change by the Ministry of Economic Affairs under official letter 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) Tenor: Perpetual.

(b) Dividend yield: 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.

(c) Dividend payment: 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 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) Restrictions on payment of dividends to ordinary shares: 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) Liquidation preference: 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.

(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: 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.

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

H. Capital surplus

As of December 31, 2025, the Company recognized a capital surplus of $133,732,478 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.

I. 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. After deducting dividends on various classes of preferred shares as stipulated in the articles of incorporation, 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).

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

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.

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 2024	For year 2023	For year 2024	For year 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.

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

J. 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.

K. Other equity items

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

	For the years ended December 31	
	2025	2024
Beginning balance	$(98,874)	$(184,525)
Exchange differences on translating the net assets of foreign operations	112,347	85,651
Ending balance	$13,473	$(98,874)

(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 years ended December 31	
	2025	2024
Beginning balance	$(1,099,440)	$(986,719)
Recognized during the period		
Unrealized gains or losses		
Debt instruments	4,682,048	1,765,737
Equity instruments	6,897,299	832,380
Income tax related to profit or loss of debt instruments	(278,518)	16,904
Income tax - equity instruments gains and losses	(809,656)	-
Reclassification adjustments		
Disposal of investments in debt instruments	(1,401,099)	(1,902,502)
Other comprehensive income (loss) recognized during the period	9,090,074	712,519
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	(779,521)	(825,240)
Ending balance	$7,211,113	$(1,099,440)

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

	For the years ended December 31	
	2025	2024
Beginning balance	$22,145	$161,394
Changes in fair value attributable to changes in the credit risk	(69,997)	(139,249)
Ending balance	$(47,852)	$22,145

(d) Gains (losses) on hedging instruments

	For the years ended December 31	
	2025	2024
Beginning balance	$-	$-
Other comprehensive income	4	-
Ending balance	$4	$-

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

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

	For the years ended December 31	
	2025	2024
Beginning balance	$1,059,722	$215,398
Recognized during the period		
Unrealized gain (loss)	17,488,537	846,542
Tax effects	(2,499,643)	(2,218)
Other comprehensive income (loss) recognized during the period	14,988,894	844,324
Ending balance	$16,048,616	$1,059,722

L. Non-controlling interests

	For the years ended December 31	
	2025	2024
Beginning balance	$26,878	$27,253
Attributable to non-controlling interests		
Net income for the year	33,921	604
Other comprehensive income	2,900	52
Changes in non-controlling interests -Subsidiary cash dividends	(1,718)	(1,031)
Changes in non-controlling interests - Proceeds from liquidation of subsidiaries	403,575	-
Ending balance	$465,556	$26,878

M. Treasury shares

Purpose of buy-back	December 31, 2025	December 31, 2024
Shares acquired from shareholders with objections - ordinary shares	123	123
Shares acquired from shareholders with objections - 2016 Class E preferred shares	800	800
Shares acquired from shareholders with objections - 2018 Class E preferred shares	1,005	1,005
Total	1,928	1,928

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

The Company approved the merger with Shin Kong Financial Holding during its special shareholders' meeting on October 9, 2024. Following the completion of the merger, the Company will be the surviving company and Shin Kong Financial Holding will be dissolved. In accordance with Article 317 of the Company Act, the Company acquired 123 thousand ordinary shares for $2,217 thousand, 800 thousand Class E preferred shares - 2016 for $40,800 thousand, and 1,005 thousand Class E preferred shares - 2018 for $46,281 thousand from the shareholders with objections at fair prices.

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 years ended December 31	
	2025	2024
Interest income		
Loans	$69,676,342	$52,367,222
Investment in marketable securities	70,279,065	24,174,564
Revolving interest of credit cards	1,705,730	1,476,625
Finance leases	1,684,065	1,889,969
Others	7,078,780	7,025,368
Subtotal	150,423,982	86,933,748
Interest expense		
Deposits	(48,074,328)	(42,994,049)
Structured products	(2,996,722)	(3,598,962)
Others	(7,338,711)	(5,414,033)
Subtotal	(58,409,761)	(52,007,044)
Total	$92,014,221	$34,926,704

(31) Net service fee and commission income

	For the years ended December 31	
	2025	2024
Service fees and commission income		
Interbank fee	$1,219,563	$1,161,427
Loan and guarantee fee	1,334,004	788,488
Fee from certification, underwriting and brokerage	6,850,347	4,252,975
Fee from trustee business	5,856,490	4,369,507
Insurance commission fee	3,901,796	2,727,616
Fee from credit cards	8,404,888	6,775,125
Others	3,826,366	2,595,562
Subtotal	31,393,454	22,670,700

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

	For the years ended December 31	
Service fees and commission expenses		
Fees from credit cards	(4,471,234)	(3,431,397)
Interbank fee	(478,098)	(393,158)
Marketing fee	(968,840)	(900,473)
Insurance commission fee	(12,141,189)	(4,580,499)
Brokerage handling fee	(648,534)	(367,841)
Others	(1,600,168)	(1,343,381)
Subtotal	(20,308,063)	(11,016,749)
Total	$11,085,391	$11,653,951

(32) Net income from insurance operations

	For the years ended December 31	
	2025	2024
Insurance business income		
Written premium income	$128,621,134	$37,129,129
Reinsurance premium expense	(1,852,729)	(758,488)
Separate account insurance product income	19,312,448	5,061,965
Subtotal	146,080,853	41,432,606
Insurance business expense		
Underwriting expense	(7,936)	(4,874)
Insurance claim payments	(107,776,377)	(10,705,997)
Claims and payments recovered from reinsurers	688,834	311,668
Disbursements toward industry stability fund	(218,576)	(63,111)
Separate account insurance product expense	(19,312,448)	(5,061,965)
Subtotal	(126,626,503)	(15,524,279)
Total	$19,454,350	$25,908,327

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

	For the years ended December 31	
	2025	2024
Disposal (losses) gains		
Bank		
Shares and beneficiary certificates	$1,034,526	$1,885,641
Bills	125,665	163,750
Bonds	889,191	672,180
Derivative financial instruments	4,412,090	(439,259)
Subtotal	6,461,472	2,282,312

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

	For the years ended December 31	
	2025	2024
Securities		
Call (put) warrants issued	(673,694)	(112,553)
Trading securities - dealing	4,324,261	2,014,109
Trading securities - underwriting	143,179	149,525
Trading securities - hedging	2,823,518	642,833
Borrowed securities and bonds with resell agreements-short sales	(1,824,828)	(128,885)
Beneficiary certificates	5,096	-
Funds	-	1,099
Derivative financial instruments	(3,846,381)	(1,103,979)
Other	4,635	-
Subtotal	955,786	1,462,149
Life insurance		
Shares and beneficiary certificates	23,974,896	3,217,743
Beneficiary certificates	(867,990)	-
Bonds	452,860	-
Derivative financial instruments	(51,440,045)	(1,293,388)
Subtotal	(27,880,279)	1,924,355
Others		
Shares and beneficiary certificates	236,992	58,259
Derivative financial instruments	187,339	27,004
Subtotal	424,331	85,263
Total Gains (Losses) on Disposal	(20,038,690)	5,754,079
Valuation gains (losses)		
Bank		
Shares and beneficiary certificates	(1,522,276)	1,426,888
Bills	(42,566)	2,008
Bonds	332,336	391,805
Derivative financial instruments	(1,092,337)	158,165
Subtotal	(2,324,843)	1,978,866
Securities		
Call (put) warrants issued	(175,104)	85,880
Trading securities - dealing	1,241,893	(372,925)
Trading securities - underwriting	420,201	(648)
Trading securities - hedging	1,953,957	(4,050)
Borrowed securities and bonds with resell agreements-short sales	(127,260)	171,596
Beneficiary certificates	18,351	-
Funds	-	(24,415)
Derivative financial instruments	(560,904)	37,641
Subtotal	2,771,134	(106,921)

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

	For the years ended December 31	
	2025	2024
Life insurance		
Shares and beneficiary certificates	18,087,344	984,174
Beneficiary securities	(87,203)	6
Bonds	(150,899)	-
Derivative financial instruments	(19,999,931)	(1,706,663)
Subtotal	(2,150,689)	(722,483)
Others		
Shares and beneficiary certificates	(1,618,652)	(1,304,451)
Derivative financial instruments	(69,010)	24,646
Subtotal	(1,687,662)	(1,279,805)
Total Gains (Losses) on Valuation	(3,392,060)	(130,343)
Net interest income	2,867,684	1,133,514
Dividends	5,249,105	1,525,960
Interest expense	(203,217)	(198,323)
Total	$(15,517,178)	$8,084,887

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

	For the years ended December 31	
	2025	2024
Disposal gains (losses)		
Bonds	$1,396,410	$1,906,683
Beneficiary securities	4,689	(4,181)
Subtotal	1,401,099	1,902,502
Dividend income		
Related to investments held at the end of the period	1,078,860	510,708
Related to investments derecognized at the end of the period	448,605	183,377
Total	$2,928,564	$2,596,587

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

(35) Employee benefits expense

	For the years ended December 31	
	2025	2024
Short-term benefits	$29,596,407	$19,758,315
Post-employment benefits		
Defined contribution plans	842,800	648,117
Defined benefit plans	104,668	47,073
Share-based payments (Note 6.(40))		
Cash-settled share-based payments	161,696	72,595
Others	158,974	154,045
Total	$30,864,545	$20,680,145

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 years ended December 31, 2025 and 2024, the amounts of employees' compensation (including remuneration of rank-and-file employees) and remuneration of directors were as follows:

	For the years ended December 31	
	2025	2024
Employees' compensation	$3,736	$2,011
Remuneration of directors	$373,581	$199,271

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.

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

	For the years ended December 31			
	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 years ended December 31	
	2025	2024
Property and equipment	$1,626,755	$1,277,147
Investment properties	788,578	34,332
Right-of-use assets	1,305,163	861,347
Intangible assets and other deferred assets	1,508,710	637,541
Total	$5,229,206	$2,810,367

(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.

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

A. Income tax recognized in profit or loss

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

	For the years ended December 31	
	2025	2024
Current tax		
In respect of the current period	$8,396,918	$2,852,721
Income tax on unappropriated earnings	-	377,022
Adjustments for prior years	278,935	(639,679)
Offshore income tax expense	160,525	101,735
Land value increment tax	25,161	3,774
Deferred tax		
In respect of the current period	(5,373,691)	899,388
Adjustments for prior years	(69,306)	(3,836)
Other	477,432	-
Income tax expense recognized in profit or loss	$3,895,974	$3,591,125

Reconciliation of profit before income tax and income tax was as follows:

	For the years ended December 31	
	2025	2024
Income before income tax	$41,256,707	$23,656,125
Income tax expense calculated at the statutory rate (20%)	$8,251,341	$4,731,225
Tax impact of adjustments		
Nondeductible expenses in determining taxable income	1,141,906	1,336,645
Tax-exempt income	(8,586,222)	(1,431,268)
Additional income tax under the Alternative Minimum Tax Act	1,605,101	53,938
Income tax on unappropriated earnings	-	377,022
Land value increment tax	290,318	3,774
Temporary differences	(439,995)	(222,735)
Loss carryforwards	1,490,910	(669,745)
Offshore income tax expense	160,525	101,735
Adjustments to prior years' tax	209,629	(643,515)
Others	(227,539)	(45,951)
Income tax expense (benefit) recognized in profit or loss	$3,895,974	$3,591,125

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

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

	For the years ended December 31	
	2025	2024
Deferred tax		
In respect of the current period:		
Unrealized gains (losses) from debt instruments at fair value through other comprehensive income	$1,064,448	$(16,904)
Defined benefit actuarial of related income tax	82,388	68,586
Reclassification using the overlay approach	2,499,643	2,218
Other	28,756	-
Total income tax recognized in other comprehensive income	$3,675,235	$53,900

C. Current Tax Assets and Liabilities

	For the years ended December 31	
	2025	2024
Current tax assets		
Income tax refund receivable	$1,516,382	$-
Current tax liabilities		
Income tax payable	$8,401,212	$2,234,377

D. Deferred Tax Assets and Liabilities

Movements in deferred tax assets and liabilities were as follows:

For the Year Ended December 31, 2025

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Other	Ending Balance
Deferred tax assets					
Temporary differences					
Allowance for loans losses	$1,396,737	$999,969	$-	$639,358	$3,036,064
Unrealized valuation of financial assets	-	2,813,539	-	287,178	3,100,717
Unrealized foreign exchange gains or losses	-	7,233,842	-	-	7,233,842
Others	5,633,400	22,598,507	(3,552,503)	37,108,835	61,788,239
	7,030,137	33,645,857	(3,552,503)	38,035,371	75,158,862
Loss carryforwards	664,622	632,023	-	(656,178)	640,467
Total	$7,694,759	$34,277,880	$(3,552,503)	$37,379,193	$75,799,329

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

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Other	Ending Balance
Deferred tax liabilities					
Temporary differences					
Unrealized valuation of financial assets	$(325,778)	$325,778	$-	$-	$-
Unrealized foreign exchange gains or losses	(935,823)	935,823	-	-	-
Others	(1,263,703)	(22,814,152)	(14,243)	(8,794,828)	(32,886,926)
	(2,525,304)	(21,552,551)	(14,243)	(8,794,828)	(32,886,926)
Land value increment tax	(53,552)	(7,759,764)	(108,489)	-	(7,921,805)
Total	$(2,578,856)	$(29,312,315)	$(122,732)	$(8,794,828)	$(40,808,731)

For the Year Ended December 31, 2024

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Other	Ending Balance
Deferred tax assets					
Temporary differences					
Allowance for loans losses	$1,359,311	$28,519	$-	$8,907	$1,396,737
Others	6,085,130	(420,291)	(32,512)	1,073	5,633,400
	7,444,441	(391,772)	(32,512)	9,980	7,030,137
Loss carryforwards	356,111	669,284	-	(360,773)	664,622
Total	$7,800,552	$277,512	$ (32,512)	$(350,793)	$7,694,759

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income (Loss)	Other	Ending Balance
Deferred tax liabilities					
Land value increment tax	$(53,552)	$-	$-	$-	$(53,552)
Temporary differences	(1,330,265)	(1,173,064)	(21,388)	(587)	(2,525,304)
Total	$(1,383,817)	$(1,173,064)	$ (21,388)	$(587)	$(2,578,856)

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

E. The Group's Loss Carryforwards as of December 31, 2025

Expiry Year	Unused Amount
2026	$9,179
2027	9,635
2028	15,040,340
2029	7,885
2030	8,385
2031	9,283
2032	121,662,599
2033	77,673,466
2034	86,039,570
2035	15,017
Total	$300,475,359

F. Assessments of the Group's Income Tax

	The assessment of income tax returns
The Company	Assessed and approved up to 2019
Taishin Bank	Assessed and approved up to 2019
Taishin Real-Estate	Assessed and approved up to 2023
Taishin D.A. Finance	Assessed and approved up to 2023
Taishin AMC	Assessed and approved up to 2019
Taishin Venture Capital Investment	Assessed and approved up to 2019
Taishin Sports Entertainment	Assessed and approved up to 2023
Taishin Securities Investment Trust	Assessed and approved up to 2019
Taishin Securities B	Assessed and approved up to 2019
Taishin Securities Venture Capital	Assessed and approved up to 2023
Taishin Capital	Assessed and approved up to 2023
Taishin Futures	Assessed and approved up to 2023
Taishin Health Investment	Assessed and approved up to 2023
Taishin Securities Investment Advisory	Assessed and approved up to 2019
Taishin Life Insurance	Assessed and approved up to 2021
Shin Kong Life Insurance	Assessed and approved up to 2020
Shin Shou Building Management	Assessed and approved up to 2023
Taiwan Shin Kong Commercial Bank	Assessed and approved up to 2019
MasterLink Securities	Assessed and approved up to 2020

	The assessment of income tax returns
MasterLink Futures	Assessed and approved up to 2023
MasterLink Securities Investment Advisory	Assessed and approved up to 2023
Masterlink Insurance Agents	Assessed and approved up to 2023
MasterLink Venture Capital	Assessed and approved up to 2023
MasterLink Innovation Venture Management	Assessed and approved up to 2023
Shin Kong Venture Capital	Assessed and approved up to 2020
Shin Kong Insurance Agent	Assessed and approved up to 2020

MasterLink Securities' 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.

(38) Earnings per share

Unit: NT$ per share

	For the years ended December 31	
	2025	2024
Basic earnings per share	$1.91	$1.39
Diluted earnings per share	$1.91	$1.39

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 years ended December 31	
	2025	2024
Net income for the periods attributable to owner of the Company	$37,326,812	$20,064,396
Less: dividends on preferred shares	(2,513,880)	(1,980,182)
Earnings used in computation of basic earnings per share	34,812,932	18,084,214
Earnings used in computation of diluted earnings per share	$34,812,932	$18,084,214

Weighted average number of ordinary shares outstanding

Unit: Number of shares in thousands

	For the years ended December 31	
	2025	2024
Weighted average number of ordinary shares in computation of basic earnings per share	18,220,764	12,976,140
Effect of dilutive potential ordinary shares:		
Employees' compensation	182	128
Weighted average number of ordinary shares outstanding in computation of dilutive earnings per share	18,220,946	12,976,268

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'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 was dissolved, and the Company directly holds the subsidiaries of the former Shin Kong Financial Holding.

By acquiring control over Shin Kong Financial Holding, the group can now combine the group resources and management experience of Shin Kong Financial Holding 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.

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

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	527,168,338
Financial assets at FVTOCI	315,373,977
Investments in debt instruments at amortized cost	1,810,549,633
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	227,552,845
Property and equipment, net	56,968,926
Right-of-use assets, net	5,207,856
Intangible assets, net	1,260,522
Identifiable intangible assets from transactions	11,748,320
Deferred tax assets	41,874,859
Others	98,540,638
Subtotal	4,457,725,475
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	(95,452,361)
Other borrowings	(5,158,224)
Provisions	(3,291,029,865)
Other financial liabilities	(69,105,230)
Lease liabilities	(10,336,354)
Deferred tax liabilities	(8,815,188)
Others	(86,031,905)
Subtotal	(4,867,974,290)
Identifiable net assets	$(410,248,815)

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

Preliminary goodwill of Shin Kong Financial Holding is as follows:

Purchase consideration	$245,270,368
Add: non-controlling interests at fair value	403,575
Less: identifiable net assets at fair value	(410,248,815)
Preliminary goodwill	$655,922,758

Acquisition consideration

Shares issued, at fair value	$217,402,583
Preferred stock liabilities	27,867,785
Total consideration	$245,270,368

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	(18,653)
Net cash flow on acquisition	$144,041,804

As of December 31, 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 however, the assessment results were not yet available at the time the 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. The preliminary fair value of these shares was set at $17.4 per common share, $35.6 per Class G preferred share I, $35.7 per Class G preferred shares II ,and $9.0 per Class H preferred share, resulting in a total fair value of the consideration of $245,270,368 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 for the group amounted to $11,805,753 thousand. If the merger had taken place at the beginning of the year, the net revenue and gains generated would have been $11,757,529 thousand, while the net income (loss) would have been $(19,236,826) thousand.

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

(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)	$19.54	$19.54	$19.54	$19.54	$19.54
Exercise price	$16.13	$15.58	$12.43	$15.26	$10.36
Outstanding period	1.0 years, 2.0 years, 3.0 years, 4.0 years	0.1 years, 1.1years 2.1 years, 3.1 years	0.0years, 1.0 years, 2.0 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%

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 years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31, 2025	
Appreciation rights plan of 2024	Unit	Weighted average exercise price (dollars)
Outstanding, beginning	-	$-
Granted	36,660	17.52
Ceased	(2,024)	16.90
Outstanding, ending	34,636	
Weighted-average fair value of appropriation rights (NT$)	$4.45	

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

	For the years ended December 31			
	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	-	$-
Granted	-	-	25,497	17.68
Ceased	(1,490)	16.29	(634)	16.91
Outstanding, ending	23,373		24,863	
Weighted-average fair value of appropriation rights (NT$)	$4.27		$2.77	

	For the years ended December 31			
	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	$14.11
Granted	(10,921)	13.16	-	-
Ceased	(910)	13.08	(1,370)	13.69
Outstanding, ending	10,864		22,695	
Weighted-average fair value of appropriation rights (NT$)	$7.12		$4.51	

	For the years ended December 31			
	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	$16.36
Granted	(9,707)	15.26	(10,501)	16.36
Ceased	(262)	15.26	(850)	15.89
Outstanding, ending	-		9,968	
Weighted-average fair value of appropriation rights (NT$)	$-		$2.24	

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

	For the year ended December 31, 2024	
Appreciation Rights Plan of 2020	Unit	Weighted average exercise price (dollars)
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 December 31, 2025 and 2024, the related liabilities recognized amounted to $215,095 thousand and $130,542 thousand, respectively.

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 Insurance Agent	Subsidiary
Shin Kong Venture Capital	Subsidiary
Taishin D.A. Finance	Second-tier subsidiary
Taishin Real-Estate	Second-tier subsidiary

Name	Relationship
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	Second-tier subsidiary
MasterLink Securities Investment Advisory	Second-tier subsidiary
Masterlink Insurance Agents	Second-tier subsidiary
MasterLink Venture Capital	Second-tier subsidiary
MasterLink Securities (B.V.I.)	Second-tier subsidiary
MasterLink Securities Venture Capital (Tianjin)	Second-tier subsidiary
MasterLink Innovation Venture Management (Tianjin)	Second-tier subsidiary
MasterLink Securities (Hong Kong)	Second-tier subsidiary
MasterLink Investment Advisory (Tianjin)	Second-tier subsidiary
Lion Investment	Second-tier subsidiary
Shin Kong Leasing (Suzhou)	Second-tier subsidiary
Shin Kong Vietnam	Second-tier subsidiary
Shin Kong Life Singapore	Second-tier subsidiary
An Shin Construction Manager Corp. (“An Shin Construction Manager”)	Associate
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
CyberSoft Digital Service Corp. (“CyberSoft Digital Service”)	Other
An Shin Construction Manager Corp. (“An Shin Construction Manager”)	Other
Yuanta Commercial Bank Co., Ltd. (“Yuanta Bank”)	Other (became a non-related party on June 1, 2025)

Name	Relationship
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
Hung Family Enterprise Co., Ltd. ("Hung Family")	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
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

Name	Relationship
National Defense Industrial Development Foundation	Other
Yi Cheng Co., Ltd. (“Yi Cheng”)	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
Shing Kong Recreation Co., Ltd. (“Shing Kong Recreation”)	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
Shin Kong Hae Yang Co., Ltd. (“Shin Kong Hae Yang”)	Other
Tai-Po Service Technology Co., Ltd. (“Tai-Po Service Technology”)	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

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

Name	Relationship
Century Biotech Development Corporation ("Century Biotech Development")	Other
Ubright Optronics Corporation("Ubright Optronics")	Other
Nan Shan Life Insurance Company, Ltd ("Nan Shan Life Insurance")	Other
Employee Welfare Committee of Shin Kong Life Insurance Co., Ltd. ("EWC of Shin Kong Life Insurance")	Other
HannStar Display Corporation ("HannStar Display")	Other
Jing Ying Investment Co., Ltd. ("Jing Ying Investment")	Other
Rakuya International Info. Co. Ltd. ("Rakuya International Info")	Other
Individual A	Second-degree relatives of key management personnel
Individual B	Key management personnel's spouse
Individual C	Key management personnel
Individual D	Key management personnel
Individual E	Second-degree relatives of key management personnel
Others	Including key management personnel and others

(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

	Ending balance
December 31, 2025	$8,812,778
December 31, 2024	2,288,460

For the years ended December 31, 2025 and 2024, the amounts of interest income were $133,534 thousand and $61,385 thousand, respectively, and interest rates ranged from 1.51%～13.99% and from 1.43%～15.13%, respectively.

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

	December 31, 2025					
	Ending balance	Highest amount	Normal loans	Non-Performing loans	Collateral	The different terms with non-related parties
Consumer loans						
243 accounts	$813,122	$952,108	$813,122	$-	Land, buildings and chattels	None
Self-used residence mortgage loans						
328 accounts	2,691,834	3,115,721	2,691,834	-	Land and buildings	None
Other loans						
Realtek	2,000,000	5,500,000	2,000,000	-	None	None
Shin Kong Chao Feng	738,000	756,000	738,000		Buildings	None
Taichung Bank Leasing	518,154	2,518,616	518,154	-	Securities-accounts receivable (checks)	None
Hung Family	213,000	220,500	213,000	-	Real estate, listed stocks	None
Individual A	210,000	210,000	210,000	-	Real estate	None
AcBel Polytech	206,700	1,406,700	206,700		None	None
China Investment And Development	195,000	195,000	195,000		Real estate	None
Jia Bang Investment	190,000	190,000	190,000	-	Real estate	None
Kuan Yueh Technology Engineering	176,198	321,626	176,198	-	None	None
Jingji Investment	150,000	630,000	150,000	-	None	None
Others	710,770	18,866,839	710,770	-	Land, buildings, securities - deposits, securities - shares and policy value reserve	None
Total	$8,812,778		$8,812,778	$-		

	December 31, 2024					
	Ending balance	Highest amount	Normal loans	Non-Performing loans	Collateral	The different terms with non-related parties
Consumer loans						
134 accounts	$590,138	$697,867	$590,138	$-	Land, buildings and chattels	None
Self-used residence mortgage loans						
153 accounts	1,031,937	1,239,128	1,031,937	-	Land and buildings	None
Other loans						
AcBel Polytech	500,000	1,800,000	500,000	-	None	None
Others	166,385	6,444,313	166,385	-	Land, buildings, securities - deposits, securities - shares and policy value reserve	None
Total	$2,288,460		$2,288,460	$-		

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

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

Deposits

	Ending balance
December 31, 2025	$58,833,886
December 31, 2024	19,332,692

For the years ended December 31, 2025 and 2024, the amounts of interest expenses were $457,067 thousand and $280,292 thousand, respectively, and interest rates ranged from 0.66% to 9.00% and 0.00% to 8.00%, respectively.

	December 31, 2025		
	Ending balance	Interest rate range (per annum%)	Interest Expense
Nan Shan Life Insurance	$15,278,552	0.00~4.07	$(6,999)
Shin Kong Mitsukoshi	4,956,175	0.00~1.87	(68,286)
Ezconn	3,596,214	0.00~4.76	(23,495)
Shin Kong Insurance	2,653,375	0.00~1.65	(19,200)
TPEx	1,869,283	0.55~1.67	(21,692)
Diamond Biofund	1,226,371	0.01~1.71	(23,059)
Shin Hai Gas	1,136,639	0.00~1.77	(7,227)
National Defense Industrial Development Foundation	1,122,190	0.66~1.72	(14,411)
Shin Kong Memorial Hospital	1,090,007	0.00~3.85	(3,712)
Ruey-Shin Enterprise	1,063,474	0.00~1.76	(3,314)
The Great Taipei Gas	967,203	0.01~1.76	(7,015)
The Ambassador Hotel	750,297	0.00~1.76	(4,112)
Dongxing Securities	715,191	0.00~0.80	(6)
Century Development	713,805	0.65~1.77	(4,202)
Everbright Biofund	681,972	0.01~1.72	(10,896)
Dah Chung Bills	629,863	0.00~1.76	(6,398)
Tasco Chemical	627,211	0.01~1.63	(2,767)
Chien Dou Investment	603,318	0.00~1.76	(3,314)
Wowprime	573,404	0.66~1.69	(4,278)
Payeasy	523,273	0.00~1.69	(3,364)

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

	December 31, 2025		
	Ending balance	Interest rate range (per annum%)	Interest Expense
National Performing Arts Center	520,496	0.73~1.76	(3,472)
Shin Kong Asset Management	418,662	0.00~1.76	(804)
Excel Chemical	405,147	0.01~1.65	(1,224)
Hung Shin	393,168	0.00~1.76	(1,430)
Shin Kong Synthetic Fibers	365,803	0.00~4.00	(824)
Jaspervilla	342,336	0.00~1.75	(3,387)
EWC of Shin Kong Life Insurance	317,148	0.73~0.73	(768)
Nuvoton Technology	300,307	0.01~4.45	(11,057)
Yi Kong Security	294,267	0.00~1.76	(481)
Hong Sin	275,525	0.00~1.77	(1,934)
Taiwan Security	264,846	0.00~0.66	(2,115)
Great Taipei Broadband	263,388	0.00~1.76	(1,686)
Shin Kong Hae Yang	237,123	0.00~0.65	(235)
Shinsoft	231,247	0.00~1.29	(402)
Shing Kong Recreation	226,826	0.00~0.66	(1,001)
HannStar Display	200,956	0.00~1.58	(180)
Taiwan Fieldrich	156,613	0.01~4.32	(5,972)
Rakuya International Info	153,739	0.66~1.69	(2,291)
Yi-Kong International Apartment Building Management And Maintenance	142,444	0.00~0.66	(325)
Taiwan Institute for Sustainable Energy	137,325	0.00~1.76	(735)
Shin Kong Wu Ho-Su Cultural	134,319	0.01~1.77	(912)
Jing Ying Investment	121,432	0.01~1.60	(278)
Individual B	119,858	0.01~0.80	(1,264)
Tai-Po Service Technology	117,230	0.66~1.77	(749)
Delin Industrial	112,007	0.00~4.15	(1,632)
China Investment And Development	102,040	0.00~1.75	(171)
Others	11,701,817		(173,991)
Total	$58,833,886		$(457,067)

(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 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)
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	$19,332,692		$(280,292)

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

B. Guarantees on duties and contracts

	December 31, 2025				
Related parties	Ending balance	Highest amount	Guarantee liability reserve balance	Rate range (per annum%)	Collateral
Taichung Bank Leasing	$30,000	30,000	300	1.00	Notes
Ubright Optronics	6,623	6,623	66	0.75	Certificate of deposit
Century Biotech Development	3,750	7,500	38	0.60	None
Total	$40,373		$404		

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

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

C. Call loan to banks and call loan from banks

	December 31, 2025			
	Item	Ending balance	Interest rate range (per annum%)	Interest income (expense)
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)

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

D. Trading securities

	December 31, 2025					
			Repurchase agreements		Resell agreements	
	Purchase price (accumulated amount)	Sales price (accumulated amount)	Ending Balance	Interest rate range (per annum%)	Ending Balance	Interest rate range (per annum%)
Dah Chung Bills	$149,887	$-	$-	$-	$1,214,049	1.46~1.65
Chin We	-	-	15,235	0.94~1.08	-	-
Yi Huan	-	-	10,080	0.94~1.04	-	-
Xiang Zhao	-	-	12,030	0.94~1.02	-	-
Jia Hao	-	-	-	0.94~1.02	-	-
Chang Her	-	-	65,090	0.90~1.08	-	-
Yun Teh	-	-	60,082	0.90~1.06	-	-
Bor Sy	-	-	-	0.94~1.08	-	
Yuanta Bank	-	499,624	-	-	-	-
Individual C	-	-	100,082	0.90~1.08	-	-
Jaw Heng	-	-	230,175	0.94~1.08	-	-
Yi Cheng	-	-	200,171	0.94~1.08	-	-
Grand Commercial Bank	50,264	-	-	-	-	-
Total	$200,151	$499,624	$692,945		$1,214,049	-

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

	December 31, 2024					
			Repurchase agreements		Resell agreements	
	Purchase price (accumulated amount)	Sales price (accumulated amount)	Ending Balance	Interest rate range (per annum%)	Ending Balance	Interest rate range (per annum%)
MasterLink Securities	$5,175,210	$102,842	$-	-	$-	-
Dah Chung Bills	-	200,000	-	-	-	-
Yuanta Bank	-	899,644	-	-	-	-
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	$5,175,210	$1,253,318	$475,296		$-	

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

E. Derivatives

	December 31, 2025					
				2025	Balance sheet balance	
Related parties	Derivative contracts	Period	Nominal principal amount	Valuation gain (loss)	Account	Balance
Acer	Forward exchange contracts	2024/8/5-2025/2/27	$350,904	$(21,223)	Financial liabilities at FVTPL	$-

	December 31, 2024					
				2024	Balance sheet balance	
Related parties	Derivative contracts	Period	Nominal principal amount	Valuation gain (loss)	Account	Balance
Acer	Forward exchange contracts	2023/7/13-2025/2/27	$4,870,048	$(58,017)	Financial liabilities at FVTPL	$(21,185)
	Currency swaps	2023/12/27-2024/9/30	12,668,000	(149)	Financial liabilities at FVTPL	-

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

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

F. Lease arrangements

Lease liabilities

	December 31, 2025	December 31, 2024
The Great Taipei Gas	$285,549	$-

G. Lease/sublease agreement

Operating lease rental/sublease

The total amount of lease payments to be received in the future is summarized as follows:

	December 31, 2025	December 31, 2024
Shin Kong Mitsukoshi	$921,905	$-
Jaspervilla	432,634	-
New Ma Cherie	106,387	-
Total	$1,460,926	$-

The summary of rental income is as follows:：

	December 31, 2025	December 31, 2024
Shin Kong Mitsukoshi	$209,524	$-

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.

H. Liability contracts with related parties

	December 31, 2025	December 31, 2024
Other financial assets - customer margin account		
Yuanta Bank	$-	$1,172,864
Other financial assets - due from banks		
Yuanta Bank	$-	$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

	December 31, 2025	December 31, 2024
Short-term borrowings		
Yuanta Bank	$-	$600,000
Commercial papers issued		
Yuanta Bank	$-	$499,640
Grand Commercial Bank	599,298	-
Total	$599,298	$499,640

The Group's borrowing interest rates with related parties are consistent with market rates.

J. Financial assets at fair value through profit or loss

		December 31, 2025		December 31, 2024	
Item	Name	Ending shares (in thousands)	Ending balance	Ending shares (in thousands)	Ending balance
Trading securities - underwriting	Sercomm	-	$-	2,699	$298,240
Trading securities - underwriting	Ezconn	2,649	490,805	955	126,824

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

K. Outright sale

		For the year ended December 31,2025	
Item	Related parties	Face value	Transaction price
Bond outright sale	Dah Chung Bills	$760,000	$763,209

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.

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

L. Outright purchase

		For the year ended December 31,2025	
Item	Related parties	Face value	Transaction price
Outright purchase	United Microelectronics	$8,900,000	$8,900,000

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.

M. Donation expense

	For the years ended December 31	
	2025	2024
Taishin Bank Foundation for Arts and Culture	$30,000	$30,000
Taishin Charity Foundation	18,000	18,000
Taishin Youth Foundation	10,500	10,500
Total	$58,500	$58,500

Donation expense is used to promote Taiwan’s contemporary arts and implement charity programs, meeting corporate social responsibility.

N. Other material transactions

	For the years ended December 31			
	2025		2024	
	Item	Amount	Item	Amount
CyberSoft Digital Service	Operating expenses	$(44,453)	Operating expenses	$(161,398)
Shin Kong Mitsukoshi	Service charge and operating expenses	(343,500)	Service charge and operating expenses	(377,257)
Shin Kong Mitsukoshi	Fee income	317,695	Fee income	363,128
Shin Kong Insurance	Fee income	243,113	Fee income	-
Shin Kong Life Insurance	Commission income	-	Commission income	34,303

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

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

(3) Compensation of key management personnel

	For the years ended December 31	
	2025	2024
Short-term employee benefits	$1,996,863	$1,152,446
Post-employment benefits	13,368	10,124
Other long-term employee benefits	26,047	-
Termination benefits	(28,235)	10,581
Share-based payments	71,236	26,217
Total	$2,079,279	$1,199,368

(4) Related-party transactions of subsidiaries amounting to more than $100,000 thousand

A. Taishin Bank

(a) Loans, deposits and guaranteed loans

Loans

	December 31, 2025					
			Performance status			
	Ending balance	Highest amount	Normal loans	Non-performing loans	Collateral	The different terms with non-related parties
Other loans						
Realtek	$2,000,000	$5,500,000	$2,000,000	$-	None	None
Taichung Bank Leasing	302,769	2,303,231	302,769	-	Securities - accounts receivable (checks)	None
AcBel	206,700	1,406,700	206,700	-	None	None
Kuan Yueh Technology Engineering	176,198	321,626	176,198	-	None	None
Jingji Investment	150,000	630,000	150,000	-	None	None
Total	$2,835,667		$2,835,667	$-		

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

	December 31, 2024					
			Performance status			
	Ending balance	Highest amount	Normal loans	Non-performing loans	Collateral	The different terms with non-related parties
Other loans						
AcBel	$500,000	$1,800,000	$500,000	$-	None	None

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

Deposits

	December 31, 2025		
	Ending balance	Interest rate range (per annum%)	Interest expense
TS Financial Holding	$21,457,347	0.00~1.76	$(369,144)
Nan Shan Life Insurance	15,278,552	0.00~4.07	(6,999)
Taishin Life Insurance	8,367,556	0.00~2.20	(37,697)
Ezconn	3,596,214	0.00~4.76	(23,495)
Taishin Securities B	2,664,009	0.00~2.00	(19,906)
Shin Kong Mitsukoshi	2,288,548	0.00~1.74	(56,779)
TPEx	1,869,283	0.55~1.67	(21,692)
Diamond Biofund	1,226,371	0.01~1.71	(23,059)
National Defense Industrial Development Foundation	1,122,190	0.66~1.72	(14,411)
Taishin Futures	1,089,026	0.00~4.83	(9,069)
Dongxing Securities	715,191	0.00~0.80	(6)
Everbright Biofund	681,972	0.01~1.72	(10,896)
Tasco Chemical	627,211	0.01~1.63	(2,767)
Wowprime	573,404	0.66~1.69	(4,278)
Payeasy	523,273	0.00~1.69	(3,364)
Shin Kong Insurance	502,809	0.00~1.65	(3,254)
Dah Chung Bills	418,350	0.00~1.72	(4,995)
Taishin Securities Investment Trust	411,484	0.00~2.00	(3,779)
Excel Chemical	405,147	0.01~1.65	(1,224)

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

	December 31, 2025		
	Ending balance	Interest rate range (per annum%)	Interest expense
Taishin Securities Investment Advisory	330,940	0.66~5.20	(7,433)
EWC of Shin Kong Life Insurance	317,148	0.73~0.73	(768)
Nuvoton Technology	300,307	0.01~4.45	(11,057)
Shin Kong Synthetic Fibers	222,236	0.00~0.80	(717)
Taishin D.A. Finance	215,034	0.00~1.64	(938)
HannStar Display	200,956	0.00~1.58	(180)
MasterLink Futures	179,751	0.66~1.64	(1,250)
Taiwan Fieldrich	156,613	0.01~4.32	(5,972)
Rakuya International Info	153,739	0.66~1.69	(2,291)
The Ambassador Hotel	135,057	0.00~1.66	(881)
Hung Shin	123,364	0.01~0.01	(4)
Jing Ying Investment	121,432	0.01~1.60	(278)
Taiwan Security	120,423	0.00~0.66	(1,637)
Individual B	119,858	0.01~0.80	(1,264)
Delin Industrial	112,007	0.00~4.15	(1,632)
Shin Kong Life Insurance	101,159	0.03~4.00	(1,908)
Total	$66,727,961		$(655,024)

	December 31, 2024		
	Ending balance	Interest rate range (per annum%)	Interest expense
TS Financial Holding	$21,314,190	0.00~1.75	$(296,674)
Shin Kong Mitsukoshi	6,611,911	0.00~1.74	(26,496)
Taishin Life Insurance	2,774,649	0.00~2.20	(21,862)
Taishin Securities B	2,194,077	0.00~2.20	(18,581)
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)
Taishin Futures	642,222	0.00~5.53	(10,471)
Tasco Chemical	622,590	0.01~1.15	(884)
Sercomm	523,168	0.50~1.65	(16,066)

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

	December 31, 2024		
	Ending balance	Interest rate range (per annum%)	Interest expense
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)
Taishin Securities Investment Advisory	325,298	0.53~5.35	(8,163)
Taishin Securities Investment Trust	318,598	0.00~2.20	(2,140)
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)
Total	$41,979,704		$(460,326)

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

(b) Trading securities

	December 31, 2025					
	Purchase price	Sales price	Repurchase agreements		Resell agreements	
	(Accumulated amount)	(accumulated amount)	Ending balance	Interest rate range (per annum%)	Ending balance	Interest rate range (per annum%)
Dah Chung Bills	$149,887	$-	$-	-	$1,214,049	1.46~1.65
MasterLink Securities	9,867,292	-	-	-	-	-
Yuanta Bank	-	499,624	-	-	-	-
Individual C	-	-	100,082	0.90~1.08	-	-
Jaw Heng	-	-	230,175	0.94~1.08	-	-
Yi Cheng	-	-	200,171	0.94~1.08	-	-
Total	$10,017,179	$499,624	$530,428		$1,214,049	

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

	December 31, 2024					
	Purchase price	Sales price	Repurchase agreements		Resell agreements	
	(Accumulated amount)	(accumulated amount)	Ending balance	Interest rate range (per annum%)	Ending balance	Interest rate range (per annum%)
MasterLink Securities	$5,175,210	$102,842	$-	-	$-	-
TS Financial Holding	-	-	550,000	0.95~1.20	-	-
Dah Chung Bills	-	200,000	-	-	-	-
Yuanta Bank	-	899,644	-	-	-	-
Yun Teh	-	-	115,018	1.00~1.10	-	-
Chang Her	-	-	160,018	0.97~1.16	-	-
Jaw Heng	-	-	125,116	1.06~1.10	-	-
Total	$5,175,210	$1,202,486	$950,152		$-	

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

(c) Derivatives

	December 31, 2025					
				Valuation Gain (Loss)	Balance sheet balance	
Related Parties	Derivative Contracts	Period	Nominal Principal Amount	For the year ended December 31, 2025	Account	Balance
Acer	Forward exchange contracts	2024/8/5-2025/2/27	$350,904	$(21,223)	Financial liabilities at fair value through profit or loss	$-

	December 31, 2024					
				Valuation Gain (Loss)	Balance sheet balance	
Related Parties	Derivative Contracts	Period	Nominal Principal Amount	For the year ended December 31, 2024	Account	Balance
Acer	Forward exchange contracts	2023/7/13-2025/2/27	$4,870,048	$(58,017)	Financial assets at fair value through profit or loss	$(21,185)
	Currency swaps	2023/12/27-2024/9/30	12,668,000	(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.

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

(d) Liability contracts with related parties

		December 31	
Item	Related parties	2025	2024
Receivables	Taishin Life Insurance	$392,086	$202,611
Accounts payable under linked tax system	TS Financial Holding	4,094,413	730,674

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

(e) Lease arrangements

		December 31	
Item	Related Parties	2025	2024
Acquisition of right-of-use assets	Taishin Life Insurance	$-	$174,368

		December 31	
Item	Related Parties	2025	2024
Lease liabilities	Taishin Life Insurance	$160,440	$174,368

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

(f) Donation expense

	For the years ended December 31	
	2025	2024
Taishin Sports Entertainment	$120,000	$110,000

Donation expense is used to boost development of the sports industry, meeting corporate social responsibility.

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

(g) Other material transactions

	For the years ended December 31			
	2025		2024	
	Item	Amount	Item	Amount
CyberSoft Digital Service	Operating expenses	$(44,388)	Operating expenses	$(156,196)
Shin Kong Mitsukoshi	Service charge and operating expenses	(343,415)	Service charge and operating expenses	(377,070)
Shin Kong Mitsukoshi	Fee income	317,695	Fee income	363,128
Taishin Securities B	Fee income	91,726	Fee income	171,476
Taishin Life Insurance	Commission income	3,950,924	Commission income	3,512,051
Shin Kong Life Insurance	Commission income	330,790	Commission income	-

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

(h) Compensation of key management personnel

	For the years ended December 31	
Item	2025	2024
Short-term employee benefits	$514,626	$453,656
Post-employment benefits	4,200	5,242
Termination benefits	-	1,901
Share-based payments	31,799	13,294
Total	$550,625	$474,093

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

B. Taishin Life Insurance

(a) Liability contracts with related parties

		For the years ended December 31	
Item	Related parties	2025	2024
Cash and cash equivalents	Taishin Bank	$8,367,556	$2,774,649
Commission payables	Taishin Bank	432,282	210,058
Accounts payable under linked tax system	TS Financial Holding	31,831	165,580

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

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

(b) 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 years ended December 31, 2025 and 2024 were $163,874 thousand and $154,831 thousand, respectively. All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

(c) Other material transactions

		For the years ended December 31	
Item	Related parties	2025	2024
Commission expenses	Taishin Bank	$3,984,793	$3,502,529
Business expense	Taishin Bank	121,291	95,044

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

C. Taishin Securities B

(a) Liability contracts with related parties

		December 31	
Item	Related parties	2025	2024
Cash and cash equivalents	Taishin Bank	$1,411,657	$897,051
Other current assets - settlements and receipts under custody	Taishin Bank	940,407	995,094
Other non-current assets - operating guarantee deposits	Taishin Bank	290,000	290,000
Accounts payable under linked tax system	TS Financial Holding	162,627	246,879

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

(b) Lease arrangements

		For the years ended December 31	
Item	Related parties	2025	2024
Acquisition of use-of-right assets	Taishin Bank	$8,082	$102,229

		December 31	
Item	Related parties	2025	2024
Lease liabilities	Taishin Bank	$118,879	$157,962

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

(c) Borrowings from related parties

		December 31	
Item	Related parties	2025	2024
Short-term borrowings	Yuanta Bank	$-	$300,000
Commercial papers	Yuanta Bank	-	499,640

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

		December 31			
		2025		2024	
Item	Related parties	Ending shares (in thousands)	Ending balance	Ending shares (in thousands)	Ending balance
Trading securities - dealing	Taishin Securities Investment Trust	$10,612	$144,429	$-	$-
Trading securities -underwriting	Ezconn	2,649	490,805	955	126,824
Trading securities -underwriting	Sercomm	-	-	2,699	298,240

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

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

(e) As of December 31, 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 $1,235,268 thousand and $719,846 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.

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 year ended December 31, 2025			
	Beginning balance	Purchased	Collected	Ending balance
Loans with transferred ownership	$14,412,344	$-	$(89,761)	$14,322,583

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

	For the year ended December 31, 2024			
	Beginning balance	Purchased	Collected	Ending balance
Loans with transferred ownership	$14,504,844	$-	$(92,500)	$14,412,344

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

E. Taishin Venture Capital Investment

None.

F. Taishin Securities Investment Trust

(a) Liability contracts with related parties

		December 31	
Item	Related parties	2025	2024
Other financial assets	Taiwan Shin Kong Commercial Bank	$637,900	$-
Other financial assets	Taishin Bank	192,000	-
Refundable deposits	Taishin Bank	155,179	134,979

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

(b) Other material transactions

		December 31	
Item	Related parties	2025	2024
Fee income and Commission income	Taishin Life Insurance	$193,921	$172,139

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

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

G. Taishin Securities Investment Advisory

(a) Liability contracts with related parties

Item	Related parties	December 31 2025	December 31 2024
Other financial assets	Taishin Bank	$323,394	$314,740

All transactions with related parties are made under arm's length terms, which are consistent with normal policies.

H. Taiwan Shin Kong Commercial Bank

(a) Loans, deposits and guaranteed loans

Loans

	December 31, 2025					
	Ending Balance	Highest Amount	Normal loans	Non-performing loans	Collateral	The different terms with non-related parties
Shin Kong Chao Feng	$738,000	$756,000	$738,000	$-	Real estate	None
Taichung Bank Leasing	215,385	215,385	215,385	-	Notes	None
Hung Family	213,000	220,500	213,000	-	Real estate, listed stocks	None
Individual A	210,000	210,000	210,000	-	Real estate	None
China Investment And Development	195,000	195,000	195,000	-	Real estate	None
Jia Bang Investment	190,000	190,000	190,000	-	Real estate	None
Total	$1,761,385		$1,761,385	$-		

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

Deposits

	December 31, 2025		
	Ending balance	Interest rate range (per annum%)	Interest expense
Shin Kong Life Insurance	$42,683,508	0.00~1.76	$(238,243)
MasterLink Securities	5,790,282	0.00~2.15	(26,373)
MasterLink Futures	2,755,431	0.00~4.40	(17,175)
Shin Kong Mitsukoshi	2,667,627	0.00~1.87	(11,507)
Shin Kong Insurance	2,150,566	0.00~1.80	(15,946)
Shin Hai Gas	1,117,255	0.00~1.77	(7,226)
Shin Kong Memorial Hospital	1,089,559	0.00~3.85	(3,712)
Ruey-Shin Enterprise	1,063,474	0.00~1.76	(3,314)
The Great Taipei Gas Corporation	964,103	0.00~1.76	(7,013)
Century Development Corporation	713,805	0.65~1.77	(4,202)
Taishin Securities Investment Trust	647,638	0.00~1.77	(3,819)
The Ambassador Hotel	615,240	0.00~1.76	(3,231)
Chien Dou Investment	598,494	0.00~1.76	(3,314)
National Performing Arts Center	520,496	0.73~1.76	(3,472)
Shin Kong Asset Management	411,530	0.00~1.76	(690)
Jaspervilla	342,336	0.00~1.75	(3,387)
Yi Kong Security	293,575	0.00~1.76	(464)
Hong Sin Development	275,391	0.00~1.77	(1,934)
Hung Shin Enterprise	269,804	0.00~1.76	(1,426)
Great Taipei Broadband	263,388	0.00~1.76	(1,686)
Shinsoft	230,283	0.00~1.29	(393)
Dah Chung Bills	211,513	0.00~1.76	(1,403)
Shin Shou Building Management	210,391	0.00~1.77	(1,219)
Shin Kong Hae Yang	175,782	0.00~0.65	(234)
Taiwan Security	144,423	0.00~0.65	(478)
Shin Kong Synthetic Fibers	143,567	0.00~4.00	(107)
Shing Kong Recreation	143,043	0.00~0.65	(752)
Yi-Kong International Apartment Building Management And Maintenance	139,786	0.00~0.65	(265)
Taiwan Institute for Sustainable Energy	137,325	0.00~1.76	(735)
Shin Kong Wu Ho-Su Cultural	134,319	0.00~1.77	(912)
Shin Kong Insurance Agent	116,478	0.00~1.65	(312)
Tai-Po Service Technology	113,942	0.00~1.77	(728)
China Investment And Development	102,040	0.00~1.75	(157)
Total	$67,236,394		$(365,829)

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

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

(b) Lease arrangements

Item	Related parties	December 31, 2025
Lease liabilities	Shin Kong Life Insurance	$704,560
Lease liabilities	The Great Taipei Gas	183,649
Total		$888,209

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

(c) Other material transactions

Item	Related parties	For the year ended December 31, 2025
Fee income	Shin Kong Life Insurance	$1,032,347

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

(d) 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 D	Jia Bang Investment	$180,000	$-
Individual E	Individual A	210,000	210,000
Total			$210,000

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

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

I. MasterLink Securities

(a) Liability contracts with related parties

Item	Related parties	December 31, 2025
Cash and cash equivalents	Taiwan Shin Kong Commercial Bank	$2,547,912
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	Dah Chung Bills	599,298
Futures excess margin	MasterLink Futures	994,315
Accounts payable under linked tax system	TS Financial Holding	128,200

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	December 31, 2025
Fee income	Shin Kong Life Insurance	$103,474

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

(c) Outright sale

		For the year ended December 31, 2025	
Item	Related parties	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
Total		$4,660,000	$4,640,877

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

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 purchase

Item	Related parties	For the year ended December 31, 2025 Face value	Transaction price
Outright purchase	United Microelectronics	$8,900,000	$8,900,000

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.

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:

	December 31, 2025
Shin Kong Mitsukoshi	$921,905
Taiwan Shin Kong Commercial Bank	457,997
Jaspervilla	432,634
MasterLink Securities	118,373
New Ma Cherie	106,387
Total	$2,037,296

The summary of rental income is as follows:

	December 31, 2025
Shin Kong Mitsukoshi	$209,524
Taiwan Shin Kong Commercial Bank	111,749
Total	$321,273

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

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	December 31, 2025
Cash and cash equivalents	Taiwan Shin Kong Commercial Bank	$40,218,634
Cash and cash equivalents	Taishin Bank	100,976
Consolidated tax receivables	TS Financial Holding	11,114,781
Other financial assets, net	Taiwan Shin Kong Commercial Bank	2,294,432

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

(c) Investment in beneficiary certificates

	December 31, 2025
Taishin Securities Investment Trust	$9,117,559

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 years ended December 31, 2025, as follows:

	For the year ended December 31, 2025	
	Buy	Sell
Taishin Securities Investment Trust	$8,070,335	$2,466,922

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

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

(d) Other material transactions

Item	Related parties	For the year ended December 31, 2025
Commission Expense	Taiwan Shin Kong Commercial Bank	$896,886
Commission Expense	Taishin Bank	108,620
Fee expenses	Taiwan Shin Kong Commercial Bank	135,449
Other general and administrative expenses	Shin Shou Building Management	165,057
Other fee expenses	MasterLink Securities	105,810
Total		$1,411,822

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

K. Shin Kong Securities Investment Trust

(a) Debt and creditor transactions

Item	Related parties	December 31, 2025
Cash and cash equivalents	Taiwan Shin Kong Commercial Bank	$116,478

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	December 31, 2025
Fee income	Shin Kong Insurance	$228,332

All transactions with related parties are made under arm’s length terms, which are consistent with normal policies.

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

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	December 31, 2025	December 31, 2024
Refundable deposits	Cash and certificates of time deposits	$45,511,793	$20,395,380
Operating deposits and settlement funds	Cash, bonds and cash paid to stock exchange	14,899,537	2,098,376
Debt instruments at fair value through other comprehensive income	Bonds	5,815,599	178,775
Investments in debt instruments at amortized cost	Securities and bonds	28,862,200	16,441,538
Property and equipment	Land and buildings	1,532,995	-
Investment property	Land and buildings	207,266	-
Other financial assets - due from banks	Time deposits	9,075,216	75,000
Total		$105,904,606	$39,189,069

9. Significant Contingencies and Unrecognized Contractual Commitments

In addition to those mentioned in other notes, the Group has items as follows:

	December 31, 2025	December 31, 2024
Trust liabilities	$1,372,513,053	$1,024,897,117
Guarantee obligation	62,549,792	26,912,147
Development letter of credit	7,911,646	3,536,099
Credit commitments (excluding credit cards)	1,441,714,032	982,814,683
Credit commitments - credit cards	131,935,753	10,465,147
Securities custody payable	134,391,929	102,171,775
Entrusted collection funds	11,926,108	13,071,407
Entrusted underwriting of securities	6,900,000	7,619,850
Entrusted management of centralized custody short-term notes	14,261,200	19,345,200
Entrusted investment funds	22,678,553	22,136,040
Unpaid engineering equipment and software	7,829,100	1,116,042

As of December 31, 2025, the remaining capital commitments for the contracted private equity fund of the Group was $1,571,619 thousand.

Certain former employees of Taishin Securities have been accused of fraudulent behavior involving soliciting investments privately. Between January and December 2025, Taishin Securities received six civil complaints (five of which were criminal cases with civil claims attached), with the plaintiffs claiming joint civil compensation from Taishin Securities in the amount of approximately $402,536 thousand. As of December 31, 2025, the aforementioned six 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. Among the six cases, one received a first-instance judgment in February 2026, in which Taishin Securities partially lost. Taishin Securities is currently evaluating whether to file an appeal for the second instance.

As of December 31, 2025, Taishin Securities, in applying for credit facilities from its related party Taishin Bank, has arranged for other financial institutions to provide guarantee letters as collateral for the credit facilities totaling NT$1,100,000 thousand. Additionally, due to the demand for securities lending business, Taishin Securities has requested other financial institutions to issue guarantee letters amounting to NT$600,000 thousand.

Due to the needs of its securities lending business and other requirements, Masterlink Securities has requested banks to issue guarantee letters totaling NT$2,250,000 thousand.

10. Losses Due to Major Disasters

None.

11. Significant Subsequent Events

Taishin D.A. Finance, a subsidiary of Taishin Bank, in coordination with the Group's plan to consolidate its leasing subsidiaries in China, purchased 100% equity of Shin Kong Leasing (Suzhou) from another related party, Lion Investment, for a consideration of $767,812 thousand on February 13, 2026. This transaction has been approved by the Investment Commission of the Ministry of Economic Affairs.

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. The Financial Supervisory Commission issued a press release on January 13, 2026, approving the Company's merger with MasterLink Securities, and officially issued the consent letter on January 16, 2026.

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. The Financial Supervisory Commission issued a press release on January 13, 2026, approving the merger of Taishin Futures with MasterLink Futures, and officially issued the consent letter on January 22, 2026. Taishin Futures was approved by the Financial Supervisory Commission on January 26, 2026, to expand its proprietary futures trading business.

On January 1, 2026, Taishin Life Insurance increased its capital by issuing new shares and merged with Shin Kong Life Insurance. Taishin Life Insurance is the surviving company, and Shin Kong Life Insurance is the dissolved company. The surviving company, Taishin Life Insurance, was renamed “Shin Kong Life Insurance Co., Ltd.” and obtained approval from the Ministry of Economic Affairs under the official letter No. 11430194070 on January 2, 2026. All recorded assets, liabilities, and all valid rights and obligations of the dissolved company as of January 1, 2026, were legally assumed by the surviving company. According to the amended "Insurance Industry Financial Reporting Standards" by the Financial Supervisory Commission, the surviving company will, from January 1, 2026, amortize unrealized exchange differences on debt instruments measured at amortized cost without designated foreign currency risk hedging on a straight-line basis over the expected remaining holding period. After the period, the surviving company disposed of the investment property “President Jieshibao” acquired through the merger, with a total transaction amount of $313,850 thousand.

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

12. Others

(1) Changes in liabilities arising from financing activities:

For the year ended December 31, 2025

			Non-cash changes							
	Opening balance	Cash flows	Effect of exchange rate changes	New leases	Termination of lease contract	Amortization for discount	Fair value adjustments	Execution of exchange	Generated from business combination	Closing balance
Due to the Central Bank and banks (including call loans from other banks and bank overdrafts)	$5,362,767	$22,699,491	$119,764	$-	$-	$-	$-	$-	$200,000	$28,382,022
Commercial papers payable	49,413,465	31,396,160	-	-		(63,114)	-	-	11,390,314	92,136,825
Lease liabilities	2,291,981	(1,224,571)	(65,250)	1,194,362	(3,152,798)	-	-	-	10,497,204	9,540,928
Other borrowings	10,243,711	(5,521,894)	(59,415)	-	-	-	-	-	3,196,000	7,858,402
Financial liabilities designated at FVTPL	2,422,399	-	-	-	-	-	(84,656)	-	-	2,337,743
Bonds payable	64,533,272	(7,657,000)	-	-	-	36,685	(72,760)	(3,419,802)	95,269,082	148,689,477
Total	$134,267,595	$39,692,186	$(4,901)	$1,194,362	$(3,152,798)	$(26,429)	$(157,416)	$(3,419,802)	$120,552,600	$288,945,397

For the year ended December 31, 2024

			Non-cash changes						
	Opening balance	Cash flows	Effect of exchange rate changes	New leases	Termination of lease contract	Amortization for discount	Fair value adjustments	Execution of exchange	Closing balance
Due to the Central Bank and banks (including call loans from other banks and bank overdrafts)	$9,739,011	$(4,376,244)	$-	$-	$-	$-	$-	$-	$5,362,767
Commercial papers payable	30,223,005	19,254,000	-	-	-	(63,540)	-	-	49,413,465
Lease liabilities	2,405,852	(898,821)	2,231	787,272	(4,553)	-	-	-	2,291,981
Other borrowings	10,387,601	(457,803)	313,913	-	-	-	-	-	10,243,711
Financial liabilities designated at FVTPL	2,548,652	-	-	-	-	-	(126,253)	-	2,422,399
Bonds payable	68,144,602	(3,000,000)	-	-	-	123,698	-	(735,028)	64,533,272
Total	$123,448,723	$10,521,132	$316,144	$787,272	$(4,553)	$60,158	$(126,253)	$(735,028)	$134,267,595

(2) Fair value of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

(a) The carrying amount of cash and cash equivalents, trade receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

(c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(d) Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei ExchangeGreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

(e) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Adjustments of fair values

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.

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.

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

(3) 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.

December 31, 2025						
Offset and execution of net settlement or similar agreement on financial assets						
				Related amounts not offset in the balance sheets (d)		
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)	Financial instruments (note)	Received cash collateral	Net (e)=(c)-(d)
Derivative	$59,683,722	$3,914,143	$55,769,579	$48,662,769	$3,360,515	$3,746,295
Repurchase agreement	2,995,928	-	2,995,928	640,561	-	2,355,367
Total	$62,679,650	$3,914,143	$58,765,507	$49,303,330	$3,360,515	$6,101,662

Note: Including net settlement and non-cash collateral.

December 31, 2025						
Offset and execution of net settlement or similar agreement on financial liabilities						
				Related amounts not offset in the balance sheets (d)		
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)	Financial instruments (note)	Pledged cash collateral	Net (e)=(c)-(d)
Derivative	$122,930,250	$22,455,974	$100,474,276	$39,980,802	$20,705,499	$39,787,975

Note: Including net settlement and non-cash collateral.

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

December 31, 2024						
Offset and execution of net settlement or similar agreement on financial assets						
				Related amounts not offset in the balance sheets (d)		
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)	Financial instruments (note)	Received cash collateral	Net (e)=(c)-(d)
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						
				Related amounts not offset in the balance sheets (d)		
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)	Financial instruments (note)	Pledged cash collateral	Net (e)=(c)-(d)
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.

(4) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 – Unobservable inputs for the asset or liability

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Llevels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As at December 31, 2025

	Level 1	Level 2	Level 3	Total
Non-derivative financial instruments				
Assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Shares and beneficiary certificates investments	$395,347,857	$4,489,776	$4,903,072	$404,740,705
Bonds investments	35,912,431	34,143,987	25,533,279	95,589,697
Investment in bills	94,677,057	66,776,148	-	161,453,205
Beneficiary securities	849,568	-	-	849,568
Financial assets at FVTOCI				
Share investments	177,906,081	951,406	9,267,714	188,125,201
Bonds investments	110,926,379	267,804,660	10,493,541	389,224,580
Beneficiary securities	-	2,397,879	-	2,397,879
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities designated as at FVTPL	-	2,337,743	-	2,337,743
Financial liabilities held for trading	12,909,814	-	-	12,909,814
Derivative financial assets and liabilities				
Assets				
Financial assets at FVTPL	2,330,019	37,880,759	7,899,812	48,110,590
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities designated as at FVTPL	2,526,427	91,530	-	2,617,957
Financial liabilities held for trading	1,969,328	66,946,391	8,582,446	77,498,165

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

As at December 31, 2024

	Level 1	Level 2	Level 3	Total
Non-derivative financial instruments				
Assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Shares and beneficiary certificates investments	$46,872,137	$1,218,426	$3,529,161	$51,619,724
Bonds 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
Bonds investments	4,971,780	148,261,657	-	153,233,437
Beneficiary securities	-	955,554	-	955,554
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities designated as at FVTPL	-	2,422,399	-	2,422,399
Financial liabilities held for trading	1,494,495	-	-	1,494,495
Derivative financial assets and liabilities				
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 as at FVTPL	-	3,064,794	-	3,064,794
Financial liabilities held for trading	108,570	37,223,672	12,351,264	49,683,506

Transfers between Level 1 and Level 2 during the period

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 $4,050,000 thousand and $0 thousand, for the years ended December 31, 2025 and 2024, respectively.

As market liquidity increased, the bond investments transferred from Level 2 to Level 1 amounted to $11,110,000 thousand and $0 thousand, for the years ended December 31, 2025 and 2024, respectively.

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

Based on the annual turnover rates, share investments were determined not to belong to an active market and were transferred from Level 1 to Level 2 amounted to $44,017 thousand and $0 thousand, for the years ended December 31, 2025 and 2024, respectively.

As market quoted prices became available, amounts of share investments of $933,385 thousand and $2,421 thousand were transferred from Level 2 to Level 1 for the years ended December 31, 2025 and 2024, respectively.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

For the year ended December 31, 2025:

	Assets		Liabilities
	At fair value through profit or loss	At fair value through other comprehensive income	At fair value through profit or loss
Beginning balance	$14,972,022	$2,618,810	12,351,264
Total gains and losses recognized			
In net income	(3,998,091)	(2,237,496)	(3,565,709)
In other comprehensive income	-	(284,063)	-
Acquisition/issues	1,377,272	1,152,123	178,532
Disposal/settlements	(702,744)	(64,677)	(381,641)
Transferred into (out of) Level 3	9,764,138	10,522,974	-
Acquisitions through business combinations	16,923,566	8,053,584	-
Ending Balance	$38,336,163	$19,761,255	$8,582,446

For the year ended December 31, 2024:

	Assets		Liabilities
	At fair value through profit or loss	At fair value through other comprehensive income	At fair value through profit or loss
Beginning balance	$12,914,414	$2,511,967	$10,084,023
Total gains and losses recognized			
In net income	2,744,356	-	3,426,435
In other comprehensive income	-	106,843	-
Acquisition/issues	799,065	-	87,850
Disposal/settlements	(1,435,450)	-	(1,247,044)
Transferred into (out of) Level 3	(50,363)	-	-
Ending Balance	$14,972,022	$2,618,810	$12,351,264

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

(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 $(3,917,313) thousand and $2,741,196 thousand were attributed to gains (losses) on assets owned for the years ended December 31, 2025 and 2024 respectively.

Above-mentioned valuation (losses) gains recognized in other comprehensive income in the amounts of $626,988 thousand and $106,843 thousand were attributed to (losses) gains on assets owned for the years ended December 31, 2025 and 2024 respectively.

Above-mentioned valuation gains (losses) recognized in current profits or losses in the amounts of $3,465,934 thousand and $(3,432,274) thousand were attributed to gains (losses) on liabilities owned for the years ended December 31, 2025 and 2024 respectively.

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

December 31, 2025

	Fair value	Valuation technique	Significant unobservable inputs	Range of estimate	Relationship between inputs and fair value
Non-derivative financial instruments					
Financial assets at FVTPL					
Financial assets mandatorily classified as at FVTPL					
Share investments	$2,219,470	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.
	996,827	Market method	Discount for lack of marketability	10%~40%	The higher the discount for lack of marketability, the lower the fair value.
	66,204	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.

(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
Private equity funds	1,620,571	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.
Bonds	25,533,279	Yield book	Option-adjusted spread	0%~0.74%	The higher the option-adjusted spread, the lower the fair value.
Financial assets at FVOCI					
Share investments	6,483,884	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.
	734,211	Market method	Discount for lack of marketability	10%~30%	The higher the discount for lack of marketability, the lower the fair value
	2,048,312	Revenue method	Discount for lack of marketability	10%~30%	The higher the discount for lack of marketability, the lower the fair value
	1,307	Net asset adjustment method	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Bonds	10,493,541	Yield book	Option-adjusted spread	0%~0.74%	The higher the option-adjusted spread, the lower the fair value.
<u>Derivative financial assets</u>					
Financial assets at FVTPL					
Interest rate swaps	2,307	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>					
Financial liabilities at FVTPL					
Interest rate swaps	620,050	Cash flow discount method	Discount for lack of marketability	0%~20%	The higher the discount for lack of marketability, the lower the fair value.

(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
Non-derivative financial instruments					
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.
Financial assets at FVTOCI					
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.

(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
Derivative financial assets					
Financial assets at FVTPL					
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.
Derivative financial liabilities					
Financial liabilities at FVTPL					
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.

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.

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.

C. Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

	December 31, 2025			
Assets and liabilities	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in debt instruments at amortized cost	$300,107,807	$1,764,265,306	$693,828,371	$2,758,201,484

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

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

(5) 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:

December 31, 2025		
Financial assets	Transferred financial assets - carrying amount	Related financial liabilities - carrying amount
Financial assets at FVTPL		
Repurchase agreement	$70,757,536	$70,945,451
Financial assets at FVTOCI		
Repurchase agreement	17,665,883	28,644,333
Investments in debt instruments at amortized cost		
Repurchase agreement	6,574,608	8,580,671

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

(6) Financial risk management objectives and policies

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.

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.

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.

(7) Market risk

Taishin Bank

A. 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.

(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.

B. 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.

C. 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.

D. 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.

(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.

- 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.

ii. Refer to item F. 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 F. 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.

E. 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.

(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.

F. 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.

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.

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

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.

	For the year ended December 31, 2025			
	Average	Highest	Lowest	Ending balance
Exchange VaR	$29,893	$60,858	$4,221	$15,969
Interest rate VaR	66,127	113,859	19,227	78,272
Equity securities VaR	30,763	58,991	8,711	40,245
Credit spread VaR	24,101	71,480	60	19,141
Value at risk	90,919	146,139	25,102	95,033

	For the year ended December 31, 2024			
	Average	Highest	Lowest	Ending balance
Exchange VaR	$4,535	$26,095	$881	$22,927
Interest rate VaR	30,149	92,579	10,909	34,514
Equity securities VaR	108,632	192,534	8,956	8,956
Credit spread VaR	5,598	22,431	168	335
Value at risk	110,033	185,558	25,426	35,291

(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.(13).

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;
- 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.

A. 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.

B. 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.

(b) Scenario analysis

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

- 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.

- 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 year ended December 31, 2025

Unit: Dollars in thousands

Risk factor	Variance (+/-)	Effects
Equity risk (stock price index)	-10%	$(29,781,078)
Interest rate risk (yield curve)	+20bps	(1,163,106)
Exchange rate risk (exchange rate)	The US dollar depreciates by NT$1 against the New Taiwan dollar.	(26,242,158)
Commodity risk (commodity prices)	-10%	-

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

Stress test table
For the year ended December 31, 2024

Unit: Dollars in thousands

Risk factor	Variance (+/-)	Effects
Equity risk (stock price index)	-10%	$(17,393,404)
Interest rate risk (yield curve)	+20bps	(556,908)
Exchange rate risk (exchange rate)	The US dollar depreciates by NT$1 dollar against the New Taiwan dollar.	(19,409,469)
Commodity risk (commodity prices)	-10%	-

C. 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:

	December 31, 2025	December 31, 2024
Fair value interest rate risk - financial assets	$2,572,812,153	$2,643,678,361
Cash flow interest rate risk - financial assets	38,384,469	36,876,921

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 years ended December 31	
	2025	2024
Income (loss) before income tax	$13,868	$11,705
Other comprehensive income before income tax	44,288	16,141

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.

D. 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.

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 years ended December 31	
	2025	2024
Income (loss) before income tax	$35,847	$54,931
Other comprehensive income before income tax	4,100,373	3,559,356

(8) Credit risk

Taishin Bank

A. 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.

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.

(e) Other credit risks

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

B. 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.

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.

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 years) 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.

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.

- 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.

(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.

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:

December 31, 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	0.75%	11.54%	49.87%	87.62%
Amount of exposure	23,861,065	185,772	127,588	73,194
Loss allowance	179,039	21,444	63,627	64,135

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

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

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.

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.

C. 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.

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

The following table details the information on the collateral of credit-impaired financial assets:

December 31, 2025

	Gross carrying amount	Impairment under IFRS 9	Proportion of loans/ collateral (Note)
Personal housing loans	$5,364,820	$1,316,616	33.66%
Business guaranteed loans	1,663,373	445,580	102.83%
Others	6,519,906	1,913,829	
Total	$13,548,099	$3,676,025	

Note: The value of the collateral is calculated based on the latest accessible internal and external data.

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.

(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.

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.

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

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.

D. Maximum exposure to credit risk and credit quality analysis

Taishin Bank

The maximum credit risk exposure of Taishin Bank and its subsidiaries' on-balance-sheet assets, without considering collateral or other credit enhancement instruments is approximately equal to their carrying amounts. The maximum credit risk exposure related to off-balance sheet items of individual financial statements(without considering collateral or other credit enhancement instruments, and representing the irrevocable maximum exposure) is as follows:

Off-balance sheet items	Maximum Credit Risk Exposure	
	December 31, 2025	December 31, 2024
Irrevocable loan commitments granted to customers	$91,082,440	$64,903,243
Unused credit card credit commitments of customers	582,274,265	563,816,425
Outstanding balance of letters of credit issued but not yet utilized by customers	4,562,087	3,536,099
Various types of guarantees	29,526,831	26,912,147
Total	$707,445,623	$659,167,914

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

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.

Based on risk ratings, the amounts of maximum credit risk exposure (excluding the guarantees or other credit enhancements) at each stage of ECLs on December 31, 2025 and 2024 are as follows:

	December 31, 2025			
	12-month ECLs	Lifetime ECLs - unimpaired	Lifetime ECLs - impaired	Total
Loans				
Consumer finance				
Excellent	$963,671,052	$12,441,337	$-	$976,112,389
Good	13,958,146	290,336	-	14,248,482
Acceptable	-	579,182	-	579,182
Default	-	-	9,080,573	9,080,573
Corporate finance				
Excellent	485,322,791	-	-	485,322,791
Good	327,201,531	-	-	327,201,531
Acceptable	605,563	1,505,650	-	2,111,213
Default	-	-	2,394,197	2,394,197
Total	$1,790,759,083	$14,816,505	$11,474,770	$1,817,050,358
Receivables (including non-performing receivables transferred from other than loans)				
Consumer finance				
Excellent	$75,331,830	$46,866	$-	$75,378,696
Good	329,953	3,150	-	333,103
Acceptable		92,835	-	92,835
Default			1,740,467	1,740,467
Corporate finance				
Excellent	31,556,523	-	-	31,556,523
Good	3,598,666	-	-	3,598,666
Acceptable	721	4,371	-	5,092
Default	-	-	142,778	142,778
Others	8,913,901	34,374,385	190,084	43,478,370
Total	$119,731,594	$34,521,607	$2,073,329	$156,326,530

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

	December 31, 2025			
	12-month ECLs	Lifetime ECLs - unimpaired	Lifetime ECLs - impaired	Total
Debt instruments at fair value through other comprehensive income				
Excellent	$159,984,519	$-	$-	$159,984,519
Investments in debt instruments at amortized cost				
Excellent	$546,020,506	$-	$-	$546,020,506
Financial guarantees				
Excellent	$26,930,892	$-	$-	$26,930,892
Good	7,158,026	-	-	7,158,026
Total	$34,088,918	$-	$-	$34,088,918
Loan commitments				
Excellent	$1,469,854,259	$255,437	$-	$1,470,109,696
Good	199,444,634	520	-	199,445,154
Acceptable	101,635	90,192	-	191,827
Default		-	146,073	146,073
Total	$1,669,400,528	$346,149	$146,073	$1,669,892,750

	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

(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
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
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

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

E. Situation of credit risk concentration

Taishin Bank

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.

Taishin Bank and its subsidiaries' information on discounts and loans with a significant concentration of credit risk is as follows:

	December 31, 2025		December 31, 2024	
Industry type	Carrying amount	Percentage of item (%)	Carrying amount	Percentage of item (%)
Manufacturing	$199,337,980	11	$187,626,371	11
Wholesale and retail	79,372,004	4	67,862,147	4
Finance and insurance	202,091,200	11	181,903,984	11
Real estate and leasing	173,087,026	10	164,324,308	10
Service	38,917,610	2	35,848,490	2
Individuals	1,012,025,164	56	962,848,658	58
Others	112,219,374	6	74,367,649	4
	$1,817,050,358		$1,674,781,607	

	December 31, 2025		December 31, 2024	
Industry type	Carrying amount	Percentage of item (%)	Carrying amount	Percentage of item (%)
Asia	$1,642,399,351	90	$1,530,777,350	92
Europe	33,739,699	2	22,535,455	1
America	5,457,170	-	3,796,610	-
Africa	10,267,406	1	8,206,443	-
Others	125,186,732	7	109,465,749	7
Total	$1,817,050,358		$1,674,781,607	

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.

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 December 31, 2025 and 2024, apart from Citibank Taiwan Limited 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 years ended December 31, 2025 and 2024, the concentration of credit risk to Citibank Taiwan Limited 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 December 31, 2025 and 2024, the total investment in the US accounted for approximately 34.11%, and 33.22% 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 December 31, 2025 and 2024, the total investment from the top five counterparties accounted for 11.20%, and 11.05% of available funds, respectively.

(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:

(a) Exposure to credit risk－industry type

December 31, 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	$22	$25,622,173	$-	$-	$14,198	$-	$-	$-	$-	$-	$25,636,393
Financial assets at FVTOCI	11,078,121	14,012,986	913,825	999,993	1,141,251	1,726,496	5,389,054	4,779,053	1,211,364	3,297,666	44,549,809
Financial assets measured at amortized cost	602,352,875	1,195,001,508	125,417,134	68,571,520	25,660,180	28,901,087	124,877,622	66,649,029	192,445,345	111,134,120	2,541,010,420
Total	$613,431,018	$1,234,636,667	$126,330,959	$69,571,513	$26,815,629	$30,627,583	$130,266,676	$71,428,082	$193,656,709	$114,431,786	$2,611,196,622
Proportion of each industry to the overall total	23.49%	47.28%	4.84%	2.66%	1.03%	1.17%	5.00%	2.73%	7.42%	4.38%	100.00%

December 31, 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	$26,121,823	$-	$-	$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%

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

(b) Exposure to credit risk－region

December 31, 2025

Financial Assets	Taiwan	North America	Eurozone	Non-Eurozone	Asia-Pacific	Central and South America	Middle East/Africa	Global	Total
Financial assets at FVTPL	$25,517,477	$54,457	$64,459	$-	$-	$-	$-	$-	$25,636,393
Financial assets at FVTOCI	27,155,736	15,871,615	593,990	928,468	-	-	-	-	44,549,809
Financial assets measured at amortized cost	228,224,750	1,127,669,499	231,564,797	310,980,966	248,437,091	119,977,722	274,155,595	-	2,541,010,420
Total	$280,897,963	$1,143,595,571	$232,223,246	$311,909,434	$248,437,091	$119,977,722	$274,155,595	-	$2,611,196,622
Proportion of each industry to the overall total	10.76%	43.80%	8.89%	11.95%	9.51%	4.59%	10.50%	-	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%

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:

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

Credit quality analysis table of financial assets

December 31, 2025

	Stage 1				Stage 2				Stage 3				
	Low risk	Moderate risk	High risk	Total	Low risk	Moderate risk	High risk	Total	Credit-impaired financial assets	Non-POCI financial assets	Total	Loss allowance	Total
Financial assets at FVTOCI	$44,549,809	$-	$-	$44,549,809	$-	$-	$-	$-	$-	$-	$-	$-	$44,549,809
Financial assets measured at amortized cost	2,450,469,024	25,555,990	28,590,493	2,504,615,507	-	-	3,177,302	3,177,302	33,217,611	-	33,217,611	(4,755,915)	2,536,254,505
Total	$2,495,018,833	$25,555,990	$28,590,493	$2,549,165,316	$-	$-	$3,177,302	$3,177,302	$33,217,611	$-	$33,217,611	$ (4,755,915)	$2,580,804,314
Proportion to the total amount	96.67%	0.99%	1.11%	98.77%	-	-	0.12%	0.12%	1.29%	-	1.29%	(0.18%)	100.00%

December 31, 2024

	Stage 1				Stage 2				Stage 3				
	Low risk	Moderate risk	High risk	Total	Low risk	Moderate risk	High risk	Total	Credit-impaired financial assets	Non-POCI financial assets	Total	Loss allowance	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%

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.

(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)

December 31, 2025

Collateral location	Northern region	Central region	Southern region	Eastern region	Total
Secured loans	$22,063,648	$9,056,012	$17,004,297	$252,258	$48,376,215
Collection receivables	2,394	94	2,617	-	5,105
Total	$22,066,042	$9,056,106	$17,006,914	$252,258	$48,381,320
Proportion to total amount	45.61%	18.72%	35.15%	0.52%	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%

(9) Liquidity risk

A. 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.

B. 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.

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.

C. 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.

(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:

	December 31, 2025									
Financial instruments item	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	$17,325,284	$11,283,199	$3,114,568	$3,726,124	$-	$23,000	$-	$-	$-	$35,472,175
Non-derivative financial liabilities at FVTPL	-	-	-	-	-	-	-	-	12,653,596	12,653,596
Securities sold under repurchase agreements	40,152,024	5,493,552	335,132	-	-	-	-	-	-	45,980,708
Payables	21,234,131	1,784,823	850,584	12,092,536	37,864	9,424	-	-	-	36,009,362
Deposits and remittances	342,928,156	414,679,443	239,207,338	359,927,627	1,127,403,902	3,103,059	251	-	-	2,487,249,776
Bank notes payable	-	-	-	-	6,000,000	-	-	9,050,000	5,000,000	20,050,000
Lease liabilities	119,406	127,300	174,716	353,532	555,352	417,697	330,837	234,869	345,627	2,659,336
Other financial liabilities	13,274,985	9,945,508	5,741,251	3,876,693	7,875,549	2,348,160	612,264	6,457,379	71,950,208	122,081,997
Total	$435,033,986	$443,313,825	$249,423,589	$379,976,512	$1,141,872,667	$5,901,340	$943,352	$15,742,248	$89,949,431	$2,762,156,950

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

	December 31, 2024									
Financial instruments item	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

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 $1,270,687,998 thousand and $1,132,811,769 thousand as of December 31, 2025 and 2024, respectively.

(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:

	December 31, 2025					
Financial instruments item	1-30 days	31-90 days	91-180 days	181 days - 1 year	over 1 year	Total
Derivative financial liabilities at FVTPL	$39,168,046	$-	$-	$-	$-	$39,168,046

	December 31, 2024					
Financial instruments item	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

(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 December 31, 2025 and 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 $29,526,831 thousand and $26,912,147 thousand, respectively, for guarantees; $4,562,087 thousand and $3,536,099 thousand, respectively, for letters of credit; $1,074,886,790 thousand and $982,814,683 thousand, respectively, for loans commitments (excluding credit card); and $12,731,696 thousand and $10,465,147 thousand, respectively, for credit cards commitments.

	December 31, 2025					
Off-balance-sheet item	1-30 days	31-90 days	91-180 days	181 days - 1 year	over 1 year	Total
Guarantees	$3,005,724	$3,645,555	$2,488,574	$5,018,421	$15,368,557	$29,526,831
Letters of credit	694,272	1,676,320	1,474,184	406,397	310,914	4,562,087
Loans commitments (excluding credit cards)	16,909,045	210,518,410	239,326,314	462,815,558	145,317,463	1,074,886,790
Credit cards commitments	1,949	130,230	295,548	582,189	11,721,780	12,731,696

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

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

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.

December 31, 2025

	Payable on demand or within 3 months	3 months to 1 year	1 to 5 years	> 5 years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$6,343,118	$454,202	$891,542	$169,436
Fixed rate instruments	-	19,732,000	9,662,000	24,022,000
Outstanding claims reserves	260,770	60,659	117,865	60,705
Lease liabilities	103,521	215,163	976,377	6,631,940

December 31, 2024

	Payable on demand or within 3 months	3 months to 1 year	1 to 5 years	> 5 years
Non-derivative financial liabilities				
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

(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.

December 31, 2025

	Payable on demand or within 3 months	3 months to 1 year	1 to 5 years	> 5 years
Non-derivative financial assets				
Domestic	$355,153	$27,831,134	$110,066,144	$132,970,090
Foreign	16,829,221	46,393,999	269,013,779	4,864,200,587

December 31, 2024

	Payable on demand or within 3 months	3 months to 1 year	1 to 5 years	> 5 years
Non-derivative financial assets				
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

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.

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

December 31, 2025

	Payable on demand or within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	> 5 years
Net settlement					
Forward currency contract	$(1,573,738)	$(582,789)	$(305,488)	$-	$-
Gross settlement					
Currency swap					
－Inflows	$23,098	$-	$15,923	$-	$-
－Outflows	(1,616,116)	(5,321,649)	(11,315,532)	-	-
	$(1,593,018)	$(5,321,649)	$(11,299,609)	$-	$-

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
Net settlement					
Forward currency contract	$(2,791,132)	$(2,735,679)	$(290,818)	$-	$-
Gross settlement					
Currency swap					
－Inflows	$-	$-	$-	$-	$-
－Outflows	(12,776,111)	(6,115,267)	(2,176,861)	-	-
	$(12,776,111)	$(6,115,267)	$(2,176,861)	$-	$-

(10) Insurance risk

Shin Kong Life Insurance

A. 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.

(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.

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

B. 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.
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 year ended December 31, 2025		
	Changes in assumptions	Changes in pre-tax profit	Changes in equity
Financial income	Decrease 5%	$(5,871,699)	$(4,697,359)
Operating expenses	Increase 5%	(1,439,962)	(1,151,969)
Death or illness-related insurance benefits	Increase 5%	(1,742,974)	(1,394,379)
Surrender values	Increase 5%	117,190	93,752

Note: The above assumption factors and analysis are based on the financial information of Shin Kong Life Insurance and its subsidiaries for the year ended December 31, 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.

(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.

(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	14,106,664	
2022	12,414,515	15,337,966	15,571,133	15,594,861		
2023	13,751,413	16,972,094	17,217,925			
2024	14,316,700	17,588,667				
2025	14,463,545					

Loss reserve for unreported and unpaid claims	$3,897,513
Add: reserves for unreported claims required by other regulations	5,490
Add: reported but unpaid claims	492,199
Loss reserve, balance	$4,395,202

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	14,046,644	
2022	12,330,498	15,253,580	15,486,025	15,509,750		
2023	13,668,794	16,887,493	17,132,468			
2024	14,201,459	17,472,632				
2025	14,367,065					

Loss reserve for unreported and unpaid claims	$3,890,641
Add: reserves for unreported claims required by other regulations	5,490
Add: reported but unpaid claims	492,199
Loss reserve, balance	$4,388,330

C. 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.

(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.

(11) 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.

(12) 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:

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

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

As of December 31, 2025 and 2024, the carrying amounts related to the interests in unconsolidated structured entities are disclosed as follows:

	December 31, 2025			
	Financing secured bonds	Real estate-backed securities	Private equity fund	Total
Financial assets at FVTPL	$-	$54,435	$1,397,414	$1,451,849
Financial assets at FVTOCI	-	2,401,481	-	2,401,481
Financial assets measured at amortized cost	-	114,396,000	-	114,396,000
Net ending balance	$-	$116,851,916	$1,397,414	$118,249,330

	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

(13)Significant 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)

	December 31, 2025		
	Foreign currency	Exchange rate	New Taiwan Dollars
Financial assets			
Monetary items:			
AUD	$3,272,722	21.02	$68,807,549
RMB	8,709,219	4.50	39,185,852
EUR	469,180	36.91	17,317,662
JPY	186,933,878	0.20	37,545,483
USD	18,578,647	31.45	584,262,156
Non-monetary items:			
RMB	$36,248,448	4.50	$ 163,094,561
HKD	23,063,549	4.04	93,183,426
EUR	588,790	36.91	21,732,551
JPY	160,864,415	0.20	32,309,457
USD	14,552,866	31.45	457,658,516
Financial liabilities			
Financial assets:			
RMB	$13,650,941	4.50	$61,420,405
EUR	1,062,089	36.91	39,202,271
HKD	7,930,440	4.04	32,041,278
JPY	295,028,248	0.20	59,256,129
USD	19,536,511	31.45	614,385,050
Non-monetary items:			
AUD	2,435,971	21.02	51,215,210
RMB	31,263,802	4.50	140,666,880
HKD	19,581,866	4.04	79,116,418
JPY	53,650,097	0.20	10,775,568
USD	14,074,072	31.45	442,601,430

	December 31, 2024		
	Foreign currency	Exchange rate	New Taiwan Dollars
Financial assets			
Monetary items:			
AUD	$2,471,421	20.40	$50,407,670
RMB	55,171,640	4.48	247,119,622
HKD	7,028,475	4.22	29,685,722
JPY	190,882,619	0.21	40,087,068
USD	49,917,603	32.79	1,636,997,852
Non-monetary items:			
USD	-	32.79	-
Financial liabilities			
Monetary items:			
AUD	$2,086,311	20.40	$42,552,883
RMB	9,304,945	4.48	247,508,687
HKD	7,257,817	4.22	30,654,377
JPY	191,618,044	0.21	40,241,513
USD	50,304,301	32.79	1,649,679,256
Non-monetary items:			
AUD	$385,628	20.40	$7,865,348
USD	-	32.79	-

Shin Kong Life Insurance

(Foreign Currencies/New Taiwan Dollars in thousands)

	December 31, 2025		
	Foreign currency	Exchange rate	New Taiwan Dollars
Financial assets			
Monetary items:			
USD	$72,440,365	31.4480	$2,278,104,593
AUD	4,389,024	21.0246	92,277,298
RMB(Offshore)	343,160	4.4994	1,543,999
EUR	114,818	36.9105	4,237,988
GBP	2,349	42.3369	99,457
RMB	1,201,752	4.4990	5,406,679

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

	December 31, 2025		
	Foreign currency	Exchange rate	New Taiwan Dollars
Non-monetary items:			
USD	1,154,833	31.4480	36,317,197
EUR	4,761	36.9105	175,736
AUD	179	21.0246	3,766
JPY	9,912	0.2008	1,991
RMB(Offshore)	468	4.4994	2,105
HKD	70	4.0403	284
Financial liabilities			
Non-monetary items			
USD	660,326	31.4480	20,765,924

As of December 31, 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$834,315,440 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.

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.

	Effect
	For the year ended December 31, 2025
Income (loss) before income tax	$8,252,634

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.

(14)Capital 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.

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.

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

C. Group's capital adequacy ratio

Company \ Item	For the year ended December 31, 2025		
	Ownership Interest (%)	Group Eligible Capital	Group's Statutory Capital Requirement
TS Financial Holding	100%	499,222,389	561,598,298
Taishin Bank	100%	242,494,165	165,544,256
Taiwan Shin Kong Commercial Bank	100%	112,076,025	78,396,418
Taishin Securities B	100%	12,653,178	7,400,694
MasterLink Securities	100%	22,920,698	10,570,548
Taishin Life Insurance	100%	26,392,402	12,539,876
Shin Kong Life Insurance	100%	246,449,666	258,728,388
Taishin Venture Capital Investment	100%	3,321,944	1,745,590
Shin Kong Venture Capital	100%	1,505,654	833,548
Taishin AMC	100%	1,251,971	991,887
Taishin Securities Investment Trust	100%	2,101,212	1,295,162
Taishin Securities Investment Advisory	92%	298,022	164,800
Shin Kong Insurance Agent	100%	118,150	99,663
Exclusive items amount subtracted		(565,610,333)	(555,362,443)
Total		605,195,143	544,546,685
Group's capital adequacy ratio (Note)			111.14%

Company \ Item	For the year ended December 31, 2024		
	Ownership Interest (%)	Group Eligible Capital	Group's Statutory Capital Requirement
TS Financial Holding		246,056,771	257,369,748
Taishin Bank	100%	234,927,524	158,943,107
Taishin Securities B	100%	12,674,420	6,775,917
Taishin Life Insurance	100%	25,244,910	14,484,940
Taishin Venture Capital Investment	100%	4,734,998	2,366,703
Taishin AMC	100%	1,429,820	1,000,632
Taishin Securities Investment Trust	100%	1,258,612	768,042
Taishin Securities Investment Advisory	92%	305,827	171,679
Exclusive items amount subtracted		(256,076,167)	(246,917,298)
Total		270,556,715	194,963,470
Group's capital adequacy ratio (Note)			138.77%

Note 1: The above list was prepared according to "Regulations Governing the Consolidated Capital Adequacy of Financial Holding Company."

Note 2: Group's capital adequacy ratio = Group's eligible capital ÷ Group's statutory capital requirement.

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

D. Financial holding company eligible capital

Item	December 31, 2025
Ordinary share	$248,663,992
Non-cumulative perpetual preferred shares and non-cumulative subordinated debts without maturity dates which comply with eligible Tier I capital	13,946,680
Other preferred shares and subordinated corporate bonds	15,600,000
Capital surplus	133,732,478
Legal reserve	20,556,406
Special reserve	468,184
Retained earnings	43,134,428
Equity adjustment	23,225,354
Less: Goodwill and other intangible assets	(938)
Less: Deferred assets	(14,897)
Less: Treasury shares	(89,298)
Total	$499,222,389

Item	December 31, 2024
Ordinary share	$129,761,443
Non-cumulative perpetual preferred shares and non-cumulative subordinated debts without maturity dates which comply with eligible Tier I capital	11,000,000
Other preferred shares and subordinated corporate bonds	17,200,000
Capital surplus	38,197,778
Legal reserve	18,439,029
Special reserve	1,146,190
Retained earnings	30,519,014
Equity adjustment	(116,447)
Less: Goodwill and other intangible assets	(938)
Less: Deferred assets	-
Less: Treasury shares	(89,298)
Total	$246,056,771

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

E. Taishin Bank capital adequacy ratio

Item		Period	December 31, 2025	December 31, 2024
Self-owned capital	Common equity Tier I		190,045,986	180,962,214
	Other Tier I capital		24,999,730	24,999,730
	Tier II capital		27,448,449	28,965,580
	Self-owned capital		242,494,165	234,927,524
Risk-weighted assets	Credit risk	Standardized approach	1,448,583,296	1,366,793,886
		IRB	-	-
		Securitization	-	8,222,339
	Operation risk	Standardized approach/optional standard	60,639,791	85,456,713
	Market price risk	Standardized approach	67,388,875	53,270,938
		Internal model approach	-	-
	Total		1,576,611,962	1,513,743,876
Capital adequacy ratio			15.38%	15.52%
Common equity Tier I to risk-weighted assets ratio			12.05%	11.95%
Tier I capital to risk-weighted assets ratio			13.64%	13.61%
Leverage ratio			6.80%	6.75%

Note 1: The ratios are calculated in accordance with the Letters issued by the MOF on December 23, 2019 (Ref. No. FSC 10802744341) and on January 3, 2025 (Ref. No. FSC 11302743801).

Note 2: Formula:

(a) Self-owned capital = Common equity Tier I + Other Tier I capital + Tier II capital.

(b) Risk-weighted assets = Credit risk-weighted assets + (Operation risk capital + Market price risk capital) x 12.5.

(c) Capital adequacy = Self-owned capital ÷ Risk-weighted assets.

(d) Common equity Tier I capital to risk-weighted assets ratio = Common equity Tier I capital ÷ Risk-weighted assets.

(e) Tier I capital to risk-weighted assets ratio = (Common equity Tier I + Other Tier I capital) ÷ Risk-weighted assets.

(f) Leverage ratio = Tier I capital ÷ Adjusted average assets.

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

F. Taishin Life Insurance capital adequacy ratio

The capital adequacy ratio calculated by Taishin Life Insurance based on the Regulations Governing Capital Adequacy of Insurance Companies has remained above 200% over the past three years, and the ratio of equity divided by the total assets excluding the total assets recorded in separate accounts for investment-linked insurance policies is 7.43% and 8.54% as of December 31, 2025 and 2024, respectively.

G. Taishin Securities B capital adequacy ratio

To effectively absorb various risks and ensure the long-term stable development of the Company's businesses, Taishin Securities B continuously and actively maintains adequate capital. Therefore, Taishin Securities B manages its capital based on business development plans, relevant laws and regulations, and the financial market environment to achieve optimal capital allocation. Currently, the Group calculates and reports Taishin Securities' capital adequacy ratio in accordance with the "Regulations Governing Securities Firms".

	December 31, 2025	December 31, 2024
Capital adequacy ratio	256.46%	280.58%

(a) Capital adequacy ratio = Net of eligible capital ÷ Equivalent amount of operating risk.

(b) Net of eligible capital = Tier I capital + Tier II capital + Tier III capital - Minus assets.

(c) Equivalent amount of operating risk = Equivalent amount of market risk + Equivalent amount of credit risk + Equivalent amount of operation risk.

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

H. Taiwan Shin Kong Commercial Bank capital adequacy ratio

Item \ Period			December 31, 2025
Self-owned capital	Common equity Tier I		79,857,247
	Other Tier I capital		18,000,000
	Tier II capital		14,218,778
	Self-owned capital		112,076,025
Risk-weighted assets	Credit risk	Standardized approach	703,132,204
		IRB	-
		Credit Valuation Adjustment Risk	3,977,021
		Securitization	-
	Operation risk	Standardized approach/optional standard	33,073,450
	Market price risk	Standardized approach	6,449,875
		Internal model approach	-
	Total		746,632,550
Capital adequacy ratio			15.01%
Common equity Tier I to risk-weighted assets ratio			10.70%
Tier I capital to risk-weighted assets ratio			13.11%
Leverage ratio			6.86%

Note 1: The ratios are calculated in accordance with the Letters issued by the MOF on December 23, 2019 (Ref. No. FSC 10802744341) and on January 3, 2025 (Ref. No. FSC 11302743801).

Note 2: Formula:

(a) Self-owned capital = Common equity Tier I + Other Tier I capital + Tier II capital.
(b) Risk-weighted assets = Credit risk-weighted assets + (Operation risk capital + Market price risk capital) x 12.5.
(c) Capital adequacy = Self-owned capital ÷ Risk-weighted assets.
(d) Common equity Tier I capital to risk-weighted assets ratio = Common equity Tier I capital ÷ Risk-weighted assets.
(e) Tier I capital to risk-weighted assets ratio = (Common equity Tier I + Other Tier I capital) ÷ Risk-weighted assets.
(f) Leverage ratio = Tier I capital ÷ Adjusted average assets.

I. Shin Kong Life Insurance capital adequacy ratio

In the first half of 2025, due to the appreciation of the exchange rate, foreign exchange losses expanded. Under the positive effects of the regulatory authority's issuance of interim measures, including the adoption of a semi-annual average exchange rate system for capital adequacy ratio and adjustments to the basis for provision of reserve liabilities, Shin Kong Life's capital adequacy ratio exceeded 200% and the net worth ratio exceeded 3% as of June 30, 2025, meeting the statutory requirements. In the second half of 2025, due to the continued use of the semi-annual average exchange rate system and the continued appreciation of the exchange rate average, the capital adequacy ratio did not meet the statutory standard at the end of 2025, but the net worth ratio still reached over 3%.

J. MasterLink Securities capital adequacy ratio

To effectively absorb various risks and ensure the long-term stable development of the Company's businesses, MasterLink Securities continuously, proactively, and actively maintains adequate capital. Therefore, MasterLink Securities manages its capital based on business development plans, relevant laws and regulations, and the financial market environment to achieve optimal capital allocation. Currently, MasterLink Securities calculates and reports its capital adequacy ratio in accordance with the "Regulations Governing Securities Firms.

The capital adequacy ratio of MasterLink Securities is as follows:

	December 31, 2025
Capital adequacy ratio	325.25%

(a) Capital adequacy ratio = Net of eligible capital ÷ Equivalent amount of operating risk.
(b) Net of eligible capital = Tier I capital + Tier II capital + Tier III capital - Minus assets.
(c) Equivalent amount of operating risk = Equivalent amount of market risk + Equivalent amount of credit risk + Equivalent amount of operation risk.

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

(15)Disclosures according to Article 46 of Financial Holding Act

According to Article 46 of Financial Holding Company Act, all subsidiaries of financial holding company should disclose the balance of credit, endorsements and other transactions to the same person, the same related person or the same related enterprise.

Details for the balance of credit, endorsements and other transactions to the same person as of December 31, 2025 were as follows:

Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
a. To the same person or the same enterprise		
Central Bank	$589,755,646	121.94%
US GOVT	193,844,323	40.08%
Taiwan Semiconductor Manufacturing Company Limited	145,115,972	30.01%
Government National Mortgage Association (GNMA)	111,689,241	23.09%
Citigroup Inc.	97,823,838	20.23%
JPMorgan Chase Bank, N.A.	97,136,884	20.08%
United Mexican States	96,065,875	19.86%
Kingdom of Saudi Arabia	86,253,377	17.83%
Bank of Nova Scotia	72,374,742	14.96%
Barclays Bank PLC	70,339,567	14.54%
Republic of Indonesia	58,472,529	12.09%
HSBC Holdings plc	56,960,683	11.78%
AT&T Inc.	54,345,533	11.24%
Hon Hai Precision Industry Co., Ltd.	51,226,328	10.59%
Morgan Stanley	49,985,544	10.34%
The Goldman Sachs Group, Inc.	49,930,125	10.32%
Verizon Communications Inc.	48,127,500	9.95%
Bank of America Corporation	45,405,090	9.39%
Électricité de France S.A.（EDF）	43,934,055	9.08%
Bank of Montreal	43,817,186	9.06%
Taiwan Power Company	43,590,666	9.01%

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

Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
Abu Dhabi Commercial Bank PJSC	$42,700,918	8.83%
Deutsche Bank AG	37,617,292	7.78%
BNP Paribas S.A.	37,404,942	7.73%
Chunghwa Telecom Co., Ltd.	35,603,425	7.36%
Republic of Peru	35,513,358	7.34%
Lloyds Bank plc	34,529,962	7.14%
Standard Chartered PLC	32,213,456	6.66%
National Copper Corporation of Chile (Codelco)	32,207,729	6.66%
United Arab Emirates	31,867,956	6.59%
Nomura International Funding Pte. Ltd.	31,500,084	6.51%
Natixis S.A.	29,555,102	6.11%
Russian Federation	29,496,740	6.10%
Fubon Financial Holding Co., Ltd.	28,826,677	5.96%
First Abu Dhabi Bank PJSC	28,487,149	5.89%
Italian Republic	27,727,613	5.73%
Cathay Financial Holding Co., Ltd.	27,180,594	5.62%
Republic of Chile	26,725,424	5.53%
Barclays PLC	26,434,077	5.47%
Tencent Holdings Ltd.	26,278,113	5.43%
Crédit Agricole CIB	26,144,980	5.41%
Morgan Stanley	24,489,484	5.06%
UBS Group AG	23,957,885	4.95%
Commonwealth Bank of Australia	23,471,678	4.85%
Saudi Arabian Oil Company	22,530,048	4.66%
Southern Copper Corp	22,325,364	4.62%
The Walt Disney Company	21,748,955	4.50%
First Commercial Bank, Ltd.	20,357,831	4.21%
TC Energy Corporation	19,587,580	4.05%
Société Générale S.A.	19,413,300	4.01%
Wells Fargo & Company	18,763,963	3.88%
Comcast Corporation	18,573,778	3.84%
Royal Bank of Canada	18,474,375	3.82%
Malayan Banking Berhad（Maybank）	18,464,790	3.82%
State of Israel	17,528,102	3.62%

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

Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
MUFG Bank, Ltd.	$17,494,696	3.62%
CPC Corporation, Taiwan	17,087,809	3.53%
Republic of South Africa	17,056,112	3.53%
Suncor Energy Inc	16,570,391	3.43%
UnitedHealth Group Incorporated	16,343,250	3.38%
Far Eastern New Century Corporation	15,416,126	3.19%
CAPITAL BofA Merrill Lynch 10+ Year US Banking Index Exchange Traded Fund	15,073,130	3.12%
Gilead Sciences, Inc.	15,010,241	3.10%
Westpac Banking Corporation	14,906,057	3.08%
The Coca-Cola Company	14,676,450	3.03%
Halliburton Company	14,651,905	3.03%
Qatar National Bank (Q.P.S.C.)	14,620,745	3.02%
CTBC Financial Holding Co., Ltd.	14,506,521	3.00%
National Australia Bank Limited	14,098,649	2.92%
Taiwan Mobile Co., Ltd.	14,076,016	2.91%
Delta Electronics, Inc.	14,010,933	2.90%
Federal Electricity Commission	13,744,135	2.84%
Commonwealth of Australia	13,688,923	2.83%
UBS Group AG	13,440,402	2.78%
Amazon.com, Inc.	13,434,527	2.78%
The Kroger Co.	12,969,771	2.68%
Elevance Health, Inc.	12,703,127	2.63%
Lloyds Banking Group plc	12,160,172	2.51%
Grupo Televisa, S.A.B.	11,773,623	2.43%
Virginia Electric and Power Company	11,541,783	2.39%
Burlington Northern Santa Fe, LLC	11,459,308	2.37%
Apple Inc.	11,323,354	2.34%
Coöperatieve Rabobank U.A.	11,312,308	2.34%
CVS Health Corporation	11,310,665	2.34%
Biogen Inc.	11,153,775	2.31%
Uni-President Enterprises Corporation	10,806,622	2.23%
Chailease Holding Company Limited	10,496,081	2.17%
Republic of the Philippines	9,989,615	2.07%

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

Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
Standard Chartered Bank	$9,936,931	2.05%
AUO Corporation	9,920,822	2.05%
Citigroup Global Markets Holdings Inc.	9,836,991	2.03%
Southern Company	9,710,132	2.01%
Far EasTone Telecommunications Co., Ltd.	9,578,710	1.98%
Beijing Subway Operation Co., Ltd.	9,568,549	1.98%
Phillips 66 Company	9,536,973	1.97%
Macquarie Group Limited	9,368,278	1.94%
Bank SinoPac	9,362,325	1.94%
Federative Republic of Brazil	9,274,173	1.92%
BPCE S.A.	9,203,783	1.90%
Goldman Sachs International	9,140,109	1.89%
Quanta Computer Inc.	9,127,780	1.89%
CTBC Bank Co., Ltd.	8,840,915	1.83%
China Steel Corporation	8,835,801	1.83%
The Export-Import Bank of China	8,830,756	1.83%
Wistron Corporation	8,488,059	1.76%
Eli Lilly。	8,469,863	1.75%
eBay Inc.	8,307,291	1.72%
Cathay Life Insurance Co., Ltd.	8,183,317	1.69%
CTBC Banking Senior 10+ Year Bond ETF	8,152,849	1.69%
Anheuser-Busch InBev SA/NV	8,116,034	1.68%
HSBC Bank (Taiwan) Limited	7,879,207	1.63%
People's Republic of China	7,878,858	1.63%
MDGH GMTN RSC Ltd	7,862,000	1.63%
Lien Jade Construction Co., Ltd.	7,841,662	1.62%
State of Qatar	7,688,680	1.59%
Ding Lyu Development Co., Ltd.	7,600,000	1.57%
Far Eastern International Bank	7,270,678	1.50%
MediaTek Inc.	7,225,079	1.49%
Walmart Inc.	7,158,832	1.48%
KGI Bank	6,970,696	1.44%
UPAMC James Bond Money Market Fund	6,958,924	1.44%
E.SUN Commercial Bank, Ltd.	6,937,395	1.43%

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Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
Fubon 9–35 Years US Corporate Bond A ETF	$6,792,382	1.40%
Korea Development Bank (KDB)	6,726,612	1.39%
TSMC Global Ltd.	6,696,889	1.38%
United Microelectronics Corporation (UMC)	6,640,379	1.37%
KGI 10+Year Em Mkt USD Invmt Grd Bd ETF	6,583,063	1.36%
United Parcel Service, Inc. (UPS	6,458,712	1.34%
Reliance Industries Limited	6,325,969	1.31%
Amgen Inc.	6,317,072	1.31%
Ford Motor Company	6,255,103	1.29%
Abu Dhabi Commercial Bank PJSC	6,238,116	1.29%
Johnson & Johnson	6,156,883	1.27%
Wiwynn Corporation	5,956,995	1.23%
Vodafone Group Public Limited Company	5,933,726	1.23%
Alphabet Inc.	5,909,864	1.22%
CTCI CORPORATION	5,778,080	1.19%
Cathay US Corp A–Above 10+ Yr ETF	5,721,026	1.18%
The Shanghai Commercial & Savings Bank, Ltd.	5,666,844	1.17%
Visa Inc.	5,623,647	1.16%
Fomento Economico Mexicano SAB de CV	5,619,448	1.16%
Fubon Life Insurance Co., Ltd.	5,619,051	1.16%
Manulife Financial Corporation	5,557,119	1.15%
KGI 15+ Years AAA–A US Corporate Bond ETF	5,551,432	1.15%
ASE Technology Holding Co., Ltd.	5,544,543	1.15%
Mega Financial Holding Company Ltd.	5,380,586	1.11%
Capital ICE International 15+ Year US Emerging Markets External Sovereign ETF	5,348,089	1.11%
Yuan Lih Constructions Co., Ltd.	5,332,562	1.10%
Synnex Technology International Corporation	5,282,868	1.09%
Himax Technologies Inc	5,251,816	1.09%
KGI Financial Holding Co., Ltd.	5,239,398	1.08%
Microsoft Corporation	5,120,269	1.06%
GlobalWafers Co., Ltd.	5,102,242	1.05%

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Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
CAPITAL ICE ESG 20+ Year BBB US Corporate ETF	$5,017,855	1.04%
Alibaba Group Holding Limited	4,883,113	1.01%
KGI 20+ Years US Banking Bond ETF	4,874,058	1.01%
HSBC Continental Europe	4,864,865	1.01%
ConocoPhillips	4,841,832	1.00%
BP p.l.c.	4,801,629	0.99%
Capital BofA Merrill Lynch 15+ Year US Telecommunications Index ETF	4,589,980	0.95%
ING Bank N.V.	4,584,749	0.95%
Cathay United Bank	4,514,526	0.93%
Taipei Fubon Commercial Bank Co., Ltd.	4,500,737	0.93%
Sumitomo Mitsui Financial Group, Inc.	4,463,200	0.92%
Fuh Hwa US Treasury 20+ Year ETF	4,449,219	0.92%
Nan Ya Plastics Corporation	4,438,957	0.92%
Formosa Chemicals and Fibre Corporation	4,395,427	0.91%
Enbridge Inc	4,362,923	0.90%
WT Microelectronics Co., Ltd.	4,327,225	0.89%
Japan	4,320,380	0.89%
JPMorgan Chase Bank, N.A.	4,292,423	0.89%
TCC Group Holdings Co., Ltd.	4,285,367	0.89%
NVIDIA Corporation	4,241,284	0.88%
Cathay BBB Corporate Bond ex China Coupon 4.5% 10Yr+ 20% Sector Capped ETF	4,240,151	0.88%
Winbond Electronics Corporation	4,223,014	0.87%
Cathay US Treasury 20+ Year Index Fund	4,184,196	0.87%
Shinhan Bank	4,176,433	0.86%
The Government of the Hong Kong Special Administrative Region	4,144,594	0.86%
Mercuries Life Insurance Co., Ltd.	4,136,618	0.86%
Shuang Hsiang Yuan Development Ltd.	4,114,000	0.85%
Bell Telephone Co of Canada or Bell Canada	4,069,909	0.84%
Fannie Mae (Federal National Mortgage Association)	4,041,676	0.84%

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

Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
Yuanta Securities Co., Ltd.	$4,039,166	0.84%
Yuanta Financial Holding Co., Ltd.	4,035,866	0.83%
Labor Retirement Reserve Fund	4,002,986	0.83%
Sumitomo Mitsui Trust Bank, Limited	3,996,790	0.83%
Cathay EM USD Investment Grade ex China Coupon 5.5% 5Yr+ 10% Country Cap ETF	3,979,735	0.82%
Yuanta US 20+ Year BBB Corporate Bond ETF	3,975,420	0.82%
King's Town Construction Co., LTD.	3,933,549	0.81%
Sociedad Química y Minera de Chile S.A. (SQM)	3,931,503	0.81%
Intel Corporation	3,915,611	0.81%
Cathay US Corporate 10+ Years Banking ETF	3,902,217	0.81%
The Hongkong and Shanghai Banking Corporation Limited	3,887,906	0.80%
The Export–Import Bank of Korea	3,882,727	0.80%
State Street Bank and Trust Company	3,867,368	0.80%
United Overseas Bank Limited (UOB)	3,822,346	0.79%
Hotai Finance Co., Ltd.	3,791,185	0.78%
Yuanta Commercial Bank Co., Ltd.	3,769,893	0.78%
Billion Sharp International Limited	3,755,089	0.78%
Canadian Imperial Bank of Commerce (CIBC)	3,735,831	0.77%
Core Pacific Development Corporation	3,715,600	0.77%
French Republic	3,656,417	0.76%
Yuanta US 20+ Year AAA–A Corporate Bond ETF	3,627,227	0.75%
Anheuser-Busch InBev SA/NV (AB InBev)	3,601,884	0.74%
Sun Ray Company Ltd.	3,585,072	0.74%
Meta Platforms, Inc.	3,585,036	0.74%
KGI Securities Co., Ltd.	3,582,442	0.74%
International Bills	3,559,372	0.74%
Ruentex Development Co., Ltd.	3,543,755	0.73%
Din An Co., Ltd.	3,531,542	0.73%
SinoPac Securities Corp.	3,523,568	0.73%
Formosa Steel IB Pty Ltd	3,522,176	0.73%

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

Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
Formosa Ha Tinh Steel Corp	$3,515,257	0.73%
Hana Bank	3,502,465	0.72%
State of California	3,492,414	0.72%
State Bank of India (SBI)	3,459,280	0.72%
Berkshire Hathaway Inc.	3,452,487	0.71%
Constellation Energy Generation, LLC	3,441,418	0.71%
Oracle Corporation	3,418,698	0.71%
Capital ICE 25+ Year US Treasury ETF	3,410,320	0.71%
Texas Instruments Incorporated	3,376,430	0.70%
CSBC Corporation, Taiwan	3,347,388	0.69%
Pure Young Construction Co., Ltd.	3,325,214	0.69%
Taishin Bloomberg US Corporate 20+ Years Single A Issuer & Sector Capped ETF	3,320,688	0.69%
CNPC Capital Company Limited	3,230,557	0.67%
Japan Advanced Semiconductor Manufacturing Inc	3,213,584	0.66%
National Westminster Bank Plc	3,211,613	0.66%
GARUDA TECHNOLOGY CO., LTD.	3,200,000	0.66%
Chen Yan Construction Co., Ltd.	3,197,400	0.66%
ROCHE PRODUCTS LTD.	3,164,136	0.65%
CIMB Bank	3,144,800	0.65%
Capital Money Market Fund	3,123,620	0.65%
CATHAY REAL ESTATE DEVELOPMENT CO., LTD.	3,121,306	0.65%
Woori Bank	3,120,766	0.65%
FSITC Taiwan Money Market Fund	3,119,761	0.65%
Crédit Agricole	3,116,273	0.64%
Australia and New Zealand Banking Group Limited (ANZ)	3,066,893	0.63%
ASIA CEMENT CORPORATION	3,053,693	0.63%
King's Town Construction Co., LTD.	3,012,400	0.62%
Greater Changhua Offshore Wind Farm SW Ltd.	3,001,769	0.62%
Total	$4,276,398,136	

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

Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
b. To the same person and spouse, the relative within the second degree and the person or the spouse's enterprise		
Individual A	$51,846,863	10.72%
Individual B	33,327,414	6.89%
Individual C	27,667,885	5.72%
Individual D	27,180,594	5.62%
Individual E	23,220,369	4.80%
Individual F	17,087,809	3.53%
Individual G	14,506,521	3.00%
Individual H	14,333,016	2.96%
Individual I	11,224,927	2.32%
Individual J	10,496,081	2.17%
Individual K	9,935,127	2.05%
Individual L	9,920,822	2.05%
Individual M	9,794,356	2.03%
Individual N	8,488,059	1.76%
Individual O	8,165,079	1.69%
Individual P	7,879,207	1.63%
Individual Q	7,527,344	1.56%
Individual R	6,996,232	1.45%
Individual S	6,313,572	1.31%
Individual T	5,985,922	1.24%
Individual U	5,966,937	1.23%
Individual V	5,956,995	1.23%
Individual W	5,797,815	1.20%
Individual X	5,778,080	1.19%
Individual Y	5,629,532	1.16%
Individual Z	5,283,185	1.09%
Individual AA	5,236,092	1.08%
Individual AB	4,633,549	0.96%

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

Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
Individual AC	$4,438,957	0.92%
Individual AD	4,413,369	0.91%
Individual AE	4,395,427	0.91%
Individual AF	4,327,225	0.89%
Individual AG	4,307,948	0.89%
Individual AH	4,285,368	0.89%
Individual AI	4,274,394	0.88%
Individual AJ	4,272,000	0.88%
Individual AK	4,223,014	0.87%
Individual AL	4,177,698	0.86%
Individual AM	4,155,543	0.86%
Individual AN	4,150,420	0.86%
Individual AO	4,134,933	0.85%
Individual AP	4,039,166	0.84%
Individual AQ	3,960,114	0.82%
Individual AR	3,740,276	0.77%
Individual AS	3,724,103	0.77%
Individual AT	3,682,510	0.76%
Individual AU	3,582,442	0.74%
Individual AV	3,523,568	0.73%
Individual AW	3,347,388	0.69%
Individual AX	3,274,063	0.68%
Individual AY	3,213,584	0.66%
Individual AZ	3,200,000	0.66%
Individual BA	3,151,496	0.65%
Individual BB	3,104,841	0.64%
Individual BC	3,053,693	0.63%
Individual BD	3,010,470	0.62%
Individual BE	3,001,769	0.62%
Total	$466,345,163	

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

Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
To the same related party enterprise		
Republic of China (ROC)	$598,586,402	123.77%
United States of America (USA) and its State-Owned Enterprises	314,908,180	65.11%
Taiwan Semiconductor Manufacturing Company, Limited (TSMC)	159,599,525	33.00%
Kingdom of Saudi Arabia (KSA) and its State-Owned Enterprises	110,827,545	22.92%
United Mexican States and its State-Owned Enterprises	109,810,010	22.71%
Citigroup Inc. and its State-Owned Enterprises	108,988,665	22.54%
JPMorgan Chase & Co.	102,974,826	21.29%
Barclays PLC	96,773,644	20.01%
Morgan Stanley	77,752,920	16.08%
HSBC Holdings plc	77,089,173	15.94%
United Arab Emirates (UAE) and its State-Owned Enterprises	76,416,858	15.80%
The Bank of Nova Scotia	72,560,101	15.00%
Hon Hai Technology Group	71,609,041	14.81%
Republic of Chile and its State-Owned Enterprises	68,501,703	14.16%
Republic of Indonesia and its State-Owned Enterprises	60,903,853	12.59%
Fubon Financial Holding Co., Ltd.	58,590,107	12.11%
The Goldman Sachs Group, Inc.	58,573,334	12.11%
Bank of America Corporation	48,266,403	9.98%
French Republic	47,590,472	9.84%
Lloyds Banking Group plc	47,161,725	9.75%
Far Eastern New Century Corporation	46,454,892	9.61%
Cathay Financial Holding Co., Ltd.	45,936,656	9.50%
Taiwan Power Company (Taipower)	43,897,776	9.08%
Groupe BPCE	40,247,714	8.32%
Standard Chartered PLC	40,091,625	8.29%
UBS Group AG	37,401,338	7.73%
Chunghwa Telecom Co., Ltd.	36,373,287	7.52%
Nomura Holdings, Inc	31,585,997	6.53%

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Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
Russian Federation and its State-Owned Enterprises	$29,729,762	6.15%
Crédit Agricole Group	29,261,253	6.05%
CTBC Financial Holding Co., Ltd.	36,271,322	7.50%
State of Qatar	24,668,025	5.10%
Commonwealth Bank of Australia	24,419,297	5.05%
First Financial Holding Co., Ltd.	24,358,738	5.04%
People's Republic of China (PRC)	24,011,766	4.96%
KGI Financial Holding Co., Ltd.	22,596,122	4.67%
Société Générale S.A.	21,576,268	4.46%
Republic of Korea and its State-Owned Enterprises	20,853,373	4.31%
Mitsubishi UFJ Financial Group, Inc. (MUFG)	20,287,121	4.19%
SinoPac Financial Holdings Co., Ltd.	20,078,916	4.15%
Wells Fargo & Company	20,031,424	4.14%
Ruentex Group	19,957,964	4.13%
Royal Bank of Canada (RBC)	19,328,345	4.00%
Qisda Corporation	18,642,084	3.85%
CPC Corporation, Taiwan	17,901,203	3.70%
National Australia Bank Limited (NAB)	17,078,547	3.53%
Chailease Holding Company Limited	16,847,612	3.48%
Emirate of Abu Dhabi and its State-Owned Enterprises	16,836,092	3.48%
Westpac Banking Corporation	16,177,525	3.34%
Berkshire Hathaway Inc	16,051,860	3.32%
Formosa Plastics Group	15,870,710	3.28%
Wistron Corporation	14,878,425	3.08%
Yuanta Financial Holding Co., Ltd.	14,342,908	2.97%
Delta Electronics, Inc.	14,048,477	2.90%
Commonwealth of Australia	13,894,138	2.87%
Southern Company	13,472,122	2.79%
Uni-President Enterprises Corporation	13,333,898	2.76%
ASE Technology Holding Co., Ltd.	13,322,018	2.75%
Anheuser-Busch InBev SA/NV	13,051,658	2.70%
China Steel Corporation (CSC)	12,589,887	2.60%
CVS Health Corporation	11,379,602	2.35%

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Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
Walsin Lihwa Corporation	$10,972,007	2.27%
Phillips 66 Company	10,687,995	2.21%
Macquarie Group Limited	10,598,924	2.19%
Yung Hsuan Co., Ltd.	10,132,000	2.09%
Quanta Computer Inc.	10,103,215	2.09%
Ting Hsin (Cayman Islands) Holding Corp.	9,823,287	2.03%
Yulon Motor Co., Ltd.	8,982,568	1.86%
United Microelectronics Corporation (UMC)	8,724,534	1.80%
Reliance Industries Limited	8,432,985	1.74%
MediaTek Inc.	8,420,606	1.74%
Republic of India and its State-Owned Enterprises	7,817,281	1.62%
E.SUN Financial Holding Co., Ltd.	7,482,805	1.55%
CTCI Group	7,448,481	1.54%
King's Town Construction Co., Ltd.	7,194,949	1.49%
Hotai Motor Co., Ltd.	7,126,295	1.47%
Enbridge Inc.	6,854,411	1.42%
Sino-American Silicon Products Inc. (SAS)	6,575,436	1.36%
ANZ Group Holdings Limited	6,495,524	1.34%
Lien Hwa Industrial Holdings Corporation	6,453,187	1.33%
MAW DER PROPERTY DEVELOPMENT CO., LTD.	6,419,358	1.33%
Mega Financial Holding Company Ltd.	6,363,158	1.32%
Johnson & Johnson	6,319,110	1.31%
Sumitomo Mitsui Financial Group, Inc. (SMFG)	6,294,781	1.30%
Capital Securities Corporation (CSC)	6,116,163	1.26%
Shinhan Financial Group Co., Ltd.	5,904,923	1.22%
Cheng Uei Precision Industry Co., Ltd. (FOXLINK)	5,737,194	1.19%
Taiwan Cooperative Financial Holding Co., Ltd.	5,691,747	1.18%
The Shanghai Commercial & Savings Bank, Ltd. (SCSB)	5,671,160	1.17%
Mercuries & Associates Holding, Ltd.	5,622,758	1.16%
TCC Group Holdings	5,604,735	1.16%
ConocoPhillips	5,452,084	1.13%
IBF Financial Holdings Co., Ltd.	5,245,422	1.08%

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Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
China Metal Products Co., Ltd. (CMP Group)	$5,100,415	1.05%
NatWest Group plc	4,973,323	1.03%
The Government of the Hong Kong Special Administrative Region and its State-Owned Enterprises	4,861,169	1.01%
WPG Holdings	4,729,404	0.98%
ING Groep N.V.	4,600,468	0.95%
CK Hutchison Holdings Limited	4,493,994	0.93%
Republic of Singapore and its State-Owned Enterprises	4,479,801	0.93%
Evergreen Marine Corp. (Taiwan) Ltd.	4,344,687	0.90%
BCE Inc.	4,299,844	0.89%
Highwealth Construction Corp.	4,293,753	0.89%
First Group Holdings Limited	4,273,105	0.88%
Yong Pei Develop Group Inc.	4,211,023	0.87%
Shin Ruenn Construction Co., Ltd.	4,174,420	0.86%
Formosa Resources Corporation	4,088,240	0.85%
Pure Young Construction Co., Ltd.	4,031,416	0.83%
Acer Inc.	3,957,447	0.82%
Caisse Fédérale de Crédit Mutuel (CFCM)	3,893,670	0.81%
Ørsted A/S	3,851,769	0.80%
Sakura Development Co., Ltd.	3,847,507	0.80%
BES Engineering Corporation	3,715,675	0.77%
CSBC Corporation, Taiwan	3,644,078	0.75%
Mizuho Financial Group, Inc.	3,487,248	0.72%
Woori Financial Group Inc.	3,434,965	0.71%
Sanyang Motor Co., Ltd.	3,408,427	0.70%
Union Group	3,350,316	0.69%
Gold East Trading (Hong Kong) Co., Ltd	3,190,862	0.66%
Kingdom of Thailand and its State-Owned Enterprises	3,142,455	0.65%
PEGATRON Corporation	3,085,500	0.64%
KB Financial Group Inc.	3,064,668	0.63%
TA YA ELECTRIC WIRE & CABLE CO., LTD.	3,025,579	0.63%
ASUSTeK Computer Inc.	3,021,983	0.62%
TAIWAN SHIN KONG SECURITY CO., LTD.	3,013,004	0.62%
Total	$3,678,481,532	

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

Details for the balance of credit, endorsements and other transactions to the same person as of December 31, 2024 were as follows:

Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
a. To the same person or the same enterprise		
Central Bank	$429,578,052	187.68%
US GOVT	127,250,640	55.60%
Government National Mortgage Association (GNMA)	40,966,975	17.90%
Hon Hai Precision IND, Co., Ltd.	16,322,885	7.13%
Taiwan Semiconductor Manufacturing Company Limited	16,086,794	7.03%
Credit Agricole CIB	11,603,369	5.07%
Standard Chartered Bank	11,442,806	5.00%
Citigroup Global Markets Holdings Inc	9,297,350	4.06%
Goldman Sachs Finance Corp Intl Ltd	9,223,990	4.03%
Ding Shuai Development Corporation	7,600,000	3.32%
AUO Corporation	7,497,070	3.28%
Cathay Financial Holding Co., Ltd.	7,317,504	3.20%
Societe Generale	6,914,206	3.02%
Fubon Financial Holding Co., Ltd.	5,751,534	2.51%
Yuan Lih Constructions Co., Ltd.	5,579,500	2.44%
Himax Technologies, Inc.	5,476,598	2.39%
The Korea Development Bank	5,431,890	2.37%
Barclays Bank PLC	5,430,478	2.37%
National Australia Bank	5,004,980	2.19%
Synnex Technology International Corporation	4,992,628	2.18%
The Export-Import Bank Of Korea	4,865,132	2.13%
JPMorgan Chase Bank	4,852,358	2.12%
Natixis	4,835,177	2.11%
Macquarie Group Limited	4,802,215	2.10%
Taiwan Power Co., Ltd.	4,744,519	2.07%
Wistron Corporation	4,681,176	2.05%
ING Bank	4,584,815	2.00%
Commonwealth Bank Of Australia	4,470,551	1.95%
Westpac Banking Corporation	4,402,107	1.92%
Uni-President Enterprises Corp.	4,395,540	1.92%
Capital Securities Corporation	4,326,248	1.89%

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

Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
BNP Paribas SA	$4,315,494	1.89%
Apple Inc.	4,229,259	1.85%
Cooperatieve Rabobank U.A.	4,221,005	1.84%
Royal Bank Of Canada	4,207,998	1.84%
Formosa Ha Tinh Steel Corporation	4,099,250	1.79%
Puyong Archiland Co., Ltd.	4,034,396	1.76%
Hotai Finance Co., Ltd.	4,024,022	1.76%
Catcher Technology Co., Ltd.	4,000,970	1.75%
TSMC Global Ltd	3,947,311	1.72%
Formosa Ha Tinh (Cayman) Limited	3,935,280	1.72%
Lien Jade Construction Co., Ltd.	3,825,000	1.67%
CPC Corporation, Taiwan	3,742,380	1.64%
Abu Dhabi Commercial Bank PJSC	3,741,611	1.63%
UBS AG	3,704,653	1.62%
Formosa Chemicals and Fibre Corporation	3,678,166	1.61%
Winbond Electronics Corporation	3,585,750	1.57%
Yuanta Securities Co., Ltd.	3,576,390	1.56%
BPCE SA	3,549,446	1.55%
China Steel Corporation	3,542,712	1.55%
Sun Ray Company Limited	3,541,752	1.55%
Bank Of China	3,538,786	1.55%
Din An Co., Ltd.	3,531,542	1.54%
Agricultural Bank Of China	3,528,748	1.54%
Shuang Hsiang Yuan Development Ltd.	3,490,270	1.52%
Shinhan Bank	3,482,152	1.52%
Far Eastern New Century Corporation	3,313,094	1.45%
Delta Electronics, Inc.	3,289,842	1.44%
TCC Group Holdings Co., Ltd.	3,287,587	1.44%
CIMB Bank Berhad	3,279,400	1.43%
HSBC Bank (Taiwan) Limited	3,146,018	1.37%
Australia And New Zealand Banking Group Limited	3,132,991	1.37%
Taiwan Moblie Co., Ltd.	3,102,368	1.36%
Hong Han Tou Zi Co., Ltd.	3,099,733	1.35%
Chailease Finance Co., Ltd.	3,091,027	1.35%
Continental Development Corp.	3,090,000	1.35%
Total	$916,635,490	

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

Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
b. To the same person and spouse, the relative within the second degree and the person or the spouse's enterprise		
Individual A	$16,422,597	7.18%
Individual B	6,579,169	2.87%
Individual C	6,495,109	2.84%
Individual D	5,183,591	2.26%
Individual E	5,081,388	2.22%
Individual F	4,770,000	2.08%
Individual G	4,681,176	2.05%
Individual H	4,431,248	1.94%
Individual I	4,398,066	1.92%
Individual J	4,326,248	1.89%
Individual K	4,193,096	1.83%
Individual L	4,067,513	1.78%
Individual M	4,000,970	1.75%
Individual N	3,840,000	1.68%
Individual O	3,789,682	1.66%
Individual P	3,680,459	1.61%
Individual Q	3,678,166	1.61%
Individual R	3,585,750	1.57%
Individual S	3,585,750	1.57%
Individual T	3,560,583	1.56%
Individual U	3,542,712	1.55%
Individual V	3,490,270	1.52%
Individual W	3,490,270	1.52%
Individual X	3,490,270	1.52%
Individual Y	3,470,382	1.52%
Individual Z	3,387,314	1.48%
Individual AA	3,287,587	1.44%
Individual AB	3,287,587	1.44%
Individual AC	3,178,208	1.39%
Individual AD	3,146,018	1.37%
Individual AE	3,130,000	1.37%
Individual AF	3,102,368	1.36%
Individual AG	3,038,664	1.33%
Total	$143,392,211	

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

Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
c. To the same related party enterprise		
Hon Hai Group	$30,900,715	13.50%
Taiwan Semiconductor Manufacturing Group	24,816,310	10.84%
Fubon Group	16,811,324	7.34%
Ting Hsin Group	16,463,896	7.19%
Far Eastern Group	15,052,350	6.58%
Cathay Group	14,994,394	6.55%
CITIC Group	14,515,724	6.34%
Ruentex Group	14,425,541	6.30%
Standard Chartered Bank Group	12,925,109	5.65%
China Development Financial Group	12,523,632	5.47%
CitiGroup	11,623,150	5.08%
Credit Agricole S.A. Group	11,603,369	5.07%
Union Group	11,475,850	5.01%
Chailease Group	11,066,460	4.83%
YFY Group	10,857,417	4.74%
Goldman Sachs Group	10,762,160	4.70%
Maw Der International Group	10,421,623	4.55%
Formosa Plastics Group	10,052,190	4.39%
AUO Group	8,686,287	3.80%
BPCE Group	8,384,623	3.66%
HSBC Group	8,057,326	3.52%
Yuanta Group	7,692,237	3.36%
JPMorgan Group	7,651,462	3.34%
Kexim Group	7,488,652	3.27%
MS Group	7,361,199	3.22%
Bank of America Group	6,997,864	3.06%
Macquarie Group	6,783,907	2.96%
ANZ Banking Group	6,561,619	2.87%
National Australia Bank Ltd. Group	6,512,960	2.85%

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

Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
Formosa Chemicals & Fibre Group	$6,482,221	2.83%
Wistron Group	6,466,237	2.83%
Korea Development Bank Group	6,415,710	2.80%
Ho Tai Motor Group	6,387,112	2.79%
Goldeastpaper Group	6,381,944	2.79%
Yuanlih Group	6,234,000	2.72%
Barclays Group	6,123,608	2.68%
Pou Chen Group	6,024,328	2.63%
China Steel Group	5,978,438	2.61%
WPG Group	5,750,572	2.51%
HIMAX Group	5,730,098	2.50%
Continental Engineering Group	5,651,820	2.47%
Lien Jade Construction Group	5,444,190	2.38%
Bank of China Group	5,087,468	2.22%
Quanta Computer Group	4,873,459	2.13%
Cheng Uei Precision Group	4,858,982	2.12%
Taiwan Power Group	4,819,319	2.11%
Cheung Kong Group	4,735,998	2.07%
Winbond Electronics Group	4,679,707	2.04%
Shin Ruenn Group	4,559,037	1.99%
Qisda Group	4,525,243	1.98%
Asia Pacific Land Group	4,510,500	1.97%
CBA Group	4,470,551	1.95%
Uni-President Group	4,435,950	1.94%
ABU DHABI Commercial Bank Group	4,403,669	1.92%
Puyong Group	4,402,076	1.92%
ASE Group	4,385,890	1.92%
Capital Securities Group	4,326,248	1.89%
Kinpo Group	4,325,187	1.89%

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

Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
BNP Paribas Group	$4,315,494	1.89%
Mega Financial Holding Group	4,234,009	1.85%
WT Group	4,227,688	1.85%
Allied Group	4,220,415	1.84%
Morgan Stanley Group	4,205,388	1.84%
Hoshin Group	4,125,075	1.80%
CMP Group	4,075,513	1.78%
Walsin Technology Group	4,052,879	1.77%
UBS Group	4,017,072	1.76%
Catcher Technology Group	4,000,970	1.75%
Wells Fargo Company Group	3,925,207	1.71%
Sumitomo Mitsui Financial Group	3,855,901	1.68%
Shinhan Financial Group	3,762,327	1.64%
CPC Group	3,742,380	1.64%
LSH Group	3,728,750	1.63%
King's Town Group	3,651,673	1.60%
Tai Yuan Investment Group	3,526,382	1.54%
Shuang Hsiang Yuan Development Group	3,490,270	1.52%
Berkshire Hathaway Group	3,446,860	1.51%
Zhen Ding Group	3,356,803	1.47%
KB Financial Group	3,347,744	1.46%
Giant Manufacturing Group	3,317,256	1.45%
First Financial Holding Group	3,296,572	1.44%
Delta Electronics Group	3,289,842	1.44%
Yulon Group	3,191,747	1.39%
Hontai Group	3,162,038	1.38%
Hong Pu Construction Group	3,064,611	1.34%
Mercuries & Associates Holding Group	3,022,210	1.32%
Total	$599,591,988	

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

(16)Financial information by business segments

For the year ended December 31, 2025					
Item	Bank business	Securities business	Insurance business	Other business	Total
Net interest income	$40,994,298	$437,050	$48,768,960	$1,813,913	$92,014,221
Net income other than net interest income	24,102,323	10,910,935	25,449,743	(1,904,518)	58,558,483
Net revenue and gains	65,096,621	11,347,985	74,218,703	(90,605)	150,572,704
Reversal of bad debts expenses and guarantee liabilities (provision)	(2,423,792)	(11,635)	(896)	(207,066)	(2,643,389)
Net changes in insurance liability reserve	-	-	(50,146,163)	-	(50,146,163)
Operating expenses	(36,076,537)	(6,238,947)	(9,877,478)	(4,333,483)	(56,526,445)
Income before income tax	26,596,292	5,097,403	14,194,166	(4,631,154)	41,256,707
Income tax (expense) benefit	(5,498,059)	(422,813)	568,771	1,456,127	(3,895,974)
Income after income tax	21,098,233	4,674,590	14,762,937	(3,175,027)	37,360,733

For the year ended December 31, 2024					
Item	Bank business	Securities business	Insurance business	Other business	Total
Net interest income	$29,743,469	$362,650	$6,741,453	$(1,920,868)	$34,926,704
Net income other than net interest income	23,698,821	5,451,388	22,540,357	(9,020)	51,681,546
Net revenue and gains	53,442,290	5,814,038	29,281,810	(1,929,888)	86,608,250
Reversal of bad debts expenses and guarantee liabilities (provision)	(1,193,616)	(3,123)	2,143	-	(1,194,596)
Net changes in insurance liability reserve	-	-	(25,732,213)	917,694	(24,814,519)
Operating expenses	(29,489,404)	(3,107,922)	(2,557,268)	(1,788,416)	(36,943,010)
Income before income tax	22,759,270	2,702,993	994,472	(2,800,610)	23,656,125
Income tax (expense) benefit	(3,629,394)	(293,620)	420,325	(88,436)	(3,591,125)
Income after income tax	19,129,876	2,409,373	1,414,797	(2,889,046)	20,065,000

(17)Financial statements of TS Financial Holding

TS FINANCIAL HOLDING CO., LTD.

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

BALANCE SHEETS (STANDALONE)

AS OF DECEMBER 31, 2025 AND 2024

(In thousands of New Taiwan Dollars)

Assets	December 31, 2025	December 31, 2024	Liabilities and Equity	December 31, 2025	December 31, 2024
Cash and cash equivalents	$21,457,626	$21,314,190	Financial liabilities measured at fair value through profit or loss	$-	$127,782
Financial assets measured at fair value through other comprehensive income	6,137,118	10,271,040	Commercial papers issued, net	24,457,409	12,026,865
Securities purchased under resell agreements	-	550,000	Payables	12,912,375	893,564
Receivables, net	4,542,362	1,196,277	Current tax liabilities	5,473,263	2,146,710
Current tax assets	1,516,552	-	Bonds payable	34,245,422	36,233,272
Investments accounted for using equity method	555,362,443	246,917,298	Preferred stock liabilities	28,322,642	-
			Provisions	29,220	-
Property and equipment, net	29,282	13,062	Lease liabilities	1,277	7,260
Right-of-use assets, net	743	6,069	Other liabilities	1	-
Intangible assets, net	938	938	Total liabilities	105,441,609	51,435,453
Other assets, net	32,769	24,288			
			Equity		
			Share capital		
			Ordinary shares	248,663,992	129,761,443
			Preferred shares	13,946,680	11,000,000
			Capital surplus	133,732,478	38,197,778
			Retained earnings		
			Legal reserve	20,556,406	18,439,029
			Special reserve	468,184	1,146,190
			Unappropriated earnings	43,134,428	30,519,014
			Other equity	23,225,354	(116,447)
			Treasury shares	(89,298)	(89,298)
			Total equity	483,638,224	228,857,709
Total assets	$589,079,833	$280,293,162	Total liabilities and equity	$589,079,833	$280,293,162

TS FINANCIAL HOLDING CO., LTD.
(Formerly Named Taishin Financial Holding Co., Ltd.)
STATEMENTS OF COMPREHENSIVE INCOME (STANDALONE)
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In thousands of New Taiwan Dollars)

	For the year ended December 31, 2025	For the year ended December 31, 2024
Revenues		
Share of profit of subsidiaries and associates accounted for using equity method	$39,486,299	$20,807,244
Interest income	381,280	302,714
Gains on financial assets or liabilities measured at FVTPL	120,164	42,147
Realized gains on financial assets at FVTOCI	150,202	333,697
Other miscellaneous revenue	90,443	1,072
Total income	40,228,388	21,486,874
Expenses and losses		
Operating expense	(1,778,252)	(833,219)
Interest expenses	(1,469,361)	(748,625)
Total expenses and losses	(3,247,613)	(1,581,844)
Income before income tax	36,980,775	19,905,030
Income tax (expense) benefit	346,037	159,366
Net income	37,326,812	20,064,396
Other comprehensive income (loss)		
Items that will not be reclassified subsequently to profit or loss		
Gains (losses) on remeasurements of defined benefit	(49,798)	986
Revaluation gains (losses) on investments in equity instruments measured at FVTOCI	929,154	291,089
Share of other comprehensive income (loss) of associates accounted for using equity method	5,446,682	685,189
Items that will be reclassified subsequently to profit or loss		
Share of other comprehensive income (loss) of associate accounted for using equity method	18,103,677	810,115
Other comprehensive income (loss) for the period, net of tax	24,429,715	1,787,379
Total comprehensive income (loss)	$61,756,527	$21,851,775
Earnings per share		
Basic	$1.91	$1.39
Diluted	$1.91	$1.39

TS FINANCIAL HOLDING CO., LTD.
(Formerly Named Taishin Financial Holding Co., Ltd.)
STATEMENTS OF CHANGES IN EQUITY (STANDALONE)
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In thousands of New Taiwan Dollars)

	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	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	Gains (losses) on hedging instruments	Other comprehensive income (loss) on reclassification using the overlay approach	Treasury shares	Total equity
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 year ended December 31, 2024	-	-	-	-	-	-	-	-	20,064,396	-	-	-	-	-	-	20,064,396
Other comprehensive income (loss) for the year ended December 31, 2024, net of tax	-	-	-	-	-	-	-	-	284,134	85,651	712,519	(139,249)	-	844,324	-	1,787,379
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	-	-	-	20,348,530	85,651	712,519	(139,249)	-	844,324	-	21,851,775
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(89,298)	(89,298)
Disposal of investments in equity instruments designated at FVTOCI	-	-	-	-	-	-	-	-	825,240	-	(825,240)	-	-	-	-	-
Balance at December 31, 2024	$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
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	95,534,700	-	-	-	-	-	-	-	-	-	-	-	-	217,383,929
Net income for the year ended December 31, 2025	-	-	-	-	-	-	-	-	37,326,812	-	-	-	-	-	-	37,326,812
Other comprehensive income (loss) for the year ended December 31, 2025, net of tax	-	-	-	-	-	-	-	-	308,393	112,347	9,090,074	(69,997)	4	14,988,894	-	24,429,715
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	-	-	-	-	37,635,205	112,347	9,090,074	(69,997)	4	14,988,894	-	61,756,527
Disposal of investments in equity instruments designated at FVTOCI	-	-	-	-	-	-	-	-	779,521	-	(779,521)	-	-	-	-	-
Balance at December 31, 2025	$248,663,992	$13,946,680	$131,601,158	$2,075,475	$52,632	$3,213	$20,556,406	$468,184	$43,134,428	$13,473	$7,211,113	$(47,852)	$4	$16,048,616	$(89,298)	$483,638,224

TS FINANCIAL HOLDING CO., LTD.
(Formerly Named Taishin Financial Holding Co., Ltd.)
STATEMENTS OF CASH FLOWS (STANDALONE)
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In thousands of New Taiwan Dollars)

	For the year ended December 31, 2025	For the year ended December 31, 2024
Cash flows from operating activities		
Net income before income tax	$36,980,775	$19,905,030
Adjustments:		
Adjustments for reconciliation of profit or loss		
Depreciation expenses	20,764	8,092
Amortization expenses	2,433	1,441
Net (gain) loss on financial assets or liabilities measured at FVTPL	(120,164)	(42,147)
Net gain on financial assets or liabilities measured at FVTOCI	(150,202)	(333,697)
Interest expenses	1,469,361	748,625
Interest income	(381,280)	(302,714)
Share of profit of subsidiaries and associates accounted for using equity method	(39,486,299)	(20,807,244)
Other adjustments	(265)	15
Changes in operating assets and liabilities		
Decrease in receivables	1,098,357	3,402,243
Decrease in financial assets measured at FVTOCI	822,262	138,256
Decrease (increase) in other assets	2,809	(5,146)
Increase in payables	324,512	165,483
Decrease in other liabilities	(3,270,809)	-
Cash generated (used in) from operations	(2,687,746)	2,878,237
Interest received	400,010	261,790
Dividends received	15,667,929	14,456,918
Interest paid	(760,488)	(643,452)
Income taxes paid	(815,131)	(2,915,509)
Net cash generated from operating activities	11,804,574	14,037,984

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

	For the year ended December 31, 2025	For the year ended December 31, 2024
Cash flows from investing activities		
Net cash flow from acquisition of subsidiaries		
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	(8,373)	(12,064)
Proceeds from disposal of property and equipment	2,720	-
Net cash receipts from acquisitions of subsidiaries and other business units	6,926,170	-
Net cash flows generated from (used in) investing activities	6,920,517	(8,255,951)
Cash flows from financing activities		
Decrease in short-term loans	(3,000,000)	-
Increase in commercial papers payable	10,950,000	5,600,000
Repayments of corporate bonds	(2,707,000)	-
Payments of lease liabilities	(14,714)	(6,200)
Cash dividends paid	(24,359,941)	(9,439,988)
Payments to acquire treasury shares	-	(89,298)
Net cash used in financing activities	(19,131,655)	(3,935,486)
Net (decrease) increase in cash and cash equivalents	(406,564)	1,846,547
Cash and cash equivalents at the beginning of the period	21,864,190	20,017,643
Cash and cash equivalents at the end of the period	$21,457,626	$21,864,190
Cash and cash equivalents in consolidated balance sheets	$21,457,626	$21,314,190
Securities purchased under resell agreements qualifying as cash and cash equivalents under the definition of IAS 7	-	550,000
Cash and cash equivalents at the end of the period	$21,457,626	$21,864,190

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

(18) Profitability of TS Financial Holding (standalone and consolidated)

The Company

Item		December 31, 2025	December 31, 2024
Return on total assets	Pretax	8.51%	7.31%
	After tax	8.59%	7.37%
Return on net equity	Pretax	10.38%	8.94%
	After tax	10.48%	9.01%
Profit margin		92.79%	93.38%

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 = $\frac{\text{Income after tax}}{\text{Total income}}$

Note d: Profitability presented above is cumulative from January 1 to December 31 of 2025 and 2024.

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

Item		December 31, 2025	December 31, 2024
Return on net equity - ordinary share	Pretax	11.41%	10.21%
	After tax	11.52%	10.31%

The Group

Item		December 31, 2025	December 31, 2024
Return on total assets	Pretax	0.68%	0.75%
	After tax	0.62%	0.63%
Return on net equity	Pretax	11.57%	10.62%
	After tax	10.48%	9.01%
Profit margin		24.81%	23.17%

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

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

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

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

Note d: Profitability presented above is cumulative from January 1 to December 31 of 2025 and 2024.

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		December 31, 2025	December 31, 2024
Return on net equity - ordinary share	Pretax	12.83%	12.35%
	After tax	11.52%	10.31%

(19) Condensed balance sheets and statements of comprehensive income and important financial notes of subsidiaries

A. Taishin Bank

(a) Balance sheets (standalone)

	December 31, 2025	December 31, 2024
Assets		
Cash and cash equivalents	$22,268,156	$27,627,541
Due from Central Bank and call loans to banks	121,411,061	108,262,582
Financial assets at fair value through profit or loss	143,875,484	129,783,640
Financial assets at fair value through other comprehensive income	170,596,518	153,612,604
Investments in debt instruments at amortized cost	545,986,048	584,676,328
Securities purchased under resell agreements	7,098,869	-
Receivables, net	127,894,751	123,203,878
Loans, net	1,792,967,958	1,652,258,269
Investments accounted for using equity method	4,995,214	4,812,239
Other financial assets, net	8,688,693	7,043,694
Property and equipment, net	20,192,326	20,725,381
Right-of-use assets, net	2,431,938	2,206,949
Intangible assets, net	2,561,560	2,661,353
Deferred tax assets	2,485,456	1,944,205
Other assets, net	24,445,778	21,165,813
Total assets	$2,997,899,810	$2,839,984,476

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

	December 31, 2025	December 31, 2024
Liabilities		
Deposits from the Central Bank and banks	$35,472,175	$12,676,083
Financial liabilities at fair value through profit or loss	41,472,377	49,739,905
Securities sold under repurchase agreements	45,980,708	56,552,547
Payables	35,020,891	29,577,753
Current tax liabilities	4,016,562	730,674
Deposits and remittances	2,487,492,792	2,347,981,447
Bank notes payable	20,050,000	25,000,000
Other financial liabilities	102,756,249	100,521,221
Provisions	1,337,466	1,344,474
Lease liabilities	2,514,398	2,292,804
Deferred tax liabilities	547,414	720,432
Other liabilities	6,922,173	8,717,202
Total liabilities	2,783,583,205	2,635,854,542
Equity		
Share capital	122,991,646	98,709,186
Capital surplus	30,185,537	40,056,456
Retained earnings	60,883,803	67,835,841
Other equity	255,619	(2,471,549)
Total equity	214,316,605	204,129,934
Total liabilities and equity	$2,997,899,810	$2,839,984,476

(b) Statements of comprehensive income (standalone)

	For the years ended December 31,	
	2025	2024
Interest income	$79,563,004	$78,367,203
Interest expense	(46,856,947)	(50,283,339)
Net interest income	32,706,057	28,083,864
Net income other than net interest income	25,501,317	23,642,047
Net revenue and gains	58,207,374	51,725,911
Bad debts expenses, commitment and guarantee liability provisions	(1,608,400)	(878,999)
Operating expenses	(30,637,876)	(28,780,728)
Income before income tax	25,961,098	22,066,184
Income tax expense	(4,580,299)	(3,568,563)
Net income	21,380,799	18,497,621
Other comprehensive income	2,329,038	860,222
Total comprehensive income	$23,709,837	$19,357,843
Basic earnings per share (dollar)	$1.74	$1.53
Diluted earnings per share (dollar)	$1.74	$1.53

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

(c) Key financial and business highlights

i. Profitability

Item		December 31, 2025	December 31, 2024
Return on total assets	Pretax	0.89%	0.81%
	After tax	0.73%	0.68%
Return on net equity	Pretax	12.41%	11.20%
	After tax	10.22%	9.39%
Profit margin		36.73%	35.76%

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

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

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

Note d: Profitability presented above is cumulative from January 1 to December 31 of 2025 and 2024.

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

ii. Asset quality

Non-performing loans and receivables

Business type \ Item			December 31, 2025 Non-performing loans (Note a)	December 31, 2025 Loans	December 31, 2025 Non-performing loans ratio (Note b)	December 31, 2025 Allowance for loan losses	December 31, 2025 Coverage ratio (Note c)	December 31, 2024 Non-performing loans (Note a)	December 31, 2024 Loans	December 31, 2024 Non-performing loans ratio (Note b)	December 31, 2024 Allowance for loan losses	December 31, 2024 Coverage ratio (Note c)
Corporate finance	Secured		$767,250	$393,206,856	0.20%	$4,199,847	547.39%	$494,969	$347,923,122	0.14%	$3,826,580	773.09%
	Unsecured		104,600	438,469,832	0.02%	6,610,032	6319.34%	205,016	390,947,060	0.05%	5,977,252	2,915.51%
Consumer finance	Mortgage loans (Note d)		324,258	416,031,331	0.08%	6,238,538	1923.94%	322,426	425,613,519	0.08%	6,374,073	1,976.91%
	Cash cards		859	75,807	1.13%	26,069	3034.81%	1,055	120,566	0.88%	29,692	2,814.41%
	Credit loans (Note e)		379,260	121,911,098	0.31%	1,388,827	366.19%	383,553	109,445,061	0.35%	1,260,187	328.56%
	Others (Note f)	Secured	1,013,982	433,556,938	0.23%	4,543,391	448.07%	789,497	391,142,914	0.20%	4,107,942	520.32%
		Unsecured	2,880	13,798,496	0.02%	141,728	4921.11%	2,709	9,589,365	0.03%	99,526	3,673.90%
Subtotal			2,593,089	1,817,050,358	0.14%	23,148,432	892.70%	2,199,225	1,674,781,607	0.13%	21,675,252	985.59%
Credit card			224,509	75,899,231	0.30%	760,489	338.73%	263,924	76,011,137	0.35%	770,211	291.83%
Accounts receivable factoring with no recourse (Note g)			101,005	32,407,497	0.31%	403,448	399.43%	105,328	32,009,749	0.33%	393,181	373.29%

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 (Order No. 0944000378 issued by the FSC).

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 (Order No. 09440010950 issued by the FSC), 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 (Order No. 09850003180 issued by the FSC), accounts receivable without recourse are classified as non-performing loans if not compensated by the factor or insurance company within three months.

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

Exempted from report as non-performing loans and receivables

Item / Business type	December 31, 2025		December 31, 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)	$35,836	$13,879	$60,575	$22,693
Loans executed in accordance with debt clearing and renewal regulations (Note b)	1,770,341	1,077,542	1,691,627	1,029,648
Total	$1,806,177	$1,091,421	$1,752,202	$1,052,341

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).

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

iii. Concentration of credit risk

Concentration of credit risk

Year	December 31, 2025			December 31, 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 (wireless telecommunications)	$16,934,035	7.90%	A Group (manufacture of computers)	$16,558,697	8.11%
2	B Group (real estate development)	15,145,962	7.07%	B Group (wireless telecommunications)	15,008,362	7.35%
3	C Group (activities of other holding companies)	15,052,598	7.02%	C Group (other financial service not elsewhere classified)	13,705,684	6.71%
4	D Group (real estate development)	13,844,358	6.46%	D Group (activities of other holding companies)	10,873,109	5.33%
5	E Group (other financial service not elsewhere classified)	11,724,159	5.47%	E Group (other financial service not elsewhere classified)	10,612,974	5.20%
6	F Group (manufacture of computers)	11,412,205	5.32%	F Group (manufacture of panel and components)	10,611,169	5.20%
7	G Group (manufacture of cement)	11,074,355	5.17%	G Group (real estate development)	10,421,623	5.11%
8	H Group (manufacture of panel and components)	10,609,970	4.95%	H Group (other financial service not elsewhere classified)	9,356,000	4.58%
9	I Group (Semiconductor assembly and test)	9,228,992	4.31%	I Group (manufacture ofcomputers)	8,806,421	4.31%
10	J Group(real estate development)	8,650,000	4.04%	J Group (financial leasing)	8,796,654	4.31%

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.

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.

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

iv. Interest rate sensitivity

Interest-sensitive asset and liability analysis table
(New Taiwan Dollars)
December 31, 2025

Item	1-90 days	91-180 days	181 days - 1 year	More than 1 year	Total
Interest-sensitive assets	$1,643,910,656	$49,852,593	$107,627,066	$224,990,958	$2,026,381,273
Interest-sensitive liabilities	681,909,387	146,290,615	159,512,333	905,406,180	1,893,118,515
Interest rate sensitivity gap	962,001,269	(96,438,022)	(51,885,267)	(680,415,222)	133,262,758
Net equity					210,464,162
Ratio of interest-sensitive assets to liabilities					107.04%
Ratio of interest sensitivity gap to net equity					63.32%

Interest-sensitive asset and liability analysis table
(New Taiwan Dollars)
December 31, 2024

Item	1-90 days	91-180 days	181 days - 1 year	More than 1 year	Total
Interest-sensitive assets	$1,578,692,475	$31,940,716	$120,044,950	$237,780,264	$1,968,458,405
Interest-sensitive liabilities	675,416,802	168,123,028	165,450,520	830,136,243	1,839,126,593
Interest rate sensitivity gap	903,275,673	(136,182,312)	(45,405,570)	(592,355,979)	129,331,812
Net equity					203,897,994
Ratio of interest-sensitive assets to liabilities					107.03%
Ratio of interest sensitivity gap to net equity					63.43%

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) $= \dfrac{\text{Interest-sensitive assets}}{\text{Interest-sensitive liabilities}}$

Interest-sensitive asset and liability analysis table
(US Dollars)
December 31, 2025

(In thousands of US Dollars)

Item	1-90 days	91-180 days	181 days - 1 year	More than 1 year	Total
Interest-sensitive assets	$11,811,063	$955,192	$1,969,994	$8,380,958	$23,117,207
Interest-sensitive liabilities	13,805,042	1,965,127	1,568,155	5,037,471	22,375,795
Interest rate sensitivity gap	(1,993,979)	(1,009,935)	401,839	3,343,487	741,412
Net equity					(7,500)
Ratio of interest-sensitive assets to liabilities					103.31%
Ratio of interest sensitivity gap to net equity					(9885.49%)

Interest-sensitive asset and liability analysis table
(US Dollars)
December 31, 2024

(In thousands of US Dollars)

Item	1-90 days	91-180 days	181 days - 1 year	More than 1 year	Total
Interest-sensitive assets	$10,492,716	$1,017,741	$4,191,244	$5,700,733	$21,402,434
Interest-sensitive liabilities	13,095,154	2,877,659	1,880,486	3,941,529	21,794,828
Interest rate sensitivity gap	(2,602,438)	(1,859,918)	2,310,758	1,759,204	(392,394)
Net equity					(53,359)
Ratio of interest-sensitive assets to liabilities					98.20%
Ratio of interest sensitivity gap to net equity					735.38%

Note a: The amounts listed above include amounts in US 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 (US dollars only) $= \dfrac{\text{Interest-sensitive assets}}{\text{Interest-sensitive liabilities}}$

v. Maturity analysis of assets and liabilities

New Taiwan Dollars maturity date structure analysis table
December 31, 2025

		Period remaining until due date and amount due				
	Total	0-30 days	31-90 days	91-180 days	181 days - 1 year	More than 1 year
Major maturity cash inflow	$2,981,097,318	$901,635,969	$421,232,024	$232,322,447	$325,474,960	$1,100,431,918
Major maturity cash outflow	3,764,496,221	507,187,725	531,618,133	405,009,583	692,685,767	1,627,995,012
Gap	(783,398,903)	394,448,244	(110,386,109)	(172,687,136)	(367,210,807)	(527,563,094)

New Taiwan Dollars maturity date structure analysis table
December 31, 2024

		Period remaining until due date and amount due				
	Total	0-30 days	31-90 days	91-180 days	181 days - 1 year	More than 1 year
Major maturity cash inflow	$2,899,126,223	$875,186,752	$428,121,634	$237,511,623	$314,583,962	$1,043,722,252
Major maturity cash outflow	3,566,902,362	512,510,191	551,458,937	400,426,946	715,496,315	1,387,009,973
Gap	(667,776,139)	362,676,561	(123,337,303)	(162,915,323)	(400,912,353)	(343,287,721)

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
December 31, 2025
(In thousands of US Dollars)

		Period remaining until due date and amount due				
	Total	0-30 days	31-90 days	91-180 days	181 days - 1 year	More than 1 year
Major maturity cash inflow	$63,400,003	$18,677,396	$14,501,347	$7,147,018	$9,674,416	$13,399,826
Major maturity cash outflow	63,180,405	21,885,469	18,147,816	8,169,656	8,482,450	6,495,014
Gap	219,598	(3,208,073)	(3,646,469)	(1,022,638)	1,191,966	6,904,812

US Dollars maturity date structure analysis table
December 31, 2024
(In thousands of US Dollars)

		Period remaining until due date and amount due				
	Total	0-30 days	31-90 days	91-180 days	181 days - 1 year	More than 1 year
Major maturity cash inflow	$59,790,543	$17,186,304	$15,346,671	$7,364,198	$9,404,945	$10,488,425
Major maturity cash outflow	59,509,757	19,506,150	18,321,779	8,556,299	7,714,784	5,410,745
Gap	280,786	(2,319,846)	(2,975,108)	(1,192,101)	1,690,161	5,077,680

Note: The amounts listed above include amounts in US dollars for head office, domestic branches, and OBU.

B. Taishin Life Insurance

(a) Balance sheets

	December 31	
	2025	2024
Assets		
Cash and cash equivalents	$11,413,756	$9,038,885
Receivables	4,291,726	3,298,065
Current tax assets	-	165,580
Financial assets at fair value through profit or loss	32,497,384	29,206,318
Financial assets at fair value through other comprehensive income	41,491	41,336
Financial assets measured at amortized cost	225,021,288	212,820,316
Investments accounted for using equity method	296,280	443,415
Investment properties	9,232,498	9,070,184
Loans	10,257,994	8,258,536
Reinsurance contract assets	897,438	702,364
Property and equipment	1,927,613	1,992,544
Right-of-use assets	84,888	90,335
Intangible assets	278,844	315,056
Deferred tax assets	367,434	1,048,643
Other assets	14,133,192	1,877,040
Separate account insurance product assets	69,841,471	44,367,925
Total assets	$380,583,297	$322,736,542

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

	December 31	
	2025	2024
Liabilities		
Payables	$3,130,352	$2,615,670
Financial liabilities at fair value through profit or loss	810,466	1,316,191
Lease liabilities	82,108	88,205
Insurance liabilities	278,103,200	247,367,103
Reserve for insurance contracts with the nature of financial products	1,258	1,465
Current tax liabilities	31,831	-
Reserve for foreign exchange valuation	3,916,273	1,325,436
Provisions	52,639	138,123
Deferred tax liabilities	578,473	937,960
Other liabilities	947,313	808,296
Separate account insurance product liabilities	69,841,471	44,367,925
Total liabilities	357,495,384	298,966,374
Equity		
Share capital	11,857,284	11,039,560
Capital surplus	4,363,636	4,363,636
Retained earnings	8,471,540	7,232,374
Other equity	(1,604,547)	1,134,598
Total equity	23,087,913	23,770,168
Total liabilities and equity	$380,583,297	$322,736,542

(b) Statements of comprehensive income (standalone)

	For the years ended December 31	
	2025	2024
Operating revenue	$75,602,582	$52,555,844
Operating cost	(70,578,027)	(49,266,932)
Operating expenses	(3,109,258)	(2,708,432)
Operating income	1,915,297	580,480
Non-operating income and expenses	(7,271)	238,272
Income before income tax	1,908,026	818,752
Income tax benefit	150,490	420,325
Net income	2,058,516	1,239,077
Other comprehensive income	(2,740,771)	828,672
Total comprehensive income	$(682,255)	$2,067,749
Basic earnings per share (dollar)	$1.74	$1.07
Diluted earnings per share (dollar)	$1.74	$1.07

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

(c) Profitability

Item		December 31, 2025	December 31, 2024
Return on total assets	Pretax	0.54%	0.28%
	After tax	0.59%	0.42%
Return on net equity	Pretax	8.14%	3.86%
	After tax	8.79%	5.83%
Profit margin		2.72%	2.35%

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 = $\frac{\text{Income after tax}}{\text{Operating income + Non-operating income}}$

Note d: Profitability presented above is cumulative from January 1 to December 31 of 2025 and 2024.

C. Taishin Securities B

(a) Balance sheets (standalone)

	December 31, 2025	December 31, 2024
Current assets	$67,479,213	$58,926,111
Financial assets at fair value through profit or loss - non-current	303,479	223,466
Financial assets at fair value through other comprehensive income - non-current	4,760,610	5,066,575
Investments accounted for using equity method	1,551,032	1,429,525
Property and equipment	827,372	854,914
Right-of-use assets	151,515	179,089
Investment properties	92,673	95,534
Intangible assets	189,655	195,926
Deferred tax assets	23,609	9,552
Net Defined Benefit Assets - non-current	20,595	-
Other non-current assets	460,204	566,513
Total assets	$75,859,957	$67,547,205

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

	December 31, 2025	December 31, 2024
Current liabilities	$59,746,794	$52,136,834
Other non-current liabilities	3,441,106	3,478,684
Total liabilities	63,187,900	55,615,518
Share capital	6,924,125	6,924,125
Capital surplus	895,825	895,825
Retained earnings	5,194,671	4,296,427
Other equity	(342,564)	(184,690)
Total equity	12,672,057	11,931,687
Total liabilities and equity	$75,859,957	$67,547,205

(b) Statements of comprehensive income (standalone)

	For the years ended December 31 2025	For the years ended December 31 2024
Revenue	$6,662,923	$6,661,719
Expenses	(4,201,491)	(4,192,599)
Non-operating income and expenses	206,750	180,298
Income before income tax	2,668,182	2,649,418
Income tax expense	(222,882)	(289,837)
Net income	2,445,300	2,359,581
Other comprehensive income	(160,129)	(101,718)
Total comprehensive income	$2,285,171	$2,257,863
Basic earnings per share (dollar)	$3.53	$3.41
Diluted earnings per share (dollar)	$3.53	$3.41

(c) Profitability

Item		December 31, 2025	December 31, 2024
Return on total assets	Pretax	3.72%	4.16%
	After tax	3.41%	3.71%
Return on net equity	Pretax	21.69%	23.25%
	After tax	19.88%	20.71%
Profit margin		36.70%	35.42%

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

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

Note c: Profit margin = $\dfrac{\text{Income after tax}}{\text{Revenue}}$

Note d: Profitability presented above is cumulative from January 1 to December 31 of 2025 and 2024

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

D. Taishin AMC

(a) Balance sheets (standalone)

	December 31,	
	2025	2024
Current assets	$80,527	$320,160
Financial assets at fair value through other comprehensive income - non-current	175,286	282,615
Investments accounted for using equity method	150,933	148,145
Property and equipment	165,102	166,753
Investment properties	805,988	812,632
Deferred tax assets	3,065	3,065
Other non-current assets	602,873	267,893
Total assets	$1,983,774	$2,001,263
Current liabilities	$727,525	$567,921
Other non-current liabilities	4,278	3,522
Total liabilities	731,803	571,443
Share capital	671,000	671,000
Capital surplus	4,141	4,141
Retained earnings	532,400	602,934
Other equity	44,430	151,745
Total equity	1,251,971	1,429,820
Total liabilities and equity	$1,983,774	$2,001,263

(b) Statements of comprehensive income (standalone)

	For the years ended December 31	
	2025	2024
Operating revenue	$260,673	$360,747
Operating cost and expenses	(127,003)	(133,797)
Operating income	127,817	226,950
Non-operating income	16,618	13,722
Non-operating expenses	(10,265)	(6,577)
Income before income tax	134,170	234,095
Income tax expense	(24,513)	(41,087)
Net income	109,657	193,008
Other comprehensive income (loss)	(106,311)	(93,150)
Total comprehensive income (loss)	$3,346	$99,858
Basic earnings per share (dollar)	$1.63	$2.88

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

(c) Profitability

Item		December 31, 2025	December 31, 2024
Return on total assets	Pretax	6.73%	12.43%
	After tax	5.50%	10.25%
Return on net equity	Pretax	10.01%	15.80%
	After tax	8.18%	13.03%
Profit margin		39.55%	51.54%

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 = $\frac{\text{Income after tax}}{\text{Operating income + Non-operating income}}$

Note d: Profitability presented above is cumulative from January 1 to December 31 of 2025 and 2024.

E. Taishin Venture Capital Investment

(a) Balance sheets (standalone)

	December 31	
	2025	2024
Current assets	$150,260	$323,726
Financial assets at fair value through profit or loss - non-current	3,309,022	4,392,161
Investments accounted for using equity method	30,184	27,242
Property and equipment	947	1,098
Right-of-use assets	304	2,126
Other non-current assets	481	481
Total assets	$3,491,198	$4,746,834
Current liabilities	$169,254	$11,525
Non-current liabilities	-	311
Total liabilities	169,254	11,836
Share capital	7,140,927	7,140,927
Retained earnings	(3,818,983)	(2,405,929)
Total equity	3,321,944	4,734,998
Total liabilities and equity	$3,491,198	$4,746,834

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

(b) Statements of comprehensive income (standalone)

	For the years ended December 31	
	2025	2024
Revenue	$3,868	$19,861
Expenses and losses	(1,416,923)	(1,413,885)
Loss income before income tax	(1,413,055)	(1,394,024)
Net loss	(1,413,055)	(1,394,024)
Total comprehensive income (loss)	(1,413,055)	(1,394,024)
Basic loss per share (dollar)	$(1.98)	$(1.98)

(c) Profitability

Item		December 31, 2025	December 31, 2024
Return on total assets	Pretax	(34.31%)	(21.51%)
	After tax	(34.31%)	(21.51%)
Return on net equity	Pretax	(35.08%)	(21.58%)
	After tax	(35.08%)	(21.58%)
Profit margin		(36,531.93%)	(7,018.90%)

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 = $\frac{\text{Income after tax}}{\text{Revenue}}$

Note d: Profitability presented above is cumulative from January 1 to December 31 of 2025 and 2024.

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

F. Taishin Securities Investment Trust

(a) Balance sheets (standalone)

	December 31	
	2025	2024
Current assets	$1,717,946	$894,931
Financial assets at fair value through other comprehensive income - non-current	9,075	3,433
Property and equipment	40,982	4,916
Goodwill	410,930	410,930
Right-of-use assets	77,381	23,222
Other intangible assets	15,499	3,359
Deferred tax assets	13,014	-
Other non-current assets	340,704	209,613
Total assets	$2,625,531	$1,550,404
Current liabilities	$458,052	$279,253
Other non-current liabilities	66,267	12,539
Total liabilities	524,319	291,792
Share capital	1,365,030	831,350
Capital surplus	288,939	47,856
Retained earnings	445,875	378,973
Other equity	1,368	433
Total equity	2,101,212	1,258,612
Total liabilities and equity	$2,625,531	$1,550,404

(b) Statements of comprehensive income (standalone)

	For the years ended December 31	
	2025	2024
Operating revenue	$1,284,222	$1,023,814
Operating expenses	(839,310)	(688,989)
Operating income	444,912	334,825
Non-operating income	31,162	27,486
Non-operating expenses	(851)	(384)
Income before income tax	475,223	361,927
Income tax expense	(83,082)	(68,178)
Net income	392,141	293,749
Other comprehensive income	686	695
Total comprehensive income	$392,827	$294,444
Basic earnings per share (dollar)	$3.11	$3.53

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

(c) Profitability

Item		December 31, 2025	December 31, 2024
Return on total assets	Pretax	22.76%	25.22%
	After tax	18.78%	20.47%
Return on net equity	Pretax	28.29%	30.67%
	After tax	23.34%	24.89%
Profit margin		29.81%	27.94%

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 = $\frac{\text{Income after tax}}{\text{Operating income + Non-operating income}}$

Note d: Profitability presented above is cumulative from January 1 to December 31 of 2025 and 2024.

G. Taishin Securities Investment Advisory

(a) Balance sheets (standalone)

	December 31	
	2025	2024
Current assets	$349,168	$358,879
Property and equipment	1,493	1,644
Right-of-use assets	-	6,247
Deferred tax assets	1,024	547
Other non-current assets	6,944	6,887
Total assets	$358,629	$374,204
Current liabilities	$31,936	$37,945
Deferred tax liabilities	419	1,098
Other non-current liabilities	2,332	2,734
Total liabilities	34,687	41,777
Share capital	300,000	300,000
Capital surplus	25,663	25,663
Retained earnings	(1,720)	6,764
Total equity	323,943	332,427
Total liabilities and equity	$358,630	$374,204

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

(b) Statements of comprehensive income (standalone)

	For the years ended December 31	
	2025	2024
Operating revenue	$116,883	$116,633
Operating expenses	(126,573)	(124,214)
Operating loss	(9,690)	(7,581)
Non-operating income	7,555	13,825
Non-operating expenses	(3,181)	(872)
(Loss) income before income tax	(5,316)	5,372
Income tax expense	1,141	(1,293)
Net (loss) income	(4,175)	4,079
Other comprehensive income	(66)	636
Total comprehensive income (loss)	$(4,241)	$4,715
Basic earnings (loss) per share (dollar)	$(0.14)	$0.14

(c) Profitability

Item		December 31, 2025	December 31, 2024
Return on total assets	Pretax	(1.45%)	1.42%
	After tax	(1.14%)	1.07%
Return on net equity	Pretax	(1.61%)	1.60%
	After tax	(1.27%)	1.21%
Profit margin		(3.36%)	3.13%

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

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

Note c: Profit margin = $\dfrac{\text{Income after tax}}{\text{Operating income + Non-operating income}}$

Note d: Profitability presented above is cumulative from January 1 to December 31 of 2025 and 2024.

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

H. Shin Kong Life Insurance

(a) Balance sheets (standalone)

	December 31, 2025
Assets	
Cash and cash equivalents	$73,727,557
Receivables	30,665,076
Current tax assets	11,534,208
Assets classified as held for sale	5,280,540
Financial assets at fair value through profit or loss	305,068,776
Financial assets at fair value through other comprehensive income	205,820,053
Financial assets measured at amortized cost	2,506,464,801
Investments accounted for using equity method	4,366,391
Investment properties	208,882,020
Loans	150,198,900
Reinsurance contract assets	1,707,384
Property and equipment	26,143,151
Right-of-use assets	1,720,931
Intangible assets	873,065
Deferred tax assets	58,548,093
Other assets	31,976,268
Separate account insurance products assets	60,694,949
Total assets	$3,683,672,163
Liabilities	
Payables	$7,856,879
Current tax liabilities	1,644,238
Financial liabilities at fair value through profit or loss	20,765,924
Bonds payable	45,300,000
Lease liabilities	5,381,308
Insurance liabilities	3,240,477,570
Reserve for insurance contracts with the nature of financial products	174,616
Reserve for foreign exchange valuation	99,586,781
Provisions	37,537
Deferred tax liabilities	19,938,094
Other liabilities	3,785,868
Separate account insurance product liabilities	60,694,949
Total liabilities	3,505,643,764
Equity	
Share capital	85,747,628
Capital surplus	39,902,990
Retained earnings	62,473,172
Other equity	(10,095,391)
Total equity	178,028,399
Total liabilities and equity	$3,683,672,163

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

(b) Statements of comprehensive income (standalone)

	For the Year Ended December 31, 2025
Operating revenue	$215,642,243
Operating cost	(234,971,389)
Operating expenses	(16,629,428)
Operating loss	(35,958,574)
Non-operating income and expenses	360,617
Loss income before income tax	(35,597,957)
Income tax benefit	9,170,352
Net loss	(26,427,605)
Other comprehensive income (loss)	9,254,168
Total comprehensive income (loss)	$(17,173,437)
Basic loss per share (dollar)	$(3.13)

(c) Profitability

Item		December 31, 2025
Return on total assets	Pretax	(0.96%)
	After tax	(0.72%)
Return on net equity	Pretax	(19.44%)
	After tax	(14.43%)
Profit margin		(12.23%)

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 = $\frac{\text{Income after tax}}{\text{Operating income + Non-operating income}}$

Note d: Profitability presented above is cumulative from January 1 to December 31 of 2025 and 2024.

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

I. Taiwan Shin Kong Commercial Bank

(a) Balance sheets (standalone)

	December 31, 2025
Assets	
Cash and cash equivalents	$18,059,846
Due from the Central Bank and call loans to banks	86,440,052
Financial assets at fair value through profit or loss	127,315,335
Financial assets at fair value through other comprehensive income	176,365,395
Investments in debt instruments at amortized cost	62,706,916
Securities purchased under resell agreements	640,561
Receivables, net	15,256,864
Current tax assets	17,768
Loans, net	885,235,194
Property and equipment, net	5,586,090
Right-of-use assets, net	2,021,480
Investment property, net	687,555
Intangible assets, net	1,811,404
Deferred tax assets, net	1,186,808
Other assets, net	3,336,976
Total assets	$1,386,668,244
Liabilities	
Deposits from the Central Bank and banks	$12,412,134
Financial liabilities at fair value through profit or loss	5,367,479
Securities sold under repurchase agreements	14,828,637
Payables	12,200,894
Current tax liabilities	827,515
Deposits and remittances	1,180,535,076
Bank notes payable	28,200,000
Other financial liabilities	45,009,156
Provisions	645,202
Lease liabilities	2,127,924
Deferred tax liabilities	379,049
Other liabilities	2,102,014
Total liabilities	1,304,635,080
Equity	
Share capital	49,815,329
Capital surplus	2,756,265
Retained earnings	35,101,434
Other equity	(5,639,864)
Total equity	82,033,164
Total liabilities and equity	$1,386,668,244

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

(b) Statements of comprehensive income (standalone)

	For the year ended December 31, 2025
Interest income	$32,658,443
Interest expenses	(18,409,981)
Net interest income	14,248,462
Net income other than net interest income	8,161,050
Net revenue and gains	22,409,512
Bad debt expenses, commitments and guarantees liabilities provision	(1,405,794)
Operating expenses	(13,819,214)
Operating (loss) income	7,184,504
Income tax expense	(1,242,044)
Net income	5,942,460
Other comprehensive income (loss)	3,396,244
Total comprehensive income (loss)	$9,338,704
Basic earnings per share (dollar)	$1.19
Diluted earnings per share (dollar)	$1.19

(c) Important financial and business overview

i. Profitability

Item		December 31, 2025
Return on total assets	Pretax	0.53%
	After tax	0.44%
Return on net equity	Pretax	9.00%
	After tax	7.44%
Profit margin		26.52%

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 = $\frac{\text{Income after tax}}{\text{Operating income + Non-operating income}}$

Note d: Profitability presented above is cumulative from January 1 to December 31 of 2025 and 2024.

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

ii. Asset quality

Non-performing loans and receivables

Business Type \ Item			December 31, 2025				
			Non-performing Loans (Note a)	Loans	Non-performing Loans Ratio (Note b)	Allowance for Loan Losses	Coverage Ratio (Note c)
Corporate finance	Secured		$164,025	$237,304,328	0.07%	$2,451,800	1494.77%
	Unsecured		141,205	194,557,718	0.07%	2,411,384	1707.72%
Consumer finance	Mortgage loans (Note d)		151,583	200,718,327	0.08%	3,101,031	2045.76%
	Cash cards		-	87	-	87	-
	Credit loans (Note e)		261,748	38,737,983	0.68%	1,168,485	446.42%
	Others (Note f)	Secured	377,194	222,888,536	0.17%	2,378,778	630.65%
		Unsecured	1,975	2,235,667	0.09%	26,079	1320.46%
Subtotal			1,097,730	896,442,646	0.12%	11,537,644	1051.05%
Credit card			18,189	8,581,536	0.21%	197,278	1084.60%
Accounts receivable factoring with no recourse (Note g)			-	1,193,295	-	65,558	-

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 (Order No. 0944000378 issued by the FSC).

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 (Order No. 09440010950 issued by the FSC), 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 (Order No. 09850003180 issued by the FSC), accounts receivable without recourse are classified as non-performing loans if not compensated by the factor or insurance company within three months.

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

Exempted from report as non-performing loans and receivables

Item / Business Type	December 31, 2025	
	Exempted from Report as Non-performing Loans	Exempted from Report as Non-performing Receivables
Amounts negotiated in accordance with the agreement (Note a)	$608	$21,150
Loans executed in accordance with debt clearing and renewal regulations (Note b)	230,578	203,099
Total	$231,186	$224,249

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).

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

iii. Concentration of credit risk

Concentration of credit risk

Year	December 31, 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	7.13
2	Group B (real estate leasing and sales industry)	4,423,337	5.39
3	Group C (real estate development)	3,892,198	4.74
4	Group D (chemical raw materials manufacturing industry)	3,856,655	4.70
5	Group E (real estate leasing and sales industry)	3,576,838	4.36
6	Group F (other financial service not elsewhere classified)	3,304,832	4.03
7	Group G (weaving of other textiles)	3,240,000	3.95
8	Group H (real estate development)	3,136,981	3.82
9	Group I (investment advisory industry)	3,015,717	3.68
10	Group J (real estate development)	2,995,940	3.65

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.

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.

iv. Interest rate sensitivity

Interest-sensitive asset and liability analysis table
(New Taiwan Dollars)
December 31, 2025

Item	1-90 Days	91-180 Days	181 Days - 1 Year	More Than 1 Year	Total
Interest-sensitive assets	$933,037,767	$7,893,311	$22,775,677	$164,403,503	$1,128,110,258
Interest-sensitive liabilities	306,434,670	520,717,733	179,368,062	34,153,834	1,040,674,299
Interest sensitivity gap	626,603,097	(512,824,422)	(156,592,385)	130,249,669	87,435,959
Net equity					82,033,164
Ratio of interest-sensitive assets to liabilities					108.40
Ratio of interest sensitivity gap to net equity					106.59

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) $= \dfrac{\text{Interest-sensitive assets}}{\text{Interest-sensitive liabilities}}$

Interest-sensitive asset and liability analysis table
(US Dollars)
December 31, 2025
(In thousands of US Dollars)

Item	1-90 Days	91-180 Days	181 Days - 1 Year	More Than 1 Year	Total
Interest-sensitive assets	$3,230,636	$175,977	$223,068	$1,588,238	$5,217,919
Interest-sensitive liabilities	4,035,621	620,248	436,667	4,841	5,097,377
Interest sensitivity gap	(804,985)	(444,271)	(213,599)	1,583,397	120,542
Net equity					2,608,534
Ratio of interest-sensitive assets to liabilities					102.36
Ratio of interest sensitivity gap to net equity					4.62

Note a: The amounts listed above include amounts in US 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 (US dollars only) $= \dfrac{\text{Interest-sensitive assets}}{\text{Interest-sensitive liabilities}}$

v. Maturity analysis of assets and liabilities

New Taiwan Dollars maturity date structure analysis table
December 31, 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	$1,212,654,712	$245,303,586	$98,787,657	$80,908,001	$93,493,091	$694,162,377
Major maturity cash outflow	1,502,531,796	179,678,081	184,110,694	200,083,594	365,142,375	573,517,052
Gap	(289,877,084)	65,625,505	(85,323,037)	(119,175,593)	(271,649,284)	120,645,325

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
December 31, 2025
(In thousands of US 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	$7,739,365	$2,313,383	$963,336	$617,669	$511,424	$3,333,553
Major maturity cash outflow	9,728,153	2,392,162	2,233,006	1,295,122	1,824,116	1,983,747
Gap	(1,988,788)	(78,779)	(1,269,670)	(677,453)	(1,312,692)	1,349,806

Note: The amounts listed above include amounts in US dollars for head office, domestic branches, and OBU.

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

J. MasterLink Securities

(a) Balance sheets (standalone)

	December 31, 2025
Current assets	$172,853,153
Financial assets at fair value through other comprehensive income - non-current	1,115,207
Investments accounted for using equity method	3,073,285
Property and equipment	1,849,433
Right-of-use assets	293,438
Investment properties	207,267
Intangible assets	146,411
Deferred tax assets	647,816
Other non-current assets	1,798,255
Total assets	$181,984,265
Current liabilities	$152,342,978
Other non-current liabilities	824,866
Total liabilities	153,167,844
Share capital	16,096,099
Capital surplus	128,115
Retained earnings	11,792,186
Other equity	800,021
Total equity	28,816,421
Total liabilities and equity	$181,984,265

(b) Statements of comprehensive income (standalone)

	For the year ended December 31, 2025
Revenue	$10,773,983
Expenses	(9,258,082)
Non-operating income and expenses	650,295
Income before income tax	2,166,196
Income tax benefit	(32,335)
Net income	2,133,861
Other comprehensive income (loss)	(1,984,851)
Total comprehensive income (loss)	$149,010
Basic earnings per share (dollar)	$1.33
Diluted earnings per share (dollar)	$1.32

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

(c) Profitability

Item		December 31, 2025
Return on total assets	Pretax	1.31%
	After tax	1.29%
Return on net equity	Pretax	7.23%
	After tax	7.12%
Profit margin		19.81%

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

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

Note c: Profit margin = $\dfrac{\text{Income after tax}}{\text{Operating income + Non-operating income}}$

Note d: Profitability presented above is cumulative from January 1 to December 31 of 2025 and 2024.

K. Shin Kong Venture Capital

(a) Balance sheets (standalone)

	December 31, 2025
Current assets	$644,190
Financial assets at fair value through profit or loss - non-current	11,259
Financial assets measured atamortized cost - non-current	231,588
Investments accounted for using equity method	779,595
Property and equipment	15
Other non-current assets	2,108
Total assets	$1,668,755
Total liabilities	$163,101
Share capital	1,824,155
Capital surplus	1,097
Retained earnings	(295,249)
Other equity	(24,349)
Total equity	1,505,654
Total liabilities and equity	$1,668,755

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

(b) Statements of comprehensive income (standalone)

	For the year ended December 31, 2025
Revenue	$23,890
Expenses	(438,857)
Loss before income tax	(414,967)
Income tax expense	(1,314)
Net loss	(416,281)
Other comprehensive income (loss)	18,244
Total comprehensive income (loss)	$(398,037)
Basic earnings per share (dollar)	$(2.28)

(c) Profitability

Item		December 31, 2025
Return on total assets	Pretax	(21.93%)
	After tax	(22.00%)
Return on net equity	Pretax	(23.99%)
	After tax	(24.07%)
Profit margin		(1742.42%)

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 = $\frac{\text{Income after tax}}{\text{Revenue}}$

Note d: Profitability presented above is cumulative from January 1 to December 31 of 2025 and 2024.

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

L. Shin Kong Insurance Agent

(a) Balance sheets (standalone)

	December 31, 2025
Current assets	$178,465
Property and equipment	1,661
Right-of-use assets	4,342
Other intangible assets	9,665
Other non-current assets	5,192
Total assets	$199,325
Current liabilities	80,257
Other non-current liabilities	918
Total liabilities	81,175
Share capital	10,000
Capital surplus	1,541
Retained earnings	106,609
Total equity	118,150
Total liabilities and equity	$199,325

(b) Statements of comprehensive income (standalone)

	For the year ended December 31, 2025
Operating revenue	$542,368
Operating cost	(351,237)
Gross profit	191,131
Operating expenses	(84,936)
Operating income	106,195
Non-operating income	811
Non-operating expenses	(60)
Income before income tax	106,946
Income tax expense	(21,397)
Net income	$85,549
Basic earnings per share (dollar)	$85.55

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

(c) Profitability

Item		December 31, 2025
Return on total assets	Pretax	53.29%
	After tax	42.63%
Return on net equity	Pretax	89.96%
	After tax	71.97%
Profit margin		15.75%

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 = $\frac{\text{Income after tax}}{\text{Operating income + Non-operating income}}$

Note d: Profitability presented above is cumulative from January 1 to December 31 of 2025 and 2024.

(20) 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.

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.

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: None.

B. Acquisition or disposal of individual real estate at costs of at least NT$300 million or 10% of the paid-in capital: Please refer to Attachment 4

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 8.

(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.

E. Derivative transactions of investees: Please refer to Attachment Note 6.(3) and Note 12.

Note: Not required to disclose No. A to C if the investee is a bank, insurance or security company.

(3) Names, locations, and related information of investees: Please refer to Attachment 6.

(4) Information of investment in mainland China: Please refer to Attachment 7.

(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.

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

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.

	December 31, 2025									
	TS Financial Holding	Taishin Bank Consolidated	Taishin Securities B Consolidated	Taishin Life Insurance	Taiwan Shin Kong Commercial Bank	Shin Kong Life Insurance Consolidated	MasterLink Securities Consolidated	Others	Adjustments and Eliminations	Total
Net interest income (expense)	$(1,088,081)	$32,821,492	$435,917	$8,074,532	$6,367,592	$40,973,955	$73,752	$1,136,063	$3,218,999	$92,014,221
Net income other than net interest income	39,847,108	25,500,700	5,483,344	31,289,276	3,861,918	(28,864,663)	5,626,927	499,771	(24,685,898)	58,558,483
Net revenue and gains	38,759,027	58,322,192	5,919,261	39,363,808	10,229,510	12,109,292	5,700,679	1,635,834	(21,466,899)	150,572,704
Reversal of bad debt expenses, commitments and guarantee liabilities (provision)	-	(1,608,400)	(500)	(762)	(534,201)	(2,667)	(11,134)	(488,257)	2,532	(2,643,389)
Net changes in insurance liability reserve	-	-	-	(34,320,267)	-	(17,777,297)	-	-	1,951,401	(50,146,163)
Operating expenses	(1,778,252)	(26,885,986)	(3,224,357)	(3,134,753)	(4,920,702)	(6,842,916)	(3,130,558)	(6,026,311)	(582,610)	(56,526,445)
Income (loss) before income tax	$36,980,775	$29,827,806	$2,694,404	$1,908,026	$4,774,607	$(12,513,588)	$2,558,987	$(4,878,734)	$(20,095,576)	$41,256,707
Total assets	$589,079,833	$2,691,410,393	$81,740,259	$380,583,297	$1,386,655,013	$3,666,291,660	$196,962,918	$339,318,257	$(556,549,438)	$8,775,492,192

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

	For the year ended December 31, 2024							
	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	Total
Net interest income (expense)	$16,295,002	$13,290,700	$(1,540,111)	$390,427	$6,741,453	$917,719	$(1,168,486)	$34,926,704
Net income other than net interest income	13,586,087	2,010,925	7,090,701	5,452,604	22,540,357	22,443,727	(21,442,855)	51,681,546
Net revenue and gains	29,881,089	15,301,625	5,550,590	5,843,031	29,281,810	23,361,446	(22,611,341)	86,608,250
Reversal of bad debt expenses, commitments and guarantee liabilities (provision)	(763,744)	(148,841)	33,587	(3,123)	2,143	(314,618)	-	(1,194,596)
Net changes in insurance liability reserve	-	-	-	-	(25,732,213)	-	917,694	(24,814,519)
Operating expenses	(17,821,974)	(4,078,811)	(3,074,721)	(3,186,707)	(2,732,989)	(6,669,877)	622,069	(36,943,010)
Income (loss) before income tax	$11,295,371	$11,073,973	$2,509,456	$2,653,201	$818,751	$16,376,951	$(21,071,578)	$23,656,125
Total assets	$958,165,385	$753,906,054	$875,132,323	$71,577,866	$322,736,542	$564,779,260	$(255,592,086)	$3,290,705,344

(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.

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

ATTACHMENT 1

Financings provided to others for the year ended December 31, 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	$855	Land and buildings	$160,000	$623,173	$8,724,420
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	875	Land and buildings	160,000	623,173	8,724,420
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	435	Land and buildings	80,000	623,173	8,724,420
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	435	Land and buildings	80,000	623,173	8,724,420
1	Taishin AMC	King Want Corporation. Co., Ltd.	Long-term receivables - advance payment	No	496,000	496,000	245,740	1%-10%	Business transaction	245,740	Advance payment of urban renewal	2,457	Land and buildings	175,200	623,173	8,724,420
1	Taishin AMC	King Want Corporation. Co., Ltd.	Long-term receivables - advance payment	N	400,000	400,000	-	1%-10%	Business transaction	-	Advance payment of urban renewal	-	Land and buildings	480,000	623,173	8,724,420
1	Taishin AMC	In Life Development Corporation Co., Ltd.	Long-term receivables - advance payment	N	150,000	150,000	22,506	1%-10%	Business transaction	22,506	Advance payment of urban renewal	225	None	None	623,173	8,724,420
1	Taishin AMC	Teng Jun Construction Co., Ltd.	Long-term receivables - advance payment	N	136,000	90,000	57,067	1%-10%	Business transaction	57,067	Advance payment of urban renewal	571	Land and buildings	108,000	623,173	8,724,420
2	Taishin D.A. Finance	Yongjia Management Consulting Co., Ltd.	Accounts receivable	N	20,000	-	-	2%~10%	Short-term financing	-	Business turnover	-	None	None	449,751	4,497,512
3	LeadsunFox Greenergy Investment Co., Ltd.	Changyuan Wind Power Ltd.	Other receivables - related party	Y	30,000	30,000	30,000	2%	Short-term financing	-	Business turnover	-	None	None	-	-
3	LeadsunFox Greenergy Investment Co., Ltd.	Beiyuan Wind Power Ltd.	Other receivables - related party	Y	30,000	30,000	27,000	2%	Short-term financing	-	Business turnover	-	None	None	-	-

(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		
3	LeadsunFox Greenergy Investment Co., Ltd.	Li-Sheng Wufu Co., Ltd.	Other receivables – related party	Y	$200,000	$200,000	$50,000	2%~2.9%	Short-term financing	$-	Business turnover	$-	None	None	$-	$-
3	LeadsunFox Greenergy Investment Co., Ltd.	Li-Sheng Sihfang Co., Ltd.	Other receivables – related party	Y	50,000	50,000	-	2%~2.9%	Short-term financing	-	Business turnover	-	None	None	-	-
3	LeadsunFox Greenergy Investment Co., Ltd.	Xingwei Power Co., Ltd.	Other receivables – related party	Y	150,000	150,000	150,000	2.9%	Short-term financing	-	Business turnover	-	None	None	-	-
4	Whole Max Green Power Co., Ltd.	Mingxiang Energy Co., Ltd.	Other receivables – related party	Y	45,000	45,000	45,000	-	Short-term financing	-	Business turnover	-	None	None	-	-
5	SINTOP I Co., Ltd.	Xuesan Energy Co., Ltd.	Other receivables – related party	Y	67,000	67,000	67,000	2%	Short-term financing	-	Business turnover	-	None	None	-	-
5	SINTOP I Co., Ltd.	Bangyue Co., Ltd.	Other receivables – related party	Y	4,200	4,200	4,200	2%	Short-term financing	-	Business turnover	-	None	None	-	-

Note 1: The method for filling out the number column is as follows:
a. Parent: 0.
b. Investees 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.

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

ATTACHMENT 2

Endorsements/guarantees provided for the year ended December 31, 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	$31,482,587	$1,709,754	$1,709,754	$1,367,803	$-	38.02%	$31,482,587	Y	N	Y
2	LeadsunFox Greenergy Investment Co., Ltd.	Xingwei Power Co., Ltd.	2	-	4,000,000	4,000,000	4,000,000	-	192.63%	-	Y	N	N
2	LeadsunFox Greenergy Investment Co., Ltd.	Li-Sheng Wufu Co., Ltd.	2	-	998,574	998,574	687,524	-	48.09%	-	Y	N	N
3	Jih-yao Energy Co., Ltd.	APEX SOLAR CORPORATION	2	1,544,615	892,254	892,254	390,496	-	288.83%	1,544,615	Y	N	N
4	Whole Max Green Power Co., Ltd.	Yuandeng Solar Co., Ltd.	2	-	8,005	8,005	5,337	-	0.37%	-	Y	N	N
4	Whole Max Green Power Co., Ltd.	Tailin Energy Technology Co., Ltd.	2	-	109,930	109,930	83,310	-	5.04%	-	Y	N	N
4	Whole Max Green Power Co., Ltd.	King Yashing Photoelectric Co., Ltd.	2	-	600,000	600,000	554,911	-	27.49%	-	Y	N	N
4	Whole Max Green Power Co., Ltd.	Mingxiang Energy Co., Ltd.	2	-	282,860	282,860	87,800	-	12.96%	-	Y	N	N

Note 1: Column is numbered as follows:

a. Parent: 0.

b. Investees 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 accumulated balance of endorsement/guarantee provided to others shall be limited to seven times of the endorser/guarantor’s net worth. The endorsement/guarantee amount limit to a same person and same affiliated entity, shall be limited to seven times of the endorser/guarantor’s net worth based on latest financial statements.

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.

ATTACHMENT 3

Significant securities held as of December 31, 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	December 31, 2025 Number of shares/units/ face value	Carrying amount	Percentage of ownership (%)	Market value	Note
Taishin Real Estate	Stock							
	Taipei Metro Consulting Service CO., LTD.	Its corporate director is Taishin Real Estate	Financial assets at fair value through other comprehensive income	300	$2,888	6.00	$2,888	
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	9,368	5.00	9,368	Not listed
	Bon-Li International Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive income	125	-	1.50	-	Go out of business
	Equity							
	Taishin Financial Leases (China)	Parent company and subsidiary	Investments measured by equity method	USD 80,000	2,506,283	100.00	2,506,283	
Taishin Venture Capital Investment	Equity							
	Chime Biologics Limited	None	Financial assets at fair value through profit or loss	2,105	37,095	0.45	37,095	
	Delos Capital Fund, LP	None	Financial assets at fair value through profit or loss	USD 8,144	93,557	7.63	93,557	
	Delos Capital Fund II, LP	None	Financial assets at fair value through profit or loss	USD 7,496	260,846	7.46	260,846	
	Delos Capital Fund III, LP	None	Financial assets at fair value through profit or loss	USD12,392	311,858	8.31	311,858	
	CDIB Capital Global Opportunities Fund, L.P.	None	Financial assets at fair value through profit or loss	USD 2,542	73,756	2.21	73,756	
	Li Shen Zhi-Lian L.P.	None	Financial assets at fair value through profit or loss	30,000	36,300	10.59	36,300	
	Arm IoT Fund, L.P.	None	Financial assets at fair value through profit or loss	USD 2,456	85,325	14.70	85,325	
	Stock							
	Hwei-Yang Venture Capital Investment Co., Ltd.	None	Financial assets at fair value through profit or loss	42	2,142	1.54	2,142	
	Century Development Corp.	Its corporate supervisor is Taishin Venture Capital Investment	Financial assets at fair value through profit or loss	10,910	137,356	3.03	137,356	

(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	December 31, 2025 Number of shares/units/ face value	Carrying amount	Percentage of ownership (%)	Market value	Note
	Microbio Co., Ltd.	None	Financial assets at fair value through profit or loss	1,322	$24,450	0.22	$24,450	Listed on the OTC
	Winking Studios Limited	None	Financial assets at fair value through profit or loss	2,614	15,347	0.59	15,347	Publicly Listed
	Diamond Biofund INC.	None	Financial assets at fair value through profit or loss	72,626	1,198,335	8.52	1,198,335	Publicly Listed
	StemCyte International, Ltd.	None	Financial assets at fair value through profit or loss	730	22,594	0.38	22,594	Emerging Stock Board
	VM Discovery, Inc. Preferred D	None	Financial assets at fair value through profit or loss	95	3,274	0.38	3,274	
	RevMab Biosciences, Inc.	None	Financial assets at fair value through profit or loss	400	15,868	2.26	15,868	
	Eden Biologics, Inc.	None	Financial assets at fair value through profit or loss	2,105	4,232	0.89	4,232	
	OME Technology Co., Ltd.	None	Financial assets at fair value through profit or loss	1,457	25,005	2.15	25,005	
	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	219,800	10.00	219,800	
	Taxven BioPharma, Inc.	None	Financial assets at fair value through profit or loss	402	22,134	0.15	22,134	Publicly Listed
	Great Agricultural Technology Co., Ltd.	None	Financial assets at fair value through profit or loss	578	2,218	3.33	2,218	
	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	-	3.41	-	
	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	89,575	8.08	89,575	
	Taiwania Capital Management Corporation	None	Financial assets at fair value through profit or loss	17,760	62,338	7.10	62,338	
	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	513	9.23	513	

(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	December 31, 2025 Number of shares/units/ face value	Carrying amount	Percentage of ownership (%)	Market value	Note
	Jing Ying Investment Co., Ltd.	Its corporate director is Taishin Venture Capital Investment	Financial assets at fair value through profit or loss	15,610	$94,284	10.00	$94,284	
	Gogoro Inc.	None	Financial assets at fair value through profit or loss	1,000	4,309	0.34	4,309	Publicly Listed
	CT Ambi Inc.	Its corporate supervisor is Taishin Venture Capital Investment	Financial assets at fair value through profit or loss	2,000	10,400	14.83	10,400	
	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	44,293	13.70	44,293	
	ImmunAdd Inc.	None	Financial assets at fair value through profit or loss	3,700	121,397	9.90	121,397	
	Radbon Electronics Co., Ltd.	None	Financial assets at fair value through profit or loss	550	52,800	1.35	52,800	
	Protuoso Pte. Ltd. /Series Seed-1	None	Financial assets at fair value through profit or loss	1,151	30,788	3.99	30,788	
	Modernity Financial Holding Ltd. /Series B	None	Financial assets at fair value through profit or loss	600	82,755	1.30	82,755	
	Verge Medical Holdings /Series A-1	None	Financial assets at fair value through profit or loss	239	15,616	1.65	15,616	
	GreenHarvest Co., Ltd.	None	Financial assets at fair value through profit or loss	1,125	67,500	5.40	67,500	
	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	Parent company and subsidiary	Investments measured by equity method	6,000	30,184	100.00	30,184	
	Beneficiary certificates							
	Taishin ESG Emerging Markets Bond Fund A	Issued by Taishin Securities Investment Trust	Financial assets at fair value through profit or loss	1,100	10,540	-	10,540	
	Fubon Money Market Fund	None	Financial assets at fair value through profit or loss	1,193	19,781	-	19,781	
	Conversion of convertible bonds							
	Uspace Tech Co., Ltd. / Conversion of convertible bonds	None	Financial assets at fair value through profit or loss	30,000	30,000	-	30,000	

(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	December 31, 2025 Number of shares/units/ face value	Carrying amount	Percentage of ownership (%)	Market value	Note
	Investment agreement							
	Public Television Foundation (Puppet Flower)	None	Financial assets at fair value through profit or loss	2,000	$-	-	$-	
Taishin AMC	Stock							
	Linkou Golf Country Club	None	Financial assets at fair value through other comprehensive income	-	2,107	0.30	2,107	
	Dah Chung Bills	None	Financial assets at fair value through other comprehensive income	2,465	38,411	0.51	38,411	
	Diamond Biofund INC.	Its corporate director is Taishin Venture Capital Investment	Financial assets at fair value through other comprehensive income	5,788	95,508	0.68	95,508	
	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	27,475	1.25	27,475	
	Jing Ying Investment Co., Ltd.	Its corporate director is Taishin Venture Capital Investment	Financial assets at fair value through other comprehensive income	1,951	11,786	1.25	11,786	
	Taishin Real Estate	Investee under the equity method	Investments measured by equity method	8,000	150,933	40.00	150,933	
Taishin Securities Venture Capital	Stock							
	Geniron.com.inc	None	Financial assets at fair value through profit or loss	434	7,386	4.06	7,386	
	Trans-IOT Technology Co., ltd.	None	Financial assets at fair value through profit or loss	385	800	3.61	800	
	eTreego Co., Ltd.	None	Financial assets at fair value through profit or loss	520	3,546	0.19	3,546	
	Honlynn Co., Ltd.	None	Financial assets at fair value through profit or loss	900	15,561	3.08	15,561	
	Da Yi Cheng Technology Co., Ltd.	None	Financial assets at fair value through profit or loss	650	122,512	3.42	122,512	
	Digital Idea Multi-Media Co., Ltd.	None	Financial assets at fair value through profit or loss	600	56,622	3.31	56,622	
	TSA international CO., LTD.	None	Financial assets at fair value through profit or loss	98	9,996	0.47	9,996	
	AuthenX Inc.	None	Financial assets at fair value through profit or loss	1,550	93,000	4.30	93,000	
	Ascension Medical Biotechnology Co., Ltd.	None	Financial assets at fair value through profit or loss	120	9,030	0.84	9,030	
	AV LINK Group Ltd.	None	Financial assets at fair value through profit or loss	370	-	2.06	-	

(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	December 31, 2025 Number of shares/units/ face value	Carrying amount	Percentage of ownership (%)	Market value	Note
	Excelsior Bio-system Inc.	None	Financial assets at fair value through profit or loss	263	$-	0.65	$-	
	Finatext Ltd.	None	Financial assets at fair value through profit or loss	29	-	7.50	-	
	Tangeng Advanced Vehicle Co., Ltd.	None	Financial assets at fair value through profit or loss	1,400	-	1.98	-	
	Le Day Multimedia Co., Ltd.	None	Financial assets at fair value through profit or loss	459	-	3.83	-	
	Rich Healthy Fruits & Vegetable Corp.	None	Financial assets at fair value through profit or loss	288	-	1.64	-	
	Ecloudvalley Digital Technology Co., Ltd.	None	Financial assets at fair value through profit or loss	58	3,567	0.09	3,567	
	Mega Union Technology Incorporated	None	Financial assets at fair value through profit or loss	10	6,920	0.01	6,920	
	Microprogram Information Co., Ltd.	None	Financial assets at fair value through profit or loss	185	9,195	0.33	9,195	
	H. H. Galaxy Co., Ltd.	None	Financial assets at fair value through profit or loss	41	2,736	0.13	2,736	
	Echem solutions Corp.	None	Financial assets at fair value through profit or loss	52	45,604	0.06	45,604	
	Horng Terng Automation Co., Ltd.	None	Financial assets at fair value through profit or loss	105	81,480	0.39	81,480	
	Acepodia, Inc. (Cayman)	None	Financial assets at fair value through profit or loss	200	3,046	0.03	3,046	
	Taiwan Puritic Corp.	None	Financial assets at fair value through profit or loss	73	36,354	0.09	36,354	
	Libo Pharma Corp.	None	Financial assets at fair value through profit or loss	100	4,654	0.13	4,654	
Taishin Health Investment	Equity							
	Taishin Healthcare Partnership	Its general partner is Taishin Health Investment	Financial assets at fair value through profit or loss	10,136	44,239	1.65	44,239	
Taishin Capital	Stock							
	Taishin Health Investment	Investee under the equity method	Investments measured by equity method	52,843	47,908	100.00	47,908	
	Beneficiary certificates							
	Taishin AIoT Semiconductor LP.	Its general partner is Taishin Health Investment	Financial assets at fair value through profit or loss	1	1	16.67	1	

(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	December 31, 2025 Number of shares/units/ face value	Carrying amount	Percentage of ownership (%)	Market value	Note
Taishin Futures	Stock							
	Taiwan Futures Exchange	None	Financial assets at fair value through other comprehensive income	65	$3,087	0.01	$3,087	
Taishin Securities Investment Trust	Stock							
	FundRich		Financial assets at fair value through other comprehensive income	602	9,075	0.87	9,075	
	Victor Taichung Machinery Works Co., Ltd.		Financial assets at fair value through profit or loss	-	1,546	0.04	1,546	
MasterLink Securities Venture Capital	Stock							
	TacBright Optronics Corp.	None	Financial assets at fair value through profit or loss	3,300	13,167	0.71	13,167	
	Allied Biotech Corp.	None	Financial assets at fair value through profit or loss	940	21,620	0.98	21,620	
	Luo Lih-Fen Holding Co., Ltd.	None	Financial assets at fair value through profit or loss	165	7,343	0.35	7,343	
	Anya Biopharm Inc.	None	Financial assets at fair value through profit or loss	1,677	79,624	3.42	79,624	
	AetherAI Co., Ltd.	None	Financial assets at fair value through profit or loss	1,000	33,400	1.13	33,400	
	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	2,674	2.64	2,674	
	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	3,675	6.98	3,675	
	Lattice Energy Technology Corporation	None	Financial assets at fair value through profit or loss	2,300	-	5.97	-	

(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	December 31, 2025 Number of shares/units/ face value	Carrying amount	Percentage of ownership (%)	Market value	Note
Shin Shou Building Management	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	4,162	1.41	4,162	
	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	47,461	2.52	47,461	
	Revlis Biotech Co., Ltd.	None	Financial assets at fair value through other comprehensive income	3,114	2,698	3.70	2,698	
	MIGO CORPORATION	None	Financial assets at fair value through other comprehensive income	2,301	-	0.54	-	
	Asia Best Healthcare Co., Ltd.	None	Financial assets at fair value through other comprehensive income	4	9,338	1.57	9,338	
	ASIA BEST LIFE CARE 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.	principal related party	Financial assets at fair value through other comprehensive income	11,699	232,676	2.27	350,980	
	Taiwan Shin Kong Security Co., Ltd.	principal related party	Financial assets at fair value through other comprehensive income	3,450	112,860	0.89	140,773	
	Shin Kong Spinning Co., Ltd.	principal related party	Financial assets at fair value through other comprehensive income	643	26,084	0.21	42,824	
	Shin Kong Insurance Co., Ltd.	principal related party	Financial assets at fair value through other comprehensive income	778	27,994	0.25	91,415	
	Yi Kong Security	principal related party	Financial assets at fair value through other comprehensive income	5,607	57,125	15.50	226,568	
	Lian-An Serve	principal related party	Financial assets at fair value through other comprehensive income	5	50	0.20	108	
	Grwat Taipei Broadband Co., Ltd.	principal related party	Financial assets at fair value through other comprehensive income	10,000	54,753	6.67	54,753	
	Yu Chi Venture Capital	None	Financial assets at fair value through other comprehensive income	125	1,250	2.50	1,307	

(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	December 31, 2025 Number of shares/units/ face value	Carrying amount	Percentage of ownership (%)	Market value	Note
Shin Kong Venture Capital	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	$100,000	0.42	$103,045	
	First Gold Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss	8,298	130,453	0.18	134,495	
	Fubon Money Market Fund	None	Financial assets at fair value through profit or loss	6,566	100,000	0.16	103,149	
	Yuanta U.S. Treasury 1-3 Year Bond ETF	None	Financial assets at fair value through profit or loss	1,000	31,160	0.21	31,160	
	CAPITAL ICE ESG 20+Year BBB Corporate ETF	None	Financial assets at fair value through profit or loss	1,900	28,652	0.01	28,652	
	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	28,770	0.10	28,770	
	KGI Global 10+Year USD Single A Corporate Bond ETF	None	Financial assets at fair value through profit or loss	1,400	20,076	0.06	20,076	
	Bond							
	Mercuries Life Insurance Co., Ltd 1st Perpetual Unsecured Subordinate Corporate Bond Issue in 2014	None	Investments in debt instruments at amortized cost	-	39,932	-	39,932	
	Stock							
	Taiya Renewable Energy Co., Ltd	None	Financial assets at fair value through profit or loss	600	6,478	0.00	6,478	
	Daheng	None	Financial assets at fair value through profit or loss	1,250	22,500	0.02	22,500	
	Eco Energy Corporation	None	Financial assets at fair value through profit or loss	857	11,322	0.02	11,322	
	Zimmite Taiwan Ltd.	None	Financial assets at fair value through profit or loss	611	32,526	0.02	32,526	
	TOPKEY CORPORATION	None	Financial assets at fair value through profit or loss	12	1,938	0.00	1,938	
	WPG HOLDINGS LIMITED	None	Financial assets at fair value through profit or loss	129	7,508	0.00	7,508	
	AnnJi Pharmaceutical Co., Ltd.	None	Financial assets at fair value through profit or loss	133	6,779	0.00	6,779	
	Chyunn Environment Corporation	None	Financial assets at fair value through profit or loss	929	32,206	0.04	32,206	

(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	December 31, 2025 Number of shares/units/ face value	Carrying amount	Percentage of ownership (%)	Market value	Note
	Techzone Technology Materials Co., Ltd.	None	Financial assets at fair value through profit or loss	384	$29,798	0.00	$29,798	
	Sync-Tech System Corp.	None	Financial assets at fair value through profit or loss	2	306	0.00	306	
	DURA TEK,INC.	None	Financial assets at fair value through profit or loss	7	1,695	0.00	1,695	
	E-CHEM ENTERPRISE CORP.	None	Financial assets at fair value through profit or loss	12	882	0.00	882	
	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	30,429	0.00	30,429	
	Value Valves Co., Ltd.	None	Financial assets at fair value through other comprehensive income	37	2,986	0.00	2,986	
	Alar Pharmaceuticals Inc.	None	Financial assets at fair value through other comprehensive income	288	87,552	0.00	87,552	
	Beneficiary certificates							
	Mesh Ventures Fund 1 LP	None	Financial assets at fair value through other comprehensive income	-	1,269	0.03	1,269	
	Li Shen Zhi-Lian L.P.	None	Financial assets at fair value through profit or loss	-	214	0.15	214	
	Andra Capital Fund LP	None	Financial assets at fair value through profit or loss	-	236,709	0.04	236,709	
	Pacific 8 Ventures Fund II, L.P.	None	Financial assets at fair value through profit or loss	-	65,727	0.06	65,727	
	Bond							
	Mercuries Life Insurance Co., Ltd 1st Perpetual Unsecured Subordinate Corporate Bond Issue in 2014	None	Investments in debt instruments at amortized cost	-	231,588	-	231,588	
	Equity							
	Lion Investment (Samoa) Co., Ltd.	Parent company and subsidiary	Investments measured by equity method	30,010	774,426	1.00	774,426	
	Jih-yao Energy Co., Ltd.	None	Investments measured by equity method	500	5,169	0.02	5,169	

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

ATTACHMENT 4
Acquisition or disposal of individual real estate reaching NT$300 million or 10% of the paid-in capital or more
For the year ended December 31, 2025

Seller	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party: Owner	Relationship	Acquired Date	Amount	Pricing Reference	Purpose of Acquisition	Other Terms
Shin Kong Life Insurance	The two parcels of land numbered 848 and 852 in Section 3, Nanhai, Zhongzheng District, Taipei City, and the buildings on the land (a total of 4 units located on the 3rd, 8th, 9th, and 10th floors; a total of 6 parking spaces)	2025.8.25~ 2025.9.17	$374,350	Payment received	natural person	non-related party	-	-	-	-	According to the appraisal report and the minimum sales price, etc	Investment	None
Shin Kong Life Insurance	The two parcels of land numbered 848 and 852 in Section 3, Nanhai, Zhongzheng District, Taipei City, and the buildings on the land (a total of 6 units located on the 6th, 8th, 13th, 19th, and 20th floors; a total of 10 parking spaces).	2025.10.22~ 2025.12.2	589,870	Payment received	natural person	non-related party	-	-	-	-	According to the appraisal report and the minimum sales price, etc	Investment	None

Note 1: The transaction amount does not include brokerage fees, regulatory fees, and agency fees paid as of the acquisition date.

Note 2: Date of occurrence refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier.

ATTACHMENT 5
Receivables from related parties amounting to NT$300 million or 10% of the paid-in capital
December 31, 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	$4,094,413 (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	392,086 (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.

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

ATTACHMENT 6
Information on investees' names, locations, etc.
For the year ended December 31, 2025

Investees' Names	Unified Business No.	Investees' Location	Principal Business Activities	Ownership Interest (%) at Ending Balance	Investment Book Value	Recognized Investment Income (Loss) of Current Period	Percentage Share of the Company and Its Affiliates in Investees (Note 1)				Note
							Current Shares	Pro Forma Shares (Note 2)	Total Shares	Ownership Interest (%)	
Financial business											
Taishin Bank	86519539	B1, 1F, No. 44, Jungshan N. Rd.,Sec. 2, Zhongshan District, Taipei, Taiwan	Commercial banking, trust, and bills finance businesses regulated under theBanking Act and approved by the competent authority	100.00%	$214,010,166	$21,383,766	12,299,164,593	-	12,299,164,593	100.00	Investments accounted for using equity method
Taishin Life Insurance	70789634	10F., No. 161, Sec. 5, Nanjing E. Rd., Songshan Dist., Taipei, Taiwan	Life insurance	100.00%	22,408,692	1,590,074	1,185,728,417	-	1,185,728,417	100.00	Investments accounted for using equity method
Taishin Securities B	23534956	2F, No. 44, Jungshan N. Rd., Sec. 2, Zhongshan District,Taipei, Taiwan	Underwriting, proprietary trading, and brokerage of securities, as well as margintrading and short selling of marketable securities	100.00%	12,668,680	2,443,364	692,412,444	-	692,412,444	100.00	Investments accounted for using equity method
Taishin Venture Capital Investment	80031342	18F, No. 118, Ren-Ai Rd., Sec.4, Da'an District, Taipei, Taiwan	Venture capital, investment advisory, and management consulting businesses	100.00%	3,321,943	(1,413,055)	714,092,688	-	714,092,688	100.00	Investments accounted for using equity method

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)

Investees' Names	Unified Business No.	Investees' Location	Principal Business Activities	Ownership Interest (%) at Ending Balance	Investment Book Value	Recognized Investment Income (Loss) of Current Period	Percentage Share of the Company and Its Affiliates in Investees (Note 1)				Note
							Current Shares	Pro Forma Shares (Note 2)	Total Shares	Ownership Interest (%)	
Taishin Securities Investment Trust	27326178	2 F-1, No. 167, Section 2, N. Rd, Zhongshan District, Taipei, Taiwan	Securities investment trust business, Securities investment advisory discretionary investment services, and other businesses approved by the competent authority	100.00%	$2,097,312	$327,911	136,502,964	-	136,502,964	100.00	Investments accounted for using equity method
Taishin Securities Investment Advisory	23285289	16F, No. 118, Ren-Ai Rd., Sec.4, Da'an District, Taipei, Taiwan	Accepting mandates from customers, providing analytical opinions or recommendations on securities investment, acting as an agent for investment consultancy of offshore funds, issuing publications about securities investment	92.00%	298,022	(7,039)	27,599,513	-	27,599,513	92.00	Investments accounted for using equity method
Taishin AMC	80341022	2F-3, No. 9, Dehuei St., Zhongshan District, Taipei, Taiwan	Businesses related to the purchase, valuation, auction, and management ofmoney-debt claims from financial institutions Section expropriation and urban land rezoning agency, urban renewal and reconstruction, real estate sales and leasing businesses	100.00%	$1,130,194	$112,025	67,100,000	-	67,100,000	100.00	Investments accounted for using equity method

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

Investees' Names	Unified Business No.	Investees' Location	Principal Business Activities	Ownership Interest (%) at Ending Balance	Investment Book Value	Recognized Investment Income (Loss) of Current Period	Percentage Share of the Company and Its Affiliates in Investees (Note 1)			Note	
							Current Shares	Pro Forma Shares (Note 2)	Total Shares	Ownership Interest (%)	
Taiwan Shin Kong Commercial Bank	97172648	3rd, 4th, 5th, 10th, 19th, 20th, and 21st floors, 4th Floor-1, 5th Floor-1, and 9th Floor-1 of No. 32, Songren Road, Xinyi District, Taipei City, and 1st, 3rd, 4th, 5th, 10th, 19th, 20th, and 21st floors, and 9th Floor-1 of No. 36, Songren Road, Xinyi District, Taipei, Taiwan	Commercial banking business as stipulated by the Banking Act and businesses approved by the competent authority.	100.00%	$96,863,561	$4,244,150	4,981,532,944	-	4,981,532,944	100.00	Investments accounted for using equity method
Shin Kong Life Insurance	03458902	31st to 43rd floors, No. 66, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei, Taiwan	Life insurance	100.00%	167,420,954	8,579,208	8,574,762,776	-	8,574,762,776	100.00	Investments accounted for using equity method
MasterLink Securities	23357868	1st to 3rd floors, No. 209, Section 1, Fuxing South Road, Da'an District, Taipei, Taiwan	Securities brokerage, futures brokerage, futures trading auxiliary services, and trust businesses	100.00%	33,481,606	2,375,111	1,609,609,856	-	1,609,609,856	100.00	Investments accounted for using equity method
Shin Kong Venture Capital	53010105	38th Floor, No. 66, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei, Taiwan	Venture capital, investment advisory, and management consulting services	100.00%	$1,544,349	$(249,504)	182,415,530	-	182,415,530	100.00	Investments accounted for using equity method
Shin Kong Insurance Agent	70470010	31st Floor, No. 66, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei, Taiwan	Property insurance agency business	100.00%	116,963	39,958	1,000,000	-	1,000,000	100.00	Investments accounted for using equity method
Shin Kong Investment Trust	-	-	-	-	-	60,330	-	-	-	-	On November 24, 2025, the Company was merged, dissolved, and incorporated into Taishin Securities Investment Trust

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

Investees' Names	Unified Business No.	Investees' Location	Principal Business Activities	Ownership Interest (%) at Ending Balance	Investment Book Value	Recognized Investment Income (Loss) of Current Period	Percentage Share of the Company and Its Affiliates in Investees (Note 1)			Note	
							Current Shares	Pro Forma Shares (Note 2)	Total Shares	Ownership Interest (%)	
Chang Hwa Bank	51811609	No. 38, Section 2, Ziyou Road, Central District, Taichung, Taiwan	Commercial banking business as stipulated by the Banking Act, life insurance agency, and property insurance agency businesses	2.55%	$6,135,000	$-	300,198,889	-	300,198,889	2.55	Financial assets at FVTOCI
Non financial business											
Taipei Metro Consulting Service CO., LTD.	27974096	B1F, No. 7, Lane 48, Zhongshan N. Rd., Sec. 2, Zhongshan District, Taipei, Taiwan	Consultancy, information service, human resource dispatch, and other businesses	4.40%	2,118	-	520,000	-	520,000	10.40	Investments accounted for using equity method

Note 1: Shares or pro forma shares held by the Company, directors, supervisors, president, vice president and affiliates in accordance with the Company Law have been included.

Note 2: a. Pro forma shares are shares that are assumed to be obtained through buying equity-based securities or entering into equity-linked derivative contracts.

b. Equity-based securities, such as convertible bonds and warrants, are covered by Article 11 of the "Securities and Exchange Law Enforcement Rules."

c. Derivative contracts, such as those on share options, are those conforming to the definition of derivatives in International Accounting Standards No. 39 - "Financial Instruments."

ATTACHMENT 7

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) Outflow	Investment flows (US$ in thousand) Inflow	Accumulated outflow of investment from Taiwan as of December 31, 2025 (US$ in thousand)	Investee's net income	Percentage of ownership (%)	Investment profit (loss) recognized in the current period	Carrying value as of December 31, 2025	Accumulated inward remittance of earnings as of December 31, 2025
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)	$29,417	100%	$29,417	$2,506,283	$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	(61)	100%	(61)	27,318	-
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	4,236	100%	4,236	93,028	-
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)	50,450			504,500	629	100%	629	442,969	-
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	(1,621,394)	25%	(5,157)	-	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	(245,830)	100%	(245,830)	774,419	-

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

2.Investment limits for the mainland region:

Investor	Accumulated investment in Mainland China as of December 31, 2025	Investment amounts authorized by investment commission, MOEA	Upper limit on investment
Taishin D.A. Finance	$2,117,767 (USD70,000)	$2,356,113	$32,147,491
MasterLink Securities	568,724	568,724	17,289,853
Shin Kong Life Insurance	1,386,100	337,721 (USD12,642)	106,817,040
Shin Kong Venture Capital	909,540 (USD30,000)	909,540	903,392

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.

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.

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

ATTACHMENT 8
Intercompany Relationships and significant intercompany transactions:

Number (Note 1)	Main party	Counterparty	Relationship (Note 2)	Transactions			
				Account	Amount	Terms	% of Consolidated operating revenues or consolidated total assets (Note 3)
0	TS Financial Holding	Taishin Bank	1	Cash and cash equivalents	$21,457,347	Under arm’s length terms	0.24%
0	TS Financial Holding	Shin Kong Life Insurance	1	Payables, net	11,114,781	Under arm’s length terms	0.13%
0	TS Financial Holding	MasterLink Securities	1	Receivable, net	128,200	Under arm’s length terms	0.00%
1	Taishin Bank	TS Financial Holding	2	Interest expenses	369,144	Under arm’s length terms	0.25%
1	Taishin Bank	TS Financial Holding	2	Payables, net	4,094,413	Under arm’s length terms	0.05%
1	Taishin Bank	Taishin Securities Investment Advisory	3	Deposits and remittances	330,940	Under arm’s length terms	0.00%
1	Taishin Bank	Taishin Securities Investment Trust	3	Deposits and remittances	411,484	Under arm’s length terms	0.00%
1	Taishin Bank	Taishin Securities B	3	Deposits and remittances	2,664,009	Under arm’s length terms	0.03%
1	Taishin Bank	Taishin Life Insurance	3	Deposits and remittances	8,367,556	Under arm’s length terms	0.10%
1	Taishin Bank	Taishin Life Insurance	3	Receivable, net	392,086	Under arm’s length terms	0.00%
1	Taishin Bank	Taishin Life Insurance	3	Lease liabilities	160,440	Under arm’s length terms	0.00%
1	Taishin Bank	Taishin Life Insurance	3	Right-of-use assets, net	153,104	Under arm’s length terms	0.00%
1	Taishin Bank	Taishin Futures	4	Deposits and remittances	1,132,026	Under arm’s length terms	0.01%
1	Taishin Bank	Taishin Sports Entertainment	4	Other general and administrative expenses	120,000	Under arm’s length terms	0.08%
1	Taishin Bank	Taishin Life Insurance	3	Net service fee and commission income	3,950,924	Under arm’s length terms	2.62%
1	Taishin Bank	Shin Kong Life Insurance	3	Net service fee and commission income	108,620	Under arm’s length terms	0.07%
1	Taishin Bank	Shin Kong Life Insurance	3	Deposits and remittances	101,159	Under arm’s length terms	0.00%
1	Taishin Bank	Taishin D.A. Finance	4	Deposits and remittances	215,034	Under arm’s length terms	0.00%
1	Taishin Bank	MasterLink Futures	4	Deposits and remittances	179,751	Under arm’s length terms	0.00%
2	Taishin Securities B	Taishin Bank	3	Lease liabilities	118,879	Under arm’s length terms	0.00%
2	Taishin Securities B	Taishin Bank	3	Right-of-use assets, net	116,394	Under arm’s length terms	0.00%
2	Taishin Securities B	TS Financial Holding Co., Ltd.	3	Payables, net	162,627	Under arm’s length terms	0.00%
3	Taishin Life Insurance	Taishin Securities Investment Trust	3	Net service fee and commission income	163,874	Under arm’s length terms	0.11%
4	Taishin Futures	Taishin Securities B	5	Other financial assets	1,235,268	Under arm’s length terms	0.01%
4	Taishin Futures	Taishin Securities B	5	Other financial liabilities	1,235,268	Under arm’s length terms	0.01%
5	Taiwan Shin Kong Commercial Bank	Shin Kong Life Insurance	3	Interest expenses	238,243	Under arm’s length terms	0.16%
5	Taiwan Shin Kong Commercial Bank	Shin Kong Life Insurance	3	Net service fee and commission income	1,032,334	Under arm’s length terms	0.69%

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

Number (Note 1)	Main party	Counterparty	Relationship (Note 2)	Transactions			
				Account	Amount	Terms	% of Consolidated operating revenues or consolidated total assets (Note 3)
5	Taiwan Shin Kong Commercial Bank	Shin Kong Life Insurance	3	Deposits and remittances	42,683,508	Under arm’s length terms	0.49%
5	Taiwan Shin Kong Commercial Bank	Shin Shou Building Management	4	Deposits and remittances	210,126	Under arm’s length terms	0.00%
5	Taiwan Shin Kong Commercial Bank	MasterLink Securities	3	Deposits and remittances	5,790,282	Under arm’s length terms	0.07%
5	Taiwan Shin Kong Commercial Bank	MasterLink Futures	4	Deposits and remittances	2,760,633	Under arm’s length terms	0.03%
5	Taiwan Shin Kong Commercial Bank	Taishin Securities Investment Trust	3	Deposits and remittances	647,638	Under arm’s length terms	0.00%
5	Taiwan Shin Kong Commercial Bank	Shin Kong Insurance Agent	3	Deposits and remittances	116,479	Under arm’s length terms	0.00%
6	Taiwan Shin Kong Commercial Bank	Shin Kong Life Insurance	3	Lease liabilities	704,560	Under arm’s length terms	0.01%
6	Taiwan Shin Kong Commercial Bank	Shin Kong Life Insurance	3	Right-of-use assets, net	660,694	Under arm’s length terms	0.01%
6	MasterLink Securities	Shin Kong Life Insurance	3	Net service fee and commission income	105,810	Under arm’s length terms	0.07%
6	MasterLink Securities	MasterLink Futures	4	Cash and cash equivalents	994,315	Under arm’s length terms	0.66%
7	Shin Kong Life Insurance	Taiwan Shin Kong Commercial Bank	3	Net other non-interest income	116,668	Under arm’s length terms	0.08%

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.

STATEMENT OF MAJOR ACCOUNTING ITEMS

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TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(FORMERLY NAMEDTAISHIN FINANCIAL HOLDING CO., LTD.)
Financial assets at FVTPL
As of December 31, 2025

Schedule 1 — In Thousands of New Taiwan Dollars; in Thousands of Units

Financial Instrument Items	Summary	Face Value/ Units/Shares	Cost	Fair Value
Investment in bills	Commercial papers - other banks guarantees	71,877,800	$71,538,111	$71,831,848
	Others (Note)	89,674,191	89,609,744	89,621,357
Domestic listed shares		534,178	85,746,188	96,100,141
Domestic OTC shares		32,103	6,252,417	6,198,505
Domestic and foreign unlisted shares		1,202,066	3,449,275	2,855,514
Domestic emerging shares		2,570	139,498	138,315
Foreign listed shares		42,394	33,960,412	34,088,214
Beneficiary certificates-fund		10,245,158	222,434,998	185,443,686
Government bonds		41,228,942	41,011,324	41,206,388
Bank notes payable		19,671,200	28,046,655	26,590,939
Corporate bonds		1,450,000	1,449,622	1,442,931
Convertible corporate bonds		14,116,892	14,183,278	15,430,946
Beneficiary securities		77,256	1,026,795	849,568
Other securities		1,261,134	1,325,291	1,274,581
Trading securities - dealing				
Corporate bonds		6,574	657,395	662,294
Domestic listed shares		125,534	4,171,133	49,404,104
Domestic OTC shares		7,904	1,516,703	1,657,938
Domestic emerging shares		21,154	1,183,998	1,099,206
Convertible corporate bonds		7,793	842,573	843,353
Domestic listed funds		119,267	2,154,184	2,176,893
Domestic OTC funds		85,284	1,672,099	1,676,080
Others (Note)		27	683	161
Trading securities - underwriting				
Domestic listed shares		3,159	590,104	877,885
Domestic OTC shares		665	104,799	335,589
Convertible corporate bonds		16,665	1,794,453	1,908,787
Trading securities - hedging				
Domestic listed shares		10,074	1,386,290	22,358,542
Domestic OTC shares		1,054	223,771	247,024
Domestic listed warrants		6,122	35,324	38,896
Domestic OTC warrants		623	1,114	2,024
Convertible corporate bonds		54,872	6,211,712	6,271,466
Derivative financial instruments	Currency swaps			24,459,627
	Interest rate swaps		3,461	15,662,174
	Others (Note)		2,005,880	7,988,789
Investment agreement		2,000	2,000	-
Total			$624,731,284	$710,743,765

Note: The amount of each item in others does not exceed 5% of the account balance.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

(FORMERLY NAMEDTAISHIN FINANCIAL HOLDING CO., LTD.)

STATEMENT OF FINANCIAL ASSETS AT VALUE THROUGH OTHER COMPREHENSIVE INCOME

December 31, 2025

Schedule 2

In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Items	Summary	Face Value/ Units/Shares	Cost	Allowance for Impairment	Fair Value	Note
Government bonds						
(Note 1)		144,099,423	$148,050,197	$-	$155,786,387	
	T 4.125 07/31/31	9,434,400	9,585,144	-	9,619,399	
	T 3.875 08/31/32	13,837,120	13,809,631	-	13,856,575	
Corporate bonds		96,640,092	98,484,531	(80,201)	136,696,582	
Bank notes payable		70,654,479	74,080,349	(8,725)	73,265,637	
Domestic and overseas shares	Chang Hwa Bank	576,147	4,421,831	-	6,135,000	
	Others (Note 2)	2,703,472	16,117,806	-	181,990,201	
Beneficiary securities		1,074,975	2,599,059	-	2,397,879	
Total			$367,148,548	$(88,926)	$579,747,660	

Note 1: The carrying amount of pledged assets was $312,563 thousand.

Note 2: The amount of each item in others does not exceed 5% of the account balance.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

(FORMERLY NAMEDTAISHIN FINANCIAL HOLDING CO., LTD.)

STATEMENT OF INVESTMENTS IN DEBT INSTRUMENTS AT AMORT COST

December 31, 2025

Schedule 3

In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Items	Summary	Amount	Interest Rate (%)	Unamortized Premium (Discount)	Allowance for Impairment	Book Value	Note
Investment in bills		$250,587,729		$(189,646)	$-	$250,398,083	
Government bonds		751,863,237		(152,708,126)	(159,619)	598,995,492	
Bank notes payable		1,256,984,883		(308,443,175)	(240,191)	948,301,517	
Corporate bonds		921,657,438		(125,174,207)	(450,520)	796,032,711	
Beneficiary securities		117,930,997		(3,534,997)	-	114,396,000	
Negotiable certificates of deposit		38,800,000		(4,754,270)	-	34,045,730	
Less: Security deposits		(30,514,076)		-	-	(30,514,076)	
Total		$3,307,310,208		$(594,804,421)	$(850,330)	$2,711,655,457	

Note : The carrying amount of pledged assets was $28,862,200 thousand.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(FORMERLY NAMEDTAISHIN FINANCIAL HOLDING CO., LTD.)
STATEMENT OF SECURITIES PURCHASED UNDER RESELL AGREEMENTS
December 31, 2025

Schedule 4 In Thousands of New Taiwan Dollars

Items	Face Value	Amount
Securities purchased under resell agreements		
Invoicing -Union Bank of Taiwan	$2,197,000	$2,194,405
Invoicing -Dah Chung Bills	1,218,700	1,214,049
Invoicing -International Bills	2,410,900	2,406,199
MasterLink	-	2,300,916
Others (Note)	1,931,400	2,176,059
Government bonds		
Others (Note)	2,648,500	2,680,406
Corporate bonds		
Others (Note)	1,003,295	1,002,500
Bank notes payable		
Others (Note)	798,113	797,500
Total	$12,207,908	$14,772,034

Note: The amount of each item in others does not exceed 5% of the account balance.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(FORMERLY NAMEDTAISHIN FINANCIAL HOLDING CO., LTD.)
STATEMENT OF REINSURANCE CONTRACT ASSETS
December 31, 2025

Schedule 5

In Thousands of New Taiwan Dollars

Item	Amount
1. Claims recoverable from reinsurers	
Individual health insurance	$1,022,707
Group insurance	2,807
Individual life insurance	464,769
Personal Accident insurance	13,335
Investment-linked insurance	20,060
Other (Note)	-
Subtotal	1,523,678
Less: Loss allowance	-
Total	1,523,678
2. Due from reinsurers and ceding companies	
Central Reinsurance Corporation	144,348
The Toa Reinsurance Company, Ltd.	41,776
Reinsurance Group Of America	54,563
Other (Note)	33,067
Subtotal	273,754
Less: Loss allowance	-
Total	273,754
3. Reinsurance reserve assets	
Ceded unearned premium reserve	716,990
Ceded loss reserve	90,400
Subtotal	807,390
Less: Loss allowance	-
Total	807,390
Total	$2,604,822

Note: The amount of each item in others does not exceed 5% of the account balance.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(FORMERLY NAMEDTAISHIN FINANCIAL HOLDING CO., LTD.)
STATEMENT OF INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
For the year ended December 31, 2025

Schedule 6

In Thousands of New Taiwan Dollars and Shares/Units, Unless Stated Otherwise

	Beginning Balance		Increase		Decrease		Ending Balance			Market Price or Equity	
Name	Shares	Amounts	Shares	Amounts	Shares	Amounts	Shares	Ownership Interest (%)	Amounts	Unit Price	Total
Unlisted shares											
An Hsin Construction Manager	4,500	$84,584	-	$8,876	-	$(12,800)	4,500	30	$80,660	$17.94	$80,660
Xin Sheng Feng Investment Co.,Ltd.	21,136	294,105	-	24,400	-	(22,225)	21,136	25	296,280	14.02	296,280
Mega Solar Energy Co., Ltd	16,000	149,310	-	-	(10,780)	(149,310)	5,220	20	-	-	-
Century Biotech Developmen	-	-	60,779	658,491	-	-	60,779	24	658,491	-	658,491
Jih-yao Energy Co., Ltd.	-	-	10,500	110,620	-	(2,066)	10,500	35	108,554	-	108,554
LeadsunFox Greenergy Investment Co., Ltd.	-	-	56,303	588,356	-	-	56,303	28	588,356	-	588,356
Xinhe Energy Development Co., Ltd.	-	-	50,000	503,222	-	(503,222)	50,000	25	-	-	503,222
Xinding No. 1 Energy Co., Ltd.	-	-	25,000	251,324	-	(2,624)	25,000	25	248,700	-	248,700
Taipan Solar Co., Ltd.	-	-	42,120	448,210	-	(11,202)	42,120	30	437,008	-	437,008
Juxin Energy Co., Ltd.	-	-	18,000	180,902	-	(5,831)	18,000	24	175,071	-	175,071
Wholes Max Green Power Co., Ltd.	-	-	39,000	418,336	-	(4,466)	39,000	19	413,870	-	413,870
Total		$527,999	-	$3,192,737		$(713,746)			$3,006,990		$3,510,212

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(FORMERLY NAMEDTAISHIN FINANCIAL HOLDING CO., LTD.)
STATEMENT OF RIGHT-OF-USE ASSETS
For the year ended December 31, 2025

Schedule 7

In Thousands of New Taiwan Dollar

Name	Beginning Balance	Increase	Decrease	Acquisitions through business combinations	Others (Note)	Ending Balance	Note
Land use rights	$-	$1,258	$(1,418)	$3,210,353	$(140,336)	$3,069,857	
Buildings	4,840,259	1,215,666	(1,322,705)	3,905,816	(178,215)	8,460,821	
Office and other equipment	9,612	9,092	(8,751)	81,106	12	91,071	
Transportation equipment	46,703	13,041	(30,317)	63,260	536	93,223	
Total	$4,896,574	$1,239,057	$(1,363,191)	$7,260,535	$(318,003)	$11,714,972	

Note: The amount in others refer to exchange differences on translation of foreign financial statement.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

(FORMERLY NAMEDTAISHIN FINANCIAL HOLDING CO., LTD.)

CHANGES IN ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSETS

For the year ended December 31, 2025

Schedule 8

In Thousands of New Taiwan Dollars

Name	Beginning Balance	Increase	Decrease	Acquisitions through business combinations	Others (Note)	Ending Balance	Note
Land use rights	$-	$15,619	$(1,327)	$256,324	$(16,105)	$254,511	
Buildings	2,652,000	1,258,567	(1,283,424)	1,864,078	(71,160)	4,420,061	
Office and other equipment	8,368	9,818	(8,710)	44,970	88	54,534	
Transportation equipment	17,921	21,159	(24,548)	38,225	464	53,221	
Total	$2,678,289	$1,305,163	$(1,318,009)	$2,203,597	$(86,713)	$4,782,327	

Note: The amount in others refer to exchange differences on translation of foreign financial statement.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(FORMERLY NAMEDTAISHIN FINANCIAL HOLDING CO., LTD.)
STATEMENT OF SECURITIES SOLD UNDER REPURCHASE AGREEMENTS
December 31, 2025

Schedule 9

In Thousands of New Taiwan Dollars

Items	Face Value	Amount
Corporate bonds	$49,607,179	$56,207,530
Convertible corporate bonds	4,494,000	4,495,742
Commercial papers		
Invoicing - HSBC Bank (Taiwan)	6,000,000	5,937,359
Invoicing - TWSE	6,451,900	6,422,224
Others (Note)	13,401,400	13,348,131
Government bonds	17,010,747	17,092,028
Bank notes payable	4,454,889	4,667,441
Total	$101,420,115	$108,170,455

Note: The amount of each item in others does not exceed 5% of the account balance.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

(FORMERLY NAMEDTAISHIN FINANCIAL HOLDING CO., LTD.)

STATEMENT OF INSURANCE LIABILITIES

For the year ended December 31, 2025

Schedule 10

In Thousands of New Taiwan Dollars

Items	Beginning Balance	Changes in the Current Period	Ending Balance
Unearned premium reserve			
Total:			
Individual life insurance	$50,463	$95	$50,558
Individual injury insurance	97,327	6,257,287	6,354,614
Individual health insurance	1,163,340	5,483,310	6,646,650
Investment-linked insurance	27,863	48,953	76,816
Group insurance	-	1,524,655	1,524,655
Subtotal	1,338,993	13,314,300	14,653,293
Ceded:			
Individual life insurance	197,459	129,270	326,729
Individual injury insurance	14,361	2,234	16,595
Individual health insurance	135,851	202,831	338,682
Investment-linked insurance	32,314	2,670	34,984
Group insurance	-	-	-
Subtotal	379,985	337,005	716,990
Total	$959,008	$12,977,295	$13,936,303
Loss reserve			

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

(FORMERLY NAMEDTAISHIN FINANCIAL HOLDING CO., LTD.)

STATEMENT OF INSURANCE LIABILITIES

For the year ended December 31, 2025

Items	Beginning Balance	Changes in the Current Period	Ending Balance
Total:			
Individual life insurance	$969,543	$302,627	$1,272,170
Individual injury insurance	14,938	1,339,443	1,354,381
Individual health insurance	982,448	2,143,616	3,126,064
Investment-linked insurance	34,200	8,273	42,473
Group insurance	-	777,058	777,058
Subtotal	2,001,129	4,571,017	6,572,146
Ceded:			
Individual life insurance	3,754	7,492	11,246
Individual injury insurance	7	24	31
Individual health insurance	84,537	(5,414)	79,123
Investment-linked insurance	11,537	(11,537)	-
Group insurance	-	-	-
Subtotal	99,835	(9,435)	90,400
Total	$1,901,294	$4,580,452	$6,481,746
Policy reserve:			
Life insurance	$214,860,440	$2,865,561,804	$3,080,422,244
Health insurance	27,178,012	371,709,586	398,887,598
Annuity insurance	30,436	13,122,655	13,153,091
Investment-linked insurance	1,663,221	101,133	1,764,354

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

(FORMERLY NAMEDTAISHIN FINANCIAL HOLDING CO., LTD.)

STATEMENT OF INSURANCE LIABILITIES

For the year ended December 31, 2025

Items	Beginning Balance	Changes in the Current Period	Ending Balance
Transferred-in unwritten-off balance of 3% decrease in business tax	-	-	-
Transferred-in recovery of catastrophe reserve	-	-	-
Reserve for life insurance - pending payments to insured	52,944	904,884	957,828
Total	$243,785,053	$3,251,400,062	$3,495,185,115
Special reserve for life insurance:			
Reserve for participating policy dividends	$-	$700,002	$700,002
Reserve for dividends	-	457,060	457,060
Total	$-	$1,157,062	$1,157,062
Premium deficiency reserve			
Life insurance	$237,010	$650,151	$887,161
Health insurance	4,918	121,074	125,992
Total	$241,928	$771,225	$1,013,153

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

(FORMERLY NAMEDTAISHIN FINANCIAL HOLDING CO., LTD.)

STATEMENT OF INSURANCE LIABILITIES

For the year ended December 31, 2025

Items	Beginning Balance	Changes in the Current Period	Ending Balance
Reserve for insurance contracts with the nature of financial products			
Investment-linked insurance	$1,465	$174,409	$175,874
Reserve for foreign exchange valuation	$1,325,436	$54,683,607	$56,009,043
Other reserves	$21,567,593	$67,677,599	$89,245,192

Note 1: The changes in the current period include provision, recovery, foreign exchange gains (losses), changes in pending payments to the insured and acquisitions through business combinations.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

(FORMERLY NAMEDTAISHIN FINANCIAL HOLDING CO., LTD.)

STATEMENT OF FOREIGN EXCHANGE GAIN (LOSS)

For the year ended December 31, 2025

Schedule 11 In Thousands of New Taiwan Dollars

Items	Amount
Spot	$(19,998,673)
Forward	21,807,833
Self-owned capital	2,544,030
Debt instruments	57,820,281
Insurance liabilities in foreign currencies	3,630,840
Others (Note)	(44,796)
Total	$65,759,515

Note: The amount of each item in others does not exceed 5% of the account balance.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

(FORMERLY NAMEDTAISHIN FINANCIAL HOLDING CO., LTD.)

STATEMENT OF NET OTHER NON-INTEREST INCOME

For the year ended December 31, 2025

Schedule 12

In Thousands of New Taiwan Dollars

Items	Amount
Revenue excluding interest	
Loans management revenue	$198,694
Leasing revenue	2,393,962
Other revenue (Note)	1,062,193
Subtotal	3,654,849
Expense excluding interest	
Loans management cost	$(31,324)
Expenses of call (put) warrants issued	(140,483)
Reparation los	(1,140)
Other expenses (Note)	(9,925,794)
Subtotal	(10,098,741)
Total	$(6,443,892)

Note: The amount of each item in others does not exceed 5% of the account balance.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

(FORMERLY NAMEDTAISHIN FINANCIAL HOLDING CO., LTD.)

STATEMENT OF OPERATING EXPENSES

For the year ended December 31, 2025

Schedule 13 In Thousands of New Taiwan Dollars

Items	Amount
Employee benefits expense	$30,864,545
Depreciation and amortization	5,229,206
Leases	338,610
Stationery Supplies	206,230
Postage expenses	1,307,942
Insurance expense	849,026
Taxes	5,670,891
Entertainment expense	606,776
Donation expense	140,938
Service expense	2,626,974
Freight	85,576
Others (Note)	8,599,731
Total	$56,526,445

Note: The amount in others refers to those that do not exceed 5% of the account balance.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

(FORMERLY NAMEDTAISHIN FINANCIAL HOLDING CO., LTD.)

STATEMENT OF EMPLOYEE BENEFITS EXPENSES

For the year ended December 31, 2025

Schedule 14

In Thousands of New Taiwan Dollars

	Employee benefits expense	Other General and Administrative Expenses	Total
Salaries and wages	$26,510,716	$-	$26,510,716
Labor and national health insurance	2,118,508	-	2,118,508
Post-employment benefits	947,467	-	947,467
Share-based payments	161,696	-	161,696
Remuneration of directors and supervisors	390,926	10,558	401,484
Others	724,674	-	724,674
Total	$30,853,987	10,558	$30,864,545

Note 1: For the years ended December 31, 2025 and 2024, the numbers of employees of the Group were 19,298 and 11,738, respectively, including 61 and 29 non-employee directors, respectively.

Note 2: The average employee benefits expenses for the years ended December 31, 2025 and 2024 were $1,584 thousand and $1,747 thousand per employee, respectively.

Note 3: The average salaries and wages for the years ended December 31, 2025 and 2024 were $1,378 thousand and $1,502 thousand per employee, respectively. The average employee salary expense decreased by 8.26%, mainly due to the increase in the number of employees after the merger and the inclusion of employee salary expenses of Shin Kong Financial Holding and its subsidiaries from the merger base date July 24, 2025. Excluding the impact of the aforementioned merger, the average employee salary expense increased by 6.46%.

Note 4: Remuneration of supervisors for the years ended December 31, 2025 and 2024 were $880 thousand and $480 thousand, respectively.

Note 5: The Group’s compensation policy is as follows:

1. Remuneration of directors and supervisors of TS Financial Holding and its subsidiaries is based on the level of participation, contribution value, peer average, and manager compensation. The performance evaluation of directors and supervisors considers company performance, personal performance and participation; the payment of remuneration shall then be approved by the board of directors.
2. For managers and employees, compensation is based on their job duty, company and personal performance. TS Financial Holding and its subsidiaries assess peer average and future risk in order to provide competitive compensation.