

**TS Financial Holding Co., Ltd. and
Subsidiaries**
(Formerly Named Taishin Financial Holding Co., Ltd.)

**Consolidated Financial Statements for the
Six Months Ended June 30, 2025 and 2024 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
TS Financial Holding Co., Ltd.
(Formerly Named Taishin Financial Holding Co., Ltd.)

Opinion

We have audited the accompanying consolidated financial statements of TS Financial Holding Co., Ltd. (formerly named Taishin Financial Holding Co., Ltd.) (“TS Holdings”) and its subsidiaries (collectively, the “Group”), which comprise the consolidated balance sheets as of June 30, 2025, December 31, 2024 and June 30, 2024, and the consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2025 and 2024, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2025, December 31, 2024 and June 30, 2024, and its consolidated financial performance for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, and its consolidated cash flows for the six months ended June 30, 2025 and 2024 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China (ROC).

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the ROC. 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 ROC, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 the consolidated financial statements for the six months ended June 30, 2025. 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 six months ended June 30, 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”), a subsidiary of TS Holdings, and represent the Group’s significant accounts, which reached around 53% of the Group’s total assets as of June 30, 2025. The Group assesses the impairment of loans of Taishin Bank in accordance with IFRS 9 “Financial Instruments” and “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans” issued by the Financial Supervisory Commission (FSC) (“the Regulations”), and the impairment of loans is recognized at the higher of the amount based on IFRS 9 and the Regulations. See Notes 5 and 13 to the consolidated financial statements for relevant and additional information. The Group management’s judgment and the assumptions used have significant impacts on the impairment assessments. Therefore, we consider the impairment of loans to be a key audit matter. Refer to Note 6 to the consolidated financial statements for relevant and additional information.

Our audit procedures on the impairment of loans included understanding of and testing the design and operating effectiveness of controls and procedures for identifying loans and advances exposed to impairment and ensuring that provisions against those assets were made. We identified loans and checked public information to see whether the borrowers were possibly problematic companies or had already been included in the companies under evaluation for lifetime expected credit losses (ECLs). We evaluated the main assumptions and parameters used in the Group’s impairment assessment model of ECLs, confirmed that they are in compliance with IFRS 9 and recalculated the amount of the impairment of loans. In addition, we tested the classification of loan accounts in accordance with the Regulations and evaluated whether the amount of the impairment of loans complied with the Regulations.

Insurance Liability - Valuation of Reserve for Life Insurance Liability

Taishin Life Insurance Co., Ltd. (“Taishin Life Insurance”), a subsidiary of TS Holdings, adopts actuarial models and several significant assumptions for estimating the reserves for life insurance liability. Judging the reserves for life insurance liability involves significant assumptions, which include the mortality rate, discount rate, lapse rate, morbidity rate, etc. The setup of assumptions is based on legislation, regulations, knowledge of the Group’s actual experience and industry-specific experience.

Refer to Notes 5, 6 and 28 to the accompanying consolidated financial statements for details on the related information, accounting policies, accounting estimates and assumption uncertainty for the evaluation of the reserves for life insurance liability.

Since any changes in the actuarial models and important assumptions may lead to significant impacts on the results of the evaluation of the reserves for life insurance liability, we identified the reserves for life insurance liability as key audit matters.

The corresponding audit procedures were as follows:

1. We obtained an understanding of the internal controls related to management’s estimation of the reserves for life insurance liability, as well as evaluated the operating effectiveness of these internal controls.
2. We obtained actuarial reports regarding management’s estimations of the reserves for life insurance liability, as well as evaluated the Group’s contracted actuarial specialist’s professional ability and competence.

3. Our actuarial specialist performed the following procedures, and we compared the results with the actuarial report published by the Group’s contracted actuary and evaluated the rationality of the actuarial models and significant assumptions regarding the recognition of the reserves for life insurance liability applied by management. The main audit procedures are described as follows:
 - a. Our actuarial specialist randomly sampled the insurance products of Taishin Life Insurance, and we examined the calculations of the reserves for life insurance liability and confirmed that the calculations were in accordance with the regulations.
 - b. Our actuarial specialist focused on the actuarial models and important assumptions of selected insurance policies and verified the recognized amount of the reserves for life insurance liability.
 - c. Our actuarial specialist performed profiling tests, which focused on long-term insurance policies, and identified abnormal single insurance policies that recognized amounts of reserves for life insurance liability as of June 30, 2025.
 - d. Our actuarial specialist used the previously recognized amounts of the reserves for life insurance liability. Taking into consideration the business development for the year, our actuarial specialist performed a ratio analysis to determine the reasonableness of the reserves for life insurance liability and to estimate the overall recognized amount of the reserves for life insurance liability.

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 Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, the Regulations Governing the Preparation of Financial Reports by Public Banks, the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Firms, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC of the ROC, 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 the audit committee, are responsible for overseeing the Group’s financial reporting process.

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 ROC 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 ROC, we exercise professional judgment and maintain 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 Group's internal control.
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 Group's ability to continue as a going concern. 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 disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of 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 the consolidated financial statements for the six months ended June 30, 2025 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.

The engagement partners on the audits resulting in this independent auditors' report are Han-Ni Fang and Ching-Cheng Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 29, 2025

Notice to Readers

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

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

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents (Note 7)	\$ 25,408,907	1	\$ 33,110,688	1	\$ 25,615,903	1
Due from the Central Bank and call loans to banks (Note 8)	109,928,109	3	108,262,582	3	103,784,560	3
Financial assets at fair value through profit or loss (FVTPL) (Note 9)	205,794,629	6	185,958,931	6	189,042,875	6
Financial assets at fair value through other comprehensive income (FVTOCI) (Note 10)	178,020,845	5	169,292,719	5	180,072,946	6
Investments in debt instruments at amortized cost (Note 11)	771,527,723	23	812,983,362	25	761,477,221	23
Securities purchased under resell agreements	512,067	-	2,741,500	-	3,498,271	-
Receivables, net (Notes 12 and 13)	180,055,215	5	186,735,572	6	198,611,025	6
Loans, net (Notes 5, 6 and 13)	1,785,697,056	53	1,660,513,546	50	1,651,635,756	51
Reinsurance contract assets, net	694,673	-	702,364	-	587,523	-
Investments accounted for using equity method (Note 14)	491,147	-	527,999	-	501,259	-
Other financial assets, net (Notes 12, 13, 15 and 31)	63,456,658	2	55,826,062	2	52,021,732	2
Investment properties, net (Note 16)	11,006,637	-	10,856,081	-	5,505,520	-
Property and equipment, net (Note 17)	24,898,636	1	25,308,787	1	25,572,408	1
Right-of-use assets, net (Note 18)	2,376,176	-	2,218,285	-	2,269,163	-
Intangible assets, net (Note 19)	3,660,143	-	3,669,396	-	3,573,218	-
Deferred tax assets	7,684,416	-	7,694,759	-	7,346,519	-
Other assets, net (Note 20)	<u>22,975,780</u>	<u>1</u>	<u>24,302,711</u>	<u>1</u>	<u>26,579,490</u>	<u>1</u>
TOTAL	<u>\$ 3,394,188,817</u>	<u>100</u>	<u>\$ 3,290,705,344</u>	<u>100</u>	<u>\$ 3,237,695,389</u>	<u>100</u>
LIABILITIES AND EQUITY						
Deposits from the Central Bank and banks (Note 21)	\$ 27,348,108	1	\$ 12,676,083	-	\$ 24,164,370	1
Financial liabilities at fair value through profit or loss (FVTPL) (Note 9)	78,869,192	2	56,665,194	2	58,569,397	2
Securities sold under repurchase agreements	58,308,674	2	64,973,243	2	80,596,032	2
Commercial papers issued, net (Note 22)	30,083,543	1	49,413,465	2	37,246,449	1
Payables (Note 23)	78,488,180	2	44,764,025	1	57,506,515	2
Current tax liabilities	5,737,324	-	2,234,377	-	2,808,059	-
Deposits and remittances (Note 24)	2,389,009,663	70	2,320,225,929	71	2,261,848,884	70
Bonds payable (Note 25)	53,350,000	2	64,533,272	2	65,206,625	2
Other borrowings (Note 26)	6,983,235	-	10,243,711	-	11,151,963	-
Provisions (Notes 5, 6, 27 and 28)	273,627,740	8	271,768,851	8	257,817,401	8
Other financial liabilities (Notes 29 and 31)	152,365,934	5	148,851,012	5	147,499,562	5
Lease liabilities (Note 18)	2,446,124	-	2,291,981	-	2,347,226	-
Deferred tax liabilities	1,293,548	-	2,578,856	-	1,822,642	-
Other liabilities (Note 30)	<u>23,798,851</u>	<u>1</u>	<u>10,600,758</u>	<u>-</u>	<u>8,986,747</u>	<u>-</u>
Total liabilities	<u>3,181,710,116</u>	<u>94</u>	<u>3,061,820,757</u>	<u>93</u>	<u>3,017,571,872</u>	<u>93</u>
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT (Note 33)						
Share capital						
Ordinary shares	129,761,443	4	129,761,443	4	124,770,618	4
Preferred shares	11,000,000	-	11,000,000	-	11,000,000	1
Stock dividend to be distributed	-	-	-	-	4,990,825	-
Capital surplus	38,197,778	1	38,197,778	1	38,197,778	1
Retained earnings						
Legal reserve	20,556,406	1	18,439,029	1	18,439,029	-
Special reserve	468,184	-	1,146,190	-	1,146,190	-
Unappropriated earnings	14,814,975	-	30,519,014	1	20,189,697	1
Other equity	(2,256,457)	-	(116,447)	-	1,362,454	-
Treasury shares	<u>(89,298)</u>	<u>-</u>	<u>(89,298)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total equity attributable to owners of parent	212,453,031	6	228,857,709	7	220,096,591	7
NON-CONTROLLING INTERESTS	<u>25,670</u>	<u>-</u>	<u>26,878</u>	<u>-</u>	<u>26,926</u>	<u>-</u>
Total equity	<u>212,478,701</u>	<u>6</u>	<u>228,884,587</u>	<u>7</u>	<u>220,123,517</u>	<u>7</u>
TOTAL	<u>\$ 3,394,188,817</u>	<u>100</u>	<u>\$ 3,290,705,344</u>	<u>100</u>	<u>\$ 3,237,695,389</u>	<u>100</u>

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

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
INTEREST INCOME (Note 34)	\$ 21,995,395	110	\$ 21,948,642	103	\$ 43,724,868	98	\$ 42,460,378	100
INTEREST EXPENSES (Note 34)	<u>(12,166,218)</u>	<u>(61)</u>	<u>(13,281,854)</u>	<u>(62)</u>	<u>(24,564,559)</u>	<u>(55)</u>	<u>(25,567,689)</u>	<u>(60)</u>
NET INTEREST INCOME (Note 34)	<u>9,829,177</u>	<u>49</u>	<u>8,666,788</u>	<u>41</u>	<u>19,160,309</u>	<u>43</u>	<u>16,892,689</u>	<u>40</u>
NET INCOME OTHER THAN NET INTEREST INCOME								
Net service fee and commission income (Note 35)	2,272,776	11	2,784,396	13	5,142,297	12	5,652,086	13
Net income from insurance operations (Note 36)	8,951,882	45	5,980,726	28	18,772,494	42	12,794,167	30
Gain (loss) on financial assets and liabilities at FVTPL (Note 37)	5,890,880	29	4,799,311	22	3,284,603	7	6,241,535	15
Realized gain (loss) on financial assets at FVTOCI (Note 38)	367,498	2	103,044	1	618,219	1	446,242	1
Gain (loss) on derecognition of financial assets at amortized cost (Note 11)	19,025	-	(2,219)	-	29,327	-	5,532	-
Foreign exchange gain (loss)	(5,838,001)	(29)	999,309	5	(4,935,398)	(11)	3,106,258	7
(Impairment loss on assets) reversal of impairment loss on assets (Notes 10 and 11)	(1,327)	-	(1,549)	-	(4,674)	-	(7,675)	-
Share of profit (loss) of associates accounted for using equity method (Note 14)	2,919	-	4,117	-	(2,143)	-	19,798	-
Gain (loss) on reclassification using the overlay approach (Note 9)	(1,435,358)	(7)	(2,042,408)	(10)	2,984,271	7	(2,261,338)	(5)
Net other non-interest income								
Net other miscellaneous income (loss)	<u>(84,510)</u>	<u>-</u>	<u>72,786</u>	<u>-</u>	<u>(311,110)</u>	<u>(1)</u>	<u>(205,179)</u>	<u>(1)</u>
Net income other than net interest income	<u>10,145,784</u>	<u>51</u>	<u>12,697,513</u>	<u>59</u>	<u>25,577,886</u>	<u>57</u>	<u>25,791,426</u>	<u>60</u>
NET REVENUE AND GAINS	<u>19,974,961</u>	<u>100</u>	<u>21,364,301</u>	<u>100</u>	<u>44,738,195</u>	<u>100</u>	<u>42,684,115</u>	<u>100</u>
BAD DEBT EXPENSES, COMMITMENTS AND GUARANTEES LIABILITIES PROVISION (Notes 12, 13 and 27)	<u>(411,665)</u>	<u>(2)</u>	<u>(280,261)</u>	<u>(1)</u>	<u>(1,181,098)</u>	<u>(3)</u>	<u>(907,205)</u>	<u>(2)</u>
NET CHANGES IN INSURANCE LIABILITY RESERVE (Note 28)	<u>(3,292,966)</u>	<u>(17)</u>	<u>(5,645,534)</u>	<u>(27)</u>	<u>(12,207,181)</u>	<u>(27)</u>	<u>(11,707,982)</u>	<u>(28)</u>

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TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING EXPENSES								
Employee benefits expenses (Note 39)	\$ (5,383,004)	(27)	\$ (5,164,644)	(24)	\$ (10,720,322)	(24)	\$ (10,020,706)	(23)
Depreciation and amortization expenses (Note 40)	(628,950)	(3)	(696,623)	(3)	(1,341,174)	(3)	(1,390,164)	(3)
Other general and administrative expenses	<u>(3,418,647)</u>	<u>(17)</u>	<u>(3,187,784)</u>	<u>(15)</u>	<u>(6,706,951)</u>	<u>(15)</u>	<u>(6,203,388)</u>	<u>(15)</u>
Total operating expenses	<u>(9,430,601)</u>	<u>(47)</u>	<u>(9,049,051)</u>	<u>(42)</u>	<u>(18,768,447)</u>	<u>(42)</u>	<u>(17,614,258)</u>	<u>(41)</u>
INCOME BEFORE INCOME TAX	6,839,729	34	6,389,455	30	12,581,469	28	12,454,670	29
INCOME TAX EXPENSE (Note 41)	<u>(1,349,808)</u>	<u>(7)</u>	<u>(824,597)</u>	<u>(4)</u>	<u>(2,359,125)</u>	<u>(5)</u>	<u>(1,877,963)</u>	<u>(4)</u>
NET INCOME	<u>5,489,921</u>	<u>27</u>	<u>5,564,858</u>	<u>26</u>	<u>10,222,344</u>	<u>23</u>	<u>10,576,707</u>	<u>25</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss								
Share of other comprehensive income of associates accounted for using equity method	-	-	-	-	-	-	(88)	-
Changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at FVTPL	53,651	-	(74,279)	-	452	-	(140,420)	-
Unrealized gain (loss) on investments in equity instruments designated as at FVTOCI	(101,976)	-	549,848	2	(903,328)	(2)	1,138,345	2
Items that will be reclassified subsequently to profit or loss								
Exchange differences on translation of foreign financial statements	(270,518)	(1)	20,008	-	(218,454)	-	67,239	-
Unrealized gain (loss) on investments in debt instruments at FVTOCI	518,484	3	(104,899)	(1)	2,134,779	5	(893,073)	(2)
Impairment loss (reversal of impairment loss) from investments in debt instruments at FVTOCI	4,733	-	1,218	-	5,395	-	2,287	-

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TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Other comprehensive income (loss) on reclassification using the overlay approach	\$ 1,435,358	7	\$ 2,042,408	10	\$ (2,984,271)	(7)	\$ 2,261,338	5
Income tax relating to items that will be reclassified subsequently to profit or loss	(99,031)	(1)	(14,921)	-	(302,522)	(1)	(10,272)	-
Other comprehensive income (loss) for the period, net of tax	1,540,701	8	2,419,383	11	(2,267,949)	(5)	2,425,356	5
TOTAL COMPREHENSIVE INCOME (LOSS)	\$ 7,030,622	35	\$ 7,984,241	37	\$ 7,954,395	18	\$ 13,002,063	30
NET INCOME								
ATTRIBUTABLE TO:								
Owners of parent	\$ 5,490,505	27	\$ 5,564,541	26	\$ 10,223,212	23	\$ 10,576,003	25
Non-controlling interests	(584)	-	317	-	(868)	-	704	-
	<u>\$ 5,489,921</u>	<u>27</u>	<u>\$ 5,564,858</u>	<u>26</u>	<u>\$ 10,222,344</u>	<u>23</u>	<u>\$ 10,576,707</u>	<u>25</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of parent	\$ 7,031,206	35	\$ 7,983,924	37	\$ 7,955,263	18	\$ 13,001,359	30
Non-controlling interests	(584)	-	317	-	(868)	-	704	-
	<u>\$ 7,030,622</u>	<u>35</u>	<u>\$ 7,984,241</u>	<u>37</u>	<u>\$ 7,954,395</u>	<u>18</u>	<u>\$ 13,002,063</u>	<u>30</u>
EARNINGS PER SHARE (Note 42)								
Basic	<u>\$ 0.38</u>		<u>\$ 0.39</u>		<u>\$ 0.71</u>		<u>\$ 0.74</u>	
Diluted	<u>\$ 0.38</u>		<u>\$ 0.39</u>		<u>\$ 0.71</u>		<u>\$ 0.74</u>	

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

(Concluded)

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)

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

	Equity Attributable to Owners of Parent										Other Equity					Total Equity	
	Share Capital			Capital Surplus			Retained Earnings			Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Changes in Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities at FVTPL	Other Comprehensive Income (Loss) on Reclassification Using the Overlay Approach	Treasury Shares	Non-controlling Interests		
	Ordinary Shares	Preferred Shares	Stock Dividend to Be Distributed	Additional Paid-in Capital in Excess of Par	Treasury Shares Transactions	Share-based Compensation	Others	Legal Reserve	Special Reserve								Unappropriated Earnings
BALANCE AT JANUARY 1, 2024	\$ 124,770,618	\$ 11,000,000	\$ -	\$ 36,066,458	\$ 2,075,475	\$ 52,632	\$ 3,213	\$ 16,926,942	\$ 10,920,515	\$ 15,513,819	\$ (184,525)	\$ (986,719)	\$ 161,394	\$ 215,398	\$ -	\$ 27,253	\$ 216,562,473
Appropriation of 2023 earnings	-	-	-	-	-	-	-	1,512,087	-	(1,512,087)	-	-	-	-	-	-	-
Legal reserve appropriated	-	-	-	-	-	-	-	-	-	(7,486,237)	-	-	-	-	-	-	(7,486,237)
Cash dividends of ordinary shares	-	-	-	-	-	-	-	-	-	(1,953,751)	-	-	-	-	-	-	(1,953,751)
Cash dividends of preferred shares	-	-	4,990,825	-	-	-	-	-	-	(4,990,825)	-	-	-	-	-	-	-
Stock dividends of ordinary shares	-	-	-	-	-	-	-	-	(9,774,325)	9,774,325	-	-	-	-	-	-	-
Reversal of the special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the six months ended June 30, 2024	-	-	-	-	-	-	-	-	-	10,576,003	-	-	-	-	-	704	10,576,707
Other comprehensive income (loss) for the six months ended June 30, 2024, net of tax	-	-	-	-	-	-	-	-	-	(88)	67,239	234,183	(140,420)	2,264,442	-	-	2,425,356
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	-	-	-	-	10,575,915	67,239	234,183	(140,420)	2,264,442	-	704	13,002,063
Disposals of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	-	-	-	268,538	-	(268,538)	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,031)	(1,031)
BALANCE AT JUNE 30, 2024	\$ 124,770,618	\$ 11,000,000	\$ 4,990,825	\$ 36,066,458	\$ 2,075,475	\$ 52,632	\$ 3,213	\$ 18,439,029	\$ 1,146,190	\$ 20,189,697	\$ (117,286)	\$ (1,021,074)	\$ 20,974	\$ 2,479,840	\$ -	\$ 26,926	\$ 220,123,517
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	-	-	-	-	-	-	-	2,117,377	-	(2,117,377)	-	-	-	-	-	-	-
Legal reserve appropriated	-	-	-	-	-	-	-	-	-	(22,379,759)	-	-	-	-	-	-	(22,379,759)
Cash dividends of ordinary shares	-	-	-	-	-	-	-	-	-	(1,980,182)	-	-	-	-	-	-	(1,980,182)
Cash dividends of preferred shares	-	-	-	-	-	-	-	-	(678,006)	678,006	-	-	-	-	-	-	-
Reversal of the special reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income for the six months ended June 30, 2025	-	-	-	-	-	-	-	-	-	10,223,212	-	-	-	-	-	(868)	10,222,344
Other comprehensive income (loss) for the six months ended June 30, 2025, net of tax	-	-	-	-	-	-	-	-	-	-	(218,454)	944,925	452	(2,994,872)	-	-	(2,267,949)
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	-	-	-	-	10,223,212	(218,454)	944,925	452	(2,994,872)	-	(868)	7,954,395
Disposals of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	-	-	-	(127,939)	-	127,939	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(340)	(340)
BALANCE AT JUNE 30, 2025	\$ 129,761,443	\$ 11,000,000	\$ -	\$ 36,066,458	\$ 2,075,475	\$ 52,632	\$ 3,213	\$ 20,556,406	\$ 468,184	\$ 14,814,975	\$ (317,328)	\$ (26,576)	\$ 22,597	\$ (1,935,150)	\$ (89,298)	\$ 25,670	\$ 212,478,701

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

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)

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

	For the Six Months Ended	
	June 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before income tax	\$ 12,581,469	\$ 12,454,670
Adjustments:		
Adjustments for reconciliation of profit or loss		
Depreciation expenses	997,619	1,087,824
Amortization expenses	343,555	302,340
Provisions for bad debts expenses, commitments and guarantee liabilities	1,181,098	907,205
Net loss (gain) on financial assets and liabilities at FVTPL	(3,284,603)	(6,241,535)
Net loss (gain) on financial assets and liabilities at FVTOCI	(618,219)	(446,242)
Interest expenses	24,564,559	25,567,689
Loss (gain) on derecognition of financial assets at amortized cost	(29,327)	(5,532)
Interest income	(43,724,868)	(42,460,378)
Net change in insurance liabilities	1,231,677	15,804,907
Net change in other provisions	691,722	544,730
Share of (profit) loss of associates accounted for using equity method	2,143	(19,798)
Loss (gain) on reclassification using the overlay approach	(2,984,271)	2,261,338
Impairment loss on financial assets	4,674	7,675
Other adjustments	(1,549)	(444)
Changes in operating assets and liabilities		
(Increase) decrease in due from the Central Bank and call loans to banks	3,889,165	(5,915,306)
(Increase) decrease in financial assets at FVTPL	18,938,694	33,275,619
(Increase) decrease in financial assets at FVTOCI	(11,321,089)	(32,498,339)
(Increase) decrease in financial assets in debt instruments at amortized cost	41,325,722	(25,734,289)
(Increase) decrease in receivables	7,398,090	(30,966,015)
(Increase) decrease in loans	(126,397,112)	(127,751,098)
(Increase) decrease in reinsurance contract assets	37,819	62,648
(Increase) decrease in other financial assets	(7,702,993)	(12,604,109)
(Increase) decrease in other assets	1,164,015	(8,416,298)
Increase (decrease) in deposits from the Central Bank and banks	(158,310)	122,043
Increase (decrease) in financial liabilities at FVTPL	(14,618,344)	(23,098,370)
Increase (decrease) in securities sold under repurchase agreements	(6,664,569)	(5,062,955)
Increase (decrease) in payables	9,354,025	7,968,506
Increase (decrease) in deposits and remittances	68,783,734	159,335,238
Increase (decrease) in provisions	(74,914)	(56,229)
Increase (decrease) in other financial liabilities	3,514,922	5,642,858
Increase (decrease) in other liabilities	<u>13,271,899</u>	<u>(978,215)</u>
Cash generated from (used in) operations	(8,303,567)	(56,909,862)
Interest received	43,409,433	40,608,163

(Continued)

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)

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

	For the Six Months Ended	
	June 30	
	2025	2024
Dividends received	\$ 843,123	\$ 777,577
Interest paid	(24,655,163)	(24,788,714)
Income taxes refund	32,503	-
Income taxes paid	<u>(458,087)</u>	<u>(2,047,374)</u>
Net cash generated from (used in) operating activities	<u>10,868,242</u>	<u>(42,360,210)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(242,593)	(489,420)
Proceeds from disposal of property and equipment	4,164	4,560
Acquisition of intangible assets	(320,873)	(307,629)
Acquisition of investment properties	<u>(119,881)</u>	<u>(1,452,207)</u>
Net cash generated from (used in) investing activities	<u>(679,183)</u>	<u>(2,244,696)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in due to the Central Bank and banks	14,830,335	6,971,020
Increase in commercial papers payable	-	7,039,000
Decrease in commercial papers payable	(19,353,000)	-
Repayments of corporate bonds	(2,707,000)	-
Repayments of bank notes payable	(4,250,000)	(3,000,000)
Increase in other borrowings	-	524,943
Decrease in other borrowings	(2,730,437)	-
Payments of lease liabilities	(397,074)	(467,099)
Change in non-controlling interests	<u>(340)</u>	<u>(1,031)</u>
Net cash generated from (used in) financing activities	<u>(14,607,516)</u>	<u>11,066,833</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>41,935</u>	<u>5,053</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,376,522)	(33,533,020)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>38,180,562</u>	<u>74,140,886</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 33,804,040</u>	<u>\$ 40,607,866</u>

(Continued)

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)

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

Reconciliation of cash and cash equivalents:

	June 30	
	2025	2024
Cash and cash equivalents in consolidated balance sheets	\$ 25,408,907	\$ 25,615,903
Due from the Central bank and call loans to banks qualifying as cash and cash equivalents under the definition of IAS 7	7,883,066	11,493,692
Securities purchased under resell agreements qualifying as cash and cash equivalents under the definition of IAS 7	<u>512,067</u>	<u>3,498,271</u>
Cash and cash equivalents at the end of the period	<u>\$ 33,804,040</u>	<u>\$ 40,607,866</u>

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

(Concluded)

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

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

1. GENERAL INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2. STATEMENT OF COMPLIANCE

The consolidated financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, the Regulations Governing the Preparation of Financial Reports by Public Banks, the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Firms, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC.

3. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on August 28, 2025.

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

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, the Regulations Governing the Preparation of Financial Reports by Public Banks, the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, the Regulations Governing the Preparation of Financial Reports by Securities Firms, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the FSC.

The Group assessed that the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports and the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies, and the application of other standards and interpretations would have no impact on the Group’s financial position and financial performance.

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

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

1) IFRS 17 “Insurance Contracts”

IFRS 17 establishes the principle for the accounting treatment of insurance contracts and supersedes IFRS 4 “Insurance Contracts”. The principle is as follows:

Level of aggregation

IFRS 17 requires the Group to identify portfolios of insurance contracts which comprises contracts that are subject to similar risks and managed together. Contracts within a product line would be expected to have similar risks and hence would be expected to be in the same portfolio if they are managed together. Each portfolio of insurance contracts issued shall be divided into a minimum of:

- a) A group of contracts that are onerous at initial recognition;
- b) A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently, and
- c) A group of the remaining contracts in the portfolio.

The Group is not permitted to include contracts issued more than one year apart in the same group, and a group of contracts which are decided to be issued shall apply the recognition and measurement of IFRS 17.

Recognition

The Group shall recognize a group of insurance contracts issued from the earliest of the following:

- a) The beginning of the coverage period of the group of contracts;
- b) The date when the first payment from a policyholder becomes due; and
- c) For a group of onerous contracts, when the group becomes onerous.

Measurement on initial recognition

On initial recognition, the Group shall measure a group of contracts at the total of the amount of fulfilment cash flows and the contractual service margin. The fulfilment cash flows comprises estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks associated with the future cash flows and risk adjustment for non-financial risk. The contractual service margin represents the unearned profit that the Group will recognize as it provides services in the future. This is measured on initial recognition of a group of insurance contracts at an amount that, unless a group of contracts is onerous, results in no income or expenses arising from:

- a) The initial recognition of an amount for the fulfilment cash flows;
- b) The derecognition at that date of any asset or liability recognized for acquisition cash flows; and
- c) All cash flows arising from the contracts in the group at that date.

Subsequent measurement

On subsequent measurement, the carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises the fulfilment cash flows related to future services and the contractual service margin of the group at that date, and liabilities for incurred claims include fulfilment cash flows related to past services. On subsequent measurement, if a group of insurance contracts becomes onerous (or more onerous), that excess shall be recognized in profit or loss.

Onerous contracts

An insurance contract is onerous at the date of initial recognition if the fulfilment cash flows allocated to insurance contracts, all previously recognized acquisition cash flows and all cash flows arising from the contract at the date of initial recognition in total are a net outflow. The Group shall recognize a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows and the contractual service margin of the group being zero. The contractual service margin cannot increase and no revenue can be recognized, until the onerous amount previously recognized has been reversed in profit or loss as part of a service expense.

Premium Allocation Approach (PAA)

The Group may simplify the measurement of the liability for remaining coverage of a group of insurance contracts using the Premium Allocation Approach (PAA) on the condition that:

- a) The Group reasonably expects that this will be a reasonable approximation of the general model,
or

b) The coverage period of each contract in a group is one year or less.

At the inception, if the Group expects significant variances in the fulfilment cash flows during the year before a claim is incurred, such contracts are not eligible to apply the PAA.

Using the PAA, the liability for remaining coverage shall be the initially recognized premiums, if any, received at initial recognition, minus any insurance acquisition cash flows. This is subsequently adjusted for change in the composition of the group and amortization of acquisition cash flows and reduced over the coverage period with the reduction recorded as revenue, excluding any investment component paid or transferred to the liability for incurred claims.

Investment contracts with discretionary participation features

An investment contract with discretionary participation features is a financial instrument and it does not include a transfer of significant insurance risk. It is in the scope of IFRS 17 only if the issuer also issues insurance contracts.

Modification and derecognition

If the terms of an insurance contract are modified, the Group shall derecognize the original contract and recognize the modified contract as a new contract if there is a substantive modification, based on meeting any of the specified criteria.

The Group shall derecognize an insurance contract when it is extinguished or substantially modified.

Transition

The Group shall apply IFRS 17 retrospectively unless impracticable, in which case entities have the option of using either the modified retrospective approach or the fair value approach.

Under the modified retrospective approach, the Group shall utilize reasonable and supportable information and maximize the use of information that would have been used to apply a full retrospective approach, but only need to use information available without undue cost or effort. The Group shall apply fair value approach if reasonable and supportable information is unavailable.

Under the fair value approach, the Group determines the contractual service margin at the transition date as the difference between the fair value of a group of insurance contracts at that date and the fulfilment cash flows measured at that date.

Redesignation of financial assets

At the date of initial application of IFRS 17, an entity which applied IFRS 9 may redesignate and reclassify financial assets that comply with paragraph C29 of IFRS 17. The entity does not have to restate comparative information to reflect changes in the reclassification of these assets, so the difference between the previous carrying amount and the carrying amount at the date of initial application of IFRS 17 and redesignation and reclassification of these financial assets is recognized in the retained earnings (or other equity, if appropriate) at the date of initial application. If an entity restates the comparative information, the restatement must reflect the requirements of these affected financial assets under IFRS 9.

In addition, for enterprises that have applied IFRS 9 before the initial application of IFRS 17 and have financial assets that have been derecognized during the comparative period of the date of initial application of IFRS 17, the enterprise can choose to apply the classification overlay on the basis of individual financial assets, as if those financial assets had been reclassified in the comparative period in accordance with the redesignation requirements in paragraph C29 of IFRS 17.

2) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

a. The amendments to the application guidance of classification of financial asset

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

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

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

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

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

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

3) Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

Contracts referencing nature-dependent electricity are contracts that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions. Contracts referencing nature-dependent electricity include both contracts to buy or sell nature-dependent electricity and financial instruments that reference such electricity. When the Group enters into contracts to buy nature-dependent electricity, which exposes the Group to the risk that it would be required to buy electricity during a delivery interval in which the Group cannot use the electricity, and the design and operation of the electricity market require any amounts of unused electricity to be sold within a specified time, the amendments stipulate that such sales are not necessarily inconsistent with the contract being held in accordance with the Group’s expected usage requirements. The inconsistency will result in the contract being accounted for as financial instruments otherwise. The Group entered into and continues to hold such a contract in accordance with its expected electricity usage requirements, if the Group has bought, and expects to buy, sufficient electricity to offset the sales of any unused electricity in the same market in which it sold the electricity over a reasonable amount of time.

The amendments also stipulate that, if contracts referencing nature-dependent electricity are designated as hedging instruments in hedges of forecast transactions, for such a hedging relationship the Group is permitted to designate as the hedged item a variable nominal amount of forecast electricity transactions that is aligned with the variable amount of nature-dependent electricity expected to be delivered by the generation facility as referenced in the hedging instrument.

For the amendments related to whether contracts referencing nature-dependent electricity are entered into in accordance with expected electricity usage requirements, the Group shall apply retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. For the amendments related to hedge accounting, the Group shall apply prospectively.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

The Group has not applied the following new, amended and revised Standards and Interpretations:

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

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

Except for the following, the application of the above new, amended and revised Standards and Interpretations did not have any material impact on the Group's accounting policies:

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated.

2) IFRS 18 "Presentation and Disclosure in Financial Statements"

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

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as "other" only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing other impacts of the above amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

5. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

According to Order No. 11102740351, No. 11202745811, No. 1140380326, No. 11304900901 and No. 1140381191 issued by the FSC, the Group's consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards and relevant Regulations Governing the Preparation of Financial Reports, which were approved by the FSC for 2025.

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

Basis of Consolidation

Subsidiaries included in the consolidated financial statements were as follows:

Investor	Subsidiary	Ownership Interest (%)		
		June 30, 2025	December 31, 2024	June 30, 2024
TS Financial Holding	Taishin Bank	100.00	100.00	100.00
TS Financial Holding	Taishin Securities B	100.00	100.00	100.00
TS Financial Holding	Taishin AMC	100.00	100.00	100.00
TS Financial Holding	Taishin Venture Capital Investment	100.00	100.00	100.00
TS Financial Holding	Taishin Securities Investment Advisory	92.00	92.00	92.00
TS Financial Holding	Taishin Securities Investment Trust	100.00	100.00	100.00
TS Financial Holding	Taishin Life Insurance	100.00	100.00	100.00
Taishin Bank	Taishin Real-Estate	60.00	60.00	60.00
Taishin Bank	Taishin D.A. Finance	100.00	100.00	100.00
Taishin D.A. Finance	Taishin Financial Leasing (China)	100.00	100.00	100.00
Taishin AMC	Taishin Real-Estate	40.00	40.00	40.00
Taishin Venture Capital Investment	Taishin Sports Entertainment	100.00	100.00	100.00
Taishin Securities B	Taishin Securities Venture Capital	100.00	100.00	100.00
Taishin Securities B	Taishin Capital	100.00	100.00	100.00
Taishin Securities B	Taishin Futures	100.00	100.00	100.00
Taishin Capital	Taishin Health Investment	100.00	100.00	100.00

Retirement Benefits

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

Taxation

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

Impairment of Financial Assets

The Group recognizes a loss allowance for expected credit losses (ECLs) on financial assets other than investments in equity instruments that are measured at FVTOCI and financial assets at FVTPL.

ECLs reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the ECLs that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

For purchased or originated credit-impaired financial assets, the Group takes into account the ECLs on initial recognition in the credit-adjusted effective interest rate. Subsequently, any changes in ECLs are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss even if lifetime ECLs are lower than the ECLs on initial recognition.

Under the Regulations Governing the Procedures for Insurance Enterprises to Evaluate Assets and Deal with Non-performing/Non-accrual Loans, insurance subsidiary of the Group evaluates credit assets' fair value and its' collectability, based on the borrower's financial conditions and the delay for payment of principal and interests as well as the status of the loan collaterals and the length of time overdue.

Insurance subsidiary of the Group engages in the business of life insurance loans and premium loans. Both loans and interest receivables are one hundred percent guaranteed, and no provision for bad debts is made. However, policy loans secured by the account value of an investment-linked policy may result in losses due to significant drop in the account value of underlying investment and the account value is insufficient to cover the policy loans.

In addition, specific industries are mandatorily assessed such that the loss allowance for loans is measured at the higher of the amount calculated in accordance with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans.

The Group recognizes an impairment loss or a gain on the reversal of impairment in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the respective financial asset.

Insurance Contract Liabilities

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

a. Unearned premium reserve

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

b. Loss reserve

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

c. Policy reserve

Long-term insurance contract reserves are recognized and calculated based on related regulation and the calculation manual approved by the authorities. Discount rate is provided by the estimated interest rate of policy reserve in the new insurance contract. In addition, pursuant to Jin-Guan-Pao-Tzai Letter No. 10102500530 dated January 19, 2012, the catastrophe reserve recovered by the Group was transferred to “life policy reserve - recovery of catastrophe reserve” and the unwritten-off allowance for doubtful debt of 3% decrease in business tax was also transferred from special reserve to “life policy reserve - unwritten-off allowance for doubtful debt of 3% decrease in business tax” in 2012.

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

d. Special reserve for life insurance

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

e. Premium deficiency reserve

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

f. Liability adequacy reserve

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

6. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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.

Measurement of Policy Reserves and Liability Adequacy Test

Policy reserves for insurance contracts and investment contracts with discretionary participation features are based on actuarial models and assumptions made as the insurance contracts were established, which include the mortality rate, discount rate, lapse rate, morbidity rate, etc. The assumptions are made based on the related laws and regulations.

The management of the Group examines these estimates regularly and makes adjustments when necessary, but actual results may differ from these estimates.

7. CASH AND CASH EQUIVALENTS

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hand	\$ 13,501,637	\$ 15,675,761	\$ 12,927,328
Checks for clearing	509,641	1,388,142	1,716,550
Due from banks	8,209,837	9,043,186	7,368,945
Others	<u>3,187,792</u>	<u>7,003,599</u>	<u>3,603,080</u>
	<u>\$ 25,408,907</u>	<u>\$ 33,110,688</u>	<u>\$ 25,615,903</u>

- 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.
- 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 June 30, 2025, December 31, 2024 and June 30, 2024.

8. DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS

	June 30, 2025	December 31, 2024	June 30, 2024
Required reserve - Account A	\$ 21,956,525	\$ 34,343,001	\$ 26,308,706
Required reserve - Account B	64,463,568	62,886,038	56,798,854
Required reserve - Foreign Currency	536,546	613,797	626,512
Required reserve - Others	87,812	91,242	76,245
Call loans to other banks	7,883,066	2,328,374	11,493,692
Interbank clearing funds	<u>15,000,592</u>	<u>8,000,130</u>	<u>8,480,551</u>
	<u>\$ 109,928,109</u>	<u>\$ 108,262,582</u>	<u>\$ 103,784,560</u>

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

9. FINANCIAL INSTRUMENTS AT FVTPL

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets mandatorily classified as at FVTPL</u>			
Derivative instruments			
Futures	\$ 1,105,962	\$ 1,006,291	\$ 713,700
Forward exchange contracts	2,334,797	1,224,827	829,349
Currency swaps	46,090,513	29,507,034	25,817,001
Interest rate swaps	10,937,965	16,505,697	17,724,496
Cross-currency swaps	2,645,968	553,260	288,584
Options	1,452,201	2,391,469	2,467,381
Equity-linked swaps	51	-	1,132
Structured products	-	-	49,739
Non-derivative financial assets			
Investment in bills	58,906,429	54,599,251	51,089,263
Domestic and overseas shares and beneficiary certificates	36,413,245	41,493,344	55,110,528
Government bonds	13,715,171	5,982,741	3,834,586
Corporate bonds, bank notes payable and other bonds	14,449,796	12,671,321	11,373,801
Beneficiary securities (Note 47)	1,462	10,493	159,091
Share borrowing	351,306	51,797	-
Trading securities			
Dealing	8,983,471	11,133,485	10,699,759
Underwriting	1,985,362	1,990,302	1,506,788
Hedging	<u>6,420,930</u>	<u>6,837,619</u>	<u>7,377,677</u>
Financial assets at FVTPL	<u>\$ 205,794,629</u>	<u>\$ 185,958,931</u>	<u>\$ 189,042,875</u>

(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial liabilities designated as at FVTPL</u>			
Bank notes payable (d)	\$ 2,204,822	\$ 2,422,399	\$ 2,583,684
Structured products (e)	2,826,684	3,064,794	3,089,748
<u>Financial liabilities held for trading</u>			
Derivative instruments			
Futures	79,822	69,873	1,636,240
Forward exchange contracts	490,034	1,082,272	744,901
Currency swaps	52,636,406	26,471,291	24,603,511
Interest rate swaps	11,108,414	16,140,016	17,692,991
Cross-currency swaps	1,645,506	925,507	758,241
Options	3,927,509	4,830,910	5,408,872
Equity-linked swaps	51	-	1,132
Liabilities for issuance of call (put) warrants, net (c)	12,400	35,855	110,766
Exchangeable corporate bonds embedded derivatives (g)	-	127,782	211,500
Non-derivative financial liabilities			
Share borrowing	<u>3,937,544</u>	<u>1,494,495</u>	<u>1,727,811</u>
Financial liabilities at FVTPL	<u>\$ 78,869,192</u>	<u>\$ 56,665,194</u>	<u>\$ 58,569,397</u> (Concluded)

- a. The Group engaged in various derivative instrument transactions in the six months ended June 30, 2025 and 2024 to fulfill the needs of customers of Taishin Bank and Taishin Securities B as well as to manage Taishin Life Insurance and Taishin Bank's positions and risks of assets and liabilities.
- b. The nominal principal amounts of outstanding derivative contracts were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Futures	\$ 17,261,731	\$ 14,374,616	\$ 18,160,575
Forward exchange contracts	51,550,918	117,934,364	95,851,962
Currency swaps	1,982,622,458	2,328,364,474	2,607,226,867
Interest rate swaps	886,231,036	814,564,149	812,891,995
Cross-currency swaps	46,756,668	44,560,830	34,461,988
Options	184,861,763	428,679,909	436,274,718
Equity-linked swaps	17,573	-	105,537
Guarantee products	2,760,000	2,960,000	3,040,000
Credit-linked products	70,300	52,400	15,000
Equity-linked products	-	35,000	75,000

c. Call (put) warrants

	June 30, 2025	December 31, 2024	June 30, 2024
Call (put) warrants issued	\$ 3,446,099	\$ 2,887,313	\$ 3,343,415
Loss (gain) on change in fair value	<u>(285,289)</u>	<u>(476,704)</u>	<u>2,082,063</u>
	<u>3,160,810</u>	<u>2,410,609</u>	<u>5,425,478</u>
Repurchased call (put) warrants	3,380,618	2,749,587	3,276,300
Gain (loss) on change in fair value	<u>(232,208)</u>	<u>(374,833)</u>	<u>2,038,412</u>
	<u>3,148,410</u>	<u>2,374,754</u>	<u>5,314,712</u>
Net call (put) warrants issued	<u>\$ 12,400</u>	<u>\$ 35,855</u>	<u>\$ 110,766</u>

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.

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 FVTPL to eliminate the recognition inconsistency.

e. Taishin Securities B issued structured notes, approved by the Taipei Exchange, including principal guaranteed notes, equity-linked notes, fund-linked notes and credit-linked products. According to the contracts of principal guaranteed notes, equity-linked notes and fund-linked notes, Taishin Securities B receives contract principal or agreed amount of proceeds from investors and will pay the settlement amount based on the contractual terms at maturity. The structured notes contain debt obligation and embedded options components and Taishin will earn profit arising from credit spread or market spread. The credit-linked products contain credit spread of convertible corporate bonds, which are from dealing or asset-swap and combined with fixed-income products sold to investors; Taishin Securities B receives contract principal from investors and pays dividends in fixed cycle. The credit-linked products provide more options for convertible assets and decrease the risks of holding convertible bonds of investors.

Taishin Securities B engages in the structured note transactions in order to diversify its financial instruments, to increase the source of profits and to provide other hedge positions in assets and advance the income stability and to decrease the credit risk on asset holdings.

- f. 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:

	June 30, 2025	December 31, 2024	June 30, 2024
Domestic listed (OTC) shares	\$ 23,287,336	\$ 22,488,121	\$ 26,178,028
Domestic unlisted (OTC) shares	78,956	77,911	80,718
Domestic beneficiary certificates	4,440,795	4,674,199	8,460,426
Foreign beneficiary certificates	2,064,956	1,955,594	2,533,934
Foreign beneficiary bonds	<u>1,462</u>	<u>10,493</u>	<u>159,091</u>
	<u>\$ 29,873,505</u>	<u>\$ 29,206,318</u>	<u>\$ 37,412,197</u>

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Gain (loss) on application of IFRS 9	\$ 1,755,089	\$ 3,301,472	\$ (1,563,998)	\$ 4,653,096
(Gain) loss if applying IAS 39	<u>(319,731)</u>	<u>(1,259,064)</u>	<u>(1,420,273)</u>	<u>(2,391,758)</u>
Gain (loss) on reclassification using the overlay approach	<u>\$ 1,435,358</u>	<u>\$ 2,042,408</u>	<u>\$ (2,984,271)</u>	<u>\$ 2,261,338</u>

Due to the application of overlay approach, the amount of gain (loss) on financial assets at FVTPL had been adjusted from \$5,890,880 thousand to \$4,455,522 thousand and from \$4,799,311 thousand to \$2,756,903 for the three months ended June 30, 2025 and 2024, respectively, and from \$3,284,603 thousand to \$6,268,874 thousand and from \$6,241,535 thousand to \$3,980,197 thousand for the six months ended June 30, 2025 and 2024, respectively.

- g. 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 FVTPL. Thus, the losses on financial liabilities at FVTPL amounted to \$0 thousand and \$1,000 thousand for the three months ended June 30, 2025, and 2024, respectively, and amounted to \$38,481 thousand and \$36,000 thousand for the six months ended June 30, 2025, and 2024, respectively. Refer to Note 25 for information related to the issuance of the exchangeable corporate bonds.

10. FINANCIAL ASSETS AT FVTOCI

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Debt instrument</u>			
Government bonds	\$ 89,560,939	\$ 83,067,754	\$ 84,173,579
Corporate bonds	41,148,838	38,702,709	39,754,242
Bank notes payable	28,759,624	31,462,974	33,522,542
Beneficiary securities (Note 47)	<u>825,591</u>	<u>955,554</u>	<u>1,005,135</u>
	160,294,992	154,188,991	158,455,498
<u>Equity instrument</u>			
Domestic and overseas shares (b)	<u>17,725,853</u>	<u>15,103,728</u>	<u>21,617,448</u>
	<u>\$ 178,020,845</u>	<u>\$ 169,292,719</u>	<u>\$ 180,072,946</u>

- a. Because some equity instruments are held by the Group for 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 25 for information related to the issuance of the exchangeable corporate bonds.
- c. The amount of the loss allowance for debt instruments was as follows:

	12-month ECLs	Lifetime ECLs - Not Credit-impaired	Lifetime ECLs - Credit-impaired	Total
June 30, 2025	\$ 40,450	\$ -	\$ -	\$ 40,450
December 31, 2024	35,055	-	-	35,055
June 30, 2024	28,051	-	-	28,051

As the Group's debt instruments at FVTOCI were measured using the ECLs model, the Group recognized impairment loss on financial assets amounted to \$6,085 thousand and \$1,085 thousand for the three months ended June 30, 2025 and 2024, respectively, and amounted to \$6,561 thousand and \$1,920 thousand for the six months ended June 30, 2025 and 2024, respectively.

- d. The Group sold the domestic shares for strategic purposes. The shares sold had a fair value of \$7,585,421 thousand and \$1,653,725 thousand, and the Group transferred \$(127,939) thousand and \$268,538 thousand of (loss) gains from other equity to retained earnings for the six months ended June 30, 2025 and 2024, respectively.
- e. Refer to Note 47 for information relating to the management of credit risk and the impairment assessment on investments in debt instruments at FVTOCI.
- f. Refer to Note 49 for information relating to debt instruments at FVTOCI pledged as collateral.

11. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST

	June 30, 2025	December 31, 2024	June 30, 2024
Investment in bills	\$ 276,000,035	\$ 316,076,428	\$ 237,385,826
Bank notes payable	118,695,841	132,565,411	125,159,519
Corporate bonds	150,656,700	149,869,087	148,438,987
Government bonds	141,780,504	174,451,564	220,341,468
Beneficiary securities (Note 47)	<u>86,211,530</u>	<u>41,975,323</u>	<u>31,956,283</u>
	773,344,610	814,937,813	763,282,083
Less: Allowance for impairment	(93,731)	(98,612)	(71,381)
Less: Security deposit	<u>(1,723,156)</u>	<u>(1,855,839)</u>	<u>(1,733,481)</u>
	<u>\$ 771,527,723</u>	<u>\$ 812,983,362</u>	<u>\$ 761,477,221</u>

- a. The Group disposed of bonds before maturity date because of infrequent sales, or because the sales were insignificant in value (either individually or in aggregate) and recognized gain (loss) on disposal of \$0 thousand and \$(10,428) thousand for the three months ended June 30, 2025 and 2024, respectively, and disposal of \$0 thousand and \$(9,958) thousand for the six months ended June 30, 2025 and 2024, respectively. The disposal of bonds due to other conditions such as repayments at maturities and redemptions resulted in gain (loss) on disposal of \$19,025 thousand and \$8,209 thousand for the three months ended June 30, 2025 and 2024, respectively, and disposal of \$29,327 thousand and \$15,490 thousand for the six months ended June 30, 2025 and 2024, respectively.
- b. 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
June 30, 2025	\$ 93,731	\$ -	\$ -	\$ 93,731
December 31, 2024	98,612	-	-	98,612
June 30, 2024	71,381	-	-	71,381

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 \$4,758 thousand and \$(464) thousand for the three months ended June 30, 2025 and 2024, respectively, and amounted to \$1,887 thousand and \$(5,755) thousand for the six months ended June 30, 2025 and 2024, respectively.

- c. Refer to Note 47 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 49 for information relating to investments in debt instruments at amortized cost pledged as collateral.

12. RECEIVABLES, NET

a. The details of receivables, net were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Notes and accounts receivable	\$ 75,193,667	\$ 76,876,408	\$ 76,458,697
Credit cards receivable	68,640,141	76,277,101	84,616,893
Interest receivable	12,646,829	11,619,640	12,369,703
Securities margin loans receivable	12,047,302	16,823,354	15,187,756
Delivery accounts receivable	9,720,849	6,756,093	11,663,757
Other receivables	<u>6,101,003</u>	<u>3,034,417</u>	<u>3,125,798</u>
	184,349,791	191,387,013	203,422,604
Less: Adjustment for discounts	(2,582,936)	(2,807,074)	(2,807,511)
Less: Allowance for receivables	<u>(1,711,640)</u>	<u>(1,844,367)</u>	<u>(2,004,068)</u>
	<u>\$ 180,055,215</u>	<u>\$ 186,735,572</u>	<u>\$ 198,611,025</u>

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

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-purchased or Originated Credit-impaired POCI Financial Assets)	Loss Allowance under IFRS 9	Recognized (Reversal) Based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
Loss allowance as of January 1, 2025	\$ 175,088	\$ 148,645	\$ 390,379	\$ 639,956	\$ 1,354,068	\$ 710,979	\$ 2,065,047
Changes of financial instruments recognized at the beginning of the reporting period							
Transferred to Lifetime ECLs	(1,695)	25,239	114	(3,219)	20,439		20,439
Transferred to Credit-impaired Financial Assets	(3,539)	(8,784)	-	125,091	112,768		112,768
Transferred to 12-month ECLs	2,588	(5,433)	-	(10,533)	(13,378)		(13,378)
Financial assets derecognized	(54,196)	(27,026)	(23,964)	(478,429)	(583,615)		(583,615)
New financial assets purchased or originated	45,402	34,384	4,122	61,390	145,298		145,298
Recognized (Reversal) based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans						(65,188)	(65,188)
Write-offs	(2)	(26,365)	(268)	(373,745)	(400,380)		(400,380)
Recovery of written-off loans	-	-	-	502,339	502,339		502,339
Foreign exchange and other movements	1,986	3,378	(40)	125,679	131,003		131,003
Loss allowance as of June 30, 2025	\$ 165,632	\$ 144,038	\$ 370,343	\$ 588,529	\$ 1,268,542	\$ 645,791	\$ 1,914,333

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-purchased or Originated Credit-impaired POCI Financial Assets)	Loss Allowance under IFRS 9	Recognized (Reversal) Based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
Loss allowance as of January 1, 2024	\$ 195,840	\$ 152,632	\$ 476,461	\$ 1,169,499	\$ 1,994,432	\$ 635,310	\$ 2,629,742
Changes of financial instruments recognized at the beginning of the reporting period							
Transferred to Lifetime ECLs	(3,709)	27,275	-	(3,415)	20,151		20,151
Transferred to Credit-impaired Financial Assets	(2,345)	(6,064)	-	193,908	185,499		185,499
Transferred to 12-month ECLs	3,698	(6,337)	-	(10,177)	(12,816)		(12,816)
Financial assets derecognized	(75,276)	(19,507)	(6,080)	(1,000,118)	(1,100,981)		(1,100,981)
New financial assets purchased or originated	51,848	9,651	5,502	519,775	586,776		586,776
Recognized (Reversal) based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans						79,864	79,864
Write-offs	(2)	(9,320)	(9,629)	(343,873)	(362,824)		(362,824)
Recovery of written-off loans	-	-	3,016	537,579	540,595		540,595
Foreign exchange and other movements	13,731	21,496	1,556	137,115	173,898		173,898
Loss allowance as of June 30, 2024	\$ 183,785	\$ 169,826	\$ 470,826	\$ 1,200,293	\$ 2,024,730	\$ 715,174	\$ 2,739,904

- c. The movements in the gross carrying amount of receivables (including non-performing receivables transferred from other than loans) for the six months ended June 30, 2025 and 2024 were as follows:

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-POCI Financial Assets)	Total
Carrying amount as of January 1, 2025	\$ 125,251,702	\$ 51,014,015	\$ 13,282,566	\$ 2,145,771	\$ 191,694,054
Changes of financial instruments recognized at the beginning of the reporting period					
Transferred to Lifetime ECLs	(253,260)	266,541	2,163	(6,773)	8,671
Transferred to Credit-impaired Financial Assets	(537,857)	(63,420)	(150)	609,978	8,551
Transferred to 12-month ECLs	56,641	(38,196)	-	(27,849)	(9,404)
Financial assets derecognized	(28,058,289)	(660,328,622)	(152,943,941)	(207,850)	(841,538,702)
New financial assets purchased or originated	17,566,322	656,036,239	162,075,255	68,836	835,746,652
Write-offs	(275)	(27,062)	(268)	(495,516)	(523,121)
Foreign exchange and other movements	(753,482)	(9,666)	-	(19,105)	(782,253)
Carrying amount as of June 30, 2025	\$ 113,271,502	\$ 46,849,829	\$ 22,415,625	\$ 2,067,492	\$ 184,604,448

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-POCI Financial Assets)	Total
Carrying amount as of January 1, 2024	\$ 114,745,383	\$ 39,193,302	\$ 14,081,003	\$ 2,703,552	\$ 170,723,240
Changes of financial instruments recognized at the beginning of the reporting period					
Transferred to Lifetime ECLs	(303,624)	327,040	195	(8,453)	15,158
Transferred to Credit-impaired Financial Assets	(628,775)	(48,598)	(108)	693,870	16,389
Transferred to 12-month ECLs	74,254	(37,845)	(21)	(27,327)	9,061
Financial assets derecognized	(17,228,319)	(710,935,056)	(173,445,707)	(812,252)	(902,421,334)
New financial assets purchased or originated	37,578,844	723,289,467	174,563,991	642,671	936,074,973
Write-offs	(279)	(9,800)	(9,629)	(439,722)	(459,430)
Foreign exchange and other movements	293,016	6,266	-	4,717	303,999
Carrying amount as of June 30, 2024	\$ 134,530,500	\$ 51,784,776	\$ 15,189,724	\$ 2,757,056	\$ 204,262,056

13. LOANS, NET

- a. The details of loans, net were as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Negotiated	\$ 3,899,291	\$ 2,732,507	\$ 2,335,667
Overdrafts	2,508,154	2,962,400	753,286
Short-term loans	405,988,957	311,754,093	350,420,350
Medium-term loans	596,271,133	581,300,393	557,296,125
Long-term loans	789,932,594	774,322,022	753,894,595
Policy loans	6,792,263	6,300,573	5,898,623
Automatic premium loans	1,928,237	1,958,511	1,938,641
Delinquent loans	<u>1,877,612</u>	<u>1,710,192</u>	<u>1,546,136</u>
	1,809,198,241	1,683,040,691	1,674,083,423
Less: Adjustment for discounts	(877,347)	(848,086)	(786,495)
Less: Allowance for loan losses	<u>(22,623,838)</u>	<u>(21,679,059)</u>	<u>(21,661,172)</u>
	<u>\$ 1,785,697,056</u>	<u>\$ 1,660,513,546</u>	<u>\$ 1,651,635,756</u>

b. The movements in the allowance for loans for the six months ended June 30, 2025 and 2024 were as follows:

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-POCI Financial Assets)	Loss Allowance under IFRS 9	Recognized (Reversal) Based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
Loss allowance as of January 1, 2025	\$ 2,303,783	\$ 941,807	\$ 182,445	\$ 2,866,898	\$ 6,294,933	\$ 15,384,126	\$ 21,679,059
Changes of financial instruments recognized at the beginning of the reporting period							
Transferred to Lifetime ECLs	(7,835)	161,272	33,048	(14,022)	172,463		172,463
Transferred to Credit-impaired Financial Assets	(8,274)	(65,380)	(17,990)	562,821	471,177		471,177
Transferred to 12-month ECLs	3,526	(165,253)	-	(178,113)	(339,840)		(339,840)
Financial assets derecognized	(562,225)	(401,882)	(21,237)	(832,110)	(1,817,454)		(1,817,454)
New financial assets purchased or originated	530,013	18,102	1,326	119,981	669,422		669,422
Recognized (Reversal) based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans						1,531,277	1,531,277
Write-offs	(136)	(14,209)	-	(216,759)	(231,104)		(231,104)
Recovery of written-off loans	-	-	-	488,838	488,838		488,838
Loss allowance as of June 30, 2025	\$ 2,258,852	\$ 474,457	\$ 177,592	\$ 2,797,534	\$ 5,708,435	\$ 16,915,403	\$ 22,623,838

	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	(5,542)	254,579	12,008	(6,056)	254,989		254,989
Transferred to Credit-impaired Financial Assets	(4,578)	(41,878)	(8,944)	653,280	597,880		597,880
Transferred to 12-month ECLs	6,296	(174,247)	(4,488)	(168,284)	(340,723)		(340,723)
Financial assets derecognized	(303,584)	(190,729)	(39,088)	(881,068)	(1,414,469)		(1,414,469)
New financial assets purchased or originated	507,234	32,652	21,261	49,293	610,440		610,440
Recognized (Reversal) based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans						1,102,221	1,102,221
Write-offs	(75)	(9,334)	-	(132,644)	(142,053)		(142,053)
Recovery of written-off loans	-	-	-	410,825	410,825		410,825
Loss allowance as of June 30, 2024	\$ 2,312,424	\$ 993,263	\$ 83,498	\$ 3,047,956	\$ 6,437,141	\$ 15,224,031	\$ 21,661,172

c. The movements in the gross carrying amount of loans for the six months ended June 30, 2025 and 2024 were as follows:

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-POCI Financial Assets)	Total
Carrying amount as of January 1, 2025	\$ 1,654,353,811	\$ 16,709,913	\$ 1,613,507	\$ 10,363,460	\$ 1,683,040,691
Changes of financial instruments recognized at the beginning of the reporting period					
Transferred to Lifetime ECLs	(3,906,702)	3,113,793	460,676	(63,748)	(395,981)
Transferred to Credit-impaired Financial Assets	(2,154,167)	(309,781)	(65,423)	2,381,363	(148,008)
Transferred to 12-month ECLs	4,052,924	(3,577,562)	-	(593,192)	(117,830)
Financial assets derecognized	(190,052,535)	(1,788,891)	(382,996)	(987,457)	(193,211,879)
New financial assets purchased or originated	319,997,484	328,853	17,762	129,198	320,473,297
Write-offs	(22,176)	(42,762)	-	(377,111)	(442,049)
Carrying amount as of June 30, 2025	\$ 1,782,268,639	\$ 14,433,563	\$ 1,643,526	\$ 10,852,513	\$ 1,809,198,241

	12-month ECLs	Lifetime ECLs (Group Assessment)	Lifetime ECLs (Individual Assessment)	Lifetime ECLs (Non-POCI Financial Assets)	Total
Carrying amount as of January 1, 2024	\$ 1,513,821,341	\$ 21,693,013	\$ 553,284	\$ 10,027,031	\$ 1,546,094,669
Changes of financial instruments recognized at the beginning of the reporting period					
Transferred to Lifetime ECLs	(4,151,542)	3,983,390	109,431	(19,866)	(78,587)
Transferred to Credit-impaired Financial Assets	(2,217,765)	(204,096)	(84,918)	2,442,392	(64,387)
Transferred to 12-month ECLs	4,491,377	(4,186,942)	(20,379)	(583,091)	(299,035)
Financial assets derecognized	(196,334,703)	(3,039,246)	(44,684)	(1,266,386)	(200,685,019)
New financial assets purchased or originated	328,994,382	274,120	31,673	126,374	329,426,549
Write-offs	(12,628)	(31,769)	-	(266,370)	(310,767)
Carrying amount as of June 30, 2024	\$ 1,644,590,462	\$ 18,488,470	\$ 544,407	\$ 10,460,084	\$ 1,674,083,423

- d. Details of the reversal of bad debt expenses, commitments, and guarantee liabilities (provision) for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024 were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
(Provision for) reversal of the allowance for losses on receivables, loans and other financial assets	\$ (426,187)	\$ (278,907)	\$ (1,171,626)	\$ (892,152)
(Provision for) reversal of the allowance for losses on guarantee liabilities	18,384	(1,532)	5,103	(10,986)
(Provision for) reversal of the allowance for losses on loan commitments	(3,636)	152	(14,373)	(4,175)
(Provision for) reversal of the allowance for letters of credit	<u>(226)</u>	<u>26</u>	<u>(202)</u>	<u>108</u>
	<u>\$ (411,665)</u>	<u>\$ (280,261)</u>	<u>\$ (1,181,098)</u>	<u>\$ (907,205)</u>

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

- a. Investments in associates

	June 30, 2025	December 31, 2024	June 30, 2024
Associates that are not individually material	<u>\$ 491,147</u>	<u>\$ 527,999</u>	<u>\$ 501,259</u>

Aggregate information of associates that are not individually material:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
The Group's share of:				
Net (loss) income for the period	\$ 2,919	\$ 4,117	\$ (2,143)	\$ 19,798
Other comprehensive income (loss) for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>(88)</u>
Total comprehensive income (loss) for the period	<u>\$ 2,919</u>	<u>\$ 4,117</u>	<u>\$ (2,143)</u>	<u>\$ 19,710</u>

- 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 will assess the financial impact in accordance with its internal policies.
- c. The Group's investments accounted for using equity method were not pledged as collateral as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

15. OTHER FINANCIAL ASSETS, NET

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

	June 30, 2025	December 31, 2024	June 30, 2024
Non-performing receivables transferred from other than loans	\$ 349,932	\$ 383,975	\$ 904,711
Less: Allowance for bad debt	(202,693)	(220,680)	(735,836)
Due from banks	6,702,874	6,592,320	7,217,321
Securities lending deposits	247,028	56,544	56,544
Gold deposit account	1,438,770	967,479	617,005
Customer margin account	4,946,572	3,678,499	3,166,000
Securities borrowing collateral price	33,737	-	-
Separate account insurance products assets (Note 31)	49,940,437	44,367,925	40,795,987
Prepaid investment	<u>1</u>	<u>-</u>	<u>-</u>
	<u>\$ 63,456,658</u>	<u>\$ 55,826,062</u>	<u>\$ 52,021,732</u>

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 49 for the information relating to the due from banks and time deposits pledged as collateral.

c. Refer to Note 12 for the movements of the allowance for non-performing receivables transferred from other than loans for the six months ended June 30, 2025 and 2024.

d. The loss allowance was measured at an amount equal to 12-month ECLs based on historical experience and forward-looking information; there was no allowance for loss on other financial assets excluding non-performing receivables transferred from other than loans as of June 30, 2025, December 31, 2024 and June 30, 2024.

16. INVESTMENT PROPERTIES, NET

	June 30, 2025	December 31, 2024	June 30, 2024
Investment properties			
Land	<u>\$ 9,857,011</u>	<u>\$ 4,348,096</u>	<u>\$ 4,348,099</u>
Buildings			
Cost	1,444,783	1,412,670	1,412,670
Accumulated depreciation	<u>(295,157)</u>	<u>(272,696)</u>	<u>(255,249)</u>
	<u>1,149,626</u>	<u>1,139,974</u>	<u>1,157,421</u>
Prepayments for buildings and land	<u>-</u>	<u>5,368,011</u>	<u>-</u>
	<u>\$ 11,006,637</u>	<u>\$ 10,856,081</u>	<u>\$ 5,505,520</u>

The Group acquired investment properties amounted to \$119,881 thousand and \$1,452,207 thousand for the six months ended June 30, 2025 and 2024, respectively. Other than the recognized depreciation expenses and the reclassification of \$48,237 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 six months ended June 30, 2025 and 2024.

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

Buildings 5-55 years

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

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

	June 30, 2025	December 31, 2024	June 30, 2024
Year 1	\$ 204,316	\$ 181,045	\$ 172,401
Year 2	188,762	172,579	146,180
Year 3	177,427	167,007	146,220
Year 4	165,280	159,471	144,417
Year 5	147,275	137,556	131,498
Over 5 years	<u>642,154</u>	<u>679,398</u>	<u>644,753</u>
	<u>\$ 1,525,214</u>	<u>\$ 1,497,056</u>	<u>\$ 1,385,469</u>

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Rental income	\$ 52,342	\$ 51,049	\$ 103,613	\$ 90,854
Direct operating expenses from investment properties generating rental income	18,030	14,833	28,127	22,011
Direct operating expenses from investment properties not generating rental income	1,666	1,526	2,618	2,522

The fair values of the Group's investment properties (excluding prepayments for buildings and land) as of June 30, 2025, December 31, 2024 and June 30, 2024 were \$12,109,078 thousand, \$6,401,473 thousand and \$6,249,953 thousand, respectively. The fair values were determined by the Group's management and independent evaluation companies based on the valuation models measured by Level 3 inputs generally used by the market participants, the foregoing valuation was from the transaction value of property and equipment.

17. PROPERTY AND EQUIPMENT, NET

	June 30, 2025	December 31, 2024	June 30, 2024
Land	\$ 17,383,860	\$ 17,414,366	\$ 17,414,366
Buildings	5,139,835	5,264,716	5,316,359
Machinery equipment	1,744,713	1,974,582	2,099,455
Transportation equipment	107,258	126,090	127,465
Miscellaneous equipment	113,618	114,775	121,641
Leasehold improvements	296,031	320,798	350,679
Prepayments for equipment	<u>113,321</u>	<u>93,460</u>	<u>142,443</u>
	<u>\$ 24,898,636</u>	<u>\$ 25,308,787</u>	<u>\$ 25,572,408</u>

	Land	Buildings	Machinery Equipment	Transportation Equipment	Miscellaneous Equipment	Leasehold Improvements	Prepayments for Equipment	Total
<u>Cost</u>								
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	-	26,349	123,312	1,252	16,954	1,461	73,265	242,593
Disposals	-	(39,384)	(541,855)	(14,843)	(30,118)	(52,343)	-	(678,543)
Reclassification	(30,506)	(16,535)	3,633	-	-	29,816	(53,404)	(66,996)
Effect of foreign currency exchange differences	-	-	(2,780)	-	-	(6,265)	-	(9,045)
Balance, June 30, 2025	<u>\$ 17,383,860</u>	<u>\$ 8,880,110</u>	<u>\$ 4,615,603</u>	<u>\$ 248,997</u>	<u>\$ 242,543</u>	<u>\$ 774,992</u>	<u>\$ 113,321</u>	<u>\$ 32,259,426</u>
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	-	21,509	220,384	18,354	35,031	44,395	149,747	489,420
Disposals	-	(8,840)	(133,580)	(22,952)	(12,475)	(27,004)	-	(204,851)
Reclassification	10,379	67,654	52,560	-	2,197	7,840	(110,324)	30,306
Effect of foreign currency exchange differences	-	-	700	-	-	1,974	-	2,674
Balance, June 30, 2024	<u>\$ 17,414,366</u>	<u>\$ 8,832,666</u>	<u>\$ 5,328,881</u>	<u>\$ 244,279</u>	<u>\$ 296,480</u>	<u>\$ 911,294</u>	<u>\$ 142,443</u>	<u>\$ 33,170,409</u>
<u>Accumulated depreciation</u>								
Balance, January 1, 2025	\$ -	\$ 3,644,964	\$ 3,058,711	\$ 136,498	\$ 140,932	\$ 481,525	\$ -	\$ 7,462,630
Depreciation expenses	-	140,045	353,580	20,070	18,063	55,048	-	586,806
Disposals	-	(39,384)	(539,255)	(14,829)	(30,070)	(52,343)	-	(675,881)
Reclassification	-	(5,350)	-	-	-	-	-	(5,350)
Effect of foreign currency exchange differences	-	-	(2,146)	-	-	(5,269)	-	(7,415)
Balance, June 30, 2025	<u>\$ -</u>	<u>\$ 3,740,275</u>	<u>\$ 2,870,890</u>	<u>\$ 141,739</u>	<u>\$ 128,925</u>	<u>\$ 478,961</u>	<u>\$ -</u>	<u>\$ 7,360,790</u>
Balance, January 1, 2024	\$ -	\$ 3,389,884	\$ 2,968,107	\$ 118,844	\$ 161,458	\$ 514,174	\$ -	\$ 7,152,467
Depreciation expenses	-	131,899	391,797	20,892	23,466	72,102	-	640,156
Disposals	-	(8,840)	(131,067)	(22,922)	(12,282)	(27,004)	-	(202,115)
Reclassification	-	3,364	-	-	2,197	-	-	5,561
Effect of foreign currency exchange differences	-	-	589	-	-	1,343	-	1,932
Balance, June 30, 2024	<u>\$ -</u>	<u>\$ 3,516,307</u>	<u>\$ 3,229,426</u>	<u>\$ 116,814</u>	<u>\$ 174,839</u>	<u>\$ 560,615</u>	<u>\$ -</u>	<u>\$ 7,598,001</u>

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

Buildings	5-56 years
Machinery equipment	2-10 years
Transportation equipment	4-6 years
Miscellaneous equipment	3-20 years
Leasehold improvements	1-50 years

No impairment assessment was performed because there was no indication of impairment for the six months ended June 30, 2025 and 2024.

18. LEASE ARRANGEMENTS

a. Right-of-use assets, net

	June 30, 2025		December 31, 2024	June 30, 2024
<u>Carrying amount</u>				
Buildings	\$ 2,344,507		\$ 2,188,259	\$ 2,244,478
Office and other equipment	6,184		1,244	3,583
Transportation equipment	<u>25,485</u>		<u>28,782</u>	<u>21,102</u>
	<u>\$ 2,376,176</u>		<u>\$ 2,218,285</u>	<u>\$ 2,269,163</u>
	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Additions to right-of-use assets			<u>\$ 560,473</u>	<u>\$ 408,810</u>
Depreciation charge for right-of-use assets				
Buildings	\$ 170,365	\$ 211,677	\$ 383,530	\$ 421,538
Office and other equipment	723	1,109	800	2,180
Transportation equipment	<u>4,401</u>	<u>3,597</u>	<u>8,922</u>	<u>7,068</u>
	<u>\$ 175,489</u>	<u>\$ 216,383</u>	<u>\$ 393,252</u>	<u>\$ 430,786</u>

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

b. Lease liabilities

	June 30, 2025		December 31, 2024	June 30, 2024
Carrying amount	<u>\$ 2,446,124</u>		<u>\$ 2,291,981</u>	<u>\$ 2,347,226</u>
	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Interest expense (other interest expense)	<u>\$ 7,346</u>	<u>\$ 6,645</u>	<u>\$ 14,134</u>	<u>\$ 12,949</u>

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

	Lease Terms	Range of Discount Rate
<u>June 30, 2025</u>		
Buildings	1-15 years	0.346%-4.575%
Office and other equipment	2-5 years	1.081%-1.690%
Transportation equipment	2-5 years	3.621%-4.575%
<u>December 31, 2024</u>		
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%
<u>June 30, 2024</u>		
Buildings	1-10 years	0.346%-5.312%
Office and other equipment	2-6 years	0.560%-3.099%
Transportation equipment	1-3 years	4.067%-5.563%

c. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Expenses relating to short-term leases	<u>\$ 7,287</u>	<u>\$ 5,970</u>	<u>\$ 13,419</u>	<u>\$ 13,812</u>
Expenses relating to low-value asset leases	<u>\$ 1,984</u>	<u>\$ 2,262</u>	<u>\$ 3,575</u>	<u>\$ 4,564</u>
Total cash outflow for leases			<u>\$ 428,202</u>	<u>\$ 498,424</u>

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

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

	June 30, 2025	December 31, 2024	June 30, 2024
Lease commitments	<u>\$ 68,652</u>	<u>\$ 40,800</u>	<u>\$ 120</u>

19. INTANGIBLE ASSETS, NET

	June 30, 2025	December 31, 2024	June 30, 2024
Goodwill	\$ 1,567,391	\$ 1,567,391	\$ 1,567,391
Computer software	2,077,189	2,083,067	1,983,499
Other intangible assets	<u>15,563</u>	<u>18,938</u>	<u>22,328</u>
	<u>\$ 3,660,143</u>	<u>\$ 3,669,396</u>	<u>\$ 3,573,218</u>
		Computer Software	Other Intangible Assets
Balance, January 1, 2025		\$ 2,083,067	\$ 18,938
Additions		320,873	-
Amortization		(338,864)	(3,375)
Reclassification		13,409	-
Effect of foreign currency exchange differences		<u>(1,296)</u>	<u>-</u>
Balance, June 30, 2025		<u>\$ 2,077,189</u>	<u>\$ 15,563</u>
Balance, January 1, 2024		\$ 1,972,227	\$ 25,703
Additions		307,629	-
Amortization		(298,245)	(3,375)
Reclassification		1,431	-
Effect of foreign currency exchange differences		<u>457</u>	<u>-</u>
Balance, June 30, 2024		<u>\$ 1,983,499</u>	<u>\$ 22,328</u>

There were no significant disposals and impairment of the intangible assets held by the Group for the six months ended June 30, 2025 and 2024. Refer to Note 19 to the consolidated financial statements as of and for the year ended December 31, 2024 for related information on intangible assets.

20. OTHER ASSETS, NET

	June 30, 2025	December 31, 2024	June 30, 2024
Prepayments	\$ 1,640,207	\$ 1,358,952	\$ 1,661,189
Refundable deposits	18,941,196	20,395,380	22,493,532
Operating guarantee deposits and settlement funds	1,961,025	2,098,376	1,968,134
Collateral, net	256,349	256,349	314,483
Others	<u>177,003</u>	<u>193,654</u>	<u>142,152</u>
	<u>\$ 22,975,780</u>	<u>\$ 24,302,711</u>	<u>\$ 26,579,490</u>

- a. Refer to Note 20 to the consolidated financial statements as of and for the year ended December 31, 2024 for related information on other assets, net.
- b. Refer to Note 49 for information relating to refundable deposits, operating guarantee deposits and settlement funds pledged as collateral.

- c. The loss allowance was measured at an amount equal to 12-month ECLs based on historical experience and forward-looking information; there was no loss allowance on refundable deposits, operating guarantee deposits and settlement funds as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

21. DEPOSITS FROM THE CENTRAL BANK AND BANKS

	June 30, 2025	December 31, 2024	June 30, 2024
Deposits from other banks	\$ 7,073,741	\$ 7,216,030	\$ 7,349,005
Call loans from other banks	19,989,339	4,599,665	16,320,108
Bank overdrafts	203,763	763,102	389,923
Deposits from the Central Bank	<u>81,265</u>	<u>97,286</u>	<u>105,334</u>
	<u>\$ 27,348,108</u>	<u>\$ 12,676,083</u>	<u>\$ 24,164,370</u>

22. COMMERCIAL PAPERS ISSUED, NET

	June 30, 2025	December 31, 2024	June 30, 2024
Grand Bills Finance	\$ 2,350,000	\$ 4,837,000	\$ 4,043,000
China Bills Finance	4,850,000	9,170,000	7,861,000
Ta Ching Bills Finance	1,300,000	950,000	1,068,000
International Bills Finance	2,180,000	2,850,000	1,900,000
Taiwan Finance Corporation	2,405,000	2,375,000	2,250,000
Mega Bills Finance	3,069,000	7,125,000	3,820,000
Bank SinoPac	2,700,000	5,200,000	3,800,000
KGI Bank	1,900,000	2,450,000	1,600,000
Taiwan Cooperative Bills Finance	2,600,000	2,400,000	2,400,000
Taipei Fubon Commercial Bank	1,050,000	2,550,000	1,850,000
Cathay United Bank	-	-	1,000,000
Yuanta Commercial Bank	-	500,000	-
China Trust Commercial Bank	100,000	1,800,000	750,000
Union Bank of Taiwan	2,600,000	4,300,000	3,500,000
Sunny Commercial Bank	1,950,000	1,400,000	1,350,000
O-Bank	300,000	1,600,000	100,000
E.SUN Commercial Bank	800,000	-	-
Less: Discounts on commercial papers issued	<u>(70,457)</u>	<u>(93,535)</u>	<u>(45,551)</u>
	<u>\$ 30,083,543</u>	<u>\$ 49,413,465</u>	<u>\$ 37,246,449</u>

As of June 30, 2025, December 31, 2024 and June 30, 2024, the interest rate ranges of commercial papers issued were 1.50%-2.00%, 1.55%-2.11% and 0.78%-2.29%, respectively.

23. PAYABLES

	June 30, 2025	December 31, 2024	June 30, 2024
Notes and accounts payable	\$ 13,838,568	\$ 10,950,788	\$ 13,202,671
Delivery accounts payable	12,191,967	5,823,502	10,062,527
Accrued expenses	9,424,634	11,292,563	7,849,693
Interest payable	7,827,783	7,859,633	8,225,358
Checks for clearance payable	509,504	1,312,582	1,716,392
Dividend payable	24,359,941	-	9,439,988
Collection payable	3,477,838	914,473	851,674
Settlement	1,709,643	1,534,734	2,019,955
Tax payable	707,649	635,307	622,788
Other payables	<u>4,440,653</u>	<u>4,440,443</u>	<u>3,515,469</u>
	<u>\$ 78,488,180</u>	<u>\$ 44,764,025</u>	<u>\$ 57,506,515</u>

24. DEPOSITS AND REMITTANCES

	June 30, 2025	December 31, 2024	June 30, 2024
Checking deposits	\$ 7,765,368	\$ 7,683,354	\$ 7,305,364
Demand deposits	456,247,570	463,141,063	491,626,452
Time deposits	810,623,771	806,126,779	700,061,448
Negotiable certificates of deposit	1,747,918	2,262,715	1,535,800
Savings deposits	1,088,800,149	1,022,032,589	1,049,696,359
Public treasury deposits	21,269,320	16,477,490	9,519,590
Remittances	<u>2,555,567</u>	<u>2,501,939</u>	<u>2,103,871</u>
	<u>\$ 2,389,009,663</u>	<u>\$ 2,320,225,929</u>	<u>\$ 2,261,848,884</u>

25. BONDS PAYABLE

	June 30, 2025	December 31, 2024	June 30, 2024
Corporate bonds	\$ 32,600,000	\$ 35,300,000	\$ 35,300,000
Exchangeable corporate bonds	-	4,259,400	5,025,000
Less: Discount on exchangeable corporate bonds	<u>-</u>	<u>(26,128)</u>	<u>(118,375)</u>
	32,600,000	39,533,272	40,206,625
Bank notes payable	<u>20,750,000</u>	<u>25,000,000</u>	<u>25,000,000</u>
	<u>\$ 53,350,000</u>	<u>\$ 64,533,272</u>	<u>\$ 65,206,625</u>

Corporate Bonds Issued by TS Financial Holding

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

a. Domestic unsecured subordinated corporate bonds and unsecured ordinary corporate bonds

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured Subordinated Corporate Bonds - 2017 (I)	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000
Unsecured Subordinated Corporate Bonds - 2018 (I)	7,000,000	7,000,000	7,000,000
Unsecured Subordinated Corporate Bonds - 2019 (I)	7,000,000	7,000,000	7,000,000
Unsecured Ordinary Corporate Bonds - 2020 (I)	<u>7,300,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
	<u>\$ 29,300,000</u>	<u>\$ 32,000,000</u>	<u>\$ 32,000,000</u>

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.

b. Domestic unsecured exchangeable corporate bonds

Name of Bond	Duration	Interest Rate	Total Issued Amount	June 30, 2025	December 31, 2024	June 30, 2024
Domestic unsecured exchangeable corporate bonds	2022.4.1-2025.4.1	0%	\$ 5,025,000	<u>\$ -</u>	<u>\$ 4,233,272</u>	<u>\$ 4,906,625</u>

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

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

Bank Notes Payable Issued by Taishin Bank

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

	June 30, 2025	December 31, 2024	June 30, 2024
Subordinated Bank Notes Payable - 2015 (I)	\$ 4,850,000	\$ 9,100,000	\$ 9,100,000
Subordinated Bank Notes Payable - 2015 (II)	6,000,000	6,000,000	6,000,000
Subordinated Bank Notes Payable - 2015 (III)	4,900,000	4,900,000	4,900,000
Subordinated Bank Notes Payable - 2019 (I)	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
	<u>\$ 20,750,000</u>	<u>\$ 25,000,000</u>	<u>\$ 25,000,000</u>

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

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%.

	June 30, 2025	December 31, 2024	June 30, 2024
Unsecured Subordinated Corporate Bonds - 2020 (I)	<u>\$ 3,300,000</u>	<u>\$ 3,300,000</u>	<u>\$ 3,300,000</u>

26. OTHER BORROWINGS

	June 30, 2025	December 31, 2024	June 30, 2024
Short-term unsecured borrowings	\$ 5,339,233	\$ 7,645,830	\$ 8,839,989
Long-term borrowings	<u>1,644,002</u>	<u>2,597,881</u>	<u>2,311,974</u>
	<u>\$ 6,983,235</u>	<u>\$ 10,243,711</u>	<u>\$ 11,151,963</u>

As of June 30, 2025, December 31, 2024 and June 30, 2024, the interest rates on short-term unsecured borrowings ranged from 1.80%-5.56%, 1.88%-5.81% and 1.83%-6.24%, respectively.

As of June 30, 2025, December 31, 2024 and June 30, 2024, the interest rate on long-term borrowings ranged from 3.38%-3.70%, 3.80%-5.01% and 4.20%-4.54%, respectively.

27. PROVISIONS

	June 30, 2025	December 31, 2024	June 30, 2024
Insurance liabilities (Note 28)	\$ 272,185,839	\$ 270,261,597	\$ 255,903,803
Provisions for employee benefits (Note 32)	838,000	905,824	1,302,980
Provisions for guarantee liabilities	293,746	300,578	292,707
Provisions for loan commitments	184,619	172,967	192,967
Other provisions	<u>125,536</u>	<u>127,885</u>	<u>124,944</u>
	<u>\$ 273,627,740</u>	<u>\$ 271,768,851</u>	<u>\$ 257,817,401</u>

	Provisions for Guarantee Liabilities	Provisions for Loan Commitments	Other Provisions
Balance, January 1, 2025	\$ 300,578	\$ 172,967	\$ 127,885
Provision (reverse)	(5,103)	14,373	290
Effect of foreign currency exchange differences	<u>(1,729)</u>	<u>(2,721)</u>	<u>(2,639)</u>
Balance, June 30, 2025	<u>\$ 293,746</u>	<u>\$ 184,619</u>	<u>\$ 125,536</u>
Balance, January 1, 2024	\$ 280,152	\$ 187,967	\$ 123,683
Provision (reverse)	10,986	4,175	(56)
Effect of foreign currency exchange differences	<u>1,569</u>	<u>825</u>	<u>1,317</u>
Balance, June 30, 2024	<u>\$ 292,707</u>	<u>\$ 192,967</u>	<u>\$ 124,944</u>

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

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

	12-month ECLs	Lifetime ECLs - Not Credit-impaired	Lifetime ECLs - Credit-impaired	Loss Allowance under IFRS 9	Recognized Based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
June 30, 2025	\$ 119,888	\$ 7,316	\$ 13,602	\$ 140,806	\$ 342,585	\$ 483,391
December 31, 2024	117,486	8,909	5,638	132,033	346,538	478,571
June 30, 2024	103,712	9,208	5,834	118,754	371,946	490,700

28. INSURANCE LIABILITIES

	June 30, 2025	December 31, 2024	June 30, 2024
Unearned premium reserve	\$ 1,376,920	\$ 1,338,993	\$ 1,263,423
Loss reserve	2,083,728	2,001,129	1,837,870
Policy reserve	245,344,926	243,785,053	229,533,725
Special reserve for life insurance	33,093	-	-
Premium deficiency reserve	216,036	241,928	285,604
Reserve for insurance contracts with the nature of financial products	1,360	1,465	1,624
Reserve for foreign exchange valuation	2,017,157	1,325,436	958,988
Other reserves	<u>21,112,619</u>	<u>21,567,593</u>	<u>22,022,569</u>
	<u>\$ 272,185,839</u>	<u>\$ 270,261,597</u>	<u>\$ 255,903,803</u>

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

Net changes in insurance liability reserves were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Provision of policy reserve	\$ 3,448,553	\$ 5,822,732	\$ 12,540,206	\$ 12,039,506
Provision of loss reserve	45,141	49,787	95,321	127,639
Provision (reversal) of premium deficiency reserve	6,159	(11,556)	(5,956)	(33,295)
Provision of special reserve for life insurance	33,093	-	33,093	-
Net changes in unearned premium reserve	(12,468)	16,000	(404)	36,968
Net changes in reserve for insurance contracts with the nature of financial products	<u>(25)</u>	<u>(71)</u>	<u>(105)</u>	<u>(118)</u>
	<u>3,520,453</u>	<u>5,876,892</u>	<u>12,662,155</u>	<u>12,170,700</u>
Net changes in other reserves	<u>(227,487)</u>	<u>(231,358)</u>	<u>(454,974)</u>	<u>(462,718)</u>
	<u>\$ 3,292,966</u>	<u>\$ 5,645,534</u>	<u>\$ 12,207,181</u>	<u>\$ 11,707,982</u>

a. Unearned premium reserve

	June 30, 2025			December 31, 2024			June 30, 2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Individual life insurance	\$ 50,674	\$ -	\$ 50,674	\$ 50,463	\$ -	\$ 50,463	\$ 49,172	\$ -	\$ 49,172
Individual injury insurance	96,891	-	96,891	97,327	-	97,327	96,128	-	96,128
Individual health insurance	1,199,466	-	1,199,466	1,163,340	-	1,163,340	1,091,345	-	1,091,345
Investment-linked insurance	29,889	-	29,889	27,863	-	27,863	26,778	-	26,778
	<u>1,376,920</u>	<u>-</u>	<u>1,376,920</u>	<u>1,338,993</u>	<u>-</u>	<u>1,338,993</u>	<u>1,263,423</u>	<u>-</u>	<u>1,263,423</u>
Less ceded unearned premium reserve									
Individual life insurance	215,645	-	215,645	197,459	-	197,459	166,745	-	166,745
Individual injury insurance	14,138	-	14,138	14,361	-	14,361	14,611	-	14,611
Individual health insurance	143,849	-	143,849	135,851	-	135,851	128,667	-	128,667
Investment-linked insurance	33,111	-	33,111	32,314	-	32,314	30,793	-	30,793
	<u>406,743</u>	<u>-</u>	<u>406,743</u>	<u>379,985</u>	<u>-</u>	<u>379,985</u>	<u>340,816</u>	<u>-</u>	<u>340,816</u>
	<u>\$ 970,177</u>	<u>\$ -</u>	<u>\$ 970,177</u>	<u>\$ 959,008</u>	<u>\$ -</u>	<u>\$ 959,008</u>	<u>\$ 922,607</u>	<u>\$ -</u>	<u>\$ 922,607</u>

The changes in unearned premium reserve are as follows:

	For the Six Months Ended June 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Beginning balance	\$ 1,338,993	\$ -	\$ 1,338,993	\$ 1,190,540	\$ -	\$ 1,190,540
Provision	1,377,031	-	1,377,031	1,263,374	-	1,263,374
Recovery	(1,338,993)	-	(1,338,993)	(1,190,540)	-	(1,190,540)
Effect of foreign currency exchange differences	(111)	-	(111)	49	-	49
Ending balance	<u>1,376,920</u>	<u>-</u>	<u>1,376,920</u>	<u>1,263,423</u>	<u>-</u>	<u>1,263,423</u>
Less ceded unearned premium reserve						
Beginning balance	379,985	-	379,985	302,194	-	302,194
Increase	418,427	-	418,427	338,060	-	338,060
Decrease	(379,985)	-	(379,985)	(302,194)	-	(302,194)
Effect of foreign currency exchange differences	(11,684)	-	(11,684)	2,756	-	2,756
Ending balance	<u>406,743</u>	<u>-</u>	<u>406,743</u>	<u>340,816</u>	<u>-</u>	<u>340,816</u>
Net ending balance	<u>\$ 970,177</u>	<u>\$ -</u>	<u>\$ 970,177</u>	<u>\$ 922,607</u>	<u>\$ -</u>	<u>\$ 922,607</u>

b. Loss reserve

	June 30, 2025			December 31, 2024			June 30, 2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Individual life insurance									
Filed not yet paid	\$ 994,717	\$ -	\$ 994,717	\$ 969,543	\$ -	\$ 969,543	\$ 964,690	\$ -	\$ 964,690
	49	-	49	-	-	-	-	-	-
Individual injury insurance									
Filed not yet paid	11,722	-	11,722	3,153	-	3,153	3,400	-	3,400
Not yet filed	8,218	-	8,218	11,785	-	11,785	14,833	-	14,833
Individual health insurance									
Filed not yet paid	772,479	-	772,479	722,224	-	722,224	627,867	-	627,867
Not yet filed	294,901	-	294,901	260,224	-	260,224	221,775	-	221,775
Investment-linked insurance									
Filed not yet paid	1,642	-	1,642	34,200	-	34,200	5,305	-	5,305
	<u>2,083,728</u>	<u>-</u>	<u>2,083,728</u>	<u>2,001,129</u>	<u>-</u>	<u>2,001,129</u>	<u>1,837,870</u>	<u>-</u>	<u>1,837,870</u>
Less ceded loss reserve									
Individual life insurance	9,306	-	9,306	15,144	-	15,144	2,901	-	2,901
Individual injury insurance	2,226	-	2,226	7	-	7	7	-	7
Individual health insurance	79,247	-	79,247	84,537	-	84,537	78,877	-	78,877
	-	-	-	147	-	147	-	-	-
	<u>90,779</u>	<u>-</u>	<u>90,779</u>	<u>99,835</u>	<u>-</u>	<u>99,835</u>	<u>81,785</u>	<u>-</u>	<u>81,785</u>
	<u>\$ 1,992,949</u>	<u>\$ -</u>	<u>\$ 1,992,949</u>	<u>\$ 1,901,294</u>	<u>\$ -</u>	<u>\$ 1,901,294</u>	<u>\$ 1,756,085</u>	<u>\$ -</u>	<u>\$ 1,756,085</u>

The changes in loss reserve are as follows:

	For the Six Months Ended June 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Beginning balance	\$ 2,001,129	\$ -	\$ 2,001,129	\$ 1,692,502	\$ -	\$ 1,692,502
Provision	2,088,136	-	2,088,136	1,836,052	-	1,836,052
Recovery	(2,001,129)	-	(2,001,129)	(1,692,502)	-	(1,692,502)
Effect of foreign currency exchange differences	(4,408)	-	(4,408)	1,818	-	1,818
Ending balance	<u>2,083,728</u>	<u>-</u>	<u>2,083,728</u>	<u>1,837,870</u>	<u>-</u>	<u>1,837,870</u>
Less ceded loss reserve						
Beginning balance	99,835	-	99,835	65,748	-	65,748
Increase	91,529	-	91,529	81,677	-	81,677
Decrease	(99,843)	-	(99,843)	(65,766)	-	(65,766)
Effect of foreign currency exchange differences	(742)	-	(742)	126	-	126
Ending balance	<u>90,779</u>	<u>-</u>	<u>90,779</u>	<u>81,785</u>	<u>-</u>	<u>81,785</u>
Net ending balance	<u>\$ 1,992,949</u>	<u>\$ -</u>	<u>\$ 1,992,949</u>	<u>\$ 1,756,085</u>	<u>\$ -</u>	<u>\$ 1,756,085</u>

c. Policy reserve

	June 30, 2025			December 31, 2024			June 30, 2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Life insurance	\$ 216,150,924	\$ -	\$ 216,150,924	\$ 214,860,440	\$ -	\$ 214,860,440	\$ 201,717,884	\$ -	\$ 201,717,884
Health insurance	27,475,114	-	27,475,114	27,178,012	-	27,178,012	25,951,797	-	25,951,797
Annuity insurance	34,363	-	34,363	30,436	-	30,436	30,883	-	30,883
Investment-linked insurance	1,660,865	-	1,660,865	1,663,221	-	1,663,221	1,617,242	-	1,617,242
Transferred-in unwritten-off balance of 3% decrease in business tax	-	-	-	-	-	-	158,276	-	158,276
Transferred-in recovery of catastrophe reserve	-	-	-	-	-	-	5,021	-	5,021
	<u>245,321,266</u>	<u>-</u>	<u>245,321,266</u>	<u>243,732,109</u>	<u>-</u>	<u>243,732,109</u>	<u>229,481,103</u>	<u>-</u>	<u>229,481,103</u>
Less ceded policy reserve	-	-	-	-	-	-	-	-	-
	<u>\$ 245,321,266</u>	<u>\$ -</u>	<u>\$ 245,321,266</u>	<u>\$ 243,732,109</u>	<u>\$ -</u>	<u>\$ 243,732,109</u>	<u>\$ 229,481,103</u>	<u>\$ -</u>	<u>\$ 229,481,103</u>

Reserve for life insurance liability plus “Reserve for life insurance - pending payments to insured” and additional liability reserve under the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises were \$245,344,926 thousand, \$243,785,053 thousand and \$229,533,725 thousand as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

The changes in policy reserve are as follows:

	For the Six Months Ended June 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Beginning balance	\$ 243,732,109	\$ -	\$ 243,732,109	\$ 213,359,672	\$ -	\$ 213,359,672
Provision	16,569,364	-	16,569,364	15,947,092	-	15,947,092
Recovery	(4,029,158)	-	(4,029,158)	(3,907,586)	-	(3,907,586)
Effect of foreign currency exchange differences	<u>(10,951,049)</u>	<u>-</u>	<u>(10,951,049)</u>	<u>4,081,925</u>	<u>-</u>	<u>4,081,925</u>
Ending balance	245,321,266	-	245,321,266	229,481,103	-	229,481,103
Less ceded policy reserve	-	-	-	-	-	-
Net ending balance	<u>\$ 245,321,266</u>	<u>\$ -</u>	<u>\$ 245,321,266</u>	<u>\$ 229,481,103</u>	<u>\$ -</u>	<u>\$ 229,481,103</u>

d. Special reserve for life insurance

	June 30, 2025			December 31, 2024			June 30, 2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Reserve for participating policy dividends	\$ 33,093	\$ -	\$ 33,093	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	For the Six Months Ended June 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Beginning balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Provision of reserve for participating policy dividends	33,093	-	33,093	-	-	-
Net ending balance	\$ 33,093	\$ -	\$ 33,093	\$ -	\$ -	\$ -

e. Premium deficiency reserve

	June 30, 2025			December 31, 2024			June 30, 2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Individual life insurance	\$ 211,533	\$ -	\$ 211,533	\$ 237,010	\$ -	\$ 237,010	\$ 279,490	\$ -	\$ 279,490
Individual health insurance	4,503	-	4,503	4,918	-	4,918	6,114	-	6,114
	216,036	-	216,036	241,928	-	241,928	285,604	-	285,604
Less ceded premium deficiency reserve	-	-	-	-	-	-	-	-	-
	\$ 216,036	\$ -	\$ 216,036	\$ 241,928	\$ -	\$ 241,928	\$ 285,604	\$ -	\$ 285,604

The changes in premium deficiency reserve are as follows:

	For the Six Months Ended June 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Beginning balance	\$ 241,928	\$ -	\$ 241,928	\$ 305,766	\$ -	\$ 305,766
Provision	24,533	-	24,533	9,282	-	9,282
Recovery	(30,489)	-	(30,489)	(42,577)	-	(42,577)
Effect of foreign currency exchange differences	(19,936)	-	(19,936)	13,133	-	13,133
Ending balance	216,036	-	216,036	285,604	-	285,604
Less ceded premium deficiency reserve	-	-	-	-	-	-
Net ending balance	<u>\$ 216,036</u>	<u>\$ -</u>	<u>\$ 216,036</u>	<u>\$ 285,604</u>	<u>\$ -</u>	<u>\$ 285,604</u>

f. Liability adequacy reserve

	Insurance Contracts and Financial Instruments with Discretionary Participation Features		
	June 30, 2025	December 31, 2024	June 30, 2024
Unearned premium reserve	\$ 1,376,920	\$ 1,338,993	\$ 1,263,423
Policy reserve	245,321,266	243,732,109	229,322,827
Premium deficiency reserve	<u>216,036</u>	<u>241,928</u>	<u>285,604</u>
Carrying amount of insurance liability	<u>\$ 246,914,222</u>	<u>\$ 245,313,030</u>	<u>\$ 230,871,854</u>
Current estimates of cash flows	<u>\$ 158,085,828</u>	<u>\$ 157,216,974</u>	<u>\$ 153,785,391</u>
Balance of liability adequacy reserve	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

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

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

As of June 30, 2025, December 31, 2024 and June 30, 2024, Taishin Life Insurance was not required to provide liability adequacy reserve after evaluation.

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

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

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

	June 30, 2025	December 31, 2024	June 30, 2024
Investment-linked insurance - annuity insurance	<u>\$ 1,360</u>	<u>\$ 1,465</u>	<u>\$ 1,624</u>

The Group issued financial instrument without discretionary participation feature and recognized reserve for insurance contracts with the nature of financial products. The changes in reserve for insurance contracts with the nature of financial products were as follows:

Investment-linked insurance - annuity insurance

	For the Six Months Ended June 30	
	2025	2024
Beginning balance	\$ 1,465	\$ 1,742
Net recovery of legal reserve	<u>(105)</u>	<u>(118)</u>
Ending balance	<u>\$ 1,360</u>	<u>\$ 1,624</u>

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 Six Months Ended June 30, 2025

	Reserve for Foreign Exchange Valuation	Policy Reserve - Operating Loss Reserve (c)	Policy Reserve - Recovery of Catastrophe Reserve (c)
Beginning balance	\$ 1,325,436	\$ -	\$ -
Provision			
Compulsory provision	154,820	-	-
Additional provision	<u>2,997,183</u>	<u>-</u>	<u>-</u>
	3,152,003	-	-
Recovery	<u>(2,460,282)</u>	<u>-</u>	<u>-</u>
Ending balance	<u>\$ 2,017,157</u>	<u>\$ -</u>	<u>\$ -</u>

For the Six Months Ended June 30, 2024

	Reserve for Foreign Exchange Valuation	Policy Reserve - Operating Loss Reserve (c)	Policy Reserve - Recovery of Catastrophe Reserve (c)
Beginning balance	\$ 414,258	\$ 158,276	\$ 5,021
Provision			
Compulsory provision	62,179	-	-
Additional provision	<u>614,967</u>	<u>-</u>	<u>-</u>
	677,146	-	-
Recovery	<u>(132,416)</u>	<u>-</u>	<u>-</u>
Ending balance	<u>\$ 958,988</u>	<u>\$ 158,276</u>	<u>\$ 5,021</u>

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.

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

Accounts	For the Six Months Ended June 30, 2025		
	Inapplicable Amount (1)	Applicable Amount (2)	Effect (3)=(2)-(1)
Net income attributable to owners of parent	\$ 10,776,590	\$ 10,223,212	\$ (553,378)
Earnings per share	0.75	0.71	(0.04)
Reserve for foreign exchange valuation	-	2,017,157	2,017,157
Equity attributable to owners of parent	213,810,744	212,453,031	(1,357,713)

Accounts	For the Six Months Ended June 30, 2024		
	Inapplicable Amount (1)	Applicable Amount (2)	Effect (3)=(2)-(1)
Net income attributable to owners of parent	\$ 11,011,787	\$ 10,576,003	\$ (435,784)
Earnings per share (Note)	0.77	0.74	(0.03)
Reserve for foreign exchange valuation	-	958,988	958,988
Equity attributable to owners of parent	220,738,405	220,096,591	(641,814)

Note: Refer to Note 42 for information on the earnings per share after retrospective adjustment.

29. OTHER FINANCIAL LIABILITIES

	June 30, 2025	December 31, 2024	June 30, 2024
Principal of structured products	\$ 95,811,016	\$ 99,553,850	\$ 102,345,547
Gold account	1,453,752	967,371	615,192
Futures traders' equity	5,160,729	3,961,866	3,742,836
Separate account insurance product liabilities (Note 31)	<u>49,940,437</u>	<u>44,367,925</u>	<u>40,795,987</u>
	<u>\$ 152,365,934</u>	<u>\$ 148,851,012</u>	<u>\$ 147,499,562</u>

30. OTHER LIABILITIES

	June 30, 2025	December 31, 2024	June 30, 2024
Unearned revenue	\$ 702,088	\$ 713,023	\$ 761,199
Unearned interest	1,323,545	1,397,351	1,340,710
Guarantee deposits	18,569,172	5,050,460	4,762,017
Deferred income	1,850,108	1,577,564	1,001,699
Temporary credits	1,306,245	1,034,350	953,770
Receivable from underwriting of shares	-	773,685	102,655
Others	<u>47,693</u>	<u>54,325</u>	<u>64,697</u>
	<u>\$ 23,798,851</u>	<u>\$ 10,600,758</u>	<u>\$ 8,986,747</u>

31. SEPARATE ACCOUNT INSURANCE PRODUCTS

	June 30, 2025	December 31, 2024	June 30, 2024
Separate account insurance product assets			
Cash in bank	\$ 2,207,492	\$ 2,190,118	\$ 2,147,393
Financial assets at FVTPL	45,850,864	41,591,323	37,621,104
Interest receivable	8,020	12,077	7,072
Other receivables	<u>1,874,061</u>	<u>574,407</u>	<u>1,020,418</u>
	<u>\$ 49,940,437</u>	<u>\$ 44,367,925</u>	<u>\$ 40,795,987</u>
Separate account insurance product liabilities			
Other payables	\$ 94,094	\$ 113,978	\$ 186,321
Reserve for insurance products	30,751,574	29,620,413	29,091,631
Reserve for investment contracts	<u>19,094,769</u>	<u>14,633,534</u>	<u>11,518,035</u>
	<u>\$ 49,940,437</u>	<u>\$ 44,367,925</u>	<u>\$ 40,795,987</u>

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Separate account insurance product income				
Premium income	\$ 2,037,789	\$ 684,869	\$ 3,590,297	\$ 956,380
Interest income	6,897	4,573	13,340	9,844
Gain (loss) on financial assets and liabilities at FVTPL	<u>(43,361)</u>	<u>667,932</u>	<u>(1,348,225)</u>	<u>2,792,741</u>
	<u>\$ 2,001,325</u>	<u>\$ 1,357,374</u>	<u>\$ 2,255,412</u>	<u>\$ 3,758,965</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Separate account insurance product expenses				
Provision (reversal) of separate account reserve	\$ 1,640,944	\$ 975,552	\$ 1,531,344	\$ 3,079,268
Claims, payments and surrender	254,114	290,062	535,926	504,379
Administrative expenses	<u>106,267</u>	<u>91,760</u>	<u>188,142</u>	<u>175,318</u>
	<u>\$ 2,001,325</u>	<u>\$ 1,357,374</u>	<u>\$ 2,255,412</u>	<u>\$ 3,758,965</u>

(Concluded)

- b. The rebates earned from counterparties due to the business of separate account insurance products amounted to \$26,273 thousand and \$23,493 thousand for the three months ended June 30, 2025 and 2024, respectively, and amounted to \$52,361 thousand and \$45,796 thousand for the six months ended June 30, 2025 and 2024, respectively, which were recorded under service fee income.

32. POST-EMPLOYMENT BENEFIT PLANS

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

Pension cost for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024 was calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year. Refer to Note 39 for information on employee benefits expense.

33. EQUITY

- a. Share capital

	June 30, 2025	December 31, 2024	June 30, 2024
Number of shares authorized (in thousands)	<u>35,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>
Shares authorized	<u>\$ 350,000,000</u>	<u>\$ 200,000,000</u>	<u>\$ 200,000,000</u>
Number of shares issued and fully paid (in thousands)			
Ordinary shares	<u>12,976,144</u>	<u>12,976,144</u>	<u>12,477,062</u>
Preferred shares	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>
Capital shares issued and outstanding	<u>\$ 140,761,443</u>	<u>\$ 140,761,443</u>	<u>\$ 135,770,618</u>

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.

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

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

- 1) Tenor: Perpetual.
- 2) 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.
- 3) 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.
- 4) 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.
- 5) 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.
- 6) 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.
- 7) 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.

- 8) 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.
 - 9) When the Company issues new shares for capital raising, Class E preferred shareholders shall be entitled to preemptive rights on the new shares equivalent to those of ordinary shareholders.
- c. In accordance with Article 8-4 of the Articles of Incorporation, the Company issued Class E registered preferred shares (“Class E preferred shares”), which totaled 300,000 thousand shares, with a par value of NT\$10. The issue price was NT\$50 per share, and the total amount issued was \$15,000,000 thousand on November 30, 2018. The issuance of shares was approved by the FSC under its Order No. 1070329855 issued on September 6, 2018, and the change in registration was approved by the ROC Ministry of Economic Affairs under its Order No. 10701153080 on December 17, 2018. The Class E preferred shares was listed on Taiwan Stock Exchange on January 8, 2019.

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

- 1) Tenor: Perpetual.
- 2) 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.
- 3) 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.
- 4) 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.
- 5) 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.
- 6) 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.

- 7) 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.
 - 8) 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 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.

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

- 1) Tenor: Perpetual.
- 2) 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.
- 3) 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.
- 4) 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.

- 5) 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.
- 6) 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.
- 7) 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.
- 8) 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.
- 9) 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.
- 10) 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.
- 11) 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.
- 12) In the event that Class F preferred shareholders' equity decreases proportionally due to a reduction of share capital against cumulative losses, Class F preferred shareholders' equity shall be adjusted/made up for the amount decreased so that Class F preferred shareholders' interest is maintained at the same level as that the shares were initially issued.

e. Capital surplus

As of June 30, 2025, the Company recognized a capital surplus of \$38,197,778 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 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 preferred shares.

f. Retained earnings and dividend policy

In accordance with dividend policy of the Articles of Incorporation of the Company, whereas the Company makes profit in a fiscal year, the profit shall be first utilized for paying taxes, adjusted in accordance with accounting standards, offset losses of previous years, set aside 10% of the remaining profit as legal reserve, and set aside special reserve in accordance with the laws and regulations, the dividend rate of the Class E preferred shares and the Class F preferred shares should not be more than 8% and 4.5%, respectively. The distribution plan based on the Company's Articles of Incorporation clause 8-4 and 8-5 should be proposed by Company's board of directors in its meeting before its being resolved in the shareholders' meeting, and then any remaining profit together with the amount of reversed dividend or distributed-available special reserve and any undistributed earnings at the beginning of the fiscal year shall be resolved by the Company's board of directors in its meeting as the basis for proposing a distribution plan, of which cash dividends should not be less than 10% of total dividends distributed, to ordinary shareholders and each class of preferred shareholders. The distribution plan should be resolved in the shareholders' meeting. However, under the requirements of the MOF, if the Group's capital adequacy ratio is less than 100%, dividends cannot be distributed in cash or other assets. For the policies on distribution of employees' compensation and remuneration to directors before and after amendment, please refer to employee benefits expense in Note 39.

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 g. 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, the actual appropriations were 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 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. Following the merger, the number of common shares outstanding of TS Financial Holding decreased to 24,866,399 thousand shares. The dividends shall be distributed at approximately NT\$0.9 per share.

g. 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.

h. Other equity items

1) Exchange differences on translation of the financial statements of foreign operations

	For the Six Months Ended June 30	
	2025	2024
Beginning balance	\$ (98,874)	\$ (184,525)
Exchange differences on translating the net assets of foreign operations	<u>(218,454)</u>	<u>67,239</u>
Ending balance	<u>\$ (317,328)</u>	<u>\$ (117,286)</u>

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Six Months Ended June 30	
	2025	2024
Beginning balance	\$ (1,099,440)	\$ (986,719)
Recognized during the period		
Unrealized gains or losses		
Debt instruments	2,654,455	(542,729)
Equity instruments	(903,328)	1,138,345
Income tax related to profit or loss of debt instruments	(291,921)	(13,376)
Reclassification adjustments		
Disposal of investments in debt instruments	<u>(514,281)</u>	<u>(348,057)</u>
Other comprehensive income (loss) recognized during the period	<u>944,925</u>	<u>234,183</u>
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	<u>127,939</u>	<u>(268,538)</u>
Ending balance	<u>\$ (26,576)</u>	<u>\$ (1,021,074)</u>

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

	For the Six Months Ended June 30	
	2025	2024
Beginning balance	\$ 22,145	\$ 161,394
Changes in fair value attributable to changes in the credit risk	<u>452</u>	<u>(140,420)</u>
Ending balance	<u>\$ 22,597</u>	<u>\$ 20,974</u>

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

	For the Six Months Ended June 30	
	2025	2024
Beginning balance	\$ 1,059,722	\$ 215,398
Recognized during the period		
Unrealized gain (loss)	(2,984,271)	2,261,338
Tax effects	<u>(10,601)</u>	<u>3,104</u>
Other comprehensive income (loss) recognized during the period	<u>(2,994,872)</u>	<u>2,264,442</u>
Ending balance	<u>\$ (1,935,150)</u>	<u>\$ 2,479,840</u>

i. Non-controlling interests

	For the Six Months Ended June 30	
	2025	2024
Beginning balance	\$ 26,878	\$ 27,253
Attributable to non-controlling interests		
Net income for the year	(868)	704
Subsidiary cash dividends	<u>(340)</u>	<u>(1,031)</u>
Ending balance	<u>\$ 25,670</u>	<u>\$ 26,926</u>

j. Treasury shares

Purpose of Buy-back	Shares Acquired from Shareholders with Objections - Ordinary Shares (In Thousands of Shares)	Shares Acquired from Shareholders with Objections - 2016 Class E Preferred Shares (In Thousands of Shares)	Shares Acquired from Shareholders with Objections - 2018 Class E Preferred Shares (In Thousands of Shares)
Number of shares at January 1, 2025 and June 30, 2025	<u>123</u>	<u>800</u>	<u>1,005</u>

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.

34. NET INTEREST INCOME

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Interest income				
Loans	\$ 13,516,775	\$ 12,927,116	\$ 26,750,137	\$ 25,119,579
Investment in marketable securities	6,343,451	6,314,735	12,545,484	12,089,820
Revolving interest of credit cards	391,497	351,444	782,459	712,883
Finance leases	446,789	465,089	900,227	938,707
Others	<u>1,296,883</u>	<u>1,890,258</u>	<u>2,746,561</u>	<u>3,599,389</u>
	<u>21,995,395</u>	<u>21,948,642</u>	<u>43,724,868</u>	<u>42,460,378</u>
Interest expense				
Deposits	(10,325,296)	(11,018,674)	(20,857,294)	(21,058,799)
Structured products	(727,587)	(920,454)	(1,494,886)	(1,850,707)
Others	<u>(1,113,335)</u>	<u>(1,342,726)</u>	<u>(2,212,379)</u>	<u>(2,658,183)</u>
	<u>(12,166,218)</u>	<u>(13,281,854)</u>	<u>(24,564,559)</u>	<u>(25,567,689)</u>
Net interest income	<u>\$ 9,829,177</u>	<u>\$ 8,666,788</u>	<u>\$ 19,160,309</u>	<u>\$ 16,892,689</u>

35. NET SERVICE FEE AND COMMISSION INCOME

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Service fees and commission income				
Interbank fee	\$ 291,484	\$ 281,702	\$ 586,862	\$ 566,326
Loan and guarantee fee	253,431	196,522	534,714	406,201
Fee from certification, underwriting and brokerage	852,515	1,111,658	1,865,986	2,134,907
Fee from trustee business	962,528	968,517	2,119,980	1,992,769
Insurance commission fee	1,028,420	615,220	2,248,521	1,315,976
Fee from credit cards	1,804,517	1,596,430	3,656,651	3,024,806
Others	<u>763,210</u>	<u>651,581</u>	<u>1,480,411</u>	<u>1,265,281</u>
	<u>5,956,105</u>	<u>5,421,630</u>	<u>12,493,125</u>	<u>10,706,266</u>
Service fees and commission expenses				
Fees from credit cards	(911,499)	(843,064)	(1,830,183)	(1,618,727)
Interbank fee	(101,203)	(93,012)	(210,723)	(189,201)
Marketing fee	(235,068)	(198,086)	(468,868)	(377,685)
Insurance commission fee	(1,996,689)	(1,065,872)	(3,974,268)	(1,990,660)
Others	<u>(438,870)</u>	<u>(437,200)</u>	<u>(866,786)</u>	<u>(877,907)</u>
	<u>(3,683,329)</u>	<u>(2,637,234)</u>	<u>(7,350,828)</u>	<u>(5,054,180)</u>
Net service fees and commission income	<u>\$ 2,272,776</u>	<u>\$ 2,784,396</u>	<u>\$ 5,142,297</u>	<u>\$ 5,652,086</u>

36. NET INCOME FROM INSURANCE OPERATIONS

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Insurance business income				
Written premium income	\$ 12,054,227	\$ 8,754,434	\$ 24,764,878	\$ 18,173,783
Reinsurance premium expense	(214,822)	(166,931)	(405,190)	(326,459)
Separate account insurance product income	<u>2,001,325</u>	<u>1,357,374</u>	<u>2,255,412</u>	<u>3,758,965</u>
	<u>13,840,730</u>	<u>9,944,877</u>	<u>26,615,100</u>	<u>21,606,289</u>
Insurance business expense				
Underwriting expense	(987)	(1,284)	(1,933)	(2,176)
Insurance claim payments	(2,942,338)	(2,641,839)	(5,676,358)	(5,128,948)
Claims and payments recovered from reinsurers	73,496	53,019	127,888	112,573
Disbursements toward industry stability fund	(17,694)	(16,673)	(36,791)	(34,606)
Separate account insurance product expense	<u>(2,001,325)</u>	<u>(1,357,374)</u>	<u>(2,255,412)</u>	<u>(3,758,965)</u>
	<u>(4,888,848)</u>	<u>(3,964,151)</u>	<u>(7,842,606)</u>	<u>(8,812,122)</u>
Net income from insurance operations	<u>\$ 8,951,882</u>	<u>\$ 5,980,726</u>	<u>\$ 18,772,494</u>	<u>\$ 12,794,167</u>

37. GAIN (LOSS) ON FINANCIAL ASSETS AND LIABILITIES AT FVTPL

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<u>Disposal gains (losses)</u>				
Taishin Bank				
Shares and beneficiary certificates	\$ 783,384	\$ 177,987	\$ 822,249	\$ 477,757
Bills	32,775	12,157	73,026	65,170
Bonds	74,126	140,333	151,727	440,484
Derivative financial instruments	<u>1,120,498</u>	<u>318,849</u>	<u>2,459,354</u>	<u>218,942</u>
	<u>2,010,783</u>	<u>649,326</u>	<u>3,506,356</u>	<u>1,202,353</u>
Taishin Securities B				
Call (put) warrants issued	34,085	(90,852)	75,731	(44,209)
Trading securities - dealing	(396,217)	807,271	(244,928)	1,397,546
Trading securities - underwriting	15,384	25,673	31,032	46,809
Trading securities - hedging	4,968	236,928	85,614	512,342
Borrowed securities and bonds with resell agreements-short sales	10,510	2,746	(19,273)	(107,826)
Funds	-	437	1,109	437
Fixed-term fixed-amount reconciliation account shares	1	-	5	-
Derivative financial instruments	<u>249,720</u>	<u>(625,932)</u>	<u>410,815</u>	<u>(1,072,813)</u>
	<u>(81,549)</u>	<u>356,271</u>	<u>340,105</u>	<u>732,286</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Taishin Life Insurance				
Shares and beneficiary certificates	\$ 301,065	\$ 996,345	\$ 1,230,257	\$ 1,898,631
Derivative financial instruments	<u>306,045</u>	<u>(575,633)</u>	<u>(679,435)</u>	<u>(873,865)</u>
	<u>607,110</u>	<u>420,712</u>	<u>550,822</u>	<u>1,024,766</u>
Others				
Shares and beneficiary certificates	49,722	4,290	59,329	8,553
Derivative financial instruments	<u>15,821</u>	<u>-</u>	<u>176,913</u>	<u>-</u>
	<u>65,543</u>	<u>4,290</u>	<u>236,242</u>	<u>8,553</u>
	<u>2,601,887</u>	<u>1,430,599</u>	<u>4,633,525</u>	<u>2,967,958</u>
<u>Valuation gains (losses)</u>				
Taishin Bank				
Shares and beneficiary certificates	(1,065,090)	1,628,104	(1,831,844)	2,862,188
Bills	(4,031)	39,638	(29,364)	20,347
Bonds	1,493,387	256,505	983,192	753,119
Derivative financial instruments	<u>(1,172,540)</u>	<u>(1,612,865)</u>	<u>(188,190)</u>	<u>(2,698,682)</u>
	<u>(748,274)</u>	<u>311,382</u>	<u>(1,066,206)</u>	<u>936,972</u>
Taishin Securities B				
Call (put) warrants issued	(27,803)	7,941	(48,790)	(59,642)
Trading securities - dealing	291,112	86,346	(156,550)	81,338
Trading securities - underwriting	6,633	87,933	(56,314)	97,689
Trading securities - hedging	133,705	280,907	(106,694)	548,677
Borrowed securities and bonds with resell agreements-short sales	77,851	(41,621)	129,376	116,630
Funds	(16,267)	(5,540)	(24,860)	(1,527)
Fixed-term fixed-amount reconciliation account shares	1	-	-	-
Derivative financial instruments	<u>(303,334)</u>	<u>(133,540)</u>	<u>144,960</u>	<u>(394,406)</u>
	<u>161,898</u>	<u>282,426</u>	<u>(118,872)</u>	<u>388,759</u>
Taishin Life Insurance				
Shares and beneficiary certificates	1,137,554	2,073,548	(3,253,707)	2,377,874
Beneficiary securities	(1)	4	(8)	33
Derivative financial instruments	<u>2,534,750</u>	<u>(108,813)</u>	<u>2,985,597</u>	<u>(1,208,550)</u>
	<u>3,672,303</u>	<u>1,964,739</u>	<u>(268,118)</u>	<u>1,169,357</u>
Others				
Shares and beneficiary certificates	(586,562)	215,354	(1,181,303)	(303,758)
Derivative financial instruments	<u>(9,514)</u>	<u>(8,855)</u>	<u>(55,047)</u>	<u>(43,855)</u>
	<u>(596,076)</u>	<u>206,499</u>	<u>(1,236,350)</u>	<u>(347,613)</u>
	<u>2,489,851</u>	<u>2,765,046</u>	<u>(2,689,546)</u>	<u>2,147,475</u>
Net interest income	312,767	262,339	637,856	563,785
Dividends	534,593	390,005	803,102	658,708
Interest expense	<u>(48,218)</u>	<u>(48,678)</u>	<u>(100,334)</u>	<u>(96,391)</u>
	<u>\$ 5,890,880</u>	<u>\$ 4,799,311</u>	<u>\$ 3,284,603</u>	<u>\$ 6,241,535</u>

38. REALIZED GAIN (LOSS) ON FINANCIAL ASSETS AT FVTOCI

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Disposal gains (losses)				
Bonds	\$ 298,443	\$ 17,482	\$ 516,105	\$ 350,210
Beneficiary securities	<u>(906)</u>	<u>(1,249)</u>	<u>(1,824)</u>	<u>(2,153)</u>
	297,537	16,233	514,281	348,057
Dividend income				
Related to investments held at the end of the period	69,961	71,470	85,314	82,844
Related to investments derecognized at the end of the period	<u>-</u>	<u>15,341</u>	<u>18,624</u>	<u>15,341</u>
	<u>\$ 367,498</u>	<u>\$ 103,044</u>	<u>\$ 618,219</u>	<u>\$ 446,242</u>

39. EMPLOYEE BENEFITS EXPENSE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Short-term benefits	\$ 5,176,803	\$ 4,921,324	\$ 10,279,246	\$ 9,566,258
Post-employment benefits (Note 32)				
Defined contribution plans	164,205	159,993	335,764	315,590
Defined benefit plans	7,809	11,628	15,505	23,707
Share-based payments (Note 43)				
Cash-settled share-based payments	(4,551)	35,225	15,198	42,983
Others	<u>38,738</u>	<u>36,474</u>	<u>74,609</u>	<u>72,168</u>
	<u>\$ 5,383,004</u>	<u>\$ 5,164,644</u>	<u>\$ 10,720,322</u>	<u>\$ 10,020,706</u>

Employees' Compensation and Remuneration of Directors

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Employees' compensation	<u>\$ 507</u>	<u>\$ 532</u>	<u>\$ 1,020</u>	<u>\$ 1,032</u>
Remuneration of directors	<u>\$ 24,513</u>	<u>\$ 53,253</u>	<u>\$ 75,784</u>	<u>\$ 103,221</u>

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

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

	For the Years Ended December 31			
	2024		2023	
	Employees' Compensation	Remuneration of Directors	Employees' Compensation	Remuneration of Directors
Amounts approved at the board of directors' meeting	<u>\$ 2,011</u>	<u>\$ 150,797</u>	<u>\$ 1,471</u>	<u>\$ 100,057</u>
Amounts recognized in the annual financial statements	<u>\$ 2,011</u>	<u>\$ 199,271</u>	<u>\$ 1,472</u>	<u>\$ 147,244</u>

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.

40. DEPRECIATION AND AMORTIZATION EXPENSES

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
	Property and equipment	\$ 271,449	\$ 318,861	\$ 586,806
Investment properties	8,825	8,726	17,561	16,882
Right-of-use assets	175,489	216,383	393,252	430,786
Intangible assets and other deferred assets	<u>173,187</u>	<u>152,653</u>	<u>343,555</u>	<u>302,340</u>
	<u>\$ 628,950</u>	<u>\$ 696,623</u>	<u>\$ 1,341,174</u>	<u>\$ 1,390,164</u>

41. 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.

Income Tax Recognized in Profit or Loss

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Current tax				
In respect of the current period	\$ 3,170,343	\$ 582,232	\$ 4,538,932	\$ 1,252,263
Income tax on unappropriated earnings	-	377,022	-	377,022
Adjustments for prior years	30,948	(378,657)	30,316	(328,013)
Offshore income tax expense	25,783	25,290	52,330	47,391
Deferred tax				
In respect of the current period	(1,885,939)	223,106	(2,271,126)	533,676
Adjustments for prior years	<u>8,673</u>	<u>(4,396)</u>	<u>8,673</u>	<u>(4,376)</u>
Income tax expense recognized in profit or loss	<u>\$ 1,349,808</u>	<u>\$ 824,597</u>	<u>\$ 2,359,125</u>	<u>\$ 1,877,963</u>

Income Tax Recognized in Other Comprehensive Income (Loss)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<u>Deferred tax</u>				
In respect of the current period:				
Fair value changes of financial assets at FVTOCI	\$ 86,443	\$ 16,586	\$ 291,921	\$ 13,376
Reclassification using the overlay approach	<u>12,588</u>	<u>(1,665)</u>	<u>10,601</u>	<u>(3,104)</u>
Total income tax recognized in other comprehensive income	<u>\$ 99,031</u>	<u>\$ 14,921</u>	<u>\$ 302,522</u>	<u>\$ 10,272</u>

Assessments of the Group's Income Tax

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

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

- c. Taishin AMC's income tax returns through 2019 have been assessed by the tax authorities.
- d. Taishin Venture Capital Investment's income tax returns through 2019 have been assessed by the tax authorities. Taishin Sports Entertainment's income tax returns through 2023 have been assessed by the tax authorities.
- e. Taishin Securities Investment Trust's income tax returns through 2019 have been assessed by the tax authorities.
- f. Taishin Securities B's income tax returns through 2019 have been assessed by the tax authorities. Taishin Securities Venture Capital's income tax returns through 2023 have been assessed by the tax authorities. Taishin Capital's income tax returns through 2023 have been assessed by the tax authorities. Taishin Futures's income tax returns through 2023 have been assessed by the tax authorities. Taishin Health Investment's income tax returns through 2023 have been assessed by the tax authorities.
- g. Taishin Securities Investment Advisory's income tax returns through 2019 have been assessed by the tax authorities.
- h. Taishin Life Insurance's income tax returns through 2021 have been assessed by the tax authorities.

42. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Basic earnings per share	<u>\$ 0.38</u>	<u>\$ 0.39</u>	<u>\$ 0.71</u>	<u>\$ 0.74</u>
Diluted earnings per share	<u>\$ 0.38</u>	<u>\$ 0.39</u>	<u>\$ 0.71</u>	<u>\$ 0.74</u>

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

Net Income for the Period

Unit: Dollars in Thousands

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Net income for the periods attributable to owner of the Company	\$ 5,490,505	\$ 5,564,541	\$ 10,223,212	\$ 10,576,003
Less: Dividends on preferred shares	<u>(493,689)</u>	<u>(493,299)</u>	<u>(981,953)</u>	<u>(986,599)</u>
Earnings used in computation of basic earnings per share	<u>\$ 4,996,816</u>	<u>\$ 5,071,242</u>	<u>\$ 9,241,259</u>	<u>\$ 9,589,404</u>

Weighted Average Number of Ordinary Shares Outstanding

Unit: Number of Shares in Thousands

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Weighted average number of ordinary shares in computation of basic earnings per share	12,976,021	12,976,144	12,976,021	12,976,144
Effect of dilutive potential ordinary shares:				
Employees' compensation	<u>65</u>	<u>55</u>	<u>97</u>	<u>79</u>
Weighted average number of ordinary shares outstanding in computation of dilutive earnings per share	<u>12,976,086</u>	<u>12,976,199</u>	<u>12,976,118</u>	<u>12,976,223</u>

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

43. 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)	\$16.63	\$16.63	\$16.63	\$16.63	\$16.63
Exercise price	\$17.52	\$16.49	\$13.16	\$15.26	\$10.36
Outstanding period	1.6 years, 2.6 years	0.6 years, 1.6 years	0.5 years, 1.5 years	-	-
	3.6 years, 4.6 years	2.6 years, 3.6 years	2.5 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 six months ended June 30, 2025 and 2024 were as follows:

Appreciation Rights Plan of 2024	For the Six Months Ended June 30, 2025	
	Unit	Weighted Average Exercise Price (Dollars)
Outstanding, beginning	-	\$ -
Granted	36,660	17.52
Ceased	<u>(1,114)</u>	17.52
Outstanding, ending	<u>35,546</u>	
Weighted-average fair value of appropriation rights (NT\$)		<u>\$ 2.11</u>

Appreciation Rights Plan of 2023	For the Six Months Ended June 30			
	2025		2024	
	Unit	Weighted Average Exercise Price (Dollars)	Unit	Weighted Average Exercise Price (Dollars)
Outstanding, beginning	24,863	\$ 16.49	-	\$ -
Granted	-	-	25,497	17.68
Ceased	<u>(1,170)</u>	16.49	<u>(194)</u>	17.68
Outstanding, ending	<u>23,693</u>		<u>25,303</u>	
Weighted-average fair value of appropriation rights (NT\$)		<u>\$ 1.83</u>		<u>\$ 3.28</u>

Appreciation Rights Plan of 2022	For the Six Months Ended June 30			
	2025		2024	
	Unit	Weighted Average Exercise Price (Dollars)	Unit	Weighted Average Exercise Price (Dollars)
Outstanding, beginning	22,695	\$ 13.16	24,065	\$ 14.11
Exercised	(10,935)	13.16	-	-
Ceased	<u>(805)</u>	13.16	<u>(730)</u>	14.11
Outstanding, ending	<u>10,955</u>		<u>23,335</u>	
Weighted-average fair value of appropriation rights (NT\$)		<u>\$ 4.01</u>		<u>\$ 4.96</u>

Appreciation Rights Plan of 2021	For the Six Months Ended June 30			
	2025		2024	
	Unit	Weighted Average Exercise Price (Dollars)	Unit	Weighted Average Exercise Price (Dollars)
Outstanding, beginning	9,968	\$ 15.26	21,319	\$ 16.36
Exercised	(9,730)	15.26	(10,501)	16.36
Ceased	<u>(238)</u>	15.26	<u>(483)</u>	16.36
Outstanding, ending	<u>-</u>		<u>10,335</u>	
Weighted-average fair value of appropriation rights (NT\$)	\$ <u>-</u>		\$ <u>2.83</u>	

Appreciation Rights Plan of 2020	For the Six Months Ended June 30, 2024	
	Unit	Weighted Average Exercise Price (Dollars)
Outstanding, beginning	10,907	\$ 10.36
Exercised	(10,562)	10.36
Ceased	<u>(345)</u>	10.36
Outstanding, ending	<u>-</u>	
Weighted-average fair value of appropriation rights (NT\$)	\$ <u>-</u>	

As of June 30, 2025, December 31, 2024 and June 30, 2024, the related liabilities recognized amounted to \$140,493 thousand, \$130,542 thousand and \$196,860 thousand, respectively.

44. CASH FLOW INFORMATION

Changes in liabilities arising from financing activities:

For the six months ended June 30, 2025

	Opening Balance	Cash Flows	Non-cash Changes					Closing Balance
			Effect of Exchange Rate Changes	New Leases	Termination of Lease Contract	Amortization for Discount	Fair Value Adjustments	
Due to the Central Bank and banks (including call loans from other banks and bank overdrafts)	\$ 5,362,767	\$ 14,830,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,193,102
Commercial papers payable	49,413,465	(19,353,000)	-	-	-	23,078	-	30,083,543
Lease liabilities	2,291,981	(397,074)	(5,314)	560,473	(3,942)	-	-	2,446,124
Other borrowings	10,243,711	(2,730,437)	(530,039)	-	-	-	-	6,983,235
Financial liabilities designated as at FVTPL	2,422,399	-	-	-	-	-	(217,577)	2,204,822
Bonds payable	<u>64,533,272</u>	<u>(6,957,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,504</u>	<u>(4,244,776)</u>	<u>53,350,000</u>
	<u>\$ 134,267,595</u>	<u>\$ (14,607,176)</u>	<u>\$ (535,353)</u>	<u>\$ 560,473</u>	<u>\$ (3,942)</u>	<u>\$ 41,582</u>	<u>\$ (217,577)</u>	<u>\$ 115,260,826</u>

For the six months ended June 30, 2024

	Opening Balance	Cash Flows	Non-cash Changes				Fair Value Adjustments	Closing Balance
			Effect of Exchange Rate Changes	New Leases	Termination of Lease Contract	Amortization for Discount		
Due to the Central Bank and banks (including call loans from other banks and bank overdrafts)	\$ 9,739,011	\$ 6,971,020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,710,031
Commercial papers payable	30,223,005	7,039,000	-	-	-	(15,556)	-	37,246,449
Lease liabilities	2,405,852	(467,099)	1,922	408,856	(2,305)	-	-	2,347,226
Other borrowings	10,387,601	524,943	239,419	-	-	-	-	11,151,963
Financial liabilities designated as at FVTPL	2,548,652	-	-	-	-	-	35,032	2,583,684
Bonds payable	68,144,602	(3,000,000)	-	-	-	62,023	-	65,206,625
	<u>\$ 123,448,723</u>	<u>\$ 11,067,864</u>	<u>\$ 241,341</u>	<u>\$ 408,856</u>	<u>\$ (2,305)</u>	<u>\$ 46,467</u>	<u>\$ 35,032</u>	<u>\$ 135,245,978</u>

45. CAPITAL RISK MANAGEMENT

a. Summary

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

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

- 1) To ensure the Group conforms to related capital adequacy regulations and minimum basic criteria set by each industry’s regulatory agencies.
- 2) 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.
- 3) 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.

c. Group's capital adequacy ratio

Item Company	June 30, 2025		
	Ownership Interest (%)	Group Eligible Capital	Group's Statutory Capital Requirement
TS Financial Holding		\$ 229,644,536	\$ 245,295,705
Taishin Bank	100%	231,862,010	166,480,402
Taishin Securities B	100%	10,780,282	6,820,083
Taishin Life Insurance	100%	27,006,710	11,789,622
Taishin Venture Capital Investment	100%	3,641,811	1,824,104
Taishin AMC	100%	1,229,698	971,078
Taishin Securities Investment Trust	100%	1,130,548	655,952
Taishin Securities Investment Advisory	92%	295,135	157,048
Exclusive items amount subtracted		(247,521,908)	(239,580,887)
Total		\$ 258,068,822	\$ 194,413,107
Group's capital adequacy ratio (Note)			132.74%

Item Company	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%

Item Company	June 30, 2024		
	Ownership Interest (%)	Group Eligible Capital	Group's Statutory Capital Requirement
TS Financial Holding		\$ 238,895,638	\$ 248,767,719
Taishin Bank	100%	225,599,926	162,983,447
Taishin Securities B	100%	12,214,953	6,722,574
Taishin Life Insurance	100%	24,341,757	15,059,586
Taishin Venture Capital Investment	100%	5,502,787	2,792,425
Taishin AMC	100%	1,341,966	1,015,239
Taishin Securities Investment Trust	100%	1,100,313	638,987
Taishin Securities Investment Advisory	92%	309,585	168,730
Exclusive items amount subtracted		(247,535,163)	(237,488,642)
Total		\$ 261,771,762	\$ 200,660,065
Group's capital adequacy ratio (Note)			130.46%

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.

d. Financial holding company eligible capital

Item	June 30, 2025
Ordinary share	\$ 129,761,443
Non-cumulative perpetual preferred shares and non-cumulative subordinated debts without maturity dates which comply with eligible Tier 1 capital	11,000,000
Other preferred shares and subordinated corporate bonds	17,200,000
Advance receipts for share capital	-
Capital surplus	38,197,778
Legal reserve	20,556,406
Special reserve	468,184
Retained earnings	14,814,975
Equity adjustment	(2,256,457)
Less: Goodwill and other intangible assets	(938)
Less: Deferred assets	(7,557)
Less: Treasury shares	(89,298)
Total	\$ 229,644,536

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 1 capital	11,000,000
Other preferred shares and subordinated corporate bonds	17,200,000
Advance receipts for share capital	-
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

Item	June 30, 2024
Ordinary share	\$ 124,770,618
Non-cumulative perpetual preferred shares and non-cumulative subordinated debts without maturity dates which comply with eligible Tier 1 capital	11,000,000
Other preferred shares and subordinated corporate bonds	18,800,000
Advance receipts for share capital	4,990,825
Capital surplus	38,197,778
Legal reserve	18,439,029
Special reserve	1,146,190
Retained earnings	20,189,697
Equity adjustment	1,362,454
Less: Goodwill and other intangible assets	(953)
Less: Deferred assets	-
Less: Treasury shares	-
Total	\$ 238,895,638

e. Taishin Bank capital adequacy ratio

Item		Period	June 30, 2025	December 31, 2024	June 30, 2024
Self-owned capital	Common equity Tier I		\$ 177,638,389	\$ 180,962,214	\$ 169,752,662
	Other Tier I capital		24,999,730	24,999,730	24,999,730
	Tier II capital		29,223,891	28,965,580	30,847,534
	Self-owned capital		231,862,010	234,927,524	225,599,926
Risk-weighted assets	Credit risk	Standardized approach	1,438,380,216	1,366,793,886	1,396,749,804
		IRB	-	-	-
		Securitization	17,255,548	8,222,339	6,112,259
	Operation risk	Basic indicator approach	-	-	-
		Standardized approach/optional standard	53,751,386	85,456,713	90,748,263
		Advanced internal-rating based approach	-	-	-
	Market price risk	Standardized approach	76,140,488	53,270,938	58,612,975
		Internal model approach	-	-	-
	Total		1,585,527,638	1,513,743,876	1,552,223,301
	Capital adequacy ratio		14.62%	15.52%	14.53%
Common equity Tier I to risk-weighted assets ratio		11.20%	11.95%	10.94%	
Tier I capital to risk-weighted assets ratio		12.78%	13.61%	12.55%	
Leverage ratio		6.59%	6.75%	6.49%	

Note 1: The ratios are calculated in accordance with the Regulations Governing the Capital Adequacy and Capital Category of Banks and Description of the Calculation Method for the Bank's Regulatory Capital and Risk-Weighted Assets and the Related Table.

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

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 is 200%, and the ratio of equity divided by the total assets excluding the total assets recorded in separate accounts for investment type insurance policies is 7.88%, 8.54% and 9.55% as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

g. Taishin Securities B capital adequacy ratio

Capital Adequacy Calculation Project	June 30, 2025	December 31, 2024	June 30, 2024
Eligible capital			
Tier I capital	\$ 10,737,419	\$ 11,931,299	\$ 11,134,247
Tier I capital - minus assets	1,398,476	1,381,169	1,201,139
Tier II capital - minus assets in excess of Tier II capital	-	-	-
Tier I capital, net	<u>9,338,943</u>	<u>10,550,130</u>	<u>9,933,108</u>
Tier II capital	2,640,000	3,309,533	3,300,000
Tier II capital - minus assets	<u>1,198,661</u>	<u>1,185,243</u>	<u>1,018,155</u>
Tier II capital, net	<u>1,441,339</u>	<u>2,124,290</u>	<u>2,281,845</u>
Tier III capital	-	-	-
 Total net of eligible capital	 <u>\$ 10,780,282</u>	 <u>\$ 12,674,420</u>	 <u>\$ 12,214,953</u>
 Equivalent amount of operating risk			
Equivalent amount of credit risk	\$ 1,396,451	\$ 1,335,853	\$ 1,544,159
Equivalent amount of operation risk	757,692	705,511	705,512
Equivalent amount of market risk	<u>2,392,579</u>	<u>2,475,914</u>	<u>2,232,045</u>
	<u>\$ 4,546,722</u>	<u>\$ 4,517,278</u>	<u>\$ 4,481,716</u>
 Capital adequacy ratio	 237%	 281%	 273%

- 1) Capital adequacy ratio = Net of eligible capital ÷ Equivalent amount of operating risk
- 2) Net of eligible capital = Tier I capital + Tier II capital + Tier III capital - Minus assets
- 3) Equivalent amount of operating risk = Equivalent amount of market risk + Equivalent amount of credit risk + Equivalent amount of operation risk

46. 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 June 30, 2024 were as follows:

(In Thousands of New Taiwan Dollars; %)

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	\$ 399,018,690	187.79%
US GOVT	92,676,665	43.62%
Government National Mortgage Association (GNMA)	85,947,087	40.45%

(Continued)

Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
Taiwan Semiconductor Manufacturing Company Limited	\$ 19,327,827	9.10%
Hon Hai Precision IND, Co., Ltd.	14,573,031	6.86%
Credit Agricole CIB	11,316,255	5.33%
Standard Chartered Bank	9,392,222	4.42%
Quanta Computer Inc.	9,305,719	4.38%
Cathay Financial Holding Co., Ltd.	9,196,632	4.33%
Citigroup Global Markets Holdings Inc	8,316,866	3.91%
Goldman Sachs Finance Corp Intl Ltd.	8,263,708	3.89%
Wistron Corporation	8,200,763	3.86%
Delta Electronics, Inc.	7,835,917	3.69%
Ding Shuai Development Corporation	7,600,000	3.58%
AUO Corporation	7,463,111	3.51%
BNP Paribas SA	6,662,812	3.14%
Societe Generale	6,505,726	3.06%
JPMorgan Chase Bank, N.A.	5,956,323	2.80%
Macquarie Group Limited	5,861,423	2.76%
Fubon Financial Holding Co., Ltd.	5,470,317	2.57%
Advanced Semiconductor Engineering, Inc.	5,203,841	2.45%
Yuan Lih Constructions Co., Ltd.	5,080,660	2.39%
Hotai Finance Co., Ltd.	5,045,282	2.37%
Chailease Finance Co., Ltd.	5,029,568	2.37%
China Steel Corporation	4,923,469	2.32%
Himax Technologies, Inc.	4,891,263	2.30%
The Korea Development Bank	4,852,729	2.28%
HSBC Bank (Taiwan) Limited	4,803,016	2.26%
National Australia Bank Limited	4,731,574	2.23%
Uni-President Enterprises Corp.	4,701,358	2.21%
Westpac Banking Corporation	4,661,224	2.19%
Synnex Technology International Corporation	4,581,004	2.16%
TCC Group Holdings Co., Ltd.	4,455,557	2.10%
Taiwan Power Company	4,299,327	2.02%
Far Eastern New Century Corporation	4,228,307	1.99%
Natixis	4,188,203	1.97%
Yuanta Securities Co., Ltd.	4,132,894	1.95%
Lien Jade Construction Co., Ltd.	4,114,000	1.94%
Barclays Bank PLC	4,112,454	1.94%
Winbond Electronics Corporation	4,068,612	1.91%
Catcher Technology Co., Ltd.	4,057,452	1.91%
Puyong Archiland Co., Ltd.	4,025,522	1.89%
CTBC Bank Co., Ltd.	3,983,687	1.87%
BDO Unibank Inc	3,905,200	1.84%
Cooperatieve Rabobank U.A.	3,889,645	1.83%
Qisda Corporation	3,845,855	1.81%
Shuang Hsiang Yuan Development Ltd.	3,805,000	1.79%
Apple Inc.	3,784,104	1.78%
Australian Government	3,761,090	1.77%
Australia And New Zealand Banking Group Limited	3,718,124	1.75%

(Continued)

Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
Royal Bank Of Canada	\$ 3,696,652	1.74%
Taiwan Mobile Co., Ltd.	3,661,185	1.72%
TSMC Global Ltd.	3,573,215	1.68%
Ruentex Development Co., Ltd.	3,535,000	1.66%
Din An Co., Ltd.	3,531,542	1.66%
Shin Ruenn Construction Co., Ltd.	3,481,785	1.64%
Standard Chartered Bank (Taiwan) Limited	3,476,307	1.64%
CSBC Corporation, Taiwan	3,416,243	1.61%
Compal Electronics, Inc.	3,406,583	1.60%
ING Bank	3,403,829	1.60%
Asustek Computer Incorporation	3,360,318	1.58%
Commonwealth Bank Of Australia	3,302,575	1.55%
Capital Securities Corporation	3,288,520	1.55%
Formosa Ha Tinh Steel Corporation	3,273,924	1.54%
Japan Advanced Semiconductor Manufacturing, Inc.	3,253,312	1.53%
Sun Ray Company Limited	3,251,079	1.53%
Amazon.com Inc	3,233,503	1.52%
Yue Yuen Industrial (Holdings) Limited	3,221,790	1.52%
Taipei Fubon Commercial Bank Co., Ltd.	3,205,622	1.51%
Agricultural Bank Of China	3,179,558	1.50%
Garuda Technology Co., Ltd.	3,150,000	1.48%
The Export-Import Bank Of Korea	3,118,078	1.47%
Shinhan Bank	3,094,296	1.46%
Abu Dhabi Commercial Bank PJSC	3,090,480	1.45%
Continental Development Corp.	3,090,000	1.45%
CPC Corporation, Taiwan	3,087,323	1.45%
Pou Chen Corporation	3,042,804	1.43%
Pujen Land Development	3,041,267	1.43%
WT Microelectronics Co., Ltd.	3,022,417	1.42%
Hong Han Tou Zi Co., Ltd.	3,001,180	1.41%
Total	\$ 958,261,502	
b. To the same person and spouse, the relative within the second degree and the person or the spouse's enterprise		
Individual A	\$ 15,237,726	7.17%
Individual B	11,621,010	5.47%
Individual C	9,898,438	4.66%
Individual D	9,306,109	4.38%
Individual E	9,306,109	4.38%
Individual F	9,196,632	4.33%
Individual G	8,200,763	3.86%
Individual H	7,640,972	3.60%
Individual I	7,466,297	3.51%
Individual J	7,371,482	3.47%
Individual K	6,294,377	2.96%
Individual L	6,084,616	2.86%
Individual M	5,923,357	2.79%
Individual N	5,898,718	2.78%

(Continued)

Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
Individual O	\$ 5,849,615	2.75%
Individual P	5,791,863	2.73%
Individual Q	5,470,317	2.57%
Individual R	5,101,358	2.40%
Individual S	4,803,016	2.26%
Individual T	4,774,504	2.25%
Individual U	4,700,885	2.21%
Individual V	4,568,612	2.15%
Individual W	4,543,935	2.14%
Individual X	4,504,097	2.12%
Individual Y	4,455,557	2.10%
Individual Z	4,455,557	2.10%
Individual AA	4,353,356	2.05%
Individual AB	4,291,086	2.02%
Individual AC	4,247,002	2.00%
Individual AD	4,132,894	1.95%
Individual AE	4,080,508	1.92%
Individual AF	4,068,612	1.91%
Individual AG	4,057,452	1.91%
Individual AH	4,020,873	1.89%
Individual AI	4,000,000	1.88%
Individual AJ	3,946,185	1.86%
Individual AK	3,920,000	1.84%
Individual AL	3,814,961	1.80%
Individual AM	3,805,000	1.79%
Individual AN	3,805,000	1.79%
Individual AO	3,805,000	1.79%
Individual AP	3,712,747	1.75%
Individual AQ	3,673,131	1.73%
Individual AR	3,563,442	1.68%
Individual AS	3,520,296	1.66%
Individual AT	3,481,785	1.64%
Individual AU	3,416,243	1.61%
Individual AV	3,390,119	1.60%
Individual AW	3,363,915	1.58%
Individual AX	3,363,300	1.58%
Individual AY	3,360,318	1.58%
Individual AZ	3,350,000	1.58%
Individual BA	3,350,000	1.58%
Individual BB	3,310,000	1.56%
Individual BC	3,288,520	1.55%
Individual BD	3,288,520	1.55%
Individual BE	3,273,664	1.54%
Individual BF	3,253,312	1.53%
Individual BG	3,150,000	1.48%
Individual BH	3,042,804	1.43%
Individual BI	3,022,417	1.42%
Total	\$ 305,988,384	

(Continued)

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	\$ 31,904,930	15.02%
Taiwan Semiconductor Manufacturing Group	30,525,914	14.37%
Far Eastern Group	22,338,727	10.51%
CITIC Group	19,630,992	9.24%
Fubon Group	16,867,099	7.94%
Ruentex Group	15,962,966	7.51%
Ting Hsin Group	15,868,269	7.47%
ASE Group	14,960,055	7.04%
China Development Financial Group	14,613,661	6.88%
Cathay Group	14,130,889	6.65%
Chailease Group	13,797,705	6.49%
Standard Chartered Bank Group	13,146,950	6.19%
Maw Der International Group	12,435,815	5.85%
Credit Agricole S.A. Group	12,241,088	5.76%
Union Group	10,616,367	5.00%
HSBC Group	10,225,902	4.81%
CitiGroup	10,005,316	4.71%
Goldman Sachs Group	9,797,514	4.61%
YFY Group	9,719,268	4.57%
Wistron Group	9,470,573	4.46%
MS Group	9,460,312	4.45%
Quanta Computer Group	9,307,320	4.38%
JPMorgan Group	9,012,789	4.24%
AUO Group	8,933,397	4.20%
China Steel Group	8,894,574	4.19%
Formosa Plastics Group	8,266,372	3.89%
Pou Chen Group	8,193,851	3.86%
Walsin Technology Group	8,025,417	3.78%
Ho Tai Motor Group	7,850,972	3.69%
Delta Electronics Group	7,835,917	3.69%
Qisda Group	7,118,965	3.35%
Macquarie Group	7,118,226	3.35%
Yuanta Group	7,069,394	3.33%
Societe Generale Group	7,055,187	3.32%
Yulon Group	6,939,022	3.27%
Uni-President Group	6,929,724	3.26%
Goldeastpaper Group	6,846,396	3.22%
ANZ Banking Group	6,765,439	3.18%
BNP Paribas Group	6,662,812	3.14%
BPCE Group	6,531,323	3.07%
Bank of America Group	6,345,656	2.99%
Korea Development Bank Group	6,317,179	2.97%
First Financial Holding Group	6,304,701	2.97%
Morgan Stanley Group	5,945,183	2.80%
Lien Jade Construction Group	5,938,190	2.79%
National Australia Bank Ltd. Group	5,936,874	2.79%

(Continued)

Transaction Party	Credit, Endorsement and Other Transaction	As Proportion of Financial Holding's Net Equity
ASUS Group	\$ 5,934,725	2.79%
Winbond Electronics Group	5,918,271	2.79%
Yuanlih Group	5,823,160	2.74%
Kinpo Group	5,558,117	2.62%
Hoshin Group	5,531,199	2.60%
Kexim Group	5,461,198	2.57%
Zhen Ding Group	5,395,513	2.54%
Cheng Uei Precision Group	5,282,705	2.49%
Continental Engineering Group	5,279,259	2.48%
Shin Ruenn Group	5,250,785	2.47%
HIMAX Group	5,144,763	2.42%
Formosa Chemicals & Fibre Group	4,925,415	2.32%
Barclays Group	4,730,993	2.23%
CMP Group	4,560,935	2.15%
Puyong Group	4,492,522	2.11%
Taiwan Power Group	4,376,621	2.06%
Asia Pacific Land Group	4,273,105	2.01%
Royal Golden Eagle (RGE) Group	4,266,433	2.01%
SM Group	4,198,090	1.98%
Catcher Technology Group	4,057,452	1.91%
E. SUN Financial Holding Group	4,020,873	1.89%
WT Group	3,943,420	1.86%
United Microelectronics Group	3,887,477	1.83%
Shinhan Financial Group	3,818,641	1.80%
Shuang Hsiang Yuan Development Group	3,805,000	1.79%
UBS Group	3,774,003	1.78%
CSBC Group	3,696,740	1.74%
LSH Group	3,598,526	1.69%
Qatar National Bank Group	3,587,725	1.69%
Taya Group	3,585,527	1.69%
Cheung Kong Group	3,575,008	1.68%
WPG Group	3,569,139	1.68%
Tai Yuan Investment Group	3,550,296	1.67%
Hua Nan Financial Holdings Group	3,404,677	1.60%
Taiwan Cooperative Group	3,369,156	1.59%
CBA Group	3,302,575	1.55%
Capital Securities Group	3,288,520	1.55%
TestRite Group	3,199,722	1.51%
Sumitomo Mitsui Financial Group	3,171,325	1.49%
Hong Pu Construction Group	3,145,735	1.48%
Lite-On Group	3,126,708	1.47%
ABU DHABI Commercial Bank Group	3,090,480	1.45%
CPC Group	3,087,323	1.45%
Berkshire Hathaway Inc Group	3,075,886	1.45%
Hontai Group	3,042,204	1.43%
Total	\$ 687,043,139	

(Concluded)

47. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

a. Summary

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

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

b. The definition of three levels of fair value

- 1) Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Active markets must have the following attributes: (A) assets or liabilities traded in the market are identical, (B) the market is principal (or most advantageous), providing ease in finding buyers and sellers that are both able and willing to transact an asset sale or liability transfer; and (C) pricing information is readily available on an ongoing basis to the public.
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as price) or indirectly (i.e., value derived from price), in the active markets.
 - a) Quoted prices of similar financial instruments in active market are the Company's fair value of financial instruments if based on recent quoted price for similar financial instruments. Similar financial instruments should be decided in accordance with characteristics and transaction conditions of these instruments. Fair value of financial instruments will vary depending on factors specific to the similar asset or liability. The factors include: Prices are not current, price quotations vary substantially, transaction price between related parties, relevance of quoted price of similar instruments and the quoted price of financial instruments.
 - b) Quoted prices for identical or similar assets or liabilities in markets that are not active.
 - c) Valuation models are used to measure fair value, and the inputs (e.g., interest rate, yield curve, and volatilities) are based on accessible data from the markets (the observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data).
 - d) Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).
- 3) Level 3 inputs are inputs that are not available in the market. Unobservable inputs are inputs such as historical volatilities used in option pricing model. Historical volatility typically does not represent current market participants' expectations about future volatility.

c. Financial instruments measured at fair value

1) Information on fair value hierarchy

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

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

Financial Assets and Liabilities	June 30, 2025			
	Total	Level 1	Level 2	Level 3
<u>Recurring fair value measurement</u>				
<u>Non-derivative assets and liabilities</u>				
Assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Shares and beneficiary certificates	\$ 44,392,435	\$ 40,223,591	\$ 831,330	\$ 3,337,514
Bond investments	37,926,846	15,983,838	21,943,008	-
Investment in bills	58,906,429	-	58,906,429	-
Beneficiary securities	1,462	-	1,462	-
Financial assets at FVTOCI				
Share investments	17,725,853	14,225,203	-	3,500,650
Bond investments	159,469,401	9,203,569	150,265,832	-
Beneficiary securities	825,591	-	825,591	-
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities designated as at FVTPL	2,204,822	-	2,204,822	-
Financial liabilities held for trading	3,937,544	3,937,544	-	-
<u>Derivative assets and liabilities</u>				
Assets				
Financial assets at FVTPL	64,567,457	1,106,800	56,137,687	7,322,970
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities designated as at FVTPL	2,826,684	-	2,826,684	-
Financial liabilities held for trading	69,900,142	93,275	61,933,096	7,873,771

Financial Assets and Liabilities	December 31, 2024			
	Total	Level 1	Level 2	Level 3
<u>Recurring fair value measurement</u>				
<u>Non-derivative assets and liabilities</u>				
Assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Shares and beneficiary certificates	\$ 51,619,724	\$ 46,872,137	\$ 1,218,426	\$ 3,529,161
Bond investments	28,540,885	14,854,113	13,686,772	-
Investment in bills	54,599,251	-	54,599,251	-
Beneficiary securities	10,493	-	10,493	-
Financial assets at FVTOCI				
Share investments	15,103,728	12,484,918	-	2,618,810
Bond investments	153,233,437	4,971,780	148,261,657	-
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	-	-
<u>Derivative assets and liabilities</u>				
Assets				
Financial assets at FVTPL	51,188,578	1,012,543	38,733,174	11,442,861
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities designated as at FVTPL	3,064,794	-	3,064,794	-
Financial liabilities held for trading	49,683,506	108,570	37,223,672	12,351,264

Financial Assets and Liabilities	June 30, 2024			
	Total	Level 1	Level 2	Level 3
<u>Recurring fair value measurement</u>				
<u>Non-derivative assets and liabilities</u>				
Assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Shares and beneficiary certificates	\$ 64,815,488	\$ 60,273,133	\$ 1,020,530	\$ 3,521,825
Bond investments	25,087,651	15,087,344	10,000,307	-
Investment in bills	51,089,263	-	51,089,263	-
Beneficiary securities	159,091	-	159,091	-
Financial assets at FVTOCI				
Share investments	21,617,448	18,979,202	-	2,638,246
Bond investments	157,450,363	6,130,539	151,319,824	-
Beneficiary securities	1,005,135	-	1,005,135	-
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities designated as at FVTPL	2,583,684	-	2,583,684	-
Financial liabilities held for trading	1,727,811	1,727,811	-	-
<u>Derivative assets and liabilities</u>				
Assets				
Financial assets at FVTPL	47,891,382	713,700	35,213,278	11,964,404
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities designated as at FVTPL	3,089,748	-	3,089,748	-
Financial liabilities held for trading	51,168,154	1,747,006	36,718,121	12,703,027

2) The valuation techniques based on fair value

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

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

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

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

a) Foreign currency products

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

b) Government bonds and part of interest rate derivatives

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

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

c) Share-related products

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

d) Credit-related products

The quoted price from Bloomberg is the fair value.

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

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

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

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

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

3) Adjustments of fair values

a) Limits of valuation models and indeterminate input value

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

b) Credit risk value adjustments

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

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

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

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

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

4) The transfer between Level 1 and Level 2

The source used to measure the fair value of part of bonds held by the Group has been changed from a quoted price in an active market to an evaluation price from yield curve information in the market put into the general practice bond evaluation model. Therefore, it has been reclassified to the Level 2 based on observable price information other than a quoted price in an active market. There was no bonds reclassified from the Level 1 to the Level 2 for the six months ended June 30, 2025 and 2024, respectively.

As market quoted prices became available, amounts of share investments of \$74,118 thousand and \$0 thousand were transferred from Level 2 to Level 1 for the six months ended June 30, 2025 and 2024, respectively.

5) Reconciliation of Level 3 financial assets

For the Six Months Ended June 30, 2025								
Item	Beginning Balance	Valuation Gains (Losses)		Increase		Decrease		Ending Balance
		In Net Income	In Other Comprehensive Income	Buy or Issue	Transfer in	Sell, Disposal or Delivery	Transfer out	
Financial assets at FVTPL	\$ 14,972,022	\$ (4,253,938)	\$ -	\$ 292,064	\$ -	\$ (349,664)	\$ -	\$ 10,660,484
Financial assets at FVTOCI	2,618,810	-	(265,244)	1,147,084	-	-	-	3,500,650
Total	\$ 17,590,832	\$ (4,253,938)	\$ (265,244)	\$ 1,439,148	\$ -	\$ (349,664)	\$ -	\$ 14,161,134

Note: No transfer from Level 3.

For the Six Months Ended June 30, 2024								
Item	Beginning Balance	Valuation Gains (Losses)		Increase		Decrease		Ending Balance
		In Net Income	In Other Comprehensive Income	Buy or Issue	Transfer in	Sell, Disposal or Delivery	Transfer out	
Financial assets at FVTPL	\$ 12,914,414	\$ 2,979,364	\$ -	\$ 470,176	\$ -	\$ (858,278)	\$ (19,447)	\$ 15,486,229
Financial assets at FVTOCI	2,511,967	-	126,279	-	-	-	-	2,638,246
Total	\$ 15,426,381	\$ 2,979,364	\$ 126,279	\$ 470,176	\$ -	\$ (858,278)	\$ (19,447)	\$ 18,124,475

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

Above-mentioned valuation gains (losses) recognized in current profits or losses in the amounts of \$(4,239,827) thousand and \$2,980,988 thousand were attributed to gains (losses) on assets owned for the six months ended June 30, 2025 and 2024 respectively.

Above-mentioned valuation gains (losses) recognized in other comprehensive income in the amounts of \$(265,244) thousand and \$126,279 thousand were attributed to gains (losses) on assets owned for the six months ended June 30, 2025 and 2024 respectively.

Reconciliation of Level 3 financial liabilities:

For the Six Months Ended June 30, 2025								
Item	Beginning Balance	Valuation Gains (Losses)	Increase		Decrease		Ending Balance	
			Buy or Issue	Transfer in	Sell, Disposal or Delivery	Transfer out		
Financial liabilities at FVTPL	\$ 12,351,264	\$ (4,272,312)	\$ 30,671	\$ -	\$ (235,852)	\$ -	\$ 7,873,771	

Note: No transfer from Level 3.

For the Six Months Ended June 30, 2024								
Item	Beginning Balance	Valuation Gains (Losses)	Increase		Decrease		Ending Balance	
			Buy or Issue	Transfer in	Sell, Disposal or Delivery	Transfer out		
Financial liabilities at FVTPL	\$ 10,084,023	\$ 3,337,657	\$ 34,903	\$ -	\$ (753,556)	\$ -	\$ 12,703,027	

Note: No transfer from Level 3.

Above-mentioned valuation gains (losses) recognized in current profits or losses in the amounts of \$4,260,784 thousand and \$(3,338,544) thousand were attributed to gains (losses) on liabilities owned for the six months ended June 30, 2025 and 2024 respectively.

6) Quantitative information of the fair value measurement of significant unobservable inputs (Level 3)

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

The quantitative information of significant unobservable inputs was as follows:

	Fair Value on June 30, 2025	Valuation Technique	Significant Unobservable Inputs	Range of Estimate	Relationship Between Inputs and Fair Value
<u>Non-derivative financial instruments</u>					
Financial assets at FVTPL Financial assets mandatorily classified as at FVTPL Share investments	\$ 1,499,315	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.
	201,708	Market method	Discount for lack of marketability	10%-40%	The higher the discount for lack of marketability, the lower the fair value.
	38,465	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	1,598,026	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	3,324,461	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.
	176,189	Market method	Discount for lack of marketability	10%-30%	The higher the discount for lack of marketability, the lower the fair value.
<u>Derivative financial assets</u>					
Financial assets at FVTPL Interest rate swaps	3,273	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	493,127	Cash flow discount method	Discount for lack of marketability	0%-20%	The higher the discount for lack of marketability, the lower the fair value.

	Fair Value on December 31, 2024	Valuation Technique	Significant Unobservable Inputs	Range of Estimate	Relationship Between Inputs and Fair Value
<u>Non-derivative financial instruments</u>					
Financial assets at FVTPL Financial assets mandatorily classified as at FVTPL Share investments	\$ 1,537,362	Assets method	Discount for lack of marketability	2%-40%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	2%-40%	The higher the discount for non-controlling interests, the lower the fair value.
	352,642	Market method	Discount for lack of marketability	10%-40%	The higher the discount for lack of marketability, the lower the fair value.
	47,659	Revenue method	Discount for lack of marketability	20%-60%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	20%-30%	The higher the discount for non-controlling interests, the lower the fair value.
			Discount rate	1%-9%	The higher the discount rate, the lower the fair value.
Private equity funds	1,591,498	Assets method	Discount for lack of marketability	0%-30%	The higher the discount for lack of marketability, the lower the fair value.
			Non-controlling interest discount	2%-10%	The higher the discount for non-controlling interests, the lower the fair value.
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.
<u>Derivative financial assets</u>					
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.
<u>Derivative financial liabilities</u>					
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.

	Fair Value on June 30, 2024	Valuation Technique	Significant Unobservable Inputs	Range of Estimate	Relationship Between Inputs and Fair Value
<u>Non-derivative financial instruments</u>					
Financial assets at FVTPL Financial assets mandatorily classified as at FVTPL Share investments	\$ 1,610,400	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.
	385,802	Market method	Discount for lack of marketability	30%-40%	The higher the discount for lack of marketability, the lower the fair value.
	48,602	Revenue method	Discount for lack of marketability	40%-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	4%-9%	The higher the discount rate, the lower the fair value.
Private equity funds	1,477,021	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	2,436,493	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.
	201,753	Market method	Discount for lack of marketability	10%-30%	The higher the discount for lack of marketability, the lower the fair value.
<u>Derivative financial assets</u>					
Financial assets at FVTPL Interest rate swaps	19,479	Cash flow discount method	Discount for lack of marketability	0%-20%	The higher the discount for lack of marketability, the lower the fair value.
<u>Derivative financial liabilities</u>					
Financial liabilities at FVTPL Interest rate swaps	476,999	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	211,500	Option pricing model	Volatility rate	9.97%	The higher the volatility rate, the higher the fair value.

7) 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.

d. Not measured at fair value

1) Fair value information

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

	June 30, 2025		December 31, 2024		June 30, 2024	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets						
Investments in debt instruments at amortized cost (Note)	\$ 771,527,723	\$ 738,087,274	\$ 812,983,362	\$ 769,989,096	\$ 761,477,221	\$ 717,576,768

Note: Include security deposit.

2) Information on fair value hierarchy

Assets and Liabilities	June 30, 2025			
	Total	Level 1	Level 2	Level 3
Financial assets				
Investments in debt instruments at amortized cost	\$ 738,087,274	\$ 9,370,914	\$ 728,716,360	\$ -

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

Assets and Liabilities	June 30, 2024			
	Total	Level 1	Level 2	Level 3
Financial assets				
Investments in debt instruments at amortized cost	\$ 717,576,768	\$ 4,667,452	\$ 712,909,316	\$ -

3) Valuation techniques

- a) Financial instruments such as cash and cash equivalents, due from the Central Bank and call loans to banks, securities purchased under resell agreements, receivables, other financial assets, deposits from the Central Bank and banks, securities sold under repurchase agreements, commercial papers issued, payables, remittance, other borrowings and other financial liabilities, are disclosed at their carrying amounts as shown in the consolidated balance sheets since their maturities are very short or their future payments/receipts approximate their carrying amounts.
- b) Investments in debt instruments at amortized cost: Refer to Note 47 (c) for related information.
- c) Loans (including delinquent loans)

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

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

d) Deposits

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

e) Bonds payable

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

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.

June 30, 2025						
Offset and Execution of Net Settlement or Similar Agreement on Financial Assets						
Interpretation	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheets (b)	Net Amounts of Financial Assets Presented in the Balance Sheets (c)=(a)-(b)	Related Amounts Not Offset in the Balance Sheets (d)		Net (e)=(c)-(d)
				Financial Instruments (Note)	Received Cash Collateral	
Derivative	\$ 74,436,246	\$ 23,109,414	\$ 51,326,832	\$ 26,713,273	\$ 15,831,172	\$ 8,782,387

Note: Including net settlement and non-cash collateral.

June 30, 2025						
Offset and Execution of Net Settlement or Similar Agreement on Financial Liabilities						
Interpretation	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheets (b)	Net Amounts of Financial Liabilities Presented in the Balance Sheets (c)=(a)-(b)	Related Amounts Not Offset in the Balance Sheets (d)		Net (e)=(c)-(d)
				Financial Instruments (Note)	Pledged Cash Collateral	
Derivative	\$ 61,825,552	\$ -	\$ 61,825,552	\$ 26,713,273	\$ 12,429,603	\$ 22,682,676

Note: Including net settlement and non-cash collateral.

December 31, 2024						
Offset and Execution of Net Settlement or Similar Agreement on Financial Assets						
Interpretation	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheets (b)	Net Amounts of Financial Assets Presented in the Balance Sheets (c)=(a)-(b)	Related Amounts Not Offset in the Balance Sheets (d)		Net (e)=(c)-(d)
				Financial Instruments (Note)	Received Cash Collateral	
Derivative	\$ 33,696,879	\$ -	\$ 33,696,879	\$ 21,102,363	\$ 4,152,341	\$ 8,442,175

Note: Including net settlement and non-cash collateral.

December 31, 2024						
Offset and Execution of Net Settlement or Similar Agreement on Financial Liabilities						
Interpretation	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheets (b)	Net Amounts of Financial Liabilities Presented in the Balance Sheets (c)=(a)-(b)	Related Amounts Not Offset in the Balance Sheets (d)		Net (e)=(c)-(d)
				Financial Instruments (Note)	Pledged Cash Collateral	
Derivative	\$ 74,541,795	\$ 29,682,442	\$ 44,859,353	\$ 21,229,918	\$ 17,099,937	\$ 6,529,498

Note: Including net settlement and non-cash collateral.

June 30, 2024						
Offset and Execution of Net Settlement or Similar Agreement on Financial Assets						
Interpretation	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheets (b)	Net Amounts of Financial Assets Presented in the Balance Sheets (c)=(a)-(b)	Related Amounts Not Offset in the Balance Sheets (d)		Net (e)=(c)-(d)
				Financial Instruments (Note)	Received Cash Collateral	
Derivative	\$ 29,069,159	\$ -	\$ 29,069,159	\$ 18,753,268	\$ 3,829,163	\$ 6,486,728

Note: Including net settlement and non-cash collateral.

June 30, 2024						
Offset and Execution of Net Settlement or Similar Agreement on Financial Liabilities						
Interpretation	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheets (b)	Net Amounts of Financial Liabilities Presented in the Balance Sheets (c)=(a)-(b)	Related Amounts Not Offset in the Balance Sheets (d)		Net (e)=(c)-(d)
				Financial Instruments (Note)	Pledged Cash Collateral	
Derivative	\$ 69,737,114	\$ 27,852,095	\$ 41,885,019	\$ 18,753,268	\$ 17,114,207	\$ 6,017,544

Note: Including net settlement and non-cash collateral.

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:

June 30, 2025		
Financial Assets	Transferred Financial Assets - Carrying Amount	Related Financial Liabilities - Carrying Amount
Financial assets at FVTPL sold under repurchase agreement	\$ 31,969,647	\$ 31,373,883
Financial assets at FVTOCI sold under repurchase agreement	23,062,221	22,433,860
Investments in debt instruments at amortized cost sold under repurchase agreement	4,572,773	4,500,931

December 31, 2024		
Financial Assets	Transferred Financial Assets - Carrying Amount	Related Financial Liabilities - Carrying Amount
Financial assets at FVTPL sold under repurchase agreement	\$ 32,462,908	\$ 32,023,314
Financial assets at FVTOCI sold under repurchase agreement	33,817,274	32,949,929

June 30, 2024		
Financial Assets	Transferred Financial Assets - Carrying Amount	Related Financial Liabilities - Carrying Amount
Financial assets at FVTPL sold under repurchase agreement	\$ 40,772,938	\$ 39,689,839
Financial assets at FVTOCI sold under repurchase agreement	40,668,951	40,906,193

Financial Risk Management Objectives and Policies

a. Summary

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

b. Organizational structure of risk management function

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

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

c. Market risk

1) 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 Group 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. The Group's 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 the Group 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 Group's investments denominated in foreign currencies, such as foreign currency spots and foreign currency options.

2) Market risk management policy

The Group's 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.

3) 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

The Group 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.

4) Principles of the market risk management

Based on the related risk management standards, the Group 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

i) 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).

ii) 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.

iii) 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.

iv) Credit spread risk

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

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

ii. Refer to item 6 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 6 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.

5) Interest rate risk management in the banking book positions

Taishin Bank

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.

6) Methods for measuring market risk

Taishin Bank

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.

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 Six Months Ended June 30, 2025

	Average	Highest	Lowest	Ending Balance
Exchange VaR	\$ 28,851	\$ 60,858	\$ 4,221	\$ 18,692
Interest rate VaR	52,067	100,851	19,227	63,587
Equity securities VaR	20,054	33,483	8,711	30,558
Credit spread VaR	18,816	51,361	60	34,779
Value at risk	79,283	146,139	25,102	99,407

For the Six Months Ended June 30, 2024

	Average	Highest	Lowest	Ending Balance
Exchange VaR	\$ 4,656	\$ 26,095	\$ 881	\$ 2,100
Interest rate VaR	32,452	66,660	11,727	11,896
Equity securities VaR	86,756	122,614	63,261	115,144
Credit spread VaR	9,842	22,431	351	712
Value at risk	92,249	125,458	69,708	117,182

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 56.

Taishin Life Insurance

For information regarding methods for measuring market risk and exchange rate risk, refer to the descriptions of f. insurance risk and g. financial risk.

Taishin Securities B Consolidated

VaR is the potential highest loss for a period within certain confidence interval. For the six months ended June 30, 2025 and 2024, Taishin Securities B's VaR factors were as follows:

For the Six Months Ended June 30, 2025

	Average	Highest	Lowest	Ending Balance
Value at risk (VaR)	\$ 111,572	\$ 136,284	\$ 73,497	\$ 129,508

For the Six Months Ended June 30, 2024

	Average	Highest	Lowest	Ending Balance
Value at risk (VaR)	\$ 52,076	\$ 74,184	\$ 40,209	\$ 64,438

d. Credit risk

1) 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.

i. 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.

ii. 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.

2) Credit risk management policies

Taishin Bank

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 three months) and significant financial distress of the borrower. The definitions of default and credit impairment are consistent with the definitions of the financial assets for the purpose of internal credit risk management, which are also used in the relevant impairment assessment model.

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

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

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

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

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:

- i. 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.
- ii. The rating is Ba1-Ba3 on the initial recognition date, and the rating is downgraded to B1-Caa3 on the measurement date.
- iii. 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.

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.

Leasing subsidiaries

The Group adopts 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.

The Group evaluates EAD using the book amount of lease receivables and assesses the loss ratings using the recovery rate adjusted method. The Group uses 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.

The Group 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 the Group's provision matrix using the simplified approach:

June 30, 2025

	Normal or Less than 29 Days Past Due	30-89 Days Past Due	90-179 Days Past Due	180-359 Days Past Due
Loss rate	0.70%	12.80%	49.98%	85.81%
Amount of exposure	23,700,944	199,422	172,376	67,806
Loss allowance	166,040	25,525	86,148	58,185

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	164,011	35,056	101,978	59,817

June 30, 2024

	Normal or Less than 29 Days Past Due	30-89 Days Past Due	90-179 Days Past Due	180-359 Days Past Due
Loss rate	0.65%	14.76%	71.94%	81.91%
Amount of exposure	25,100,207	234,357	203,536	57,942
Loss allowance	164,094	34,582	146,430	47,459

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.

Taishin Life Insurance

For information regarding credit risk management policies, refer to the descriptions of f. insurance risk and g. financial risk.

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To ensure its credit risk is under control within the tolerable range, Taishin Securities B has stipulated in the guidelines for risk management that for all the businesses conducted, including all on- and off-balance-sheet transactions should make detailed analyses to identify existing and potential credit risks, in order to operate in coordination with Taishin Securities B's business development and TS Financial Holding's overall risk appetite. Before launching new products or businesses, Taishin Securities B ensures compliance with all applicable rules and regulations and identifies relevant credit risks.

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

a) Issuer credit risk management

In order to effectively utilize resources by the Group, the same standard of internal credit rating is used for issuers/guarantors of securities, supplemented by external credit ratings of debt instruments/issuers/guarantors by external credit rating agencies, and regional/country status oriented management. The credit rating is based on the single-issuer portion of each credit rating.

b) Counterparty credit risk management

In order to avoid the pre-settlement risk of non-performance by counterparties, pre-settlement risk limits are set for each counterparty and are evaluated daily at market prices to ensure that the risk of each counterparty is within the acceptable range of Taishin Securities B.

c) Concentration risk management

To avoid overconcentration of investment targets, the risk management sets single-file stock part limits and sector limits for the main business, and sorts the same person (enterprise) and the same related enterprise (group), and then submits them to the Group. Concentration risk management aims to avoid credit risk caused by large part concentration.

d) Risk management of brokerage business

The opening of credit accounts is handled in accordance with Taishin Securities B's internal control, and has been set up to strictly manage customer credit risks; the trading of customer securities margin purchase and short sale business is regulated in accordance with the guidelines for securities margin purchase and short sale management, and the maintenance rate is controlled, and the authority of each authorized supervisor is set at different levels to effectively manage customer credit trading risks.

e) Country risk management

In order to avoid the concentration of overseas risks undertaken by Taishin Securities B in specific countries, its scope includes brokerage credit business, and investment business (including stocks, bonds, securitized commodities, derivative financial assets and liabilities for non-hedging purposes, other investments, etc.).

3) Credit risk hedging or mitigation policies

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a) Collateral

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

The requirements for collateral for other non-credit businesses depend on the nature of the financial instruments. Asset-backed securities and similar financial instruments are required to provide a pool of underlying financial assets as collateral.

The following table details the information on the collateral of credit-impaired financial assets:

June 30, 2025

	Gross Carrying Amount	Impairment under IFRS 9	Proportion of Loans/ Collateral (Note)
Personal housing loans	\$ 5,286,936	\$ 1,243,251	31.88%
Business guaranteed loans	1,368,699	423,292	103.32%
Others	6,241,043	1,718,197	
Total	\$ 12,896,678	\$ 3,384,740	

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.

June 30, 2024

	Gross Carrying Amount	Impairment under IFRS 9	Proportion of Loans/ Collateral (Note)
Personal housing loans	\$ 5,132,126	\$ 1,472,178	33.67%
Business guaranteed loans	1,407,437	339,805	102.66%
Others	6,528,431	2,433,948	
Total	\$ 13,067,994	\$ 4,245,931	

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.

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.

4) Maximum exposure to credit risk and credit quality analysis

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

Part of financial assets held by the Group, such as cash and cash equivalents, due from the Central Bank and call loans to banks, financial assets at FVTPL, securities 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 June 30, 2025, December 31, 2024 and June 30, 2024 are as follows:

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	June 30, 2025			
	12-month ECLs	Lifetime ECLs - Unimpaired	Lifetime ECLs - Impaired	Total
Loans				
Consumer finance				
Excellent	\$ 927,013,808	\$ 13,641,268	\$ -	\$ 940,655,076
Good	12,067,648	302,545	-	12,370,193
Acceptable	-	446,870	-	446,870
Default	-	-	8,760,008	8,760,008
Corporate finance				
Excellent	543,756,304	-	-	543,756,304
Good	290,635,883	-	-	290,635,883
Acceptable	140,702	1,643,527	-	1,784,229
Default	-	-	2,069,178	2,069,178
Total	\$ 1,773,614,345	\$ 16,034,210	\$ 10,829,186	\$ 1,800,477,741
Receivables (including non-performing receivables transferred from other than loans)				
Consumer finance				
Excellent	\$ 67,969,185	\$ 39,046	\$ -	\$ 68,008,231
Good	308,742	3,036	-	311,778
Acceptable	-	118,006	-	118,006
Default	-	-	1,755,262	1,755,262
Corporate finance				
Excellent	30,004,885	-	-	30,004,885
Good	2,344,523	-	-	2,344,523
Acceptable	141	6,316	-	6,457
Default	-	-	108,559	108,559
Others	9,153,650	34,895,644	203,671	44,252,965
Total	\$ 109,781,126	\$ 35,062,048	\$ 2,067,492	\$ 146,910,666
Debt instruments at FVTOCI				
Excellent	\$ 156,779,426	\$ -	\$ -	\$ 156,779,426
Investments in debt instruments at amortized cost				
Excellent	\$ 543,786,479	\$ -	\$ -	\$ 543,786,479
Financial guarantees				
Excellent	\$ 26,021,494	\$ -	\$ -	\$ 26,021,494
Good	4,281,208	-	-	4,281,208
Total	\$ 30,302,702	\$ -	\$ -	\$ 30,302,702
Loan commitments				
Excellent	\$ 1,248,617,734	\$ 308,806	\$ -	\$ 1,248,926,540
Good	184,435,701	158	-	184,435,859
Acceptable	9,197	236,190	-	245,387
Default	-	-	200,728	200,728
Total	\$ 1,433,062,632	\$ 545,154	\$ 200,728	\$ 1,433,808,514

	December 31, 2024			
	12-month ECLs	Lifetime ECLs - Unimpaired	Lifetime ECLs - Impaired	Total
Loans				
Consumer finance				
Excellent	\$ 912,007,130	\$ 16,099,891	\$ -	\$ 928,107,021
Good	11,063,168	264,081	-	11,327,249
Acceptable	-	338,670	-	338,670
Default	-	-	8,727,265	8,727,265
Corporate finance				
Excellent	421,274,024	-	-	421,274,024
Good	301,370,784	-	-	301,370,784
Acceptable	399,108	1,613,507	-	2,012,615
Default	-	-	1,623,979	1,623,979
Total	\$ 1,646,114,214	\$ 18,316,149	\$ 10,351,244	\$ 1,674,781,607
Receivables (including non-performing receivables transferred from other than loans)				
Consumer finance				
Excellent	\$ 75,612,495	\$ 49,369	\$ -	\$ 75,661,864
Good	328,394	2,910	-	331,304
Acceptable	-	120,080	-	120,080
Default	-	-	1,797,959	1,797,959
Corporate finance				
Excellent	31,441,681	-	-	31,441,681
Good	3,447,854	-	-	3,447,854
Acceptable	577	8,610	-	9,187
Default	-	-	115,640	115,640
Others	11,224,478	28,875,964	232,172	40,332,614
Total	\$ 122,055,479	\$ 29,056,933	\$ 2,145,771	\$ 153,258,183
Debt instruments at FVTOCI				
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

	June 30, 2024			
	12-month ECLs	Lifetime ECLs - Unimpaired	Lifetime ECLs - Impaired	Total
Loans				
Consumer finance				
Excellent	\$ 904,076,026	\$ 18,074,162	\$ -	\$ 922,150,188
Good	4,752,920	157,808	-	4,910,728
Acceptable	-	254,299	-	254,299
Default	-	-	8,631,203	8,631,203
Corporate finance				
Excellent	397,412,493	-	-	397,412,493
Good	330,432,835	-	-	330,432,835
Acceptable	119,768	544,407	-	664,175
Default	-	-	1,790,238	1,790,238
Total	\$ 1,636,794,042	\$ 19,030,676	\$ 10,421,441	\$ 1,666,246,159
Receivables (including non-performing receivables transferred from other than loans)				
Consumer finance				
Excellent	\$ 84,023,261	\$ 103,675	\$ -	\$ 84,126,936
Good	265,904	1,343	-	267,247
Acceptable	-	92,531	-	92,531
Default	-	-	1,942,240	1,942,240
Corporate finance				
Excellent	29,615,935	-	-	29,615,935
Good	5,311,660	-	-	5,311,660
Acceptable	434	2,321	-	2,755
Default	-	-	616,798	616,798
Others	11,887,983	29,753,296	201,028	41,842,307
Total	\$ 131,105,177	\$ 29,953,166	\$ 2,760,066	\$ 163,818,409
Debt instruments at FVTOCI				
Excellent	\$ 153,484,446	\$ -	\$ -	\$ 153,484,446
Investments in debt instruments at amortized cost				
Excellent	\$ 543,672,418	\$ -	\$ -	\$ 543,672,418
Financial guarantees				
Excellent	\$ 22,874,601	\$ -	\$ -	\$ 22,874,601
Good	9,065,747	-	-	9,065,747
Total	\$ 31,940,348	\$ -	\$ -	\$ 31,940,348
Loan commitments				
Excellent	\$ 1,165,285,921	\$ 205,553	\$ -	\$ 1,165,491,474
Good	256,846,828	601	-	256,847,429
Acceptable	13,014	73,227	-	86,241
Default	-	-	172,542	172,542
Total	\$ 1,422,145,763	\$ 279,381	\$ 172,542	\$ 1,422,597,686

Taishin Life Insurance

For information regarding credit risk rating levels, refer to the description of g. financial risk.

Taishin Securities B Consolidated

The distribution of internal credit ratings of Taishin Securities B's financial assets as of June 30, 2025, December 31, 2024 and June 30, 2024 are as follows:

Internal Credit Ratings	Distribution of Internal Credit Ratings								
	June 30, 2025			December 31, 2024			June 30, 2024		
	Convertible Bond	Bonds	Percentage of Item (%)	Convertible Bond	Bonds	Percentage of Item (%)	Convertible Bond	Bonds	Percentage of Item (%)
1	\$ 301,661	\$ 2,163,956	18.57	\$ 1,039,932	\$ 2,705,474	26.77	\$ 1,002,264	\$ 4,166,372	34.80
2	3,118,913	708,203	28.82	2,499,656	1,018,031	25.14	1,840,737	1,290,073	21.10
3	1,715,936	400,849	15.94	1,798,701	683,442	17.74	2,717,791	717,126	23.13
4	2,810,881	990,622	28.63	2,722,146	393,174	22.27	1,945,634	-	13.10
5	873,085	-	6.58	432,663	449,417	6.31	482,790	448,549	6.27
Less than or equal to 6	193,339	-	1.46	247,432	-	1.77	238,978	-	1.60
Total	\$ 9,013,815	\$ 4,263,630	100.00	\$ 8,740,530	\$ 5,249,538	100.00	\$ 8,228,194	\$ 6,622,120	100.00

Note: This table excludes central government bonds and Exchange Traded Debt.

5) Situation of credit risk concentration

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

The Group's information on loans with a significant concentration of credit risk is as follows:

Taishin Bank

Industry Type	June 30, 2025		December 31, 2024		June 30, 2024	
	Carrying Amount	Percentage of Item (%)	Carrying Amount	Percentage of Item (%)	Carrying Amount	Percentage of Item (%)
Manufacturing	\$ 254,577,387	14	\$ 187,626,371	11	\$ 204,667,944	12
Wholesale and retail	84,963,989	5	67,862,147	4	79,098,178	5
Finance and insurance	198,992,031	11	181,903,984	11	169,629,232	10
Real estate and leasing	164,122,062	9	164,324,308	10	160,276,405	10
Service	34,410,353	2	35,848,490	2	33,773,269	2
Individuals	974,754,312	54	962,848,658	58	950,586,255	57
Others	88,657,607	5	74,367,649	4	68,214,876	4
	<u>\$ 1,800,477,741</u>		<u>\$ 1,674,781,607</u>		<u>\$ 1,666,246,159</u>	

Taishin Bank

Geographic Location	June 30, 2025		December 31, 2024		June 30, 2024	
	Carrying Amount	Percentage of Item (%)	Carrying Amount	Percentage of Item (%)	Carrying Amount	Percentage of Item (%)
Asia	\$ 1,660,951,405	92	\$ 1,530,777,350	92	\$ 1,530,674,017	92
Europe	24,976,006	1	22,535,455	1	17,003,283	1
America	2,738,197	-	3,796,610	-	2,592,835	-
Others	111,812,133	7	117,672,192	7	115,976,024	7
	<u>\$ 1,800,477,741</u>		<u>\$ 1,674,781,607</u>		<u>\$ 1,666,246,159</u>	

Taishin Life Insurance

For information regarding analysis of credit risk concentration, refer to the description of g. financial risk.

Taishin Securities B

Taishin Securities B's information on Credit risk concentration by industry is as follows:

Industry Type	Distribution of Industry Type					
	June 30, 2025		December 31, 2024		June 30, 2024	
	Convertible Bond	Percentage of Item (%)	Convertible Bond	Percentage of Item (%)	Convertible Bond	Percentage of Item (%)
01 Cement industry	\$ 128,641	1.43	\$ 104,265	1.19	\$ -	-
02 Food industry	5,958	0.07	-	-	-	-
04 Textile industry	291,715	3.24	290,194	3.32	33,209	0.40
05 Electrical machinery	292,542	3.25	281,410	3.22	239,407	2.91
06 Electric cable	10,710	0.12	12,154	0.14	900	0.01
10 Ferrous industry	117,392	1.30	235,087	2.69	144,564	1.76
11 Rubber Industry	89,143	0.99	95,933	1.10	100,900	1.23
12 Automotive industry	81,268	0.90	72,697	0.83	59,297	0.72
13 Electronics industry	268,222	2.98	294,194	3.37	333,355	4.05
14 Building materials construction	726,430	8.06	679,933	7.78	472,960	5.75
15 Shipping	171,505	1.90	296,131	3.39	337,932	4.11
16 Tourist industry	118,297	1.31	84,745	0.97	19,838	0.24
17 Finance and insurance	-	-	-	-	36,475	0.44
18 Department	84,340	0.94	61,543	0.70	93,693	1.14
20 Others	1,019,314	11.31	1,233,952	14.12	1,582,017	19.23
21 Chemical industry	99,489	1.10	97,937	1.12	243,667	2.96
22 Biotechnology and medicine industry	470,574	5.22	432,957	4.95	520,397	6.32
24 Semiconductor industry	745,662	8.27	372,637	4.26	847,762	10.30
25 Computer peripherals	738,417	8.19	629,317	7.20	302,121	3.67
26 Opto-electronics industry	386,633	4.29	434,259	4.97	696,425	8.46
27 Communication network industry	567,336	6.29	613,354	7.02	392,164	4.77
28 Electronic parts and components	1,825,523	20.25	1,707,019	19.53	1,135,456	13.80
29 Electronic channel industry	228,170	2.53	212,292	2.43	173,136	2.10
30 Information service industry	22,490	0.25	40,480	0.46	73,240	0.89
31 Other electronic industry	515,085	5.71	450,233	5.15	336,995	4.10
32 Cultural and Creative Industry	8,959	0.10	1,819	0.02	-	-
33 Agri-technologies industry	-	-	-	-	17,776	0.22
34 Electronic commerce industry	-	-	5,988	0.07	34,508	0.42
	<u>\$ 9,013,815</u>	<u>100.00</u>	<u>\$ 8,740,530</u>	<u>100.00</u>	<u>\$ 8,228,194</u>	<u>100.00</u>

e. Liquidity risk

1) 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.

2) 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.

Taishin Life Insurance

For information regarding funding liquidity risk management, refer to the descriptions of f. insurance risk and g. financial risk.

Taishin Securities B

Taishin Securities B's funding liquidity risk management incorporates funding sources, funding application and gap management. Key control points are as follows:

- a) Funding sources: Other than ensuring stability and risk diversification of funding sources, Taishin Securities B maintains sufficient credit limits in order to cope with volatility risk from unexpected funding supply.
- b) Funding application: When assessing investment income, Taishin Securities B ensures its liquidity and safety in order to cope with liquidity risk from unexpected funding needs.
- c) Gap management: Taishin Securities B implements funding gap management of various term structures in order to efficiently control unexpected fund dispatching.

Market liquidity risk includes on and off-balance sheets transactions. To make sure that market liquidity of positions with low liquidity is within tolerable range, Taishin Securities B stipulated in its risk management rules that it should carefully analyze and efficiently identify existing and potential market liquidity risk in order to operate in coordination with Taishin Securities B's business development and TS Financial Holding's overall risk appetite. Before promoting new products and business, Taishin Securities B should also scrutinize related operation rules and confirm related market liquidity risk.

The market liquidity management procedures and measurement methods of Taishin Securities B's major business are as follows:

- a) When closeout of a position with low amount of market transactions and low liquidity occurs, impairment is generated due to increase of bid-ask premium and extension of covered time. Therefore, liquidity reserve is drawn based on product categories in internal assessment to avoid biased assessment.
 - b) The proportion limit is calculated as the sum of position, which is the amount of quoted and OTC shares over one-day average volume, of the investment portfolio. The ratio is set to implement control.
 - c) The volume of holding a single share and the volume of accounting for investment portfolio is limited to a certain amount in order to implement control.
 - d) The proportion of the volume of a single convertible bond issued to the volume of outstanding portfolio is limited to a certain amount in order to implement control.
- 3) 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 FVTOCI 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.

Maturity analysis

Taishin Bank Consolidated

a) Maturity analysis of non-derivative financial liabilities

Taishin Bank's non-derivative financial liabilities presented based on the residual maturities from the balance sheet date to the contract maturity date are as follows:

Financial Instruments Item	June 30, 2025									
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years	Total
Deposits from the Central Bank and banks	\$ 16,863,900	\$ 5,091,968	\$ 681,740	\$ 4,703,500	\$ -	\$ 7,000	\$ -	\$ -	\$ -	\$ 27,348,108
Non-derivative financial liabilities at FVTPL	801,450	-	-	-	-	-	-	-	11,784,889	12,586,339
Securities sold under repurchase agreements	40,336,205	7,962,265	333,934	68,130	-	-	-	-	-	48,700,534
Payables	22,450,927	1,116,256	766,333	8,326,950	36,177	7,939	1	-	-	32,704,583
Deposits and remittances	315,282,024	390,919,718	266,108,381	413,801,847	1,031,429,759	2,989,966	966	-	-	2,420,532,661
Bank notes payable	-	700,000	-	-	-	6,000,000	-	-	-	20,750,000
Lease liabilities	116,956	107,164	155,726	395,009	518,440	390,958	269,675	204,231	335,779	2,493,938
Other financial liabilities	14,977,888	6,638,308	3,460,466	6,890,677	6,042,327	3,885,133	924,717	2,560,921	71,781,286	117,161,723
Total	\$ 410,829,350	\$ 412,535,679	\$ 271,506,580	\$ 434,186,113	\$1,038,026,703	\$ 13,280,996	\$ 1,195,359	\$ 7,615,152	\$ 93,101,954	\$2,682,277,886

Financial Instruments Item	December 31, 2024									
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years	Total
Deposits from the Central Bank and banks	\$ 5,032,291	\$ 3,361,917	\$ 788,875	\$ 3,489,500	\$ 3,500	\$ -	\$ -	\$ -	\$ -	\$ 12,676,083
Non-derivative financial liabilities at FVTPL	354,382	-	-	-	-	-	-	-	13,195,181	13,549,563
Securities sold under repurchase agreements	42,456,140	10,998,577	3,097,830	-	-	-	-	-	-	56,552,547
Payables	16,257,204	2,196,499	845,502	10,772,715	34,690	8,707	1	-	-	30,115,318
Deposits and remittances	329,970,899	401,543,866	234,171,339	376,962,095	1,002,043,704	3,128,515	890	-	-	2,347,821,308
Bank notes payable	-	-	4,250,000	700,000	-	6,000,000	-	-	-	14,050,000
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

Financial Instruments Item	June 30, 2024									
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years	Total
Deposits from the Central Bank and banks	\$ 9,767,048	\$ 8,468,398	\$ 1,205,924	\$ 4,700,000	\$ 23,000	\$ -	\$ -	\$ -	\$ -	\$ 24,164,370
Non-derivative financial liabilities at FVTPL	359,013	-	-	-	-	11,910	-	-	13,057,974	13,428,897
Securities sold under repurchase agreements	56,672,945	13,331,743	202,554	-	-	-	-	-	-	70,207,242
Payables	20,260,260	646,388	524,810	8,318,361	43,657	7,790	1	-	-	29,801,267
Deposits and remittances	276,457,333	345,902,527	255,410,423	350,175,654	1,060,019,606	3,463,826	2,152	-	-	2,291,431,521
Bank notes payable	-	-	-	4,250,000	700,000	-	6,000,000	-	-	25,000,000
Lease liabilities	125,477	119,399	174,094	418,805	518,152	357,156	250,862	143,985	234,720	2,342,650
Other financial liabilities	10,887,129	9,924,238	4,447,408	7,993,727	3,400,029	6,940,268	3,620,395	1,299,087	76,099,423	124,611,704
Total	\$ 374,529,205	\$ 378,392,693	\$ 261,965,213	\$ 375,856,547	\$1,064,704,444	\$ 10,780,950	\$ 9,873,410	\$ 1,443,072	\$ 103,442,117	\$2,580,987,651

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 \$1,159,924,094 thousand, \$1,132,811,769 thousand and \$1,199,256,574 thousand as of June 30, 2025, December 31, 2024 and June 30, 2024, respectively.

b) Maturity analysis of derivative financial liabilities

Taishin Bank disclosed amounts of derivative financial liabilities at FVTPL using fair values recognized in the earliest time band as follows:

Financial Instruments Item	June 30, 2025					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at FVTPL	\$ 68,759,431	\$ -	\$ -	\$ -	\$ -	\$ 68,759,431

Financial Instruments Item	December 31, 2024					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at FVTPL	\$ 46,968,611	\$ -	\$ -	\$ -	\$ -	\$ 46,968,611

Financial Instruments Item	June 30, 2024					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at FVTPL	\$ 48,386,712	\$ -	\$ -	\$ -	\$ -	\$ 48,386,712

c) Maturity analysis of off-balance-sheet items

Below are the amounts of Taishin Bank's 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 June 30, 2025, December 31, 2024 and June 30, 2024, assuming that all amounts, including the amounts in the longest time band, were due in less than one-month time band, the amounts would have been \$26,456,382 thousand, \$26,912,147 thousand and \$26,333,525 thousand, respectively, for guarantees; \$3,846,320 thousand, \$3,536,099 thousand and \$5,606,823 thousand, respectively, for letters of credit; \$836,621,177 thousand, \$982,814,683 thousand and \$851,173,960 thousand, respectively, for loans commitments (excluding credit card); and \$12,913,108 thousand, \$10,465,147 thousand and \$10,280,478 thousand, respectively, for credit cards commitments.

Off-Balance-Sheet Item	June 30, 2025					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Guarantees	\$ 3,537,431	\$ 3,035,858	\$ 5,280,973	\$ 5,259,712	\$ 9,342,408	\$ 26,456,382
Letters of credit	529,684	3,035,350	270,713	10,573	-	3,846,320
Loans commitments (excluding credit cards)	1,951,281	166,995,030	179,464,778	351,414,004	136,796,084	836,621,177
Credit cards commitments	1,397	121,694	190,918	552,261	12,046,838	12,913,108

Off-Balance-Sheet Item	December 31, 2024					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Guarantees	\$ 3,607,461	\$ 3,854,164	\$ 2,841,172	\$ 5,383,932	\$ 11,225,418	\$ 26,912,147
Letters of credit	694,097	2,470,181	347,849	13,052	10,920	3,536,099
Loans commitments (excluding credit cards)	2,094,924	198,498,313	210,260,247	438,166,710	133,794,489	982,814,683
Credit cards commitments	758	73,638	131,997	334,113	9,924,641	10,465,147

Off-Balance-Sheet Item	June 30, 2024					
	1-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Guarantees	\$ 2,001,924	\$ 5,579,368	\$ 3,349,273	\$ 3,673,360	\$ 11,729,600	\$ 26,333,525
Letters of credit	1,145,470	4,135,725	308,797	16,831	-	5,606,823
Loans commitments (excluding credit cards)	2,335,050	194,271,290	158,177,762	366,350,223	130,039,635	851,173,960
Credit cards commitments	4,159	64,692	101,854	264,431	9,845,342	10,280,478

Taishin Securities B Consolidated

a) Maturity analysis of non-derivative financial liabilities

Taishin Securities B non-derivative financial liabilities presented based on the residual maturities from the balance sheet date to the contract maturity date are as follows:

Financial Instruments Item	June 30, 2025					
	6 Months	6 Months - 1 Year	1 Year - 3 Years	3 Years - 5 Years	Over 5 Years	Total
Non-derivative financial liabilities at FVTPL	\$ 3,136,094	\$ -	\$ -	\$ -	\$ -	\$ 3,136,094
Short-term loans	250,000	-	-	-	-	250,000
Commercial papers issued	16,290,000	-	-	-	-	16,290,000
Bonds sold under repurchase agreements	9,758,140	-	-	-	-	9,758,140
Deposits on short sales	589,318	-	-	-	-	589,318
Financing guarantees payable	631,541	-	-	-	-	631,541
Futures traders' equity	5,160,729	-	-	-	-	5,160,729
Notes payable and accounts payable	13,555,157	-	-	-	-	13,555,157
Other payables	375,871	450,629	96,766	89,712	-	1,012,978
Other current liabilities	171,831	-	-	-	-	171,831
Lease liabilities	40,775	36,964	120,435	18,141	-	216,315
Bonds payable	-	-	-	3,300,000	-	3,300,000
Guarantee deposits	163	-	666	91	-	920
Total	\$ 49,959,619	\$ 487,593	\$ 217,867	\$ 3,407,944	\$ -	\$ 54,073,023

Financial Instruments Item	December 31, 2024					
	6 Months	6 Months - 1 Year	1 Year - 3 Years	3 Years - 5 Years	Over 5 Years	Total
Non-derivative financial liabilities at FVTPL	\$ 1,140,112	\$ -	\$ -	\$ -	\$ -	\$ 1,140,112
Short-term loans	950,000	-	-	-	-	950,000
Commercial papers issued	24,920,000	-	-	-	-	24,920,000
Bonds sold under repurchase agreements	8,970,695	-	-	-	-	8,970,695
Deposits on short sales	1,044,849	-	-	-	-	1,044,849
Financing guarantees payable	1,169,962	-	-	-	-	1,169,962
Futures traders' equity	3,961,866	-	-	-	-	3,961,866
Notes payable and accounts payable	7,612,868	-	-	-	-	7,612,868
Other payables	854,723	28,826	96,514	89,100	44,550	1,113,713
Other current liabilities	881,328	-	-	-	-	881,328
Lease liabilities	33,616	31,305	103,031	26,276	-	194,228
Bonds payable	-	-	-	-	3,300,000	3,300,000
Guarantee deposits	-	163	666	-	-	829
Total	\$ 51,540,019	\$ 60,294	\$ 200,211	\$ 115,376	\$ 3,344,550	\$ 55,260,450

Financial Instruments Item	June 30, 2024					
	6 Months	6 Months - 1 Year	1 Year - 3 Years	3 Years - 5 Years	Over 5 Years	Total
Non-derivative financial liabilities at FVTPL	\$ 1,356,888	\$ -	\$ -	\$ -	\$ -	\$ 1,356,888
Short-term loans	1,050,000	-	-	-	-	1,050,000
Commercial papers issued	20,431,000	-	-	-	-	20,431,000
Bonds sold under repurchase agreements	10,988,790	-	-	-	-	10,988,790
Deposits on short sales	700,105	-	-	-	-	700,105
Financing guarantees payable	804,316	-	-	-	-	804,316
Futures traders' equity	3,742,836	-	-	-	-	3,742,836
Notes payable and accounts payable	12,152,890	-	-	-	-	12,152,890
Other payables	203,978	524,658	99,996	89,891	44,550	963,073
Other current liabilities	246,115	-	-	-	-	246,115
Lease liabilities	33,917	31,893	102,296	42,252	-	210,358
Bonds payable	-	-	-	-	3,300,000	3,300,000
Guarantee deposits	-	327	752	-	-	1,079
Total	\$ 51,710,835	\$ 556,878	\$ 203,044	\$ 132,143	\$ 3,344,550	\$ 55,947,450

b) Maturity analysis of derivative financial liabilities

Taishin Securities B disclosed amounts of derivative financial liabilities at FVTPL using fair values recognized in the earliest time band as follows:

Financial Instruments Item	June 30, 2025					Total
	6 Months	6 Months - 1 Year	1 Year - 3 Years	3 Years - 5 Years	Over 5 Years	
Derivative financial liabilities at FVTPL	\$ 3,967,395	\$ -	\$ -	\$ -	\$ -	\$ 3,967,395

Financial Instruments Item	December 31, 2024					Total
	6 Months	6 Months - 1 Year	1 Year - 3 Years	3 Years - 5 Years	Over 5 Years	
Derivative financial liabilities at FVTPL	\$ 4,335,716	\$ -	\$ -	\$ -	\$ -	\$ 4,335,716

Financial Instruments Item	June 30, 2024					Total
	6 Months	6 Months - 1 Year	1 Year - 3 Years	3 Years - 5 Years	Over 5 Years	
Derivative financial liabilities at FVTPL	\$ 4,841,612	\$ -	\$ -	\$ -	\$ -	\$ 4,841,612

f. Insurance risk

1) Measurement and management of insurance risk

Insurance risks refer to insufficient estimates of the frequency, severity and lapse rate of the insured incidents, such as death rate, morbidity rate, lapse rate, interest rate, expense rate and so on. These ratios could be influenced by random variable risks and therefore lead to the risk of additional payments exceeding the original estimated values. Taishin Life Insurance engages in the business of life insurance (including variable universal life insurance), accident insurance, and health insurance. In addition, Taishin Life Insurance sells variable universal life insurance and variable annuities (investment-linked products). The risks and management for the above products are as follows:

a) Variable universal life

The main risk of life insurance is the death rate. Taishin Life Insurance assesses the rationality of pricing according to the premium rate of main insurance product on the market and makes related statistical measurements and analyses of the death rate, such as an experience test. In order to decide whether to stop selling products or adjust the rate, inspections are used to determine whether the death rate is higher than the pricing basis, affecting the profitability of products.

b) Variable annuity

Taishin Life Insurance takes no insurance risks as the variable annuity policy is in the annuity accumulation and annuity certain phase. The main risk is the longevity risk after a certain annuity phase. The variable annuity policy of Taishin Life Insurance is mainly in the annuity accumulation or annuity certain phase; therefore, only limited insurance risks are currently covered.

c) Long-term life non par insurance

The main risk of life insurance comprises the death rate and the interest rate. The explanation of death rate risks shall be the same as for life insurance. For interest risks, the interest rates of long-term contracts were all locked in before sales in compliance with regulation. If there is an objective gap of fluctuation between the long-term interest rate and the estimated policy interest rate, and the investment income fails to reach the promised policy interest rate, Taishin Life Insurance will then face a problem of negative spread. Therefore, Taishin Life Insurance evaluates the investment income in various committees on a regular basis to further evaluate the investment portfolio, insurance combination and (or) preset interest rates to mitigate the risks of negative spread.

d) Accident insurance and health insurance

The main risks of accident insurance and health insurance comprise the occurrence of accident rate and the morbidity rate. Taishin Life Insurance tracks the loss rate of each insurance type, assesses the rationality of pricing according to the premium rate of the main insurance product on the market, and makes related statistical measurements of the death rate, such as an experience test, in order to determine whether or not to cease the sale of the product and adjust the premium rate of the product. For the long-term morbidity claims of health insurance, Taishin Life Insurance also arranges reinsurance to mitigate the overall potential risk of loss from claims in the future.

2) Insurance risk concentration

While it indicates no specific concentration over any specific location or target client with regard to the insurances covered by Taishin Life Insurance, reinsurance arrangement is still made after assessment in order to mitigate the covered insurance risks and avoid the overall cumulative risks exceeding Taishin Life Insurance's risk capacity. Additionally, through catastrophe reinsurance, Taishin Life Insurance transfers concentrated risks of death to highly secure reinsurance companies to further mitigate the risks of large claims and catastrophe claims.

3) Sensitivity analysis of insurance risk

According to the relevant insurance regulation, the assumption factors adopted have been locked-in during pricing. However, the assumption may vary from the actual experience. Pursuant to IFRS 4, "Insurance contracts", Taishin Life Insurance should perform liability adequacy test accordingly to determine whether or not the recognized insurance liability is appropriate. In respect of overall insurance contracts of Taishin Life Insurance as of June 30, 2025, December 31, 2024 and June 30, 2024, the liabilities will still be adequate even when the mortality, morbidity, and lapse rates changed by 10%, and discount rates changed by 10bps.

4) Claims development trend

a) Claims development of direct business

Accident Year	Development Year					Loss Reserve
	1	2	3	4	5	
2021	8,982,945	10,312,671	10,398,764	10,415,283	10,415,675	-
2022	1,014,841	1,201,830	1,214,715	1,216,771	1,216,819	48
2023	1,198,439	1,407,607	1,423,261	1,425,494	1,425,550	2,289
2024	1,382,110	1,638,021	1,653,694	1,656,249	1,656,313	18,292
2025 Q2	1,569,112	1,832,447	1,848,748	1,851,580	1,851,651	282,539
			Loss reserve for unreported and unpaid claims			\$ 303,168
			Add: Reported but unpaid claims			<u>1,780,560</u>
			Loss reserve, balance			<u>\$ 2,083,728</u>

b) Claims development of retained business

Accident Year	Development Year					Loss Reserve
	1	2	3	4	5	
2021	8,847,287	10,175,213	10,260,956	10,277,475	10,277,867	-
2022	1,010,279	1,197,267	1,210,153	1,212,209	1,212,257	48
2023	1,197,588	1,406,756	1,422,410	1,424,643	1,424,699	2,289
2024	1,380,634	1,636,545	1,652,217	1,654,772	1,654,836	18,291
2025 Q2	1,563,862	1,827,179	1,843,476	1,846,308	1,846,379	282,517
			Loss reserve for unreported and unpaid claims			\$ 303,145
			Add: Reported but unpaid claims			<u>1,689,804</u>
			Loss reserve, balance			<u>\$ 1,992,949</u>

Taishin Life Insurance provided loss reserve, whether or not it is reported, for projected future payments and related costs. The provision for reserves is highly complicated since there are many uncertain causes, estimation and judgment. Any change in an estimate or judgment is treated as a change in accounting estimates, and the impact of such changes is included in profit or loss for the period. Some claim reports may be delayed to Taishin Life Insurance, and the estimation is related to past claim experiences and subjective judgment when estimating possible payments for the claims not yet reported. The loss reserve per book is estimated on the basis of available information at present. However, the actual payments will deviate from original estimation as the claim goes on.

The above tables show the claims development (excluding the claims whose payment amount and payment date have already been known in one year). Every accident year means the year the accident happens, the horizontal axis is the year of development, and every amount is the cumulative payment incurring for every accident year at the end of the year. The cumulative payments include the claims whether or not it is sure to happen, and illustrate how Taishin Life Insurance estimates payments for every accident year as time passes. The conditions and trends that influence Taishin Life Insurance's reserve provision may not be the same when claims develop. Therefore, the projected payments cannot be determined based on the claims development in the above table.

5) Credit risk, liquidity risk, and market risk of insurance contracts

a) Credit risk

Credit risk primarily refer to the risk of a reinsurer's failure to fulfill its obligations on the ceded business, which leads to its inability to share its stake of the premiums, claims and other expenses. To manage this risk, the reinsurers will be selected prudently in accordance with the reinsurance risk management plan as set by Taishin Life Insurance. To mitigate the credit risk, the reinsurance agreement will require that reinsurance fees shall be paid on a net basis by deducting any receivables or share of payments recoverable from the reinsurer. In addition, Taishin Life Insurance will demand the inclusion of a special termination clause in the reinsurance agreement, allowing Taishin Life Insurance to terminate the agreement in the circumstances that the reinsurer defaults on its obligations to limit further credit risk.

After ceding the business, Taishin Life Insurance will review the credit rating of the reinsurers regularly in accordance with its reinsurance risk management plan. In the event of a credit rating downgrade of a reinsurer leading to its failure to meet the minimum requirement of being an eligible reinsurer as stipulated by the "Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms", the company will establish a reinsurance reserve as required to mitigate the adverse impacts from the downgraded reinsurer.

Currently, the credit ratings of all reinsurance counterparties of Taishin Life Insurance have met the eligibility standards as stipulated by the regulations.

b) Liquidity risk

The liquidity risk of the insurance contract arises mainly from the company’s failure to realize the assets or to obtain sufficient funding in time to fulfill its obligations on insurance benefits payment. To manage the risk, Taishin Life Insurance regularly conducts maturity analysis on the insurance contracts and reviews the matching of assets and liabilities.

The table below shows the net liability cash flow analysis on the insurance portfolio of Taishin Life Insurance by estimated time point. The figures reflect, for the in-force policies as at the valuation date, the estimation of undiscounted total insurance benefit payments, expense and other outflows, net of insurance premiums and other income at each future time point. The future actual amounts may vary as the actual experience may be different from the expected amounts.

Net cash flows used in (provided by) the insurance contracts:

	June 30, 2025	December 31, 2024	June 30, 2024
Within one year	\$ (20,086,262)	\$ (17,597,232)	\$ (15,063,439)
One to five years	(28,538,951)	(27,687,974)	(20,960,558)
Five to fifteen years	104,127,234	94,297,664	80,511,000
Over fifteen years	<u>678,970,293</u>	<u>651,873,430</u>	<u>559,359,140</u>
	<u>\$ 734,472,314</u>	<u>\$ 700,885,888</u>	<u>\$ 603,846,143</u>

Taishin Life Insurance has insurance contracts that are classified as investment-linked product liabilities. However, such liabilities are repaid based on investment linked product assets. Therefore, Taishin Life Insurance has no significant liquidity risk.

c) Market risk

Pursuant to the “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises” and relevant regulations, Taishin Life Insurance calculates and sets aside statutory reserves in accordance with assumed interest rate and incidence rate regulated by the supervisors. As the assumed interest rate is predetermined as at policy issuance, the statutory reserves will not change with market interest rate fluctuations. The regulator will regularly review the discount rate assumption, which however may not necessarily correspond to the market interest rate in terms of time, amount, or direction, and it is only applicable to the new policies. Therefore, the impact of probable changes in market interest rate on the statutory reserves of Taishin Life Insurance’s in-force insurance policies is negligible. In case the regulator changes the discount rate assumption, its impact on profit/loss or equity will vary depending on the range of the change and Taishin Life Insurance’s overall product mix. Furthermore, variations in market risks may affect the liability adequacy test, which is estimated based on the current information as of the valuation date, and further affect the adequacy of recognized insurance liabilities. Please refer to the insurance risk sensitivity analysis for the impact of market risk factors on the current liability adequacy of Taishin Life Insurance.

g. Financial risk

Except for derivative financial instruments, Taishin Life Insurance holds financial assets including cash and cash equivalents, various current and non-current investments, and loans. Taishin Life Insurance's operating cash flow and operating reserves are backed by such financial instruments. Taishin Life Insurance also carries some other financial assets and liabilities such as notes receivable, claims payable, and other receivables and payables from operating activities. Taishin Life Insurance's derivative instrument trading policies is only for hedging purposes, and not for profit.

Taishin Life Insurance has written risk management policies and risk control procedures, which have been approved by the board of directors or appropriate approval levels, to effectively identify, measure, monitor and control market risk, credit risk, liquidity risk and climate risk.

1) Market risks

Taishin Life Insurance's domestic and foreign investments are exposed to market risks, and potential losses resulting from market risks could be partly mitigated through foreign exchange hedge and investment diversification. To avoid potential losses from variations in the market prices of held financial instruments (e.g., interest rates, exchange rates, share price, commodity price, and credit spread), Taishin Life Insurance continuously uses market risk management methods such as Market VaR and stress testing, along with implementation of risk limits and completely effective measurement and control over the market risk.

a) Exchange rate risks

Exchange rate risk refers to the risk of changes in fair value or future cash flows of financial instruments as a result of variations in exchange rates.

- i. Taishin Life Insurance's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	<u>June 30, 2025</u>		<u>December 31, 2024</u>		<u>June 30, 2024</u>	
	Foreign Currency Amount	Exchange Rate	Foreign Currency Amount	Exchange Rate	Foreign Currency Amount	Exchange Rate
<u>Assets</u>						
U.S. dollars	\$ 4,916,212	29.29	\$ 4,419,504	32.79	\$ 4,027,190	32.45
<u>Liabilities</u>						
U.S. dollars	3,260,215	29.29	2,832,565	32.79	2,540,699	32.45

- ii. Sensitivity analysis of exchange rate risks provided in the table below is performed for reasonably possible changes in exchange rates with other conditions held constant for monetary financial assets, showing the impact on pre-tax income. The correlation of variables will have effect on determining the ultimate impact on market risk, but to demonstrate the impact due to changes in variables, Taishin Life Insurance assumes that variables have to be changed on an individual basis. Measurement basis for foreign exchange risk will exclude the investment position and derivative instruments for financial hedging denominated in foreign currency corresponding with foreign currency insurance policy.

	For the Six Months Ended June 30, 2025	
	Changes in Variables	Changes in Pre-tax Income
U.S. dollars	-5%	\$ (1,253,564)

	For the Six Months Ended June 30, 2024	
	Changes in Variables	Changes in Pre-tax Income
U.S. dollars	-5%	\$ (951,670)

b) Interest rate risks

Interest rate risk refers to the risk of changes in value of financial instruments as a result of variations in the market interest rates. Taishin Life Insurance's bond investments under financial assets at amortized cost are all investments in fixed coupon rate bond, therefore variations in the market interest rates will result in changes in the fair value of bond investments. An increase in market interest rates will cause the fair value of bond investments to fall. As Taishin Life Insurance's primary investment strategy is to pursue stable and predictable long-term earnings when investing in bonds under financial assets at amortized cost, short-term market interest rate fluctuations have less impact on Taishin Life Insurance's investments. Therefore, significant interest rate risk is unlikely to happen based on Taishin Life Insurance's expectation. Additionally, significant interest rate risk is likely to happen mainly due to the financial assets at FVTPL - beneficiary securities. Sensitivity analysis of interest rate risk is as follows:

	For the Six Months Ended June 30, 2025	
	Changes in Variables	Changes in Unrealized (Loss) Gain
Financial assets at FVTPL - beneficiary securities	Interest rate increase of 20 bps	\$ (1)

	For the Six Months Ended June 30, 2024	
	Changes in Variables	Changes in Unrealized (Loss) Gain
Financial assets at FVTPL - beneficiary securities	Interest rate increase of 20 bps	\$ (388)

c) Other price risk

Price risk mainly arises from volatility of equity instruments held by the company. However, Taishin Life Insurance has set up stop-loss mechanism and dispersed the price risk through properly diversified investment portfolio to mitigate risk of concentrated investment in any specific industry or issuers.

Sensitivity analysis of price risk provided in the table below is performed for reasonably possible movement in price with other conditions held constant, the impact on pre-tax income and equity are as follows:

	For the Six Months Ended June 30, 2025		
	Changes in Variables	Changes in Pre-tax Income	Changes in Other Comprehensive Income (Before Tax)
Financial assets at FVTPL	Price increase of 10%	\$ -	\$ 2,933,141
Financial assets at FVTOCI	Price increase of 10%	-	4,118
	For the Six Months Ended June 30, 2024		
	Changes in Variables	Changes in Pre-tax Income	Changes in Other Comprehensive Income (Before Tax)
Financial assets at FVTPL	Price increase of 10%	\$ -	\$ 3,741,220
Financial assets at FVTOCI	Price increase of 10%	-	4,165

If the variables adopted in aforesaid sensitivity analysis of market risk move in opposite direction, variations in profit/loss and equity will also move in reverse.

2) Credit risk

Credit risk refers to the risk that a party incurs from the inability of a counterparty or issuer of a financial instrument to fulfill its obligations.

- a) Taishin Life Insurance shall measure expected credit losses of a financial instrument in a way that reflects:
- i. An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
 - ii. The time value of money; and
 - iii. 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.
- b) When measuring expected credit losses, Taishin Life Insurance considered the risk or probability that a credit loss occurs, and the maximum period to consider is the maximum contractual period over which the entity is exposed to credit risk.

- c) Taishin Life Insurance financial assets impairment policy adopted assumptions provided by IFRS 9 as indicators to determine whether there will be a significant increase in credit risk of a financial instrument since initial recognition.
- i. The rating is Investment Grade (credit rating over BBB-) on the initial recognition date and the rating is downgraded to Non-Investment Grade (credit rating below BB+ excluding credit rating below CC) on the measurement date.
 - ii. The rating is BB+ to BB- on the initial recognition date, and the rating is downgraded to B+ to CCC- on the measurement date.
 - iii. The rating is B+ to CCC+ on the initial recognition date.
 - iv. When contractual payments of receivables were more than 30 days past due or not past due but violated contract agreement, the scenario will be treated as a significant increase in credit risk since initial recognition;
 - v. When statutory deposits matured but not collected after 30 days, it is considered as a significant increase in credit risk unless there was a specific exception clause;
 - vi. When the total of loan principal and interest exceeds the policy value reserve but the policy is still within the grace period, it is considered as a significant increase in credit risk.

Investments are considered to have been defaulted if the rating is CC to D on the measurement date. The definition of default includes the issuer's inability to repay principal or interest on the maturity date. Before the maturity of bonds and securities, it can be objectively determined if the issuer cannot repay the principal and interest on time. Before the maturity of bonds and securities, the issuer may have suffered bankruptcy, or has undergone restructuring or has been taken over due to financial difficulties, or has a high probability of bankruptcy or another financial restructuring.

In order to assess the purpose of the ECLs, debt instruments were assessed by grade separately based on their credit rating. In order to measure the ECLs, the PD, LGD and EAD for the next 12 months and over the full lifetime of the debt instrument issuers, and the impact of the time value of money shall be considered to calculate 12-month and full-lifetime ECLs separately.

Taishin Life Insurance assesses the EAD of investments in debt instruments using the current exposure method (CEM) and adopts external rating information announced by international credit rating agencies (S&P and Moody's), and PD and LGD information are announced periodically to calculate the ECLs. As international credit rating agencies already consider the prospective information when assessing credit rating, it is appropriate to assess such information and then include it in the assessment of the related ECLs of Taishin Life Insurance.

- d) Taishin Life Insurance adopted assumptions provided by IFRS 9 as an indicator to determine that there will be a default occurring if contractual payments of receivables were more than 90 days past due. As the total of loan principal and interest exceeds the policy value reserve and policy is suspended over the grace period, it is considered as a default.
- e) Taishin Life Insurance will make a reserve for the amounts of financial instrument considered as uncollectible after completing legal process to secure the right of collection.

- f) Investments in debt instruments at amortized cost and bond interest receivable under accounts receivable held by Taishin Life Insurance on June 30, 2025, December 31, 2024 and June 30, 2024, the credit risk rating levels are presented below:

	June 30, 2025			
	Lifetime			
	12 Months	Increase in Credit Risk	Credit Impaired	Total
AAA	\$ 2,905,105	\$ -	\$ -	\$ 2,905,105
AA	105,192,396	-	-	105,192,396
A-BBB	<u>109,276,389</u>	<u>-</u>	<u>-</u>	<u>109,276,389</u>
	<u>\$ 217,373,890</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,373,890</u>

	December 31, 2024			
	Lifetime			
	12 Months	Increase in Credit Risk	Credit Impaired	Total
AAA	\$ 3,880,892	\$ -	\$ -	\$ 3,880,892
AA	104,106,402	-	-	104,106,402
A-BBB	<u>109,223,004</u>	<u>-</u>	<u>-</u>	<u>109,223,004</u>
	<u>\$ 217,210,298</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,210,298</u>

	June 30, 2024			
	Lifetime			
	12 Months	Increase in Credit Risk	Credit Impaired	Total
AAA	\$ 4,392,937	\$ -	\$ -	\$ 4,392,937
AA	102,933,382	-	-	102,933,382
A-BBB	<u>98,644,182</u>	<u>-</u>	<u>-</u>	<u>98,644,182</u>
	<u>\$ 205,970,501</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,970,501</u>

- g) Taishin Life Insurance uses forecast to assess the default possibility of debt instruments and bond interest receivables and to estimate the expected credit loss on June 30, 2025, December 31, 2024 and June 30, 2024. Credit loss information is as follows:

	June 30, 2025			
	Lifetime			
	12 Months	Increase in Credit risk	Credit Impaired	Total
Expected credit loss rate	0.00%-0.12%			
Carrying amount	\$ 217,373,890	\$ -	\$ -	\$ 217,373,890
Loss allowance	<u>\$ 49,328</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,328</u>

	December 31, 2024			
	Lifetime			
	12 Months	Increase in Credit risk	Credit Impaired	Total
Expected credit loss rate	0.00%-0.12%			
Carrying amount	\$ 217,210,298	\$ -	\$ -	\$ 217,210,298
Loss allowance	<u>\$ 49,455</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,455</u>

	June 30, 2024			
	Lifetime			
	12 Months	Increase in Credit risk	Credit Impaired	Total
Expected credit loss rate	0.00%-0.13%			
Carrying amount	<u>\$ 205,970,501</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,970,501</u>
Loss allowance	<u>\$ 28,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,554</u>

Movements in loss allowance for investments in debt instruments carried at amortized costs are as follows:

	2025			
	Lifetime			
	12 Months	Increase in Credit Risk	Credit Impaired	Total
At January 1	\$ 48,747	\$ -	\$ -	\$ 48,747
Provision for expected credit loss (gain)	326	-	-	326
Derecognized	<u>(468)</u>	<u>-</u>	<u>-</u>	<u>(468)</u>
At June 30	<u>\$ 48,605</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,605</u>

	2024			
	Lifetime			
	12 Months	Increase in Credit Risk	Credit Impaired	Total
At January 1	\$ 24,466	\$ -	\$ -	\$ 24,466
Provision for expected credit loss (gain)	4,197	-	-	4,197
Derecognized	<u>(556)</u>	<u>-</u>	<u>-</u>	<u>(556)</u>
At June 30	<u>\$ 28,107</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,107</u>

Movements in loss allowance for bond interest receivables are as follows:

	2025			
	Lifetime			
	12 Months	Increase in Credit Risk	Credit Impaired	Total
At January 1	\$ 708	\$ -	\$ -	\$ 708
Provision for expected credit loss (gain)	21	-	-	21
Derecognized	<u>(6)</u>	<u>-</u>	<u>-</u>	<u>(6)</u>
At June 30	<u>\$ 723</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 723</u>

	2024			
	12 Months	Lifetime		Total
		Increase in Credit Risk	Credit Impaired	
At January 1	\$ 358	\$ -	\$ -	\$ 358
Provision for expected credit loss (gain)	95	-	-	95
Derecognized	<u>(6)</u>	<u>-</u>	<u>-</u>	<u>(6)</u>
At June 30	<u>\$ 447</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 447</u>

- h) Taishin Life Insurance uses historical data from a specific previous period and current data to forecast macroeconomic information and to assess the expected credit loss of loans (including loans interest receivable). As of June 30, 2025, December 31, 2024 and June 30, 2024, credit loss information of loans (including loans interest receivable) is as follows:

	June 30, 2025			
	12 Months	Lifetime		Total
		Increase in Credit Risk	Credit Impaired	
Expected credit loss rate	0%	0%-37%	0%-100%	
Carrying amount	<u>\$ 9,102,437</u>	<u>\$ 45,539</u>	<u>\$ 24,855</u>	<u>\$ 9,172,831</u>
Loss allowance	<u>\$ -</u>	<u>\$ 681</u>	<u>\$ 1,324</u>	<u>\$ 2,005</u>

	December 31, 2024			
	12 Months	Lifetime		Total
		Increase in Credit Risk	Credit Impaired	
Expected credit loss rate	0%	0%-36%	0%-100%	
Carrying amount	<u>\$ 8,674,989</u>	<u>\$ 7,683</u>	<u>\$ 13,049</u>	<u>\$ 8,695,721</u>
Loss allowance	<u>\$ -</u>	<u>\$ 155</u>	<u>\$ 393</u>	<u>\$ 548</u>

	June 30, 2024			
	12 Months	Lifetime		Total
		Increase in Credit Risk	Credit Impaired	
Expected credit loss rate	0%	0%-36%	0%-100%	
Carrying amount	<u>\$ 8,233,108</u>	<u>\$ 2,329</u>	<u>\$ 41,453</u>	<u>\$ 8,276,890</u>
Loss allowance	<u>\$ -</u>	<u>\$ 96</u>	<u>\$ 2,319</u>	<u>\$ 2,415</u>

Movements in loss allowance for loans are as follows:

	2025			
	12 Months	Lifetime		Total
		Increase in Credit Risk	Credit Impaired	
At January 1	\$ -	\$ 155	\$ 393	\$ 548
Transferred to 12-month ECLs	-	(8)	8	-
Provision for expected credit loss (gain)	-	535	1,109	1,644
Write-off	-	-	(175)	(175)
Derecognized	-	(1)	(11)	(12)
At June 30	<u>\$ -</u>	<u>\$ 681</u>	<u>\$ 1,324</u>	<u>\$ 2,005</u>

	2024			
	12 Months	Lifetime		Total
		Increase in Credit Risk	Credit Impaired	
At January 1	\$ -	\$ 212	\$ 2,828	\$ 3,040
Transferred to 12-month ECLs	-	(12)	12	-
Provision for expected credit loss (gain)	-	(103)	(28)	(131)
Write-off	-	-	(479)	(479)
Derecognized	-	(1)	(14)	(15)
At June 30	<u>\$ -</u>	<u>\$ 96</u>	<u>\$ 2,319</u>	<u>\$ 2,415</u>

- i) As of June 30, 2025, December 31, 2024 and June 30, 2024, Taishin Life Insurance has assessed the impairment losses of accounts receivable (excluding bond interest receivable and loans interest receivable) and other assets (excluding prepayments and statutory deposits), with total carrying amount of \$590,474 thousand, \$317,743 thousand and \$791,916 thousand, respectively. Taishin Life Insurance used historical and timely information to forecast and estimate the expected credit loss. Credit risks are evaluated as significantly low, thus no impairment loss was recognized.

- j) Analysis of credit risk concentration

The credit risks are deemed significantly concentrated when the financial instrument transactions significantly concentrate on a single person, or when there are multiple trading counterparties engaging in similar business activities with similar economic characteristics, and such business activities make their abilities to fulfill the contractual obligations influenced similarly by economy or other forces.

The credit risks of Taishin Life Insurance concentrate on assets, liabilities, or off-statements of financial position items that occurs through fulfillment or implementation of transactions (either product or service), or through transaction-type exposure portfolio, including deposits, securities investment, and receivables. Taishin Life Insurance does not carry out significant transactions with single client or single counterparty. Proportion of total transactions with single client or single counterparty to Taishin Life Insurance's relevant transactions is deemed immaterial.

As of June 30, 2025, December 31, 2024 and June 30, 2024, Taishin Life Insurance's investments in domestic government bonds, American government bonds, mortgage-backed securities (MBS) supported by the government and equivalent international investment institutions accounted for 32.12%, 32.50% and 32.96%, respectively, of the total investment asset positions.

3) Liquidity risks

Liquidity risks include components of fund liquidity risk and market liquidity risk. Fund liquidity risk happens when an entity is unable to use reasonable capital cost to obtain necessary and sufficient fund supply in a reasonable period of time leading to a risk of fund supply and demand gap, or when an entity has to sell its asset at a price that is lower than the current market price in order to obtain necessary fund supply leading to liquidity risk of losses. Taishin Life Insurance's working capital is sufficient for daily operations, therefore there is no liquidity risk regarding inability to raise fund for meeting contractual obligations. Taishin Life Insurance's investments are mostly investments in shares with active market. Thus, financial assets are expected to be sold in the market at prices approximate to their fair values. To ensure the fund is sufficient to settle the liabilities that are due or meet the demand for increase in assets, Taishin Life Insurance mainly takes advantage of financial instruments such as deposits with financial institutions, short term bills and bonds (including bills and bonds under repurchase or resell agreements), and equity fund to adjust funds. For the purpose of ensuring accuracy and effectiveness of liquidity risk management, Taishin Life Insurance conducts cash flow analysis, including estimating annual and monthly net cash inflow (outflow) according to the annual operating revenue and expense plan and making a table for cash flow estimation on a daily basis. Additionally, revenues and expenses are reviewed in accordance with fund adjustment procedures as a basis for fund procurement in order to cope with needs for various fund liquidity.

The table below is Taishin Life Insurance's non-derivative financial liabilities categorized into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date:

June 30, 2025

	Within 1 Year	1-2 Years	2-5 Years	Over 5 Years
Payables	\$ 4,864,104	\$ 3,325	\$ -	\$ -
Lease liabilities	58,093	39,868	13,448	-
Other liabilities	<u>619,330</u>	<u>-</u>	<u>28,166</u>	<u>50,219</u>
	<u>\$ 5,541,527</u>	<u>\$ 43,193</u>	<u>\$ 41,614</u>	<u>\$ 50,219</u>

December 31, 2024

	Within 1 Year	1-2 Years	2-5 Years	Over 5 Years
Payables	\$ 2,608,887	\$ 6,783	\$ -	\$ -
Lease liabilities	39,823	32,329	17,598	-
Other liabilities	<u>5,140</u>	<u>-</u>	<u>8,570</u>	<u>67,010</u>
	<u>\$ 2,653,850</u>	<u>\$ 39,112</u>	<u>\$ 26,168</u>	<u>\$ 67,010</u>

June 30, 2024

	Within 1 Year	1-2 Years	2-5 Years	Over 5 Years
Payables	\$ 2,979,916	\$ 8,446	\$ -	\$ -
Lease liabilities	18,295	-	-	-
Other liabilities	<u>9,138</u>	<u>-</u>	<u>5,711</u>	<u>65,357</u>
	<u>\$ 3,007,349</u>	<u>\$ 8,446</u>	<u>\$ 5,711</u>	<u>\$ 65,357</u>

h. 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.

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:

<u>Type of Structured Entity</u>	<u>Nature and Purpose</u>	<u>Interests Owned</u>
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 June 30, 2025, December 31, 2024 and June 30, 2024, the carrying amounts related to the interests in unconsolidated structured entities are disclosed as follows:

	June 30, 2025			
	Financing Secured Bonds	Real Estate-backed Securities	Private Equity Fund	Total
Financial assets at FVTPL	\$ 1,462	\$ -	\$ 480,122	\$ 481,584
Financial assets at FVTOCI	-	825,591	-	825,591
Investments in debt instruments at amortized cost	<u>-</u>	<u>86,211,530</u>	<u>-</u>	<u>86,211,530</u>
Net ending balance	<u>\$ 1,462</u>	<u>\$ 87,037,121</u>	<u>\$ 480,122</u>	<u>\$ 87,518,705</u>

	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
Investments in debt instruments at amortized cost	<u>-</u>	<u>41,975,323</u>	<u>-</u>	<u>41,975,323</u>
Net ending balance	<u>\$ 10,493</u>	<u>\$ 42,930,877</u>	<u>\$ 418,288</u>	<u>\$ 43,359,658</u>

	June 30, 2024			
	Financing Secured Bonds	Real Estate-backed Securities	Private Equity Fund	Total
Financial assets at FVTPL	\$ 159,091	\$ -	\$ 397,375	\$ 556,466
Financial assets at FVTOCI	-	1,005,135	-	1,005,135
Investments in debt instruments at amortized cost	<u>-</u>	<u>31,956,283</u>	<u>-</u>	<u>31,956,283</u>
Net ending balance	<u>\$ 159,091</u>	<u>\$ 32,961,418</u>	<u>\$ 397,375</u>	<u>\$ 33,517,884</u>

48. RELATED-PARTY TRANSACTIONS

a. 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

(Continued)

Name	Relationship
Taishin Securities Investment Trust	Subsidiary
Taishin Securities Investment Advisory	Subsidiary
Taishin Life Insurance	Subsidiary
Taishin D.A. Finance	Second-tier subsidiary
Taishin Real-Estate	Second-tier subsidiary
Taishin Financial Leases (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
An Hsin Construction Manager Corp. (“An Hsin Construction Manager”)	Associate
Shin Kong Life Insurance Co., Ltd. (“Shin Kong Life Insurance”)	Other
Shin Kong Insurance Co., Ltd. (“Shin Kong Insurance”)	Other
MasterLink Securities Corp. (“MasterLink Securities”)	Other
Shin Kong Synthetic Fibers Co., Ltd. (“Shin Kong Synthetic Fibers”)	Other
Shin Kong Mitsukoshi Department Store Co., Ltd. (“Shin Kong Mitsukoshi”)	Other
Shin Kong Commercial Bank Co., Ltd. (“Shin Kong Bank”)	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 Financial Holding Co., Ltd. (“Yuanta Financial Holding”)	Other
Yuanta Commercial Bank Co., Ltd. (“Yuanta Bank”)	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
Hung Shin Enterprise Co., Ltd. (“Hung Shin”)	Other
Jia Hao Corporation (“Jia Hao”)	Other
Ezconn Corporation (“Ezconn”)	Other
Sercomm Corporation (“Sercomm”)	Other (became a non-related party on June 27, 2025)
AcBel Polytech Inc. (“AcBel Polytech”)	Other
Oneness Biotech Co., Ltd. (“Oneness Biotech”)	Other (became a non-related party on July 1, 2024)
Bor Sy Industrial Corp. (“Bor Sy”)	Other
Taipei Exchange (“TPEX”)	Other (became a non-related party on January 20, 2025)
Delin Industrial Corp., Ltd. (“Delin Industrial”)	Other
Payeasy Digital Integration Co., Ltd. (“Payeasy”)	Other
Scinopharm Taiwan, Ltd. (“Scinopharm”)	Other
Acer Incorporated (“Acer”)	Other
Taishin Bank Foundation for Art and Culture (“Taishin Foundation for Art and Culture”)	Other

(Continued)

Name	Relationship
Taishin Charity Foundation (“Taishin Charity Foundation”)	Other
Taishin Youth Foundation (“Taishin Youth Foundation”)	Other
Diamond Biofund Inc. (“Diamond Biofund”)	Other
Waibel Enterprise Inc. (“Waibel”)	Other
Jaw Heng Co., Ltd. (“Jaw Heng”)	Other
Realtek Semiconductor Corp. (“Realtek”)	Other
Everbright Biofund Co., Ltd. (“Everbright Biofund”)	Other
National Defense Industrial Development Foundation (“National Defense Industrial Development Foundation”)	Other
Yi Cheng Co., Ltd. (“Yi Cheng”)	Other
Heran Co., Ltd. (“Heran”)	Other
Individual A	Key management personnel’s spouse
Individual B	Key management personnel
Individual C	Key management personnel
Others	Including key management personnel and others
	(Concluded)

b. 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:

1) Loans, deposits and guaranteed loans

Loans to related parties of Taishin Bank and subsidiaries were as follows:

Loans

	Ending Balance
June 30, 2025	\$ 2,168,007
December 31, 2024	2,288,460
June 30, 2024	2,098,920

For the three months ended June 30, 2025 and 2024, the amounts of interest income were \$13,850 thousand and \$9,102 thousand, respectively. For the six months ended June 30, 2025 and 2024, the amounts of interest income were \$25,345 thousand and \$30,681 thousand, respectively, and interest rates ranged from 1.51% to 9.93% and from 1.30% to 15.13%, respectively.

June 30, 2025

	Ending Balance	Highest Amount	Performance Status		Collateral	The Different Terms with Non-related Parties
			Normal Loans	Non-performing Loans		
<u>Consumer loans</u>						
127 accounts	\$ 611,781	\$ 682,513	\$ 611,781	\$ -	Land, buildings and chattels	None
<u>Self-used residence mortgage loans</u>						
137 accounts	1,037,516	1,081,683	1,037,516	-	Land and buildings	None
<u>Other loans</u>						
Ezconn	100,000	750,000	100,000	-	-	None
Heran	200,000	600,000	200,000	-	-	None
Others	<u>218,710</u>	3,092,172	<u>218,710</u>	<u>-</u>	Land, buildings, securities - deposits, securities - shares, letter of guarantee and policy value reserve	None
	<u>\$ 2,168,007</u>		<u>\$ 2,168,007</u>	<u>\$ -</u>		

December 31, 2024

	Ending Balance	Highest Amount	Performance Status		Collateral	The Different Terms with Non-related Parties
			Normal Loans	Non-performing Loans		
<u>Consumer loans</u>						
134 accounts	\$ 590,138	\$ 697,867	\$ 590,138	\$ -	Land, buildings and chattels	None
<u>Self-used residence mortgage loans</u>						
153 accounts	1,031,937	1,239,128	1,031,937	-	Land and buildings	None
<u>Other loans</u>						
AcBel Polytech	500,000	1,800,000	500,000	-	-	None
Others	<u>166,385</u>	6,444,313	<u>166,385</u>	<u>-</u>	Land, buildings, securities - deposits, securities - shares, letter of guarantee and policy value reserve	None
	<u>\$ 2,288,460</u>		<u>\$ 2,288,460</u>	<u>\$ -</u>		

June 30, 2024						
	Ending Balance	Highest Amount	Performance Status		Collateral	The Different Terms with Non-related Parties
			Normal Loans	Non-performing Loans		
<u>Consumer loans</u>						
118 accounts	\$ 470,173	\$ 544,048	\$ 470,173	\$ -	Land, buildings and chattels	None
<u>Self-used residence mortgage loans</u>						
148 accounts	1,021,345	1,127,504	1,021,345	-	Land and buildings	None
<u>Other loans</u>						
AcBel Polytech	300,000	800,000	300,000	-	-	None
Others	<u>307,402</u>	4,217,874	<u>307,402</u>	<u>-</u>	Land, buildings, securities - deposits, securities - shares and policy value reserve	None
	<u>\$ 2,098,920</u>		<u>\$ 2,098,920</u>	<u>\$ -</u>		

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

Deposits

	Ending Balance
June 30, 2025	\$ 16,004,828
December 31, 2024	19,332,692
June 30, 2024	15,593,555

For the three months ended June 30, 2025 and 2024, the amounts of interest expenses were \$40,957 thousand and \$82,597 thousand, respectively. For the six months ended June 30, 2025 and 2024, the amounts of interest expense were \$115,169 thousand and \$173,471 thousand, respectively, and interest rates ranged from 0.00% to 9.00% and 0.00% to 7.00%, respectively.

June 30, 2025				
	Ending Balance	Interest Rate Range (Per Annum%)	Interest Expense	
			For the Three Months Ended June 30	For the Six Months Ended June 30
Shin Kong Mitsukoshi	\$ 3,959,561	0.00-1.74	\$ (16,732)	\$ (35,502)
Diamond Biofund	1,482,800	0.01-1.71	(5,823)	(12,245)
Everbright Biofund	985,667	0.66-1.72	(3,290)	(5,193)
Ezconn	882,959	0.00-4.76	(6,127)	(12,174)
National Defense Industrial Development Foundation	882,139	0.66-1.72	(3,210)	(6,638)

(Continued)

June 30, 2025

	Ending Balance	Interest Rate Range (Per Annum%)	Interest Expense	
			For the Three Months Ended June 30	For the Six Months Ended June 30
Tasco Chemical	\$ 603,640	0.01-0.66	\$ (135)	\$ (351)
Dah Chung Bills	419,062	0.00-1.72	(1,701)	(3,342)
Payeasy	414,694	0.00-1.69	(781)	(1,481)
Excel Chemical	404,282	0.01-0.66	(7)	(13)
Shin Kong Insurance	151,224	0.00-1.64	(248)	(466)
Delin Industrial	146,442	0.00-4.15	(432)	(883)
Individual A	125,211	0.01-0.80	(314)	(620)
Individual B	121,433	0.00-5.00	(280)	(624)
Hung Shin	119,127	0.01-0.01	(1)	(1)
An Shin Construction Manager	100,627	0.25-0.66	(167)	(174)
Others	<u>5,205,960</u>		<u>(1,709)</u>	<u>(35,462)</u>
	<u>\$ 16,004,828</u>		<u>\$ (40,957)</u>	<u>\$ (115,169)</u> (Concluded)

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	<u>4,922,022</u>		<u>(177,857)</u>
	<u>\$ 19,332,692</u>		<u>\$ (280,292)</u>

June 30, 2024

	Ending Balance	Interest Rate Range (Per Annum%)	Interest Expense	
			For the Three Months Ended June 30	For the Six Months Ended June 30
Oneness Biotech	\$ 3,777,262	0.01-5.41	\$ (48,587)	\$ (105,115)
TPEX	1,905,207	0.43-1.67	(4,726)	(9,289)
Sercomm	1,663,936	0.50-1.40	(5,771)	(11,600)
Ezconn	537,611	0.00-5.50	(2,585)	(5,461)
Shin Kong Mitsukoshi	459,369	0.00-0.66	(1,562)	(3,081)
Shin Kong Synthetic Fibers	429,361	0.00-1.15	(464)	(981)
Dah Chung Bills	424,459	0.00-1.20	(808)	(1,971)
Shin Kong Insurance	381,480	0.00-1.64	(1,322)	(2,337)
Tasco Chemical	300,851	0.01-1.15	(230)	(426)
Excel Chemical	253,193	0.01-0.66	(5)	(9)
Delin Industrial	173,280	0.01-5.35	(568)	(1,171)
Hung Shin	165,355	0.01-0.01	(2)	(5)
Individual A	158,812	0.01-1.15	(371)	(663)
Taiwan Fieldrich	150,774	0.01-5.37	(1,798)	(3,544)
Individual B	108,582	0.00-5.60	(342)	(603)
Others	<u>4,704,023</u>		<u>(13,456)</u>	<u>(27,215)</u>
	<u>\$ 15,593,555</u>		<u>\$ (82,597)</u>	<u>\$ (173,471)</u>

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

2) Guarantees on duties and contracts

Related Parties	June 30, 2025				
	Ending Balance	Highest Amount	Guarantee Liability Reserve Balance	Rate Range (Per Annum%)	Collateral
Realtek	\$ 100,000	\$ 100,000	\$ 1,000	0.4	-

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

3) Call loan to banks and call loan from banks

Item	June 30, 2025			
	Ending Balance	Interest Rate Range (Per Annum%)	Interest Income (Expense) For the Three Months Ended June 30	For the Six Months Ended June 30
Yuanta Bank Call loan to banks	\$ -	4.34-4.39	\$ 111	\$ 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)

		June 30, 2024			
Item		Ending Balance	Interest Rate Range (Per Annum%)	Interest Income For the Three Months Ended June 30	(Expense) For the Six Months Ended June 30
Yuanta Bank	Call loan to banks	\$ -	5.35-5.38	\$ 378	\$ 449
Yuanta Bank	Call loan from banks	-	1.05-5.40	(52)	(899)

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

4) Trading securities

		June 30, 2025			
Purchase Price (Accumulated Amount)	Sales Price (Accumulated Amount)	Repurchase Agreements		Resell Agreements	
		Ending Balance	Interest Rate Range (Per Annum%)	Ending Balance	Interest Rate Range (Per Annum%)
MasterLink Securities	\$ 3,073,333	\$ -	-	\$ -	-
Dah Chung Bills	149,887	-	-	-	-
Yuanta Bank	-	499,624	-	-	-
Chin We	-	70,007	0.96-1.08	-	-
Yi Huan	-	10,034	0.96-1.04	-	-
Xiang Zhao	-	10,020	0.96-1.02	-	-
Chang Her	-	45,335	0.90-1.08	-	-
Yun Teh	-	20,166	0.90-1.06	-	-
Individual C	-	50,017	0.90-1.08	-	-
Yi Cheng	-	10,037	0.97-1.08	-	-
	<u>\$ 3,223,220</u>	<u>\$ 499,624</u>	<u>\$ 215,616</u>	<u>\$ -</u>	<u>-</u>

		December 31, 2024			
Purchase Price (Accumulated Amount)	Sales Price (Accumulated Amount)	Repurchase Agreements		Resell Agreements	
		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	-	-	-
Shin Kong 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	-	-
	<u>\$ 5,175,210</u>	<u>\$ 1,253,318</u>	<u>\$ 475,296</u>	<u>\$ -</u>	<u>-</u>

	June 30, 2024					
	Purchase Price (Accumulated Amount)	Sales Price (Accumulated Amount)	Repurchase Agreements		Resell Agreements	
			Ending Balance	Interest Rate Range (Per Annum%)	Ending Balance	Interest Rate Range (Per Annum%)
MasterLink Securities	\$ 1,844,206	\$ 102,842	\$ -	-	\$ -	-
Dah Chung Bills	-	100,000	-	-	-	-
Yuanta Bank	-	899,644	-	-	-	-
Shin Kong Bank	-	50,832	-	-	-	-
Yi Huan	-	-	15,120	1.00-1.16	-	-
Xiang Zhao	-	-	20,136	1.00-1.20	-	-
Jia Hao	-	-	25,363	1.00-1.20	-	-
Chang Her	-	-	80,000	0.97-1.16	-	-
Yun Teh	-	-	25,000	1.00-1.10	-	-
Bor Sy	-	-	70,000	1.12-1.12	-	-
Individual C	-	-	65,601	0.95-1.20	-	-
Yuanta Financial Holding	-	-	699,080	1.45-1.45	-	-
	<u>\$ 1,844,206</u>	<u>\$ 1,153,318</u>	<u>\$ 1,000,300</u>		<u>\$ -</u>	

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

5) Derivatives

June 30, 2025							
Related Parties	Derivative Contracts	Period	Nominal Principal Amount	Valuation Gain (Loss)		Account	Balance
				For the Three Months Ended June 30	For the Six Months Ended June 30		
Acer	Forward exchange contracts	2024/8/5-2025/2/27	\$ 350,904	\$ -	\$ 7,647	Financial assets at FVTPL	\$ -

December 31, 2024							
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.

6) Liability contracts with related parties

Related Parties	June 30, 2025	December 31, 2024	June 30, 2024
Other financial assets - <u>customer margin account</u>			
Yuanta Bank	\$ 1,292,837	\$ 1,172,864	\$ 856,800
<u>Other financial assets - due from banks</u>			
Yuanta Bank	350,000	350,000	350,000

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

7) Borrowings from related parties

Related Parties	June 30, 2025	December 31, 2024	June 30, 2024
<u>Short-term borrowings</u>			
Yuanta Bank	\$ 100,000	\$ 600,000	\$ 800,000
<u>Commercial papers issued</u>			
Yuanta Bank	-	499,640	-

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

8) Financial assets at FVTPL

Item	Name	June 30, 2025		December 31, 2024		June 30, 2024	
		Ending Shares (In Thousands)	Ending Balance	Ending Shares (In Thousands)	Ending Balance	Ending Shares (In Thousands)	Ending Balance
Trading securities - underwriting	Sercomm	-	\$ -	2,699	\$ 298,240	2,885	\$ 330,910
Trading securities - underwriting	Ezconn	950	110,675	955	126,824	-	-

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

9) Donation expense

Related Parties	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Taishin Bank Foundation for Arts and Culture	\$ 7,500	\$ 7,500	\$ 15,000	\$ 15,000
Taishin Charity Foundation	4,500	4,500	9,000	9,000
Taishin Youth Foundation	<u>10,500</u>	<u>10,500</u>	<u>10,500</u>	<u>10,500</u>
	<u>\$ 22,500</u>	<u>\$ 22,500</u>	<u>\$ 34,500</u>	<u>\$ 34,500</u>

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

10) Other material transactions

	For the Three Months Ended June 30			
	2025		2024	
Item	Amount	Item	Amount	
CyberSoft Digital Service	Operating expenses	\$ (10,449)	Operating expenses	\$ (46,809)
Shin Kong Mitsukoshi	Service charge and operating expenses	(63,114)	Service charge and operating expenses	(77,050)
Shin Kong Mitsukoshi	Fee income	57,006	Fee income	75,429
Shin Kong Life Insurance	Commission income	140,473	Commission income	6,680

For the Six Months Ended June 30				
2025			2024	
Item	Amount	Item	Amount	
CyberSoft Digital Service	Operating expenses	\$ (31,796)	Operating expenses	\$ (87,691)
Shin Kong Mitsukoshi	Service charge and operating expenses	(105,771)	Service charge and operating expenses	(128,439)
Shin Kong Mitsukoshi	Fee income	134,844	Fee income	154,827
Shin Kong Life Insurance	Commission income	195,610	Commission income	16,446

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

c. Compensation of key management personnel

The remuneration of directors and other members of key management personnel for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024 included the following:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
	Short-term employee benefits	\$ 66,019	\$ 97,812	\$ 157,537
Post-employment benefits	679	297	1,349	576
Share-based payments	<u>(659)</u>	<u>5,454</u>	<u>1,593</u>	<u>6,295</u>
	<u>\$ 66,039</u>	<u>\$ 103,563</u>	<u>\$ 160,479</u>	<u>\$ 146,400</u>

d. Related-party transactions of subsidiaries amounting to more than \$100,000 thousand

1) Taishin Bank

Material transactions with related parties were as follows:

a) Loans, deposits and guaranteed loans

Loans

	June 30, 2025					
	Ending Balance	Highest Amount	Performance Status		Collateral	The Different Terms with Non-related Parties
			Normal Loans	Non- performing Loans		
<u>Other loans</u>						
Ezconn	\$ 100,000	\$ 750,000	\$ 100,000	\$ -	-	None
Heran	200,000	600,000	200,000	-	-	None
	June 30, 2024					
	Ending Balance	Highest Amount	Performance Status		Collateral	The Different Terms with Non-related Parties
			Normal Loans	Non- performing Loans		
<u>Other loans</u>						
AcBel Polytech	\$ 300,000	\$ 800,000	\$ 300,000	\$ -	-	None

	June 30, 2024		
	Ending Balance	Interest Rate Range (Per Annum%)	Interest Expense
Tasco Chemical	\$ 300,851	0.01-1.15	\$ (426)
Excel Chemical	253,193	0.01-0.66	(9)
Taishin Securities Investment Trust	236,331	0.05-2.20	(840)
Delin Industrial	173,280	0.01-5.35	(1,171)
Hung Shin	165,355	0.01-0.01	(5)
Individual A	158,812	0.01-1.15	(663)
Taiwan Fieldrich	150,774	0.01-5.37	(3,544)
Individual B	108,582	0.00-5.60	(603)
			(Concluded)

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

b) Guarantees on duties and contracts

	June 30, 2025				
Related Parties	Ending Balance	Highest Amount	Guarantee Liability Reserve Balance	Rate Range (Per Annum%)	Collateral
Realtek	\$ 100,000	\$ 100,000	\$ 1,000	0.4	-

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

c) Trading securities

	June 30, 2025					
	Purchase Price (Accumulated Amount)	Sales Price (Accumulated Amount)	Repurchase Agreements		Resell Agreements	
			Ending Balance	Interest Rate Range (Per Annum%)	Ending Balance	Interest Rate Range (Per Annum%)
MasterLink Securities	\$ 3,073,333	\$ -	\$ -	-	\$ -	-
TS Financial Holding	-	-	150,000	1.12-1.20	-	-
Dah Chung Bills	149,887	-	-	-	-	-
Yuanta Bank	-	499,624	-	-	-	-

	June 30, 2024					
	Purchase Price (Accumulated Amount)	Sales Price (Accumulated Amount)	Repurchase Agreements		Resell Agreements	
			Ending Balance	Interest Rate Range (Per Annum%)	Ending Balance	Interest Rate Range (Per Annum%)
MasterLink Securities	\$ 1,844,206	\$ 102,842	\$ -	-	\$ -	-
TS Financial Holding	-	-	600,000	0.95-1.16	-	-
Dah Chung Bills	-	100,000	-	-	-	-
Yuanta Bank	-	899,644	-	-	-	-
Yuanta Financial Holding	-	-	699,080	1.45-1.45	-	-

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

d) Derivatives

June 30, 2025						
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	\$ 7,647	Financial assets at FVTPL	\$ -

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

e) Liability contracts with related parties

Item	Related Parties	June 30	
		2025	2024
Receivables	Taishin Life Insurance	\$ 343,636	\$ 330,745
Accounts payable under linked tax system	TS Financial Holding	3,605,405	779,940

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

f) Lease arrangements

Item	Related Parties	June 30	
		2025	2024
Lease liabilities	Taishin Life Insurance	\$ 168,287	\$ -

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

g) Other material transactions

For the Six Months Ended June 30					
		2025		2024	
	Item	Amount		Item	Amount
Shin Kong Mitsukoshi	Service charge and operating expenses	\$ (105,407)		Service charge and operating expenses	\$ (128,252)
Shin Kong Mitsukoshi	Fee income	134,844		Fee income	154,827
Taishin Life Insurance	Commission income	1,652,671		Commission income	2,030,406
Shin Kong Life Insurance	Commission income	195,610		Commission income	16,446

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

2) Taishin Life Insurance

a) Liability contracts with related parties

Item	Related Parties	June 30	
		2025	2024
Cash and cash equivalents	Taishin Bank	\$ 5,956,021	\$ 2,880,852
Commission payables	Taishin Bank	364,271	326,662
Accounts payable under linked tax system	TS Financial Holding	379,372	-

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

b) Other material transactions

Item	Related Parties	For the Six Months Ended June 30	
		2025	2024
Commission expenses	Taishin Bank	\$ 1,665,860	\$ 2,009,354

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

3) Taishin Securities B

a) Liability contracts with related parties

Item	Related Parties	June 30	
		2025	2024
Cash and cash equivalents	Taishin Bank	\$ 981,428	\$ 776,863
Other current assets - settlements and receipts under custody	Taishin Bank	473,975	421,528
Operating guarantee deposits	Taishin Bank	290,000	290,000
Accounts payable under linked tax system	TS Financial Holding	159,861	138,557

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

b) Lease arrangements

Item	Related Parties	June 30	
		2025	2024
Lease liabilities	Taishin Bank	\$ 142,489	\$ 164,146

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

c) Borrowings from related parties

Related Parties	June 30	
	2025	2024
<u>Short-term borrowings</u>		
Yuanta Bank	\$ 100,000	\$ 500,000

Taishin Securities B's borrowing interest rates with related parties are consistent with market rates.

d) Financial assets at FVTPL - current

Item	Related Parties	June 30			
		2025		2024	
		Ending Shares (In Thousands)	Ending Balance	Ending Shares (In Thousands)	Ending Balance
Trading Securities - dealing	Taishin Securities Investment Trust	9,805	\$ 114,990	1,366	\$ 23,871
Trading Securities - underwriting	Sercomm	-	-	2,885	330,910
Trading Securities - underwriting	Ezconn	950	110,675	-	-

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

e) As of June 30, 2025 and 2024, the amount of futures margin (recognized as financial assets at FVTPL - current) for the futures transactions between Taishin Securities B and Taishin Futures were \$799,619 thousand and \$528,370 thousand, respectively.

4) Taishin AMC

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

	<u>For the Six Months Ended June 30, 2025</u>			
	Beginning Balance	Purchased	Collected	Ending Balance
Loans with transferred ownership	<u>\$ 14,412,344</u>	<u>\$ -</u>	<u>\$ (44,852)</u>	<u>\$ 14,367,492</u>

	<u>For the Six Months Ended June 30, 2024</u>			
	Beginning Balance	Purchased	Collected	Ending Balance
Loans with transferred ownership	<u>\$ 14,504,844</u>	<u>\$ -</u>	<u>\$ (43,619)</u>	<u>\$ 14,461,225</u>

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

5) Taishin Venture Capital Investment

There were no related party transactions with amounts more than \$100,000 thousand for the six months ended June 30, 2025.

6) Taishin Securities Investment Trust

Liability contracts with related parties

Item	Related Parties	<u>June 30</u>	
		2025	2024
Refundable deposits	Taishin Bank	\$ 134,979	\$ 134,979

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

7) Taishin Securities Investment Advisory

Liability contracts with related parties

Item	Related Parties	<u>June 30</u>	
		2025	2024
Other financial assets	Taishin Bank	\$ 306,650	\$ 320,840

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

49. PLEDGED ASSETS

The following assets were provided as collateral for overdrafts from Central Bank and other banks, derivative trading, repurchase agreements and other operating deposits:

Pledged Assets	Description	June 30, 2025	December 31,	June 30, 2024
			2024	
Refundable deposits	Cash and certificates of time deposits	\$ 18,941,196	\$ 20,395,380	\$ 22,493,532
Operating deposits and settlement funds	Cash, preferred shares, bonds and cash paid to stock exchange	1,961,025	2,098,376	1,968,134
Investments in debt instrument at FVTOCI	Bonds	179,651	178,775	305,683
Investments in debt instruments at amortized cost	Securities and bonds	15,524,008	16,441,538	16,917,028
Other financial assets - due from banks	Time deposits	233,586	75,000	75,000

50. CONTINGENT LIABILITIES AND COMMITMENTS

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

	June 30, 2025	December 31,	June 30, 2024
		2024	
Trust liabilities	\$ 1,109,182,811	\$ 1,024,897,117	\$ 921,132,940
Securities custody payable	97,360,766	102,171,775	112,484,247
Unpaid engineering equipment and software	1,485,368	1,116,042	1,066,501

As of June 30, 2025, the remaining capital commitments for the contracted private equity fund of the Group was \$1,773,717 thousand.

51. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Company's Board of Directors approved the issuance of new shares in connection with the merger with Shin Kong Financial Holding on April 24, 2025. On the merger record date, the consideration for the merger was effected through the issuance of new shares (including common shares and preferred shares) by the Company, with the following exchange ratios: 0.6720 share of the Company's common stock and 0.175 share of the Company's Series H Preferred Shares for each share of Shin Kong Financial Holding's common stock; one share of the Company's Series G Preferred Shares I for each share of Shin Kong Financial Holding's Series A Preferred Shares; and one share of the Company's Series G Preferred Shares II for each share of Shin Kong Financial Holding's Series B Preferred Shares. On the merger record date of July 24, 2025, the Company issued a total of 11,890,254,918 common shares, 75,000,000 Series G Preferred Shares I, 219,668,000 Series G Preferred Shares II, and 3,096,420,552 Series H Preferred Shares, and completed the registration of the share capital amendment on the same date. As a result of the acquisition, shareholders' equity increased by \$220,150,495 thousand and liabilities related to Series H Preferred Shares increased by \$30,964,206 thousand.

The Company is in the process of determining the fair value of the identifiable assets acquired and liabilities assumed of Shin Kong Financial Holding and its subsidiaries as of the acquisition date, July 24, 2025. As of the date of authorization for issuance of these consolidated financial statements, the relevant information is still being compiled; therefore, the provisional amounts of the identifiable assets acquired, liabilities assumed, and goodwill of Shin Kong Financial Holding and its subsidiaries as of the acquisition date cannot yet be disclosed.

The Company's Board of Directors also approved the mergers of the banking, insurance, securities, and securities investment trust subsidiaries within the Taishin Shin Kong Financial Holding Group on July 24, 2025.

On July 25, 2025, the Board of Directors of Taishin Life Insurance approved the merger with Shin Kong Life Insurance under which Taishin Life Insurance will be the surviving company and Shin Kong Life Insurance will be dissolved. This merger will take effect upon the approval of the FSC, with the merger record date to be determined by the Chairman or his authorized representative. From the merger record date, the company name of Taishin Life Insurance will be changed to Shin Kong Life Insurance, and all assets, liabilities, rights, and obligations of the dissolved company that remain valid as of the merger record date will be succeeded in their entirety by Taishin Life Insurance in accordance with applicable laws.

On July 24, 2025, the Board of Directors of Taishin Securities Investment Trust approved the merger with Shin Kong Securities Investment Trust Co., Ltd. ("Shin Kong Securities Investment Trust"), under which Taishin Securities Investment Trust will be the surviving company and Shin Kong Securities Investment Trust will be dissolved. This merger will take effect upon FSC approval, with the merger record date to be determined by the Chairman or his designee. From the merger record date, all assets, liabilities, rights, and obligations of the dissolved company that remain valid will be succeeded in their entirety by Taishin Securities Investment Trust in accordance with applicable laws.

52. FINANCIAL INFORMATION BY BUSINESS SEGMENTS

Bank Business Item	For the Six Months Ended June 30, 2025				
	Bank Business	Securities Business	Insurance Business	Other Business	Total
Net interest income	\$ 16,042,844	\$ 174,709	\$ 3,865,093	\$ (922,337)	\$ 19,160,309
Net income other than net interest income	10,787,206	1,983,278	13,205,567	(398,165)	25,577,886
Net revenue and gains	26,830,050	2,157,987	17,070,660	(1,320,502)	44,738,195
Reversal of bad debts expenses and guarantee liabilities (provision)	(1,179,646)	20	(1,472)	-	(1,181,098)
Net changes in insurance liability reserve	-	-	(12,662,155)	454,974	(12,207,181)
Operating expenses	(14,986,048)	(1,480,889)	(1,406,102)	(895,408)	(18,768,447)
Income before income tax	10,664,356	677,118	3,000,931	(1,760,936)	12,581,469
Income tax (expense) benefit	(2,235,124)	(138,788)	28,781	(13,994)	(2,359,125)
Income after income tax	8,429,232	538,330	3,029,712	(1,774,930)	10,222,344

Bank Business Item	For the Six Months Ended June 30, 2024				
	Bank Business	Securities Business	Insurance Business	Other Business	Total
Net interest income	\$ 14,462,231	\$ 165,137	\$ 3,216,402	\$ (951,081)	\$ 16,892,689
Net income other than net interest income	8,978,575	3,194,398	13,463,514	154,939	25,791,426
Net revenue and gains	23,440,806	3,359,535	16,679,916	(796,142)	42,684,115
Reversal of bad debts expenses and guarantee liabilities (provision)	(907,750)	10	535	-	(907,205)
Net changes in insurance liability reserve	-	-	(12,170,700)	462,718	(11,707,982)
Operating expenses	(14,014,254)	(1,638,903)	(1,215,857)	(745,244)	(17,614,258)
Income before income tax	8,518,802	1,720,642	3,293,894	(1,078,668)	12,454,670
Income tax (expense) benefit	(1,798,897)	(141,608)	113,340	(50,798)	(1,877,963)
Income after income tax	6,719,905	1,579,034	3,407,234	(1,129,466)	10,576,707

53. FINANCIAL STATEMENTS OF TS FINANCIAL HOLDING

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)

BALANCE SHEETS (STANDALONE)
JUNE 30, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

ASSETS	2025	2024	LIABILITIES AND EQUITY	2025	2024
Cash and cash equivalents	\$ 22,482,940	\$ 23,697,404	LIABILITIES		
Financial assets at fair value through other comprehensive income (FVTOCI)	5,612,201	11,190,429	Financial liabilities at fair value through profit or loss (FVTPL)	\$ -	\$ 211,500
Securities purchased under resell agreements	150,000	600,000	Commercial papers issued, net	-	4,647,545
Receivables, net	4,300,629	1,002,591	Payables	24,893,523	10,012,551
Investments accounted for using equity method	239,580,887	237,488,642	Current tax liabilities	5,545,113	2,138,883
Property and equipment, net	11,766	6,345	Bonds payable	29,300,000	36,906,625
Right-of-use assets, net	3,035	9,104	Lease liabilities	4,152	10,363
Intangible assets, net	938	953	Total liabilities	59,742,788	53,927,467
Other assets, net	53,423	28,590	EQUITY		
TOTAL	\$ 272,195,819	\$ 274,024,058	Share capital		
			Ordinary shares	129,761,443	124,770,618
			Preferred shares	11,000,000	11,000,000
			Stock dividend to be distributed	-	4,990,825
			Capital surplus	38,197,778	38,197,778
			Retained earnings		
			Legal reserve	20,556,406	18,439,029
			Special reserve	468,184	1,146,190
			Unappropriated earnings	14,814,975	20,189,697
			Other equity	(2,256,457)	1,362,454
			Treasury shares	(89,298)	-
			Total equity	212,453,031	220,096,591
			TOTAL	\$ 272,195,819	\$ 274,024,058

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)

STATEMENTS OF COMPREHENSIVE INCOME (STANDALONE)
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025	2024
INCOME		
Share of profit of subsidiaries and associates accounted for using equity method	\$ 10,559,983	\$ 11,082,382
Interest income	185,795	132,832
Gain on financial assets and liabilities at FVTPL	120,164	-
Other miscellaneous income	<u>48,931</u>	<u>-</u>
Total income	<u>10,914,873</u>	<u>11,215,214</u>
EXPENSES AND LOSSES		
Operating expenses	(427,724)	(306,709)
Interest expenses	(364,059)	(355,159)
Loss on financial assets and liabilities at FVTPL	<u>-</u>	<u>(36,000)</u>
Total expenses and losses	<u>(791,783)</u>	<u>(697,868)</u>
INCOME BEFORE INCOME TAX	10,123,090	10,517,346
INCOME TAX (EXPENSE) BENEFIT	<u>100,122</u>	<u>58,657</u>
NET INCOME	<u>10,223,212</u>	<u>10,576,003</u>
OTHER COMPREHENSIVE INCOME (LOSS)		
Items that will not be reclassified subsequently to profit or loss		
Unrealized gain (loss) on investments in equity instruments designated as at FVTOCI	111,477	333,648
Share of other comprehensive income (loss) of associates accounted for using equity method	(1,014,353)	664,189
Items that will be reclassified subsequently to profit or loss		
Share of other comprehensive income (loss) of associate accounted for using equity method	<u>(1,365,073)</u>	<u>1,427,519</u>
Other comprehensive income (loss) for the period, net of tax	<u>(2,267,949)</u>	<u>2,425,356</u>
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ 7,955,263</u>	<u>\$ 13,001,359</u>
EARNINGS PER SHARE		
Basic	<u>\$0.71</u>	<u>\$0.74</u>
Diluted	<u>\$0.71</u>	<u>\$0.74</u>

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)

STATEMENTS OF CHANGES IN EQUITY (STANDALONE)
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Capital Surplus							Retained Earnings			Other Equity					Total Equity
	Share Capital		Stock Dividend to Be Distributed	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 Gain (Loss) on Financial Assets at FVTOCI	Changes in Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities at FVTPL	Other Comprehensive Income (Loss) on Financial Assets Using the Overlay Approach	Treasury Shares	
	Ordinary Shares	Preferred Shares														
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 six months ended June 30, 2024	-	-	-	-	-	-	-	-	-	10,576,003	-	-	-	-	-	10,576,003
Other comprehensive income (loss) for the six months ended June 30, 2024, net of tax	-	-	-	-	-	-	-	-	-	(88)	67,239	234,183	(140,420)	2,264,442	-	2,425,356
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	-	-	-	-	10,575,915	67,239	234,183	(140,420)	2,264,442	-	13,001,359
Disposals of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	-	-	-	268,538	-	(268,538)	-	-	-	-
BALANCE AT JUNE 30, 2024	\$ 124,770,618	\$ 11,000,000	\$ 4,990,825	\$ 36,066,458	\$ 2,075,475	\$ 52,632	\$ 3,213	\$ 18,439,029	\$ 1,146,190	\$ 20,189,697	\$ (117,286)	\$ (1,021,074)	\$ 20,974	\$ 2,479,840	\$ -	\$ 220,096,591
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	-	-	-	-	-	-
Net income for the six months ended June 30, 2025	-	-	-	-	-	-	-	-	-	10,223,212	-	-	-	-	-	10,223,212
Other comprehensive income (loss) for the six months ended June 30, 2025, net of tax	-	-	-	-	-	-	-	-	-	-	(218,454)	944,925	452	(2,994,872)	-	(2,267,949)
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	-	-	-	-	10,223,212	(218,454)	944,925	452	(2,994,872)	-	7,955,263
Disposals of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	-	-	-	(127,939)	-	127,939	-	-	-	-
BALANCE AT JUNE 30, 2025	\$ 129,761,443	\$ 11,000,000	\$ -	\$ 36,066,458	\$ 2,075,475	\$ 52,632	\$ 3,213	\$ 20,556,406	\$ 468,184	\$ 14,814,975	\$ (317,328)	\$ (26,576)	\$ 22,597	\$ (1,935,150)	\$ (89,298)	\$ 212,453,031

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)

STATEMENTS OF CASH FLOWS (STANDALONE)
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before income tax	\$ 10,123,090	\$ 10,517,346
Depreciation expenses	4,448	3,776
Amortization expenses	1,316	720
Net loss (gain) on financial assets and liabilities at FVTPL	(120,164)	36,000
Interest expenses	364,059	355,159
Interest income	(185,795)	(132,832)
Share of profit of subsidiaries and associates accounted for using equity method	(10,559,983)	(11,082,382)
Changes in operating assets and liabilities		
Net changes in operating assets		
(Increase) decrease in financial assets at FVTOCI	529,919	-
(Increase) decrease in receivables	198,584	2,053,431
(Increase) decrease in other assets	(30,451)	(9,714)
Net changes in operating liabilities		
Increase (decrease) in payables	(243,831)	(83,701)
Interest received	198,059	101,513
Dividends received	15,517,726	14,123,220
Interest paid	(280,651)	(246,740)
Income taxes refund	32,456	-
Income taxes paid	<u>(19,806)</u>	<u>(1,604,986)</u>
Net cash generated from (used in) operating activities	<u>15,528,976</u>	<u>14,030,810</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using equity method	-	(10,300,000)
Proceeds from capital reduction of investments accounted for using equity method	-	2,356,113
Acquisition of property and equipment	<u>(118)</u>	<u>(4,065)</u>
Net cash generated from (used in) investing activities	<u>(118)</u>	<u>(7,947,952)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in commercial papers payable	(12,050,000)	(1,800,000)
Repayment of bonds payable	(2,707,000)	-
Payments of lease liabilities	<u>(3,108)</u>	<u>(3,097)</u>
Net cash generated from (used in) financing activities	<u>(14,760,108)</u>	<u>(1,803,097)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	768,750	4,279,761
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>21,864,190</u>	<u>20,017,643</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 22,632,940</u>	<u>\$ 24,297,404</u>
Cash and cash equivalents in the balance sheets	\$ 22,482,940	\$ 23,697,404
Securities purchased under resell agreements qualifying as cash and cash equivalents under the definition of IAS 7	<u>150,000</u>	<u>600,000</u>
	<u>\$ 22,632,940</u>	<u>\$ 24,297,404</u>

54. PROFITABILITY OF TS FINANCIAL HOLDING (STANDALONE AND CONSOLIDATED)

The Company

Item		For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Return on total assets	Pretax	3.66%	3.91%
	After tax	3.70%	3.93%
Return on net equity	Pretax	4.59%	4.82%
	After tax	4.63%	4.84%
Profit margin		93.66%	94.30%

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 June 30 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		For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Return on net equity - ordinary share	Pretax	5.25%	5.56%
	After tax	5.31%	5.59%

The Group

Item		For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Return on total assets	Pretax	0.38%	0.40%
	After tax	0.31%	0.34%
Return on net equity	Pretax	5.70%	5.70%
	After tax	4.63%	4.84%
Profit margin		22.85%	24.78%

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 June 30 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		For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Return on net equity - ordinary share	Pretax	6.67%	6.68%
	After tax	5.31%	5.59%

55. CONDENSED BALANCE SHEETS AND STATEMENTS OF COMPREHENSIVE INCOME AND IMPORTANT FINANCIAL NOTES OF SUBSIDIARIES

Taishin Bank

a. Balance sheets (standalone)

	June 30	
	2025	2024
Assets		
Cash and cash equivalents	\$ 22,174,967	\$ 23,561,094
Due from Central Bank and call loans to banks	109,928,109	103,784,560
Financial assets at FVTPL	150,673,539	124,626,031
Financial assets at FVTOCI	166,957,686	162,579,340
Investments in debt instruments at amortized cost	543,742,619	543,629,938
Securities purchased under resell agreements	-	2,879,862
Receivables, net	118,727,412	133,162,909
Loans, net	1,776,981,118	1,643,805,045
Investments accounted for using equity method	4,624,268	4,681,345
Other financial assets, net	7,453,809	7,286,480
Property and equipment, net	20,411,062	20,976,549
Right-of-use assets, net	2,284,719	2,113,660
Intangible assets, net	2,654,013	2,585,637
Deferred tax assets	2,840,355	1,891,217
Other assets, net	19,969,431	23,530,955
	<u>\$ 2,949,423,107</u>	<u>\$ 2,801,094,622</u>

(Continued)

	June 30	
	2025	2024
Liabilities		
Deposits from the Central Bank and banks	\$ 27,348,108	\$ 24,164,370
Financial liabilities at FVTPL	71,746,922	51,333,518
Securities sold under repurchase agreements	48,700,534	70,207,242
Payables	32,004,008	29,268,606
Current tax liabilities	3,777,437	1,364,832
Deposits and remittances	2,420,755,818	2,291,804,601
Bank notes payable	20,750,000	25,000,000
Other financial liabilities	97,264,768	102,960,739
Provisions	1,341,753	1,748,340
Lease liabilities	2,364,262	2,196,799
Deferred tax liabilities	89,597	58,634
Other liabilities	<u>21,976,609</u>	<u>7,710,956</u>
	<u>2,748,119,816</u>	<u>2,607,818,637</u>
Equity		
Share capital	122,991,646	98,709,186
Capital surplus	30,185,537	40,056,456
Retained earnings	49,114,895	57,227,711
Other equity	<u>(988,787)</u>	<u>(2,717,368)</u>
	<u>201,303,291</u>	<u>193,275,985</u>
	<u>\$ 2,949,423,107</u>	<u>\$ 2,801,094,622</u>
		(Concluded)

b. Statements of comprehensive income (standalone)

	For the Six Months Ended	
	June 30	
	2025	2024
Interest income	\$ 38,979,227	\$ 38,402,381
Interest expense	<u>(23,761,833)</u>	<u>(24,747,405)</u>
Net interest income	15,217,394	13,654,976
Net income other than net interest income	<u>12,450,096</u>	<u>11,129,895</u>
Net revenue and gains	27,667,490	24,784,871
Bad debts expenses, commitment and guarantee liability provisions	(957,016)	(754,859)
Operating expenses	<u>(14,637,869)</u>	<u>(13,636,463)</u>
(Loss) income before income tax	12,072,605	10,393,549
Income tax expense	<u>(2,217,900)</u>	<u>(1,771,278)</u>
Net (loss) income	9,854,705	8,622,271
Other comprehensive income (loss)	<u>841,818</u>	<u>(118,377)</u>
Total comprehensive income (loss)	<u>\$ 10,696,523</u>	<u>\$ 8,503,894</u>
Basic earnings per share (dollar)	<u>\$0.80</u>	<u>\$0.72</u>
Diluted earnings per share (dollar)	<u>\$0.80</u>	<u>\$0.72</u>

c. Key financial and business highlights

1) Profitability

Item		For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Return on total assets	Pretax	0.42%	0.38%
	After tax	0.34%	0.32%
Return on net equity	Pretax	5.96%	5.42%
	After tax	4.86%	4.50%
Profit margin		35.62%	34.79%

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 June 30 of 2025 and 2024.

2) Asset quality

Non-performing loans and receivables

Item		June 30, 2025					June 30, 2024					
		Non-performing Loans (Note a)	Loans	Non-performing Loans Ratio (Note b)	Allowance for Loan Losses	Coverage Ratio (Note c)	Non-performing Loans (Note a)	Loans	Non-performing Loans Ratio (Note b)	Allowance for Loan Losses	Coverage Ratio (Note c)	
Corporate finance	Secured	\$ 498,703	\$ 365,335,394	0.14%	\$ 3,878,611	777.74%	\$ 559,112	\$ 336,203,258	0.17%	\$ 3,763,455	673.11%	
	Unsecured	108,933	486,769,804	0.02%	6,789,016	6,232.29%	336,461	406,180,951	0.08%	6,156,293	1,829.72%	
Consumer finance	Mortgage loans (Note d)	448,703	415,959,949	0.11%	6,231,397	1,388.76%	203,862	428,540,610	0.05%	6,408,314	3,143.46%	
	Cash cards	916	96,168	0.95%	27,874	3,043.01%	4,769	158,169	3.02%	35,906	752.90%	
	Credit loans (Note e)	391,238	113,881,680	0.34%	1,301,327	332.62%	299,212	106,607,393	0.28%	1,199,108	400.76%	
	Others (Note f)	Secured	1,003,397	407,768,097	0.25%	4,280,558	426.61%	497,755	380,525,436	0.13%	4,008,898	805.40%
		Unsecured	2,652	10,666,649	0.02%	110,493	4,166.40%	1,785	8,030,342	0.02%	82,645	4,629.97%
Subtotal		2,454,542	1,800,477,741	0.14%	22,619,276	921.53%	1,902,956	1,666,246,159	0.11%	21,654,619	1,137.95%	
Credit card		242,351	68,622,800	0.35%	685,381	282.81%	285,334	84,440,495	0.34%	842,445	292.25%	
Accounts receivable factoring with no recourse (Note g)		94,071	29,428,040	0.32%	373,055	396.57%	601,782	32,651,942	1.84%	896,220	148.93%	

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

Note b: Non-performing loans ratio = Non-performing loans ÷ Loans
Non-performing loans of credit card ratio = Non-performing loans of credit cards ÷ Accounts receivable

Note c: Coverage ratio of allowances for loan losses = Allowances for loan losses ÷ Non-performing loans
Coverage ratio of allowance for loan losses of credit card = Allowance for loan losses of credit card ÷ Non-performing loans of credit cards

Note d: Mortgage loans are for applicants to build or repair the buildings owned by the applicants, their spouses or their minor children. These applicants provide their buildings as collaterals and assign the right on mortgage to financial institutions.

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

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

Note g: In accordance with the Letter issued by the Banking Bureau on August 24, 2009 (Ref. No. Jin-Guan-Yin 09850003180), accounts receivable without recourse are classified as non-performing loans if not compensated by the factor or insurance company within three months.

Exempted from report as non-performing loans and receivables

Item	June 30, 2025		June 30, 2024	
	Exempted from Report as Non-performing Loans	Exempted from Report as Non-performing Receivables	Exempted from Report as Non-performing Loans	Exempted from Report as Non-performing Receivables
Business Type				
Amounts negotiated in accordance with the agreement (Note a)	\$ 47,599	\$ 18,080	\$ 78,325	\$ 28,495
Loans executed in accordance with debt clearing and renewal regulations (Note b)	1,741,765	1,042,555	1,665,082	1,003,655
Total	1,789,364	1,060,635	1,743,407	1,032,150

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).

3) Concentration of credit risk

Year	June 30, 2025			June 30, 2024			
	Rank (Note a)	Transaction Party (Note b)	Loans (Note c)	As Proportion of Net Equity	Transaction Party (Note b)	Loans (Note c)	As Proportion of Net Equity
1		A Group (manufacture of computers)	20,753,461	10.31%	A Group (manufacture of computers)	16,330,355	8.45%
2		B Group (other financial service not elsewhere classified)	17,680,713	8.78%	B Group (other financial service not elsewhere classified)	14,468,881	7.49%
3		C Group (real estate development)	15,951,348	7.92%	C Group (manufacture of computers)	14,419,260	7.46%
4		D Group (wireless telecommunications)	15,061,597	7.48%	D Group (other financial service not elsewhere classified)	14,031,720	7.26%
5		E Group (real estate development)	12,435,815	6.18%	E Group (wireless telecommunications)	14,024,504	7.26%
6		F Group (other financial service not elsewhere classified)	11,628,804	5.78%	F Group (real estate development)	11,012,000	5.70%
7		G Group (other financial service not elsewhere classified)	10,895,009	5.41%	G Group (financial leasing industry)	10,114,641	5.23%
8		H Group (manufacture of computers)	10,615,087	5.27%	H Group (activities of other holding companies)	10,066,465	5.21%
9		I Group (liquid crystal panel and components manufacturing industry)	9,962,584	4.95%	I Group (rolling and extruding of iron and steel)	9,760,738	5.05%
10		J Group (wholesale of electronic communication equipment and its parts and components)	9,563,079	4.75%	J Group (real estate development)	9,555,365	4.94%

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.

4) Interest rate sensitivity

Item	June 30, 2025				
	1-90 Days	91-180 Days	181 Days - 1 Year	More Than 1 Year	Total
Interest-sensitive assets	\$ 1,646,032,723	\$ 85,633,881	\$ 77,056,376	\$ 206,684,134	\$ 2,015,407,114
Interest-sensitive liabilities	653,013,257	163,898,723	183,574,672	873,113,221	1,873,599,873
Interest sensitivity gap	993,019,466	(78,264,842)	(106,518,296)	(666,429,087)	141,807,241
Net equity					199,789,018
Ratio of interest-sensitive assets to liabilities					107.57%
Ratio of interest sensitivity gap to net equity					70.98%

Item	June 30, 2024				
	1-90 Days	91-180 Days	181 Days - 1 Year	More Than 1 Year	Total
Interest-sensitive assets	\$ 1,543,287,230	\$ 27,681,162	\$ 61,142,258	\$ 205,907,541	\$ 1,838,018,191
Interest-sensitive liabilities	604,813,051	86,003,633	144,395,798	895,095,045	1,730,307,527
Interest sensitivity gap	938,474,179	(58,322,471)	(83,253,540)	(689,187,504)	107,710,664
Net equity					195,098,160
Ratio of interest-sensitive assets to liabilities					106.22%
Ratio of interest sensitivity gap to net equity					55.21%

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

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

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

Note d: Ratio of interest-sensitive assets to interest-sensitive liabilities (N.T. dollars only) = $\frac{\text{Interest-sensitive assets}}{\text{Interest-sensitive liabilities}}$

(In Thousands of U.S. Dollars)

Item	June 30, 2025				
	1-90 Days	91-180 Days	181 Days - 1 Year	More Than 1 Year	Total
Interest-sensitive assets	\$ 12,516,479	\$ 2,143,519	\$ 2,609,342	\$ 7,589,475	\$ 24,858,815
Interest-sensitive liabilities	13,773,300	2,728,797	1,933,343	5,040,893	23,476,333
Interest sensitivity gap	(1,256,821)	(585,278)	675,999	2,548,582	1,382,482
Net equity					2,750
Ratio of interest-sensitive assets to liabilities					105.89%
Ratio of interest sensitivity gap to net equity					50,272.07%

(In Thousands of U.S. Dollars)

Item	June 30, 2024				
	1-90 Days	91-180 Days	181 Days - 1 Year	More Than 1 Year	Total
Interest-sensitive assets	\$ 10,470,841	\$ 2,569,616	\$ 2,487,143	\$ 5,287,396	\$ 20,814,996
Interest-sensitive liabilities	12,283,881	2,941,965	1,755,715	3,862,070	20,843,631
Interest sensitivity gap	(1,813,040)	(372,349)	731,428	1,425,326	(28,635)
Net equity					(70,161)
Ratio of interest-sensitive assets to liabilities					99.86%
Ratio of interest sensitivity gap to net equity					40.81%

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

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

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

Note d: Ratio of interest-sensitive assets to interest-sensitive liabilities (U.S. dollars only) = $\frac{\text{Interest-sensitive assets}}{\text{Interest-sensitive liabilities}}$

5) Maturity analysis of assets and liabilities

	Total	June 30, 2025				
		Period Remaining until Due Date and Amount Due				
		0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	More Than 1 Year
Major maturity cash inflow	\$ 2,907,365,251	\$ 812,901,389	\$ 461,121,891	\$ 280,264,570	\$ 287,419,035	\$ 1,065,658,366
Major maturity cash outflow	3,495,375,147	470,138,945	463,037,620	462,413,418	660,200,184	1,439,584,980
Gap	(588,009,896)	342,762,444	(1,915,729)	(182,148,848)	(372,781,149)	(373,926,614)

	Total	June 30, 2024				
		Period Remaining until Due Date and Amount Due				
		0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	More Than 1 Year
Major maturity cash inflow	\$ 2,776,747,406	\$ 750,258,409	\$ 467,758,926	\$ 265,495,751	\$ 279,278,604	\$ 1,013,955,716
Major maturity cash outflow	3,341,665,356	416,389,873	489,328,216	409,523,570	624,766,405	1,401,657,292
Gap	(564,917,950)	333,868,536	(21,569,290)	(144,027,819)	(345,487,801)	(387,701,576)

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

(In Thousands of U.S. Dollars)

	Total	June 30, 2025				
		Period Remaining until Due Date and Amount Due				
		0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	More Than 1 Year
Major maturity cash inflow	\$ 59,241,712	\$ 15,342,870	\$ 13,551,497	\$ 9,436,200	\$ 8,298,416	\$ 12,612,729
Major maturity cash outflow	58,999,684	16,414,565	18,438,594	9,209,935	9,210,006	5,726,584
Gap	242,028	(1,071,695)	(4,887,097)	226,265	(911,590)	6,886,145

(In Thousands of U.S. Dollars)

	Total	June 30, 2024				
		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	\$ 64,546,319	\$ 19,230,019	\$ 15,953,674	\$ 10,238,478	\$ 8,949,901	\$ 10,174,247
Major maturity cash outflow	64,341,347	18,798,543	20,201,022	11,632,096	8,371,803	5,337,883
Gap	204,972	431,476	(4,247,348)	(1,393,618)	578,098	4,836,364

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

Taishin Life Insurance

a. Balance sheets

	June 30	
	2025	2024
Assets		
Cash and cash equivalents	\$ 8,777,568	\$ 4,511,552
Receivables	3,817,338	3,722,143
Current tax assets	3,606	65,329
Financial assets at FVTPL	31,542,910	37,412,197
Financial assets at FVTOCI	41,181	41,647
Investments in debt instruments at amortized cost	212,870,564	201,783,015
Investments accounted for using equity method	416,160	424,272
Investment properties	9,133,201	3,714,735
Loans	8,718,495	7,834,849
Reinsurance contract assets	694,673	587,523
Property and equipment	1,946,313	1,999,815
Right-of-use assets	113,136	21,613
Intangible assets	305,523	305,814
Deferred tax assets	221,076	650,339
Other assets	1,734,866	1,732,722
Separate account insurance product assets	<u>49,940,437</u>	<u>40,795,987</u>
	<u>\$ 330,277,047</u>	<u>\$ 305,603,552</u>
Liabilities		
Payables	\$ 4,867,429	\$ 2,988,362
Current tax liabilities	382,978	3,611
Financial liabilities at FVTPL	-	818,078
Lease liabilities	109,898	18,295
Insurance liabilities	249,054,703	232,920,622
Reserve for insurance contracts with the nature of financial products	1,360	1,624
Reserve for foreign exchange valuation	2,017,157	958,988
Provisions	76,411	120,139
Deferred tax liabilities	308,810	841,272
Other liabilities	1,438,151	859,575
Separate account insurance product liabilities	<u>49,940,437</u>	<u>40,795,987</u>
	<u>308,197,334</u>	<u>280,326,553</u>
Equity		
Share capital	11,039,560	11,039,560
Stock dividends to be distributed	817,724	-
Capital surplus	4,363,636	4,363,636
Retained earnings	7,719,222	7,318,776
Other equity	<u>(1,860,429)</u>	<u>2,555,027</u>
	<u>22,079,713</u>	<u>25,276,999</u>
	<u>\$ 330,277,047</u>	<u>\$ 305,603,552</u>

b. Statements of comprehensive income (standalone)

	For the Six Months Ended June 30	
	2025	2024
Operating revenue	\$ 28,901,567	\$ 27,431,488
Operating cost	(26,133,073)	(24,947,185)
Operating expenses	<u>(1,485,668)</u>	<u>(1,287,669)</u>
Operating (loss) income	1,282,826	1,196,634
Non-operating income and expenses	<u>(7,035)</u>	<u>1,252</u>
(Loss) income before income tax	1,275,791	1,197,886
Income tax benefit	<u>28,781</u>	<u>113,340</u>
Net (loss) income	1,304,572	1,311,226
Other comprehensive income (loss)	<u>(2,995,027)</u>	<u>2,263,354</u>
Total comprehensive income (loss)	<u>\$ (1,690,455)</u>	<u>\$ 3,574,580</u>
Basic earnings per share (dollar)	<u>\$1.10</u>	<u>\$1.16</u>
Diluted earnings per share (dollar)	<u>\$1.10</u>	<u>\$1.16</u>

c. Profitability

Item		For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Return on total assets	Pretax	0.39%	0.41%
	After tax	0.40%	0.45%
Return on net equity	Pretax	5.57%	5.45%
	After tax	5.69%	5.96%
Profit margin		4.51%	4.78%

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

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

Note c: Profit margin =
$$\frac{\text{Income after tax}}{\text{Operating income} + \text{Non-operating income}}$$

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

Taishin Securities B

a. Balance sheets (standalone)

	June 30	
	2025	2024
Assets		
Current assets	\$ 54,784,185	\$ 58,796,545
Financial assets at FVTPL - non-current	209,700	245,649
Financial assets at FVTOCI - non-current	5,190,817	5,888,902
Investments accounted for using equity method	1,470,492	1,146,851
Property and equipment	827,643	836,115
Right-of-use assets	184,687	194,156
Investment properties	94,103	96,965
Intangible assets	199,815	182,984
Deferred tax assets	38,268	9,497
Other non-current assets	<u>546,679</u>	<u>562,735</u>
	<u>\$ 63,546,389</u>	<u>\$ 67,960,399</u>
Liabilities		
Current liabilities	\$ 49,329,456	\$ 53,334,391
Other non-current liabilities	<u>3,480,967</u>	<u>3,491,621</u>
	<u>52,810,423</u>	<u>56,826,012</u>
Equity		
Share capital	6,924,125	6,924,125
Capital surplus	895,825	895,825
Retained earnings	3,249,849	3,406,000
Other equity	<u>(333,833)</u>	<u>(91,563)</u>
	<u>10,735,966</u>	<u>11,134,387</u>
	<u>\$ 63,546,389</u>	<u>\$ 67,960,399</u>

b. Statements of comprehensive income (standalone)

	For the Six Months Ended	
	June 30	
	2025	2024
Revenue	\$ 2,593,278	\$ 3,710,753
Expenses	(2,010,141)	(2,174,290)
Non-operating income and expenses	<u>44,627</u>	<u>91,590</u>
(Loss) income before income tax	627,764	1,628,053
Income tax expense	<u>(132,749)</u>	<u>(141,608)</u>
Net (loss) income	495,015	1,486,445
Other comprehensive income (loss)	<u>(145,935)</u>	<u>(25,882)</u>
Total comprehensive income (loss)	<u>\$ 349,080</u>	<u>\$ 1,460,563</u>
Basic earnings per share (dollar)	<u>\$0.71</u>	<u>\$2.15</u>
Diluted earnings per share (dollar)	<u>\$0.71</u>	<u>\$2.15</u>

c. Profitability

Item		For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Return on total assets	Pretax	0.96%	2.55%
	After tax	0.76%	2.33%
Return on net equity	Pretax	5.54%	14.81%
	After tax	4.37%	13.52%
Profit margin		19.09%	40.06%

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 June 30 of 2025 and 2024.

Taishin AMC

a. Balance sheets

	<u>June 30</u>	
	<u>2025</u>	<u>2024</u>
Assets		
Current assets	\$ 302,108	\$ 38,604
Financial assets at FVTOCI - non-current	201,930	356,428
Investments accounted for using equity method	144,279	141,072
Property and equipment	166,420	168,101
Investment properties	809,497	816,124
Deferred tax assets	3,065	17,701
Right-of-use assets	-	224
Other non-current assets	<u>314,856</u>	<u>492,223</u>
	<u>\$ 1,942,155</u>	<u>\$ 2,030,477</u>
Liabilities		
Current liabilities	\$ 708,635	\$ 684,330
Other non-current liabilities	<u>3,822</u>	<u>4,181</u>
	<u>712,457</u>	<u>688,511</u>
Equity		
Share capital	671,000	671,000
Capital surplus	4,141	4,141
Retained earnings	483,437	441,230
Other equity	<u>71,120</u>	<u>225,595</u>
	<u>1,229,698</u>	<u>1,341,966</u>
	<u>\$ 1,942,155</u>	<u>\$ 2,030,477</u>

b. Statements of comprehensive income

	For the Six Months Ended June 30	
	2025	2024
Operating revenue	\$ 131,966	\$ 107,561
Operating cost and expenses	<u>(61,169)</u>	<u>(63,466)</u>
Operating (loss) income	70,797	44,095
Non-operating income	8,751	6,006
Non-operating expenses	<u>(4,331)</u>	<u>(2,009)</u>
(Loss) income before income tax	75,217	48,092
Income tax expense	<u>(13,519)</u>	<u>(8,468)</u>
Net (loss) income	61,698	39,624
Other comprehensive income (loss)	<u>(80,625)</u>	<u>(27,620)</u>
Total comprehensive income (loss)	<u>\$ (18,927)</u>	<u>\$ 12,004</u>
Basic earnings per share (dollar)	<u>\$0.92</u>	<u>\$0.59</u>

c. Profitability

Item		For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Return on total assets	Pretax	3.81%	2.53%
	After tax	3.13%	2.09%
Return on net equity	Pretax	5.66%	3.35%
	After tax	4.64%	2.76%
Profit margin		43.85%	34.89%

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

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

Note c: Profit margin =
$$\frac{\text{Income after tax}}{\text{Operating income} + \text{Non-operating income}}$$

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

Taishin Venture Capital Investment

a. Balance sheets

	June 30	
	2025	2024
Assets		
Current assets	\$ 261,545	\$ 184,223
Financial assets at FVTPL - non-current	3,297,692	5,343,609
Investments accounted for using equity method	86,304	52,366
Property and equipment	978	1,153
Right-of-use assets	1,215	3,037
Other non-current assets	<u>481</u>	<u>481</u>
	<u>\$ 3,648,215</u>	<u>\$ 5,584,869</u>
Liabilities		
Current liabilities	\$ 6,404	\$ 80,837
Non-current liabilities	<u>-</u>	<u>1,245</u>
	<u>6,404</u>	<u>82,082</u>
Equity		
Share capital	7,140,927	6,840,927
Retained earnings	<u>(3,499,116)</u>	<u>(1,338,140)</u>
	<u>3,641,811</u>	<u>5,502,787</u>
	<u>\$ 3,648,215</u>	<u>\$ 5,584,869</u>

b. Statements of comprehensive income

	For the Six Months Ended	
	June 30	
	2025	2024
Revenue	\$ 59,532	\$ 62,830
Expenses and losses	<u>(1,152,720)</u>	<u>(389,066)</u>
(Loss) income before income tax	<u>(1,093,188)</u>	<u>(326,236)</u>
Net (loss) income	<u>(1,093,188)</u>	<u>(326,236)</u>
Total comprehensive income (loss)	<u>\$ (1,093,188)</u>	<u>\$ (326,236)</u>
Basic earnings per share (dollar)	<u>\$(1.53)</u>	<u>\$(0.46)</u>

c. Profitability

Item		For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Return on total assets	Pretax	(26.04%)	(4.73%)
	After tax	(26.04%)	(4.73%)
Return on net equity	Pretax	(26.10%)	(4.77%)
	After tax	(26.10%)	(4.77%)
Profit margin		(1,836.30%)	(519.24%)

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 June 30 of 2025 and 2024.

Taishin Securities Investment Trust

a. Balance sheets

	June 30	
	2025	2024
Assets		
Current assets	\$ 647,994	\$ 619,073
Financial assets at FVTOCI - non-current	3,775	3,290
Property and equipment	5,453	5,972
Goodwill	410,930	410,930
Right-of-use assets	17,578	29,198
Intangible assets	3,749	3,504
Deferred tax assets	53	-
Other non-current assets	<u>222,723</u>	<u>206,140</u>
	<u>\$ 1,312,255</u>	<u>\$ 1,278,107</u>
Liabilities		
Current liabilities	\$ 174,976	\$ 159,085
Other non-current liabilities	<u>6,731</u>	<u>18,709</u>
	<u>181,707</u>	<u>177,794</u>
Equity		
Share capital	831,350	831,350
Capital surplus	47,856	47,856
Retained earnings	250,567	220,817
Other equity	<u>775</u>	<u>290</u>
	<u>1,130,548</u>	<u>1,100,313</u>
	<u>\$ 1,312,255</u>	<u>\$ 1,278,107</u>

b. Statements of comprehensive income

	For the Six Months Ended June 30	
	2025	2024
Operating revenue	\$ 495,051	\$ 453,565
Operating expenses	<u>(323,566)</u>	<u>(305,748)</u>
Operating (loss) income	171,485	147,817
Non-operating income	7,134	18,674
Non-operating expenses	<u>(7,110)</u>	<u>(211)</u>
(Loss) income before income tax	171,509	166,280
Income tax expense	<u>(35,255)</u>	<u>(30,369)</u>
Net (loss) income	136,254	135,911
Other comprehensive income (loss)	<u>342</u>	<u>234</u>
Total comprehensive income (loss)	<u>\$ 136,596</u>	<u>\$ 136,145</u>
Basic earnings per share (dollar)	<u>\$1.64</u>	<u>\$1.63</u>

c. Profitability

Item		For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Return on total assets	Pretax	11.98%	12.80%
	After tax	9.52%	10.46%
Return on net equity	Pretax	14.36%	15.10%
	After tax	11.41%	12.34%
Profit margin		27.13%	28.78%

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

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

Note c: Profit margin =
$$\frac{\text{Income after tax}}{\text{Operating income} + \text{Non-operating income}}$$

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

Taishin Securities Investment Advisory

a. Balance sheets

	June 30	
	2025	2024
Assets		
Current assets	\$ 329,212	\$ 347,635
Property and equipment	1,789	1,588
Right-of-use assets	2,499	9,995
Deferred tax assets	1,158	705
Other non-current assets	<u>6,887</u>	<u>6,887</u>
	<u>\$ 341,545</u>	<u>\$ 366,810</u>
Liabilities		
Current liabilities	\$ 18,449	\$ 23,259
Other non-current liabilities	<u>2,291</u>	<u>7,040</u>
	<u>20,740</u>	<u>30,299</u>
Equity		
Share capital	300,000	300,000
Capital surplus	25,663	25,663
Retained earnings	<u>(4,858)</u>	<u>10,848</u>
	<u>320,805</u>	<u>336,511</u>
	<u>\$ 341,545</u>	<u>\$ 366,810</u>

b. Statements of comprehensive income

	For the Six Months Ended	
	June 30	
	2025	2024
Operating revenue	\$ 58,411	\$ 58,198
Operating expenses	<u>(61,915)</u>	<u>(57,876)</u>
Operating (loss) income	(3,504)	322
Non-operating income	3,778	10,352
Non-operating expenses	<u>(9,313)</u>	<u>(46)</u>
(Loss) income before income tax	(9,039)	10,628
Income tax expense	<u>1,660</u>	<u>(1,829)</u>
Net (loss) income	<u>(7,379)</u>	<u>8,799</u>
Total comprehensive income (loss)	<u>\$ (7,379)</u>	<u>\$ 8,799</u>
Basic earnings per share (dollar)	<u>\$ (0.25)</u>	<u>\$ 0.29</u>

c. Profitability

Item		For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2024
Return on total assets	Pretax	(2.53%)	2.83%
	After tax	(2.06%)	2.34%
Return on net equity	Pretax	(2.77%)	3.14%
	After tax	(2.26%)	2.60%
Profit margin		(11.87%)	12.84%

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

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

Note c: Profit margin = $\frac{\text{Income after tax}}{\text{Operating income} + \text{Non-operating income}}$

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

56. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

Taishin Bank

(Foreign Currencies/New Taiwan Dollars in Thousands)

	June 30, 2025		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary items			
AUD	\$ 2,723,947	19.14	\$ 52,141,325
CAD	62,443	21.42	1,337,448
CHF	85,609	36.67	3,138,954
RMB	10,024,113	4.09	40,994,182
EUR	469,648	34.34	16,128,362
GBP	61,896	40.13	2,484,197
HKD	3,850,503	3.73	14,367,339
JPY	152,144,881	0.20	30,935,923
SGD	183,747	22.99	4,224,469
USD	18,647,029	29.29	546,152,826
ZAR	1,687,644	1.65	2,780,862
Non-monetary items			
USD	-	29.29	-

(Continued)

	June 30, 2025		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial liabilities</u>			
Monetary items			
AUD	\$ 913,993	19.14	\$ 17,495,500
CAD	69,560	21.42	1,489,883
RMB	8,974,760	4.09	36,702,792
EUR	560,828	34.34	19,259,577
GBP	47,266	40.13	1,897,006
HKD	6,597,680	3.73	24,617,479
JPY	188,594,417	0.20	38,347,280
NZD	54,469	17.77	968,061
SGD	57,135	22.99	1,313,583
USD	21,862,885	29.29	640,342,029
ZAR	3,633,196	1.65	5,986,700
Non-monetary items			
AUD	334,765	19.14	6,408,016
USD	51,211	29.29	1,499,921
<u>Derivative instruments</u>			
Financial assets			
AUD	198,817	19.14	3,805,712
CAD	131,013	21.42	2,806,118
RMB	22,030,390	4.09	90,094,535
EUR	285,413	34.34	9,801,461
GBP	24,137	40.13	968,732
HKD	8,522,544	3.73	31,798,922
JPY	59,839,060	0.20	12,167,196
SGD	39,309	22.99	903,740
USD	29,056,097	29.29	851,024,021
ZAR	2,526,113	1.65	4,162,474
Financial liabilities			
AUD	1,653,728	19.14	31,655,381
CAD	124,396	21.42	2,664,402
CHF	81,983	36.67	3,006,021
RMB	23,381,559	4.09	95,620,220
EUR	191,545	34.34	6,577,926
GBP	39,772	40.13	1,596,241
HKD	6,969,068	3.73	26,002,667
JPY	26,466,086	0.20	5,381,402
SGD	167,848	22.99	3,858,948
USD	25,595,316	29.29	749,661,202
ZAR	574,302	1.65	946,321

(Concluded)

December 31, 2024

	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary items			
AUD	\$ 2,466,478	20.40	\$ 50,306,844
CAD	48,718	22.81	1,111,461
CHF	63,571	36.31	2,308,186
RMB	8,128,047	4.48	36,406,383
EUR	281,903	34.15	9,625,613
GBP	41,944	41.17	1,726,689
HKD	4,235,744	4.22	17,890,242
JPY	122,101,200	0.21	25,642,351
SGD	159,133	24.13	3,839,196
USD	16,449,505	32.79	539,445,056
ZAR	1,688,775	1.75	2,958,249
Non-monetary items			
USD	-	32.79	-
<u>Financial liabilities</u>			
Monetary items			
AUD	889,503	20.40	18,142,507
CAD	59,241	22.81	1,351,530
RMB	9,304,945	4.48	41,677,833
EUR	463,084	34.15	15,812,061
GBP	93,072	41.17	3,831,412
HKD	5,238,232	4.22	22,124,383
JPY	174,956,918	0.21	36,742,527
NZD	71,699	18.47	1,324,134
SGD	43,021	24.13	1,037,903
USD	19,855,602	32.79	651,144,609
ZAR	3,642,992	1.75	6,381,476
Non-monetary items			
AUD	385,628	20.40	7,865,348
USD	-	32.79	-
<u>Derivative instruments</u>			
Financial assets			
AUD	4,943	20.40	100,826
CAD	274,012	22.81	6,251,323
RMB	47,043,593	4.48	210,713,239
EUR	210,656	34.15	7,192,871
GBP	62,508	41.17	2,573,212
HKD	2,792,731	4.22	11,795,480
JPY	68,781,419	0.21	14,444,717
SGD	21,470	24.13	517,973
USD	33,468,098	32.79	1,097,552,796
ZAR	2,659,810	1.75	4,659,223

(Continued)

	December 31, 2024		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial liabilities			
AUD	\$ 1,196,808	20.40	\$ 24,410,376
CAD	264,035	22.81	6,023,693
CHF	64,550	36.31	2,343,735
RMB	45,953,557	4.48	205,830,854
EUR	28,208	34.15	963,168
GBP	11,307	41.17	465,450
HKD	2,019,585	4.22	8,529,994
JPY	16,661,126	0.21	3,498,986
SGD	137,788	24.13	3,324,218
USD	30,448,699	32.79	998,534,647
ZAR	698,145	1.75	1,222,950
			(Concluded)

	June 30, 2024		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
AUD	\$ 2,431,026	21.53	\$ 52,342,288
CAD	47,587	23.67	1,126,390
CHF	75,183	36.08	2,712,967
RMB	8,605,156	4.45	38,259,417
EUR	368,390	34.71	12,787,455
GBP	26,116	41.03	1,071,447
HKD	4,490,663	4.16	18,664,297
JPY	102,173,563	0.20	20,608,714
SGD	181,715	23.91	4,345,599
USD	18,113,340	32.45	587,832,224
ZAR	1,690,820	1.78	3,011,886
Non-monetary items			
USD	88,739	32.45	2,879,862

	June 30, 2024		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Financial liabilities			
Monetary items			
AUD	733,608	21.53	15,795,268
CAD	46,955	23.67	1,111,435
RMB	11,033,880	4.45	49,057,778
EUR	471,097	34.71	16,352,584
GBP	112,035	41.03	4,596,449
HKD	4,079,500	4.16	16,955,402
JPY	178,267,843	0.20	35,957,159
NZD	48,865	19.70	962,431
SGD	23,793	23.91	568,989
USD	19,949,249	32.45	647,412,992
ZAR	3,973,483	1.78	7,078,029
			(Continued)

	June 30, 2024		
	Foreign Currency	Exchange Rate	New Taiwan Dollars
Non-monetary items			
AUD	\$ 291,292	21.53	\$ 6,271,791
USD	75,620	32.45	2,454,099
<u>Derivative instruments</u>			
Financial assets			
AUD	136,495	21.53	2,938,864
CAD	594,903	23.67	14,081,458
RMB	91,262,431	4.45	405,762,258
EUR	618,341	34.71	21,463,668
GBP	89,027	41.03	3,652,524
HKD	1,052,794	4.16	4,375,671
JPY	134,127,240	0.20	27,053,867
SGD	42,861	23.91	1,025,000
USD	37,452,213	32.45	1,215,436,668
ZAR	3,044,770	1.78	5,423,698
Financial liabilities			
AUD	1,557,673	21.53	33,538,170
CAD	594,407	23.67	14,069,712
CHF	72,595	36.08	2,619,569
RMB	88,803,230	4.45	394,828,394
EUR	527,706	34.71	18,317,587
GBP	231	41.03	9,461
HKD	1,713,954	4.16	7,123,614
JPY	62,970,480	0.20	12,701,335
SGD	217,640	23.91	5,204,725
USD	36,037,321	32.45	1,169,519,164
ZAR	803,699	1.78	1,431,642
			(Concluded)

57. 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 Table 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 and Taishin 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.

58. DISCLOSURES UNDER STATUTORY REQUIREMENTS

a. Information to be disclosed according to Article 22 of the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies is as follows:

1) Material transactions are summarized as follows:

No.	Item	Explanation
1	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	Table 4
2	Acquisition or disposal of individual real estate at costs of at least NT\$300 million or 10% of the paid-in capital	None
3	Discounts of service charges for related parties amounting to at least \$5 million	None
4	Receivables from related parties amounting to at least NT\$300 million or 10% of the paid-in capital	Table 5
5	Sales of NPL from subsidiaries	None
6	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
7	Other transactions that may have significant impact on the decision made by the financial statement users	Note 51

2) Information on TS Financial Holding's subsidiaries:

No.	Item	Explanation
1	Financings provided to others	Table 1 (Note)
2	Endorsements/guarantees provided	Table 2 (Note)
3	Marketable securities held	Table 3 (Note)
4	Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 10% of the paid-in capital	Note
5	Derivative transactions of investees	Notes 9 and 47

Note: None, or not required to disclose No. 1 to 4 if the investee is a bank, insurance or security company.

3) Names, locations, and related information of investees: Table 6.

4) Information of investment in mainland China, significant commitments and contingencies, significant losses and subsequent events is summarized as follows:

No.	Item	Explanation
1	Information of investment in mainland China	Table 7
2	Significant commitments and contingencies	Note 50
3	Significant losses	None
4	Subsequent events	None

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.

b. The business relationship and material transactions in consolidation

According to the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, a company should disclose business relationships and material transactions in consolidation. Please refer to Table 8.

59. SEGMENT INFORMATION

a. 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.

For the Six Months Ended June 30, 2025								
	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)	\$ 8,498,228	\$ 6,622,579	\$ 81,164	\$ 188,011	\$ 3,877,746	\$ 467,826	\$ (575,245)	\$ 19,160,309
Net income other than net interest income	<u>7,641,401</u>	<u>1,129,276</u>	<u>3,693,240</u>	<u>1,968,719</u>	<u>11,559,995</u>	<u>10,475,552</u>	<u>(10,890,297)</u>	<u>25,577,886</u>
Net revenue and gains	16,139,629	7,751,855	3,774,404	2,156,730	15,437,741	10,943,378	(11,465,542)	44,738,195
Reversal of bad debt expenses, commitments and guarantees liabilities (provision)	13,635	(970,714)	64	20	(1,472)	(222,631)	-	(1,181,098)
Net changes in insurance liability reserve	-	-	-	-	(12,662,155)	-	454,974	(12,207,181)
Operating expenses	<u>(9,176,469)</u>	<u>(2,118,249)</u>	<u>(1,657,829)</u>	<u>(1,522,947)</u>	<u>(1,498,323)</u>	<u>(3,112,749)</u>	<u>318,119</u>	<u>(18,768,447)</u>
Income (loss) before income tax	<u>\$ 6,976,795</u>	<u>\$ 4,662,892</u>	<u>\$ 2,116,639</u>	<u>\$ 633,803</u>	<u>\$ 1,275,791</u>	<u>\$ 7,607,998</u>	<u>\$ (10,692,449)</u>	<u>\$ 12,581,469</u>
Total assets	<u>\$ 971,595,368</u>	<u>\$ 862,107,282</u>	<u>\$ 868,998,597</u>	<u>\$ 68,780,064</u>	<u>\$ 330,277,047</u>	<u>\$ 548,675,299</u>	<u>\$ (256,244,840)</u>	<u>\$ 3,394,188,817</u>
For the Six Months Ended June 30, 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)	\$ 7,878,717	\$ 6,519,996	\$ (762,254)	\$ 177,740	\$ 3,216,402	\$ 450,813	\$ (588,725)	\$ 16,892,689
Net income other than net interest income	<u>6,679,770</u>	<u>1,067,358</u>	<u>2,710,138</u>	<u>3,126,708</u>	<u>11,451,313</u>	<u>12,111,574</u>	<u>(11,355,435)</u>	<u>25,791,426</u>
Net revenue and gains	14,558,487	7,587,354	1,947,884	3,304,448	14,667,715	12,562,387	(11,944,160)	42,684,115
Reversal of bad debt expenses, commitments and guarantees liabilities (provision)	(598,196)	(189,485)	32,822	10	535	(152,891)	-	(907,205)
Net changes in insurance liability reserve	-	-	-	-	(12,170,700)	-	462,718	(11,707,982)
Operating expenses	<u>(8,495,279)</u>	<u>(1,995,861)</u>	<u>(1,460,090)</u>	<u>(1,676,405)</u>	<u>(1,299,664)</u>	<u>(2,954,929)</u>	<u>267,970</u>	<u>(17,614,258)</u>
Income (loss) before income tax	<u>\$ 5,465,012</u>	<u>\$ 5,402,008</u>	<u>\$ 520,616</u>	<u>\$ 1,628,053</u>	<u>\$ 1,197,886</u>	<u>\$ 9,454,567</u>	<u>\$ (11,213,472)</u>	<u>\$ 12,454,670</u>
Total assets	<u>\$ 945,314,759</u>	<u>\$ 759,194,695</u>	<u>\$ 841,011,810</u>	<u>\$ 71,853,365</u>	<u>\$ 305,603,552</u>	<u>\$ 562,362,152</u>	<u>\$ (247,644,944)</u>	<u>\$ 3,237,695,389</u>

b. 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.

c. 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.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)

FINANCINGS PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account (Note 2)	Related Parties	Maximum Balance for the Period (Note 3)	Ending Balance (Note 8)	Amount Actually Drawn	Interest Rate (%)	Financing Type (Note 4)	Transaction Amount (Note 5)	Financing Reasons (Note 6)	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrowing Company (Note 7)	Financing Company's Financing Amount Limit (Note 7)
													Item	Value		
1	Taishin AMC	Xu O Zhen	Long-term receivables - advance payment	No	\$ 133,333	\$ 133,333	\$ 85,500	1-10	Business transaction	\$ 85,500	Advance payment of urban renewal	\$ -	Land and buildings	\$ 160,000	\$ 708,780	\$ 9,922,923
1	Taishin AMC	Chen O Ming	Long-term receivables - advance payment	No	133,333	133,333	87,500	1-10	Business transaction	87,500	Advance payment of urban renewal	-	Land and buildings	160,000	708,780	9,922,923
1	Taishin AMC	Zhuang O Xiang	Long-term receivables - advance payment	No	66,667	66,667	43,500	1-10	Business transaction	43,500	Advance payment of urban renewal	-	Land and buildings	80,000	708,780	9,922,923
1	Taishin AMC	Zhuang O Ming	Long-term receivables - advance payment	No	66,667	66,667	43,500	1-10	Business transaction	43,500	Advance payment of urban renewal	-	Land and buildings	80,000	708,780	9,922,923
1	Taishin AMC	King Want Corporation. Co., Ltd.	Long-term receivables - advance payment	No	350,000	350,000	245,740	1-10	Business transaction	245,740	Advance payment of urban renewal	-	-	-	708,780	9,922,923
1	Taishin AMC	Teng Jun Construction Co., Ltd.	Long-term receivables - advance payment	No	136,000	90,000	46,835	1-10	Business transaction	46,835	Advance payment of urban renewal	-	Land and buildings	108,000	708,780	9,922,923
1	Taishin AMC	King Want Co., Ltd.	Long-term receivables - advance payment	No	20,000	20,000	-	1-10	Business transaction	-	Advance payment of urban renewal	-	Land and buildings	24,000	708,780	9,922,923
1	Taishin AMC	In Life Development Corporation Co., Ltd	Long-term receivables - advance payment	No	150,000	150,000	-	1-10	Business transaction	-	Advance payment of urban renewal	-	-	-	708,780	9,922,923
2	Taishin D.A. Finance	Yongjia Management Consulting Co., Ltd.	Accounts receivable	No	20,000	-	-	2-10	Short-term financing	-	Business turnover	-	-	-	457,232	4,572,319

Note 1: Column is numbered as follows:

- a. Parent: 0.
- b. Subsidiaries are numbered starting from 1.

Note 2: If receivables from related companies, receivables from related parties, contracts between shareholders, advance payments, payment on behalf, etc. have financing type, they should fill into this column.

Note 3: The maximum balance of financings provided in the current year.

Note 4: The financing type column should be business transaction or short-term financing.

Note 5: If the financing type is a business transaction, the amount of business transaction should be filled. The amount of business transaction refers to the amount between the lender and the borrower in the recent year.

Note 6: If the financing type is a short-term financing, the reason for the financing and the use of the financing should be specified, such as repayment of loans, purchase of equipment, business turnover, etc.

Note 7: The accumulated balance of loans (including business dealings and short-term financing needs) of Taishin AMC shall be limited to seven times of its net worth; for Taishin D.A. Finance, it shall be limited to its net worth. The lending amount limit to the same person and the same affiliated entity of Taishin AMC shall be limited to 50% of its net worth based on latest financial statements; for Taishin D.A. Finance, it shall be limited 10% of its net worth based on the latest financial statements.

Note 8: If public company follows the Article 14(a) of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, it will resolve the allocation of funds within the board of directors. Although the amount has not been allocated, the company needs to announce the amount resolved by the board of directors, in order to bear the risk of disclosure; after the fund has been repaid, the company should disclose the balance after repayment, in order to reflect on the adjustment of risk. If the public company follows the Article 14(b) of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, after the resolution of board of directors, enables the chairman, within a certain monetary limit resolved by the board of directors, and within a period not exceeding one year, to give loans in installments or to make a revolving credit line available for the borrower to draw down, the company should still use the resolution amount and limit passed in the board of directors as the publicly disclosed balance. After the fund has been partially repaid, considering that there will be more allocation in the process, the company should use the resolution amount and the limit passed in the board of directors as the publicly disclosed balance.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2025**
(In Thousands of New Taiwan Dollars)

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)	b	\$ 32,006,236	\$ 1,554,032	\$ 1,554,032	\$ 1,398,628	\$ -	33.99	\$ 32,006,236	Y	N	Y

Note 1: Column is numbered as follows:

- a. Parent: 0.
- b. Subsidiaries are numbered starting from 1.

Note 2: Relationship between the endorser/guarantor and the endorsee/guarantee is classified as follows:

- a. Having a business relationship.
- b. The endorser/guarantor directly or indirectly owns more than 50% of the ordinary shares of the endorsee/guarantee.
- c. The endorsee/guarantee directly or indirectly owns more than 50% of the ordinary shares of the endorser/guarantor.
- d. The Company in which the public company directly or indirectly holds 90% or more of the voting shares may make endorsements/guarantees for each other.
- e. Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or joint builders for purposes of undertaking a construction project.
- f. Due to a joint venture, all shareholders provide endorsements/guarantees to the endorsee/guarantee in proportion to their ownership.
- g. Where companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The 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.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)

MARKETABLE SECURITIES HELD

JUNE 30, 2025

(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	June 30, 2025				Note
				Number of Shares/Units/Face Value	Carrying Amount	Percentage of Ownership (%)	Market Value	
Taishin Real Estate	<u>Shares</u> Metro Consulting Service Ltd.	Its corporate director is Taishin Real Estate	Financial assets at FVTOCI	300	\$ 3,002	6.00	\$ 3,002	
Taishin D.A. Finance	<u>Shares</u> Yuan Tai Forex Brokerage Co., Ltd.	Its corporate director is Taishin D.A. Finance	"	600,000	7,216	5.00	7,216	Go out of business
	Bon-Li International Technology Co., Ltd.	None	"	125,000	-	1.50	-	
	<u>Equity</u> Taishin Financial Leasing (China)	Parent company and subsidiary	Investments accounted for using equity method	US\$ 80,000	2,225,791	100.00	2,225,791	
Taishin Venture Capital Investment	<u>Equity</u> Chime Biologics Limited	None	Financial assets at FVTPL	2,105	25,116	0.45	25,116	
	Delos Capital Fund, LP	"	"	US\$ 8,144	132,976	7.63	132,976	
	Delos Capital Fund II, LP	"	"	US\$ 7,447	287,496	7.46	287,496	
	Delos Capital Fund III, LP	"	"	US\$ 12,117	303,568	8.31	303,568	
	CDIB Capital Global Opportunities Fund L.P.	"	"	US\$ 2,524	75,421	2.21	75,421	
	Li Shen Zhi-Lian L.P.	"	"	30,000	40,800	10.59	40,800	
	Arm IoT Fund, L.P.	"	"	US\$ 2,456	80,166	14.70	80,166	
	<u>Shares</u> Hwei-Yang Venture Capital Investment Co., Ltd.	"	"	42	1,193	1.54	1,193	
	Century Development Corp.	Its corporate supervisor is Taishin Venture Capital Investment	"	10,633	138,448	3.03	138,448	
	Microbio Co., Ltd.	None	"	1,322	30,397	0.22	30,397	
	Winking Entertainment Ltd.	"	"	2,614	13,517	0.59	13,517	
	Diamond Biofund INC.	"	"	72,626	1,485,209	8.53	1,485,209	
	StemCyte International, Ltd.	"	"	730	19,170	0.38	19,170	
	VM Discovery, Inc. Preferred D	"	"	95	3,306	0.38	3,306	
	RevMAb Biosciences, Inc.	"	"	400	23,588	2.26	23,588	
	Eden Biotech, Inc.	"	"	2,105	4,653	0.89	4,653	
	OME Technology Co., Ltd.	"	"	1,457	20,852	2.15	20,852	

(Continued)

Holding Company	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2025				Note
				Number of Shares/Units/Face Value	Carrying Amount	Percentage of Ownership (%)	Market Value	
	Shin Yao Biomedical Venture Capital Investment Co., Ltd.	Its corporate director is Taishin Venture Capital Investment	Financial assets at FVTPL	35,000	\$ 249,900	10.00	\$ 249,900	
	Tanvex BioPharma, Inc.	None	"	402	21,128	0.25	21,128	
	Great Agricultural Technology Co., Ltd.	"	"	578	2,414	3.33	2,414	
	Contact Digital Integration Co., Ltd.	Others	"	1,300	-	7.22	-	
	I.X	None	"	1,942	58	3.41	58	
	AMIS Technologies Co., Ltd.	"	"	17,500	-	7.92	-	
	IIH Biomedical Venture Fund I Co., Ltd.	Its corporate director is Taishin Venture Capital Investment	"	2,500	63,675	8.08	63,675	
	Taiwania Capital Management Corporation	None	"	17,760	57,187	7.10	57,187	
	Shenghe Energy Corporation	Its corporate supervisor is Taishin Venture Capital Investment	"	5,000	21,600	5.00	21,600	
	Jada International Development Corporation	None	"	1,946	8,661	5.68	8,661	
	Guoyu Global Company Limited	Its corporate director is Taishin Venture Capital Investment	"	300	654	9.68	654	
	Jing Ying Investment Co., Ltd.	"	"	15,610	103,650	10.00	103,650	
	Gogoro Inc.	None	"	1,000	8,350	0.34	8,350	
	CT Ambi Inc.	Its corporate supervisor is Taishin Venture Capital Investment	"	2,000	12,700	14.83	12,700	
	BSOS Holdings, INC.	None	"	2,406	8,205	2.69	8,205	
	All Win Fintech Company Limited	"	"	8,617	53,341	13.70	53,341	
	ImmunAdd Inc.	"	"	2,130	30,693	10.00	30,693	
	Sim2 Travel Inc. Preferred A	"	"	350	-	0.88	-	
	PC Home Online Investment Inc.	"	"	79	-	3.03	-	Liquidated
	CC Media Co., Ltd.	"	"	400	-	0.48	-	
	Taishin Sports Entertainment	Parent company and subsidiary	Investments accounted for using equity method	6,000	26,304	100.00	26,304	
	<u>Beneficiary certificates</u>							
	Capital Global Strategic Income High Yield Bond Fund	None	Financial assets at FVTPL	1,876	19,285	-	19,285	
	Taishin ESG Emerging Markets Bond Fund A	Issued by Taishin Securities Investment Trust	"	1,100	9,739	-	9,739	
	Jih Sun Money Market Fund	None	"	1,992	31,047	-	31,047	
	Fubon Chi-Hsiang Money Market Fund	"	"	4,273	70,327	-	70,327	
	Fubon Global Investment-grade Bond Fund	"	"	2,835	28,340	-	28,340	
	UPAMC James Bond Money Market Fund	"	"	577	10,113	-	10,113	
	<u>Investment agreement</u>							
	Public Television Foundation (SEQALU: Formosa 1867)	"	"	2,000	-	1.06	-	

(Continued)

Holding Company	Marketable Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	June 30, 2025				Note
				Number of Shares/Units/Face Value	Carrying Amount	Percentage of Ownership (%)	Market Value	
Taishin AMC	<u>Shares</u>							
	Linkou Golf Country Club	None	Financial assets at FVTOCI	-	\$ 2,078	0.30	\$ 2,078	
	Dah Chung Bills	Its corporate director is Taishin Bank	"	2,465	37,286	0.51	37,286	
	Diamond Biofund INC.	None	"	5,788	118,372	0.68	118,372	
	Shin Yao Biomedical Venture Capital Investment Co., Ltd.	Its corporate director is Taishin Venture Capital Investment	"	4,375	31,238	1.25	31,238	
	Jing Ying Investment Co., Ltd.	"	"	1,951	12,956	1.25	12,956	
	Taishin Real Estate	Investee under the equity method	Investments accounted for using equity method	8,000	144,279	40.00	144,279	
Taishin Securities Venture Capital	<u>Shares</u>							
	Ecloudvalley Digital Technology Co., Ltd.	None	Financial assets at FVTPL	120	9,540	0.18	9,540	
	Fositek Corp.	"	"	100	81,200	0.15	81,200	
	Formosa Pharmaceuticals, Inc.	"	"	48	1,771	0.03	1,771	
	Gogolook Co., Ltd.	"	"	13	1,024	0.04	1,024	
	Mega Union Technology Incorporated	"	"	10	4,315	0.01	4,315	
	H. H. Galaxy Co., Ltd.	"	"	34	2,750	0.13	2,750	
	Echem solutions Corp.	"	"	105	67,200	0.11	67,200	
	ACEPODIA, INC. (Cayman)	"	"	200	3,260	0.03	3,260	
	Microprogram Information Co., Ltd.	"	"	185	13,709	0.37	13,709	
	Hong Terng Automation Co., Ltd.	"	"	107	45,913	0.44	45,913	
	Tangeng Advanced Vehicle Co., Ltd.	"	"	1,400	-	1.98	-	
	Rich Healthy Fruits & Vegetable Corp.	"	"	288	-	1.64	-	
	Geniron.com.inc	"	"	434	6,428	4.06	6,428	
	Le Day Multimedia Co., Ltd.	"	"	459	-	3.83	-	
	Excelsior Bio-system Inc.	"	"	263	-	0.66	-	
	Finatext Ltd.	"	"	29	-	7.50	-	
	Obigen Pharma, Inc.	"	"	1,000	31,230	0.94	31,230	
Trans-IOT Technology Co., Ltd.	"	"	385	4,331	3.61	4,331		
eTreego Co., Ltd.	"	"	520	2,824	0.19	2,824		
AV LINK Group Ltd.	"	"	370	-	2.12	-		
Taishin Capital	<u>Shares</u>							
	Taishin Health Investment	Parent company and subsidiary	Investments accounted for using equity method	52,843	68,716	100.00	68,716	
	<u>Equity</u>							
	Taishin AIoT Semiconductor LP.	Its general partner is Taishin Capital	Financial assets at FVTPL	1	1	16.67	1	
Taishin Health Investment	<u>Shares</u>							
	Taishin Healthcare Partnership	Its general partner is Taishin Health Investment	"	6,839	61,311	1.65	61,311	

(Concluded)

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)

**ACCUMULATED PURCHASES AND SALES OF SPECIFIC MARKETABLE SECURITIES OVER NT\$300 MILLION OR 10% OF OUTSTANDING CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2025**
(In Thousands of Units; in Thousands of New Taiwan Dollars)

Buyer or Seller	Type and Name of Marketable Security	Account Recorded	Transaction Party	Issuer's Relationship to the Buyer or Seller	Beginning of the Period		Purchases		Sales				Others		End of the Period	
					Shares (Units)	Amount	Shares (Units)	Amount	Shares (Units)	Selling Price	Carrying Amount	Disposal Gain (Loss)	Shares (Units)	Amount	Shares (Units)	Amount
TS Financial Holding	<u>Shares</u> Chang Hwa Bank	Financial assets at FVTOCI	Open market	-	575,291	\$ 10,268,948	-	\$ -	29,488	\$ 529,919	\$ 456,369	\$ 73,550	(245,803) (Note 1)	\$ (4,129,029) (Note 2)	300,000	\$ 5,610,000
Taishin Bank	<u>Shares</u> Taiwan Stock Exchange Corporation	Investments in equity instruments at FVTOCI	Private market	-	-	-	8,495	722,075	-	-	-	-	-	(252,120) (Note 3)	8,495	469,955

Note 1: "Others" refers to number of shares exchanged upon request by bondholders of exchangeable corporate bonds.

Note 2: "Others" refers to fair value adjustments and derecognition of shares at fair value upon share exchange.

Note 3: "Others" refers to fair value adjustments.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO NT\$300 MILLION OR 10% OF THE PAID-IN CAPITAL
JUNE 30, 2025
(In Thousands of New Taiwan Dollars)

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	\$ 3,671,026 (Note 1)	-	\$ -	-	\$ -	\$ -	-
TS Financial Holding	Taishin Life Insurance	Wholly-owned subsidiary of TS Financial Holding	379,372 (Note 1)	-	-	-	-	-	-
Taishin Bank	Taishin Life Insurance	Wholly-owned subsidiary of TS Financial Holding	343,636 (Note 2)	-	-	-	7,486	-	-

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.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)

INFORMATION ON INVESTEEES' NAMES, LOCATIONS, ETC.

JUNE 30, 2025

(Shares; In Thousands of New Taiwan Dollars)

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 (%)	
<u>Financial business</u>											
Taishin Bank	86519539	B1, 1F, No. 44, Jungshan N. Rd., Sec. 2, Zhongshan District, Taipei, Taiwan	Commercial bank business, trust, and bills discounting	100.00	\$ 200,995,369	\$ 9,856,188	12,299,164,593	-	12,299,164,593	100.00	Investments accounted for using equity method
Chang Hwa Bank	51811609	No. 38, Tsu Yu Rd., Sec. 2, Central District, Taichung, Taiwan	Commercial bank business, trust, and offshore banking unit	2.68	5,610,000	-	300,159,419	-	300,159,419	2.68	Financial assets at FVTOCI
Taishin Securities B	23534956	2F, No. 44, Jungshan N. Rd., Sec. 2, Zhongshan District, Taipei, Taiwan	Multiple securities and future transaction assistant	100.00	10,732,969	493,877	692,412,444	-	692,412,444	100.00	Investments accounted for using equity method
Taishin AMC	80341022	2F-3, No. 9, Dehuei St., Zhongshan District, Taipei, Taiwan	Acquisition of delinquent loans, evaluation, auction, and management	100.00	1,106,737	62,882	67,100,000	-	67,100,000	100.00	"
Taishin Securities Investment Trust	27326178	1F, No. 9-1, Dehuei St., Zhongshan District, Taipei, Taiwan	Investment trust	100.00	1,130,548	136,254	83,134,964	-	83,134,964	100.00	"
Taishin Securities Investment Advisory	23285289	16F, No. 118, Ren-Ai Rd., Sec. 4, Da'an District, Taipei, Taiwan	Investment trust, advisory, and publication	92.00	295,135	(9,987)	27,599,513	-	27,599,513	92.00	"
Taishin Venture Capital Investment	80031342	18F, No. 118, Ren-Ai Rd., Sec. 4, Da'an District, Taipei, Taiwan	Investment start-up	100.00	3,641,810	(1,093,188)	714,092,688	-	714,092,688	100.00	"
Taishin Life Insurance	23417612	10F, No. 161, Sec. 5, Nanjing E. Rd., Songshan Dist., Taipei, Taiwan	Life insurance	100.00	21,678,319	1,113,957	1,103,955,999	-	1,103,955,999	100.00	"
<u>Nonfinancial business</u>											
Metro Consulting Service Ltd.	27974096	B1F, No. 7, Lane 48, Zhongshan N. Rd., Sec. 2, Zhongshan District, Taipei, Taiwan	Consultancy, information service and human resource dispatch	4.40	2,201	-	520,000	-	520,000	10.40	Financial assets at FVTOCI

Note 1: Shares or pro forma shares held by the Bank, 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."

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)

INVESTMENTS IN MAINLAND CHINA

JUNE 30, 2025

(In Thousands of New Taiwan Dollars, In Thousands of Specified Foreign Currency)

Investor	Investee	Main Businesses and Products of Investee	Total Amount of Paid-in Capital of Investee (US\$ in Thousand)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2025 (US\$ in Thousand)	Investment Flows (US\$ in Thousand)		Accumulated Outflow of Investment from Taiwan as of June 30, 2025 (US\$ in Thousand)	Investee's Net Income	Percentage of Ownership (%)	Investment Profit (Loss) Recognized in the Current Period (Note 2)	Carrying Value as of June 30, 2025	Accumulated Inward Remittance of Earnings as of June 30, 2025
						Outflow	Inflow						
Taishin D.A. Finance	Taishin Financial Leasing (China)	Financial leasing	\$ 2,437,967 (US\$ 80,000)	Note 1.a.	\$ 2,117,767 (US\$ 70,000)	\$ -	\$ -	\$ 2,117,767 (US\$ 70,000)	\$ (27,641)	100	\$ (27,641) (Note 2.b.1)	\$ 2,225,791	\$ 397,631

Investor	Accumulated Investment in Mainland China as of June 30, 2025 (US\$ in Thousand)	Investment Amounts Authorized by Investment Commission, MOEA (US\$ in Thousand)	Upper Limit on Investment (US\$ in Thousand)
Taishin D.A. Finance	\$ 2,117,767 (US\$ 70,000)	\$ 2,356,113 (US\$ 80,000)	\$ 30,195,494

Note 1: The methods of investment are as follows:

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

Note 2: Recognized in profit (loss) in the current period:

- a. If the entity is still in the preparation stage and there is no profit (loss) yet, it should be disclosed.
- b. The basis of recognition of profit (loss), one of the following categories, should be disclosed:
 - 1) Financial statements have been audited (reviewed) by an international accounting firm that has a working relationship with an accounting firm in the ROC.
 - 2) Financial statements have been audited (reviewed) by the Taiwan parent company's CPA.
 - 3) 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.

TS FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly Named Taishin Financial Holding Co., Ltd.)

**BUSINESS RELATIONSHIPS AND MATERIAL TRANSACTIONS IN CONSOLIDATION
FOR THE SIX MONTHS ENDED JUNE 30, 2025**
(In Thousands of New Taiwan Dollars)

Number (Note a)	Main Party	Counterparty	Relationship (Note b)	Transactions			% of Consolidated Operating Revenues or Consolidated Total Assets (Note c)
				Account	Amount	Terms	
0	TS Financial Holding	Taishin Bank	1	Cash and cash equivalents	\$ 22,482,940	Under arm's length terms	0.66
0	TS Financial Holding	Taishin Bank	1	Securities purchased under resell agreements	150,000	Under arm's length terms	0.00
0	TS Financial Holding	Taishin Bank	1	Receivable, net	3,671,026	Under arm's length terms	0.11
0	TS Financial Holding	Taishin Life Insurance	1	Receivable, net	379,372	Under arm's length terms	0.01
0	TS Financial Holding	Taishin Securities B	1	Receivable, net	159,866	Under arm's length terms	0.00
1	Taishin Bank	TS Financial Holding	2	Interest expenses	184,447	Under arm's length terms	0.41
1	Taishin Bank	Taishin Securities Investment Advisory	3	Deposits and remittances	312,906	Under arm's length terms	0.01
1	Taishin Bank	Taishin Securities Investment Trust	3	Deposits and remittances	240,137	Under arm's length terms	0.01
1	Taishin Bank	Taishin Securities B	3	Deposits and remittances	1,757,347	Under arm's length terms	0.05
1	Taishin Bank	Taishin Life Insurance	3	Deposits and remittances	5,956,021	Under arm's length terms	0.18
1	Taishin Bank	Taishin Futures	4	Deposits and remittances	1,288,778	Under arm's length terms	0.04
1	Taishin Bank	Taishin Life Insurance	3	Net service fee and commission income	1,652,671	Under arm's length terms	3.69
1	Taishin Bank	Taishin Life Insurance	3	Receivable, net	343,636	Under arm's length terms	0.01
1	Taishin Bank	Taishin Life Insurance	3	Lease liabilities	168,287	Under arm's length terms	0.00
1	Taishin Bank	Taishin Life Insurance	3	Right-of-use assets, net	161,610	Under arm's length terms	0.00
1	Taishin Bank	Taishin D.A. Finance	4	Deposits and remittances	185,993	Under arm's length terms	0.01
1	Taishin Bank	Taishin Securities Venture Capital	4	Deposits and remittances	211,056	Under arm's length terms	0.01

(Continued)

Number (Note a)	Main Party	Counterparty	Relationship (Note b)	Transactions			
				Account	Amount	Terms	% of Consolidated Operating Revenues or Consolidated Total Assets (Note c)
2	Taishin Securities B	Taishin Bank	3	Lease liabilities	\$ 142,489	Under arm's length terms	0.00
2	Taishin Securities B	Taishin Bank	3	Right-of-use assets, net	140,163	Under arm's length terms	0.00
3	Taishin Futures	Taishin Securities B	5	Other financial assets	799,619	Under arm's length terms	0.02
3	Taishin Futures	Taishin Securities B	5	Other financial liabilities	799,619	Under arm's length terms	0.02

Note a: Business relationships between the parent and subsidiaries are numbered as follows:

1. Parent: 0.
2. Subsidiaries are numbered starting from 1.

Note b: 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 c: 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.

(Concluded)