Date of publication：March 31, 2026
Stock Code：2895
MOPS website：http://newmops.tse.com.tw
Bank website：http://www.sunnybank.com.tw

陽信銀行
SUNNY BANK

114年度年報

2025 ANNUAL REPORT

Spokesperson
Name: Ho, Kuen-Tang
Position: Senior Executive Vice President
TEL: (02) 6618-8166 Ext. 8866
E-mail: splan@sunnybank.com.tw

The Deputy Spokesperson
Name: Kuo, Cheng-Hung
Position: Senior Vice President & Division Chief
TEL: (02) 6618-8166 Ext. 4988
E-mail: splan@sunnybank.com.tw

Addresses and telephone numbers of Head Office and Branch Offices
For details on " VI. Service Network" Unit

Stock Transfer Agent
Name: Stock Affairs Section, Administrative Management Office of the Bank
Address: 4th Floor, No. 88, Section 1, Shipai Road, Beitou District, Taipei City
Website: http://www.sunnybank.com.tw
TEL: (02) 6618-8166 Ext 4164~4166

Credit Rating Institution
Titles: Fitch Ratings Co., Ltd
Address: Rm. A2, 23F No.68, Sec.5, Zhongxiao E. Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.)
Website: http://www.fitchratings.com
TEL: (02) 8175-7600

Independent Auditors for the Most Recent Annual Financial Statements
Name :Li, Hsieh-Chang、Xin, You-Cheng CPAs
Accounting Firm: Deloitte & Touche
Address: 20F. No. 100, Songren Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C.)
Website: http://www.deloitte.com.tw
TEL: (02) 2725-9988

Names of Stock Exchanges Where Overseas Securities Are Listed and Methods for Accessing Information on Such Overseas Securities: None

Bank Website:
http://www.sunnybank.com.tw

CONTENTS

002 I. Letter to Shareholders
003 1. 2025 Operating Performance
004 2. Overview of the 2026 Business Plan
007 3. Future Development Strategies
007 4. Impact of the External Competitive, Regulatory, and Overall Business Environments.
008 5. Credit Rating

009 II. Corporate Governance Report
010 1. Information on Directors and Supervisors
018 2. Corporate Governance Operations
023 3. Alternation of CPA
023 4. Information about the Bank's Top Ten Shareholders who are Related Parties, Spouses or Relatives within Second Degree of Kinship
025 5. Numbers of Shares in the Same Reinvested Enterprises Held by the Bank and its Directors, Supervisors, President, Vice Presidents, Deputy Executive Vice Presidents, the Heads of Departments and Branches, and Enterprises Controlled Directly or Indirectly by the Bank, and Percentage of Consolidated Shareholding

026 III. Capital Raising
027 1. Capital and Share
029 2. Implementation status of fund application plan

030 IV. Operations Overview
031 1. Business Scope
048 2. Employee Profile
050 3. Corporate Social Responsibility and Ethical Behavior
051 4. Number of Non-Supervisory Full-Time Employees, Average and Median Salary of Non-Supervisory Full-Time Employees and Differences of the Three Compared with Last Year

052 V. Special Remarks
053 1. Information on Affiliates
053 2. Private Placement of Marketable Securities and Bank debentures during the Most Recent Fiscal Year before publishing the Annual Report
053 3. Additional Supplementary Remarks
053 4. Any circumstance as described in Subparagraph 2 of Paragraph 3 of Article 36 of the Securities and Exchange Act which occurred during the past year and before publishing the Annual Report that could materially affect shareholders' equity or the prices of the company's securities

054 VI. Service Network

Financial Statements and Independent Auditor's Report

Annex I Sunny Bank Ltd. And Subsidiaries
Consolidated Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditor's Report

Annex II Sunny Bank Ltd.
Financial Statements for the Years Ended December 31, 2025 and 2024 and Independent Auditor's Report

I. Letter to Shareholders

1. 2025 Operating Performance
2. Overview of the 2026 Business Plan
3. Future Development Strategies
4. Impact of the External Competitive, Regulatory, and Overall Business Environments
5. Credit Rating

1

Chapter

Dear Shareholders,

According to the domestic and overseas economic analysis report of the Ministry of Economic Affairs and the current economic situation briefing of the National Development Committee, the central banks in the US and Europe continue to cut interest rates, international oil prices and other commodity prices remain weak, and inflation has slowed down in various countries. Additionally, global trade continues to grow. Based on the forecast by international forecasting agency S&P Global on January 15th, the estimated global economic growth rate for this year (2026) is 2.7%, which is lower than last year's (2025) 2.9%.

On the domestic economic front, sustained strong demand for artificial intelligence (AI), high-performance computing (HPC), and cloud data services continued to drive shipments of related technology products, thereby supporting Taiwan's export momentum. Nevertheless, uncertainties arising from changes in the trade policies of major economies and geopolitical risks warrant close attention. The Directorate-General of Budget, Accounting and Statistics (DGBAS), Executive Yuan, forecasts Taiwan's economic growth rate at 3.5% for 2026.

Looking ahead, the global economy will continue to face multiple risks. Uncertainty surrounding U.S. tariff policies and persistent geopolitical risks are expected to continue weighing on the pace of overall economic expansion. International institutions generally forecast a slowdown in global trade volume growth. Nevertheless, major cloud service providers are actively expanding capital expenditures, while countries around the world are accelerating AI development and investment in computing infrastructure. Together with Taiwan's competitive advantages in the semiconductor and information and communications technology (ICT) supply chains, these factors are expected to help sustain export growth momentum.

Competition in Taiwan's banking industry remained intense. Despite the challenging operating environment, with the support of the Board of Directors and the dedicated efforts of all employees, the Bank continued to exercise stringent control over credit quality while actively expanding its various lines of business, thereby achieving steady profit growth. In 2025, the Bank recorded net income after tax of NT$3,910,296 million and earnings per share (EPS) of NT$0.99..

In order to improve the financial structure of the Bank and enrich the capital adequacy ratio (BIS), the Bank carried out a cash capital increase of NT$1 billion in 2025. Additionally, new shares totaling NT$1.5 billion were issued through the capitalization of retained earnings from 2024. At the end of 2025, the Bank's capital exceeded NT$40.4 billion, the first-class capital ratio is 12.18%, and the capital adequacy ratio (BIS) is 13.86%.

In the future, the Bank will continue to be committed to ensuring stable operations and seek the best interests for all shareholders. The 2025 annual business results and the 2026 business plan are summarized as follow:

1. 2025 Operating Performance

(一)Organizational Development of the Bank

1. The Bank operates a total of 108 branches nationwide. To meet business development needs, the Bank has progressively relocated branches and optimized the geographical distribution of its service network as follows:
   a. Yunlin Branch was relocated on March 10, 2025.
   b. Dali Branch was relocated on May 5, 2025.
   c.Wugu Branch was relocated on July 14, 2025.
   d.Nanzi Branch was relocated on August 11, 2025.
2. Actively expand the Bank's corporate banking business, the Corporate Banking Department was established.
3. Implement the Bank's anti-fraud initiatives, the Financial Fraud Prevention Center was established under the Business Management Office.

(二)Business Plan and Strategy Implementation Results

In 2025, the Bank continued to maintain sound asset quality and achieved solid results. As of the end of 2025, the Bank's non-performing loan (NPL) ratio stood at 0.00%, while its NPL coverage ratio reached 165,746.29%, reflecting the Bank's continued sound asset quality.

In terms of business growth, total deposits amounted to NT$721.80 billion at the end of 2025, representing an increase of NT$36.73 billion from NT$685.06 billion at the end of 2024. Total loans amounted to NT$535.78 billion, representing an increase of NT$30.28 billion from NT$505.49 billion at the end of 2024. Overall, the Bank delivered solid operating performance.

Unit: NT$ billion；%

Main Business Items	2025	2024	Growth Rate Compared to Last Year (%)
Deposit（Year End Balance）	721.80	685.06	5.36
Loan（Year End Balance）	535.78	505.50	5.99
Wealth Management Business	13.23	14.28	(7.26)
Import / Export and Foreign Exchange Businesses	5.10	5.17	(1.27)
Trust Property Scale	77.97	82.71	(5.73)

(三)Budget Execution

The Bank’s scale of deposits and loans and its benefit has increased steadily in 2025, which keeps its operational constitution at a steady level. The balance of deposits (NT$ and foreign currency) was NT$721.8 billion, reaching 103.5% of the budget target. The balance of loans (NT$ and foreign currency) was NT$535.8 billion, reaching 102.7% of the budget target. The net profit after tax of 2025 was NT$3.91 billion, reaching 79.5% of the budget target.

(四)Financial Income / Expenditure and Profitability Analysis

The main financial incomes and expenditure, as well as the profitability items of the Bank are analyzed as below:

Unit: NT$ billion；EPS in NT$

Main Business Item	2025	2024	Compared to Last Year (%)
Net Interest Income	8.37	7.97	4.97
Net Non-Interest Income	2.84	2.23	27.38
Net Income	11.21	10.21	9.87
Bad Debt Expense & Guarantee Liability Provisions	(0.89)	(0.78)	15.02
Operating Expenses	5.50	4.90	12.26
Net Profit Before Tax	4.81	4.52	6.39
Net Profit After Tax	3.91	3.67	8.39
EPS After Tax	0.99	0.98	4.26

(五)Research and Development

The Bank’s various divisions compile analyses of financial trends and research reports on bank operations and industry trends on both a regular and ad hoc basis in order to keep abreast of changes in the domestic and international economic situation and to facilitate the Bank growth. These reports are made available to all our staff as a reference source when forecasting market trends.

2. Overview of the 2026 Business Plan

The Bank works hard to provide customers with outstanding financial services that remain true to its corporate motto of “steadiness, proactiveness, professionalism, and enthusiasm”. In the coming year, we will focus on the following tasks:

(一) Expand the Deposit Base

To enhance the bank's Liquidity Coverage Ratio (LCR), in 2026, the bank will continue to expand its deposit business with a target annual growth of NT$25 billion and strengthen the acquisition of deposits from retail customers and individuals. At the same time, efforts will be made to promote deposits from remote areas, corporate collection account deposits, and various other deposit projects in order to continuously expand the source of deposit funds and stabilize loan growth.

(二)Optimize the Loan Portfolio

A.In response to intensifying loan rate competition among peer banks in recent years, the Bank's 2026 lending strategy will focus on promoting real estate working capital loans that offer both collateral eligibility and profitability.

B.Following the formation of the Corporate Banking Department's business team in 2026, the Bank will accelerate growth among medium-to-large enterprises by focusing on NTD and foreign currency loans, foreign exchange transaction financing, and related businesses.

C.In line with the Financial Supervisory Commission's (FSC) policies on the lending ratio requirements under Article 72-2 of the Banking Act and the promotion of lending to small and medium-sized enterprises (SMEs), the Bank will continue to selectively extend high-quality SME real estate acquisition loans that achieve an appropriate balance of asset quality, profitability, and business volume, thereby increasing interest income and strengthening the Bank's earnings base.

D.The Bank will further strengthen its subordinated mortgage loan, unsecured personal loan, and auto loan businesses. In addition, the Bank will establish a Northern Region Subordinated Mortgage Loan Business Center to promote consumer lending through an integrated retail banking team. By expanding higher-margin lending products, the Bank aims to enhance product performance, operational efficiency, and earnings contribution, thereby increasing interest income and further expanding its lending business.

(三)Increase Fee Income from Wealth Management, Trust, and Lending Businesses

A.The Bank's wealth management business will focus on deepening customer relationships and expanding its VIP customer base. Through the Shin World Business Card, wealth management customers will be segmented into different service tiers. In addition, health check-up programs and exclusive events such as VIP Night will be organized to enhance customers' sense of exclusivity and strengthen customer engagement, thereby expanding the Bank's wealth management business and increasing wealth management fee income.

B.In 2026, the Bank plans to introduce onshore structured investment products (SI), launch the Gold Passbook service, and offer the Portfolio Allocation service. The Bank will also recruit experienced external wealth management advisors to strengthen the business capabilities of its regional centers, expand its customer base, and continue to grow the scale of its wealth management business by delivering comprehensive wealth management services.

C.The Bank will optimize loan-related fee income by establishing fees based on the nature of each credit facility and the customer's overall contribution, thereby enhancing fee income.

D.In addition to expanding revenue from custody funds, gift voucher trusts, and compensation fund trusts, the Bank will continue to promote its core real estate trust business to further increase trust fee income.

(四)Expand the Scale of Treasury Operations and Diversify Trading Instruments

Expand the investment layout of overseas markets and foreign currency assets, continue to build overseas bond investment positions, actively broaden the scope of bond business, engage in bond underwriting business, and seek new investment commodity targets.

(五)Maintain Sound Asset Quality

Continue to reduce the over-discharge ratio and improve the coverage ratio to maintain the asset quality at the industry average level.

(六)Improve BIS Ratio

The Bank will continue to monitor the balance between the growth of its (SME) corporate banking business and construction financing business. It will also review and adjust the capital utilization of Treasury Department investment products monthly to maximize capital deployment efficiency. Furthermore, the Bank plans to strengthen its BIS ratio through measures such as cash capital increases, capitalization of retained earnings, and the issuance of long-term subordinated financial bonds, with the aim of maintaining a level 2% above the statutory requirement..

(七)Enhance Information Security and Personal Data Protection

Driven by digital transformation, the financial industry contends with evolving cybersecurity threats. In line with the FSC's Financial Cybersecurity Action Plan 2.0, the Bank plans to introduce a vulnerability-tracking and management system in 2026, adopt the Finance Configuration Baseline, build an XDR endpoint protection system, implement a zero-trust architecture, and plan for offshore cloud-based data backup. These initiatives aim to enhance multi-dimensional information security responses and strengthen the Bank's financial resilience.

(八)Deepening the Digital Finance Strategy

A.The Bank will continue to develop diversified payment channels and actively promote its Account Link service. It will also upgrade its corporate collection system to provide higher-quality services and multiple payment options.

B.The Bank will launch a more secure wealth management asset allocation strategy and introduce gold passbook services. These initiatives will provide customers with customized wealth management solutions and enable gold passbook transactions via online banking, thus improving convenience and strengthening the Bank's financial service capabilities.

C.The Bank will promote robotic process automation (RPA) to optimize operations, starting with an automated periodic review process for digital deposit accounts. It will also build a regulatory compliance system (online self-assessment module), featuring online approval workflows and AI-enabled regulatory updates. These measures will simplify branch review procedures, reduce manpower burdens, and support the implementation of the Bank's ESG policy on energy conservation and carbon reduction.

(九)Strengthen Fair Treatment of Customers

A.In 2026, the Bank plans to evaluate and introduce the "Professional Certification System for Complaint Handling Quality Management Systems" or the "ISO10002 Customer Complaint Management System" to streamline dispute resolution and enhance complaint handling quality. The Bank will also strengthen employee training to foster a deeper understanding of regulatory compliance and the fair and reasonable treatment of financial consumers, effectively reinforcing the protection of consumer rights and interests.

B.The Bank remains committed to providing financially friendly services for persons with disabilities, which includes the ongoing installation of voice-enabled ATMs to meet diverse accessibility needs. Additionally, the Bank prioritizes the financial rights of elderly customers by promoting fair and equitable treatment to maintain customer trust.

C.The Bank will continue expanding its network of bilingual demonstration branches, with plans to establish 10 additional bilingual locations, paving the way for a more inclusive, world-class banking experience.

(十)Advance the Bank's ESG Organizational Framework and Governance Mechanisms

To effectively implement the principles of sustainable operations and fulfill its corporate social responsibility, the Bank will continue preparing ESG Sustainability Reports and Task Force on Climate-Related Financial Disclosures (TCFD) Status Reports, and subsequently report relevant implementation progress to the Board of Directors on an annual basis and disclose all information from the previous year accordingly.

(十一)Strengthening Anti-Money Laundering Measures, Preventing Financial Fraud, and Enhancing Customer Due Diligence

A. To support the government's anti-fraud initiatives and safeguard the security of customers' accounts, the Bank will implement, on a phased basis, the suspension of automated transaction services for dormant accounts with balances below a specified threshold. In addition, the Bank will continue to collaborate with members of the Eagle Eye Anti-Fraud Alliance to enhance its AI-powered fraud detection and early warning system.

B. The Bank will join the Financial Information Inquiry and Joint Fraud Prevention Notification Platform established by the National Police Agency, Ministry of the Interior, enabling the real-time reporting of fraud cases. Through timely information sharing among participating banks, the platform will facilitate the prompt interception of fraudulent fund transfers and help minimize financial losses suffered by fraud victims

C. All business units will continue to strengthen the implementation of Know Your Customer (KYC) procedures. Enhanced customer care inquiries will be conducted for vulnerable and elderly customers during over-the-counter transactions to better safeguard customers' assets and reduce the occurrence of fraud.

3. Future Development Strategies

(一) Maintaining sound operations and improving the Bank's financial structure.

(二) Maintaining a good loan-to-deposit ratio and balanced development of deposit and lending business.

(三) Ensuring risk management by strengthening risk control and credit approval criteria in order to improve the quality of loan assets.

(四) Continuing to integrate and set up branches to enhance channel efficiency.

(五) Implementing International Accounting Standards (IFRS) in accordance with regulatory policy and continuing to enhance the efficiency of financial management in order to improve operational performance.

(六) Enhance on-the-job training for the staff and drawing up training programs to raise manpower quality.

(七) Further developing core businesses to deepen relationships with customers, expand the customer base, and enhance customer contribution.

(八) Continuing to expand overseas businesses to diversify income sources and enhance corporate competitiveness.

(九) Strengthen ESG organization, operation, and implementation to promote sustainable environment and financial development.

4. Impact of the External Competitive, Regulatory, and Overall Business Environments

Amid rising fraud cases and increasingly sophisticated scams, financial fraud prevention has become a critical priority for both the government and the public. In response, the banking industry has proactively implemented over-the-counter due diligence inquiries to alert customers to potential risks and mitigate losses. These efforts directly reflect the principles of duty of care and fiduciary duty outlined in the Principles for Financial Services Industries to Treat Clients Fairly. Through concrete actions, the Bank aligns with the FSC's enhanced safety measures, coordinates with the MOI's National Police Agency via the "Financial Data Retrieval and Joint Defense Notification Platform," and facilitates real-time fraud alerts. The Bank remains committed to safeguarding customer assets, reporting suspicious accounts, and reducing the incidence of financial fraud.

To maintain sound operations and implement rigorous information security practices, the Bank continues to strengthen its security protection mechanisms. At the same time, by organizing targeted training courses, the Bank enhances employee awareness of information security concepts and protection practices. These initiatives aim to ensure uninterrupted, secure, and stable operations while improving overall cybersecurity alertness and sensitivity.

Regarding the macroeconomic outlook for 2026, the overall growth pattern is expected to shift toward a structure supported by robust domestic and external demand. Within this framework, external demand and investment are projected to expand steadily, concurrently driving a recovery in domestic consumption. On the domestic demand side, stable corporate profitability leaves greater room for wage, bonus, and dividend increases. Combined with a steady labor market, policy trends in the automotive sector, and stock market wealth effects, private consumption momentum is poised to return to normal levels. Meanwhile, on the investment front, the continued expansion of AI, high-performance computing, and cloud applications has encouraged major domestic technology companies to increase capital expenditures. The semiconductor supply chain is also scaling up advanced capacity and R&D investment. Alongside the net-zero transition and government-led public infrastructure projects, these factors are expected to sustain private investment momentum. Furthermore, order momentum for technology products is projected to continue, while the Taiwan-U.S. tariff agreement and China's anti-involution policy may help ease cost pressures and price competition, narrowing the industry divergence seen in earlier periods. According to the latest forecast by the Taiwan Institute of Economic Research, Taiwan's economic growth rate is projected to reach 4.05% in 2026, representing an upward revision of 1.45 percentage points from the previous forecast.

5. Credit Rating

Credit Rating Institution	Long-term rating	Short-term rating	Outlook	Date
Fitch Ratings LTD	A (twn)	F1 (twn)	Stable	June 26 , 2025

Chairman
CHEN, SHENG-HUNG (Seal)

President
DING, WEI-HAO (Seal)

II. Corporate Governance Report

1. Information on Directors and Supervisors
2. Corporate Governance Operations
3. Alternation of CPA
4. Information about the Bank's Top Ten Shareholders who are Related Parties, Spouses or Relatives within Second Degree of Kinship
5. Numbers of Shares in the Same Reinvested Enterprises Held by the Bank and its Directors, Supervisors, President, Vice Presidents, Deputy Executive Vice Presidents, the Heads of Departments and Branches, and Enterprises Controlled Directly or Indirectly by the Bank, and Percentage of Consolidated Shareholdings

2

Chapter

1. Information on Directors and Supervisors

(一)Board and Supervisors

Baseline date: December 31, 2025

<table>
<tr><th rowspan="2">Position (Note1)</th><th rowspan="2">Nationality or Place of Registration</th><th rowspan="2">Name</th><th rowspan="2">Gender /Age (Note2)</th><th rowspan="2">Date Elected (Employed)</th><th rowspan="2">Term</th><th rowspan="2">Initial Elected Date (Note 3)</th><th colspan="2">Holding at Election</th><th colspan="2">Present Holding</th><th colspan="2">Current Shares of Spouse and Minors Children</th><th colspan="2">Holding Shares in Other Names</th><th rowspan="2">Education & Experience (Note 4)</th><th rowspan="2">Concurrent Positions at our Bank and Other Companies</th><th colspan="3">Other Chief, Director or Supervisor as Spouse, Minors or any other Relatives within the second level relationships</th><th rowspan="2">Note 5</th></tr>
<tr><th>Shares</th><th>Ratio %</th><th>Shares</th><th>Ratio %</th><th>Shares</th><th>Ratio %</th><th>Shares</th><th>Ratio %</th><th>Position</th><th>Name</th><th>Relationship</th></tr>
<tr><td rowspan="2">Chairman</td><td rowspan="2">The Republic of China</td><td rowspan="2">Chen, Sheng-Hung</td><td rowspan="2">Male 81~90</td><td rowspan="2">June 17, 2024</td><td rowspan="2">3 years</td><td rowspan="2">June 15, 2015</td><td rowspan="2">11,029,282</td><td rowspan="2">0.27</td><td rowspan="2">12,273,384</td><td rowspan="2">0.30</td><td rowspan="2">5,525,930</td><td rowspan="2">0.14</td><td rowspan="2">-</td><td rowspan="2">-</td><td rowspan="2">Taipei City Councilor, Director of Yang Ming Shan Credit Union, The 1st - 4th Chairman and 5th and 6th Managing Director of Sunny Bank, Shareholder of Chuan Yam Construction Co., Ltd. Chairman of Sunny Culture and Education Foundation Graduated from University.</td><td rowspan="2">Chairman of Sunny Culture and Education Foundation.</td><td>Director and Deputy General Manager</td><td>Ho, Li-Wei</td><td>Father &Son</td><td>None</td></tr>
<tr><td>Manager</td><td>Chen, Ya-I</td><td>Father &Son</td><td>None</td></tr>
<tr><td rowspan="2">Managing Director</td><td rowspan="2">The Republic of China</td><td rowspan="2">Liu, Chen-Sheng</td><td rowspan="2">Male 81-90</td><td rowspan="2">June 17, 2024</td><td rowspan="2">3 years</td><td rowspan="2">June 12, 2000</td><td rowspan="2">5,704,648</td><td rowspan="2">0.14</td><td rowspan="2">6,157,811</td><td rowspan="2">0.15</td><td rowspan="2">494,319</td><td rowspan="2">0.01</td><td rowspan="2">-</td><td rowspan="2">-</td><td rowspan="2">Chairman of Ri Jian Co Ltd. Supervisor of Yang Ming Shan Credit Union, Director and the Managing Director of Sunny Bank, Chairman of Shihpai Tzuchiang General Market Co., Ltd. Director of Sunny Culture and Education Foundation, Graduated from Vocational High School.</td><td rowspan="2">Director of Sunny Culture and Education Foundation.</td><td>Assistant Vice President</td><td>Liu, Ming-Chieh</td><td>Father &Son</td><td>None</td></tr>
<tr><td>Manager</td><td>Liu, Ming-Che</td><td>Father &Son</td><td>None</td></tr>
</table>

Position (Note1)	Nationality or Place of Registration	Name	Gender /Age (Note2)	Date Elected (Employed)	Term	Initial Elected Date (Note 3)	Holding at Election		Present Holding		Current Shares of Spouse and Minors Children		Holding Shares in Other Names		Education & Experience (Note 4)	Concurrent Positions at our Bank and Other Companies	Other Chief, Director or Supervisor as Spouse, Minors or any other Relatives within the second level relationships			Note 5
							Shares	Ratio %	Shares	Ratio %	Shares	Ratio %	Shares	Ratio %			Position	Name	Relationship	
Managing Director	The Republic of China	Chang, Shu-Min	Male 51-60	June 17, 2024	3 years	June 15, 2015	10,476	-	2,139,873	0.05	-	-	-	-	Chairman of Cherng Yang Printing Co., Ltd., Chairman of Rising Sun Publishing Co.,Ltd., Chairman of Ink Literary Monthly Co., Ltd., Chairman of Xinming Constructions Co., Ltd., Chairman of Gold Sunny Assets Management Co., Ltd.; Director of Hai Wong Printing Co., Ltd., Director of Technology Books Co., Ltd., Director of Forward Graphic Enterprise Co., Ltd., Director of Hai Wong Development and Constructions Co., Ltd., Director of Wisest Cultural Co., Ltd, Director of Xinming Constructions Co., Ltd., Director of Yang Ming Co., Ltd., Director of Jin Chen Investment Co., Ltd., Person in Charge of Poet Tribe Magazine ("Shi Ren Bu Luo"), Person in Charge of Chen Yang Publishing, Person in Charge of Taiwan People ("Tai Wan Ren Min") Publishing, Director of Sunny Bank; Graduated from graduate school	Chairman of Rising Sun Printing Co., Ltd., Chairman of Rising Sun Publishing Co., Ltd., Director of Ink Literary Monthly Co., Ltd., Director of Hai Wong Printing Co., Ltd., Director of Technology Books Co., Ltd., Director of Forward Graphic Enterprise Co., Ltd., Hai Wong Development and Constructions Co., Ltd., Director of Wisest Cultural Co., Ltd, Director of Xinming Constructions Co., Ltd., Director of Wisest Cultural Co., Ltd., Director of Jin Chen Investment Co., Ltd., Shareholder of Hai Wong Investment Co., Ltd., Person in Charge of Poet Tribe Magazine ("Shi Ren Bu Luo"), Person in Charge of Chen Yang Publishing, Person in Charge of Taiwan People ("Tai Wan Ren Min"), Supervisor of King Polytechnic Engineering Co. Ltd Publishing, Shareholder of Lichen Investment Co., Ltd., Shareholder of Hai Wong Investment Ltd.,	Director	Chang, Shu-Hua	Brother	-
Independent Managing Director	The Republic of China	Ji, Yan-Ping	Male 71-80	June 17, 2024	3 years	July 1, 2021	-	-	-	-	-	-	-	-	Head of the Department of Information Management, Central University, Associate Professor of the Department of Information Management, National Chengchi University, Ph.D.	Independent Director of Rossmax International Ltd	-	-	-	-
Director	The Republic of China	Ho, Li-Wei	Male 41-50	June 17, 2024	3 years	June 4, 2018	3,958,158	0.10	4,614,332	0.11	-	-	-	-	Manager and Associate Vice President of Sunny Bank, Director of Sunny International Leasing Co., Ltd., Director of Sunny Culture and Education Foundation, Graduated from graduate school	Director of Fu Li Yang Investment Co., Ltd. Director of Sunny Culture and Education Foundation. Supervisor of Chuan Yam Construction Co., Ltd. Chairman of Ho Li Wei Enterprise Co.	Director	Chen, Sheng-Hung	Father &Son	-

Position (Note1)	Nationality or Place of Registration	Name	Gender /Age (Note2)	Date Elected (Employed)	Term	Initial Elected Date (Note 3)	Holding at Election		Present Holding		Current Shares of Spouse and Minors Children		Holding Shares in Other Names		Education & Experience (Note 4)	Concurrent Positions at our Bank and Other Companies	Other Chief, Director or Supervisor as Spouse, Minors or any other Relatives within the second level relationships			Note 5
							Shares	Ratio %	Shares	Ratio %	Shares	Ratio %	Shares	Ratio %			Position	Name	Relationship	
Director	The Republic of China	Chang, Shu-Hua	Male 51-60	June 17, 2024	3 years	June 15, 2015	2,089	-	1,562,324	0.04	-	-	-	-	Chairman of Wisest Cultural Co., Ltd. Jin Chen Investment Co., Ltd. Director of Yu Cheng Art Binding Co., .Ltd., Director of Hai Wong Printing Co., Ltd., Director of Technology Books Co., Ltd., Director of Hai Wong Development and Constructions Co., Ltd., Director of Rising Sun Publishing Co., Ltd., Shareholder of Xinming Constructions Co., Ltd., Shareholder of Hai Wong Investment Co., Ltd., Shareholder of Wisest Cultural Co., Ltd., Shareholder of Likun Investment Ltd. Director of Sunny Bank. Graduated from college.	Chairman of Wisest Cultural Co., Ltd., Chairman of Jin Chen Investment Co., Ltd., Director of Yu Cheng Art Binding Co., .Ltd., Director of Hai Wong Printing Co., Ltd., Director of Technology Books Co., Ltd., Director of Hai W0ng Development and Constructions Co., Ltd., Director of Rising Sun Publishing Co., Ltd., Director of King Polytechnic Engineering Co., Ltd. Shareholder of Xinming Constructions Co., Ltd., King Polytechnic Engineering Co., Ltd Shareholder of Hai Wong Investment Co., Ltd., Shareholder of Wisest Cultural Co., Ltd., Shareholder of Likun Investment Ltd.	Managing Director	Chang, Shu-Min	Brother	-
Director	The Republic of China	Fu Li Yang Investment Co., Ltd.	Male 81-90	June 17, 2024	3 years	June 15, 2015	449,137,203	11.12	550,791,178	13.63	-	-	-	-	Director of Yang Ming Shan Credit Union, Manager, Associate and Deputy General Manager of Sunny Commercial Bank., Director of Sunny Cultural and Educational Foundation, Graduated from secondary school	Shareholder of Hong Kuan Co., Ltd Director of Sunny Culture and Education Foundation.	-	-	-	-
		Representative: Ho, Shun-Cheng					-	-	9,296,563	0.23	8,934,629	0.22	-	-						
Director	The Republic of China	Chen, Chin-Yi	Male 61-70	June 17, 2024	3 years	June 4, 2018	4,398,980	0.11	4,895,184	0.12	-	-	-	-	Director of Yang Ming Shan Credit Union, Chairman of Sunny Life Insurance Brokerage Co., Ltd., Director of Sunny Property & Insurance Brokerage Co. Ltd., Director and Consultant of Sunny Bank, Supervisor of Jin Jia Technology Co., Ltd., Director of Yu Shun Investment Co., Ltd., Director of Sunny Cultural and Educational Foundation, Graduated from University.	Director of Yu Shun Investment Co., Ltd., Director of Sunny Culture and Education Foundation.	-	-	-	-

Position (Note1)	Nationality or Place of Registration	Name	Gender /Age (Note2)	Date Elected (Employed)	Term	Initial Elected Date (Note 3)	Holding at Election		Present Holding		Current Shares of Spouse and Minors Children		Holding Shares in Other Names		Education & Experience (Note 4)	Concurrent Positions at our Bank and Other Companies	Other Chief, Director or Supervisor as Spouse, Minors or any other Relatives within the second level relationships			Note 5
							Shares	Ratio %	Shares	Ratio %	Shares	Ratio %	Shares	Ratio %			Position	Name	Relationship	
Director	The Republic of China	Chen, Yi-Chen	Male 31-40	June 17, 2024	3 years	June 4, 2018	-	-	-	-	-	-	-	-	Deputy General Manager of Po Yun Enterprise Co., Ltd., Deputy General Manager of Li Chen Investment Co., Ltd., Director of Empire Voice Int'l INC Graduated from Perkiomen School, Pennsylvania, USA.	Director of Li Cheng Investment Co., Ltd, Supervisor of Bo Yun Enterprise Co., Ltd.	-	-	-	-
Director	The Republic of China	Hsieh, Yi-Tung	Male 71-80	June 17, 2024	3 years	June 22, 2009	996,504	0.02	1,176,317	0.03	2,177,997	0.05	-	-	Manager of The First Cooperative Association of Kaohsiung City. Assistant Manager of Business Department of Kao Shin Bank. Branch, Director and Associate Vice President of Sunny Bank. Graduated from College.	-	-	-	-	-
Director	The Republic of China	Zhang, Wu-Ping	Male 81-90	June 17, 2024	3 years	June 17, 2024	7,967,738	0.20	8,818,658	0.22	6,687,739	0.17	-	-	Director of Yang Ming Shan Credit Union, Director of Sunny Bank, Shareholder of Caby Sound Co. Chairman of Ping An Construction Co., Ltd Director of Sunny Bank Culture and Education Foundation, Graduated from Vocational High School.	Chairman of Ping An Construction Co., Ltd, Director of Sunny Bank Culture and Education Foundation, Shareholder of Caby Sound Co. Shareholder of Da Hua Corrugated Container Co., Ltd.	-	-	-	-
Independent Director	The Republic of China	Wu, Ying-Shi,	Male 71-80	June 17, 2024	3 years	July 1, 2021	-	-	-	-	-	-	-	-	Director of National Taxation Bureau of Kaohsiung, Ministry of Finance. Director of National Taxation Bureau of the Northern Area, Ministry of Finance. Taiwan Director of Financial Asset Service Corporation, Graduated from graduate school.	-	-	-	-	-

Position (Note1)	Nationality or Place of Registration	Name	Gender /Age (Note2)	Date Elected (Employed)	Term	Initial Elected Date (Note 3)	Holding at Election		Present Holding		Current Shares of Spouse and Minors Children		Holding Shares in Other Names		Education & Experience (Note 4)	Concurrent Positions at our Bank and Other Companies	Other Chief, Director or Supervisor as Spouse, Minors or any other Relatives within the second level relationships			Note 5
							Shares	Ratio %	Shares	Ratio %	Shares	Ratio %	Shares	Ratio %			Position	Name	Relationship	
Independent Director	The Republic of China	Lin, Rui-Yun	Female 61-70	June 17, 2024	3 years	June 17, 2024	-	-	-	-	-	-	-	-	Graduated from graduate school, Director、Senior Vice President、Spokesperson、Corporate Governance Officer and Supervisor of Mega Financial Holding Co., Ltd, Chairman and Supervisor, Mega Insurance Co., Ltd, Managing Director of Taiwan Business Bank Director of Next Bank, Supervisor and Director of Mega Bills Finance Co., Ltd, Chairman and General Manager of Mega Venture Capital Co., Ltd, Supervisor of Universal Venture Capital Investment Corporation. Graduated from graduate school	Supervisor of Universal Venture Capital Investment Corporation	-	-	-	-

Note 1: The institutional shareholder's representative should indicate the name of the institutional shareholder as well as "Major Institutional Shareholders".

Note 2: Please list the actual age and express it in interval, such as 41-50 years old or 51-60 years old.

Note 3: The start date of the term of office of a Bank Director or Supervisor should be specified. Any interruption should be noted under Remarks.

Note 4: Those who have experience related to their current position, or have worked in an auditing firm or affiliated business should specify their position and duties.

Note 5: If the chairman and general manager or similar position (top manager) are the same person, a spouse or relative within the first degree of kinship, please explain the reason, rationality, necessity and countermeasures (such as increasing the number of seats for independent directors, and having more than half of directors who do not work concurrently as employees or managers).

(二)Major Institutional Shareholders

Baseline date: December 31, 2025

Name of Institutional Shareholder (Note 1)	Major Institutional Shareholders (Note 2)	Shareholding %
Fu Li Yang Investment Co., Ltd.	Hsueh Ling	99.74

Note 1: Directors and supervisors representing institutional shareholders should specify the names of these institutional shareholders.

Note 2: Names and shareholding percentages of major shareholders (top 10 largest shareholders) should be listed. Major shareholders who are institutional shareholders should be specified as "Major Institutional Shareholders".

Note 3: If institutional shareholders are not a company organization, the name of the shareholder and shareholding thereof shall be disclosed above as well as the name of the funder or donor and its funding or donation percentage.

(三)Major Institutional Shareholders who are major shareholders: None

(四)Information of directors and supervisors

Disclosure of Professional Qualifications and Independence of Independent Directors

Baseline date: December 31, 2025

Condition / Name	Professional qualifications and experience (Note 1)	Independence	Number of other public companies where the independence directors connected
Chen, Sheng-Hung	➢ Work experience in business and banking. ➢ Served as Chairman and Executive Director of Sunny Bank. ➢ There are no matters related to Article 30 of the Company Act.	non-independent director	None

Condition / Name	Professional qualifications and experience (Note 1)	Independence	Number of other public companies where the independence directors connected
Liu, Chen-Sheng	➢ Work experience in business and banking. ➢ Served as Managing Director of Sunny Bank. ➢ There are no matters related to Article 30 of the Company Act.	non-independent director	None
Chang, Shu-Min	➢ Work experience in business and banking. ➢ Served as Director of Sunny Bank. ➢ There are no matters related to Article 30 of the Company Act.	non-independent director	None
Ji, Yan-Ping	➢ Possesses business, technology, operational judgment and work experience required in banking. ➢ Head of the Department of Information Management, National Central University, Associate Professor of the Department of Information Management, National Chengchi University, Executive Director of the Master of Business Administration Program, National Chengchi University. ➢ There are no matters related to Article 30 of the Company Act.	Note2	None
Ho, Li-Wei	➢ Work experience in business and banking. ➢ Served as manager, senior manager and Vice President of Sunny Bank. ➢ There are no matters related to Article 30 of the Company Act.	non-independent director	None
Chang, Shu-Hua	➢ Work experience in business and banking. ➢ Served as Director of Sunny Bank. ➢ There are no matters related to Article 30 of the Company Act.	non-independent director	None
Ho, Shun-Cheng (Note3)	➢ Work experience in business and banking. ➢ Served as Director and Managing Director of Sunny Bank. ➢ There are no matters related to Article 30 of the Company Act.	non-independent director	None
Chen, Chin-Yi	➢ Work experience in business and banking. ➢ Served as Director and Adviser of Sunny Bank. ➢ There are no matters related to Article 30 of the Company Act.	non-independent director	None
Chen, Yi-Chen	➢ Work experience in business and banking. ➢ Served as Director of Sunny Bank. ➢ There are no matters related to Article 30 of the Company Act.	non-independent director	None
Hsieh, Yi-Tung	➢ Work experience in business and banking. ➢ Served as Director and Branch manager of Sunny Bank. ➢ There are no matters related to Article 30 of the Company Act.	non-independent director	None
Chang, Wu-Ping	➢ Work experience in business and banking. ➢ Served as Director and Adviser of Sunny Bank. ➢ There are no matters related to Article 30 of the Company Act.	non-independent director	None

Condition / Name	Professional qualifications and experience (Note 1)	Independence	Number of other public companies where the independence directors connected
Wu, Ying-Shi	➢ Possesses business, technology, finance, operational judgment and work experience required in banking. ➢ Served as Director of the Kaohsiung National Taxation Bureau of the Ministry of Finance, Director of the National Taxation Bureau of the Northern District of the Ministry of Finance, Chairman of Taiwan Financial Assets Service Co., Ltd. ➢ There are no matters related to Article 30 of the Company Act.	Note2	None
Lin, Rui-Yun	➢ Essential banking experience and crisis management skills ➢ Served as Senior Vice President、Spokesperson、Corporate Governance Officer and Supervisor of Mega Financial Holding Co., Ltd, Chairman and Supervisor, Mega Insurance Co., Ltd, Managing Director of Taiwan Business Bank, Director of Next Bank, Supervisor and Director of Mega Bills Finance Co., Ltd, Chairman and General Manager of Mega Venture Capital Co., Ltd, Supervisor of Universal Venture Capital Investment Corporation. Finance, Chairman of Taiwan Financial Assets Service Co., Ltd. ➢ There are no matters related to Article 30 of the Company Act.	Note2	None

Note1: Please state the professional qualifications and experience of individual directors and supervisors. If they are members of the audit committee and have accounting or financial expertise, they should state their accounting or financial background and work experience. In addition, please also indicate whether there is any circumstance in Article 30 of the Company Law.

Note2: Independence situation as follows:

(1)Including but not limited to the person, spouse, and relatives within the second degree who do not serve as directors, supervisors or employees of the Bank or its affiliated companies.

(2)Do not hold the number of shares in the company.

(3)Not serving as a director, supervisor or employee of a company that has a specific relationship with the bank.

(4)The amount of remuneration obtained from providing business, legal, financial, accounting, and other services to the Bank or its affiliated companies for the last 2 years.

Note3: Represented legal person: Fu Li Yang Investment Co., Ltd.

(五)Board Diversity and Independence

A. Board Diversity

A) Statement on the Board of Directors' diversity policy, objectives, and implementation status

Since June 2018, all directors of the Bank have adopted a nomination system for candidates. In accordance with the Bank's "Corporate Governance Best Practice Principles", the Board of Directors shall be responsible for the Bank's overall business strategy and major policies, effectively supervise the management level, and monitor that all Shareholders are responsible. All operations and arrangements of the Bank's corporate governance system shall ensure that the Board of Directors exercises its functions and powers in accordance with laws and regulations, the Articles of Association or the resolutions of the shareholders' meeting. In order to achieve the ideal goals of corporate governance, the overall capabilities of the Board of Directors are as follows:

a. Operational Judgment
b. Accounting and financial analysis skills
c. Management ability
d. Risk management capability

e. Crisis management ability
f. Industry knowledge
g. International market view
h. Leadership
i. Decision-making capacity

The diversity of board members is as follows:

Director's Name	Gender	Nationality	Education	Age							Length of tenure of independent directors			Professional background			Education & Experience								
				21-30	31-40	41-50	51-60	61-70	71-80	81-90	Below 3 years	3-9 years	Above 9 years	Finance	Legal	Business/ Technology	A. Operational Judgment	B. Accounting and financial analysis skills	C. Management ability	D. Risk management capability	E. Crisis Management ability	F. Industry knowledge	G. International market view	H. Leadership	I. Decision-making capacity
Chen, Sheng-Hung	Male	TW	Graduated from the Department of International Trade, Feng Chia University							✓						✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Liu, Chen-Sheng	Male	TW	Graduated from Taipei Kainan High School							✓						✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chang, Shu-Min	Male	TW	Department of Electrical Engineering, Hwa Hsia University of Technology				✓									✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ji, Yan-Ping	Male	TW	Graduated from the University of Maryland with a Ph.D. in Management						✓			✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ho, Li-Wei	Male	TW	MBA, La Sierra University, California			✓										✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chang, Shu-Hua	Male	TW	Department of Mechanical Engineering, St. John's University				✓									✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ho, Shun-Cheng (Note)	Male	TW	Yu-Ying Junior High School							✓						✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chen, Chin-Yi	Male	TW	Department of Sociology, Tunghai University					✓								✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chen, Yi-Chen	Male	TW	Perkiomen School, Pennsylvania		✓											✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Hsieh, Yi-Tung	Male	TW	National Cheng Kung University, Affiliated to the Air Business Specialist Advanced Study School Accounting and Statistics Division						✓							✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chang, Wu-Ping	Male	TW	Graduated from Taipei Kainan High School							✓						✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Director's Name	Gender	Nationality	Education	Age							Length of tenure of independent directors			Professional background			Education & Experience								
				21-30	31-40	41-50	51-60	61-70	71-80	81-90	Below 3 years	3-9 years	Above 9 years	Finance	Legal	Business/ Technology	A. Operational Judgment	B. Accounting and financial analysis skills	C. Management ability	D. Risk management capability	E. Crisis Management ability	F. Industry knowledge	G. International market view	H. Leadership	I. Decision-making capacity
Wu, Ying-Shi	Male	TW	Master of Economics, National Taiwan University						✓			✓		✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lin, Rui-Yun	Female	TW	Master of Finance, National Chengchi University					✓			✓			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Note: Represented legal person: Fu Li Yang Investment Co., Ltd.

B) If the number of directors of any gender does not reach one-third of the total number of board seats, an explanation of the reasons for this shortfall and the measures planned to improve gender diversity on the Board of Directors shall be provided：

a. Reason：The Board of the Company consists of thirteen seats in accordance with the Company’s Articles of Incorporation. The current directors were elected at the General shareholders’ meeting held on June 17, 2024. There is currently only one female director, and although this is compliant with the relevant regulations in effect at the time, the number does not meet the one-third threshold. This is mainly due to the characteristics of the industry, which makes it difficult to identify and recruit suitable candidates within a short amount of time.

b. Measures：Before the current board term expires and re-election takes place, the Company will seek candidate recommendations through various channels, including from the industry and academia, to implement the Board diversity policy and thereby enhance the effectiveness of corporate governance.

B. Board Independence

The current Board of Directors of the Bank consists of 13 directors, including 3 independent directors. The board members generally possess the necessary knowledge, skills, and literacy to perform their duties, and meet the requirements of the qualifications required by the person in charge of the bank

2. Corporate Governance Operations

(一)Implementation Status of the Internal Control System

Please visit the bank's website：http//www.sunnybank.com.tw

(二)CPA Audit Report

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No.100, Songren Rd.,
Xinyi Dist., Taipei 110016, Taiwan
Tel: +886(2) 2725-9988
Fax: +886(2) 4051-6888
www.deloitte.com.tw

Report of Agreed-Upon Procedures

Sunny Bank Co., Ltd.,

We have performed the agreed-upon procedures with respect to the accuracy of the regulatory reporting submitted by Sunny Bank Ltd. for the year ended 2025, the implementation of its internal control system and legal compliance system, and the appropriateness of the policies adopted in the preparation of the memorandum ledger.

These procedures were determined solely by the Company. Accordingly, we do not express any opinion as to whether the procedures performed are sufficient for the intended purpose.

Our work was conducted in accordance with Statement of Standard on Related Services (SSRS) No. 4400, "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information." The purpose of this engagement is to assist the Company in assessing its compliance with the "Regulations Governing the Implementation of Internal Control and Audit Systems for Financial Holding Companies and Banking Industries" issued by the Financial Supervisory Commission (FSC). Compliance with the aforementioned regulations is the responsibility of the Company's management. The procedures performed and the factual findings are set forth in the attached schedules.

As we did not perform an audit in accordance with auditing standards, we do not express any assurance regarding the accuracy of the Company's regulatory reporting, the implementation of its internal control system and legal compliance system, or the appropriateness of the policies adopted in the preparation of the memorandum ledger. Had we performed additional procedures or conducted an audit in accordance with auditing standards, other matters might have come to our attention and would have been reported accordingly.

This report is intended solely for the purpose stated in the first paragraph and should not be used for any other purpose or distributed to any other parties.

Deloitte Touche Tohmatsu Limited
Accountant LI, Hsieh-Chang
March 3, 2026

(三)Major Resolutions Adopted at Shareholders' Meetings and Board of Directors Meetings in 2024 and Up to the Date of Publication of the Annual Report:

Shareholder's Meeting/Board Meeting	Date	Important Resolutions
Shareholders' Meeting	June 9, 2025	1、Approved and ratified the Company's 2024 Business Report and Financial Statements. 2、Approved and ratified the Company's proposal for the distribution of 2024 earnings. 3、Approved the Company's proposal for the issuance of new shares through capitalization of earnings. 4、Approved the amendments to the Company's Articles of Incorporation.
7th Meeting of the 10th Board of Directors	January 17, 2025	1、Approved the amendments to the Bank's Regulations Governing Investment in Overseas Securities. 2、Approved the addition to the Bank's 2025 Treasury Department audit plan. 3、3. Approved the establishment of the Bank's Practical Operating Guidelines for Addressing International Sanctions Issues. 4、4. Approved the application for branch relocation. 5、5. Approved the plan for real estate acquisition. 6、6. Approved the establishment of the Bank's Internal Control System for Environmental Protection, Social Responsibility, and Corporate Governance. 7、7. Approved the amendments to the Bank's Articles of Organization. 8、8. Approved the capital increase in Sunny Securities Co., Ltd.
8th Meeting of the 10th Board of Directors	March 4, 2025	1、Approval of the loan to related parties. 2、Adoption of the establishment of interest rate pricing standards for various credit products in 2024. 3、Approved the application for the trust enterprise to concurrently conduct securities investment consulting business 4、Approved the addition of the Operating Guidelines for the Banks' Concurrent Conduct of Proprietary Trading of Bonds as a Securities Dealer. 5、Approved the addition of the Bank's Product Suitability Policy for the Concurrent Conduct of Proprietary Trading of Bonds as a Securities Dealer. 6、Approval of the review case for the Company's 2024 Business Report and Financial Statements. 7、Approval of the Company's distribution of profits for the 2024 fiscal year. 8、Approval of the Company's 2024 earnings capitalization plan for new share issuance. 9、Approval of the cash capital increase plan for the 2024 fiscal year. 10、Approved the amendments to the Bank's Financially Friendly Service Guidelines.. 11、Approved the evaluation of the Bank's listing plan 12、Adoption of the amendment to the Bank's Board of Directors Meeting Rules of Procedure. 13、Adoption of the amendment to the Bank's Audit Committee Charter. 14、Adoption of the nomination of directors for the 10th Board of Directors.
9th Meeting of the 10th Board of Directors	May 20, 2025	1、Approved the amendments to the title and certain provisions of the Bank's Directions Governing Anti-Money Laundering and Countering the Financing of Terrorism for the Concurrent Operation of Insurance Agency Business. 2、Approved the 2025 reporting of information required for domestic banks' compliance with supervisory review principles. 3、Approved the amendments to the Bank's information disclosure policy for matters to be disclosed in relation to capital adequacy and risk management. 4、Approved the amendments to the Bank's Credit Authorization Limit Table. 5、Approved the amendments to the Bank's Rules for FX Forward Transactions and the Bank's Operating Guidelines for FX Swaps. 6、Approved the amendments to the Bank's Operating Guidelines Governing the Scope, Reporting Procedures, and Other Compliance Matters for Reporting Material Contingencies. 7、Approved the amendments to the Bank's Regulations Governing Controls over Credit Information Inquiry Operations.

Shareholder's Meeting/Board Meeting	Date	Important Resolutions
		8、Approved the establishment of the Bank's Regulations Governing Compliance Matters for Preventing Hazards Caused by Fraud Crimes. 9、Approved the addition to the Bank's Articles of Organization. 10、Approved the Bank's title sponsorship of Sunny Bank Athletic Club Taipei. 11、Approved the plan for real estate acquisition.
10th Meeting of the 10th Board of Directors	June 17, 2025	1、Approved the Bank's 2025 cash capital increase. 2、Approved the amendments to the Bank's Operating Guidelines for Derivatives Business. 3、Approved the amendments to the Bank's Regulations Governing the Investment in Overseas Securities.
11th Meeting of the 10th Board of Directors	July 22, 2025	1、Approved the record date and payment date for the distribution of the Bank's 2024 cash dividends. 2、Approved the book closure period and record date for the issuance of new shares through capitalization of the Bank's 2024 retained earnings. 3、Approved the application for branch relocation. 4、Approved the plan for real estate acquisition. 5、Approved the amendments to the Bank's Information Security Policy. 6、Approved the application for the Bank's gold passbook business.
12th Meeting of the 10th Board of Directors	August 19, 2025	1、Approved the Bank's financial report for Q2 2025. 2、Approved the donation to the Small and Medium Enterprise Credit Guarantee Fund of Taiwan. 3、Approved the implementation status of the Bank's ESG-related business in 2024. 4、Approved the amendments to the Bank's Articles of Organization.
13th Meeting of the 10th Board of Directors	October 21, 2025	1、Approved the credit proposal involving related parties. 2、Approved the proposal for the acquisition of real property. 3、Approved the amendments to the Bank's Procedures for the Acquisition or Disposal of Assets. 4、Approved the amendments to the Bank's Organizational Regulations. 5、Approved the amendments to the Bank's Regulations Governing Position Allowances.

Shareholder's Meeting/Board Meeting	Date	Important Resolutions
14th Meeting of the 10th Board of Directors	December 16, 2025	1、Approved credit extensions and transactions with related parties. 2、Approved the convening of the Bank's 2026 Annual Shareholders' Meeting. 3、Approved the establishment of the Bank's 2026 limits for high climate-risk industries. 4、Approved the results of the Bank's 2025 periodic review of the Liquidity Risk Management Guidelines and Credit Risk Management Guidelines. 5、Approved the amendments to the Bank's Information Disclosure Policy for Matters to Be Disclosed in Relation to Capital Adequacy and Risk Management. 6、Approved the amendments to the Bank's business solicitation system and Procedural Guidelines for the Concurrent Operation of Insurance Agency Business. 7、Approved the 2026 audit plan declaration form. 8、Approved the 2026 audit plan for the Treasury Department's proprietary bond trading and underwriting businesses. 9、Approved the change of the Bank's CPA, effective Q4 2025. 10、Approved the Bank's CPA engagement fees for 2026. 11、Approved the Bank's 2026 budget report and business plan. 12、Approved the plan for real estate acquisition. 13、Approved the application for branch relocation. 14、Approved the donation to the Overseas Credit Guarantee Fund. 15、Approved the amendments to the Bank's Regulations Governing Employee Appointment and Remuneration Criteria.
15th Meeting of the 10th Board of Directors	January 27, 2026	1、Approved credit extensions to stakeholders. 2、Approved the establishment of the 2026 interest rate pricing standards for various credit products. 3、Approved the capital increase in Sunny E-Commerce Co., Ltd. 4、Approved the amendments to the Bank's Compliance Matters and Operating Guidelines for Reinvestment Activities. 5、Approved the plan for real estate acquisition
16th Meeting of the 10th Board of Directors	March 3, 2026	1、Approved credit extensions to related parties. 2、Approved the amendments to the Bank's Regulations Governing the Data Filing of Related Parties. 3、Approved the distribution of employee and director remuneration for 2025. 4、Approved the review of the Bank's 2025 business report and financial statements. 5、Approved the Bank's 2025 earnings distribution. 6、Approved the issuance of new shares through capitalization of the Bank's 2025 retained earnings. 7、Approved the issuance of the Bank's statement on internal control. 8、Approved the Bank's issuance of the statement on the design and implementation of the internal control system for anti-money laundering and countering financing of terrorism, a statement to Deloitte & Touche, and subsequent events disclosure, and acknowledged the special audit report issued by the said firm. 9、Approved the issuance of the Bank's statement on internal controls for anti-money laundering and countering financing of terrorism. 10、Approved the plan for real estate acquisition

(四)During the most recent fiscal year and up to the date of publication of this Annual Report, there were no recorded or written dissenting opinions expressed by any director or supervisor regarding material resolutions adopted by the Board of Directors.

3. Alternation of CPA

(一)Information about previous CPA:

Date of change	November 2025		
Reason for change and description	Due to the internal job assignment and arraignment of Deloitte & Touche, the CPAs changed from Xin, You-Cheng and Hsieh, Tung-Ju to Li, Hsieh-Chang and Hsin, Yu-Cheng..		
Specify whether the appointer or the CPA terminated or refused to accept the appointment	Involved party / Situation	CPA	Appointer
	Voluntary termination of appointment	Inapplicable	Inapplicable
	No further acceptance (continuation) of appointment	Inapplicable	Inapplicable
Opinion and reason for the audit report other than unqualified opinion issued within the latest two years	None		
Different opinion with the issuer	Yes	-	Accounting principles or practice
		-	Disclosure of financial statement
		-	Inspection scope or steps
		-	Others
	No	✓	
	Remarks		None
Other disclosure items (that should be disclosed according to Items 1-4, Subparagraph 6, Article 10 of this Guidelines)	None		

(二)Information about the succeeding:

Name of Accounting Firm	Deloitte & Touche
Name of CPA	CPA Li, Hsieh-Chang
Appointment Date	November 2025
Consultation items and results of the accounting method or accounting principle of specific transactions or the opinion that might be possibly issued for the financial statement before appointment	Inapplicable
Written opinion of the succeeding CPA for the items that the former CPA holds a different opinion	Inapplicable

(三)The former independent auditors' response regarding the matters specified in Subparagraphs 1 and 3 of Item 6, Article 10 of the Regulations: None.

4. Information about the Bank's Top Ten Shareholders who are Related Parties, Spouses or Relatives within Second Degree of Kinship

Record date: December 31, 2025

Unit: Share, %

Name (Note 1)	Shareholding		Shareholding of Spouse and Minors		Shareholding entitled to other name		If a stakeholder or spouse or relative within second degree of kinship of the Bank's top ten shareholders, the shareholder's name and relationship (Note 3)		Remark
	Share	% (Note 2)	Share	% (Note 2)	Share	% (Note 2)	Title or Name	Relationship (Note 2)	
Fu Li Yang Investment Co., Ltd	550,791,178	13.63	0	0.00	0	0.00	Chuan Yang Construction Co., Ltd.	Same Representative	None

Name (Note 1)	Shareholding		Shareholding of Spouse and Minors		Shareholding entitled to other name		If a stakeholder or spouse or relative within second degree of kinship of the Bank's top ten shareholders, the shareholder's name and relationship (Note 3)		Remark
	Share	% (Note 2)	Share	% (Note 2)	Share	% (Note 2)	Title or Name	Relationship (Note 2)	
The First Insurance Co., Ltd.	119,100,339	2.95	0	0.00	0	0.00	None	None	None
Chuan Yang Construction Co., Ltd.	119,050,707	2.95	0	0.00	0	0.00	Fu Li Yang Investment Co., Ltd	Same Representative	None
Hai Wong Printing Co., Ltd.	104,192,264	2.58	0	0.00	0	0.00	Jin Chen Investment Co., Ltd., Hai Wong Investment Co., Ltd.,Li Kun Investment Co., Ltd., INK Literart Monthly Publishing Co., Ltd.	Same Related Party	None
Farglory Life Insurance Co., Ltd.	93,890,678	2.32	0	0.00	0	0.00	None	None	None
Sheng Yang Construction Co., Ltd.	71,662,771	1.77	0	0.00	0	0.00	None	None	None
Jin Chen Investment Co., Ltd.	53,174,496	1.32	0	0.00	0	0.00	Hai Wong Printing Co., Ltd., Li Kun Investment Co., Ltd., Hai Wong Investment Co., Ltd., INK Literart Monthly Publishing Co., Ltd.	Same Related Party	None
Hai Wong Investment Co., Ltd.	52,949,886	1.31	0	0.00	0	0.00	Jin Chen Investment Co., Ltd., Li Kun Investment Co., Ltd ., Hai Wong Printing Co., Ltd., INK Literart Monthly Publishing Co., Ltd.	Same Related Party	None
Li Kung Investment Co., Ltd.	52,556,485	1.30	0	0.00	0	0.00	Jin Chen Investment Co., Ltd., Hai Wong Printing Co., Ltd., Hai Wong Investment Co., Ltd., INK Literart Monthly Publishing Co., Ltd.	Same Related Party	None
INK Literart Monthly Publishing Co., Ltd.	40,450,115	1.00	0	0.00	0	0.00	Jin Chen Investment Co., Ltd., Hai Wong Printing Co., Ltd., Hai Wong Investment Co., Ltd., Li Kung Investment Co., Ltd.	Same Related Party	None

Note 1: Top 10 Shareholders shall be listed and institutional shareholders shall have their names and representative listed separately.
Note 2: The shareholding percentage is the percentage of shares under the name of a shareholder, his/her spouse, minors children or other name(s).
Note 3: Regarding shareholders disclosed in the list (including natural and judicial persons), their relationship between one another shall be disclosed according to the

Regulations Governing the Preparation of Financial Reports by Public Banks.

5. Numbers of Shares in the Same Reinvested Enterprises Held by the Bank and its Directors, Supervisors, President, Vice Presidents, Deputy Executive Vice Presidents, the Heads of Departments and Branches, and Enterprises Controlled Directly or Indirectly by the Bank, and Percentage of Consolidated Shareholding

Record date: December 31, 2025

Unit: Share, %

Reinvested Enterprises (Note)	The Bank's Investment		The Investment Affiliate Directly or Indirectly Controlled and by the Bank, its Directors, Supervisors, President, Vice Presidents, Executive Vice Presidents, the Heads of Departments and Branches		Omnibus Investment	
	Share	%	Share	%	Share	%
Sunny Securities Co., Ltd.	80,200,000	100.00	0	0.00	80,200,000	100.00
Gold Sunny Assets Management Co., Ltd.	27,313,944	100.00	0	0.00	27,313,944	100.00
Sunny International Leasing Co., Ltd.	152,500,000	100.00	0	0.00	152,500,000	100.00
Sunny E-commercial Co., Ltd.	7,929,038	100.00	0	0.00	7,929,038	100.00
Sunny Microfinance PLC.	1,480,000	100.00	0	0.00	1,480,000	100.00
Financial Information Service Co., Ltd.	19,674,054	2.64	0	0.00	19,674,054	2.64
Taiwan Financial Asset Service Corp	5,000,000	2.94	0	0.00	5,000,000	2.94
Taiwan Central Depository and Clearing Corp.	2,938,473	0.29	0	0.00	2,938,473	0.29
Sunlight Asset Management Ltd.	66,587	1.11	0	0.00	66,587	1.11
Taiwan Mobile Payment Co., Ltd.	600,000	1.00	0	0.00	600,000	1.00

Note: Investment pursuant to Article 74 of The Banking Act.

III. Capital Raising

1. Capital and Share
2. Implementation status of fund application plan

3

Chapter

1. Capital and Share

(一)Source of Capital

Record date: March 31, 2025
Unit: 1,000 shares, NT$1,000

Year/month	Par value	Approved Capital		Paid-up Capital		Remarks	
		Shares	Amount	Shares	Amount	Source of Capital Stock	Others
July 2025	NT$10	5,000,000	50,000,000	3,940,305	39,403,056	Capital increase from earnings NT$1,515,502,170	According to the approval announced on the website of the Securities and Futures Bureau, FSC on July 18, 2025
July 2025	NT$10	5,000,000	50,000,000	4,040,305	40,403,056	Capital increase by cash NT$1,000,000,000	According to FSC approval letter: Jin-Guan-Zheng-Fa No.1140350024issued on July 18, 2025

Note 1: Shall list data of the year until the date of publishing the annual report.
Note 2: Regarding the part of capital increase, it is a must to mark the effective (approval) date and document number.
Note 3: Those who issue stocks with the amount lower than par value shall be marked in noticeable way.
Note 4: If monetary claims against the company or technology needed by the company are offset against share payments, such information shall be specified, the type and amount of such offset shall also be noted.
Note 5: Prominently indicate any instance of private placement.

Unit: shares

Stock Type	Approved Capital			Remarks
	Outstanding stock (Note)	Un-issued shares	Total	
Common Stock	4,040,305,620	959,694,380	5,000,000,000	Bank stock not listed on TWSE or OTC

(二)List of Major Shareholders

Record date: December 31, 2024

Shares / Major Shareholders	Shareholding	Shareholding (%)
Fu Li Yang Investment Co., Ltd.	550,791,178	13.63%
The First Insurance Co., Ltd.	119,100,339	2.95%
Chuan Yang Construction Co., Ltd.	119,050,707	2.95%
Hai Wong Printing Co., Ltd.	104,192,264	2.58%
Farglory Life Insurance Co., Ltd.	93,890,678	2.32%
Sheng Yang Construction Co., Ltd.	71,662,771	1.77%
Jin Chen Investment Co., Ltd.	53,174,496	1.32%
Hai Wong Investment Co., Ltd.	52,949,886	1.31%
Li Kun Investment Co., Ltd.	52,556,485	1.30%
Chiou Da property Development Co	40,450,115	1.00%

Note: Shareholders who hold 1% or more of shares, or top ten shareholders.

(三)Equity Policy and Distribution

A. Dividend Policy

In the event of earnings made at the end of the fiscal year, said earnings shall be used to pay taxes and cover losses from previous years, and 30% of after-tax earnings shall be set aside as legal reserve, unless and until the accumulated legal reserve equals the Bank's paid-in capital; then special surplus reserve shall be set aside or reversed according to relevant regulations. Where there is any surplus, the Board of Directors shall combine it with non-distributed surplus of previous year and submit the bonus distribution proposal to General Meeting of Shareholders for distribution. The surplus shall be distributed in stock or cash dividends. Unless and until the accumulated legal reserve equals the Bank's paid-in capital, maximum cash payouts shall not exceed 15% of the Bank's paid-in capital.

In order to maintain a sound financial structure and capital adequacy, the Bank will distribute dividends according to its capital budgeting. The Bank follows the principle of retaining capital to distribute stock dividends; however, in the event of a capital budget surplus and a capital adequacy ratio higher than is required by the regulator, cash dividends may be distributed, which cannot be less than 10% of total dividends. Stock dividends may be distributed instead of cash dividends if the latter are no more than NT$0.1 per share

B. Proposed dividend distribution at the annual general meeting of shareholders

A stock dividend of NT$0.6 per share and a cash dividend of NT$0.2 per share are planned to be distributed according to the Bank's 2025 earnings

(四)Effect of Free Distribution Proposed at this General Meeting of Shareholders to the Bank's Operation Performance and EPS

No announcement on the 2025 Financial Forecast is yet made by the Bank. According to Tai-Cai-Zheng-Yi-Zhi Letter No. 00371 issued by Securities and Futures Commission of the Ministry of Finance on February 1, 2000, those who do not announce their financial statements do not need to disclose this information.

(五)Remunerations Paid to Employees, Directors and Supervisors

A.Percentage or range of employee bonuses and compensation for Directors and supervisors as stipulated in the Bank's Articles of Incorporation.

Where there is any profit of the year, the Bank shall, depending on the status of profitability, allocate 2% to its employees and less than 1% to Directors and Supervisors as remunerations. However, if there is any cumulative deficiency, the Bank shall reserve a certain amount to make up the deficiency.

Employees' remunerations shall be distributed in stock or cash and the distributed targets shall be the Bank's employees who comply with certain qualifications. Remunerations to Directors and Supervisors shall be distributed mainly in Cash.

The distribution ratio of remunerations to employees, Directors and Supervisors as well as the distribution methods and targets shall be finalized at Board of Directors meeting, which shall be participated by more than two third of Directors and agreed by more than participant Directors, and reported to General Meeting of Shareholders.

B.The basis for estimating the amount of remunerations to employees, Directors and supervisors, for calculating the number of shares to be distributed as bonuses, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period.

Total employee bonuses and compensation for Directors and supervisors in 2025 are estimated at NT$148,734 thousand. This estimate is based on the probable amount of distribution, based on past experience. If a different amount is decided at the annual general meeting of shareholders, this will be treated as a change in accounting estimates and the amount will be paid within the same fiscal year.

C.Employee bonuses proposed by the Board of Directors

(A) Employees' remuneration distributed in cash or stock and directors' and supervisors' remuneration: Distributed NT$99,156 thousand to employees as cash bonuses and NT$49,578 thousand to Directors as compensations.

(B) The value of proposed distribution of bonus shares to employees in stock and the size of such an amount as a percentage of the after-tax net income presented in the parent company only financial reports or individual financial reports for the current period and total employee bonuses: No information is to be disclosed as the Bank does not have plans to distribute bonus shares to its employees.

D.Actual distribution of remunerations to employees, Directors and supervisors in the previous fiscal year (including the number of shares distributed, value, and share prices). In the event of any discrepancy between the actual distribution and the recognized remunerations to employees, Directors and supervisors, describe the discrepancy, its cause, and how it will be resolved.

The annual general meeting of shareholders passed a resolution on June 9, 2025, to distribute NT$93,139 thousand to employees and NT$46,599 thousand to Directors and supervisors. There is no discrepancy with employee bonuses and board director / supervisor compensations as stated in 2024 Financial Statements.

(六)Shares Purchased Back by the Bank: None

2. Implementation status of fund application plan

(一)Content of the plan

The Bank issued financial bonds to raise mid- and long-term funds in order to increase the amount of loans. The raised funds will be applied to loans with higher revenue in order to increase loan spreads on earning contribution. In addition, the Bank enhanced its fund operation effectiveness and intends to repay due financial bonds through its cumulative earnings each year. When confronted with a decline in global prosperity, as well as huge reduction in the domestic stock market and low long-term interest rate, the Bank will issue financial bonds to repay old financial bonds with higher interest rates.

(二)Status of implementation

To enhance capital adequacy ratio, the Bank issued subordinated financial bonds in 2002, 2006, 2007, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019,2020,2021 and 2022. Most of them are included in the Tier-2 capital through 7-year subordinated financial bonds. The Bank also issued Tier-1 bonds in 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024 and 2025.There is a total of NT$10.02 billion of non-cumulative subordinated financial bonds with no expiration date to supplement a stable long-term capital for the Bank and enhance risk burden capability.

IV. Operations Overview

1. Business Scope
2. Employee Profile
3. Corporate Social Responsibility and Ethical Behavior
4. Number of Non-Supervisory Employees, Average Annual Employee Benefits Expenses and Difference Compared with Last Year

4

Chapter

1. Business Scope

(一)Main Business

A. Deposits and Lending Business

As of the end of 2025, the bank reports a total deposit balance at NT$721,799,960thousand, up by NT$36,735,619 thousand compared with NT$685,064,341 thousand reported at the end of 2024, of which the balance of demand deposits accounts for 28.61% of the total deposit balance, and the balance of time deposits accounts for 71.39% of the total deposit balance.

The total balance of loans issued accumulates to NT$535,783,669 thousand as of the end of 2024, increased by NT$30,284,060 thousand compared with NT$505,499,609 thousand reported at the end of 2024.

As for Loan Asset Quality, the overdue loan ratio was 0.00% at the end of 2024, the coverage ratio of Allowance for bad debts was 165,746.29%. The Bank has assets with stable quality.

Unit:NT$ billion

Year / Item	Balance at the end of 2025	Balance at the end of 2024	Annual Growth Rate (%)
Deposits	721.80	685.06	5.36%
Lending	535.78	505.50	5.99%

Deposit Balance Comparison

Unit:NT$ billion

Year / Loans	2025		2024	
	Balance at the end of year	Percentage (%)	Balance at the end of year	Percentage (%)
Checking deposits	3.34	0.46	3.36	0.48
Demand deposits	79.10	10.96	89.51	13.07
Foreign exchange demand deposits	11.07	1.53	10.69	1.56
Demand savings deposit	111.87	15.50	111.16	16.23
Employee saving deposits	1.18	0.16	1.11	0.16
Time deposits	186.14	25.79	186.95	27.29
Foreign currency time deposits	66.02	9.15	55.54	8.11
Negotiable certificates of deposit	26.97	3.74	28.66	4.18
Time savings deposits	236.11	32.71	198.12	28.92
Total	721.80	100.00	685.06	100.00

Lending Balance Comparison

Unit: NT$ billion

Year / Loans	2025		2024	
	Balance at the end of year	Percentage (%)	Balance at the end of year	Percentage (%)
Short-term loans	16.38	3.06	15.04	2.96
Short-term secured loans	122.40	22.84	115.25	22.80
Medium-term loans	73.99	13.81	77.12	15.26
Medium-term secured loans	259.55	48.44	240.58	47.59
Long-term loans	7.96	1.49	4.28	0.85
Long-term secured loans	55.51	10.36	52.97	10.48
Non-performing loans	0.00	0.00	0.24	0.05
Export negotiation	0.01	0.00	0.03	0.01

Total	535.78	100.00	505.50	100.00

a. **Consumer Banking Loans**

According to the ratio set by the regulatory authority for home mortgage loans, in addition to carefully selecting high-quality customers to undertake the loans, we also do not accept loan increases (including restored credit limits) and interest rate reductions for existing customers with poor performance in deposit transactions. Priority is given to customers with clear repayment sources and good collateral locations (such as metropolitan areas, prime locations, suitable land area, favorable fee income, etc.) to provide working capital loans or subordinated loans.

As of the end of 2025 fiscal year, the balance of individual loans (consumer loans, credit loans) amounted to NT$237.478 billion, compared to NT$220.327 billion at the end of 2024 fiscal year, showing a growth of NT$17.15 billion or a growth rate of 7.78%.

b. **Corporate Loans**

In line with the government's policy of supporting SMEs, the Bank continued to focus on SME customers and deepen its local market presence, while prioritizing risk management and credit protection. SME loans increased by NT$12.876 billion in 2025 from 2024, accounting for 44.81% of the Bank's total loans.

Loans to large enterprises decreased slightly by NT$64.4billion in 2025, mainly due to continued low-rate competition from large financial holding companies and government-owned banks. To maintain asset quality and enhance profitability, the Bank adopted a prudent lending strategy emphasizing "quality over quantity."

Overall, corporate banking loans increased from NT$254.519 billion at the end of 2024 to NT$266.751 billion at the end of 2025, up NT$12.232 billion, or 4.81%, demonstrating steady growth.

c. **Auto Loans, Subordinated Mortgage Loans, and Unsecured Personal Loans**

(a) Auto Loans

In 2025, total loan disbursements amounted to NT$7.405 billion, down NT$700 million from 2024 due to the impact of reciprocal tariff policies and typhoons on vehicle sales. Fee income was approximately NT$31.76 million, a decrease of NT$3.48 million from 2024. The outstanding balance reached NT$15.789 billion, up NT$455 million from 2024, while the average interest rate rose by 0.07 percentage points to 3.27%.

(b) Subordinated Mortgage Loans

In 2025, total loan disbursements amounted to NT$7.869 billion, up NT$730 million from 2024. Fee income was approximately NT$45.46 million, an increase of NT$6.74 million from 2024. The outstanding balance reached NT$17.820 billion, up NT$4.173 billion from 2024, while the average interest rate rose by 0.04 percentage points to 4.41%.

(c) Unsecured Personal Loans

In 2025, loan disbursements under the Preferred Customer Personal Loan Program amounted to NT$395 million, up NT$90 million from 2024. Fee income was approximately NT$4.65 million, an increase of NT$0.78 million from 2024. The outstanding balance reached NT$825 million, up NT$85 million from 2024, while the average interest rate rose by 0.19 percentage points to 6.29%.

Unit:NT$ billion

Year / Item	Amount		Growth Rate (%)
	2025Fiscal year	2024 Fiscal year	
Auto Loans	15.79	15.33	2.96
Subordinated Mortgage Loans	17.82	13.65	30.57
Unsecured Personal Loans	0.83	0.74	11.45

B. Foreign Exchange Business

For the foreign exchange business, the balance of foreign exchange deposits (including OBU) at the end of 2025 was US$2,451,933 thousand or a decrease of US$431,709thousand from US$2,020,224 thousand at the end of 2024, the appropriation reduced of 21.37%. This was mainly due to global economic uncertainty, coupled with a persistently strong US dollar index. Consequently, some customers capitalized on the appreciation of the US dollar by converting their US dollar deposits back into New Taiwan dollars to secure profits. The balance of foreign exchange loans (including OBU) at the end of 2024 was US$501,506 thousand or an increase of US$34,165 thousand from US$467,341 thousand at the end of 2024 with a growth by 7.31%. In 2025the amounts of import/export and exchange service were US$208,468thousand and US$4,894,210 thousand.

Unit: US$billion

Year / Item	2025	2024	Growth Rate (%)
	Balance at the end of year / Amount	Balance at the end of year / Amount	
Foreign currency deposits (including OBU)	2.45	2.02	21.37
Foreign currency loans (including OBU)	0.50	0.47	7.31
Import and export business	0.21	0.19	7.66
Remittance Services (including simplified currency exchange services)	4.89	4.97	(1.62)

Note：For the foreign currency deposits and loans, the amount stated was the balance at the end of the year, Import and export and remittance services business indicated was the annual amount.

C. Credit Card Business

In 2025, Taiwan's economy demonstrated a pattern of "strong growth and resilient expansion," largely propelled by explosive growth in semiconductor and electronics exports fueled by the global surge in AI applications. Consumer sentiment was further bolstered by government cash handouts and commodity tax reductions. Supported by robust momentum in physical and online consumption alongside strong demand for outbound travel, market-wide credit card spending increased significantly. As of the end of November 2025, total credit card spending reached a record high of NT$4,532.7 billion, representing an increase of NT$268.5 billion from NT$4,264.2 billion in the same period of 2024. The Bank's credit card spending in 2025 amounted to NT$6.279 billion, an increase of NT$786 million compared to 2024. Revolving credit balances recorded a slight increase of 0.25%. While the number of cards in circulation decreased slightly by 3,193 due to the consolidation of multiple and inactive cards, spending promotions and diversified marketing campaigns drove an increase of 2,068 active cards

The Bank's credit card business strategy continues to be guided by the core principles of "prudence and foresight," focusing on three key operating priorities: the number of cards in circulation, the active card ratio, and credit card spending. In terms of revenue, the Bank prioritizes increasing card spending and installment handling fee income, utilizing revolving credit interest income as a secondary source. Through differentiated marketing, the Bank continues to deepen relationships with high-value customers who contribute strongly to the business. A prime example is the recently launched Shin World Business Card; it seamlessly meets the diverse payment demands of existing high-end clients while leveraging exclusive benefits and services to attract premium external prospects. Ultimately, these strategic efforts have driven credit card spending to consecutive new highs

For its merchant acquiring business, the Bank continues to deploy next-generation card terminals. In addition to existing integrated electronic stored-value card readers and QR Code payment functions, these terminals support app development, allowing integration with marketing campaigns or account inquiry services. In line with the FSC's annual policy objectives and strategies, the Bank has expanded its mobile payment ecosystem to include mobile credit and debit cards, QR Code, mobile electronic stored-value cards, physical channel payment services provided by electronic payment institutions, mobile point-of-sale (mPOS) systems, and application services. These initiatives align with the FSC's 2024 policy plan to encourage financial institutions to promote cashless transactions, creating a friendly environment suitable for the development of electronic payments and providing the public with convenient payment options. Transaction volume at contracted merchants declined slightly, primarily driven by food safety concerns and viral outbreaks that reduced customer traffic at physical stores such as restaurants and hotels, as well as government policies that affected consumption at construction companies and travel agencies.

Unit: cards, NT$billion

Item \ Year	2025	2024	Growth Rate (%)
Total number of card issued in the year	58,937	56,869	3.64
Total cumulative number of valid cards in circulation	112,998	116,191	(2.75)
Total credit card consumption amount	6.28	5.49	14.32
Revolving Credit Balance	175,595	175,160	0.25
Number of acquiring contracted merchants	3,451	3,232	6.78
Transaction amount of contracted merchants	8.02	8.42	(4.81)

D. Wealth Management Business

a. Trust investment services cover investments in domestic and foreign securities under specific money trusts, including funds, overseas bonds, foreign stocks, and ETFs. In 2025, fee income amounted to NT$299,120 thousand, down 13.30% from 2024. The Bank focuses on selecting appropriate investment products and reducing risks, offering products suited to customers' investment profiles and providing balanced recommendations based on their needs and financial goals to achieve risk diversificationt.

b. In the insurance services generated fee income of NT$779,561 thousand in 2025, up 44.80% from 2024, mainly due to the Bank's ability to address customers' diverse insurance needs.

c. The total fee income for the fiscal year 2025 was NT$1,078,681 thousand, an increase of NT$195,297 thousand and was up 22.11% from 2024.

Unit: NT$billion

Item \ Year	2025		2024		% of Sales Growth	% of Fee Income
	Sales Volume	Fee Income	Sales Volume	Fee Income		
Mutual funds and overseas bonds (excluding domestic bond funds)	9.68	0.30	12.09	0.35	(19.89)	(13.30)
Insurance products	3.55	0.78	2.18	0.54	62.78	44.80
Total	13.23	1.08	14.27	0.88	(7.26)	22.11

E. Digital Banking Business

The global financial industry continues to benefit from the rapid advancement and expanding application of artificial intelligence (AI). Digital transformation is no longer merely a business option but has become a key driver of sustainable growth. In response to these developments, the Bank has aligned its digital strategy with the Financial Supervisory Commission's Financial AI Action Plan and Cybersecurity Action Plan 2.0. Through continuous innovation in electronic banking services, the Bank is committed to delivering a more seamless, secure, and efficient digital experience for its customers.

The Bank's electronic banking strategy is centered on ecosystem integration and the advancement of digital services. During the year, the Bank successfully launched the Joint Opening of Bank and Securities Accounts service in collaboration with its subsidiary, Sunny Securities Co., Ltd. This innovative service breaks down the traditional barriers between banking and securities services by enabling customers to simultaneously open and link their bank and securities accounts through the Bank's single digital platform. The streamlined process significantly enhances convenience and efficiency while further expanding the Bank's digital customer base and strengthening the depth and breadth of its wealth management business.

Unit: Users; Number of Transactions

Type of business \ Year	2025	2024	Growth Rate (%)
Cumulative Number of Personal Internet Banking Users	234,214	214,916	8.98%
Cumulative Number of Mobile Banking App Users	185,969	165,134	12.62%
Cumulative Number of Corporate Internet Banking Users	34,597	32,173	7.53%

Cumulative Number of NTD Digital Deposit Accounts	9,373	7,482	25.27%
Automated Channel Transaction Volume	2,969,097	2,501,874	18.67%
Electronic Transaction Ratio	56.40%	41.03%	37.46%

Note：The Amount of Automatic Transaction Access consists of the transaction amount in Personal Internet Banking, Mobile Internet Banking APP and Corporate Internet Banking.

F. Trust Business

As of the end of 2025, the total balance of trust assets under the Bank's management amounted to NT$77.973 billion, down NT$4.737 billion, or 5.73%, from NT$82.710 billion in 2024. Of this amount, money trusts decreased by NT$3.850 billion, or 7.52%, from NT$51.212 billion in 2024 to NT$47.362 billion in 2025. The decline was mainly attributable to other money trust businesses. Real estate transaction price trusts decreased by NT$3.305 billion, or 49.14%, to NT$3.421 billion, while gift certificate advance receipt trusts decreased by NT$299 million, or 8.22%, to NT$3.341 billion. In ancillary businesses, discretionary investment custody services decreased by NT$24.587 million to NT$69.483 million, mainly due to investor withdrawals that reduced account balances.

Looking ahead to 2026, in response to an aging society, the Bank will continue to support the competent authorities' Trust 2.0 initiative by promoting public awareness and education on trusts. The Bank will also participate in the Trust Association's community outreach programs and initiatives targeting new immigrants, indigenous peoples, and other disadvantaged groups to broaden access to trust services and enhance financial inclusion.

The Bank will continue to promote elderly care trusts, develop cross-industry trust services, and build a comprehensive ecosystem offering one-stop, high-quality elderly care trust solutions. It will also enhance the Bank's "Wonderful Family Trust" and launch the "Da Cang Jin Account," an all-age trust product offering services such as scheduled small-amount savings and automatic transfers to time deposits upon reaching a specified amount. These initiatives aim to lower barriers to trust services, promote sustainable trust arrangements, and advance financial inclusion.

In addition, the Bank will refine its branch trust ambassador program and strengthen trust-related expertise through professional courses jointly promoted by the Trust Association and the Taiwan Academy of Banking and Finance, together with internal training. By enhancing employees' trust planning capabilities, the Bank aims to provide customers with convenient access to trust advisory services and further expand the scale of its trust business.

Unit: NT$ billion

Year / Item	2025	2024	Rate of increase or decrease (%)
	Amount	Amount	
Monetary trusts	47.36	51.21	(7.52)
Specific-purpose monetary trusts investing in domestic and foreign securities	33.33	32.95	1.14
Other monetary trusts	9.15	13.28	(31.10)
Custody of securities investment trust funds	4.88	4.98	(1.95)
Real estate trust	30.54	31.43	(2.83)
Securities trust	0.07	0.07	4.34
Monetary-claim and security-interest trusts	0.00	0.00	0.00
Total trust assets under management	77.97	82.71	(5.73)
Other affiliated **businesses**	0.00	0.00	
Custody of operations guarantee funds	0.53	0.52	1.92

Item \ Year	2025	2024	Rate of increase or decrease (%)
	Amount	Amount	
Custody of discretionary investment services (accrued for the year)	0.07	0.09	(26.14)
Certification business	3.61	4.28	(15.69)

G. Investment Business

Income percentage of each various transaction and its growth and changes:

Unit: NT$billion

Item \ Year	2025	2024	Increase / decrease
Bonds	2.81	2.57	0.23
Stocks and Beneficiary certificates	0.14	0.36	(0.23)
Short-term bills	0.68	0.55	0.13
Unrealized gain or loss	-0.01	0.00	(0.01)
Stock dividend	0.20	0.11	0.08
Total	3.81	3.60	0.21

As shown in the table above, gains from securities transactions amounted to NT$3.60billion in 2024 and NT$3.81 billion in 2025. The details are as follows:

a. Gain (loss) on bonds:

Bond investment income primarily comprises interest income from investments in domestic and foreign government bonds, corporate bonds, and financial bonds of various maturities, gains or losses on the disposal of such investments, and underwriting fee income from corporate bond underwriting. In 2025, bond investment income amounted to NT$2,805,853 thousand, representing an increase of NT$233,324 thousand compared with 2024, reflecting a significant recovery in bond-related earnings. The increase was mainly attributable to the yield spread advantage of U.S. dollar-denominated bonds over Taiwan dollar-denominated bonds. The Bank actively expanded its holdings of high-credit-quality foreign currency bonds and mortgage-backed securities with relatively attractive yields during periods of rising interest rates, thereby increasing its sources of interest income from bond investments.

With respect to bond underwriting, the Bank actively participated in the primary underwriting of Taiwan dollar-denominated corporate bonds and international bonds, while also accepting clients' subscriptions for bond offerings, thereby generating underwriting fee income.

b. Gains and Losses on Stocks and Beneficiary Certificates:

I Equity investment income primarily comprises gains or losses on the disposal of listed and OTC-listed stocks and beneficiary certificates. The Bank's equity investment portfolio is mainly focused on the Taiwan stock market, with dividend income serving as the primary source of returns, supplemented by capital gains.

In 2025, the Taiwan stock market continued its bullish momentum. Supported by the ongoing AI boom, Taiwan's globally competitive semiconductor industry and related AI supply chain companies drove broad-based market gains, with the benchmark index rising by 25.74% during the year. In light of market trends, the Bank prudently invested in companies with strong fundamentals and attractive dividend yields, while realizing gains through timely profit-taking.

Equity investment income amounted to NT$135,548 thousand in 2025, a decrease of NT$227,981 thousand compared with 2024. The decline was primarily attributable to the exceptionally strong stock market performance in 2024, which generated higher capital gains. Nevertheless, the Bank maintained solid investment performance in 2025, demonstrating the continued effectiveness of its investment strategy of emphasizing dividend income while appropriately balancing capital appreciation opportunities

c. Gain (loss) on short-term bills:

Income from short-term bills primarily comprises interest income, gains or losses on the disposal of short-term bills, and related fee income. Income from short-term bills amounted to NT$553,404 thousand in 2024 and increased to NT$684,304 thousand in 2025.

Following the Central Bank of the Republic of China (Taiwan)'s interest rate hikes, yields on short-term bills increased significantly, resulting in higher interest income. The Bank also continued to expand its unsecured customer base and increase the utilization of existing unsecured credit facilities to enhance income from bill transactions. In addition, the Bank optimized the allocation of funds across different maturities based on its outlook for future interest rate movements, further improving returns on short-term bills. As a result, income from short-term bills increased by NT$130,900 thousand in 2025 compared with 2024..

d. Gain (loss) on valuation:

This represents changes in valuation adjustments for securities measured based on market prices. In 2025, the Bank recognized valuation losses of NT$9.621 million, an increase of NT$11.726 million compared to 2024. The increase was mainly attributable to ample market liquidity in 2025, with abundant short-term funds suppressing underwriting rates, which led to higher valuation losses on short-term bills..

e. Stock dividends:

Dividend income primarily comprises cash dividends distributed by listed and OTC-listed companies, as well as distributions received from beneficiary certificates. Dividend income amounted to NT$112,519 thousand in 2024 and increased to NT$196,528 thousand in 2025.

Overall, the Taiwan Stock Exchange Capitalization Weighted Stock Index (TAIEX) increased by 28.47% in 2024. Income from stocks and beneficiary certificates amounted to NT$363,529 thousand, and valuation gains of NT$2,105 thousand were recognized, primarily attributable to beneficiary certificates. Total net income from all related businesses reached NT$3,604,086 thousand for the year.

In 2025, the TAIEX rose by 25.74%. Income from stocks and beneficiary certificates amounted to NT$135,548 thousand, while valuation losses of NT$9,621 thousand were recognized, mainly attributable to short-term bills. Total net income from all related businesses amounted to NT$3,812,612 thousand for the year.

.

(二)Percentage of the asset of each business and its growth and changes

Unit: NT$billion;%

Year / Business Items	2025		2024	
	Amount	Asset %	Amount	Asset %
Total Assets	811.13	100.00	759.01	100.00
Discounts and loans – net amount	528.70	65.18	499.25	65.78
Financial assets measured at fair value through other comprehensive income	117.42	14.48	111.06	14.63
Debt Instrument Investments Measured at Amortized Co	36.72	4.53	38.84	5.12
Financial assets measured at fair value through profit or loss	44.58	5.50	32.44	4.27
Total Liabilities	755.13	93.10	709.48	93.47
Deposits and remittances	721.84	88.99	685.11	90.26
Financial debentures payable	13.52	1.67	12.86	1.69
Due from CBC and Banks	5.50	0.68	3.56	0.47

(三) Percentage of the net income of each business and its growth and changes

Unit: NT$billion;%

Business Items \ Year	2025		2024	
	Amount	Asset %	Amount	Asset %
Net interest income	8.37	74.66	7.98	78.14
Net Non-Interest Income	2.84	25.34	2.23	21.86
Net fee income	1.79	15.98	1.57	15.34
Net Gains on Financial Assets and Liabilities at Fair Value Through Profit or Loss	0.67	5.99	0.39	3.87
Realized Gains on Financial Assets at Fair Value Through Other Comprehensive Income	0.07	0.62	0.11	1.11
Net Foreign Exchange Gains	0.02	0.17	0.21	2.02
Reversal Gains (Losses) on Asset Impairment	0.00	(0.01)	0.02	0.23
Share of Profit (Loss) of Subsidiaries Accounted for Using the Equity Method	0.17	1.48	-0.18	(1.74)
Rental income	0.10	0.87	0.09	0.84
Other Net Non-Interest Income	0.03	0.24	0.02	0.19
Total net income	11.21	100.00	10.21	100.00

Note: The data in this table is form individual financial statements.

(四)Business Plan for the Current Year

A. Deposit Business

(A) Optimizing the structure of demand deposits and time deposits to increase the profit of total deposits. Planning encourages and assists business units to strengthen their solicitation of deposits by means of performance appraisal and project concessions.

(B) Considering credit clients and clients nearby branch offices as the main client basis, while increasing NTD and USD deposits.

(C) In line with the country's 2030 bilingual national policy, the Bank has gradually set up bilingual demonstration branches - by the end of 2024, 16 bilingual branches will be in operation. For the deposit and exchange business that foreigners often handle, from personnel services, every forms to environmental facilities and automation equipment, it presents a friendly bilingual financial environment, and arranges deposit and exchange tellers with the ability to communicate in foreign language to provide financial services in foreign tongue.

(D) To effectively implement financial-friendly services, by the end of 2024, we had installed a total of eight ATMs equipped with a voice guidance system for visually impaired users and will continue to increase the number of these Voice-Guided ATMs for visually impaired individuals. In addition, we are adding deposit functions to ensure that individuals with disabilities have access to more convenient and secure financial services.

B. Lending Business

The bank aims to improve the ratio specified in Article 72-2 of the Banking Act. In recent years, the focus of business expansion has been on loans that do not fall under the limit of Article 72-2 of the Banking Act. Real estate revolving loans with both collateral and profitability (including short- and medium-term secured loans, working capital loans for businesses, and subordinated mortgage loans) have been the annual key focus. However, even after improvement, there is still a limitation of 30% imposed by the statutory limit ratio. Therefore, the future direction of business expansion will continue to prioritize loans that do not fall within the scope of the statutory limit under Article 72-2 of the Banking Act. Recently, the Bank has prioritized supporting enterprises in implementing initiatives related to improving environmental sustainability. This involves allocating funds to projects focused on greenhouse gas reduction, renewable energy, resource recycling, pollution prevention, and other initiatives aimed at promoting green and sustainable development.

(A)Large Enterprises and Small and Medium-Sized Enterprises

(a) Emphasis is placed on loans secured by real estate (or movable assets). Cases guaranteed by the Export-Import Bank of the Republic of China (Taiwan) should also involve real estate as collateral or sub-collateral. Pure credit or cases solely guaranteed by the Export-Import Bank of the Republic of China (Taiwan) should not be accepted to ensure creditor rights.

(b) Strengthen the financing of construction or acquisition of factories (obtain factory registration).

(c) Select target customers based on the "Principles for Handling Applications from Small and Medium-sized Enterprises" and focus on local customer groups, avoiding cross-regional transactions as much as possible to control risks.

(d) The major businesses of target customers shall align with the following criteria:

① Environmental (E): Green energy, energy conservation, energy storage facilities, low-carbon transportation, and environmental remediation.

② Social responsibility (S): Health care services, residential care services, healthy industry, and educational services industry.

③ Major businesses engaged in categories that do not fall under Environmental (E) or Social responsibility (S), but are seeking funds for “green expenditures,” including: renewable energy, energy conservation, pollution prevention, sustainable management of natural resources and land use, conservation of regional and aquatic biodiversity, low-carbon transportation, sustainable water resources and wastewater treatment, climate change adaptation, products, product technologies, or production processes with ecological efficiency and circular economy adaptation, green buildings initiatives, etc.

(B) Mortgage Loans

(a)The main focus is on short- and medium-term secured revolving capital loans, excluding items regulated by Article 72-2 of the Banking Act of The Republic of China.

(b)For home purchase loans, in addition to prudently selecting high-quality customers within the proportion set by the supervisory authority, customers with poor performance in areas such as deposits will not be considered for loan increases (including reinstatement of credit lines) or interest rate reductions. The authority to grant preferential interest rates to branch managers and managers of the Credit Approval Division has also been revoked. The loan-to-valuation ratio for housing loans is controlled by adopting a price-based approach.

C. Auto Loan, Subordinated Loan, and Unsecured Personal Loan Businesses

(A)Auto Loan Businesses:

(a)Green Finance and Electric Vehicle (EV) Program: The FSC’s “Green and Transition Finance Action Plan” has become a key investment focus for 2026. The Bank will continue to offer preferential interest rates for electric and hybrid vehicles to support the transition toward the 2050 net-zero emissions target.

(b)Precise Pricing: Used car loans are expected to continue growing in 2026. The Bank will adopt more refined pricing based on interest rate differences between new and used car loans to balance profitability and market share.

(B)Subordinated Loan Businesses:

(a)Subordinated loan business centers will be established in northern, central, and southern Taiwan, led by experienced external professionals and promoted high-performing employees to develop new customer segments.

(b)Products will be reviewed and adjusted on a rolling basis in response to market trends to enhance competitiveness.

(c)A new one-page digital webpage will be developed to increase the visibility of the Bank’s consumer banking business, expand customer acquisition channels, and promote process innovation to better serve diverse customer segments and enhance product competitiveness.

(C)Unsecured Personal Loan Businesses:

(a)Deepen High-Quality Customer Relationships and Diversify Business Development: Leveraging the relatively manageable risk profile of existing branch customers, the Bank will strategically focus on core deposit, remittance, and lending customers. It will also develop diversified product offerings to meet different customer needs and utilize the Consumer Banking Product Referral System to enhance cross-channel collaboration, service quality, and responsiveness..

(b)Precise Pricing and Frontline Marketing Empowerment: The Bank will offer competitive, differentiated interest rate programs to customers with strong relationships in deposits, credit cards, and mortgages. Through precise pricing strategies, the Bank aims to strengthen frontline customer acquisition and enhance its market competitiveness.

D. Foreign Exchange Business

(A) Deepen Foreign Currency Deposit and Lending Business to Enhance Profitability

In response to changes in global financial conditions and interest rate cycles, the Bank will closely monitor the U.S. Federal Reserve's policy direction and market interest rates, flexibly adjust its foreign currency asset and liability structure, and strengthen interest margin management. By offering competitive foreign currency deposit and loan programs, the Bank aims to attract new customers, deepen existing relationships, and expand business penetration. While maintaining asset quality and effective risk management, the Bank will steadily grow its foreign currency deposit and loan portfolio and enhance foreign exchange earnings and overall profitability..

(B) Focus on SMEs and Strengthen Integrated Import and Export Financial Services

The Bank will continue to leverage its regional foreign exchange business teams across northern, central, and southern Taiwan to strengthen branches' ability to serve SMEs and develop import and export financing opportunities. By integrating credit, trade finance, and cross-border payment services, the Bank aims to provide one-stop foreign exchange solutions, deepen customer relationships, and enhance customer retention. Through targeted initiatives and cross-departmental collaboration, the Bank will further expand its foreign exchange business and diversify revenue sources..

(C) Accelerate Digital Transformation and Build an Efficient and Convenient Foreign Exchange Service Platform

Building on its corporate internet banking and mobile banking app services, the Bank will continue to advance the digitalization of foreign exchange services, streamline transaction processes, enhance user experience, and improve automation and system integration. In support of government anti-fraud and AML initiatives, the Bank will leverage system enhancements and digital technologies to strengthen risk identification and early warning capabilities. As fraud methods and terrorist financing risks become increasingly complex, the Bank will continue to enhance data collection and analytics, strengthen internal controls, and support the long-term sustainable growth of its foreign exchange business.

E. Credit Card Business

(A) Card Issuance Operations

The direction of the overall operation of the Bank's credit card products is based on the principle of prudent operation and development. In addition to the Bank's current customers, the main target of card issuance is to offer credit card products with highly diversified features to increase market exposure and increase the rate of incoming new customers. And the Bank offers premium benefits such free airport transfers for flight bookings, foreign exchange discounts for overseas travel, and additional gifts for tax payments to strengthen the bond between customers and the Bank. Furthermore, the Bank plans to leverage media exposure and joint promotional efforts with affiliated partners to attract new customers. Additionally, efforts will be made to enhance card features through offering high-quality rewards for spending at specific partner channels, thereby increasing the amount of credit card consumption. These initiatives are designed to increase both the breadth and depth of current customers.

The marketing strategy focuses on increasing three major aspects, specifically the number of cards in circulation, the ratio of valid cards, and the overall consumption amount. The Bank has implemented a cooperative sales team to assist in card issuance operations and provide tailored recommendation based on the customers' card usage and payment history, as well as promote income-producing products through targeted lists. These lists include credit loans and communication loans, with referrals to dedicated business units or branches for customers requiring car loans or subprime loans. Looking ahead, efforts will be made to gradually expand the range of cooperative sales offerings to include financial products with higher profitability.

With the global goal of achieving net-zero emissions by 2050 and national initiatives promoting green financial services and products, financial institutions are encouraged to adopt carbon reduction measures. The Bank has joined the Mastercard Priceless Planet Coalition, sponsoring US$30,000 to help restore 100 million trees as part of an ongoing effort to combat climate change and improve the global environment, our card issuance strategy will similarly adapt to this trend, advancing towards carbon reduction and sustainable management. In addition to continuously improving and optimizing various online operations to minimize paper usage, the Bank plans to organize green consumption campaigns to inspire cardholders to contribute to environmental conservation efforts.

(B) Acquiring Business

At the moment, there are 29 domestic acquirers. According to the credit card data published by FSC in December of 2024, Taishin International Bank has 173,995 appointed stores, which count the most. Cathay United Bank is second with 147,340 followed by CTBC Bank with 143,070, the Bank currently ranks 20th with 3,781 special stores. In 2024, the "Special Store Promotion Project" will be launched to increase the transaction volume of the existing stores and make a promotion among credit customers of the Bank, so as to facilitate the increase of deposit amount of the Bank, provide complete financial services, strengthen the partnership with corporate customers, and promote the growth of other businesses such as loans and wealth management

F.Wealth Management Business

(A) Customer Segmentation

(a) The Bank classifies its wealth management customers and provides corresponding services and preferential benefits to create a distinguished tier status for wealth management members.

(b)To ensure wealth management members enjoy an enduring sense of prestige, the Bank also offers a wide range of dedicated programs designed to enhance customer stickiness and secure its position as the clients' primary banking partner. Furthermore, the Bank provides customer referral programs that encourage customers to introduce friends, relatives, and family members, thereby expanding their business relationships with the Bank.

(B) Transaction Convenience

(a) The Bank continues to expand its portfolio of market-competitive insurance, trust, and derivative products. Over the past year, the Bank introduced domestic structured investment (SI) products alongside a curated selection of leading market instruments.

(b) The Bank continues to enhance digital convenience by promoting various service improvements, simplifying procedures for wealth management products, and improving transaction efficiency. With customer convenience as its foundation, the Bank facilitates the rapid execution of these product transactions, making this a vital strategic niche for its wealth management business.

(C) Healthy Life

The Bank will strengthen the trusted advisory connection between relationship managers and customers. Beyond wealth management, it places a holistic emphasis on clients' overall well-being to build exceptionally close, supportive relationships. Integrating this care with expert advice on asset allocation and estate planning allows the Bank to establish enduring relationships that extend to the next generation.

(D) Implementation Targets

Driven by a bank-wide marketing strategy, the Bank will strengthen customer relationship management, focus on relationship manager training, enhance close cooperation with branches, strive to secure initial sales of new products, leverage targeted customer seminars, and utilize strategic incentives. By integrating and efficiently connecting resources, the Bank will work toward achieving its annual targets.

G. Digital Banking Business

In 2025, the Bank continued to introduce a number of digital financial initiatives. The key developments are summarized as follows:

(A) Digital financial services

a. Investment and Wealth Management Functions and KYC Process Enhancement

The investment and wealth management functions, together with enhancements to the Know Your Customer

(KYC) process, were launched on November 14, 2025.

b. Structured Product Inquiry Function

The structured product inquiry function was launched on June 11, 2025.

c. Enhanced C3 Certificate Management for Large-Value Foreign Exchange Transactions

A C3 Certificate Management function was added to the Mobile Banking App to support secure authentication for large-value foreign exchange transactions. The service was launched on December 3, 2025.

d Robotic Process Automation (RPA) Initiatives

To improve operational efficiency, the Bank assisted business units in streamlining workflows through Robotic Process Automation (RPA), including:

(a) Conducted an RPA Awareness Seminar on December 6, 2024.

(b)Conducted an RPA Process Workshop on March 11, 2025.

(c)Conducted RPA Development Training in April 2025.

(d) Completed the implementation of an RPA solution to streamline the due diligence process for digital deposit accounts on December 31, 2025.

e. EDDA System Enhancement

The Bank's Electronic Direct Debit Authorization (EDDA) system was enhanced with a Mobile Banking Authentication function, which was launched in August 2025.

f. Mobile Banking App Enhancement

The Mobile Banking App introduced new Fund Portfolio Allocation and Bond Investment functions in December 2025.

(B) Personal Online Banking / Mobile Banking App Services

a. Overseas bond and ETF trading features have been added to personal online banking and mobile banking app.

(a) Overseas bond trading feature：Launched in July 2024

(b) ETF inquiry feature：Launched in December 2024

(c) ETF trading feature：Expected to launch in Q1 2025

b. The mobile banking app has added MID phone number authentication service and FIDO ID mobile key management service (Phase 1)：Launched in August 2024.

H.Trust Business

(A) Real Estate Trust

a. Continue to promote the real estate development trust business and other related derivative businesses that are compatible with the Bank's land and buildings loan。This includes planning financial services for reconstruction projects that integrate financing and trust management mechanisms in response to the implementation of regulations related to unsafe and old buildings. This aims to provide comprehensive financial solutions to landowners and management consulting firms, facilitating the seamless progress of reconstruction projects.

b. Strengthening engagement in real estate development projects with large numbers of owners and long waiting periods, such as section expropriation and rezoning. Assist the builder in isolating the integrated land trust through the trust mechanism, so as to avoid the collapse of the integration due to the purchase or sale by the landlord or debt problems.

c. Developed and established the cooperation model wherein the real estate company, as the builders, undertakes construction surveillance responsibility, and the Bank is responsible for the property and money management trust. Continued to develop external channels including leasing companies, farmers' associations, credit cooperatives, and bills financial companies.

d. Pre-sale house trust: Ensuring the security of payments from pre-sale home buyers and assisting developers in stabilizing sales prices, while actively promoting diverse collaborations with external non-banking financial institutions.

(B) Money Trusts

a. Real Estate Transaction, Security, & Trust: Collaborating with vendors such as real estate agents and external channels, in order to promote real estate (purchase/sale) transaction secured trust. This initiative targets high-value transactions such as land and factory purchases, as well as other securities and trust transactions, such as equity and liability trading.

b. Prepayment trust: We aim to consolidate our existing customer base and expand towards larger clients such as the retail industry. Additionally, we plan to increase collaboration with platform system providers to broaden our industry exposure and attract customer businesses.

c. Focusing on and enhancing the development of customer sources for elder care trusts and refining the “Trust Seed Bankers” program tailored to the needs of Trust 2.0 concept products (including four major modules, Child Care Trust/Retirement Security Trust/Disability Support Trust/Insurance Trust Fund). This involves providing external professional courses and internal education training, complemented by offering incentives to promote trust projects and leveraging innovative trust services through partnerships with other industries. This initiative aims to assist customers in accessing local trust consultations and services regarding asset protection, asset transfer, comprehensive asset control, and personalization of trusts.

d. Specific trust: Continuously enhancing the Bank’s fund system, service function, and user interface to achieve customer satisfaction in wealth management. Continuously promoting the adoption of electronic trust statement to support environmental conservation efforts and reduce carbon footprint.

I.Investment Business

(A) Expanding the investment position

a. Actively expanding the counterparties, and developing the transaction’s quota, to increase the trading volumes.

b. Actively participating in the bidding and purchase of the exemption guarantee bills with higher interest rate, and increase the secondary market transactions.

c. Looking for new types of investment commodity.

(B) Expanding the investment layout of overseas markets and foreign currency assets, and continue to build overseas bond investment positions

a. Invest in overseas stocks, mutual funds, public bonds, corporate bonds, financial bonds, and domestically issued international bonds denominated in foreign currencies.

b. Even with the Fed initiating interest rate cuts in September, yields remain high. The Bank is continuously evaluating and purchasing overseas bonds with strong credit ratings, good liquidity, and high returns to increase bond income.

(C) Plan for dispatching and application of short-term funds

a. Continuing to participate in the bidding and purchase of the Central Bank's NCD, taking advantage of expectations for future interest rate movements, and adjusting the allocation of funds for long-term / short-term, to create the maximum revenue.

b. Actively participating in the bidding and purchase of the exemption guarantee bills with higher interest rate, and increase the secondary market transactions, to increase income.

c. Expanding the breadth of counterparties, to improve the efficiency of funds dispatching.

d. Flexible use of RS, fixed deposit or borrowing to engage in foreign currency fund scheduling operations.

e. Managing the securities business which has been included in the Bank's foreign exchange capital dispatching target, and actively expands foreign exchange business.

(D) Coordinate with obtaining the qualification of bills houses and bond dealers which could engage in foreign currency business, to engage in foreign currency bills, NCD and bond investment.

(E) Coordinate with obtaining the qualification of bond underwriter, actively expanding the scope of bond business, and engage in bond underwriting business.

(F) Coordinate with other business entities to carry out business development, such as the commercial paper self-guarantee and self-purchasing business of the Bank's clients, undertaking foreign currency SWAP transactions with clients, etc.

(五)Market Analysis

A. Analysis on Area of the Banking Service Operations

As of the end of 2024, a total of 108 domestic business bases were established, and the channel distribution became more complete. Diversified financial services were also developed, including leasing, securities, asset management, e-commerce, etc.; Shanghai Leasing Company and Cambodia Micro Finance Company were established overseas. The new headquarters that the Bank purchased, is located on the intersection of Minquan West Road and Zhongshan North Road in Zhongshan District, Taipei City, which was completed and operational in October of the 2023 fiscal year. It is expected that the new headquarter would help synergize business groups and promote a new corporate image and business structure. In addition to enhancing its market competitiveness, the Bank is evaluating opportunities for overseas expansion through regional complementation and channel integration with the prospect of developing a strong and complete financial services network.

B. Future Market Supply and Demand and Potential Growth

Benefiting from sustained strong demand for artificial intelligence (AI), high-performance computing (HPC), and cloud data services, shipments of related technology products remained robust, supporting Taiwan's export momentum. Meanwhile, solid private consumption and strong demand for overseas travel contributed to a significant increase in spending through charge cards and credit cards.

Taiwan's AI supply chain delivered strong revenue performance in November 2025. In addition, the U.S. Federal Reserve cut interest rates in December as expected, while year-end window-dressing activities by corporate groups gained momentum, driving gains in both electronics and plastics and chemicals stocks.

Taking into account global economic and financial developments, the Central Bank of the Republic of China (Taiwan) expects the global economy to grow moderately in 2026, albeit at a slower pace, amid uncertainties arising from persistent inflationary pressures, the cumulative effects of high interest rates, downside risks to the AI supply chain, and geopolitical developments. The Central Bank will adjust its monetary policy as appropriate and remain committed to maintaining price stability, financial stability, and exchange rate stability.

The Bank will closely monitor the global economic situation and align with domestic and international industry trends. The Bank remains committed to the principle of prudence, ensuring the provision of high-quality financial services to customers, with a focus on core businesses to enhance corporate competitiveness.

C. Competitive Advantages, Development Prospects, Favorable and Unfavorable Factors, and Response Measures

(A) Competitive Advantages

a. A network of a total 108 domestic branches, mainly located in metropolitan Taipei and Kaohsiung. Principal administration areas have established branches, the domestic financial services network is complete.

b. Good locations, friendly and efficient services and smooth interaction with clients.

c. Vying for a good reputation and stable operating foundation, the bank also actively seeks to promote services such as corporate banking, consumer banking, wealth management, foreign exchange, trust, credit card, E-Finance, continuously optimize the structure of finance, with which to continue improving its financial structure and excelling its service efficiency.

d. Through a rigorous training system and continuous professional development, the Bank's team of wealth management specialists closely monitors financial market trends and places customer needs at the core of its services, providing tailored wealth management solutions that balance asset growth with risk management.

e. The Corporate Banking Department was established on May 20, 2025, to expand the scale of the Bank's corporate banking and foreign exchange businesses. The Corporate Banking and Foreign Exchange Committee convenes regularly and is primarily responsible for implementing the Corporate Banking and Foreign Exchange Growth Initiative. Its key responsibilities include formulating strategies to promote the growth of the Bank's corporate banking and foreign exchange businesses, re-engaging existing corporate banking and foreign exchange customers, reviewing issues related to business growth and proposing solutions, establishing business development incentive programs, recruiting business development personnel, and building customer relationship teams.

f. Leverage the business channels of subsidiaries to generate synergies through diversified operations.

(B) Favorable and Unfavorable Factors Affecting Development Prospects and Corresponding Measures

a. Favorable Factors

(a) The overall financial environment has become sounder. The authorities have opened and encouraged research and development of new financial products.

(b) The concept of investment has rooted in people's mind and the concept of trust has also formed gradually.

(c) With gradually open cross-strait financial business and internationalization policy, the government continues loosening up limitations on business and regulations, which will help develop the overall structure of financial industry.

(d) As the Bank's asset quality continues to improve, operational development will become even sounder.

(e) The Bank will continue to plan the establishment and relocation of branch offices in order to expand its financial services and to promote the comprehensive channel value.

(f) Consolidating the core credit business of loans to SMEs to continue profitability.

b. Unfavorable Factors

(a) As the phenomenon of over-competition in domestic banking industry is less likely to be eliminated in a short time, the sales of all types of financial products have created a price war. Although the Bank has some advantages in traditional deposit and lending services, the bank, relying primarily on the conventional deposit and lending service, may be kept from expanding the interest rate spread to excel the operating revenue.

(b) With resources and IT technology provided by the parent company, foreign banks are posing a threat to local banks' wealth management and SME banking services.

(c) Confronted with financial holding companies' advantages in economies of scale and channels, the Bank not only forms strategic alliance with insurance and securities channels, but also focuses on cross-strait financial markets and global services for its development. With the diverse content of its products and resource sharing, it has managed to create enormous pressure to the promotion of SME banking business.

(d) After the official operation of its pure online banking services, new challenges are expected in Taiwan's banking industry. Pure banking with operational advantages and a large customer base may impact the consumer financial business.

c. Solutions

(a) Continuing to inject resources and stepping up new financial product research and development to offer the client with differentiated quality service in a bid to curtail negative pricing competition.

(b) Actively optimizing digital services, developing digital payments, and combining channel cooperation and cross-sales marketing to provide customers with instant interaction and experience to help integrate financial services into their daily lifestyle.

(c) Continuously adjusting the Bank's branch office allocation and improve the channel performance to maximize its channel advantages with 108 nationwide branch offices.

(d) Utilizing the bank's existing operating foundation to actively excel the overall marketing functionalities to deep-root the business banking and foreign exchange service, and by fully expanding into the consumer banking services and wealth management domains.

(e) To intensify employees' trainings, realize their passion towards the services, enhance the efficiency of the organization and bring the corporate culture into full play.

(f) Improving security codes and system performance of online banking to ensure the transaction security of our clients; launching electronic banking services and relevant business to increase clients' satisfaction level and enhance the Bank's market competitiveness.

(g) By expanding the scope of foreign exchange business and recruiting good hands specialized in international finance to grasp the opportunity of financial openness and stabilize the Bank's deployment of the Financial Market of Asia Pacific.

(六)Overview of Financial Product Research and Business Development

A. Size and profit / loss of major financial products and business units added in the last two years and the period up to the annual report publication date.

(A) For the major financial products of the last two years, please refer to "1. 2025 Operating Performance" under "I. Letter to Shareholders".

(B) For the new business units set up in the last two years, please refer to "1. 2025 Operating Performance" under "I.

Letter to Shareholders".

B. Research and development expenditure and future research development plan in the last two years

(A) Auto Loans, Subordinated Mortgage Loans, and Unsecured Personal Loans

a. To enhance digital processes, the Bank is developing online auto loan applications, AI-powered credit assessment, and automated loan approval processes to address the growing competitive challenges posed by the rapid expansion of digital lending platforms.

b. To advance data intelligence and enhance credit assessment efficiency, the Bank plans to develop a next-generation consumer banking credit assessment system. Through big data analytics, the system will integrate risk indicators with marketing tags to optimize credit assessment and approval processes.

(B) Foreign Exchange Business

a. Continuously Enhance Internet Banking Functions and Improve Mobile Banking App Performance

In response to evolving market trends and the development of digital financial products, the Bank continues to enhance its online foreign exchange banking functions, improve system stability and transaction security, and optimize the user experience..

b. Optimize Foreign Exchange Systems to Enhance Operational Quality and Efficiency

In November 2025, the Bank completed the migration of cross-border payment messages of the Society for Worldwide Interbank Financial Telecommunication (SWIFT) to the ISO 20022 standard format, transitioning from the legacy MT message format to an XML-based framework. This migration enhances the completeness of cross-border transaction data and processing efficiency, further strengthens anti-money laundering and counter-terrorist financing (AML/CFT) mechanisms, and improves compliance and sustainable governance standards for cross-border financial services.

(C) Credit Card Business

a. Card issuance operations

In 2025, the Bank adjusted its credit card rewards and cardholder benefits, adopting a strategy that maintains attractive rewards as a customer acquisition tool while raising eligibility thresholds for premium services and benefits. This approach is designed to reduce benefit-driven participation by low-contribution customers and more effectively target high-frequency business travelers and affluent customers, thereby improving customer quality and optimizing the cost efficiency of cardholder benefits.

For new cardholders, the Bank also introduced an innovative marketing campaign featuring FamilyMart breakfast vouchers. New cardholders who enroll in electronic statements or automatic account debits and make at least one card transaction per month for six consecutive months are eligible to receive one NT$59 voucher each month. Rather than serving as a one-time promotional incentive, the campaign is designed to foster long-term card usage habits, strengthen customer engagement with the Bank, and reduce the risk of customers canceling their cards shortly after approval.

The newly launched "Xin World Business Card" has redefined the threshold for premium financial services. The product is designed to build dual competitive advantages through comprehensive protection and brand loyalty, while strengthening its presence in the premium medical travel and insurance markets. By leveraging the Bank's overseas travel benefits and exclusive overseas medical insurance coverage for World Mastercard cardholders provided through the international card organization, the Bank targets frequent international travelers and affluent customer segments. This strategy not only generates credit card fee income but also serves as a key channel for cross-selling and directing customers to wealth management services, thereby contributing to growth in assets under management (AUM). Enhanced rewards for insurance premium payments further increase the product's appeal and help maximize overall benefits across the Bank.

In 2026, the Bank also expects to collaborate with the Wealth Management Department to make more comprehensive use of its premium credit card customer base for cross-selling wealth management products, thereby further increasing the Bank's overall fee income.

b. Merchant Acquiring Business

The Financial Supervisory Commission (FSC), R.O.C. (Taiwan), has unveiled its 2025 administrative plan, and to advance the Financial Literacy Promotion Plan, which aims to enhance the public's financial literacy through a variety of educational approaches. These efforts also aim to accelerate financial and technological innovation by promoting the autonomous use of personal data (MyData) in the financial sector, enabling banks, securities firms, futures companies, and insurance institutions to provide individuals and businesses with faster and more convenient financial services. Additionally, the National Development Council (NDC) has projected an average economic growth rate of 2.8% to 3.6% for Taiwan from 2025 to 2028, while the Bank anticipates a growth rate of 5% in 2025.

(D) Digital Banking Business

To improve alignment with international financial markets, the Bank provides customers with 24-hour comprehensive wealth management services through its mobile and online banking platforms, enabling overseas stock and ETF trading and thereby continuously increasing the Bank’s fee income. In addition, to further improve the security and scope of digital identity authentication, the Bank will upgrade its digital identity authentication standards from Fast Identity Online (FIDO) to the Financial Fast Identity Online (Fast-ID) standard, provided by the Financial Information Service Co., Ltd. (FISC), upon completion of the current FIDO system implementation. This upgrade will improve authentication strength while facilitating the expansion of cross-bank authentication services. Looking ahead, in response to future financial service trends, the Bank will continue to improve its digital financial offerings by integrating and developing its existing digital products. Accordingly, the Bank will expand its electronic financial services in 2025 with the following plans：

a. Enhance Digital Banking Services

(a) Continuously Optimize Corporate Internet Banking: Develop the next-generation corporate internet banking platform with a flexible architecture to deliver optimized services.

① In response to the foreign exchange business needs of corporate customers, the Bank will enhance its corporate mobile banking app services by planning to introduce foreign exchange conversion functions and optimize small-value foreign currency transfers to non-designated accounts.

② The Bank will continue to promote services integrated with digital deposit accounts, providing corporate customers and their employees with a more convenient account-opening process for payroll accounts.

③ Introduce certificate authentication devices that do not require repeated insertion and removal, thereby improving operational convenience for corporate internet banking users.

(b) Personal Internet Banking / Mobile Banking App

① Revamp the Mobile Banking App, optimize transaction processes, and upgrade the functions of the push notification platform.

② Revamp Personal Internet Banking.

③ Introduce Financial Fast-ID authentication.

b. Business Process Enhancement and Automation (RPA)

(a) Automate the periodic review process for digital deposit accounts to streamline branch review procedures, reduce the costs associated with manual customer verification, and enhance the customer experience with digital services.

(b) Develop a “Campaign Registration Platform” that enables customers participating in digital banking or marketing campaigns to register through the Bank’s Mobile Banking App and check campaign progress in real time, thereby increasing customer engagement..

c. Expand Payment Applications

(a) Strengthen Account Linking and Mobile Payment Integration

The Bank is actively advancing its Account Link payment services. In addition to establishing a solid partnership model with JKO Pay, the Bank continues to evaluate the establishment of account-linking mechanisms with major payment service providers, including LINE Pay, iPASS MONEY, PXPay Plus, and Easy Wallet. By enabling customers to use their Bank accounts as payment funding sources, the Bank seeks to significantly enhance the user experience, create cross-industry financial business opportunities, and gradually expand its influence within the digital payment ecosystem.

(b) Cross-Industry and Ecosystem Partnerships

Form alliances with service channels and providers in telecommunications, insurance, healthcare, public transportation, and other sectors to broaden payment use cases. The Bank will also collaborate with merchants and payment service providers to launch co-branded promotions and interoperable membership marketing programs.

d. Cross-Selling and Collaborative Marketing

(a) Product Marketing and Promotion

① With wealth management products, foreign exchange, digital accounts, and securities as the core pillars, the Bank will plan cross-product marketing campaigns. Examples include offering rewards for the payment of wealth management product transaction fees through digital accounts and providing preferential fund subscription offers upon completion of securities transactions, thereby increasing transaction volume and facilitating fund flows.

② In collaboration with the Wealth Management Department, the Bank will design "Digital Account Demand and Time Deposit Programs" for high-net-worth customers to increase their contribution across multiple product lines.

(b) Cross-Platform Media Exposure

① Integrate campaigns with the Mobile Banking App by launching "Cross-Platform Challenge Missions," under which customers may receive rewards upon completing designated transactions, such as fund transfers, recurring fund investments, or foreign exchange transactions.

② Utilize push notifications, the Bank's official LINE account, and EDM campaigns to increase cross-product usage and transaction frequency.

(c) Internal Strategic Initiatives

① Continue leveraging existing customer segments, including credit cardholders, contracted merchants, payroll account customers, trust account customers, and borrowers, to promote the opening of corporate internet banking services and digital accounts, thereby strengthening two-way engagement with both corporate and individual customers.

② Establish cross-selling rankings and incentive programs for branches and business units to encourage employees to proactively recommend digital accounts and diverse transaction applications.

(d) External Partnerships

The Bank is actively developing diversified customer acquisition channels and deepening strategic partnerships with electronic payment providers, including JKO Pay, LINE Pay, Easy Wallet, iPASS MONEY, and PXPay Plus, as well as consumer retail channels covering the four major convenience store chains, PX Mart, Carrefour, and POYA. Through account-linking rewards and co-branded marketing campaigns, the Bank aims to attract customer traffic more effectively. In addition, the Bank is further extending its financial services to food delivery platforms. By embedding financial services into everyday consumption scenarios, the Bank seeks to significantly increase transaction frequency and volume while expanding its business reach.

(七)Long and Short Term Business Development Plans

A. Short-term business development plans

The Bank's primary goal is to strengthen its business physique and to improve its financial structure in order to maintain a good loan-to-deposit ratio and to have a balanced development of deposit and loan services. The Bank aims to, through deepening the client relation and promoting "service motivated business", expand its client base and maximize their contribution.

The Bank plans to increase capital with cash or issue subordinated bonds to ensure its operating fund and to enhance its capital adequacy ratio; and continue to reduce the non-performing loans ratio and increase coverage rate, maintaining an edge in the industry.

B. Mid- and long-term business development plan

From the mid-term perspective, the Bank plans to launch branch relocation in order to enhance the overall channel value, operating performance and nationwide market shares in order to maximize benefits of economy of scale. In the meantime, it also continues to maintain its capital structure and cooperate with BASEL III schedule to gradually increase its capital adequacy ratio (BIS).

In regard to its long-term perspective, the Bank aims to expand its international financial reach, improve the capital structure, strengthen the integration of financial services and develop new products, so as to realize diverse income and enhance the capital continuously. It will further enhance its competitiveness and profitability, ensuring a sustainable development and operation.

2. Employee Profile

(一)Employee data in the last two years and up to the date the annual report is published:

Record date: March 31, 2026

Year		2025	2024	Current year up to March 31
Number of Employees	Assistant Vice President	142	141	143
	Heads	543	499	548
	Office Employees	1,867	1,800	1,893
	Total	2,552	2,440	2,584
Average Age		40.92	42.48	41.93
Average years of service		11.72	11.01	11.33
Education background	PhD	0.08%	0.08%	0.08%
	Master	10.70%	10.08%	10.64%
	College	83.77%	83.98%	84.09%
	Senior High School	5.33%	5.74%	5.07%
	Under Senior High School	0.12%	0.12%	0.12%
	Total	100.00%	100.00%	100.00%
Professional licenses held by employees	Basic Proficiency Test for Bank Internal Control	1,669	1,595	1,684
	Proficiency Test for Trust Operations Personnel	2,130	1,980	2,148
	Trust Operations Management Personnel	566	544	565
	Trust Operations Supervisor	6	6	6
	Proficiency Test for Life Insurance Specialist	2,107	2,077	2,116
	Proficiency Test for Investment-oriented Insurance Personnel	946	892	943
	Proficiency Test for Property Insurance Personnel	2,170	2,128	2,177
	Proficiency Test for Financial Planning Personnel	342	334	343
	Basic Proficiency Test for International Banking Personnel	461	445	467
	Basic Proficiency Test for Bank Lending Personnel	847	827	847
	Advanced Proficiency Test for Bank Lending Personnel	20	19	20
	Proficiency Test for Futures Specialist	277	267	283
	Proficiency Test for Securities Specialist	375	375	382
	Proficiency Test for Senior Securities Specialist	173	165	174
	Proficiency Test for Securities Investment Trust and Consulting Professionals (one subject)	143	141	143
	Proficiency Test for Bill Finance Specialist	67	67	67
	Proficiency Test for Financial Risk Management Personnel	3	3	3
	Proficiency Test for Bank Collateral Appraisal Personnel	11	12	11
	Qualification of Investment Trust & Consulting Regulations Test	1,264	1,205	1,263

Year		2025	2024	Current year up to March 31
	Consultant of Financial Planning (CFP)	14	11	14
	Proficiency Test for Bond Specialist	17	15	16
	Proficiency Test for Securities Investment Analyst	6	8	6
	Proficiency Test for Life Insurance Representative to Sell Foreign Currency Receiving and Paying in Non-Investment Oriented Insurance Products	908	847	914
	Certificate of Completion of Risk Management for Foreign Exchange Derivatives Course	119	121	118
	Property Insurance Agent Qualification Test	8	8	8
	Life Insurance Agent Qualification Test	8	8	8

Note: Fill in the data for the year up to the annual report publication date.

(二)Status on Training and Development

A. The Bank knows that talents are the competitive advantage of a company which cannot be copied, and the decisive force to continuously achieve a company's peak. Therefore, the Bank attaches great importance to the cultivation of internal talents and provides rich learning resources, adopts a "business-oriented training strategy" based on the development of duties, business and career, and plans a diversified curriculum covering physical and digital training to enable employees to learn independently at their own paces and quickly absorb a wide range of financial knowledge, so as to respond to environment and business changes at any time, and enhance their professionalism and competitive advantage in providing quality financial services in a timely manner in order to support the Bank’s progressive cultural development and sustainable management philosophy.

B. In 2025, the Bank's key cultivation projects were related to the training of professional credit, sales business of wealth management, Foreign exchange and remittance, E-finance, implementation of ESG sustainable development and prevention of money laundering and anti-terrorism, and actively trained employees of all levels and reserved middle and high rank supervisors. Other than sending employees to participate in training courses organized by professional institutions such as the "Taiwan Financial Research Institute", "Republic of China Securities and Futures Market Development Foundation" and related consultancies, the Bank also conducted various physical and online internal professional training courses. According to the statistics, in 2025 the number of participants in physical courses was 14,219 people-times and in online courses was 34,650 person-times, and the total number of participants was 48,869 person-times. The training results were in line with expectations.

3. Corporate Social Responsibility and Ethical Behavior

(一)Environmental conservation

A. Introducing the “Sustainable Green Finance Loan Promotion Project” and the “Green Lifestyle Loan” for electric vehicles.

B. The headquarters building has been certified with the Silver-level Green Building Certification (EEWH), affirming the Bank’s commitment to achieving net-zero carbon emissions goals.

C. In 2025, the Bank participated in "Earth Hour - turning off lights for one hour" and "Earth Day" (April 22) by switching off exterior lights and non-essential lighting at the headquarters. This was a joint effort to promote energy conservation and carbon reduction. We also encouraged all employees to habitually turn off unnecessary power daily, fulfilling our corporate social responsibility to save energy, reduce carbon emissions, and protect the Earth.

D. Implementing paperless policy to reduce the printing of reports and official documents.

E. Energy Resource Management: Upgrading lighting fixtures to energy-efficient bulbs and performing regular annual maintenance on air conditioning systems.

F. Implementing ISO 14064-1:2018 Greenhouse Gas Inventory Standards and ensuring suppliers’ compliance with ISO 20400: Sustainable Procurement guidelines.

(二)Social Responsibility

A. The Bank sponsors sports teams and sporting events from time to time. Sponsored teams include the baseball teams of Fulin Elementary School in Taipei City and Hongye Elementary School in Taitung County, the archery team of Sanhe Junior High School, the baseball team of Yang Ming Senior High School, and the Sunny Bank Taipei Athletic Club football team. Sponsored events include the "Sunny Bank International Women's Invitational Tournament and U12 Girls' Invitational Tournament," organized by Kaohsiung Attackers FC, and the "Sunny Bank Cup National Junior Baseball Championship," organized by the Chinese Taipei Baseball Association. Through these initiatives, the Bank puts ESG principles and corporate social responsibility into practice while supporting the cultivation and development of grassroots sports talent.

B. The Bank's long-term commitment to the development of sports in Taiwan has once again received recognition. For the second consecutive year, the Bank received the Sports Activist Award, winning the Silver Award in the Sponsorship Category at the 17th Sports Activist Awards presented by the Ministry of Sports in 2025

C. . The Bank has long been committed to supporting disadvantaged groups and fulfilling its corporate social responsibility. For 14 consecutive years, the Bank has carried out the "Dream Fulfillment Program for Children in Remote Areas," visiting elementary schools in remote areas to help disadvantaged children experience the warmth and care of society and encourage them to pursue their dreams with courage. This meaningful initiative has had a profound and lasting impact.

(三)Corporate governance

A. The bank's adherence to its "Code of Ethical Management" for fiscal year 2025 was reported to and acknowledged by the 14th meeting of the 10th Board of Directors on December 16, 2025. There were no instances of non-compliance with the Code of Ethical Management or significant deficiencies with major impact.

B. Awarded the Bronze Class in the Financial and Insurance Sector (Category 1) for the Sustainable Report at the 2025 18th TCSA Taiwan Corporate Sustainability Awards, organized by the Taiwan Institute for Sustainable Energy (TAISE).

4. Number of Non-Supervisory Full-Time Employees, Average and Median Salary of Non-Supervisory Full-Time Employees and Differences of the Three Compared with Last Year.

Category	2025	2024	Differences (%)
Number of non-supervisor employees	1,956	1,818	7.59
Average Salary	955,076	926,730	3.06
Median Salary	841,512	816,385	3.08

Note 1: The number of non-supervisory employees refer to the total number of employees hired in the current year rather than the number of actual employees at year-end, along with managers (managers disclosed in the annual report submitted during the shareholders' meeting and managers who resigned in the middle of the year) who have been employed for over 6 months.

Note 2: To ensure data completeness and accuracy, employees with less than one year of service are excluded from the calculation of employee headcount and related salary amounts. The "median salary" is calculated by including all non-supervisory employees who were employed throughout the year, arranging their total annual salaries in ascending order, and identifying the middle value.

V. Special Remarks

1. Information on Affiliates
2. Private Placement of Marketable Securities and Bank debentures during the Most Recent Fiscal Year before publishing the Annual Report
3. Additional Supplementary Remarks
4. Any circumstance as described in Subparagraph 2 of Paragraph 3 of Article 36 of the Securities and Exchange Act which occurred during the past year and before publishing the Annual Report that could materially affect shareholders' equity or the prices of the company's securities

5

Chapter

1. Information on Affiliates

Please visit the Market Observation Post System (MOPS)：http://mops.twse.com.tw

2. Private Placement of Marketable Securities and Bank debentures during the Most Recent Fiscal Year before publishing the Annual Report: None

3. Additional Supplementary Remarks: None

4. Any circumstance as described in Subparagraph 2 of Paragraph 3 of Article 36 of the Securities and Exchange Act which occurred during the past year and before publishing the Annual Report that could materially affect shareholders' equity or the prices of the company's securities: None

VI. Service Network

6

Chapter

Unit Name	Address		Tel.	
ADMINISTRATION DEPARTMENT,HEAD OFFICE	104027	NO.156, SEC. 2, ZHONGSHAN N. RD., ZHONGSHAN DIST., TAIPEI CITY, TAIWAN.	(02)	6618-8166
BUSINESS DEPARTMENT	11163	NO.255, ZHONGCHENG RD., SHIHLIN DIST., TAIPEI CITY, TAIWAN.	(02)	2882-2330
SHIPAI BRANCH	11271	NO.90, SEC. 1, SHIPAI RD., BEITOU DIST., TAIPEI CITY, TAIWAN.	(02)	2823-8480
BEITOU BRANCH	11246	NO.152, GUANGMING RD., BEITOU DIST., TAIPEI CITY, TAIWAN.	(02)	2891-7361
SHILIN BRANCH	111013	NO.35, JIHE RD., SHILIN DIST., TAIPEI CITY TAIWAN.	(02)	2882-3660
DATUN BRANCH	11252	NO.304, ZHONGHE ST., BEITOU DIST., TAIPEI CITY, TAIWAN.	(02)	2891-9196
CHIENTAN BRANCH	11166	NO.131, TONGHE ST., SHILIN DIST., TAIPEI CITY, TAIWAN.	(02)	2885-4181
SHETZU BRANCH	11173	NO.260, SEC. 5, YANPING N. RD., SHILIN DIST., TAIPEI CITY, TAIWAN.	(02)	2812-1112
LANYA BRANCH	111046	NO.39, SEC. 6, ZHONGSHAN N. RD., SHILIN DIST., TAIPEI CITY, TAIWAN.	(02)	2836-2072
TIANMU BRANCH	111036	NO.15, TIANMU E. RD., SHILIN DIST., TAIPEI CITY, TAIWAN.	(02)	2873-2500
SHEZHONG BRANCH	11175	NO.220, SHEZHONG ST., SHILIN DIST., TAIPEI CITY, TAIWAN.	(02)	2815-1415
JILIN BRANCH	10459	NO.304, JILIN RD., ZHONGSHAN DIST., TAIPEI CITY, TAIWAN.	(02)	2561-1188
CHENGGONG BRANCH	11489	NO.70, SEC. 4, CHENGGONG RD., NEIHU DIST., TAIPEI CITY, TAIWAN.	(02)	2792-2433
MINSHENG BRANCH	10589	NO.167, SEC. 5, MINSHENG E. RD., SONGSHAN DIST., TAIPEI CITY, TAIWAN.	(02)	2760-6335
YANJI BRANCH	10558	NO.11, YANJI ST., SONGSHAN DIST., TAIPEI CITY, TAIWAN.	(02)	2578-6201
MUZHA BRANCH	11648	NO.96, SEC. 3, MUZHA RD., WENSHAN DIST., TAIPEI CITY, TAIWAN.	(02)	2234-5890
LONGJIANG BRANCH	10475	NO.49, LN. 356, LONGJIANG RD., ZHONGSHAN DIST., TAIPEI CITY, TAIWAN.	(02)	2516-5945
NANJING BRANCH	10553	NO.132, SEC. 4, NANJING E. RD., SONGSHAN DIST., TAIPEI CITY, TAIWAN.	(02)	2579-0229
CHINGMEI BRANCH	11669	NO.95-12, JINGHOU ST., WENSHAN DIST., TAIPEI CITY, TAIWAN.	(02)	2930-0202
CHUNGSHING BRANCH	10478	NO.36, SEC. 3, MINSHENG E. RD., ZHONGSHAN DIST., TAIPEI CITY, TAIWAN.	(02)	2516-5268
XINYI BRANCH	10681	NO.188, SEC. 4, XINYI RD., DA'AN DIST., TAIPEI CITY, TAIWAN.	(02)	2706-8388
ZHONGHE BRANCH	23553	NO.245, JIAN 1ST RD., ZHONGHE DIST., NEW TAIPEI CITY, TAIWAN.	(02)	2222-5199
YONGHE BRANCH	23443	NO.188, SEC. 1, ZHONGSHAN RD., YONGHE DIST., NEW TAIPEI CITY, TAIWAN.	(02)	2626-5899
LUZHOU BRANCH	24747	NO.393, JIXIAN RD., LUZHOU DIST., NEW TAIPEI CITY, TAIWAN.	(02)	8282-2068
BANQIAO BRANCH	22063	NO.133, SEC. 1, SICHUAN RD., BANQIAO DIST., NEW TAIPEI CITY, TAIWAN.	(02)	2955-0008
TAISHAN BRANCH	24347	NO.110, SEC. 1, MINGZHI RD., TAISHAN DIST., NEW TAIPEI CITY, TAIWAN.	(02)	2297-9797
HSINHE BRANCH	23570	NO.89, HUAXIN ST., ZHONGHE DIST., NEW TAIPEI CITY, TAIWAN.	(02)	8941-9339
HSICHOU BRANCH	22072	NO.89, SEC. 3, DUXING RD., BANQIAO DIST., NEW TAIPEI CITY, TAIWAN.	(02)	2681-9960

Unit Name		Address	Tel.	
KUTING BRANCH	10080	NO.40, SEC. 2, TINGZHOU RD., ZHONGZHENG DIST., TAIPEI CITY, TAIWAN.	(02)	8269-2288
HSINCHUANG BRANCH	24260	NO.533, LONGAN RD., XINZHUANG DIST., NEW TAIPEI CITY, TAIWAN.	(02)	8201-9069
SANCHONG BRANCH	24151	NO.108, SEC. 4, ZIQIANG RD., SANCHONG DIST., NEW TAIPEI CITY, TAIWAN.	(02)	8981-7171
SHUANGHE BRANCH	23566	NO.722, JINGPING RD., ZHONGHE DIST., NEW TAIPEI CITY, TAIWAN.	(02)	8242-3919
DAYE BRANCH	33049	NO.55, SEC. 1, DAYE RD, TAOYUAN DIST., TAOYUAN CITY, TAIWAN.	(03)	347-8899
FUXING BRANCH	10547	NO.143, FUXING N. RD., SONGSHAN DIST., TAIPEI CITY, TAIWAN.	(02)	2719-6166
TAOYUAN BRANCH	330015	NO.32-20, ZHONGSHAN E. RD., TAOYUAN DIST., TAOYUAN CITY, TAIWAN.	(03)	336-0555
DA’AN BRANCH	11056	NO.225, SEC. 3, HEPING E. RD., XINYI DIST., TAIPEI CITY, TAIWAN.	(02)	2733-7711
XINDIAN BRANCH	231031	NO.263-5, ZHONGZHENG RD., XINDIAN DIST., NEW TAIPEI CITY, TAIWAN.	(02)	8911-7676
XINGFU BRANCH	24247	NO.800, XINGFU RD., XINZHUANG DIST., NEW TAIPEI CITY, TAIWAN.	(02)	2998-3366
YUANLIN BRANCH	51052	NO.12, JINGXIU RD., YUANLIN TOWNSHIP, CHANGHUA COUNTY, TAIWAN.	(04)	832-2171
SHETOU BRANCH	51141	NO.257, SEC. 2, YUANJI RD., SHETOU TOWNSHIP, CHANGHUA COUNTY, TAIWAN.	(04)	872-1017
PINGTUNG BRANCH	90074	NO.70, ZHONGZHENG RD., PINGTUNG CITY, PINGTUNG COUNTY, TAIWAN.	(08)	732-6123
HSINPU BRANCH	22049	NO.245, SIWEI RD., BANQIAO DIST., NEW TAIPEI CITY, TAIWAN.	(02)	8253-7789
KAOHSIUNG BRANCH	80766	NO.192, JIURU 1ST RD., SANMIN DIST., KAOHSIUNG CITY, TAIWAN.	(07)	384-3163
ZHONGHUA BRANCH	70168	NO.102, SEC. 3, ZHONGHUA E. RD., EAST DIST., TAINAN CITY, TAIWAN.	(06)	267-0751
CHIAYI BRANCH	60089	NO.298, ZHONGXING RD., WEST DIST., CHIAYI CITY, TAIWAN.	(05)	234-2023
TAINAN BRANCH	700017	NO.148, SEC. 2, ZHONGYI RD., WEST CENTRAL DIST., TAINAN CITY, TAIWAN.	(06)	228-2171
JIANKANG BRANCH	70262	NO.370, SEC. 2, JIANKANG RD., SOUTH DIST., TAINAN CITY, TAIWAN.	(06)	261-2136
DONGNING BRANCH	70160	NO.247, DONGNING RD., EAST DIST., TAINAN CITY, TAIWAN.	(06)	237-5141
ANSHUN BRANCH	70941	NO.202, SEC. 1, ANHE RD., ANNAN DIST., TAINAN CITY, TAIWAN.	(06)	256-3146
HSIHUA BRANCH	70847	NO.359, SEC. 2, ZHONGHUA W. RD., ANPING DIST., TAINAN CITY, TAIWAN.	(06)	297-9880
OFFSHORE BANKING UNIT	104027	NO.156, SEC. 2, ZHONGSHAN N. RD., ZHONGSHAN DIST., TAIPEI CITY, TAIWAN.	(02)	6618-8166
HSINCHU BRANCH	30041	NO.247, ZHONGYANG RD., EAST DIST., HSINCHU CITY, TAIWAN.	(03)	515-3608
JINGWU BRANCH	40147	NO.188, JINGWU E. RD., EAST DIST., TAICHUNG CITY, TAIWAN.	(04)	2211-2368
ZUOYING BRANCH	81357	NO.102, BO’AI 2ND RD., ZUOYING DIST., KAOHSIUNG CITY, TAIWAN.	(07)	556-0128
TAICHUNG BRANCH	40354	NO.229, SEC. 2, TAIWAN BLVD., WEST DIST., TAICHUNG CITY, TAIWAN.	(04)	2310-9996
XIANGSHANG BRANCH	40356	NO.166, SEC. 1, XIANGSHANG S. RD., WEST DIST., TAICHUNG CITY, TAIWAN.	(04)	2472-2528

Unit Name		Address	Tel.	
NEIHU BRANCH	11493	NO.250, SEC. 1, NEIHU RD., NEIHU DIST., TAIPEI CITY, TAIWAN.	(02)	2658-6698
ZHONGLI BRANCH	32097	NO.171, JIANXING RD., ZHONGLI DIST., TAOYUAN CITY, TAIWAN.	(03)	428-1116
WUGU BRANCH	248001	NO.138, SEC. 3, CHENGTAI RD., WUGU DIST., NEW TAIPEI CITY, TAIWAN.	(02)	8976-9000
LINSEN BRANCH	300027	NO.36, DONGMEN ST., EAST DIST., HSINCHU CITY TAIWAN.	(03)	610-0189
XINXING BRANCH	80049	NO.6, ZHONGZHENG 4TH RD., XINXING DIST., KAOHSIUNG CITY, TAIWAN.	(07)	288-4131
QINGNIAN BRANCH	80252	NO.169-1, QINGNIAN 1ST RD., LINGYA DIST., KAOHSIUNG CITY, TAIWAN.	(07)	331-8526
SANFONG BRANCH	80749	NO.293, ZHONGHUA 3RD RD., SANMIN DIST., KAOHSIUNG CITY, TAIWAN.	(07)	231-5101
SIHWEI BRANCH	80245	NO.159, ZHONGHUA 4TH RD., LINGYA DIST., KAOHSIUNG CITY, TAIWAN.	(07)	333-3701
DAGONG BRANCH	80342	NO.40, DAGONG RD., YANCHENG DIST., KAOHSIUNG CITY, TAIWAN.	(07)	531-5105
DASHUN BRANCH	80787	NO.41, DASHUN 2ND RD., SANMIN DIST., KAOHSIUNG CITY, TAIWAN.	(07)	386-1622
HAIKUANG BRANCH	81346	NO.190, ZUOYING AVENUE, ZUOYING DIST., KAOHSIUNG CITY, TAIWAN.	(07)	582-3511
CHIENCHEN BRANCH	80266	NO.281, SANDUO 2ND RD., LINGYA DIST., KAOHSIUNG CITY, TAIWAN.	(07)	711-0046
PINGDENG BRANCH	80745	NO.283, ZILI 1ST RD., SANMIN DIST., KAOHSIUNG CITY, TAIWAN.	(07)	321-4622
XIAOGANG BRANCH	81254	NO.615, HONGPING RD., XIAOGANG DIST., KAOHSIUNG CITY, TAIWAN.	(07)	806-5171
LIWEN BRANCH	81358	NO.75, LIWEN RD., ZUOYING DIST., KAOHSIUNG CITY, TAIWAN.	(07)	558-0711
YOUCHANG BRANCH	81156	NO.803, JIACHANG RD., NANZI DIST., KAOHSIUNG CITY, TAIWAN.	(07)	364-6530
WUJIA BRANCH	83084	NO.280, WUJIA 2ND RD., FENGSHAN DIST., KAOHSIUNG CITY, TAIWAN.	(07)	726-0801
DINGLI BRANCH	807072	NO.37, DINGLI RD., SANMIN DIST., KAOHSIUNG CITY, TAIWAN.	(07)	346-5955
NANZI BRANCH	811026	NO.122, QINAN RD., NANZI DIST., KAOHSIUNG CITY, TAIWAN.	(07)	353-5513
QISHAN BRANCH	84243	NO.158, ZHONGSHAN RD., QISHAN DIST., KAOHSIUNG CITY, TAIWAN.	(07)	661-2081
LINYUAN BRANCH	83248	NO.136, DONGLIN W. RD., LINYUAN DIST., KAOHSIUNG CITY, TAIWAN.	(07)	643-8141
GANGSHAN BRANCH	82065	NO.16, DADE 1ST RD., GANGSHAN DIST., KAOHSIUNG CITY, TAIWAN.	(07)	623-6182
LIGANG BRANCH	90546	NO.43, LIGANG RD., LIGANG TOWNSHIP, PINGTUNG COUNTY, TAIWAN.	(08)	775-7735
YONGKANG BRANCH	71049	NO.625, ZHONGHUA RD., YONGKANG DIST., TAINAN CITY, TAIWAN.	(06)	203-6607
RENDE BRANCH	71743	NO.273, SEC. 2, ZHONGZHENG RD., RENDE DIST., TAINAN CITY, TAIWAN.	(06)	270-6361
TAIPEI BRANCH	10451	NO.43, SEC. 1, MINSHENG E. RD., ZHONGSHAN DIST., TAIPEI CITY, TAIWAN.	(02)	2563-3710
CHANGAN BRANCH	10350	NO.205, CHANG’AN W. RD., DATONG DIST., TAIPEI CITY, TAIWAN.	(02)	2559-5500
LOUDONG BRANCH	26548	NO.30, ZHONGZHENG N. RD., LUODONG TOWNSHIP, YILAN COUNTY, TAIWAN.	(03)	957-1259

Unit Name	Address		Tel.	
ZHUBEI BRANCH	30264	NO.236, DONG SEC. 1, GUANGMING 6TH RD., ZHUBEI CITY, HSINCHU COUNTY, TAIWAN.	(03)	658-5818
CHONGXIN BRANCH	24144	NO.28, SEC. 4, CHONGXIN RD., SANCHONG DIST., NEW TAIPEI CITY, TAIWAN.	(02)	2977-9886
CHANGHUA BRANCH	50063	NO.187, XIAOYANG RD., CHANGHUA CITY, CHANGHUA COUNTY, TAIWAN.	(04)	728-9399
TUNGTAOYUAN BRANCH	33044	1F, NO.523, JINGGUO RD., TAOYUAN DIST., TAOYUAN CITY, TAIWAN.	(03)	316-1859
NANGANG BRANCH	11578	1F, NO.97, SEC. 2, NANGANG RD., NANGANG DIST., TAIPEI CITY, TAIWAN.	(02)	2785-1001
PEITUN BRANCH	40462	NO.172, SEC. 4, WENXIN RD., NORTH DIST., TAICHUNG CITY, TAIWAN.	(04)	2292-5258
TUCHENG BRANCH	23645	NO.2, LN. 33, SEC. 3, JINCHENG RD, TUCHENG DIST., NEW TAIPEI CITY, TAIWAN.	(02)	8261-1818
KEELUNG BRANCH	20145	NO.117, XIN 1ST RD., XINYI DIST., KEELUNG CITY, TAIWAN.	(02)	2422-2828
WANHUA BRANCH	108653	NO.333, WANDA RD., WANHUA DIST., TAIPEI CITY, TAIWAN.	(02)	2305-8699
HUALIEN BRANCH	973049	NO.200, SEC. 2, ZHONGHUA RD., JI’AN TOWNSHIP, HUALIEN COUNTY, TAIWAN.	(03)	853-9396
MIAOLI BRANCH	363011	NO.252, DATONG RD., GONGGUAN TOWNSHIP, MIAOLI COUNTY, TAIWAN.	(037)	222-618
LONGJING BRANCH	43448	NO.256, 258, SEC. 5, TAIWAN BLVD., LONGJING DIST., TAICHUNG CITY, TAIWAN.	(04)	2633-0898
YUNLIN BRANCH	633002	NO.80, FUXING RD., TUKU TOWNSHIP, YUNLIN COUNTY, TAIWAN.	(05)	662-8889
NANTOU BRANCH	542006	NO.118, SEC. 2, TAIPING RD. CAOTUN TOWNSHIP, NANTOU COUNTY, TAIWAN.	(049)	273-3855
DALI BRANCH	412018	NO.700, SEC. 2, GUOGUANG RD., DALI DIST., TAICHUNG CITY, TAIWAN.	(04)	2482-0329
DATONG BRANCH	103041	NO.110, SEC. 3, CHONGQING N. RD., DATONG DIST., TAIPEI CITY, TAIWAN.	(02)	2598-8979
TAITUNG BRANCH	950012	NO.385, GENGSHENG RD., TAITUNG CITY, TAITUNG COUNTY, TAIWAN	(089)	380-675
ILAN BRANCH	260034	NO.171, SEC. 1, LANFENG RD., YILAN CITY, YILAN COUNTY, TAIWAN	(03)	923-1919
SOUTH TAOYUAN BRANCH	330025	NO.341, ZHONGSHAN RD., TAOYUAN DIST., TAOYUAN CITY, TAIWAN.	(03)	331-0299
HISCHIH BRANCH	22145	NO.175, SEC. 1, DATONG RD., XIZHI DIST., NEW TAIPEI CITY, TAIWAN.	(02)	8691-9985
HEPING BRANCH	106601	NO.63, SEC. 1, HEPING E. RD., DA’AN DIST., TAIPEI CITY, TAIWAN.	(02)	2396-5998
LINKOU BRANCH	33377	NO.331, WENHUA 3RD RD., GUISHAN DIST., TAOYUAN CITY, TAIWAN.	(03)	327-3559
FENGYUAN BRANCH	42041	NO.277, ZHONGSHAN RD., FENGYUAN DIST., TAICHUNG CITY, TAIWAN.	(04)	2526-6166
HSINCHU SCIENCE PARK BRANCH	300071	NO.487, SEC. 1, GUANGFU RD., EAST DIST., HSINCHU CITY, TAIWAN	(03)	579-5799
CENTRAL BRANCH	104026	NO.2, MINQUAN W. RD., ZHONGSHAN DIST., TAIPEI CITY, TAIWAN	(02)	6618-0108
WENXIN BRANCH	408006	NO.1, SEC. 1, WENXIN RD., NANTUN DIST., TAICHUNG CITY, TAIWAN	(04)	2471-0561

Annex.I Sunny Bank Ltd. And Subsidiaries

Consolidated Financial Statements for the
Years Ended December 31, 2025 and 2024 and
Independent Auditor's Report

REPRESENTATION LETTER OF COMBINED FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the combined financial statements of Sunny Bank Ltd. as of and for the year ended December 31, 2025, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Sunny Bank Ltd. and its subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

SUNNY BANK LTD.

By:

____

SHENG-HUNG CHEN
Chairman

March 9, 2026

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Sunny Bank Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Sunny Bank Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, the Regulations Governing the Preparation of Financial Reports by Securities Firms, the guidelines issued by the authority, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and enforced 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 Accountants 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 year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified during our audit of the Group's consolidated financial statements for the year ended December 31, 2025 is as follows:

Impairment of Discounts and Loans

As of December 31, 2025, the New Taiwan dollar-denominated discounts and loans of the Group amounted to $520,017,290 thousand, which was significant to the consolidated financial statements as a whole. Besides assessing the expected credit losses of loans in accordance with IFRS 9 "Financial Instruments," the management of the Group complies with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans and related regulations (the "Regulations") when evaluating the classification of credit assets and recognizing allowance for possible losses. Refer to Note 4 to the accompanying consolidated financial statements for the Group's accounting policies on the impairment of discounts and loans; refer to Note 5 for material accounting judgments and key sources of estimation uncertainty, and Notes 14 and 44 for more details and disclosures.

Because the classification of credit assets and the recognition of the allowance for credit losses in accordance with the Regulations result in an amount significantly greater than the expected credit loss under IFRS 9 "Financial Instruments", and involve significant management judgment and accounting estimates, we identified the allowance for loan impairment recognized in accordance with the Regulations as a key audit matter.

The audit procedures in response to the key audit matter described above included, among others, obtaining an understanding of and testing the effectiveness of the Group's internal controls over the assessment of impairment on loans; performing sample tests on the classification of the Group's credit assets in accordance with the Regulations; performing, for non-performing loans, sampling-based assessments of the allowance for credit losses with reference to factors such as the duration of delinquency and the status of collateral; and, evaluating whether the recognition and measurement of the allowance for credit losses complied with the Regulations.

Other Matter

We have also audited the financial statements of Sunny Bank Ltd. as of and for the years ended December 31, 2025 and 2024, on which we have issued an unmodified opinion.

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 Public Banks, the Regulations Governing the Preparation of Financial Reports by Securities Firms, the guidelines issued by the authorities, IFRS, IAS, IFRIC, and SIC endorsed and enforced 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 intends either to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including members of 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 and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Hsieh-Chang Li and You-Cheng Hsin.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 9, 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.

SUNNY BANK LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025		2024	
ASSETS	**Amount**	**%**	**Amount**	**%**
CASH AND CASH EQUIVALENTS (Notes 4 and 6)	$ 6,418,153	1	$ 9,053,396	1
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Note 7)	41,534,174	5	36,340,786	5
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4 and 8)	44,717,043	6	32,535,767	4
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 9, 11 and 41)	117,418,100	14	111,061,484	15
FINANCIAL ASSETS AT AMORTIZED COST (Notes 4, 10, 11 and 41)	36,715,923	5	38,840,191	5
SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL (Notes 4 and 12)	4,110,716	1	2,804,675	-
RECEIVABLES, NET (Notes 4 and 13)	7,517,571	1	6,392,237	1
CURRENT TAX ASSETS (Notes 4 and 38)	244	-	248	-
DISCOUNTS AND LOANS, NET (Notes 4, 14 and 40)	530,451,331	65	500,930,742	66
OTHER FINANCIAL ASSETS, NET (Notes 4 and 15)	2,908,051	-	2,346,092	-
PROPERTY AND EQUIPMENT, NET (Notes 4 and 16)	19,925,454	2	18,457,184	3
RIGHT-OF-USE ASSETS, NET (Notes 4, 17 and 40)	173,998	-	175,951	-
INVESTMENT PROPERTIES, NET (Notes 4 and 18)	1,624,577	-	1,496,593	-
INTANGIBLE ASSETS (Notes 4 and 19)	1,222,414	-	1,216,152	-
DEFERRED TAX ASSETS (Notes 4 and 38)	503,801	-	378,272	-
OTHER ASSETS, NET (Notes 4, 20, 27 and 41)	284,125	-	320,417	-
TOTAL	$ 815,525,675	100	$ 762,350,187	100
LIABILITIES AND EQUITY				
DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS (Note 21)	$ 5,503,606	1	$ 3,561,883	1
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4 and 8)	25,459	-	57,050	-
SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE (Notes 4, 9, 10 and 22)	8,896,963	1	2,642,045	-
PAYABLES (Note 23)	5,842,245	1	4,689,724	1
CURRENT TAX LIABILITIES (Notes 4 and 38)	523,196	-	408,784	-
DEPOSITS AND REMITTANCES (Notes 24 and 40)	721,135,837	88	684,787,653	90
BANK DEBENTURES (Note 25)	13,520,000	2	12,860,000	2
OTHER FINANCIAL LIABILITIES	3,045,734	-	2,789,133	-
PROVISIONS (Notes 4, 26 and 27)	112,661	-	57,221	-
LEASE LIABILITIES (Notes 4, 17 and 40)	178,032	-	177,422	-
DEFERRED TAX LIABILITIES (Notes 4 and 38)	145,132	-	176,478	-
OTHER LIABILITIES (Note 28)	596,958	-	606,766	-
Total liabilities	759,525,823	93	712,814,159	94
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 29)				
Ordinary shares	40,403,056	5	37,887,554	5
Capital surplus	171,706	-	133,317	-
Retained earnings				
Legal reserve	9,072,160	1	7,882,379	1
Special reserve	1,542,536	-	1,104,187	-
Unappropriated earnings	4,115,338	1	4,028,471	-
Total retained earnings	14,730,034	2	13,015,037	1
Other equity	695,056	-	(1,499,880)	-
Total equity	55,999,852	7	49,536,028	6
TOTAL	$ 815,525,675	100	$ 762,350,187	100

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

SUNNY BANK LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INTEREST REVENUE	$ 20,351,922	176	$ 18,967,496	175	7
LESS: INTEREST EXPENSE	11,788,651	102	10,807,812	100	9
NET INTEREST (Notes 4, 30 and 40)	8,563,271	74	8,159,684	75	5
NET REVENUE OTHER THAN INTEREST (Note 4)					
Commission and fee revenues, net (Note 31)	1,807,038	16	1,585,426	15	14
Net gain on financial assets and liabilities at fair value through profit or loss (Note 32)	671,319	6	394,739	4	70
Realized gain on financial assets at fair value through other comprehensive income (Note 33)	69,297	1	113,790	1	(39)
Net foreign exchange gain	20,147	-	207,361	2	(90)
(Impairment loss) reversal of impairment loss on assets	(1,853)	-	23,828	-	(108)
Gain on purchased claim receivable	65,850	-	42,799	-	54
Securities brokerage income	189,084	2	169,328	2	12
Rental income	87,481	1	73,703	1	19
Other noninterest net revenue (Note 34)	48,630	-	49,767	-	(2)
Total net revenues other than interest	2,956,993	26	2,660,741	25	11
TOTAL NET REVENUE	11,520,264	100	10,820,425	100	6
ALLOWANCE FOR DOUBTFUL ACCOUNTS AND GUARANTEES RECOGNIZED (Notes 4 and 14)	(891,939)	(8)	(1,180,436)	(11)	(24)
OPERATING EXPENSES					
Employee benefits (Notes 4, 27, 29, 35 and 40)	3,378,995	29	3,025,902	28	12
Depreciation and amortization (Notes 4 and 36)	491,986	4	396,246	3	24
Others (Note 37)	1,896,774	17	1,727,027	16	10
Total operating expenses	5,767,755	50	5,149,175	47	12

(Continued)

SUNNY BANK LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INCOME BEFORE INCOME TAX	$ 4,860,570	42	$ 4,490,814	42	8
INCOME TAX EXPENSE (Notes 4 and 38)	950,274	8	883,286	8	8
NET INCOME	3,910,296	34	3,607,528	34	8
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligation (Notes 4 and 27)	(68,754)	-	13,777	-	(599)
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	375,610	3	571,176	5	(34)
Income tax relating to items that will not be reclassified subsequently (Notes 4 and 38)	13,750	-	(2,755)	-	599
	320,606	3	582,198	5	(45)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	(14,342)	-	63,171	1	(123)
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income	1,967,054	17	(718,883)	(7)	374
Income tax relating to items that may be reclassified subsequently (Notes 4 and 38)	(428)	-	(6,571)	-	(93)
	1,952,284	17	(662,283)	(6)	395
Other comprehensive income (loss) for the year, net of income tax	2,272,890	20	(80,085)	(1)	2,938
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 6,183,186	54	$ 3,527,443	33	75

(Continued)

SUNNY BANK LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024		Percentage Increase (Decrease)
	Amount	**%**	**Amount**	**%**	**%**
NET PROFIT ATTRIBUTABLE TO:					
Owners of the Company	$ 3,910,296	34	$ 3,607,528	33	8
Non-controlling interests	-	-	-	-	-
	$ 3,910,296	34	$ 3,607,528	33	8
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Company	$ 6,183,186	54	$ 3,527,443	33	75
Non-controlling interests	-	-	-	-	-
	$ 6,183,186	54	$ 3,527,443	33	75
EARNINGS PER SHARE (NT$; Note 39)					
Basic	$0.99		$0.94		
Diluted	$0.98		$0.94		

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

SUNNY BANK LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company									
								Other Equity		
	Share Capital			Retained Earnings						
	Shares in Thousand	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE ON JANUARY 1, 2024	3,400,706	$ 34,007,060	$ 104,517	$ 6,989,539	$ 2,441,242	$ 3,019,171	$ 12,449,952	$ (62,283)	$ (999,249)	$ 45,499,997
Appropriation of the 2023 earnings										
Legal reserve	-	-	-	892,840	-	(892,840)	-	-	-	-
Reversal of special reserve	-	-	-	-	(1,337,055)	1,337,055	-	-	-	-
Cash dividends	-	-	-	-	-	(1,020,212)	(1,020,212)	-	-	(1,020,212)
Share dividends	238,049	2,380,494	-	-	-	(2,380,494)	(2,380,494)	-	-	-
Net income for the year ended December 31, 2024	-	-	-	-	-	3,607,528	3,607,528	-	-	3,607,528
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	11,022	11,022	56,600	(147,707)	(80,085)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	3,618,550	3,618,550	56,600	(147,707)	3,527,443
Issue of ordinary shares for cash	150,000	1,500,000	-	-	-	-	-	-	-	1,500,000
Value of share-based payment under employee share options	-	-	28,800	-	-	-	-	-	-	28,800
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	347,241	347,241	-	(347,241)	-
BALANCE ON DECEMBER 31, 2024	3,788,755	37,887,554	133,317	7,882,379	1,104,187	4,028,471	13,015,037	(5,683)	(1,494,197)	49,536,028
Appropriation of the 2024 earnings										
Legal reserve	-	-	-	1,189,781	-	(1,189,781)	-	-	-	-
Special reserve	-	-	-	-	438,494	(438,494)	-	-	-	-
Cash dividends	-	-	-	-	-	(757,751)	(757,751)	-	-	(757,751)
Share dividends	151,550	1,515,502	-	-	-	(1,515,502)	(1,515,502)	-	-	-
Reversal of special reserve	-	-	-	-	(145)	145	-	-	-	-
Other changes in capital surplus	-	-	9,689	-	-	-	-	-	-	9,689
Net income for the year ended December 31, 2025	-	-	-	-	-	3,910,296	3,910,296	-	-	3,910,296
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	-	(55,004)	(55,004)	(14,770)	2,342,664	2,272,890
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	-	3,855,292	3,855,292	(14,770)	2,342,664	6,183,186
Issue of ordinary shares for cash	100,000	1,000,000	-	-	-	-	-	-	-	1,000,000
Value of share-based payment under employee share options	-	-	28,700	-	-	-	-	-	-	28,700
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	132,958	132,958	-	(132,958)	-
BALANCE ON DECEMBER 31, 2025	4,040,305	$ 40,403,056	$ 171,706	$ 9,072,160	$ 1,542,536	$ 4,115,338	$ 14,730,034	$ (20,453)	$ 715,509	$ 55,999,852

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

SUNNY BANK LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 4,860,570	$ 4,490,814
Adjustments for:		
Depreciation expense	401,461	319,833
Amortization expense	90,525	76,413
Allowance for doubtful accounts and guarantees recognized	891,939	1,180,436
Interest expense	11,788,651	10,807,812
Interest revenue	(20,351,922)	(18,967,496)
Dividend income	(243,849)	(148,958)
Share-based payments	28,700	28,800
Gain on disposal of property and equipment	(60)	(528)
Reclassification of property and equipment to expenses	1,224	-
Gain on disposal of investment properties	(3,519)	(7,706)
Gain on other lease	(638)	(622)
Realized loss on financial assets at fair value through other comprehensive income	174,552	33,932
Reversal of impairment loss on non-financial assets	-	(10,000)
Impairment loss (reversal of impairment loss) on financial assets	1,853	(13,828)
Changes in operating assets and liabilities		
Increase in due from the Central Bank and call loans to other banks	(3,562,777)	(1,556,127)
Increase in financial assets at fair value through profit or loss	(12,181,276)	(18,659,918)
Increase in financial assets at fair value through other comprehensive income	(4,190,686)	(10,623,304)
Decrease in financial assets at amortized cost	1,991,182	239,053
Increase in receivables	(912,381)	(240,401)
Increase in discounts and loans	(30,507,615)	(24,285,046)
Increase (decrease) in due to the Central Bank and other banks	1,941,723	(2,732,723)
(Decrease) increase in financial liabilities at fair value through profit or loss	(31,591)	54,349
Increase (decrease) in securities sold under agreements to repurchase	6,254,918	(3,722,102)
Increase (decrease) in payables	977,358	(1,037,561)
Increase in deposits and remittances	36,348,184	51,880,306
Increase (decrease) in provisions	399	(1,283)
Net cash used in operations	(6,233,075)	(12,895,855)
Interest received	20,383,843	19,090,333
Dividends received	240,303	149,876
Interest paid	(11,603,799)	(10,821,370)
Income tax paid	(979,411)	(627,206)
Net cash generated from (used in) operating activities	1,807,861	(5,104,222)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property and equipment	(1,828,214)	(854,636)
Proceeds from disposal of property and equipment	60	952
Payments for intangible assets	(73,414)	(75,965)

(Continued)

SUNNY BANK LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
Payments for investment properties	$ (154,969)	$ (237,830)
Proceeds from disposal of investment properties	23,883	109,500
(Increase) decrease in other financial assets	(565,431)	2,459,050
Decrease (increase) in other assets	16,380	(114,991)
Net cash (used in) generated from investing activities	(2,581,705)	1,286,080
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuing of bank debentures	660,000	-
Repayment of bank debentures	-	(1,100,000)
Repayment of the principal portion of lease liabilities	(53,827)	(60,412)
Increase in other financial liabilities	256,601	811,320
(Decrease) increase in other liabilities	(9,808)	60,934
Cash dividends paid	(757,751)	(1,020,212)
Proceeds from issue of ordinary shares	1,000,000	1,500,000
Net cash generated from financing activities	1,095,215	191,630
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(19,962)	53,953
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	301,409	(3,572,559)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	14,139,932	17,712,491
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 14,441,341	$ 14,139,932

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets at December 31, 2025 and 2024:

	December 31	
	2025	2024
Cash and cash equivalents in consolidated balance sheets	$ 6,418,153	$ 9,053,396
Due from the Central Bank and call loans to other banks reclassified as cash and cash equivalents under IAS 7 “Statement of Cash Flows”	3,912,472	2,281,861
Securities purchased under agreements to resell reclassified as cash and cash equivalents under IAS 7 “Statement of Cash Flows”	4,110,716	2,804,675
Cash and cash equivalents in consolidated statements of cash flows	$ 14,441,341	$ 14,139,932

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

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

1. GENERAL INFORMATION

Sunny Bank Ltd. (the "Company") is a public company that deals with: (1) businesses of commercial banks as stated in the Banking Act; (2) all kinds of deposit and trust businesses; (3) relevant businesses approved by central authorities; (4) planning, managing and operating trust businesses stated in the Banking Act (Department of Trust), as well as investment in national negotiable securities and trust operations. As of December 31, 2025, the Bank had 108 branches nationwide.

The functional currency of the Company is the New Taiwan dollar, and the consolidated financial statements are presented in the New Taiwan dollar also.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors and authorized for issue on March 3, 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 accounting policies of the Company and its subsidiaries (the "Group").

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

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

Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

1) The amendments to the application guidance of classification of financial assets

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

   a) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

      - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

      - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

   b) To clarify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

   c) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

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

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

   - The Group having no practical ability to withdraw, stop or cancel the payment instruction;

   - The Group having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

   - The settlement risk associated with the electronic payment system being insignificant.

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

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

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 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

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

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

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

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: 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.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, the Regulations Governing the Preparation of Financial Reports by Securities Firms, the guidelines issued by the authority and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

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 and net defined benefit liabilities (assets) which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which 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, 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 an asset or liability.

Since the operating cycle in the banking industry cannot be reasonably identified, the accounts were not classified as current or noncurrent. Nevertheless, accounts were properly categorized in accordance with the nature of each account and sequenced by their liquidity.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

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

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Please refer to Table 5.

The consolidated entities as of December 31, 2025 and 2024 were as follows:

Investor Company	Subsidiary	Business Nature	Percentage of Shareholding (%) December 31 2025	2024
Sunny Bank Ltd.	Sunny Securities Co., Ltd. ("Sunny Securities")	Accepting orders to sell and purchase negotiable securities in central markets and its sales office, and dealing with commodity trading business	100.00	100.00
Sunny Bank Ltd.	King Sunny Assets Management Co., Ltd. ("King Sunny")	Business related to financial institution creditor's right (money) purchase	100.00	100.00
Sunny Bank Ltd.	Sunny International Leasing Co. ("Sunny Leasing")	Financing and leasing business	100.00	100.00
Sunny Bank Ltd.	Sunny E-Commercial Co., Ltd. ("Sunny E-Commercial")	Internet, software design, information processing and retailing service	100.00	100.00
Sunny Bank Ltd.	Sunny Microfinance PLC.	Financing business	100.00	100.00
Sunny International Leasing Co.	Sunny Finance Lease (HK) Limited	Financing and leasing business	100.00	100.00
Sunny Finance Lease (HK) Limited	Sunny Finance and Leasing (China) Co., Ltd.	Financing and leasing business	100.00	100.00

Foreign Currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity'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 arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from 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 cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of foreign operations (including branches that use currencies) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

Financial Instruments

Financial assets and financial liabilities are recognized when the Group 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 issuance 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 categories

   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 assets at FVTPL

      Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL, including 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.

      Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned and remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 43.

   2) Financial assets at amortized cost

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

      a) The financial assets are 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 assets 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 are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

      Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

      a) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

      b) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

      A financial asset is credit impaired when one or more of the following events have occurred:

      a) Significant financial difficulty of the issuer or the borrower;

      b) Breach of contract, such as a default;

      c) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

      d) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

Bank balances used by the Group that are subject to third-party contractual restrictions are included as part of cash unless the restrictions result in a bank balance that no longer meets the definition of cash. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the statement of financial position.

3) Investments in debt instruments at FVTOCI

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

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

b) The contractual terms of the debt instrument 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 investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

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, it 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 (including trade receivables), investments in debt instruments that are measured at FVTOCI.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs. For financial instruments and contract assets, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition.

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

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts 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 the carrying amounts of such financial assets are not reduced.

Besides, according to the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans, the Company assesses the customers' financial position, the overdue payments of the principal and interest and the value of collaterals to classify credit assets into normal credit assets (excluding loans to the R.O.C. government) and unsound assets which should be further classified by special mention, substandard, doubtful and losses, for which minimum provisions of 1%, 2%, 10%, 50% and 100% of the outstanding balance, respectively. Furthermore, the FSC stipulates that banks should recognize the provision by at least 1.5% of normal credit assets in the mainland China (including short-term advances for trade finance) and loans for the mortgage and construction loans that have been classified as normal assets, and further determine the allowance for losses based on the higher of the above-mentioned provision and the assessment of the expected credit losses.

The Group's write off bad loans is based on an assessment of the probability and collateral value of non-accrual loans and non-performing loans, which approved by the board of directors.

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 an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

Financial liabilities

a. Subsequent measurement

Except the following situations, 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 such financial liabilities are held for trading.

Financial liabilities held for trading are stated at fair value, and any interest paid on such financial liabilities is recognized in finance costs; any remeasurement gains or losses on such financial liabilities are recognized in other gains or losses. Fair value is determined in the manner described in Note 43.

2) Financial guarantee contracts

Financial guarantee contracts issued by the Group, if not designated as at FVTPL, are subsequently measured at the higher of:

a) The amount of the loss allowance reflecting expected credit losses; and

b) The amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the revenue recognition policies.

b. Derecognition of financial liabilities

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

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. 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 that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g., financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts, and the host contracts are not measured at FVTPL.

Modification of Financial Instruments

When a financial instrument is 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.

For the changes in the basis for determining contractual cash flows of financial assets or financial liabilities resulting from the interest rate benchmark reform, the Group elects to apply the practical expedient in which the changes are accounted for by updating the effective interest rate at the time the basis is changed, provided the changes are necessary as a direct consequence of the reform and the new basis is economically equivalent to the previous basis. When multiple changes are made to a financial asset or a financial liability, the Group first applies the practical expedient to those changes required by interest rate benchmark reform, and then applies the requirements of modification of financial instruments to the other changes that cannot apply the practical expedient.

Repurchase and Reverse Repurchase Transactions

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

Margin Loans and Stock Loans

Margin loans pertain to the provision of funds to customers for them to buy securities. The securities bought by customers are used to secure these loans and are recorded through memo entries as “collateral securities.” The collateral securities are returned when the loans are repaid.

Stock loans are securities lent to customers for short sales. The deposits received from customers for lent securities are credited to “deposits on short sale.” The securities sold short are recorded as “stock loans” 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 under “short sales proceeds payable.” When the customers return the stock certificates to the Group, the Group gives back to customers the deposits received and the proceeds of the sales of securities.

“Refinancing borrowings” refer to borrowings obtained from the Company by securities finance corporations when they have insufficient securities for margin loan purchases and short sale of securities. Guarantee deposits or collaterals are recorded as refinancing guarantee deposit. Payments collected from the clients in short sales and guarantee deposits from securities finance corporations are recorded as “short sales proceeds payable” and “refinancing deposits receivable,” respectively.

Property and Equipment

Property and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, the depreciation of property and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects 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.

Investment Properties

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

Investment properties are initially measured 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 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.

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.

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 (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) 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.

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 by 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. 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. 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 lessee's incremental borrowing rate will be used.

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. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Intangible Assets

a. Intangible assets acquired separately

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

b. 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 measured 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 are 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.

Foreclosed Collaterals

Foreclosed collaterals are recorded at fair value on recognition and revalued at the lower of cost or net fair value as of the balance sheet date.

Impairment of Property and Equipment, Right-of-use Asset and Intangible Assets Other Than Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use asset 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 allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The 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 is subsequently reversed, the carrying amount of the corresponding 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 in profit or loss.

Provisions

When the fair value of the present obligation resulting from past events can be reliably measured and it is virtually certain that the obligation will be settled, then the Group will recognize provision.

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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 services.

b. Retirement benefits

   Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

   Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liabilities (assets) 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 it occurs. 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.

c. Preferential interest rate for deposits of employees

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

   Under Article 30 of the Regulations Governing the Preparation of Financial Reports by Public Banks, if the Company’s preferential interest rate for deposits of employees 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.

Interest Revenue and Expense

Except for financial assets and liabilities at fair value through profit or loss, interests on all interest-bearing financial instruments are accrued by using the effective interest rate and are accounted for as interest revenue or interest expense in the consolidated statement of comprehensive income.

Interest should not be accrued for loans that are transferred to nonperforming loans. The interest revenue on those loans/credits is recognized upon collection. Interest revenue accrued under relief measures or renegotiated loan terms is, in accordance with the regulations of the competent authority, deferred from the date of initial recognition and presented as deferred income (under other liabilities), and is recognized as revenue upon collection.

Commission Revenue and Expense

Commission revenue and expenses are recognized when loans or other services are provided. Service fees on significant projects are recognized when the project completed. For instance, syndicated loan are recognized when the syndication loan has been completed. If fee revenue and expense are related to provide service on loans, fee revenue are either recognized over the period that service is performed or as an adjustment to the effective interest rate on the loans and receivables, mainly depend on their materiality.

Share-based Payment Arrangements

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the employees are informed.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

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

   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 generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards 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 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 recognized only 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 such temporary differences 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 assets 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 liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are 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.

c. Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income, in which case, the current and deferred taxes are also recognized in other comprehensive income, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, management is required to make judgments, estimations and assumptions on 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 on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Assessment of Impairment Loss on Loans

The assessment of impairment loss on discounts and loans is based on the Group’s assumption on default probability and default loss rate. The Group considers historical experience, existing market situation as well as forward-looking information to make assumptions and select the input for assessing impairment loss. The Group also takes into consideration loan collaterals, principals, interests and the length of time the loans are overdue, and the situation of credit and collection when evaluating the impairment of loans.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2025	2024
Cash on hand	$ 3,511,633	$ 5,790,443
Bank deposits and due from other banks	2,425,487	2,670,715
Checks for clearing	481,033	592,238
	$ 6,418,153	$ 9,053,396

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

	December 31	
	2025	**2024**
Deposit reserve - checking accounts	$ 15,645,775	$ 12,450,373
Deposit reserve - demand accounts	21,881,709	21,526,372
Deposit reserve - foreign currencies	94,218	82,180
Call loans and overdraft to banks	2,712,471	953,927
Due from the Central Bank - interbank settlement funds	1,200,001	1,327,934
	$ 41,534,174	$ 36,340,786

Under the directive issued by the Central Bank of the ROC, deposit reserves of bank are determined monthly at prescribed rates based on average balances of customers' deposits. Deposit reserve - demand account should not be used, except for adjusting the deposit reserve amount monthly. Other deposit reserves can be withdrawn momentarily anytime at no interest.

8. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2025	**2024**
Financial assets designated as at FVTPL		
Commercial papers	$ 44,261,435	$ 31,975,977
Beneficiary certificates	302,878	427,917
Structured deposits	134,835	94,047
Listed stocks	-	37,390
Currency swap contracts	17,895	436
	$ 44,717,043	$ 32,535,767
Financial liabilities held for trading		
Currency swap contracts	$ 25,459	$ 57,050

The Group engages in derivative transactions mainly to accommodate customers' requirements, and to manage fund dispatching and own risk.

The amounts of outstanding derivative contracts (nominal) were as follows:

	December 31	
	2025	**2024**
Currency swap contracts	$ 3,270,905	$ 3,438,964

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2025	2024
Investments in debt instruments at FVTOCI	$ 112,898,223	$ 107,487,860
Investments in equity instruments at FVTOCI	4,519,877	3,573,624
	$ 117,418,100	$ 111,061,484

a. Investments in debt instruments at FVTOCI

	December 31	
	2025	2024
Corporate bonds	$ 42,623,589	$ 38,899,733
Government bonds	32,794,383	32,193,308
Bank debentures	16,801,184	15,504,379
Certificates of deposit	11,998,379	19,496,565
Commercial papers	796,483	1,393,875
Securitized products	7,884,205	-
	$ 112,898,223	$ 107,487,860

1) As of December 31, 2025 and 2024, the investments in debt instruments at FVTOCI with face amount of $1,257,520 thousand and $65,562 thousand, respectively, had been sold under repurchase agreement.

2) Refer to Note 11 for information relating to credit risk management and impairment.

3) Refer to Note 41 for information relating to investments in debt instruments at FVTOCI pledged as security.

b. Investments in equity instruments at FVTOCI

	December 31	
	2025	2024
Listed shares	$ 3,169,669	$ 2,371,889
Unlisted shares	1,350,208	1,201,735
	$ 4,519,877	$ 3,573,624

These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI. In 2025 and 2024, the Group sold shares of stocks, and the related other equity - unrealized gain of $132,958 thousand and $347,241 thousand on financial assets at FVTOCI were transferred to retained earnings, respectively. Dividends income of $243,849 thousand and $147,722 thousand were recognized in profit or loss during 2025 and 2024, respectively. Those related to investments derecognized during end of the years were $59,238 thousand and $37,350 thousand. The dividends related to investments still held at the end of the reporting period were $184,611 thousand and $110,372 thousand, respectively.

10. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2025	2024
Government bonds	$ 27,884,287	$ 28,055,724
Corporate bonds	3,681,860	5,844,666
Bank debentures	5,191,195	4,942,310
Less: Allowance for impairment loss	(2,139)	(2,509)
	$ 36,715,923	$ 38,840,191

As of December 31, 2025 and 2024, the bond investment with face amount of $7,679,100 thousand and $2,578,400 thousand, respectively, had been sold under repurchase agreement.

Refer to Note 11 for information relating to credit risk management and impairment.

Please refer to Note 41 for information relating to investments in financial assets at amortized cost pledged as security.

11. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments were classified as at FVTOCI and as at amortized cost.

December 31, 2025

	At FVTOCI	At Amortized Cost	Total
Gross carrying amount	$ 113,415,154	$ 36,718,062	$ 150,133,216
Less: Allowance for impairment loss	(16,451)	(2,139)	(18,590)
Amortized cost	113,398,703	$ 36,715,923	150,114,626
Adjustment to fair value	(500,480)		(500,480)
	$ 112,898,223		$ 149,614,146

December 31, 2024

	At FVTOCI	At Amortized Cost	Total
Gross carrying amount	$ 109,969,825	$ 38,842,700	$ 148,812,525
Less: Allowance for impairment loss	(14,431)	(2,509)	(16,940)
Amortized cost	109,955,394	$ 38,840,191	148,795,585
Adjustment to fair value	(2,467,534)		(2,467,534)
	$ 107,487,860		$ 146,328,051

In determining the expected credit losses of debt instruments, the Group considers the historical default rates supplied by external rating agencies and recovery rate of various bond to estimate 12-month or lifetime expected credit losses. The Group's current credit risk grading mechanism is as follows:

Category	Description	Basis for Recognizing Expected Credit Losses
Stage 1	The credit rating refers to Moody's investors service rating above Ba3 at base date, and the credit risk does not increase significantly.	12-month ECLs
Stage 2	The credit rating refers to Moody's investors service rating lower than B1 at base date or the credit risk increased significantly since initial recognition.	Lifetime ECLs - not credit impaired
Stage 3	There is evidence indicating the asset is credit-impaired at base date.	Lifetime ECLs - credit impaired

The gross carrying amount of debt instrument investments by credit category and the corresponding expected loss rates were as follows:

	December 31			
	2025		2024	
Category	Expected Loss Rate	Gross Carrying Amount	Expected Loss Rate	Gross Carrying Amount
Stage 1	0-0.095%	$ 150,133,216	0-0.091%	$ 148,812,525
Stage 2	-	-	-	-
Stage 3	-	-	-	-

The movement of the allowance for impairment loss of investments in debt instruments at FVTOCI and amortized cost grouped by credit rating is reconciled as follows:

	Credit Rating		
Allowance for Impairment Loss	Stage 1 (12-month ECLs)	Stage 2 (Lifetime ECLs - Not Credit-impaired)	Stage 3 (Lifetime ECLs - Credit-impaired)
At FVTOCI			
Balance on January 1, 2025	$ 14,431	$ -	$ -
New financial assets purchased	5,751	-	-
Derecognition	(1,004)	-	-
Other changes	(2,565)	-	-
Change in exchange rates	(162)	-	-
Balance on December 31, 2025	$ 16,451	$ -	$ -

(Continued)

Allowance for Impairment Loss	Credit Rating Stage 1 (12-month ECLs)	Stage 2 (Lifetime ECLs - Not Credit-impaired)	Stage 3 (Lifetime ECLs - Credit-impaired)
Balance on January 1, 2024	$ 25,152	$ -	$ -
New financial assets purchased	7,384	-	-
Derecognition	(684)	-	-
Other changes	(17,560)	-	-
Change in exchange rates	139	-	-
Balance on December 31, 2024	$ 14,431	$ -	$ -
At amortized cost			
Balance on January 1, 2025	$ 2,509	$ -	$ -
New financial assets purchased	14	-	-
Derecognition	(20)	-	-
Other changes	(323)	-	-
Change in exchange rates	(41)	-	-
Balance on December 31, 2025	$ 2,139	$ -	$ -
Balance on January 1, 2024	$ 5,426	$ -	$ -
New financial assets purchased	351	-	-
Derecognition	(30)	-	-
Other changes	(3,289)	-	-
Change in exchange rates	51	-	-
Balance on December 31, 2024	$ 2,509	$ -	$ -

(Concluded)

12. SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL

	December 31 2025	2024
Corporate bonds	$ 2,107,424	$ 1,908,574
Bank debentures	1,248,529	692,990
Government bonds	754,763	203,111
	$ 4,110,716	$ 2,804,675
Amounts of resell agreements	$ 4,124,772	$ 2,817,526
Dates of resell agreements	2026.1.2-2026.1.22	2025.1.3-2025.1.17

Securities purchased under agreement to resell are not underlying for agreements to repurchase.

13. RECEIVABLES, NET

	December 31	
	2025	2024
Lease receivables	$ 2,292,430	$ 2,524,519
Interest receivables	2,388,004	2,190,899
Account receivable - settlement	1,827,118	677,448
Credit card receivables	794,797	796,975
Dividends receivable	3,918	372
Agency service fee receivables	132,333	91,458
Purchased claims receivables	48,464	49,918
Acceptances	14,617	38,731
Other receivables	401,577	374,486
	7,903,258	6,744,806
Less: Allowance for credit losses (Note 14)	(385,687)	(352,569)
Net amount	$ 7,517,571	$ 6,392,237
Minimum lease payments receivable	$ 2,436,407	$ 2,686,147
Less: Unearned finance income	(143,977)	(161,628)
Present value of minimum lease payment	$ 2,292,430	$ 2,524,519

14. DISCOUNTS AND LOANS, NET

	December 31	
	2025	2024
Export negotiation	$ 6,806	$ 25,863
Short-term loans	16,375,477	15,036,216
Secured short-term loans	122,517,533	115,253,512
Margin loans receivable	1,211,197	1,110,851
Medium-term loans	74,408,587	77,696,595
Secured medium-term loans	259,547,592	240,577,854
Long-term loans	7,958,660	4,279,569
Secured long-term loans	55,507,582	52,965,373
Nonperforming loans transferred from loans	7,712	237,828
	537,541,146	507,183,661
Less: Allowance for credit losses	(6,998,412)	(6,182,493)
Premium or discount on discounts and loans	(91,403)	(70,426)
Net amount	$ 530,451,331	$ 500,930,742

As of December 31, 2025, the New Taiwan dollar-denominated discounts and loans and allowance for credit losses were $520,017,290 thousand and $6,841,455 thousand, respectively.

Please refer to Note 44 for the analysis of impairment loss on receivables, and discounts and loans.

The Group assessed the collectability of discounts and loans, and receivables to determine the required allowance and to appropriately provide for guarantee liabilities, financial commitment provisions and other provisions. Movements of the allowance of discounts and loans, receivables, nonperforming loans transferred from other than loans, guarantee liabilities, finance commitment provisions and other provisions are as follows:

	2025						
	Discounts and Loans	Receivables	Nonperforming Loans Transferred from Other than Loans	Provision for Guarantee	Finance Commitments Provision	Other Provisions	Total
Balance on January 1	$ 6,182,493	$ 352,569	$ 4,369	$ 37,025	$ 3,267	$ 500	$ 6,580,223
(Reversal of) provisions	897,260	(12,302)	3,472	(1,522)	4,989	42	891,939
Write-off	(1,648,951)	(14,479)	(15,660)	-	-	-	(1,679,090)
Recovery of written-off credits	1,573,455	60,173	11,083	-	-	-	1,644,711
Effect of exchange rate changes	(5,845)	(274)	-	-	-	-	(6,119)
Balance, December 31	$ 6,998,412	$ 385,687	$ 3,264	$ 35,503	$ 8,256	$ 542	$ 7,431,664

	2024						
	Discounts and Loans	Receivables	Nonperforming Loans Transferred from Other than Loans	Provision for Guarantee	Finance Commitments Provision	Other Provisions	Total
Balance on January 1	$ 6,212,840	$ 361,134	$ 2,422	$ 35,047	$ 2,280	$ 690	$ 6,614,413
(Reversal of) provisions	778,658	392,693	6,310	1,978	987	(190)	1,180,436
Write-off	(1,644,307)	(402,092)	(13,986)	-	-	-	(2,060,385)
Recovery of written-off credits	826,476	-	9,623	-	-	-	836,099
Effect of exchange rate changes	8,826	834	-	-	-	-	9,660
Balance, December 31	$ 6,182,493	$ 352,569	$ 4,369	$ 37,025	$ 3,267	$ 500	$ 6,580,223

15. OTHER FINANCIAL ASSETS, NET

	December 31	
	2025	2024
Time deposits not qualifying as cash and cash equivalents	$ 2,905,708	$ 2,341,994
Nonperforming loans transferred from other than loans	5,607	8,467
Less: Allowance for credit losses (Note 14)	(3,264)	(4,369)
	2,343	4,098
	$ 2,908,051	$ 2,346,092

16. PROPERTY AND EQUIPMENT, NET

	Land	Buildings	Machinery Equipment	Transportation Equipment	Other Equipment	Leasehold Improvement	Prepayments for Equipment and Construction in Progress	Total
Cost								
Balance, January 1, 2025	$ 12,856,806	$ 5,853,108	$ 1,189,251	$ 108,265	$ 1,352,018	$ 22,945	$ 398,288	$ 21,780,681
Additions	1,204,529	219,470	56,352	4,254	90,541	17	253,051	1,828,214
Disposals	-	-	(33,777)	(930)	(44,395)	(1,110)	-	(80,212)
Reclassification	179,201	88,329	721	-	29,879	-	(320,227)	(22,097)
Effect of foreign currency exchange differences	-	-	(181)	7	(203)	(148)	-	(525)
Balance, December 31, 2025	14,240,536	6,160,907	1,212,366	111,596	1,427,840	21,704	331,112	23,506,061
Accumulated depreciation								
Balance, January 1, 2025	-	1,718,609	645,726	68,680	868,674	21,808	-	3,323,497
Depreciation	-	110,145	115,085	11,497	100,856	221	-	337,804
Disposals	-	-	(33,777)	(930)	(44,395)	(1,110)	-	(80,212)
Effect of foreign currency exchange differences	-	-	(166)	7	(185)	(138)	-	(482)
Balance, December 31, 2025	-	1,828,754	726,868	79,254	924,950	20,781	-	3,580,607
Net amount								
Balance, December 31, 2025	$ 14,240,536	$ 4,332,153	$ 485,498	$ 32,342	$ 502,890	$ 923	$ 331,112	$ 19,925,454
Cost								
Balance, January 1, 2024	$ 12,603,734	$ 5,780,255	$ 947,301	$ 96,049	$ 999,513	$ 31,961	$ 975,132	$ 21,433,945
Additions	242,506	29,484	106,892	16,530	120,558	15	338,651	854,636
Disposals	-	-	(310,924)	(4,383)	(80,704)	(9,293)	-	(405,304)
Reclassification	10,566	43,369	445,704	-	312,313	-	(915,495)	(103,543)
Effect of foreign currency exchange differences	-	-	278	69	338	262	-	947
Balance, December 31, 2024	12,856,806	5,853,108	1,189,251	108,265	1,352,018	22,945	398,288	21,780,681
Accumulated depreciation								
Balance, January 1, 2024	-	1,610,528	876,628	62,367	898,657	30,095	-	3,478,275
Depreciation	-	108,081	79,798	10,631	50,127	649	-	249,286
Disposals	-	-	(310,924)	(4,383)	(80,402)	(9,171)	-	(404,880)
Effect of foreign currency exchange differences	-	-	224	65	292	235	-	816
Balance, December 31, 2024	-	1,718,609	645,726	68,680	868,674	21,808	-	3,323,497
Accumulated impairment loss								
Balance, January 1, 2024	10,000	-	-	-	-	-	-	10,000
Impairment losses reversed	(10,000)	-	-	-	-	-	-	(10,000)
Balance, December 31, 2024	-	-	-	-	-	-	-	-
Net amount								
Balance, December 31, 2024	$ 12,856,806	$ 4,134,499	$ 543,525	$ 39,585	$ 483,344	$ 1,137	$ 398,288	$ 18,457,184

The Group tested properties for impairment at the end of the financial reporting period, and calculated the recoverable amount based on fair value less disposal costs, with the fair value assessed by independent appraisers. The valuation was made using (a) the market approach, i.e., by referring to the market prices of similar real estate, and (b) the income approach, through which the present value of future income is assessed, using unobservable inputs, including discount rates and depreciation rates. In 2024, the Group reversed impairment losses of $10,000 thousand previously recognized on certain parcels of land, as their recoverable values had increased upon reassessment.

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

Items	Years
Buildings	3 to 65 years
Machinery equipment	2 to 10 years
Transportation equipment	3 to 6 years
Other equipment	3 to 25 years
Leasehold improvement	5 to 25 years or over the lease period if below 5 to 25 years

The Group does not have property and equipment pledged as security.

17. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2025	2024
Carrying amounts		
Land	$ 576	$ 52
Buildings	172,439	174,890
Machinery equipment	983	1,009
	$ 173,998	$ 175,951

	For the Year Ended December 31	
	2025	2024
Additions to right-of-use assets	$ 80,239	$ 81,208
Depreciation charge for right-of-use assets		
Land	$ 208	$ 307
Buildings	56,383	63,293
Machinery equipment	445	448
	$ 57,036	$ 64,048

b. Lease liabilities

	December 31	
	2025	2024
Carrying amounts	$ 178,032	$ 177,422

Range of discount rate for lease liabilities was as follows:

	December 31	
	2025	2024
Land	3.60%-3.70%	2.92%-4.30%
Buildings	2.92%-5.71%	2.92%-5.50%
Machinery equipment	3.00%	3.00%

c. Material leasing activities as lessee

The Group leases certain property and parking space for the branches with lease terms of 2 to 15 years.

The lease contracts for the property which the Group signed specifies that lease payments will be adjusted on the basis of changes in the price index. The Group has bargain purchase options to acquire the leasehold assets at the end of the lease terms.

d. Other lease information

	For the Year Ended December 31	
	2025	2024
Expenses relating to short-term leases	$ 2,278	$ 2,312
Expenses relating to low-value asset leases	$ 10,551	$ 9,166
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 637	$ 502
Total cash outflow for leases	$ 74,428	$ 77,449

The Group's leases of certain lands, properties and buildings qualify as short-term leases and leases of certain office equipment 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.

18. INVESTMENT PROPERTY, NET

	December 31	
	2025	2024
Land	$ 1,448,127	$ 1,338,312
Buildings	176,450	158,281
	$ 1,624,577	$ 1,496,593

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

Items	Years
Main buildings	50 to 65 years

The movements of investment property are summarized as follow:

	December 31	
	2025	2024
Cost		
Balance, January 1	$ 1,674,764	$ 1,501,672
Addition	154,969	237,830
Disposal	(20,400)	(104,236)
Reclassification	-	39,944
Balance, December 31	$ 1,809,333	$ 1,675,210

(Continued)

	December 31	
	2025	2024
Accumulated depreciation		
Balance, January 1	$ 178,171	$ 174,560
Depreciation	6,621	6,499
Disposal	(36)	(2,442)
Balance, December 31	$ 184,756	$ 178,617
Net amount		
Balance, January 1	$ 1,496,593	$ 1,327,112
Balance, December 31	$ 1,624,577	$ 1,496,593

(Concluded)

The fair value of the investment property was evaluated by an independent appraiser and the Group's management used the valuation model commonly used by the market participants to determine the fair value, i.e., the fair value was obtained by reference to the transaction prices for similar properties as market evidence. The fair values as of December 31, 2025 and 2024 were $3,453,097 thousand and $3,379,800 thousand, respectively.

The above investment properties are leased out for 1 year to 15 years. The lease contracts do not contain market review clauses. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

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

	December 31	
	2025	2024
Year 1	$ 49,489	$ 33,318
Year 2	45,652	12,411
Year 3	42,811	10,561
Year 4	39,445	8,344
Year 5	38,877	7,944
Year 6 onwards	225,602	35,140
	$ 441,876	$ 107,718

19. INTANGIBLE ASSETS, NET

	December 31	
	2025	2024
Goodwill	$ 1,034,579	$ 1,034,579
Computer software	187,835	181,573
	$ 1,222,414	$ 1,216,152

The movements of intangible assets are shown as follows:

	For the Year Ended December 31	
	2025	2024
Balance, January 1	$ 1,216,152	$ 1,163,784
Additions	73,414	75,965
Amortization	(87,750)	(74,802)
Reclassifications	20,788	50,936
Effect of foreign currency exchange differences	(190)	269
Balance, December 31	$ 1,222,414	$ 1,216,152

The Group assumed certain operating assets and liabilities of certain credit cooperatives association during 2001 and 2002, and subsequently completed a merger with Kao Shinn Commercial Bank on November 26, 2005, resulting in the recognition of goodwill amounting to $1,034,579 thousand.

In testing goodwill for impairment, the recoverable amount is its value in use for operating segments defined as a CGU. The Group estimates the next five year’s cash flows of a CGU by taking into consideration the actual performance of each CGU, business cycle, etc. under the going concern assumption. The discounted present value of cash flows is used to determine the value in use of each CGU. The calculation was conducted using annual discount rates of 5.69% and 5.37% for the years ended December 31, 2025 and 2024, respectively. The testing for asset impairment showed that no impairment loss had been incurred.

The above items of intangible assets with definite life are amortized on a straight line basis over the following years.

Item	Years
Computer software	2-10 years

20. OTHER ASSETS, NET

	December 31	
	2025	2024
Collaterals assumed		
Cost	$ 20,446	$ 20,446
Less: Accumulated impairment loss	(20,446)	(20,446)
Collaterals assumed, net	-	-
Refundable deposits	80,225	136,089
Prepayments	131,066	93,471
Defined benefit assets	-	17,222
Operating deposits, clearing and settlement fund	21,974	22,178
Others	50,860	51,457
	$ 284,125	$ 320,417

21. DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS

	December 31	
	2025	2024
Call loans from banks	$ 3,500,000	$ 557,277
Deposits from Chunghwa Post Co., Ltd.	1,298,606	1,298,606
Due to banks	705,000	1,706,000
	$ 5,503,606	$ 3,561,883

22. SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE

	December 31	
	2025	2024
Government bonds	$ 8,896,963	$ 2,642,045
Agreed-upon repurchase price	$ 8,915,136	$ 2,644,717
Maturity date	2026.1.2- 2026.3.2	2025.1.2- 2025.2.24

23. PAYABLES

	December 31	
	2025	2024
Notes and checks for clearing	$ 481,033	$ 592,238
Interest payables	1,627,571	1,442,719
Accrued expenses	1,022,492	913,227
Trade payables for settlement	1,845,605	628,887
Payable on behalf of collection	197,964	201,705
Other taxes payable	173,464	162,206
Accounts payable	22,399	94,023
Acceptance payable	14,606	80,837
Bills payable for collection	219,727	254,801
Other payables	237,384	319,081
	$ 5,842,245	$ 4,689,724

24. DEPOSITS AND REMITTANCES

	December 31	
	2025	2024
Checking	$ 3,340,315	$ 3,336,600
Demand	89,914,701	100,048,692
Time deposits	278,673,191	270,965,540
Savings	349,164,475	310,392,897
Remittances	43,155	43,924
	$ 721,135,837	$ 684,787,653

25. BANK DEBENTURES

To raise capital for its financing operation and to increase capital adequacy ratio, the Company obtained approval to issue bank debentures, as follows:

	Maturity Date	Rates	December 31 2025	December 31 2024
Third subordinated non-accumulating redeemable bank debentures issued on December 24, 2015	No maturity date. Redeemable at par after 7 years from the date of issue.	Fixed interest rate of 4.50%. Interest is paid annually.	$ 700,000	$ 700,000
Fourth subordinated non-accumulating redeemable bank debentures issued on December 31, 2015	No maturity date. Redeemable at par after 7 years from the date of issue.	Fixed interest rate of 4.50%. Interest is paid annually.	200,000	200,000
Third subordinated non-accumulating redeemable bank debentures issued on August 19, 2016	No maturity date. Redeemable at par after 7 years from the date of issue.	Fixed interest rate of 4.35%. Interest is paid annually.	300,000	300,000
Fifth subordinated non-accumulating redeemable bank debentures issued on October 18, 2016	No maturity date. Redeemable at par after 7 years from the date of issue.	Fixed interest rate of 4.35%. Interest is paid annually.	200,000	200,000
Second subordinated non-accumulating redeemable bank debentures issued on March 31, 2017	No Maturity date. Redeemable at par after 7 years from the date of issue.	Variable interest rate plus 3.13%. Interest is paid annually.	800,000	800,000
Fifth subordinated non-accumulating redeemable bank debentures issued on August 30, 2017	No maturity date. Redeemable at par after 7 years from the date of issue.	Variable interest rate plus 3.13%. Interest is paid annually.	530,000	530,000
Sixth subordinated non-accumulating redeemable bank debentures issued on September 25, 2017	No maturity date. Redeemable at par after 7 years from the date of issue.	Variable interest rate plus 3.13%. Interest is paid annually.	350,000	350,000
First subordinated non-accumulating redeemable bank debentures issued on March 29, 2018	No maturity date. Redeemable at par after 7 years from the date of issue.	Variable interest rate plus 3.13%. Interest is paid annually.	180,000	180,000
Second subordinated non-accumulating redeemable bank debentures issued on September 27, 2018	No maturity date. Redeemable at par after 7 years from the date of issue.	Variable interest rate plus 3.13%. Interest is paid annually.	480,000	480,000
Third subordinated non-accumulating redeemable bank debentures issued on November 21, 2018	No maturity date. Redeemable at par after 7 years from the date of issue.	Variable interest rate plus 3.13%. Interest is paid annually.	150,000	150,000
Fourth subordinated non-accumulating redeemable bank debentures issued on December 27, 2018	No maturity date. Redeemable at par after 7 years from the date of issue.	Variable interest rate plus 3.13%. Interest is paid annually.	240,000	240,000
First subordinated non-accumulating redeemable bank debentures issued on May 10, 2019	No maturity date. Redeemable at par after 7 years from the date of issue.	Variable interest rate plus 2.93%. Interest is paid annually.	260,000	260,000
Second subordinated non-accumulating redeemable bank debentures issued on June 26, 2019	No maturity date. Redeemable at par after 7 years from the date of issue.	Variable interest rate plus 2.93%. Interest is paid annually.	370,000	370,000
Third subordinated non-accumulating redeemable bank debentures issued on December 27, 2019	No maturity date. Redeemable at par after 7 years from the date of issue.	Variable interest rate plus 1.93%. Interest is paid annually.	700,000	700,000
First subordinated non-accumulating redeemable bank debentures issued on March 27, 2020	No maturity date. Redeemable at par after 7 years from the date of issue.	Variable interest rate plus 1.93%. Interest is paid annually.	1,300,000	1,300,000
Second subordinated non-accumulating redeemable bank debentures issued on September 29, 2020	No maturity date. Redeemable at par after 7 years from the date of issue.	Variable interest rate plus 1.89%. Interest is paid annually.	1,450,000	1,450,000
Third subordinated non-accumulating redeemable bank debentures issued on November 27, 2020	No maturity date. Redeemable at par after 7 years from the date of issue.	Variable interest rate plus 1.89%. Interest is paid annually.	550,000	550,000
First subordinated non-accumulating redeemable bank debentures issued on July 20, 2021	No maturity date. Redeemable at par after 7 years from the date of issue.	Variable interest rate plus 1.46%. Interest is paid annually.	500,000	500,000
First subordinated non-accumulating redeemable bank debentures issued on March 10, 2022	No maturity date. Redeemable at par after 7 years from the date of issue.	Variable interest rate plus 1.46%. Interest is paid annually.	100,000	100,000
Second subordinated bank debentures issued in 2022	2022.08.19-2029.08.19 Principal is repayable on maturity date.	Fixed interest rate of 2.45%. Interest is paid annually.	2,000,000	2,000,000
First subordinated bank debentures issued in 2023	2023.03.21-2030.03.21 Principal is repayable on maturity date.	Fixed interest rate of 2.55%. Interest is paid annually.	1,500,000	1,500,000
First subordinated non-accumulating redeemable bank debentures issued on April 22, 2025	No maturity date. Redeemable at par after 7 years from the date of issue.	Fixed interest rate of 4%. Interest is paid annually.	660,000	-
			$ 13,520,000	$ 12,860,000

26. PROVISIONS

	December 31	
	2025	2024
Provisions for employee benefits	$ 54,356	$ 1,805
Provisions for guarantee liabilities (Note 14)	35,503	37,025
Provisions for decommissioning liabilities	7,069	8,175
Provisions for warranty	6,935	6,449
Provisions for financial commitment (Note 14)	8,256	3,267
Other provisions (Note 14)	542	500
	$ 112,661	$ 57,221

27. RETIREMENT BENEFIT PLANS

a. Defined benefit plans

The Company and Sunny Securities Co. adopted the defined benefit plan in accordance with the Labor Standards Act of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company and Sunny Securities Co. contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name.

Before the end of each year, the Company and Sunny Securities Co. assess the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company and Sunny Securities Co. are required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (“the Bureau”); the Group has no right to influence the investment policy or strategy.

The amounts included in the consolidated balance sheets in respect of the Group’s defined benefit plans were as follows:

	December 31	
	2025	2024
Present value of defined benefit obligation	$ 889,033	$ 827,269
Fair value of plan assets	(836,404)	(844,491)
Net defined benefit liabilities (assets) (recorded under provisions and other assets)	$ 52,629	$ (17,222)

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance on January 1, 2024	$ 834,995	$ (840,351)	$ (5,356)
Service cost			
Current service cost	4,851	-	4,851
Net interest expense (income)	10,465	(10,568)	(103)
Recognized in profit or loss	15,316	(10,568)	4,748
Remeasurement			
Return on plan assets	-	(59,558)	(59,558)
Actuarial loss - changes in financial assumptions	(3,495)	-	(3,495)
Actuarial gain - experience adjustments	53,774	(4,498)	49,276
Recognized in other comprehensive income	50,279	(64,056)	(13,777)
Contributions from the employer	-	(2,837)	(2,837)
Benefits paid	(73,321)	73,321	-
Balance on December 31, 2024	827,269	(844,491)	(17,222)
Service cost			
Current service cost	3,931	-	3,931
Net interest expense (income)	12,996	(13,304)	(308)
Recognized in profit or loss	16,927	(13,304)	3,623
Remeasurement			
Return on plan assets	-	(48,057)	(48,057)
Actuarial loss - changes in financial assumptions	16,475	-	16,475
Actuarial gain - experience adjustments	105,064	(4,728)	100,336
Recognized in other comprehensive income	121,539	(52,785)	68,754
Contributions from the employer	-	(2,526)	(2,526)
Benefits paid	(76,702)	76,702	-
Balance on December 31, 2025	$ 889,033	$ (836,404)	$ 52,629

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan’s debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2025	**2024**
Discount rate(s)	1.300%	1.600%
Expected rate(s) of salary increase	1.250%-1.375%	1.250%-1.375%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2025	**2024**
Discount rate(s)		
0.25% increase	$ (14,091)	$ (13,365)
0.25% decrease	$ 14,451	$ 13,718
Expected rate(s) of salary increase		
0.25% increase	$ 13,931	$ 13,231
0.25% decrease	$ (13,648)	$ (12,951)

The above sensitivity analysis may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2025	**2024**
Expected contributions to the plan for the next year	$ 2,976	$ 4,014
Average duration of the defined benefit obligation	6-7 years	7 years

b. Defined contribution plans

The Company, Sunny Securities Co., King Sunny Asset Management Co., Sunny International Leasing Co. and Sunny E-Commercial Co. adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Group makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The subsidiaries in China contribute to pension fund monthly at the specified percentage of the standard salary regulated by the local government of China. Other overseas employees were contributed under relative laws regulated by the local government.

c. Preferential interest rate for employees' deposits

The Company offers preferential interest rate for employees' deposits, both current and retired employees.

The preferential interest rate for employees' deposits for the years ended December 31, 2025 and 2024 had not been assessed by an independent valuer because there was very little number of employees that meet the relevant criteria; instead, the Company's management gauged those assumptions used in the most recent actuarial valuation report for the estimate of the preferential interest rate for employees' deposits.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

	Valuation at December 31	
	2025	2024
Discount rate	4%	4%
Expected return on employees' deposits	2%	2%
Withdrawal percentage of preferential deposits	1%	1%
The probability of preferential interest rate for employees' deposits getting canceled within ten years	50%	50%

The amounts included in the consolidated balance sheets for the Company's obligations on the preferential interest rate for employees' deposits were as follows:

	December 31	
	2025	2024
Present value of preferential interest on employees' deposits	$ 1,727	$ 1,805
Fair value of plan assets	-	-
Provision for preferential interest of employees' deposits	$ 1,727	$ 1,805

As of December 31, 2025 and 2024, the Company expects that the contributions to the preferential interest of employees' deposits plan to be made for the next year were both $0 thousand.

28. OTHER LIABILITIES

	December 31	
	2025	2024
Advance receipts	$ 515,488	$ 524,271
Guarantee deposits received	77,193	79,507
Others	4,277	2,988
	$ 596,958	$ 606,766

29. EQUITY

Common Shares

a. Share capital

	December 31	
	2025	2024
Number of authorized shares (in thousands)	5,000,000	4,000,000
Amount of authorized shares	$ 50,000,000	$ 40,000,000
Number of issued and fully paid shares (in thousands)	4,040,305	3,788,755
Amount of issued and fully paid shares	$ 40,403,056	$ 37,887,554

On June 17, 2024, the Company's stockholders resolved to issue 238,049 thousand common shares from earnings allocated to capital amounted to $2,380,494 thousand, with a par value of $10. The capital increase was approved by the authorities, and the base date of earnings capitalization was October 4, 2024. In addition, to increase the Company's cash and operating capital and raise its capital adequacy ratio, the Company's board of directors resolved to issue 150,000 thousand common shares with a par value of $10 on March 5, 2024 which increased the issued and fully paid shares to $37,887,554 thousand. The capital increase was approved by the Securities and Futures Bureau of the Financial Supervisory Commission on July 15, 2024; the base date of earnings capitalization was October 4, 2024 and the change to the issued and paid-up capital was registered on November 1, 2024.

On June 9, 2025, the Company's stockholders resolved to issue 151,550 thousand common shares from earnings allocated to capital amounted to $1,515,502 thousand, with a par value of $10. The capital increase was approved by the authorities, and the base date of earnings capitalization was October 3, 2025. In addition, to increase the Company's cash and operating capital and raise its capital adequacy ratio, the Company's board of directors resolved to issue 100,000 thousand common shares with a par value of $10 on June 17, 2025 which increased the issued and fully paid shares to $40,403,056 thousand. The capital increase was approved by the Securities and Futures Bureau of the Financial Supervisory Commission on July 18, 2025; the base date of earnings capitalization was October 3, 2025 and the change to the issued and paid-up capital was registered on October 28, 2025.

Part of the shares from the capital increase for cash is reserved for the Company's employees in accordance with the Company Act article 267. The grant date is the date the employees' subscribed for the shares and the fair value of the shares at the grant date of the equity-settled share-based payments is recognized as an expense and capital surplus - employee share options. Related compensation costs of the employee share options recognized for the years ended December 31, 2025 and 2024 were $28,700 thousand and $28,800 thousand, respectively.

In 2025 and 2024, the new shares reserved and issued to employees were priced using the Black-Scholes pricing model and the inputs to the model were as follows:

	The First Subscription in 2025 (Base Date: October 3, 2025)	The First Subscription in 2024 (Base Date: October 4, 2024)
Grant-date share price	$12.85	$11.89
Exercise price	$10	$10
Expected volatility	27.21%	19.35%
Expected life (years)	0.16	0.17
Risk-free interest rate	1.18%	1.22%

The volatility was based on average annualized standard daily return rate of interbank transactions, and refers to expected duration from the grant date.

Capital Surplus

	December 31	
	2025	2024
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Treasury share transactions	$ 1,580	$ 1,580
Unused employee share options	131,594	105,643
Issuance of ordinary shares (employee share options)	28,843	26,094
May be used exclusively to offset a deficit		
Forfeited unclaimed dividends	9,689	-
	$ 171,706	$ 133,317

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

Retained Earnings and Dividend Policy

Under the dividend policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 30% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, however, if the appropriation for legal reserve had already equal to the Company's paid-in capital, according to the Company Law, the appropriation can be exempted. Any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors after the amendment, refer to employees compensation and remuneration of directors and supervisors in Note 35.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash. In addition, the Banking Act provides that, if the balance of the legal reserve is less than the aggregate par value of the outstanding capital stock, cash dividend should not exceed 15% of the aggregate par value of the outstanding capital stock of the Company.

For the Company's sound financial structure and capital adequacy, appropriations from earnings are mainly in the form of share dividends based on the capital budget plan. Earnings may be appropriated in cash if the Company has no deficit and the legal reserve meets the standard set by the authorities. Cash dividends should not be less than 10% of the total dividends distributed and if cash dividend falls below $0.1 per share, stock dividends should be distributed instead.

The Company has provided and reversed the special reserve in accordance with the FSC No. 1090150022 and the "Questions and Answers on the Application of International Financial Reporting Standards (IFRS Accounting Standards) to the Provision of Special Reserve".

The appropriations from the 2024 and 2023 earnings were proposed in the shareholders' meetings on June 9, 2025 and June 17, 2024, respectively. The appropriations, including dividends per share, were as follows:

	Appropriation of Earnings		Dividends Per Share ($)	
	2024	2023	2024	2023
Beginning unappropriated earnings	$ 62,680	$ 43,037		
Add: Net income	3,607,528	2,935,996		
Unappropriated earnings adjusted for equity investment	679	(2,502)		
Remeasurement on defined benefit plans recognized in retained earnings	10,343	(46,246)		
Reversal of the special reserve appropriated upon the first-time adoption of the IFRSs as endorsed by the FSC	145	-		
Disposal of FVTOCI	347,241	88,886		
Amount of other profit items adjusted to the current year's undistributed earnings other than after-tax net income	3,965,936	2,976,134		
Less: 30% legal reserve	(1,189,781)	(892,840)		
Less: Special reserve according to law	(438,494)	-		
Add: Reversed of special reserve according to law	-	1,337,055		
Earnings available for appropriation	2,400,341	3,463,386		
Less: Cash dividends	(757,751)	(1,020,212)	$ 0.2	$ 0.3
Less: Share dividends	(1,515,502)	(2,380,494)	0.4	0.7
Ending unappropriated earnings	$ 127,088	$ 62,680		

The appropriations of earnings for 2025 had been proposed by the Company's board of directors on March 3, 2026. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Beginning unappropriated earnings	$ 127,088	
Add: Net income for the year 2025	3,910,296	
Unappropriated earnings adjusted for equity investment	(2,829)	
Remeasurement on defined benefit plans recognized in retained earnings	(52,175)	
Disposal of FVTOCI	132,958	
Amount of other profit items adjusted to the current year's undistributed earnings other than after-tax net income for the period	3,988,250	
Less: 30% legal reserve	(1,196,475)	
Less: Reversal of special reserve according to law	1,484,426	
Earnings available for appropriation	4,403,289	
Less: Cash dividends	(808,061)	$ 0.2
Less: Share dividends	(2,424,183)	0.6
Ending unappropriated earnings	$ 1,171,045	

Other Equity Items

a. Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2025	2024
Balance on January 1	$ (5,683)	$ (62,283)
Exchange differences on translating the financial statements of foreign operations	(14,342)	63,171
Income tax related to gains on translating the financial statements of foreign operations	(428)	(6,571)
Balance on December 31	$ (20,453)	$ (5,683)

b. Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31, 2025	
	Equity Instruments	Debt Instruments
Balance on January 1	$ 973,337	$ (2,467,534)
Unrealized gain or loss	375,610	1,790,320
Net remeasurement of loss allowance	-	2,182
Disposal of investments in debt instruments	-	174,552
Other comprehensive income	375,610	1,967,054
Cumulative unrealized gain or loss of equity instruments transferred to retained earnings due to disposal	(132,958)	-
Balance on December 31	$ 1,215,989	$ (500,480)

	For the Year Ended December 31, 2024	
	Equity Instruments	Debt Instruments
Balance on January 1	$ 749,402	$ (1,748,651)
Unrealized gain or loss	571,176	(741,955)
Net remeasurement of loss allowance	-	(10,860)
Disposal of investments in debt instruments	-	33,932
Other comprehensive income	571,176	(718,883)
Cumulative unrealized gain or loss of equity instruments transferred to retained earnings due to disposal	(347,241)	-
Balance on December 31	$ 973,337	$ (2,467,534)

30. NET INTEREST

	For the Year Ended December 31	
	2025	2024
Interest revenue		
Discounts and loans	$ 16,326,626	$ 15,287,820
Marketable securities held	3,162,635	2,848,948
Due from banks and call loans to banks	403,657	456,061
Securities purchased under agreement to resell	237,082	194,291
Others	221,922	180,376
	20,351,922	18,967,496
Interest expense		
Deposits	10,925,999	10,139,104
Bank debentures	494,648	482,726
Others	368,004	185,982
	11,788,651	10,807,812
	$ 8,563,271	$ 8,159,684

31. COMMISSION AND FEE REVENUES, NET

	For the Year Ended December 31	
	2025	2024
Commission and fee revenue		
Trust and related business	$ 476,378	$ 533,790
Agency service	788,025	546,724
Loan services	405,767	362,998
Credit card business	206,018	205,508
Others	210,403	213,184
	2,086,591	1,862,204

(Continued)

	For the Year Ended December 31	
	2025	2024
Commission and fee expense		
Credit card business	$ 186,640	$ 190,860
Interbank services	17,942	17,494
Agency service	8,815	9,965
Others	66,156	58,459
	279,553	276,778
	$ 1,807,038	$ 1,585,426

(Concluded)

32. NET GAIN ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	For the Year Ended December 31	
	2025	2024
Interest revenue	$ 607,646	$ 463,062
Dividend revenue	-	1,236
Disposal gain (loss)	23,518	(9,016)
Gain (loss) on valuation	40,155	(60,543)
	$ 671,319	$ 394,739

33. REALIZED GAINS (LOSS) ON FVTOCI

	For the Year Ended December 31	
	2025	2024
Dividend revenue	$ 243,849	$ 147,722
Disposal loss of debt instruments	(174,552)	(33,932)
	$ 69,297	$ 113,790

34. OTHER NONINTEREST NET REVENUE

	For the Year Ended December 31	
	2025	2024
Gain on disposal of investment properties	$ 3,519	$ 7,706
Gain on disposal of property and equipment	60	528
Others	45,051	41,533
	$ 48,630	$ 49,767

35. EMPLOYEE BENEFIT EXPENSE

	For the Year Ended December 31	
	2025	2024
Salaries and wages	$ 2,674,136	$ 2,389,797
Labor insurance, national health insurance and group life insurance	240,082	211,663
Pension costs	117,418	96,178
Remuneration of directors	87,029	88,138
Other employee benefits expense	260,330	240,126
	$ 3,378,995	$ 3,025,902

Compensation of Employees and Remuneration of Directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at the rates 2% and no higher than 1%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. When the Company has accumulated losses, it should reserve the amount of compensation in advance.

The compensation of employees and remuneration to directors, accrued at 2% and no higher than 1%, for the years ended December 31, 2025 and 2024 which have been approved by the Company's board of directors on March 3, 2026 and March 4, 2025, respectively, were as follows:

	For the Year Ended December 31	
	2025	2024
Compensation of employees	$ 99,156	$ 93,199
Remuneration of directors	$ 49,578	$ 46,599

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

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2024 and 2023.

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

36. DEPRECIATION AND AMORTIZATION EXPENSE

	For the Year Ended December 31	
	2025	2024
Depreciation expense		
Property and equipment	$ 337,804	$ 249,286
Right-of-use assets	57,036	64,048
Investment properties	6,621	6,499
	$ 401,461	$ 319,833
Amortization expense	$ 90,525	$ 76,413

37. OTHER OPERATING EXPENSES

	For the Year Ended December 31	
	2025	2024
Taxation	$ 998,596	$ 911,215
Insurance	219,425	207,620
Repairs	128,432	119,182
Postage	73,940	73,820
Others	476,381	415,190
	$ 1,896,774	$ 1,727,027

38. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense (benefit) are as follows:

	For the Year Ended December 31	
	2025	2024
Current tax		
In respect of the current year	$ 1,085,162	$ 877,642
Adjustments for prior years	7,135	(315)
Land value increment tax	-	2,380
Income tax on house and land transactions	1,530	2,113
	1,093,827	881,820
Deferred tax		
In respect of the current year	(143,553)	1,466
Income tax expense recognized in profit or loss	$ 950,274	$ 883,286

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2025	2024
Profit before tax from continuing operations	$ 4,860,570	$ 4,490,814
Income tax expense calculated at the statutory rate (20%)	$ 972,114	$ 898,163
Nondeductible expenses in determining taxable income	63,478	15,857
Tax-exempt income	(92,280)	(37,006)
Unrecognized deductible temporary differences	(3,630)	(159)
Effect of different tax rate of Group entities operating in other jurisdictions	1,927	2,253
Adjustments for prior years' tax	7,135	(315)
Land value increment tax	-	2,380
Income tax on house and land transactions	1,530	2,113
Income tax expense recognized in profit or loss	$ 950,274	$ 883,286

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2025	**2024**
Deferred tax		
In respect of the current year:		
Remeasurement on defined benefit plan	$ 13,750	$ (2,755)
Translation of foreign operations	(428)	(6,571)
Total income tax recognized in other comprehensive income	$ 13,322	$ (9,326)

c. Current tax assets and liabilities

	December 31	
	2025	**2024**
Current tax assets		
Tax refund receivable	$ 244	$ 248
Current tax liabilities		
Income tax payable	$ 523,196	$ 408,784

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2025

	Opening Balance	**Recognized in Profit or Loss**	**Recognized in Other Compre-hensive Income**	**Closing Balance**
Deferred tax assets				
Temporary differences				
Allowance for credit losses	$ 359,963	$ 97,669	$ -	$ 457,632
Provisions	2,658	(110)	-	2,548
Preferential interest for deposits of employees	361	(16)	-	345
Deferred revenue	404	166	-	570
Defined benefit retirement plans	201	243	10,974	11,418
Unrealized loss on foreign exchange	-	16,151	-	16,151
Exchange difference on foreign operations	11,116	-	(428)	10,688
Others	2,609	880	-	3,489
	377,312	114,983	10,546	502,841
Loss carryforwards	960	-	-	960
	$ 378,272	$ 114,983	$ 10,546	$ 503,801

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Deferred tax liabilities				
Temporary differences				
Land value increment tax	$ 106,829	$ -	$ -	$ 106,829
Unrealized gain on foreign exchange	22,335	(22,335)	-	-
Defined benefit retirement plans	2,776	-	(2,776)	-
Unrealized gain on investments accounted for using the equity method	44,229	(6,583)	-	37,646
Others	309	348	-	657
	$ 176,478	$ (28,570)	$ (2,776)	$ 145,132

(Concluded)

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Allowance for credit losses	$ 333,415	$ 26,548	$ -	$ 359,963
Exchange difference on foreign operations	17,687	-	(6,571)	11,116
Provisions	2,839	(181)	-	2,658
Preferential interest for deposits of employees	401	(40)	-	361
Deferred revenue	397	7	-	404
Defined benefit retirement plans	432	(62)	(169)	201
Others	3,722	(1,113)	-	2,609
	358,893	25,159	(6,740)	377,312
Loss carryforwards	960	-	-	960
	$ 359,853	$ 25,159	$ (6,740)	$ 378,272

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Deferred tax liabilities				
Temporary differences				
Land value increment tax	$ 106,829	$ -	$ -	$ 106,829
Defined benefit retirement plans	647	(457)	2,586	2,776
Unrealized gain on foreign exchange	1,661	20,674	-	22,335
Unrealized gain on investments accounted for using the equity method	37,656	6,573	-	44,229
Others	474	(165)	-	309
	$ 147,267	$ 26,625	$ 2,586	$ 176,478

(Concluded)

e. Deductible temporary differences, unused loss carryforwards, and unused investment credits for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2025	2024
Loss carryforwards		
Expiry in 2024	$ -	$ 502
Expiry in 2025	563	4,026
Expiry in 2026	6,423	6,423
Expiry in 2027	2,102	2,102
Expiry in 2028	3,377	3,377
Expiry in 2029	639	639
Expiry in 2033	23,689	23,689
Expiry in 2034	299,580	299,580
Expiry in 2035	6,487	-
	$ 342,860	$ 340,338

f. Unused loss carryforwards

Loss carryforwards of Sunny E-Commercial Co. as of December 31, 2025 comprised:

Unused Amount	Expiry Year
$ 563	2025
6,423	2026
6,902	2027
3,377	2028
639	2029
23,689	2033
299,580	2034
6,487	2035
$ 347,660	

g. Income tax assessments

	Examined Year
The Company	2023
Sunny Securities Co.	2023
King Sunny Assets Management Co.	2023
Sunny International Leasing Co.	2022
Sunny E-Commercial Co.	2023

39. EARNINGS PER SHARE

Unit: NT$

	For the Year Ended December 31	
	2025	2024
Basic earnings per share	$ 0.99	$ 0.94
Diluted earnings per share	$ 0.98	$ 0.94

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares on October 3, 2025. The basic and diluted earnings per share adjusted retrospectively for the year ended December 31, 2024 were as follows:

Unit: NT$ Per Share

	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earnings per share	$ 0.98	$ 0.94
Diluted earnings per share	$ 0.98	$ 0.94

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share from continuing operations are as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2025	**2024**
Earnings used in the computation of basic earnings per share	$ 3,910,296	$ 3,607,528

Shares

(In Thousand Shares)

	For the Year Ended December 31	
	2025	**2024**
Weighted average number of common shares used in the computation of basic earnings per share	3,964,963	3,822,240
Effect of potentially dilutive common shares:		
Compensation of employees	8,366	8,101
Weighted average number of common shares used in the computation of diluted earnings per share	3,973,329	3,830,341

If the Company offered to settle compensation or bonuses paid to employees in cash or shares, the Company assumed the entire amount of the compensation or bonus will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

40. TRANSACTIONS WITH RELATED PARTIES

a. Related parties

Name	Relationship with the Company and Subsidiaries
Kai Liang Investment Co., Ltd.	Related party in substance
Ink Literary Monthly Publishing Co., Ltd.	Related party in substance
Cherng Yang Printing Co., Ltd.	Related party in substance
Likun Investment Co., Ltd.	Related party in substance
Huayou Enterprise Co., Ltd.	Related party in substance
Chuan Yang Construction Co., Ltd.	Related party in substance
Hai Wong Printing Co., Ltd.	Related party in substance
Shin Ming Construction Co., Ltd.	Related party in substance
Yung Chi Paper Manufacturing Co., Ltd.	Related party in substance
Sheng Yang Construction Co., Ltd.	Related party in substance
Other related persons	Directors, managers and their relatives within the second degree of consanguinity

b. Significant transactions with related parties

1) Loans

Category	December 31, 2025							
	Number of Accounts or Name of Related Party	**Highest Balance**	**Average Balance**	**Ending Balance**	**Normal**	**Overdue**	**Type of Collaterals**	**Is the Transaction at Arm's Length**
Consumer loans for employees	5	$ 2,271	$ 1,765	$ 1,822	$ 1,822	$ -	-	Yes
Housing mortgage loans	45	381,807	235,259	302,373	302,373	-	Land and building for residential use	Yes
Others:	Shin Ming Construction Co., Ltd.	98,940	79,994	98,940	98,940	-	Pledged foreign currency certificates of deposit	Yes
	Cherng Yang Printing Co., Ltd.	65,000	65,000	65,000	65,000	-	Land and plant	Yes
	Chuan Yang Construction Co., Ltd.	80,000	5,411	1,000	1,000	-	Land and building for commercial use	Yes
	Hai Wong Printing Co., Ltd.	766,368	759,115	751,384	751,384	-	Land and plant	Yes
	Likun Investment Co., Ltd.	24,000	5,458	-	-	-	Pledged foreign currency certificates of deposit	Yes
	Huayou Enterprise Co., Ltd.	8,980	6,766	8,980	8,980	-	Pledged foreign currency certificates of deposit	Yes
	Ink Literary Monthly Publishing Co., Ltd.	99,000	82,666	98,940	98,940	-	Pledged foreign currency certificates of deposit	Yes
	Kai Liang Investment Co., Ltd.	10,000	115	-	-	-	Certificate of deposit	Yes
	Yung Chi Paper Manufacturing Co., Ltd.	20,754	20,647	20,534	20,534	-	Land and plant	Yes
	16	213,694	113,905	87,701	87,701	-	Land and building for commercial use Vacant land Vehicles Depository pledge	Yes

Category	December 31, 2024							
	Number of Accounts or Name of Related Party	**Highest Balance**	**Average Balance**	**Ending Balance**	**Normal**	**Overdue**	**Type of Collaterals**	**Is the Transaction at Arm's Length**
Consumer loans for employees	5	$ 1,073	$ 813	$ 454	$ 454	$ -	-	Yes
Housing mortgage loans	41	405,339	234,017	243,133	243,133	-	Land and building for residential use	Yes
Others:	Shin Ming Construction Co., Ltd.	97,510	42,108	97,510	97,510	-	Pledged foreign currency certificates of deposit	Yes
	Cherng Yang Printing Co., Ltd.	65,000	65,000	65,000	65,000	-	Land and plant	Yes
	Chuan Yang Construction Co., Ltd.	520,000	287,694	1,000	1,000	-	Land and building for commercial use	Yes
	Hai Wong Printing Co., Ltd.	781,972	758,162	766,368	766,368	-	Land and plant	Yes
	Ink Literary Monthly Publishing Co., Ltd.	98,370	40,195	98,370	98,370	-	Pledged foreign currency certificates of deposit	Yes
	Kai Liang Investment Co., Ltd.	10,000	93	10,000	10,000	-	Certificate of deposit	Yes
	Yung Chi Paper Manufacturing Co., Ltd.	20,994	20,879	20,754	20,754	-	Land and plant	Yes
	13	193,827	93,848	108,346	108,346	-	100% of the SME credit insurance fund Land and building for commercial use Vacant land Vehicles Depository pledge	Yes

In 2025 and 2024, interest income from the above loans amounted to $32,819 thousand and $36,193 thousand, respectively.

2) Deposits and interest expense

	For the Year Ended December 31, 2025		
	Ending Balance	Interest Expense	Annual Interest Rates (%)
Others	$ 3,505,271	$ 56,564	0-5.6

	For the Year Ended December 31, 2024		
	Ending Balance	Interest Expense	Annual Interest Rates (%)
Others	$ 3,131,245	$ 41,771	0-5.6

3) Lease arrangements

		December 31	
Line Item	Related Party Category/Name	2025	2024
Right-of-use assets	Sheng Yang Construction Co., Ltd.	$ 6,946	$ 10,280
	Chuan Yang Construction Co., Ltd.	12,059	16,727
		$ 19,005	$ 27,007
Lease liabilities	Sheng Yang Construction Co., Ltd.	$ 6,979	$ 10,300
	Chuan Yang Construction Co., Ltd.	12,114	16,689
		$ 19,093	$ 26,989

c. Compensation of key management personnel

The management personnel are composed of directors, general manager, vice general manager and employees on the management level.

	For the Year Ended December 31	
	2025	2024
Short-term employee benefits	$ 238,663	$ 222,263
Post-employment benefits	1,971	1,963
Share-based payments	23	729
	$ 240,627	$ 224,955

41. PLEDGED OR MORTGAGED ASSETS

In addition to other notes, the following assets are provided as refundable deposits:

	December 31	
	2025	2024
Financial assets at FVTOCI	$ 4,800,000	$ 4,800,000
Debt securities measured at amortized cost	465,000	458,200
Other asset - guarantee deposits	80,225	136,129
- clearing and settlement fund	16,974	17,178
- reserve for settlement of bond payments	5,000	5,000
- pledge deposits	15,000	15,000
- specialized discharge account	7,000	-

The above pledge assets are mainly for (1) the deposit for enforcing provisional seizure of asset of debtor, deposit for leasing of operating office, reserve for credit card payment, reserve trust compensation fund, deposit for notes dealer reserve, operating deposits of securities dealers, operating guarantee deposits of securities underwriters, reserve for bond payment settlement in the electronic bond trading system, and loan commitments for financial institutions; (2) collaterals for day-term overdraft to comply with the clearing system requirement of the Central Bank (CB) of the Republic of China for real-time gross settlement (RTGS); the unused overdraft amount at the end of the day can be treated as the Bank’s liquidity reserve. (3) cash, government bond or bank debentures provided as operating guarantee deposits and clearing and settlement fund according to the Regulations Governing Securities Issuer and Regulations Governing the Operation of Futures Introducing Broker Business by Securities Issuer; (4) deposits of insurance agent to the Insurance Bureau of Financial Supervisory Commission.

42. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

	December 31	
	2025	2024
Receipts under custody	$ 205,915	$ 266,421
Securities under custody	11,877,577	12,410,351
Trust assets	77,973,267	82,709,836

43. HIERARCHY AND FAIR VALUE INFORMATION

a. Fair value information

1) Overview

Fair value is the amount that could be received from the sale of an asset or the amount paid to settle a liability in an orderly transaction between market participants on the measurement date (i.e. exit price).

Financial instruments are initially measured at fair value, usually the transaction price. Apart from some financial instruments carried at amortized cost, all other subsequent measurements are at fair value. The best evidence for fair value is the quoted market price in an active market. However, if there is no active market for the financial instrument, the fair value is determined using valuation models, or by reference to Bloomberg, the quoting system of Reuters, and/or quotations provided by counterparties.

2) Hierarchy information of fair value

a) Level 1

Level 1 financial instruments are traded in active market and have the identical price for the same financial instruments. Active market should have the following characteristics:

i. All financial instruments in the market are homogeneous;

ii. Willing buyers and sellers exist in the market all the time;

iii. The public can access the price information easily.

b) Level 2

The products categorized in this level have prices that can be inferred from observable inputs directly or indirectly other than the prices in an active market.

c) Level 3

The fair prices of the products in this level are based on the inputs other than the direct market data. Unobservable inputs are inputs such as historical volatilities used in option pricing model. Historical volatility typically does not present current market participants' expectations about future volatility.

b. Fair value of financial instruments measured at fair value

1) Hierarchy information of fair value

The Group's financial instruments are measured at fair value and on a recurring basis.

Fair value hierarchy as at December 31, 2025

Assets and Liabilities Item	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				
Held-for-trading financial assets				
Stock	$ -	$ -	$ -	$ -
Commercial paper	44,261,435	-	44,261,435	-
Beneficiary certificates	302,878	302,878	-	-
Others	134,835	-	134,835	-
Financial assets at FVTOCI				
Stocks	4,519,877	3,169,669	-	1,350,208
Bonds	100,103,361	-	100,103,361	-
Certificates of deposits and others	12,794,862	-	12,794,862	-
Derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss	17,895	-	17,895	-
Liabilities				
Financial liabilities at fair value through profit or loss	25,459	-	25,459	-

Fair value hierarchy as at December 31, 2024

Assets and Liabilities Item	December 31, 2024			
	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				
Held-for-trading financial assets				
Stock	$ 37,390	$ 37,390	$ -	$ -
Commercial paper	31,975,977	-	31,975,977	-
Beneficiary certificates	427,917	427,917	-	-
Others	94,047	-	94,047	-
Financial assets at FVTOCI				
Stocks	3,573,624	2,371,889	-	1,201,735
Bonds	86,597,420	-	86,597,420	-
Certificates of deposits and others	20,890,440	-	20,890,440	-
Derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss	436	-	436	-
Liabilities				
Financial liabilities at fair value through profit or loss	57,050	-	57,050	-

2) The valuation techniques for determining fair values:

The fair values of financial instruments traded on an active markets are determined with reference to quoted market prices.

Stock exchanges, brokers, underwriters, industrial associations, pricing service agencies and/or other competent authorities comprise an active market when there is frequent trading of financial instruments and quoted prices are available and can be timely obtained. Otherwise, the market is inactive. Generally, the indicators of an inactive market are wide bid-offer spread, or low volume of transactions.

The characteristic and categories of fair value estimation for financial instruments with an active market are as follows:

a) Listed stock and foreign stock: Closing price published by Taiwan Stock Exchange and Taipei Exchange as of the balance sheet date;

b) Beneficiary certificate: Net value declared by an investment trust company;

c) Government bond: Settlement price or theoretical price published by the Taipei Exchange as of the balance sheet date multiplied by 100;

d) Corporate bonds: Corporate bonds in New Taiwan dollars are calculated using the yield rate published by the Taipei Exchange on the measurement date as the discount rate; corporate bonds in foreign currency are estimated on the basis of the quotes published by Bloomberg or Reuters;

e) Bank debentures: Estimated on the basis of the quotes published by Bloomberg or Reuters;

f) Commercial paper and negotiable certificate of deposits: Determined by the discount rate based on TAIBIR 02 published by TDCC on the measurement date;

g) Cross-currency swap contract: Result of the valuation of the financial instrument at maturity based on swap points published by Reuters and then discounted at TAIBOR.

For financial instruments with no active market, the fair value is estimated using valuation models or quotations provided by the counterparties. After valuation, the fair value can take any other financial instruments whose nature or condition is similar as reference, use discounted cash flow analysis method or use other valuation models, including market information on the balance sheet date (for example the applicable yield curve and the average interest rate quotation by Reuters for commercial paper).

Fair values of nonstandard financial instruments with lower complexities, such as interest rate swaps and derivative instruments without quoted market prices, are based on estimates using valuation models widely used by market participants.

Fair values of financial instruments with higher complexities, such as derivative instruments and securitization products, are based on self-designed valuation models which incorporate the method and the techniques widely used for the industry. Some of the parameters used in these models are not directly observable from the market and might require management to rely on carefully made assumptions.

For valuation models, the Group uses the appropriate hypothesized parameters, which the Group believes will help it to determine the fair value of the financial instrument shown in the Group's balance sheet. The pricing information and parameters used during the valuation process are carefully selected and are properly adjusted depending on market conditions.

The Group's derivative financial instruments are measured at fair value using market accepted valuation techniques, such as discounted cash flow analysis. For forward contracts, fair values are estimated on the basis of the current foreign exchange rates.

The fair value of unlisted stocks is assessed by market approach, asset approach and income approach.

3) Credit risk assessment is set out below:

Credit risk assessment refers to the evaluation of the fair value credit risk on the counterparty in over-the-counter (OTC) derivative transactions. Credit risk assessment consists of credit valuation adjustments (CVA) and debit valuation adjustments (DVA) of a financial instrument.

Credit valuation adjustment of derivative contracts trading in other than centralized securities exchange market, also named over-the-counter market, involves the adjustment of the market value of derivative assets to account for the counterparties' credit risk.

Debit valuation adjustment of derivative contracts trading in other than centralized securities exchange market, also named over-the-counter market, involves the adjustment of the market value of derivative liabilities to reflect the Group's own credit risk.

The Group calculated the debit and credit valuation adjustments and the estimated loss allowance by the application of Probability of Default (PD) and Loss Given Default (LGD) multiplied by Exposure at Default (EAD).

The Group generally uses external ratings of PD for counterparties; however, for those without ratings from external institutions, the Group follows IFRS 9 to evaluate the percentage of allowance as the PD of counterparties.

The Group takes mark-to-market fair value of OTC derivative instruments as the EAD.

The Group follows the Taiwan Exchange's Guidance on IFRS 13 CVA and DVA disclosures, and takes 60% to be the PD of counter parties.

The Group takes credit risk valuation adjustment into the valuation of the fair value of financial instruments, in order to reflect the credit quality of counterparties and the Group.

4) Transfers between Level 1 and Level 2

There were no transfers between Levels 1 and 2 in the current and prior periods.

5) Reconciliation of Level 3 and quantitative information about the significant unobservable inputs (Level 3) used in the fair value measurement

For the Year Ended December 31, 2025								
		Gains (Losses) on Valuation		Increase		Decrease		
Items	Beginning Balance	Profit and Loss	Other Comprehensive Income	Purchased/ Issued	Transferred to Level 3	Disposed/Sold	Transferred Out of Level 3	Ending Balance
Financial assets at FVTOCI Equity instrument	$ 1,201,735	$ -	$ 148,473	$ -	$ -	$ -	$ -	$ 1,350,208

For the Year Ended December 31, 2024								
		Gains (Losses) on Valuation		Increase		Decrease		
Items	Beginning Balance	Profit and Loss	Other Comprehensive Income	Purchased/ Issued	Transferred to Level 3	Disposed/Sold	Transferred Out of Level 3	Ending Balance
Financial assets at FVTOCI Equity instrument	$ 890,350	$ -	$ 311,385	$ -	$ -	$ -	$ -	$ 1,201,735

Quantitative information about the significant unobservable inputs were as follow:

Measured on a Recurring Basis	Fair Value on December 31, 2025	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-average)	Correlation Between Inputs and Fair Value
Non-derivative financial instruments					
Financial assets at FVTOCI - equity instrument	$ 1,350,208	Market approach	Discount without open market	10%-30%	Converse
		Income approach	Weighted average cost	9%-14%	Converse

Measured on a Recurring Basis	Fair Value on December 31, 2024	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-average)	Correlation Between Inputs and Fair Value
Non-derivative financial instruments					
Financial assets at FVTOCI - equity instrument	$ 1,201,735	Market approach	Discount without open market	10%-30%	Converse
		Income approach	Weighted average cost	6%-12%	Converse

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

The Level 3 valuation is measured by external experts, which makes the evaluation results close to the market and confirms that the data sources are independent, reliable, and consistent with other resources. The Group reviews the evaluation parameters regularly, update the input values required for the evaluation model and any other necessary adjustments to ensure the reasonableness of the evaluation results.

7) Sensitivity analysis of Level 3 fair value if reasonable possible alternative assumptions may be used

The Group concluded that fair value of financial instruments is reasonable. Nevertheless, the outcome of the evaluation may vary due to the adoption of different valuation models and parameters. For the Level 3 financial instruments, if assets swap had increased or decrease by 1 percent or 2 percent, the influence to the current net income and other comprehensive income would have been as follows:

Items	Change in Fair Value Influence on Current Net Income		Change in Fair Value Influence on Other Comprehensive Income	
	Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2025				
Assets				
Financial assets at FVTOCI - equity instruments	$ -	$ -	$ 56,697	$ (12,834)
December 31, 2024				
Assets				
Financial assets at FVTOCI - equity instruments	-	-	109,703	(69,107)

Favorable or unfavorable changes refer to the fluctuation of fair value, which is calculated by different unobserved parameters. The above table only reflects the effect caused by a single parameter and does not consider the correlation among parameters.

c. Fair value of financial instruments that are not measured at fair value

1) Fair value information

Except as detailed in the following table, management believes the carrying amounts of financial assets such as cash and cash equivalents, deposits from the Central Bank and other banks, securities purchased under agreements to resell, receivables, discounts and loans, other financial assets, net, guarantee deposits, operating guarantee deposits, clearing and settlement fund, pledged deposits, and specialized discharge account; and financial liabilities such as deposits from the Central Bank and other banks, due to the Central Bank and other banks, securities sold under agreement to repurchase, payables, deposits and remittances, bank debentures, other financial liabilities, and guarantee deposits received recognized in the consolidated financial statements approximate their fair values and hence no additional disclosure was provided.

Items	Carrying Amount	Fair Value
December 31, 2025		
Financial assets		
Investment in debt instruments measured at amortized cost	$ 36,715,923	$ 36,592,705
December 31, 2024		
Financial assets		
Investment in debt instruments measured at amortized cost	38,840,191	38,114,414

2) Hierarchy information of fair value of financial instruments

Assets and Liabilities Item	December 31, 2025			
	Total	Level 1	Level 2	Level 3
Financial assets				
The investment of debt instruments measured at amortized cost	$ 36,592,705	$ -	$ 36,592,705	$ -

Assets and Liabilities Item	December 31, 2024			
	Total	Level 1	Level 2	Level 3
Financial assets				
The investment of debt instruments measured at amortized cost	$ 38,114,414	$ -	$ 38,114,414	$ -

3) Valuation techniques

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 other banks, securities purchased under agreement to resell, receivables, refundable deposits, operating deposits and clearing and settlement fund, pledge deposits, specialized discharge account, deposits from the Central Bank and other banks, due to the Central Bank and other banks, securities sold under agreement to repurchase, payables, guarantee deposits received and other financial liabilities approximate fair value because of the short maturity or the similarity of the carrying amount and future price.

b) Discounts and loans (include nonperforming 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 have the fair value estimated by discounting the expected cash flows. Because the account is not significant, the carrying amount is considered reasonable estimate of fair value.

c) Investment in debt instruments at amortized cost: Investment in debt instruments at amortized cost with quoted price in an active market are using market price as fair value. If there is no quoted price in an active market, fair value is estimated using valuation methods or the counterparty's price.

   i. New Taiwan dollar Central Government Bond: The fair values of subordinated government bonds as determined by the Taipei Exchange are used as basis for valuation.

   ii. New Taiwan dollar corporate bonds and financial debentures: Future cash flows are discounted using the applicable yield curve provided by the Taipei Exchange to gauge the present value of the cash flows.

d) Deposits and remittances: Considering the banking industry's characteristic, the carrying amounts of deposits with one year maturity and measured by market rate (market value) is reasonable estimate of the fair value. The carrying amount of deposits with three years maturity and measured by discounted cash flow method is reasonable estimate of the fair value.

e) Bank debentures: The coupon rate of the debentures issued by the Company is comparable to market rates; thus, the discounted value of expected future cash flows reasonably reflect their fair value.

44. FINANCIAL RISK MANAGEMENT

a. Overview

The purpose of financial risk management is to maintain the assets secured and ensure the assets and the quality of financial statements comply with related regulations. The main risks the Group is facing are credit risks, market risks, operating risks, liquidity risks, interest rate risks and other related risks.

Risk management policies and procedures are documented and approved by the board of directors to identify, evaluate, monitor, report and control the above risks.

b. Risk management framework

Risk management of the Group is exercised by risk management department with risk management policies approved by the board of directors. The risk management structures of the Company included the board of directors, risk management committee, assets and liabilities management committee, management level personnel, internal audit, risk management department and other operating units. Sunny Securities Co. has set up a risk management committee independent from other operating units and directly reports to the board of directors. The risk management structures of Sunny Securities included the board of directors, risk management committee and other operating units.

c. Credit risk

1) Sources and definitions of credit risk

a) The Company

Credit risk is the risk of financial loss if a borrower, issuer or counterparty fails to meet an obligation under a contract. It arises principally from lending, trade finance, treasury and credit derivatives. The issuer’s credit risk should be considered as part of the market risk when the investment target is securities in an active market.

b) Sunny Securities Co.

Credit risk is the primary risk faced by Sunny Securities Co., and it mainly comes from issuer’s credit risk and counterparties’ credit risk.

i. Issuer’s credit risk is the risk of financial loss if issuer fails to meet an obligation under a contract due to bankruptcy or liquidation;

ii. Counterparties’ credit risk is the risk of financial loss if counterparties fail to meet an obligation to fulfill delivery or payment for financial instruments.

2) Policies and strategies

To identify existing and potential credit risks and ensure credit risks are under control, the Group has stipulated in its standards that business operating units should make a detailed analysis of its current products and services, including all transactions recorded in banking books, trading books, and balance sheets with all those off-balance sheet items. Before proposing new products and services, business operating units should set proper control guidelines based on the different levels of risk and the nature of the credit or other business transactions to determine the required risk management procedures.

3) Procedures of credit risk management

For the prevention of over-concentration of credit risks, credit guidelines specify credit limits for individual trading counterparties and for groups of counterparties.

In addition, credit limits are set for different geographical areas, industries and countries, and these limits are reported timely to the Risk Management Committee and the board of directors.

4) Credit risk hedge or mitigation policies

For mitigation of credit exposures, the Group has set up several policies covering such areas as collateral valuation and a clear guideline that it may take any kind of deposits as collateral for debtor’s account. For small and medium enterprises with insufficient collateral, the Group may strengthen claims through transfer to Small and Medium Enterprise Credit Guarantee Fund of Taiwan.

Collateral amount of impaired financial asset

The Company evaluated the value of financial instruments and identified those with assessed impairment. The financial instruments and collateral are as follows:

December 31, 2025

	Book Value	Allowance for Impairment Losses	Total Exposure	Fair Value of Collateral
Receivables	$ 299,851	$ 284,530	$ 15,321	$ -
Discount and loans	2,983,031	891,465	2,091,566	8,318,601
Impaired financial asset	$ 3,282,882	$ 1,175,995	$ 2,106,887	$ 8,318,601

December 31, 2024

	Book Value	Allowance for Impairment Losses	Total Exposure	Fair Value of Collateral
Receivables	$ 306,358	$ 288,964	$ 17,394	$ -
Discount and loans	2,637,080	851,129	1,785,951	8,574,744
Impaired financial asset	$ 2,943,438	$ 1,140,093	$ 1,803,345	$ 8,574,744

5) The maximum credit exposure of the financial instruments held by the Group

a) The Company

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

Off-balance Sheet Items	The Maximum Credit Exposure	
	December 31, 2025	December 31, 2024
Undrawn loan commitments	$ 2,657,283	$ 1,338,697
Undrawn credit card commitments	11,793,354	12,183,208
Standby letters of credit	491,081	513,839
Guarantees	3,546,352	3,696,816
Total	$ 18,488,070	$ 17,732,560

Collaterals, enforceable master netting arrangements and other credit enhancement instruments of on- and off-balance sheet items are as follows:

December 31, 2025	Collaterals	Enforceable Master Netting Arrangements	Other Credit Enhancement Instruments	Total
On-balance sheet items				
Receivables				
Acceptances	$ -	$ -	$ 14,617	$ 14,617
Discounts and loans	425,587,988	-	110,195,681	535,783,669
Off-balance sheet items				
Undrawn loan commitments	512,315	-	2,144,968	2,657,283
Credit card commitments	-	-	11,793,354	11,793,354
Standby letters of credit	-	-	491,081	491,081
Guarantees	-	-	3,546,352	3,546,352

December 31, 2024	Collaterals	Enforceable Master Netting Arrangements	Other Credit Enhancement Instruments	Total
On-balance sheet items				
Receivables				
Acceptances	$ -	$ -	$ 38,731	$ 38,731
Discounts and loans	405,192,276	-	100,307,333	505,499,609
Off-balance sheet items				
Undrawn loan commitments	447,163	-	891,534	1,338,697
Credit card commitments	-	-	12,183,208	12,183,208
Standby letters of credit	-	-	513,839	513,839
Guarantees	-	-	3,696,816	3,696,816

The Company has a strict evaluation procedure and reviews the evaluation results regularly to control and minimize off-balance sheet credit risk exposures.

b) Sunny Securities Co.

The amounts of the maximum credit exposures of assets in the balance sheet (excluding collaterals and other credit enhancement instruments) are almost equal to their carrying values. The credit exposures of Sunny Securities Co. are mainly in Taiwan. The explanations of credit risks of financial assets are as follows:

i. Cash and cash equivalents are mainly time deposits, demand deposits and check deposits in domestic financial institutions.

ii. Margin loans receivable pertain to the funds loaned to customers for them to buy securities. Margin loans receivable represent the amount loaned to customers. The securities bought by customers are used as security for the loans and the margin maintenance ratio is kept at 130% to comply with Operating Rules for Securities Firms Handling Margin Purchases and Short Sales of Securities.

iii. Accounts receivable are creditor's right derived from the business operated by securities dealers including closing price receivable, interest receivable from financing of credit transactions and receivables generated from consignment trading of securities. As accounts receivable of Sunny Securities Co. are mainly derived from consignment operations, the trading and settlements with stock exchanges and OTC market have low credit risks.

iv. Other current assets are the cash provided for pledge or other restricted usage. The counterparties of Sunny Securities Co. are good reputation domestic banks thus low credit risks.

v. Other non-current assets are mainly operating deposits, clearing and settlement fund and refundable deposits. Operating deposits are placed in reputable domestic banks and clearing and settlement funds are placed in stock exchanges for use to compensate any loss if securities transaction counterparty fails to fulfill the obligation. The banks and stock exchanges are assessed to have low credit risks. Refundable deposits are cash or other assets of Sunny Securities Co. placed in reputable banks as security for a large number of counterparties with small amounts; therefore, the credit risks being diversified are low.

6) Assessment of a significant increase in credit risk since initial recognition

a) Credit assets

The Group assesses changes of default risk in credit quality during the expected lifetime of various types of credit assets on each reporting date to determine if there has been a significant increase in credit risk since initial recognition, main indicators considered and supporting information (including prospective information) are as follows:

<u>Quantitative index</u>

When the contractual payments are overdue for more than 30 days to 89 days, the credit risks of the credit assets are considered to be significantly increased since the initial recognition.

<u>Qualitative index</u>

i. The credit risk of borrowers has increased significantly based on credit assessment, i.e., the borrower is in financial difficulty which might possibly affect their ability to settle interest and principal of obligations.

ii. Borrower’s the check bounced, and borrower did not pay interest regularly.

iii. Borrowers’ financial report issued by accountant had material going-concern assumption.

iv. The credit report of borrowers had downgrading or abnormality.

If the company could not identify whether the credit risk of credit assets had increased significantly since original recognition. The company should recognize expected credit losses in accordance with lifetime unless it’s low at the report date.

b) Investment position

The company adopts external credit rating scale to measure whether the credit risk after the initial recognition is significantly increased for debt instrument measured at amortized cost and debt instrument measured at fair value through other comprehensive income. If the credit rating according to Moody’s investors service is above Ba3 on base date, and the credit risk did not increase significantly, the debt instrument is categorized as stage 1, which is required to calculate 12 months expected credit losses. If the credit rating according to Moody’s investors service is lower than B1 on base date, or if the debt instrument is downgraded more than three levels or the principal or interest is unpaid over 30 days, the credit risk has increased significantly since initial recognition and the debt instrument is categorized as stage 2, which is required to calculate lifetime expected credit losses. If there is evidence indicating the instrument was credit impaired at base date, the instrument is categorized as stage 3, which is required to calculate lifetime expected credit losses.

7) Definition of financial assets in default and credit impaired financial assets

a) Credit assets

The definition of financial assets in default of the Bank is the same as that of the credit-impaired assets. If one or more of the following conditions are met, the Bank determines that the financial asset is in default and credit impaired:

<u>Quantitative index</u>

When the borrower's payment under the contract is overdue more than 90 days.

<u>Qualitative index</u>

i. Borrower has suffered account rejection or has filed a petition for bankruptcy, financial restructuring or financial relief and negotiation.

ii. Borrower's collateral had been taken into legal action or enforced auction by the Company or others.

iii. Borrower's financial report issued by auditor had material going-concern uncertainty and borrower did not pay interest regularly.

iv. Borrower suffered major accident or is reported to have been experiencing abnormal operations which affect the Company's claims.

The credit asset will be restored to the current and compliant classification and will be not considered as a credit-impaired asset or in default if it no longer meets the definition of default and credit impairment.

b) Investment position

If one or more of the following conditions are met, the Bank concludes that the investment in debt instrument is in default and credit impaired:

i. The investment in debt instrument had failed to pay the principal or interest due over 90 days.

ii. Issuer suffered financial difficulties.

iii. Issuer had filed or highly possible to file a petition for bankruptcy.

iv. Issuer had filed or highly possible to file a petition for financial restructuring.

The investment in debt instrument will be restored to the current and compliant classification and will not be considered as a credit-impaired instrument in default if it no longer meets the definition of default and credit impairment.

8) Write-off policy

The Company shall write off non-performing loans and overdue receivables that meet at least one of the following requirements:

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

b) The value 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 Company'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 Company.

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

e) The minimum payable amount of debit card and credit card which are overdue for six months, should be written off in three months. Appropriate documents should be acquired to support such write-off of accounts.

9) Amendment of contract cash flows of financial assets

The Group will amend financial asset contract cash flows of borrowers 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 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, Sunny bank Ltd. and its subsidiaries will assess whether the credit risk of financial asset has increased significantly by evaluating the following:

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

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

10) Measurement of expected credit losses

a) Credit assets

For the purpose of measuring expected credit losses. The Group will look into the credit risk characteristic of business attributes as well as industry nature, type of product and loan status of credit assets to divide them into following groups:

<table>
<tr><th>Business</th><th>Group</th><th>Definition</th></tr>
<tr><td rowspan="5">Corporate banking</td><td>Manufacturing</td><td rowspan="10">According to credit risk status, all groups were divided into 3 stage below:
i. The credit risk did not increase significantly;
ii. The credit risk increased significantly;
iii. Credit impaired.
The Company assesses the expected credit losses of each stage.</td></tr>
<tr><td>Wholesale and retail trade</td></tr>
<tr><td>Construction industry</td></tr>
<tr><td>Service industry and others</td></tr>
<tr><td>Government agencies</td></tr>
<tr><td rowspan="5">Consumer banking</td><td>Mortgage</td></tr>
<tr><td>Credit</td></tr>
<tr><td>Car loan</td></tr>
<tr><td>Others</td></tr>
<tr><td>Credit card</td></tr>
</table>

The Group measures the loss allowance loss for financial instruments that did not have a significant increase in credit risk since initial recognition based on the 12-month expected credit loss model. For financial instruments that had a significant increase in credit risk or credit impaired since initial recognition, lifetime expected credit losses are applied.

To measure the expected credit losses, the Group takes into account the borrower's probability of default ("PD") for the next 12 months and the period of existence, and afterwards, includes the loss given default ("LGD") and multiply by exposure at default ("EAD"). The impact of the time value of money should also be considered when calculating the 12 month and lifetime expected credit losses.

PD refers to the borrowers' probability of default. LGD refers to the losses caused by the default. PD and LGD are applied to evaluate loan business impairment based on each portfolio's historical information from internal statistical data, and adjusted the historical information with current observable information and forward-looking macroeconomic information. The company evaluates risk exposure amount based on remaining loan amount, and calculates 12 months and lifetime expected credit losses of financing commitment based on "IFRS 9 Impairment Evaluation Methodology Guideline" issued by BAROC. Exposures of off-balance sheet items are regulated in "The description and form of banks' eligible capital and risk-weighted assets - credit risk standard approach". Credit conversion factor is used to calculate 12 months after record date and lifetime expected credit losses. The calculation of default exposure amount of expected credit losses takes into account the impact of the time value of money.

b) Investment position

The Group measures the loss allowance for financial instruments that did not have a significant increase in credit risk since initial recognition based on the 12-month expected credit loss model. For financial instruments that had a significant increase in credit risk or are credit impaired since initial recognition, lifetime expected credit losses are applied.

To measure the expected credit losses. The Group takes the borrower's probability of default ("PD") into account, and includes the loss given default ("LGD") and exposure at default ("EAD").

11) Forward-looking information considerations

a) Credit assets

According to IFRS 9, forward-looking estimations are necessary while calculating the expected credit losses. The Group obtains historical data of economic growth rate (coordinate with internal historical data of the Company's probability of default) and forecast information for current year to update the relevant economic factors which affect credit risk and expected credit losses of various asset groups as a parameter of default probability.

b) Investment position

The probability of default and the loss given default refer to the default rate of all credit levels and the external recovery rate of various debt instrument characteristics, which were published by external credit rating agencies. When assessing credit level and calculating PD and LGD to measure the expected credit losses, the credit rating agencies had not only considered forward-looking information but also the effect of time value of money and forward-looking GDP.

12) The changes of loan business' book value and allowance loss

Changes of discounts and loans allowance loss

For the year ended December 31, 2025

	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)	Impairment under IFRS 9	Differences in Impairments According to Law	Total
Balance, January 1	$ 1,296,288	$ 26,017	$ 851,129	$ -	$ 2,173,434	$ 4,009,059	$ 6,182,493
Changes in financial instruments that have been identified at the beginning of the period:							
To 12-month ECLs	57,185	(47,156)	(10,029)	-	-	-	-
To lifetime ECLs	(23,172)	48,462	(25,290)	-	-	-	-
To credit impaired financial assets	(2,921)	(6,101)	9,022	-	-	-	-
Derecognizing financial assets during the current period	(89,887)	(4,931)	(67,859)	-	(162,677)	-	(162,677)
Purchased or originated financial assets	144,932	-	4,918	-	149,850	-	149,850
Loss recognized based on the Regulations	-	-	-	-	-	256,904	256,904
Write-off	-	(1,175)	(363,056)	-	(364,231)	(1,284,720)	(1,684,951)
Reversal of write-off	-	-	-	-	-	1,573,455	1,573,455
Change in exchange rates or others	152,182	8,212	492,630	-	653,024	(5,686)	647,338
Balance, December 31	$ 1,534,607	$ 23,328	$ 891,465	$ -	$ 2,449,400	$ 4,549,012	$ 6,998,412

For the year ended December 31, 2024

	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)	Impairment under IFRS 9	Differences in Impairments According to Law	Total
Balance, January 1	$ 1,389,386	$ 23,171	$ 914,082	$ -	$ 2,326,639	$ 3,886,201	$ 6,212,840
Changes in financial instruments that have been identified at the beginning of the period:							
To 12-month ECLs	42,251	(27,025)	(15,226)	-	-	-	-
To lifetime ECLs	(24,569)	52,817	(28,248)	-	-	-	-
To credit impaired financial assets	(764)	(9,724)	10,488	-	-	-	-
Derecognizing financial assets during the current period	(110,477)	(2,898)	(66,333)	-	(179,708)	-	(179,708)
Purchased or originated financial assets	143,688	-	1,451	-	145,139	-	145,139
Loss recognized based on the Regulations	-	-	-	-	-	739,302	739,302
Write-off	(3)	(824)	(191,843)	-	(192,670)	(1,451,637)	(1,644,307)
Reversal of write-off	-	-	-	-	-	826,476	826,476
Change in exchange rates or others	(143,224)	(9,500)	226,758	-	74,034	8,717	82,751
Balance, December 31	$ 1,296,288	$ 26,017	$ 851,129	$ -	$ 2,173,434	$ 4,009,059	$ 6,182,493

Changes in discounts and loans book value

For the year 2025

	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)	Total
Balance, January 1	$ 497,247,665	$ 7,298,916	$ 2,637,080	$ -	$ 507,183,661
Changes in financial instruments that have been identified at the beginning of the period:					
To 12-month ECLs	8,588,878	(8,510,890)	(77,988)	-	-
To lifetime ECLs	(9,244,340)	9,460,527	(216,187)	-	-
To credit impaired financial asset	(992,650)	(1,363,259)	2,355,909	-	-
Derecognizing financial assets during the current period	(34,620,781)	(988,150)	(271,709)	-	(35,880,640)
Purchased or originated financial assets	66,952,807	-	14,800	-	66,967,607
Write-off	-	(233,438)	(1,415,513)	-	(1,648,951)
Change in exchange rates and others	862,817	100,013	(43,361)	-	919,469
Balance, December 31	$ 528,794,396	$ 5,763,719	$ 2,983,031	$ -	$ 537,541,146

For the year 2024

	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)	Total
Balance, January 1	$ 475,653,123	$ 5,334,210	$ 2,780,747	$ -	$ 483,768,080
Changes in financial instruments that have been identified at the beginning of the period:					
To 12-month ECLs	8,950,531	(8,822,242)	(128,289)	-	-
To lifetime ECLs	(13,047,520)	13,160,304	(112,784)	-	-
To credit impaired financial asset	(460,894)	(1,404,783)	1,865,677	-	-
Derecognizing financial assets during the current period	(41,495,143)	(811,062)	(250,016)	-	(42,556,221)
Purchased or originated financial assets	67,939,870	-	12,010	-	67,951,880
Write-off	(5,217)	(195,533)	(1,443,557)	-	(1,644,307)
Change in exchange rates and others	(287,085)	38,022	(86,708)	-	(335,771)
Balance, December 31	$ 497,247,665	$ 7,298,916	$ 2,637,080	$ -	$ 507,183,661

Changes in loss allowance of receivables

For the year 2025

	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)	Impairment under IFRS 9	Differences in Impairments According to Law	Total
Balance, January 1	$ 62,601	$ 804	$ 217,377	$ 71,587	$ 352,369	$ 200	$ 352,569
Changes in financial instruments that have been identified at the beginning of the period:							
To 12-month ECLs	1,763	(1,468)	(295)	-	-	-	-
To lifetime ECLs	(93)	855	(762)	-	-	-	-
To credit impaired financial assets	(18)	(745)	763	-	-	-	-
Derecognizing financial assets during the current period	(13,027)	(1,864)	(7,674)	-	(22,565)	-	(22,565)
Purchased or originated financial assets	3,121	-	4,764	-	7,885	-	7,885
Loss recognized based on the Regulations	-	-	-	-	-	(136)	(136)
Write-off	(12,982)	-	(1,497)	-	(14,479)	-	(14,479)
Reversal of write-off	60,173	-	-	-	60,173	-	60,173
Change in exchange rates or others	(1,214)	3,187	267	-	2,240	-	2,240
Balance, December 31	$ 100,324	$ 769	$ 212,943	$ 71,587	$ 385,623	$ 64	$ 385,687

For the year 2024

	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)	Impairment under IFRS 9	Differences in Impairments According to Law	Total
Balance, January 1	$ 68,962	$ 764	$ 218,968	$ 72,303	$ 360,998	$ 137	$ 361,134
Changes in financial instruments that have been identified at the beginning of the period:							
To 12-month ECLs	1,393	(1,184)	(209)	-	-	-	-
To lifetime ECLs	(73)	787	(714)	-	-	-	-
To credit impaired financial assets	(3)	(533)	536	-	-	-	-
Derecognizing financial assets during the current period	(4,907)	(1,239)	(7,683)	-	(13,829)	-	(13,829)
Purchased or originated financial assets	6,649	-	2,486	-	9,135	-	9,135
Loss recognized based on the Regulations	-	-	-	-	-	64	64
Write-off	(401,178)	-	(198)	(716)	(402,092)	-	(402,092)
Reversal of write-off	-	-	-	-	-	-	-
Change in exchange rates or others	391,758	2,209	4,190	-	398,157	-	398,157
Balance, December 31	$ 62,601	$ 804	$ 217,377	$ 71,587	$ 352,369	$ 200	$ 352,569

Changes in book value of receivables

For the year 2025

	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)	Total
Balance, January 1	$ 6,403,646	$ 34,547	$ 234,771	$ 71,587	$ 6,744,551
Changes in financial instruments that have been identified at the beginning of the period:					
To 12-month ECLs	47,729	(46,896)	(833)	-	-
To lifetime ECLs	(59,991)	63,037	(3,046)	-	-
To credit impaired financial asset	(5,910)	(18,311)	24,221	-	-
Derecognizing financial assets during the current period	(2,895,662)	(25,966)	(17,108)	-	(2,938,736)
Purchased or originated financial assets	3,773,883	-	5,904	-	3,779,787
Write-off	(12,982)	-	(1,497)	-	(14,479)
Change in exchange rates and others	328,762	17,443	(14,148)	-	332,057
Balance, December 31	$ 7,579,475	$ 23,854	$ 228,264	$ 71,587	$ 7,903,180

Note: Book value on December 31, 2025 did not include the spot foreign exchange receivable $78 thousand.

For the year 2024

	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)	Total
Balance, January 1	$ 6,466,099	$ 23,645	$ 245,406	$ 72,303	$ 6,807,453
Changes in financial instruments that have been identified at the beginning of the period:					
To 12-month ECLs	41,696	(40,460)	(1,236)	-	-
To lifetime ECLs	(67,451)	69,641	(2,190)	-	-
To credit impaired financial asset	(3,886)	(14,648)	18,534	-	-
Derecognizing financial assets during the current period	(3,066,856)	(20,720)	(23,018)	-	(3,110,594)
Purchased or originated financial assets	2,914,952	-	3,323	-	2,918,275
Write-off	(401,178)	-	(198)	(716)	(402,092)
Change in exchange rates and others	520,270	17,089	(5,850)	-	531,509
Balance, December 31	$ 6,403,646	$ 34,547	$ 234,771	$ 71,587	$ 6,744,551

Note: Book value on December 31, 2024 did not include the spot foreign exchange receivable $255 thousand.

Changes of other financial assets loss allowance

For the year 2025

	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)	Impairment under IFRS 9	Differences in Impairments According to Law	Total
Balance, January 1	$ -	$ -	$ 4,369	$ -	$ 4,369	$ -	$ 4,369
Changes in financial instruments that have been identified at the beginning of the period:							
Derecognizing financial assets during the current period	-	-	(836)	-	(836)	-	(836)
Write-off	-	-	(15,660)	-	(15,660)	-	(15,660)
Reversal of write-off	-	-	11,083	-	11,083	-	11,083
Change in exchange rates and others	-	-	4,308	-	4,308	-	4,308
Balance, December 31	$ -	$ -	$ 3,264	$ -	$ 3,264	$ -	$ 3,264

For the year 2024

	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)	Impairment under IFRS 9	Differences in Impairments According to Law	Total
Balance, January 1	$ -	$ -	$ 2,422	$ -	$ 2,422	$ -	$ 2,422
Changes in financial instruments that have been identified at the beginning of the period:							
Derecognizing financial assets during the current period	-	-	(600)	-	(600)	-	(600)
Write-off	-	-	(13,986)	-	(13,986)	-	(13,986)
Reversal of write-off	-	-	9,623	-	9,623	-	9,623
Change in exchange rates and others	-	-	6,910	-	6,910	-	6,910
Balance, December 31	$ -	$ -	$ 4,369	$ -	$ 4,369	$ -	$ 4,369

Changes of other financial assets book value

For the year 2025

	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)	Total
Balance, January 1	$ -	$ -	$ 8,467	$ -	$ 8,467
Changes of financial instruments that have been identified at the beginning of the period:					
Derecognizing financial assets during the current period	-	-	(1,400)	-	(1,400)
Write-off	-	-	(15,660)	-	(15,660)
Change in exchange rates and others	-	-	14,200	-	14,200
Balance, December 31	$ -	$ -	$ 5,607	$ -	$ 5,607

Note: Book value only included non-performing loans transferred from other than loans.

For the year 2024

	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)	Total
Balance, January 1	$ -	$ -	$ 4,676	$ -	$ 4,676
Changes of financial instruments that have been identified at the beginning of the period:					
Derecognizing financial assets during the current period	-	-	(1,064)	-	(1,064)
Write-off	-	-	(13,986)	-	(13,986)
Change in exchange rates and others	-	-	18,841	-	18,841
Balance, December 31	$ -	$ -	$ 8,467	$ -	$ 8,467

Note: Book value only included non-performing loans transferred from other than loans.

Changes of commitment and guarantee liability provisions

For the year 2025

	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)	Impairment under IFRS 9	Differences in Impairments According to Law	Total
Balance, January 1	$ 14,765	$ -	$ -	$ -	$ 14,765	$ 26,027	$ 40,792
Changes in financial instruments that have been identified at the beginning of the period:							
To 12-month ECLs	10	(10)	-	-	-	-	-
To lifetime ECLs	(310)	310	-	-	-	-	-
To credit impaired financial assets	(1)	-	-	1	-	-	-
Derecognizing financial assets during the current period	(2,106)	-	-	-	(2,106)	-	(2,106)
Purchased or originated financial assets	3,908	-	-	-	3,908	-	3,908
Loss recognized based on the Regulations	-	-	-	-	-	(2,758)	(2,758)
Change in others	4,752	(286)	-	(1)	4,465	-	4,465
Balance, December 31	$ 21,018	$ 14	$ -	$ -	$ 21,032	$ 23,269	$ 44,301

For the year 2024

	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)	Impairment under IFRS 9	Differences in Impairments According to Law	Total
Balance, January 1	$ 15,020	$ 9	$ -	$ -	$ 15,029	$ 22,988	$ 38,017
Changes in financial instruments that have been identified at the beginning of the period:							
To lifetime ECLs	-	-	-	-	-	-	-
To credit impaired financial assets		-	-	-	-	-	-
Derecognizing financial assets during the current period	(1,067)	-	-	-	(1,067)	-	(1,067)
Purchased or originated financial assets	2,252	-	-	-	2,252	-	2,252
Loss recognized based on the Regulations	-	-	-	-	-	3,039	3,039
Change in exchange rates and others	(1,440)	(9)	-	-	(1,449)	-	(1,449)
Balance, December 31	$ 14,765	$ -	$ -	$ -	$ 14,765	$ 26,027	$ 40,792

13) Credit risk concentration of the Company

Concentrations of credit risk arise when there is only a single customer counterparty or there are customers engaged in similar business activities or economic characteristics, or when they have similar risk characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

Credit risk concentrations can arise in the Company's 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, loan and deposits, call loan to banks, investment, receivables and derivatives. The Company maintains well-diversified credit portfolios to protect against exposure to any geographic region, country or individual creditor. The Company's most significant concentrations of credit risk is summarized by industry, region and collateral as follows:

a) By industry

By Industry	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
Private enterprise	$ 267,168,360	49.87	$ 254,385,544	50.32
Foreign organization	13,735,739	2.56	13,872,612	2.74
Non-profit organization	486,340	0.09	439,163	0.09
Natural person	254,393,230	47.48	236,802,290	46.85
Total	$ 535,783,669	100.00	$ 505,499,609	100.00

b) By geographical area

The Group's operations are mainly in Taiwan.

c) By collateral

By Collaterals	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
Unsecured	$ 27,814,123	5.19	$ 24,899,910	4.92
Secured				
Stocks	8,448,876	1.58	5,703,004	1.13
Bonds	6,281,257	1.17	5,586,814	1.11
Real estate	471,778,911	88.06	448,310,217	88.69
Movable properties	16,934,784	3.16	16,290,577	3.22
Notes receivable	18,157	0.00	24,637	0.00
Guarantees	4,238,462	0.79	4,394,871	0.87
Others	269,099	0.05	289,579	0.06
Total	$ 535,783,669	100.00	$ 505,499,609	100.00

14) Management policies on collaterals

The Group’s foreclosed collaterals are securities and properties which had recognized full amount impairment in other asset, net as of December 31, 2025 and 2024.

The Group may dispose collaterals whenever it available to sell, the trading amounts are used to net offset the payable.

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

a) Overdue loans and receivables

Date			December 31, 2025				
Item			Nonperforming Loan (NPL) (Note 1)	Total Loans	NPL Ratio (Note 2)	Loan Loss Reserves (LLR)	Coverage Ratio (Note 3)
Corporate loan	Secured		$ -	$ 222,744,160	0.00%	$ 2,902,645	0.00%
	Unsecured		-	60,953,828	0.00%	791,967	0.00%
Consumer loan	Mortgage (Note 4)		2,011	43,465,986	0.00%	574,497	28,567.73%
	Cash card		-	-	-	-	-
	Microcredit (Note 5)		110	1,716,288	0.01%	23,490	21,354.55%
	Others (Note 6)	Secured	2,098	172,133,143	0.00%	2,248,812	107,188.37%
		Unsecured	-	34,770,264	0.00%	452,062	0.00%
Total			4,219	535,783,669	0.00%	6,993,473	165,746.29%
			Overdue Receivables	Trade Receivables	Delinquency Ratio	Allowance for Credit Losses	Coverage Ratio
Credit card (Note 8)			$ 2,910	$ 800,210	0.36%	$ 14,798	508.52%
Account receivables - factoring with no recourse (Note 7)			-	-	-	-	-

Date			December 31, 2024				
Item			Nonperforming Loan (NPL) (Note 1)	Total Loans	NPL Ratio (Note 2)	Loan Loss Reserves (LLR)	Coverage Ratio (Note 3)
Corporate loan	Secured		$ 194,569	$ 212,880,277	0.09%	$ 2,594,230	1,333.32%
	Unsecured		8,243	58,139,834	0.01%	709,728	8,610.07%
Consumer loan	Mortgage (Note 4)		7,772	37,455,454	0.02%	465,363	5,987.69%
	Cash card		-	-	-	-	-
	Microcredit (Note 5)		1,488	1,514,223	0.10%	19,468	1,308.33%
	Others (Note 6)	Secured	29,747	159,646,960	0.02%	1,953,908	6,568.42%
		Unsecured	2	35,862,861	0.00%	435,969	21,798,450.00%
Total			241,821	505,499,609	0.05%	6,178,666	2,555.05%
			Overdue Receivables	Trade Receivables	Delinquency Ratio	Allowance for Credit Losses	Coverage Ratio
Credit card (Note 8)			$ 2,388	$ 805,248	0.30%	$ 14,734	617.00%
Account receivables - factoring with no recourse (Note 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 Nonperforming/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 receivable ÷ Account 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 for 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 is regulated by the Banking Bureau letter dated December 19, 2005 (Ref. No. 09440010950).

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

Note 7: For accounts receivables - factoring with no recourse, dealt in accordance with the Banking Bureau letter dated July 19, 2005 (Ref. No. 094000494), allowance for bad debts is recognized once no compensation is made from factoring or insurance within three months.

Note 8: Included nonperforming loans transferred from other than loans.

b) Excluded NPLs and excluded overdue receivables

Date	December 31, 2025		December 31, 2024	
Item	Excluded NPL	Excluded Overdue Receivables	Excluded NPL	Excluded Overdue Receivables
As a result of debt negotiation and loan agreements (Note 1)	$ 49	$ -	$ 81	$ -
As a result of consumer debt clearance (Note 2)	596	528	599	494

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

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

c) Concentration of credit extensions

Year	December 31, 2025		
Rank (Note 1)	**Industry Category (Note 2)**	**Total Credit Consists of Loans (Note 3)**	**Percentage of Net Worth (%)**
1	Group A (real estate developments activities)	$ 8,299,585	14.85
2	Group B (real estate developments activities)	3,723,606	6.66
3	Group C (wholesale of metal building materials)	3,668,329	6.56
4	Group D (real estate developments activities)	3,207,868	5.74
5	Company E (real estate developments activities)	3,120,000	5.58
6	Group F (man-made fiber woven fabrics manufacturing)	3,032,882	5.42
7	Group G (real estate developments activities)	2,396,350	4.29
8	Company H (battery manufacturing)	2,256,644	4.04
9	Group I (other apparel wholesale)	2,227,736	3.98
10	Company J (man-made fiber texturizing activities)	2,150,756	3.85

Year	December 31, 2024		
Rank (Note 1)	**Industry Category (Note 2)**	**Total Credit Consists of Loans (Note 3)**	**Percentage of Net Worth (%)**
1	Group A (real estate developments activities)	$ 6,247,965	12.64
2	Group B (real estate developments activities)	4,001,946	8.10
3	Group C (real estate developments activities)	3,548,766	7.18
4	Group D (iron and steel rolls over extends and crowding)	3,427,084	6.93
5	Company E (real estate developments activities)	3,120,000	6.31
6	Group F (real estate developments activities)	2,664,909	5.39
7	Group G (other apparel wholesale)	2,481,884	5.02
8	Company H (battery manufacturing)	2,277,886	4.61
9	Group I (other unclassified financial services)	2,074,000	4.20
10	Company J (real estate developments activities)	2,035,000	4.12

Note 1: Ranking of top 10 groups (excluding government or state-owned utilities) whose total credit consists of loans.

Note 2: Groups were those as defined in Articles 6 of the Supplementary Provisions 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, margin receivables, medium-term loans, medium-term secured loans, long-term loans, long-term secured loans, and nonperforming loans), exchange bills negotiated, accounts receivable factored without recourse, acceptances receivable, and guarantee deposit issued.

d. Liquidity risk management

1) Definition of liquidity risk

a) The Company

Liquidity risk is the risk that the Company cannot realize asset or obtain financing to provide capital to meet its payment obligations as they fall due. It may cut down the cash resource from loan operations, transactions and investing activities. Under some extreme situations, insufficient liquidity may cause possible decline in the overall balance sheet positions goes downward, sale of assets and failure to perform the loan commitments.

b) Sunny Securities Co.

Liquidity risk refers to an enterprise's inability to convert an asset or security into cash to meet obligations as they fall due (also called capital risks). Market risk refers to the Group's difficulty in transacting its open positions resulting from market fluctuations due to a lack of market depth or due to market confusion.

2) Policies of liquidity risk management

a) The Company

The procedures of liquidity risk managements are performed individually and monitored by independent risk management department. The monitoring procedures are summarized as follows:

i. Monitoring of future cash flows to ensure daily capital mobility would be able to meet the needs.

ii. Maintenance of adequate realizable high liquidity assets for any unexpected accidents.

iii. Monitoring of the liquidity ratio for internal management purpose and external supervisors' regulations.

iv. Monitoring of bond due dates

The monitoring and reporting procedures for estimating future cash flows are applied daily, weekly and monthly. The estimates are based on an analysis of the maturity dates of the financial liabilities and the dates when expected financial assets can be turned into cash. Related information is reported timely to the Company's Risk Management Committee and Board of Directors.

b) Sunny Securities Co.

Sunny Securities Co. maintains the needed of cash and cash equivalent, high mobility securities and sufficient financing line of banks to ensure financial flexibility. Bank loan is a main resource of liquidity for Sunny Securities Co., The unutilized of bank loan were $110,000 thousand and $150,000 thousand as of December 31, 2025 and 2024, respectively.

3) Maturity analysis of financial assets and non-derivative financial liabilities held to manage liquidity risk

a) Financial assets held to manage liquidity risk

The Group holds cash and premium interest-generating assets with high liquidity to fulfill payment obligations and meet any potential urgent capital needs. The financial assets the Group used to manage liquidity risks include cash and cash equivalents, due from the Central Bank and call loans to other banks, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive gains and losses, investment in debt instrument at amortized cost, discounts and loans, available-for-sale financial assets, held-to-maturity investments, and debt instruments with no active markets, etc.

b) Maturity analysis of non-derivative financial liabilities

Cash outflow analysis of non-derivative financial liabilities of the Group is summarized in the following tables. The amounts are based on a contractual cash flow basis so some of the amounts will not match the amounts in the consolidated balance sheet.

Maturity analysis of operating lease commitments is summarized as follows:

December 31, 2025	Less Than 30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Deposits from the Central Bank and other banks	$ 3,631,889	$ 832,297	$ 283,731	$ 757,751	$ 10,001	$ 5,515,669
Securities sold under agreements to repurchase	7,606,580	1,308,556	-	-	-	8,915,136
Payables	3,317,156	508,725	11,161	114,281	89,818	4,041,141
Deposits and remittances	90,589,560	119,878,229	134,947,161	227,504,750	149,615,979	722,535,679
Bank debentures	-	105,130	35,134	68,872	13,520,000	13,729,136
Short-term borrowings	466,773	1,621,154	-	45,014	-	2,132,941
Lease liabilities	2,706	15,324	12,514	25,911	135,908	192,363
Other financial liabilities	905,000	10,000	-	-	-	915,000

December 31, 2024	Less Than 30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Deposits from the Central Bank and other banks	$ 689,601	$ 1,332,808	$ 283,731	$ 1,268,347	$ -	$ 3,574,487
Securities sold under agreements to repurchase	2,523,189	121,528	-	-	-	2,644,717
Payables	2,406,579	158,744	287,000	103,594	128,857	3,084,774
Deposits and remittances	93,938,945	120,873,538	131,872,854	185,965,948	153,373,352	686,024,637
Bank debentures	-	104,412	16,762	68,873	12,860,000	13,050,047
Short-term borrowings	541,345	970,468	150,104	-	-	1,661,917
Lease liabilities	2,734	10,716	10,849	23,698	142,244	190,241
Other financial liabilities	730,000	400,000	-	-	-	1,130,000

4) Maturity analysis of derivative financial liabilities

Derivative instruments for total clearing and settlement

The Group's derivative instruments for total clearing and settlement are mainly forward contracts and currency swap contracts. The amounts of the derivative instruments for total clearing and settlement are based on contractual cash flows and may not match the amounts on the balance sheet. Maturity analysis of derivative instruments for total clearing and settlement are as follows:

December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Derivative instruments of exchange rates						
Cash outflow	$ 2,440,784	$ -	$ -	$ -	$ -	$ 2,440,784
Cash inflow	2,415,791	-	-	-	-	2,415,791
Cash outflow	2,440,784	-	-	-	-	2,440,784
Cash inflow	2,415,791	-	-	-	-	2,415,791
Net cash flow	(24,993)	-	-	-	-	(24,993)

December 31, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Derivative instruments of exchange rates						
Cash outflow	$ 3,143,935	$ -	$ -	$ -	$ -	$ 3,143,935
Cash inflow	3,083,824	-	-	-	-	3,083,824
Cash outflow	3,143,935	-	-	-	-	3,143,935
Cash inflow	3,083,824	-	-	-	-	3,083,824
Net cash flow	(60,111)	-	-	-	-	(60,111)

5) Maturity analysis of off-balance sheet items

The table below shows the highest amounts of obligations that the creditor might require payment. The amounts on the table are based on contractual cash flows and may not match the amounts on the balance sheet.

December 31, 2025	Under 1 Year	1-5 Years	Over 5 Years	Total
Undrawn loan commitments	$ 162,665	$ 2,294,987	$ 199,631	$ 2,657,283
Undrawn credit card commitments	1,264,621	5,562,042	4,966,691	11,793,354
Standby letters of credit	491,081	-	-	491,081
Guarantees	2,026,763	1,516,069	3,520	3,546,352
Total	3,945,130	9,373,098	5,169,842	18,488,070

December 31, 2024	Under 1 Year	1-5 Years	Over 5 Years	Total
Undrawn loan commitments	$ 235,575	$ 1,060,507	$ 42,615	$ 1,338,697
Undrawn credit card commitments	895,549	5,619,878	5,667,781	12,183,208
Standby letters of credit	513,839	-	-	513,839
Guarantees	1,821,450	1,875,237	129	3,696,816
Total	3,466,413	8,555,622	5,710,525	17,732,560

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

a) Maturity analysis of assets and liabilities of the Company (New Taiwan dollars)

	December 31, 2025						
	Total	0 to 10 Days	11 to 30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year
Main capital inflow on maturity	$ 735,745,431	$ 84,753,467	$ 18,582,855	$ 40,502,791	$ 64,380,187	$ 120,047,856	$ 407,478,275
Main capital outflow on maturity	833,087,080	44,894,812	41,690,462	114,496,089	138,462,222	246,155,520	247,387,975
Gap	(97,341,649)	39,858,655	(23,107,607)	(73,993,298)	(74,082,035)	(126,107,664)	160,090,300

	December 31, 2024						
	Total	0 to 10 Days	11 to 30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year
Main capital inflow on maturity	$ 696,217,416	$ 73,565,987	$ 24,575,658	$ 35,606,188	$ 61,743,331	$ 115,642,880	$ 385,083,372
Main capital outflow on maturity	793,108,147	37,564,112	42,941,526	110,729,931	139,460,024	217,448,251	244,964,303
Gap	(96,890,731)	36,001,875	(18,365,868)	(75,123,743)	(77,716,693)	(101,805,371)	140,119,069

Note: The amounts shown in this table are the Company’s position denominated in NTD.

b) Maturity analysis of assets and liabilities of the Company (U.S. dollars)

	December 31, 2025					
	Total	**0-30 Days**	**31-90 Days**	**91-180 Days**	**181 Days - 1 Year**	**Over 1 Year**
Main capital inflow on maturity	$ 2,313,261	$ 311,705	$ 73,377	$ 110,322	$ 140,127	$ 1,677,730
Main capital outflow on maturity	2,370,476	654,219	619,288	444,065	554,080	98,824
Gap	(57,215)	(342,514)	(545,911)	(333,743)	(413,953)	1,578,906

	December 31, 2024					
	Total	**0-30 Days**	**31-90 Days**	**91-180 Days**	**181 Days - 1 Year**	**Over 1 Year**
Main capital inflow on maturity	$ 1,910,807	$ 149,652	$ 95,546	$ 101,033	$ 147,245	$ 1,417,331
Main capital outflow on maturity	1,933,158	737,978	705,415	309,047	149,564	31,154
Gap	(22,351)	(588,326)	(609,869)	(208,014)	(2,319)	1,386,177

Note: The amounts shown in this table are the Company’s position denominated in USD.

e. Market risk

1) The Company

a) Definition of market risk

Market risk arises when changes in market price (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. The Company’s net revenue and investment portfolio value may fluctuate when risk factors change.

b) Management strategies

In accordance with the risk management policies approved by the board of directors, the Company sets loss limit and position and conducts credit evaluation and operation stress testing, and submits reports to the risk management committee and the board for reference in making management decisions.

c) Management procedures

i. Identification and measurement

The operating and risk management department identifies the resources and risk factors of market risks, including position line, stop loss line and concentration market risk, by operation and production analysis periodically. Appropriate market risk valuation methods for different risk factors included principal limit, bond limit, securities limit, PVBP and duration.

ii. Supervision and reporting

The Company'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 the situation to the board of directors. 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.

d) Trading book risk management policies

i. Identification and measurement

The trading book is an accounting book of the financial instruments and physical commodities held for trading or hedged by the Company. Held-for-trading position refers to commodities which gain from the fluctuation of price. Positions that should not be recorded in the trading book are recorded in the banking book.

ii. Procedures

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 based on market information and evaluates market information which is factored into the pricing model.

e) Trading book interest rate risk management

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.

i. Strategies

Interest rate risk management enhances resilience of the Company and prevents loss from changes in interest rates.

ii. Procedures

When trading in interest-linked business, the Company should identify various sources of interest rate risk as well as assess possible impacts on profit and economic value due to interest rate fluctuation. For the purpose of stabilizing long-term profitability and business growth, the Company developed an interest rate sensitivity index monitoring system based on main periods and implements stress tests. The monitoring results of interest rate risk limits are reported to the risk management committee and the board of directors regularly.

f) Exchange rate risk management

i. Definitions

Exchange rate risk refers to the incurrence of loss from the exchange of currencies on different dates. The Company's major financial instruments exposed to exchange rate risk are spot contracts and forward contracts.

ii. Policies, procedures and measurements

To control the exchange rate risk, the Company sets trading limit and stop-loss limit and requires the dealing room, dealers, etc., to observe these limits.

g) Equity securities price management

i. Definitions

Market risk of equity securities is the risk that stock or stock index prices and/or their implied volatility will change (specific risk) or the general market will give rise to conditions that will negatively affect security prices.

ii. Purposes

To avoid the price of equity securities suffering from severe fluctuations that result in the Company's loss; to enhance the operating efficiency and strengthen the business.

iii. Procedures

To control investment risk, the Company sets investment position limits and stop-loss limits. The limits are approved by the board of directors. Within the limit of authority, the Company sets investment position limits and stop-loss limits for each dealer.

h) Market risk measurement technique

The Company uses 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. The Company's stress testing included risk factors, emerging markets and temporary markets, the result of testing would be reported to management and some of the testing would be adjusted to meet the need of a specific sector, and usually performed with scenario analysis.

December 31, 2025			
Main Risks	**Variation**	**Effected Amount**	
		Equity	**Profit**
Exchange rate risks (major currencies)	USD/NTD, EUR/NTD increased 3%	$ -	$ 23,803
Exchange rate risks (major currencies)	USD/NTD, EUR/NTD decreased 3%	-	(23,803)
Exchange rate risks (minor currencies)	JPY/NTD, other currencies/NTD increased 5%	-	85
Exchange rate risks (minor currencies)	JPY/NTD, other currencies/NTD dropped 5%	-	(85)
Interest rate risks	Yield curve increased 100 BPS	-	(43,449)
Interest rate risks	Yield curve decreased 100 BPS	-	43,682
Equity securities price risks	Domestic equity securities price increase 15%	-	36,165
Equity securities price risks	Foreign equity securities price increase 20%	-	12,355
Equity securities price risks	Domestic equity securities price decrease 15%	-	(36,165)
Equity securities price risks	Foreign equity securities price decrease 20%	-	(12,355)

December 31, 2024			
Main Risks	Variation	Effected Amount	
		Equity	Profit
Exchange rate risks (major currencies)	USD/NTD, EUR/NTD increased 3%	$ -	$ 24,561
Exchange rate risks (major currencies)	USD/NTD, EUR/NTD decreased 3%	-	(24,561)
Exchange rate risks (minor currencies)	JPY/NTD, other currencies/NTD increased 5%	-	(107)
Exchange rate risks (minor currencies)	JPY/NTD, other currencies/NTD dropped 5%	-	107
Interest rate risks	Yield curve increased 100 BPS	-	(21,119)
Interest rate risks	Yield curve decreased 100 BPS	-	21,175
Equity securities price risks	Domestic equity securities price increase 15%	-	60,676
Equity securities price risks	Foreign equity securities price increase 20%	-	12,160
Equity securities price risks	Domestic equity securities price decrease 15%	-	(60,676)
Equity securities price risks	Foreign equity securities price decrease 20%	-	(12,160)

The above analyses are based on the assumption that the trends and historical data of all equity instruments are the same.

i) Exchange rate risks

Exchange rate risks of holding net positions in foreign currencies are as below:

	December 31					
	2025			2024		
	Foreign Currency	Exchange Rate	Converted to NTD	Foreign Currency	Exchange Rate	Converted to NTD
Financial assets						
USD	$ 2,245,950	31.438	$ 70,608,165	$ 1,925,325	32.781	$ 63,114,070
RMB	1,107,764	4.498	4,982,724	981,800	4.478	4,396,500
JPY	9,035,603	0.201	1,814,349	2,912,376	0.210	611,308
AUD	137,024	21.02	2,880,250	29,278	20.39	596,985
HKD	55,206	4.039	222,978	15,018	4.222	63,407
EUR	6,025	36.90	222,313	3,897	34.13	133,020
Financial liabilities						
USD	2,253,765	31.438	70,853,877	1,801,470	32.781	59,053,972
RMB	834,718	4.498	3,754,563	1,022,724	4.478	4,579,760
JPY	9,032,540	0.201	1,813,734	9,012,981	0.210	1,891,825
AUD	38,546	21.02	810,238	31,212	20.39	636,407
ZAR	381,343	1.90	724,551	340,790	1.75	596,383
EUR	6,024	36.90	222,297	5,900	34.13	201,383
SGD	6,760	24.45	165,294	4,724	24.12	113,947
HKD	43,218	4.039	174,557	48,771	4.222	205,912

j) Effect of interest rate benchmark reform

The Group is exposed to financial instruments affected by interest rate benchmark reform because it has contracts tied to benchmarks such as the USD LIBOR, EUR LIBOR, GBP LIBOR, and JPY LIBOR, which are being reformed or replaced. At present, the Secured Overnight Financing Rate (SOFR) has replaced LIBOR (London Interbank Offered Rate) for U.S. dollar-denominated contracts, the Euro Short-Term Rate (€STR) has replaced EUR LIBOR, the Sterling Overnight Index Average (SONIA) has replaced GBP LIBOR, and the Tokyo Overnight Average Rate (TONAR) has replaced JPY LIBOR. However, fundamental differences exist between LIBOR and its replacements. LIBOR is a forward-looking benchmark that reflects market expectations of future interest rate movements and incorporates a premium for the credit risk of lending to banks. In contrast, the alternative rates are backward-looking, calculated based on actual transaction data from the previous day, and do not incorporate a credit spread. Consequently, when transitioning from LIBOR to alternative referencing rates in existing contracts, adjustments must be made to maintain economic equivalence between the pre- and post-transition interest rate bases. These adjustments account for the inherent differences between LIBOR, which includes a bank credit risk premium and term structure, and risk-free rates like SOFR or SONIA, which are typically overnight rates.

The Group established a LIBOR transition project plan. This transition project has changed relevant requirements for IT systems and has identified pertinent internal processes, and the updates have been completed.

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

i. Interest rate sensitivity information (New Taiwan dollars)

December 31, 2025

Items	1-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Interest rate - sensitive assets	$ 550,591,864	$ 28,375,872	$ 8,845,535	$ 97,199,667	$ 685,012,938
Interest rate - sensitive liabilities	268,201,047	261,920,214	116,363,559	21,611,148	668,095,968
Interest rate - sensitive gap	282,390,817	(233,544,342)	(107,518,024)	75,588,519	16,916,970
Net worth					55,813,971
Ratio of interest rate-sensitive assets to liabilities (%)					102.53%
Ratio of interest rate-sensitive gap to net worth (%)					30.31%

December 31, 2024

Items	1-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Interest rate - sensitive assets	$ 518,769,821	$ 25,378,971	$ 4,473,983	$ 99,935,687	$ 648,558,462
Interest rate - sensitive liabilities	272,345,727	266,260,042	75,047,047	20,297,371	633,950,187
Interest rate - sensitive gap	246,424,094	(240,881,071)	(70,573,064)	79,638,316	14,608,275
Net worth					50,150,593
Ratio of interest rate-sensitive assets to liabilities (%)					102.30%
Ratio of interest rate-sensitive gap to net worth (%)					29.13%

Note 1: The above amounts include only New Taiwan dollars held by the Company, 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-sensitivity 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).

ii. Interest rate sensitivity information (U.S. dollars)

December 31, 2025

Unit: USD in Thousands

Items	1-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Interest rate - sensitive assets	$ 640,070	$ 114,158	$ 81,010	$ 1,368,744	$ 2,203,982
Interest rate - sensitive liabilities	1,238,214	442,868	553,544	6,512	2,241,138
Interest rate - sensitive gap	(598,144)	(328,710)	(472,534)	1,362,232	(37,156)
Net worth					3,608
Ratio of interest rate-sensitive assets to liabilities (%)					98.34%
Ratio of interest rate-sensitive gap to net worth (%)					(1,029.82%)

December 31, 2024

Unit: USD in Thousands

Items	1-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Interest rate - sensitive assets	$ 595,015	$ 78,739	$ 98,630	$ 1,107,928	$ 1,880,312
Interest rate - sensitive liabilities	1,324,419	308,488	149,220	1,055	1,783,182
Interest rate - sensitive gap	(729,404)	(229,749)	(50,590)	1,106,873	97,130
Net worth					(21,788)
Ratio of interest rate-sensitive assets to liabilities (%)					105.45%
Ratio of interest rate-sensitive gap to net worth (%)					(445.80%)

Note 1: The above amounts include only USD held by the Company and exclude contingent assets and contingent liabilities.

Note 2: Interest rate-sensitive assets and liabilities mean the revenues or costs of interest-earnings 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 U.S. dollars).

2) Sunny Securities Co.

Market risk refers to the possible loss due to the change in market price of a financial product as a result of change in such factors as market interest rates, exchange rates, share prices and consumer goods.

The sensitivity analysis below was determined based on the exposure to the price risks of the fair value of financial assets at FVTPL at the end of the year. The Sunny Securities Co. will adjust the sensitivity rate after assessing interest rate risk and considering the impact of the volatile financial market conditions during the current year. The sensitivity rate used represents management's assessment of the reasonably possible change in interest rates.

If equity prices had been 10% higher/lower, pre-tax profit for the years ended December 31, 2025 and 2024 would both have increased/decreased by $0 thousand, as a result of the changes in fair value of financial assets at FVTPL.

f. Transfer of financial assets

Transferred financial assets that are not derecognized in their entirety during the normal operations of the Group, are mainly securities sold under agreements to repurchase. In such transactions, the risk and reward of the financial assets are transferred when the proceeds of the sale and associated liability are recognized on the date of sale; the liability is paid when the securities are repurchased back in the future. The Group cannot use, sell or pledge such transferred financial assets during the effective term of the transaction; however, the financial assets are not derecognized in their entirety because the Group still bears related interest rate risk and credit risk. Information regarding these transferred financial assets and liabilities not derecognized entirely are summarized as below:

Financial Asset Categories	December 31, 2025				
	Book value of Transferred Financial Asset	**Book Value of Associated Liability**	**Fair Value of Transferred Financial Asset**	**Fair Value of Associated Liability**	**Fair Value, Net**
Repurchase agreements					
Debt instruments at fair value through other comprehensive income	$ 1,190,624	$ 1,198,356	$ 1,219,231	$ 1,198,356	$ 20,875
The investment of debt instruments measured at amortized cost	7,978,241	7,698,607	7,907,317	7,698,607	208,710

Financial Asset Categories	December 31, 2024				
	Book value of Transferred Financial Asset	**Book Value of Associated Liability**	**Fair Value of Transferred Financial Asset**	**Fair Value of Associated Liability**	**Fair Value, Net**
Repurchase agreements					
Debt instruments at fair value through other comprehensive income	$ 61,903	$ 59,531	$ 60,573	$ 59,531	$ 1,042
The investment of debt instruments measured at amortized cost	2,795,674	2,582,514	2,655,361	2,582,514	72,847

g. Offsetting financial assets and financial liabilities

The Group has no financial assets or liabilities meeting the criteria of IAS 32 and 42 endorsed by FSC. There is no enforceable master netting arrangements or other similar arrangements; the proceeds would be settled in full amounts. However, if one party showed signs of default, the other party may choose to settle in net amounts.

Related information regarding the netting of financial asset and financial liability are shown is as follows:

December 31, 2025

Financial Asset	Total Amount of Recognized Financial Asset	Total Amount of Offset Financial Liability Recognized on Balance Sheet	Net Amount of Financial Asset Shown on Balance Sheet	Amounts not Offset on Balance Sheet: Financial Instrument (Note)	Amounts not Offset on Balance Sheet: Received Cash Collaterals	Net Amount
Derivative financial instruments	$ 17,895	$ -	$ 17,895	$ -	$ -	$ 17,895

Financial Liability	Total Amount of Recognized Financial Liability	Total Amount of Offset Financial Asset Recognized on Balance Sheet	Net Amount of Financial Liability Shown on Balance Sheet	Amounts not Offset on Balance Sheet: Financial Instrument (Note)	Amounts not Offset on Balance Sheet: Pledged Cash Collaterals	Net Amount
Derivative financial instruments	$ 25,459	$ -	$ 25,459	$ -	$ -	$ 25,459
Securities under agreement to repurchase	8,896,963	-	8,896,963	8,896,963	-	-

Note: Included master netting arrangements and non-cash financial collateral.

December 31, 2024

Financial Asset	Total Amount of Recognized Financial Asset	Total Amount of Offset Financial Liability Recognized on Balance Sheet	Net Amount of Financial Asset Shown on Balance Sheet	Amounts not Offset on Balance Sheet: Financial Instrument (Note)	Amounts not Offset on Balance Sheet: Received Cash Collaterals	Net Amount
Derivative financial instruments	$ 436	$ -	$ 436	$ -	$ -	$ 436

Financial Liability	Total Amount of Recognized Financial Liability	Total Amount of Offset Financial Asset Recognized on Balance Sheet	Net Amount of Financial Liability Shown on Balance Sheet	Amounts not Offset on Balance Sheet: Financial Instrument (Note)	Amounts not Offset on Balance Sheet: Pledged Cash Collaterals	Net Amount
Derivative financial instruments	$ 57,050	$ -	$ 57,050	$ -	$ -	$ 57,050
Securities under agreement to repurchase	2,642,045	-	2,642,045	2,642,045	-	-

Note: Included master netting arrangements and non-cash financial collateral.

45. CAPITAL MANAGEMENT

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 needs for operation needs and to meet minimum requirements of the capital adequacy ratio. Eligible capital and legal capital are calculated under the regulations announced by the authority.

The Group should have adequate capital to bear the risks; measure capital demand according to risk combination and risk characteristics; fulfill the optimization of resources and capital allocation by risk management.

b. Capital management procedures

The Group’s capital is managed by the planning department in the administrative division under the Group’s Capital Adequacy Management Policy. Regulatory capital is calculated according to “Regulations Governing the Capital Adequacy and Capital Category of Banks,” and reported to the authority quarterly. Regulatory capital is classified into net Tier 1 Capital (the aggregate amount of net common equity Tier 1 and net additional Tier 1 Capital) and net Tier 2 Capital.

1) Net Tier 1 capital

a) Net common equity Tier 1 capital: Common equity mainly includes common shares, capital surplus, retained earnings, other equity and non-controlling interests, with the total less the following items: Intangible assets, unrealized gains on available-for-sale financial assets, material investments of financial institutions, deferred tax assets and other deduction items of Net Tier 1 and Tier 2 capitals.

b) Net additional Tier 1 capital: Additional items included perpetual non-cumulative preferred shares and non-cumulative subordinated bonds with no due dates.

2) Net Tier 2 capital

This capital base comprises of perpetual cumulative preferred shares, cumulative subordinated bonds with no due dates, revaluation gain, convertible bonds, operation reserves and allowance for accounts receivable.

The Group performs the evaluation of capital adequacy quarterly, and also evaluates the demand of capital in the future, and raises the capital if needed to maintain capital adequacy.

c. Statement of capital adequacy

The calculations of eligible capital, risk-weighted assets and capital adequacy ratio are as follows:

Capital management of the Group for the years ended December 31, 2025 and 2024 both meet the standards and regulations as required by the authority.

Analysis Items \ Year			December 31, 2025	
			Standalone	**Consolidated**
Eligible capital	Ordinary shares equity		$ 53,945,710	$ 53,885,432
	Other Tier 1 capital		10,020,000	10,020,000
	Tier 2 capital		8,836,389	8,830,290
	Eligible capital		72,802,099	72,735,722
Risk-weighted assets	Credit risk	Standardized approach	482,833,460	482,345,514
		Internal rating-based approach	-	-
		Securitization	-	-
	Operating risk	Basic indicator approach	16,153,763	16,888,800
		Standardized approach/ alternative standardized approach	-	-
		Advanced measurement approach	-	-
	Market risk	Standardized approach	26,356,813	26,356,813
		Internal model approach	-	-
	Total risk-weighted assets		525,344,036	525,591,127
Capital adequacy ratio			13.86%	13.84%
Ordinary shares equity risk-based capital ratio			10.27%	10.25%
Tier 1 risk-based capital ratio			12.18%	12.16%
Leverage ratio			7.82%	7.78%

Analysis Items		Year	December 31, 2024	
			Standalone	**Consolidated**
Eligible capital	Ordinary shares equity		$ 48,105,006	$ 48,056,928
	Other Tier 1 capital		9,360,000	9,360,000
	Tier 2 capital		8,764,022	8,934,093
	Eligible capital		66,229,028	66,351,021
Risk-weighted assets	Credit risk	Standardized approach	464,343,931	463,391,283
		Internal rating-based approach	-	-
		Securitization	-	-
	Operating risk	Basic indicator approach	18,145,600	18,391,563
		Standardized approach/ alternative standardized approach	-	-
		Advanced measurement approach	-	-
	Market risk	Standardized approach	15,630,513	15,630,513
		Internal model approach	-	-
	Total risk-weighted assets		498,120,044	497,413,359
Capital adequacy ratio			13.30%	13.34%
Ordinary shares equity risk-based capital ratio			9.66%	9.66%
Tier 1 risk-based capital ratio			11.54%	11.54%
Leverage ratio			7.44%	7.40%

Note 1: These tables were filled according to the "Regulations Governing the Capital Adequacy Ratio of Banks" and related calculation tables.

Note 2: The Group shall disclose the capital adequacy ratio for the current and previous periods in annual financial reports. For semiannual financial report, the Group shall disclose the capital adequacy ratio for the current period, previous period, and previous year end.

Note 3: The formulas are as follows:

1) Eligible capital = Ordinary shares 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) Ordinary shares equity risk-based capital ratio = Common shares equity ÷ Total risk-weighted assets

5) Tier 1 risk-based capital ratio = (Common shares equity + Other Tier 1 capital) ÷ Total risk-weighted assets

6) Leverage ratio = Tier 1 capital ÷ Total exposure risk

46. TRUST BUSINESS UNDER THE TRUST LAW

Balance Sheets of Trust Accounts
December 31, 2025 and 2024

	2025	2024
Trust assets		
Cash and bank deposits	$ 12,312,521	$ 17,356,712
Short term investments		
Funds	20,699,162	21,687,561
Bonds	12,581,451	11,255,243
Stocks	116,938	76,002
Real estate		
Land	27,373,117	27,346,989
Buildings	7,034	7,033
Securities under custody	4,883,044	4,980,296
	$ 77,973,267	$ 82,709,836
Trust liabilities		
Payable on securities under custody	$ 4,883,044	$ 4,980,296
Trust capital		
Money	42,833,778	46,608,721
Real estate	30,525,821	31,415,510
Securities	68,616	66,000
Accumulated loss	(1,681,208)	(1,602,382)
Profit for current year	1,343,216	1,241,691
	$ 77,973,267	$ 82,709,836

Trust Properties of Trust Accounts
December 31, 2025 and 2024

Investment Portfolio	2025	2024
Cash and bank deposits	$ 12,312,521	$ 17,356,712
Short term investments		
Funds - NTD	8,908,516	9,264,059
Funds - other currencies	11,790,646	12,423,502
Bonds - other currencies	12,581,451	11,255,243
Stocks	116,938	76,002
Real estate		
Land	27,373,117	27,346,989
Buildings	7,034	7,033
Securities under custody	4,883,044	4,980,296
	$ 77,973,267	$ 82,709,836

Income Statements of Trust Accounts
Years Ended December 31, 2025 and 2024

	2025	2024
Trust income		
Interest income	$ 43,598	$ 45,968
Dividends	1,324,859	1,125,814
Gains from properties trading	471,587	361,355
Realized capital gains	514,842	419,742
	2,354,886	1,952,879
Trust expense		
Trust administrative expenses	38,379	34,916
Commission and fee expenses	20,520	19,863
Loss from property trading	949,364	653,141
Realized capital loss	341	1
Others	3,066	3,267
	1,011,670	711,188
	$ 1,343,216	$ 1,241,691

Note: The above income statement of trust account is not included in consolidated income statement.

47. PROFITABILITY

Items		December 31, 2025	December 31, 2024
Return on total assets	Before income tax	0.61%	0.61%
	After income tax	0.50%	0.49%
Return on net worth	Before income tax	9.11%	9.51%
	After income tax	7.41%	7.59%
Profit margin		34.87%	35.35%

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 ÷ Total net revenues

Note 4: Income before (after) income tax represents income for the years ended December 31, 2025 and 2024.

48. ADDITIONAL DISCLOSURES

There are no other additional disclosures except those shown in Tables 1 to 5.

49. SEGMENT INFORMATION

Based on IFRS 8, the operating results of the operating segments should be approved by the Group's Board of Directors (those charged with governance) and serve as the basis for resource allocation and performance evaluation decisions. All of the Group's operating segments meet the definition under IFRS 8.

The Group's operating segments are identified on the basis of their industry characteristics, and consist of the banking, securities, and other segments.

Other operations of the Group, including the management of funds and trusts, do not fall under the IFRS 8 definition of an individual reportable segment.

The major revenue streams of the Group's operating segments come from interest revenue, and the Group's Board of Directors evaluates the operating segments' performance based on net interest. The operating results of all operating segments are expressed at their net amounts, i.e., total interest revenue less total interest expense.

Adjustments of internal pricing and transfer pricing have been reflected in the segments' performance evaluation. Revenues generated from external customers are amortized on a reasonable basis as agreed upon by all segments.

Transactions between operating segments are treated as regular transactions. Revenues generated from external customers submitted to and approved by the Board of Directors is measured on the same basis as that used for the consolidated statement of comprehensive income.

The Group's internal management report is based on net operating profit, which includes net interest, allowance for doubtful accounts and guarantees, commission and other fee revenues, net gains (losses) on financial products and other operating profit (loss). The evaluation excludes nonrecurring items such as litigation expenses.

Inter-segment analysis is prepared on the basis of internal management reports provided to and approved by the board of directors on segment profit (loss) and segment assets, liabilities and information.

Operating assets and liabilities refer to all operating departments are the main components of the consolidated balance sheet. However, some items such as the tax expenses are excluded from this balance sheet.

a. Segment revenue and operating results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

	2025				
	Banking	**Securities**	**Others**	**Internal Elimination**	**Total**
Net interest	$ 8,372,005	$ 46,160	$ 144,336	$ 770	$ 8,563,271
Commission and fee revenues, net	1,792,068	-	19,221	(4,251)	1,807,038
Other noninterest net revenues	1,049,105	191,275	135,067	(225,492)	1,149,955
Net revenues	11,213,178	237,435	298,624	(228,973)	11,520,264
Allowance for doubtful accounts, commitment and guarantees	(899,212)	-	7,273	-	(891,939)
Operating expenses	5,504,906	163,930	137,766	(38,848)	5,767,755
Income before income tax	$ 4,809,060	$ 73,505	$ 168,131	$ (190,125)	$ 4,860,570

	2024				
	Banking	Securities	Others	Internal Elimination	Total
Net interest	$ 7,975,356	$ 37,690	$ 145,656	$ 982	$ 8,159,684
Commission and fee revenues, net	1,565,219	-	22,709	(2,502)	1,585,426
Other noninterest net revenues	665,277	171,921	155,367	82,750	1,075,315
Net revenues	10,205,852	209,611	323,732	81,230	10,820,425
Allowance for doubtful accounts, commitment and guarantees	(781,788)	-	(398,648)	-	(1,180,436)
Operating expenses	4,903,919	152,679	123,549	(30,972)	5,149,175
Income before income tax	$ 4,520,145	$ 56,932	$ (198,465)	$ 112,202	$ 4,490,814

Segment income include capital transfer pricing between segments and the expenses and costs allocated via appropriate cost drivers. In addition, segment profit represented the profit before tax earned by each segment without allocation of income tax expense.

b. Geographical information

	2025				
Item	Domestic and Others	Hong Kong and Macau	China	Elimination	Total
External revenue	$ 11,481,502	$ 129	$ 38,633	$ -	$ 11,520,264
Internal revenue	214,635	14,338	-	(228,973)	-
Net revenue	$ 11,696,137	$ 14,467	$ 38,633	$ (228,973)	$ 11,520,264
Income before income tax	$ 4,836,952	$ -	$ 23,618	$ -	$ 4,860,570
Identifiable assets	$ 814,549,790	$ 63	$ 975,822	$ -	$ 815,525,675

	2024				
Item	Domestic and Others	Hong Kong and Macau	China	Elimination	Total
External revenue	$ 10,761,422	$ 134	$ 58,869	$ -	$ 10,820,425
Internal revenue	(114,094)	32,864	-	81,230	-
Net revenue	$ 10,647,328	$ 32,998	$ 58,869	$ 81,230	$ 10,820,425
Income before income tax	$ 4,446,689	$ -	$ 44,125	$ -	$ 4,490,814
Identifiable assets	$ 761,347,124	$ 66	$ 1,002,997	$ -	$ 762,350,187

c. Main customers information

There is no single individual customer from whom the revenue received is higher than 10% of the net revenue for the years ended December 31, 2025 and 2024.

TABLE 1

SUNNY BANK AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
1	Sunny Finance and Leasing (China) Co., Ltd.	Shanghai New Feihong Industrial Ltd.	Other receivables - entrusted loans	No	$ 32,371 (RMB 7,200)	$ 18,883 (RMB 4,200)	$ 18,883 (RMB 4,200)	10.00	Trade transaction	$ 18,883 (RMB 4,200)	-	$ 9,711 (RMB 2,160)	Mortgage of real property	$ 292,245 (RMB 65,001)	$ 290,757 (RMB 64,670)	$ 969,189 (RMB 215,567)	
2	King Sunny Assets Management Co., Ltd.	Zuoer Development and Construction Co., Ltd.	Other receivables	No	80,000	80,000	80,000	5.44-5.51	Trade transaction	80,000	-	-	Mortgage of real property	96,305	200,000	2,298,857	
3	Sunny International Leasing Co., Ltd.	Ching Tong Investment Co., Ltd.	Loans receivables	No	100,000	99,329	100,000	6.50	Short-term financing needs	-	For operating needs	999	Mortgage of real property	143,799	545,210	1,363,024	
4	Sunny International Leasing Co., Ltd.	Loho Fresh-Cooked Foods Co., Ltd.	Loans receivables	No	21,000	20,359	21,000	5.00	Short-term financing needs	-	For operating needs	211	Mortgage of real property	199,177	545,210	1,363,024	

Note 1: The accumulated total loans of Sunny Finance and Leasing (China) Co., Ltd. (including business transaction and the need for short-term financing), shall not exceed the net value of Sunny Bank's (the Company) latest audited financial statements. For loans provided due to short-term financing needs, the financing limit should not exceed 40% of the Company's net worth. The accumulated total loans of the individual company including business transaction and the need for short-term financing, should not exceed 30% of the Company's net worth.

Note 2: The total loans of King Sunny Asset Management Co. shall not exceed 7 times of net value of the Company's latest audited financial statements. The loans of the individual company shall not exceed $200 million.

Note 3: The accumulated total loans of Sunny International Leasing Co., Ltd. (including those for business transactions and the need for short-term financing) shall not exceed the net value of the Company's latest audited financial statements. For loans provided due to short-term financing needs, the financing limit should not exceed 40% of the Company's net worth. The accumulated total loans granted to an individual company, including those for a borrower's business transaction or need for short-term financing, should not exceed 40% of the Company's net worth.

TABLE 2

SUNNY BANK AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Investee Company	Location	Main Business and Product	Percentage of Ownership (%)	Carrying Amount	Investment Gain (Note 2)	Consolidated Investment (Note 1)				Note
						Shares (In Thousands)	Virtual Shares (In Thousands)	Total		
								Shares (In Thousands)	Percentage of Ownership	
Sunny Securities Co., Ltd.	Taipei	Investment securities business	100.00	$ 1,002,370	$ 58,838	80,200	-	80,200	100.00	Subsidiary
King Sunny Assets Management Co., Ltd.	Taipei	Evaluating, auctioning and managing for financial institutions' loan	100.00	245,244	33,336	27,314	-	27,314	100.00	Subsidiary
Sunny International Leasing Co., Ltd.	Taipei	Leasing business	100.00	1,363,064	78,618	152,500	-	152,500	100.00	Subsidiary
Sunny E-Commercial Co., Ltd.	Taipei	Mobile payment and business	100.00	57,968	(6,448)	7,929	-	7,929	100.00	Subsidiary
Sunny Microfinance PLC.	Cambodia	Financial business	100.00	445,383	1,567	1,480	-	1,480	100.00	Subsidiary
Financial Information Service Co., Ltd.	Taipei	Planning and developing the information system of banking institutions and managing the information web system	2.64	866,642	48,291	19,674	-	19,674	2.64	
Taiwan Financial Asset Service Co., Ltd.	Taipei	Auction	2.94	54,300	1,050	5,000	-	5,000	2.94	
Taiwan Depository and Clearing Co., Ltd.	Taipei	Business related to the depository and book-entry system of TOCC	0.29	423,434	6,781	2,938	-	2,938	0.29	
Sunny Asset Management Co., Ltd.	Taipei	Purchasing of financial institutions' loan assets	1.11	1,134	78	67	-	67	1.11	
Taiwan Mobile Payment Co., Ltd.	Taipei	Mobile payment and business	1.00	4,698	-	600	-	600	1.00	

Note 1: All of the existing shares of investees or fictional shareholdings which are held by the Company and subsidiaries' directors, supervisors, managers and affiliates which conform to the definition of the Company Act have been reported.

Note 2: The investment gain (loss) recognized was recognized by using the equity method and realized gain on financial assets measured at FVTOCI.

TABLE 3

SUNNY BANK AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

Holding Company	Type and Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Sunny International Leasing Co., Ltd.	Stock							
	Sunny Finance Lease (HK) Limited	Subsidiary	Investments accounted for using the equity method	30,000	$ 968,926	100.00	$ 968,926	
Sunny Finance Lease (HK) Limited	Stock							
	Sunny Finance and Leasing (China) Co., Ltd.	Subsidiary	Investments accounted for using the equity method	-	968,863	100.00	968,863	

TABLE 4

SUNNY BANK AND SUBSIDIARIES

INFORMATION ON THE INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars and Thousands of Foreign Currency)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025 (Note 1)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025
					Outward	Inward (Note 1)						
Sunny Finance and Leasing (China) Co., Ltd.	Leasing	$ 942,900 (US$ 30,000)	Investment in mainland China companies through an existing company established in a third region.	$ 784,376 (US$ 24,956)	$ -	$ 39,626 (US$ 1,261)	$ 744,750 (US$ 23,696)	$ 14,338 (RMB 3,313)	100	$ 14,338 (RMB 3,313)	$ 968,863	$ 196,268 (RMB 6,304)

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Limit on the Amount of Investment, as Stipulated by the Investment Commission, MOEA
$744,750 (US$23,696)	$942,900 (US$30,000)	$817,815

Note 1: Based on Rule No. 102000005490 approved by the Investment commission, MOEA on January 18, 2013, the authorized investment amount is US$10,000 thousand; on Rule No. 10400025930 and Rule No. 10400089230 approved by the Investment commission, MOEA on February 25, 2015 and on May 11, 2015, the authorized investment amount is US$7,000 thousand; on Rule No. 10500137350 approved by the Investment commission, MOEA on June 27, 2016, the authorized investment amount is US$1,500 thousand; on Rule No. 10600290020 approved by the Investment commission, MOEA on December 1, 2017, the authorized investment amount is US$3,500 thousand; on Rule No. 10700118050 approved by the Investment commission, MOEA on May 24, 2018, the authorized investment amount is US$8,000 thousand; on Rule No. 11100215110 approved by the Investment commission, MOEA on December 23, 2022, the authorized Surplus repatriation is US$2,959 thousand; on Rule No. 11256105890 approved by the Investment commission, MOEA on October 20, 2023, the authorized Surplus repatriation is US$2,085 thousand. on Rule No. 11420184010 approved by the Investment commission, MOEA on November 5, 2025, the authorized Surplus repatriation is US$1,261 thousand.

Note 2: Foreign currencies are converted into New Taiwan dollars at the exchange rate as of the balance sheet date.

<u>**TABLE 5**</u>

SUNNY BANK LTD. AND SUBSIDIARIES

TRANSACTIONS WITH RELATED PARTIES
FOR THE YEAR ENDED DECEMBER 31, 2025
(In Thousands of New Taiwan Dollars)

No.	Transaction Company	Counterparty	Flow of Transaction	Description of Transactions			Percentage to Consolidated Revenue/Assets
				Financial Statement Account	Transaction Amount	Transaction Item	
0	Sunny Bank Ltd.	Sunny Securities Co., Ltd.	From parent company to subsidiary	Deposits and remittances	$ 198,764	Interest is calculated based on annual deposit interest rate from 0% to 1.70%	-
		Sunny International Leasing Co., Ltd.	From parent company to subsidiary	Deposits and remittances	487,798	Interest is calculated based on annual deposit interest rate from 0.05% to 4.1%	-
		King Sunny Assets Management Co., Ltd.	From parent company to subsidiary	Deposits and remittances	17,274	Interest is calculated based on annual deposit interest rate from 0% to 0.61%	-

Note 1: All intercompany transactions, balances, income and expenses have been eliminated in full upon consolidation.

Note 2: This table includes transactions each amounting to over $10 million.

Annex.II Sunny Bank Ltd.

Financial Statements for the
Years Ended December 31, 2025 and 2024 and
Independent Auditor's Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Sunny Bank Ltd.

Opinion

We have audited the accompanying financial statements of Sunny Bank Ltd. (the "Bank"), which comprise the balance sheets as of December 31, 2025 and 2024, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended, in conformity with Regulations Governing the Preparation of Financial Reports by Public Banks, the Regulations Governing the Preparation of Financial Reports by Securities Firms and the guidelines issued by the authority.

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 Financial Statements section of our report. We are independent of the Bank 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 financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the 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 Bank's financial statements for the year ended December 31, 2025 is stated as follows:

Impairment of Discounts and Loans

As of December 31, 2025, the New Taiwan dollar-denominated discounts and loans of the Bank amounted to $520,017,290 thousand, which was significant to the financial statements as a whole. Besides assessing the expected credit losses of loans in accordance with IFRS 9 “Financial Instruments”, the management of the Bank complies with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans and related regulations (the “Regulations”) when evaluating the classification of credit assets and recognizing allowance for possible losses. Refer to Note 4 to the accompanying financial statements for the Bank’s accounting policies on the impairment of discounts and loans; refer to Note 5 for material accounting judgments and key sources of estimation uncertainty, and Notes 14 and 45 for more details and disclosures.

Because the classification of credit assets and the recognition of the allowance for credit losses in accordance with the Regulations result in an amount significantly greater than the expected credit loss under IFRS 9 “Financial Instruments”, and involve significant management judgment and accounting estimates, we identified the allowance for loan impairment recognized in accordance with the Regulations as a key audit matter.

The audit procedures in response to the key audit matter described above included, among others, obtaining an understanding of and testing the effectiveness of the Bank’s internal controls over the assessment of impairment on loans; performing sample tests on the classification of the Bank’s credit assets in accordance with the Regulations; performing, for non-performing loans, sampling-based assessments of the allowance for credit losses with reference to factors such as the duration of delinquency and the status of collateral; and, evaluating whether the recognition and measurement of the allowance for credit losses complied with the Regulations.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, the Regulations Governing the Preparation of Financial Reports by Securities Firms and the guidelines issued by the authority, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank’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 Bank 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 Bank’s financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Bank'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 Bank'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 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 Bank to cease to continue as a going concern.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hsieh-Chang Li and You-Cheng Hsin.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 9, 2026

<u>*Notice to Readers*</u>

The accompanying financial statements are intended only to present the 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 financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying 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 financial statements shall prevail.

SUNNY BANK LTD.

BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025		2024	
ASSETS	**Amount**	**%**	**Amount**	**%**
CASH AND CASH EQUIVALENTS (Notes 4 and 6)	$ 5,761,492	1	$ 8,640,840	1
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Note 7)	41,534,174	5	36,340,786	5
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4 and 8)	44,582,208	6	32,441,720	4
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 9, 11 and 42)	117,418,100	15	111,061,484	15
FINANCIAL ASSETS AT AMORTIZED COST (Notes 4, 10, 11 and 42)	36,715,923	5	38,840,191	5
SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL (Notes 4 and 12)	4,110,716	1	2,804,675	-
RECEIVABLES, NET (Notes 4 and 13)	3,325,797	-	3,096,621	1
DISCOUNTS AND LOANS, NET (Notes 4, 14 and 41)	528,698,793	65	499,250,517	66
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD, NET (Notes 4 and 15)	3,114,029	-	2,721,964	-
OTHER FINANCIAL ASSETS, NET (Notes 4 and 16)	2,907,987	-	2,346,028	-
PROPERTY AND EQUIPMENT, NET (Notes 4 and 17)	19,902,984	2	18,433,048	3
RIGHT-OF-USE ASSETS, NET (Notes 4, 18 and 41)	155,854	-	173,550	-
INVESTMENT PROPERTIES, NET (Notes 4 and 19)	1,175,308	-	1,181,481	-
INTANGIBLE ASSETS, NET (Notes 4 and 20)	1,163,096	-	1,172,665	-
DEFERRED TAX ASSETS (Notes 4 and 39)	391,412	-	261,891	-
OTHER ASSETS, NET (Notes 21, 28 and 42)	167,632	-	247,186	-
TOTAL	$ 811,125,505	100	$ 759,014,647	100
LIABILITIES AND EQUITY				
DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS (Note 22)	$ 5,503,606	1	$ 3,561,883	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4 and 8)	25,459	-	57,050	-
SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE (Notes 4, 9, 10 and 23)	8,896,963	1	2,642,045	-
PAYABLES (Note 24)	3,883,578	-	3,904,031	1
CURRENT TAX LIABILITIES (Notes 4 and 39)	494,944	-	394,188	-
DEPOSITS AND REMITTANCES (Notes 25 and 41)	721,843,115	89	685,108,265	90
BANK DEBENTURES (Note 26)	13,520,000	2	12,860,000	2
PROVISIONS (Notes 4, 27 and 28)	105,260	-	49,877	-
LEASE LIABILITIES (Notes 4, 18 and 41)	159,699	-	174,930	-
DEFERRED TAX LIABILITIES (Notes 4 and 39)	106,829	-	131,938	-
OTHER LIABILITIES (Note 29)	586,200	-	594,412	-
Total liabilities	755,125,653	93	709,478,619	93
EQUITY (Notes 4 and 30)				
Ordinary shares	40,403,056	5	37,887,554	5
Capital surplus	171,706	-	133,317	-
Retained earnings				
Legal reserve	9,072,160	1	7,882,379	1
Special reserve	1,542,536	-	1,104,187	-
Unappropriated earnings	4,115,338	1	4,028,471	1
Total retained earnings	14,730,034	2	13,015,037	2
Other equity	695,056	-	(1,499,880)	-
Total equity	55,999,852	7	49,536,028	7
TOTAL	$ 811,125,505	100	$ 759,014,647	100

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

SUNNY BANK LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INTEREST REVENUE	$ 20,104,593	179	$ 18,737,758	184	7
LESS: INTEREST EXPENSE	11,732,588	104	10,762,402	106	9
NET INTEREST (Notes 4, 31 and 41)	8,372,005	75	7,975,356	78	5
NET REVENUES OTHER THAN INTEREST (Note 4)					
Commission and fee revenues, net (Notes 32 and 41)	1,792,068	16	1,565,219	16	14
Gains on financial assets and liabilities at fair value through profit or loss (Note 33)	671,319	6	394,739	4	70
Realized gains on financial assets at fair value through other comprehensive income (Note 34)	69,297	1	113,790	1	(39)
Foreign exchange gain	19,288	-	206,231	2	(91)
(Impairment loss) reversal of impairment loss on assets	(1,853)	-	23,828	-	(108)
Share of profit (loss) of subsidiaries	165,911	1	(178,050)	(2)	193
Rental income (Note 41)	97,812	1	85,806	1	14
Other noninterest net revenue (Note 35)	27,331	-	18,933	-	44
Total net revenues other than interest	2,841,173	25	2,230,496	22	27
TOTAL NET REVENUE	11,213,178	100	10,205,852	100	10
ALLOWANCE FOR DOUBTFUL ACCOUNTS AND GUARANTEES RECOGNIZED (Notes 4 and 14)	(899,212)	(8)	(781,788)	(7)	15
OPERATING EXPENSES					
Employee benefits (Notes 4, 28, 30, 36 and 41)	3,179,486	28	2,850,989	28	12
Depreciation and amortization (Notes 4 and 37)	466,927	4	371,882	4	26
Others (Notes 38 and 41)	1,858,493	17	1,681,048	16	11
Total operating expenses	5,504,906	49	4,903,919	48	12

(Continued)

SUNNY BANK LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024		Percentage Increase (Decrease)
	Amount	**%**	**Amount**	**%**	**%**
INCOME BEFORE INCOME TAX	$ 4,809,060	43	$ 4,520,145	45	6
INCOME TAX EXPENSE (Notes 4 and 39)	898,764	8	912,617	9	(2)
NET INCOME	3,910,296	35	3,607,528	36	8
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligation (Notes 4 and 28)	(65,218)	-	12,929	-	(604)
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	375,610	3	571,176	6	(34)
Share of other comprehensive (loss) income of subsidiaries	(2,829)	-	679	-	(517)
Income tax relating to items that will not be reclassified subsequently (Notes 4 and 39)	13,043	-	(2,586)	-	604
	320,606	3	582,198	6	(45)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations	2,635	-	1,084	-	143
Share of other comprehensive (loss) income of subsidiaries	(17,405)	-	55,516	-	(131)
Gain (loss) from investments in debt instruments measured at fair value through other comprehensive income	1,967,054	17	(718,883)	(7)	374
	1,952,284	17	(662,283)	(7)	395
Other comprehensive income (loss) for the year, net of income tax	2,272,890	20	(80,085)	(1)	2,938
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 6,183,186	55	$ 3,527,443	35	75

(Continued)

SUNNY BANK LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024		Percentage Increase (Decrease)
	Amount	**%**	**Amount**	**%**	**%**
EARNINGS PER SHARE (Note 40)					
Basic	$ 0.99		$ 0.94		
Diluted	$ 0.98		$ 0.94		

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

SUNNY BANK LTD.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	Share Capital			Retained Earnings				Other Equity		
	Shares in Thousand	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE ON JANUARY 1, 2024	3,400,706	$ 34,007,060	$ 104,517	$ 6,989,539	$ 2,441,242	$ 3,019,171	$ 12,449,952	$ (62,283)	$ (999,249)	$ 45,499,997
Appropriation of the 2023 earnings										
Legal reserve	-	-	-	892,840	-	(892,840)	-	-	-	-
Reversal of special reserve	-	-	-	-	(1,337,055)	1,337,055	-	-	-	-
Cash dividends	-	-	-	-	-	(1,020,212)	(1,020,212)	-	-	(1,020,212)
Share dividends	238,049	2,380,494	-	-	-	(2,380,494)	(2,380,494)	-	-	-
Net income for the year ended December 31, 2024	-	-	-	-	-	3,607,528	3,607,528	-	-	3,607,528
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	-	11,022	11,022	56,600	(147,707)	(80,085)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	3,618,550	3,618,550	56,600	(147,707)	3,527,443
Issue of ordinary shares for cash	150,000	1,500,000	-	-	-	-	-	-	-	1,500,000
Value of share-based payment under employee share options	-	-	28,800	-	-	-	-	-	-	28,800
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	347,241	347,241	-	(347,241)	-
BALANCE ON DECEMBER 31, 2024	3,788,755	37,887,554	133,317	7,882,379	1,104,187	4,028,471	13,015,037	(5,683)	(1,494,197)	49,536,028
Appropriation of the 2024 earnings										
Legal reserve	-	-	-	1,189,781	-	(1,189,781)	-	-	-	-
Special reserve	-	-	-	-	438,494	(438,494)	-	-	-	-
Cash dividends	-	-	-	-	-	(757,751)	(757,751)	-	-	(757,751)
Share dividends	151,550	1,515,502	-	-	-	(1,515,502)	(1,515,502)	-	-	-
Reversal of special reserve	-	-	-	-	(145)	145	-	-	-	-
Other changes in capital surplus	-	-	9,689	-	-	-	-	-	-	9,689
Net income for the year ended December 31, 2025	-	-	-	-	-	3,910,296	3,910,296	-	-	3,910,296
Other comprehensive income (loss) for the year ended December 31, 2025, net of income tax	-	-	-	-	-	(55,004)	(55,004)	(14,770)	2,342,664	2,272,890
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	-	3,855,292	3,855,292	(14,770)	2,342,664	6,183,186
Issue of ordinary shares for cash	100,000	1,000,000	-	-	-	-	-	-	-	1,000,000
Value of share-based payment under employee share options	-	-	28,700	-	-	-	-	-	-	28,700
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	132,958	132,958	-	(132,958)	-
BALANCE ON DECEMBER 31, 2025	4,040,305	$ 40,403,056	$ 171,706	$ 9,072,160	$ 1,542,536	$ 4,115,338	$ 14,730,034	$ (20,453)	$ 715,509	$ 55,999,852

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

SUNNY BANK LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 4,809,060	$ 4,520,145
Adjustments for:		
Depreciation expense	387,936	304,928
Amortization expense	78,991	66,954
Allowance for doubtful accounts and guarantees recognized	899,212	781,788
Interest expense	11,732,588	10,762,402
Interest revenue	(20,104,593)	(18,737,758)
Dividend income	(243,849)	(148,958)
Share-based payments	28,700	28,800
Share of (profit) loss of subsidiaries	(165,911)	178,050
Gain on disposal of property and equipment	(60)	(652)
Reclassification of property and equipment to expenses	1,224	-
Gain on disposal of investment properties	-	(860)
Gain on other lease	(638)	(622)
Realized loss on financial assets at fair value through other comprehensive income	174,552	33,932
Impairment loss (reversal of impairment loss) on financial assets	1,853	(13,828)
Reversal of impairment loss on non-financial assets	-	(10,000)
Changes in operating assets and liabilities		
Increase in due from the Central Bank and call loans to other banks	(3,562,777)	(1,556,127)
Increase in financial assets at fair value through profit or loss	(12,140,488)	(18,749,740)
Increase in financial assets at fair value through other comprehensive income	(4,190,686)	(10,623,304)
Decrease in financial assets at amortized cost	1,991,182	239,053
Increase in receivables	(25,068)	(173,503)
Increase in discounts and loans	(30,434,190)	(23,785,912)
Increase (decrease) in due to the Central Bank and other banks	1,941,723	(2,732,723)
(Decrease) increase in financial liabilities at fair value through profit or loss	(31,591)	54,349
Increase (decrease) in securities sold under agreements to repurchase	6,254,918	(3,722,102)
Decrease in payables	(195,375)	(933,456)
Increase in deposits and remittances	36,734,850	51,904,887
Increase (decrease) in provision	246	(1,009)
Net cash used in operations	(6,058,191)	(12,315,266)
Interest received	20,136,815	18,866,653
Dividends received	293,915	196,803
Interest paid	(11,547,977)	(10,775,990)
Income tax paid	(939,595)	(589,463)
Net cash generated from (used in) operating activities	1,884,967	(4,617,263)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments accounted for using equity method	(300,000)	-
Payments for property and equipment	(1,820,907)	(845,155)

(Continued)

SUNNY BANK LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024
(In Thousands of New Taiwan Dollars)

	2025	2024
Proceeds from disposal of property and equipment	$ 60	$ 652
Payments for intangible assets	(48,355)	(60,250)
Proceeds from disposal of investment properties	-	1,909
(Increase) decrease in other financial assets	(565,431)	2,459,049
Decrease (increase) in other assets	63,793	(105,919)
Net cash (used in) generated from investing activities	(2,670,840)	1,450,286
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuing of bank debentures	660,000	-
Repayment of bank debentures	-	(1,100,000)
Repayment of the principal portion of lease liabilities	(47,809)	(53,502)
Decrease (increase) in other liabilities	(8,212)	78,878
Cash dividends paid	(757,751)	(1,020,212)
Proceeds from issue of ordinary shares	1,000,000	1,500,000
Net cash generated from (used in) financing activities	846,228	(594,836)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(3,051)	(7,633)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	57,304	(3,769,446)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	13,727,376	17,496,822
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 13,784,680	$ 13,727,376

Reconciliation of the amounts in the statement of cash flows with the equivalent items reported in the balance sheets at December 31, 2025 and 2024:

	December 31	
	2025	2024
Cash and cash equivalents in balance sheets	$ 5,761,492	$ 8,640,840
Due from the Central Bank and call loans to other banks reclassified as cash and cash equivalents under IAS 7 “Statement of Cash Flows”	3,912,472	2,281,861
Securities purchased under agreements to resell reclassified as cash and cash equivalents under IAS 7 “Statement of Cash Flows”	4,110,716	2,804,675
Cash and cash equivalents at the end of the year	$ 13,784,680	$ 13,727,376

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

陽信銀行
SUNNY BANK