SinoPac Financial Holdings Company Limited and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2026 and 2025 and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
SinoPac Financial Holdings Company Limited

Opinion

We have audited the accompanying consolidated financial statements of SinoPac Financial Holdings Company Limited and its subsidiaries (collectively referred to as the Group), which comprise the consolidated balance sheets as of June 30, 2026, December 31, 2025 and June 30, 2025, and the related consolidated statements of comprehensive income for the three months ended June 30, 2026 and 2025, six months ended June 30, 2026 and 2025, and changes in equity and cash flows for the six months ended June 30, 2026 and 2025, and the notes to the consolidated financial statements, including material accounting policy information.

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, 2026, December 31, 2025 and June 30, 2025, and its consolidated financial performance for the three months ended June 30, 2026 and 2025, and its consolidated financial performance and cash flows for the six months ended June 30, 2026 and 2025 in conformity with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Securities Issuers, the guidelines issued by the competent authority, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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 Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, 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, 2026. 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 key audit matter of the Group's consolidated financial statements for the six months ended June 30, 2026 are stated as follows:

Estimated Impairment of Discounts and Loans

The management assesses, estimates and recognizes impairment of discounts and loans collectively at the higher amount determined according to the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans ("the Procedures") endorsed by the Financial Supervisory Commission (FSC) and according to International Financial Reporting Standard 9 Financial Instruments ("IFRS 9"). According to the Procedures, the management estimates the impairment of discounts and loans based on the overdue loans classified by loan term and the situation of pledged collateral. According to IFRS 9, impairment of discounts and loans is estimated based on assumptions of probability of default and loss given default based on historical experience, current market situation and forward-looking information. Assessment of evidence of probable default and credit impairment, whether the credit risk has increased significantly since the original recognition (including the adoption of forward-looking factors), and the assessment of the methodology and assumptions used for estimating impairment and the estimation of the amount and timing of future cash flows require critical judgments and estimates. The estimated provision for impairment of discounts and loans calculated according to either the Procedures or IFRS 9 has a significant impact on the consolidated financial statements. Therefore, the estimation of impairment of discounts and loans is identified as a key audit matter for the six months ended June 30, 2026.

Refer to Notes 4, 5 and 50(c) of the accompanying consolidated financial statements for the relevant accounting policies, judgments for estimations, estimation uncertainty and other related disclosures of the estimated impairment of discounts and loans.

Our key audit procedures performed with respect to the above area included the following:

We understood and assessed management's impairment assessment practices, accounting policies and related internal control procedures for discounts and loans and evaluated whether the classification of loan assets complied with the Procedures. In addition, we evaluated whether overdue loans, situation of pledged collateral, and the provision for impairment of discounts and loans complied with the related regulations issued by the authorities. We also evaluated whether the methodology, assumptions and inputs used in the impairment assessment conform to the IFRS 9 impairment model and appropriately reflected the actual outcome. We tested samples of discounts and loans to verify their rationality.

Impairment Assessment of Goodwill

For the accounting policies relating to the impairment assessment of goodwill, please refer to Note 4 to the consolidated financial statements; for significant accounting estimates and judgments applied in the impairment assessment of goodwill, please refer to Note 5 to the consolidated financial statements; and for details of the impairment assessment of goodwill, please refer to Note 21 to the consolidated financial statements.

The recoverable amount of goodwill is determined based on projected future cash flows derived from forecast operating results. As the assumptions applied in these projections require significant professional judgment, the impairment assessment of goodwill was identified as a key audit matter.

Our key audit procedures performed in respect of the above key audit matter include the following:

1. With respect to the cash flow forecasts, we evaluated the appropriateness of the forecasting methodologies and discount rates used by the management and compared with external information.

2. We considered whether there was a significant difference between the actual operations after the relevant business combination and the expected benefits at the time of acquisition to assess the accuracy of the estimates made by management in the past, and we determined that the disclosures in the financial statements were appropriate.

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, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Securities Issuers, the guidelines issued by the competent authority, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including 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 Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 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 review of the group audit work performed. 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, 2026 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 Yi-Chun Wu and Jr-Shian Ke.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 21, 2026

Notice to Readers

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

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 Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	June 30, 2026		December 31, 2025		June 30, 2025	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CASH AND CASH EQUIVALENTS, NET (Notes 4, 6 and 46)	$ 58,387,904	1	$ 31,877,344	1	$ 37,431,161	1
DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS, NET (Notes 7 and 46)	283,988,582	7	271,089,441	7	195,560,456	6
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8, 15, 46 and 47)	207,034,165	5	188,872,962	5	120,499,726	4
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 9, 46 and 47)	421,233,680	11	460,376,300	13	360,879,858	12
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST (Notes 4, 10 and 47)	353,277,762	9	348,958,358	9	323,292,249	11
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Notes 4, 11 and 46)	88,152,551	2	102,717,175	3	93,399,270	3
RECEIVABLES, NET (Notes 4, 12 and 46)	283,475,834	7	179,363,016	5	150,858,895	5
CURRENT INCOME TAX ASSETS (Notes 4, 34 and 46)	387,716	-	290,713	-	331,627	-
ASSETS HELD FOR SALE (Notes 4 and 47)	-	-	12,258,681	-	-	-
DISCOUNTS AND LOANS, NET (Notes 4, 5, 13, 46 and 47)	2,101,288,548	53	1,944,987,699	53	1,668,684,709	54
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Notes 4 and 16)	1,165,908	-	1,083,769	-	983,821	-
OTHER FINANCIAL ASSETS, NET (Notes 4, 17, 46 and 47)	112,928,438	3	74,791,178	2	55,569,226	2
INVESTMENT PROPERTY, NET (Notes 4, 18 and 47)	2,316,599	-	2,345,101	-	2,137,905	-
PROPERTY AND EQUIPMENT, NET (Notes 4, 19, 46 and 47)	18,794,546	1	18,831,381	1	13,614,042	1
RIGHT-OF-USE ASSETS, NET (Notes 4, 20, 46 and 47)	4,614,265	-	4,501,468	-	4,467,621	-
INTANGIBLE ASSETS, NET (Notes 4, 5, 21 and 46)	12,615,423	-	12,988,324	-	7,876,119	-
DEFERRED INCOME TAX ASSETS (Notes 4 and 34)	3,809,130	-	3,834,642	-	3,667,942	-
OTHER ASSETS, NET (Notes 4, 22 and 46)	41,578,024	1	35,066,089	1	32,717,234	1
TOTAL ASSETS	$ 3,995,049,075	100	$ 3,694,233,641	100	$ 3,071,971,861	100
LIABILITIES AND EQUITY						
DEPOSITS FROM THE CENTRAL BANK AND BANKS (Notes 23 and 46)	$ 116,619,959	3	$ 136,950,871	4	$ 92,424,436	3
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8 and 46)	77,169,009	2	65,538,088	2	86,633,302	3
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 4, 8, 9, 10, 11 and 24)	93,727,488	2	54,861,519	2	69,492,525	2
COMMERCIAL PAPERS ISSUED, NET (Notes 25 and 46)	155,434,157	4	124,589,433	3	32,582,588	1
PAYABLES (Notes 4, 26, 31, 42 and 46)	168,562,162	4	88,735,403	2	87,040,329	3
CURRENT INCOME TAX LIABILITIES (Notes 4, 34 and 46)	3,954,445	-	3,224,237	-	3,540,117	-
LIABILITIES RELATED TO ASSETS CLASSIFIED AS HELD FOR SALE (Notes 4 and 46)	-	-	10,417,272	-	-	-
DEPOSITS AND REMITTANCES (Notes 27 and 46)	2,815,449,401	70	2,730,043,943	74	2,297,443,637	75
BONDS PAYABLE (Notes 4 and 28)	64,809,107	2	63,932,072	2	62,134,094	2
SHORT-TERM BORROWINGS (Note 29)	21,558,928	1	7,998,451	-	5,598,387	-
LONG-TERM BORROWINGS (Notes 29 and 46)	43,423	-	4,110,548	-	5,904,276	-
PREFERRED STOCK LIABILITIES (Notes 4 and 35)	18,437	-	18,437	-	18,437	-
PROVISIONS (Notes 4, 30 and 31)	2,850,659	-	2,882,572	-	2,751,244	-
OTHER FINANCIAL LIABILITIES (Notes 4, 32 and 46)	179,846,039	4	121,841,920	3	94,484,813	3
LEASE LIABILITIES (Notes 4, 20 and 46)	4,211,444	-	4,096,634	-	4,038,252	-
DEFERRED INCOME TAX LIABILITIES (Notes 4 and 34)	2,812,039	-	2,014,725	-	1,739,395	-
OTHER LIABILITIES (Notes 4, 33 and 46)	20,290,393	1	14,878,453	1	18,243,807	1
Total liabilities	3,727,357,090	93	3,436,134,578	93	2,864,069,639	93
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT						
Capital stock						
Common stock	144,923,223	4	144,923,223	4	126,858,509	4
Stock dividends to be distributed	2,898,464	-	-	-	4,313,189	-
Total capital stock	147,821,687	4	144,923,223	4	131,171,698	4
Capital surplus	26,827,097	1	26,827,097	1	6,131,053	-
Retained earnings						
Legal reserve	31,323,339	1	28,553,526	1	28,553,526	1
Special reserve	6,667,474	-	6,174,568	-	6,174,568	-
Unappropriated earnings	58,770,664	1	55,198,545	1	41,236,687	2
Total retained earnings	96,761,477	2	89,926,639	2	75,964,781	3
Other equity	(6,411,977)	-	(6,183,655)	-	(7,236,383)	-
Total equity attributable to owners of parent	264,998,284	7	255,493,304	7	206,031,149	7
NON-CONTROLLING INTERESTS	2,693,701	-	2,605,759	-	1,871,073	-
Total equity	267,691,985	7	258,099,063	7	207,902,222	7
TOTAL LIABILITIES AND EQUITY	$ 3,995,049,075	100	$ 3,694,233,641	100	$ 3,071,971,861	100

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

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

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			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
INTEREST INCOME	$ 27,280,578	94	$ 22,421,441	133	$ 53,250,787	97	$ 45,521,760	128
INTEREST EXPENSES	(14,584,014)	(50)	(13,590,379)	(81)	(28,622,739)	(52)	(28,217,240)	(79)
NET INTEREST REVENUE (Notes 4, 36 and 46)	12,696,564	44	8,831,062	52	24,628,048	45	17,304,520	49
NET REVENUES OTHER THAN INTEREST (Note 4)								
Service fee and commissions income, net (Notes 37 and 46)	9,728,711	33	4,735,266	28	18,960,321	34	11,201,764	31
Gains on financial assets and liabilities at fair value through profit or loss, net (Notes 38 and 46)	6,119,675	21	1,608,793	10	10,166,807	18	4,577,918	13
Realized gains on financial assets at fair value through other comprehensive income (Notes 39 and 46)	472,832	2	321,039	2	726,520	1	604,913	2
(Losses) gains arising from derecognition of financial assets measured at amortized cost	(132,046)	-	13,114	-	(124,263)	-	(164,809)	(1)
Foreign exchange (losses) gains	(207,681)	(1)	1,268,755	8	127,011	-	1,690,638	5
Impairment loss on assets (Notes 17, 22 and 40)	(56,811)	-	(100,293)	(1)	(24,518)	-	(135,540)	-
Share of profit of associates accounted for using equity method (Note 16)	29,196	-	23,053	-	40,764	-	29,949	-
Net other revenue other than interest income (Notes 41 and 46)	431,887	1	182,886	1	780,954	2	434,027	1
Net revenues other than interest	16,385,763	56	8,052,613	48	30,653,596	55	18,238,860	51
NET REVENUE	29,082,327	100	16,883,675	100	55,281,644	100	35,543,380	100
BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE LIABILITY PROVISION (Notes 4, 5, 6, 7, 12, 13, 17 and 30)	(384,059)	(2)	(218,641)	(1)	(1,840,284)	(3)	(1,107,052)	(3)
OPERATING EXPENSES								
Employee benefits expenses (Notes 4, 31, 42 and 46)	(8,772,741)	(30)	(5,851,605)	(35)	(16,718,858)	(30)	(11,914,973)	(33)
Depreciation and amortization expense (Notes 4, 18, 19, 20, 21 and 43)	(962,127)	(3)	(686,957)	(4)	(1,746,006)	(3)	(1,372,820)	(4)
Other general and administrative expenses (Notes 44 and 46)	(3,412,614)	(12)	(2,841,258)	(17)	(6,253,219)	(12)	(5,269,740)	(15)
Total operating expenses	(13,147,482)	(45)	(9,379,820)	(56)	(24,718,083)	(45)	(18,557,533)	(52)

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SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

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			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	$ 15,550,786	53	$ 7,285,214	43	$ 28,723,277	52	$ 15,878,795	45
INCOME TAX EXPENSE (Notes 4 and 34)	(2,040,403)	(7)	(1,779,467)	(11)	(4,197,472)	(8)	(3,110,802)	(9)
NET PROFIT FROM CONTINUING OPERATIONS	13,510,383	46	5,505,747	32	24,525,805	44	12,767,993	36
GAIN FROM DISCONTINUED OPERATIONS	-	-	-	-	22,092	-	-	-
NET INCOME	13,510,383	46	5,505,747	32	24,547,897	44	12,767,993	36
OTHER COMPREHENSIVE INCOME (Note 4)								
Items that will not be reclassified to profit or loss								
Change in fair value of financial liability attributable to change in credit risk of liability (Note 35)	(9,468)	-	10,679	-	(11,108)	-	9,493	-
Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income (Note 35)	797,184	3	(22,629)	-	2,211,155	4	(404,607)	(1)
Other items that will not be reclassified to profit or loss	-	-	-	-	22,846	-	-	-
Income tax related to items that will not be reclassified to profit or loss (Notes 34 and 35)	11,979	-	(369)	-	6,278	-	(9,802)	-
Items that will not be reclassified to profit or loss	799,695	3	(12,319)	-	2,229,171	4	(404,916)	(1)
Items that will be reclassified to profit or loss								
Exchange differences on translation of foreign operations (Note 35)	73,219	-	(4,516,816)	(27)	847,443	2	(4,037,905)	(11)
Gains (losses) from investments in debt instruments measured at fair value through other comprehensive income (Note 35)	1,184,081	4	2,194,371	13	(1,799,709)	(3)	2,955,739	8

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SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

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			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
Share of other comprehensive income (loss) of associates accounted for using equity method (Notes 16 and 35)	$ 387	-	$ 8,875	-	$ (1,332)	-	$ 8,140	-
Income tax related to components of other comprehensive (loss) income that will be reclassified to profit or loss (Notes 34 and 35)	(73,234)	-	784,102	5	(288,993)	(1)	834,015	2
Items that will be reclassified to profit or loss	1,184,453	4	(1,529,468)	(9)	(1,242,591)	(2)	(240,011)	(1)
Other comprehensive income	1,984,148	7	(1,541,787)	(9)	986,580	2	(644,927)	(2)
TOTAL COMPREHENSIVE INCOME	$ 15,494,531	53	$ 3,963,960	23	$ 25,534,477	46	$ 12,123,066	34
NET INCOME ATTRIBUTABLE TO:								
Owners of parent	$ 13,498,057	46	$ 5,401,306	32	$ 24,492,524	44	$ 12,603,048	35
Non-controlling interests	12,326	-	104,441	-	55,373	-	164,945	1
	$ 13,510,383	46	$ 5,505,747	32	$ 24,547,897	44	$ 12,767,993	36
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of parent	$ 15,494,291	53	$ 4,105,677	24	$ 25,446,535	46	$ 12,190,633	34
Non-controlling interests	240	-	(141,717)	(1)	87,942	-	(67,567)	-
	$ 15,494,531	53	$ 3,963,960	23	$ 25,534,477	46	$ 12,123,066	34
EARNINGS PER SHARE (Note 45)								
From continuing operations and discontinued operations								
Basic	$ 0.91		$ 0.40		$ 1.66		$ 0.94	
Diluted	$ 0.91		$ 0.40		$ 1.66		$ 0.94	
From continuing operations								
Basic	$ 0.91		$ 0.40		$ 1.66		$ 0.94	
Diluted	$ 0.91		$ 0.40		$ 1.66		$ 0.94	

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

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

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

	Equity Attributable to Owners of Parent (Note 35)															
	Capital Stock				Retained Earnings (Note 9)				Other Equity (Notes 4 and 9)							
	Common Stock	Stock Dividends to Be Distributed	Total	Capital Surplus (Note 4)	Legal Reserve	Special Reserve	Unappropriated Earnings	Total Retained Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income	Change in Fair Value of Financial Liability Attributable to Change in Credit Risk of Liability	Equity Directly Related to Disposal Groups Held for Sale	Total	Total Equity Attributable to Owners of Company	Non-controlling Interests (Notes 4 and 35)	Total Equity
BALANCE AT JANUARY 1, 2025	$ 126,858,509	$ -	$ 126,858,509	$ 6,129,361	$ 25,867,291	$ 5,641,534	$ 46,577,002	$ 78,085,827	$ (621,460)	$ (5,052,658)	$ (16,631)	$ -	$ (5,690,749)	$ 205,382,948	$ -	$ 205,382,948
Appropriation and distribution of retained earnings generated in 2024																
Legal reserve	-	-	-	-	2,686,235	-	(2,686,235)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	533,034	(533,034)	-	-	-	-	-	-	-	-	-
Cash dividends - common stock	-	-	-	-	-	-	(11,544,124)	(11,544,124)	-	-	-	-	-	(11,544,124)	-	(11,544,124)
Stock dividends - common stock	-	4,313,189	4,313,189	-	-	-	(4,313,189)	(4,313,189)	-	-	-	-	-	-	-	-
Changes in other capital surplus																
Other changes in capital surplus	-	-	-	1,692	-	-	-	-	-	-	-	-	-	1,692	-	1,692
Net income for the six months ended June 30, 2025	-	-	-	-	-	-	12,603,048	12,603,048	-	-	-	-	-	12,603,048	164,945	12,767,993
Other comprehensive (loss) income for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	-	-	-	(3,034,959)	2,613,051	9,493	-	(412,415)	(412,415)	(232,512)	(644,927)
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	-	12,603,048	12,603,048	(3,034,959)	2,613,051	9,493	-	(412,415)	12,190,633	(67,567)	12,123,066
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,938,640	1,938,640
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	1,133,219	1,133,219	-	(1,133,219)	-	-	(1,133,219)	-	-	-
BALANCE AT JUNE 30, 2025	$ 126,858,509	$ 4,313,189	$ 131,171,698	$ 6,131,053	$ 28,553,526	$ 6,174,568	$ 41,236,687	$ 75,964,781	$ (3,656,419)	$ (3,572,826)	$ (7,138)	$ -	$ (7,236,383)	$ 206,031,149	$ 1,871,073	$ 207,902,222
BALANCE AT JANUARY 1, 2026	$ 144,923,223	$ -	$ 144,923,223	$ 26,827,097	$ 28,553,526	$ 6,174,568	$ 55,198,545	$ 89,926,639	$ (1,354,951)	$ (4,789,210)	$ (16,648)	$ (22,846)	$ (6,183,655)	$ 255,493,304	$ 2,605,759	$ 258,099,063
Appropriation and distribution of retained earnings generated in 2025																
Legal reserve	-	-	-	-	2,769,813	-	(2,769,813)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	492,906	(492,906)	-	-	-	-	-	-	-	-	-
Cash dividends - common stock	-	-	-	-	-	-	(15,941,555)	(15,941,555)	-	-	-	-	-	(15,941,555)	-	(15,941,555)
Stock dividends - common stock	-	2,898,464	2,898,464	-	-	-	(2,898,464)	(2,898,464)	-	-	-	-	-	-	-	-
Net income for the six months ended June 30, 2026	-	-	-	-	-	-	24,492,524	24,492,524	-	-	-	-	-	24,492,524	55,373	24,547,897
Other comprehensive income (loss) for the six months ended June 30, 2026, net of income tax	-	-	-	-	-	-	-	-	651,698	290,575	(11,108)	22,846	954,011	954,011	32,569	986,580
Total comprehensive income (loss) for the six months ended June 30, 2026	-	-	-	-	-	-	24,492,524	24,492,524	651,698	290,575	(11,108)	22,846	954,011	25,446,535	87,942	25,534,477
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	1,182,333	1,182,333	-	(1,182,333)	-	-	(1,182,333)	-	-	-
BALANCE AT JUNE 30, 2026	$ 144,923,223	$ 2,898,464	$ 147,821,687	$ 26,827,097	$ 31,323,339	$ 6,667,474	$ 58,770,664	$ 96,761,477	$ (703,253)	$ (5,680,968)	$ (27,756)	$ -	$ (6,411,977)	$ 264,998,284	$ 2,693,701	$ 267,691,985

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

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from continuing operations before tax	$ 28,723,277	$ 15,878,795
Profit before income tax from discontinued operations	22,092	-
Adjustments to reconcile profit		
Depreciation expense	1,244,158	1,121,467
Amortization expense	502,216	251,353
Provision for bad debt expense	3,642,305	1,879,763
Interest expenses	28,638,386	28,217,240
Net loss arising from derecognition of financial assets measured at amortized cost	124,263	164,809
Interest income	(53,283,516)	(45,521,760)
Dividend income	(1,042,177)	(637,811)
Net change in provisions for guarantee liabilities	103,461	99,482
Net change in other provisions	(1,504)	(130,400)
Share of profit of associates accounted for using equity method	(40,764)	(29,949)
Loss (gain) on disposal and retirement of property and equipment	883	(1,746)
Losses on disposal of intangible assets	2,055	3,172
Gain on disposal of assets held for sale	(20,937)	-
Impairment loss on financial assets	24,328	135,161
Impairment loss on non-financial assets	190	379
Loss (gain) from lease modification	1,170	(332)
Changes in operating assets and liabilities		
(Increase) decrease in due from the Central Bank and call loans to banks	(6,431,317)	(3,793,511)
(Increase) decrease in financial assets at fair value through profit or loss	(18,174,594)	43,194,852
(Increase) decrease in financial assets at fair value through other comprehensive income	39,575,065	26,936,615
(Increase) decrease in investments in debt instruments at amortized cost	(4,293,105)	(13,495,660)
(Increase) decrease in securities purchased under resell agreements	(250,915)	(347,053)
(Increase) decrease in receivables	(102,145,340)	10,492,428
(Increase) decrease in discounts and loans	(159,622,175)	(14,014,785)
(Increase) decrease in other financial assets	(37,572,450)	19,636,088
(Increase) decrease in other assets	(6,503,392)	2,180,987
Increase (decrease) in deposits from the Central Bank and banks	(20,330,912)	(4,246,314)
Increase (decrease) in financial liabilities at fair value through profit or loss	11,619,813	8,391,393
Increase (decrease) in securities sold under repurchase agreements	38,865,969	(7,632,701)
Increase (decrease) in payables	61,628,943	10,848,110
Increase (decrease) in deposits and remittances	85,405,458	(11,494,127)
Increase (decrease) in provisions for employee benefits	(157,109)	(179,494)

(Continued)

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2026	**2025**
Increase (decrease) in other financial liabilities	$ 58,004,119	$ (4,125,746)
Increase (decrease) in other liabilities	5,430,054	(1,677,280)
Net cash generated from (used in) operations activities	(46,312,002)	62,103,425
Interest received	52,438,042	46,452,580
Dividends received	652,350	414,866
Interest paid	(28,075,324)	(28,742,248)
Income tax paid	(3,007,019)	(2,382,159)
Net cash generated from (used in) operating activities	(24,303,953)	77,846,464
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash flow from acquisition of subsidiaries	-	(4,779,254)
Proceeds from disposal of assets held for sale	98,657	-
Acquisition of property and equipment	(756,977)	(578,358)
Proceeds from disposal of property and equipment	19,205	18,676
Acquisition of intangible assets	(141,204)	(145,776)
Acquisition of right-of-use assets	(37)	(541)
Acquisition of investment properties	(4,355)	(1,548)
Net cash used in investing activities	(784,711)	(5,486,801)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	10,906,123	(2,231,179)
Increase (decrease) in commercial papers issued	30,844,724	(38,088,490)
Proceeds from issuance of corporate bonds	3,000,000	1,000,000
Repayments of corporate bonds	-	(7,000,000)
Repayment of bank debentures	(2,200,000)	(650,000)
Proceeds from long-term borrowings	6,022,632	5,967,312
Repayments of long-term borrowings	(8,048,966)	(10,922,301)
Payments of lease liabilities	(636,082)	(550,374)
Payments to acquire treasury shares	-	(95,096)
Proceeds from sale of treasury shares	-	96,788
Net cash generated from (used in) financing activities	39,888,431	(52,473,340)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	870,475	(3,993,343)

(Continued)

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2026	**2025**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ 15,670,242	$ 15,892,980
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	292,113,039	222,926,696
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 307,783,281	$ 238,819,676

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets as of June 30, 2026 and 2025:

	June 30	
	2026	**2025**
Cash and cash equivalents reported in consolidated balance sheets	$ 58,387,904	$ 37,431,161
Due from the Central Bank and call loans to banks reclassified as cash and cash equivalents under the definition of IAS 7	164,018,357	109,185,509
Securities purchased under resell agreements reclassified as cash and cash equivalents under the definition of IAS 7	85,377,020	92,203,006
Cash and cash equivalents at the end of the period	$ 307,783,281	$ 238,819,676

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

1. ORGANIZATION AND OPERATIONS

May 9, 2002	Following its incorporation, SinoPac Financial Holdings Co., Ltd. (the Company or SPH) issued shares to swap with the shares of Bank SinoPac (BSP), National Securities Corporation (NSC), and SinoPac Securities Corporation (SPS), resulting in all three companies becoming wholly owned subsidiaries of SPH.
December 26, 2005	The International Bank of Taipei became a wholly owned subsidiary of SPH through a share swap made in accordance with the Financial Holding Company Act. The share swap ratio was 1.3646 (with 1 representing the SPH's share). The trading of IBT's shares on the Taiwan Stock Exchange then ceased.
June 2006	SPH convened a shareholders' meeting to reach the decision of changing SPH's Chinese name, and completed the registration on July 2006.

SPH invests and manages financial institutions.

The consolidated financial statements of the Company and its subsidiaries (collectively referred to as the Group) are presented in the New Taiwan dollar, the Company's functional currency.

The information on consolidated entities is shown in Note 14 (a).

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on August 21, 2026.

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

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

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2027

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 1)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027
Amendments to IAS 28 "Amendments to the Fair Value Option for Investments in Associates and Joint Ventures"	January 1, 2027 (Note 2)

Note 1: Domestic entities shall apply IFRS 18 beginning on January 1, 2028. Earlier application is permitted.

Note 2: An entity shall apply the amendments when it applies IFRS 18.

IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments

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

- The Group shall assess whether investing in particular types of assets or providing financing to customers constitutes a specified main business activity and, based on that assessment, classify income and expenses in the statement of profit or loss 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.

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

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

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

The Group has decided not to early adopt IFRS 18 and consequential amendments.

Except for the above impact, 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

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 the IASB
IFRS 20 "Regulatory Assets and Regulatory Liabilities"	January 1, 2029

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Public Banks, Securities Firms, Futures Commission Merchants, Securities Issuers and the guidelines issued by the competent authority, and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. These interim consolidated financial statements do not include all the disclosures required under IFRS Accounting Standards for a complete set of annual consolidated financial statements.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value, liabilities for cash-settled share-based payment transaction and net defined benefit liability which are measured at the present value of defined benefit obligation less fair value of plan assets and liabilities.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

c. Level 3 inputs are unobservable inputs for the asset or liability.

Classification of Current and Non-current Assets and Liabilities

The assets and liabilities of this consolidated financial statements were properly classified in accordance with the nature of each account and sequenced by their liquidity, please refer to Note 50 for the maturity analysis of assets and liabilities.

Principles for Preparing Consolidated Financial Statements

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

When necessary, adjustments are made to the financial statements of its subsidiaries to bring its accounting policies into line with those used by the Company.

All intragroup transactions, balances, income and expenses are eliminated in full upon consolidation. Related information is shown in Table 11.

Details of subsidiaries, shareholding percentages, and business activities, please refer to Note 14.

Foreign Currencies

In preparing the financial statements of the Group, transactions in currencies other than the Group's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arise from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

Cash and Cash Equivalents

Cash and cash equivalent in financial statements includes cash on hand, demand deposits and investments with original maturities within three months from the date of acquisition, highly liquid, readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. For the purposes of presenting cash flows, the cash and cash equivalent include cash and cash equivalents in the consolidated balance sheets, due from the Central Bank and call loans to other banks and securities purchased under resell agreements under IAS 7.

Financial Instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a. Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost, and investments in debt instruments and equity instruments at FVTOCI.

1) Financial asset at FVTPL

Financial asset is classified as at FVTPL when the financial asset is mandatorily classified or it is designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria. A financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.

Financial assets at FVTPL are subsequently measured at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 49.

2) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, receivables and discount and loans, are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

3) Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

a) The financial asset is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of the financial assets; and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

4) Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate equity instruments which are neither held for trading nor contingent consideration recognized by an acquirer in a business combination as at FVTOCI.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost and investments in debt instruments that are measured at FVTOCI.

The Group always recognizes lifetime Expected Credit Loss (ECL) for receivables. For all other financial instruments (including lease receivables and installment), the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the 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 ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL 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 an impairment gain or loss 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 financial asset.

Under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans" (the Regulations), Bank SinoPac and King's Town Bank evaluates credit losses on the basis of the estimated collectability of loans. In accordance with the Regulations, credit assets are classified as normal assets, assets that require special mentioned, assets with substandard credit quality, assets with doubtful collectability, and assets on which there is loss. The Group evaluates the value of collaterals of specified loans and assesses recoverability of non-performing loans. These will be written off after approved by the board of directors when evaluated as unrecoverable.

Based on the above Regulations, Bank SinoPac and King's Town Bank's the minimum allowance for credit losses and provision for losses on guarantees for assets that are normal excluding claims against the ROC government agencies that require special mentioned, assets that are substandard, assets with doubtful collectability, and assets on which there is loss were 1%, 2%, 10%, 50% and 100%, respectively of outstanding. In addition, under the FSC Official Letter No. 10010006830, there should be a provision at more than 1% of the sum of the minimum allowance for credit losses and the provision for losses on guarantees.

For enhanced risk management of banks, the FSC issued Official Letter No. 10300329440, which requires domestic banks to allocate an allowance of at least 1.5% of repair loans and construction loans. In addition, under the FSC Official Letter No. 10410001840, Category 1 credits granted to enterprises in the China region should be covered by an allowance of at least 1.5% of the balance of these credits.

c. Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of a debt instrument at FVTOCI in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss. On derecognition of an equity instrument at FVTOCI in its entirety, cumulative gain or loss is transferred directly to retained earnings instead of reclassifying as profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Equity and debt instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

For the issuance of convertible preferred stock, the Company first determines the carrying amount of the liability component by measuring the fair value of a similar liability that does not have an associated equity component, then determines the carrying amount of the equity component, representing the equity conversion option, by deducting the fair value of the liability component from the fair value of the convertible preferred shares as a whole. The liability component (excluding embedded derivatives) is measured at amortized cost. Upon preferred stock conversion, the Company uses the aggregate carrying amount of the liability and equity components of the convertible preferred shares at the time of conversion as a basis for recording the common shares issued.

a. Subsequent measurement

Except the following situation, all financial liabilities are measured at amortized cost using the effective interest method:

1) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or is designated as at FVTPL.

Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest or dividend paid on the financial liability. Fair value is determined in the manner described in Note 49.

A financial liability may be designated as at FVTPL upon initial recognition when doing so results in more relevant information and if:

a) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

b) The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and has performance evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

c) The contract contains one or more embedded derivatives so that the entire combined contract (asset or liability) can be designated as at FVTPL.

For a financial liability designated as at FVTPL, the amount of changes in fair value attributable to changes in the credit risk of the liability is presented in other comprehensive income and will not be subsequently reclassified to profit or loss. The remaining amount of changes in the fair value of that liability which incorporates any interest or dividend paid on the financial liability is presented in profit or loss. The gain or loss accumulated in other comprehensive income will be transferred to retained earnings when the financial liabilities are derecognized. If this accounting treatment related to credit risk would create or enlarge an accounting mismatch, all changes in fair value of the liability are presented in profit or loss.

2) Financial guarantee contracts

Financial guarantee contracts issued by the Group, if not designated as at FVTPL, are subsequently measured at the higher of the amount of the loss allowance reflecting expected credit loss or the amount initially recognized less accumulated amortization.

b. Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Modification of financial instruments

When the cash flows of the financial instrument were renegotiated or modified, the Group assesses whether the modification will result in derecognition. If modification of a financial instrument results in derecognition, it is accounted for as derecognition of financial assets or liabilities. If the modification does not result in derecognition, the Group recalculates the gross carrying amount of the financial asset or the amortized cost of the financial liability based on the modified cash flows discounted at the original effective interest rate with any modification gain or loss recognized in profit or loss. The cost incurred is adjusted to the carrying amount of the modified financial asset or financial liability and amortized over the modified remaining period.

Derivative Financial Instruments

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in hybrid contracts that contain hosts which are not assets (e.g. financial liabilities) within the scope of IFRS 9 shall be separated from the host and accounted for as a derivative under IFRS 9 if, and only if, the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host. Alternatively, the entire hybrid instrument is designated as a derivative instrument included in financial liabilities at fair value through profit or loss upon initial recognition, and no separate accounting is required.

Investment in Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the associates' equity.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

Repurchase and Reverse Repurchase Transactions

Securities purchased under resell (reverse repurchase) agreements and securities sold under repurchase agreements are generally treated as collateralized financing transactions. Interest earned on reverse repurchase agreements or interest incurred on repurchase agreements is recognized as interest income or interest expense over the life of each agreement.

Margin Loans and Stock Loans

"Margin loans receivable" represents the amount that SinoPac Securities and its subsidiaries finance customers for buying securities, and the securities are then used to secure these loans. The collateral is recorded as "collateral securities" by using memo entries. The collateral securities are returned to the customers when the margin loans are repaid.

When SinoPac Securities needs to refinance the aforementioned margin loans from securities finance companies, the borrowings are recorded as "refinancing borrowings," which are collateralized by securities bought by customers.

The collateral securities of margin loans are sold when market values of the securities to loans fall below a pre-agreed level. After disposal of collateral securities, if the above level still can't be met and the customer cannot timely settle the deficiency, the balance of the margin loan is reclassified to "overdue receivables". If any collateral securities cannot be sold in the open market, the balance of the loan is reclassified to "other receivables" or "overdue receivables".

Stock loans are securities lent to customers for short sales. The deposits received from customers on securities lent out are credited to "securities financing refundable deposits". The securities sold short are recorded as "stock loans" by using memo entries. The proceeds of the sales of securities lent to customers less any dealer's commission, financing charges and securities exchange tax are recorded as "deposits payable for securities financing". The deposits received and the proceeds of disposal of stock loans are returned to the customers when the stock loans are repaid.

When SinoPac Securities needs to refinance the aforementioned stock loans from securities finance companies, the margins deposited to securities finance companies are recorded as "refinancing margin". The refinancing securities delivered to SinoPac Securities are recorded as "refinancing stock collaterals" by using memo entries. A portion of the proceeds of the short-sale of securities borrowed from securities finance companies is retained by the securities finance companies as collateral and is recorded as "refinancing deposits receivable".

Money Lending in Connection with Securities Business, Non-restricted Purpose Loan, Lending Business, and Securities Borrowing and Lending

The sources of lending securities for the securities borrowing and lending business of SinoPac Securities are from:

(1) securities owned, (2) securities borrowed from the Taiwan Stock Exchange Corporation (TWSE) through its Securities Borrowing and Lending (SBL) system, (3) collateral securities acquired from margin loans and stock loans, (4) securities borrowed from customers and (5) securities borrowed from other securities firms or securities financing companies. When using its self-owned securities for lending business, SinoPac Securities should reclassify the securities to "lending stock" and measured them at fair value on the valuation date. The gains or losses from valuation are recognized in the valuation account from which the securities are reclassified. When conducting the securities lending business, SinoPac Securities sets up a separate account for each customer and makes daily entries for details of loan balances, details of collateral received (including values), and payments for collateral shortfalls and disposals.

When conducting money lending in connection with securities business, the amount is limited to payables by each customer after netting the prices of securities bought and sold by that customer on that trading day, the related fees and taxes; the amount is recorded as "receivable of securities business money lending." When conducting Non-restricted Purpose Loan, the amount is limited to the collateral received; the amount is recorded as "receivable of money lending - any use." The interests and fees earned are recorded as "interest revenue" and "Handling fee revenues from securities business money lending." In addition, the Corporation sets up a separate account for each customer and makes daily entries for details of money lending balances, details of collateral received and payments for collateral shortfalls and disposals.

The collateral securities obtained through securities lending are recorded through memo entries as "collateral securities". Cash collaterals are recorded as "securities lending refundable deposits". Deposits for securities borrowed from the SBL system of TWSE are recorded as "securities borrowing margin". Securities lending refundable deposits (or securities borrowing margin) will be repaid (or collected) on the return of borrowed securities. Revenues and service fee from securities lending are recognized as income from securities lending.

Customers' Margin Accounts and Futures Traders' Equity

SinoPac Futures and SinoPac Securities (Asia) Ltd. engage in futures brokerage and receive margin deposits from customers as required under existing regulations. The proceeds are deposited in a bank and recorded as "customers' margin accounts" and "futures traders' equity". Gains or losses from daily marking to market of the carrying amounts of the contracts and related commission are charged to the customers' margin accounts and futures traders' equity. Futures traders' equity accounts cannot offset each other except when they are of the same kind and belong to the same investor. The debit balance of futures traders' equity, which results from losses on futures transactions in excess of the margin deposited, is recorded as "Futures exchanges margin receivable".

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, depreciation on property and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

a. The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use assets, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

When a lease includes both land and building elements, the Group separately assesses the classification of each element as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred and then classifies each element as a finance lease or an operating lease on the basis of the assessment. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

b. The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

Pursuant to the lease agreement, the Group has an obligation, at the end of the respective lease terms, to restore the leased buildings to their original condition at the time of the lease. Provisions are recognized based on the present value of the best estimate of future outflows of economic benefits that will be required for fulfillment of the restoration obligation stated on the lease contract.

Intangible Assets

a. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently recognized at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

b. Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

c. Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal, and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Collaterals Assumed

Collaterals assumed are recorded at cost and revalued at the lower of carrying amount or net fair value as of the balance sheet date. If there is sufficient evidence indicating that the net fair market value is lower than the carrying amount of collaterals assumed, the difference after reassessment is accounted for under impairment loss on assets. Gain or loss on disposal of collaterals assumed is recognized in net other revenue other than interest income.

Impairment of Tangible and Intangible Assets Other Than Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs, corporate assets are also allocated to the individual cash-generating units; otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss subsequently is reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Provisions

The amount recognized as a provision takes into account the risks and uncertainties of the obligation and is the best estimate of the expenditure required to settle the obligation on the balance sheet date. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When part or all of the expenditures required to settle a provision are expected to be reimbursed from a third party, the reimbursement is almost certain to be received, and the amount can be measured reliably, the reimbursement is recognized as an asset.

Assets Held for Sale

Disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the disposal group is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, and the sale is expected to qualify for recognition as a completed sale within 1 year from the date of classification.

When a sale plan would result in a loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale, regardless of whether the Group will retain a non-controlling interest in that subsidiary after the sale.

Disposal groups classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal. Such assets classified as held for sale are not depreciated.

Employee Benefits

a. Short-term employee benefits

   Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

b. Retirement benefits

   Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

   Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

   Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

   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.

c. Preferential interest on employees' deposits

Bank SinoPac offers preferential interest rate to its current employees and retired employees for their deposits within a prescribed amount. The preferential interest rate in excess of market interest rate is treated as employee benefits.

Under Article 30 of the Regulation Governing the Preparation of Financial Reports by Public Bank, if the Group's preferential deposit interest rate for as stated in the employment contract exceeds the market interest rate, the excess will be subject to IAS 19 "Employee Benefits" upon the employee's retirement. The actuarial valuation assumptions and parameters are based on those announced by authority, if any.

d. Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the Group recognizes any related restructuring costs.

Share-based Payment Transaction

a. Equity-settled share-based payment transaction

The shares of the capital increased by cash of the Company in accordance with the Financial Holding Company Act was reserved for the Group's employees. The grant date was the date that the employees subscription and the fair value determined at the grant date of the equity-settled share-based payments is recognized as an expense and capital surplus.

b. Cash-settled share-based payment transaction

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

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree, less the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. The measurement period does not exceed 1 year from the acquisition date.

Revenue Recognition

a. Interest income and expense

Except for financial assets and liabilities at fair value through profit or loss, interest income and interest expense of all financial instruments are accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, and recognized in the statements of comprehensive income.

Transaction costs and all other premium or discounts associated with the loans and receivables are adjusted to the carrying amount of the loans and receivables. The calculation of effective interest rate includes transaction costs and all other premium or discounts paid or received by the Group that is an integral part of the effective interest rate.

Interest should not be accrued for loans that are transferred to non-performing loans. The interest revenue on those loans/credits is recognized upon collection.

Under Ministry of Finance (MOF) regulations, the interest revenue on structured loans is recognized upon collection.

Interest income on revolving credit card receivables and cash advance is recognized on an accrual basis.

b. Commission revenue

Commission fee revenue and expenses are recognized when loans or other services are provided. Service fees on significant projects are recognized when the project has been completed such as arrangement fee received by lead arranger in syndicated loan. Any income or expense related to subsequent service of loans on materiality basis are recognized over the period during which the service is performed, or as an adjustment to the effective interest rate on the loan and receivables.

Bank SinoPac offers rewards to customers under loyalty program, which provide customers with specific rights. Bank SinoPac estimates these liabilities as deferred revenue on the basis of the additional fair value of the rewards through receivable consideration of the original sales for the current period. Bank SinoPac recognizes revenue only when rewards are redeemed or expired.

Revenue from the securities business is allocated to the performance obligations identified in each contract with clients, and the revenue is recognized when the performance obligation is satisfied. Brokerage fee income is recognized on the spot trading and margin trading of securities.

c. Dividend income

Dividend income from investments is recognized when the shareholder’s right to receive payment has been established provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Income Tax Expense

Income tax expense represents the sum of the current tax and deferred tax.

Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

a. Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws in each tax jurisdiction of the Company and its subsidiaries.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.
Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are generally recognized for deductible temporary differences, unused loss carryforward and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are generally recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Group has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

c. Current tax and deferred tax for the period

Current tax and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognized in other comprehensive income or directly in equity respectively. If current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

d. Linked-tax system

The Company and its qualified subsidiaries adopted the linked-tax system. The different amounts between tax expense and deferred tax liabilities and assets based on consolidation and the Company with its qualified subsidiaries are adjusted on the Company; related amounts are recognized as current tax assets or current tax liabilities.

The accounting principle for the effect of tax rate amendment is the same as the principle for transactions with tax consequences. They are recognized in profit or loss, other comprehensive income or equity when they occurred.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of economic sentiment indicators, inflation and interest rate fluctuations on the cash flow projection, growth rates, discount rates and profitability, and the management will continue to review the estimates and underlying assumptions.

Estimated Impairment of Discounts and Loans

The estimate of impairment of discounts and loans is based on assumptions about probability of default and loss given default. In making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward-looking estimates. Details of the key assumptions and inputs used are disclosed in Note 50. Where the actual future cash inflows are less than expected, a material impairment loss may arise. Furthermore, considering the regulations set forth by the relevant authorities, the Group ensures that the classification and allowance for impairment are in compliance with the requirements of the regulations.

Impairment losses on discounts and loans are shown in Notes 13, 50(c), Tables 6 and 7.

Estimated Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The calculation of the value in use requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss may arise.

6. CASH AND CASH EQUIVALENTS, NET

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand	$ 9,814,187	$ 9,877,410	$ 7,893,616
Notes and checks for clearing	2,090,740	1,168,557	1,023,621
Deposits in banks and due from banks	38,927,899	15,689,063	21,827,598
Short-term bills	5,720,804	3,592,878	4,883,536
Excess futures margin	1,848,990	1,551,570	1,807,003
	58,402,620	31,879,478	37,435,374
Less: Allowance for credit losses	(14,716)	(2,134)	(4,213)
Net amount	$ 58,387,904	$ 31,877,344	$ 37,431,161

The Group assesses the allowance loss of cash and cash equivalents based on the expected credit loss model. As of June 30, 2026, December 31, 2025 and June 30, 2025, considering the historical experience and forward-looking information, the 12-month expected credit loss allowance were $14,716, $2,134 and $4,213, respectively.

Cash equivalents include short-term bills acquired by SinoPac Securities and SinoPac Securities Investment Trust that have a maturity of three months or less from the date of acquisition, high liquidity, readily convertible to a known amount of cash, and subject to an insignificant risk of change in value; these were held for the purpose of meeting short-term cash commitments.

The ranges of market rates for intervals of short-term bills at the end of the reporting period are as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Short-term bills	1.15%-2.20%	1.38%-1.72%	1.25%-1.92%

The carrying amounts of time deposits with original maturities of over three months without early termination option and pledging were classified as other financial assets. Related information is shown in Note 17.

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

	June 30, 2026	December 31, 2025	June 30, 2025
Call loans to banks	$ 116,943,237	$ 90,129,056	$ 64,137,636
Trade finance advance - interbank	17,257,627	15,818,018	9,872,029
Deposit reserve - checking accounts	48,535,274	69,678,275	39,713,875
Due from the Central Bank - interbank settlement funds	9,028,802	9,028,326	8,000,003
Deposit reserve - demand accounts	76,480,485	70,719,575	58,279,099
Deposit reserve - foreign currencies	677,579	669,309	584,828
Deposit - other	15,075,943	15,047,520	14,981,459
	283,998,947	271,090,079	195,568,929
Less: Allowance for credit losses	(10,365)	(638)	(8,473)
Net amount	$ 283,988,582	$ 271,089,441	$ 195,560,456

Under a directive issued by the Central Bank of the ROC, New Taiwan dollar (NTD)-denominated deposit reserves of Bank SinoPac and King's Town Bank are determined monthly at prescribed rates based on the average balances of customers' NTD-denominated deposits. Deposit reserve - demand accounts should not be used, except for adjusting the deposit reserve account monthly. In addition, the foreign-currency deposit reserves are determined at prescribed rates based on the balances of foreign-currency deposits. These reserves can be withdrawn momentarily anytime and are paid at no interest.

Under the relevant provisions issued by People's Bank of China, Bank SinoPac (China) made deposit reserves in proportion to deposit account balances at the end of each month.

8. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets mandatorily classified as at fair value through profit or loss			
Operating securities - proprietary	$ 74,577,697	$ 70,502,004	$ 39,564,441
Government bonds	22,645,911	39,752,671	13,200,892
Operating securities - hedging	21,727,680	10,196,335	3,490,542
Stocks	13,605,592	3,971,237	3,099,256
Commercial papers	13,311,875	11,337,495	8,350,709
Corporate bonds	9,097,764	13,162,352	9,868,818
Certificates of deposits	3,251,519	1,787,066	2,835,521
Fund beneficiary certificate	3,161,311	2,892,851	53,141
Bank debentures	964,810	470,781	5,916,024
Operating securities - underwriting	935,845	970,906	1,044,377
Interest rate swap contracts	15,048,599	12,124,228	10,664,486
Currency swap contracts	14,991,526	12,658,550	17,092,022
Future margin - own funds	5,288,744	3,984,612	2,578,495
Asset swap option contracts	2,600,156	1,459,864	868,163
Option contracts	2,519,394	257,819	545,037
Future margin - marketable securities	1,765,299	1,366,794	120,794
Forward exchange contracts	912,151	1,454,670	943,204
Others	628,292	522,727	263,804
	$ 207,034,165	$ 188,872,962	$ 120,499,726
Held-for-trading financial liabilities			
Borrowing security payable	$ 23,010,211	$ 18,083,227	$ 32,559,636
Currency swap contracts	9,832,938	13,543,930	26,460,627
Interest rate swap contracts	9,792,502	8,291,365	7,268,033
Option contracts	7,454,242	3,606,812	3,217,418
Liabilities for issuance of warrants, net	4,783,261	1,557,581	500,830
Asset swap option contracts	4,514,090	2,280,736	1,999,038
Forward exchange contracts	674,391	839,464	1,021,538
Others	2,381,430	1,157,721	632,862
	62,443,065	49,360,836	73,659,982
Financial liabilities designated as at fair value through profit or loss			
Bank debentures	2,166,977	2,093,989	1,903,765
Liabilities for structured notes	12,558,967	14,083,263	11,069,555
	14,725,944	16,177,252	12,973,320
	$ 77,169,009	$ 65,538,088	$ 86,633,302

a. Please refer to Note 47 for information on financial assets at fair value through profit or loss pledged.

b. The financial liabilities at fair value through profit or loss are specified for mixed commodities and for eliminating inconsistencies in accounting recognition.

c. As of June 30, 2026, December 31, 2025 and June 30, 2025, the par values of financial assets at FVTPL under repurchase agreements were $19,855,761, $18,438,836 and $18,199,119, respectively.

d. Information on financial liabilities designated as at fair value through profit or loss were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Difference between carrying amounts and the amounts due on maturity			
Fair value	$ 2,166,977	$ 2,093,989	$ 1,903,765
Amounts due on maturity	(2,225,171)	(2,103,363)	(1,955,496)
	$ (58,194)	$ (9,374)	$ (51,731)

	Changes in Fair Value Attributable to Changes in Credit Risk
Change in amount during the period	
For the three months ended June 30, 2026	$ (9,468)
For the three months ended June 30, 2025	$ 10,679
For the six months ended June 30, 2026	$ (11,108)
For the six months ended June 30, 2025	$ 9,493
Accumulated amount of change	
As of June 30, 2026	$ (27,756)
As of December 31, 2025	$ (16,648)
As of June 30, 2025	$ (7,138)

The change in fair value attributable to changes in credit risk recognized as other comprehensive income was calculated as the difference between the total change in fair value of bank debentures and the change in fair value due to the change in market risk factors. The change in fair value due to market risk factors was calculated using benchmark interest yield curves as at the end of the reporting period holding the credit risk margin constant and interest rates swap volatility surface. The fair value of bank debentures was estimated by discounting future cash flows using quoted benchmark interest yield curves as at the end of the reporting period, interest rates swap volatility surface and credit risk margin is estimated by obtaining credit default swap spread of the Company with similar credit rating.

On May 19, 2017, Bank SinoPac issued unsecured senior bank debentures amounting to US$45,000 thousand with a 30-year maturity, zero coupon issued and an implicit internal rate of return of 4.5%. In accordance with the terms of the bank debentures, Bank SinoPac may either redeem the bonds at an agreed-upon price after five years from the issue date, or make bond repayments on the maturity date.

e. The Group engages in derivative transactions mainly to accommodate customers' needs and manage its own exposure positions. Outstanding derivative contracts (nominal) as of June 30, 2026, December 31, 2025 and June 30, 2025 were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Currency swap contracts	$ 3,168,050,205	$ 3,600,434,886	$ 2,548,692,556
Interest rate swap contracts	1,653,294,698	1,492,767,374	1,182,665,933
Option contracts	474,495,855	101,184,334	117,458,457
Forward exchange contracts	114,363,569	100,394,383	110,797,937
Futures contracts	63,726,895	43,942,942	35,738,696
Asset swap contracts	28,300,280	30,447,713	28,343,228
Principal guaranteed contracts	10,016,175	12,530,365	9,742,394
Equity-linked swap contracts	7,642,424	4,436,075	3,953,339
Cross-currency swap contracts	6,577,738	10,281,312	15,454,823
Equity derivatives contracts	4,808,472	2,328,821	1,416,439
Credit-linked note	697,000	785,600	797,500
Forward bond contracts	566,594	559,679	520,333
Non-principal-protected financial instruments	156,874	29,217	-

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2026	December 31, 2025	June 30, 2025
Equity instruments at fair value through other comprehensive income	$ 24,742,364	$ 19,445,325	$ 15,317,988
Debt instruments at fair value through other comprehensive income	396,491,316	440,930,975	345,561,870
	$ 421,233,680	$ 460,376,300	$ 360,879,858

a. Equity instruments at fair value through other comprehensive income

	June 30, 2026	December 31, 2025	June 30, 2025
Stock	$ 24,742,364	$ 19,445,325	$ 15,317,988

The Group holds stocks as medium and long-term strategic investments, or based on the investment principles of improving the efficiency of medium and long-term capital utilization and pursuing stable investment performance, based on the disposal principles of acquiring dividend income while balancing profit and risk, and it is not held for trading purpose. Therefore, the equity instruments are designated as at fair value through other comprehensive income.

Due to management the risk of investment position, the Group sold the stocks at a fair value of $6,237,470 and $6,553,555 and transferred the income of gain $1,182,333 and $1,133,219 from other equity to retained earnings for the six months ended June 30, 2026 and 2025, respectively.

The Group recognized the fair value gains in other comprehensive income, $726,265 attributable to investments derecognized during the reporting period, and $1,484,890 attributable to investments still held as of the end of the reporting period for the six months ended June 30, 2026.

b. Debt instruments at fair value through other comprehensive income

	June 30, 2026	December 31, 2025	June 30, 2025
Bank debentures	$ 115,133,374	$ 119,011,585	$ 93,608,344
Corporate bonds	86,660,383	80,332,110	56,289,985
Certificates of deposits	75,432,557	121,300,705	103,339,819
Government bonds	47,491,948	47,559,699	36,754,744
Commercial papers	44,749,658	56,363,196	31,543,857
Asset-based securities	11,034,236	11,392,241	11,822,942
Others	15,989,160	4,971,439	12,202,179
	$ 396,491,316	$ 440,930,975	$ 345,561,870

1) Please refer to Note 47 for information relating to debt instrument at FVTOCI pledged as security.

2) Loss allowance of debt instruments at fair value through other comprehensive income were $88,197, $85,282 and $58,527 on June 30, 2026, December 31, 2025 and June 30, 2025. Credit risk management and information of impairment valuation of debt instruments at FVTOCI are shown in Note 50, Tables 6 and 9.

3) As of June 30, 2026, December 31, 2025 and June 30, 2025, the par value of debt instruments at FVTOCI under repurchase agreements were $27,901,017, $9,264,184 and $16,318,960, respectively.

10. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST

	June 30, 2026	December 31, 2025	June 30, 2025
Certificates of deposits	$ 132,712,379	$ 132,990,403	$ 121,538,402
Bank debentures	85,789,748	79,670,287	67,026,494
Government bonds	72,017,341	68,695,451	70,643,615
Asset-backed securities	34,425,645	35,525,972	34,507,716
Corporate bonds	26,185,199	29,619,228	27,479,972
Others	2,180,869	2,488,149	2,121,798
	353,311,181	348,989,490	323,317,997
Less: Impairment loss	(33,419)	(31,132)	(25,748)
Net amount	$ 353,277,762	$ 348,958,358	$ 323,292,249

a. Please refer to Note 47 for information relating to investments in debt instruments at amortized cost pledged as security.

b. Credit risk management and information of impairment valuation of investment in debt instruments at amortized cost are shown in Note 50, Tables 6 and 10.

c. As of June 30, 2026, December 31, 2025 and June 30, 2025, the par value of investment in debt instruments at amortized cost under repurchase agreements were $28,173,881, $915,272 and $4,561,253, respectively.

11. SECURITIES PURCHASED UNDER RESELL AGREEMENTS

	June 30, 2026	December 31, 2025	June 30, 2025
Government bonds	$ 30,079,832	$ 16,582,849	$ 16,712,661
Commercial papers	28,704,793	49,692,469	42,795,900
Bank debentures	18,792,890	7,325,349	9,133,046
Corporate bonds	5,353,885	6,966,834	6,053,706
Negotiable certificates of deposits	5,221,151	22,149,674	18,703,957
	$ 88,152,551	$ 102,717,175	$ 93,399,270
Agreed-upon resell amount	$ 88,332,271	$ 102,925,689	$ 93,604,107
Par value	$ 91,638,666	$ 106,166,160	$ 97,531,817
Expiry	December 2026	December 2026	December 2025

As of June 30, 2026, December 31, 2025 and June 30, 2025, the par value of securities purchased under resell agreements under repurchase agreements were $22,066,727, $28,476,727 and $34,073,313, respectively.

12. RECEIVABLES, NET

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable - settlement	$ 75,692,923	$ 25,803,507	$ 23,705,908
Margin loans receivable	69,457,791	35,926,080	23,125,611
Securities loan receivable - purpose	40,286,117	28,711,331	23,925,745
Credit card receivables	29,657,298	24,349,026	24,067,349
Accounts receivable - factoring	13,662,684	12,237,677	9,147,026
Interest and revenue receivables	12,682,344	12,272,116	10,119,336
Acceptances receivables	10,660,781	8,974,310	6,293,342
Lease receivables and installment	7,547,496	7,283,583	7,179,993
Accounts receivable - forfaiting	6,630,771	8,184,893	5,809,086
Accounts and notes receivable	6,432,995	3,195,809	7,594,091
Receivables from securities sale	4,454,573	2,314,370	8,260,294
Settlement price	3,049,526	7,684,207	-
Trust administration fee revenue receivable	1,831,457	1,223,656	1,206,694
Others	3,003,234	2,728,562	1,917,354
	285,049,990	180,889,127	152,351,829
Less: Allowance for credit losses	(1,028,322)	(1,002,976)	(955,680)
Premium or discount on receivables	(545,834)	(523,135)	(537,254)
Net amount	$ 283,475,834	$ 179,363,016	$ 150,858,895

The lease receivables and installments listed in the above periods refer to the receivables due within one year.

Please refer to Note 50 and Tables 6 and 8 for the analysis of receivable impairment loss. The Group received payments for loans previously written-off $86,912 and $100,745 for the six months ended June 30, 2026 and 2025, respectively, which were recognized as deduction of provision expenses.

13. DISCOUNTS AND LOANS, NET

	June 30, 2026	December 31, 2025	June 30, 2025
Export negotiation	$ 572,354	$ 406,045	$ 1,048,521
Discounts and overdrafts	52,824	81,219	28,974
Accounts receivable - financing	1,988,136	1,407,088	900,253
Short-term loans	162,172,127	134,157,175	134,024,940
Secured short-term loans	195,683,970	178,614,623	119,094,600
Medium-term loans	528,862,482	482,275,492	421,935,957
Secured medium-term loans	374,355,022	345,031,086	277,101,918
Long-term loans	48,759,487	41,153,481	28,016,623
Secured long-term loans	818,059,224	789,462,984	709,433,631
Non-performing loans transferred from loans	1,557,445	1,719,872	2,035,900
	2,132,063,071	1,974,309,065	1,693,621,317
Less: Allowance for credit losses	(30,131,741)	(28,655,466)	(24,285,230)
Premium or discount on discounts and loans	(642,782)	(665,900)	(651,378)
Net amount	$ 2,101,288,548	$ 1,944,987,699	$ 1,668,684,709

Please refer to Note 50 and Tables 6 and 7 for the analysis of impairment loss on discounts and loans.

Please refer to Note 47 for information on discounts and loans pledged as security.

The Group received payments for loans previously written-off $1,762,730 and $355,176 for the six months ended June 30, 2026 and 2025, respectively, which were recognized as deduction of provision expenses.

14. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

The consolidated entities were as follows:

			Proportion of Ownership (%)			
				December 31,		
Investor	Investee	Nature of Activities	June 30, 2026	2025	June 30, 2025	Note
SinoPac Financial Holdings Company Limited	Bank SinoPac	Commercial bank, trust and foreign exchange services	100.00	100.00	100.00	Note 1
	SinoPac Securities Corporation ("SinoPac Securities")	Securities brokering, dealing and underwriting	100.00	100.00	100.00	Note 2
	SinoPac Venture Capital Corporation. ("SinoPac Venture Capital")	Venture capital investment	100.00	100.00	100.00	
	SinoPac Securities Investment Trust Co., Ltd. ("SinoPac Securities Investment Trust")	Securities investment trust, discretionary investment and investment consulting services	100.00	100.00	100.00	
	SinoPac Leasing Corporation ("SinoPac Leasing")	Leasing, installment sales and financing	100.00	100.00	100.00	
	King's Town Bank Co., Ltd. ("King's Town Bank")	Commercial banking and related financial services.	100.00	100.00	-	Note 1
Bank SinoPac	Bank SinoPac (China) Ltd. ("Bank SinoPac (China)")	Commercial bank	100.00	100.00	100.00	
	SinoPac Insurance Brokers Ltd. ("SinoPac Insurance Brokers")	Insurance brokerage business	100.00	100.00	100.00	
	Amret Plc.	Microfinance business	80.01	80.01	80.01	Note 3

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%) June 30, 2026	December 31, 2025	June 30, 2025	Note
SinoPac Securities	SinoPac Futures Corporation ("SinoPac Futures)	Futures brokering, dealing, advisory, managed enterprise and securities investment consulting services	100.00	100.00	100.00	
	SinoPac Securities Investment Service Corporation ("SinoPac Securities Investment Service")	Securities investment consulting and offshore fund distributor business	100.00	100.00	100.00	
	SinoPac Securities Venture Capital Corporation ("SinoPac Securities Venture Capital")	Venture capital investment	100.00	100.00	100.00	
	SinoPac Securities (Cayman) Holdings Ltd. ("SinoPac Securities (Cayman)")	Investment holding company	100.00	100.00	100.00	
	SinoPac Financial Consulting (Shanghai) Ltd. ("SinoPac Financial Consulting (Shanghai)")	Corporation management, investment and business information consulting	100.00	100.00	100.00	
SinoPac Securities (Cayman)	SinoPac Asset Management (Asia) Ltd. ("SinoPac Asset Management (Asia)")	Asset management and investment consulting	100.00	100.00	100.00	
	SinoPac Securities (Asia) Ltd. ("SinoPac Securities (Asia)")	Brokerage and dealing of stocks and futures	100.00	100.00	100.00	
SinoPac Securities (Asia)	SinoPac (Asia) Nominees Ltd. ("SinoPac (Asia) Nominees")	Trust accounts on overseas stocks	100.00	100.00	100.00	
	SinoPac Capital (Asia) Ltd. ("SinoPac Capital (Asia)")	Proprietary trading	100.00	100.00	100.00	
	SinoPac Solutions and Services Ltd. ("SinoPac Solutions and Services")	Fund administration service	100.00	100.00	100.00	
SinoPac Leasing	SinoPac International Leasing Corp. ("SinoPac International Leasing")	Financing and leasing	100.00	100.00	100.00	
	SinoPac Capital International (HK) Limited ("SinoPac Capital International (HK)")	Leasing, installment sales and financing	100.00	100.00	100.00	
King's Town Bank	King's Town Bank International Leasing Co., Ltd ("King's Town Leasing")	Leasing	-	100.00	-	Note 4
	King's Town Securities Co., Ltd. ("King's Town Securities")	Securities brokerage	100.00	100.00	-	Note 2
King's Town Leasing	King's Town Intl. Construction Management Corporation ("King's Town Construction Management")	Construction Management	-	100.00	-	Note 4

(Concluded)

Note 1: The board of directors of the Company approved the merger between Bank SinoPac and King's Town Bank on March 27, 2026, under which Bank SinoPac will be the surviving entity and King's Town Bank will be the dissolved entity. This merger constitutes an organizational restructuring under common control, and the merger consideration is based on the carrying amount of King's Town Bank held by the Company as of the day immediately preceding the merger reference date. Bank SinoPac plans to issue 1,865,000 thousand common shares at 24 per share (totaling $44,760,000) as share consideration, and the remaining balance of the merger consideration after deducting the share consideration will be settled entirely in cash. The merger was approved by the competent authority on July 7, 2026. The effective date of the merger will be jointly determined by the chairpersons of both parties and publicly announced thereafter.

Note 2: SinoPac Securities and King's Town Securities, pursuant to a resolution adopted by its board of directors exercising the authority of the shareholders' meeting on June 26, 2026, approved the merger between SinoPac Securities and King's Town Securities, under which SinoPac Securities will be the surviving entity and King's Town Securities will be the dissolved entity. This merger constitutes an organizational restructuring under common control, and the merger consideration is based on the net value of King's Town Securities held by the Company as of the day immediately preceding the merger reference date and will be settled entirely in cash. As of the merger record date, all assets, liabilities, and valid rights and obligations of King's Town Securities will be fully assumed by SinoPac Securities.

Note 3: On May 22, 2026, the board of directors of the Company resolved that Bank SinoPac and SinoPac Leasing would jointly acquire the remaining equity interest in Amret Plc.

Note 4: The board of directors of King's Town Bank resolved on December 26, 2025 to sell 100% of its equity interest in King's Town Bank International Lease Corporation and entered into a share purchase agreement, the disposal have been completed on January 30, 2026, please refer to Note 55.

b. Details of subsidiaries that have non-controlling interests

Name of Subsidiary	Places of Incorporation/Principal Place of Business	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
		June 30, 2026	December 31, 2025	June 30, 2025
Amret Plc.	Cambodia	19.99%	19.99%	19.99%

The summarized financial information of the subsidiary below represents amounts before intragroup eliminations.

Amret Plc.	June 30, 2026	December 31, 2025	June 30, 2025
Total assets	$ 63,624,253	$ 61,276,444	$ 57,672,505
Total liabilities	(52,894,286)	(50,982,280)	(48,313,214)
Equity	$ 10,729,967	$ 10,294,164	$ 9,359,291
Equity attributable to:			
Owners of the Company	$ 8,584,874	$ 8,236,194	$ 7,488,218
Non-controlling interests	2,145,093	2,057,970	1,871,073
	$ 10,729,967	$ 10,294,164	$ 9,359,291

	January 1, 2026 to June 30, 2026	January 15, 2025 to June 30, 2025
Revenue	$ 2,102,926	$ 1,692,839
Net income	$ 306,547	$ 825,071
Other comprehensive income	129,258	(1,163,048)
Total comprehensive income for the year	$ 435,805	$ (337,977)
Net profit attributable to:		
Owners of the Company	$ 245,263	$ 660,126
Non-controlling interests	61,284	164,945
	$ 306,547	$ 825,071
Total comprehensive income attributable to:		
Owners of the Company	$ 348,680	$ (270,410)
Non-controlling interests	87,125	(67,567)
	$ 435,805	$ (337,977)

15. INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

The tables below show the information of unconsolidated structures entities in which the Group had an interest at the reporting date:

Type of Structured Entity	Nature and Purpose	The Group's Ownership
Funds	Funds under management by the third party The Group also invests units in these funds	a. The Group invests in those funds under management by the third party. b. The Group entitled to receive management fee based on the assets under management.

The total assets of Funds unrecognized in the consolidated balance sheets were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Funds	$ 130,584,273	$ 115,672,506	$ 103,822,584

The carrying amounts of the funds in which the Group also invests were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets at fair value through profit or loss	$ 296,405	$ 327,039	$ 375,925

The maximum exposure of loss was the carrying amount of the funds.

As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group did not provide any financial support to those unconsolidated structures.

16. INVOLVEMENTS ACCOUNTED FOR USING EQUITY METHOD

	June 30, 2026	December 31, 2025	June 30, 2025
Golden Trust SinoPac Fund Management	$ 1,099,360	$ 1,015,966	$ 909,664
Telexpress	66,548	67,803	74,157
	$ 1,165,908	$ 1,083,769	$ 983,821

Name of Associate	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights		
			June 30, 2026	December 31, 2025	June 30, 2025
Golden Trust SinoPac Fund Management	Fund raising and sale, asset management business approved by CSRC	China	49.00%	49.00%	49.00%
Telexpress	Stockholding	Cayman Islands/ Taiwan	34.21%	34.21%	34.21%

The Group accounts for investments using the equity method, and hence the profit or loss and other comprehensive income resulting from the investments therefore are prorated accordingly based on the shares. The calculation of the share of other investments was based on the investee's unaudited financial statements, expect for Golden Trust SinoPac Fund Management which was based on the investee's audited financial statement, however, the management of the Group believes that the aforesaid investment should not cause material impact to the Group's financial statements.

The associates' audited financial information is summarized as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
The Group's share of:				
Net income	$ 29,196	$ 23,053	$ 40,764	$ 29,949
Other comprehensive income (loss)	387	8,875	(1,332)	8,140
	$ 29,583	$ 31,928	$ 39,432	$ 38,089

17. OTHER FINANCIAL ASSETS, NET

	June 30, 2026	December 31, 2025	June 30, 2025
Customer margin deposits	$ 88,479,636	$ 58,809,287	$ 40,365,027
Separated account for customer	10,101,598	4,858,728	1,041,770
Bank deposits not belonging to cash and cash equivalents	8,941,139	5,858,508	9,022,521
Long-term lease receivables and installment, net	3,841,285	3,408,591	3,507,925
Purchase of the PEM Group's instruments	3,781,271	3,735,260	3,473,264
Prepayments for investments (Note 54)	527,616	471,788	453,621
Non-performing receivables transferred from other than loans	326,710	297,538	156,101
Others	108,208	358,236	210,204
	116,107,463	77,797,936	58,230,433
Less: Allowance for credit losses	(401,655)	(282,875)	(213,123)
Accumulated impairment	(2,777,370)	(2,723,883)	(2,448,084)
Net amount	$ 112,928,438	$ 74,791,178	$ 55,569,226

Bank deposits not belonging to cash and cash equivalent mentioned above included bank deposits over three months and no early termination, pledged time deposits and restricted bank deposits. The long-term leases receivable and installments presented in each period are the balance of deducting unrealized interest income.

Please refer to Note 47 for information on other financial assets pledged as security.

The Group received payments for loans previously written-off $34,160 and $279,969 for the six months ended June 30, 2026 and 2025, respectively, which were recognized as deduction of provision expenses.

Bank SinoPac was delegated by professional investors to sell the PEM Group's investment products amounting to US$146,000 thousand through private placement. A U.S. Federal Court appointed a receiver for all assets that belonged to, were being managed by, or were in the possession of or control of the PEM Group. To protect the client's interests, Bank SinoPac bought back the products at the price of the initial payment net of the distribution and redemption costs. On December 24, 2010, Bank SinoPac's board of directors resolved to abide by a court's appointment of a PEM Group receiver to take the PEM Group's insurance policies at the price of approximately US$40.4 million. On March 7, 2011, the receiver transferred the insurance policies to a trustee established jointly by certain banks to hold insurance policies. And Bank SinoPac had submitted to the authorities the results of this policy transfer. As of June 30, 2026, a reserve of US$87,226 thousand (NT$2,777,370) had been set aside to cover the accumulated impairment losses. Bank SinoPac has record of an impairment loss of $20,039 and $136,955, respectively, for PEM Group for the six months ended June 30, 2026 and 2025.

18. INVESTMENT PROPERTY, NET

The movements of investment property are summarized as follows:

	For the Six Months Ended June 30, 2026		
	Land and Land Improvements	**Buildings**	**Total**
Cost			
Balance, January 1	$ 1,947,049	$ 950,063	$ 2,897,112
Additions	-	4,355	4,355
Deductions	-	-	-
Reclassifications	(12,583)	(25,117)	(37,700)
Balance, June 30	1,934,466	929,301	2,863,767
Accumulated depreciation			
Balance, January 1	7,230	507,477	514,707
Depreciation	144	9,925	10,069
Deductions	-	-	-
Reclassifications	-	(14,912)	(14,912)
Balance, June 30	7,374	502,490	509,864
Accumulated impairment			
Balance, January 1	14,532	22,772	37,304
Additions	-	-	-
Deductions	-	-	-
Balance, June 30	14,532	22,772	37,304
Net amount			
Balance, June 30	$ 1,912,560	$ 404,039	$ 2,316,599

	For the Six Months Ended June 30, 2025		
	Land and Land Improvements	Buildings	Total
Cost			
Balance, January 1	$ 1,755,054	$ 857,011	$ 2,612,065
Additions	83	1,465	1,548
Deductions	-	-	-
Reclassifications	-	-	-
Balance, June 30	1,755,137	858,476	2,613,613
Accumulated depreciation			
Balance, January 1	6,950	421,753	428,703
Depreciation	141	9,560	9,701
Deductions	-	-	-
Reclassifications	-	-	-
Balance, June 30	7,091	431,313	438,404
Accumulated impairment			
Balance, January 1	14,532	22,772	37,304
Additions	-	-	-
Deductions	-	-	-
Balance, June 30	14,532	22,772	37,304
Net amount			
Balance, June 30	$ 1,733,514	$ 404,391	$ 2,137,905

The above investment properties are depreciated at the following estimated useful lives:

Category	Useful Lives
Land improvements	2-10 years
Buildings	2-60 years

The investment property of Bank SinoPac was held for earning rentals and/or for capital appreciation. The fair values of the investment properties of the Bank SinoPac as of June 30, 2026, December 31, 2025 and June 30, 2025, calculated based on the above-mentioned fully leased or rented ratio, were $1,409,257, $1,430,983 and $1,475,800, respectively. The fair values, which were based on an internal valuation yearly report instead of an assessment by an independent professional appraiser, determined assuming were unobservable inputs (Level 3).

The fair values of SinoPac Securities' investment properties as of June 30, 2026, December 31, 2025 and June 30, 2025 were $220,740. The fair values were arrived at not through the valuations of independent experts but by reference to unobservable inputs (Level 3), i.e., neighboring area appraise from 2024.

The fair values of SinoPac Leasing's investment properties as of June 30, 2026, December 31, 2025 and June 30, 2025 were $9,728,675-9,735,304, $9,728,675-9,735,304 and $9,655,390-9,661,735, respectively. The fair values were based on external valuation report issued by independent experts or estimated transaction price using level 2 and level 3 inputs from May 2022 to October 2025.

To enhance the value of its land assets, SinoPac Leasing intends to rezone $160,802 thousand worth of land classified as investment property into a residential district in accordance with the ancillary conditions issued by the New Taipei City Government for urban planning division. SinoPac Leasing will donate 50% of the land within the rezoned area to the New Taipei City Government for public facilities and will promote the relevant procedures through a municipal land readjustment scheme.

The fair value of King's Town Bank's investment properties as of June 30, 2026 and December 31, 2025, were $450,767 and $490,298, respectively. The aforementioned fair value was not determined by independent appraisers but was assessed by King's Town Bank with reference to market evidence derived from comparable real estate transaction prices.

Please refer to Note 47 for information on investment properties pledged as security.

19. PROPERTY AND EQUIPMENT, NET

The movements of property and equipment are summarized as follows:

	For the Six Months Ended June 30, 2026							
	Land and Land Improvements	Buildings	Machinery and Computer Equipment	Transportation Equipment	Other Equipment	Leasehold Improvement	Prepayments for Equipment and Construction in Progress	Total
Cost								
Balance, January 1	$ 11,650,049	$ 9,111,066	$ 4,298,918	$ 591,295	$ 2,367,840	$ 2,273,651	$ 903,437	$ 31,196,256
Additions	-	74,683	244,622	25,472	54,493	40,635	317,072	756,977
Deductions	-	(35,077)	(218,471)	(59,203)	(55,202)	(6,931)	(632)	(375,516)
Reclassifications	12,583	183,686	73,453	15,641	29,131	33,099	(547,230)	(199,637)
Effect of exchange rate changes	-	16,725	11,822	1,345	1,669	4,445	906	36,912
Balance, June 30	11,662,632	9,351,083	4,410,344	574,550	2,397,931	2,344,899	673,553	31,414,992
Accumulated depreciation								
Balance, January 1	153	5,520,277	3,139,608	314,423	1,678,421	1,711,993	-	12,364,875
Depreciation	12	119,114	236,447	47,742	90,830	82,115	-	576,260
Deductions	-	(34,635)	(216,275)	(43,060)	(54,676)	(6,782)	-	(355,428)
Reclassifications	-	14,912	-	-	-	-	-	14,912
Effect of exchange rate changes	-	5,397	8,278	900	1,518	3,734	-	19,827
Balance, June 30	165	5,625,065	3,168,058	320,005	1,716,093	1,791,060	-	12,620,446
Net amount								
Balance, June 30	$ 11,662,467	$ 3,726,018	$ 1,242,286	$ 254,545	$ 681,838	$ 553,839	$ 673,553	$ 18,794,546

	For the Six Months Ended June 30, 2025							
	Land and Land Improvements	Buildings	Machinery and Computer Equipment	Transportation Equipment	Other Equipment	Leasehold Improvement	Prepayments for Equipment and Construction in Progress	Total
Cost								
Balance, January 1	$ 7,419,062	$ 7,956,435	$ 3,533,479	$ 448,576	$ 2,078,719	$ 1,924,504	$ 575,756	$ 23,936,531
Additions	-	42,306	112,669	76,171	64,599	42,945	239,668	578,358
Acquisitions through business combinations	-	-	370,476	107,319	97,754	113,893	-	689,442
Deductions	(142)	(84,788)	(88,366)	(41,531)	(48,757)	(28,609)	-	(292,193)
Reclassifications	-	24,947	26,240	190	36,395	44,810	(259,194)	(126,612)
Effect of exchange rate changes	-	(34,965)	(89,033)	(12,882)	(17,747)	(33,303)	12,391	(175,539)
Balance, June 30	7,418,920	7,903,935	3,865,465	577,843	2,210,963	2,064,240	568,621	24,609,987
Accumulated depreciation								
Balance, January 1	131	4,669,153	2,461,150	211,540	1,460,081	1,539,968	-	10,342,023
Depreciation	12	102,514	228,925	47,874	82,939	69,708	-	531,972
Acquisitions through business combinations	-	-	291,561	65,499	90,512	85,790	-	533,362
Deductions	-	(84,263)	(84,850)	(29,256)	(48,312)	(28,582)	-	(275,263)
Reclassifications	-	133	186	-	(319)	-	-	-
Effect of exchange rate changes	-	(10,051)	(74,150)	(7,990)	(15,989)	(27,969)	-	(136,149)
Balance, June 30	143	4,677,486	2,822,822	287,667	1,568,912	1,638,915	-	10,995,945
Net amount								
Balance, June 30	$ 7,418,777	$ 3,226,449	$ 1,042,643	$ 290,176	$ 642,051	$ 425,325	$ 568,621	$ 13,614,042

The above property and equipment are depreciated at the following estimated useful lives:

Category	Useful Lives
Land improvements	8-30 years
Buildings	2-60 years
Machinery and computer equipment	1-15 years
Transportation equipment	2-7 years
Other equipment	2-15 years
Leasehold improvement	1.58-15 years

The property and equipment are leased under operating leases:

	June 30, 2026	December 31, 2025	June 30, 2025
Transportation equipment	$ 187,395	$ 204,957	$ 221,265
Other equipment	595	663	733
	$ 187,990	$ 205,620	$ 221,998

Please refer to Note 47 for the information on property and equipment pledged as security.

20. LEASE ARRANGEMENTS

a. Right-of-use assets, net

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amounts			
Land and surface rights	$ 835,415	$ 842,569	$ 860,973
Buildings	3,550,014	3,554,555	3,510,066
Machinery and computer equipment	137,085	21,246	35,277
Transportation equipment	18,890	20,959	21,964
Other equipment	2,591	3,267	3,630
Decommissioning restoration costs	70,270	58,872	35,711
	$ 4,614,265	$ 4,501,468	$ 4,467,621

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Additions to right-of-use assets	$ 472,299	$ 476,403	$ 767,328	$ 773,406
Depreciation charge for right-of-use assets				
Land and surface rights	$ 9,298	$ 9,180	$ 18,556	$ 18,362
Buildings	301,246	266,109	599,906	529,850
Machinery and computer equipment	12,612	8,963	22,040	17,585
Transportation equipment	3,027	2,878	6,005	5,937
Other equipment	402	447	827	903
Decommissioning restoration costs	5,261	3,493	10,127	7,157
	$ 331,846	$ 291,070	$ 657,461	$ 579,794
Right-of-use assets sublease revenue (recognized in financing interest revenue)	$ 364	$ 209	$ 732	$ 423

Please refer to Note 47 for information on right-of-use assets pledged as security.

b. Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amounts	$ 4,211,444	$ 4,096,634	$ 4,038,252

Range of discount rate for lease liabilities were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Land and surface rights	1.6391%-4.7390%	1.6391%-4.7390%	1.6391%-4.7390%
Buildings	0.1438%-8.9800%	0.1438%-8.9800%	0.3500%-8.9800%
Machinery and computer equipment	0.2600%-2.5400%	0.2600%-2.5400%	0.5754%-2.3588%
Transportation equipment	1.5739%-5.6000%	1.3174%-5.6000%	1.3174%-5.6000%
Other equipment	0.1023%-4.6478%	0.1023%-4.6478%	0.1023%-4.6478%

c. Material lease-in activities and terms

The Group leases certain land and buildings for use as business locations and operating assets with lease expiration date in February 2049. The lease contract for major buildings in Taiwan for use as offices and branches specifies that lease payments will be adjusted a year on the basis of current announcement land value 5%. The lease contract for major buildings located in overseas branches stipulated fixed or regularly calculated proportionally lease payments. The lease contract for parking space with lease expiration date in December 2034 located in Taiwan for clients' using will be adjusted since the fourth year of the rent day. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Expenses relating to short-term leases	$ 9,930	$ 8,109	$ 19,047	$ 16,447
Expenses relating to low-value asset leases	$ 13,483	$ 11,076	$ 25,945	$ 23,008
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 567	$ 1,529	$ 1,817	$ 3,080
Total cash outflow for leases	$ (369,244)	$ (322,457)	$ (752,205)	$ (658,399)

Recognition exemption is applied to short-term leases of various types of assets such as other equipment which qualify as low-value asset leases. The Group has elected to apply the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for these leases.

e. Lease agreement

1) The Group as lessee

All the Group's lease agreements on business space and transportation equipment with terms of between 1 year and 30.1 years. The Group has no bargain purchase option.

The future minimum lease payments for the Group's lease commitments are as follows:

	Within 1 Year	1 Year to 5 Years	Over 5 Years	Total
June 30, 2026	$ 1,285,505	$ 2,616,938	$ 683,706	$ 4,586,149
December 31, 2025	1,215,360	2,533,611	694,358	4,443,329
June 30, 2025	1,124,083	2,507,011	740,970	4,372,064

2) The Group as lessor

Leased properties are mainly from the investment properties owned by the Group. All lease agreements have market review clauses when lessees exercise lease renewal potions. The lessees have no bargain purchase option on the leased properties.

The Group's lease commitments are as follows:

June 30, 2026	1 Year	2 Year	3 Year	4 Year	5 Year	Over 5 Years	Total
Operating lease revenue	$ 163,342	$ 114,414	$ 84,090	$ 72,477	$ 67,446	$ 186,785	$ 688,554
Financial lease revenue	4,344,552	1,281,845	169,026	55,283	18,164	23,943	5,892,813

December 31, 2025	1 Year	2 Year	3 Year	4 Year	5 Year	Over 5 Years	Total
Operating lease revenue	$ 169,913	$ 116,753	$ 77,577	$ 64,114	$ 60,655	$ 214,797	$ 703,809
Financial lease revenue	4,257,021	1,202,318	128,177	57,019	22,088	24,785	5,691,408

June 30, 2025	1 Year	2 Year	3 Year	4 Year	5 Year	Over 5 Years	Total
Operating lease revenue	$ 160,064	$ 112,694	$ 68,001	$ 50,825	$ 50,502	$ 233,328	$ 675,414
Financial lease revenue	4,302,643	1,256,980	127,170	56,327	33,023	27,292	5,803,435

21. INTANGIBLE ASSETS, NET

Items	June 30, 2026	December 31, 2025	June 30, 2025
Goodwill and intangible assets acquired through business combinations	$ 10,830,332	$ 11,305,582	$ 6,399,003
Computer software	1,698,935	1,569,613	1,417,557
Others	86,156	113,129	59,559
	$ 12,615,423	$ 12,988,324	$ 7,876,119

Movements in the Group's intangible assets were as follows:

	Goodwill and Intangible Assets Acquired Through Business Combinations	Computer Software	Others	Total
Balance January 1, 2026	$ 11,305,582	$ 1,569,613	$ 113,129	$ 12,988,324
Additions	-	132,801	8,403	141,204
Deductions	(335,984)	(2,055)	-	(338,039)
Amortization	(218,524)	(280,968)	(2,724)	(502,216)
Reclassifications	-	270,550	(33,213)	237,337
Effect of exchange rate changes	79,258	8,994	561	88,813
Balance June 30, 2026	$ 10,830,332	$ 1,698,935	$ 86,156	$ 12,615,423
Balance January 1, 2025	$ 937,086	$ 1,293,046	$ 48,982	$ 2,279,114
Additions	-	139,937	5,839	145,776
Acquisitions through business combinations	6,195,369	133,175	6,248	6,334,792
Deductions	-	(3,172)	-	(3,172)
Amortization	(9,043)	(242,181)	(129)	(251,353)
Reclassifications	-	126,612	-	126,612
Effect of exchange rate changes	(724,409)	(29,860)	(1,381)	(755,650)
Balance June 30, 2025	$ 6,399,003	$ 1,417,557	$ 59,559	$ 7,876,119

The above intangible assets are amortized on a straight-line basis over the following estimated useful lives:

Items	Years
Computer software	2-10.58 years
Customer relationships	8-15 years
Core deposits	15-18.1 years

Goodwill in each above period will be tested for impairment annually and whenever there is an indication that it may be impaired. The goodwill had been tested for impairment on October 31, 2025 and 2024 recently.

Information on goodwill and intangible assets acquired through business combinations is summarized as follows:

a. As of June 30, 2026, the goodwill and intangible assets acquired through business combinations recognized by the Company arose from the acquisition of King's Town Bank and its subsidiaries in October 2025 (Note 54), undertaken to strengthen its competitiveness and expand its business operations. The components comprised goodwill, core deposits, and customer relationships, with carrying amounts of $497,932, $2,409,390, and $803,991, respectively.

b. As of June 30, 2026, the goodwill and intangible assets acquired through business combinations recognized by Bank SinoPac arose from the acquisition of Amret Plc. in January 2026 (Note 54). These comprise goodwill, licenses, and core deposits, with carrying amounts translated at the exchange rate prevailing on the balance sheet date of $3,762,009, $2,037,830, and $681,335, respectively. Bank SinoPac's cash merger with SinoPac Card Services, and this merger was treated as a reorganization of the Group, after recognizing impairment losses in all years through 2025, there were no remaining amounts as of December 31, 2025.

   In assessing whether goodwill is impaired, Bank SinoPac's considers the credit card department and Amret Plc. as a cash generating unit and estimates the recoverable amount by their value in use. Bank SinoPac's uses the department's actual profitability and business or business recycle in making key assumption to predict future cash flows and thus calculates its value in use. Under a going-concern assumption, the Bank predicted the net cash flows that would be generated from the investee's operating activities in the next 5 years. On the other hand, Bank SinoPac's used an investee's growth rate in making key assumptions to predict the investee's future cash flows beyond five-year and thus calculate the investee's value in use on the basis of cost of equity. Goodwill in each period will be tested for impairment annually, with the most recent testing proceeded on October 31, 2024. The estimated profit growth rate of the credit card department is lower than expected. The recoverable amount of the cash generating unit - credit card group calculated at a discount rate of 7.6% on the test base date is less than the book value of the assessed item. Therefore, an impairment loss of $697,087 was recognized in 2025.

c. As of June 30, 2026, SinoPac Securities and its subsidiaries had the following goodwill and intangible assets acquired through business combinations, comprising customer relationships of $348,330 and goodwill of $289,515. The components of goodwill are as follows:

   1) The carrying amount of $147,944 was from SinoPac Securities mergers with the securities brokerage businesses of Pacific Securities Co., Ltd. and East Asia Securities.

   2) The carrying amount of $63,582 was from SinoPac Securities equity transactions with SinoPac Futures' non-controlling interests and from SinoPac Futures' merger with the futures brokerage business of Pacific Securities.

3) SinoPac Securities merger with CL Securities Taiwan Company Limited in October 2025 (Note 54), and based on the purchase price allocation (PPA) report obtained subsequent to the acquisition date, the relevant items in the separate balance sheet were adjusted accordingly, resulting in a total adjusted goodwill balance of $77,989.

SinoPac Securities and SinoPac Futures in assessing whether goodwill is impaired, the Group consider SinoPac Securities and SinoPac Futures as CGUs and estimates individually their recoverable amounts based on their value in use. When calculating the value in use of each CGU, SinoPac Securities and SinoPac Futures 's projects future cash flows based on objective evidence such as actual profitability, operation and business cycle under the going concern assumption; the Group estimates future cash inflows for the next 5 years and the salvage value of the assets and discounts them at the weighted average cost of capital.

For the six months ended June 30, 2026, for the year ended December 31, 2025 and for the six months ended June 30, 2025, the amounts of net income which are not included in the share of profit of associates accounted for using equity method were $6,202,465, $5,171,379 and $1,387,410, respectively. The expected net income for the years 2026 and 2025 are used as basis for the assessment of impairment on goodwill, and were $5,129,935 and $4,610,169, respectively. The actual operating results were better than expected, the recoverable amount was expected to be higher than the book value. Therefore, the Group found no objective evidence that goodwill had been impaired.

For the six months ended June 30, 2026, for the year ended December 31, 2025 and for the six months ended June 30, 2025, actual net income of SinoPac Futures were $551,221, $721,382 and $355,800, respectively. The amounts of expected net income for the years 2026 and 2025 used as basis for the assessment of impairment on goodwill were $555,854 and $571,556, respectively. The actual operating results were better than expected, the recoverable amount was expected to be higher than the book value. Therefore, the Group found no objective evidence that goodwill had been impaired.

The membership fee is considered to have an indefinite useful life and will not be amortized until its useful life is determined to be finite. Instead, it will be tested for impairment annually and whenever there is an indication that it may be impaired. For the six months ended June 30, 2026 and 2025, there were no significant impairments.

22. OTHER ASSETS, NET

	June 30, 2026	December 31, 2025	June 30, 2025
Amounts held for settlement	$ 13,488,366	$ 9,552,939	$ 8,484,867
Securities borrowing margins	11,479,308	9,704,234	9,710,180
Guarantee deposits	10,337,048	11,028,677	11,425,834
Operating guarantee deposits and settlement fund	2,500,438	2,207,686	1,586,122
Collaterals assumed	1,462,134	1,457,477	350,426
Prepayment	1,457,787	658,229	822,303
Others	889,365	471,682	351,820
	41,614,446	35,080,924	32,731,552
Less: Allowance for inventory write-down - gold	(21,395)	-	-
Less: Accumulated impairment	(15,027)	(14,835)	(14,318)
Net amount	$ 41,578,024	$ 35,066,089	$ 32,717,234

Operating guarantee deposits is mainly used as the legal deposit paid to financial institutions designated by relevant authorities to hold these deposits when the subsidiaries register or sets up a branch office in accordance with government regulations.

Under government regulations, when companies accept consignments for trading on the centralized securities exchange market, they should deposit a settlement/clearing fund in the Taiwan Stock Exchange, Taipei Exchange, Taiwan Futures Exchange and overseas stock and futures exchanges.

23. DEPOSITS FROM THE CENTRAL BANK AND BANKS

	June 30, 2026	December 31, 2025	June 30, 2025
Call loans from banks	$ 104,633,511	$ 125,097,487	$ 79,823,662
Redeposits from Chunghwa Post	10,013,200	10,015,300	10,023,300
Due from Central Bank	1,592,055	1,572,625	1,462,069
Deposits from banks	381,193	265,459	1,115,405
	$ 116,619,959	$ 136,950,871	$ 92,424,436

24. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

	June 30, 2026	December 31, 2025	June 30, 2025
Bank debentures	$ 57,539,634	$ 14,906,526	$ 22,585,959
Government bonds	17,909,935	21,767,568	22,234,203
Corporate bonds	13,387,194	14,960,425	17,545,362
Convertible bonds	4,890,725	3,227,000	7,127,001
	$ 93,727,488	$ 54,861,519	$ 69,492,525
Agreed-upon repurchase price	$ 94,172,509	$ 55,063,617	$ 69,945,521
Par value	$ 97,997,386	$ 57,095,019	$ 73,152,645
Expiry	December 2026	June 2026	October 2025

25. COMMERCIAL PAPERS ISSUED, NET

	June 30, 2026	December 31, 2025	June 30, 2025
Commercial papers payables	$ 155,980,000	$ 124,950,000	$ 32,660,000
Less: Unamortized discount	(545,843)	(360,567)	(77,412)
Net amount	$ 155,434,157	$ 124,589,433	$ 32,582,588
Maturity date	2026.07-2027.06	2026.01-2026.09	2025.07-2025.10
Discount rate	1.50%-2.64%	1.50%-1.905%	1.50%-1.928%

Except for free-guarantee items, commercial paper was guaranteed or acceptances were issued by the bill finance corporations or banks.

26. PAYABLES

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts payable for settlement	$ 76,807,746	$ 42,468,817	$ 26,343,496
Cash dividends payable	15,941,555	-	11,544,124
Settlement receivable	15,776,258	37,121	4,163,117
Acceptances payable	10,832,369	9,142,990	6,406,406
Accrued expense	10,197,306	10,599,984	6,649,560
Interests payable	8,422,609	7,861,090	7,800,315
Accounts payable for securities purchased	7,821,519	2,824,973	2,802,841
Accounts and notes payable	5,600,374	2,305,516	3,219,418
Receipts under custody	4,587,508	1,629,962	7,436,442
Accounts payable - factoring	3,153,132	2,288,034	2,286,995
Notes and checks in clearing	2,090,740	1,168,557	1,023,621
Financing guarantees payable	1,483,184	2,640,325	2,096,742
Deposits on short sales	1,231,865	2,407,527	1,994,402
Others	4,615,997	3,360,507	3,272,850
	$ 168,562,162	$ 88,735,403	$ 87,040,329

27. DEPOSITS AND REMITTANCES

	June 30, 2026	December 31, 2025	June 30, 2025
Checking	$ 13,044,157	$ 17,176,664	$ 12,626,845
Demand	695,533,147	651,369,997	536,382,328
Savings - demand	814,585,895	767,157,370	620,456,394
Time deposits	813,101,913	791,157,220	730,354,944
Negotiable certificates of deposits	10,976,230	32,032,717	24,677,263
Savings - time	467,132,846	470,147,876	371,638,140
Remittances outstanding	855,203	932,247	1,142,414
Remittances under custody	186,871	36,744	132,460
Others	33,139	33,108	32,849
	$ 2,815,449,401	$ 2,730,043,943	$ 2,297,443,637

28. BONDS PAYABLE

	June 30, 2026	December 31, 2025	June 30, 2025
Bank debentures	$ 52,809,512	$ 54,933,131	$ 53,135,818
Corporate bonds payable	11,999,595	8,998,941	8,998,276
	$ 64,809,107	$ 63,932,072	$ 62,134,094

a. Bank debentures

Details of the Bank SinoPac and its subsidiaries' issuances are as follows:

	June 30, 2026	December 31, 2025	June 30, 2025	Issue Period	Rates
Bank SinoPac					
First subordinated bank debentures issued in 2017 (B)	$ 2,099,919	$ 2,099,857	$ 2,099,798	2017.02.24-2027.02.24 Principal is repayable on maturity date.	Fixed interest rate of 1.90%, interest is paid annually.
Third subordinated bank debentures issued in 2017 (B)	539,962	539,942	539,924	2017.06.28-2027.06.28 Principal is repayable on maturity date.	Fixed interest rate of 1.95%, interest is paid annually.
Fourth subordinated bank debentures issued in 2017	3,000,000	3,000,000	3,000,000	2017.06.28, no maturity date and non-cumulative. The Bank has the right to call or buy back from the market after five and a half years.	Fixed interest rate of 4.00%, interest is paid annually.
First subordinated bank debentures issued in 2018 (B)	499,937	499,920	499,904	2018.04.30-2028.04.30 Principal is repayable on maturity date.	Fixed interest rate of 1.65%, interest is paid annually.
First subordinated bank debentures issued in 2019	2,000,000	2,000,000	2,000,000	2019.01.25, no maturity date and non-cumulative. The Bank has the right to call or buy back from the market after five and a half years.	Fixed interest rate of 2.40%, interest is paid annually.
Second subordinated bank debentures issued in 2019 (A)	-	1,199,992	1,199,944	2019.01.25-2026.01.25 Principal is repayable on maturity date.	Fixed interest rate of 1.40%, interest is paid annually.
Second subordinated bank debentures issued in 2019 (B)	1,799,730	1,799,678	1,799,627	2019.01.25-2029.01.25 Principal is repayable on maturity date.	Fixed interest rate of 1.55%, interest is paid annually.
Fourth subordinated bank debentures issued in 2019	1,500,000	1,500,000	1,500,000	2019.08.23, no maturity date and non-cumulative. The Bank has the right to call or buy back from the market after five years and a month.	Fixed interest rate of 2.00%, interest is paid annually.
Fifth subordinated bank debentures issued in 2019 (A)	1,749,978	1,749,909	1,749,838	2019.08.23-2026.08.23 Principal is repayable on maturity date.	Fixed interest rate of 1.03%, interest is paid annually.
Fifth subordinated bank debentures issued in 2019 (B)	1,749,687	1,749,639	1,749,590	2019.08.23-2029.08.23 Principal is repayable on maturity date.	Fixed interest rate of 1.13%, interest is paid annually.
First subordinated bank debentures issued in 2020	3,000,000	3,000,000	2,999,984	2020.03.31, no maturity date and non-cumulative. The Bank has the right to call or buy back from the market after five years and four months.	Fixed interest rate of 1.35%, interest is paid annually.
Second subordinated bank debentures issued in 2020	1,999,749	1,999,715	1,999,683	2020.03.31-2030.03.31 Principal is repayable on maturity date.	Fixed interest rate of 0.75%, interest is paid annually.
Third subordinated bank debentures issued in 2020	2,900,000	2,900,000	2,900,000	2020.06.30, no maturity date and non-cumulative. The Bank has the right to call or buy back from the market after five years and a month.	Fixed interest rate of 1.85%, interest is paid annually.
Fourth subordinated bank debentures issued in 2020	2,599,730	2,599,697	2,599,665	2020.06.30-2030.06.30 Principal is repayable on maturity date.	Fixed interest rate of 1.00%, interest is paid annually.
Fifth subordinated bank debentures issued in 2020	2,100,000	2,100,000	2,099,968	2020.10.29, no maturity date and non-cumulative. The Bank has the right to call or buy back from the market after five years and a month.	Fixed interest rate of 1.70%, interest is paid annually.
Sixth subordinated bank debentures issued in 2020	2,399,754	2,399,726	2,399,698	2020.10.29-2030.10.29 Principal is repayable on maturity date.	Fixed interest rate of 0.87%, interest is paid annually.
Seventh senior bank debentures issued in 2020	-	-	999,974	2020.11.06-2025.11.06 Principal is repayable on maturity date.	Fixed interest rate of 0.46%, interest is paid annually.
First senior bank debentures issued in 2021	-	999,976	999,946	2021.05.18-2026.05.18 Principal is repayable on maturity date.	Fixed interest rate of 0.45%, interest is paid annually.
Second subordinated bank debentures issued in 2021	2,720,000	2,719,948	2,719,885	2021.05.28, no maturity date and non-cumulative. The Bank has the right to call or buy back from the market after five years and two months.	Fixed interest rate of 1.70%, interest is paid annually.
Third subordinated bank debentures issued in 2021	2,299,772	2,299,749	2,299,727	2021.05.28-2031.05.28 Principal is repayable on maturity date.	Fixed interest rate of 0.82%, interest is paid annually.
Fourth subordinated bank debentures issued in 2021	3,279,974	3,279,923	3,279,871	2021.10.28, no maturity date and non-cumulative. The Bank has the right to call or buy back from the market after five years and a month.	Fixed interest rate of 1.70%, interest is paid annually.
Fifth subordinated bank debentures issued in 2021	1,699,671	1,699,642	1,699,610	2021.10.28-2031.10.28 Principal is repayable on maturity date.	Fixed interest rate of 0.80%, interest is paid annually.
First subordinated bank debentures issued in 2022	4,999,842	4,999,750	4,999,661	2022.03.28, no maturity date and non-cumulative. The Bank has the right to call or buy back from the market after five years and four months.	Fixed interest rate of 2.00%, interest is paid annually.
Second senior bank debentures issued in 2022	1,999,936	1,999,895	1,999,855	2022.04.08-2027.04.08 Principal is repayable on maturity date.	Fixed interest rate of 0.78%, interest is paid annually.
First senior bank debentures issued in 2023	-	-	1,999,935	2023.09.14-2025.09.14 Principal is repayable on maturity date.	Fixed interest rate of 1.48%, interest is paid annually.
First senior bank debentures issued in 2024	999,947	999,840	999,731	2024.09.26-2026.09.26 Principal is repayable on maturity date.	Fixed interest rate of 1.73%, interest is paid annually.
First senior bank debentures issued in 2025	999,624	999,543	-	2025.09.17-2028.09.17 Principal is repayable on maturity date.	Fixed interest rate of 1.72%, interest is paid annually.
Second subordinated bank debentures issued in 2025	1,999,662	1,999,995	-	2025.12.23-2035.12.23 Principal is repayable on maturity date.	Fixed interest rate of 2.05%, interest is paid annually.
Bank SinoPac (China)					
First bank debentures issued in 2025	1,872,638	1,796,795	-	2025.08.29-2028.08.29 Principal is repayable on maturity date.	Fixed interest rate of 2.18%, interest is paid annually.
	$ 52,809,512	$ 54,933,131	$ 53,135,818		

b. Corporate bonds payable

For the purpose of raising operating capital and strengthening financial structure, the Company and SinoPac Securities issued the corporate bonds as follows:

	June 30, 2026	December 31, 2025	June 30, 2025	Maturity	Rates
The Company					
First unsecured bonds issued in 2021	$ 4,999,595	$ 4,998,941	$ 4,998,276	2021.10.21-2026.10.21 Principal is repayable on maturity date.	Fixed interest rate of 0.56%, interest is paid annually.
SinoPac Securities					
First unsecured subordinated bonds issued in 2022 (A)	400,000	400,000	400,000	2022.05.27-2029.05.27 Principal is repayable on maturity date.	Fixed interest rate of 2.00%, interest is paid annually.
First unsecured subordinated bonds issued in 2022 (B)	600,000	600,000	600,000	2022.05.27-2032.05.27 Principal is repayable on maturity date.	Fixed interest rate of 2.20%, interest is paid annually.
Second unsecured subordinated bonds issued in 2022 (A)	1,450,000	1,450,000	1,450,000	2022.08.26-2029.08.26 Principal is repayable on maturity date.	Fixed interest rate of 2.40%, interest is paid annually.
Second unsecured subordinated bonds issued in 2022 (B)	550,000	550,000	550,000	2022.08.26-2032.08.26 Principal is repayable on maturity date.	Fixed interest rate of 2.50%, interest is paid annually.
First unsecured bonds issued in 2025	1,000,000	1,000,000	1,000,000	2025.01.08-2035.01.08 Principal is repayable on maturity date.	Fixed interest rate of 2.51%, interest is paid annually.
First unsecured bonds issued in 2026	3,000,000	-	-	2026.06.12-2036.06.12 Principal is repayable on maturity date.	Fixed interest rate of 2.41%, interest is paid annually.
	$ 11,999,595	$ 8,998,941	$ 8,998,276		

29. BORROWINGS

a. Short-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
Credit loans	$ 21,328,928	$ 7,768,451	$ 5,368,387
Guaranteed loans	230,000	230,000	230,000
	$ 21,558,928	$ 7,998,451	$ 5,598,387
Maturity date	2026.7-2030.4	2026.1-2030.4	2025.7-2030.4
Range of interest rates per annum	1.85%-11.05%	1.95%-11.05%	1.34%-11.05%

b. Long-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
Credit loans	$ 43,423	$ 1,510,548	$ 3,754,276
Guaranteed loans	-	2,600,000	2,150,000
	$ 43,423	$ 4,110,548	$ 5,904,276
Maturity date	2026.7-2028.6	2026.1-2027.12	2025.7-2027.6
Range of interest rates per annum	1.82%-4.00%	1.82%-10.76%	1.85%-10.17%

Bank SinoPac and its subsidiaries

As of December 31, 2025 and June 30, 2025, certain borrowings due more than 12 months of Amret Plc. did not comply with the financial covenants stipulated in the loan agreements. Accordingly, long-term borrowings in the amount of $289,363 and $565,821 were reclassified to short-term borrowings, respectively.

SinoPac Securities and its subsidiaries

To meet the funding requirements, SinoPac Securities (Cayman) obtained syndicated loans with financial institutions in December 2024, in the amounts of US$45,000 thousand. The terms of the syndicated loans were three years start from the date of first drawdowns or contract date. The loans could be taken on revolving basis. SinoPac Securities (Cayman) could not pledge its ownership interest of subsidiaries to others during the terms of the loans.

To meet the funding requirements, SinoPac Securities with finance companies in August and September 2024 issued as an unsecured commercial paper, The total face value is $5,000,000, and the agreement has a term of three years from the signing date, during which the issue must be revolving.

SinoPac Leasing and its subsidiaries

To raise working capital, SinoPac Capital International (HK) Limited entered into a syndicated loan agreement ("2023 agreement") of US$120,000 thousand with a syndicate of 8 banks led by First Commercial Bank in December 2023. The term of the syndicated loan transaction is three years from the first drawdown date. In accordance with the terms of the agreements, financial covenants regarding the debt ratios and interest coverage multiples in the annual financial statements should be maintained during the loan period. Non-compliance with these covenants does not constitute an event of default; however, additional interest will be charged accordingly. In February 2026, SinoPac Capital International (HK) Limited applied to reduce its financing facility limit to US$60,000 thousand.

To raise working capital, SinoPac International Leasing Corp. entered into a syndicated loan agreement of CNY380,000 thousand with a syndicate of 5 banks led by Mega International Commercial Bank in December 2023. The term of the syndicated loan transaction is three years from the first drawdown date. In accordance with the terms of the agreements, financial covenants regarding the ratio of own funds, interest coverage multiple, non-performing loan ratio, and tangible net worth in the annual financial report should be maintained during the loan period. Non-compliance with these covenants does not constitute an event of default; however, additional interest will be charged and the breach shall be remedied within the specified period in accordance with the agreement. In 2024, certain covenants were not met as stipulated in the agreement, in accordance with the contractual terms, interest shall accrue commencing on July 1, 2025.

Assets mortgaged or pledged as collaterals for borrowings are shown in Note 47.

30. PROVISIONS

	June 30, 2026	December 31, 2025	June 30, 2025
Provision for employee benefits	$ 1,765,538	$ 1,922,647	$ 2,029,479
Provision for financing commitment	106,331	116,375	89,602
Provision for guarantee liabilities	698,644	593,822	425,711
Provision for decommissioning liabilities	258,899	225,799	186,691
Other provision	21,247	23,929	19,761
	$ 2,850,659	$ 2,882,572	$ 2,751,244

The Group's movements of provision for financing commitment, provision for guarantee liabilities and other provisions letter of credit were as follows:

	For the Six Months Ended June 30, 2026		
	Provision for Financing Commitment	Provision for Guarantee Liabilities	Other Provision
Balance at January 1	$ 116,375	$ 593,822	$ 11,148
Provision (reversal of provision)	(10,457)	103,461	(2,823)
Effect of exchange rate changes	413	1,361	141
Balance at June 30	$ 106,331	$ 698,644	$ 8,466

	For the Six Months Ended June 30, 2025		
	Provision for Financing Commitment	Provision for Guarantee Liabilities	Other Provision
Balance at January 1	$ 217,271	$ 332,656	$ 9,948
Provision (reversal of provision)	(123,152)	99,482	(2,106)
Effect of exchange rate changes	(4,517)	(6,427)	(862)
Balance at June 30	$ 89,602	$ 425,711	$ 6,980

The company of subsidiary, SinoPac Securities Investment Trust of SinoPac China CSI Technology 50 ETF (stock code: 00887) in October 2024, the market price deviated from the net worth of the Company. Based on the SinoPac Securities Investment Trust's management estimate of the amount of compensation to be incurred in the future, a provision for business loss was made and other provisions were recorded. The estimate will be reviewed periodically and adjusted in consideration of the actual situation of the compensation.

31. PROVISION FOR EMPLOYEE BENEFITS

	June 30, 2026	December 31, 2025	June 30, 2025
Recognized in the consolidated balance sheets (payables and provisions)			
Defined contribution plans	$ 104,339	$ 99,396	$ 86,351
Defined benefit plans	943,093	1,081,221	1,295,095
Preferential interest on employees' deposits	416,646	410,317	393,676
Others	405,799	431,109	340,708
	$ 1,869,877	$ 2,022,043	$ 2,115,830

Others included long-term incentive compensation plans; deferred service leave and termination benefits. On June 30, 2026, December 31, 2025 and June 30, 2025, the liabilities related to cash-settled share-based payments of long-term incentive compensation plans were recognized as $344,203, $354,698 and $289,517, respectively, the acquired total embedded value of which were $282,732, $282,732 and $239,833, respectively.

The pension expenses related to defined benefit plans and preferential interest on employee's deposits plan are recognized according to the results of actuarial valuation on December 31, 2025 and 2024.

	For the Six Months Ended June 30	
	2026	2025
Operating expenses	$ 35,656	$ 42,798

32. OTHER FINANCIAL LIABILITIES

	June 30, 2026	December 31, 2025	June 30, 2025
Futures trader's equity	$ 88,462,608	$ 58,800,383	$ 40,353,493
Principal of structured products	79,599,641	57,329,479	52,521,743
Equity for each customer in the account	10,093,393	4,857,027	1,040,801
Others	1,690,397	855,031	568,776
	$ 179,846,039	$ 121,841,920	$ 94,484,813

33. OTHER LIABILITIES

	June 30, 2026	December 31, 2025	June 30, 2025
Securities lending refundable deposits	$ 10,579,736	$ 9,332,543	$ 8,083,161
Guarantee deposits received	7,404,063	3,844,626	7,762,946
Temporary receipts and suspense accounts	1,596,094	937,054	1,792,001
Advance revenue	535,268	512,937	456,807
Receipts under custody from customers' security subscription	1,093	95,066	-
Others	174,139	156,227	148,892
	$ 20,290,393	$ 14,878,453	$ 18,243,807

34. INCOME TAX

Under Article 49 of the Financial Holding Company Act and related directives issued by the Ministry of Finance, a financial holding company and its domestic subsidiaries that hold over 90% of shares issued by the financial holding company for 12 months within the same tax year may choose to adopt the linked-tax system for income tax filings.

The Company has used the linked-tax system for income tax and unappropriated earnings tax filings with its qualified subsidiaries since 2003.

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Current tax				
Current period	$ 1,794,624	$ 1,159,907	$ 3,332,915	$ 2,787,187
Unappropriated earnings	279,769	380,380	279,769	380,380
Prior periods	(5,003)	140,527	(4,362)	136,770
Others	9,254	9,717	21,990	24,396
	2,078,644	1,690,531	3,630,312	3,328,733
Deferred tax				
Incurrence and reversal of temporary differences	(38,241)	88,936	567,160	(217,931)
Income tax expenses recognized in profit or loss	$ 2,040,403	$ 1,779,467	$ 4,197,472	$ 3,110,802

The ROC Income Tax Act was 20%. The rate of unappropriated earnings was 5%. Other jurisdictions are calculated based on the respective income tax rate.

b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Deferred tax				
Adjustments of current period				
Exchange difference on translation of foreign operations	$ (16,783)	$ 857,089	$ (162,110)	$ 763,554
Unrealized gain or loss on financial assets measured at fair value through other comprehensive income	(44,394)	(71,581)	(120,871)	62,287
Share of the other comprehensive income of associate	(78)	(1,775)	266	(1,628)
Income tax recognized in other comprehensive income	$ (61,255)	$ 783,733	$ (282,715)	$ 824,213

c. The income tax returns of SinoPac Securities through 2020 have been examined by the tax authorities, of which the 2015 to 2020 tax returns were disallowed items, such as the allocation principle of operating expenses and interest expenses as well as the amortization; therefore, SinoPac Securities filed appeals for the authorities' reconsideration of the assessments. Even if this matter was still unresolved, the Corporation accrued and paid $125,934 assessed by the tax authorities as additional income tax expenses.

d. CL Securities Taiwan Company Limited was merged into SinoPac Securities. The assessed years of profit-seeking enterprise income tax were approved to 2023.

e. The status of the subsidiaries' examined income tax returns is as follows:

	Examined Year
SPH	2020
Bank SinoPac	2020
SinoPac Venture Capital	2020
SinoPac Leasing	2020
SinoPac Securities Investment Trust	2020
SinoPac Futures	2023
SinoPac Securities Investment Service	2024
SinoPac Securities Venture Capital	2024
King's Town Bank	2024
King's Town Securities	2024

f. Pillar Two Income Tax Legislation

The governments of Vietnam and Hong Kong, where subsidiary Bank SinoPac's branch is incorporated, enacted the Pillar Two income tax legislation effective from January 1, 2024 and January 1, 2025.

The governments of U.K. and Hong Kong, where subsidiary SinoPac Securities is incorporated, enacted the Pillar Two income tax legislation effective from January 1, 2024 and January 1, 2025.

The government of Hong Kong, where subsidiary SinoPac Lease is incorporated, enacted the Pillar Two income tax legislation effective from January 1, 2025.

The Group will continue to assess the impact of the Pillar Two Income Tax Act on its future financial performance.

35. EQUITY

a. Capital stock

1) Common stock

The Company had an authorized capital of $180,000,000 divided into 18,000,000 thousand shares, with a par value of NT$10. The authorized capital can be issued in installments upon approval of the board of directors. Of the authorized capital, 500,000 thousand shares had been reserved for issuing stock option certificates, stock warrants associated with preferred stock and stock warrants associated with corporate bonds. The subscription shares issued on the exercise of employee stock options were subject to the regulations of the Securities and Futures Bureau.

To strengthen the capital structure of its subsidiary, SinoPac Securities, enhance its capital adequacy ratio, reduce its debt-to-equity ratio, and meet its funding requirements for operations and business expansion, the Company's board of directors resolved on June 26, 2026, to undertake a cash capital increase through a public subscription and placement of up to 760 million common shares, with a par value of NT$10 per share. The Chairperson was authorized to determine the actual number of shares to be issued and the actual issue price in accordance with applicable laws and regulations and prevailing market conditions, in consultation with the securities underwriter. The Company intends to apply to the competent authority for approval of the new share issuance.

On May 26, 2026, the shareholders' meeting resolved to issue 289,846 thousand common shares with earnings reallocated as capital at a par value of NT$10, as totally $2,898,464 and then increasing the share capital issued and fully paid to $147,821,687. The capital increase was approved by the authorities and record date was set at July 29, 2026.

To strengthen its competitiveness and expand its business operations, the Company acquired King's Town Bank as a subsidiary with 100% ownership through a share exchange. Under the terms of the exchange, each common share of King's Town Bank was exchanged for 1.2375 newly issued common shares of the Company and cash of NT$26.75. To settle the share consideration for the transaction, the Company issued 1,375,152 thousand new shares, each with a par value of NT$10. Following the capital increase, the Company's paid-in ordinary share capital increased to $144,923,223, with the registration of change duly completed on October 1, 2025.

On May 29, 2025, the shareholders' meeting resolved to issue 431,319 thousand common shares with earnings reallocated as capital at a par value of NT$10, as totally $4,313,189 and then increasing the share capital issued and fully paid to $131,271,698. The capital increase was approved by the authorities and record date was set at August 27, 2025.

In response to the shareholders who voiced objections to the resolutions at the Company's extraordinary shareholders' meeting held on March 3, 2025 (Note 54), the Company repurchased 4,125,625 shares on May 26, 2025. Subsequently, in June 2025, all of the repurchased treasury shares were disposed of, resulting in the recognition of capital surplus - treasury share transactions amounting to $1,692.

2) Preferred shares

To strengthen its financial structure, raise its capital adequacy ratio and increase its operating capital, the Company proposed the issuance of preferred Class A shares, with the effective date of May 15, 2009, at a price of NT$6 per share.

Major terms and conditions of the preferred Class A shares are as follows:

a) The current year's earnings will be first used to cover losses of the past years as well as settle all taxes payable. The balance will then be used to appropriate legal reserve and special reserve and to reverse a special reserve in accordance with relevant laws and regulations and the corporate charter. The remainder will then be used to pay the accrued dividends of the past years and dividend of the current year.

b) In the 15 years after the offering, dividends will be calculated at floating rates, using the annual deposit interest rates of Chunghwa Post Co., Ltd. for the period starting from the capital increase record date to the first anniversary of the offering plus 0.7%; from the 16th year and on, dividends will be calculated at the annual interest rates of Chunghwa Post Co., Ltd. at the anniversary of the offering, plus 1.5%. Dividends are payable in cash annually on the basis of the actual offering price. The date of dividend payment will be determined by the board after the shareholders' meeting approves the Company's audited operating results. The Board will then decide the record date for the payment of the previous year's dividend. Dividends for the year of initial share offering and for the buyback year are calculated using the number of days the shares have been outstanding, and the dividend for the buyback year should be paid when a notice is served after the following year's shareholders' meeting.

c) If no earnings are available, earnings are insufficient to fully pay dividends of preferred Class A stock, or the dividend payout will result in the consolidated capital adequacy ratio falling below the minimum amount set by laws and regulations or administrative bodies, the current year's dividends should be accrued together with those of the past years and paid preferentially in the following surplus years.

d) For the distribution of the Company's residual assets, preference is given to preferred Class A shareholders instead of common shareholders, with the amount not exceeding the offering amount and accrued dividends payable.

e) Preferred Class A shareholders do not have voting rights in shareholders' meetings but have the right to be elected as board directors. Nonetheless, preferred Class A shareholders are entitled to in the meetings of preferred Class A shareholders.

f) Preferred Class A shareholders are not entitled to payouts from earnings as well as capital reserve meant for common stock, but they may receive dividends mentioned in paragraph (b) above.

g) If new shares are issued, preferred Class A shareholders have the preferential right of subscription.

h) Within three years of the preferred Class A stock offering, preferred Class A shareholders are entitled to convert all or part of their holdings into common stock on a one-for-one basis at any time, except when the registration of the conversion is suspended in accordance with relevant laws and regulations and when the offering falls within a period starting from the third business day after the date of the board of directors' announcement of its decision on the ex-dividend dates for the stock dividends, cash dividends and rights issues - which involve the suspension of stock registration on certain dates - till the record dates on the above dividends and rights. After conversion, the rights of the holders of the converted shares become the same as those of the common stock.

i) Preferred Class A shares are not entitled to preferred dividends of the current year and the following year's dividend payout for the preferred stock if they had been converted into common stock before the record date (for common dividend distribution). In addition, if preferred stock dividends have already been paid in the year when preferred Class A shares have been converted to common stock, holders of the converted shares are not entitled to common dividends paid out in the year of the conversion. In the following years, accrued preferred dividends should be paid ahead of common dividends in the year and thereafter.

j) Preferred Class A stock has no maturity date. Within 15 years of share offering, all or part of the preferred Class A shares may be bought back at a price based on the offering price plus accrued dividends of the past years and on the basis of the number of days the shares have been outstanding in the current year. For this buyback, the Company will use the money raised through earnings generation, new share offerings or any other means as permitted by relevant laws and regulations. If the Company wants to buy back preferred Class A shares, a written notice should be given to the shareholders 30 days before the buyback. The right to convert the preferred shares into common stock within this period will not be affected by this notice.

There were 70,000 thousand preferred Class A shares. Under IAS 32 "Financial Instruments: Presentation", the Company bifurcated the conversion rights embedded in the preferred Class A stock and the liability component, which amounted to $290,940 (recorded as capital surplus - conversion rights, such capital surplus may not be used for any purpose) and $129,060, respectively. The related public issuance procedures had been completed, with the registration of these procedures approved by the Financial Supervisory Commission (FSC) under guidelines No. 1010058323. As of June 30, 2026, preferred Class A shares had been converted into 60,000 thousand common stock.

b. Capital surplus

	June 30, 2026	December 31, 2025	June 30, 2025
Share premium	$ 26,779,195	$ 26,779,195	$ 6,083,151
Conversion rights	41,562	41,562	41,562
Others	6,340	6,340	6,340
	$ 26,827,097	$ 26,827,097	$ 6,131,053

The premium from shares issued in excess of par (share premium from issuance of common stock, conversion of bonds and treasury stock transactions) and donations may be used to offset a deficit; in addition, when the Company has no deficit, the capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Company's paid-in capital and once a year).

In accordance with the Company Act, the amount recognized from changes in equity of local associates and joint venture accounted for using equity method can be used to cover accumulated deficits.

Under the Financial Holding Company Act and related directives of the Securities and Futures Bureau, if the capital surplus obtained by a financial holding company through a share swap comes from its subsidiaries' unappropriated retained earnings after legal and special reserves, the surplus is exempted from the restriction stated in the Securities and Exchange Act (Ref No. 0910016280). This surplus was distributed together with 2004 earnings.

c. Earnings distribution and dividend policy

The Company's Articles of Incorporation provide that annual net income should be appropriated after deducting any accumulated losses and taxes and providing legal and special reserves and reversing special reserve. The remaining earnings will be used to pay the accumulated and current year's dividends of Class-A preferred shares, and at least 30 percent of retained earnings in the current year will be appropriated as ordinary share dividends, then the board of directors will prepare a proposal for approval at the shareholders' meeting on the appropriation of the remaining earnings and the retained earnings from previous years.

When legal reserve reaches the full amount of the Company's paid-in capital, legal reserve appropriation could be suspended.

The Company appropriates or reverses a special reserve in accordance with Rule No. 1090150022. If there's a net deduction of other equity accumulated in the previous period, the Company should appropriate the same amount of special reserve from the unappropriated retained earnings in the previous period, if there's still a shortage, the Company should appropriate special reserve which is from the current net income after tax and the current unappropriated retained earning not included in the current net income after tax.

Based on the Company's operating plans, the dividend policy is to distribute most dividends in the form of stock to meet capital needs. The cash dividends will be declared only when there is an excess of cash and cash dividends should not be less than 10% of total dividends declared.

Cash dividends and cash bonuses are paid after the approval of the shareholders, while the distribution of stock dividends requires the additional approval of the authorities.

Legal reserve should be appropriated until it has reached the amount of the Company's paid-in capital. This reserve may be used to offset a deficit. When the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriation of earnings for 2025 and 2024 had been approved in the shareholder's meetings on May 26, 2026 and May 29, 2025. The appropriation and dividends per share are as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	2025	2024	2025	2024
Legal reserve	$ 2,769,813	$ 2,686,235		
Special reserve	492,906	533,034		
Cash dividends	15,941,555	11,544,124	$ 1.10	$ 0.91
Stock dividends	2,898,464	4,313,189	0.20	0.34

The shareholders' meeting has established that in future cases of a share buyback, conversion of preferred shares into common stock or other situations that lead to changes in the number of shares outstanding or shareholders waive the right to dividends, the board of directors has the authority to make adjustments.

d. Other equity items

	Exchange Differences on Translation of Foreign Operations	Unrealized Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income		Change in Fair Value of Financial Liability Attributable to Change in Credit Risk of Liability	Equity Directly Related to Disposal Groups Held for Sale	Total
		Equity Instrument	Debt Instrument			
Balance January 1, 2026	$ (1,354,951)	$ 1,718,186	$ (6,507,396)	$ (16,648)	$ (22,846)	$ (6,183,655)
Exchange differences						
Exchange differences on translation of foreign operations	814,874	-	-	-	-	814,874
Related income tax	(162,110)	-	-	-	-	(162,110)
Financial assets at fair value through other comprehensive income						
Current adjustment for change in value	-	2,211,155	(1,476,510)	-	-	734,645
Adjustment for loss allowance of debt instruments	-	-	2,916	-	-	2,916
Current disposal	-	-	(326,115)	-	-	(326,115)
Cumulative realized gain or loss transferred to retained earnings due to disposal	-	(1,182,333)	-	-	-	(1,182,333)
Related income tax	-	6,278	(127,149)	-	-	(120,871)
Share of the other comprehensive income of associates accounted for using equity method						
Current amounts	(1,332)	-	-	-	-	(1,332)
Related income tax	266	-	-	-	-	266
Change in fair value of financial liability attributable to change in credit risk of liability						
Change in amount	-	-	-	(11,108)	-	(11,108)
Other items that will not be reclassified to profit or loss						
Change in amount	-	-	-	-	22,846	22,846
Balance June 30, 2026	$ (703,253)	$ 2,753,286	$ (8,434,254)	$ (27,756)	$ -	$ (6,411,977)

	Exchange Differences on Translation of Foreign Operations	Unrealized Gain or Loss on Financial Assets at Fair Value Through Other Comprehensive Income		Change in Fair Value of Financial Liability Attributable to Change in Credit Risk of Liability	Total
		Equity Instrument	Debt Instrument		
Balance January 1, 2025	$ (621,460)	$ 5,324,354	$ (10,377,012)	$ (16,631)	$ (5,690,749)
Exchange differences					
Exchange differences on translation of foreign operations	(3,805,025)	-	-	-	(3,805,025)
Related income tax	763,554	-	-	-	763,554
Financial assets at fair value through other comprehensive income					
Current adjustment for change in value	-	(404,975)	3,274,665	-	2,869,690
Adjustment for loss allowance of debt instruments	-	-	(10,588)	-	(10,588)
Current disposal	-	-	(308,338)	-	(308,338)
Cumulative realized gain or loss transferred to retained earnings due to disposal	-	(1,133,219)	-	-	(1,133,219)
Related income tax	-	(9,802)	72,089	-	62,287
Share of the other comprehensive income of associates accounted for using equity method					
Current amounts	8,140	-	-	-	8,140
Related income tax	(1,628)	-	-	-	(1,628)
Change in fair value of financial liability attributable to change in credit risk of liability					
Change in amount	-	-	-	9,493	9,493
Balance June 30, 2025	$ (3,656,419)	$ 3,776,358	$ (7,349,184)	$ (7,138)	$ (7,236,383)

e. Non-controlling interests

	For the Six Months Ended June 30	
	2026	2025
Balance at January 1	$ 2,605,759	$ -
Increase in non-controlling interests	-	1,938,640
Attributable to non-controlling interests		
Share in profit for the period	55,373	164,945
Exchange differences on translating the financial statements of foreign entities	32,569	(232,881)
Valuation gains on investments in equity instruments measured at fair value through other comprehensive income	-	369
Balance at June 30	$ 2,693,701	$ 1,871,073

36. NET INTEREST REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Interest income				
Discounts and loans	$ 17,932,214	$ 14,951,018	$ 35,232,656	$ 30,071,051
Investment securities interest	5,309,430	4,486,157	10,486,685	9,070,165
Due from the Central Bank and other banks	1,613,836	1,059,398	2,878,639	2,209,680
Financing	832,954	482,017	1,483,103	1,089,467
Securities purchased under resell agreements	370,976	508,137	830,239	1,103,816
Deposits	334,151	238,423	665,472	509,961
Credit card revolving interest rate income	151,099	152,255	302,637	303,371
Others	735,918	544,036	1,371,356	1,164,249
	27,280,578	22,421,441	53,250,787	45,521,760
Interest expense				
Deposits	(11,129,929)	(10,645,634)	(21,954,799)	(21,998,766)
Call loans from banks	(870,344)	(914,181)	(1,844,764)	(1,923,395)
Interest expense of structured products	(671,446)	(530,910)	(1,263,553)	(1,072,801)
Securities sold under repurchase agreements	(545,007)	(675,498)	(1,051,969)	(1,409,527)
Borrowing	(397,303)	(261,317)	(745,313)	(600,048)
Bank debentures	(228,042)	(217,324)	(455,084)	(435,345)
Others	(741,943)	(345,515)	(1,307,257)	(777,358)
	(14,584,014)	(13,590,379)	(28,622,739)	(28,217,240)
Net amount	$ 12,696,564	$ 8,831,062	$ 24,628,048	$ 17,304,520

37. SERVICE FEE AND COMMISSIONS INCOME, NET

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Commissions and fee revenue				
Brokerage services	$ 6,812,482	$ 2,306,439	$ 11,115,489	$ 4,618,606
Trust and related services	1,612,559	919,141	3,166,202	2,180,634
Loan services	967,597	793,585	2,575,715	1,916,851
Insurance services	820,173	713,009	2,555,744	2,448,379
Credit card services	316,973	355,889	664,019	668,477
Others	989,947	643,662	2,123,449	1,317,377
	11,519,731	5,731,725	22,200,618	13,150,324

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Commissions and fee expense				
Brokerage services	$ (871,172)	$ (202,974)	$ (1,424,189)	$ (405,242)
Credit card services	(352,450)	(297,235)	(690,692)	(589,740)
Interbank services	(118,139)	(104,745)	(236,525)	(209,757)
Trust services	(85,705)	(77,084)	(167,245)	(165,884)
Settlement and delivery services	(50,500)	(39,111)	(99,654)	(74,856)
Futures commission	(24,792)	(35,572)	(56,387)	(72,117)
Others	(288,262)	(239,738)	(565,605)	(430,964)
	(1,791,020)	(996,459)	(3,240,297)	(1,948,560)
Net amount	$ 9,728,711	$ 4,735,266	$ 18,960,321	$ 11,201,764

(Concluded)

38. GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS, NET

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Disposal gain (loss) on financial assets and liabilities at fair value through profit or loss				
Operating securities - proprietary	$ 18,470,514	$ (1,021,410)	$ 29,858,206	$ (1,226,776)
Operating securities - hedging	5,122,870	(659,513)	6,881,560	(850,140)
Stocks	4,386,587	136,054	4,555,287	151,549
Corporate bonds	147,797	2,569	561,333	1,932
Fund beneficiary certificate	305,811	16,423	397,731	16,723
Operating securities - underwriting	36,615	1,835	117,406	91,492
Securities lending and short sales bonds under resell agreements transactions	(3,691,469)	(381,232)	(5,882,102)	(699,409)
Forward exchange contracts	440,540	(1,113,136)	728,312	(800,225)
Currency swap contracts	607,381	1,405,063	721,644	2,799,140
Option contracts	148,150	49,600	230,805	136,009
Interest rate swap contracts	134,671	134,887	128,356	60,248
Asset swap contracts	(247,094)	(118,080)	(187,405)	(279,137)
Issuance of call (put) warrants	(964,075)	118,173	(1,726,025)	408,457
Futures contracts	(17,287,287)	2,474,878	(25,285,804)	3,100,424
Others	(797,768)	258,793	(1,313,984)	280,097
	6,813,243	1,304,904	9,785,320	3,190,384

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Unrealized gain (loss) on financial assets and liabilities at fair value through profit or loss				
Operating securities - hedging	$ 3,365,897	$ 475,320	$ 2,749,728	$ (215,542)
Stocks	2,246,285	229,974	2,600,408	302,349
Operating securities - proprietary	3,436,541	1,234,793	359,279	(17,085)
Fund beneficiary certificate	245,769	(23,219)	197,035	(23,162)
Future margin - marketable securities	298,687	83,492	189,871	(141,701)
Corporate bonds	(112,725)	(70,672)	(506,575)	(48,876)
Securities lending and short sales bonds under resell agreements transactions	(2,854,040)	(1,806,781)	(1,653,790)	(85,164)
Interest rate swap contracts	121,854	219,264	1,399,994	480,296
Option contracts	535,162	(138,245)	424,621	123,240
Currency swap contracts	(252,452)	(50,688)	54,273	(285,151)
Forward exchange contracts	(242,543)	(423,458)	(384,836)	(523,804)
Asset swap contracts	(659,826)	27,800	(841,995)	249,932
Futures contracts	(3,264,716)	(69,494)	(1,376,656)	125,383
Issuance of (put) call warrants	(3,455,121)	(102,119)	(3,240,182)	85,352
Others	(974,560)	142,520	(1,180,838)	224,277
	(1,565,788)	(271,513)	(1,209,663)	250,344
Interest income	458,793	370,824	949,428	795,953
Dividend income	413,458	204,578	641,772	341,237
Interest expenses	(31)	-	(50)	-
	$ 6,119,675	$ 1,608,793	$ 10,166,807	$ 4,577,918

(Concluded)

39. REALIZED GAINS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Dividend income				
Held at the end of the reporting period	$ 225,701	$ 181,531	$ 312,185	$ 221,184
Disposed in the reporting period	87,205	55,042	88,220	75,390
Gain from disposal of debt instruments	159,926	84,466	326,115	308,339
	$ 472,832	$ 321,039	$ 726,520	$ 604,913

40. REVERSAL OF IMPAIRMENT LOSS ON ASSETS

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Impairment loss on other financial assets	$ (56,940)	$ (108,331)	$ (20,142)	$ (136,856)
Others	129	8,038	(4,376)	1,316
	$ (56,811)	$ (100,293)	$ (24,518)	$ (135,540)

41. NET OTHER REVENUE OTHER THAN INTEREST INCOME

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Securities lending	$ 327,557	$ 178,295	$ 565,190	$ 375,769
Operating assets rental income	44,952	41,668	91,103	82,625
Stock affairs agent revenue	51,464	44,373	87,419	76,375
Rental income	13,983	12,902	26,670	26,517
Transaction bonus	7,366	9,907	17,419	18,514
Overdue account recovery	1,387	1,102	3,389	1,990
Expense arising from issuance of (put) call warrants	(89,018)	(54,361)	(159,754)	(119,371)
Breakage charges on prepayment of borrowing	-	(92,172)	-	(92,172)
Others	74,196	41,172	149,518	63,780
	$ 431,887	$ 182,886	$ 780,954	$ 434,027

42. EMPLOYEE BENEFITS EXPENSES

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Short-term employee benefits expenses - salaries and bonuses	$ 7,803,875	$ 5,084,547	$ 14,773,953	$ 10,235,208
Short-term employee benefits expenses - others	774,783	614,739	1,559,098	1,358,004
Post-employment benefits expenses	183,417	155,514	365,771	314,503
Long-term employee benefits expenses	10,666	(3,195)	20,036	7,258
	$ 8,772,741	$ 5,851,605	$ 16,718,858	$ 11,914,973

The Company's Articles of Incorporation provide that the Company shall allocate from annual profit more than 0.01% as employees' compensation and not more than 1% as remuneration of directors. When the company has accumulated losses, it should reserve the amount to cover deficit in advance. Of the aforementioned employee compensation, no less than 60% shall be allocated as compensation to grassroots employees.

For the six months ended June 30, 2026 and 2025, the compensation were $2,447 and $1,312, respectively and the remuneration of directors were $51,393 and $28,867, respectively. These amounts were estimated on the basis of the provisions of the Company's Articles of Incorporation and past experience.

If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate.

The board of directors approved $3,000 as employees' compensation and $54,000 as remuneration of directors on January 30, 2026 and February 26, 2026, respectively. These amounts were the same as those recognized in the financial statements and will be delivered entirely in cash. The approval has been reported in the shareholders' meeting on May 26, 2026.

The board of directors approved $2,500 as employees' compensation and $47,700 as remuneration of directors on January 17, 2025 and February 20, 2025, respectively. These amounts were the same as those recognized in the financial statements and will be delivered entirely in cash. The approval has been reported in the shareholders' meeting on May 29, 2025.

The information on the proposed and approved compensations to employees and directors is available at the Market Observation Post System (M.O.P.S.) website of the Taiwan Stock Exchange.

To balance short-term and long-term incentives, the Company has established a long-term incentive plan for the Group's senior executives, under which performance bonuses are deferred and linked to the future stock value of the Company and long-term performance indicators. The Group measures the compensation based on phantom shares and future stock prices, to be settled in cash, and recognizes the compensation cost as cash-settled share-based payment transactions as part of long-term employee benefit expenses.

43. DEPRECIATION AND AMORTIZATION EXPENSE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Depreciation expense				
Land improvements	$ 78	$ 72	$ 156	$ 153
Buildings	65,776	56,102	129,039	112,074
Machinery and computer equipment	119,003	111,684	236,447	228,925
Transportation equipment	23,916	25,197	47,742	47,874
Other equipment	44,920	41,230	90,830	82,939
Leasehold improvements	41,104	34,621	82,115	69,708
Right-of-use assets	331,846	291,070	657,461	579,794
	626,643	559,976	1,243,790	1,121,467
Amortization expense	335,484	126,981	502,216	251,353
	$ 962,127	$ 686,957	$ 1,746,006	$ 1,372,820

44. OTHER GENERAL AND ADMINISTRATIVE EXPENSES

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Taxation and fees	$ 1,022,273	$ 795,684	$ 1,985,992	$ 1,541,255
Automated equipment	324,705	262,518	585,764	477,938
Marketing	271,734	465,008	518,161	713,879
Professional advisory	213,182	197,271	386,079	366,304
Location fee	173,980	138,276	331,869	267,100
Communications expense	196,239	121,947	322,030	253,768
Insurance	161,000	133,555	319,603	268,589
Borrowing expense	176,553	111,534	316,013	217,569
Others	872,948	615,465	1,487,708	1,163,338
	$ 3,412,614	$ 2,841,258	$ 6,253,219	$ 5,269,740

45. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing net income by the weighted-average number of common stock outstanding.

In the calculation of diluted earnings per share, the preferred shares, which have a dilutive effect, are included in the weighted-average number of common stock outstanding by which net income will be divided.

Dollars Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Basic EPS				
From continuing operations	$ 0.91	$ 0.40	$ 1.66	$ 0.94
From discontinued operations	-	-	-	-
	$ 0.91	$ 0.40	$ 1.66	$ 0.94
Diluted EPS				
From continuing operations	$ 0.91	$ 0.40	$ 1.66	$ 0.94
From discontinued operations	-	-	-	-
	$ 0.91	$ 0.40	$ 1.66	$ 0.94

Net income and the weighted-average number of common stock outstanding in the computation of EPS are as follow:

Net Income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Net income for calculating basic EPS	$ 13,498,057	$ 5,401,306	$ 24,492,524	$ 12,603,048
Less: Profit used in the computation of basic earnings per share from discontinued operations	-	-	22,092	-
Earnings used in the computation of basic earnings per share from continuing operations	13,498,057	5,401,306	24,470,432	12,603,048
Effect of potentially dilutive common stock:				
Preferred shares	482	483	960	960
Net income for calculating diluted EPS from continuing operations	$ 13,498,539	$ 5,401,789	$ 24,471,392	$ 12,604,008

Shares

Shares in Thousands

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
The weighted-average number of common stock outstanding in the computation of basic EPS	14,782,169	13,378,966	14,782,169	13,379,238
Effect of potentially dilutive common stock:				
Preferred shares	10,000	10,000	10,000	10,000
The weighted-average number of common stock outstanding in the computation of diluted EPS	14,792,169	13,388,966	14,792,169	13,389,238

In calculating EPS for the comparative periods, the effects of the bonus share issuances on July 29, 2026 and August 27, 2025 were retrospectively adjusted. Accordingly, basic EPS for the three months ended June 30, 2025 and for the six months ended June 30, 2025 were reduced from $0.43 and $0.99 to $0.40 and $0.94, respectively.

If the Company decides to give an employee a bonus in the form of cash or shares, the Company should presume that the entire amount of the bonus will be in the form of shares, and if the resulting potential shares have a dilutive effect, these shares should be included in the weighted-average number of shares outstanding to be used in the calculation of diluted earnings per share. The dilutive effect of the potential shares should be included in the computation of diluted earnings per share until the board of directors resolves at their meeting in the following year the number of shares to be distributed to employees. Employee compensation did not result in a significant change in the weighted average number of common stocks used in the computation of diluted earnings per stock and diluted earnings per share.

46. RELATED-PARTY TRANSACTIONS

In addition to those disclosed in other notes to the financial statements, relationships with the Group and significant transactions, as well as the subsidiaries' related-party transactions, are summarized as follows:

a. Related parties and their relationships with the Group

Related Party	Relationship with the Group
SinoPac Foundation	Affiliate of the Company's chairman
Taiwan Creative Industry Development Co., Ltd. (Taiwan Creative Industry)	Affiliate of SinoPac Venture Capital's general manager
Centera Photonics Inc. (Centera Photonics)	Affiliate of SinoPac Venture Capital's general manager (before June 2026)
Global Unichip Corp. (GUC)	Affiliate of the Company's chairman's spouse
Hsinex International Corp. (Hsinex International)	The Company's corporate director
Xing Yuan Co., Ltd. (Xing Yuan)	The Company's corporate director
E Ink Holdings Inc. (E Ink Holdings)	Affiliate of the Company's director
Novatek Microelectronics Corp. (Novatek Microelectronics)	Affiliate of the Company's director
Macronix International Co., Ltd. (Macronix)	Affiliate of the Company's director
Hsin-Yi Foundation	Affiliate of Bank SinoPac's director
China Color Printing Co., Ltd. (China Color Printing)	Affiliate of Bank SinoPac's director
Fu Hua Development Enterprise Co., Ltd. (Fu Hua Development)	Affiliate of Bank SinoPac's director
Chunghwa Telecom Co., Ltd. (Chunghwa Telecom)	Affiliate of Bank SinoPac's director (before July 2025)
Apex International Co., Ltd. (Apex International)	Affiliate of Bank SinoPac's director
Vigor Kobo Co., Ltd. (Vigor Kobo)	Affiliate of Bank SinoPac's director (before July 2025)
Chunghwa Precision Test Tech. Co., Ltd (Chunghwa Precision Test)	Affiliate of Bank SinoPac's director
E Ink Technology B.V.	Affiliate of the Bank SinoPac's corporate director's spouse
Transcend Optronics (Yangzhou) Co., Ltd. (Transcend Optronics (Yangzhou))	Affiliate of the Bank SinoPac's corporate director's spouse
Foongtone Technology Co., Ltd. (Foongtone Technology)	Affiliate of the Bank SinoPac's corporate director's spouse
Taiflex Scientific Co., Ltd. (Taiflex Scientific)	Affiliate of the Bank SinoPac's corporate director's spouse
TaiGen Biopharmaceuticals Holdings Limited (TaiGen Biopharmaceuticals)	Affiliate of first-degree kin of the Bank SinoPac's corporate director
TaiGen Biotechnology Co., Ltd. (TaiGen Biotechnology)	Affiliate of first-degree kin of the Bank SinoPac's corporate director
Yong Hsin Yi Enterprise Co., Ltd. (Yong Hsin Yi Enterprise)	Affiliate of first-degree kin of the Bank SinoPac's corporate director
He Ze Yi Enterprise Co., Ltd. (He Ze Yi Enterprise)	Affiliate of first-degree kin of the Bank SinoPac's corporate director
He Ze An Industrial Co., Ltd. (He Ze An Industrial)	Affiliate of first-degree kin of the Bank SinoPac's corporate director

(Continued)

Related Party	Relationship with the Group
YFY Packaging (Yangzhou) Investment Ltd. (YFY Packaging (Yangzhou))	Affiliate of first-degree kin of the Bank SinoPac's corporate director
Yuen Foong Shop Co., Ltd. (Yuen Foong Shop)	Affiliate of second-degree kin of the Bank SinoPac's corporate director
Yuen Foong Yu Consumer Products Co., Ltd. (Yuen Foong Yu Consumer Products)	Affiliate of second-degree kin of the Bank SinoPac's corporate director
YFY Investment Co., Ltd. (YFY Investment)	Affiliate of second-degree kin of the Bank SinoPac's corporate director
Ting-Fong Investment Corporation, Ltd. (Ting-Fong Investment)	Affiliate of SinoPac Securities's director
Taiwan Glass Ind. Corp. (TGI)	Affiliate of SinoPac Securities's director
Teinco Technology Co., ltd. (Teinco Technology)	Affiliate of SinoPac Leasing's director
Hua Nan Commercial Bank Ltd. (Hua Nan Bank)	Affiliate of SinoPac Leasing's director's spouse
IBF Securities Co., Ltd. (IBF Securities)	Affiliate of King's Town Bank's director's spouse (before June 2026)
Grand Bills Finance Corp. (Grand Bills)	Affiliate of the Company's manager's spouse (before June 2025)
SYNergy Scientech Corp. (SYNergy Scientech)	Affiliate of the Bank SinoPac's manager's spouse
Hao-Xin-Di Co., Ltd. (Hao-Xin-Di)	Affiliate of second-degree kin of Bank SinoPac's manager
Zetai Investment Limited (Zetai Investment)	Affiliate of second-degree kin of Bank SinoPac's manager
Kinpo Electronics, Inc. (Kinpo Electronics)	Affiliate of second-degree-in-laws of Bank SinoPac's manager
Elite Material Co., Ltd. (EMC)	Related party
YFY International B.V. (YFY International)	Related party
YFY Inc. (YFY)	Related party
Jhong Cing Investment Co., Ltd. (Jhong Cing Investment)	Related party
Beautone Co., Ltd. (Beautone)	Related party
Hoss Capital Inc. (Hoss Capital)	Related party
Mcr Investment inc. (Mcr Investment)	Related party
SinoPac Multi Strategy Quant Fund Limited	Related party
SinoPac Multi-Series Fund II Limited	Related party
SinoPac Multi-Series Fund SPC	Related party
SinoPac Nucopia SPC	Related party
Others	The Group's directors, supervisors, managers and their relatives, department chiefs, investments accounted for using equity method and their subsidiaries, and investees of the Company's other subsidiaries, etc.

(Concluded)

b. Significant transactions with related parties

1) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
SinoPac Securities and its subsidiaries			
Bank deposits			
Others	$ 3,013	$ 8,657	$ 2,817
SinoPac Leasing and its subsidiaries			
Bank deposits			
Others	66	66	66

2) Due from the Central Bank and call loans to banks

	June 30, 2026		For the Six Months Ended June 30, 2026
	Ending Balance	Interest Rate (%)	Interest Income
Bank SinoPac and its subsidiaries			
Call loans to banks			
Hua Nan Bank	$ 2,857,520	2.69-20.00	$ 69,614

	December 31, 2025	
	Ending Balance	Interest Rate (%)
Bank SinoPac and its subsidiaries		
Call loans to banks		
Hua Nan Bank	$ 300,000	2.00-9.70

	June 30, 2025		For the Six Months Ended June 30, 2025
	Ending Balance	Interest Rate (%)	Interest Income
Bank SinoPac and its subsidiaries			
Call loans to banks			
Hua Nan Bank	$ 1,349,796	2.16-5.20	$ 21,648

3) Financial assets at fair value through profit or loss

	June 30, 2026	December 31, 2025	June 30, 2025
Bank SinoPac and its subsidiaries			
Corporate bonds			
Others	$ -	$ 25,079	$ 59,187
Stocks			
Others	9,959	-	-
SinoPac Securities and its subsidiaries			
GUC	773,146	783,677	6,032
EMC	493,476	597,946	720,701
Chunghwa Precision Test	279,511	214,747	16,515
Macronix	261,647	655,124	225,112
Novatek Microelectronics	147,187	91,065	89,718
E Ink Holdings	113,442	138,283	30,763
Others	152,141	101,619	362,555
SinoPac Securities Investment Trust			
Others	-	-	9,073
SinoPac Venture Capital			
TaiGen Biopharmaceuticals	120,645	198,778	162,946
Centera Photonics	-	208,662	236,266
Others	102,720	75,505	76,837

4) Derivative financial instruments

	June 30, 2026				
	Contract (Notional) Amount	Contract Period	Valuation Gains or Losses	Account	Balance
Bank SinoPac and its subsidiaries					
Interest rate swap contracts					
Hua Nan Bank	$ 11,550,181	2023.8.22-2036.6.12	$ 18,491	Financial assets at fair value through profit or loss	$ 694,752
Forward exchange contracts					
YFY International	620,901	2025.8.14-2026.11.5	13,131	Financial assets at fair value through profit or loss	22,340
YFY	159,206	2025.11.3-2026.11.5	3,514	Financial assets at fair value through profit or loss	5,629

	December 31, 2025			
	Contract (Notional) Amount	Contract Period	Account	Balance
Bank SinoPac and its subsidiaries				
Interest rate swap contracts				
Hua Nan Bank	$ 11,959,375	2020.11.13-2035.11.19	Financial assets at fair value through profit or loss	$ 680,190
Forward exchange contracts				
YFY International	613,324	2025.8.14-2026.11.5	Financial assets at fair value through profit or loss	9,208
YFY	157,263	2025.11.3-2026-11.5	Financial assets at fair value through profit or loss	2,116

	June 30, 2025				
	Contract (Notional) Amount	Contract Period	Valuation Gains or Losses	Account	Balance
Bank SinoPac and its subsidiaries					
Interest rate swap contracts					
Hua Nan Bank	$ 11,475,868	2020.11.13-2034.10.16	$ (134,296)	Financial assets at fair value through profit or loss	$ 504,552
Hua Nan Bank	20,408	2022.7.27-2025.7.28	10	Financial liabilities at fair value through profit or loss	62
Forward exchange contracts					
YFY International	131,586	2025.1.9-2026.1.13	1,080	Financial assets at fair value through profit or loss	2,674
YFY International	438,621	2024.8.12-2025.11.5	5,111	Financial liabilities at fair value through profit or loss	9,316
YFY	146,207	2024.11.1-2025.11.5	1,701	Financial liabilities at fair value through profit or loss	2,401
SinoPac Securities and its subsidiaries					
Asset exchange option contracts					
Others	-	-	(19,565)	-	-

5) Financial assets at fair value through other comprehensive income

	June 30, 2026	December 31, 2025	June 30, 2025
Bank SinoPac and its subsidiaries			
Equity instruments			
Others	$ 39,930	$ 42,167	$ 41,079
SinoPac Securities and its subsidiaries			
Equity instruments			
Novatek Microelectronics	208,115	-	-
Chunghwa Telecom	-	-	616,140
SinoPac Venture Capital			
Equity instruments			
Others	95,716	95,185	101,166

6) Securities purchased under resell agreements

	June 30, 2025		For the Six Months Ended June 30, 2025
	Face Amount	Carrying Amount	Interest Income
SinoPac Securities and its subsidiaries			
Others	$ -	$ -	$ 15,980

7) Receivables

	June 30, 2026	December 31, 2025	June 30, 2025
Bank SinoPac and its subsidiaries			
Others	$ 868,952	$ 284,056	$ 255,655
SinoPac Securities and its subsidiaries			
Others	18,304	18,376	18,098
SinoPac Securities Investment Trust			
Others	-	-	29,442

8) Loans

For the Six Months Ended June 30, 2026			
Ending Balance	Highest Balance	Interest/ Fee Rates (%)	Interest Income
$ 14,522,678	$ 15,353,766	0.69-13.80	$ 144,622

Category	June 30, 2026						
	Account Volume or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collaterals	Differences in Transaction Terms Between Related and Non related Parties
Employees' consumer loans	167	$ 296,893	$ 281,695	V	-	Real estate and vehicle	None
Household mortgage loans	1,270	9,730,563	9,497,287	V	-	Real estate	None
Others:							
	Kinpo Electronics	368,526	368,526	V	-	None	None
	Teinco Technology	151,407	146,376	V	-	Machine equipment	None
	Apex International	45,000	45,000	V	-	Certificates of deposit	None
	Jhong Cing Investment	43,999	42,158	V	-	Real estate	None
	Hao-Xin-Di	4,206	3,751	V	-	Real estate	None
	Others	4,713,172	4,137,885	V	-	Real estate and vehicle	None
	Others subtotal	5,326,310	4,743,696				
	Total	$ 15,353,766	$ 14,522,678				

For the Year Ended December 31, 2025			
Ending Balance	Highest Balance	Interest/ Fee Rates (%)	Interest Income
$ 13,343,372	$ 14,458,794	0.69-13.80	$ 285,737

Category	December 31, 2025						
	Account Volume or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collaterals	Differences in Transaction Terms Between Related and Non related Parties
Employees' consumer loans	182	$ 362,556	$ 338,281	V	-	Real estate and vehicle	None
Household mortgage loans	1,237	9,118,269	8,713,451	V	-	Real estate	None
Others:							
	Kinpo Electronics	381,667	314,359	V	-	None	None
	Teinco Technology	161,169	151,407	V	-	Machine equipment	None
	Apex International	71,800	45,000	V	-	Marketable securities	None
	Jhong Cing Investment	47,613	43,999	V	-	Real estate	None
	Hao-Xin-Di	5,101	4,206	V	-	Real estate	None
	Others	4,310,619	3,732,669	V	-	Real estate, vehicle and certificates of deposit	None
	Others subtotal	4,977,969	4,291,640				
	Total	$ 14,458,794	$ 13,343,372				

	For the Six Months Ended June 30, 2025			
	Ending Balance	Highest Balance	Interest/ Fee Rates (%)	Interest Income
	$ 12,493,472	$ 14,281,864	0-13.80	$ 139,934

Category	June 30, 2025						
	Account Volume or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collaterals	Differences in Transaction Terms Between Related and Non related Parties
Employees' consumer loans	174	$ 297,857	$ 283,007	V	-	Real estate and vehicle	None
Household mortgage loans	1,202	8,695,087	8,356,054	V	-	Real estate	None
Others:							None
	Macronix	1,000,000	-	V	-	None	None
	Kinpo Electronics	415,000	335,834	V	-	None	None
	Apex International	72,000	72,000	V	-	Securities and debts	None
	Teinco Technology	128,586	123,704	V	-	Machine equipment	None
	Vigor Kobo	30,000	30,000	V	-	Real estate	None
	Jhong Cing Investment	47,613	45,815	V	-	Real estate	None
	Hao-Xin-Di	5,100	4,656	V	-	Real estate	None
	Zetai Investment	175	-	V	-	Vehicle	None
	Others	3,590,446	3,242,402	V	-	Real estate and vehicle	None
	Others subtotal	5,288,920	3,854,411				
	Total	$ 14,281,864	$ 12,493,472				

Note: Debtors of related party loans are all within normal credit ranking. The Group estimated provision for doubtful debt periodically in accordance with the guidelines issued by the authority and IFRS Accounting Standards.

9) Guarantees

June 30, 2026

Related Party	Highest Balance	Ending Balance	Reserve for Guarantee Liabilities	Interest Rate (Per Annum%)	Type of Collaterals	Note
SYNergy Scientech	$ 8,875	$ 8,875	$ 105	0.65	None	

10) Property and equipment

In the six months ended June 30, 2026 and 2025, Bank SinoPac and its subsidiaries purchased property and equipment from its related parties for a total price of $4,271 and $8,854, respectively, recognized as machinery and computer equipment and prepayments for equipment.

In the six months ended June 30, 2025, SinoPac Securities and its subsidiaries purchased property and equipment from its related parties for a total price of $569, recognized as machinery and computer equipment. (In the six months ended June 30, 2026: None)

In the six months ended June 30, 2026 and 2025, SinoPac Securities Investment Trust purchased property and equipment from its related parties for a total price of $690 and $178, respectively, recognized as machinery and computer equipment.

11) Intangible assets

In the six months ended June 30, 2026 and 2025, Bank SinoPac and its subsidiaries purchased computer software from its related parties for a total price of $8,756 and $17,374, respectively, recognized as intangible assets.

In the six months ended June 30, 2026, SinoPac Securities and its subsidiaries purchased computer software from its related parties for a total price of $1,186, recognized as intangible assets. (In the six months ended June 30, 2025: None)

In the six months ended June 30, 2026, SinoPac Securities Investment Trust purchased computer software from its related parties for a total price of $52, recognized as intangible assets. (In the six months ended June 30, 2025: None)

12) Other assets

	June 30, 2026	December 31, 2025	June 30, 2025
Bank SinoPac and its subsidiaries			
Guarantee deposits			
Others	$ 735	$ 729	$ 826
Prepayments			
Others	29	35	40
SinoPac Securities and its subsidiaries			
Guarantee deposits			
Others	2,160	2,160	2,359
Prepayment			
Others	2,831	166	3
SinoPac Securities Investment Trust			
Guarantee deposits			
Others	180	180	185
Prepayment			
Others	236	215	-
SinoPac Leasing and its subsidiaries			
Guarantee deposits			
Others	-	-	36

Bank SinoPac and its subsidiaries signed an agreement with other related parties for the purchase. Bank SinoPac and its subsidiaries paid $30,762 and $25,185 for the six months ended June 30, 2026 and 2025, respectively, which were recognized as prepayments (other assets) or operating expenses.

On June 30, 2026, December 31, 2025 and June 30, 2025, undiscounted guarantee deposits paid on lease contracts of Bank SinoPac and its subsidiaries all were $640.

On June 30, 2025, undiscounted guarantee deposits paid on lease contracts of SinoPac Securities and its subsidiaries were $158. (On June 30, 2026 and December 31, 2025: None)

13) Notes and bonds transaction

	For the Six Months Ended June 30, 2026	
	Purchase of Notes and Bonds	Sell of Notes and Bonds
Bank SinoPac and its subsidiaries		
Others	$ -	$ 25,000

	For the Six Months Ended June 30, 2025	
	Purchase of Notes and Bonds	Sell of Notes and Bonds
Bank SinoPac and its subsidiaries		
Others	$ 59,045	$ -
SinoPac Securities and its subsidiaries		
Grand Bills	68,139,507	114,824,749
Hua Nan Bank	-	292,414

14) Deposits from the Central Bank and banks

	June 30, 2026		For the Six Months Ended June 30, 2026
	Ending Balance	Interest Rate (%)	Interest Expense
Bank SinoPac and its subsidiaries			
Hua Nan Bank	$ 127,364	0.80-6.50	$ 235

	June 30, 2025		For the Six Months Ended June 30, 2025
	Ending Balance	Interest Rate (%)	Interest Expense
Bank SinoPac and its subsidiaries			
Others	$ -	1-4.30	$ 765

15) Commercial papers issued

	June 30, 2025		For the Six Months Ended June 30, 2025
	Face Amount	Interest Rate (%)	Interest Expense
SinoPac Securities and its subsidiaries			
Others	$ -	1.72-1.91	$ 19,265
SinoPac Leasing and its subsidiaries			
Others	-	1.928-1.998	797

16) Payables

	June 30, 2026	December 31, 2025	June 30, 2025
Bank SinoPac and its subsidiaries			
Others	$ 33,114	$ 21,964	$ 8,386
SinoPac Securities and its subsidiaries			
Others	4,681	887	4,599
SinoPac Securities Investment Trust			
Others	844	665	-

17) Deposits

	June 30, 2026		For the Six Months Ended June 30, 2026
	Ending Balance	Interest Rate (%)	Interest Expense
Others	$ 19,319,088	0-13	$ 150,784

	December 31, 2025	
	Ending Balance	Interest Rate (%)
Others	$ 17,959,166	0-13

	June 30, 2025		For the Six Months Ended June 30, 2025
	Ending Balance	Interest Rate (%)	Interest Expense
Others	$ 17,332,314	0-13	$ 254,489

Note: The preferential savings rates included in the interest rates of insurance products and those transactions are at arm's length with unrelated parties.

Deposit details of related parties whose amounts are over $100,000 with Bank SinoPac and its subsidiaries, please refer to Note 46, c.1.10.

18) Other financial liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
SinoPac Securities and its subsidiaries			
Futures traders' equity			
Others	$ 8,157	$ 4,254	$ 19,218

19) Lease

	For the Six Months Ended June 30	
	2026	**2025**
Bank SinoPac and its subsidiaries as a lessee		
Acquisition of right-of-use assets		
Chunghwa Telecom	$ -	$ 79,306

	June 30, 2026	**December 31, 2025**	**June 30, 2025**
Bank SinoPac and its subsidiaries as a lessee			
Lease liabilities			
Chunghwa Telecom	$ -	$ -	$ 288,990
Others	9,886	11,660	13,418
SinoPac Securities and its subsidiaries as a lessee			
Lease liabilities			
Others	-	-	1,921

20) Other liabilities

	June 30, 2026	**December 31, 2025**	**June 30, 2025**
Bank SinoPac and its subsidiaries			
Guarantee deposits received			
Others	$ 3,826	$ 875	$ 875

21) Interest income

	For the Six Months Ended June 30	
	2026	**2025**
Bank SinoPac and its subsidiaries		
Others	$ 5	$ 5
SinoPac Securities and its subsidiaries		
Others	-	7,336

22) Interest expense

	For the Six Months Ended June 30	
	2026	**2025**
Bank SinoPac and its subsidiaries		
Others	$ 98	$ 2,708
SinoPac Securities and its subsidiaries		
Others	-	36

23) Service fee and commissions income, net

	For the Six Months Ended June 30	
	2026	2025
Bank SinoPac and its subsidiaries		
Fee revenues		
Others	$ 13,069	$ 14,535
Fee expenses		
Others	2,641	12,802
SinoPac Securities and its subsidiaries		
Fee revenues		
Others	73,885	82,980
Fee expenses		
Others	2,455	2,445
SinoPac Securities Investment Trust		
Fee revenues		
Others	-	189,866

24) Gains on financial assets and liabilities at fair value through profit or loss

	For the Six Months Ended June 30	
	2026	2025
SinoPac Securities and its subsidiaries		
Others	$ 6,667	$ 4,337
SinoPac Securities Investment Trust		
Others	-	(340)
SinoPac Venture Capital		
Others	14,373	41,028

25) Realized gains (losses) on financial assets at fair value through other comprehensive income

	For the Six Months Ended June 30	
	2026	2025
Bank SinoPac and its subsidiaries		
Others	$ 6,052	$ 6,052
SinoPac Venture Capital		
Others	-	271

26) Net other revenue other than interest income

	For the Six Months Ended June 30	
	2026	2025
Bank SinoPac and its subsidiaries		
Operating assets rental revenue		
Others	$ 2,640	$ 2,640
Other revenues		
Others	1,019	1,057
SinoPac Securities and its subsidiaries		
Stock affairs agent revenue		
Others	10,140	9,795
Other net revenues		
Others	64	77
SinoPac Venture Capital		
Other revenues		
Others	825	1,647
SinoPac Leasing and its subsidiaries		
Other expenses		
Others	11	-

27) Operating expenses

	For the Six Months Ended June 30	
	2026	2025
Donation		
SinoPac Foundation	$ 27,000	$ 35,000
Others		
The Company		
Others	1,683	3,968
Bank SinoPac and its subsidiaries		
Others	50,980	90,681
SinoPac Securities and its subsidiaries		
Others	10,993	91,519
SinoPac Securities Investment Trust		
Others	1,835	2,294
SinoPac Venture Capital		
Others	4	46
SinoPac Leasing and its subsidiaries		
Others	157	1,810

28) Other transactions

The subsidiaries of SinoPac Securities acquired management shares of SinoPac Multi Strategy Quant Fund Limited, SinoPac Multi-Series Fund II Limited, SinoPac Multi-Series Fund SPC and SinoPac Nucopia SPC establish in Cayman Islands in the amount of $10. The management shares were issued to the investment manager in compliance with specific legal procedures, and the holders do not have the rights to participate in profit, assets or distributions of surplus funds.

The terms of the above transactions with related parties were not materially different from those with other unrelated parties.

29) Compensation of key management personnel

	For the Six Months Ended June 30	
	2026	2025
Short-term employee benefits	$ 44,761	$ 43,529
Share-based payment	8,563	1,426
Post-employment benefits	772	690
	$ 54,096	$ 45,645

The key management personnel are composed of directors, general manager, vice general manager and other employees with higher positions.

c. Related-party transactions amounting to over $100,000

Bank SinoPac and its subsidiaries

1) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Excess futures margin			
SinoPac Futures	$ 188,869	$ 55,853	$ 110,844

2) Due from the Central Bank and call loans to banks

	June 30, 2026		For the Six Months Ended June 30, 2026
	Ending Balance	Interest Rate (%)	Interest Income
Call loans to bank			
Hua Nan Bank	$ 2,857,520	2.69-20.00	$ 69,614

	December 31, 2025	
	Ending Balance	Interest Rate (%)
Call loans to bank		
Hua Nan Bank	$ 300,000	2.00-9.70

	June 30, 2025		For the Six Months Ended June 30, 2025
	Ending Balance	Interest Rate (%)	Interest Income
Call loans to bank			
Hua Nan Bank	$ 1,349,796	2.16-5.20	$ 21,648

3) Financial assets at fair value through profit or loss

	June 30, 2026	December 31, 2025	June 30, 2025
Future margin - own funds			
SinoPac Futures	$ 1,511,543	$ 190,320	$ 28,067

4) Derivative financial instruments

	June 30, 2026				
	Contract (Notional) Amount	Contract Period	Valuation Gains or Losses	Account	Balance
Bank SinoPac and its subsidiaries					
Interest rate swap contracts					
Hua Nan Bank	$ 11,550,181	2023.8.22-2036.6.12	$ 18,491	Financial assets at fair value through profit or loss	$ 694,752
Forward exchange contracts					
YFY International	620,901	2025.8.14-2026.11.5	13,131	Financial assets at fair value through profit or loss	22,340
YFY	159,206	2025.11.3-2026.11.5	3,514	Financial assets at fair value through profit or loss	5,629

	December 31, 2025				
	Contract (Notional) Amount	Contract Period	Valuation Gains or Losses	Account	Balance
Bank SinoPac and its subsidiaries					
Interest rate swap contracts					
Hua Nan Bank	$ 11,959,375	2020.11.13-2035.11.19	$ (80,169)	Financial assets at fair value through profit or loss	$ 680,190
Forward exchange contracts					
YFY International	613,324	2025.8.14-2026.11.5	9,208	Financial assets at fair value through profit or loss	9,208
YFY	157,263	2025.11.3-2026.11.5	2,116	Financial liabilities at fair value through profit or loss	2,116

	June 30, 2025				
	Contract (Notional) Amount	Contract Period	Valuation Gains or Losses	Account	Balance
Bank SinoPac and its subsidiaries					
Interest rate swap contracts					
Hua Nan Bank	$ 11,475,868	2020.11.13-2034.10.16	$ (134,296)	Financial assets at fair value through profit or loss	$ 504,552
Forward exchange contracts					
YFY International	131,586	2025.1.9-2026.1.13	1,080	Financial assets at fair value through profit or loss	2,674
YFY International	438,621	2024.8.12-2025.11.5	5,111	Financial liabilities at fair value through profit or loss	9,316
YFY	146,207	2024.11.1-2025.11.5	1,701	Financial liabilities at fair value through profit or loss	2,401

5) Current income tax assets and liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Receivable from adopting the linked-tax system	$ 1,055,020	$ 1,055,020	$ 1,055,020
Payable from adopting the linked-tax system	$ 1,341,088	$ 1,021,367	$ 1,811,374

6) Loans

For the Six Months Ended June 30, 2026			
Ending Balance	Highest Balance	Interest/ Fee Rates (%)	Interest Income
$ 14,880,971	$ 15,711,853	0.69-13.80	$ 147,800

Category	June 30, 2026						
	Account Volume or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collaterals	Differences in Transaction Terms Between Related and Non related Parties
Employees' consumer loans	162	$ 294,439	$ 279,339	V	-	Real estate and vehicle	None
Household mortgage loans	1,267	9,724,756	9,491,588	V	-	Real estate	None
Others:							
	SPL	410,000	410,000	V	-	Real estate	None
	Kinpo Electronics	368,526	368,526	V	-	None	None
	Teinco Technology	151,407	146,376	V	-	Machine equipment	None
	Apex International	45,000	45,000	V	-	Certificates of deposit	None
	Jhong Cing Investment	43,999	42,158	V	-	Real estate	None
	Hao-Xin-Di	4,206	3,751	V	-	Real estate	None
	Others	4,669,520	4,094,233	V	-	Real estate and vehicle	None
	Others subtotal	5,692,658	5,110,044				
	Total	$ 15,711,853	$ 14,880,971				

For the Year Ended December 31, 2025			
Ending Balance	Highest Balance	Interest/ Fee Rates (%)	Interest Income
$ 13,991,789	$ 15,457,005	0.69-13.80	$ 296,520

Category	For the Year Ended December 31, 2025						
	Account Volume or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collaterals	Differences in Transaction Terms Between Related and Non related Parties
Employees' consumer loans	177	$ 360,010	$ 335,834	V	-	Real estate and vehicle	None
Household mortgage loans	1,234	9,112,140	8,707,429	V	-	Real estate	None
Others:							
	SPL	660,000	310,000	V	-	Real estate	None
	King's Town Leasing	400,000	400,000	V	-	None	None
	Kinpo Electronics	381,667	314,359	V	-	None	None
	Teinco Technology	161,169	151,407	V	-	Machine equipment	None
	Apex International	71,800	45,000	V	-	Marketable securities	None
	Jhong Cing Investment	47,613	43,999	V	-	Real estate	None
	Hao-Xin-Di	5,101	4,206	V	-	Real estate	None
	Others	4,257,505	3,679,555	V	-	Real estate and vehicle	None
	Others subtotal	5,984,855	4,948,526				
	Total	$ 15,457,005	$ 13,991,789				

For the Six Months Ended June 30, 2025			
Ending Balance	Highest Balance	Interest/ Fee Rates (%)	Interest Income
$ 13,153,472	$ 14,941,864	0-13.80	$ 145,742

Category	June 30, 2025						
	Account Volume or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collaterals	Differences in Transaction Terms Between Related and Non related Parties
Employees' consumer loans	174	$ 297,857	$ 283,007	V	-	Real estate and vehicle	None
Household mortgage loans	1,202	8,695,087	8,356,054	V	-	Real estate	None
Others:							
	Macronix	1,000,000	-	V	-	None	None
	SPL	660,000	660,000	V	-	Real estate	None
	Kinpo Electronics	415,000	335,834	V	-	None	None
	Apex International	72,000	72,000	V	-	Marketable securities and debts	None
	Teinco Technology	128,586	123,704	V	-	Machine equipment	None
	Vigor Kobo	30,000	30,000	V	-	Real estate	None
	Jhong Cing Investment	47,613	45,815	V	-	Real estate	None
	Hao-Xin-Di	5,100	4,656	V	-	Real estate	None
	Zetai Investment	175	-	V	-	Vehicle	None
	Others	3,590,446	3,242,402	V	-	Real estate and vehicle	None
	Others subtotal	5,948,920	4,514,411				
	Total	$ 14,941,864	$ 13,153,472				

Note: Debtors of related party loans are all within normal credit ranking. The Group estimated the provision for doubtful debt periodically in accordance with the guidelines issued by the authorities and IFRS Accounting Standards.

7) Notes and bonds transaction

	For the Six Months Ended June 30, 2026	
	Purchase of Notes and Bonds	Sell of Notes and Bonds
SinoPac Securities (Asia)	$ -	$ 399,483

8) Deposits from the Central Bank and banks

	June 30, 2024		For the Six Months Ended June 30, 2024
	Ending Balance	Interest Rates (%)	Interest Expense
Hua Nan Bank	$ 127,364	0.80-6.50	$ 235

9) Payables

	June 30, 2026	December 31, 2025	June 30, 2025
Cash dividend payable to the Company	$ 1,435,025	$ 1,435,025	$ 1,435,025

10) Deposits

	June 30, 2026	
	Ending Balance	Interest Rates (%)
SinoPac Securities	$ 21,339,626	0-1.64
SPH	5,184,342	0-1.35
E Ink Holdings	2,119,159	0-1.69
SinoPac Securities (Asia)	1,422,276	0-0.90
Transcend Optronics (Yangzhou)	1,113,439	0.15-1.35
GUC	1,010,441	0.03-1.64
Hsin-Yi Foundation	748,164	0.01-3.83
YFY Investment	446,583	0.05-3.70
YFY International	361,287	0.03-0.35
Hsinex International	322,306	0.03-3.92
China Color Printing	312,155	0.35-4
Taiflex	200,332	0.66-1.65
TaiGen Biotechnology	192,548	0-1.64
SinoPac Capital International (HK)	188,766	0-0.35
SinoPac International Leasing	185,998	0.15-0.95
SinoPac Securities Investment Service	164,681	0-3.73
SinoPac Futures	156,815	0.01-1.20
Xing Yuan	144,900	0.03-4
Taiwan Creative Industry	143,430	0.66
YFY Packaging (Yangzhou)	140,638	0.15-1.30
Beautone	134,852	0-3.92
Yuen Foong Yu Consumer Products	134,589	0-0.66
Yong Hsin Yi Enterprise	132,176	0.35-3.90
SinoPac Leasing	124,470	0-0.66
Ting-Fong Investment	119,878	0-0.66
Fu Hua Development	117,026	0.66-1.69
He Ze An Industrial	112,592	0.66
Mcr Investment	112,138	0.35-0.66

	December 31, 2025	
	Ending Balance	Interest Rates (%)
SinoPac Securities	$ 9,810,210	0-1.64
E Ink Holdings	1,654,091	0-1.69
SinoPac Securities (Asia)	1,243,932	0-0.90
Hsin-Yi Foundation	765,794	0.01-3.83
E Ink Technology B.V.	638,306	0.15-3.90
Transcend Optronics (Yangzhou)	395,946	0.15-1.35
China Color Printing	311,688	0.35-4
Hsinex International	297,128	0.03-4.40
TaiGen Biotechnology	180,474	0-1.64
SinoPac Securities Investment Service	178,675	0-4.20
GUC	175,118	0.01-1.64
SinoPac Securities Venture Capital	160,285	0.66
Xing Yuan	148,799	0.13-4.40
Beautone	143,033	0-4.05
He Ze Yi Enterprise	132,683	0.66-1.37
Hoss Capital	130,147	0.03-0.66
Yong Hsin Yi Enterprise	128,356	0.35-4.40
SPL	122,897	0-0.66
Taiwan Creative Industry	115,397	0.66
Fu Hua Development	113,685	0.66-1.69
Foongtone Technology	112,208	0-1.69
Ting-Fong Investment	109,482	0-1.69
IBF Securities	101,795	0.66-1.64

	June 30, 2025	
	Ending Balance	Interest Rates (%)
SinoPac Securities	$ 5,849,251	0-1.90
E Ink Holdings	3,780,993	0-1.69
SinoPac Securities (Asia)	828,364	0-0.90
Hsin-Yi Foundation	647,550	0.01-4.25
TGI	496,753	0.66-4.53
Hsinex International	346,726	0.03-5
China Color Printing	305,580	0.66-1.69
GUC	216,568	0.01-1.64
TaiGen Biotechnology	215,055	0-1.64
SinoPac Holdings	163,547	0-0.66
Yuen Foong Yu Consumer Products	161,894	0-0.66
Beautone	133,541	0-4.45
Ting-Fong Investment	133,072	0-1.69
Taiwan Creative Industry	130,851	0.66
Yuen Foong Shop	127,738	0-0.66
Xing Yuan	126,849	0.15-4.40
SinoPac Securities Investment Service	119,763	0-1.69
Yong Hsin Yi Enterprise	117,421	0.66-4.44
Fu Hua Development	114,179	0.66-1.69
SinoPac Futures	113,193	0.01-0.85
SinoPac Leasing	105,388	0-0.70

11) Lease

Bank SinoPac and its subsidiaries as a lessee.

	June 30, 2026	December 31, 2025	June 30, 2025
Lease liabilities			
SPL	$ 498,806	$ 525,309	$ 531,077
Chunghwa Telecom	-	-	288,990

SinoPac Securities and its subsidiaries

1) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Bank deposits			
Bank SinoPac	$ 21,094,943	$ 9,194,408	$ 4,718,432

Cash and cash equivalents included other financial assets - current, other current assets - settlement, underwriting receipts under custody and separated account for customer.

	June 30, 2026	December 31, 2025	June 30, 2025
2) Current financial assets at fair value through profit or loss			
Operating securities (non-equity investments)			
Macronix	$ 78,700	$ 116,083	$ 217,398
EMC	-	-	409,802
Listed shares			
GUC	773,146	783,677	6,032
EMC	493,476	597,946	310,899
Chunghwa Precision Test	279,511	214,747	16,515
Macronix	182,947	539,041	7,714
Novatek Microelectronics	147,187	91,065	89,718
E Ink Holdings	113,442	138,283	30,763
	$ 2,068,409	$ 2,480,842	$ 1,088,841
3) Current income tax assets			
SPH	$ 330,555	$ 330,555	$ 330,555
4) Restricted assets - current			
Bank SinoPac	$ 1,205,560	$ 1,205,560	$ 1,205,560

	June 30, 2026	December 31, 2025	June 30, 2025
5) Guarantee deposits			
Bank SinoPac	$ 689,269	$ 687,250	$ 682,252
6) Financial assets at fair value through other comprehensive income			
Novatek Microelectronics	$ 208,115	$ -	$ -
Chunghwa Telecom	-	-	616,140
	$ 208,115	$ -	$ 616,140
7) Payables			
SPH	$ 3,582,750	$ -	$ -
8) Futures traders' equity			
Bank SinoPac	$ 1,700,413	$ 246,187	$ 138,911
9) Current income tax liabilities			
SPH	$ 1,055,167	$ 485,110	$ 509,306

10) Notes and bonds transaction

	For the Six Months Ended June 30, 2026	
	Purchase of Notes and Bonds	Sell of Notes and Bonds
Bank SinoPac	$ 399,483	$ -

	For the Six Months Ended June 30, 2025	
	Purchase of Notes and Bonds	Sell of Notes and Bonds
Grand Bills	$ 68,139,507	$ 114,824,749
Hua Nan Bank	-	292,414

SinoPac Venture Capital

	June 30, 2026	December 31, 2025	June 30, 2025
1) Financial assets at fair value through profit or loss			
TaiGen Biopharmaceuticals	$ 120,645	$ 198,778	$ 162,946
Centera Photonics	-	208,662	236,266
	$ 120,645	$ 407,440	$ 399,212

SinoPac Leasing and its subsidiaries

	June 30, 2026	December 31, 2025	June 30, 2025
1) Cash and cash equivalents			
Bank deposits			
Bank SinoPac	$ 313,236	$ 198,392	$ 169,780
Bank SinoPac (China)	185,998	81,088	94,198
	$ 499,234	$ 279,480	$ 263,978
2) Current income tax assets			
SPH	$ 317,845	$ 316,791	$ 316,063
3) Long-term borrowings			
Bank SinoPac	$ 410,000	$ 310,000	$ 660,000

4) As of June 30, 2026, December 31, 2025 and June 30, 2025, borrowings and derivative financial instruments from Bank SinoPac for SinoPac Leasing and its subsidiaries totaling $941,206, $939,263 and $928,207, respectively, and investment properties were provided as collaterals for SinoPac Leasing's borrowings.

47. PLEDGED OR MORTGAGED ASSETS

In addition to those disclosed in other Notes, pledged or restricted assets of the Group are summarized as follows ended in June 30, 2026, December 31, 2025 and June 30, 2025:

Restricted Assets	Object	June 30, 2026	December 31, 2025	June 30, 2025	Remarks
Assets held for sale	Commercial papers and stock	$ -	$ 2,556,100	$ -	Note 1
Financial assets at fair value through profit or loss	Bond	712,248	3,667,545	-	Note 2
Financial assets at fair value through other comprehensive income	Bond	5,080,165	3,988,078	-	Note 3
Investment in debt instruments at amortized cost	Certificates of deposits	8,201,149	8,198,666	5,169,266	Note 4

(Continued)

Restricted Assets	Object	June 30, 2026	December 31, 2025	June 30, 2025	Remarks
Investment in debt instruments at amortized cost	Bond	$ 3,575,252	$ 2,723,831	$ 1,898,109	Note 5
Discounts and loans	Loans	14,038,977	13,178,482	14,395,354	Note 6
Other financial assets	Certificates of deposits and time deposits	620,000	620,000	540,000	Note 7
Investment properties	Land and land improvements and buildings	710,752	711,657	712,828	Note 7
Properties and equipment	Land and buildings	912,620	921,156	996,444	Note 7
Right-of-use assets	Land and surface rights	835,404	842,501	869,940	Note 1

(Concluded)

Note 1: Loan collateral.

Note 2: King's Town Bank pledged certain assets as collateral for the trust business compensation reserve, security deposits required for concurrently conducting bills finance business, insurance business security deposits, provisional seizure and provisional disposition proceedings, foreign exchange credit facilities with Mega Bank, repurchase transactions secured by pledged assets, and bank borrowings.

Note 3: Pledged with repurchase agreement and loan collateral.

Note 4: Bank SinoPac pledged in accordance with the Central Bank for foreign-exchange, with the Mega Bank for USD foreign-exchange settlement, collateral for overdraft agreements and with requirements of the California Department of Financial Institutions.

Note 5: Guarantees of dealing and underwriting business, a trust reserve fund and business guarantee of deposit, guarantees of bills financial service, derivative financial product settlement margin, reserve for payment of VISA international card, pledged to court as collaterals for filing provisional seizure and disposition, Hong Kong branch’s clearing system of real-time gross settlement and pledged with repurchase agreement.

Note 6: Bank SinoPac pledged in accordance with the Federal Reserve Bank under the discount window program.

Note 7: Assets pledged to financial institutions as guarantees for commercial papers issued and pledged to obtain credit line for borrowings, bank overdraft and settlement remittance.

48. SIGNIFICANT CONTINGENCIES LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. In addition to those disclosed in other notes, significant unrecognized commitments of the Group as of June 30, 2026, December 31, 2025 and June 30, 2025 are as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Trust assets	$ 1,414,517,157	$ 1,255,330,083	$ 1,117,706,616
Securities under custody	288,347,275	267,632,541	240,146,408
Agent for government bonds	101,508,000	91,871,700	100,057,800
Receipts under custody	42,330,098	42,610,674	32,586,672
Appointment of investment	17,051,124	14,397,663	11,396,519

(Continued)

	June 30, 2026	December 31, 2025	June 30, 2025
Agent for short-term securities under custody	$ 13,965,780	$ 12,111,630	$ 10,981,510
Guarantee notes payable	9,929,274	9,122,263	9,159,907
Deposit guarantee promissory notes	7,977,349	8,031,200	10,000,000
Goods under custody	3,781,005	3,324,659	2,082,065
Consignment underwriting of securities	1,600,000	5,630,000	1,700,000
Entrusted loans	153,085	144,758	729,665

(Concluded)

As of June 30, 2026, in addition to above mentioned unrecognized commitments, Bank SinoPac and SinoPac Securities had applied for tax concessions to Ministry of Finance regarding their technical support service expenditure relating to financial transaction system, and had jointly signed to the system manufacturer the letter of which indemnity of the total compensation is not more than US$1,300 thousand to obtain the proxy of the manufacturer thereof to apply for foresaid tax concession. The compensation distributable to Bank SinoPac is US$867 thousand and to SinoPac Securities is US$433 thousand. The deadline for compensation guarantee period is December 31, 2027 or the later date between the expiration of the tax refund application and the effective deadline. Subsequently, in coordination with the current system status used solely by Bank SinoPac, a separate compensation guarantee letter shall be signed by Bank SinoPac and the vendor. This agreement will stipulate that the maximum compensation liability shall not exceed US$1,300 thousand, with the deadline for compensation guarantee period is December 31, 2037, or the later of the two deadlines, whichever is later. The aforementioned two guarantee letters, each valid according to its respective terms, shall limit Bank SinoPac's total compensation responsibility to a maximum of US$1,300 thousand.

In May 2026, the board of directors of Bank SinoPac approved the renewal of the fourth phase of the industry-academia collaboration program with National Cheng Kung University ("NCKU"). The program focuses on three key areas, namely joint talent development, utilization of facilities and resources, and brand enhancement, with the aim of further strengthening the strategic partnership between Bank SinoPac and NCKU. The program will be implemented for a three-year period from July 1, 2026 to June 30, 2029, with a maximum project budget of $30,000, payable in four installments during the project period. In addition, subject to the approval of the subsidy application jointly submitted by Bank SinoPac and NCKU to the Ministry of Education under the "Program for Strengthening Talent Development through Higher Education-Industry Collaboration," the parties intend to enter into a supplementary agreement to extend the program period to December 31, 2032, and increase the maximum project budget to $50,000.

To cultivate leaders with a global perspective on political and economic affairs and a deep understanding of international financial trends, Bank SinoPac and SinoPac Securities entered into a donation agreement with National Taiwan University to support the academic and research development of the School of Political Science and Economics. In July 2024, the Company's Board of Directors approved a ten-year donation program to be implemented through annual agreements from August 1, 2024 to July 31, 2033, with a total donation budget of $100,000. As of June 30, 2026, cumulative operating expenses of $36,000 had been recognized under the donation agreement.

To support National Chengchi University's ("NCCU") "Centennial Chengchi Pinnacle Fund" and promote the innovative teaching environment and talent development initiatives of the "X Experimental College," the Company's board of directors resolved in May 2026 that Bank SinoPac and SinoPac Securities would each enter into annual donation agreements with National Chengchi University under a ten-year donation program spanning from 2026 to 2035, with total committed donations of $247,000. As of June 30, 2026, cumulative operating expenses of $47,400 had been recognized under the donation agreements.

b. The Group entered into contracts to buy computers and office equipment were for $2,456,080-$2,685,980 and $1,487,447, of which $1,782,035-$2,011,935 and $911,879 had not been paid as of June 30, 2026 and 2025.

c. In July 2026, SinoPac Securities received a civil complaint filed by two customers of its Dunbei Branch, Dragon Handbag (Thailand) Company Limited and Supreme Sky Inc. (hereinafter collectively referred to as the "Plaintiffs"). The Plaintiffs alleged that Mr. Shih, a former employee of SinoPac Securities, had engaged in unlawful acts, including forgery and making false entries in the course of his business, thereby creating the appearance that the Plaintiffs possessed certain professional qualifications. The Plaintiffs further alleged that, between May and July 2024, Mr. Shih forged the signature of the authorized representative to purchase multiple offshore structured products and, between October and November 2024, sold shares without authorization, resulting in losses. Accordingly, the Plaintiffs sought to hold Mr. Shih and SinoPac Securities jointly and severally liable for damages of US$3,187 thousand.

Based on the investigation, the signatures on the relevant documents were personally executed by the authorized representative, and both the underlying assets and terms of the structured products were specified by the authorized representative. The former employee merely executed purchases and sales of offshore structured products on behalf of the authorized representative within the authorized funding limits, and the relevant transactions did not exceed the scope of authorization. Accordingly, the alleged unlawful acts were known to and participated in by the Plaintiffs' authorized representative, and the Plaintiffs were contributorily negligent in the aggravation of the losses. Although SinoPac Securities was subject to an administrative sanction imposed by the Financial Supervisory Commission in 2025 in connection with this matter, SinoPac Securities had obtained documentation in compliance with the applicable requirements, and the longstanding course of dealings between the customers and the former employee had established a general authorization. Therefore, even if SinoPac Securities were found liable, it should bear only a portion of the liability and should not be held liable for the full amount of compensation. External counsel has been engaged to handle the subsequent litigation proceedings.

49. HIERARCHY AND FAIR VALUE INFORMATION OF FINANCIAL INSTRUMENTS

a. The definition of the hierarchy:

1) Level 1

Financial instruments are traded in active market and have the identical price for the same financial instruments. "Active market" should fit the following characteristics:

a) All financial instruments in the market are homogeneous;

b) Willing buyers and sellers exist in the market all the time;

c) The public can access the price information easily.

2) Level 2

The products categorized in this level have the prices that can be inferred from either direct or indirect observable inputs other than the active market's prices. Examples of these inputs are:

a) Quoted prices from the similar products in the active market. This means the fair value can be derived from the current trading prices of similar products. It is also noted that whether they are similar products should be judged by the characteristics and trading rules. The fair value valuation in this circumstance may make some adjustment due to time lags, trading rule's differences, related parties' prices, and the correlation of price between itself and the similar instruments.

b) Quoted prices for identical or similar financial instruments in inactive markets.

c) When marking-to-model, the input of model in this level should be observable (such as interest rates, yield curves and volatilities). The observable inputs mean that they can be attained from market and can reflect the expectation of market participants.

d) Inputs which can be derived from other observable prices or whose correlation can be verified through other observable market data.

3) Level 3

The fair prices of the products in this level are based on the inputs other than the direct market data. For example, historical volatility used in valuing options is an unobservable input, because it cannot represent the entire market participants' expectation for future volatility.

b. Financial instrument measured at fair value

1) Hierarchy information of fair value of financial instruments

Financial Instruments Measured at Fair Value	June 30, 2026			
	Total	Level 1	Level 2	Level 3
Measured on a recurring basis				
Non-derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL				
Stocks	$ 62,248,774	$ 57,270,536	$ 1,020,633	$ 3,957,605
Bonds	64,746,449	41,279,714	22,141,532	1,325,203
Others	36,376,196	19,567,782	16,808,414	-
Financial assets at fair value through other comprehensive income				
Equity instruments at fair value through other comprehensive income				
Stocks	24,742,364	14,056,146	-	10,686,218
Debt instruments at fair value through other comprehensive income				
Bonds	251,844,656	158,067,474	92,874,044	903,138
Certificates of deposits and others	144,646,660	-	144,646,660	-
Liabilities				
Financial liabilities at fair value through profit or loss				
Held-for-trading financial liabilities	23,060,263	23,060,263	-	-
Financial liabilities designated at fair value through profit or loss	2,166,977	-	2,166,977	-
Derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL	43,662,746	7,053,466	31,810,139	4,799,141
Liabilities				
Financial liabilities at fair value through profit or loss				
Held-for-trading financial liabilities	39,382,802	4,790,498	31,829,281	2,763,023
Financial liabilities designated as at fair value through profit or loss	12,558,967	-	10,890,677	1,668,290

Financial Instruments Measured at Fair Value	December 31, 2025			
	Total	Level 1	Level 2	Level 3
Measured on a recurring basis				
Non-derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL				
Stocks	$ 45,565,540	$ 42,400,280	$ 367,348	$ 2,797,912
Bonds	79,926,978	36,716,436	42,063,578	1,146,964
Others	29,597,678	16,220,780	13,376,898	-
Financial assets at fair value through other comprehensive income				
Equity instruments at fair value through other comprehensive income				
Stocks and others	19,445,325	9,005,771	-	10,439,554
Debt instruments at fair value through other comprehensive income				
Bonds	249,935,465	143,247,223	106,379,233	309,009
Certificates of deposits and others	190,995,510	-	190,995,510	-
Liabilities				
Financial liabilities at fair value through profit or loss				
Held-for-trading financial liabilities	18,083,227	18,083,227	-	-
Financial liabilities designated at fair value through profit or loss	2,093,989	-	2,093,989	-
Derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL	33,782,766	5,354,149	25,172,948	3,255,669
Liabilities				
Financial liabilities at fair value through profit or loss				
Held-for-trading financial liabilities	31,277,609	1,562,614	28,310,065	1,404,930
Financial liabilities designated as at fair value through profit or loss	14,083,263	-	13,378,491	704,772

Financial Instruments Measured at Fair Value	June 30, 2025			
	Total	Level 1	Level 2	Level 3
Measured on a recurring basis				
Non-derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL				
Stocks	$ 11,350,746	$ 7,921,725	$ 241,636	$ 3,187,385
Bonds	56,719,268	38,119,870	17,576,671	1,022,727
Others	19,395,341	7,973,986	11,421,355	-
Financial assets at fair value through other comprehensive income				
Equity instruments at fair value through other comprehensive income				
Stocks and others	15,317,988	11,138,317	-	4,179,671
Debt instruments at fair value through other comprehensive income				
Bonds	189,872,576	120,241,154	68,330,429	1,300,993
Certificates of deposits and others	155,689,294	134,212	155,555,082	-
Liabilities				
Financial liabilities at fair value through profit or loss				
Held-for-trading financial liabilities	32,674,814	32,674,814	-	-
Financial liabilities designated at fair value through profit or loss	1,903,765	-	1,903,765	-
Derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL	33,034,371	2,704,140	27,154,321	3,175,910
Liabilities				
Financial liabilities at fair value through profit or loss				
Held-for-trading financial liabilities	40,985,168	505,373	39,081,671	1,398,124
Financial liabilities designated as at fair value through profit or loss	11,069,555	-	10,573,630	495,925

2) Fair value measurement technique

Financial instruments at fair value through profit or loss and financial assets at fair value through other comprehensive income with quoted price in an active market are using market price as fair value; financial instruments above with no quoted price in an active market are estimated by valuation methods. The estimation and assumption of valuation method the Group used is the same as market participants. The Group can obtain this information.

The basis of fair value estimation used by the Group is as follows:

The fair value of forward exchange contracts, interest rate swap contracts and cross-currency swap contracts is measured by the discounted cash flow method; the fair value of option is measured by Black & Scholes Model.

Fair values of forward exchange contracts are estimated on the basis of the foreign exchange rates. Structured product is measured by opponents' price based on match basis. This method diminished market risk to zero. Fair value of interest rate swap contracts and cross-currency swap contracts are estimated on the basis of market quotation.

Fair value are determined as follows: (a) listed stocks and Taipei Exchange stocks - closing prices as of the balance sheet date; (b) beneficial certificates (open-end funds), net asset values as of the balance sheet date; (c) bonds-period-end reference prices published by the Taipei Exchange or internal model price; (d) bank debentures issued overseas and the overseas bonds-period-end reference prices published by market quotation, calculated through an internal model or provided by a counter-party.

The Group assessed the active level of market and the adequacy of fair value of emerging stocks and measured the investments at fair value.

The Group assessed the fair value of unlisted counters using the market approach, income approach and asset approach. The above methods use the price and other relevant information generated by the market transactions involving comparable or comparable assets, liabilities or assets and liabilities.

3) Credit risk valuation adjustment is set out below:

Credit risk valuation consists of credit valuation adjustment and debit valuation adjustment.

Credit valuation adjustment is adopted for derivative contracts trading in other than exchange markets, over-the-counter (OTC) and reflects the non-performance risk of the counterparty on fair value.

Debit valuation adjustment is adopted for derivative contracts trading in other than exchange markets, OTC and reflects the non-performance risk of the Group on fair value.

The Group calculated debit and credit valuation adjustment based on models with inputs of Probability of Default (PD) and Loss Given Default (LGD) multiplying Exposure at Default (EAD).

The Group calculated EAD based on mark-to-market fair value of OTC derivative instruments.

The Group takes 60% as the standard LGD of counter parties, and subject to change under the risk nature and data feasibility.

The Group takes credit risk valuation adjustment into valuation of the fair value of financial instruments, thus reflect the credit quality of counter parties and the Group.

4) Transfer between Level 1 and Level 2

For the six months ended June 30, 2026, the Group transferred part of the government bonds, corporate bonds and bank debentures amounts $2,303,751 transferred from Levels 1 to 2 because the Group determined these investments were not in an active market.

For the six months ended June 30, 2025, the Group transferred part of the government bonds, corporate bonds and bank debentures amounts $8,332,992 transferred from Levels 1 to 2 because the Group determined these investments were not in an active market.

5) Reconciliation of Level 3 items of financial instruments

a) Reconciliation of Level 3 items of financial assets

For the Six Months Ended June 30, 2026									
Items	Beginning Balance	Gains (Losses) on Valuation		Increase		Decrease		Effects of Changes in Exchange Rate	Ending Balance
		Profit and Loss	Other Comprehensive Income	Purchase/Issued	Transfer to Level 3 (Note 2)	Disposed/Sold	Transfer Out of Level 3 (Note 2)		
Non-derivative financial instruments									
Financial assets at fair value through profit or loss									
Financial assets mandatorily classified as at FVTPL									
Stock	$ 2,797,912	$ 802,217	$ -	$ 882,146	$ 99,038	$ (404,637)	$ (219,071)	$ -	$ 3,957,605
Bonds	1,146,964	26,659	-	283,213	-	(130,507)	(6,843)	5,717	1,325,203
Financial assets at fair value through other comprehensive income									
Equity instruments at FVTOCI									
Stock	10,439,554	-	246,654	-	-	-	-	10	10,686,218
Debt instruments at FVTOCI									
Bonds	309,009	-	3,768	3,774	634,077	(48,499)	-	1,009	903,138
Derivative financial instruments									
Financial assets at fair value through profit or loss									
Financial assets mandatorily classified as at FVTPL	3,255,669	1,543,472	-	-	-	-	-	-	4,799,141

For the Six Months Ended June 30, 2025									
Items	Beginning Balance	Gains (Losses) on Valuation		Increase		Decrease		Effects of Changes in Exchange Rate	Ending Balance
		Profit and Loss	Other Comprehensive Income	Purchase/ Issued (Note 1	Transfer to Level 3 (Note 2)	Disposed/Sold	Transfer Out of Level 3 (Note 2)		
Non-derivative financial instruments									
Financial assets at fair value through profit or loss									
Financial assets mandatorily classified as at FVTPL									
Stock	$ 2,820,475	$ 264,069	$ -	$ 633,031	387,467	$ (604,684)	$ (312,284)	$ (689)	$ 3,187,385
Bonds	850,461	2,028	-	324,065	-	(17,079)	-	(136,748)	1,022,727
Financial assets at fair value through other comprehensive income									
Equity instruments at FVTOCI									
Stock	3,992,586	-	186,354	731	-	-	-	-	4,179,671
Debt instruments at FVTOCI									
Bonds	1,562,618	-	(9,002)	3,572	-	(98,801)	-	(157,394)	1,300,993
Derivative financial instruments									
Financial assets at fair value through profit or loss									
Financial assets mandatorily classified as at FVTPL	5,060,645	(1,884,735)	-	-	-	-	-	-	3,175,910

Note 1: Including those acquired through business combinations.

Note 2: Items are transferred to Level 3 for the six months ended June 30, 2026 and 2025 for lack of observable price (due to the inactive transaction in the securities market); items transferring out of Level 3 are because the price can be attained from the securities market.

For the six months ended June 30, 2026 and 2025, the gains or losses on valuation included in net income with assets still held were gain $2,432,096 and loss $979,062, respectively.

For the six months ended June 30, 2026 and 2025, the gains or losses on valuation included in other comprehensive income with assets still held were gain $248,036 and $177,352, respectively.

b) Reconciliation of Level 3 items of financial liabilities

For the Six Months Ended June 30, 2026								
Items	Beginning Balance	Valuation Gain/Loss Reflected on Profit or Loss	Increase		Decrease		Effect of Changes in Exchange Rate	Ending Balance
			Purchase/ Issued	Transfer to Level 3	Disposed/Sold	Transfer Out of Level 3		
Derivative financial instruments								
Financial liabilities at fair value through profit or loss								
Held-for-trading financial liabilities	$ 1,404,930	$ 1,358,093	$ -	$ -	$ -	$ -	$ -	$ 2,763,023
Financial liabilities designated as at fair value through profit or loss	704,772	(81,707)	-	4,139,402	-	(3,094,177)	-	1,668,290

For the Six Months Ended June 30, 2025								
Items	Beginning Balance	Valuation Gain/Loss Reflected on Profit or Loss	Increase		Decrease		Effect of Changes in Exchange Rate	Ending Balance
			Purchase/ Issued	Transfer to Level 3	Disposed/Sold	Transfer Out of Level 3		
Non-derivative financial instruments								
Financial liabilities at fair value through profit or loss								
Held-for-trading financial liabilities	$ -	$ -	$ 930	$ -	$ (930)	$ -	$ -	$ -
Derivative financial instruments								
Financial liabilities at fair value through profit or loss								
Held-for-trading financial liabilities	3,176,775	(1,778,651)	-	-	-	-	-	1,398,124
Financial liabilities designated as at fair value through profit or loss	969,233	(53,179)	-	682,108	-	(1,102,237)	-	495,925

For the six months ended June 30, 2026 and 2025, the gains or losses on valuation included in net income with liabilities still held were loss of $1,251,301 and gain of $1,394,018, respectively.

6) Quantitative information about the significant unobservable inputs (Level 3) used in the fair value measurement

Quantitative information about the significant unobservable inputs is set out below:

June 30, 2026

Financial Instruments Measured at Fair Value	Financial Assets	Financial Liabilities	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-average)
Derivative financial instruments					
Financial instruments at fair value through profit or loss					
Financial assets mandatorily classified as at FVTPL and held-for-trading financial liabilities					
Interest rate swap contracts	$ 4,573,857	$ 2,537,845	Sellers' quote	(Notes 1 and 2)	-
Others	225,284	225,178	Sellers' quote	(Note 1)	-
	$ 4,799,141	$ 2,763,023			
Financial instruments designated as at fair value through profit or loss					
Liabilities for structured note	$ -	$ 1,668,290	Self-built option pricing model	Volatility	3%-80% (Note 4)
Non-derivative financial instruments					
Financial instruments at fair value through profit or loss					
Financial assets mandatorily classified as at FVTPL					
Stock	$ 3,957,605	$ -	Market approach or asset approach or market value with liquidity valuation discount	Other shareholders and discount factor of liquidity	0%-30%
Bonds	1,325,203	-	Taipei Exchange's quote or Bloomberg's quote or sellers' quote	(Note 3)	-
	$ 5,282,808	$ -			
Financial assets at fair value through other comprehensive income					
Equity instruments at FVTOCI					
Stock	$ 10,686,218	$ -	Market approach or asset approach or income approach or market value with liquidity valuation discount	Others shareholders and discount factor of liquidity	10%-30%
Debt instruments at FVTOCI					
Bonds	903,138	-	Taipei Exchange's quote or Bloomberg's quote or sellers' quote	(Note 3)	-
	$ 11,589,356	$ -			

December 31, 2025

Financial Instruments Measured at Fair Value	Financial Assets	Financial Liabilities	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-average)
Derivative financial instruments					
Financial instruments at fair value through profit or loss					
Financial assets mandatorily classified as at FVTPL and held-for-trading financial liabilities					
Interest rate swap contracts	$ 3,027,408	$ 1,176,787	Sellers' quote	(Notes 1 and 2)	-
Others	228,261	228,143	Sellers' quote	(Note 1)	-
	$ 3,255,669	$ 1,404,930			
Financial instruments designated as at fair value through profit or loss					
Liabilities for structured note	$ -	$ 704,772	Self-built option pricing model	Volatility	3%-53% (Note 5)
Non-derivative financial instruments					
Financial instruments at fair value through profit or loss					
Financial assets mandatorily classified as at FVTPL					
Stock	$ 2,797,912	$ -	Market approach or asset approach or market value with liquidity valuation discount	Other shareholders and discount factor of liquidity	0%-30%
Bonds	1,146,964	-	Taipei Exchange's quote or Bloomberg's quote or sellers' quote	(Note 3)	-
	$ 3,944,876	$ -			
Financial assets at fair value through other comprehensive income					
Equity instruments at FVTOCI					
Stock	$ 10,439,554	$ -	Market approach or asset approach or income approach or market value with liquidity valuation discount	Other shareholders and discount factor of liquidity	10%-30%
Debt instruments at FVTOCI					
Bonds	309,009	-	Taipei Exchange's quote or Bloomberg's quote or sellers' quote	(Note 3)	-
	$ 10,748,563	$ -			

June 30, 2025

Financial Instruments Measured at Fair Value	Financial Assets	Financial Liabilities	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-average)
Derivative financial instruments					
Financial instruments at fair value through profit or loss					
Financial assets mandatorily classified as at FVTPL and held-for-trading financial liabilities					
Interest rate swap contracts	$ 3,111,341	$ 1,333,583	Sellers' quote	(Notes 1 and 2)	-
Others	64,569	64,541	Sellers' quote	(Note 1)	-
	$ 3,175,910	$ 1,398,124			
Financial instruments designated as at fair value through profit or loss					
Liabilities for structured note	$ -	$ 495,925	Self-built option pricing model	Volatility	3%-53% (Note 6)
Non-derivative financial instruments					
Financial instruments at fair value through profit or loss					
Financial assets mandatorily classified as at FVTPL					
Stock	$ 3,187,385	$ -	Market approach or asset approach or market value with liquidity valuation discount	Other shareholders and discount factor of liquidity	0%-30%
Bonds	1,022,727	-	Taipei Exchange's quote or Bloomberg's quote or sellers' quote	(Note 3)	-
	$ 4,210,112	$ -			
Financial assets at fair value through other comprehensive income					
Equity instruments at FVTOCI					
Stock	$ 4,179,671	$ -	Market approach or asset approach or income approach or market value with liquidity valuation discount	Others shareholders and discount factor of liquidity	10%-30%
Debt instruments at FVTOCI					
Bonds	1,300,993	-	Taipei Exchange's quote or Bloomberg's quote or Sellers' quote	(Note 3)	-
	$ 5,480,664	$ -			

Note 1: On pairs of back-to-back transactions, consequences of significant unobservable inputs and fair values are not fully captured in practice. Therefore, both inputs are not disclosed.

Note 2: Considering the risk model, the seller's quotation is provided for reference; consequences of significant unobservable inputs and fair values are not fully captured in practice. Therefore, both inputs are not disclosed.

Note 3: Due to zero coupon callable bonds and international bonds listed in the OTC market lack liquidity, no observable liquidity reduction factor could be obtained. Therefore, no disclosure has been made.

Note 4: The stock price volatilities of structured notes issued by SinoPac Securities and its' subsidiaries were between 3% and 80%.

Note 5: The stock price volatilities of structured notes issued by SinoPac Securities and its' subsidiaries were between 3% and 53%.

Note 6: The stock price volatilities of structured notes issued by SinoPac Securities and its' subsidiaries were between 3% and 53%.

7) Valuation processes for fair value measurements categorized within Level 3

The Group assesses the derivative financial instruments' fair values according to the quote by counterparties; related assessments are compiled as risk-control reports and inform the manager and the board of directors by month.

The risk management department is responsible for independent testify of fair value of non-derivative financial instruments. The team also use the independent source date to bring the assessment results closer to market conditions, confirm that data sources are independent, reliable, consistent with other resources and represent executable price, calibrate the evaluation model periodically and update input values and data required for the evaluation model to ensure the evaluation results are reasonable.

8) The sensitivity analysis of reasonable, possible and alternative hypothesis for the Level 3 of fair value measurements

The Group evaluates financial instruments reasonably, although using different valuation model and parameter may cause different valuation results. For financial instruments classified as Level 3 and the fair value source used lacks observable input, i.e., liquidity reduction factor. If the change of estimated liquidity cost, estimated at 99% confidence interval and based on historical data of market turnover in the past two years, are included in the estimation, the impact on net income and other comprehensive income is as follows:

June 30, 2026

Item	Changes in the Fair Value Reflected in Profit or Loss		Changes in the Fair Value Reflected in Other Comprehensive Income	
	Unfavorable Change	Favorable Change	Unfavorable Change	Favorable Change
Asset				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at fair value through profit or loss	$ (84,013)	$ 84,013	$ -	$ -
Financial assets at fair value through other comprehensive income				
Debt instruments at fair value through other comprehensive income	$ -	$ -	$ (19,182)	$ 19,182

December 31, 2025

Item	Changes in the Fair Value Reflected in Profit or Loss	
	Unfavorable Change	Favorable Change
Asset		
Financial assets at fair value through profit or loss		
Financial assets mandatorily classified as at fair value through profit or loss	$ (75,967)	$ 75,967
Financial assets at fair value through other comprehensive income		
Debt instruments at fair value through other comprehensive income	$ -	$ -

June 30, 2025

Item	Changes in the Fair Value Reflected in Profit or Loss		Changes in the Fair Value Reflected in Other Comprehensive Income	
	Unfavorable Change	Favorable Change	Unfavorable Change	Favorable Change
Asset				
Financial assets at fair value through profit or loss				
Financial assets mandatorily classified as at fair value through profit or loss	$ (67,274)	$ 67,274	$ -	$ -
Financial assets at fair value through other comprehensive income				
Debt instruments at fair value through other comprehensive income	$ -	$ -	$ (31,829)	$ 31,829

c. Financial instruments not carried at fair value

1) Fair value information of financial instruments

Financial instruments not carried at fair value excluding the table below are reasonably close to their fair value, therefore no additional disclosure, for example: Cash and cash equivalents, due from the Central Bank and call loans to banks, securities purchased under resell agreements, receivables, discounts and loans, some other financial assets, deposits from the Central Bank and banks, due to the Central Bank and banks, securities sold under repurchase agreements, commercial papers payables, payables, deposits and remittances, short-term and long-term borrowings, liability component of preferred stock and other financial liabilities.

Items	June 30, 2026	
	Carrying Amount	Fair Value
Investments in debt instruments at amortized cost	$ 353,277,762	$ 346,058,162
Bonds payable	64,809,107	64,646,495

Items	December 31, 2025 Carrying Amount	Fair Value
Investments in debt instruments at amortized cost	$ 348,958,358	$ 343,706,405
Bonds payable	63,932,072	63,720,356

Items	June 30, 2025 Carrying Amount	Fair Value
Investments in debt instruments at amortized cost	$ 323,292,249	$ 316,350,816
Bonds payable	62,134,094	61,619,452

2) Hierarchy information of fair value of financial instruments

Assets and Liabilities Item	June 30, 2026			
	Total	Level 1	Level 2	Level 3
Investments in debt instruments at amortized cost	$ 346,058,162	$ 85,622,625	$ 260,393,594	$ 41,943
Bonds payable	64,646,495	-	38,891,495	25,755,000

Assets and Liabilities Item	December 31, 2025			
	Total	Level 1	Level 2	Level 3
Investments in debt instruments at amortized cost	$ 343,706,405	$ 75,204,114	$ 268,460,888	$ 41,403
Bonds payable	63,720,356	1,999,992	35,965,364	25,755,000

Assets and Liabilities Item	June 30, 2025			
	Total	Level 1	Level 2	Level 3
Investments in debt instruments at amortized cost	$ 316,350,816	$ 80,428,491	$ 235,919,405	$ 2,920
Bonds payable	61,619,452	1,989,612	33,874,840	25,755,000

3) Methods and assumptions applied in estimating the fair values of financial instruments not carried at fair value are as follows:

a) The carrying amounts of financial instruments such as cash and cash equivalents, due from the Central Bank and call loans to banks, securities purchased under resell agreements, receivables, some of other financial assets, deposits from the Central Bank and banks, due to the Central Bank and banks, commercial papers payables, securities sold under repurchase agreements, short-term borrowings, other financial liabilities and payables approximate their fair value because of the short maturity or the similarity of the carrying amount and future price.

b) Discounts and loans (including non-performing loans): The Group usually uses base rate (floating rate) as loan rate because it can reflect market rate. Thus, using its carrying amount to consider the probability of repossession and estimate its fair value is reasonable. Long-term loans with fixed rate should estimate its fair value by its discounted value of expected cash flow. Because this kind of loans is not significant in this item, using its carrying amount to consider the probability of repossession and estimate its fair value should be reasonable.

c) The investments in debt instruments at amortized cost: The debt instruments investments at amortized cost with quoted price in an active market are using market price as fair value; the debt instruments investments at amortized cost with no quoted price in an active market are estimated by valuation methods or opponent's price.

d) Deposits and remittances: Considering banking industry's characteristic, since deposits have one-year maturity and measured by market rate (market value), using carrying value to assess fair value is reasonable. For deposits with three-years maturity are measured by discounted cash flow, using carrying value to assess fair value is reasonable.

e) Bonds payable: Bonds payable with quoted price in an active market use market price or price quotations from counterparties to estimate fair value; bonds payable with no quoted price in an active market are estimated by valuation methods or based on prices of similar instruments.

f) Investments accounted for using equity method: The fair value of unquoted equity investments and investments accounted for using equity method cannot be reliably measured because there is no quoted price in an active market, the interval of variable fair value measurements is significant or the probability of the estimations in the variable interval cannot be reasonably assessed. Hence, no fair value can be disclosed.

g) Liability components of preferred stocks: These liability components are interest-bearing liabilities with floating interest rates; thus, their carrying amounts represent fair value.

h) Long-term borrowings: These borrowings are interest-bearing liabilities with floating interest rates; thus, their carrying amounts represent fair value.

50. FINANCIAL RISK MANAGEMENT

Bank SinoPac and Its Subsidiaries

a. Overview

Bank SinoPac and its subsidiaries document the risk management policies, including overall operating strategies and risks control philosophy. Bank SinoPac and its subsidiaries' overall risk management policies are to minimize the possibility of potential unfavorable factors. The board of directors approves the documentation of overall risk management policies, and specific risk management policies, including credit risk, market risk, operational risk, liquidity risk, interest rate risk, reputation risk, legal risk, regulatory compliance risk, strategy risk, climate risk. The board of directors reviews the policies regularly and reviews the operation to make sure Bank SinoPac and its subsidiaries' policies are executed properly.

b. Risk management framework

The board of directors is the top risk supervisor of Bank SinoPac and its subsidiaries. The board not only reviewed risk management policies and rules but also authorized management to be in charge of daily risk management work. Bank SinoPac has set up a risk management committee under the chairman of the Board to be responsible for the services above; Bank SinoPac has also set up a credit committee. The credit committee helps the board of directors approve cases over general manager's authority and cases related to credit risk investment under the board's authorization, reporting to the board of directors on a regular basis.

Bank SinoPac comply with the sustainability policies of the competent authorities and the Group, establishing climate risk and opportunity-related regulations. The regulations outline the governance framework and management mechanisms for climate risk and opportunity, including the responsibilities of the board of directors, executives and three lines of defense.

The board of directors authorized Bank SinoPac and its subsidiaries' management to supervise risk management activities, evaluate the performance and confirm every risk management agent having essential code of ethic and professional skills. Internal audit is responsible for the periodic review of risk management and the control environment, then reports the results directly to the board of directors.

Bank SinoPac has set up a risk management department to control risk management policies, establish rules, plan and set up risk management system. The risk management department executes these policies based on the board's approval, then reports the results and performance reviews to the authority or the board.

c. Credit risk

1) Sources and definitions of credit risk

Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. Credit-related businesses mainly refer to fund financing/advance payment, loans, credit card-related credit, acceptance, guarantee or commitment, trade financing, foreign exchange transactions, as well as the counterparty and issuer's credit risks related to investing in securities and conducting derivative trading. The issuer's credit risk should be considered as part of the market risk when the investment target is part of securities in an active market.

2) Policies and strategies

Bank SinoPac and its subsidiaries established policies based on operating goals and strategies, business plans and risk management goals authorized by the board of directors. These policies were established to lower potential financial losses, minimize risks and rewards to raise the performance and protect shareholders' equity through appropriate managing policies and procedures based on risk-diversification principle.

Bank SinoPac and its subsidiaries risk strategy is to strengthen the credit risk management framework, establish complete credit verification system and procedure, develop and use efficient and scientific credit risk managing instruments to identify, measure, manage and supervise credit risks. These strategies transparentize, systematize, specialize and formalize credit risk management to manage loans, non-performing assets and every kind of assets' credit risk.

Bank SinoPac and its subsidiaries have set up policies of main risks as prime direction based on legislations and operational goals. These policies include risk appetite, management goals, organization structure of responsibility and accountability, measurement, evaluation, supervision and report procedure of risks. These policies are established to reach the purposes of consistency and centralized management and are put into practice in corporate government.

Credit risk management procedures and measurements are as follows:

a) Loan business (includes loan commitment and guarantee)

Loan business classification and qualities are as follows:

i. Classification

Bank SinoPac classified credit assets as normal assets, assets that require special mentioned, assets with substandard, assets with doubtful collectability, and assets on which there is loss. In order to manage credit problem, Bank SinoPac issued "Evaluate Assets and Deal with Non-performing/Non-accrual Loans" for managing credit problem and debt collection.

Bank SinoPac (China) Ltd. strictly follows the "Guidance for the Risk-Based Loan Categorization" established by the China Banking Regulatory Commission. It divides its loans into five categories based on a debtor's ability to repay the full principal and interest on time. The five categories are normal, special mention, substandard, doubtful, and loss. The last three categories are considered non-performing loans; Amret Plc, in accordance with local regulatory requirements in Cambodia, classifies financial assets as short-term or long-term based on whether the original contractual term exceeds one year. The classification follows a five-category credit rating system, with each category based on different overdue day standards.

ii. Credit quality level

Bank SinoPac and its subsidiaries sets up credit quality level (ex. internal credit risk assessment model, credit assessment rules) based on business characteristic and scale to manage risks.

In order to measure clients' credit risks, Bank SinoPac and its subsidiaries established a credit risk assessment model for corporate banking and retail banking through statistical methods, professional judgment and clients' information. Each model is regularly monitored for its effectiveness to examine whether the predicted results match the actual conditions, and Bank SinoPac and its subsidiaries will evaluate the suitability of the models accordingly.

For corporate banking customers, in addition to using credit rating models for risk pricing and limit control, Bank SinoPac and its subsidiaries have also developed a dedicated risk rating system for the small and micro enterprises who apply through a standardized project process. In addition to differentiated classification for each rating, the system will directly reject customers whose risk ratings are too high.

For retail banking customers applying for mortgage, personal loan, and credit card products, credit risk rating models are used to segment the credit risk of customers, incorporating risk measurement into portfolio management. The expected loss rate is calculated using quantitative data, serving as the basis for credit approval and limit control. For other products, customer credit risk is assessed on a case-by-case basis.

b) Investment business

Bank SinoPac and its subsidiaries manage and identify credit risks of debt investment through credit ratings by outsiders, credit qualities of the debt, regional conditions and counterparties' risks.

Bank SinoPac and its subsidiaries carry out derivative instrument transactions with counterparties in financial industry which are almost above the investment level. Bank SinoPac and its subsidiaries would control credit risks based on counterparties' credit lines; counterparties at non-investment level should be reviewed individually. Normal customers' credit exposure positions should be controlled by approved derivative instrument credit line and condition based on normal credit procedure.

3) Credit risk hedge or mitigation policies

a) Collateral

Bank SinoPac and its subsidiaries have set up several standards dealing with credit exposures and collateral requirements in order to mitigate credit risks and maintain creditor's rights. The standards cover areas such as collateral appraisal and management disposal of collateral, acceptance of real estate as collateral, credit policies for every commodity to regulate collateral categories, appraisals, procedures, deduction percentages, loan rate, maturity analysis, management and disposal.

To maintain collateral's effectiveness, Bank SinoPac and its subsidiaries supervise and manage the collateral by examining the usage, custody and maintenance of collateral regularly and irregularly to avoid selling, leasing, pledging, moving and disposing collaterals without authorization. Once the loan is due but will be extended, the contract should be seen as a new case and the collateral should be revalued.

b) Credit risk limits and credit risk concentration control

Bank SinoPac and its subsidiaries manage credit line and concentration of credit assets through appropriate information managing system that gathers information on credit exposure to centralized conditions, exposure of credit asset combinations, including national risk, large credit exposure, credit line of single corporation, group and industry. For cases approaching credit limit, the concerned unit should report to management and make control strategies; for cases exceeding credit limit, it should be submitted to the Credit Committee for approval and report to the board of directors for review.

c) Agreement of net settlement

Bank SinoPac and its subsidiaries often makes gross settlement on transactions, sign net settlement contract with other counterparties or cancel every transactions and make net settlement when default occurs to mitigate credit risk.

4) The determination since the initial recognition of the credit risk has increased significantly

a) Loan business

Bank SinoPac and its subsidiaries assess the change in the risk of default of various credit assets during the lifetime on each reporting date to determine if the credit risk has increased significantly since the initial recognition. In order to make this assessment, the main consideration is reasonable and supportable information that the credit risk has increased significantly since the initial recognition (including forward-looking information), key indicators include:

i. Quantitative indicators

Information on overdue conditions: When the contractual payments were overdue for more than 30 days to overdue 89 days, it has been determined that credit risk of the financial assets after the initial recognition was significantly increased.

ii. Qualitative indicators

i) Although the loan has not been repaid or due on the maturity date, there are other bad debts and the asset classification is not normal.

ii) The loan review report belonging to an abnormal credit.

iii) The credit card transaction with Bank SinoPac is abnormal.

On the basis of various credit asset evaluation benchmark days of Bank SinoPac and its subsidiaries, if the credit risk does not increase significantly and not belong to an impaired financial asset, it can be determined that the credit risk does not increase significantly after the initial recognition.

b) Investment business

Bank SinoPac and its subsidiaries adopt the change in external credit rating scales determined by international credit rating agencies as one of the quantitative indicators to measure whether the credit risk is significantly increased for debt instruments measured at amortized cost and debt instruments measured at fair value through other comprehensive income. The credit risk is considered to have significantly increased if the instrument's credit rating falls from an investment grade to a non-investment grade or if there is a downgrade within non-investment grade categories. The measurement of expected credit loss is based on the PD and LGD information of the rating.

5) Definition of financial asset default and credit impairment

Bank SinoPac and its subsidiaries' definition of financial asset default is the same as financial asset credit impairment. If one or more of the following conditions are satisfied, Bank SinoPac and its subsidiaries determines that the financial asset has defaulted and has credit impairment.

a) Quantitative indicators

Principal or interest is overdue for more than three months.

b) Qualitative indicators

If there is evidence that the debtor will not be able to pay the contractual amounts, or that the debtor is experiencing significant financial difficulties:

i. The main debtor has been chased, or the collateral has been disposed of.

ii. The main debtor has not paid short-term advance to Bank SinoPac and its subsidiaries.

iii. The debtor applies for loan approval document is annotated as a relief case, or where an agreement for the transfer of the debt management unit has been established, due to financial difficulties.

iv. Other situation with objective evidence of impairment.

The credit rating of the bond investment has been downgraded to a default rating or an equivalent rating, or any of the following events has occurred:

i. The issuer probably cannot repay the principal or interest on the bond maturity date.

ii. It could be objectively judged that the issuer will not be able to repay the principal and interest of the bond on time before maturity.

iii. Probability that the debtor will enter into bankruptcy or undergo financial reorganization.

iv. The issuer encounters bankruptcy or being reorganized or taken over due to financial difficulties before bond maturity.

The above definition of default and credit impairment applies to all financial assets held by Bank SinoPac and its subsidiaries. It is consistent with the definition of relevant financial assets for internal credit risk management, and applicable to relevant impairment assessment model as well.

6) Write-off policy

If one of the following situations occurred, overdue and non-performing loans of Bank SinoPac, after deducting any estimated recoverable part, will be written off as bad debts.

a) All or part of the creditor's right could not be enforced due to dissolution, escape, settlement, bankruptcy or other reasons of the debtors.

b) The values of collateral and properties of the main and subordinate debtors are very low, compensation are not available after deducting the first mortgage, or it is unbeneficial that execution fee is close to or may exceed Bank SinoPac's reimbursable amount.

c) The collateral and the properties of the main and subordinate debtors are unsold after multiple discount auctions and not beneficial to Bank SinoPac.

d) Overdue and non-performing loans have not been recovered after more than 2 years from the maturity date.

Bank SinoPac has procedures for recording accounts written-off and for keeping such records for inspection. Relevant business department continues to watch for movements of the main and subordinate debtors all the time. If there is any property available for execution, Bank SinoPac will take appropriate legal action.

7) Amendment to financial asset contract cash flows

Bank SinoPac and its subsidiaries will amend financial asset contract cash flows when borrowers are in financial difficulties, as a result of improvement of problematic debtors' recovery rate or for maintenance of customer relationships. Financial asset contract cash flows amendment include extension of contract period, interest payment date modification, contract interest modification, or exemption from certain requirements of part of debts. The amendment could result in Bank SinoPac and its subsidiaries disposal of existing financial asset and recording of new financial asset at fair value.

If the modification of the contractual cash flows of financial asset does not result in derecognition of asset, Bank SinoPac and its subsidiaries will assess whether the credit risk of financial asset has increased significantly by comparing the following:

a) Risk of breaching the contract on the reporting date (based on revised contract terms).

b) The risk of default in the original recognition (based on the original unmodified contract terms).

Bank SinoPac and its subsidiaries will consider the borrower's subsequent payment in accordance with the revised terms and several relevant behavior indicators to assess the probability of default on the revised financial asset, and confirm whether the contract modification improves or restore Bank SinoPac and its subsidiaries' ability to recover related contract payments.

8) Measurement of expected credit losses

For the purpose of measuring expected credit losses, Bank SinoPac and its subsidiaries will look into the business attributes of the credit assets (such as corporate finance and retail finance, etc.) as well as the size of the company, types of collateral, and remaining period of maturities, etc. and group the credit risk characteristics into three stages: No significant increase in credit risk (stage 1), significant increase in credit risk (stage 2), and credit impairment (stage 3) according to the credit risk level at the valuation date.

Bank SinoPac and its subsidiaries provide allowance for 12-month expected credit losses when financial instruments did not have a significant increase in credit risk since the initial recognition. Financial instruments are provided with allowance for full-lifetime expected credit losses when there is significant increase in credit risk or credit impairment since the initial recognition.

To measure expected credit losses, Bank SinoPac and its subsidiaries take into account the borrower's PD for the next 12 months and for the period of existence, and includes LGD, and EAD taking into account the impact of the time value of money. The expected credit losses for 12 months and for full-lifetime are calculated.

Bank SinoPac assesses the amount of Exposure at default of lending based on outstanding loan principal of customers, interest receivable and short-term advances at the end of each period. In addition, when estimating the expected credit losses of lending financing commitments, Exposure at default used to calculate expected credit losses is determined based on the conditions and days of the financing commitment and by reference to the credit risk conversion factor of Basel Capital Accord.

Probability of default is the default probability of the borrower, and the default loss rate is the rate of loss caused by default of the borrower. The default probability and default loss rate used in the impairment assessment and calculation of expected credit losses of Bank SinoPac loan business are based on internal historical information (such as credit loss experience, etc.) of each borrower group, with adjustments to the historical data based on the current observable data and forward-looking economic information. The expected loss of debt instrument investment is calculated according to the default rate information and external recovery rate information published by the external credit rating agencies.

9) Forward-looking information considerations

a) Credit assets

Bank SinoPac takes forward-looking information into account when determining whether the credit risk of the credit assets has increased significantly since the initial recognition and measures the expected credit losses. Bank SinoPac uses historical data and expert judgments to analyze and identify the economic factors that affect the credit risk and expected credit losses of various asset groups, such as GDP and unemployment rate. Bank SinoPac obtains quarterly historical data and forecast information of the relevant economic factors from international financial organizations (such as the International Monetary Fund (IMF)) and Directorate General of Budget, Accounting and Statistics, Executive Yuan. This forecast information contains the best estimate of the economic situation in the next five years.

The relevant economic factors and their impact on PD differ among different credit business. Bank SinoPac classifies credit product types as:

i. Enterprise, sovereignty, and bank credit exposure.
ii. Home Mortgage Loan credit exposure.
iii. Qualified cycling retail credit exposure.
iv. Other retail credit exposure.

With reference to the Basel Capital Accord IRB method, the correlation coefficient of various types of credit products and risk category is calculated and forward-looking information is used to adjust the default probability.

b) Investment business

For the debt instrument investment measured at amortized cost and measured at fair value through other comprehensive income, one of the indicators of significant increase in credit risk is the quantified change in the external rating class announced by the international credit rating agencies, and the measurement of expected credit losses is based on the information of the default ratings and default loss rates regularly announced by external rating agencies and international credit rating agencies. As international credit rating agencies have considered forward-looking information in assessing credit ratings, Bank SinoPac's assessment of forward-looking information is appropriate, and is included in Bank SinoPac's assessment of expected credit losses.

c) Bank SinoPac (China)

Bank SinoPac (China) considers forward-looking information when calculating expected credit losses. It establishes a forward-looking macroeconomic forecasting model to identify relevant macroeconomic factors, and then builds a transmission model to link these factors to expected credit losses. The parameters of the expected credit loss model are adjusted based on forward-looking information to evaluate the impact of such information.

Bank SinoPac (China) has established an index pool including a number of indicators, such as the proportion of non-performing loans, GDP, PPI, PMI, and the weighted average interest rate of CNY loans of financial institutions, and incorporates the predicted values of the above indicators into the relevant parameters of the expected credit loss in the regression model to implement forward-looking adjustments, that is, establish the relationship between the default probability and the macro economy through the return model, transmit macroeconomic changes to the default probability through forward-looking macro factors and update the forward-looking information every six months. In the event of major domestic and foreign events (including but not limited to political, economic, financial, health, environmental, climate, natural disasters and other events) or major adjustments to relevant policies, relevant forward-looking information shall be updated in a timely manner.

d) Amret Plc.

Amret Plc. calculates expected credit losses based on historical data analysis combined with forward-looking information to identify economic variables that influence credit risk. The probability of default incorporates various economic indicators, including the Cambodia Securities Exchange Index, Consumer Price Index, the growth rate of private consumption expenditure in GDP, and exchange rates. Forecasts of future economic conditions are developed under three different scenarios: Baseline, upside, and downside. The effect of varying levels of these economic variables on the probability of default is assessed under each scenario, and the expected credit loss is determined by applying probability-weighted outcomes across the three scenarios.

Loss given default is estimated through a cure period analysis, which takes into account post-default cash recoveries and collateral values to determine the final loss amount after default.

10) The maximum credit exposure of the financial instruments held by Bank SinoPac and its subsidiaries

Maximum credit exposures of assets on balance sheet excluding collaterals and other credit enhancement instruments are almost equivalent to the carrying value. The maximum credit exposures (excluding collaterals, other credit enhancement instruments and undrawn maximum exposure) off-balance-sheet were as follows:

Off-Balance Sheet Items	The Maximum Credit Exposure		
	June 30, 2026	December 31, 2025	June 30, 2025
Undrawn credit card commitments	$ 266,228,974	$ 260,425,887	$ 253,687,524
Undrawn loan commitments	61,275,858	72,331,718	73,983,294
Guarantees	56,521,695	53,817,747	42,831,367
Standby letter of credit	4,738,544	3,363,935	3,770,983

Bank SinoPac and its subsidiaries adopt a strict and continuous evaluation procedure and review the result regularly to control and minimize off-balance-sheet credit risk exposures.

The contract amount in the credit business and financial instruments may not be fully paid before the maturity; therefore, the contract amount is not deemed as the amount of future cash outflow. In other words, the future cash demand is lower than contract amount. If the credit limit is exceeded and collaterals lose their value, the amount of credit risk is equal to the contract amount which is the possible maximum loss.

11) Credit risk exposures concentration of Bank SinoPac and its subsidiaries

When financial instruments transactions concentrated on one counterparty or several counterparties, which engaged in similar business activities, had similar economic characteristics and abilities to execute contracts, the credit risk concentration arises.

Credit risk concentrations can arise in Bank SinoPac and its subsidiaries' assets, liabilities or off-balance sheet items through the execution or processing of transactions (either product or service) or through a combination of exposures across these broad categories. It includes credit, due from the banks and call loan to banks, investment, receivables and derivatives. Bank SinoPac and its subsidiaries maintain a diversified portfolio to limit its exposure to any geographic region, country or individual creditor and monitor its exposures continually. Bank SinoPac and its subsidiaries' most significant concentrations of credit risk are summarized by industry, region and collateral as follows:

a) By industry

Industries	June 30, 2026		December 31, 2025		June 30, 2025	
	Amount	%	Amount	%	Amount	%
Private enterprise	$ 936,082,327	49.67	$ 841,334,477	48.32	$ 807,096,853	47.80
Public enterprise	5,153,317	0.27	6,039,424	0.35	8,834,109	0.52
Government sponsored enterprise and business	2,406,678	0.13	2,422,599	0.14	10,000,000	0.59
Nonprofit organization	765,869	0.04	485,393	0.03	371,476	0.02
Private	907,716,978	48.16	867,886,083	49.85	842,753,935	49.91
Financial institutions	32,625,950	1.73	22,926,240	1.31	19,603,012	1.16
Total	$ 1,884,751,119	100.00	$ 1,741,094,216	100.00	$ 1,688,659,385	100.00

b) By region

Regions	June 30, 2026		December 31, 2025		June 30, 2025	
	Amount	%	Amount	%	Amount	%
Domestic	$ 1,445,811,744	76.71	$ 1,341,878,495	77.07	$ 1,328,664,033	78.68
Asia	236,532,719	12.55	214,107,499	12.30	188,069,403	11.14
North America	84,057,563	4.46	74,432,555	4.27	75,055,838	4.44
Others	118,349,093	6.28	110,675,667	6.36	96,870,111	5.74
Total	$ 1,884,751,119	100.00	$ 1,741,094,216	100.00	$ 1,688,659,385	100.00

c) By collateral

Collaterals	June 30, 2026		December 31, 2025		June 30, 2025	
	Amount	%	Amount	%	Amount	%
Credit	$ 667,759,453	35.43	$ 590,744,934	33.93	$ 574,888,270	34.04
Secured						
Stocks	11,273,566	0.60	8,901,246	0.51	5,720,775	0.34
Bonds	18,727,087	0.99	14,919,328	0.86	13,930,267	0.82
Real estate	1,060,228,759	56.25	1,011,997,169	58.12	987,533,232	58.48
Movable collaterals	78,163,338	4.15	75,122,024	4.32	71,399,223	4.23
Guarantees	22,350,671	1.19	15,833,889	0.91	13,629,426	0.81
Others	26,248,245	1.39	23,575,626	1.35	21,558,192	1.28
Total	$ 1,884,751,119	100.00	$ 1,741,094,216	100.00	$ 1,688,659,385	100.00

12) The financial impact of credit risk mitigation policies

a) Collateral and other credit enhancements

Bank SinoPac and its subsidiaries implement a series of policies and measures to reduce credit risk for loan business; one of the commonly used methods is to require borrowers to provide collateral. Bank SinoPac and its subsidiaries have designed and follows procedures for enforcing rights to collateral and the valuation, management, and disposal of collateral. The main types of collateral for financial assets of Bank SinoPac and its subsidiaries are as follows:

i. Real estate mortgage loan.

ii. Derivatives margin agreement.

The credit contract has provisions for the preservation of debts and guarantees, which clearly define that when credit incidents occur, Bank SinoPac and its subsidiaries is to be able to reduce the credit limit, shorten the loan repayment deadline or treat all of them as due, so as to reduce the credit risk.

Other collateral for non-loan business depends on the nature of the financial instrument. Only asset-backed securities and other similar financial instruments are secured by a group of asset-pooled financial instruments.

There was no material change in the collateral policy of Bank SinoPac, and there was no significant change in the overall collateral quality on the balance sheet date.

b) Amount of collateral for impaired financial assets

Bank SinoPac and its subsidiaries closely observe the value of the collateral of the financial instruments and consider adequacy of the allowance for the credit-impaired financial assets. On June 30, 2026, December 31, 2025 and June 30, 2025, the amount of discounts and loans were $13,859,953, $10,821,541 and $10,566,672, with a provision for loss allowance of $2,582,250, $2,548,233 and $2,522,399 under IFRS 9 Stage 3, and credit guarantees, real estate, movable assets or certificates of deposits, etc., which reduced the potential loss, amounted to $5,791,561, $6,815,475 and $5,239,480.

c) The contracted amount of financial assets that have been written off and still have recourse activities

The contracted amount of financial assets that have been written off by Bank SinoPac and still have recourse activities are $50,159,311, $49,210,665 and $48,502,488 on June 30, 2026, December 31, 2025 and June 30, 2025.

13) Management policies of collaterals assumed

The nature of the collateral of the Bank SinoPac and its subsidiaries as of June 30, 2026, December 31, 2025 and June 30, 2025 are real estate. The detailed information is shown in Note 22.

Collaterals assumed are classified under other assets. According to the provisions of the Banking Act, the collateral accepted by the bank shall be disposed of within four years from the date of acquisition. The limit does not apply if approved by the competent authority.

14) Disclosures prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Public Banks

a) Overdue loans and receivables

Date			June 30, 2026				
Items			Non-performing Loan (NPL) (Note 1)	Total Loans	NPL Ratio (Note 2)	Loan Loss Reserves (LLR)	Coverage Ratio (Note 3)
Corporate loan	Secured		$ 1,475,540	$ 385,467,359	0.38%	$ 5,158,641	349.61%
	Unsecured		222,392	578,181,885	0.04%	8,164,702	3,671.31%
Consumer loan	Mortgage (Note 4)		444,782	372,810,152	0.12%	5,646,112	1,269.41%
	Cash card		-	411	-	76	-
	Micro credit (Note 5)		213,815	59,603,733	0.36%	1,232,058	576.23%
	Others (Note 6)	Secured	414,274	382,733,317	0.11%	3,939,054	950.83%
		Unsecured	204	906,818	0.02%	9,224	4,521.57%
Total			2,771,007	1,779,703,675	0.16%	24,149,867	871.52%
			Overdue Receivables	Accounts Receivables	Delinquency Ratio	Allowance for Credit Losses	Coverage Ratio
Credit card			38,606	29,657,255	0.13%	180,181	466.72%
Accounts receivable - factoring with no recourse (Notes 7 and 8)			-	13,404,377	-	148,272	-

Date			June 30, 2025				
Items			Non-performing Loan (NPL) (Note 1)	Total Loans	NPL Ratio (Note 2)	Loan Loss Reserves (LLR)	Coverage Ratio (Note 3)
Corporate loan	Secured		$ 929,197	$ 342,183,652	0.27%	$ 4,849,158	521.87%
	Unsecured		775,243	496,579,168	0.16%	6,985,212	901.04%
Consumer loan	Mortgage (Note 4)		458,307	387,892,281	0.12%	5,869,110	1,280.61%
	Cash card		-	705	-	134	-
	Micro credit (Note 5)		224,671	55,339,871	0.41%	1,071,508	476.92%
	Others (Note 6)	Secured	376,296	320,614,981	0.12%	3,304,765	878.24%
		Unsecured	317	446,852	0.07%	5,355	1,689.27%
Total			2,764,031	1,603,057,510	0.17%	22,085,242	799.02%
			Overdue Receivables	Accounts Receivables	Delinquency Ratio	Allowance for Credit Losses	Coverage Ratio
Credit card			34,135	24,067,349	0.14%	150,016	439.48%
Accounts receivable - factoring with no recourse (Notes 7 and 8)			-	9,120,724	-	109,650	-

Note 1: For loan business: Overdue loans represent the amounts of overdue loans reported in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans".

For credit card business: Overdue receivables are regulated by the Banking Bureau letter dated July 6, 2005 (Ref. No. 0944000378).

Note 2: For loan business: NPL ratio = NPL ÷ Total loans.

For credit card business: Delinquency ratio = Overdue receivables ÷ Accounts receivables.

Note 3: For loan business: Coverage ratio = LLR ÷ NPL.

For credit card business: Coverage ratio = Allowance for credit losses ÷ Overdue receivables.

Note 4: Household mortgage loan is a financing to be used by a borrower to buy, build, or fix a dwelling, and the dwelling owned by the borrower, spouse, or children is used to fully secure the loan.

Note 5: Micro credit loan is regulated by the Banking Bureau letter dated December 19, 2005 (Ref. No. 09440010950) and is not credit and debit cards' micro credit loan.

Note 6: Others in consumer loans refers to secured or unsecured loans excluding mortgage, cash card, micro credit, and credit cards.

Note 7: For accounts receivable - factoring with no recourse, as required by the Banking Bureau letter dated July 19, 2005 (Ref. No. 0945000494), which is equal to dated August 24, 2009 (Ref. 09850003180), and allowance for bad debts is recognized once no compensation is made from factoring or insurance within three months.

Note 8: Part of non-performing receivables transferred from other than loans was included.

b) Excluded NPLs and excluded overdue receivables

Date	June 30, 2026		June 30, 2025	
Items	Excluded NPL	Excluded Overdue Receivables	Excluded NPL	Excluded Overdue Receivables
As a result of debt negotiation and loan agreement (Note 1)	$ -	$ 2,461	$ 138	$ 4,461
As a result of consumer debt clearance (Note 2)	55,389	494,950	39,078	489,920
Total	$ 55,389	$ 497,411	$ 39,216	$ 494,381

Note 1: The disclosure of excluded NPLs and excluded overdue receivables resulting from debt negotiations and loan agreement is based on the Banking Bureau letter dated April 25, 2006 (Ref. No. 09510001270).

Note 2: The disclosure of excluded NPLs, pre-mediation and excluded overdue receivables resulting from consumer debt clearance is based on the Banking Bureau's letter dated September 15, 2008 (Ref. No. 09700318940) and September 20, 2016 (Ref. No. 10500134790).

c) Concentration of credit extensions

Year	June 30, 2026		
Rank (Note 1)	Industry Category (Note 2)	Total Credit Consists of Loans (Note 3)	Percentage of Net Worth (%)
1	A Group (renting and leasing of other machinery and equipment)	$ 15,961,337	7.79
2	B Group (real estate development activities)	10,440,329	5.10
3	C Group (real estate development activities)	10,393,770	5.07
4	D Group (real estate development activities)	9,323,021	4.55
5	E Company (manufacture of other computer peripheral equipment)	8,500,000	4.15
6	F Group (refrigeration, air conditioning, and plumbing engineering)	8,039,154	3.92
7	G Group (real estate development activities)	6,986,768	3.41
8	H Group (real estate development activities)	5,420,618	2.65
9	I Group (real estate development activities)	5,387,000	2.63
10	J Group (department store)	4,644,407	2.27

Year	June 30, 2025		
Rank (Note 1)	Industry Category (Note 2)	Total Credit Consists of Loans (Note 3)	Percentage of Net Worth (%)
1	A Group (renting and leasing of other machinery and equipment)	$ 12,789,844	6.79
2	B Group (real estate development activities)	11,281,337	5.99
3	C Group (real estate development activities)	9,614,206	5.11
4	D Group (real estate development activities)	8,783,267	4.67
5	E Group (real estate development activities)	6,879,790	3.66
6	F Group (metal casting)	5,620,668	2.99
7	G Group (department store)	5,536,408	2.94
8	H Group (real estate development activities)	5,507,780	2.93
9	I Group (refrigeration, air conditioning, and plumbing engineering activities)	3,616,278	1.92
10	J Company (real estate development activities)	3,590,400	1.91

Note 1: Ranking of top 10 groups (excluding government or state - owned enterprises) whose total credit consists of loans. If the borrower is a member of any of the above groups, the total amount of credits of the entire group must be listed and disclosed by code and line of industry. If the borrower is the group enterprise, for the risk exposure maximum, the line of industry must be disclosed. The line of industry must be classified and filled to the industry name of sub-category which is based on the industry classification standard of Department of Budget, Accounting and Statistics.

Note 2: Groups were those as defined in Articles 6 of the Supplementary Provision to the Taiwan Stock Exchange Corporation's Rules for Review of Securities Listings Law.

Note 3: Total credit is the sum of all loans (including import and export bills negotiated, discounts, overdrafts, short-term loans, short-term secured loans, marginal receivables, medium-term loans, medium-term secured loans, long-term loans, long-term secured loans, and non-performing loans), exchange bills negotiated, accounts receivable factored without recourse, acceptances receivable, and guarantee deposit issued.

d. Liquidity risk management

1) Definition of liquidity risk

Liquidity is Bank SinoPac's ability to provide sufficient funding for asset growth and matured liabilities. Liquidity risk means the risk banks cannot obtain sufficient fund with reasonable cost and correct timing, and then suffer losses on earnings or capital.

The measures of enhancing cash liquidity are holding sufficient cash and highly liquid able securities, adjusting maturities differences, savings absorption or arranging borrowings, etc.

a) Strategies

Bank SinoPac established a sound liquidity risk managing system based on business' scale and characteristic, assets and liabilities' structure, funding strategies and diversity of funding sources to ensure it would have sufficient funding for obligations in normal or worst scenario.

b) Risk measurement

Bank SinoPac uses quantitative analysis to manage liquidity risk. Cash flow deficit and liquidity management goals are used as measure instruments to report monthly the analysis results to the assets and liabilities managing committee.

Stress testing is done to ensure Bank SinoPac would have sufficient funding for asset growth and matured liabilities despite any internal operating problems or adverse changes in the financial environment.

c) Risk monitoring

Bank SinoPac established a liquidity deficit limit and an early warning system to detect liquidity risk and take appropriate action at the right time.

Bank SinoPac has formed a crisis management team to handle any liquidity crisis. The general manager is the team convener, and the managers of the financial obligation department and the risk management department are the team members. The general manager can also assign the managers of related departments to join the team, depending on the situation. Members' rights and responsibilities are listed in "Bank SinoPac's Operational Crisis Response Measures".

2) Maturity analysis of non-derivative financial liabilities

Cash outflow analyses of non-derivative financial liabilities of Bank SinoPac and its subsidiaries are summarized in the following tables. The amounts are provided on a contract cash flow basis so some of the amounts will not match the amounts in the consolidated balance sheets.

Bank SinoPac

June 30, 2026	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	$ 47,483,574	$ 29,427,018	$ 12,718,133	$ 3,056,128	$ -	$ 92,684,853
Financial liabilities at fair value through profit or loss	-	-	-	2,225,171	-	2,225,171
Securities sold under repurchase agreements	14,423,025	43,230,094	-	-	-	57,653,119
Payables	10,024,972	604,734	266,677	4,290,047	2,082,856	17,269,286
Deposits and remittances	1,574,486,399	311,172,440	223,792,879	275,325,960	23,845,299	2,408,622,977
Bank debentures	7,755,611	4,365,079	3,413,009	7,812,701	28,952,546	52,298,946
Lease liabilities	75,355	124,207	203,040	395,808	2,149,195	2,947,605

December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	$ 72,319,645	$ 27,386,548	$ 16,941,503	$ 7,130,151	$ -	$ 123,777,847
Financial liabilities at fair value through profit or loss	-	-	2,103,363	-	-	2,103,363
Securities sold under repurchase agreements	15,023,890	934,049	-	-	-	15,957,939
Payables	9,533,847	501,857	115,468	212,221	2,060,063	12,423,456
Deposits and remittances	1,477,497,727	325,782,047	251,411,862	256,566,246	24,386,252	2,335,644,134
Bank debentures	1,206,227	171,011	1,119,986	15,534,324	36,648,658	54,680,206
Lease liabilities	83,735	116,942	188,697	348,134	2,125,084	2,862,592

June 30, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	$ 43,006,660	$ 25,173,973	$ 12,851,698	$ 3,058,263	$ -	$ 84,090,594
Financial liabilities at fair value through profit or loss	-	-	-	1,955,496	-	1,955,496
Securities sold under repurchase agreements	18,294,788	6,390,846	-	-	-	24,685,634
Payables	8,507,578	432,175	549,450	3,592,791	2,163,793	15,245,787
Deposits and remittances	1,412,847,069	318,653,430	201,336,032	257,229,837	23,665,300	2,213,731,668
Bank debentures	2,953,503	5,098,224	3,259,424	2,468,075	40,693,357	54,472,583
Lease liabilities	68,697	109,920	187,443	368,545	2,347,954	3,082,559

Bank SinoPac (China)

(In Thousands of CNY)

June 30, 2026	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Deposits from the Central Bank and banks	$ 322,996	$ -	$ -	$ 127,262	$ -	$ 450,258
Payables	2,126,435	13,244	24,307	-	-	2,163,986
Deposits and remittances	7,179,946	2,669,377	7,746,510	1,368,738	138,244	19,102,815
Lease liabilities	349	1,565	4,416	7,805	-	14,135

(In Thousands of CNY)

December 31, 2025	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Deposits from the Central Bank and banks	$ 295,553	$ 363,206	$ -	$ -	$ -	$ 658,759
Payables	1,222,335	203,229	531,814	-	-	1,957,378
Deposits and remittances	7,047,177	2,398,653	5,871,184	1,763,819	-	17,080,833
Lease liabilities	1,404	2,658	8,163	3,254	-	15,479

(In Thousands of CNY)

June 30, 2025	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Deposits from the Central Bank and banks	$ 586,178	$ 848,738	$ -	$ -	$ -	$ 1,434,916
Payables	676,163	208,347	517,785	-	-	1,402,295
Deposits and remittances	5,019,831	2,005,155	5,480,565	2,121,432	-	14,626,983
Lease liabilities	1,421	2,520	9,876	7,546	-	21,363

Amret Plc.

(In Thousands of U.S. Dollars)

June 30, 2026	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	$ 26,522	$ 10,289	$ 49,209	$ 31,489	$ 5,714	$ 123,223
Payables	583	-	-	-	-	583
Deposits and remittances	578,448	165,272	189,540	399,352	215,865	1,548,477
Short-term borrowings	245	2,049	10,607	11,474	-	24,375
Lease liabilities	353	676	1,062	1,867	15,420	19,378

(In Thousands of U.S. Dollars)

December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	$ 20,380	$ 27,020	$ 11,225	$ 71,088	$ 8,969	$ 138,682
Payables	284	-	-	-	-	284
Deposits and remittances	533,395	108,335	175,853	427,179	246,597	1,491,359
Short-term borrowings	249	5,401	22,251	8,842	-	36,743
Long-term borrowings	-	-	-	-	471	471
Lease liabilities	355	696	1,006	1,943	15,736	19,736

(In Thousands of U.S. Dollars)

June 30, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	$ 45,029	$ 3,700	$ 5,687	$ 53,505	$ 26,276	$ 134,197
Payables	5,235	-	-	-	-	5,235
Deposits and remittances	488,773	187,111	210,090	341,219	295,722	1,522,915
Short-term borrowings	245	2,625	7,470	35,128	-	45,468
Long-term borrowings	-	-	-	-	2,073	2,073
Lease liabilities	347	686	1,075	1,873	14,877	18,858

3) Maturity analysis of financial derivatives

a) Derivative liabilities settled on a net basis

Derivative liabilities of Bank SinoPac and Bank SinoPac (China) settled on a net basis include, but are not limited to:

Foreign exchange derivatives: Non-deliverable foreign exchange forwards, net cash flow settled foreign exchange options, etc.;

Interest rate derivatives: Forward rate agreements, interest rate swaps and interest rate futures contracts;

Other derivatives: Stock options and commodity futures.

Bank SinoPac and Bank SinoPac (China) use derivative financial liabilities at fair value through profit or loss mainly to accommodate customers' needs and manage their own exposure positions, and disclosed the derivative financial liabilities at fair value based on the shortest period that payment would be required.

Bank SinoPac

June 30, 2026	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Financial liabilities at fair value through profit or loss	$ 14,757,997	$ -	$ -	$ -	$ -	$ 14,757,997

December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Financial liabilities at fair value through profit or loss	$ 9,574,657	$ -	$ -	$ -	$ -	$ 9,574,657

June 30, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Financial liabilities at fair value through profit or loss	$ 8,053,429	$ -	$ -	$ -	$ -	$ 8,053,429

Bank SinoPac (China)

(In Thousands of CNY)

June 30, 2026	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Financial liabilities at fair value through profit or loss	$ 78,103	$ -	$ -	$ -	$ -	$ 78,103

(In Thousands of CNY)

December 31, 2025	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Financial liabilities at fair value through profit or loss	$ 25,843	$ -	$ -	$ -	$ -	$ 25,843

(In Thousands of CNY)

June 30, 2025	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Financial liabilities at fair value through profit or loss	$ 19,711	$ -	$ -	$ -	$ -	$ 19,711

b) Derivatives settled on a gross basis

Gross settled derivatives of Bank SinoPac and Bank SinoPac (China) include:

Foreign exchange derivatives: Foreign exchange forwards, foreign exchange swaps, cross currency swaps and gross settled foreign exchange options.

Among which, foreign exchange forwards, foreign exchange swaps, and cross currency swaps are organized into the corresponding time periods based on the cash flow indicated on the contracts, and therefore the amount disclosed will not correspond to the relevant items in the consolidated balance sheet; the gross settled foreign exchange options, as a position reserved for the purpose of transaction, Bank SinoPac and Bank SinoPac (China) are able to adjust the position at any time, and therefore the cash inflow and outflow of such are expressed at their fair values, and they are placed in the most recent time period alongside the derivative liabilities settled on a net basis.

Bank SinoPac

June 30, 2026	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Financial instruments at fair value through profit or loss						
Foreign exchange derivatives						
Cash inflow	$ 1,784,735,141	$ 850,002,200	$ 219,705,145	$ 121,790,808	$ 6,577,077	$ 2,982,810,371
Cash outflow	1,781,792,448	848,241,901	219,515,090	121,837,626	6,307,937	2,977,695,002

December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Financial instruments at fair value through profit or loss						
Foreign exchange derivatives						
Cash inflow	$ 2,667,685,561	$ 436,122,414	$ 147,799,086	$ 92,395,680	$ 11,489,013	$ 3,355,491,754
Cash outflow	2,669,581,298	435,483,151	147,509,553	91,335,898	11,123,891	3,355,033,791

June 30, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Financial instruments at fair value through profit or loss						
Foreign exchange derivatives						
Cash inflow	$ 1,000,358,850	$ 951,564,510	$ 296,062,745	$ 162,902,653	$ 8,583,956	$ 2,419,472,714
Cash outflow	1,004,462,980	954,117,051	298,143,113	163,013,729	8,549,131	2,428,286,004

Bank SinoPac (China)

(In Thousands of CNY)

June 30, 2026	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Financial instruments at fair value through profit or loss						
Foreign exchange derivatives						
Cash inflow	$ 6,655,624	$ 8,549,127	$ 12,956,979	$ 607,766	$ -	$ 28,769,496
Cash outflow	6,658,214	8,542,523	13,053,946	1,029,087	-	29,283,770

(In Thousands of CNY)

December 31, 2025	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Financial instruments at fair value through profit or loss						
Foreign exchange derivatives						
Cash inflow	$ 12,869,700	$ 6,722,606	$ 18,551,747	$ 62,527	$ -	$ 38,206,580
Cash outflow	12,866,409	6,723,004	18,550,768	418,833	-	38,559,014

(In Thousands of CNY)

June 30, 2025	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Financial instruments at fair value through profit or loss						
Foreign exchange derivatives						
Cash inflow	$ 7,317,738	$ 7,534,204	$ 21,236,332	$ 352,053	$ -	$ 36,440,327
Cash outflow	7,318,662	7,533,566	21,219,870	351,232	-	36,423,330

4) Maturity analysis of off-balance sheet items

Maturity analysis of off-balance sheet items are summarized in the following tables. Financial guarantee contracts of Bank SinoPac and its subsidiaries that assume full amount are available or require to execute at the earliest time. The amounts are provided on a contract cash flow basis so some of the amounts will not match the amounts in the consolidated balance sheets.

Bank SinoPac

June 30, 2026	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Undrawn loan commitments	$ 901,445	$ 3,527,034	$ 2,830,093	$ 8,954,991	$ 44,197,271	$ 60,410,834
Guarantees	4,037,974	4,004,468	2,970,285	16,070,152	28,757,128	55,840,007
Standby letter of credit	1,247,539	1,185,015	1,262,968	317,377	600,612	4,613,511

December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Undrawn loan commitments	$ 201,995	$ 1,276,252	$ 9,135,128	$ 8,596,367	$ 52,298,900	$ 71,508,642
Guarantees	6,099,448	5,312,560	3,724,469	5,790,713	32,015,715	52,942,905
Standby letter of credit	737,302	1,094,798	505,821	114,233	192,691	2,644,845

June 30, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Undrawn loan commitments	$ 2,510,207	$ 3,450,137	$ 6,004,568	$ 11,302,694	$ 49,629,135	$ 72,896,741
Guarantees	2,772,228	3,969,205	2,917,425	7,357,715	25,463,938	42,480,511
Standby letter of credit	1,333,409	1,554,792	506,945	50,701	-	3,445,847

Bank SinoPac (China)

(In Thousands of CNY)

June 30, 2026	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Undrawn loan commitments	$ -	$ 30,000	$ 25,243	$ 59,031	$ -	$ 114,274
Guarantees	44,567	77,449	372,101	94,916	-	589,033
Standby letter of credit	9,627	17,045	-	-	-	26,672

(In Thousands of CNY)

December 31, 2025	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Undrawn loan commitments	$ -	$ 78	$ 100,000	$ 20,995	$ -	$ 121,073
Guarantees	5,943	235,422	264,311	53,579	-	559,255
Standby letter of credit	4,364	155,458	-	-	-	159,822

(In Thousands of CNY)

June 30, 2025	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	Over 5 Years	Total
Undrawn loan commitments	$ -	$ 70,801	$ 103,533	$ 52,185	$ -	$ 226,519
Guarantees	30,819	93,672	265,352	11,084	-	400,927
Standby letter of credit	3,897	63,586	12,177	-	-	79,660

Amret Plc.

(In Thousands of U.S. Dollars)

June 30, 2026	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Undrawn loan commitments	$ -	$ -	$ -	$ -	$ 19,487	$ 19,487

(In Thousands of U.S. Dollars)

December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Undrawn loan commitments	$ -	$ -	$ -	$ -	$ 18,412	$ 18,412

(In Thousands of U.S. Dollars)

June 30, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year	Total
Undrawn loan commitments	$ -	$ -	$ -	$ 38	$ 10,649	$ 10,687

5) Disclosures prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Public Banks

a) Maturity analysis of assets and liabilities of Bank SinoPac (New Taiwan dollars)

	June 30, 2026						
	Total	0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	$ 2,215,742,701	$ 259,359,917	$ 218,454,420	$ 226,405,500	$ 118,951,162	$ 181,028,261	$ 1,211,543,441
Main capital outflow on maturity	2,566,729,754	175,232,559	151,039,976	324,336,697	284,307,046	434,197,622	1,197,615,854
Gap	(350,987,053)	84,127,358	67,414,444	(97,931,197)	(165,355,884)	(253,169,361)	13,927,587

	June 30, 2025						
	Total	0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	$ 2,170,682,753	$ 233,858,518	$ 244,409,297	$ 251,527,587	$ 136,736,368	$ 164,437,708	$ 1,139,713,275
Main capital outflow on maturity	2,585,125,814	117,428,517	216,944,606	396,702,397	333,854,405	441,849,614	1,078,346,275
Gap	(414,443,061)	116,430,001	27,464,691	(145,174,810)	(197,118,037)	(277,411,906)	61,367,000

Note: The amounts shown in this table are Bank SinoPac's position denominated in NTD.

b) Maturity analysis of assets and liabilities of Bank SinoPac (U.S. dollars)

(In Thousands of U.S. Dollars)

	June 30, 2026					
	Total	**0-30 Days**	**31-90 Days**	**91-180 Days**	**181 Days to 1 Year**	**Over 1 Year**
Main capital inflow on maturity	$ 68,518,177	$ 35,909,390	$ 15,105,668	$ 4,636,055	$ 2,660,907	$ 10,206,157
Main capital outflow on maturity	70,373,784	33,434,552	18,943,201	6,847,696	5,539,746	5,608,589
Gap	(1,855,607)	2,474,838	(3,837,533)	(2,211,641)	(2,878,839)	4,597,568

(In Thousands of U.S. Dollars)

	June 30, 2025					
	Total	**0-30 Days**	**31-90 Days**	**91-180 Days**	**181 Days to 1 Year**	**Over 1 Year**
Main capital inflow on maturity	$ 61,304,979	$ 23,299,938	$ 17,901,046	$ 6,370,930	$ 3,876,234	$ 9,856,831
Main capital outflow on maturity	63,302,313	23,164,260	21,293,425	8,026,465	5,574,412	5,243,751
Gap	(1,997,334)	135,678	(3,392,379)	(1,655,535)	(1,698,178)	4,613,080

Note: The amounts shown in this table are Bank SinoPac's position denominated in USD.

e. Market risk

1) Definition of market risk

Market risk arises from market changes (such as those referring to interest rates, exchange rates, equity securities and commodity prices) which may cause the fluctuation of a financial instrument's fair value or future cash flow. Bank SinoPac's net revenue and investment portfolio value may fluctuate when risk factors above change.

The main market risks that Bank SinoPac should overcome pertain to interest rate, exchange rate and equity securities. Interest rate risks primarily refer to bonds and interest rate related derivative instruments such as fixed rate and floating rate interest rate swaps and bond options; the exchange rate risk refers to foreign currency investments Bank SinoPac holds such as exchange rate related derivative instruments and foreign currency bonds; equity securities risk includes listed stocks and equity related derivative financial instruments.

2) Management strategies and procedures

To follow the "Market Risk Management Rule" and other regulations, Bank SinoPac established standards for risk identification, measurement, supervision and reporting to set up appropriate risk management framework for every kind of market risk. The scope of market risk management encompasses risks arising from fluctuations in interest rates, exchange rates, equity securities, commodity prices, and credit spreads, while continuously enhancing its risk management framework in response to the requirements of the Fundamental Review of the Trading Book (FRTB).

In accordance with the risk management limit approved by the board of directors, Bank SinoPac supervises every loss limit and position at risk such as interest rate, exchange rate, equity security, spot trading and forward exchange contract, option, future, swap, and related sensitivity information derived from spot trading to confirm that market risk exposure is accepted to Bank SinoPac.

Bank SinoPac separates its transactions into hedge and non-hedge on the basis of trading purposes. For hedge transactions, Bank SinoPac should measure hedge relations, risk management goals and hedge strategies. Bank SinoPac should also perform hedge testing for hedging effectiveness.

Bank SinoPac continues to align with the new trading book capital requirements promoted by the competent authority under the Fundamental Review of the Trading Book (FRTB). Under the standardized approach, the Bank measures market risk in its trading book across various risk classes, including General Interest Rate Risk (GIRR), Credit Spread Risk (CSR), Equity Risk, Foreign Exchange Risk (FX Risk), and Commodity Risk. In addition to the Sensitivity-Based Method (SBM), market risk capital requirements incorporate the Default Risk Charge (DRC) and the Residual Risk Add-On (RRAO), which serve as key considerations in market risk management and capital planning.

3) Organization and framework

The board of directors is the top supervision and decision-making level of Bank SinoPac; it determines every risk management procedure and limit on the basis of its operating strategy and the business environment.

Bank SinoPac also set up a risk management department headed by a general manager to establish risk managing principles, regulate risk managing policies, and plan and set up a risk management system.

Following the internal control and segregation of duties principles, Bank SinoPac had certain related functions with market risk exposures transformed into three independent departments: Trading, risk control and settlement departments, usually called front office, middle office and back office. Nevertheless, the risk management department remains in charge of market risk control, i.e., it is responsible for identifying, measuring, controlling and reporting market risk.

4) Market risk control procedure

a) Identification and measurement

Risk measurement includes exposures changes in the market of interest rates, exchange rates, and equity securities, which affect spot trading and forward, option, futures, and swap transactions or related combined transactions derived from spot trading. Bank SinoPac set up appropriate market risk limits based on commodity category, characteristic and complexity. The limits are the nominal exposure limit, the risk factor sensitivity limit of options as measured by Delta/Vega/DV01 and the loss control limit. These limits are calculated by the risk control department through measurements (such as those of the Black & Scholes Model) provided by financial data and company information providers (e.g., Murex and Bloomberg) based on market prices.

b) Supervision and reporting

Bank SinoPac's market risk management department prepares risk management reports such as those on daily market valuations, value at risk and risk limits. If the risk is over the limit, the department should report this situation to the transaction department and appropriate managers in the risk management department. The department should also collect and organize bank market risk exposure information, risk value, risk limit rules, and information on situations in which limits are exceeded, analyze security investments, and submit regularly to the board of directors reports on the collected information and security investment analysis.

5) Trading book risk management policies

a) Definitions

The trading book is an accounting book of the financial instruments and physical commodities held for trading or hedged by Bank SinoPac. Held-for-trading position refers to revenues earned from practical or impractical trading differences. Positions that should not be recorded in the trading book are recorded in the banking book.

b) Strategies

Bank SinoPac earns revenues from trading spreads or fixed arbitrage debt and equity instruments are held for short periods of time, purchased with the intention of profiting from short-term price changes through properly control short-term fluctuation of market risk factors (interest rate, exchange rate and stock price). It executes hedge transactions as needed.

c) Policies and procedures

Bank SinoPac carries out “Market Risk Management Policy” to control market risk.

Under the above policy, traders may autonomously operate and manage positions within the range of authorized limits and the approved trading strategy. The market risk management department supervises trading positions (including limit, liquidity, the ability to establish hedge positions and investment portfolio risk) based on market information and evaluates market information quality, availability, liquidity and scale which are calculated into the pricing model.

d) Assessment policies

Bank SinoPac assesses financial instruments once a day on the basis of information obtained from independent sources if market prices are acquirable. If Bank SinoPac assesses financial instruments using a pricing model, it should be careful in making mathematical calculations and should review the pricing model’s assumptions and parameters regularly.

e) Measurements

i. The risk valuation and calculation methods are described in Note 50, e, 11).

ii. The calculation of the nominal exposure amount and the risk factor sensitivity value Delta/Vega/DV01 is done through the trading systems.

iii. Bank SinoPac makes stress tests using a light scenario (change in interest rate ± 100 bp, change in securities ± 15% and change in exchange rate ± 3%) and serious scenario (change in interest rate ± 200 bp, change in securities ± 30% and change in exchange rate ± 6%) and reports the stress test results to the board of directors.

6) Trading book interest rate risk management

a) Definitions

Interest rate risk refers to a decrease in earnings and value of financial instruments due to adverse interest rate fluctuations. Major instruments with interest rate risk include securities and derivative instruments.

b) Procedures

Bank SinoPac has a trading limit and a stop-loss limit (which should be applied to trading instrument by the dealing room and dealers) based on management strategy and market conditions; limits have been approved by the board of directors.

c) Measurements

i. The risk valuation assumptions and calculation methods are described in Note 50, e, 11).

ii. DV01 is used daily to measure the impact of interest rate changes on investment portfolios.

7) Trading book exchange rate risk management

a) Definitions

Exchange rate risk refers to the incurrence of loss from the exchange of currencies in different timing. Bank SinoPac's major financial instruments exposed to exchange rate risk spot contract, forward exchange contracts, and FX option.

b) Policies and procedures

To control the exchange rate risk, Bank SinoPac sets trading limit and stop-loss limit and requires the dealing room, dealers, etc., to observe these limits.

c) Measurements

i. The risk valuation assumptions and calculation methods are described in Note 50, e, 11).

ii. Exposure positions are measured daily for the impact of exchange rate changes on investment portfolio value.

8) Trading book equity risk management

a) Definitions

Market risk of equity securities includes individual risk which arises from volatility of market price on individual equity securities and general market risk which arises from volatility of overall market price.

b) Procedures

To control equity risk, Bank SinoPac sets investment position limits and stop-loss limits. The limits are approved by the board of directors. Within the limit of authority, Bank SinoPac sets investment position limits and stop-loss limits for each dealer.

c) Measurements

i. The risk valuation assumptions and calculation methods are described in Note 50, e, 11).

ii. Exposure positions are measured daily to measure the impact of equity risk on investment portfolio value due from equity risk.

9) Banking book interest rate risk management

Banking book interest rate risk refers to the impact of the banking book due to adverse interest rate changes and causes the current or potential risks to Bank SinoPac's economic value (the present value of future cash flows from assets, liabilities and off-balance sheet) and earnings.

Through managing the banking book interest rate risk, Bank SinoPac can measure and manage the risk to earnings and financial position caused by interest rate unfavorable fluctuations.

a) Strategies

To reduce the negative effect of interest rate changes on of net interest revenue and economic value, Bank SinoPac adjusts positions within certain limits for better performance. It reviews the interest rate sensitivity regularly to create maximum profit and manage interest rate risk.

b) Risk measurement

Risk measurement refers to the banking book interest rate risk of assets, liabilities, and off-balance-sheet positions. Bank SinoPac periodically reports interest rate sensitivity positions and measures the impact of interest rate fluctuations on interest rate-sensitive assets and the impact of net interest revenue and economic value.

c) Risk monitoring

The asset and liability management committee examines and monitors exposure to interest rate risk on the basis of the measurement provided by the risk management sector.

If the banking book risk exposure condition exceeds the limit or target value, the risk management sector should investigate how this condition arose and notify the executive division by petition accordingly. The executive division coordinates with relevant divisions to formulate the plan and submit to president for approval then submit the plan to the asset and liability management committee after implementation.

10) Banking book equity risk management

Banking book equity risk refers to the decrease in the value of the held equity due to unfavorable effects of certain situations. Bank SinoPac established control policies related to equity instruments to make the risk within controllable range.

a) Strategies

Bank SinoPac has established comprehensive investment decision procedures, risk control measures, principles of disposal, and regular assessment of investment situation in order to raise the benefits of long-term fund management, reach the balance of profit and risk, and pursue the long-term stable investment performance.

b) Risk measurement

Bank SinoPac has set up criteria for equity securities to be selected for investment, such as time horizons, investment upper limits and credit ratings to control the risks of equity securities.

c) Risk monitoring

i. Bank SinoPac holding an investment with specific amount of valuation loss should submit the description of the situation and the suggested plan for action, and continue the monitoring of the case.

ii. Bank SinoPac regularly assesses the risk of the investment target, checks the extent of the concentration in industries and reports the overview of the investment portfolio to the committee on the management of assets and liabilities.

11) Market risk measurement technique

Value at Risk (VaR)

Bank SinoPac uses the Risk Manager system and stress testing to measure its investment portfolio risk and uses several hypotheses about market conditions to measure market risk and expected maximum loss of holding positions. Bank SinoPac's board of directors has set a VaR limit. The VaR is controlled daily by the market risk management sector and is a widely used risk measure of the risk of loss on a specific portfolio of financial assets.

VaR is the statistical estimate of the potential loss of holding positions due to unfavorable market conditions. For Bank SinoPac, VaR refers to a fall in value of its holding position in a day, with a 99% confidence level. Bank SinoPac uses VaR and the Monte Carlo simulation method to derive quantitative measures for the market risks of the holding positions under normal conditions. The calculated result is used to test and monitor the validity of parameters and hypotheses periodically. However, the use of the VaR cannot prevent loss caused by huge unfavorable changes in market conditions.

Bank SinoPac considers the expected maximum loss, target profit, and operating strategy in setting the VaR, which is proposed by the market risk management sector and approved by the board of directors.

Bank SinoPac's trading book VaR overview

	For the Six Months Ended June 30, 2026		
	Average	**Maximum**	**Minimum**
Exchange rate risk	29,585	45,129	19,652
Interest rate risk	72,795	99,191	50,483
Equity risk	13,464	36,432	3,140
Total VaR	78,823	104,447	43,939

Note 1: Estimated VaR: Time frame = 1 day, confidence level = 99%, decay factor = 0.94.

Note 2: Historical data period: 2026.01.02-2026.06.30.

	For the Six Months Ended June 30, 2025		
	Average	**Maximum**	**Minimum**
Exchange rate risk	35,230	103,804	15,302
Interest rate risk	61,441	100,373	42,458
Equity risk	3,912	10,508	-
Total VaR	77,562	163,466	45,488

Note 1: Estimated VaR: Time frame = 1 day, confidence level = 99%, decay factor = 0.94.

Note 2: Historical data period: 2025.01.02-2025.04.30.

Bank SinoPac (China)'s trading book VaR overview

(In Thousands of CNY)

	For the Six Months Ended June 30, 2026		
	Average	**Maximum**	**Minimum**
Exchange rate risk	833	2,015	280
Interest rate risk	319	708	175
Equity risk	-	-	-
Total VaR	739	1,910	311

Note 1: Estimated VaR: Time frame = 1 day, confidence level = 99%, decay factor = 0.94.

Note 2: Historical data period: 2026.01.01-2026.06.30.

(In Thousands of CNY)

	For the Six Months Ended June 30, 2025		
	Average	**Maximum**	**Minimum**
Exchange rate risk	785	2,703	172
Interest rate risk	239	1,331	6
Equity risk	-	-	-
Total VaR	666	2,477	151

Note 1: Estimated VaR: Time frame = 1 day, confidence level = 99%, decay factor = 0.94.

Note 2: Historical data period: 2025.01.01-2025.06.30.

12) Exchange rate risks

Exchange rate risks of holding net positions in foreign currencies are shown as below:

	June 30, 2026		
	Foreign Currency (In Thousands)	**Exchange Rate**	**Converted to NTD**
Financial assets			
Monetary items			
USD	$ 18,435,395	31.84110	$ 587,003,256
CNY	12,869,854	4.68781	60,331,430
AUD	7,126,300	21.89734	156,047,014
Nonmonetary items			
USD	488,248	31.84110	15,546,353
CNY	2,486,513	4.68781	11,656,301
Financial liabilities			
Monetary items			
USD	24,071,597	31.84110	766,466,127
CNY	13,526,778	4.68781	63,410,965
AUD	2,129,372	21.89734	46,627,583

	December 31, 2025		
	Foreign Currency (In Thousands)	Exchange Rate	Converted to NTD
Financial assets			
Monetary items			
USD	$ 17,445,682	31.45250	$ 548,710,313
CNY	15,168,083	4.49932	68,246,059
AUD	5,793,909	21.02575	121,821,282
Nonmonetary items			
USD	481,869	31.45250	15,155,985
CNY	2,383,489	4.49932	10,724,080
Financial liabilities			
Monetary items			
USD	23,903,869	31.45250	751,836,440
CNY	15,818,290	4.49932	71,171,549
AUD	639,998	21.02575	13,456,438

	June 30, 2025		
	Foreign Currency (In Thousands)	Exchange Rate	Converted to NTD
Financial assets			
Monetary items			
USD	$ 16,111,851	29.24138	$ 471,132,758
CNY	14,287,162	4.08157	58,314,052
AUD	5,399,984	19.11173	103,203,036
Nonmonetary items			
USD	478,292	29.24138	13,985,918
CNY	2,417,234	4.08157	9,866,110
Financial liabilities			
Monetary items			
USD	23,769,111	29.24138	695,041,607
CNY	13,642,383	4.08157	55,682,341
AUD	823,639	19.11173	15,741,166

13) Compliance with the Regulations Governing the Preparation of Financial Reports by Public Banks

a) Interest rate sensitivity information (New Taiwan dollars)

June 30, 2026

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	$ 1,596,037,733	$ 59,671,990	$ 123,157,416	$ 119,458,623	$ 1,898,325,762
Interest rate-sensitive liabilities	527,917,309	1,082,299,981	78,429,313	51,289,227	1,739,935,830
Interest rate-sensitive gap	1,068,120,424	(1,022,627,991)	44,728,103	68,169,396	158,389,932
Net worth					207,854,904
Ratio of interest rate-sensitive assets to liabilities (%)					109.10%
Ratio of interest rate-sensitive gap to net worth (%)					76.20%

June 30, 2025

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	$ 1,543,633,934	$ 48,270,424	$ 110,546,061	$ 127,290,429	$ 1,829,740,848
Interest rate-sensitive liabilities	562,140,721	922,979,363	70,603,797	59,175,973	1,614,899,854
Interest rate-sensitive gap	981,493,213	(874,708,939)	39,942,264	68,114,456	214,840,994
Net worth					191,821,228
Ratio of interest rate-sensitive assets to liabilities (%)					113.30%
Ratio of interest rate-sensitive gap to net worth (%)					112.00%

Note 1: The above amounts include only New Taiwan dollars held by Bank SinoPac and exclude contingent assets and contingent liabilities.

Note 2: Interest rate-sensitive assets and liabilities mean the revenues or costs of interest-earning assets and interest-bearing liabilities are affected by interest rate changes.

Note 3: Interest rate-sensitive gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities (in New Taiwan dollars).

b) Interest rate sensitivity information (U.S. dollars)

June 30, 2026

(In Thousands of U.S. Dollars)

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	$ 10,765,418	$ 1,399,003	$ 497,030	$ 3,832,623	$ 16,494,074
Interest rate-sensitive liabilities	9,161,700	9,776,995	1,302,419	1,666,246	21,907,360
Interest rate-sensitive gap	1,603,718	(8,377,992)	(805,389)	2,166,377	(5,413,286)
Net worth					(77,761)
Ratio of interest rate-sensitive assets to liabilities (%)					75.29%
Ratio of interest rate-sensitive gap to net worth (%)					6961.44%

June 30, 2025

(In Thousands of U.S. Dollars)

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	$ 8,469,937	$ 1,155,912	$ 583,931	$ 4,253,975	$ 14,463,755
Interest rate-sensitive liabilities	10,213,278	9,288,087	1,001,853	1,105,487	21,608,705
Interest rate-sensitive gap	(1,743,341)	(8,132,175)	(417,922)	3,148,488	(7,144,950)
Net worth					(97,499)
Ratio of interest rate-sensitive assets to liabilities (%)					66.93%
Ratio of interest rate-sensitive gap to net worth (%)					7,328.23%

Note 1: The above amounts include only USD held by Bank SinoPac and exclude contingent assets and contingent liabilities.

Note 2: Interest rate-sensitive assets and liabilities mean the revenues or costs of interest-earning assets and interest-bearing liabilities are affected by interest-rate changes.

Note 3: Interest rate-sensitive gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities (in USD).

14) Transfers of financial assets

The transferred financial assets of Bank SinoPac and its subsidiaries that do not qualify for derecognition in daily operations are mainly securities sold under repurchase agreements. The transaction transfers the contractual rights to receive the cash flows of the financial assets, but Bank SinoPac and its subsidiaries retains the liabilities to repurchase the transferred financial assets at fixed price in the future period. Bank SinoPac and its subsidiaries cannot use, sell, or pledge such transferred financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and investments in debt instruments at amortized cost within the validity period of the transaction. However, Bank SinoPac and its subsidiaries still bear the interest rate risk and credit risk; therefore, Bank SinoPac and its subsidiaries do not derecognize these financial assets. The analysis of financial assets and related liabilities that do not fully meet the derecognition criteria is presented in the following table:

Category of Financial Asset	June 30, 2026				
	Transferred Financial Assets - Carrying Amount	Related Financial Liabilities - Carrying Amount	Transferred Financial Assets - Fair Value	Related Financial Liabilities - Fair Value	Net Position - Fair Value
Financial assets at fair value through profit or loss					
Transactions under repurchase agreements	$ 3,295,827	$ 3,290,917	$ 3,295,827	$ 3,290,917	$ 4,910
Financial assets at fair value through other comprehensive income					
Transactions under repurchase agreements	17,701,973	16,915,083	17,701,973	16,915,083	786,890
Investments in debt instruments at amortized cost					
Transactions under repurchase agreements	26,642,200	24,879,068	26,571,418	24,879,068	1,692,350
Securities purchased under resell agreements					
Transactions under repurchase agreements	11,796,284	12,307,667	11,796,284	12,307,667	(511,383)

Category of Financial Asset	December 31, 2025				
	Transferred Financial Assets - Carrying Amount	Related Financial Liabilities - Carrying Amount	Transferred Financial Assets - Fair Value	Related Financial Liabilities - Fair Value	Net Position - Fair Value
Financial assets at fair value through profit or loss					
Transactions under repurchase agreements	$ 2,375,758	$ 2,365,358	$ 2,375,758	$ 2,365,358	$ 10,400
Financial assets at fair value through other comprehensive income					
Transactions under repurchase agreements	351,396	351,346	351,396	351,346	50
Securities purchased under resell agreements					
Transactions under repurchase agreements	12,621,184	13,159,452	12,621,184	13,159,452	(538,268)

Category of Financial Asset	June 30, 2025				
	Transferred Financial Assets - Carrying Amount	Related Financial Liabilities - Carrying Amount	Transferred Financial Assets - Fair Value	Related Financial Liabilities - Fair Value	Net Position - Fair Value
Financial assets at fair value through profit or loss					
Transactions under repurchase agreements	$ 525,324	$ 512,895	$ 525,324	$ 512,895	$ 12,429
Financial assets at fair value through other comprehensive income					
Transactions under repurchase agreements	3,286,455	3,168,266	3,286,455	3,168,266	118,189
Investments in debt instruments at amortized cost					
Transactions under repurchase agreements	4,570,834	4,345,056	4,578,437	4,345,056	233,381
Securities purchased under resell agreements					
Transactions under repurchase agreements	16,183,610	16,526,497	16,183,610	16,526,497	(342,887)

15) Offsetting of financial assets and financial liabilities

Bank SinoPac and its subsidiaries did not hold financial instruments covered by Section 42 of the IAS 32 “Financial Instruments: Presentation” endorsed by the Financial Supervisory Commission; thus, it made an offset of financial assets and liabilities and reported the net amount in the balance sheet.

Bank SinoPac and its subsidiaries engages in transactions on the following financial assets and liabilities that are not subject to balance sheet offsetting based on IAS 32 but are under master netting arrangements or similar agreements. These agreements allow both Bank SinoPac and its subsidiaries and its counterparties to opt for the net settlement of financial assets and financial liabilities. If one party defaults, the other one may choose net settlement.

The netting information of financial assets and financial liabilities is set out below:

June 30, 2026

Financial Assets	Recognized Financial Assets - Gross Amount	Netted Financial Liabilities Recognized on the Balance Sheet - Gross Amount	Recognized Financial Assets - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Received as Collaterals	
Derivative instruments	$ 26,901,632	$ -	$ 26,901,632	$ 15,978,258	$ 4,878,615	$ 6,044,759
Securities purchased under resell agreements	79,543,489	-	79,543,489	79,534,154	-	9,335
	$ 106,445,121	$ -	$ 106,445,121	$ 95,512,412	$ 4,878,615	$ 6,054,094

Financial Liabilities	Recognized Financial Liabilities - Gross Amount	Netted Financial Assets Recognized on the Balance Sheet - Gross Amount	Recognized Financial Liabilities - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Collaterals Pledged	
Derivative instruments	$ 24,536,951	$ -	$ 24,536,951	$ 15,978,258	$ 4,862,720	$ 3,695,973
Securities sold under repurchase agreements	59,736,640	-	59,736,640	59,690,728	16,435	29,477
	$ 84,273,591	$ -	$ 84,273,591	$ 75,668,986	$ 4,879,155	$ 3,725,450

Note: Including netting settlement agreements and non-cash financial collaterals.

December 31, 2025

Financial Assets	Recognized Financial Assets - Gross Amount	Netted Financial Liabilities Recognized on the Balance Sheet - Gross Amount	Recognized Financial Assets - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Received as Collaterals	
Derivative instruments	$ 21,202,557	$ -	$ 21,202,557	$ 13,058,200	$ 1,106,389	$ 7,037,968
Securities purchased under resell agreements	88,776,319	-	88,776,319	88,763,484	-	12,835
	$ 109,978,876	$ -	$ 109,978,876	$ 101,821,684	$ 1,106,389	$ 7,050,803

Financial Liabilities	Recognized Financial Liabilities - Gross Amount	Netted Financial Assets Recognized on the Balance Sheet - Gross Amount	Recognized Financial Liabilities - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Collaterals Pledged	
Derivative instruments	$ 22,886,501	$ -	$ 22,886,501	$ 13,058,200	$ 5,877,553	$ 3,950,748
Securities sold under repurchase agreements	17,225,952	-	17,225,952	17,213,233	-	12,719
	$ 40,112,453	$ -	$ 40,112,453	$ 30,271,433	$ 5,877,553	$ 3,963,467

Note: Including netting settlement agreements and non-cash financial collaterals.

June 30, 2025

Financial Assets	Recognized Financial Assets - Gross Amount	Netted Financial Liabilities Recognized on the Balance Sheet - Gross Amount	Recognized Financial Assets - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Received as Collaterals	
Derivative instruments	$ 27,876,208	$ -	$ 27,876,208	$ 19,183,936	$ 4,853,573	$ 3,838,699
Securities purchased under resell agreements	78,773,053	-	78,773,053	78,770,795	-	2,258
	$ 106,649,261	$ -	$ 106,649,261	$ 97,954,731	$ 4,853,573	$ 3,840,957

Financial Liabilities	Recognized Financial Liabilities - Gross Amount	Netted Financial Assets Recognized on the Balance Sheet - Gross Amount	Recognized Financial Liabilities - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments (Note)	Cash Collaterals Pledged	
Derivative instruments	$ 38,014,026	$ -	$ 38,014,026	$ 19,183,936	$ 8,404,219	$ 10,425,871
Securities sold under repurchase agreements	25,358,824	-	25,358,824	25,357,858	-	966
	$ 63,372,850	$ -	$ 63,372,850	$ 44,541,794	$ 8,404,219	$ 10,426,837

Note: Including netting settlement agreements and non-cash financial collaterals.

SinoPac Securities Corporation and Its Subsidiaries

a. Risk management organization

SinoPac Securities Corporation (SinoPac Securities) has a risk management committee under the chairman who is the committee convener. The committee is in charge of deliberating risk management policies, regulations and overall risk limitation. It helps the board of directors fully supervise the risk management and related operations. Further, it set up a risk management division that is guided by the manager and is responsible for planning, managing, assessing and executing daily risk management procedures. The committee deliberates each policy, principle and regulation, which are presented to the board of directors for final approval and executed by the risk management division. The risk management division reviews the results and performance of the risk management committee.

b. Goal and policy of risk management

SinoPac Securities and its subsidiaries' objectives and policies of risk management are based on the concept of capital allocation to define the overall total exposure limit. Under this concept and risk management principles, SinoPac Securities and its subsidiaries pursue steady growth within a certain level of risk.

1) Market risk

Market risk refers to the possible loss due to the change in market interest rates, equity instruments, foreign exchange rates and market value change in derivatives which resulted from trading commodity, such as forwards, options, futures, swaps and other composition transactions.

SinoPac Securities and its subsidiaries apply the concept of risk capital allocation in use to set the overall operating limit and market risk limit through the monitoring of limits, loss advisories and statistical measures to keep an eye on and control market risk in time. Moreover, for the efficient management of market risk, a regular assessment should be presented to the managerial level and board of directors.

SinoPac Securities and its subsidiaries use value-at-risk (VaR), a statistical measure to estimate and manage market risk. Through a regular stress test, sensitivity test and feedback test, SinoPac Securities and its subsidiaries will be able to verify the validity of the risk management system. SinoPac Securities and its subsidiaries use a risk managing tool, risk manager, designed by an internationally renowned institution, MSCI. The system provides more solid, precise quantitative indices and other tools for a more effective risk evaluation.

a) Value-at-risk (VaR)

VaR is a statistical measure that estimates potential losses and is defined as the predicted worst-scenario case due to changes in risk factors under normal circumstances over a specified period and at a specific level of statistical confidence. The VaR is calculated at a 99% confidence level for a one-day holding period, using changes in historical rates and prices.

SinoPac Securities and its subsidiaries' VaR values were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Equities	$ 191,085	$ 65,540	$ 120,115
Interest rate	$ 222,587	$ 111,273	$ 139,898
Overall market risk value	$ 333,987	$ 151,525	$ 101,226
Percentage of net value	0.74%	0.38%	0.28%

	For the Three Months Ended June 30					
	2026			2025		
	Average	Minimum	Maximum	Average	Minimum	Maximum
Equities	$ 255,069	$ 184,869	$ 353,551	$ 125,562	$ 56,326	$ 273,304
Interest rate	280,536	195,623	348,704	308,273	139,898	620,947

	For the Six Months Ended June 30					
	2026			2025		
	Average	Minimum	Maximum	Average	Minimum	Maximum
Equities	$ 206,623	$ 67,702	$ 447,481	$ 95,751	$ 45,374	$ 273,304
Interest rate	239,911	100,509	348,704	211,955	84,201	620,947

Foreign exchange rate risk is mainly due to the purchase of foreign currency-denominated assets. SinoPac Securities and its subsidiaries use certain agreed-upon proximal and distal exchanging points on currency swap contracts to manage foreign exchange risk, so the risk is rather low.

The table below shows the foreign currency-denominated monetary assets and monetary liabilities as of the balance sheet date:

(Unit: Foreign Currencies/New Taiwan Dollars in Thousands)

	June 30, 2026		
	Foreign Currencies	**Exchange Rate**	**NTD**
Financial assets			
Monetary items			
USD	$ 1,403,490	31.842	$ 44,690,000
NTD	2,051,107	1.000	2,051,107
HKD	194,875	4.061	791,367
CNY	812,419	4.687	3,808,470
EUR	24,986	36.255	906,193
AUD	180,295	21.893	3,948,000
JPY	82,208,849	0.196	16,135,186
GBP	11,265	42.123	474,509
Financial liabilities			
Monetary items			
USD	1,243,143	31.842	39,584,289
NTD	1,541,390	1.000	1,541,390
HKD	188,497	4.061	765,437
CNY	481,262	4.687	2,256,065
EUR	21,518	36.255	780,402
AUD	163,007	21.893	3,569,437
JPY	81,549,209	0.196	16,005,791
GBP	10,250	42.123	431,750

	December 31, 2025		
	Foreign Currencies	**Exchange Rate**	**NTD**
Financial assets			
Monetary items			
USD	$ 1,290,855	31.449	$ 40,595,964
NTD	1,760,252	1.000	1,760,252
HKD	37,001	4.038	149,464
CNY	645,400	4.498	2,903,859
EUR	58,360	36.893	2,154,291
AUD	144,560	21.025	3,039,740
JPY	93,524,511	0.201	18,777,880
NZD	10,402	18.154	188,850

(Continued)

	December 31, 2025		
	Foreign Currencies	Exchange Rate	NTD
Financial liabilities			
Monetary items			
USD	$ 1,164,540	31.449	$ 36,623,191
NTD	1,255,691	1.000	1,255,691
HKD	31,422	4.038	126,893
CNY	323,583	4.498	1,455,901
EUR	55,108	36.893	2,033,753
AUD	131,528	21.025	2,765,905
JPY	92,996,861	0.201	18,671,977
NZD	9,674	18.154	175,625
			(Concluded)

	June 30, 2025		
	Foreign Currencies	Exchange Rate	NTD
Financial assets			
Monetary items			
USD	$ 1,739,917	29.248	$ 50,889,550
NTD	1,387,646	1.000	1,387,646
HKD	37,347	3.728	139,234
CNY	690,546	4.082	2,818,521
EUR	115,174	34.275	3,947,611
AUD	129,045	19.125	2,467,958
JPY	74,577,032	0.203	15,158,738
ZAR	85,946	1.645	141,380
NZD	16,685	17.740	296,030
Financial liabilities			
Monetary items			
USD	1,609,215	29.248	47,068,462
NTD	880,273	1.000	880,273
HKD	32,667	3.728	121,864
CNY	363,898	4.082	1,485,286
EUR	106,471	34.275	3,655,552
AUD	107,829	19.125	2,064,284
JPY	73,983,965	0.203	15,038,442
NZD	15,774	17.740	279,849

The table below shows the VaR for derivatives owned by SinoPac Securities and its subsidiaries:

	June 30, 2026	December 31, 2025	June 30, 2025
Futures and options	$ 1,224,072	$ 502,726	$ 414,670
Warrants	405,476	95,924	14,635
Interest rate swaps	188	317	824
Currency swaps	1,286	588	489
Asset swap options	234,505	64,526	138,121
Equity-linked notes	66,417	1,932	13,979
Credit-linked notes	45,471	14,382	15,377
Principal-guaranteed notes	914	960	646
Equity derivative financial instruments	2,790	1,079	2,948
Bond forwards	309	209	228
Offshore Structured Note	271	93	-

b) Sensitivity analysis

Aside from using VaR, SinoPac Securities and its subsidiaries also use several different sensitivity interest index (e.g., DVP and DV01) and Greeks (e.g., Delta, Gamma, and Vega) for risk assessment.

2) Credit risk

Credit risk is the risk of financial loss resulting from an issuer, a contract recipient or a borrower's change in credit ratings or failure to meet obligations.

SinoPac Securities and its subsidiaries use risk-based asset allocation to set their caps for total credit risk exposure. Through risk diversification, they monitor and manage the credit limits by single client, single entity, and single corporation. Based on credit ratings, the establishment of credit limits, and the assessment of credit risk as the foundation, through the internal rating system, SinoPac Securities and its subsidiaries give out an exposure limit corresponding to its trading object and review regularly. They also set trading and exposure limits by type of product and department. At the same time, the credit ratings of the trading object and counterparty should be above the acceptable level set by SinoPac Securities and its subsidiaries. Besides managing by product, SinoPac Securities and its subsidiaries should also consider the risk involved when of different departments handle the same financial instruments as well as the types of commodities being transacted.

SinoPac Securities and its subsidiaries have set a credit risk limit monitoring panel to keep track of trading opponents and prepare credit risk limit usage statistical table daily and regularly prepare credit risk reports for the managerial level and board of directors' review.

The maximum credit risk exposures to financial loss arises principally from the financial assets recognized in the consolidated balance sheets. Except for those listed below, the credit risk amounts of financial assets held by SinoPac Securities and its subsidiaries approximated their carrying amount.

	June 30, 2026	
	Carrying Amount	Max. Credit Exposure Amount
Interest rate swaps	$ 3,090,618	$ 1,292,548
Asset swap options	2,600,156	2,993,310
Equity derivatives contracts	85,862	374,037
Bond forwards	924	924
	$ 5,777,560	$ 4,660,819

	December 31, 2025	
	Carrying Amount	Max. Credit Exposure Amount
Interest rate swaps	$ 3,378,617	$ 1,678,325
Asset swap options	1,459,864	1,745,314
Equity derivatives contracts	61,400	201,129
Bond forwards	296	296
	$ 4,900,177	$ 3,625,064

	June 30, 2025	
	Carrying Amount	Max. Credit Exposure Amount
Interest rate swaps	$ 3,212,730	$ 1,672,861
Asset swap options	868,163	1,080,187
Equity derivatives contracts	37,357	-
Bond forwards	97	2,100
	$ 4,118,347	$ 2,755,148

SinoPac Securities and its subsidiaries' credit risk of major financial assets are as follows:

a) Cash and cash equivalents

Cash and cash equivalents are mainly bank deposits and short-term notes whose counterparties are financial institutions with good credit. SinoPac Securities and its subsidiaries not only comply with the Regulations Governing Securities Firms when using their funds but also set transaction limits for short-term notes based on counterparties' credit ratings.

b) Accounts receivable

Receivables are accounts receivable, payments on behalf of others, temporary payments, and default-settlement receivables, arising from various types of business operations and transactions. SinoPac Securities and its subsidiaries' receivables are covered by a large number of customers, scattered in different industries and geographical areas. SinoPac Securities and its subsidiaries have a provisional policy for impaired assets, and for receivables overdue for more than 6 months, except for those that have been paid in accordance with the agreement, that debt recovery should be conducted one by one, and be recognized as appropriate expected credit losses.

c) Debt instruments and derivatives instruments trading

Of the overall transactions of SinoPac Securities and its subsidiaries as of June 30, 2026, were 44% in the financial service sector and 20% in the electronic industry. In addition, the transaction amounts for trading objects with credit ratings of TWA+ and above has a market share of 75%.

The investment targets of SinoPac Securities and its subsidiaries' debt instruments at fair value through other comprehensive income are limited to the domestic and foreign currency bonds approved by the authorities, and should have a rating of at least BBB+ from the latest external credit rating agency, or a minimum of H3 from the internal financial holding department. The risk management department includes the investment positions in the control and management of the credit risk limits on a daily basis to ensure the debt security of the investment positions in the debt instruments measured at FVTOCI.

d) Brokerage business, financing business and the related credit business

SinoPac Securities and its subsidiaries use the financing concentration system and the Merton's probability default (PD) model to monitor individual stock that has a higher default risk in finance and analyze any abnormal conditions to control the default risk. The controls of the financing business and the brokerage related credit business (including securities business money lending, securities lending, money lending - any use, etc.) are as follows:

i. Concentration control: In addition to risk grading individual stock and setting the number of individual stock financing (accommodation) and credit limit of individual stock in the whole company, credit limits for the counterparties and related accounts are also set.

ii. High-risk stock control: Regularly review the list of high-risk stock and dynamically adjust the number of high-risk stock financing, financing purchase quota and individual credit limits.

e) Security borrowing collateral price and security borrowing margin

Security borrowing margin deposits refer to the transaction margin deposits placed with the TWSE and creditworthy domestic and foreign financial institutions; hence, the loss from credit risk is very low. Security borrowing collateral price refers to the transaction deposits placed by creditworthy securities firms for hedging transactions involving warrants and margin trading.

f) Guarantee deposits paid

Guarantee deposits paid mainly serves as the operating guarantee deposits and clearing and settlement fund. The operating guarantee deposits are the statutory deposit deposited with financial institution designated by the local authorities. The clearing and settlement funds are the statutory deposit with domestic and foreign stock and futures exchange. The risk for both operating guarantee deposits and clearing and settlement fund are rather low.

g) Restricted assets

Restricted assets are mainly the bank deposits used as collateral for loans obtained by SinoPac Securities and its subsidiaries. The financial institutions holding these restricted assets all have good credit ratings.

3) Liquidity risk

Liquidity risk refers to the risk that assets cannot be realized or sufficient capital cannot be obtained, so that the due obligations cannot be fulfilled (called “capital liquidity risk”), and due to insufficient market depth or disorder, the risk of significant changes of the market price when dealing with or offsetting the position held (called “market liquidity risk”).

SinoPac Securities and its subsidiaries have multiple sources of funding besides their own equity fund. They can also get the funding through borrowing from banks or issuing commercial papers and corporate bonds. For any emergencies, financial responsibility department should report to the general manager and the chairman of SinoPac Securities immediately and general manager hold a immediately meeting to discuss the emergency plan for cash flow gap. If there will be material extensions, the general manager should submit a project report to the risk management committee.

For ensuring capital needs for business development of the subsidiary of SinoPac Securities, mid-term and long-term capital was fulfilled with credit lines from financial institutions and will be approved by authorized person on demand.

Each trading authority of SinoPac Securities and its subsidiaries shall set market liquidity risk control indicators in various business management rules, and the risk management unit shall perform control in accordance with each business management rule. The risk management unit should regularly review the overall position of SinoPac Securities and its subsidiaries and review their liquidity. When there is an abnormal liquidity or an early warning, the general manager and related business units will be notified, and the business unit will propose an explanation or a response plan, and the risk management unit will continue to track the follow-up improvement.

As of June 30, 2026, December 31, 2025 and June 30, 2025, the credit lines unused were $19,740,959, $24,439,204 and $24,391,863, respectively.

The table below shows the analysis of the remaining contractual maturities for financial liabilities as of June 30, 2026, December 31, 2025 and June 30, 2025:

	Payment Period				
June 30, 2026	**Current Period**	**First 3 to 12 Months**	**1 Year to 5 Years**	**Over 5 Years**	**Total**
Current borrowings	$ 12,342,628	$ -	$ -	$ -	$ 12,342,628
Commercial paper payable	57,550,000	53,200,000	-	-	110,750,000
Current financial liabilities at fair value through profit or loss	39,055,818	3,833,192	6,844,835	-	49,733,845
Liabilities for bonds with attached repurchase agreements	30,293,241	43,875	-	-	30,337,116
Securities financing refundable deposits	1,231,865	-	-	-	1,231,865
Deposits payable for securities financing	1,483,184	-	-	-	1,483,184
Securities lending refundable deposits	10,579,736	-	-	-	10,579,736
Futures traders' equity	90,163,021	-	-	-	90,163,021
Equity for each customer in the account	10,093,393	-	-	-	10,093,393
Notes and accounts payable	100,240,249	-	-	-	100,240,249
Other payables	8,116,718	-	-	-	8,116,718
Other current financial liabilities	1,596,018	-	-	-	1,596,018
Bonds payable	100,994	125,003	3,037,574	5,023,979	8,287,550
Lease liabilities	69,649	194,700	458,024	71,469	793,842
	$ 362,916,514	$ 57,396,770	$ 10,340,433	$ 5,095,448	$ 435,749,165

	Payment Period				
December 31, 2025	**Current Period**	**First 3 to 12 Months**	**1 Year to 5 Years**	**Over 5 Years**	**Total**
Current borrowings	$ 2,925,548	$ -	$ -	$ -	$ 2,925,548
Commercial paper payable	29,950,000	42,400,000	-	-	72,350,000
Current financial liabilities at fair value through profit or loss	31,534,002	2,173,061	6,263,795	-	39,970,858
Liabilities for bonds with attached repurchase agreements	31,807,020	79,794	-	-	31,886,814
Securities financing refundable deposits	2,407,527	-	-	-	2,407,527
Deposits payable for securities financing	2,640,325	-	-	-	2,640,325
Securities lending refundable deposits	9,332,543	-	-	-	9,332,543
Futures traders' equity	59,046,570	-	-	-	59,046,570
Equity for each customer in the account	4,857,027	-	-	-	4,857,027
Notes and accounts payable	45,884,680	-	-	-	45,884,680
Other payables	3,626,756	-	-	-	3,626,756
Other current financial liabilities	788,357	-	-	-	788,357
Bonds payable	77,752	71,463	2,169,595	2,292,040	4,610,850
Long-term borrowings	945,096	-	-	-	945,096
Lease liabilities	67,511	183,061	424,283	49,414	724,269
	$ 225,890,714	$ 44,907,379	$ 8,857,673	$ 2,341,454	$ 281,997,220

June 30, 2025	Payment Period				
	Current Period	First 3 to 12 Months	1 Year to 5 Years	Over 5 Years	Total
Current borrowings	$ 4,943	$ -	$ -	$ -	$ 4,943
Commercial paper payable	100,000	18,000,000	-	-	18,100,000
Current financial liabilities at fair value through profit or loss	42,148,366	1,467,120	5,980,893	-	49,596,379
Liabilities for bonds with attached repurchase agreements	44,439,279	11,833	-	-	44,451,112
Securities financing refundable deposits	1,994,402	-	-	-	1,994,402
Deposits payable for securities financing	2,096,742	-	-	-	2,096,742
Securities lending refundable deposits	8,083,161	-	-	-	8,083,161
Futures traders' equity	40,492,404	-	-	-	40,492,404
Equity for each customer in the account	1,040,801	-	-	-	1,040,801
Notes and accounts payable	35,397,955	-	-	-	35,397,955
Other payables	2,614,403	-	-	-	2,614,403
Other current financial liabilities	501,179	-	-	-	501,179
Bonds payable	79,007	70,943	2,191,172	2,318,278	4,659,400
Long-term borrowings	879,329	-	2,000,000	-	2,879,329
Lease liabilities	63,702	167,534	414,471	56,858	702,565
	$ 179,935,673	$ 19,717,430	$ 10,586,536	$ 2,375,136	$ 212,614,775

As of June 30, 2026, December 31, 2025 and June 30, 2025, none of SinoPac Securities and its subsidiaries' lease contracts had remaining lease terms exceeding 10 years.

The analysis of the remaining contractual maturities of financial liabilities is based on the earliest due date and prepared on the basis of undiscounted cash flows.

c. Transfers of financial assets

The transferred financial assets of SinoPac Securities and its subsidiaries that do not qualify for derecognition in daily operations are mainly bonds with attached repurchase agreements. The transaction transfers the contractual rights to receive the cash flows of the financial assets but SinoPac Securities and its subsidiaries retain the liabilities to repurchase the transferred financial assets at fixed price in the future period. SinoPac Securities and its subsidiaries cannot use, sell, or pledge these transferred financial assets within the validity period of the transaction. However, SinoPac Securities and its subsidiaries still bear the interest rate risk and credit risk; thus, SinoPac Securities and its subsidiaries do not derecognize these financial assets. Analysis of financial assets and related liabilities that do not fully meet the derecognition criteria is presented in the following table:

Category of Financial Asset	June 30, 2026				
	Transferred Financial Assets - Carrying Amount	Related Financial Liabilities - Carrying Amount	Transferred Financial Assets - Fair Value	Related Financial Liabilities - Fair Value	Net Position - Fair Value
Transactions with repurchase agreements					
Financial assets at fair value through profit or loss	$ 16,706,984	$ 16,105,214	$ 16,706,984	$ 16,105,214	$ 601,770
Financial assets at fair value through other comprehensive income	5,512,007	5,263,751	5,512,007	5,263,751	248,256
Bond investments under resale agreements	8,421,542	8,808,316	8,421,542	8,808,316	(386,774)

Category of Financial Asset	December 31, 2025				
	Transferred Financial Assets - Carrying Amount	Related Financial Liabilities - Carrying Amount	Transferred Financial Assets - Fair Value	Related Financial Liabilities - Fair Value	Net Position - Fair Value
Transactions with repurchase agreements					
Financial assets at fair value through profit or loss	$ 12,642,467	$ 12,708,135	$ 12,642,467	$ 12,708,135	$ (65,668)
Financial assets at fair value through other comprehensive income	5,168,915	5,024,557	5,168,915	5,024,557	144,358
Bond investments under resale agreements	13,765,063	14,058,384	13,765,063	14,058,384	(293,321)

Category of Financial Asset	June 30, 2025				
	Transferred Financial Assets - Carrying Amount	Related Financial Liabilities - Carrying Amount	Transferred Financial Assets - Fair Value	Related Financial Liabilities - Fair Value	Net Position - Fair Value
Transactions with repurchase agreements					
Financial assets at fair value through profit or loss	$ 18,146,783	$ 17,786,163	$ 18,146,783	$ 17,786,163	$ 360,620
Financial assets at fair value through other comprehensive income	11,969,694	11,563,771	11,969,694	11,563,771	405,923
Bond investments under resale agreements	14,404,504	14,783,767	14,404,504	14,783,767	(379,263)

d. Offsetting of financial assets and financial liabilities

SinoPac Securities and its subsidiaries have partial of receivables from securities sale and payables from securities purchase which meeting offsetting condition, and then offset them on the balance sheet.

SinoPac Securities and its subsidiaries engage in transactions with net settlement contracts or similar agreements with counterparties, when net settlement of financial assets and financial liabilities by the choice of both parties. If not, the settlement will be based on the total amount. And if one party defaulted, the other one may choose to net settlement.

The offsetting information of financial assets and financial liabilities were as follows:

June 30, 2026

Financial Assets Under Offsetting and Executable Net Settlement Contracts or Similar Agreements						
				Related Amount Not Netted on the Balance Sheet		
Financial Assets	Recognized Financial Assets - Gross Amount	Netted Financial Liabilities Recognized on the Balance Sheet - Gross Amount	Recognized Financial Assets - Net Amount	Financial Instruments	Cash Received as Collateral	Net Amount
Derivative assets - OTC	$ 5,792,560	$ -	$ 5,792,560	$ 2,964,123	$ -	$ 2,828,437
Bond investments under resale agreements	8,609,061	-	8,609,061	8,609,061	-	-
Accounts receivable for sale of securities	13,228,542	9,966,823	3,261,719	-	-	3,261,719
	$ 27,630,163	$ 9,966,823	$ 17,663,340	$ 11,573,184	$ -	$ 6,090,156

Financial Liabilities Under Offsetting and Executable Net Settlement Contracts or Similar Agreements

Financial Liabilities	Recognized Financial Liabilities - Gross Amount	Netted Financial Assets Recognized on the Balance Sheet - Gross Amount	Recognized Financial Liabilities - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Pledged	
Derivative liabilities - OTC	$ 9,348,358	$ -	$ 9,348,358	$ 2,964,123	$ -	$ 6,384,235
Liabilities for bonds with attached repurchase agreements	30,177,281	-	30,177,281	26,357,306	-	3,819,975
Accounts payable for securities purchased	15,026,336	9,966,823	5,059,513	-	-	5,059,513
	$ 54,551,975	$ 9,966,823	$ 44,585,152	$ 29,321,429	$ -	$ 15,263,723

December 31, 2025

Financial Assets Under Offsetting and Executable Net Settlement Contracts or Similar Agreements

Financial Assets	Recognized Financial Assets - Gross Amount	Netted Financial Liabilities Recognized on the Balance Sheet - Gross Amount	Recognized Financial Assets - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments	Cash Received as Collateral	
Derivative assets - OTC	$ 4,902,256	$ -	$ 4,902,256	$ 3,115,881	$ -	$ 1,786,375
Bond investments under resale agreements	13,940,856	-	13,940,856	13,940,856	-	-
Accounts receivable for sale of securities	7,690,824	5,522,428	2,168,396	-	-	2,168,396
	$ 26,533,936	$ 5,522,428	$ 21,011,508	$ 17,056,737	$ -	$ 3,954,771

Financial Liabilities Under Offsetting and Executable Net Settlement Contracts or Similar Agreements

Financial Liabilities	Recognized Financial Liabilities - Gross Amount	Netted Financial Assets Recognized on the Balance Sheet - Gross Amount	Recognized Financial Liabilities - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Pledged	
Derivative liabilities - OTC	$ 6,273,552	$ -	$ 6,273,552	$ 3,115,881	$ -	$ 3,157,671
Liabilities for bonds with attached repurchase agreements	31,791,076	-	31,791,076	27,482,377	-	4,308,699
Accounts payable for securities purchased	8,076,049	5,522,428	2,553,621	-	-	2,553,621
	$ 46,140,677	$ 5,522,428	$ 40,618,249	$ 30,598,258	$ -	$ 10,019,991

June 30, 2025

Financial Assets Under Offsetting and Executable Net Settlement Contracts or Similar Agreements

Financial Assets	Recognized Financial Assets - Gross Amount	Netted Financial Liabilities Recognized on the Balance Sheet - Gross Amount	Recognized Financial Assets - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments	Cash Received as Collateral	
Derivative assets - OTC	$ 4,121,423	$ -	$ 4,121,423	$ 2,867,794	$ -	$ 1,253,629
Bond investments under resale agreements	14,626,217	-	14,626,217	14,626,217	-	-
Accounts receivable for sale of securities	10,614,674	3,390,524	7,224,150	-	-	7,224,150
	$ 29,362,314	$ 3,390,524	$ 25,971,790	$ 17,494,011	$ -	$ 8,477,779

Financial Liabilities Under Offsetting and Executable Net Settlement Contracts or Similar Agreements

Financial Liabilities	Recognized Financial Liabilities - Gross Amount	Netted Financial Assets Recognized on the Balance Sheet - Gross Amount	Recognized Financial Liabilities - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Pledged	
Derivative liabilities - OTC	$ 5,379,109	$ -	$ 5,379,109	$ 2,867,793	$ -	$ 2,511,316
Liabilities for bonds with attached repurchase agreements	44,133,701	-	44,133,701	40,380,006	-	3,753,695
Accounts payable for securities purchased	5,562,603	3,390,524	2,172,079	-	-	2,172,079
	$ 55,075,413	$ 3,390,524	$ 51,684,889	$ 43,247,799	$ -	$ 8,437,090

King's Town Bank and Its Subsidiaries

a. Overview

King's Town Bank (KTB) and its subsidiaries based on business growth and scale to establish a capital adequacy assessment process that meets their risk profile in order to maintain adequate capital. Based on the overall risk exposure, King's Town Bank and its subsidiaries implement appropriate overall capital allocation and establish management mechanisms for various business risks in order to strengthen business performance. The risks arising from on- and off- balance sheet activities, such as credit risk, market risk, operational risk, liquidity risk, country risk, and interest rate risk in the banking book, are included in King's Town Bank and its subsidiaries' scope of risk management. KTB has established policies and rules such as "Credit Policy," "Credit Review and Authorization Policy," "Risk Management Policy", etc. to address various risks. Management guidelines have also been introduced to assist in the enforcement of policies and rules as needed, such as "Credit Risk Management Guidelines," "Market Risk Management Guidelines," and "Operational Risk Management Guidelines" under the Risk Management Policy. These policies, rules, and management guidelines have been reviewed and passed by the board of directors to effectively identify, measure, communicate, and monitor risk-related issues.

b. Risk management organizational structure

The risk management of King's Town Bank and its subsidiaries is carried out by the Risk Management Department in accordance with the risk management policy approved by the Board of Directors. The Risk Management Department works closely with business units to identify, assess, and prevent risks. The Board of Directors has a written policy for risk management that covers specific risk exposure, such as, interest rate risk, credit risk, etc. In addition, the Audit Office reviews the risk management and operating procedures of King's Town Bank and its subsidiaries regularly (at least once a year) and as necessary to ensure that King's Town Bank and its subsidiaries' risk management mechanism is operating effectively. Audit records related to various risks - such as transaction records, statements, and valuations - are kept for review by the Audit Office.

1) Risk Management Committee

For the purpose of enhancing the risk management mechanism, improving various risks management practices, avoiding all possible adverse effects on King's Town Bank and its subsidiaries, and seeking to maximize profits with limited risks, the Risk Management Committee is established with the President acting as the Chairperson, and the department head of the Finance Department, Digital Service and Business Department, Risk Management Department, Credit Review Department, Administration Office, International Sales Department, Compliance Department, and the Business Management Department, as well as other personnel designated by the President act as the Members of the Committee. The chief auditor may attend the Committee Meetings, but is not entitled to voting rights. The Committee meets once a month in principle, with the following responsibilities:

a) Addition to and amendment of King's Town Bank and its subsidiaries' risk management policy.

b) Coordinate risk management matters of King's Town Bank, including credit risk, market risk, and operational risk.

c) Review the ratio of King's Town Bank and its subsidiaries' regulatory capital to risk assets (referred to as "capital adequacy ratio")

d) Handle and review the major risk exposures and unauthorized events which occur.

e) Major issues or discussions related to risk management proposed by each unit.

f) Matters assigned by the Board of Directors, the Chairman, or the Vice Chairman.

The "Risk Management Department" is the execution unit of the Risk Management Committee and the risk management planning and management unit of King's Town Bank. It independently monitors and manages the risks of King's Town Bank. The department head of the Risk Management Department acts as the Executive Secretary appointed by the Board of Directors. The Risk Management Department is responsible for calculating and monitoring capital adequacy and for comprehensively handling risk management and reports to the competent authorities in accordance with various risk management guidelines. It submits a risk control report to the Committee on a quarterly basis and forwards it to the Board of Directors, while the Committee sets rules to control various investment positions and transaction limits, and oversees transaction clearing and settlement, such as bank-wide fund scheduling and securities trading.

2) Asset and liability management committee

The President of King's Town Bank and its subsidiaries is the Chairperson of King's Town Bank and its subsidiaries' Asset and Liability Management Committee. The members are composed of the personnel designated by the President, including department head of the Digital Service and Business Department, the Risk Management Department, the Finance Department, and the Administration Office. In response to the domestic and foreign financial conditions, the committee is responsible for adjusting the business strategy in a timely manner, maintaining liquidity, safety, and profitability, and holding regular meetings at least once a month. The main tasks are as follows:

a) Assess the impact of changes in domestic and foreign political and economic situations and the trend of government policies on financial business operations.

b) Predict the impact of domestic and foreign funds, exchange rates, interest rate trends, and other relevant financial indicators on King's Town Bank and its subsidiaries' business operations.

c) Assess King's Town Bank and its subsidiaries' operating performance, capital position, asset and liability risk position, and interest rate sensitivity, as well as review and adjust the optimal ratio among various assets and liabilities.

d) Assess King's Town Bank and its subsidiaries' pricing strategy for deposit and loan interest rates.

e) Estimate King's Town Bank and its subsidiaries' future operating performance and appropriately adjust King's Town Bank and its subsidiaries' business strategy.

f) Matters assigned by the Board of Directors, the Chairman, or the Vice Chairman.

3) Credit review committee

The Credit Review Committee is chaired by the President and consists of the head of the Credit Review Department, the Risk Management Department, and the Digital Service and Business Department, and the personnel designated by the President to strengthen the review and risk control of credit extensions and to safeguard the credit rights of King's Town Bank and its subsidiaries. In principle, a meeting will be held once a week to review the credit cases to be granted by the Board of Directors, and the results of the review will be presented to the Board of Directors for approval. The preparation and communication of meeting motions are handled by the Credit Review Department.

4) Investment management committee

In order to respond to changes in domestic and foreign financial situations, King's Town Bank and its subsidiaries timely adjust their investment strategies and control investment risks to maintain the safety and profitability of King's Town Bank and its subsidiaries' investment positions. The Investment Management Committee has been established as the highest management body responsible for King's Town Bank's investment business. The Committee is chaired by the President, and the members include the head of the Finance Department and other personnel appointed by the President. The Committee holds meetings once a month with the following responsibilities:

a) Set the King's Town Bank's investment strategies and principles according to the changes in domestic and foreign political and economic situations and trends in government policy.

b) Assess whether the performance of the investment portfolio meets the expected objectives, predict the impact of changes in domestic and foreign capital situation, exchange rates, interest rates, and other relevant financial indicators on the investment position of King's Town Bank and its subsidiaries, and determine whether investment strategies need to adjusted.

c) Review the proportion, allocation, and reinvestment-orientation of various financial investment projects.

d) Review the source of funds and cost structure of the investment.

5) Information security management committee

The Information Security Management Committee has been established to improve the information security management system, respond to all information security-related laws and regulations, and comply with the relevant government regulations in order to reduce the risk impact on King's Town Bank and its subsidiaries arising from information security matters. The Committee has one convener, who is the President or a person designated by the President. The members are the heads of the Risk Management Department, Information Office, Digital Service and Business Department, and Compliance Department, and the department head or designated individual from the departments designated by the convener. The Audit Department may attend the Committee meetings, but is not entitled to voting rights. The Committee holds meetings from time to time as needed. The main tasks are as follows:

a) Propose the information security policy of King's Town Bank and its subsidiaries.

b) Promote the information security management system.

c) Assess the infrastructure of the information security management system.

d) Handle and review major information security incidents.

e) Major issues or discussions related to information security proposed by each unit.

f) Review of the overall implementation of annual information security measures

g) Discussion of other information security issues.

c. Credit risk

1) Source and definitions of credit risk

Credit risk refers to the risk of default loss caused by the borrower or counterparty due to the poor business condition or other factors (such as, disputes between the company and its counterparty), resulting in the borrower or counterparty failing to fulfill its contractual obligations. The sources of credit risk included on- and off-balance sheet items. Regarding King's Town Bank and its subsidiaries' credit risk exposure, on-balance sheet items mainly come from discounts and loans, amounts due from other banks and call loans to banks, debt instrument investments and derivative instruments, etc.; whereas off-balance sheet items are mainly guarantees, letters of credit, loan commitments, etc.

2) Credit risk management strategy, objectives, policies, and procedures

King's Town Bank and its subsidiaries' written credit risk management strategy is prepared as a guideline for the credit operating procedure. In addition, the relevant policies and operational guidelines are established to ensure that the strategy can be implemented continuously and effectively in order to maintain rigorous loan granting standards, monitor credit risk, assess possible business opportunities, and identify and manage non-performing loans. The scope of management includes: (1) Various credit risks (including individual credit cases, overall credit check, credit business, non-performing loans, etc.) and credit risk offset instruments, such as collateral and guarantees, of the businesses on- and off-the balance sheet. (2) A credit risk-related product or position of the banking book or trading book.

In order to maintain a safe and sound credit business and control credit risk, the Regulations Governing Credit Risk Management were formulated to establish a credit risk control mechanism when planning various business to implement procedures of identification, measurement, communication, and monitoring. Under the hierarchical organization structure of credit management, each level shall, in accordance with the "Rules Governing Credit Review and Authorization," strictly execute case review within the authority to ensure the quality of credit assets. King's Town Bank also formulated the "Directions for Credit Review," and the Credit Review Department is authorized by the Head Office in handling related matters to strengthen post-loan management, with the aim of effectively controlling credit risk.

The credit risk management procedures and measurement methods for each major business of King's Town Bank and its subsidiaries are described below:

a) Loan business (includes loan commitment and guarantee)

Loan business classification and qualities are as follows:

i. Classification

King's Town Bank and its subsidiaries classified credit assets as normal assets, assets that require special mentioned, assets with substandard, assets with doubtful collectability, and assets on which losses are identified. King's Town Bank and its subsidiaries issued "Evaluate Assets and Deal with Non-performing/Non-accrual Loans" for managing credit issues and debt collection, to create an internal framework and procedures for assessing asset quality, recognizing loss provisions, clearing overdue loans, and writing off bad debts. These procedures are implemented in accordance with regulatory requirements and King's Town Bank and its subsidiaries' internal regulations. In order to speed up the liquidation of non-performing loans and reduce overdue loans, King's Town Bank and its subsidiaries have established the "Rules Governing Non-Performing Loans" to maintain a sound financial structure and to enhance asset and liability management.

ii. Credit quality level

King's Town Bank and its subsidiaries have also formulated the Corporate Finance and Consumer Finance Business Classification according to business characteristics and scales. The directions for credit rating are formulated for corporate and individual account holders. The credit rating scores of the debtors are classified into 10 grades (C1-C10), as an internal credit rating and is used for risk management. The credit rating is used as a reference for credit approval and as reference in determining credit conditions. Those with poor credit ratings are subject to more frequent credit review.

b) Due from the banks and call loans to banks

King's Town Bank and its subsidiaries evaluate the credit status of the counterparty before the transaction is initiated. Before the end of each year, King's Town Bank and its subsidiaries determine the NTD and foreign currency loan limits based on domestic and foreign financial interbank credit ratings. Such matters are submitted to the Credit Review Committee for review and reported to the Board of Directors for approval.

c) Debt instrument investments and derivative instruments

King's Town Bank and its subsidiaries' credit risk management of debt instrument is to identify credit risk through the credit rating of debt instrument by domestic and international credit rating agencies, bond guarantee institutions, country risks, and counterparty risk. For the financial institutions that initiate investments in King's Town Bank and its subsidiaries' derivative instruments transactions, set the ceiling of the financial transaction amount by the nature of the counterparty and the credit rating in accordance with the "Regulations Governing Derivatives Transaction Limits."

3) Credit risk hedge or mitigation policies

a) Collateral

King's Town Bank and its subsidiaries adopt the methods of stipulating credit limit restrictions, collection of collateral, and obtaining guarantees or transferring credit guarantee fund to reduce the credit risk for credit business in order to strengthen the credit claim of King's Town Bank and its subsidiaries. King's Town Bank has formulated The Rules Governing Collateral Appraisal and related procedural guidelines and regulations for regulating acceptable types of collateral and the valuation, management, and disposal of collateral, in order to ensure King's Town Bank's credit claim. King's Town Bank and its subsidiaries have formulated the creditors' rights security clauses, collateral clauses, and offset clauses, which clearly define that upon the occurrence of a credit event, the credit limit may be shortened, repayment period may be reduced or deemed to be fully due, or the debt may be offset by debtor's deposit at King's Town Bank and its subsidiaries to reduce the credit risk.

King's Town Bank carries out on-site appraisal of the collateral on a regular basis or at any time. King's Town Bank carries out credit check or revaluation of collaterals according to the status of credit granting accounts. King's Town Bank also evaluates the degree of guarantee provided by debtor and the legal effectiveness of the guarantor in order to ensure the security of credit.

b) Credit risk limits and credit risk concentration control

King's Town Bank and its subsidiaries have formulated a Credit Policy to properly plan and control the credit of the same natural person, legal person, public enterprise, related party, associate, or group; to control single credit risks and enhance the efficiency of capital utilization by setting a ceiling on their respective ratios to the net worth of King's Town Bank and its subsidiaries (where the same public enterprise shall not exceed the net value of King's Town Bank and its subsidiaries, and the ceiling of the same group enterprise shall be adjusted and approved according to its credit rating and outlook). For the ratio of total credit balance of the same industry to the net value of King's Town Bank and its subsidiaries, the ceiling will be approved according to the industry and the overall economy and with reference to the non-performing loan ratio of the industry and future economic outlook. To strengthen the credit risk control of each enterprise overseas and in mainland China, respective limits are stipulated accordingly. For the ratio of the total credit balance secured by residential real estate to the total credit balance of King's Town Bank and its subsidiaries, credit limits are categorized according to intended use of funds, such as housing repair and working capital. Credit orientation is also dynamically adjusted to hedge overall risk and avoid excessive concentration of credit risk.

c) Agreement of net settlement

King's Town Bank and its subsidiaries often make gross settlement on transactions, sign net settlement contract with other counterparties or cancel every transaction and make net settlement when default occurs to mitigate credit risk.

4) The determination since the initial recognition of the credit risk has increased significantly

a) Loan business

King's Town Bank and its subsidiaries assess the change in the risk of default of various credit assets over their lifetimes at each reporting date to determine whether credit risk has increased significantly since the initial recognition. In order to make this assessment, the main consideration is reasonable and supportable information, including forward-looking information, indicating that credit risk has increased significantly since initial recognition. The key indicators include:

i. Quantitative indicators

If the contract is overdue for more than 30 days on the reporting date, it is concluded that the credit risk has increased significantly since the original recognition.

ii. Qualitative indicators

At the reporting date, if any of the following conditions are observed, it is determined that credit risk after has increased significantly since initial recognition:

i) The records of bounced checks of the debtors reported by King's Town Bank.

ii) The dishonored accounts announced by Taiwan Clearing House.

iii) Debtors whose collateral held by King's Town Bank is subject to compulsory enforcement by other banks.

iv) Notification that the debtors have applied for debt reorganization at other financial institutions during post-loan management procedures, such as review or follow-up assessment.

v) Classification as non-performing loans or written-off of bad debts.

vi) Notification that certified public accountants have issued an opinion on the financial statements of the debtors with a concern over the continuing operation of the audited debtors when implementing the post-loan management procedures of review, tracking, and assessment.

vii) Notification of other non-performing loans of the debtors.

This assumption that "if the credit risk is determined to be low, it is deemed not to have increased significantly since initial recognition" is not applicable to various credit assets of King's Town Bank and its subsidiaries.

b) Debt instruments

King's Town Bank and its subsidiaries assess the change in the risk of default in the expected duration of each type of debt instrument on each reporting date to determine whether the credit risk has increased significantly since the original recognition. For the purpose of this assessment, King's Town Bank and its subsidiaries consider the changes in credit rating that indicates the main evaluation indicator is a quantitative indicator since the original recognition. When the credit rating on each reporting date is lower to an extent than the credit rating on the original recognition date, it is determined that the credit risk has increased significantly since the original recognition.

This assumption that "if the credit risk is determined to be low, the credit risk can be deems to have no significant increase since the original recognition" is not applicable to various debt instrument King's Town Bank and its subsidiaries.

5) Definition of financial asset default and credit impairment

a) Loan business

King's Town Bank and its subsidiaries' definition of default on various types of credit assets is the same as the default and credit impairment of each type of credit assets. If one or more of the following conditions are met, the Group determines that the various types of credit assets have been defaulted with credit impairment resulted:

i. Quantitative indicators

If the contract is overdue for more than 90 days on the reporting date, it is concluded that default and credit impairment have occurred.

ii. Qualitative indicators

King's Town Bank and its subsidiaries evaluate based on the following criteria on the reporting date. If the matter shows objective evidence of impairment (i.e., agreement, bail-out, rehabilitated, etc.), it is determined that default and credit impairment have occurred.

b) Debt instruments

King's Town Bank and its subsidiaries' definition of default on a debt instrument is the same as the credit impairment of a debt instrument. If one or more of the following conditions are met, the Group determines that the debt instrument has defaulted with credit impairment:

i. Quantitative indicators

If the credit rating on each reporting date reaches the default level, it is determined as defaulted with credit impairment.

ii. Qualitative indicators

King's Town Bank evaluates based on the following criteria on the reporting date. If any of the following criteria are met, it is determined that default and credit impairment have occurred:

i) An event of default occurred.

ii) The issuer's significant financial difficulties.

iii) The issuer is likely to apply for bankruptcy or other financial restructuring.

The foregoing definition of default and credit impairment is applicable to all financial assets held by King's Town Bank and its subsidiaries, is consistent with the definitions used for the purposes of internal credit risk management of financial assets, and is applied to the relevant impairment assessment model.

If the financial assets on the reporting date no longer meet the definition of default and credit impairment, they are concluded to be in the status of performance and are no longer regarded as financial assets that have defaulted with credit impairment.

6) Write-off policy

King's Town Bank and its subsidiaries write off a financial asset, in whole or in part, when there is no reasonable expectation of recovery, in accordance with regulatory requirements and in alignment with the Bank's asset quality policies.

7) Measurement of expected credit losses

For the purpose of assessing expected credit losses, King's Town Bank and its subsidiaries classify financial assets into the following combinations according to the credit asset/debt instrument categories, credit ratings, and subject matter claim order:

Credit Asset/Debt Instrument Category	Definition
Corporate banking loan	Grouped by risk characteristics, company size, and credit category
Consumer banking loan	Grouped by product category, loan type, etc.
Corporate bonds and bank debentures	Classified by long-term issuer rating (mainly Moody's) and subject matter claim order
Government bonds and Central Bank's negotiable certificate of deposit	Classified by sovereign rating (mainly Moody's) and subject matter claim order

For financial instruments that have not significantly increased in credit risk (Stage 1) since the initial recognition, King's Town Bank and its subsidiaries measure the loss allowance for the financial instrument based on the expected credit loss over the next 12 months. For financial instruments with a significant increase in credit risk since the initial recognition (Stage 2) or with credit impairment (Stage 3), these are measured based on lifetime expected credit losses.

In order to measure the expected credit losses, King's Town Bank and its subsidiaries, while considering the probability of default (PD) of the borrower/issuer in the next 12 months or the lifetime, includes the loss given default (LGD) and multiplies it by the exposure at default (EAD), taking into account the impact of the time value of money to calculate the expected credit losses for the 12-month period and over the lifetime. However, for off-balance sheet credit assets, the expected credit losses are multiplied by the CCF prescribed under the Basel II standardized approach.

The probability of default (PD) and loss given default (LGD) used in the impairment assessment of King's Town Bank and its subsidiaries' credit business/investment business are adjusted and calculated according to the internal and external information of each combination and based on current observable information and forward-looking macroeconomic information (e.g., global economic growth rate, inflation rate, etc.).

King's Town Bank and its subsidiaries assess the amount of financial asset default risk on the reporting date. In addition, based on internal and external information, King's Town Bank considers the financial assets to be used within 12 months after the reporting date and the amount expected to be used in order to determine the default risk exposure amount for the calculation of the expected credit loss.

There was no material change in the techniques or major assumptions used in the estimation of expected credit loss during the second quarter of 2026.

8) Forward-looking information considerations

King's Town Bank and its subsidiaries use historical data to analyze and identify the economic factors that affect the credit risk and expected credit losses of each asset portfolio, and estimate the impairment parameters after forward-looking adjustment based on the regression model or imputation adjustment method. The relevant economic factors and their impact on PD and LGD vary according to the type of financial instruments.

The economic growth rate was identified as the most relevant economic factor for King's Town Bank and its subsidiaries' credit assets in 2026; whereas the global economic growth rate and inflation rate were identified as the most relevant economic factors for debt instruments in 2026.

9) The maximum credit exposure

Maximum credit exposures of assets recognized in King's Town Bank and its subsidiaries' consolidated balance sheet excluding collaterals and other credit enhancement instruments are almost equivalent to the carrying value. The maximum credit exposures (excluding collaterals, other credit enhancement instruments and undrawn maximum exposure) off-balance-sheet were as follows:

Off-balance Sheet Items	**The Maximum Credit Exposure**
	June 30, 2026
Undrawn loan commitments	$ 24,891,290
Standby letter of credit	51,149
Guarantees	7,368,632
Total	$ 32,311,071

Information on collaterals held as security and other credit enhancements within and outside the separate balance sheet as well as their effects on the book value of maximum credit risk exposure are explained in the following chart:

June 30, 2026

	Collateral	Agreement of Net Settlement	Total
Balance sheet items			
Discounts and loans	$ 182,497,503	$ -	$ 182,497,503
Off-balance sheet items			
Undrawn loan commitments	12,542,894	-	12,542,894
Standby letter of credit	-	-	-
Guarantees	3,430,125	-	3,430,125
	$ 198,470,522	$ -	$ 198,470,522

King's Town Bank and its subsidiaries' management assess and believe that the credit risk exposure amount of the off-balance sheet items could be controlled and minimized continuously because King's Town Bank and its subsidiaries have adopted a more stringent selection process during the credit approval and subsequent periodic review.

10) Credit risk concentration

When financial instruments transactions concentrated on one counterparty or several counterparties, which engaged in similar business activities, had similar economic characteristics and abilities to execute contracts, the credit risk concentration arises.

Credit risk concentrations can arise in King's Town Bank and its subsidiaries' assets, liabilities or off-balance sheet items through the execution or processing of transactions (either product or service) or through a combination of exposures across these broad categories. These include credit, amounts due from banks and call loans to banks, investment, receivables and derivatives. King's Town Bank and its subsidiaries do not have significant concentrations of transactions with any single customer or counterparty. The aggregate transactions with any individual customer or counterparty did not constitute a material portion of the balances of discounts and loans, acceptance receivables, guarantee receivables, accounts receivables - factoring, exchange bills negotiated, overdue receivables reclassified from accounts receivables - factoring, or other credit facilities (including advances and overdue receivables related to the aforementioned items) of King's Town Bank and its subsidiaries. King's Town Bank and its subsidiaries' most significant concentrations of credit risk are summarized by industry, region and collateral as follows:

a) By industry

Industries	June 30, 2026	
	Amount	%
Private	$ 65,006,252	27
Private enterprise	177,044,865	73
Financial institutions	-	-
Government agencies	-	-
Nonprofit organization	215,451	-
Total	$ 242,266,568	100

b) By region

King's Town Bank and its subsidiaries' main business is conducted in Taiwan and there is no significant concentration of credit risk by region.

c) By collateral

Collaterals	June 30, 2026	
	Amount	%
Unsecured	$ 59,769,066	24
Secured		
Real estate	135,543,655	56
Financial collateral	30,549,782	13
Guarantees	11,677,297	5
Others	4,726,768	2
Total	$ 242,266,568	100

11) King's Town Bank and its subsidiaries evaluate the allowance for bad debts on receivables based on lifetime expected credit losses. The amounts of loss allowance assessed as of June 30, 2026, are explained below:

None of King's Town Bank and its subsidiaries' receivables were overdue. Receivables are divided into separate groups based on counterparties' credit rating, location, industry etc. and a provision matrix is used to measure loss allowance. Total carrying amount of receivables amounted to $3,386,935 as of the respective dates, for which King's Town Bank and its subsidiaries recognized loss allowances of $3,392 by applying expected credit loss rate 0.10-1.67%.

Changes in allowance for loss of notes and accounts receivable as of June 30, 2026, are explained below:

	For the Six Months Ended June 30, 2026
Beginning balance	$ 4,926
Amount (reversal) appropriated in current period	(1,500)
Write-off amount	(2,534)
Recovery of write-off amount	2,500
Ending balance	$ 3,392

12) The financial impact of credit risk mitigation policies

a) Collateral and other credit enhancements

King's Town Bank and its subsidiaries adopt a series of policies and measures for the credit business to reduce credit risk, one of the commonly used methods is to request the borrowers to provide collateral. For collateral assessment and loan collateral value calculation, King's Town Bank and its subsidiaries have procedures for the range of collateral collected, the valuation, management, and disposal of collateral formulated to ensure loans. The main types of collateral for King's Town Bank and its subsidiaries' financial assets are as follows:

i. Real estate mortgage: Loan-to-value ratio is set separately according to the location of the real estate. For larger amount or special products, public appraisers are engaged to perform valuation.

ii. Stocks: The reasonable loan-to-value ratio and valuation criteria are formulated depending on whether the stock is listed on TWSE/TPEX/Emerging Stock Board or is unlisted.

iii. Property: An appropriate loan amount is determined depending on ease of disposal and cost.

iv. Certificate of Deposit: Mainly refers to the Bank's certificate of deposit in the domestic and foreign currency.

v. Credit insurance: It is handled with credit insurance for small and medium-size enterprises.

vi. Rights pledge: Special rights, such as, land rights and creditor's rights are judged separately on a case-by-case basis.

The credit contract states the creditors' rights security clauses and collateral clauses, which clearly define that, upon the occurrence of a credit event, the credit limit may be reduced, repayment period may be reduced or deemed to be fully due, and other measures may be taken to reduce the credit risk.

The collateral of non-credit businesses is subject to the nature of the respective financial instrument. Only asset-based securities and other similar financial instruments are secured by a group of asset-based financial instruments.

King's Town Bank and its subsidiaries' collateral policy did not undergo any significant changes as of the balance sheet date, and there has been no significant change in the quality of the overall collateral.

b) Amount of collateral for impaired financial assets

King's Town Bank and its subsidiaries closely observe the value of collateral for financial instruments and determines the impairment to be appropriated for the financial assets with credit impairment occurred. The financial assets with credit impairment are as follows:

	Total Carrying Amount	**Allowance for Impairment Loss**	**Total exposure (Cost after Amortization)**
Impaired financial assets			
Discounts and loans	$ 110,813	$ 30,312	$ 80,501

13) Disclosures prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Public Banks

a) Overdue loans and receivables

Date			June 30, 2026				
Items			Non-performing Loan (NPL) (Note 1)	Total Loans	NPL Ratio (Note 2)	Loan Loss Reserves (LLR)	Coverage Ratio (Note 3)
Corporate loan	Secured		$ 75,070	$ 156,686,349	0.05%	$ 2,302,898	3,067.67%
	Unsecured		24,860	59,519,466	0.04%	879,065	3,536.06%
Consumer loan	Mortgage (Note 4)		6,078	21,648,725	0.03%	322,738	5,309.94%
	Cash card		-	-	-	-	-
	Micro credit (Note 5)		174	43,236	0.40%	735	422.41%
	Others (Note 6)	Secured	25,380	4,062,837	0.62%	47,613	187.60%
		Unsecured	888	305,955	0.29%	3,624	408.11%
Total			$ 132,450	$ 242,266,568	0.05%	$ 3,556,673	2,685.29%
			Overdue Receivables	Accounts Receivables	Delinquency Ratio	Allowance for Credit Losses	Coverage Ratio
Credit card			$ 43	$ 43	100.00%	$ 43	100%
Accounts receivable - factoring with no recourse (Notes 7)			-	-	-	-	-

Note 1: For loan business: Overdue loans represent the amounts of overdue loans reported in accordance with the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans".

For credit card business: Overdue receivables are regulated by the Banking Bureau letter dated July 6, 2005 (Ref. No. 0944000378).

Note 2: For loan business: NPL ratio = NPL ÷ Total loans.

For credit card business: Delinquency ratio = Overdue receivables ÷ Accounts receivables.

Note 3: For loan business: Coverage ratio = LLR ÷ NPL.

For credit card business: Coverage ratio = Allowance for credit losses ÷ Overdue receivables.

Note 4: Household mortgage loan is a financing to be used by a borrower to buy, build, or fix a dwelling, and the dwelling owned by the borrower, spouse, or children is used to fully secure the loan.

Note 5: Micro credit loan is regulated by the Banking Bureau letter dated December 19, 2005 (Ref. No. 09440010950) and is not credit and debit cards' micro credit loan.

Note 6: Others in consumer loans refers to secured or unsecured loans excluding mortgage, cash card, micro credit, and credit cards.

Note 7: For accounts receivable - factoring with no recourse, as required by the Banking Bureau letter dated July 19, 2005 (Ref. No. 0945000494), which is equal to dated August 24, 2009 (Ref. No. 09850003180) and allowance for bad debts is recognized once no compensation is made from factoring or insurance within three months.

b) Excluded NPLs and excluded overdue receivables

Date	June 30, 2026	
Items	Excluded NPL	Excluded Overdue Receivables
As a result of debt negotiation and loan agreement (Note 1)	$ 24	$ 1
As a result of consumer debt clearance (Note 2)	890	-
Total	$ 914	$ 1

Note 1: The disclosure of excluded NPLs and excluded overdue receivables resulting from debt negotiations and loan agreement is based on the Banking Bureau letter dated April 25, 2006 (Ref. No. 09510001270).

Note 2: The disclosure of excluded NPLs, pre-negotiation, pre-mediation and excluded overdue receivables resulting from consumer debt clearance is based on the Banking Bureau's letter dated September 15, 2008 (Ref. No. 09700318940) and September 20, 2016 (Ref. No. 10500134790).

c) Concentration of credit extensions

Year	June 30, 2026		
Rank (Note 1)	Industry Category of the Company or Group (Note 2)	Total Credit Consists of Loans (Note 3)	Percentage of Net Worth (%)
1	A Group - real estate leasing	$ 11,884,294	21.82
2	B Group - wholesale of general merchandise	8,035,693	14.75
3	C Company- non-renewable energy power generation industry	5,500,000	10.10
4	D Group - investment consulting services	5,285,644	9.70
5	E Group - real estate development activities	4,796,045	8.81
6	F Group - non-renewable energy power generation industry	3,755,435	6.90
7	G Company - real estate development activities	3,662,900	6.73
8	H Company - wire and cable manufacturing	3,503,064	6.43
9	I Group - other unclassified financial services	3,229,431	5.93
10	J Company - non-renewable energy power generation industry	3,175,718	5.83

Note 1: Ranking of the top 10 groups (excluding government or state - owned enterprises) whose total credit consists of loans. If the borrower is a member of any of the above groups, the total amount of credits of the entire group must be listed and disclosed by code and industry classification. (e.g., Company A (or the Group): Liquid Crystal Display Panel and Component Manufacturing Industry) If the borrower is a group enterprise, the maximum risk exposure and line of industry must be disclosed. The line of industry must be classified and reported at the sub-category level based on the industry classification standard of Department of Budget, Accounting and Statistics.

Note 2: Groups were those as defined in Articles 6 of the Supplementary Provision to the Taiwan Stock Exchange Corporation's Rules for Review of Securities Listings Law.

Note 3: Total credit is the sum of all loans (including import and export bills negotiated, discounts, overdrafts, short-term loans, short-term secured loans, marginal receivables, medium-term loans, medium-term secured loans, long-term loans, long-term secured loans, and non-performing loans), exchange bills negotiated, accounts receivable factored without recourse, acceptances receivable, and guarantee deposit issued.

d. Liquidity risk management

1) Definition of liquidity risk

The definition of King's Town Bank and its subsidiaries' liquidity risk refers to the possible financial losses due to the inability to convert assets to obtain funding needed to settle financial liabilities, for example, depositors' early termination of deposits before the maturity date, or financing channels and conditions for interbank lending deteriorating due to specific market influences. In addition, the debtor's credit default situation has deteriorated, which makes the recovery of funds abnormal and the realization of financial instruments difficult. The aforementioned circumstances may weaken King's Town Bank and its subsidiaries' source of cash for financial activities, such as, loans, trading, and investment. In some extreme situation, the lack of liquidity may result in a decline in the position of the balance sheet, the sale of the asset, or the failure in meeting the borrowing commitment. Liquidity risk exists in the inherent risks of all banking operations and may be affected by various industry - specific or market-wide events, including but not limited to: Credit events, mergers or acquisitions, systemic impact, and natural disasters.

2) Liquidity risk management policies

The liquidity management procedures of King's Town Bank and its subsidiaries are executed separately in the Finance Department and the Risk Management Department. However, the branches are required to notify the Finance Department of the funding gap for the unified control of the Finance Department and are monitored by the independent Risk Management Department. The procedures include:

a) Schedule daily funding, monitor future cash flows to ensure the fulfillment of various needs.

b) Maintain an appropriate amount of high liquidity assets that can be easily realized to buffer unforeseen and unexpected events that may interrupt cash flow.

c) Monitor the liquidity ratio of the consolidated balance sheet in accordance with the internal management purposes and external regulatory requirements.

The monitoring process is based on the measurement and speculation of the flow of funds one day and one month in the future (such period is used by King's Town Bank and its subsidiaries for the management of liquidity risk). The estimation of future cash flows begins with an analysis of the contractual maturity date of financial liabilities and the expected cash realization date of financial assets. The Risk Management Department of King's Town Bank and its subsidiaries also monitor the extent and pattern of contingent liabilities, such as mid-term and long-term borrowing commitments, discount quotas, and guarantee letters.

Relevant information is regularly reported to King's Town Bank and its subsidiaries' risk management committee and board of directors.

3) Maturity analysis of financial liabilities

Regarding the financial liabilities held for the purpose of managing the liquidity risk, the due date of King's Town Bank and its subsidiaries' financial liability contracts is summarized in the table below. The amounts disclosed in the table are based on contractual cash flows, so some of the amounts will not match the amounts in the consolidated balance sheets.

4) Maturity analysis

The management policy of King's Town Bank and its subsidiaries is to match the maturity dates and interest rates of assets and liabilities and to manage the resulting gaps. Due to the uncertainty of transaction conditions and differences in the nature of transactions, the maturity dates and interest rates of assets and liabilities generally cannot be fully matched, and such gaps may give rise to gains or losses. Under the liquidity management framework of King's Town Bank and its subsidiaries, appropriate grouping methods are applied to assets and liabilities based on their respective characteristics to perform maturity analysis and assess liquidity capacity. King's Town Bank and its subsidiaries also monitor the ratio of short-term funding gaps in major currencies to total assets to maintain appropriate liquidity.

Based on the remaining period from the reporting date to the contractual maturity date, King's Town Bank and its subsidiaries present an analysis of the cash inflows and outflows of assets and liabilities held for the management of liquidity risk. The maturity analysis of financial assets and liabilities, derivative assets and liabilities, and off-balance-sheet items in major currencies is as follows (except for derivatives that do not involve principal settlement, the amounts disclosed in the table represent undiscounted contractual cash flows):

Maturity analysis of financial liabilities

June 30, 2026	0-30 Days	31-90 Days	91 Days to - 1 Year	Over 1 Year	Total
Liabilities					
Deposits from the Central Bank and banks	$ 19,271,351	$ -	$ -	$ -	$ 19,271,351
Deposits and remittances	34,416,028	33,452,519	110,485,061	120,345,600	298,699,208
Securities sold under repurchase agreements	2,563,568	-	1,250,000	-	3,813,568
Deliverable derivative liabilities	108,119	-	-	-	108,119
Total	56,359,066	33,452,519	111,735,061	120,345,600	321,892,246

5) Disclosures prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Public Banks

a) Maturity analysis of assets and liabilities of King's Town Bank (New Taiwan dollars)

	June 30, 2026						
	Total	0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	$ 346,058,783	$ 43,771,720	$ 18,091,112	$ 27,627,626	$ 37,747,536	$ 51,823,811	$ 166,996,978
Main capital outflow on maturity	368,059,168	17,764,768	24,083,432	36,208,041	42,756,026	71,875,562	175,371,339
Gap	(22,000,385)	26,006,952	(5,992,320)	(8,580,415)	(5,008,490)	(20,051,751)	(8,374,361)

b) Maturity analysis of assets and liabilities of King's Town Bank (U.S. dollars)

(In Thousands of U.S. Dollars)

	June 30, 2026					
	Total	0-30 Days	31-90 Days	91-180 Days	181 Days to 1 Year	Over 1 Year
Main capital inflow on maturity	$ 1,523,139	$ 550,474	$ 95,542	$ 87,598	$ 23,952	$ 765,573
Main capital outflow on maturity	1,509,125	771,789	372,126	92,991	128,006	144,213
Gap	14,014	(221,315)	(276,584)	(5,393)	(104,054)	621,360

e. Market risk

1) Source and definition of market risk

Market risk refers to the loss of the positions that may occur on- and off-the balance sheet due to the changes in market prices. The so-called market price refers to interest rate, exchange rate, stock price, and product price.

King's Town Bank and its subsidiaries shall classify the holding position into a trading book and a banking book according to its purpose. The market risks faced by each position can be divided into four risk categories: Interest rate, equity securities, foreign exchange, and product.

a) The trading book includes the positions of financial products (including goods and derivative financial products) and physical products held for trading purposes or for the risk hedging of trading book positions. The term "trading purpose" stated in the preceding paragraph refers to the intention of a short-term gain or to generate or secure the arbitrage from actual or expected short-term price fluctuations.

b) Financial products and physical assets that are not held for the aforementioned purpose are within the scope of the "banking book."

c) Scope of Market Risk Management:

i. For interest rates and equity securities, it is only necessary to compute the capital needed for market risk of the trading book.

ii. For foreign exchange and products, it is necessary to compute the capital needed for all market risks.

2) Market risk management strategy

a) Market risk management strategies should be documented to explain market risk management objectives and to ensure consistency of market risk management practices within King's Town Bank.

b) Strategies must be appropriately adjusted in response to changes in King's Town Bank's operating environment and risk profile, maintaining alignment with King's Town Bank's overall business objectives, and covering all material market risks relevant to operations.

c) The market risk management strategies shall include at least the following:

i. Methods for measuring market risk: Including qualitative and quantitative approaches.

ii. Methods for monitoring market risk: Such as limit management, stop-loss etc.

iii. King's Town Bank and its subsidiaries shall establish an approval hierarchy and regulate the standard operating procedure for overrun.

3) Market risk management procedures

The market risk management process includes risk identification, measurement, communication, and monitoring. King's Town Bank and its subsidiaries shall effectively identify, measure, communicate, and monitor market risks associated with all major trading products, trading activities, processes, and systems.

a) Risk identification

i. The market risk factor refers to the market ratio and price that influence the price of the position. King's Town Bank and its subsidiaries' risk measurement system should have sufficient risk factors to measure the risks in the on- and off-balance sheet trading position.

ii. For any structured financial product, the market risk factors of each part should be identified in order to provide the basis for a correct measurement of the market risk exposure of the structured product.

iii. The selection of risk factors includes interest rates, exchange rates, equity securities prices, and product prices.

iv. Each unit of King's Town Bank and its subsidiaries shall identify the market risk in business activities or financial products.

b) Risk measurement

i. The risk management personnel of King's Town Bank and its subsidiaries' business trading units shall establish reasonable verification and control procedures for the sources of market data, such as, product market price, interest rate, and exchange rate.

ii. When the risk management personnel of the business transaction units measure market risk, they should consider the market liquidity risk caused by insufficient market depth, low market transparency, or market disorder.

iii. The risk management personnel of the financial transaction unit shall evaluate the trading position base on the market price at least once a day. All model parameters should be evaluated daily if the model is used for evaluation.

iv. King's Town Bank and its subsidiaries should develop a procedure for measuring the overall position risk exposure according to the scale and complexity of the portfolio held to avoid excessive concentration of the investment portfolio on a certain risk factor. When performing risk measurement, the individual risk of the subject matter of the transaction and the possible risk dispersion effect should be taken into account upon evaluating the volatility and correlation of the subject matter of the transaction. And a position with poor liquidity or insufficient market price transparency should be evaluated conservatively in order to fully assess the market risks faced by King's Town Bank and its subsidiaries.

c) Risk communication

i. Internal report

i) Market risk reports shall regularly provide accurate, consistent, and timely information to senior executives as a reference for their decisions.

ii) King's Town Bank and its subsidiaries should establish various operating procedures to ensure that excesses and exceptions (e.g., violations of policies and procedures) can be immediately reported to the governing management.

ii. External disclosure

i) The market risks faced by King's Town Bank and its subsidiaries should be fully disclosed.

ii) King's Town Bank and its subsidiaries shall disclose the amounts of capital provided for the following risks: Interest rate risk, equity securities risk, foreign currency risk, product risk.

iii) The extent of information disclosure should be in line with the scale, risk profile, and complexity of King's Town Bank and its subsidiaries' sales operations.

d) Risk monitoring

i. Each business unit of King's Town Bank and its subsidiaries shall establish a transaction limit system, which shall be controlled by the risk management personnel on a daily basis. If there is a lack of risk management, such as, overrun or other special circumstances, it shall be reported in due course to facilitate the adoption of the response measures.

ii. The status of the transaction shall be monitored immediately and comprehensively, such as whether the changes in position, changes in profit or loss, trading patterns, and subject matter of the transaction are within the scope of business authorization.

iii. Information needed for the review of financial products valuation should be obtained by King's Town Bank and its subsidiaries externally or through a channel other than the trading unit in order to avoid manipulation of price data due to conflicts of interest.

iv. King's Town Bank and its subsidiaries shall stipulate the limits management, stop-loss mechanism, and overrun process to effectively monitor market risks.

i) Limit management - The responsible business department shall set the limits for financial product transactions according to the product characteristics and authorization hierarchy, such as, traders, risk category, counterparty's trading position limits, stop-loss limits, etc.

ii) Stop-loss - The responsible business department shall establish a clear stop-loss mechanism and implement it to effectively control the loss within the expected range.

iii) Overrun processing - The responsible business department shall clearly establish a defined limit and overrun mechanism and implement it to effectively handle the extraordinary cases.

4) Trading book risk management policies

Financial transactions should be divided into trading books and banking books according to the intention of holding, which are defined as follows:

a) Scope and definition

The trading book includes the position held for the purpose of trading or risk hedging of the trading book. The position must be free from any contractual restrictions in trade, or the risk can be completely hedged. The positions included in the trading book are summarized as follows:

i. The positions held for earning a profit from the actual or expected spread.

ii. The positions held for earning a profit from other price changes.

iii. The position held due to engaging in the brokerage and trade business.

iv. The position held to offset all or most of the risks of another asset position or portfolio on the trading book

v. All positions that can be traded within the predetermined investment amount.

b) Trading Book Authorization Projects

i. Monetary market transactions - Short-term bill (bond) within one year.

ii. Capital market transactions - More than one year government bonds, corporate bonds, bank debentures, beneficiary securities, asset securitization bonds, stocks, various types of fund beneficiary certificates, and convertible bonds

iii. Derivative financial product transactions - Exchange rates, interest rates, stocks, etc.

iv. Foreign exchange market transactions - Foreign exchange spot, swap, forward foreign exchange, and forward rate agreements.

c) Evaluation mechanism of the transaction book

The evaluation mechanism of King's Town Bank and its subsidiaries' trading book position shall be handled by the risk management personnel who are independent of the trading desk. The trading book position shall be valued on a daily or weekly basis in accordance with the "Market to Market Method" with information from an independent source and readily available, such as, exchange prices, electronic screen quotes, or quotes from independent brokers, which should be presented to the Board of Directors for approval and future reference.

d) Authorized trading book instruments:

Management specifications and procedures for position limits, monitoring, early warning, stop-loss, and reporting: These should be handled in accordance with King's Town Bank and its subsidiaries' "Regulations Governing Market Risk," "Regulations Governing Security Investment," "Regulations Governing Derivatives Transactions," "Regulations Governing Foreign Exchange Business," Regulations Governing Call Loan to Bank," "Interest Rate Risk Management Policy," "Liquidity Risk Management Policy," and other relevant regulations.

5) Banking book interest rate risk management

a) Management strategy and process

Make adequate adjustment to respond to the changes in King's Town Bank and its subsidiaries' operating environment and the changes in risks. Maintain King's Town Bank and its subsidiaries' operational strategies and deepen King's Town Bank and its subsidiaries' operations. Enhance the performance of King's Town Bank's asset portfolio. Assess the impact of changes in interest rate on economic value or earnings. Establish the interest rate risk in banking book control mechanism in accordance with the "Regulations Governing Interest Rate Risks in Banking Book," which is implemented in accordance with the procedures of identification, measurement, communication, and monitoring, so that the interest rate risk is maintained at an appropriate level. Consistency of objectives and coverage of all important interest rate risks in banking book associated with the business.

b) Management organization and structure

i. The Board of Directors is the highest decision-making authority of King's Town Bank and its subsidiaries' interest rate risk in banking book management and bears ultimate responsibility for King's Town Bank and its subsidiaries' interest rate risk in banking book.

ii. The Asset and Liability Management Committee is responsible for assessing King's Town Bank and its subsidiaries' operating performance, capital position, asset and liability risk position and interest rate sensitivity, as well as researching and adjusting the best ratio of various assets and liabilities, and evaluating King's Town Bank and its subsidiaries' deposit and loan interest rate pricing strategy.

iii. The Risk Management Committee is responsible for implementing the interest rate risk in banking book management decisions approved by the Board of Directors, coordinating the interest rate risk in banking book management matters, and continuously monitoring the performance of risk management.

iv. The Risk Management Department is the exclusive unit for King's Town Bank and its subsidiaries' interest rate risk in banking book management. It is responsible for planning, establishing, and integrating King's Town Bank and its subsidiaries' interest rate risk in banking book management operations, and implementing King's Town Bank's overall interest rate risk in banking book management and monitoring work in order to assess the impact of changes in interest rate on the economic value or earnings. Also, regularly aggregating King's Town Bank's interest rate risk in banking book management information and then report it to the Risk Management Committee and the Board of Directors, and disclose risk management information according to the regulations of the competent authorities.

v. The business units in the head office are responsible for setting and managing the respective regulations and operating procedures for the interest rate risks in banking book, and assisting the Risk Management Department to manage the interest rate risk position related to their business.

vi. All units (including business units) of King's Town Bank and its subsidiaries are responsible for identifying the interest rate risks in the banking book, cooperating with the implementation of the interest rate risk in banking book management decisions, and adopting the risk offset treatment method or response measures approved by the President to operate and adjust the interest rate risk exposure position on- and off-the balance sheet.

c) Risk reporting/measurement system scope, characteristics, and frequency

King's Town Bank and its subsidiaries monitor the indicator - "Maximum change in economic value of equity (△EVE) in banking book position as a percentage of net Tier-1 capital given the six supervisory interest rate scenarios" as a way to keep banking book interest rate risks within a tolerable range. This indicator is reported to the Risk Management Committee on a monthly basis, and is compared to previous month's figure with changes analyzed to provide senior managers with correct, consistent, and timely information for decision making. The outcomes are also disclosed in risk management reports and presented to the board of directors on a quarterly basis. The risk management report covers: (I) Measurement indicators: 1. Earnings perspective (interest rate risk alert and reporting) and 2. Economic value perspective (maximum change in economic value of equity (△EVE) in banking book position as a percentage of net Tier-1 capital given the six supervisory interest rate scenarios); (II) Stress testing: (1) Impact of interest rate change on "earnings" for the next year, and (2) Impact of interest rate change on economic value. The Information Department and business units shall provide information, electronic files, or written materials to the Risk Management Department in order to effectively

grasp overall risk position and provide appropriate risk measurement results to assist with the management of interest rate risks for banking book exposures.

d) Risk hedging/risk reduction policies and strategies and processes for monitoring the ongoing effectiveness of risk hedging/reduction tools

When handling banking book interest rate risk related businesses and transactions, assess the probability of occurrence of the event or transaction loss and the severity of the loss. Also, adopt countermeasures such as, risk hedging, risk reduction or transfer, risk control, and risk endurance.

In case of special circumstances that may seriously affect King's Town Bank and its subsidiaries' earnings or economic value, the Risk Management Department or the business units in the head office shall report it to the President and adopt appropriate risk offset methods or response measures to reduce the banking book interest rate sensitivity net impacted position or increase King's Town Bank and its subsidiaries' capital.

6) Market risk valuation technique

a) Stress test

The stress test is used to assess the Group's risk tolerance ability under a stress scenario so that King's Town Bank and its subsidiaries are able to develop specific and feasible hedging strategies and response plans in order to monitor possible changes in risk conditions under various scenarios. Also, the Board of Directors and the executives are authorized to determine whether King's Town Bank and its subsidiaries' risk exposure is suitable for its risk appetite. This serves as one of the important tools for identifying, measuring, and controlling capital adequacy and liquidity planning decisions.

King's Town Bank and its subsidiaries have investments classified according to the investment classification principle:

i. Domestic and foreign bonds and bills and equity investments in banking books

i) Domestic bond investment: Book value on the base date is treated as the exposure at default (EAD) and included for calculation. The default rate (PD) is calculated according to the risk linked indicator and referring to the default rate table, and the loss given default (LGD) is divided into with and without guarantee, which are estimated separately by referring to the experience of recovery.

ii) Domestic equity investment: Book value on the base date is treated as the exposure at default (EAD) and included for calculation. The default rate (PD) is calculated according to the risk linked indicator and referring to the default rate table, and the loss given default (LGD). The likelihood of recovery is low, therefore it is calculated as 100%.

iii) Foreign bills and bonds and equity investments: Assets related to foreign bill and bond investments and equity investments have a fixed loss rate (PD*LGD), which is used to calculate expected losses under stressed scenario. Among them, sovereign state-based risk is mainly based on its external rating results to give a default rate, and stress tests are only conducted for more serious scenarios. Otherwise, counterparties are given a different probability of default depending on whether the counterparties belong to the financial industry. For the calculation of exposure at default, the investment position is calculated based on book value.

ii. Securities and derivative product transactions in the trading book

Based on the current calculation for market risk stress test of the second pillar, King's Town Bank and its subsidiaries use market risk factor sensitivity analysis to calculate the impact on profit or loss arising from asset impairment due to changes in risk factors, including equity security, interest rates, gold and exchange rates, products, and credit derivatives. Changes in each risk factor may lead to gains and losses of varying degree depending on the severity of the scenario. Among all risk factors and domestic and foreign scenarios, there may be losses in certain parts of the position and gains in other parts in the same scenario. The greatest loss resulting from fluctuations in scenario is deemed as the estimated loss in the stress scenario.

b) Sensitivity analysis

Test items: For the main trading book positions in different markets, the listed scenario test is carried out if the computed market risk capital of the position accounts for more than 5% of the total market risk capital.

i. Interest rate risk

Assuming that all other variables are unchanged, a 100-point downward/upward shift of yield curve across all markets in the world have increased/decreased King's Town Bank and its subsidiaries' net income by $240,212 as of June 30, 2026.

ii. Exchange rate risk

Assuming that all other variables are unchanged, a 3% strengthening/weakening of main currencies would have increased/decreased King's Town Bank and its subsidiaries' profit before tax by $13,640 as of June 30, 2026. The main currencies are the USD, EUR, and JPY.

iii. Equity securities price risk

Assuming that all other variables are unchanged, a 15% rise/fall in the price of equity securities would have increased/decreased King's Town Bank and its subsidiaries' profit before tax by $18,351 as of June 30, 2026.

iv. The sensitivity analysis is summarized as follows:

June 30, 2026

Market Category	Scenario	Affected Profit or Loss Amount	Minimum Capital Computed for Market Risk	Percentage
Equity market	Major stock markets +15%	$ 18,351	$ 377,635	4.86%
	Major stock markets -15%	(18,351)		(4.86%)
Interest rate market	Main interest rate +100bp	(240,212)		(63.61%)
	Main interest rate -100bp	240,212		63.61%
Foreign exchange market	Main currency +3%	13,640		3.61%
	Main currency -3%	(13,640)		(3.61%)
Product market	Product price +15%	-		-
	Product price -15%	-		-
General scenario	Main stock markets -15%, main interest rates +100bp, main currencies +3%, product prices -15%	(244,923)		(64.86%)

7) Exchange rate risk concentration information

The following table presents the concentration of foreign exchange risk arising from the financial assets and liabilities denominated in foreign currencies held by King's Town Bank and its subsidiaries as of June 30, 2026, categorized by currency and presented at their carrying amounts:

	June 30, 2026		
	Foreign Currency (In Thousands)	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
USD	$ 952,996	31.84	$ 30,344,426
HKD	204,599	4.06	830,693
AUD	220,670	21.90	4,832,073
JPY	836,898	0.20	164,199
EUR	247,163	36.27	8,963,896
CNY	7,331	4.69	34,365
Non-monetary items	-	-	-
Financial liabilities			
Monetary items			
USD	1,224,280	31.84	38,982,437
HKD	12,120	4.06	49,210
AUD	24,742	21.90	541,788
JPY	3,827,979	0.20	751,049
EUR	1,913	36.27	69,396
CNY	149,659	4.69	701,571
Non-monetary items	-	-	-

8) Compliance with the Regulations Governing the Preparation of Financial Reports by Public Banks

a) Interest rate sensitivity information (New Taiwan dollars)

June 30, 2026

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	$ 274,807,266	$ 16,228,329	$ 4,910,346	$ 18,350,641	$ 314,296,582
Interest rate-sensitive liabilities	231,352,822	16,726,133	27,302,155	3,390,117	278,771,227
Interest rate-sensitive gap	43,454,444	(497,804)	(22,391,809)	14,960,524	35,525,355
Net worth					54,499,560
Ratio of interest rate-sensitive assets to liabilities (%)					112.74%
Ratio of interest rate-sensitive gap to net worth (%)					65.18%

Note 1: This table is presented in New Taiwan dollars for King's Town Bank and excludes contingent assets and contingent liabilities.

Note 2: Interest rate-sensitive assets and liabilities mean the revenues or costs of interest-earning assets and interest-bearing liabilities are affected by interest rate changes.

Note 3: Interest rate-sensitive gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities (in New Taiwan dollars).

b) Interest rate sensitivity information (U.S. dollars)

June 30, 2026

(In Thousands of U.S. Dollars)

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	$ 128,774	$ 57,491	$ 19,855	$ 690,774	$ 896,894
Interest rate-sensitive liabilities	997,069	92,772	127,798	-	1,217,639
Interest rate-sensitive gap	(868,295)	(35,281)	(107,943)	690,774	(320,745)
Net worth					11,820
Ratio of interest rate-sensitive assets to liabilities (%)					73.66%
Ratio of interest rate-sensitive gap to net worth (%)					(2,713.58%)

Note 1: This table is presented in USD for King's Town Bank and excludes contingent assets and contingent liabilities.

Note 2: Interest rate-sensitive assets and liabilities mean the revenues or costs of interest-earning assets and interest-bearing liabilities are affected by interest-rate changes.

Note 3: Interest rate-sensitive gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities (in USD).

9) Transfers of financial assets

In the daily trading activities of King's Town Bank and its subsidiaries, for the transferred financial assets that did not meet the overall de-recognizing conditions, most of them are debt securities used as collateral for counterparty under repurchase agreement. Such transactions are essentially secured borrowings and reflect King's Town Bank and its subsidiaries' liabilities from repurchasing the obligation of the transferred financial assets at a fixed price in the future. For such transactions, King's Town Bank and its subsidiaries are unable to use, sell, or pledge the transferred financial assets during the effective period of the transaction, however King's Town Bank and its subsidiaries still bear the interest rate risk and credit risk. Therefore, it has not been derecognized entirely.

The table is an analysis of financial assets and related financial liabilities that do not qualify all conditions for derecognition:

Category of Financial Asset	June 30, 2026				
	Transferred Financial Assets - Carrying Amount	Related Financial Liabilities - Carrying Amount	Transferred Financial Assets - Fair Value	Related Financial Liabilities - Fair Value	Net Position - Fair Value
Financial assets at fair value through other comprehensive income					
Transactions under repurchase agreements	$ 2,029,681	$ 2,063,567	$ 2,029,681	$ 2,063,567	$ (33,886)
Investments in debt instruments at amortized cost					
Transactions under repurchase agreements	1,684,347	1,750,000	1,684,347	1,750,000	(65,653)

51. CAPITAL MANAGEMENT

SinoPac Financial Holdings

a. Overview

The Group's capital management goals are as follows:

As a basic target, the Group's eligible capital should be sufficient to meet their operating needs and should be higher than the required minimum capital adequacy ratio. Eligible capital and legal capital are calculated under regulations pronounced by the authorities.

The Group's should also have adequate capital to bear its risks, should measure capital demand on the basis of risk combinations and risk characteristics, and should optimize resource and capital allocation through risk management.

b. Capital management procedure

The Group's capital adequacy ratio should meet the regulations set by the authorities. Also, the Group's should maintain capital adequacy ratio by considering the business scale, major operating strategy, risk conditions, eligible capital structure, future capital increase plan, etc. The Group's reports to the authorities regularly. Overseas subsidiaries' capital management is in accordance with local regulations.

The Group's capital maintenance is in accordance with the "Regulations Governing the Consolidated Capital Adequacy of Financial Holding Companies", "Regulations Governing the Capital Adequacy and Capital Category of Banks", "Regulations Governing Securities Firms" etc., and is managed by the Group's risk management and financing divisions.

c. Capital adequacy ratio

Under the Financial Holding Company Act and related regulations, a financial holding company should maintain a consolidated capital adequacy ratio (CAR) of at least 100%. Thus, if a financial holding company's consolidated CAR falls below 100%, the authorities may prohibit it from declaring cash dividends or distributing other properties. Under certain conditions, the authorities may impose other penalties on the Company. The Group's capital adequacy ratio information for June 30, 2026, December 31, 2025 and June 30, 2025 are shown as follow:

1) Consolidated capital adequacy ratio

June 30, 2026

(In Thousands of New Taiwan Dollars, %)

Item / Entities	Percentage of Ownership	Group's Net Eligible Capital	Group's Statutory Capital Requirement
SPH	100%	$ 264,989,963	$ 321,185,233
Bank SinoPac	100%	251,788,346	172,948,966
SinoPac Securities	100%	31,900,684	14,862,875
SinoPac Leasing	100%	4,534,617	1,788,389
SinoPac Venture Capital	100%	4,046,686	2,020,863
SinoPac Securities Investment Trust	100%	1,687,023	950,401
KTB	100%	56,691,818	28,129,361
Deduction		(327,382,527)	(315,568,855)
Subtotal		288,256,610 (A)	226,317,233 (B)
Consolidated CARs of SPH (C)=(A)÷(B)			127.37% (C)

December 31, 2025

(In Thousands of New Taiwan Dollars, %)

Item / Entities	Percentage of Ownership	Group's Net Eligible Capital	Group's Statutory Capital Requirement
SPH	100%	$ 255,483,292	$ 307,700,983
Bank SinoPac	100%	247,875,731	161,834,256
SinoPac Securities	100%	27,512,719	11,376,175
SinoPac Leasing	100%	4,421,819	1,716,129
SinoPac Venture Capital	100%	3,426,236	1,696,726
SinoPac Securities Investment Trust	100%	1,692,723	950,672
KTB	100%	56,531,750	28,166,037
Deduction		(318,045,053)	(305,638,801)
Subtotal		278,899,217 (A)	207,802,177 (B)
Consolidated CARs of SPH (C)=(A)÷(B)			134.21% (C)

June 30, 2025

(In Thousands of New Taiwan Dollars, %)

Item / Entities	Percentage of Ownership	Group's Net Eligible Capital	Group's Statutory Capital Requirement
SPH	100%	$ 206,023,242	$ 232,098,208
Bank SinoPac	100%	235,765,706	156,081,169
SinoPac Securities	100%	24,701,580	11,544,129
SinoPac Leasing	100%	4,028,970	1,646,857
SinoPac Venture Capital	100%	3,086,387	1,515,293
SinoPac Securities Investment Trust	100%	1,555,042	874,613
Deduction		(241,730,122)	(230,017,487)
Subtotal		233,430,805 (A)	173,742,782 (B)
Consolidated CARs of SPH (C)=(A)÷(B)			134.35% (C)

2) Financial holding companies' net eligible capital

(In Thousands of New Taiwan Dollars)

Item	June 30, 2026	December 31, 2025	June 30, 2025
Common stock	$ 144,923,223	$ 144,923,223	$ 126,858,509
Capital instruments that comply with the Tier 1 capital requirement	-	-	-
Other preferred stock and subordinated bank debentures	60,000	60,000	60,000
Capital collected in advance	2,898,464	-	4,313,189
Capital surplus	26,785,534	26,785,534	6,089,490
Legal reserve	31,323,339	28,553,526	28,553,526
Special reserve	6,667,474	6,174,568	6,174,568
Retained earnings	58,770,664	55,198,545	41,236,687
Equity adjustment	(6,411,977)	(6,183,655)	(7,236,383)
Deduction: Goodwill and other intangible assets	(13,367)	(14,762)	(15,711)
Deduction: Deferred assets	(13,391)	(13,687)	(10,633)
Total	264,989,963	255,483,292	206,023,242

Bank SinoPac

a. Overview

Bank SinoPac and its subsidiaries' capital management goals are as follows:

As a basic target, Bank SinoPac and its subsidiaries' eligible capital should be sufficient to meet their operation need, and higher than minimum requirements of the capital adequacy ratio. Eligible capital and legal capital are calculated under the regulations announced by the authority.

Bank SinoPac and its subsidiaries should have adequacy capital to bear the risks, measure capital demand according to risk combination and risk characteristics, fulfill the optimization of resource and capital allocation by risk management.

b. Capital management procedure

Bank SinoPac and its subsidiaries' capital adequacy ratio should meet the regulations announced by the authority. Also, Bank SinoPac and its subsidiaries should maintain capital adequacy ratio by considering Bank SinoPac and its subsidiaries' business scale, major operating strategy, risk condition, eligible capital structure, and future capital increase plan, etc. Bank SinoPac and its subsidiaries reported to the authority regularly. Overseas subsidiaries' capital management is in accordance with local regulations.

Bank SinoPac and its subsidiaries' capital maintenance is in accordance with the "Regulations Governing the Capital Adequacy and Capital Category of Banks", etc., and is managed by Bank SinoPac and its subsidiaries' risk management and financing divisions.

c. Statement of capital adequacy

Analysis Items \ Year			June 30, 2026	
			Standalone	Consolidation
Eligible capital	Common stock equity		$ 191,667,945	$ 192,146,696
	Other Tier 1 capital		25,500,000	25,903,685
	Tier 2 capital		34,620,401	36,246,889
	Eligible capital		251,788,346	254,297,270
Risk-weighted assets	Credit risk	Standardized approach	1,571,416,635	1,672,712,280
		Internal rating - based approach	-	-
		Securitization exposure	-	-
	Operational risk	Standardized approach	47,639,820	53,002,682
	Market risk	Standardized approach	28,076,553	56,101,295
		Simplified standardized approach	-	-
		Internal model approach (IMA)	-	-
	Total risk-weighted assets		1,647,133,008	1,781,816,257
Common stock equity risk - based capital ratio			11.64%	10.78%
Tier 1 risk - based capital ratio			13.18%	12.24%
Capital adequacy ratio			15.29%	14.27%
Leverage ratio			7.12%	6.73%

Analysis Items \ Year			December 31, 2025	
			Standalone	Consolidation
Eligible capital	Common stock equity		$ 187,029,229	$ 186,805,900
	Other Tier 1 capital		25,500,000	25,909,980
	Tier 2 capital		35,346,502	36,776,509
	Eligible capital		247,875,731	249,492,389
Risk-weighted assets	Credit risk	Standardized approach	1,471,840,415	1,555,163,185
		Internal rating - based approach	-	-
		Securitization exposure	-	-
	Operational risk	Standardized approach	47,639,820	53,002,682
	Market risk	Standardized approach	21,798,396	32,008,051
		Simplified standardized approach	-	-
		Internal model approach (IMA)	-	-
	Total risk-weighted assets		1,541,278,631	1,640,173,918
Common stock equity risk - based capital ratio			12.13%	11.39%
Tier 1 risk - based capital ratio			13.79%	12.97%
Capital adequacy ratio			16.08%	15.21%
Leverage ratio			7.20%	6.84%

Analysis Items \ Year			June 30, 2025	
			Standalone	Consolidation
Eligible capital	Common stock equity		$ 175,947,028	$ 175,531,888
	Other Tier 1 capital		25,500,000	25,778,423
	Tier 2 capital		34,318,678	35,434,738
	Eligible capital		235,765,706	236,745,049
Risk-weighted assets	Credit risk	Standardized approach	1,415,020,640	1,485,170,923
		Internal rating - based approach	-	-
		Securitization exposure	-	-
	Operational risk	Standardized approach	40,414,197	41,831,679
	Market risk	Standardized approach	31,052,483	31,375,258
		Simplified standardized approach	-	-
		Internal model approach (IMA)	-	-
	Total risk-weighted assets		1,486,487,320	1,558,377,860
Common stock equity risk - based capital ratio			11.84%	11.26%
Tier 1 risk - based capital ratio			13.55%	12.92%
Capital adequacy ratio			15.86%	15.19%
Leverage ratio			7.21%	6.89%

Note 1: These tables were filled according to “Regulations Governing the Capital Adequacy Ratio of Banks” and related calculation tables.

Note 2: Bank SinoPac shall disclose the capital adequacy ratio for the current and previous period in annual financial reports. For semiannual financial report, Bank SinoPac shall disclose the capital adequacy ratio for the current period, previous period, and previous year-end.

Note 3: The formula is as follows:

1) Eligible capital = Common stock equity + Other Tier 1 capital + Tier 2 capital.

2) Total risk-weighted assets = Risk-weighted assets for credit risk + (Capital requirements for operational risk + Capital requirement for market risk) x 12.5.

3) Ratio of capital adequacy = Eligible capital ÷ Total risk-weighted assets.

4) Common stock equity risk-based capital ratio = Common stock equity ÷ Total risk-weighted assets.

5) Tier 1 risk - based capital ratio = (Common stock equity + Other Tier 1 capital) ÷ Total risk-weighted assets.

6) Leverage ratio = Tier 1 capital ÷ Total exposure risk.

Note 4: In accordance with Financial Supervisory Commission Guideline No. 09900146911, gains from the sale of idle assets are not to be included in Bank SinoPac's capital adequacy ratio calculation until disposed outside the Group.

SinoPac Securities

As part of coping with its business scale, key operational plans, risk status, capital structure and future capital projects and other company consideration, SinoPac Securities complies with the Regulations Governing Securities Firms on the calculation of a capital adequacy ratio and formulate management procedures. Thus, for maintaining stable operations, SinoPac Securities' capital adequacy ratio, in principle, is at least 250% for its capital adequacy management objectives.

SinoPac Securities' capital adequacy management procedures are as follows:

a. The risk management division should calculate, monitor and analyze its regulatory capital adequacy ratio on a regular monthly basis and obtain approval from the general manager and chairman of the Board.

b. The risk management division simulates the capital adequacy ratio based on SinoPac Securities' business plan, policy direction, investment strategy and important event and provides the result to the relevant units.

c. If SinoPac Securities' capital adequacy ratio seems to fell below the target, the risk management division should report to the management, discuss responsive actions as listed below to be taken and executed after the board's approval.

1) Issuance debt instruments that qualify as eligible capital.

2) Capital increase.

3) Adjustment of business strategies.

As of June 30, 2026, December 31, 2025 and June 30, 2025, SinoPac Securities' capital adequacy ratio were as follows:

Items	June 30, 2026	December 31, 2025	June 30, 2025
Net eligible capital			
Tier 1 Capital	$ 42,207,884	$ 38,057,667	$ 33,741,873
Tier 2 Capital	7,371,969	4,237,770	4,424,740
Tier 3 Capital	-	-	-
Deductible assets	(17,679,169)	(14,782,718)	(13,465,033)
	$ 31,900,684	$ 27,512,719	$ 24,701,580
Equivalent operating risk			
Market risk equivalent	$ 5,832,602	$ 4,789,335	$ 4,931,374
Credit risk equivalent	1,808,084	950,347	920,277
Operating risk equivalent	2,267,897	1,844,435	1,844,435
	$ 9,908,583	$ 7,584,117	$ 7,696,086
Capital adequacy ratio	322%	363%	321%

Note 1: Capital adequacy ratio = Net eligible capital ÷ Equivalent operating risk.

Note 2: Net eligible capital = Tier 1 capital + Tier 2 capital + Tier 3 capital - Deductible assets.

Note 3: Equivalent operating risk = Market risk equivalent + Credit risk equivalent + Operating risk equivalent.

King's Town Bank

a. Overview

In response to the trend of capital management, King's Town Bank and its subsidiaries' overall business monitoring indicators are established to match the business development strategy and to reflect the overall risk situation. The various capital management indicators of King's Town Bank and its subsidiaries are as follows:

1) King's Town Bank's overall capital adequacy ratio shall not be less than 10.5%.

2) Tier 1 capital shall not be less than 8.5% of the total risk assets.

3) The common stock equity shall not be less than 7.0% of the total risk assets.

4) The total business reserve and allowance for bad debt as stated in Tier 2 capital with a credit risk standard adopted shall not exceed 1.25% of the total amount of credit risk and weighted risk assets.

b. Capital management procedure

1) King's Town Ban and its subsidiaries' capital management objectives are based on the "Legal Capital":

Legal Capital Management Objectives: To meet the legal capital requirements of the supervisory authority, set King's Town Bank and its subsidiaries' capital adequacy ratio target, and ensure that King's Town Bank and its subsidiaries can operate safely and steadily.

2) Legal capital management

a) Legal capital requirement

King's Town Bank and its subsidiaries use the "Methods for calculating Bank's regulatory capital and Risk Weighted Assets" (hereinafter referred to as the "calculation methods") that is issued by the competent authority to calculate the unanticipated losses arising from the credit risk, market risk, and operational risk under the existing assets and operating conditions, and compute the relative capital in response to the situation accordingly.

b) Available legal capital

King's Town Bank and its subsidiaries' legal capital available is based on the rules published by the competent authorities to have King's Town Bank and its subsidiaries' capital classified by its source and characteristics as follows:

Tier 1 Capital:

i. Refers to the common stock equity net of the intangible assets, the deferred income tax assets arising from the losses of previous years, the business reserve, and the insufficient appropriation of the allowance for bad debt, the revaluation increments of real estate, the unamortized loss of the bad debts sold, and other legal adjustment items specified and stipulated according to the calculation methods.

   Common stock equity: Includes common stock and its share premium, advance capital, additional paid-in capital, legal reserve, special reserve, accumulated profit or loss, non-controlling equity, and other equity items.

ii. Other Tier 1 capital other than common stock equity: Includes perpetual non-cumulative preferred stock and its share premium, non-cumulative subordinated bonds without a maturity date, perpetual non-cumulative preferred stock and its share premium issued by the subsidiaries that are not directly or indirectly held by King's Town Bank, and non-cumulative subordinated bonds without a maturity date.

Tier 2 Capital:

Includes perpetual cumulative preferred stock and its share premium, cumulative subordinate bonds without a maturity date, convertible subordinate bonds, long-term subordinate bonds, non-perpetual preferred stock and its share premium, real estate's first-time adoption of IAS, increase of retained earnings arising from the fair value or the revaluation value used as the cost, the valuation increments arising from the subsequent measurement of investment real estate at fair value and 45% of the unrealized benefits of the financial assets measured at FVOCI, business reserve and allowances for bad debts, perpetual cumulative preferred stock and its share premium issued by King's Town Bank's subsidiaries that are not directly or indirectly held by King's Town Bank, and cumulative subordinated bonds without maturity date, convertible subordinate bonds, long-term subordinate bonds, and non-perpetual preferred stock and its share premium. The items ought to be deducted as stipulated in the explanation of the calculation methods.

The allowance for bad debt included in Tier 2 capital in the preceding paragraph refers to the amount that King's Town Bank's allowance for bad debt exceeds the estimated loss of King's Town Bank's based on historical losses.

c) The management of legal capital is to convert the unanticipated losses of each risk to the total amount of risk assets, and then divide the legal capital available by the total amount of the risk assets to calculate the capital adequacy ratio. The basic objective is to ensure that King's Town Bank's capital adequacy ratio is higher than the mandatory legal ratio.

c. Statement of capital adequacy

Analysis Items \ Year			June 30, 2026	
			Standalone	Consolidation
Eligible capital	Common stock equity		$ 53,361,861	$ 53,335,055
	Other Tier 1 capital		-	-
	Tier 2 capital		3,329,957	3,322,966
	Eligible capital		56,691,818	56,658,021
Risk-weighted assets	Credit risk	Standardized approach	245,639,360	246,239,727
		Internal rating - based approach	-	-
		Securitization exposures	-	-
	Operational risk	Standardized approach	17,538,876	18,511,733
	Market risk	Standardized approach	4,720,439	4,720,439
		Simplified standardized approach	-	-
		Internal model approach (IMA)	-	-
	Total risk-weighted assets		267,898,675	269,471,899
Common stock equity risk - based capital ratio			19.92%	19.79%
Tier 1 risk - based capital ratio			19.92%	19.79%
Capital adequacy ratio			21.16%	21.03%
Leverage ratio			13.52%	13.47%

Analysis Items \ Year			December 31, 2025	
			Standalone	Consolidation
Eligible capital	Common stock equity		$ 53,376,471	$ 53,329,462
	Other Tier 1 capital		-	-
	Tier 2 capital		3,155,279	3,280,189
	Eligible capital		56,531,750	56,609,651
Risk-weighted assets	Credit risk	Standardized approach	226,535,832	237,095,883
		Internal rating - based approach	-	-
		Securitization exposures	-	-
	Operational risk	Standardized approach	17,538,876	18,511,733
	Market risk	Standardized approach	24,173,267	24,173,267
		Simplified standardized approach	-	-
		Internal model approach (IMA)	-	-
	Total risk-weighted assets		268,247,975	279,780,883
Common stock equity risk - based capital ratio			19.90%	19.06%
Tier 1 risk - based capital ratio			19.90%	19.06%
Capital adequacy ratio			21.07%	20.23%
Leverage ratio			14.19%	13.77%

Note 1: These tables were filled according to "Regulations Governing the Capital Adequacy Ratio of Banks" and related calculation tables.

Note 2: King's Town Bank shall disclose the capital adequacy ratio for the current and previous period in annual financial reports. For semiannual financial report, King's Town Bank shall disclose the capital adequacy ratio for the current period, previous period, and previous year-end.

Note 3: The formula is as follows:

1) Eligible capital = Common stock equity + Other Tier 1 capital + Tier 2 capital.

2) Total risk-weighted assets = Risk-weighted assets for credit risk + (Capital requirements for operational risk + Capital requirement for market risk) x 12.5.

3) Ratio of capital adequacy = Eligible capital ÷ Total risk-weighted assets.

4) Common stock equity risk-based capital ratio = Common stock equity ÷ Total risk-weighted assets.

5) Tier 1 risk - based capital ratio = (Common stock equity + Other Tier 1 capital) ÷ Total risk-weighted assets.

6) Leverage ratio = Tier 1 capital ÷ Total exposure risk.

52. CROSS-SELLING INFORMATION

For the six months ended June 30, 2026 and 2025, Bank SinoPac charged SinoPac Securities for $13,139 and $4,530, respectively, for opening accounts.

The bonuses that Bank SinoPac paid to SinoPac Securities were $1,687 and $2,792 for the six months ended June 30, 2026 and 2025, respectively as part of the cross-selling agreement.

The bonuses payments for the six months ended June 30, 2026 and 2025 made by Bank SinoPac from SinoPac Leasing were $18 and $30 as part of the cross-selling agreement.

For other transactions within the Group, please refer to Note 46 and Table 11.

53. BUSINESS SEGMENT FINANCIAL INFORMATION

For the Six Months Ended June 30, 2026

(In Thousands of New Taiwan Dollars)

Item \ Business Segment	Banking	Security	Others	Consolidated
Net interest revenue	$ 23,579,360	$ 982,263	$ 66,425	$ 24,628,048
Net revenues other than interest	13,808,541	15,570,297	1,274,758	30,653,596
Net revenues	37,387,901	16,552,560	1,341,183	55,281,644
Bad debts expense, commitment and reversal of guarantee liability (provision)	(1,605,774)	(13,543)	(220,967)	(1,840,284)
Operating expenses	(15,527,917)	(8,142,925)	(1,047,241)	(24,718,083)
Profit from continuing operations before tax	20,254,210	8,396,092	72,975	28,723,277
Income tax expense	(3,163,472)	(1,125,719)	91,719	(4,197,472)
Net profit from continuing operations	17,090,738	7,270,373	164,694	24,525,805

For the Six Months Ended June 30, 2025

(In Thousands of New Taiwan Dollars)

Item \ Business Segment	Banking	Security	Others	Consolidated
Net interest revenue	$ 16,140,353	$ 855,927	$ 308,240	$ 17,304,520
Net revenues other than interest	11,381,940	6,357,607	499,313	18,238,860
Net revenues	27,522,293	7,213,534	807,553	35,543,380
Bad debts expense, commitment and reversal of guarantee liability (provision)	(789,877)	1,882	(319,057)	(1,107,052)
Operating expenses	(13,126,207)	(4,699,580)	(731,746)	(18,557,533)
Profit from continuing operations before tax	13,606,209	2,515,836	(243,250)	15,878,795
Income tax expense	(2,295,101)	(411,408)	(404,293)	(3,110,802)
Net profit from continuing operations	11,311,108	2,104,428	(647,543)	12,767,993

54. BUSINESS COMBINATIONS

SinoPac Financial Holdings

a. Subsidiaries acquired

	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
King's Town Bank and its subsidiaries	Commercial Bank	October 1, 2025	100.00	$ 64,173,061

To strengthen its competitiveness and expand its business operations, the Company acquired King's Town Bank and its subsidiaries (including King's Town Securities, King's Town Leasing, and King's Town Construction Management) as a subsidiary with 100% ownership through a cash combined with share exchange on October 1, 2025.

On June 26, 2026, King's Town Bank's board of directors, acting on behalf of the shareholders' meeting, approved the merger of SinoPac Securities and King's Town Securities. The merger effective date will be determined upon obtaining approval from the competent authority. On December 26, 2025, the board of directors of King's Town Bank resolved to sell all equity interest in King's Town Leasing Co., Ltd., for $2,000,000. The transaction was completed upon closing on January 30, 2026, please refer to Note 55.

b. Consideration transferred

	October 1, 2025
Cash	$ 29,725,492
Equity instruments	34,447,569
	$ 64,173,061

Under the terms of the exchange, each common share of King's Town Bank was exchanged for 1.2375 newly issued common shares of the Company and cash of NT$26.75. The fair value of the equity instruments is determined based on the Company's share price on the share exchange reference date.

c. Assets acquired and liabilities assumed on the acquisition date

	King's Town Bank and Its Subsidiaries
Assets	
Cash and cash equivalents, net	$ 2,910,068
Due from the Central Bank and call loans to banks, net	32,345,449
Financial assets at fair value through profit or loss	35,521,098
Financial assets at fair value through other comprehensive income	40,959,337
Investments in debt instruments at amortized cost	16,691,184
Receivables, net	2,048,913
Assets held for sale	11,511,528
Discounts and loans, net	222,342,583
Investment property	237,426
Property and equipment, net	4,856,945
Right-of-use assets	226,350
Intangible assets, net	3,406,289
Deferred income tax assets	425,601
Other	660,648
Liabilities	
Deposits from the Central Bank and banks	(9,740,530)
Financial liabilities at fair value through profit or loss	(22,840)
Securities sold under repurchase agreements	(2,685,721)
Payables	(5,025,681)
Current income tax liabilities	(416,367)
Liabilities related to assets held for sale	(10,216,792)
Deposits and remittances	(282,056,207)
Other	(615,381)
	$ 63,363,900

The Discounts and loans acquired from King's Town Bank through this business combination transaction have a fair value of 226,003,897 and a gross contractual amount of $1,013,111,843. The best estimates of uncollectible contractual cash flows as of the acquisition date is $3,661,314.

d. Goodwill arising from acquisitions

	King's Town Bank and Its Subsidiaries
Consideration transferred	$ 64,173,061
Less: Fair value of identifiable net assets acquired	(63,363,900)
Goodwill arising from acquisitions	$ 809,161

The goodwill arising from the acquisition of King's Town Bank and its subsidiaries primarily stems from the control premium. The accounting treatment for the consolidation was incomplete as of the end of the reporting period in which the acquisition occurred. The Company reported provisional amounts in the consolidated financial statements for items with incomplete accounting treatment. During the measurement period, The Company will retrospectively adjust the provisional amounts recognized on the acquisition date to reflect new information about facts and circumstances that existed as of the acquisition date. The Company will also evaluate whether additional assets or liabilities should be recognized based on new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period will conclude once the Company has obtained all the information it seeks regarding facts and circumstances as of the acquisition date or determines that no further information can be obtained. However, the measurement period shall not exceed one year from the acquisition date.

e. Net cash outflow on the acquisition of subsidiaries

	King's Town Bank and Its Subsidiaries
Consideration paid in cash	$ 29,725,492
Less: Balance of cash and cash equivalents which complies with IAS 7 on the acquisition date	(25,769,169)
	$ 3,956,323

f. Impact of business combinations on the operating results

If the business combination had occurred at the beginning of the fiscal year of the acquisition date, the pro forma net income and pro forma net profit for January 1 to June 30, 2025, for the Group would have been $39,862,659 and $14,341,795, respectively. These amounts do not reflect the actual revenues and operating results that would have been generated by the consolidated entity had the business combination been completed at the beginning of the acquisition year and should not be used as a basis for forecasting future operating results.

Bank SinoPac

a. Subsidiaries acquired

	Principal Activity	**Date of Acquisition**	**Proportion of Voting Equity Interests Acquired (%)**	**Consideration Transferred**
Amret Plc.	Microfinance business	January 14, 2025	80.01	$ 14,019,448

In order to expand its presence in Southeast Asia, on May 4, 2024, Bank SinoPac's board of directors, on behalf of the shareholders' meeting, resolved to acquire equity of Amret Plc., a microfinance institution in Cambodia. The case was approved by the Financial Supervisory Commission and the Ministry of Economic Affairs in June and November 2024 respectively. On January 14, 2025, Bank SinoPac's obtained approval from the Cambodian authorities to transfer 80.01% of Amret's shareholding. Amret Plc. has been included in consolidated financial statements since the acquisition date (the date of shares transferred). Based on the purchase price calculation under the first-phase share purchase agreement and the subsequent ancillary agreements, the estimated purchase consideration for Bank SinoPac's acquisition of equity was US$424,555 thousand (NT$14,019,448).

b. Consideration transferred

Bank SinoPac initially deposited the purchase price of US$428,555 thousand into an escrow account in accordance with the share purchase agreement. As of June 30, 2026, it had paid US$413,555 thousand of the consideration pursuant to the agreement. The remaining US$15,000 thousand, consisting of indemnity holdback (recognized under other financial assets - prepayments for investments), will be released from the escrow account upon fulfillment of the conditions stipulated in the agreement. The final purchase consideration was confirmed by both the buyer and the seller, and in accordance with the share purchase agreement and its ancillary arrangements, the purchase price was adjusted to US$424,555 thousand. Acquisition-related costs are excluded from the purchase consideration and recognized as expenses in the period of acquisition.

c. Assets acquired and liabilities assumed on the acquisition date

	Amret Plc.
Assets	
Cash and cash equivalents, net	$ 2,790,686
Due from the Central Bank and call loans to banks, net	9,804,272
Receivables, net	565,578
Current income tax assets	890,121
Discounts and loans, net	47,445,481
Intangible assets, net	3,071,374
Deferred income tax assets	484,539
Other	765,227
Liabilities	
Deposits from the Central Bank and banks	(10,203,262)
Payables	(2,345,300)
Deposits and remittances	(37,030,802)
Other financial liabilities	(2,968,723)
Deferred income tax liabilities	(105,590)
Other	(534,383)
	$ 12,629,218

The Discounts and loans acquired from Amret Plc. through this business combination transaction have a fair value of $47,445,481 and a gross contractual amount of $49,543,278. The best estimates of uncollectible contractual cash flows as of the acquisition date is $2,097,797.

d. Non-controlling interests

The non-controlling interests of Amret Plc. is measured at the identifiable assets on the acquisition date.

e. Goodwill arising from acquisitions

	Amret Plc.
Consideration transferred	$ 14,019,448
Plus: Non-controlling interests	2,524,784
Less: Fair value of identifiable net assets acquired	(12,629,218)
Goodwill arising from acquisitions	$ 3,915,014

The goodwill arising from the acquisition of Amret Plc. primarily stems from the control premium.

f. Net cash outflow on the acquisition of subsidiaries

	Amret Plc.
Consideration paid in cash	$ 14,019,448
Less: Balance of cash and cash equivalents which complies with IAS 7 on the acquisition date	(9,174,743)
	$ 4,844,705

g. Impact of business combinations on the operating results

	January 15 to June 30, 2025
Net revenues	$ 1,692,840
Net income	$ 825,072

If the business combination had occurred at the beginning of the fiscal year of the acquisition date, the pro forma net income and pro forma net profit for the period from January 1 to June 30, 2025, for Bank SinoPac and its subsidiaries would have been $27,667,198 and $10,997,725, respectively. These amounts do not reflect the actual revenues and operating results that would have been generated by the consolidated entity had the business combination been completed at the beginning of the acquisition year and should not be used as a basis for forecasting future operating results.

SinoPac Securities

a. Absorption merger

To strengthen the securities brokerage market share in Taiwan, SinoPac Securities' board of directors, on behalf of the shareholder's meeting, resolved on May 29, 2025 to merge with CL Securities Taiwan Company Limited (CL Securities) through an acquisition valued at NT$1.628 billion. The merger record date is October 20, 2025, with SinoPac Securities as the surviving entity and CL Securities as the dissolved entity. As of the merger record date, all assets, liabilities, and valid rights and obligations of CL Securities will be fully assumed by SinoPac Securities. The merger plan was approved by the FSC under Letter No. 1140383744, dated August 7, 2025.

b. Consideration transferred

	CL Securities
Cash	$ 1,551,932

c. Assets acquired and liabilities assumed on the acquisition date

	CL Securities
Current assets	
Cash and cash equivalents	$ 875,747
Accounts receivable	8,872,173
Prepayments	6,884
Other receivables	2,690
Current tax assets	20,337
Other current assets	150
Non-current assets	
Property and equipment	26,567
Right-of-use assets	36,697
Intangible assets - client relationship	368,100
Intangible assets - others	1,109
Other non-current assets	260,186
Current liabilities	
Accounts payables	(8,829,880)
Receipts under custody	(32,498)
Other payables	(97,622)
Current lease liabilities	(8,465)
Non-current liabilities	
Non-current lease liabilities	(28,232)
	$ 1,473,943

The initial accounting treatment for the merger remained provisional as of the balance sheet date.

d. Goodwill arising from acquisitions

	CL Securities
Consideration transferred	$ 1,551,932
Less: Fair value of identifiable net assets acquired	(1,473,943)
Goodwill arising from acquisitions	$ 77,989

The goodwill arising from the acquisition of CL Securities. primarily stems from the control premium. In addition, the consideration paid for the merger includes the anticipated synergies, revenue growth, future market development, and employee value. However, these benefits do not meet the criteria for recognition as identifiable intangible assets and, therefore, are not recognized separately.

e. Impact of business combinations on the operating results

If the CL Securities' business combination had occurred at the beginning of the fiscal year of the acquisition date, the pro forma revenue and pro forma net profit for January 1 to June 30, 2025, for SinoPac Securities and its subsidiaries would have been $9,394,834 and $2,193,781, respectively. These amounts do not reflect the actual revenues and operating results that would have been generated by the consolidated entity had the business combination been completed at the beginning of the acquisition year and should not be used as a basis for forecasting future operating results.

55. DISPOSAL OF SUBSIDIARIES

King's Town Bank completed the disposal of its entire equity interest in King's Town Leasing on January 30, 2026, on which dates control of King's Town Leasing passed to the acquirer.

a. Consideration received from disposals

	King's Town Leasing
Cash and cash equivalents	$ 2,000,000

b. Analysis of assets and liabilities on the date control was lost

	King's Town Leasing
Assets	
Cash	$ 1,901,343
Financial assets at fair value through profit or loss	316,184
Financial assets at fair value through other comprehensive income	127,138
Receivables, net	8,357,451
Current income tax assets	7,153
Property and equipment, net	112
Investment property, net	336,241
Deferred income tax assets	426,080
Other assets, net	26,038
Liabilities	
Borrowing	(9,720,000)
Payables	(11,343)
Other liabilities	(98,563)
Net assets disposed of	$ 1,667,834

c. Gain on disposal of subsidiaries

	King's Town Leasing
Consideration received	$ 2,000,000
Net assets disposed of	(1,667,834)
Goodwill	(311,229)
Gain on disposals	$ 20,937

d. Net cash inflow on disposals of subsidiaries

	King's Town Leasing
Consideration received in cash and cash equivalents	$ 2,000,000
Less: Cash and cash equivalent balances disposed groups held for sale	(1,901,343)
	$ 98,657

56. PROFITABILITY

SinoPac Holdings and Its Subsidiaries

Items		June 30, 2026	June 30, 2025
Return on total assets	Before income tax	0.75%	0.52%
	After income tax	0.64%	0.42%
Return on net worth	Before income tax	10.93%	7.68%
	After income tax	9.33%	6.18%
Profit margin		44.37%	35.92%

Note 1: Return on total assets = Income before (after) income tax ÷ Average total assets.

Note 2: Return on net worth = Income before (after) income tax ÷ Average net worth. (including non-controlling interests)

Note 3: Profit margin = Income after income tax ÷ Net revenues.

Note 4: Income before (after) tax represents income for the six months ended June 30, 2026 and 2025.

SinoPac Holdings

Items		June 30, 2026	June 30, 2025
Return on total assets	Before income tax	7.63%	5.56%
	After income tax	7.68%	5.38%
Return on net worth	Before income tax	9.36%	6.33%
	After income tax	9.41%	6.13%
Profit margin		99.00%	94.65%

Note 1: Return on total assets = Income before (after) income tax ÷ Average total assets.

Note 2: Return on net worth = Income before (after) income tax ÷ Average net worth.

Note 3: Profit margin = Income after income tax ÷ Net revenues.

Note 4: Income before (after) tax represents income for the six months ended June 30, 2026 and 2025.

Bank SinoPac

Items		June 30, 2026	June 30, 2025
Return on total assets	Before income tax	0.55%	0.49%
	After income tax	0.47%	0.42%
Return on net worth	Before income tax	7.84%	7.04%
	After income tax	6.66%	5.97%
Profit margin		44.56%	42.88%

Note 1: Return on total assets = Income before (after) income tax ÷ Average total assets.

Note 2: Return on net worth = Income before (after) income tax ÷ Average net worth.

Note 3: Profit margin = Income after income tax ÷ Net revenues.

Note 4: Income before (after) tax represents income for the six months ended June 30, 2026 and 2025.

SinoPac Securities

Items		June 30, 2026	June 30, 2025
Return on total assets	Before income tax	2.70%	1.17%
	After income tax	2.37%	1.01%
Return on net worth	Before income tax	19.65%	6.56%
	After income tax	17.29%	5.69%
Profit margin		41.92%	27.64%

Note 1: Return on total assets = Income before (after) income tax ÷ Average total assets.

Note 2: Return on net worth = Income before (after) income tax ÷ Average net worth.

Note 3: Profit margin = Income after income tax ÷ Net revenues.

Note 4: Income before (after) tax represents income for the six months ended June 30, 2026 and 2025.

King's Town Bank

Items		June 30, 2026
Return on total assets	Before income tax	1.09%
	After income tax	0.93%
Return on net worth	Before income tax	7.44%
	After income tax	6.36%
Profit margin		73.84%

Note 1: Return on total assets = Income before (after) income tax ÷ Average total assets.

Note 2: Return on net worth = Income before (after) income tax ÷ Average net worth.

Note 3: Profit margin = Income after income tax ÷ Net revenues.

Note 4: Income before (after) tax represents income for the six months ended June 30, 2026.

57. ADDITIONAL DISCLOSURES

a. Significant transactions and b. following is the additional information required for the Company and investees:

1) Financing provided: Table 1 (Note)

2) Endorsement/guarantee provided: Table 2 (Note)

3) Material securities held: Table 3 (Note)

4) Allowance for service fees to related parties of at least NT$5 million: None

5) Securitization product offered by a subsidiary and under government approval in accordance with the Financial Asset Securitization Act or the Real Estate Securitization Act, and related information: None

6) Receivables from related parties amounting to at least NT$300 million or 10% of the issued capital: Table 4

7) Sale of non-performing loans: None

8) The related information and proportionate share in investees: Table 5

9) Derivative financial transactions: Note 8

10) Other material transactions which will affect the decisions of financial report users: Tables 6 to 17

a) The book value of the maximum credit risk exposure of the financial assets: Table 6

b) Allowance for discounts and loans: Table 7

c) Allowance for accounts receivables: Table 8

d) Change in allowance for debt instrument at fair value through other comprehensive income: Table 9

e) Change in allowance for debt instrument at amortized cost: Table 10

f) Related party transactions: Table 11

g) Balance sheets of SPH: Table 12

h) Comprehensive income statements of SPH: Table 13

i) Statement of changes in equity of SPH: Table 14

j) Statements of cash flows of SPH: Table 15

k) Statement of balance sheet and comprehensive income of SPH's subsidiaries: Table 16

l) Public announcements prescribed in financial holding company ACT Article 46: Table 17

m) Other significant transactions which may affect the decisions of users of financial reports: None

Note: Disclosures may be exempted for subsidiaries in the financial, insurance, or securities industries whose principal registered business activities include the lending funds, providing endorsements and guarantees, and trading marketable securities.

c. Information related to investment in Mainland China: Table 18

58. SEGMENT INFORMATION

The main business of the Company is the investment in and management of its subsidiaries. On the basis of the chief decision maker's resource allocation and department performance review, the Group has divided, business segments by type of services and products provided. The accounting standards and policies mentioned in Note 4 apply to of the business segments under IFRS 8 "Operating Segments". The Group operating segments for the six months ended June 30, 2026 and 2025 are without change. The Group reports the following:

Banking - comprise Bank SinoPac and its subsidiaries and King's Town Bank and its subsidiaries; provides commercial banking, money lending and investment, insurance agent, insurance brokerage services.

Securities - comprise SinoPac Securities and its subsidiaries; provides securities dealing, future brokerage, securities dealing and future consulting, investment consulting and asset management services.

Others - comprises SinoPac Leasing and its subsidiaries, SinoPac Securities Investment Trust, SinoPac Venture Capital and other investment, all of which do not meet the quantitative thresholds for separate reportable segments.

The Group' segment revenue, operating results and segment assets are shown in the following table.

Segment revenues and results

(In Thousands of New Taiwan Dollars)

		For the Six Months Ended June 30, 2026			
		Banking	**Security**	**Others**	**Total**
Income (loss)	Net interest revenue	$ 23,486,418	$ 1,058,662	$ 82,968	$ 24,628,048
	Interest income	49,850,170	2,819,884	580,733	53,250,787
	Interest expenses	(26,363,752)	(1,761,222)	(497,765)	(28,622,739)
	Service fee and commissions income, net	8,789,196	10,008,478	162,647	18,960,321
	Others	5,047,210	5,592,894	1,053,171	11,693,275
	Total net revenue	37,322,824	16,660,034	1,298,786	55,281,644
	Bad debts expense, commitment and guarantee liability (provision)	(1,605,773)	(13,543)	(220,968)	(1,840,284)
	Operating expenses	(15,567,740)	(8,166,828)	(983,515)	(24,718,083)
	Depreciation and amortization expense	(1,196,086)	(310,203)	(239,717)	(1,746,006)
	Profit (loss) from continuing operations before tax	20,149,311	8,479,663	94,303	28,723,277
	Income tax (expense) benefit	(3,163,472)	(1,125,719)	91,719	(4,197,472)
	Net income (loss) from continuing operations	16,985,839	7,353,944	186,022	24,525,805

		For the Six Months Ended June 30, 2026			
		Banking	**Security**	**Others**	**Total**
Asset	Investments accounted for using equity method	$ -	$ -	$ 1,165,908	$ 1,165,908
	Total assets	3,491,798,081	485,024,750	18,226,244	3,995,049,075

(In Thousands of New Taiwan Dollars)

		For the Six Months Ended June 30, 2025			
		Banking	**Security**	**Others**	**Total**
Income (loss)	Net interest revenue	$ 16,097,468	$ 889,910	$ 317,142	$ 17,304,520
	Interest income	42,545,458	2,316,754	659,548	45,521,760
	Interest expenses	(26,447,990)	(1,426,844)	(342,406)	(28,217,240)
	Service fee and commissions income, net	6,667,750	4,378,040	155,974	11,201,764
	Others	4,784,511	1,963,302	289,283	7,037,096
	Total net revenue	27,549,729	7,231,252	762,399	35,543,380
	Bad debts expense, commitment and guarantee liability (provision)	(789,877)	1,882	(319,057)	(1,107,052)
	Operating expenses	(13,164,108)	(4,716,750)	(676,675)	(18,557,533)
	Depreciation and amortization expense	(1,025,517)	(274,415)	(72,888)	(1,372,820)
	Profit (loss) from continuing operations before tax	13,595,744	2,516,384	(233,333)	15,878,795
	Income tax (expense) benefit	(2,295,101)	(411,408)	(404,293)	(3,110,802)
	Net income (loss) from continuing operations	11,300,643	2,104,976	(637,626)	12,767,993

		For the Six Months Ended June 30, 2025			
		Banking	**Security**	**Others**	**Total**
Asset	Investments accounted for using equity method	$ -	$ -	$ 983,821	$ 983,821
	Total assets	2,801,693,447	251,880,201	18,398,213	3,071,971,861

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

No.	Financier	Counterparty	Financial Statement Account	Related Parties	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate (%)	Financing Type	Transaction Amount	Financing Reasons	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limit
													Item	Value		
1	SinoPac Leasing	Hsiang-Ming Fishery Co., Ltd.	Other receivable	No	$ 85,500	$ 58,875	$ 58,875	2.00-15.90	Short-term financing	$ -	Operating use	$ 1,383	-	$ -	$ 1,360,385 (Note 2)	$ 1,813,846 (Note 2)
		ET New Media Holding Co., Ltd.	Other receivable	No	100,000	75,688	75,688	2.00-15.90	Short-term financing	-	Operating use	2,070	-	-	1,360,385 (Note 2)	1,813,846 (Note 2)
		WIN-GIANT Investment Co., Ltd.	Other receivable	No	53,324	50,000	50,000	2.00-15.90	Short-term financing	-	Operating use	1,416	-	-	1,360,385 (Note 2)	1,813,846 (Note 2)
		Prosperous Wind Shipping Limited	Other receivable	No	41,800	34,000	34,000	2.00-15.90	Short-term financing	-	Operating use	222	Vessels	22,731	1,360,385 (Note 2)	1,813,846 (Note 2)
		Chun Da Fishery Co., Ltd.	Other receivable	No	15,000	5,000	5,000	2.00-15.90	Short-term financing	-	Operating use	32	-	-	1,360,385 (Note 2)	1,813,846 (Note 2)
		Lai-I Metal Industrial Co., Ltd.	Other receivable	No	12,222	5,556	5,556	2.00-15.90	Short-term financing	-	Operating use	36	-	-	1,360,385 (Note 2)	1,813,846 (Note 2)
		JAUYANG Co., Ltd.	Other receivable	No	18,333	8,333	8,333	2.00-15.90	Short-term financing	-	Operating use	51	Margin	2,000	1,360,385 (Note 2)	1,813,846 (Note 2)
		Pei Xian seafood corporation	Other receivable	No	15,000	7,500	7,500	2.00-15.90	Short-term financing	-	Operating use	46	Margin	1,500	1,360,385 (Note 2)	1,813,846 (Note 2)
		Sian Shang Frozen Food Co., Ltd.	Other receivable	No	15,000	7,500	7,500	2.00-15.90	Short-term financing	-	Operating use	46	Margin	1,500	1,360,385 (Note 2)	1,813,846 (Note 2)
		Zong De Investment Co., Ltd.	Other receivable	No	49,100	47,300	27,300	2.00-15.90	Short-term financing	-	Operating use	786	-	-	1,360,385 (Note 2)	1,813,846 (Note 2)
		Leadsun Wind & Solar Co., Ltd	Other receivable	No	50,000	50,000	-	2.00-15.90	Short-term financing	-	Operating use	-	-	-	1,360,385 (Note 2)	1,813,846 (Note 2)
		Chang Hong Co., Ltd.	Other receivable	No	30,000	27,609	27,609	2.00-15.90	Short-term financing	-	Operating use	782	-	-	1,360,385 (Note 2)	1,813,846 (Note 2)
		HSIN BA BA Corporation	Other receivable	No	70,000	70,000	-	2.00-15.90	Short-term financing	-	Operating use	-	-	-	1,360,385 (Note 2)	1,813,846 (Note 2)
		Superior Plating Technology Co., Ltd.	Other receivable	No	30,000	20,191	20,191	2.00-15.90	Short-term financing	-	Operating use	127	-	-	1,360,385 (Note 2)	1,813,846 (Note 2)
		Rhine Commercial Travel Boutique Co., Ltd.	Other receivable	No	100,000	97,000	97,000	2.00-15.90	Short-term financing	-	Operating use	2,769	-	-	1,360,385 (Note 2)	1,813,846 (Note 2)
		Zhaowei Management Consulting Co., Ltd.	Other receivable	No	40,000	37,206	37,206	2.00-15.90	Short-term financing	-	Operating use	257	-	-	1,360,385 (Note 2)	1,813,846 (Note 2)
		Foresight Energy Technologies Co., Ltd.	Other receivable	No	40,000	40,000	40,000	2.00-15.90	Short-term financing	-	Operating use	1,138	-	-	1,360,385 (Note 2)	1,813,846 (Note 2)
2	SinoPac Securities (Cayman)	SinoPac Securities (Asia)	Other receivable	Yes	1,919,148 (Note 3)	955,233 (Note 3)	- (Note 3)	-	Short-term financing	-	Operating use	-	-	-	4,890,315 (Note 3)	4,890,315 (Note 3)

Note 1: The table is based on regulations from TWSE. The ending balance refers to the lending limit, and the actual amount drawn refers to the actual borrowed amount within the aforesaid limit.

Note 2: The maximum amount that SinoPac Leasing may lend to any single counterparty and in total is 30% and 40%, respectively, of its net worth as shown in the most recent financial statements. If the borrower is a subsidiary of SinoPac Leasing, the lending limit for that single subsidiary is also 40% of SinoPac Leasing's net worth. As of June 30, 2026, SinoPac Leasing's net worth, as audited by independent accountants, was NT$4,534,617.

Note 3: In August 2022 and September 2025, the board of directors of SinoPac Securities (Cayman) resolved to approve lending limits of US$30,000 thousand and US$30,000 thousand, respectively, to SinoPac Securities (Asia). The lending limit of US$30,000 thousand approved in August 2022 expired in June 2026. The lending limit of US$30,000 thousand approved in September 2025 was authorized by the Financial Supervisory Commission on January 2, 2026 under letter No. 1140366656, and its implementation remains subject to the approval of the competent authorities in Hong Kong. For the current period, the maximum outstanding balance is calculated based on a total lending limit of US$60,000 thousand (NT$1,919,148), and the ending balance is calculated based on a total lending limit of US$30,000 thousand (NT$955,233). The lending limits to any single counterparty and in aggregate are calculated based on the net worth of SinoPac Securities (Cayman) as of June 30, 2026 which was US$153,585 thousand (NT$4,890,315). As of June 30, 2026, no amount had been drawn down under the approved lending limit from SinoPac Securities (Cayman) to SinoPac Securities (Asia).

Note 4: Foreign currency amounts (except maximum balance for the period) are translated to NTD at spot exchange rate on balance sheet date.

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

No.	Endorsement/Guarantee Provider	Counterparty		Limits on Individual Endorsement/ Guarantee Amounts	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Endorsement/ Guarantee Amount Collateralized by Properties	Ratio of Accumulated Amount of Endorsement/ Guarantee to Net Asset Value of the Latest Financial Statement (%)	Maximum Endorsement/ Guarantee Amounts Allowable	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Nature of Relationship										
1	SinoPac Leasing	SinoPac International Leasing Corp.	Subsidiary	$ 36,276,938	$ 8,784,783	$ 8,721,100	$ 3,127,886	$ -	192.32	$ 36,276,938 (Note 1)	Y	N	Y
		SinoPac Capital International (HK)	Subsidiary	36,276,938	11,176,226	9,265,760	1,303,785	-	204.33	36,276,938 (Note 1)	Y	N	N
2	SinoPac Venture Capital	SinoPac Leasing	Affiliate	2,023,342	407,174	407,174	-	-	10.06	4,046,686 (Note 2)	N	N	N

Note 1: The limit on individual endorsement or guarantee amounts is up to 200% of the net worth of SinoPac Leasing. The maximum amount of endorsement or guarantee is 800% of the net worth of SinoPac Leasing. But the amount of endorsement or guarantee is 800% of the worth of the subsidiaries of SinoPac Leasing, which held by more than 50%. The audited net worth of SinoPac Leasing as of June 30, 2026 was $4,534,617.

Note 2: Endorsement or guarantee cannot exceed the net worth of SinoPac Venture Capital. The limit on individual endorsement or guarantee cannot exceed one-half of the net worth of SinoPac Venture Capital. The audited net worth as of June 30, 2026 was $4,046,686.

Note 3: Foreign-currency amounts were translated to New Taiwan dollars at the spot exchange rates on the balance sheet date.

Note 4: Guarantee given by parent on behalf of subsidiaries, by subsidiaries on behalf of parent and on behalf of companies in Mainland China filled in Y.

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

MATERIAL SECURITIES HELD
JUNE 30, 2026
(In Thousands of New Taiwan Dollars or Shares)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	June 30, 2026				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
SPH	Stock							
	Taiwan Depository And Clearing Corporation	-	Financial assets at fair value through other comprehensive income	840	$ 69,842	0.08	$ 69,842	
SinoPac Futures	Stock							
	Taiwan Futures Exchange (TAIFEX)	-	Financial assets at fair value through other comprehensive income	1,801	160,770	0.25	160,770	
	CME Group Inc.	-	Financial assets at fair value through other comprehensive income	20	140,669	0.01	140,669	
	Chung Hsin Electric & Machinery Manufacturing Corporation	-	Financial assets at fair value through other comprehensive income	301	53,277	0.06	53,277	
	Chunghwa Telecom Co., Ltd.	-	Financial assets at fair value through other comprehensive income	340	48,110	-	48,110	
	Ruentex Engineering & Construction co., Ltd.	-	Financial assets at fair value through other comprehensive income	317	51,830	0.10	51,830	
	Far Eastern Department Stores Co., Ltd.	-	Financial assets at fair value through other comprehensive income	2,143	49,289	0.15	49,289	
	Pegatron Corporation	-	Financial assets at fair value through other comprehensive income	615	51,537	0.02	51,537	
	Chang Wah Electromaterials Inc.	-	Financial assets at fair value through other comprehensive income	1,051	56,334	0.14	56,334	
	Taiwan Hon Chuan Enterprise Co., Ltd.	-	Financial assets at fair value through other comprehensive income	416	53,456	0.14	53,456	
	Fund							
	JKO Pion Money Market Fund	-	Financial assets at fair value through profit or loss	2,455	30,087	-	30,087	
	Cathay Global Strategic Income Bond Fund	-	Financial assets at fair value through profit or loss	1,500	14,933	-	14,933	
	Cathay FTSE Emerging Markets ETF	-	Financial assets at fair value through profit or loss	500	15,580	-	15,580	

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	June 30, 2026				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
SinoPac Venture Capital	Stock							
	Centera Photonics Inc.	-	Financial assets at fair value through profit or loss	2,437	$ 407,847	3.64	$ 407,847	
	Mega Union Technology Inc.	-	Financial assets at fair value through profit or loss	534	521,327	0.70	521,327	
	PharmaEssentia Corp.	-	Financial assets at fair value through profit or loss	332	445,407	0.09	445,407	
	Bellwether Electronic Corp.	-	Financial assets at fair value through profit or loss	160	190,760	0.25	190,760	
	Taiwan Creative Industry Development Co., Ltd.	Related party	Financial assets at fair value through other comprehensive income	1,700	48,909	8.50	48,909	
	Ecrowd Media Inc.	Affiliate of SPH board of director	Financial assets at fair value through other comprehensive income	1,863	30,848	9.19	30,848	
	Mei Ta Industrial Co., Ltd.	-	Financial assets at fair value through other comprehensive income	212	282,177	0.49	282,177	
	Neutron Innovation (BVI) Limited	-	Financial assets at fair value through other comprehensive income	1,569	43,667	6.02	43,667	
SinoPac Securities Investment Trust	Fund							
	SinoPac TAIEX ETF	Fund under SinoPac Securities Investment Trust Corporation's management	Financial assets at fair value through profit or loss	8	1,756	-	1,756	
	SinoPac Emerging Markets Corporate Bond Fund-Accumulation	Fund under SinoPac Securities Investment Trust Corporation's management	Financial assets at fair value through profit or loss	859	8,863	-	8,863	
SinoPac Securities Venture Capital	Stock							
	Techzone Technology Materials Co., Ltd.	-	Financial assets at fair value through profit or loss	619	56,267	0.66	56,267	
	Taiwan AI Cloud Corporation	-	Financial assets at fair value through profit or loss	1,559	316,126	3.60	316,126	
	CHI YI HSIN TECHNOLOGY CO., LTD.	-	Financial assets at fair value through profit or loss	437	141,916	1.47	141,916	
	Apex Aviation Inc.	-	Financial assets at fair value through profit or loss	3,248	59,736	3.42	59,736	
	Timotion Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	1,689	317,497	3.39	317,497	

(Continued)

Holding Company	Type and Issuer of Marketable Securities	Relationship with Holding Company	Financial Statement Account	June 30, 2026				Note
				Shares/Units/ Face Amount	Carrying Amount	Percentage of Ownership (%)	Market Value or Net Asset Value	
SinoPac Capital (Asia)	Bond							
	CITIGROUP GLOBAL MARKETS 4.2% 21JUN2032	-	Financial assets at fair value through profit or loss	12,070	$ 372,831	-	$ 372,831	
	HYNMTR 1.8 01/08/28	-	Financial assets at fair value through other comprehensive income	1,000	30,485	-	30,485	
	SMBCAC 2.3 06/15/28	-	Financial assets at fair value through other comprehensive income	3,000	91,129	-	91,129	
	HYNMTR Float 06/24/27	-	Financial assets at fair value through other comprehensive income	1,000	31,936	-	31,936	
	ACAFP Float 01/09/29	-	Financial assets at fair value through other comprehensive income	1,000	31,977	-	31,977	
	PIFKSA 5 09/15/35	-	Financial assets at fair value through other comprehensive income	3,000	93,569	-	93,569	
	Stock							
	ICBC	-	Financial assets at fair value through other comprehensive income	2,706	70,643	-	70,643	
	BOC HONG KONG	-	Financial assets at fair value through other comprehensive income	456	78,462	-	78,462	
	BANKCOMM	-	Financial assets at fair value through other comprehensive income	1,996	54,620	0.01	54,620	

Note: Foreign-currency amounts were translated to New Taiwan dollars at the exchange rates on the balance sheet date.

(Concluded)

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$300 MILLION OR 10% OF THE ISSUED CAPITAL
JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Year	Allowance for Bad Debts
					Amount	Action Taken		
SPH	Bank SinoPac	Subsidiary	$ 2,782,254 (Note)	-	$ -	-	$ -	$ -
SPH	SinoPac Securities	Subsidiary	4,586,027 (Note)	-	-	-	-	-
Bank SinoPac	SPH	Parent company of Bank SinoPac	1,055,842 (Note)	-	-	-	-	-
SinoPac Securities	SPH	Parent company of SinoPac Securities	332,124 (Note)	-	-	-	-	-
SinoPac Leasing	SPH	Parent company of SPL	317,845 (Note)	-	-	-	-	-

Note: The balance mainly included dividends receivable for earnings, linked-tax system receivable (booked as current income tax assets) and other related parties' receivables, which had been eliminated in the consolidated financial statements.

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTED ENTERPRISES
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

Investee Company	Location	Main Businesses and Products	Percentage of Ownership (%)	Carrying Amount	Investment Gains	Consolidated Investment				Note
						Shares	Imitated Shares	Total		
								Shares	Percentage of Ownership (%)	
Financial										
Bank SinoPac	Taiwan	Commercial bank, trust and foreign exchange services	100	$ 202,192,891	$ 13,464,593	11,073,538	-	11,073,538	100	Subsidiary
King's Town Bank	Taiwan	Commercial bank, trust and foreign exchange services	100	58,179,486	3,321,017	1,111,234	-	1,111,234	100	Subsidiary
SinoPac Securities Corporation	Taiwan	Brokerage, dealing and underwriting of securities	100	44,857,749	7,354,109	1,689,243	-	1,689,243	100	Subsidiary
SinoPac Leasing Corporation	Taiwan	Leasing, installment sales and financing service	100	4,604,284	12,171	468,104	-	468,104	100	Subsidiary
SinoPac Venture Capital Corporation	Taiwan	Venture capital investment	100	4,046,837	905,930	250,000	-	250,000	100	Subsidiary
SinoPac Securities Investment Trust Co., Ltd	Taiwan	Securities investment trust, discretionary investment and investment consulting service	100	1,687,609	72,560	142,000	-	142,000	100	Subsidiary
Taiwan Depository and Clearing Corporation	Taiwan	Computerized book-entry operation for securities	0.08	69,842	-	12,996	-	12,996	1.28	

Note: The shares held mentioned above are expressed in thousands of shares.

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

TOTAL BOOK VALUE OF MAXIMUM CREDIT RISK EXPOSURES FINANCIAL ASSETS
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(In Thousands of New Taiwan Dollars)

June 30, 2026	Principle				Allowance				
	Stage 1 12-months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
Discounts and loans									
Corporate banking	$ 1,192,045,991	$ 27,556,320	$ 9,474,044	$ 1,229,076,355	$ 1,738,711	$ 863,074	$ 1,591,705	$ 13,197,650	$ 17,391,140
Consumer banking	890,233,219	7,894,296	4,859,201	902,986,716	656,208	483,719	1,344,356	10,256,318	12,740,601
Receivables									
Credit card receivable	28,695,429	280,621	681,248	29,657,298	5,201	6,075	26,423	142,526	180,225
Net accounts receivable - factoring (Note 1)	10,509,552	-	-	10,509,552	4,732	-	-	147,440	152,172
Other receivable	240,202,439	495,789	487,472	241,185,700	148,727	47,081	381,591	118,526	695,925
Other financial assets (Note 2)	3,573,049	43,851	563,362	4,180,262	65,679	10,384	325,592	-	401,655
Debt instrument at fair value through other comprehensive income	396,491,316	-	-	396,491,316	88,197	-	-	-	88,197
Investments in debt instruments at amortized cost	353,311,181	-	-	353,311,181	33,419	-	-	-	33,419

December 31, 2025	Principle				Allowance				
	Stage 1 12-months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
Discounts and loans									
Corporate banking	$ 1,086,581,790	$ 12,344,791	$ 6,547,550	$ 1,105,474,131	$ 2,143,460	$ 896,934	$ 1,504,820	$ 11,683,928	$ 16,229,142
Consumer banking	857,092,108	7,082,471	4,660,355	868,834,934	694,935	406,947	1,361,088	9,963,354	12,426,324
Receivables									
Credit card receivable	23,382,032	266,379	700,615	24,349,026	4,843	6,432	24,091	126,233	161,599
Net accounts receivable - factoring (Note 1)	9,949,643	-	-	9,949,643	1,605	-	-	144,807	146,412
Other receivable	142,822,323	394,119	564,268	143,780,710	105,085	47,166	379,351	163,363	694,965
Other financial assets (Note 2)	3,248,076	37,938	433,380	3,719,394	37,313	8,865	236,697	-	282,875
Debt instrument at fair value through other comprehensive income	440,930,975	-	-	440,930,975	85,282	-	-	-	85,282
Investments in debt instruments at amortized cost	348,989,490	-	-	348,989,490	31,132	-	-	-	31,132

(Continued)

June 30, 2025	Principle				Allowance				
	Stage 1 12-months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-months ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
Discounts and loans									
Corporate banking	$ 867,608,792	$ 1,252,482	$ 7,550,012	$ 876,411,286	$ 1,905,915	$ 178,730	$ 1,797,871	$ 8,957,996	$ 12,840,512
Consumer banking	808,020,158	5,876,474	3,313,399	817,210,031	590,834	391,270	1,002,317	9,460,297	11,444,718
Receivables									
Credit card receivable	23,113,577	279,644	674,128	24,067,349	3,827	5,626	24,407	116,156	150,016
Net accounts receivable - factoring (Note 1)	6,860,031	-	-	6,860,031	1,533	-	-	108,687	110,220
Other receivable	117,501,591	424,725	675,556	118,601,872	104,827	60,701	430,171	99,745	695,444
Other financial assets (Note 2)	3,310,037	34,388	336,152	3,680,577	37,483	8,784	166,856	-	213,123
Debt instrument at fair value through other comprehensive income	345,561,870	-	-	345,561,870	58,527	-	-	-	58,527
Investments in debt instruments at amortized cost	323,317,997	-	-	323,317,997	25,748	-	-	-	25,748

Note 1: Accounts receivable - factoring and accounts payable - factoring are offset and presented net.

Note 2: The amounts of other financial assets include short advances and non-performing receivables transferred other than loans, long-term lease receivables and installment.

(Concluded)

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

CHANGE IN ALLOWANCE FOR DISCOUNTS AND LOANS
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(In Thousands of New Taiwan Dollars)

For the Six Months Ended June 30, 2026	12-months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Impairment in Accordance with IFRS 9	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
Balance, January 1	$ 2,838,395	$ 1,303,881	$ 2,865,908	$ 7,008,184	$ 21,647,282	$ 28,655,466
Changes due to financial instruments that have been identified at the beginning of the period:						
To lifetime ECL	(117,486)	2,121,013	(61,140)	1,942,387	-	1,942,387
From conversion to credit-impaired financial assets	(35,913)	(937,915)	845,342	(128,486)	-	(128,486)
To 12-month ECL	40,136	(954,284)	(20,393)	(934,541)	-	(934,541)
Derecognizing financial assets during the current period	(2,138,817)	(340,047)	(206,310)	(2,685,174)	-	(2,685,174)
Purchased or originated new financial assets	1,779,581	154,193	750,262	2,684,036	-	2,684,036
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	-	-	-	-	1,923,036	1,923,036
Write-off	-	-	(1,558,212)	(1,558,212)	(134,286)	(1,692,498)
Changes in model/risk parameters	(7,434)	(15,475)	17,500	(5,409)	-	(5,409)
Effect of exchange rate changes and others	36,457	15,427	303,104	354,988	17,936	372,924
Balance, June 30	$ 2,394,919	$ 1,346,793	$ 2,936,061	$ 6,677,773	$ 23,453,968	$ 30,131,741

(Continued)

For the Six Months Ended June 30, 2025	12-months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Impairment in Accordance with IFRS 9	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
Balance, January 1	$ 2,640,317	$ 744,244	$ 1,717,096	$ 5,101,657	$ 17,569,813	$ 22,671,470
Changes due to financial instruments that have been identified at the beginning of the period:						
To lifetime ECL	(75,301)	767,549	(37,265)	654,983	-	654,983
From conversion to credit-impaired financial assets	(17,398)	(619,902)	761,710	124,410	-	124,410
To 12-month ECL	200,630	(441,916)	(50,709)	(291,995)	-	(291,995)
Derecognizing financial assets during the current period	(2,126,904)	(304,520)	(412,977)	(2,844,401)	-	(2,844,401)
Purchased or originated new financial assets	1,611,326	51,972	327,038	1,990,336	-	1,990,336
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	-	-	-	-	1,220,346	1,220,346
Write-off	-	-	(1,139,689)	(1,139,689)	(136,607)	(1,276,296)
Changes in model/risk parameters	(30,558)	(20,425)	(9,397)	(60,380)	-	(60,380)
Effect of exchange rate changes and others	294,637	392,998	1,644,381	2,332,016	(235,259)	2,096,757
Balance, June 30	$ 2,496,749	$ 570,000	$ 2,800,188	$ 5,866,937	$ 18,418,293	$ 24,285,230

(Concluded)

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

CHANGES IN ALLOWANCE FOR RECEIVABLES
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(In Thousands of New Taiwan Dollars)

For the Six Months Ended June 30, 2026	12-months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Impairment in Accordance with IFRS 9	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
Balance, January 1	$ 148,846	$ 62,463	$ 640,139	$ 851,448	$ 434,403	$ 1,285,851
Changes due to financial instruments that have been identified at the beginning of the period:						
To lifetime ECL	(9,767)	28,791	(4,830)	14,194	-	14,194
From conversion to credit-impaired financial assets	(2,309)	(46,596)	106,180	57,275	-	57,275
To 12-month ECL	456	(2,912)	(91)	(2,547)	-	(2,547)
Derecognizing financial assets during the current period	(88,592)	(67,688)	(82,860)	(239,140)	-	(239,140)
Purchased or originated new financial assets	115,497	83,253	299,770	498,520	-	498,520
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	-	-	-	-	38,020	38,020
Write-off	(1)	(797)	(293,949)	(294,747)	(69,893)	(364,640)
Changes in model/risk parameters	56,163	5,840	40,051	102,054	-	102,054
Effect of exchange rate changes and others	4,046	1,186	29,196	34,428	5,962	40,390
Balance, June 30	$ 224,339	$ 63,540	$ 733,606	$ 1,021,485	$ 408,492	$ 1,429,977

(Continued)

For the Six Months Ended June 30, 2025	12-months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Impairment in Accordance With IFRS 9	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans	Total
Balance, January 1	$ 131,632	$ 131,190	$ 457,660	$ 720,482	$ 427,803	$ 1,148,285
Changes due to financial instruments that have been identified at the beginning of the period:						
To lifetime ECL	(7,475)	22,040	(3,748)	10,817	-	10,817
From conversion to credit-impaired financial assets	(241)	(167,972)	233,237	65,024	-	65,024
To 12-month ECL	3,487	(7,118)	(108)	(3,739)	-	(3,739)
Derecognizing financial assets during the current period	(104,758)	(127,852)	(62,718)	(295,328)	-	(295,328)
Purchased or originated new financial assets	82,111	225,240	189,188	496,539	-	496,539
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with non-performing/non-accrual loans	-	-	-	-	(16,786)	(16,786)
Write-off	(2)	(912)	(312,373)	(313,287)	(73,451)	(386,738)
Changes in model/risk parameters	46,402	(2,221)	(774)	43,407	-	43,407
Effect of exchange rate changes and others	(3,486)	2,716	121,070	120,300	(12,978)	107,322
Balance, June 30	$ 147,670	$ 75,111	$ 621,434	$ 844,215	$ 324,588	$ 1,168,803

Note: The amounts of receivable include receivable and other financial assets shown in Table 6.

(Concluded)

TABLE 9

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

CHANGE IN ALLOWANCE FOR DEBT INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(In Thousands of New Taiwan Dollars)

For the Six Months Ended June 30, 2026	Credit Rating			Total
	12-months ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired	
Balance January 1	$ 85,282	$ -	$ -	$ 85,282
Purchased new debt instrument	14,973	-	-	14,973
Derecognized	(13,185)	-	-	(13,185)
Changes in model/risk parameters	(99)	-	-	(99)
Effect of exchange rate changes and others	1,226	-	-	1,226
Balance June 30	$ 88,197	$ -	$ -	$ 88,197

For the Six Months Ended June 30, 2025	Credit Rating			Total
	12-months ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired	
Balance January 1	$ 69,150	$ -	$ -	$ 69,150
Purchased new debt instrument	15,622	-	-	15,622
Derecognized	(16,402)	-	-	(16,402)
Changes in model/risk parameters	(5,575)	-	-	(5,575)
Effect of exchange rate changes and others	(4,268)	-	-	(4,268)
Balance June 30	$ 58,527	$ -	$ -	$ 58,527

TABLE 10

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

CHANGE IN ALLOWANCE FOR DEBT INSTRUMENT AT AMORTIZED COST FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(In Thousands of New Taiwan Dollars)

For the Six Months Ended June 30, 2026	Credit Rating			Total
	12-months ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired	
Balance January 1	$ 31,132	$ -	$ -	$ 31,132
Purchased new debt instrument	7,282	-	-	7,282
Derecognized	(5,818)	-	-	(5,818)
Changes in model/risk parameters	(68)	-	-	(68)
Effect of exchange rate changes and others	891	-	-	891
Balance June 30	$ 33,419	$ -	$ -	$ 33,419

For the Six Months Ended June 30, 2025	Credit Rating			Total
	12-months ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired	
Balance January 1	$ 25,944	$ -	$ -	$ 25,944
Purchased new debt instrument	5,378	-	-	5,378
Derecognized	(536)	-	-	(536)
Changes in model/risk parameters	(4,071)	-	-	(4,071)
Effect of exchange rate changes and others	(967)	-	-	(967)
Balance June 30	$ 25,748	$ -	$ -	$ 25,748

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

RELATED-PARTY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

Number (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% to Consolidated Net Revenue/Assets (Note 3)
0	SinoPac Financial Holdings	Bank SinoPac	a	Cash and cash equivalents, net	$ 5,184,342	Note 4	0.13
		Bank SinoPac	a	Receivables, net	1,435,025	Note 4	0.04
		Bank SinoPac	a	Current income tax assets	1,341,088	Note 4	0.03
		Bank SinoPac	a	Payables	822	Note 4	-
		Bank SinoPac	a	Current income tax liabilities	1,055,020	Note 4	0.03
		SinoPac Securities	a	Receivables, net	3,582,750	Note 4	0.09
		SinoPac Securities	a	Current income tax assets	1,003,277	Note 4	0.03
		SinoPac Securities	a	Current income tax liabilities	330,304	Note 4	0.01
		SinoPac Securities	a	Other liabilities	251	Note 4	-
		SinoPac Securities	a	Other general and administrative expenses	8,463	Note 4	0.02
		SinoPac Leasing	a	Investments accounted for using equity method	67,510	Note 4	-
		SinoPac Leasing	a	Right-of-use assets, net	405,065	Note 4	0.01
		SinoPac Leasing	a	Current income tax liabilities	335,498	Note 4	0.01
		SinoPac Leasing	a	Right-of-use assets, net	405,065	Note 4	0.01
		SinoPac Leasing	a	Current income tax liabilities	335,498	Note 4	0.01
		SinoPac Leasing	a	Lease liabilities	474,254	Note 4	0.01
		SinoPac Leasing	a	Interest expenses	11,378	Note 4	0.02
		SinoPac Leasing	a	Depreciation and amortization expense	22,231	Note 4	0.04
1	Bank SinoPac	SinoPac Financial Holdings	b	Receivables, net	822	Note 4	-
		SinoPac Financial Holdings	b	Current income tax assets	1,055,020	Note 4	0.03
		SinoPac Financial Holdings	b	Payables	1,435,025	Note 4	0.04
		SinoPac Financial Holdings	b	Current income tax liabilities	1,341,088	Note 4	0.03
		SinoPac Financial Holdings	b	Deposits and remittances	5,184,342	Note 4	0.13
		SinoPac Securities	c-1	Deposits and remittances	7,501,238	Note 4	0.19
		SinoPac Securities	c-1	Net other revenue other than interest income	7,164	Note 4	0.01
		SinoPac Securities Investment Service	c-1	Deposits and remittances	114,681	Note 4	-
		SinoPac Securities Investment Trust	c-1	Net other revenue other than interest income	4,766	Note 4	0.01
		SinoPac Leasing	c-1	Receivables, net	199	Note 4	-
		SinoPac Leasing	c-1	Discounts and loans, net	410,000	Note 4	0.01
		SinoPac Leasing	c-1	Investments accounted for using equity method	60,680	Note 4	-
		SinoPac Leasing	c-1	Right-of-use assets, net	411,642	Note 4	0.01
		SinoPac Leasing	c-1	Deposits and remittances	124,470	Note 4	-
		SinoPac Leasing	c-1	Lease liabilities	474,395	Note 4	0.01
		SinoPac Leasing	c-1	Interest income	3,178	Note 4	0.01
		SinoPac Leasing	c-1	Interest expenses	11,380	Note 4	0.02
		SinoPac Leasing	c-1	Depreciation and amortization expense	22,579	Note 4	0.04
		SinoPac Capital International (HK)	c-1	Deposits and remittances	188,766	Note 4	-
		Bank SinoPac (China) Ltd.	c-1	Receivables, net	106,441	Note 4	-
		Amret Plc.	c-1	Discounts and loans, net	318,411	Note 4	0.01

(Continued)

Number (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% to Consolidated Net Revenue/Assets (Note 3)
2	Bank SinoPac (China) Ltd.	SinoPac International Leasing Corp.	c-1	Deposits and remittances	$ 185,998	Note 4	-
		Bank SinoPac	c-2	Payables	106,441	Note 4	-
3	Amret Plc.	Bank SinoPac	c-2	Deposits from the Central Bank and banks	318,411	Note 4	0.01
4	SinoPac Securities	SinoPac Financial Holdings	b	Current income tax assets	330,555	Note 4	0.01
		SinoPac Financial Holdings	b	Payables	3,582,750	Note 4	0.09
		SinoPac Financial Holdings	b	Current income tax liabilities	1,003,277	Note 4	0.03
		SinoPac Financial Holdings	b	Net other revenue other than interest income	8,463	Note 4	0.02
		Bank SinoPac	c-2	Cash and cash equivalents, net	6,295,678	Note 4	0.16
		Bank SinoPac	c-2	Investments accounted for using equity method	663	Note 4	-
		Bank SinoPac	c-2	Other financial assets, net	1,205,560	Note 4	0.03
		Bank SinoPac	c-2	Right-of-use assets, net	45,773	Note 4	-
		Bank SinoPac	c-2	Lease liabilities	46,570	Note 4	-
		Bank SinoPac	c-2	Interest expenses	485	Note 4	-
		Bank SinoPac	c-2	Depreciation and amortization expense	6,814	Note 4	0.01
		SinoPac Futures	c-1	Other financial assets, net	2,152,939	Note 4	0.05
5	SinoPac Futures	SinoPac Securities	c-2	Other financial liabilities	2,152,939	Note 4	0.05
		SinoPac Securities (Asia)	c-1	Other financial assets, net	472,642	Note 4	0.01
		SinoPac Securities (Asia)	c-1	Other financial liabilities	101,941	Note 4	-
6	SinoPac Securities (Asia)	SinoPac Futures	c-2	Other financial assets, net	101,941	Note 4	-
		SinoPac Futures	c-2	Other financial liabilities	472,642	Note 4	0.01
7	SinoPac Securities Investment Service	Bank SinoPac	c-2	Cash and cash equivalents, net	49,611	Note 4	-
		Bank SinoPac	c-2	Other financial assets, net	65,070	Note 4	-
8	SinoPac Securities Investment Trust	Bank SinoPac	c-2	Investments accounted for using equity method	555	Note 4	-
		Bank SinoPac	c-2	Right-of-use assets, net	23,116	Note 4	-
		Bank SinoPac	c-2	Lease liabilities	23,694	Note 4	-
		Bank SinoPac	c-2	Interest expenses	236	Note 4	-
		Bank SinoPac	c-2	Depreciation and amortization expense	4,552	Note 4	0.01
9	SinoPac Leasing	SinoPac Financial Holdings	b	Current income tax assets	317,845	Note 4	0.01
		SinoPac Financial Holdings	b	Deferred income tax assets	17,653	Note 4	-
		SinoPac Financial Holdings	b	Net other revenue other than interest income	31,930	Note 4	0.06
		Bank SinoPac	c-2	Cash and cash equivalents, net	124,470	Note 4	-
		Bank SinoPac	c-2	Payables	199	Note 4	-
		Bank SinoPac	c-2	Long-term borrowings	410,000	Note 4	0.01
		Bank SinoPac	c-2	Interest expenses	3,178	Note 4	0.01
		Bank SinoPac	c-2	Net other revenue other than interest income	31,886	Note 4	0.06
10	SinoPac International Leasing Corp.	Bank SinoPac (China) Ltd.	c-2	Cash and cash equivalents, net	185,998	Note 4	-
11	SinoPac Capital International (HK)	Bank SinoPac	c-2	Cash and cash equivalents, net	188,766	Note 4	-

(Continued)

Note 1: The parent company and subsidiaries are identified as follows:

a. Parent company: 0.
b. Subsidiaries are numbered in sequence from 1.

Note 2: Flow of transactions with related parties is as follows:

a. From parent company to subsidiary.
b. From subsidiary to parent company.
c-1. Subsidiary A to subsidiary B.
c-2. Subsidiary B to subsidiary A.

On the above transaction between parent company and subsidiaries, category a and c-1 of the related - party will post on the iXBRL based on the Taiwan Stock Exchange under letter No. 1030005380.

Note 3: In the computation of percentage of net income, if the amount is the ending balance of assets or liabilities, the accounts percentage will be the balance dividing the consolidated assets; if the amount is income or expense, the accounts percentage will be the amount dividing by the consolidated net revenues in the same year.

Note 4: On the transactions between the Company and related parties, the terms were similar to those for unrelated parties.

(Concluded)

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED

BALANCE SHEETS
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2026	December 31, 2025	June 30, 2025
CASH AND CASH EQUIVALENTS	$ 5,184,431	$ 70,103	$ 163,635
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	69,842	66,937	62,372
RECEIVABLES, NET	5,024,027	1,435,150	1,435,963
CURRENT INCOME TAX ASSETS	2,446,549	1,564,113	2,377,766
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD, NET	315,568,856	305,638,801	230,017,487
PROPERTY AND EQUIPMENT, NET	20,876	18,409	17,688
RIGHT-OF-USE ASSETS, NET	451,931	479,383	527,161
INTANGIBLE ASSETS, NET	13,367	14,762	15,711
DEFERRED INCOME TAX ASSETS	13,391	13,687	10,633
OTHER ASSETS, NET	49,701	62,303	37,537
TOTAL	$ 328,842,971	$ 309,363,648	$ 234,665,953

LIABILITIES AND EQUITY	June 30, 2026	December 31, 2025	June 30, 2025
COMMERCIAL PAPERS ISSUED, NET	$ 37,350,692	$ 43,787,905	$ 6,118,568
PAYABLES	16,283,285	324,633	11,923,268
CURRENT INCOME TAX LIABILITIES	4,588,874	4,111,258	4,913,532
CORPORATE BONDS PAYABLE	4,999,595	4,998,940	4,998,277
PREFERRED STOCK LIABILITIES	18,437	18,437	18,437
PROVISIONS	70,488	67,842	54,153
LEASE LIABILITIES	518,985	546,998	594,933
OTHER LIABILITIES	14,331	14,331	13,636
Total liabilities	63,844,687	53,870,344	28,634,804
EQUITY			
Capital stock			
Common stock	144,923,223	144,923,223	126,858,509
Stock dividend to be distributed	2,898,464	-	4,313,189
Total capital stock	147,821,687	144,923,223	131,171,698
Capital surplus	26,827,097	26,827,097	6,131,053
Retained earnings			
Legal reserve	31,323,339	28,553,526	28,553,526
Special reserve	6,667,474	6,174,568	6,174,568
Unappropriated earnings	58,770,664	55,198,545	41,236,687
Total retained earnings	96,761,477	89,926,639	75,964,781
Other equity	(6,411,977)	(6,183,655)	(7,236,383)
Total equity	264,998,284	255,493,304	206,031,149
TOTAL	$ 328,842,971	$ 309,363,648	$ 234,665,953

TABLE 13

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
REVENUES				
Share of profit of subsidiaries for using equity method	$ 13,889,539	$ 6,091,712	$ 25,130,380	$ 13,488,645
Others	94,240	83,018	94,443	83,223
EXPENSES AND LOSSES				
Operating expenses	(226,911)	(151,609)	(377,679)	(298,688)
Others	(285,639)	(158,570)	(483,936)	(256,204)
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	13,471,229	5,864,551	24,363,208	13,016,976
INCOME TAX BENEFIT (EXPENSE)	26,828	(463,245)	129,316	(413,928)
NET INCOME	13,498,057	5,401,306	24,492,524	12,603,048
OTHER COMPREHENSIVE INCOME (LOSS)	1,996,234	(1,295,629)	954,011	(412,415)
TOTAL COMPREHENSIVE INCOME	$ 15,494,291	$ 4,105,677	$ 25,446,535	$ 12,190,633
BASIC EARNINGS PER SHARE	$0.91	$0.40	$1.66	$0.94
DILUTED EARNINGS PER SHARE	$0.91	$0.40	$1.66	$0.94

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED

STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(In Thousands of New Taiwan Dollars)

	Capital Stock				Retained Earnings				Other Equity				
	Common Stock	Stock Dividends to Be Distributed	Total	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total Retained Earnings	Exchange Differences on Translating of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income	Changes in Fair Value of Financial Liability Attributable to Change in Credit Risk of Liability	Total	Total Equity
BALANCE AT JANUARY 1, 2025	$ 126,858,509	$ -	$ 126,858,509	$ 6,129,361	$ 25,867,291	$ 5,641,534	$ 46,577,002	$ 78,085,827	$ (621,460)	$ (5,052,658)	$ (16,631)	$ (5,690,749)	$ 205,382,948
Appropriation and distribution of retained earnings generated in 2024													
Legal reserve	-	-	-	-	2,686,235	-	(2,686,235)	-	-	-	-	-	-
Special reserve	-	-	-	-	-	533,034	(533,034)	-	-	-	-	-	-
Cash dividends - common stock	-	-	-	-	-	-	(11,544,124)	(11,544,124)	-	-	-	-	(11,544,124)
Stock dividends - common stock	-	4,313,189	4,313,189	-	-	-	(4,313,189)	(4,313,189)	-	-	-	-	-
Other changes in capital surplus	-	-	-	1,692	-	-	-	-	-	-	-	-	1,692
Net income for the six months ended June 30, 2025	-	-	-	-	-	-	12,603,048	12,603,048	-	-	-	-	12,603,048
Other comprehensive (loss) income for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	-	-	-	(3,034,959)	2,613,051	9,493	(412,415)	(412,415)
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	-	12,603,048	12,603,048	(3,034,959)	2,613,051	9,493	(412,415)	12,190,633
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	1,133,219	1,133,219	-	(1,133,219)	-	(1,133,219)	-
BALANCE AT JUNE 30, 2025	$ 126,858,509	$ 4,313,189	$ 131,171,698	$ 6,131,053	$ 28,553,526	$ 6,174,568	$ 41,236,687	$ 75,964,781	$ (3,656,419)	$ (3,572,826)	$ (7,138)	$ (7,236,383)	$ 206,031,149
BALANCE AT JANUARY 1, 2026	$ 144,923,223	$ -	$ 144,923,223	$ 26,827,097	$ 28,553,526	$ 6,174,568	$ 55,198,545	$ 89,926,639	$ (1,354,951)	$ (4,812,056)	$ (16,648)	$ (6,183,655)	$ 255,493,304
Appropriation and distribution of retained earnings generated in 2025													
Legal reserve	-	-	-	-	2,769,813	-	(2,769,813)	-	-	-	-	-	-
Special reserve	-	-	-	-	-	492,906	(492,906)	-	-	-	-	-	-
Cash dividends - common stock	-	-	-	-	-	-	(15,941,555)	(15,941,555)	-	-	-	-	(15,941,555)
Stock dividends - common stock	-	2,898,464	2,898,464	-	-	-	(2,898,464)	(2,898,464)	-	-	-	-	-
Net income for the six months ended June 30, 2026	-	-	-	-	-	-	24,492,524	24,492,524	-	-	-	-	24,492,524
Other comprehensive income (loss) for the six months ended June 30, 2026, net of income tax	-	-	-	-	-	-	-	-	651,698	313,421	(11,108)	954,011	954,011
Total comprehensive income (loss) for the six months ended June 30, 2026	-	-	-	-	-	-	24,492,524	24,492,524	651,698	313,421	(11,108)	954,011	25,446,535
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	1,182,333	1,182,333	-	(1,182,333)	-	(1,182,333)	-
BALANCE AT JUNE 30, 2026	$ 144,923,223	$ 2,898,464	$ 147,821,687	$ 26,827,097	$ 31,323,339	$ 6,667,474	$ 58,770,664	$ 96,761,477	$ (703,253)	$ (5,680,968)	$ (27,756)	$ (6,411,977)	$ 264,998,284

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED

STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from continuing operations before tax	$ 24,363,208	$ 13,016,976
Adjustments for:		
Depreciation expense	32,390	32,194
Amortization expense	2,554	2,225
Interest expense	396,231	173,452
Interest income	(6,839)	(623)
Net change in other provisions	3	1
Share of profit of subsidiaries for using equity method	(25,130,380)	(13,488,645)
Losses on disposal and retirement of property and equipment	14	-
Changes in operating assets and liabilities		
(Increase) decrease in receivables	(3,582,750)	(689)
(Increase) decrease in other assets	12,830	14,163
Increase (decrease) in payables	2,250	69,727
Increase (decrease) in provisions for employee benefits	120	(17,850)
Increase (decrease) in other liabilities	-	(8,783)
Interest received	484	321
Dividend received	16,151,431	13,092,121
Interest paid	(380,729)	(195,889)
Income tax refunded (paid)	(275,208)	(308,482)
Net cash generated from operating activities	11,585,609	12,380,219
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(5,282)	(3,563)
Acquisition of intangible assets	(773)	(2,425)
Net cash used in investing activities	(6,055)	(5,988)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in commercial papers issued	(6,437,213)	(7,223,149)
Repayments of corporate bonds	-	(5,000,000)
Repayments of lease liabilities	(28,013)	(26,209)
Payment for buy-back of treasury shares	-	(95,096)
Proceeds from disposal of treasury shares	-	96,788
Net cash used in financing activities	(6,465,226)	(12,247,666)
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,114,328	126,565
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	70,103	37,070
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 5,184,431	$ 163,635

Bank SinoPac

Balance Sheets
June 30, 2026 and 2025
(In Thousands of New Taiwan Dollars)

Assets	June 30 2026	June 30 2025
Cash and cash equivalents	$ 35,388,003	$ 22,837,249
Due from the Central Bank and call loans to banks	216,702,982	174,979,947
Financial assets at fair value through profit or loss	81,704,984	63,317,777
Financial assets at fair value through other comprehensive income	328,118,631	320,338,856
Investments in debt instruments at amortized cost	324,128,905	323,289,329
Securities purchased under resell agreements	79,074,814	78,773,053
Receivables, net	67,244,955	56,154,565
Current income tax assets	1,325,482	1,263,029
Discounts and loans, net	1,755,363,756	1,580,770,283
Investments accounted for using equity method	26,264,391	22,893,155
Other financial assets, net	4,807,357	5,183,982
Property and equipment, net	10,314,784	9,997,461
Right-of-use assets, net	2,626,732	2,729,267
Investment property, net	532,416	580,488
Intangible assets, net	1,141,143	1,646,835
Deferred income tax assets	1,604,291	2,207,214
Other assets, net	10,479,714	11,843,613
Total assets	$ 2,946,823,340	$ 2,678,806,103

Liabilities	June 30 2026	June 30 2025
Deposits from the Central Bank and banks	$ 91,827,213	$ 83,402,042
Financial liabilities at fair value through profit or loss	26,266,303	36,146,892
Securities sold under repurchase agreements	57,392,735	24,552,714
Payables	25,988,810	22,758,469
Current income tax liabilities	1,629,453	2,096,946
Deposits and remittances	2,396,145,260	2,201,892,367
Bank debentures	50,936,874	53,135,818
Other financial liabilities	77,608,741	51,611,967
Provisions	2,198,755	2,198,833
Lease liabilities	2,747,647	2,849,620
Deferred income tax liabilities	1,450,534	1,091,684
Other liabilities	7,809,027	8,843,118
Total liabilities	2,742,001,352	2,490,580,470
Equity		
Capital stock	110,735,377	110,735,377
Reserve for capitalization	8,409,244	-
Capital surplus	15,581,418	15,581,418
Retained earnings	76,132,414	70,119,481
Other equity	(6,036,465)	(8,210,643)
Total equity	204,821,988	188,225,633
Total liabilities and equity	$ 2,946,823,340	$ 2,678,806,103

Bank SinoPac

Statements of Comprehensive Income
For the Six Months Ended June 30, 2026 and 2025
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Six Months Ended June 30	
	2026	**2025**
Interest income	$ 40,225,021	$ 38,147,738
Interest expenses	(22,469,611)	(24,071,668)
Net interest revenue	17,755,410	14,076,070
Net revenues other than interest	12,460,307	11,891,763
Net revenue	30,215,717	25,967,833
Bad debts expense, commitment and guarantee liability provision	(1,782,539)	(1,154,828)
Operating expenses	(12,579,103)	(11,675,563)
Profit from continuing operations before tax	15,854,075	13,137,442
Income tax expense	(2,391,461)	(2,001,744)
Net income	13,462,614	11,135,698
Other comprehensive income	185,636	741,826
Total comprehensive income	$ 13,648,250	$ 11,877,524
Basic earnings per share	$1.13	$0.93

SinoPac Securities

Balance Sheets
June 30, 2026 and 2025
(In Thousands of New Taiwan Dollars)

	June 30	
Assets	**2026**	**2025**
Current assets	$ 241,716,729	$ 117,646,492
Current financial assets at fair value through profit or loss	98,344,704	45,223,228
Current financial assets at fair value through other comprehensive income	4,782,271	10,464,187
Non-current financial assets at fair value through profit or loss	117,665	121,392
Non-current financial assets at fair value through other comprehensive income	6,997,154	5,447,477
Investments accounted for using equity method	13,466,368	10,534,025
Property and equipment, net	2,011,520	2,012,624
Right-of-use assets, net	601,326	473,742
Investment property, net	279,728	282,580
Intangible assets	786,018	341,633
Deferred income tax assets	876,466	581,676
Other non-current assets	2,170,133	1,395,785
Total assets	$ 372,150,082	$ 194,524,841
Liabilities		
Current liabilities	$ 318,608,182	$ 151,742,983
Current lease liabilities	174,039	147,273
Bonds payable	7,000,000	4,000,000
Long-term borrowings	-	1,998,488
Deferred income tax liabilities	817,210	240,349
Non-current lease liabilities	432,081	333,910
Other non-current liabilities	261,866	376,098
Total liabilities	327,293,378	158,839,101
Equity		
Capital stock	17,321,650	16,892,430
Capital surplus	522,986	522,986
Retained earnings	24,615,054	16,888,645
Other equity	2,397,014	1,381,679
Total equity	44,856,704	35,685,740
Total liabilities and equity	$ 372,150,082	$ 194,524,841

SinoPac Securities

Statements of Comprehensive Income
For the Six Months Ended June 30, 2026 and 2025
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Six Months Ended June 30	
	2026	**2025**
Revenue	$ 17,543,273	$ 7,616,576
Commission fees	(1,321,383)	(326,167)
Employee benefits expense	(5,490,419)	(2,723,746)
Share of profit of subsidiaries for using equity method	1,197,197	748,370
Other operating expenditure	(1,955,959)	(1,842,103)
Other operating expense	(1,831,750)	(1,237,308)
Other gains and losses	218,340	191,332
Profit from continuing operations before tax	8,359,299	2,426,954
Income tax expense	(1,005,355)	(321,978)
Net income	7,353,944	2,104,976
Other comprehensive income (loss)	855,021	(613,676)
Total comprehensive income	$ 8,208,965	$ 1,491,300
Basic earnings per share	$4.25	$1.22

TABLE 16-3

SinoPac Venture Capital Corporation

Balance Sheets
June 30, 2026 and 2025
(In Thousands of New Taiwan Dollars)

	June 30	
Assets	**2026**	**2025**
Current assets	$ 251,041	$ 300,177
Financial assets at fair value through profit or loss	3,327,538	2,258,354
Financial assets at fair value through other comprehensive income	429,644	418,614
Investments accounted for using equity method	66,548	74,157
Property and equipment, net	100	132
Right-of-use assets, net	6,852	7,426
Deferred income tax assets	57,413	62,214
Other non-current assets	401	394
Total assets	$ 4,139,537	$ 3,121,468
Liabilities		
Payables	$ 78,801	$ 18,639
Current income tax liabilities	171	1,528
Deferred income tax liabilities	3,908	5,418
Provisions	2,967	1,977
Lease liabilities	7,004	7,519
Total liabilities	92,851	35,081
Equity		
Capital stock	2,700,000	2,500,000
Capital surplus	2,105	2,105
Retained earnings	1,327,847	580,326
Other equity	16,734	3,956
Total equity	4,046,686	3,086,387
Total liabilities and equity	$ 4,139,537	$ 3,121,468

SinoPac Venture Capital Corporation

Statements of Comprehensive Income
For the Six Months Ended June 30, 2026 and 2025
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Six Months Ended June 30	
	2026	**2025**
Operating revenues	$ 969,717	$ 216,357
Operating expenses	(72,019)	(18,058)
Operating income	897,698	198,299
Nonoperating income and expenses	2,235	5,548
Profit from continuing operations before tax	899,933	203,847
Income tax benefit	5,974	6,562
Net income	905,907	210,409
Other comprehensive loss	(17,250)	(6,722)
Total comprehensive income	$ 888,657	$ 203,687
Basic earnings per share	$3.36	$0.78

TABLE 16-4

SinoPac Securities Investment Trust Co., Ltd.

Balance Sheets
June 30, 2026 and 2025
(In Thousands of New Taiwan Dollars)

	June 30	
Assets	**2026**	**2025**
Current assets	$ 655,664	$ 678,042
Financial assets at fair value through profit or loss	10,619	9,073
Investments accounted for using equity method	1,099,360	909,664
Property and equipment, net	6,884	2,884
Right-of-use assets, net	26,741	34,552
Intangible assets	4,462	609
Deferred income tax assets	4,446	24,542
Other non-current assets	114,652	111,884
Total assets	$ 1,922,828	$ 1,771,250
Liabilities		
Current liabilities	$ 56,438	$ 48,773
Lease liabilities	27,366	35,077
Deferred income tax liabilities	129,647	111,566
Other non-current liabilities	22,354	20,792
Total liabilities	235,805	216,208
Equity		
Capital stock	1,420,000	1,420,000
Capital surplus	1,963	1,963
Retained earnings	236,130	214,681
Other equity	28,930	(81,602)
Total equity	1,687,023	1,555,042
Total liabilities and equity	$ 1,922,828	$ 1,771,250

SinoPac Securities Investment Trust Co., Ltd.

Statements of Comprehensive Income
For the Six Months Ended June 30, 2026 and 2025
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Six Months Ended June 30	
	2026	**2025**
Operating revenues	$ 206,043	$ 200,968
Operating expenses	(162,389)	(166,833)
Operating income	43,654	34,135
Share of profit of associates for using equity method	40,121	32,626
Nonoperating income and expenses, net	6,704	4,773
Profit from continuing operations before tax	90,479	71,534
Income tax expense	(17,939)	(14,375)
Net income	72,540	57,159
Other comprehensive income (loss)	34,618	(70,089)
Total comprehensive income (loss)	$ 107,158	$ (12,930)
Basic earnings per share	$0.51	$0.40

TABLE 16-5

SinoPac Leasing Corporation

Balance Sheets
June 30, 2026 and 2025
(In Thousands of New Taiwan Dollars)

	June 30	
Assets	**2026**	**2025**
Current assets	$ 3,661,808	$ 3,255,525
Investments accounted for using equity method	5,934,134	5,172,569
Property and equipment, net	251,622	297,455
Right-of-use assets, net	128,816	138,935
Investment property, net	5,535,310	5,583,813
Intangible assets	334	1,003
Deferred income tax assets	108,988	137,759
Other non-current assets	2,580,723	2,197,579
Total assets	$ 18,201,735	$ 16,784,638
Liabilities		
Current liabilities	$ 12,138,210	$ 8,900,878
Lease liabilities - current	36,323	33,749
Current income tax liabilities	4,244	4,244
Long-term borrowings	410,000	2,810,000
Lease liabilities - non-current	446,781	464,265
Deferred income tax liabilities	164,584	66,676
Other non-current liabilities	466,976	475,856
Total liabilities	13,667,118	12,755,668
Equity		
Capital stock	4,681,044	4,681,044
Capital surplus	-	-
Retained earnings	(83,585)	(135,118)
Other equity	(62,842)	(516,956)
Total equity	4,534,617	4,028,970
Total liabilities and equity	$ 18,201,735	$ 16,784,638

SinoPac Leasing Corporation

Statements of Comprehensive Income
For the Six Months Ended June 30, 2026 and 2025
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Six Months Ended June 30	
	2026	**2025**
Operating revenues	$ 323,610	$ 292,012
Operating costs	(218,486)	(210,283)
Provision of bad debts expenses	(152,352)	(93,043)
Operating expenses	(117,164)	(111,533)
Operating loss	(164,392)	(122,847)
Nonoperating income and expenses	177,587	87,635
Profit (loss) for continuing operations before tax	13,195	(35,212)
Income tax (expense) benefit	(2,726)	8,885
Net income (loss)	10,469	(26,327)
Other comprehensive income (loss)	102,329	(465,937)
Total comprehensive income (loss)	$ 112,798	$ (492,264)
Basic earnings (loss) per share	$0.02	$(0.06)

TABLE 16-6

King's Town Bank

Balance Sheets
June 30, 2026 and 2025
(In Thousands of New Taiwan Dollars)

Assets	**June 30, 2026**
Cash and cash equivalents	$ 2,373,638
Due from the Central Bank and call loans to banks	42,664,110
Financial assets at fair value through profit or loss	6,279,052
Financial assets at fair value through other comprehensive income	49,843,433
Investments in debt instruments at amortized cost	29,106,914
Receivables, net	1,945,415
Discounts and loans, net	238,709,895
Investments accounted for using equity method	451,927
Other financial assets, net	3,151
Property and equipment, net	4,877,510
Right-of-use assets, net	159,308
Investment property, net	230,154
Deferred income tax assets	368,362
Other assets, net	2,806,291
Total assets	$ 379,819,160
Liabilities	
Deposits from the Central Bank and banks	$ 19,271,351
Financial liabilities at fair value through profit or loss	108,119
Securities sold under repurchase agreements	3,813,568
Payables	1,870,638
Current income tax liabilities	592,576
Deposits and remittances	298,770,240
Provisions	161,493
Lease liabilities	166,784
Deferred income tax liabilities	82,711
Other liabilities	516,140
Total liabilities	325,353,620
Equity	
Capital stock	11,112,343
Capital surplus	55,192
Retained earnings (accumulated losses)	39,348,873
Other equity	3,949,132
Total equity	54,465,540
Total liabilities and equity	$ 379,819,160

King's Town Bank

Statements of Comprehensive Income
For the Six Months Ended June 30, 2026 and 2025
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Six Months Ended June 30 2026
Interest income	$ 5,052,396
Interest expenses	(1,858,002)
Net interest revenue	3,194,394
Net revenues other than interest	1,502,016
Net revenue	4,696,410
Bad debts expense, commitment and guarantee liability provision	576,583
Operating expenses	(1,214,349)
Profit from continuing operations before tax	4,058,644
Income tax expense	(590,601)
Profit from continuing operations after tax	3,468,043
Profit from discontinued operations	287,584
Net income	3,755,627
Other comprehensive loss	(209,249)
Total comprehensive income	$ 3,546,378
Basic earnings per share	$3.38

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

PUBLIC ANNOUNCEMENTS PRESCRIBED IN ARTICLE 46 OF THE FINANCIAL HOLDING COMPANY ACT
JUNE 30, 2026 and 2025
(In thousands of New Taiwan Dollars)

Credit extensions, guarantees or other transactions made by the Company and its subsidiaries with the same person, the same related person or the same affiliate as of June 30, 2026 and 2025 are summarized as follows:

Name	June 30, 2026	
	Aggregate Amount of Credit Extensions, Guarantees or Other Transactions	% to Financial Holding Company's Net Worth
1. With the same person:		
Central Bank of the Republic of China (Taiwan)	$ 311,206,778	117.44
The Hongkong and Shanghai Banking Corporation Limited	31,535,834	11.90
FANNIE MAE	21,917,482	8.27
FREDDIE MAC	21,661,959	8.17
FIRST ABU DHABI BANK	16,862,155	6.36
Ministry of Finance, R.O.C.	14,896,574	5.62
Cathay Financial Holdings Co., Ltd.	13,687,671	5.17
Taiwan Semiconductor Manufacturing Co., Ltd.	12,856,921	4.85
Chailease Finance Co., Ltd.	11,973,975	4.52
CTBC Bank Co., Ltd.	10,379,591	3.92
HUA NAN FINANCIAL HOLDINGS CO., LTD.	9,217,295	3.48
BPCE SA	9,082,290	3.43
Highwealth Construction corp.	9,030,116	3.41
UNITED STATES OF AMERICA	8,738,391	3.30
Catcher Technology Co., Ltd.	8,642,709	3.26
Yankey Engineering Co., Ltd.	8,379,496	3.16
Agricultural Bank of Taiwan	8,237,338	3.11
International Bills Finance Corporation	8,081,891	3.05
Yuanta Securities Investment Trust Co., Ltd.	7,881,188	2.97
COMMONWEALTH BANK OF AUSTRALIA	7,877,696	2.97
Taiwan Cooperative Financial Holding Co., Ltd.	7,826,848	2.95
Union Bank of Taiwan	7,772,354	2.93
China Bills Finance Corporation	7,118,212	2.69
EMIRATES NBD BANK PJSC	6,793,758	2.56
National Australia Bank Limited	6,344,290	2.39
The Royal Bank of Scotland	6,133,465	2.31
Australia and New Zealand Banking Group Limited	5,943,120	2.24
Macquarie Bank Ltd.	5,896,864	2.23

(Continued)

Name	June 30, 2026 Aggregate Amount of Credit Extensions, Guarantees or Other Transactions	% to Financial Holding Company's Net Worth
MACQUARIE GROUP LIMITED	$ 5,825,922	2.20
King's Town Construction Co., LTD.	5,804,606	2.19
BANCO SANTANDER CHILE	5,800,995	2.19
Shanyuan Construction Co., Ltd.	5,704,550	2.15
QNB FINANCE LTD	5,631,166	2.12
BANQUE FED CRED MUTUEL	5,628,334	2.12
ABU DHABI COMMERCIAL BANK	5,581,053	2.11
Hai Long 2 Offshore Wind Power Co., Ltd.	5,500,000	2.08
CREDIT AGRICOLE SA	5,402,783	2.04
Taishin International Bank Co., Ltd.	5,364,425	2.02
Sumwon Development Co., Ltd.	5,279,883	1.99
Westpac Banking Corporation	5,225,831	1.97
Taiwan Power Company	5,199,897	1.96
Jean Co., Ltd.	5,085,085	1.92
The Export-Import Bank of China	4,945,065	1.87
Saudi Arabia	4,759,145	1.80
Rabobank	4,540,672	1.71
Baoxing development Co., Ltd.	4,487,000	1.69
China Development Bank	4,466,505	1.69
Grand River D. Limited	4,421,767	1.67
DAH CHUNG BILLS FINANCE CORP.	4,351,988	1.64
EXPORT-IMPORT BANK KOREA	4,243,695	1.60
NTT FINANCE CORP	4,240,016	1.60
Henghou Xingye Co., Ltd.	4,144,300	1.56
GINNIE MAE	4,094,320	1.55
UBS AG	4,072,087	1.54
Cheng You Development Co., Ltd.	4,050,000	1.53
Far Eastern New Century Corporation	3,969,435	1.50
WELLS FARGO & COMPANY	3,874,139	1.46
Xinghui Construction Co., Ltd.	3,872,686	1.46
International Bank for Reconstruction and Development	3,858,575	1.46
Agricultural Development Bank of China	3,849,754	1.45
Pou Chen Corporation	3,810,979	1.44
ING BANK N.V.	3,734,191	1.41
CITIBANK NATIONAL ASSOCIATION	3,729,822	1.41
FRENCH REPUBLIC	3,686,414	1.39
YAGEO Corporation	3,685,878	1.39
HONG KONG	3,682,985	1.39
ABN AMRO BANK NV	3,649,109	1.38
American Express	3,625,063	1.37
CHINA METAL PRODUCTS CO., LTD.	3,611,121	1.36
SOCIETE GENERALE	3,588,092	1.35
JPMORGAN CHASE & CO	3,584,522	1.35
Eastern Home Shopping & Leisure Co., Ltd.	3,566,056	1.35

(Continued)

Name	June 30, 2026 Aggregate Amount of Credit Extensions, Guarantees or Other Transactions	% to Financial Holding Company's Net Worth
United Microelectronics Corp.	$ 3,536,292	1.33
CITIGROUP GLOBAL MARKETS	3,527,319	1.33
Radium Life Tech Co., Ltd.	3,524,915	1.33
Bank of Panhsin	3,524,681	1.33
Tai-i Electric Wire & Cable Co., Ltd.	3,503,064	1.32
BNP PARIBAS	3,471,937	1.31
Sumitomo Mitsui Banking Corporation	3,436,736	1.30
YUAN LIH CONSTRUCTIONS CO., LTD.	3,404,600	1.28
Standard Chartered Bank	3,402,228	1.28
Shinshin Credit Corporation	3,328,022	1.26
BANK OF NEW ZEALAND	3,322,187	1.25
MORGAN STANLEY	3,302,317	1.25
Qianjing Investment Co., Ltd.	3,301,000	1.25
Synnex Technology International Corp.	3,279,546	1.24
ASIAN DEVELOPMENT BANK	3,215,939	1.21
KfW Bankengruppe	3,186,358	1.20
Changfang Wind Power Co., Ltd.	3,175,718	1.20
United Overseas Bank Limited	3,092,793	1.17
Phison Electronics Corporation	3,041,439	1.15
Super Micro Computer, Inc. Taiwan	3,020,962	1.14
2. With the same related person:		
XX Cheng	13,553,059	5.11
XX Tsai	10,150,515	3.83
XX Feng	9,043,165	3.41
XX Lin	8,432,995	3.18
XX Huang	8,403,553	3.17
XX Liao	6,126,800	2.31
XX Wang	5,798,295	2.19
XX Chang	4,888,576	1.84
XX Chen	4,383,903	1.65
XX Chung	4,340,772	1.64
XX Huang	4,150,453	1.57
XX Zhu	4,078,728	1.54
XX Chang	4,073,593	1.54
XX Tsai	3,795,325	1.43
XX Lin	3,726,155	1.41
XX Hsu	3,412,353	1.29
XX Tsai	3,183,755	1.20
XX Li	3,085,595	1.16

(Continued)

Name	June 30, 2026 Aggregate Amount of Credit Extensions, Guarantees or Other Transactions	% to Financial Holding Company's Net Worth
3. With the same affiliate:		
HSBC Group	$ 33,256,000	12.55
Chailease Group	20,716,018	7.82
Cathay Financial Holdings Group	19,852,541	7.49
TSMC Group	16,563,282	6.25
CTBC Financial Holding Group	15,996,914	6.04
Far Eastern Group	14,524,016	5.48
Highwealth Group	14,375,328	5.42
Eastern Media International Group	12,685,386	4.79
Sumwon Development Group	11,939,987	4.51
Yuanta Group	11,859,359	4.48
Macquarie Group	11,722,785	4.42
IBF Financial Holdings Co., Ltd.	11,662,629	4.40
Taiwan Cooperative Financial Holding Co., Ltd.	11,012,768	4.16
BANK OF PANHSIN	10,970,405	4.14
King's Town Group	10,723,930	4.05
CHING JIA CONSTRUCTION Group	10,440,842	3.94
Hua Nan Financial Holdings	10,354,045	3.91
Fubon Group	10,327,799	3.90
BPCE Group	10,062,549	3.80
Kinpo Group	9,775,512	3.69
NAB Group	9,666,477	3.65
Phoenix Property Group	9,566,464	3.61
COMMONWEALTH BANK GROUP	9,410,886	3.55
TS Group	9,379,478	3.54
Foxlink Group	9,345,976	3.53
Union Group	9,033,569	3.41
Taya Group	8,778,119	3.31
AUO Group	8,683,820	3.28
Catcher Technology Group	8,643,072	3.26
SanDi Group	8,454,436	3.19
Yankey Group	8,413,661	3.17
Hotai Motor Group	8,029,114	3.03
Ruentex Group	7,738,597	2.92
HD Renewable Energy Group	7,730,435	2.92
Taiwan Glass Group	7,593,383	2.87
RGE Group	7,480,096	2.82
Citigroup Inc.,	7,440,376	2.81
Yulon Group	7,273,467	2.74
O-Bank Group	7,228,934	2.73
Hon Hai Technology Group	7,033,912	2.65
NatWest Group	6,714,408	2.53
ANZ Group	6,512,507	2.46

(Continued)

Name	June 30, 2026 Aggregate Amount of Credit Extensions, Guarantees or Other Transactions	% to Financial Holding Company's Net Worth
BPEA FUND VII&VIII Group	$ 6,414,617	2.42
Banco Santander SA Group	6,356,145	2.40
CMP Group	6,272,835	2.37
Charoen Pokphand Group	6,115,024	2.31
ING Group	5,991,207	2.26
Crédit Agricole Group	5,899,817	2.23
MiTAC-SYNNEX Group	5,735,276	2.16
J&V Energy Group	5,519,791	2.08
Jean Group	5,471,984	2.06
Baolu Construction Group	5,387,000	2.03
Yuxuan Energy Technology Group	5,335,944	2.01
Jhen Ding Development & Construction Group	5,285,644	1.99
Grand River D. Group	5,269,913	1.99
HI-YES Group	5,078,008	1.92
Sumitomo Mitsui Financial Group	4,962,527	1.87
AGEL	4,953,128	1.87
CITIC CAPITAL Group	4,807,829	1.81
Radium Group	4,797,415	1.81
KGI Financial Holding Group	4,756,459	1.79
UNI-PRESIDENT Group	4,751,149	1.79
Chengyou Group	4,644,430	1.75
Yageo Group	4,638,148	1.75
LeaLea Group	4,634,463	1.75
MSC Group	4,554,426	1.72
CLEVO Group	4,515,568	1.70
Infinite Finance Group	4,414,562	1.67
Telsta Group	4,365,242	1.65
JSL Group	4,304,023	1.62
TWSE Group	4,243,364	1.60
Formosa Plastics Group	4,226,401	1.59
UMC Group	4,202,525	1.59
SET Datong Group	4,159,362	1.57
UBS Group	4,078,588	1.54
ASUS Group	4,076,694	1.54
Standard Chartered Group	4,016,356	1.52
Wells Fargo & Company Group	4,009,009	1.51
BNP Group	3,822,494	1.44
Yuneng Wind Power Group	3,755,435	1.42
Gaw Capital Partners Group	3,743,760	1.41
Walsin Lihwa Group	3,732,804	1.41
Morgan Stanley Group	3,728,294	1.41
Century Iron and Steel Industrial Group	3,657,113	1.38
Acer Group	3,650,351	1.38
SABRINA Group	3,642,083	1.37

(Continued)

Name	June 30, 2026 Aggregate Amount of Credit Extensions, Guarantees or Other Transactions	% to Financial Holding Company's Net Worth
JPMORGAN CHASE & CO GROUP	$ 3,618,627	1.37
BCP Group	3,572,171	1.35
United Overseas Bank Group	3,505,701	1.32
Everrise Construction Group	3,471,681	1.31
Puyong Group	3,465,956	1.31
Supreme Group	3,442,772	1.30
Mitsubishi UFJ Financial Group, Inc.	3,381,784	1.28
Jiayu Energy Group	3,362,047	1.27
BlackRock Group	3,336,556	1.26
Primasia Group	3,229,431	1.22
Sunny Rich Group	3,220,572	1.22
Warburg Pincus Group	3,128,832	1.18
Kbro Group	3,122,555	1.18
Wisdom Marine Group	3,116,117	1.18
Seraya Group	3,110,944	1.17
Leadsun Greentech Group	3,106,789	1.17
Mega Financial Holdings Group	3,094,609	1.17
CVC Capital Partners Fund Group	3,089,047	1.17
BIP GROUP	3,082,706	1.16
Wenxin Biotech Group	3,070,733	1.16
TCC Group	3,062,333	1.16
ChungYuet Group	3,015,179	1.14
GOLDMAN SACHS Group	3,015,070	1.14

Name	June 30, 2025 Aggregate Amount of Credit Extensions, Guarantees or Other Transactions	% to Financial Holding Company's Net Worth
1. With the same person:		
Central Bank of the Republic of China (Taiwan)	$ 308,220,549	149.60
FANNIE MAE	22,516,219	10.93
FREDDIE MAC	22,189,102	10.77
China Bills Finance Corporation	21,505,449	10.44
Union Bank of Taiwan	16,654,365	8.08
FIRST ABU DHABI BANK	16,121,045	7.82
International Bills Finance Corporation	14,423,717	7.00
Ministry of Finance, R.O.C.	13,956,695	6.77
MEGA BILLS FINANCE CO., LTD.	13,579,130	6.59

(Continued)

Name	June 30, 2025 Aggregate Amount of Credit Extensions, Guarantees or Other Transactions	% to Financial Holding Company's Net Worth
Cathay Financial Holdings Co., Ltd.	$ 11,197,468	5.43
UNITED STATES OF AMERICA	9,262,610	4.50
Taiwan Power Company	8,997,342	4.37
Agricultural Bank of Taiwan	8,794,109	4.27
Taishin International Bank Co., Ltd.	7,943,093	3.86
BPCE SA	7,660,258	3.72
COMMONWEALTH BANK OF AUSTRALIA	6,383,714	3.10
EMIRATES NBD BANK PJSC	6,238,634	3.03
HUA NAN FINANCIAL HOLDINGS CO., LTD.	6,215,242	3.02
QNB FINANCE LTD	6,137,248	2.98
CREDIT AGRICOLE SA	6,018,753	2.92
Westpac Banking Corporation	5,921,826	2.87
Taiwan Semiconductor Manufacturing Co., Ltd.	5,880,542	2.85
King's Town Construction Co., LTD.	5,796,156	2.81
Chailease Finance Co., Ltd.	5,470,593	2.66
The Hongkong and Shanghai Banking Corporation Limited	5,383,329	2.61
BANQUE FED CRED MUTUEL	5,265,631	2.56
MACQUARIE GROUP LIMITED	5,256,006	2.55
NATIONAL AUSTRALIA BANK LTD	5,125,233	2.49
Taiwan Cooperative Bills Finance Corporation	5,043,342	2.45
Australia and New Zealand Banking Group Limited	5,025,153	2.44
Hsinchu Science Park Bureau, NSTC	5,000,000	2.43
The Shanghai Commercial & Savings Bank, Ltd.	4,971,124	2.41
Agricultural Development Bank of China	4,951,075	2.40
Highwealth Construction	4,890,466	2.37
MACQUARIE BANK LTD.	4,868,696	2.36
ABU DHABI COMMERCIAL BANK P.J.S.C.	4,826,510	2.34
Far Eastern New Century Corporation	4,580,803	2.22
PAO SHIN GARDEN TOOLS CO., LTD.	4,487,000	2.18
Jean Co., Ltd.	4,439,690	2.15
Bank of Panhsin	4,324,411	2.10
The Export-Import Bank of China	4,261,361	2.07
GINNIE MAE	4,219,261	2.05
Hong Kong Monetary Authority	4,062,180	1.97
Henghou Xingye Co., Ltd.	4,039,300	1.96
Export-Import Bank of Korea	4,010,696	1.95
BANCO SANTANDER CHILE	3,972,996	1.93
Taiwan Cooperative Financial Holding Co., Ltd.	3,916,013	1.90
Rabobank	3,831,338	1.86
China Development Bank	3,802,173	1.85
Chen Yu Development Co., Ltd.	3,710,000	1.80
CHINA METAL PRODUCTS CO., LTD.	3,613,945	1.75
Saudi Arabia	3,605,212	1.75
YUAN LIH CONSTRUCTIONS CO., LTD.	3,590,400	1.74

(Continued)

Name	June 30, 2025 Aggregate Amount of Credit Extensions, Guarantees or Other Transactions	% to Financial Holding Company's Net Worth
Yankey Engineering Co., Ltd.	$ 3,580,883	1.74
Goldman Sachs	3,451,138	1.68
BNP PARIBAS	3,443,880	1.67
Hiyes International Co., Ltd.	3,328,536	1.62
Sin Zong Yang Construction Corp	3,131,000	1.52
Wistron Corporation	3,105,831	1.51
American Express	3,105,564	1.51
KOREA EXPRESSWAY CORPORATION	3,081,333	1.50
United Bank of Switzerland	3,030,353	1.47
SUMITOMO MITSUI BANKING CORPORATION	3,028,962	1.47
United Overseas Bank Limited	3,018,238	1.46
2. With the same related person:		
XX Cheng	9,953,241	4.83
XX Tsai	9,571,641	4.65
XX Chung	7,638,840	3.71
XX Tsai	6,509,785	3.16
XX Wang	5,648,986	2.74
XX Liao	5,108,000	2.48
XX Fong	4,906,490	2.38
XX Chang	4,245,462	2.06
XX Chang	4,220,606	2.05
XX Huang	4,045,640	1.96
XX Lin	3,961,856	1.92
XX Chen	3,794,685	1.84
XX Lee	3,648,115	1.77
XX Lin	3,641,136	1.77
XX Huang	3,605,558	1.75
XX Tsai	3,533,319	1.71
XX Huang	3,470,296	1.68
XX Lin	3,174,489	1.54
3. With the same affiliate:		
O-Bank Group	21,546,267	10.46
IBF Financial Holdings Group	18,978,942	9.21
Union Group	17,376,153	8.43
Cathay Financial Holdings Group	17,306,301	8.40
Far Eastern Group	14,407,148	6.99
Mega Financial Holdings Group	14,331,006	6.96
Chailease Group	14,169,958	6.88
Highwealth Group	11,286,981	5.48
Taishin Financial Holding Group	11,026,643	5.35

(Continued)

Name	June 30, 2025	
	Aggregate Amount of Credit Extensions, Guarantees or Other Transactions	% to Financial Holding Company's Net Worth
Fubon Group	$ 10,182,509	4.94
Macquarie Group	10,125,476	4.91
King's Town Group	9,614,341	4.67
Taiwan Cooperative Financial Holding Group	8,969,041	4.35
Ching Jia Construction Group	8,783,267	4.26
Phoenix Property Group	8,437,535	4.10
BPCE Group	8,397,345	4.08
AUO Group	8,257,955	4.01
Ruentex Financial Group	8,075,080	3.92
TSMC Group	7,920,268	3.84
NAB Group	7,459,068	3.62
SanDi Group	7,399,443	3.59
Hua Nan Financial Holdings Group	7,167,719	3.48
Kinpo Group	6,962,091	3.38
Jean Group	6,941,070	3.37
Hiyes International Group	6,778,926	3.29
Cheng Uei Precision Industry Co., Ltd.	6,724,604	3.26
HSBC Group	6,684,145	3.24
BPEA FUND Group	6,639,621	3.22
Hotai Motor Group	6,411,760	3.11
Crédit Agricole CIB Group	6,323,045	3.07
TA YA ELECTRIC WIRE & CABLE Group	6,079,718	2.95
Hon Hai Group	5,754,543	2.79
CMP Group	5,622,384	2.73
RGE Group	5,600,085	2.72
Yuanta Financial Holding Group	5,581,374	2.71
BANK OF PANHSIN Group	5,580,398	2.71
Chengyou Group	5,536,408	2.69
Baolu Construction Group	5,507,780	2.67
ANZ Group	5,383,938	2.61
MiTAC-Synnex Group	5,345,445	2.59
Charoen Pokphand Group	5,064,373	2.46
J&V Energy Group	4,750,306	2.31
CITIC CAPITAL Group	4,731,440	2.30
CTCI Group	4,715,159	2.29
HD Renewable Energy Group	4,687,897	2.28
Yulon Motor Group	4,672,779	2.27
BCP Group	4,490,402	2.18
Uni-President Group	4,472,793	2.17
Banco Santander SA Group	4,458,176	2.16
CTBC Financial Holding Group	4,211,314	2.04
United Renewable Energy Co., Ltd.	4,169,591	2.02
The Government of the Hong Kong Special Administrative Region	4,124,463	2.00
AGEL Group	4,107,430	1.99

(Continued)

Name	June 30, 2025 Aggregate Amount of Credit Extensions, Guarantees or Other Transactions	% to Financial Holding Company's Net Worth
CLEVO Group	$ 4,034,874	1.96
Citigroup Inc.,	4,033,864	1.96
Sumitomo Mitsui Financial Group	3,848,696	1.87
BNP Group	3,812,640	1.85
Chung Yuet Construction Group	3,771,539	1.83
Gaw Capital Partners Group	3,771,476	1.83
KGI Financial Holding Group	3,758,717	1.82
Formosa Plastics Group	3,740,101	1.82
Yankee	3,618,017	1.76
YUANLIH Group	3,603,642	1.75
Taiwan Cement Group	3,569,721	1.73
Infinite Finance Group	3,491,683	1.69
GOLDMAN SACHS Group	3,481,478	1.69
Grand River D. Group	3,440,113	1.67
Puyong Group	3,326,856	1.61
Wistron	3,250,432	1.58
Anjia International	3,193,289	1.55
Warburg Pincus	3,158,470	1.53
Leadsun Greentech Group	3,150,193	1.53
UBS Group AG	3,147,322	1.53
NatWest Group	3,140,926	1.52
United Overseas Bank Group	3,073,663	1.49
Sunny Rich	3,049,227	1.48
SABRINA Group	3,037,695	1.47

(Concluded)

SINOPAC FINANCIAL HOLDINGS COMPANY LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2026	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2026	Net Income (Loss) of the Investment (Note 2)	Percentage of Ownership (%)	Equity in the Earnings (Losses) (Note 2)	Carrying Value (Note 2)	Accumulated Inward Remittance of Earnings
					Outflow	Inflow						
Golden Trust SinoPac Fund Management Co., Ltd.	Fund raising and sale, asset management business approved by CSRC	$ 937,562	a	$ 459,405	$ -	$ -	$ 459,405	$ 81,880	49.00	$ 40,121	$ 1,099,360	$ 210,697
Telexpress (Shanghai) Co., Ltd.	Management consultant	33,114	b	15,250	-	-	15,250	1,823	34.21	-	15,250	-
StreetVoice International Ltd.	Design of software and service for computer system integration	107,198	b	1,758	-	-	1,758	(10,495)	2.64	-	1,758	-
Transound Electronics Co., Ltd.	Dynamic receiver, dynamic speaker, SMD, Array, MEMS ECM microphone, earphone module, earphone, headphone	243,523	b	46,139	-	-	46,139	5,325	4.58	-	46,139	-
SinoPac International Leasing Corp.	Leasing and financing of machinery equipment	1,813,462	a	1,813,462	-	-	1,813,462	(4,472)	100.00	(4,472)	2,004,130	-
Bank SinoPac (China) Ltd.	Commercial bank	10,312,406	a	10,312,406	-	-	10,312,406	236,133	100.00	236,211	11,656,536	-
SinoPac Financial Consulting (Shanghai) Ltd.	Business management consulting, investment consulting, business intelligence consulting	63,682	a	63,682	-	-	63,682	(3,790)	100.00	(3,790)	22,940	-

Accumulated Investment in Mainland China as of June 30, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$ 12,712,102 (US$ 347,854) (CNY 349,000)	$ 12,712,102 (US$ 347,854) (CNY 349,000)	$ 146,996,869

Note 1: The three ways of investment in this form are shown as below:

a. Investment in Mainland China directly.
b. Reinvests in the Mainland through third-country companies.
c. Others.

Note 2: Above figures have not been audited by independent certified public accountants, except for Golden Trust SinoPac Fund Management Co., Ltd., SinoPac International Leasing Corp., Bank SinoPac (China) Ltd. and SinoPac Financial Consulting (Shanghai) Ltd. which were audited by independent certified public accountants and prepared in conformity with IFRS Accounting Standards.

Note 3: Subsidiary invested in Telexpress (Shanghai) Co., Ltd. via Telexpress Corp.

Note 4: Subsidiary invested in StreetVoice International Ltd. via Neutron Innovation (BVI) Limited.

Note 5: Subsidiary invested in Transound Electronics Co., Ltd. via Transound Electronics Co., Ltd.

Note 6: Foreign currencies are translated to N.T. dollars at the current rate on the date of balance sheet, only the gains or losses from investments are translated at the current period average rate.