

**Taipei Fubon Commercial Bank
Co., Ltd. and Subsidiaries**

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taipei Fubon Commercial Bank Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Taipei Fubon Commercial Bank Co., Ltd. (the "Bank") and its subsidiaries, which comprise the consolidated balance sheets as of June 30, 2026, December 31, 2025 and June 30, 2025, the consolidated statements of comprehensive income for the three months and the six months ended June 30, 2026 and 2025, the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2026 and 2025, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Taipei Fubon Commercial Bank Co., Ltd. and its subsidiaries as of June 30, 2026, December 31, 2025 and June 30, 2025, and its consolidated financial performance for the three months and the six months ended June 30, 2026 and 2025, and its consolidated cash flows for the six months ended June 30, 2026 and 2025, in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, certain other guidelines issued by the local authorities and International Accounting Standards (IAS) 34 "Interim Financial Reporting" endorsed 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 Bank and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the six months ended June 30, 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Bank and its subsidiaries' consolidated financial statements for the six months ended June 30, 2026 are stated as follows:

Impairment of Discounts and Loans

Refer to Note 4(8) to the consolidated financial statements for the accounting policies on the impairment of discounts and loans. Refer to Note 5 to the consolidated financial statements for the critical estimations and judgments about the impairment of discounts and loans. Refer to Notes 14 and 53 to the consolidated financial statements for the details of the other related information about the impairment of discounts and loans.

Management assesses the impairment of discounts and loans in accordance with International Financial Reporting Standard 9 and complies with the regulatory requirements. As the assessment of the impairment on the aforementioned assets involves the management's critical judgments, estimations and assumptions, we considered the impairment assessment on loans as a key audit matter.

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

1. We understood and tested the internal controls relevant to the lending process and assessment of loan impairment.
2. We tested whether the expected credit loss was calculated by loans grouped by borrowers and credit risk characteristics. We further verified whether the parameters utilized in the impairment loss model (including the probability of default, loss given default, and exposure at default) to reflect the actual situation, and we recalculated the impairment loss on loans.
3. We examined the classification of loan credit assets, and assessed the loan provisions in compliance with relevant regulations.

Other Matter

We have also audited the parent company only financial statements of Taipei Fubon Commercial Bank Co., Ltd. as of and for the six months ended June 30, 2026 and 2025 on which we have issued an unqualified 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 guidelines issued by the authorities and International Accounting Standards (IAS) 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Bank and its subsidiaries' 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 and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit and risk committee, are responsible for overseeing the Bank and its subsidiaries' 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 and its subsidiaries' 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 and its subsidiaries' ability to continue as a going concern. If we conclude that a material going concern 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 Bank and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed by the audit teams of the Bank and its subsidiaries. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the six months ended June 30, 2026 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Mei-Hui Wu and Zhi-Xian Ke.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 19, 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 accepted and 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.

TAIPEI FUBON COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2026		December 31, 2025		June 30, 2025	
	Amount	%	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS (Notes 4, 6 and 46)	\$ 34,152,207	1	\$ 71,717,496	2	\$ 53,262,312	1
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Note 7)	494,696,621	9	434,879,737	8	402,954,707	8
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8, 16 and 46)	293,565,577	5	212,017,146	4	246,180,799	5
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 9, 11 and 16)	389,281,099	7	391,665,110	8	384,823,484	8
INVESTMENTS IN DEBT INSTRUMENTS MEASURED AT AMORTIZED COST (Notes 4, 10, 11, 16 and 48)	970,992,972	17	960,808,475	18	840,045,290	17
FINANCIAL ASSETS FOR HEDGING (Notes 4 and 11)	4,539,512	-	3,885,376	-	4,768,934	-
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Notes 4, 12 and 46)	55,121,229	1	49,969,185	1	28,366,295	1
RECEIVABLES, NET (Notes 4, 13 and 46)	208,084,727	4	186,747,059	4	184,999,149	4
CURRENT TAX ASSETS (Notes 4, 44 and 46)	727,194	-	719,470	-	695,705	-
DISCOUNTS AND LOANS, NET (Notes 4, 14 and 46)	3,095,017,126	55	2,845,265,890	54	2,626,870,567	54
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Notes 4 and 17)	18,689,248	-	18,851,999	-	18,246,558	-
OTHER FINANCIAL ASSETS, NET (Notes 4, 18, 46 and 48)	26,138,601	1	13,695,354	-	19,399,154	1
PROPERTY AND EQUIPMENT, NET (Notes 4 and 19)	21,414,284	-	21,247,575	1	21,094,325	1
RIGHT-OF-USE ASSETS, NET (Notes 4, 20 and 46)	4,376,353	-	4,410,299	-	4,725,231	-
INVESTMENT PROPERTIES (Notes 4 and 21)	5,401,720	-	5,311,713	-	4,415,140	-
INTANGIBLE ASSETS, NET (Notes 4 and 22)	16,061,759	-	15,868,013	-	14,832,263	-
DEFERRED TAX ASSETS (Notes 4 and 44)	3,158,793	-	3,175,844	-	3,216,164	-
OTHER ASSETS (Notes 23 and 46)	<u>16,954,617</u>	<u>-</u>	<u>18,235,964</u>	<u>-</u>	<u>15,922,214</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 5,658,373,639</u>	<u>100</u>	<u>\$ 5,258,471,705</u>	<u>100</u>	<u>\$ 4,874,818,291</u>	<u>100</u>
LIABILITIES AND EQUITY						
DEPOSITS FROM THE CENTRAL BANK AND BANKS (Notes 24 and 46)	\$ 194,202,711	3	\$ 247,894,476	5	\$ 152,290,035	3
DUE TO THE CENTRAL BANK AND BANKS (Notes 25 and 47)	186,283	-	256,109	-	71,680	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8 and 46)	50,699,681	1	50,184,076	1	69,200,906	1
FINANCIAL LIABILITIES FOR HEDGING (Notes 4 and 11)	13,653,757	-	17,589,109	-	16,184,381	-
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 4, 26 and 46)	58,464,872	1	29,726,275	-	30,148,500	1
PAYABLES (Notes 27 and 46)	94,659,635	2	88,306,763	2	97,321,707	2
CURRENT TAX LIABILITIES (Notes 4, 44 and 46)	4,869,364	-	5,174,709	-	4,012,484	-
DEPOSITS AND REMITTANCES (Notes 28 and 46)	4,649,790,140	82	4,256,288,759	81	3,977,425,993	82
BANK DEBENTURES (Notes 11, 29 and 47)	146,572,585	3	138,970,140	3	123,944,940	2
OTHER FINANCIAL LIABILITIES (Notes 30 and 46)	53,068,407	1	50,815,989	1	46,336,133	1
PROVISIONS (Notes 4, 31, 32 and 46)	2,655,925	-	2,473,281	-	2,648,737	-
LEASE LIABILITIES (Notes 4, 20, 46 and 47)	4,482,649	-	4,532,409	-	4,847,216	-
DEFERRED TAX LIABILITIES (Notes 4 and 44)	3,883,516	-	3,874,809	-	3,622,603	-
OTHER LIABILITIES (Notes 33 and 46)	<u>19,280,010</u>	<u>-</u>	<u>15,643,854</u>	<u>-</u>	<u>27,603,719</u>	<u>1</u>
Total liabilities	<u>5,296,469,535</u>	<u>93</u>	<u>4,911,730,758</u>	<u>93</u>	<u>4,555,659,034</u>	<u>93</u>
EQUITY (Notes 4 and 34)						
Attributable to owners of the Bank						
Capital stock						
Common stock	171,800,001	3	157,598,061	3	157,598,061	3
Reserve for capital increase	<u>346,374</u>	<u>-</u>	<u>14,201,940</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital stock	<u>172,146,375</u>	<u>3</u>	<u>171,800,001</u>	<u>3</u>	<u>157,598,061</u>	<u>3</u>
Capital surplus	<u>1,712,195</u>	<u>-</u>	<u>1,708,604</u>	<u>-</u>	<u>15,906,386</u>	<u>-</u>
Retained earnings						
Legal reserve	103,558,420	2	92,342,724	2	92,342,724	2
Special reserve	5,853,786	-	5,815,822	-	5,815,822	-
Unappropriated earnings	<u>27,029,217</u>	<u>1</u>	<u>37,385,654</u>	<u>1</u>	<u>19,506,963</u>	<u>1</u>
Total retained earnings	<u>136,441,423</u>	<u>3</u>	<u>135,544,200</u>	<u>3</u>	<u>117,665,509</u>	<u>3</u>
Other equity	<u>20,836,568</u>	<u>-</u>	<u>8,857,627</u>	<u>-</u>	<u>1,046,167</u>	<u>-</u>
Total equity attributable to owners of the Bank	<u>331,136,561</u>	<u>6</u>	<u>317,910,432</u>	<u>6</u>	<u>292,216,123</u>	<u>6</u>
Non-controlling interests	<u>30,767,543</u>	<u>1</u>	<u>28,830,515</u>	<u>1</u>	<u>26,943,134</u>	<u>1</u>
Total equity	<u>361,904,104</u>	<u>7</u>	<u>346,740,947</u>	<u>7</u>	<u>319,159,257</u>	<u>7</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 5,658,373,639</u>	<u>100</u>	<u>\$ 5,258,471,705</u>	<u>100</u>	<u>\$ 4,874,818,291</u>	<u>100</u>

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

TAIPEI FUBON COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
NET INTEREST INCOME								
(Notes 4, 35 and 46)								
Interest income	\$ 40,511,047	138	\$ 35,202,782	153	\$ 79,368,209	136	\$ 70,811,529	148
Interest expense	<u>(22,267,276)</u>	<u>(76)</u>	<u>(21,126,478)</u>	<u>(92)</u>	<u>(44,076,412)</u>	<u>(76)</u>	<u>(43,121,479)</u>	<u>(90)</u>
Total net interest income	<u>18,243,771</u>	<u>62</u>	<u>14,076,304</u>	<u>61</u>	<u>35,291,797</u>	<u>60</u>	<u>27,690,050</u>	<u>58</u>
NET NON-INTEREST INCOME								
Service fee income, net								
(Notes 4, 36 and 46)	6,269,334	21	3,818,234	16	13,477,015	23	9,595,927	20
Gains on financial assets and liabilities at fair value through profit or loss (Notes 8, 37 and 46)	2,513,383	9	3,454,899	15	5,297,521	9	6,982,308	15
Realized gains on financial assets at fair value through other comprehensive income (Notes 34 and 38)	911,120	3	1,361,197	6	1,699,469	3	2,479,429	5
(Losses) gains on derecognition of financial assets at amortized cost (Note 39)	(1,207)	-	(72,059)	-	247,858	-	240,452	-
Foreign exchange gains, net (Notes 4 and 40)	788,319	3	151,435	1	1,489,086	3	602,838	1
(Impairment loss on assets) reversal of impairment loss on assets (Notes 4, 9, 10 and 19)	48,764	-	(230,411)	(1)	63,449	-	(418,624)	(1)
Share of profit of associates accounted for using the equity method (Note 17)	323,793	1	203,631	1	497,250	1	340,941	1
Other non-interest income, net (Note 46)	<u>194,253</u>	<u>1</u>	<u>168,571</u>	<u>1</u>	<u>336,083</u>	<u>1</u>	<u>328,370</u>	<u>1</u>
Total net non-interest income	<u>11,047,759</u>	<u>38</u>	<u>8,855,497</u>	<u>39</u>	<u>23,107,731</u>	<u>40</u>	<u>20,151,641</u>	<u>42</u>
TOTAL NET REVENUE	<u>29,291,530</u>	<u>100</u>	<u>22,931,801</u>	<u>100</u>	<u>58,399,528</u>	<u>100</u>	<u>47,841,691</u>	<u>100</u>
ALLOWANCE FOR BAD DEBT EXPENSE, COMMITMENTS AND GUARANTEES (Notes 4 and 46)	<u>(1,300,977)</u>	<u>(4)</u>	<u>(1,626,120)</u>	<u>(7)</u>	<u>(3,876,240)</u>	<u>(7)</u>	<u>(3,438,563)</u>	<u>(7)</u>
OPERATING EXPENSES								
(Notes 32, 41, 42, 43 and 46)								
Employee benefits	(6,142,728)	(21)	(5,174,479)	(23)	(12,307,365)	(21)	(10,619,145)	(22)
Depreciation and amortization	(1,187,083)	(4)	(1,147,574)	(5)	(2,368,075)	(4)	(2,299,941)	(5)
Other general and administrative	<u>(4,263,657)</u>	<u>(15)</u>	<u>(3,912,331)</u>	<u>(17)</u>	<u>(8,463,055)</u>	<u>(14)</u>	<u>(7,794,953)</u>	<u>(16)</u>
Total operating expenses	<u>(11,593,468)</u>	<u>(40)</u>	<u>(10,234,384)</u>	<u>(45)</u>	<u>(23,138,495)</u>	<u>(39)</u>	<u>(20,714,039)</u>	<u>(43)</u>

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TAIPEI FUBON COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 16,397,085	56	\$ 11,071,297	48	\$ 31,384,793	54	\$ 23,689,089	50
INCOME TAX EXPENSE (Notes 4 and 44)	<u>(2,501,636)</u>	<u>(9)</u>	<u>(1,473,336)</u>	<u>(6)</u>	<u>(4,984,488)</u>	<u>(9)</u>	<u>(3,691,526)</u>	<u>(8)</u>
NET INCOME FOR THE PERIOD	<u>13,895,449</u>	<u>47</u>	<u>9,597,961</u>	<u>42</u>	<u>26,400,305</u>	<u>45</u>	<u>19,997,563</u>	<u>42</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Gain on property revaluation	-	-	-	-	-	-	96,159	-
Gains (losses) on investments in equity instruments at fair value through other comprehensive income (Note 34)	12,580,278	43	933,158	4	13,581,103	23	(1,623)	-
Change in fair value of financial liability attributable to change in credit risk of liability (Note 34)	-	-	(5)	-	-	-	(65)	-
Share of the other comprehensive income (loss) of associates accounted for using the equity method (Note 34)	589	-	(5,469)	-	1,837	-	(14,911)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 44)	<u>(86,379)</u>	<u>-</u>	<u>(32,838)</u>	<u>-</u>	<u>9,896</u>	<u>-</u>	<u>(93,317)</u>	<u>-</u>
	<u>12,494,488</u>	<u>43</u>	<u>894,846</u>	<u>4</u>	<u>13,592,836</u>	<u>23</u>	<u>(13,757)</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations (Note 34)	782,918	3	(7,115,832)	(31)	2,588,633	5	(6,029,624)	(13)
Share of other comprehensive income (loss) of associates accounted for using the equity method (Note 34)	(106,868)	(1)	(181,348)	(1)	(465,658)	(1)	(54,471)	-

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TAIPEI FUBON COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
(Losses) gains on investments in debt instruments at fair value through other comprehensive income (Note 34)	\$ (21,763)	-	\$ 723,737	3	\$ (1,399,451)	(2)	\$ 403,020	1
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 44)	(25,874)	-	(107,662)	-	228,521	-	52,542	-
	<u>628,413</u>	<u>2</u>	<u>(6,681,105)</u>	<u>(29)</u>	<u>952,045</u>	<u>2</u>	<u>(5,628,533)</u>	<u>(12)</u>
Other comprehensive income (loss) for the period, net of income tax	<u>13,122,901</u>	<u>45</u>	<u>(5,786,259)</u>	<u>(25)</u>	<u>14,544,881</u>	<u>25</u>	<u>(5,642,290)</u>	<u>(12)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 27,018,350</u>	<u>92</u>	<u>\$ 3,811,702</u>	<u>17</u>	<u>\$ 40,945,186</u>	<u>70</u>	<u>\$ 14,355,273</u>	<u>30</u>
NET INCOME ATTRIBUTABLE TO								
Owners of the Bank	\$ 13,585,027	46	\$ 9,408,999	41	\$ 25,743,761	44	\$ 19,520,758	41
Non-controlling interests	<u>310,422</u>	<u>1</u>	<u>188,962</u>	<u>1</u>	<u>656,544</u>	<u>1</u>	<u>476,805</u>	<u>1</u>
	<u>\$ 13,895,449</u>	<u>47</u>	<u>\$ 9,597,961</u>	<u>42</u>	<u>\$ 26,400,305</u>	<u>45</u>	<u>\$ 19,997,563</u>	<u>42</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO								
Owners of the Bank	\$ 26,242,557	89	\$ 5,994,558	26	\$ 39,008,158	67	\$ 15,915,656	33
Non-controlling interests	<u>775,793</u>	<u>3</u>	<u>(2,182,856)</u>	<u>(9)</u>	<u>1,937,028</u>	<u>3</u>	<u>(1,560,383)</u>	<u>(3)</u>
	<u>\$ 27,018,350</u>	<u>92</u>	<u>\$ 3,811,702</u>	<u>17</u>	<u>\$ 40,945,186</u>	<u>70</u>	<u>\$ 14,355,273</u>	<u>30</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS) (Note 45)								
Basic	<u>\$ 0.79</u>		<u>\$ 0.55</u>		<u>\$ 1.50</u>		<u>\$ 1.13</u>	

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

(Concluded)

TAIPEI FUBON COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Bank (Note 34)														
									Other Equity						
	Capital Stock		Reserve for Capital Increase	Capital Surplus	Retained Earnings				Exchange Differences on Translating Foreign Operations	Unrealized Gains or Losses on Financial Assets at Fair Value Through Other Comprehensive Income	Change in Fair Value of Financial Liability Attributable to Change in Credit Risk of Liability	Profit or Loss of Hedging Instruments	Revaluation Surplus	Non-controlling Interests	Total Equity
	Shares (Thousands)	Common Stock			Legal Reserve	Special Reserve	Unappropriated Earnings	Total							
BALANCE ON JANUARY 1, 2025	14,327,096	\$ 143,270,965	\$ -	\$ 30,228,389	\$ 82,815,883	\$ 5,461,175	\$ 31,756,136	\$ 120,033,194	\$ (1,281,907)	\$ 5,359,687	\$ 52	\$ (84,843)	\$ 723,041	\$ 28,503,517	\$ 326,752,095
Appropriation of the 2024 earnings															
Legal reserve	-	-	-	-	9,526,841	-	(9,526,841)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	354,647	(354,647)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(21,874,648)	(21,874,648)	-	-	-	-	-	-	(21,874,648)
Net income for the six months ended June 30, 2025	-	-	-	-	-	-	19,520,758	19,520,758	-	-	-	-	-	476,805	19,997,563
Other comprehensive (loss) income for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	-	(6,659)	(6,659)	(4,167,443)	484,550	(52)	(7,332)	91,834	(2,037,188)	(5,642,290)
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	-	19,514,099	19,514,099	(4,167,443)	484,550	(52)	(7,332)	91,834	(1,560,383)	14,355,273
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	71,420	71,420	-	(71,420)	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	5,093	-	-	(78,556)	(78,556)	-	-	-	-	-	-	(73,463)
Capital surplus transferred to capital stock	1,432,710	14,327,096	-	(14,327,096)	-	-	-	-	-	-	-	-	-	-	-
BALANCE ON JUNE 30, 2025	15,759,806	\$ 157,598,061	\$ -	\$ 15,906,386	\$ 92,342,724	\$ 5,815,822	\$ 19,506,963	\$ 117,665,509	\$ (5,449,350)	\$ 5,772,817	\$ -	\$ (92,175)	\$ 814,875	\$ 26,943,134	\$ 319,159,257
BALANCE ON JANUARY 1, 2026	15,759,806	\$ 157,598,061	\$ 14,201,940	\$ 1,708,604	\$ 92,342,724	\$ 5,815,822	\$ 37,385,654	\$ 135,544,200	\$ (1,987,840)	\$ 9,294,811	\$ -	\$ (3,073)	\$ 1,553,729	\$ 28,830,515	\$ 346,740,947
Appropriation of the 2025 earnings															
Legal reserve	-	-	-	-	11,215,696	-	(11,215,696)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	37,964	(37,964)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(25,785,620)	(25,785,620)	-	-	-	-	-	-	(25,785,620)
Stock dividends	-	-	346,374	-	-	-	(346,374)	(346,374)	-	-	-	-	-	-	-
Net income for the six months ended June 30, 2026	-	-	-	-	-	-	25,743,761	25,743,761	-	-	-	-	-	656,544	26,400,305
Other comprehensive income for the six months ended June 30, 2026, net of income tax	-	-	-	-	-	-	4,357	4,357	935,909	12,274,485	-	49,646	-	1,280,484	14,544,881
Total comprehensive income for the six months ended June 30, 2026	-	-	-	-	-	-	25,748,118	25,748,118	935,909	12,274,485	-	49,646	-	1,937,028	40,945,186
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	1,281,099	1,281,099	-	(1,281,099)	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	3,591	-	-	-	-	-	-	-	-	-	-	3,591
Capital surplus transferred to capital stock	1,420,194	14,201,940	(14,201,940)	-	-	-	-	-	-	-	-	-	-	-	-
BALANCE ON JUNE 30, 2026	17,180,000	\$ 171,800,001	\$ 346,374	\$ 1,712,195	\$ 103,558,420	\$ 5,853,786	\$ 27,029,217	\$ 136,441,423	\$ (1,051,931)	\$ 20,288,197	\$ -	\$ 46,573	\$ 1,553,729	\$ 30,767,543	\$ 361,904,104

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

TAIPEI FUBON COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 31,384,793	\$ 23,689,089
Adjustments for:		
Depreciation expense	1,585,023	1,559,539
Amortization expense	783,052	740,402
Provision for bad-debt expense	3,798,263	3,463,064
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	(5,297,521)	(6,982,308)
Interest expense	44,076,412	43,121,479
Net (gain) loss on derecognition of financial assets at amortized cost	(247,858)	(240,452)
Interest income	(79,368,209)	(70,811,529)
Dividend income	(894,490)	(1,126,322)
Net change in provision for guarantee liabilities	69,522	4,433
Net change in other provisions	8,737	(15,494)
Share of profit of associates accounted for using the equity method	(497,250)	(340,941)
Loss on disposal of property and equipment	906	2,003
Property and equipment transferred to expenses	404	-
Loss on disposal of intangible assets	30	2
Gain on disposal of investment properties	(804,979)	(1,353,107)
Impairment loss on financial assets	35,442	435,031
Reversal of impairment loss on financial assets	(119,725)	(16,407)
Impairment loss on non-financial assets	20,834	-
Gain on fair value adjustment of investment properties	(71,607)	(25,587)
Other adjustments	6,405	591,428
Changes in operating assets and liabilities		
Decrease (increase) in due from the Central Bank and call loans to other banks	3,136,674	(46,350,504)
(Increase) decrease in financial assets at fair value through profit or loss	(35,667,961)	8,298,591
Decrease (increase) in financial assets at fair value through other comprehensive income	19,202,333	(40,707,840)
(Increase) decrease in investments in debt instruments at amortized cost	(7,060,492)	40,863,974
Increase in securities sold under resell agreements	(97,586)	(27,659)
(Increase) decrease in receivables	(18,483,976)	9,263,494
Increase in discounts and loans	(237,743,785)	(109,121,475)
(Increase) decrease in other financial assets	(12,729,872)	4,924,525
Decrease in other assets	1,343,413	573,033
(Decrease) increase in deposits from the Central Bank and other banks	(54,570,829)	18,876,600
Decrease in financial liabilities at fair value through profit or loss	(41,305,320)	(20,428,424)
Increase (decrease) in securities sold under repurchase agreements	28,295,452	(1,899,824)
Increase in payables	3,666,300	17,735,921
Increase in deposits and remittances	369,583,417	70,135,010

(Continued)

TAIPEI FUBON COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2026	2025
Increase (decrease) in other financial liabilities	\$ 1,892,289	\$ (20,293,204)
Increase in provisions for employee benefits	103,547	113,079
Increase in other liabilities	<u>3,967,567</u>	<u>8,497,429</u>
Cash generated from (used in) operations	17,999,355	(66,852,951)
Interest received	79,877,396	73,432,926
Dividends received	861,559	830,505
Interest paid	(43,362,019)	(41,699,304)
Income tax paid	<u>(4,761,516)</u>	<u>(3,409,496)</u>
Net cash generated from (used in) operating activities	<u>50,614,775</u>	<u>(37,698,320)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using equity method	-	(1,755,000)
Acquisition of property and equipment	(1,036,673)	(774,231)
Proceeds from disposal of property and equipment	743	147
Acquisition of intangible assets	<u>(131,897)</u>	<u>(437,670)</u>
Net cash used in investing activities	<u>(1,167,827)</u>	<u>(2,966,754)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in due to the Central Bank and banks	-	1,806,697
Decrease in due to the Central Bank and banks	(79,218)	-
Proceeds from issuance of bank debentures	15,990,000	12,979,927
Repayments of bank debentures	(10,226,984)	(5,389,927)
Principal repayment of lease obligation	(929,476)	(911,939)
Cash dividends paid	<u>(25,785,620)</u>	<u>(21,874,648)</u>
Net cash used in financing activities	<u>(21,031,298)</u>	<u>(13,389,890)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>908,835</u>	<u>(7,229,410)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	29,324,485	(61,284,374)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>220,036,015</u>	<u>247,938,447</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 249,360,500</u>	<u>\$ 186,654,073</u>

(Continued)

TAIPEI FUBON COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

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

	June 30	
	2026	2025
Cash and cash equivalents in the consolidated balance sheets	\$ 34,152,207	\$ 53,262,312
Due from the Central Bank and call loans to other banks qualifying for cash and cash equivalents under the definition of IAS 7	161,550,299	106,769,086
Securities purchased under resell agreements qualifying for cash and cash equivalents under the definition of IAS 7	<u>53,657,994</u>	<u>26,622,675</u>
Cash and cash equivalents in the consolidated statements of cash flows	<u>\$ 249,360,500</u>	<u>\$ 186,654,073</u>

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

(Concluded)

TAIPEI FUBON COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Taipei Fubon Commercial Bank Co., Ltd. (the “Bank” or “Taipei Fubon Bank”) began operations as a financial institution under the Taipei City Government (“TCG”) in 1969. On July 1, 1984, it was reorganized into a limited liability corporation and was renamed City Bank of Taipei Co., Ltd. On January 1, 1993, the Bank was renamed TAIPEIBANK Co., Ltd. (“TAIPEIBANK”). On November 30, 1999, the Bank was privatized through the sale of its shares to the public, with TCG’s holdings reduced to less than 50% of the Bank’s outstanding capital stock. In a special meeting on October 4, 2002, the shareholders approved a share swap, which resulted in the Bank becoming a wholly-owned subsidiary of the Fubon Financial Holdings Company (“FFH”). The board of directors designated December 23, 2002 as the effective date of the share swap and the delisting of the Bank’s stock from the Taiwan Stock Exchange.

To enhance operating synergies and reduce operating costs, the boards of directors of the Bank and Fubon Bank Co., Ltd. (“Fubon Bank”, also a wholly-owned subsidiary of FFH) decided on January 1, 2005 to combine these two entities. On January 1, 2005, the Bank acquired the assets and liabilities of Fubon Bank through a share swap and changed its name to Taipei Fubon Commercial Bank Co., Ltd.

On September 20, 2006, the boards of directors of the Bank and Fubon Bills Finance Co., Ltd. (“FBFC”) decided to merge the Bank and FBFC to strengthen their operating synergies and lower operating costs, with the Bank as the surviving entity. The Bank set December 25, 2006 as the effective date of the merger.

Later, under the terms and conditions of the “Sale and Assumption Agreement” signed by the Bank, Chinfon Commercial Bank Co., Ltd. (“Chinfon Bank”), the Central Deposit Insurance Corp. and the Executive Yuan’s Financial Reconstruction Trust Corporation on October 30, 2009, the Bank assumed the assets, liabilities and businesses of the Hanoi branch and Ho Chi Minh City sub-branch of Chinfon Bank, effective on March 6, 2010, with the relevant authorities’ approval and then completed the settlement procedure.

On December 31, 2013, the Bank acquired 10% equity interest in First Sino Bank (“FSB”, which was renamed Fubon Bank (China) in April 2014). Fubon Bank (China) is the joint venture bank founded by the Shanghai Pudong Development Bank and Lotus Worldwide Ltd. on March 20, 1997 in Shanghai Pudong in accordance with “Regulations Governing Foreign Financial Institutions in the People’s Republic of China” and acquired an additional 41% equity interest on January 7, 2014. With the Bank’s 51% interest in FSB, the Bank became FSB’s parent company. On June 28, 2021, the Bank acquired additional equity interest again, with FFH and the Bank’s 42.08% and 57.92% interest in FSB.

The boards of directors of the Bank and Taipei Fubon Bank Life Insurance Agency Co., Ltd. decided to merge the Bank and Taipei Fubon Bank Life Insurance Agency Co., Ltd. to strengthen their operating synergies, with the Bank as the surviving entity. The Bank has set April 29, 2016 as the effective date of the merger.

On December 9, 2020, the Bank established TFB Capital Co., Ltd., which is a subsidiary of the Bank with 100% equity interest.

In order to expand business scale, integrate resources and enhance market competitiveness, the boards of directors of the Bank and Jih-Sun International Commercial Bank Co., Ltd. (“Jih-Sun Bank”) individually resolved to undertake a merger and entered into a merger contract, with the Bank as the surviving company and Jih-Sun Bank as the dissolved company, with the effective date of April 1, 2023.

In order to integrate resources and enhance operational efficiency, the boards of directors of the Bank, Jih-Sun International Property Insurance Agency Co., Ltd. (“Jih-Sun Property Insurance Agency”) and Jih-Sun Life Insurance Agency Co., Ltd. (“Jih-Sun Life Insurance Agency”) individually resolved to undertake mergers and entered into merger contracts, with the Bank as the surviving company, and Jih-Sun Property Insurance Agency and Jih-Sun Life Insurance Agency as the dissolved companies, with an effective date of May 16, 2023.

Under its business license, the Bank engages in all commercial banking operations authorized under the Banking Act.

As of June 30, 2026, the Bank had a trust department, an offshore banking unit (“OBU”), 171 domestic branches (including a business department), 6 overseas branches and 3 preparatory offices.

The operations of the Bank’s Trust Department include: (1) the planning, management and operation of trust businesses in accordance with the Banking Act and the Trust Enterprise Act; and (2) trust services involving investments in domestic and foreign securities and funds.

Fubon Bank (China) mainly renders foreign currency and RMB services to customers. As of June 30, 2026, Fubon Bank (China) had its headquarters and 24 branches and sub-branches within mainland China.

The Bank’s ultimate parent is FFH, which holds all the ordinary shares of the Bank.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Bank’s board of directors on August 19, 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 FSC

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Bank and its subsidiaries’ accounting policies.

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

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

Note 1: IFRS 18 will take effect starting from January 1, 2028 for domestic entities. Earlier application is permitted.

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

IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments and Amendments to IAS 28 “Amendments to the Fair Value Option for Investments in Associates and Joint Ventures”

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 Bank and its subsidiaries shall assess whether they have a specified main business activity 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 Bank and its subsidiaries 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 Bank and its subsidiaries shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Bank and its subsidiaries label 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 Bank and its subsidiaries as a whole, the Bank and its subsidiaries 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.

At the date of initial application of IFRS 18, an entity that is a venture capital organization, mutual fund, unit trust or similar entity is permitted to change its election from measuring an investment in an associate or joint venture from the equity method to fair value through profit or loss. The amendments to IAS 28 clarify that aforementioned “similar entity” includes the entity that performs the assessments in accordance with the requirements of IFRS 18 and concludes that it has a main business activity of investing in particular types of assets. If eligible, the Group may apply the transition upon initial application.

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

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

The Bank and its subsidiaries have decided not to apply IFRS 18 and consequential amendments earlier.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Bank and its subsidiaries are continuously assessing the possible impact of these amendments on their financial position and financial performance and will disclose the relevant impact when the assessment is completed.

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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note)</u>
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 20 “Regulatory Assets and Regulatory Liabilities”	January 1, 2029

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

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

The amendment stipulates that, when the Bank and its subsidiaries sell or contribute assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Bank and its subsidiaries lose control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Bank and its subsidiaries sell or contribute assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Bank and its subsidiaries’ interest as an unrelated investor in the associate or joint venture, i.e., the Bank and its subsidiaries’ share of the gain or loss is eliminated. Also, when the Bank and its subsidiaries lose control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Bank and its subsidiaries’ interest as an unrelated investor in the associate or joint venture, i.e., the Bank and its subsidiaries’ share of the gain or loss is eliminated.

- 2) IFRS 20 “Regulatory Assets and Regulatory Liabilities”

IFRS 20, which supersedes IFRS 14 “Regulatory Deferral Accounts”, specifies that a regulatory asset (liability) represents an enforceable present right (obligation), created by a regulatory agreement, to add (deduct) an amount in determining a regulated rate to be charged to customers in future periods. At the end of the reporting period, if the Bank and its subsidiaries conclude that it is more likely than not that qualifying regulatory assets or regulatory liabilities exist, the Bank and its subsidiaries shall recognize and measure such regulatory assets or regulatory liabilities using a cash-flow-based measurement technique, with the corresponding regulatory income and regulatory expenses recognized in profit or loss.

On initial application of IFRS 20, the Bank and its subsidiaries will be required to retrospectively restate comparative information. The Bank and its subsidiaries may elect to apply specified transition reliefs when measuring regulatory assets and regulatory liabilities at the beginning of the comparative period.

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, the guidelines issued by the competent authority, and IAS 34 "Interim Financial Reporting" as endorsed and issued by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments, investment properties which are measured at fair value and net defined benefit liabilities 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 the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- c. Level 3 inputs are unobservable inputs for the assets or liabilities.

Classification of Current and Non-current Assets and Liabilities

Since the Bank's accounts are a major part of the consolidated accounts and the operating cycle in the banking industry is harder to determine, accounts included in the consolidated financial statements of the Bank and its subsidiaries were not classified as current or non-current. Nevertheless, accounts were properly categorized in accordance with the nature of each account and sequenced by their liquidity. Refer to Note 53 for the maturity analysis of assets and liabilities.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Bank and the entities controlled by the Bank (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 Bank and its subsidiaries.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

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

Changes in the Bank's ownership interests in subsidiaries that do not result in the Bank losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Bank and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the Bank.

See Note 15 for the detailed information on subsidiaries (including the percentages of ownership and main businesses).

Foreign Currencies

In the preparation of the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (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 arising from settlement are recognized in profit or loss in the period in which they arise. Exchange differences on monetary items arising from translation are recognized in profit or loss in the period in which they arise, but cash flow hedges or effective portions of the hedging of net investments in foreign operations are recognized in other comprehensive income.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss. When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Bank's foreign operations are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income and accumulated in equity (attributed to the owners of the Bank and non-controlling interests as appropriate).

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, time deposits that can be readily terminated without the reduction of principal, and highly liquid short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows, cash and cash equivalents include cash and cash equivalents in balance sheets, and those amounts due from the Central Bank and call loans to other banks and securities purchased under resell agreements that meet the definition of cash and cash equivalents under IAS 7 "Statement of Cash Flows", etc.

Investments in Associates

An associate is an entity over which the Bank and its subsidiaries have significant influence and that is neither a subsidiary nor an interest in a joint venture.

The Bank uses the equity method to account for its investments in associates. Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Bank and its subsidiaries' share of the profit or loss and other comprehensive income of the associate. The Bank and its subsidiaries also recognize the changes in the Bank and its subsidiaries' share of equity of the associates.

Any acquisition cost in excess of the Bank and its subsidiaries' share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included in the carrying amount of the investment and is not amortized. The Bank and its subsidiaries' share of the net fair value of the identifiable assets and liabilities in excess of the cost of acquisition, after reassessment, is recognized immediately as the current bargain purchase.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

When the Bank and its subsidiaries subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Bank and its subsidiaries' proportionate interest in the associate. The Bank and its subsidiaries records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Bank and its subsidiaries' ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

Financial Instruments

Financial assets and financial liabilities are recognized when the Bank and its subsidiaries become parties 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 fair value through profit or loss) 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 fair value through profit or loss are recognized immediately in profit or loss.

a. Financial assets

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

1) Measurement categories

Financial assets are classified into the following categories: Financial assets at fair value through profit or loss, financial assets at amortized cost and investments in debt instruments and equity instruments at fair value through other comprehensive income.

a) Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when such a financial asset is mandatorily classified or designated as at fair value through profit or loss. Financial assets mandatorily classified as at fair value through profit or loss include investments in equity instruments which are not designated as at fair value through other comprehensive income and debt instruments that do not meet the amortized cost criteria or the fair value through other comprehensive income criteria.

A financial asset may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition mismatch that would otherwise arise.

Financial assets at fair value through profit or loss are subsequently measured at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 52.

b) Financial assets at amortized cost

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

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

Subsequent to initial recognition, financial assets at amortized cost 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.

c) Investments in debt instruments at fair value through other comprehensive income

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income:

- i. 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 asset; and
- ii. 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 fair value through other comprehensive income 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.

d) Investments in equity instruments at fair value through other comprehensive income

On initial recognition, the Bank and its subsidiaries may make an irrevocable election to designate investments in equity instruments as at fair value through other comprehensive income. Designation as at fair value through other comprehensive income 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 fair value through other comprehensive income 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 Bank and its subsidiaries' right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2) Impairment of financial assets

The Bank and its subsidiaries recognize a loss allowance for expected credit losses on financial assets at amortized cost and investments in debt instruments that are measured at fair value through other comprehensive income. For all other financial instruments, the Bank and its subsidiaries recognize 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 Bank and its subsidiaries measure the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

A loss allowance for lifetime expected credit losses is required for certain trade receivables that do not constitute a financing transaction.

The Bank and its subsidiaries recognize an impairment loss on all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of such a financial asset.

Under the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Nonaccrual Loans” (the “Regulations”) issued by the authorities, the Bank assesses the recoverability of credit assets on the basis of a customer's financial position, delinquency in interest or principal payments, and the Bank's internal valuation of collaterals.

Under the Regulations, the Bank categorizes credit assets (other than loans to the ROC government) into normal, special mention, substandard, doubtful, and loss, for which minimum provisions are 1%, 2%, 10%, 50%, and 100%, respectively. In addition, based on Rule No. 10300329440 issued by the FSC, for the banks to have enhanced risk coverage, the minimum provision for the loan loss reserve is 1.5% of the mortgage and construction loans that have been classified as normal assets. Based on Rule No. 10410001840 issued by the FSC, for the Bank to have an enhanced control of the exposure to risk in mainland China, the minimum provision for the loan loss reserve is 1.5% of the loans that were granted to companies based in mainland China and classified as normal assets.

Under the “Measures for the Risk Classification of Financial Assets of Commercial Banks” and “Notice of Supervisory Requirements for Loan Loss Provisioning” of the China Banking Insurance Regulatory Commission (now known as the National Financial Regulatory Administration) and The People's Bank of China, Fubon Bank (China) classifies its credit assets into normal, concern, subprime, doubtful, and losses. In addition, provision requirements for loan loss coverage and allowances for bad debts should meet the ratio requirements.

Credits deemed uncollectible may be written off if the write-off is approved by the board of directors.

3) Derecognition of financial assets

The Bank and its subsidiaries derecognize a financial asset only when the contractual rights to the cash flows from the asset expire or when they transfer the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Bank and its subsidiaries neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, the Bank and its subsidiaries recognize their retained interest in the asset and any associated liability for amounts they may have to pay. If the Bank and its subsidiaries retain

substantially all the risks and rewards of ownership of a transferred financial asset, the Bank and its subsidiaries continue to recognize the financial asset and also recognize a collateralized borrowing for the proceeds received.

On derecognition of a financial asset at amortized cost, 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 fair value through other comprehensive income, 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 fair value through other comprehensive income, 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.

On derecognition of a financial asset other than in its entirety, the Bank and its subsidiaries allocate the previous carrying amount of the financial asset between the part they continue to recognize and the part they no longer recognize on the basis of the relative fair values of these parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part that is no longer recognized is treated in the same way as when the financial asset is derecognized in entirety. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

b. Equity instruments

Debt and equity instruments issued by the Bank and its subsidiaries are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability or an equity instrument.

Equity instruments issued by the Bank and its subsidiaries are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Bank's own equity instruments is recognized in and deducted directly from equity. The carrying amount is calculated based on weighted averages by stock types. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Bank's own equity instruments.

c. Financial liabilities

1) Subsequent measurement

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

a) Financial liabilities at fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liabilities are either held for trading or are designated as at fair value through profit or loss.

Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest or dividends paid on the financial liability. Fair value is determined in the manner described in Note 52.

A financial liability may upon initial recognition be designated as at fair value through profit or loss only in one of the following circumstances:

- i. Such designation eliminates or significantly reduces a measurement or recognition mismatch that would otherwise arise; or
- ii. The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and has performance evaluated on a fair value basis, in accordance with Bank and its subsidiaries' documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- iii. The contract contains one or more embedded derivatives so that the entire combined contract (asset or liability) can be designated as at fair value through profit or loss.

For a financial liability designated as at fair value through profit or loss, the amount of changes in fair value attributable to changes in the credit risk of the liability is presented in other comprehensive income and will not be subsequently reclassified to profit or loss. The remaining amount of changes in the fair value of that liability which incorporates any interest or dividends paid on the financial liability is presented in profit or loss. The gain or loss accumulated in other comprehensive income will be transferred to retained earnings when the financial liabilities are derecognized. If this accounting treatment related to credit risk would create or enlarge an accounting mismatch, all changes in fair value of the liability are presented in profit or loss. Fair value is determined in the manner described in Note 52.

b) Financial guarantee contracts

Financial guarantee contracts issued by the Bank and its subsidiaries, if not designated as at fair value through profit or loss, are subsequently measured at the higher of the amount of the loss allowance reflecting expected credit losses, and the amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the revenue recognition policies, and assessed according to the minimum standard stipulated by "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Nonaccrual Loans".

2) Derecognition of financial liabilities

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

d. Derivative financial instruments

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

Derivatives embedded in hybrid contracts that contain financial asset host 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 fair value through profit or loss.

e. Modification of financial instruments

When a financial instrument is modified, the Bank and its subsidiaries assess 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 Bank and its subsidiaries recalculate 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.

Hedge Accounting

The Bank and its subsidiaries designate certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as fair value hedges.

At the start of a hedge relationship, the Bank and its subsidiaries document the relationship between the hedging instrument and the hedged item, along with their risk management objectives and their strategy for undertaking various hedge transactions. Further, at the start of the hedge and on an ongoing basis, the Bank and its subsidiaries document whether the hedging instrument is highly effective in offsetting the exposure to adverse changes in fair value or cash flows of the hedged item. Note 11 sets out the details of the fair value of the derivative instruments used for hedging purposes.

Fair value hedges

The change in the fair value of the hedging instrument (e.g., a derivative) and the change in the hedged item attributable to the hedged risk are recognized in profit or loss. If the hedged item is an equity instrument measured at fair value through other comprehensive income, such amounts are recognized in other comprehensive income and presented in the line item relating to the hedged item.

The Bank and its subsidiaries discontinue hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The fair value adjustment to the carrying amount of the hedged instrument, for which the effective interest method is used is amortized to profit or loss from the date of the discontinuation of hedge accounting. The adjustment is based on the recalculated effective interest rate at the date amortization begins.

Repurchase and Resell Transactions

Securities under repurchase or resell agreements are accounted for as securities sold under repurchase agreements or securities purchased under resell agreements. Related interest expenses and interest income are accrued over the period from the date of sale to the date of repurchase or from the date of purchase to the date of resell.

Property and Equipment

Property and equipment (P&E) are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

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 method are reviewed at the end of each reporting period, with the effect of any changes in estimate 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 for earning rentals and/or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs, and are subsequently measured using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which these changes arise.

The decision of the Bank and its subsidiaries to transfer items of property into or out of the classification as investment properties depends on the actual use of the assets. The value of a piece of property classified as investment properties should be based on its fair value assessment when transferring it to investment properties and it should be reclassified appropriately. For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of an item of property for subsequent accounting is its carrying amount at the commencement of owner-occupation. For a transfer of classification from property and equipment to investment properties, the difference between the original carrying amount and the fair value is recognized in other comprehensive income and accumulated in revaluation appreciation which is under equity. The difference will be transferred to retained earnings when the assets are derecognized.

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.

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 Bank and its subsidiaries' 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 when 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 has been acquired in a business combination during the current annual period, this unit should be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

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

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 life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

b. Intangible assets acquired in a business combination

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

c. Derecognition of intangible assets

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

Impairment of Property and Equipment, Right of Use Asset and Intangible Assets Other than Goodwill

At the end of each reporting period, the Bank and its subsidiaries review the carrying amounts of their property and equipment, right of use asset and intangible assets, excluding goodwill, to determine if 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 Bank and its subsidiaries estimate the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to the individual cash-generating units; otherwise they are allocated to the smallest group of cash-generating units.

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

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 and 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.

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 employee services.

b. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expense 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 liability (asset) are recognized as employee benefit expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), are recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

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

Pension costs for an interim period are calculated on a year-to-date basis by using the actuarially determined pension cost rate determined at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

c. Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for the defined benefit plan, except that remeasurement is recognized in profit or loss.

d. Employee benefit - employees' preferential deposits

The Bank has granted a preferential interest rate to its current employees and retired employees for their deposits within a prescribed amount. The preferential interest rate in excess of market interest rate is considered employee benefits.

Under Article 30 of the "Regulations Governing the Preparation of Financial Reports by Public Banks", if the Bank's preferential deposit interest rate for an employee as stated in the employment contract exceeds the market interest rate, the excess would be subject to IAS 19 "Employee Benefits" upon the employees' retirement. The actuarial valuation assumptions and parameters are based on the guidelines announced by the authorities.

Income Tax

Income tax expense includes current income tax and deferred income tax. The Bank and its subsidiaries determine that the additional tax they should pay under the Pillar Two of the global minimum tax rules falls within the scope of IAS 12 "Income Taxes," and have applied temporary exemption from deferred tax accounting treatment related to additional tax, and recognize the additional tax actually incurred as current income tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings. The effect of a change in tax rate resulting from a change in tax law is recognized consistently with the accounting for the transaction itself which gives rise to the tax consequence, and this is recognized in profit or loss, other comprehensive income or directly in equity in full in the period in which the change in tax rate occurs.

a. Current tax

The Bank and its subsidiaries determine current year's tax provision in accordance with the laws and regulations established by each jurisdiction for income tax reporting, and calculates the tax liabilities accordingly.

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 to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

Deferred tax 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 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 Bank and its subsidiaries expect, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

c. Current and deferred taxes for the period

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

Recognition of Interest Income and Interest Expense

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

Recognition of Service Fee Income and Service Fee Expense

Service fee income and expense are recognized when loans or other services are provided. Service fees on significant projects are recognized when the project has been completed, for instance, loan syndication fees are recognized as revenue when the syndication has been completed. If service fee income and expense are related to provide service on loans, service fee income and expense 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 depending on the materiality of these loans.

Leases

At the inception of a contract, the Bank and its subsidiaries assesses whether the contracts are, or contains, a lease.

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

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

b. The Bank and its subsidiaries as lessee

The Bank and its subsidiaries recognize 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, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Bank and its subsidiaries are 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 receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Bank and its subsidiaries use the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Bank and its subsidiaries remeasure 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.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Bank and its subsidiaries' 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 Bank and its subsidiaries consider the possible impact of inflation and interest rate fluctuations and volatility in financial markets 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.

Estimated Impairment Loss on Discounts and Loans

Estimated impairment loss on discounts and loans was based on the assumptions about the probability of default and the expected loss rate made by the Bank and its subsidiaries. The Bank and its subsidiaries considered historical experience, existing market conditions, and forward-looking estimates in making the assumptions and in choosing the inputs to the impairment assessment. Refer to Note 53 for related information about material assumptions adopted. When the actual cash flows in the future are less than expected, a material impairment loss may arise.

6. CASH AND CASH EQUIVALENTS

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand	\$ 7,971,792	\$ 7,875,041	\$ 8,127,279
Due from other banks, net	24,816,913	62,305,898	43,732,549
Notes and checks for clearing	<u>1,363,502</u>	<u>1,536,557</u>	<u>1,402,484</u>
	<u>\$ 34,152,207</u>	<u>\$ 71,717,496</u>	<u>\$ 53,262,312</u>

Cash and cash equivalents are assessed for impairment using an approach similar to that used for investments in debt instruments. The Bank and its subsidiaries consider their cash and cash equivalents to have low credit risk, so their loss allowance evaluation is on a 12-month expected credit loss basis. As of June 30, 2026, December 31, 2025 and June 30, 2025, a loss allowance of \$2,738 thousand, \$2,839 thousand and \$2,522 thousand was recognized.

Refer to the consolidated statements of cash flows for the reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets as of June 30, 2026 and 2025. The adjustments as of December 31, 2025 are as follows:

For the consolidated statements of cash flows, cash and cash equivalents include the accounts listed below:

	December 31, 2025
Cash and cash equivalents on the balance sheets	\$ 71,717,496
Due from the Central Bank and call loans to other banks qualifying as cash and cash equivalents based on the definition of IAS 7 “Statement of Cash Flows”	99,720,271
Securities purchased under resell agreements qualifying as cash and cash equivalents based on the definition of IAS 7 “Statement of Cash Flows”	<u>48,598,248</u>
Cash and cash equivalents in the consolidated statements of cash flows	<u>\$ 220,036,015</u>

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

	June 30, 2026	December 31, 2025	June 30, 2025
Call loans to banks, net	\$ 270,675,263	\$ 229,550,650	\$ 221,396,445
Deposit reserves	202,676,453	180,204,462	170,093,326
Due from the Central Bank - others	<u>21,344,905</u>	<u>25,124,625</u>	<u>11,464,936</u>
	<u>\$ 494,696,621</u>	<u>\$ 434,879,737</u>	<u>\$ 402,954,707</u>

Under a directive issued by the Central Bank of China, the New Taiwan dollar (NTD) denominated deposit reserves are determined by applying a prescribed percentage to the average monthly balances of customers’ NTD-denominated deposits. As of June 30, 2026, December 31, 2025 and June 30, 2025, deposit reserves for checking accounts amounted to \$73,356,414 thousand, \$69,531,758 thousand and \$68,381,941 thousand, respectively, and the required deposit reserves amounted to \$96,715,161 thousand, \$82,374,053 thousand and \$78,158,531 thousand, respectively. The deposit reserves for checking accounts are non-interest-bearing and may be withdrawn at any time. The required deposit reserves may not be withdrawn except when reserve requirements are adjusted monthly. In addition, foreign-currency deposit reserves are determined at a prescribed percentage of the balances of foreign-currency deposits. These reserves may be withdrawn anytime but bear no interests.

Fubon Bank (China) calculates required reserves based on month-end deposit balances or average balances over 10-day periods, in accordance with the regulations of the People’s Bank of China.

The Bank and its subsidiaries assess expected credit losses on due from the Central Bank and call loans to other banks using an approach similar to that applied to investments in debt instruments.

Due to the low credit risk of due from the Central Bank and call loans to other banks, loss allowances are measured at an amount equal to 12-month expected credit losses. As of June 30, 2026, December 31, 2025 and June 30, 2025, loss allowances of \$1,993 thousand, \$0 thousand and \$0 thousand, respectively, were recognized for due from the Central Bank and call loans to other banks.

8. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Financial assets designated as at fair value through profit or loss</u>			
Government bonds	\$ -	\$ -	\$ 975,766
<u>Financial assets mandatorily measured as at fair value through profit or loss</u>			
Commercial paper	151,386,458	116,447,590	123,121,963
Treasury bills	30,453,876	7,997,958	12,317,086
Convertible corporate bonds	27,553,795	19,299,987	14,884,740
Government bonds	17,633,359	4,321,452	11,005,286
Others	15,471,163	13,605,379	22,587,254
	<u>242,498,651</u>	<u>161,672,366</u>	<u>183,916,329</u>
Derivatives			
Currency swap contracts	27,858,862	30,747,089	38,860,063
Interest rate swap contracts	17,116,192	14,330,479	12,834,395
Others	6,091,872	5,267,212	9,594,246
	<u>51,066,926</u>	<u>50,344,780</u>	<u>61,288,704</u>
Financial assets at fair value through profit or loss	<u>\$ 293,565,577</u>	<u>\$ 212,017,146</u>	<u>\$ 246,180,799</u>
<u>Held-for-trading financial liabilities</u>			
Securities borrowing and lending	\$ -	\$ 207,432	\$ 1,135,866
Derivatives			
Currency swap contracts	23,161,398	29,785,124	44,623,414
Interest rate swap contracts	14,181,396	12,524,266	13,048,747
Option contracts	10,041,954	4,974,951	3,162,387
Others	3,314,933	2,692,303	7,230,492
	<u>50,699,681</u>	<u>49,976,644</u>	<u>68,065,040</u>
Financial liabilities at fair value through profit or loss	<u>\$ 50,699,681</u>	<u>\$ 50,184,076</u>	<u>\$ 69,200,906</u>

The Bank and its subsidiaries engage in derivative transactions mainly to accommodate customers' needs, manage their exposure positions, and meet their funding needs in different currencies.

The financial assets mentioned above were designated as at fair value through profit or loss because the assets were hybrid instruments or because this designation eliminated or significantly reduced a measurement or recognition inconsistency.

On October 7, 2024, the Bank issued the fourth tranche of unsecured senior financial bonds for the year, amounting to US\$1,150,000. The bonds have a six-month maturity and a combination of fixed interest rates and structured interest rates (range accrual type). The bank reserves the right to redeem the bonds in full at face value on any interest payment date. If the redemption option is not exercised during the issuance period, the principal will be repaid in full upon maturity.

The fair value changes of the aforementioned financial bonds attributable to credit risk fluctuations are recognized in other comprehensive income. This amount is derived as the difference between the total fair value change of the financial bonds and the portion attributable solely to market risk factors. The fair value change attributable to market risk factors is estimated by determining the credit risk spread based on the benchmark yield curve as of the balance sheet date and the funding cost of debt instruments with similar maturities. Future cash flows are then discounted to derive the final valuation.

Information on the financial liabilities designated as at fair value through profit or loss by the Bank is as follows:

	Changes in Fair Value Attributable to Changes in Credit Risk
Change in amount during the year	
2026/1/1-2026/6/30	\$ <u>-</u>
2025/1/1-2025/6/30	\$ <u>65</u>
Accumulated amount of change	
As of June 30, 2026	\$ <u>-</u>
As of December 31, 2025	\$ <u>-</u>
As of June 30, 2025	\$ <u>-</u>

The notional amounts of the Bank and its subsidiaries' outstanding derivative financial instruments as of June 30, 2026, December 31, 2025 and June 30, 2025 are summarized as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Currency swap contracts	\$ 3,861,065,247	\$ 3,869,981,197	\$ 3,443,269,901
Interest rate swap contracts	3,118,126,246	2,723,644,572	2,357,216,364
Option contracts	422,476,556	330,114,847	294,778,676
Forward contracts	214,226,195	174,695,001	290,993,627
Cross-currency swap contracts	49,046,817	46,211,181	33,416,878
Futures contracts	16,313,324	10,401,381	20,109,542
Equity swap contracts	2,130,048	2,047,942	2,171,352
Commodity swap contracts	42,412	-	-

The breakdown of gains and losses on the Bank and its subsidiaries' financial assets and liabilities at fair value through profit or loss is as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Net gain on financial assets and liabilities held-for-trading	\$ 2,513,383	\$ 3,414,297	\$ 5,297,521	\$ 6,917,122
Net gain financial assets and liabilities designated as at fair value through profit or loss	<u>-</u>	<u>40,602</u>	<u>-</u>	<u>65,186</u>
	<u>\$ 2,513,383</u>	<u>\$ 3,454,899</u>	<u>\$ 5,297,521</u>	<u>\$ 6,982,308</u>

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2026	December 31, 2025	June 30, 2025
Investments in equity instruments at fair value through other comprehensive income	\$ 50,120,394	\$ 39,197,435	\$ 39,857,203
Investments in debt instruments at fair value through other comprehensive income	<u>339,160,705</u>	<u>352,467,675</u>	<u>344,966,281</u>
	<u>\$ 389,281,099</u>	<u>\$ 391,665,110</u>	<u>\$ 384,823,484</u>

a. Investments in equity instruments at fair value through other comprehensive income

	June 30, 2026	December 31, 2025	June 30, 2025
Listed shares and emerging market shares (Note 11)	\$ 41,185,863	\$ 27,065,018	\$ 28,510,269
REITs (Note 11)	6,122,474	9,284,067	8,703,038
Unlisted shares	<u>2,812,057</u>	<u>2,848,350</u>	<u>2,643,896</u>
	<u>\$ 50,120,394</u>	<u>\$ 39,197,435</u>	<u>\$ 39,857,203</u>

Since the Bank and its subsidiaries hold part of the equity instruments for the purpose of strategic investment instead of for trading, the management elected to designate these investments in equity instruments as at fair value through other comprehensive income.

For the six months ended June 30, 2026 and 2025, the Bank and its subsidiaries sold part of their shares designated as at fair value through other comprehensive income in order to manage and adjust the investment portfolio. The sold shares had fair values of \$11,596,628 thousand and \$4,449,627 thousand, respectively. The Bank and its subsidiaries transferred a gain of \$1,258,574 thousand and \$33,582 thousand from other equity to retained earnings.

Dividend income generated from investments the Bank and its subsidiaries at the end of the reporting period or derecognized during the reporting period is as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
<u>Dividend income</u>				
Held at the end of the reporting period	\$ 553,088	\$ 748,575	\$ 823,904	\$ 970,527
Derecognized in the reporting period	<u>47,774</u>	<u>155,795</u>	<u>70,586</u>	<u>155,795</u>
	<u>\$ 600,862</u>	<u>\$ 904,370</u>	<u>\$ 894,490</u>	<u>\$ 1,126,322</u>

b. Investments in debt instruments at fair value through other comprehensive income

	June 30, 2026	December 31, 2025	June 30, 2025
Government bonds (Note 11)	\$ 173,600,563	\$ 197,142,632	\$ 180,637,109
Corporate bonds (Note 11)	55,500,957	57,613,520	48,340,344
Bank debentures (Note 11)	44,698,471	51,897,762	54,049,844
Interbank lending	39,664,963	39,131,364	40,518,524
Asset-backed securities	25,662,291	6,319,003	5,643,255
Others	<u>33,460</u>	<u>363,394</u>	<u>15,777,205</u>
	<u>\$ 339,160,705</u>	<u>\$ 352,467,675</u>	<u>\$ 344,966,281</u>

The above assets sold under repurchase agreements were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount	\$ 2,035,431	\$ 2,157,237	\$ 198,907

Refer to Note 53 for information relating to the credit risk management and impairment of debt instruments at fair value through other comprehensive income.

10. INVESTMENTS IN DEBT INSTRUMENTS MEASURED AT AMORTIZED COST

	June 30, 2026	December 31, 2025	June 30, 2025
Negotiable certificates of deposits	\$ 235,105,612	\$ 271,177,058	\$ 240,877,508
Bank debentures (Note 11)	231,241,777	227,468,182	193,191,463
Corporate bonds (Note 11)	212,468,923	210,369,230	204,128,131
Government bonds (Note 11)	161,078,110	150,446,290	119,319,684
Asset-backed securities	114,761,055	88,498,436	74,407,582
Others	<u>16,780,496</u>	<u>13,407,576</u>	<u>8,667,318</u>
	<u>971,435,973</u>	<u>961,366,772</u>	<u>840,591,686</u>
Less: Allowance for impairment loss	<u>443,001</u>	<u>558,297</u>	<u>546,396</u>
	<u>\$ 970,992,972</u>	<u>\$ 960,808,475</u>	<u>\$ 840,045,290</u>

The above assets sold under repurchase agreements were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount	\$ 58,576,334	\$ 28,707,852	\$ 32,339,881

Refer to Note 53 for information relating to the credit risk management and impairment of investments in debt instruments measured at amortized cost.

Investments in debt instruments measured at amortized cost pledged as collateral are disclosed in Note 48.

11. FINANCIAL INSTRUMENTS FOR HEDGING

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Financial assets for hedging</u>			
Fair value hedge - interest rate swap	\$ 4,539,512	\$ 3,885,376	\$ 4,768,934
<u>Financial liabilities for hedging</u>			
Fair value hedge - call loans	\$ 8,190,864	\$ 11,447,186	\$ 10,719,276
Fair value hedge - interest rate swap	5,462,893	6,141,923	5,465,105
	<u>\$ 13,653,757</u>	<u>\$ 17,589,109</u>	<u>\$ 16,184,381</u>

Fair Value Hedges

The Bank and its subsidiaries are exposed to the risk of adverse fair value fluctuations due to changes in interest rates for debt securities held and bank debentures issued. Since the risk is considered material, the Bank and its subsidiaries enter into interest rate swap contracts to hedge against this risk.

The Bank and its subsidiaries are exposed to the risk of fair value fluctuations due to changes in exchange rates when foreign currency-denominated stocks and REITs are translated into the functional currency. As the risk is considered potentially significant, the Bank and its subsidiaries use interbank placements and call loans denominated in the same currencies to hedge against such risk.

The following tables summarize information relating to the Bank and its subsidiaries' fair value hedges.

June 30, 2026

Hedging Instrument	Notional Amount	Maturity	Line Item in Balance Sheet	Carrying Amount		Change in Value Used for Calculating Hedge Ineffectiveness
				Asset	Liability	
Fair value hedge						
Interest rate swap contracts	\$ 227,021,212	2026.07.12-2053.08.15	Financial assets and liabilities for hedging	\$ 4,539,512	\$ 5,462,893	\$ 1,350,386
Call loans	8,190,864	2026.07.07-2026.09.16	Financial liabilities for hedging	-	8,190,864	181,918

Hedged Items	Carrying Amount		Accumulated Amount of Fair Value Adjustments		Change in Value Used for Calculating Hedge Ineffectiveness
	Asset	Liability	Asset	Liability	
<u>Fair value hedge</u>					
Interest risk					
Bank debentures	\$ -	\$ 85,887,661	\$ -	\$ (4,558,229)	\$ (244,061)
Financial assets at fair value through other comprehensive income - government bonds	6,112,394	-	(576,813)	-	(25,690)
Financial assets at fair value through other comprehensive income - corporate bonds	2,185,501	-	(44,076)	-	2,454
Financial assets at fair value through other comprehensive income - bank debentures	3,821,544	-	(17,260)	-	(28,022)
					(Continued)

(Continued)

Hedged Items	Carrying Amount		Accumulated Amount of Fair Value Adjustments		Change in Value Used for Calculating Hedge Ineffectiveness
	Asset	Liability	Asset	Liability	
Financial assets at amortized cost - government bonds	\$ 20,025,155	\$ -	\$ (397,327)	\$ -	\$ (217,945)
Financial assets at amortized cost - corporate bonds	70,223,844	-	(1,785,450)	-	(533,679)
Financial assets at amortized cost - bank debentures	31,207,479	-	(801,419)	-	(315,126)
Financial assets at amortized cost - negotiable certificates of deposits issued by the central bank	1,595,612	-	(4,388)	-	2,606
Exchange rate risk					
Financial assets at fair value through other comprehensive income - stock	6,833,212	-	(37,998)	-	(92,046)
Financial assets at fair value through other comprehensive income - REITs	2,994,880	-	(12,384)	-	(89,872)
					(Concluded)

December 31, 2025

Hedging Instrument	Notional Amount	Maturity	Line Item in Balance Sheet	Carrying Amount		Change in Value Used for Calculating Hedge Ineffectiveness
				Asset	Liability	
Fair value hedge						
Interest rate swap contracts	\$ 217,304,804	2026.01.08-2053.08.15	Financial assets and liabilities for hedging	\$ 3,885,376	\$ 6,141,923	\$ (3,127,861)
Call loans	11,447,186	2026.01.05-2026.03.23	Financial liabilities for hedging	-	11,447,186	(209,260)

Hedged Items	Carrying Amount		Accumulated Amount of Fair Value Adjustments		Change in Value Used for Calculating Hedge Ineffectiveness
	Asset	Liability	Asset	Liability	
Interest risk					
Bank debentures	\$ -	\$ 71,128,073	\$ -	\$ (4,764,740)	\$ (378,938)
Financial assets at fair value through other comprehensive income - government bonds	5,803,038	-	(545,076)	-	(16,781)
Financial assets at fair value through other comprehensive income - corporate bonds	2,394,276	-	(46,278)	-	(17,232)
Financial assets at fair value through other comprehensive income - bank debentures	4,416,597	-	10,772	-	86,987
Financial assets at amortized cost - government bonds	21,163,654	-	(178,480)	-	391,318
Financial assets at amortized cost - corporate bonds	74,886,220	-	(1,239,884)	-	2,278,375
Financial assets at amortized cost - bank debentures	31,210,453	-	(485,151)	-	797,105
Financial assets at amortized cost - negotiable certificates of deposits issued by the central bank	1,592,609	-	(6,993)	-	(6,993)
Exchange rate risk					
Financial assets at fair value through other comprehensive income - stock	6,157,904	-	54,049	-	64,623
Financial assets at fair value through other comprehensive income - REITs	6,745,712	-	77,488	-	144,637

June 30, 2025

Hedging Instrument	Notional Amount	Maturity	Line Item in Balance Sheet	Carrying Amount		Change in Value Used for Calculating Hedge Ineffectiveness
				Asset	Liability	
Fair value hedge						
Interest rate swap contracts	\$ 212,404,188	2025.07.20-2053.08.15	Financial assets and liabilities for hedging	\$ 4,768,934	\$ 5,465,105	\$ (1,633,484)
Call loans	10,719,276	2025.07.02-2025.07.29	Financial liabilities for hedging	-	10,719,276	67,821

Hedged Items	Carrying Amount		Accumulated Amount of Fair Value Adjustments		Change in Value Used for Calculating Hedge Ineffectiveness
	Asset	Liability	Asset	Liability	
<u>Fair value hedge</u>					
Interest risk					
Bank debentures	\$ -	\$ 67,657,008	\$ -	\$ (3,643,045)	\$ (1,333,483)
Financial assets at fair value through other comprehensive income - government bonds	5,454,773	-	(433,882)	-	67,025
Financial assets at fair value through other comprehensive income - corporate bonds	1,923,205	-	(25,559)	-	2,397
Financial assets at fair value through other comprehensive income - bank debentures	5,319,272	-	(5,544)	-	71,082
Financial assets at amortized cost - government bonds	22,198,983	-	(144,708)	-	421,874
Financial assets at amortized cost - corporate bonds	75,258,534	-	(1,656,886)	-	1,799,501
Financial assets at amortized cost - bank debentures	28,690,143	-	(670,311)	-	604,520
Financial assets at amortized cost - negotiable certificates of deposits issued by the central bank	1,597,408	-	(2,195)	-	(2,195)
Exchange rate risk					
Financial assets at fair value through other comprehensive income - stock	4,795,324	-	(25,067)	-	(14,493)
Financial assets at fair value through other comprehensive income - REITs	6,116,157	-	(120,478)	-	(53,328)

Comprehensive Income	Gains or Losses on Ineffective Hedge Recognized in Comprehensive Income (Loss)				Comprehensive Income Statement Line Item in Which Hedge Ineffectiveness Is Included
	For the Three Months Ended June 30		For the Six Months Ended June 30		
	2026	2025	2026	2025	
Fair value hedge Interest risk Bank debentures	\$ 206	\$ 312	\$ (9,077)	\$ (2,763)	Financial assets and liabilities at fair value through profit or loss

12. SECURITIES PURCHASED UNDER RESELL AGREEMENTS

	June 30, 2026	December 31, 2025	June 30, 2025
Commercial paper	\$ 26,341,095	\$ 22,623,030	\$ 8,600,956
Corporate bonds	14,360,860	20,090,113	17,577,211
Bank debentures	5,669,136	717,551	506,004
Negotiable certificates of deposits	5,046,162	6,444,743	895,670
Government bonds	<u>3,709,264</u>	<u>93,748</u>	<u>786,454</u>
	55,126,517	49,969,185	28,366,295
Less: Allowance for impairment loss	<u>5,288</u>	<u>-</u>	<u>-</u>
	<u>\$ 55,121,229</u>	<u>\$ 49,969,185</u>	<u>\$ 28,366,295</u>
Dates of resell agreements	2026.07.01- 2026.09.24	2026.01.02- 2026.03.25	2025.07.01- 2025.09.22
Amounts of resell agreements	\$ 55,187,484	\$ 50,032,112	\$ 28,411,411

13. RECEIVABLES, NET

	June 30, 2026	December 31, 2025	June 30, 2025
Credit card receivables	\$ 114,273,390	\$ 100,355,380	\$ 96,484,387
Acceptances	38,009,351	33,191,786	28,384,053
Interest receivable	24,265,507	23,371,851	19,745,580
Accounts receivable - factoring	16,889,276	19,031,004	22,894,313
Others	<u>16,406,862</u>	<u>12,377,049</u>	<u>18,928,831</u>
	209,844,386	188,327,070	186,437,164
Less: Allowance for impairment loss	<u>1,759,659</u>	<u>1,580,011</u>	<u>1,438,015</u>
	<u>\$ 208,084,727</u>	<u>\$ 186,747,059</u>	<u>\$ 184,999,149</u>

The Bank and its subsidiaries have accrued an allowance for impairment loss on receivables. Refer to Note 53 for information relating to the credit risk management and impairment of receivables.

14. DISCOUNTS AND LOANS, NET

	June 30, 2026	December 31, 2025	June 30, 2025
Discounts and overdrafts	\$ 24,292	\$ 14,478	\$ 42,274
Accounts receivable - financing	3,744,420	2,623,440	1,406,105
Short-term loans	379,833,611	393,911,885	358,177,803
Short-term secured loans	281,885,394	252,103,258	223,964,684
Medium-term loans	648,219,440	544,516,942	466,725,685
Medium-term secured loans	365,816,713	336,973,143	313,757,608
Long-term loans	68,680,676	59,818,371	54,334,827
Long-term secured loans	1,382,470,492	1,289,084,962	1,238,489,078

(Continued)

	June 30, 2026	December 31, 2025	June 30, 2025
Import and export bill negotiation	\$ 1,470,557	\$ 1,282,479	\$ 1,928,799
Nonperforming loans transferred from loans	<u>5,734,978</u>	<u>5,145,759</u>	<u>5,683,091</u>
	3,137,880,573	2,885,474,717	2,664,509,954
Less: Allowance for impairment loss	40,560,134	38,047,004	35,962,762
Less: Adjustments of premium and discount	<u>2,303,313</u>	<u>2,161,823</u>	<u>1,676,625</u>
	<u>\$ 3,095,017,126</u>	<u>\$ 2,845,265,890</u>	<u>\$ 2,626,870,567</u>
			(Concluded)

The Bank and its subsidiaries have an allowance for impairment loss on discounts and loans. Refer to Note 53 for information relating to the credit risk management and impairment of discounts and loans.

15. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Percentage of Ownership		
			June 30, 2026	December 31, 2025	June 30, 2025
Taipei Fubon Bank	Fubon Bank (China)	Bank	57.92	57.92	57.92
Taipei Fubon Bank	TFB Capital Co., Ltd.	Venture investment	100.00	100.00	100.00

b. Material non-controlling interests

Subsidiary	Principal Place of Business	Percentage of Ownership and Voting Rights Held by Non-controlling Interests		
		June 30, 2026	December 31, 2025	June 30, 2025
Fubon Bank (China)	China	42.08	42.08	42.08

Subsidiary	Profit Allocated to Non-controlling Interests				Accumulated Non-controlling Interests		
	For the Three Months Ended June 30		For the Six Months Ended June 30		December 31,		
	2026	2025	2026	2025	June 30, 2026	2025	June 30, 2025
Fubon Bank (China)	\$ 310,422	\$ 188,962	\$ 656,544	\$ 476,805	\$ 30,767,543	\$ 28,830,515	\$ 26,943,134

The summarized financial information below represents amounts before intragroup eliminations, and reflects effects of acquisition using the acquisition method.

Fubon Bank (China)

	June 30, 2026	December 31, 2025	June 30, 2025
Total assets	\$ 822,196,103	\$ 747,944,899	\$ 655,096,109
Total liabilities	<u>(758,758,521)</u>	<u>(688,723,492)</u>	<u>(599,687,145)</u>
Equity	<u>\$ 63,437,582</u>	<u>\$ 59,221,407</u>	<u>\$ 55,408,964</u>
			(Continued)

	June 30, 2026		December 31, 2025		June 30, 2025
Equity attributable to:					
Owners of the Bank	\$	32,670,039	\$	30,390,892	\$ 28,465,830
Non-controlling interests		<u>30,767,543</u>		<u>28,830,515</u>	<u>26,943,134</u>
		<u>\$ 63,437,582</u>		<u>\$ 59,221,407</u>	<u>\$ 55,408,964</u>
					(Concluded)

16. INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

- a. The unconsolidated structured entities held by the Bank and its subsidiaries are shown below. The funds are from the Bank and its subsidiaries and external third parties:

Type of Structured Entity	Nature and Purpose	Equity Attributable to the Bank and Its Subsidiaries
Asset securitization	Investment in asset securitization for investment gain	Investment in the securities issued by unconsolidated structured entities
Trust plan - property right	Investment in trust plans for debt redemption	Investment in trust issued by unconsolidated structured entities
Private equity investment	Investment in private equity investment for investment purpose	Invest in units or limited partnership interests issued by these funds.

- b. The carrying amounts of the Bank and its subsidiaries' involvement with the structured entities, which were recognized in the consolidated balance sheets as of June 30, 2026, December 31, 2025 and June 30, 2025, were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Asset securitization			
Financial assets at fair value through profit or loss	\$ 1,397,474	\$ 392,059	\$ 543,007
Financial assets at fair value through other comprehensive income	31,784,765	15,603,070	14,346,293
Investments in debt instruments measured at amortized cost	114,754,658	88,497,634	74,407,582
Trust plan - property right			
Financial assets at fair value through profit or loss	149,318	161,193	182,629
Private equity investments			
Financial assets at fair value through profit or loss	<u>134,313</u>	<u>102,261</u>	<u>94,027</u>
	<u>\$ 148,220,528</u>	<u>\$ 104,756,217</u>	<u>\$ 89,573,538</u>

The amount of the maximum exposure to loss is the carrying amount of the assets held by the Bank.

- c. The Bank and its subsidiaries did not provide any financial support to the unconsolidated structured entities for the six months ended June 30, 2026 and 2025.

17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2026	December 31, 2025	June 30, 2025
Associates that are not individually material	<u>\$ 18,689,248</u>	<u>\$ 18,851,999</u>	<u>\$ 18,246,558</u>

Information of associates that are not individually material:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
The Bank and its subsidiaries' share of:				
Net income (loss)	\$ 323,793	\$ 203,631	\$ 497,250	\$ 340,941
Other comprehensive income (loss)	<u>(106,279)</u>	<u>(186,817)</u>	<u>(463,821)</u>	<u>(69,382)</u>
Total comprehensive income (loss) for the period	<u>\$ 217,514</u>	<u>\$ 16,814</u>	<u>\$ 33,429</u>	<u>\$ 271,559</u>

LINE Bank Taiwan Limited (LINE Bank) conducted a cash capital increase of \$5 billion, with the record date set on June 17, 2025. The Bank subscribed to 175,500 thousand shares for a total consideration of \$1,755,000 thousand. Following the capital increase, the Bank held 583,250 thousand shares of LINE Bank, and its ownership interest increased to 29.16%.

The abovementioned investments accounted for using the equity method are not pledged as security.

18. OTHER FINANCIAL ASSETS, NET

	June 30, 2026	December 31, 2025	June 30, 2025
Other financial institution deposits not qualifying as cash equivalents	\$ 25,712,037	\$ 13,281,079	\$ 19,103,331
Nonperforming loans transferred from other than loans	<u>986,866</u>	<u>888,138</u>	<u>719,991</u>
	26,698,903	14,169,217	19,823,322
Less: Allowance for impairment loss	<u>560,302</u>	<u>473,863</u>	<u>424,168</u>
	<u>\$ 26,138,601</u>	<u>\$ 13,695,354</u>	<u>\$ 19,399,154</u>

Refer to Note 53 for information relating to the credit risk management and impairment of other financial assets.

Refer to Note 48 for information relating to other financial assets pledged as security.

19. PROPERTY AND EQUIPMENT, NET

	For the Six Months Ended June 30, 2026							
	Land	Buildings	Machinery and Computer Equipment	Transportation Equipment	Office and Other Equipment	Leasehold Improvements	Construction in Progress and Prepayments for Equipment	Total
<u>Cost</u>								
Balance on January 1, 2026	\$ 9,935,206	\$ 12,357,745	\$ 5,561,811	\$ 325,647	\$ 1,484,158	\$ 3,909,865	\$ 948,373	\$ 34,522,805
Additions	-	30,884	228,089	8,851	23,648	56,899	688,302	1,036,673
Disposals	-	(31,752)	(171,109)	(5,741)	(23,666)	(32,276)	-	(264,544)
Reclassification	(30,727)	46,979	60,628	6,125	12,682	172,579	(680,724)	(412,458)
Effect of foreign currency exchange differences	-	294,733	50,206	909	17,416	14,134	-	377,398
Balance on June 30, 2026	<u>9,904,479</u>	<u>12,698,589</u>	<u>5,729,625</u>	<u>335,791</u>	<u>1,514,238</u>	<u>4,121,201</u>	<u>955,951</u>	<u>35,259,874</u>

(Continued)

For the Six Months Ended June 30, 2026								
	Land	Buildings	Machinery and Computer Equipment	Transportation Equipment	Office and Other Equipment	Leasehold Improvements	Construction in Progress and Prepayments for Equipment	Total
<u>Accumulated depreciation and impairment</u>								
Balance on January 1, 2026	\$ -	\$ 4,958,982	\$ 3,822,317	\$ 262,668	\$ 1,212,236	\$ 3,019,027	\$ -	\$ 13,275,230
Depreciation	-	173,284	294,412	9,670	41,745	164,680	-	683,791
Impairment losses	17,709	3,125	-	-	-	-	-	20,834
Disposals	-	(31,220)	(170,646)	(5,636)	(23,270)	(32,123)	-	(262,895)
Reclassification	(17,709)	(14,263)	-	-	-	-	-	(31,972)
Effect of foreign currency exchange differences	-	92,725	38,499	654	16,152	12,572	-	160,602
Balance on June 30, 2026	-	5,182,633	3,984,582	267,356	1,246,863	3,164,156	-	13,845,590
Carrying amount on December 31, 2025 and January 1, 2026	<u>\$ 9,935,206</u>	<u>\$ 7,398,763</u>	<u>\$ 1,739,494</u>	<u>\$ 62,979</u>	<u>\$ 271,922</u>	<u>\$ 890,838</u>	<u>\$ 948,373</u>	<u>\$ 21,247,575</u>
Carrying amount on June 30, 2026	<u>\$ 9,904,479</u>	<u>\$ 7,515,956</u>	<u>\$ 1,745,043</u>	<u>\$ 68,435</u>	<u>\$ 267,375</u>	<u>\$ 957,045</u>	<u>\$ 955,951</u>	<u>\$ 21,414,284</u>

(Concluded)

For the Six Months Ended June 30, 2025								
	Land	Buildings	Machinery and Computer Equipment	Transportation Equipment	Office and Other Equipment	Leasehold Improvements	Construction in Progress and Prepayments for Equipment	Total
<u>Cost</u>								
Balance on January 1, 2025	\$ 10,051,517	\$ 12,211,022	\$ 5,265,668	\$ 325,561	\$ 1,442,129	\$ 3,691,008	\$ 1,095,636	\$ 34,082,541
Additions	-	6,236	180,667	10,930	29,152	49,216	498,030	774,231
Disposals	-	(1,386)	(90,446)	(2,869)	(9,489)	(12,712)	-	(116,902)
Reclassification	(17,549)	6,507	67,192	-	3	119,337	(493,177)	(317,687)
Effect of foreign currency exchange differences	-	(465,265)	(84,886)	(4,855)	(32,423)	(34,367)	3	(621,793)
Balance on June 30, 2025	<u>10,033,968</u>	<u>11,757,114</u>	<u>5,338,195</u>	<u>328,767</u>	<u>1,429,372</u>	<u>3,812,482</u>	<u>1,100,492</u>	<u>33,800,390</u>
<u>Accumulated depreciation and impairment</u>								
Balance on January 1, 2025	-	4,626,586	3,538,140	271,628	1,169,408	2,830,114	-	12,435,876
Depreciation	-	165,883	273,329	8,171	40,440	167,098	-	654,921
Disposals	-	(208)	(90,021)	(2,753)	(9,107)	(12,663)	-	(114,752)
Reclassification	-	(6,593)	-	-	-	-	-	(6,593)
Effect of foreign currency exchange differences	-	(137,023)	(64,895)	(3,506)	(29,181)	(28,782)	-	(263,387)
Balance on June 30, 2025	-	4,648,645	3,656,553	273,540	1,171,560	2,955,767	-	12,706,065
Carrying amount on December 31, 2024 and January 1, 2025	<u>\$ 10,051,517</u>	<u>\$ 7,584,436</u>	<u>\$ 1,727,528</u>	<u>\$ 53,933</u>	<u>\$ 272,721</u>	<u>\$ 860,894</u>	<u>\$ 1,095,636</u>	<u>\$ 21,646,665</u>
Carrying amount on June 30, 2025	<u>\$ 10,033,968</u>	<u>\$ 7,108,469</u>	<u>\$ 1,681,642</u>	<u>\$ 55,227</u>	<u>\$ 257,812</u>	<u>\$ 856,715</u>	<u>\$ 1,100,492</u>	<u>\$ 21,094,325</u>

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

Buildings	3-61 years
Machinery and computer equipment	3-10 years
Transportation equipment	5-8 years
Office and other equipment	3-20 years
Leasehold improvements	3-15 years

20. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2026	December 31, 2025	June 30, 2025
<u>Carrying amounts</u>			
Buildings	\$ 3,945,172	\$ 3,864,849	\$ 4,117,165
Machinery and computer equipment	274,856	395,935	461,406
Transportation equipment	39,826	38,076	34,821
Office and other equipment	<u>116,499</u>	<u>111,439</u>	<u>111,839</u>
	<u>\$ 4,376,353</u>	<u>\$ 4,410,299</u>	<u>\$ 4,725,231</u>

	For the Six Months Ended June 30	
	2026	2025
Additions to right-of-use assets	<u>\$ 946,282</u>	<u>\$ 1,534,922</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Depreciation expense of right-of-use assets				
Buildings	\$ 375,350	\$ 374,339	\$ 744,899	\$ 748,597
Machinery and computer equipment	61,011	61,224	121,350	121,775
Transportation equipment	6,026	5,632	11,946	11,833
Office and other equipment	<u>11,585</u>	<u>11,237</u>	<u>23,037</u>	<u>22,413</u>
	<u>\$ 453,972</u>	<u>\$ 452,432</u>	<u>\$ 901,232</u>	<u>\$ 904,618</u>

b. Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amounts	<u>\$ 4,482,649</u>	<u>\$ 4,532,409</u>	<u>\$ 4,847,216</u>

Range of discount rate for lease liabilities was as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Buildings	0.87%-5.22%	0.87%-5.22%	1.14%-5.22%
Machinery and computer equipment	0.56%-1.75%	0.56%-1.75%	0.56%-1.61%
Transportation equipment	1.46%-5.28%	1.46%-5.28%	1.39%-5.28%
Office and other equipment	0.55%-4.85%	0.55%-4.85%	0.55%-4.85%

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Interest expense on lease liabilities	<u>\$ 41,010</u>	<u>\$ 43,690</u>	<u>\$ 82,576</u>	<u>\$ 88,835</u>

c. Other lease information

Lease arrangements under operating leases for the leasing out investment properties are set out in Note 21.

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Expenses on short term lease	\$ 111	\$ -	\$ 111	\$ -
Expenses relating to leases of low-value asset	\$ 9,226	\$ 8,947	\$ 18,298	\$ 17,843
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 18,808	\$ 15,715	\$ 36,294	\$ 29,905
Total cash outflow for leases			\$ (1,031,162)	\$ (1,009,306)

The Bank and its subsidiaries have opted to apply the exemption from the recognition requirements without recognizing their related right-of-use assets and lease liabilities for short-term or low-value subject leases.

The maturity analysis for lease arrangements was based on the earliest date required to repay and the undiscounted cash flow (including principal and estimated interest).

The maturity analysis for lease liabilities is as follows:

June 30, 2026

	0-30 Days	31-90 Days	91 Days - 1 Year	1-5 Years	Over 5 Years	Total
Lease liabilities	\$ 173,820	\$ 321,382	\$ 1,300,346	\$ 2,578,144	\$ 475,441	\$ 4,849,133

December 31, 2025

	0-30 Days	31-90 Days	91 Days - 1 Year	1-5 Years	Over 5 Years	Total
Lease liabilities	\$ 167,821	\$ 295,696	\$ 1,288,407	\$ 2,681,609	\$ 475,018	\$ 4,908,551

June 30, 2025

	0-30 Days	31-90 Days	91 Days - 1 Year	1-5 Years	Over 5 Years	Total
Lease liabilities	\$ 173,931	\$ 305,917	\$ 1,292,046	\$ 2,969,978	\$ 507,814	\$ 5,249,686

21. INVESTMENT PROPERTIES

Item	June 30, 2026	December 31, 2025	June 30, 2025
Land	\$ 4,813,670	\$ 4,736,789	\$ 3,829,395
Buildings	<u>588,050</u>	<u>574,924</u>	<u>585,745</u>
	<u>\$ 5,401,720</u>	<u>\$ 5,311,713</u>	<u>\$ 4,415,140</u>

The movements of investment properties are shown below:

	For the Six Months Ended June 30	
	2026	2025
Balance, beginning of the period	\$ 5,311,713	\$ 4,266,142
Reclassification	18,400	123,411
Change in fair value of investment properties	<u>71,607</u>	<u>25,587</u>
Balance, end of the period	<u>\$ 5,401,720</u>	<u>\$ 4,415,140</u>

The investment properties were leased out as operating lease with terms of 3 to 10 years. Some of the lease contracts included clauses requiring the lessees to pay contingent rentals at a specified percentage every year.

The total amount of the lease payment that will be received in the future when the investment properties are leased out as operating leases is as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Year 1	\$ 103,483	\$ 91,576	\$ 104,309
Year 2	87,720	47,262	35,868
Year 3	36,013	38,090	18,279
Year 4	15,152	16,708	9,729
Year 5	10,645	10,141	5,946
Year 6 onwards	<u>699</u>	<u>2,885</u>	<u>2,906</u>
	<u>\$ 253,712</u>	<u>\$ 206,662</u>	<u>\$ 177,037</u>

The fair values of the investment properties as of June 30, 2026, December 31, 2025 and June 30, 2025, were based on the valuations carried out on these dates by independent qualified professional appraisers, Dai Guang-Ping, Chang Hung-Kai, Chang Yi-Chih, Wu Cheng-Yeh and Ting Wen-Chen, from the real estate appraisal office, Savills plc, a duly certified ROC real estate appraiser.

The fair value of investment properties was measured using the income approach, which included a discounted cash flow analysis. Among the significant assumptions used was that an increase in estimated future net cash inflows or a decrease in discount rates would result in higher fair value.

	June 30, 2026	December 31, 2025	June 30, 2025
Expected future cash inflows	\$ 5,825,359	\$ 5,817,898	\$ 5,750,107
Expected future cash outflows	<u>(241,302)</u>	<u>(239,245)</u>	<u>(230,506)</u>
Expected future cash inflows, net	<u>\$ 5,584,057</u>	<u>\$ 5,578,653</u>	<u>\$ 5,519,601</u>
Discount rate	3.595%-4.095%	3.595%-4.095%	3.595%-4.47%

The market rentals in the area where the investment properties are located were between \$1 thousand and \$20 thousand per ping.

The expected future cash inflows generated by investment properties included rental income, interest income on rental deposits and disposal value. Thus, rental income was extrapolated using the Bank's current lease agreements and market rentals, taking into account the annual rental growth rate and an income analysis covering 10 years, with the interest income on rental deposits extrapolated using the interest rate for 1 year; the disposal value was determined using the direct capitalization method under the income approach. The expected future cash outflows incurred by investment properties included expenditures such as land value taxes, house taxes, insurance premium, and maintenance costs. These expenditures were extrapolated on basis of the current level of expenditures, taking into account the future adjustment to the government-announced land value and the tax rate promulgated under the House Tax Act.

As of June 30, 2026, December 31, 2025 and June 30, 2025, the discount rate was based on the interest rate for two-year time deposits as posted by Chunghwa Post Co., Ltd., plus 0.75%, and an asset-specific risk premium of 2%.

The rental income and direct operating expense from the Bank's investment properties were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Rental income	\$ 27,912	\$ 27,810	\$ 55,483	\$ 55,275
Direct operating expenses	3,415	3,551	6,883	7,118

22. INTANGIBLE ASSETS, NET

	June 30, 2026	December 31, 2025	June 30, 2025
Banking licenses and operating rights	\$ 5,703,529	\$ 5,497,440	\$ 5,137,016
Computer software	4,491,261	4,552,324	4,115,582
Core deposits	3,657,456	3,678,411	3,567,179
Goodwill	2,169,092	2,091,719	1,957,219
Customer relationships	38,421	46,119	53,267
Others	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
	<u>\$ 16,061,759</u>	<u>\$ 15,868,013</u>	<u>\$ 14,832,263</u>

The movements of intangible assets are listed below:

	For the Six Months Ended June 30					
	2026			2025		
	Goodwill	Others	Total	Goodwill	Others	Total
Balance, beginning of the period	\$ 2,091,719	\$ 13,776,294	\$ 15,868,013	\$ 2,079,361	\$ 13,548,279	\$ 15,627,640
Additions	-	131,897	131,897	-	437,670	437,670
Disposals	-	(30)	(30)	-	(2)	(2)
Amortizations	-	(783,037)	(783,037)	-	(731,083)	(731,083)
Reclassification	-	361,682	361,682	-	283,842	283,842
Effect of foreign currency exchange differences	<u>77,373</u>	<u>405,861</u>	<u>483,234</u>	<u>(122,142)</u>	<u>(663,662)</u>	<u>(785,804)</u>
Balance, end of the period	<u>\$ 2,169,092</u>	<u>\$ 13,892,667</u>	<u>\$ 16,061,759</u>	<u>\$ 1,957,219</u>	<u>\$ 12,875,044</u>	<u>\$ 14,832,263</u>

The above core deposits, customer relationships, banking licenses, operating rights, and goodwill mainly arose from the Bank's acquisition of the Hanoi branch and Ho Chi Minh City sub-branch of Chinfon Bank, which were monitored by the Financial Restructuring Fund, the acquisition of Fubon Bank (China), and the merger with Jih-Sun Bank.

Except for intangible assets that have indefinite useful lives, the other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Core deposits	23 years
Operating rights	97 years
Computer software	3-10 years
Customer relationships	6-14 years

For the purpose of goodwill and banking licenses impairment testing, Fubon Bank (China) and branches in Vietnam were considered individual cash-generating units, and the recoverable amounts of these cash-generating units were determined on the basis of their net fair value. The key assumptions used in the net fair value calculation included the business cycle stage, the overall state of the economy, and the profitability and estimated salvage value of Fubon Bank (China) and the Vietnam branches.

An assessment by the Bank and its subsidiaries as of June 30, 2026, December 31, 2025 and June 30, 2025 indicated that there was no material impairment of goodwill and banking licenses.

23. OTHER ASSETS

	June 30, 2026	December 31, 2025	June 30, 2025
Refundable deposits	\$ 14,871,374	\$ 16,508,391	\$ 14,154,461
Prepaid expense	1,223,648	1,125,165	1,370,369
Others	<u>859,595</u>	<u>602,408</u>	<u>397,384</u>
	<u>\$ 16,954,617</u>	<u>\$ 18,235,964</u>	<u>\$ 15,922,214</u>

24. DEPOSITS FROM THE CENTRAL BANK AND BANKS

	June 30, 2026	December 31, 2025	June 30, 2025
Call loans	\$ 166,138,537	\$ 229,018,769	\$ 133,440,264
Deposit from the Chunghwa Post	24,033,946	18,051,988	18,051,988
Others	<u>4,030,228</u>	<u>823,719</u>	<u>797,783</u>
	<u>\$ 194,202,711</u>	<u>\$ 247,894,476</u>	<u>\$ 152,290,035</u>

25. DUE TO THE CENTRAL BANK AND BANKS

	June 30, 2026	December 31, 2025	June 30, 2025
Due to the Central Bank	<u>\$ 186,283</u>	<u>\$ 256,109</u>	<u>\$ 71,680</u>

26. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

	June 30, 2026	December 31, 2025	June 30, 2025
Bank debentures	\$ 46,962,277	\$ 12,334,951	\$ 15,868,133
Government bonds	9,109,717	13,734,382	10,415,023
Others	<u>2,392,878</u>	<u>3,656,942</u>	<u>3,865,344</u>
	<u>\$ 58,464,872</u>	<u>\$ 29,726,275</u>	<u>\$ 30,148,500</u>
Dates of repurchase agreements	2026.07.01- 2026.12.31	2026.01.04- 2026.06.30	2025.07.01- 2025.12.31
Amounts of repurchase agreements	\$ 58,961,293	\$ 29,828,398	\$ 30,307,004

27. PAYABLES

	June 30, 2026	December 31, 2025	June 30, 2025
Acceptances	\$ 38,009,351	\$ 33,191,786	\$ 28,384,053
Accrued interest	21,678,707	20,953,069	20,407,017
Trade payables	9,424,138	8,630,290	13,671,965
Accrued expenses	8,072,640	11,959,685	7,349,809
Trade payable factoring	5,909,785	4,040,137	3,769,001
Others	<u>11,565,014</u>	<u>9,531,796</u>	<u>23,739,862</u>
	<u>\$ 94,659,635</u>	<u>\$ 88,306,763</u>	<u>\$ 97,321,707</u>

28. DEPOSITS AND REMITTANCES

	June 30, 2026	December 31, 2025	June 30, 2025
Checking	\$ 14,766,895	\$ 16,896,533	\$ 13,147,511
Public treasury	88,775,416	70,515,617	55,430,067
Demand	896,376,668	826,891,207	764,135,650
Savings	1,769,647,611	1,657,308,758	1,576,057,672
Time	1,692,545,837	1,553,214,196	1,417,397,013
Negotiable certificates of deposit	186,851,572	130,790,926	150,940,039
Others	<u>826,141</u>	<u>671,522</u>	<u>318,041</u>
	<u>\$ 4,649,790,140</u>	<u>\$ 4,256,288,759</u>	<u>\$ 3,977,425,993</u>

29. BANK DEBENTURES

Taipei Fubon Bank

To maintain its capital adequacy ratio and the medium-term to long-term working capital, the Bank had applied and obtained approval from the FSC to issue bank debentures. The outstanding balances of bank debentures as of June 30, 2026, December 31, 2025 and June 30, 2025 are summarized as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Fifth issue of dominant bank debentures in 2017; 0%; maturity: December 2047 (US\$100,000 thousand)	\$ 4,493,513	\$ 4,350,959	\$ 4,054,465
Second issue of dominant bank debentures in 2018; 0%; maturity: March 2048 (US\$195,000 thousand)	8,846,335	8,555,548	7,962,939
Third issue of subordinated bank debentures in 2018; fixed 1.15%; maturity: September 2025	-	-	1,200,000
Third issue of subordinated bank debentures in 2018; fixed 1.30%; maturity: September 2028	1,800,000	1,800,000	1,800,000
Fifth issue of dominant bank debentures in 2018; 0%; maturity: November 2048 (US\$80,000 thousand)	3,666,042	3,536,306	3,282,649
Sixth issue of dominant bank debentures in 2018; fixed 1.10%; maturity: November 2028	3,700,000	3,700,000	3,700,000
Seventh issue of subordinated bank debentures in 2018; fixed 2.15%; perpetual	6,500,000	6,500,000	6,500,000
First issue of dominant bank debentures in 2019; fixed 0.98%; maturity: March 2029	1,500,000	1,500,000	1,500,000
Second issue of dominant bank debentures in 2019; fixed 0.95%; maturity: May 2029	1,300,000	1,300,000	1,300,000
Third issue of subordinated bank debentures in 2019; fixed 1.90%; perpetual	3,100,000	3,100,000	3,100,000
Fourth issue of subordinated bank debentures in 2019; fixed 1.63%; perpetual	4,400,000	4,400,000	4,400,000
Fifth issue of subordinated bank debentures in 2019; fixed 0.95%; maturity: September 2029	6,000,000	6,000,000	6,000,000
Sixth issue of dominant bank debentures in 2019; fixed 0.88%; maturity: October 2029	6,600,000	6,600,000	6,600,000
Seventh issue of dominant bank debentures in 2019; fixed 0.88%; maturity: December 2029	3,100,000	3,100,000	3,100,000
First issue of dominant bank debentures in 2020; fixed 0.75%; maturity: March 2030	5,000,000	5,000,000	5,000,000
Second issue of subordinated bank debentures in 2020; fixed 1.60%; perpetual	3,150,000	3,150,000	3,150,000
Third issue of subordinated bank debentures in 2020; fixed 0.70%; maturity: June 2027	200,000	200,000	200,000
Third issue of subordinated bank debentures in 2020; fixed 0.80%; maturity: June 2030	1,800,000	1,800,000	1,800,000
Fourth issue of subordinated bank debentures in 2020; fixed 1.50%; perpetual	2,850,000	2,850,000	2,850,000
First issue of dominant bank debentures in 2021; fixed 0.40%; maturity: January 2026	-	1,000,000	1,000,000

(Continued)

	June 30, 2026	December 31, 2025	June 30, 2025
Second issue of dominant bank debentures in 2021; fixed 0.40%; maturity: September 2026	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Third issue of subordinated bank debentures in 2021; fixed 0.70%; maturity: September 2031	2,400,000	2,400,000	2,400,000
Fourth issue of dominant bank debentures in 2021; fixed 0.45%; maturity: September 2026	2,700,000	2,700,000	2,700,000
Fourth issue of dominant bank debentures in 2021; fixed 0.52%; maturity: September 2028	1,400,000	1,400,000	1,400,000
Second issue of subordinated bank debentures in 2022; fixed 2.00%; maturity: June 2029	2,000,000	2,000,000	2,000,000
Third issue of subordinated bank debentures in 2022; fixed 3.00%; perpetual	2,300,000	2,300,000	2,300,000
Fourth issue of subordinated bank debentures in 2022; fixed 1.90%; maturity: September 2029	5,000,000	5,000,000	5,000,000
Fifth issue of subordinated bank debentures in 2022; fixed 3.10%; perpetual	1,530,000	1,530,000	1,530,000
First issue of subordinated bank debentures in 2023; fixed 3.5%; perpetual	3,870,000	3,870,000	3,870,000
Second issue of subordinated bank debentures in 2023; fixed 3.5%; perpetual	3,300,000	3,300,000	3,300,000
Third issue of dominant bank debentures in 2023; fixed 1.4%; maturity: April 2028	1,300,000	1,300,000	1,300,000
Fourth issue of dominant bank debentures in 2023; fixed 1.4%; maturity: August 2025	-	-	1,000,000
First issue of dominant bank debentures in 2024; fixed 1.6%; maturity: June 2027	1,000,000	1,000,000	1,000,000
Second issue of dominant bank debentures in 2024; fixed 2.05%; maturity: September 2034	3,500,000	3,500,000	3,500,000
Third issue of dominant bank debentures in 2024; fixed 2.02%; maturity: September 2034	1,500,000	1,500,000	1,500,000
First issue of dominant bank debentures in 2025; fixed 2.0%; maturity: January 2035	2,500,000	2,500,000	2,500,000
First issue of dominant bank debentures in 2025; fixed 2.0%; maturity: January 2035	2,500,000	2,500,000	2,500,000
Second issue of dominant bank debentures in 2025; fixed 2.03%; maturity: March 2035	3,590,000	3,590,000	3,590,000
Third issue of dominant bank debentures in 2025; fixed 1.85%; maturity: October 2035	4,650,000	4,650,000	-
First issue of dominant bank debentures in 2026; fixed 1.90%; maturity: March 2036	2,800,000	-	-
First issue of dominant bank debentures in 2026; fixed 1.90%; maturity: March 2036	2,200,000	-	-
Second issue of subordinated bank debentures in 2026; fixed 4.5%; perpetual	7,500,000	-	-
Third issue of dominant bank debentures in 2026; fixed 2.00%; maturity: June 2036	3,490,000	-	-
Valuation adjustments of bank debentures	<u>(4,558,229)</u>	<u>(4,764,740)</u>	<u>(3,643,045)</u>
	<u>\$ 125,477,661</u>	<u>\$ 109,718,073</u>	<u>\$ 107,247,008</u>

(Concluded)

Fubon Bank (China)

To improve its capital adequacy ratio, optimize the matching structure of medium and long-term assets and liabilities, increase stable sources of medium and long-term liabilities, and support the growth of medium- and long-term asset businesses, Fubon Bank (China) issued bank debentures. The outstanding balances of bank debentures as of June 30, 2026, December 31, 2025 and June 30, 2025 are summarized as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Capital bond; fixed rate of 3.25%; maturity: April 2026 (RMB2,000,000 thousand)	\$ -	\$ 9,000,636	\$ 8,348,966
Capital bond; fixed rate of 3.5%; maturity: November 2034 (RMB1,000,000 thousand)	4,687,761	4,500,318	4,174,483
Capital bond; fixed rate of 3.49%; maturity: May 2035 (RMB1,000,000 thousand)	4,687,761	4,500,318	4,174,483
Capital bond; fixed rate of 2.3%; maturity: September 2028 (RMB2,500,000 thousand)	<u>11,719,402</u>	<u>11,250,795</u>	<u>-</u>
	<u>\$ 21,094,924</u>	<u>\$ 29,252,067</u>	<u>\$ 16,697,932</u>

30. OTHER FINANCIAL LIABILITIES

	June 30, 2026	December 31, 2025	June 30, 2025
Principal amount of structured products	\$ 42,876,111	\$ 42,674,568	\$ 38,768,517
Funds transferred to the loan fund	<u>10,192,296</u>	<u>8,141,421</u>	<u>7,567,616</u>
	<u>\$ 53,068,407</u>	<u>\$ 50,815,989</u>	<u>\$ 46,336,133</u>

31. PROVISIONS

	June 30, 2026	December 31, 2025	June 30, 2025
Provisions for employee benefits (Note 32)	\$ 1,649,311	\$ 1,545,764	\$ 1,820,946
Reserve for losses on guarantees	403,617	334,001	275,040
Reserve for financial commitments	393,180	381,321	344,751
Others	<u>209,817</u>	<u>212,195</u>	<u>208,000</u>
	<u>\$ 2,655,925</u>	<u>\$ 2,473,281</u>	<u>\$ 2,648,737</u>

Refer to Note 53 for information relating to the credit risk management and impairment of reserve for losses on guarantees, other reserves - letters of credit and financial commitments.

32. EMPLOYEE BENEFITS PLANS

	June 30, 2026	December 31, 2025	June 30, 2025
Provisions for employee benefits			
Defined benefit plans	\$ 624,477	\$ 648,445	\$ 825,702
Preferential interest rate plan for employees' deposits	697,541	691,179	673,267
Other long-term employee benefits plan	327,163	206,011	321,854
Others	<u>130</u>	<u>129</u>	<u>123</u>
	<u>\$ 1,649,311</u>	<u>\$ 1,545,764</u>	<u>\$ 1,820,946</u>

a. Defined contribution plans

The Bank and its subsidiaries have a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, monthly contributions to employees' individual pension accounts are at 6% of monthly salaries and wages.

The total expenses recognized in profit or loss for the six months ended June 30, 2026 and 2025 were \$267,184 thousand and \$251,212 thousand, and for the three months ended June 30, 2026 and 2025 were \$133,454 thousand and \$130,607 thousand, respectively, which represent contributions payable to these plans by the Bank and its subsidiaries at rates specified in the rules of the plan.

b. Defined benefit plans

The defined benefit plan adopted by the Bank in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salary during the six months preceding retirement. The Bank contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Before the end of each year, the Bank assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Bank is required to fund the difference in one appropriation that should be made before the end of March of next year. Pension contributions are deposited in the Bank of Taiwan in the committee's name and are managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Bank has no right to influence the investment policy and strategy for these contributions.

The total expenses recognized in profit or loss for the six months ended June 30, 2026 and 2025 were \$15,831 thousand and \$19,735 thousand, and for the three months ended June 30, 2026 and 2025 were \$7,916 thousand and \$9,868 thousand, respectively.

c. Preferential interest rate plan for employees' deposits

The Bank was obligated to pay retired employees a fixed preferential interest rate for their deposits in conformity with "Rules of Deposits of Taipei Fubon Commercial Bank".

The total expenses recognized in profit or loss for the six months ended June 30, 2026 and 2025 were \$37,554 thousand and \$35,278 thousand, and for the three months ended June 30, 2026 and 2025 were \$18,777 thousand and \$17,639 thousand, respectively.

d. Defined contribution plans of overseas subsidiaries

To enhance the employee's pension benefits and build a multilevel pension insurance system, Fubon Bank (China) implemented an enterprise annuity plan. The plan is based on the "Enterprise Annuity Trial Measures" and the "Enterprise Annuity Fund Management Trial Measures" and other guidelines. It is aimed at providing long-term incentives to employees and giving them security after retirement.

For the six months ended June 30, 2026 and 2025, Fubon Bank (China), the Bank's overseas subsidiary, recognized expenses of \$69,695 thousand and \$61,620 thousand, and for the three months ended June 30, 2026 and 2025 were \$35,129 thousand and \$29,819 thousand, respectively.

33. OTHER LIABILITIES

	June 30, 2026	December 31, 2025	June 30, 2025
Guarantee deposits received	\$ 7,993,928	\$ 6,691,182	\$ 16,883,726
Advance receipts	6,849,520	6,283,911	7,166,745
Suspended accounts and payments for clearing	4,110,509	2,364,787	3,226,797
Others	<u>326,053</u>	<u>303,974</u>	<u>326,451</u>
	<u>\$ 19,280,010</u>	<u>\$ 15,643,854</u>	<u>\$ 27,603,719</u>

34. EQUITY

a. Capital stock

Common stock

	June 30, 2026	December 31, 2025	June 30, 2025
Number of shares authorized (in thousands)	<u>20,000,000</u>	<u>18,000,000</u>	<u>18,000,000</u>
Amount of capital stock authorized	<u>\$ 200,000,000</u>	<u>\$ 180,000,000</u>	<u>\$ 180,000,000</u>
Number of shares issued and received (in thousands)	<u>17,180,000</u>	<u>15,759,806</u>	<u>15,759,806</u>
Amount of outstanding and issued shares (par value of NT\$10)	<u>\$ 171,800,001</u>	<u>\$ 157,598,061</u>	<u>\$ 157,598,061</u>

To meet the capital requirements arising from the Bank's business expansion and to maintain an appropriate capital adequacy ratio, the Bank's Board of Directors, acting on behalf of the shareholders' meeting, resolved on April 22, 2026 to increase the Bank's authorized capital from \$180,000,000 thousand to \$200,000,000 thousand. The amendment to the registered capital has been duly registered and completed.

In order to strengthen the Bank's capital base and financial structure, on December 17, 2025, the Board of Directors, acting on behalf of the shareholders' meeting, approved a capital increase of \$14,201,940 thousand through the capitalization of capital surplus, representing the issuance of 1,420,194 thousand new shares. The filing with the Securities and Futures Bureau of the FSC became effective on January 27, 2026. The record date for this capital increase was February 23, 2026, and the registration of the capital change has been completed.

b. Capital increase reserve

On May 13, 2026, the Bank's board of directors, acting on behalf of the shareholders' meeting, resolved to capitalize \$346,374 thousand of retained earnings and to issue 34,637 thousand new shares. The filing with the Securities and Futures Bureau of the FSC became effective on July 28, 2026, and the record date for this capital increase was August 11, 2026.

c. Capital surplus

	June 30, 2026	December 31, 2025	June 30, 2025
Arising from consolidation	\$ -	\$ -	\$ 7,488,402
Arising from issuance of common shares	249,142	249,142	6,962,680
Changes in the equity of investee accounted for using the equity method	585,388	581,797	577,639
Changes in ownership interests in subsidiaries	<u>877,665</u>	<u>877,665</u>	<u>877,665</u>
	<u>\$ 1,712,195</u>	<u>\$ 1,708,604</u>	<u>\$ 15,906,386</u>

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

d. Legal reserve

According to The Banking Act of The Republic of China, at the time of distributing its earnings for each fiscal year, the bank shall set aside 30% of its after-tax earnings as a legal reserve. According to Company Act, the legal reserve is provided until its balance reaches the total paid-in capital of the company. The legal reserve can be used to make up for deficits. When the company has no deficits, the portion of the legal reserve exceeding 25% of the total paid-in capital can be allocated in cash, in addition to other appropriations. According to The Banking Act of The Republic of China, before the legal reserve reaches the total capital, the maximum cash surplus distribution shall not exceed 15% of the total capital.

e. Special reserve

	June 30, 2026	December 31, 2025	June 30, 2025
Appropriations by TAIPEIBANK under its Articles of Incorporation	\$ 1,285,676	\$ 1,285,676	\$ 1,285,676
Transferred from trading loss reserve	123,497	123,497	123,497
Deduction arising from the first-time adoption of IFRSs and the debits to other equity items	113,949	113,949	113,949
Application of the fair value model to investment properties	1,702,630	1,649,047	1,649,047
			(Continued)

	June 30, 2026	December 31, 2025	June 30, 2025
Expenditure of employees' financial technology development	\$ 169,669	\$ 185,288	\$ 185,288
Gain from bargain purchase	<u>2,458,365</u>	<u>2,458,365</u>	<u>2,458,365</u>
	<u>\$ 5,853,786</u>	<u>\$ 5,815,822</u>	<u>\$ 5,815,822</u>
			(Concluded)

The special reserve is provided and reversed in accordance with Rule No. 1090150022 issued by the FSC on March 31, 2021 and the directive titled "Questions and Answers for Special Reserves Appropriated Following the Adoption of IFRSs". Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and, thereafter, distributed.

Under Rule No. 10901500221 issued by the FSC on March 31, 2021, upon the initial measurement of investment property at fair value, the net increase in fair value transferred to retained earnings has been appropriated to a special reserve in the same amount. For subsequent net increases in fair value, additional special reserve has been appropriated accordingly. In the event of a decrease in the accumulated net increase in fair value or disposal of the investment property, the corresponding portion of the special reserve may be reversed.

Under Rule No. 10510001510 issued by the FSC on May 25, 2016, a public bank shall appropriate to special reserve 0.5% to 1% of net income from 2016 through 2018. From fiscal year 2017, the Bank can reverse the amount of expenditure of employees' transfer and settlement arising from financial technology development within the amount of the above special reserve. However, under Rule No. 10802714560, from fiscal year 2019, the Bank should not appropriate special reserve for financial technology development and protection of the Bank's employees' rights. Furthermore, the Bank should reverse the abovementioned appropriations for expenditure of employees' transfer and settlement and necessary expenditure on employees' educational courses for financial technology and the Bank's business development.

According to Jin-Guan-Yin-Fa Letter No. 10310006310 dated December 30, 2014, in order to maintain the stability of the Company's financial structure, the retained earnings arising from bargain purchase benefits of the acquisition by financial holding company or its subsidiaries shall be set aside as special reserve, and shall not be reversed within one year. After a year, the value of acquired assets are certified to be in likelihood of value at acquisition date without any sign of unexpected impairment by a certified public accountant, and the special reserve could be used in recovering accumulated deficit, or increasing the Company's capital.

According to Jin-Guan-Yin-Fa Letter No. 11301388321 dated June 12, 2024, if a bank is required by law to set aside a special reserve and then reverses the distribution of the reserve and the amount is distributed in cash, it can exclude the restriction that the maximum cash reserve distribution in the latter paragraph of Article 50, Paragraph 1 of the Bank's Articles of Incorporation shall not be more than 15% of the total amount of the capital.

f. Appropriation of earnings and dividends policy

Under the Bank's Articles of Incorporation, the Bank should make appropriations from its net income (less any deficit) in the following order:

- 1) 30% as legal reserve and, under FSC rules, a special reserve (or special reserve reversal);

- 2) The remaining net income and unappropriated accumulated earnings can be distributed as dividends to shareholders, as proposed by the board of directors and approved in the shareholders' meeting. If the legal reserve equals the Bank's paid-in capital, or if the Bank meets the standards of sound finance and business practices prescribed by the regulatory authorities as stated in Article 50 of the Banking Act and has set aside legal reserve in compliance with the Company Act, the restrictions stipulated in the preceding paragraph shall not prevail.

On November 12, 2009, the FSC prescribed regulations, stated in Article 50 of the Banking Act, for sound finance and business practices. On April 30, 2012, these regulations were amended, specifying the criteria for sound finance and business.

The appropriation of earnings is approved at the shareholders' meeting held in, and reflected in the financial statements of, the year following the year of earnings generation. Under the Financial Holdings Company Law, the Bank's board of directors is designated to exercise the power of the shareholders' meeting, and the regulations on the shareholders' meeting, which are included in the Company Law, will not prevail.

On May 13, 2026 and May 14, 2025, the Bank's board of directors exercised the power and authority of the shareholders' meeting and approved the appropriations of the 2025 and 2024 earnings, respectively. The appropriations were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	2025	2024	2025	2024
Legal reserve	\$ 11,215,696	\$ 9,526,841		
Special reserve	37,964	354,647		
Cash dividends	25,785,620	21,874,648	\$ 1.50	\$ 1.39
Stock dividends	346,374	-	0.02	-

g. Other equity items

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

	For the Six Months Ended June 30	
	2026	2025
Balance, beginning of the period	\$ (1,987,840)	\$ (1,281,907)
Recognized during the period		
Exchange differences on translating financial statements of foreign operations	1,353,664	(4,127,647)
Share of associates accounted for using the equity method	(417,755)	(39,796)
Other comprehensive income (loss) recognized during the period	935,909	(4,167,443)
Balance, end of the period	\$ (1,051,931)	\$ (5,449,350)

2) Unrealized gains (losses) on financial assets at fair value through other comprehensive income

	For the Six Months Ended June 30	
	2026	2025
Balance, beginning of the period	\$ 9,294,811	\$ 5,359,687
Recognized during the period		
Unrealized gains (losses)		
Debt instruments	(806,139)	1,379,294
Equity instruments	13,592,139	(93,147)
Adjustment of loss allowance for debt instruments	35,989	179,577
Share of associates accounted for using the equity method	(9,547)	(1,411)
Reclassification adjustment		
Disposal of investments in debt instruments	(537,957)	(979,763)
Other comprehensive income recognized during the period	12,274,485	484,550
Cumulative unrealized losses of equity instruments transferred to retained earnings due to disposal	(1,281,099)	(71,420)
Balance, end of the period	\$ 20,288,197	\$ 5,772,817

3) Change in fair value of financial liability attributable to change in credit risk of liability

	For the Six Months Ended June 30	
	2026	2025
Balance, beginning of the period	\$ -	\$ 52
Recognized during the period		
Changes in fair value attributable to changes in credit risk of financial liabilities	-	(52)
Other comprehensive income recognized during the period	-	(52)
Balance, end of the period	\$ -	\$ -

4) (Losses) gains on hedges

	For the Six Months Ended June 30	
	2026	2025
Balance, beginning of the period	\$ (3,073)	\$ (84,843)
Recognized during the period		
Share of associates accounted for using the equity method	49,646	(7,332)
Other comprehensive income recognized during the period	49,646	(7,332)
Balance, end of the period	\$ 46,573	\$ (92,175)

5) Real estate revaluation

	For the Six Months Ended June 30	
	2026	2025
Balance, beginning of the period	\$ 1,553,729	\$ 723,041
Recognized during the period		
Real estate revaluation	-	91,834
Other comprehensive income recognized during the period	-	91,834
Balance, end of the period	<u>\$ 1,553,729</u>	<u>\$ 814,875</u>

h. Non-controlling interests

	For the Six Months Ended June 30	
	2026	2025
Balance, beginning of the period	\$ 28,830,515	\$ 28,503,517
Attributable to non-controlling interests:		
Net income (loss) for the period	656,544	476,805
Other comprehensive income (loss) recognized during the period		
Exchange differences arising from the translation of financial statements of foreign operations	1,234,970	(1,901,977)
Unrealized gains (loss) on financial assets at fair value through other comprehensive income	45,514	(135,211)
Other comprehensive income (loss) for the period	<u>1,280,484</u>	<u>(2,037,188)</u>
Balance, end of the period	<u>\$ 30,767,543</u>	<u>\$ 26,943,134</u>

35. NET INTEREST INCOME

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
<u>Interest income</u>				
Discounts and loans	\$ 26,039,257	\$ 21,811,157	\$ 51,006,389	\$ 43,188,664
Investments in debt instruments measured at amortized cost	7,652,734	6,596,730	15,084,180	13,470,166
Due from banks and call loans to banks	3,324,909	3,412,813	6,337,692	6,737,876
Investments in debt instruments measured at fair value through other comprehensive income	2,338,119	2,089,961	4,610,042	4,429,222
Others	<u>1,156,028</u>	<u>1,292,121</u>	<u>2,329,906</u>	<u>2,985,601</u>
	<u>40,511,047</u>	<u>35,202,782</u>	<u>79,368,209</u>	<u>70,811,529</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
<u>Interest expense</u>				
Deposits	\$ 18,413,153	\$ 18,283,926	\$ 36,034,509	\$ 37,238,305
Call loans from and due to the Central Bank and other banks	2,021,797	1,249,665	4,578,355	2,550,317
Others	<u>1,832,326</u>	<u>1,592,887</u>	<u>3,463,548</u>	<u>3,332,857</u>
	<u>22,267,276</u>	<u>21,126,478</u>	<u>44,076,412</u>	<u>43,121,479</u>
Net interest income	<u>\$ 18,243,771</u>	<u>\$ 14,076,304</u>	<u>\$ 35,291,797</u>	<u>\$ 27,690,050</u>

(Concluded)

Interest income and interest expense shown on the table above exclude those from financial assets and liabilities at fair value through profit or loss.

36. SERVICE FEE INCOME, NET

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Service fee income				
Trust and custody business	\$ 3,716,791	\$ 1,700,796	\$ 7,514,750	\$ 4,794,673
Insurance service fee income	3,155,591	2,474,017	7,070,614	5,346,905
Credit card business	1,385,356	1,314,275	2,800,647	2,678,596
Loan service	599,612	575,835	1,261,283	995,068
Others	<u>899,181</u>	<u>626,464</u>	<u>1,722,098</u>	<u>1,224,647</u>
	<u>9,756,531</u>	<u>6,691,387</u>	<u>20,369,392</u>	<u>15,039,889</u>
Service fee expense				
Loan service	2,057,379	1,557,324	4,144,960	2,960,891
Credit card business	781,443	732,201	1,518,059	1,314,872
Others	<u>648,375</u>	<u>583,628</u>	<u>1,229,358</u>	<u>1,168,199</u>
	<u>3,487,197</u>	<u>2,873,153</u>	<u>6,892,377</u>	<u>5,443,962</u>
Net service fee income	<u>\$ 6,269,334</u>	<u>\$ 3,818,234</u>	<u>\$ 13,477,015</u>	<u>\$ 9,595,927</u>

The Bank and its subsidiaries provided custody, trust, investment management and advisory services to the third parties. These services involve the Bank and its subsidiaries in the planning, management and investment decision-making relating to financial instruments. Trust funds or investment portfolios managed and invested on behalf of investors are not included in the Bank and its subsidiaries' financial statements. For internal management purposes, separate accounts are maintained and separate financial statements are prepared for such trust funds and investment portfolios.

37. GAINS ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Net interest income	\$ 868,683	\$ 650,540	\$ 1,544,507	\$ 1,246,775
Dividend income	<u>9,102</u>	<u>3,028</u>	<u>19,093</u>	<u>9,365</u>
Realized gains (losses)				
Derivatives	1,064,717	2,252,787	3,303,772	4,796,865
Stock	381,003	(128,303)	754,979	(147,700)
Corporate bonds	93,011	3,103	304,611	114,776
Others	<u>237,909</u>	<u>185,542</u>	<u>452,762</u>	<u>269,847</u>
	<u>1,776,640</u>	<u>2,313,129</u>	<u>4,816,124</u>	<u>5,033,788</u>
Gains (losses) on valuation				
Convertible corporate bonds	3,240,120	2,384,106	2,816,435	1,586,591
Stock	522,673	86,841	701,948	(154,109)
Derivatives	(4,038,233)	(2,174,032)	(4,761,798)	(1,192,963)
Others	<u>134,398</u>	<u>191,287</u>	<u>161,212</u>	<u>452,861</u>
	<u>(141,042)</u>	<u>488,202</u>	<u>(1,082,203)</u>	<u>692,380</u>
	<u>\$ 2,513,383</u>	<u>\$ 3,454,899</u>	<u>\$ 5,297,521</u>	<u>\$ 6,982,308</u>

38. REALIZED GAINS OR LOSSES ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Dividend income	\$ 600,862	\$ 904,370	\$ 894,490	\$ 1,126,322
Government bonds	273,805	411,563	680,123	1,154,651
Bank debentures	20,097	33,066	86,984	135,435
Others	<u>16,356</u>	<u>12,198</u>	<u>37,872</u>	<u>63,021</u>
	<u>\$ 911,120</u>	<u>\$ 1,361,197</u>	<u>\$ 1,699,469</u>	<u>\$ 2,479,429</u>

39. GAIN ON DERECOGNITION OF FINANCIAL ASSETS AT AMORTIZED COST

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Government bonds	\$ 2,168	\$ (9,975)	\$ 268,272	\$ 309,149
Securitized products	(4,190)	(4,453)	(20,853)	(6,775)
Others	<u>815</u>	<u>(57,631)</u>	<u>439</u>	<u>(61,922)</u>
	<u>\$ (1,207)</u>	<u>\$ (72,059)</u>	<u>\$ 247,858</u>	<u>\$ 240,452</u>

For fund allocation purposes, the Bank and its subsidiaries have disposed of such bond investments and receivables due to factors including assets being close to maturity, forced redemption by issuers, management of assets with significantly increased credit risk, and sales that are infrequent or insignificant both individually and in the aggregate.

40. FOREIGN EXCHANGE GAINS (LOSSES)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
General exchange gains and losses	\$ 794,436	\$ 285,342	\$ 1,443,641	\$ 709,615
Exchange gains (losses) from proprietary funds	<u>(6,117)</u>	<u>(133,907)</u>	<u>45,445</u>	<u>(106,777)</u>
	<u>\$ 788,319</u>	<u>\$ 151,435</u>	<u>\$ 1,489,086</u>	<u>\$ 602,838</u>

41. EMPLOYEE BENEFITS EXPENSE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Salaries and wages	\$ 5,283,658	\$ 4,394,388	\$ 10,582,190	\$ 9,063,876
Labor insurance, national health insurance and group life insurance	428,512	391,216	856,049	782,339
Post-employment benefit expense	213,008	192,109	422,101	384,442
Other employee benefits expense	<u>217,550</u>	<u>196,766</u>	<u>447,025</u>	<u>388,488</u>
	<u>\$ 6,142,728</u>	<u>\$ 5,174,479</u>	<u>\$ 12,307,365</u>	<u>\$ 10,619,145</u>

For compliance with the Articles of Incorporation of the Bank, the Bank stipulates the distribution of employees' compensation at rates of 1% to 5% of net profit before income tax and employees' compensation. If the Bank has accumulated deficits, an amount shall first be reserved to offset such deficits before employees' compensation is appropriated. The employees' estimated compensation were \$307,191 thousand and \$231,214 thousand for the six months ended June 30, 2026 and 2025, and \$160,705 thousand and \$109,707 thousand for the three months ended June 30, 2026 and 2025, respectively.

If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are accounted for as changes in accounting estimates and recognized in the following year.

On March 11, 2026 and March 12, 2025, the Bank's board of directors, acting on behalf of the shareholders' meeting, resolved to distribute employees' compensation for 2025 and 2024, respectively. The amounts were the same as those recognized in the consolidated financial statements for 2025 and 2024.

Information on the distribution of employees' compensation approved by the Bank's board of directors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

42. DEPRECIATION AND AMORTIZATION

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Depreciation	\$ 795,873	\$ 778,186	\$ 1,585,023	\$ 1,559,539
Amortization	<u>391,210</u>	<u>369,388</u>	<u>783,052</u>	<u>740,402</u>
	<u>\$ 1,187,083</u>	<u>\$ 1,147,574</u>	<u>\$ 2,368,075</u>	<u>\$ 2,299,941</u>

43. GENERAL AND ADMINISTRATIVE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Taxes and dues	\$ 1,335,281	\$ 1,073,496	\$ 2,571,095	\$ 2,147,428
Marketing	1,039,962	1,036,512	2,245,239	2,169,687
Repairs and maintenance	417,853	351,060	766,608	700,258
Rental	295,015	280,994	577,766	564,117
Insurance	276,501	243,390	543,063	485,705
Others	<u>899,045</u>	<u>926,879</u>	<u>1,759,284</u>	<u>1,727,758</u>
	<u>\$ 4,263,657</u>	<u>\$ 3,912,331</u>	<u>\$ 8,463,055</u>	<u>\$ 7,794,953</u>

44. INCOME TAX

Since 2003, the Bank, together with FFH and its eligible subsidiaries, has adopted the consolidated tax filing system for regular corporate income tax and the 10% income tax on undistributed earnings.

a. Income tax expense recognized in profit or loss

The major components of income tax expense were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Current tax				
Current period	\$ 2,184,446	\$ 1,469,383	\$ 4,467,768	\$ 3,753,687
Adjustments for prior years	(83,689)	(55,574)	(83,689)	(78,261)
Pillar Two top-up tax	<u>222,148</u>	<u>-</u>	<u>283,652</u>	<u>-</u>
	<u>2,322,905</u>	<u>1,413,809</u>	<u>4,667,731</u>	<u>3,675,426</u>
Deferred tax				
Current period	<u>178,731</u>	<u>59,527</u>	<u>316,757</u>	<u>16,100</u>
Income tax expense recognized in profit or loss	<u>\$ 2,501,636</u>	<u>\$ 1,473,336</u>	<u>\$ 4,984,488</u>	<u>\$ 3,691,526</u>

b. Income tax expense (benefit) recognized in equity

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Current tax				
Disposal of investments in equity instruments at fair value through other comprehensive income	\$ (22,525)	\$ 5,414	\$ (22,525)	\$ (16,212)
Deferred tax				
Disposal of investments in equity instruments at fair value through other comprehensive income	22,525	(5,414)	22,525	16,212
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

c. Income tax expense (benefit) recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
<u>Deferred tax</u>				
Recognized during the period				
Unrealized gains and losses on financial assets at fair value through other comprehensive income	\$ 131,159	\$ 178,168	\$ (147,894)	\$ 50,647
Real estate revaluation	-	-	-	4,325
Share of other comprehensive income (loss) of associates accounted for using the equity method	(18,906)	(37,667)	(90,523)	(14,184)
Others	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(13)</u>
	<u>\$ 112,253</u>	<u>\$ 140,500</u>	<u>\$ (238,417)</u>	<u>\$ 40,775</u>

- d. The income tax returns of the Bank through 2020 were assessed by the Taipei National Tax Administration (TNTA). The Bank disagreed with the tax authorities' assessment results for its 2019 and 2020 income tax returns and its 2017 undistributed earnings and has initiated administrative remedies in accordance with applicable laws and regulations.
- e. Income tax returns of Fubon Bank (China) through 2025 have been assessed by the Shanghai Municipal Office, SAT and the Shanghai Municipal Bureau of Local Taxation.
- f. Income tax returns of Jih-Sun Bank through 2020 and 2022 have been assessed by the TNTA. Additionally, the income tax returns of Jih-Sun Property Insurance Agency through 2020, 2022 and 2023 have been assessed by TNTA. Additionally, the income tax returns of Jih-Sun Life Insurance Agency through 2023 have been assessed by the TNTA.

45. EARNINGS PER SHARE

(In New Taiwan Dollars)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Basic earnings per share				
From continuing operations	\$ <u>0.79</u>	\$ <u>0.55</u>	\$ <u>1.50</u>	\$ <u>1.13</u>

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares. The basic earnings per share adjusted retrospectively were as follows:

Unit: NT\$ Per Share

	Before Retrospective Adjustment	After Retrospective Adjustment	Before Retrospective Adjustment	After Retrospective Adjustment
	For the Three Months Ended June 30, 2025	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2025	For the Six Months Ended June 30, 2025
Basic earnings per share	\$ <u>0.60</u>	\$ <u>0.55</u>	\$ <u>1.24</u>	\$ <u>1.13</u>

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

Net Income for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Earnings used in the computation of basic earnings per share				
Net income attributable to owners of the Bank	\$ <u>13,585,027</u>	\$ <u>9,408,999</u>	\$ <u>25,743,761</u>	\$ <u>19,520,758</u>

Number of Shares

(In Thousands of Shares)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Weighted average number of common shares outstanding used in the computation of basic earnings per share	<u>17,214,637</u>	<u>17,214,637</u>	<u>17,214,637</u>	<u>17,214,637</u>

46. RELATED-PARTY TRANSACTIONS

Except for those disclosed in other notes to the financial statements, as of June 30, 2026, December 31, 2025 and June 30, 2025, and for the six months ended June 30, 2026 and 2025, the related party transactions between the Bank and its subsidiaries were as follows:

a. Related parties

<u>Related Party</u>	<u>Relationship with the Bank and Its Subsidiaries</u>
Fubon Financial Holdings Co., Ltd.	Parent company
Fubon Real Estate Management Co., Ltd.	Equity-method investee of the Bank
LINE Pay Taiwan Limited	Equity-method investee of the Bank
LINE Bank Taiwan Limited	Equity-method investee of the Bank
Hyundai Card Co., Ltd.	Equity-method investee of the Bank
Fubon Insurance Co., Ltd.	Company controlled by Fubon Financial Holdings
Fubon Sports & Entertainment Co., Ltd.	Company controlled by Fubon Financial Holdings
Fubon Life Insurance Co., Ltd.	Company controlled by Fubon Financial Holdings
Fubon Securities Co., Ltd.	Company controlled by Fubon Financial Holdings
Fubon Asset Management Co., Ltd.	Company controlled by Fubon Financial Holdings
Fubon Bank (Hong Kong) Limited	Company controlled by Fubon Financial Holdings
Fubon Futures Co., Ltd.	Company controlled by Fubon Financial Holdings
Fubon Securities Investment Trust Co., Ltd.	Company controlled by Fubon Financial Holdings
Fubon Hyundai Life Insurance Co., Ltd.	Company controlled by Fubon Financial Holdings
Fubon Life Insurance (Hong Kong) Co., Ltd.	Company controlled by Fubon Financial Holdings
Xiamen City Cooperative Bank	Equity-method investee of Fubon Financial Holdings
Sichuan Vip Fubon Consumer Finance Ltd.	Equity-method investee of subsidiary of the Bank
Taipei City Government and its departments	Major shareholder of parent company
Chung Hsing Land Development Co., Ltd.	Major shareholder of parent company
Mingdong Industrial Co., Ltd.	Major shareholder of parent company
Taiwan Mobile Co., Ltd.	Related party in substance
Taiwan High Speed Rail Corp.	Related party in substance
Taiwan Fixed Network Co., Ltd.	Related party in substance
Fubon Charity Foundation	Related party in substance
momo.com Inc.	Related party in substance
Taipei Fubon Bank Charity Foundation	Related party in substance
Fubon Cultural and Educational Foundation	Related party in substance
Fubon Apartment Building Management and Maintenance Co., Ltd.	Related party in substance
EasyCard Corporation	Related party in substance
Digiflow Company Limited	Related party in substance
Taiwan Futures Exchange Corporation	Related party in substance
Yong Hsin Shing Ye Co., Ltd.	Related party in substance
Synnex Technology International Corporation	Related party in substance
Ta-Ho Maritime Corporation	Related party in substance
Swanson Plastics Corporation	Related party in substance
Thermaltake Technology Co., Ltd.	Related party in substance
CGPC Polymer Corporation	Related party in substance
Nanya Technology Corporation	Related party in substance
Taiwan Life Insurance Co., Ltd.	Related party in substance
Taita Chemical Company, Limited	Related party in substance
Kuang Hsin Printing Co., Ltd.	Related party in substance

(Continued)

<u>Related Party</u>	<u>Relationship with the Bank and Its Subsidiaries</u>
Taiwan VCM Corporation	Related party in substance
China General Plastics Corporation	Related party in substance
Taiwan Line Tek Electronic Co., Ltd.	Related party in substance
Taiwan Chinsan Electronic Industrial Co., Ltd.	Related party in substance
Acme Electronics Corporation	Related party in substance
CTBC Securities Co., Ltd.	Related party in substance
Taiwan Water Corporation	Related party in substance
Airiti Inc.	Related party in substance
Hung Chou Fiber Industrial Co., Ltd.	Related party in substance
Ucer Enterprise Co., Ltd.	Related party in substance
Gigastone Corporation	Related party in substance
Pegatron Corporation	Related party in substance
Chow Sang Sang Jewellery (Taiwan) Limited, Taiwan Branch (British Virg)	Related party in substance
National Credit Card Center of R.O.C.	Related party in substance (became a non-related party since the fourth quarter of 2025)
Acer Incorporated	Related party in substance
MiTAC Digital Technology Corporation	Related party in substance
Ye Siang Enterprise Co., Ltd.	Related party in substance
Winbond Electronics Corporation	Related party in substance
Asustek Computer Incorporation	Related party in substance
USI Green Energy Corporation	Related party in substance
Taiwan Power Company	Related party in substance
Shin-Shi-Yue Co., Ltd.	Related party in substance
MiTAC Computing Technology Corporation	Related party in substance
Sunny Friend Environmental Technology Co., Ltd.	Related party in substance
Concord System Management Corp.	Related party in substance
Taipei Forex Inc.	Related party in substance
Line Taiwan Limited	Related party in substance
LINE Pay EPI Taiwan Limited	Related party in substance
Others	Directors, supervisors, managers and their spouses and relatives up to the second degree of consanguinity and affiliates of Fubon Group or other substantial related parties.
	(Concluded)

b. Significant transactions with related parties are summarized as follows:

1) Deposits

For the six months ended June 30, 2026

Ending Balance	% of the Account Balance	Rate (%)	Interest Expense
<u>\$ 271,416,583</u>	<u>5.84</u>	0-6.9512	<u>\$ 1,112,051</u>

For the year ended December 31, 2025

Ending Balance	% of the Account Balance	Rate (%)	Interest Expense
<u>\$ 156,689,979</u>	<u>3.68</u>	0-6.9512	<u>\$ 2,069,384</u>

For the six months ended June 30, 2025

Ending Balance	% of the Account Balance	Rate (%)	Interest Expense
<u>\$ 164,363,906</u>	<u>4.13</u>	0-7.8	<u>\$ 925,384</u>

2) Due from other banks - deposits and call loans to other banks

a) Due from other banks - deposits

	June 30, 2026	December 31, 2025	June 30, 2025
Fubon Bank (Hong Kong) Limited	\$ 147,224	\$ 213,335	\$ 262,472
Xiamen City Cooperative Bank	<u>130,413</u>	<u>107,144</u>	<u>115,180</u>
	<u>\$ 277,637</u>	<u>\$ 320,479</u>	<u>\$ 377,652</u>

3) Financial instrument

a) Derivative financial instruments

June 30, 2026

Related Party	Derivative Instrument	Contract Period	Contract (Notional) Amount	Gains (Losses) on Valuation	Balance Sheet	
					Account	Balance
Fubon Life Insurance Co., Ltd.	Currency swap contracts	2026.04.09-2026.09.14	\$ 27,860,944	\$ 284,754	Revaluation of financial assets at fair value through profit or loss	\$ 284,754
Fubon Hyundai Life Insurance Co., Ltd.	Non-deliverable forward contracts	2026.04.17-2026.09.29	3,152,232	(29,831)	Revaluation of financial liabilities at fair value through profit or loss	29,831
Fubon Hyundai Life Insurance Co., Ltd.	Non-deliverable forward contracts	2026.04.02-2026.07.24	3,673,716	28,925	Revaluation of financial assets at fair value through profit or loss	28,925
Taiwan Life Insurance Co., Ltd.	Currency swap contracts	2021.07.08-2026.08.24	6,527,421	64,755	Revaluation of financial assets at fair value through profit or loss	110,348
Acer Incorporated	Forward contracts	2026.01.23-2026.11.30	2,683,658	(79,430)	Revaluation of financial liabilities at fair value through profit or loss	79,430
Acer Incorporated	Currency swap contracts	2026.06.26-2026.07.31	3,758,642	1,648	Revaluation of financial assets at fair value through profit or loss	1,648
MiTAC Digital Technology Corporation	Forward contracts	2026.05.27-2026.07.29	43,820	(1,831)	Revaluation of financial liabilities at fair value through profit or loss	1,831
Taiwan VCM Corporation	Forward contracts	2026.05.27-2026.07.24	88,512	(1,261)	Revaluation of financial liabilities at fair value through profit or loss	1,261
Fubon Financial Holdings Co., Ltd.	Interest rate swap contracts	2026.06.11-2029.06.20	1,800,000	(6,104)	Revaluation of financial liabilities at fair value through profit or loss	6,104
Ye Siang Enterprise Co., Ltd.	Currency swap contracts	2026.03.11-2026.11.16	243,756	(2,045)	Revaluation of financial liabilities at fair value through profit or loss	2,045

December 31, 2025

Related Party	Derivative Instrument	Contract Period	Contract (Notional) Amount	Gains (Losses) on Valuation	Balance Sheet	
					Account	Balance
Fubon Life Insurance Co., Ltd.	Currency swap contracts	2025.10.09-2026.04.13	\$ 31,451,036	\$ 503,433	Revaluation of financial assets at fair value through profit or loss	\$ 503,433
Fubon Life Insurance Co., Ltd.	Non-deliverable forward	2025.12.17-2026.01.09	4,717,655	(8,656)	Revaluation of financial liabilities at fair value through profit or loss	8,656
Fubon Hyundai Life Insurance Co., Ltd.	Non-deliverable forward	2025.09.23-2026.03.23	1,509,650	26,635	Revaluation of financial assets at fair value through profit or loss	26,635
Fubon Hyundai Life Insurance Co., Ltd.	Non-deliverable forward	2025.07.17-2026.03.23	1,403,749	(109,655)	Revaluation of financial liabilities at fair value through profit or loss	109,655
Taiwan Life Insurance Co., Ltd.	Currency swap contracts	2021.07.08-2026.07.13	7,233,738	178,173	Revaluation of financial assets at fair value through profit or loss	226,114

June 30, 2025

Related Party	Derivative Instrument	Contract Period	Contract (Notional) Amount	Gains (Losses) on Valuation	Balance Sheet	
					Account	Balance
Fubon Life Insurance Co., Ltd.	Currency swap contracts	2025.06.06-2025.12.29	\$ 16,870,963	\$ 157,690	Revaluation of financial assets at fair value through profit or loss	\$ 157,690
Fubon Life Insurance Co., Ltd.	Currency swap contracts	2025.01.22-2025.10.28	30,363,938	(2,370,042)	Revaluation of financial liabilities at fair value through profit or loss	2,370,042
Fubon Hyundai Life Insurance Co., Ltd.	Non-deliverable forward	2025.06.19-2025.09.26	960,179	(4,301)	Revaluation of financial liabilities at fair value through profit or loss	4,301
Taiwan Life Insurance Co., Ltd.	Non-deliverable forward	2025.04.01-2025.10.07	820,000	(92,502)	Revaluation of financial liabilities at fair value through profit or loss	92,502
Taiwan Life Insurance Co., Ltd.	Currency swap contracts	2021.07.08-2026.07.13	1,005,960	(15,586)	Revaluation of financial assets at fair value through profit or loss	32,355
Taiwan Life Insurance Co., Ltd.	Currency swap contracts	2025.03.10-2025.11.04	7,431,085	(302,641)	Revaluation of financial liabilities at fair value through profit or loss	302,641

b) The balance of Fubon No. 1 REIT and Fubon No. 2 REIT

Related Party	June 30, 2026	December 31, 2025	June 30, 2025
Fubon No. 1 REIT	\$ 669,665	\$ 660,436	\$ 730,229
Fubon No. 2 REIT	89,420	90,804	100,403

4) Receivables

Related Party	June 30, 2026	December 31, 2025	June 30, 2025
Fubon Life Insurance Co., Ltd.	\$ 1,055,187	\$ 199,924	\$ 932,050
Fubon Securities Co., Ltd.	131,546	52,176	43,762
Fubon Financial Holdings Co., Ltd.	89,809	2,912	51
Fubon Securities Investment Trust Co., Ltd.	55,350	7,187	4,257
Fubon Life Insurance (Hong Kong) Co., Ltd.	37,584	-	21,992
Fubon Asset Management Co., Ltd.	22,722	24,802	22,538
Fubon Insurance Co., Ltd.	8,661	13,267	7,312
Other	<u>48</u>	<u>42</u>	<u>49</u>
	<u>\$ 1,400,907</u>	<u>\$ 300,310</u>	<u>\$ 1,032,011</u>

5) Linked-tax receivable (payable)

The Bank's parent company, FFH, uses the linked-tax system for filing the income tax returns of FFH and its eligible subsidiaries, which include the Bank.

	June 30, 2026	December 31, 2025	June 30, 2025
Linked-tax receivable (included in current tax assets)	\$ 672,546	\$ 663,760	\$ 640,239
Linked-tax payable (included in current tax liabilities)	3,280,263	4,012,721	2,097,478

6) Loans

For the Six Months Ended June 30, 2026							
	Ending Balance	Highest Balance for the Year	% of the Account Balance	Allowance for Impairment Loss	Rate (%)	Interest Income	Allowance for Impairment Loss (Reversal of Allowance Gain)
Loans	<u>\$ 29,885,334</u>	<u>\$ 42,373,249</u>	<u>0.95</u>	<u>\$ 281,388</u>	0-15.00	<u>\$ 34,267</u>	<u>\$ (4,545)</u>
June 30, 2026							
Category	Number of Accounts or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collateral	Is the Transaction at Arm's Length?
Consumer loans for employees	74	\$ 68,409	\$ 54,193	ü	\$ -	None	Yes
Housing mortgage loans	265	3,594,968	3,040,242	ü	-	Property	Yes
Others	Department of Rapid Transit Systems, TCG	4,264,287	2,450,000	ü	-	Credit guarantees	Yes
	Taiwan VCM Corporation	412,272	95,232	ü	-	Credit guarantees	Yes
	Taiwan Chinsan Electronic Industrial Co., Ltd.	400,000	400,000	ü	-	Credit guarantees	Yes
	Thermaltake Technology Co., Ltd.	380,000	288,000	ü	-	Credit guarantees	Yes
	Swanson Plastics Corporation	350,000	170,000	ü	-	Credit guarantees	Yes
	Taiwan Line Tek Electronic Co., Ltd.	228,000	148,000	ü	-	Credit guarantees	Yes
	Taiwan Mino Group Co., Ltd.	12,000	-	ü	-	Land, building and plant	Yes
	Ta-Ho Maritime Corporation	162,000	162,000	ü	-	Vessel	Yes
	Yong Hsin Shing Ye Co., Ltd.	28,000	28,000	ü	-	Land, building	Yes
	Airiti Inc.	15,833	11,667	ü	-	Credit guarantee fund	Yes
	Taita Chemical Company, Limited	600,000	-	ü	-	Credit guarantees	Yes
	CGPC Polymer Corporation	200,000	-	ü	-	Credit guarantees	Yes
	Gigastone Corporation	95,772	-	ü	-	Credit guarantee fund, bank deposit certificate, cash and dedicated repayment reserve account	Yes
	Pegatron Corporation	5,000,000	-	ü	-	Credit guarantees	Yes
	Chow Sang Sang Jewellery (Taiwan) Limited, Taiwan Branch (British Virg)	100,000	30,000	ü	-	Credit guarantees	Yes
	Winbond Electronics Corporation	1,540,000	1,300,000	ü	-	Plant, machinery and equipment, excluding land	Yes
	Asustek Computer Incorporation	5,698,584	3,500,000	ü	-	Credit guarantees	Yes
	USI Green Energy Corporation	35,000	-	ü	-	Credit guarantees	Yes
	Taiwan Power Company	18,000,000	18,000,000	ü	-	Credit guarantees	Yes
	Shin-Shi-Yue Co., Ltd.	8,000	8,000	ü	-	Domestic listed shares	Yes
	MiTAC Computing Technology Corporation	980,124	-	ü	-	Credit guarantees	Yes
	Sunny Friend Environmental Technology Co., Ltd.	<u>200,000</u>	<u>200,000</u>	ü	-	Credit guarantees	Yes
		<u>\$ 42,373,249</u>	<u>\$ 29,885,334</u>				

For the Year Ended December 31, 2025

	Ending Balance	Highest Balance for the Year	% of the Account Balance	Allowance for Impairment Loss	Rate (%)	Interest Income	Allowance for Impairment Loss (Reversal of Allowance Gain)
Loans	<u>\$ 32,188,101</u>	<u>\$ 67,166,485</u>	<u>1.12</u>	<u>\$ 285,948</u>	0-15.00	<u>\$ 161,623</u>	<u>\$ 234,508</u>
December 31, 2025							
Category	Number of Accounts or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collateral	Is the Transaction at Arm's Length?
Consumer loans for employees	67	\$ 56,015	\$ 37,769	ü	\$ -	None	Yes
Housing mortgage loans	268	3,717,853	2,814,212	ü	-	Property	Yes
Others	Department of Rapid Transit Systems, TCG	4,910,657	4,264,287	ü	-	Credit guarantees	Yes
	Department of Finance, TCG	15,300,000	-	ü	-	Credit guarantees	Yes
	Department of Urban Development, TCG	42,880	-	ü	-	Credit guarantees	Yes
	Nanya Technology Corporation	700,000	-	ü	-	Credit guarantees	Yes
	Taiwan VCM Corporation	499,968	238,080	ü	-	Credit guarantees	Yes
	Taita Chemical Company, Limited	400,000	400,000	ü	-	Credit guarantees	Yes
	Taiwan Chinsan Electronic Industrial Co., Ltd.	400,000	395,000	ü	-	Credit guarantees	Yes
	Thermaltake Technology Co., Ltd.	391,020	390,000	ü	-	Credit guarantees	Yes
	Swanson Plastics Corporation	350,000	-	ü	-	Credit guarantees	Yes
	China General Plastics Corporation	360,000	-	ü	-	Credit guarantees	Yes
	Acme Electronics Corporation	59,000	-	ü	-	Credit guarantees	Yes
	Taiwan Mino Group Co., Ltd.	68,700	-	ü	-	Land, building and bank deposit certificate	Yes
	CGPC Polymer Corporation	150,000	40,000	ü	-	Credit guarantees	Yes
	Taiwan Line Tek Electronic Co., Ltd.	298,000	228,000	ü	-	Credit guarantees	Yes
	Ta-Ho Maritime Corporation	287,800	162,000	ü	-	Vessel	Yes
	Hung Chou Fiber Industrial Co., Ltd.	54,000	-	ü	-	Credit guarantees	Yes
	Taiwan Water Corporation	100,000	-	ü	-	Credit guarantees	Yes
	Yong Hsin Shing Ye Co., Ltd.	28,000	28,000	ü	-	Land for building	Yes
	Kuang Hsin Printing Co., Ltd.	8,000	-	ü	-	Land, building	Yes
	Airiti Inc.	20,000	16,667	ü	-	Credit guarantee fund	Yes
	Ucer Enterprise Co., Ltd.	41,000	-	ü	-	Land, building	Yes
	Gigastone Corporation	78,592	54,086	ü	-	Credit guarantee fund, bank deposit certificate, cash and dedicated repayment reserve account	Yes
	Pegatron Corporation	5,000,000	5,000,000	ü	-	Credit guarantees	Yes
	Chow Sang Sang Jewellery (Taiwan) Limited, Taiwan Branch (British Virg)	100,000	100,000	ü	-	Credit guarantees	Yes
	Asustek Computer Incorporation	10,500,000	-	ü	-	Credit guarantees	Yes
	USI Green Energy Corporation	185,000	20,000	ü	-	Credit guarantees	Yes
	Taiwan Power Company	23,000,000	18,000,000	ü	-	Credit guarantees	Yes
	Concord System Management Corp.	<u>60,000</u>	<u>-</u>	ü	-	Credit guarantees	Yes
		<u>\$ 67,166,485</u>	<u>\$ 32,188,101</u>				

For the Six Months Ended June 30, 2025							
	Ending Balance	Highest Balance for the Year	% of the Account Balance	Allowance for Impairment Loss	Rate (%)	Interest Income	Allowance for Impairment Loss (Reversal of Allowance Gain)
Loans	<u>\$ 9,428,471</u>	<u>\$ 30,621,930</u>	<u>0.35</u>	<u>\$ 51,308</u>	0-15	<u>\$ 96,274</u>	<u>\$ (128)</u>
June 30, 2025							
Category	Number of Accounts or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collateral	Is the Transaction at Arm's Length?
Consumer loans for employees	58	\$ 36,519	\$ 28,711	ü	\$ -	None	Yes
Housing mortgage loans	266	3,098,219	2,506,594	ü	-	Property	Yes
Others	Department of Rapid Transit Systems, TCG	4,910,657	4,910,657	ü	-	Credit guarantees	Yes
	Department of Finance, TCG	15,300,000	-	ü	-	Credit guarantees	Yes
	Department of Urban Development, TCG	42,880	16,324	ü	-	Credit guarantees	Yes
	Taiwan VCM Corporation	499,968	380,928	ü	-	Credit guarantees	Yes
	Taiwan Chinsan Electronic Industrial Co., Ltd.	400,000	400,000	ü	-	Credit guarantees	Yes
	Thermaltake Technology Co., Ltd.	391,020	391,020	ü	-	Credit guarantees	Yes
	Taiwan Line Tek Electronic Co., Ltd.	228,000	228,000	ü	-	Credit guarantees	Yes
	Taiwan Mino Group Co., Ltd.	68,700	54,800	ü	-	Land, building and Bank deposit	Yes
	Ta-Ho Maritime Corporation	40,950	37,800	ü	-	Vessel	Yes
	Taiwan Water Corporation	100,000	50,000	ü	-	Credit guarantees	Yes
	Yong Hsin Shing Ye Co., Ltd.	28,000	28,000	ü	-	Land for building	Yes
	Kuang Hsin Printing Co., Ltd.	8,000	8,000	ü	-	Land, building	Yes
	AIRITI INC.	20,000	20,000	ü	-	Credit guarantee fund	Yes
	UCER ENTERPRISE CO., LTD.	31,000	-	ü	-	Land, building	Yes
	Nanya Technology Corporation	700,000	-	ü	-	Credit guarantees	Yes
	Taita Chemical Company, Limited	290,000	-	ü	-	Credit guarantees	Yes
	China General Plastics Corporation	100,000	100,000	ü	-	Credit guarantees	Yes
	CGPC Polymer Corporation	150,000	150,000	ü	-	Credit guarantees	Yes
	Hung Chou Fiber Industrial Co., Ltd.	54,000	-	ü	-	Credit guarantees	Yes
	Gigastone Corporation	74,017	67,637	ü	-	Credit guarantee fund, bank deposit and cash or reserve account	Yes
	Pegatron Corporation	4,000,000	-	ü	-	Credit guarantees	Yes
	Chow Sang Sang Jewellery (Taiwan) Limited, Taiwan Branch (British Virg)	<u>50,000</u>	<u>50,000</u>	ü	-	Credit guarantees	Yes
		<u>\$ 30,621,930</u>	<u>\$ 9,428,471</u>				

Under Banking Act No. 32 and No. 33, except for consumer and government loans, credits extended by the Bank to any related party should be fully secured, and the credit terms for related parties should be similar to those for unrelated parties.

7) Other financial assets

	June 30, 2026	December 31, 2025	June 30, 2025
Sichuan Vip Fubon Consumer Finance Ltd.	\$ <u>2,343,881</u>	\$ <u>-</u>	\$ <u>834,897</u>

8) Refundable deposits

	June 30, 2026	December 31, 2025	June 30, 2025
Taiwan Futures Exchange Corporation	\$ 154,482	\$ 345,545	\$ 237,207
Fubon Futures Co., Ltd.	111,784	169,996	162,077
Chung Hsing Land Development Co., Ltd.	37,124	37,124	37,124
Fubon No. 2 REIT	28,008	27,864	27,863
Fubon Insurance Co., Ltd.	21,052	21,052	21,052
Fubon Life Insurance Co., Ltd.	12,650	9,083	12,088
Others	<u>21,028</u>	<u>21,078</u>	<u>21,078</u>
	\$ <u>386,128</u>	\$ <u>631,742</u>	\$ <u>518,489</u>

In addition to the above, as of June 30, 2025, the Bank provided refundable deposits of \$1,055,370 thousand and government bonds with a face value of \$2,644,900 thousand to the National Credit Card Center of R.O.C. as preparation funds for credit card transaction payments, as well as for credit card clearing and risk guarantees.

9) Prepayments

	June 30, 2026	December 31, 2025	June 30, 2025
Fubon Insurance Co., Ltd.	\$ 51,763	\$ 35,747	\$ 46,792
Others	<u>101</u>	<u>133</u>	<u>1,064</u>
	\$ <u>51,864</u>	\$ <u>35,880</u>	\$ <u>47,856</u>

10) Payables

	June 30, 2026	December 31, 2025	June 30, 2025
Fubon Financial Holdings Co., Ltd.	\$ 355,395	\$ 79,335	\$ 6,661
Fubon Securities Co., Ltd.	147,089	137,430	117,321
Fubon Life Insurance Co., Ltd.	1,277	1,365	1,714
Fubon Insurance Co., Ltd.	56	1,596	1,555
Others	<u>1,694</u>	<u>164</u>	<u>162</u>
	\$ <u>505,511</u>	\$ <u>219,890</u>	\$ <u>127,413</u>

11) Principal amount of structured products

Related Party	June 30, 2026	December 31, 2025	June 30, 2025
Others	\$ 39,654	\$ 60,281	\$ 61,492

12) Non-lease deposit

Related Party	June 30, 2026	December 31, 2025	June 30, 2025
Fubon Hyundai Life Insurance Co., Ltd.	\$ 19,423	\$ -	\$ 30,206
Fubon Asset Management Co., Ltd.	12,000	12,000	12,000
	<u>\$ 31,423</u>	<u>\$ 12,000</u>	<u>\$ 42,206</u>

13) Guarantees

For the Year Ended June 30, 2026					
Related Party	Highest Balance in the Current Year	Ending Balance	Reserve for Losses on Guarantees	Rate	Type of Collateral
Thermaltake Technology Co., Ltd.	\$ 120,000	\$ 108,000	\$ 1,080	0.70%	Credit guarantees
MiTAC Computing Technology Corporation	49,500	49,500	495	0.30%	Credit guarantees
China General Plastics Corporation	3,829	3,786	38	0.50%	Credit guarantees
December 31, 2025					
Related Party	Highest Balance in the Current Year	Ending Balance	Reserve for Losses on Guarantees	Rate	Type of Collateral
Thermaltake Technology Co., Ltd.	\$ 86,400	\$ 86,400	\$ 864	0.70%	Credit guarantees
Ta-Ho Maritime Corporation	59,000	-	-	-	Vessel
China General Plastics Corporation	4,110	-	-	-	Credit guarantees
For the Year Ended June 30, 2025					
Related Party	Highest Balance in the Current Year	Ending Balance	Reserve for Losses on Guarantees	Rate	Type of Collateral
Thermaltake Technology Co., Ltd.	\$ 60,000	\$ 60,000	\$ 600	0.70%	Credit guarantees
Ta-Ho Maritime Corporation	59,000	59,000	590	0.59%	Vessel
China General Plastics Corporation	4,110	-	-	0.00%	Credit guarantees

14) Discretionary investment by related parties

Related Party	June 30, 2026	December 31, 2025	June 30, 2025
Fubon Securities Investment Trust Co., Ltd.	\$ 2,324,814	\$ -	\$ -

15) Revenue

a) Service fee income

Related Party	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Fubon Life Insurance Co., Ltd.	\$ 3,289,908	\$ 2,531,419	\$ 7,081,965	\$ 5,426,595
Fubon Securities Co., Ltd.	252,936	79,723	407,865	161,757
momo.com Inc.	179,561	165,319	342,160	331,950
Fubon Life Insurance (Hong Kong) Co., Ltd.	68,136	78,345	229,680	154,896
Fubon Securities Investment Trust Co., Ltd.	140,998	31,506	206,051	74,919
Fubon Insurance Co., Ltd.	91,785	81,230	178,386	159,983
Taiwan Mobile Co., Ltd.	66,847	61,985	125,550	125,504
LINE Pay Taiwan Limited	15,597	22,509	35,361	45,129
LINE Pay EPI Taiwan Limited	11,293	-	15,581	-
Taipei City Government and its agencies	7,662	4,511	14,567	9,681
Fubon Bank (Hong Kong) Limited	4,222	4,068	12,643	12,813
EasyCard Corporation	4,882	3,429	5,935	6,471
Digiflow Company Limited	2,021	4,120	4,075	6,548
Others	<u>22,905</u>	<u>13,652</u>	<u>37,885</u>	<u>25,212</u>
	<u>\$ 4,158,753</u>	<u>\$ 3,081,816</u>	<u>\$ 8,697,704</u>	<u>\$ 6,541,458</u>

b) Others

Related Party	Nature	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2026	2025	2026	2025
Fubon Asset Management Co., Ltd.	Revenue from the rendering of services and others	\$ 3,697	\$ 4,095	\$ 7,612	\$ 8,417
Taipei Fubon Bank Charity Foundation	Revenue from the rendering of services	780	763	1,555	1,519
Sichuan Vip Fubon Consumer Finance Ltd.	Others	4,628	7,091	4,628	14,567
Others		<u>782</u>	<u>242</u>	<u>782</u>	<u>242</u>
		<u>\$ 9,887</u>	<u>\$ 12,191</u>	<u>\$ 14,577</u>	<u>\$ 24,745</u>

16) Expenses

a) Contribution

Related Party	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Taipei Fubon Bank Charity Foundation	\$ -	\$ 19,920	\$ 18,920	\$ 19,920
Fubon Cultural and Educational Foundation	-	8,979	16,538	8,979
Fubon Charity Foundation	-	15,336	15,111	15,336
	<u>\$ -</u>	<u>\$ 44,235</u>	<u>\$ 50,569</u>	<u>\$ 44,235</u>

b) Service fee expenses

Related Party	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
LINE Pay Taiwan Limited	\$ 228,106	\$ 133,186	\$ 445,774	\$ 417,266
momo.com Inc.	93,526	104,908	207,403	231,516
Fubon Securities Co., Ltd.	29,264	14,968	54,515	32,308
Fubon Insurance Co., Ltd.	13,163	14,139	25,496	37,071
Taiwan High Speed Rail Corp.	5,562	5,344	13,270	15,739
Taipei Forex Inc.	4,779	4,749	9,200	8,935
Others	<u>6,250</u>	<u>4,993</u>	<u>14,392</u>	<u>10,835</u>
	<u>\$ 380,650</u>	<u>\$ 282,287</u>	<u>\$ 770,050</u>	<u>\$ 753,670</u>

c) Venue usage fee

The Bank enters into a transfer and delivery contract, a business premises fee sharing agreement and a cooperation fee contract with Fubon Securities, and calculates the apportionable fees based on the average amount of deposits of Fubon Securities customers with the Bank. For the six months ended June 30, 2026 and 2025, the Bank paid Fubon Securities Co., Ltd. a venue usage fee of \$414,859 thousand and \$347,236 thousand, respectively.

d) Others expenses

Related Party	Nature	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2026	2025	2026	2025
momo.com Inc.	Advertising costs, others	\$ 79,431	\$ 114,435	\$ 172,514	\$ 246,944
Fubon Insurance Co., Ltd.	Insurance expenses, rent and others expenses	39,468	45,882	124,388	125,042
Taiwan Fixed Network Co., Ltd.	Telecommunication expenses and rent	43,646	40,904	83,495	77,677
Fubon Sports & Entertainment Co., Ltd.	Advertising costs, others	26,881	43,909	54,490	89,801
Fubon Apartment Building Management and Maintenance Co., Ltd.	Building administration expenses, water and electricity expenses and others expenses	23,196	20,172	46,059	39,906
Fubon Life Insurance Co., Ltd.	Insurance expenses, rent and others expenses	22,458	26,518	45,867	42,411
LINE Pay Taiwan Limited	Rent, others	16,151	21,823	32,820	36,752
EasyCard Corporation	Advertising costs, others	11,466	6,134	17,444	13,957
Line Taiwan Limited	Advertising costs	9,141	4,396	14,183	8,805
Taiwan High Speed Rail Corp.	Rent and transportation expenses	6,077	5,196	10,405	9,825
Others		<u>26,019</u>	<u>14,143</u>	<u>54,764</u>	<u>39,006</u>
		<u>\$ 303,934</u>	<u>\$ 343,512</u>	<u>\$ 656,429</u>	<u>\$ 730,126</u>

17) Lease

a) Lease to a related party

i. Right-of-use assets

Related Party	June 30, 2026	December 31, 2025	June 30, 2025
Chung Hsing Land Development Co., Ltd.	\$ 337,629	\$ 448,942	\$ 562,099
Fubon Life Insurance Co., Ltd.	189,407	128,662	276,312
Fubon No. 2 REIT	186,596	109,427	160,729
Fubon Insurance Co., Ltd.	119,282	158,609	198,587
Fubon Securities Co., Ltd.	66,672	70,404	39,130
Taipei City Government	50,278	43,539	61,000
Fubon Charity Foundation	33,761	45,558	57,551
Fubon No. 1 REIT	31,844	40,850	50,005
Mingdong Industrial Co., Ltd.	25,654	32,584	39,630
Taiwan Mobile Co., Ltd.	13,556	15,497	17,470
Others	<u>7,188</u>	<u>8,138</u>	<u>9,103</u>
	<u>\$ 1,061,867</u>	<u>\$ 1,102,210</u>	<u>\$ 1,471,616</u>

ii. Lease liabilities

Related Party	June 30, 2026	December 31, 2025	June 30, 2025
Chung Hsing Land Development Co., Ltd.	\$ 349,616	\$ 461,681	\$ 568,504
Fubon Life Insurance Co., Ltd.	205,111	141,786	293,966
Fubon No. 2 REIT	189,201	112,891	164,003
Fubon Insurance Co., Ltd.	122,648	161,886	200,261
Fubon Securities Co., Ltd.	71,467	74,820	43,135
Taipei City Government	50,292	44,538	60,829
Fubon Charity Foundation	35,046	46,758	58,235
Fubon No. 1 REIT	32,596	41,508	50,231
Mingdong Industrial Co., Ltd.	26,237	33,073	39,763
Taiwan Mobile Co., Ltd.	13,769	15,636	17,460
Others	<u>7,266</u>	<u>8,199</u>	<u>9,122</u>
	<u>\$ 1,103,249</u>	<u>\$ 1,142,776</u>	<u>\$ 1,505,509</u>

b) Lease to related parties

i. Advance receipts

Related Party	June 30, 2026	December 31, 2025	June 30, 2025
Fubon Securities Co., Ltd.	\$ 9,595	\$ 9,387	\$ 9,387
Fubon Asset Management Co., Ltd.	1,385	1,385	1,385
Fubon Insurance Co., Ltd.	581	581	581
Taiwan Mobile Co., Ltd.	444	444	444
Others	<u>580</u>	<u>583</u>	<u>583</u>
	<u>\$ 12,585</u>	<u>\$ 12,380</u>	<u>\$ 12,380</u>

ii. Rental income

Related Party	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Fubon Securities Co., Ltd.	\$ 14,864	\$ 14,550	\$ 29,414	\$ 29,100
Fubon Asset Management Co., Ltd.	2,092	2,092	4,184	4,184
Others	<u>3,241</u>	<u>2,136</u>	<u>4,874</u>	<u>4,197</u>
	<u>\$ 20,197</u>	<u>\$ 18,778</u>	<u>\$ 38,472</u>	<u>\$ 37,481</u>

The rental income from the above lease is all business leases, and the lease conditions are not significantly different from the general lease conditions (market price).

18) Property transactions - debt instrument transactions

a) Repurchase agreement

Related Party	June 30, 2026	December 31, 2025	June 30, 2025
Directors, supervisors, managers and their spouses and relatives up to the second degree of consanguinity and affiliates of Fubon Group or other substantial related parties.	\$ 3,980,794	\$ 5,628,642	\$ 3,962,269
Chung Hsing Land Development Co., Ltd.	<u>-</u>	<u>-</u>	<u>60,527</u>
	<u>\$ 3,980,794</u>	<u>\$ 5,628,642</u>	<u>\$ 4,022,796</u>

b) Reverse repurchase agreement

Related Party	June 30, 2026	December 31, 2025	June 30, 2025
CTBC Securities Co., Ltd.	<u>\$ 300,000</u>	<u>\$ 1,860,083</u>	<u>\$ 2,009,668</u>

19) Others

For certain credit card transactions involving general consumer spending, the Bank processes billing and settlement of interchange fees with issuing institutions through the domestic clearing system. For the six months ended June 30, 2025, the Bank, through the National Credit Card Center, recognized interchange fee income of \$2,209,132 thousand, and incurred interchange fee expenses of \$507,388 thousand.

20) Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2026	2025	2026	2025
Short-term employee benefits	\$ 196,499	\$ 185,222	\$ 392,619	\$ 360,172
Post-employment benefits	1,950	1,853	3,719	3,665
Others	<u>1,181</u>	<u>1,119</u>	<u>2,214</u>	<u>2,114</u>
	<u>\$ 199,630</u>	<u>\$ 188,194</u>	<u>\$ 398,552</u>	<u>\$ 365,951</u>

Transactions between the Bank and its subsidiaries and related parties were made at terms similar to that for unrelated parties, except for the preferential interest rates offered to employees for their savings and loans of up to certain amounts.

47. CASH FLOW INFORMATION

Changes in Liabilities Arising from Financing Activities

For the six months ended June 30, 2026

	Opening Balance	Cash Flows	Non-cash Changes				Closing Balance
			Change in Exchange Rate	Change in Fair Value	Other Changes	Others	
Bank debentures	\$ 138,970,140	\$ 5,763,016	\$ 1,276,158	\$ 206,511	\$ 356,760	\$ -	\$ 146,572,585
Lease liabilities	4,532,409	(929,476)	16,111	-	928,996	(65,391)	4,482,649
Due to the Central Bank and banks	<u>256,109</u>	<u>(79,218)</u>	<u>9,392</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,283</u>
	<u>\$ 143,758,658</u>	<u>\$ 4,754,322</u>	<u>\$ 1,301,661</u>	<u>\$ 206,511</u>	<u>\$ 1,285,756</u>	<u>\$ (65,391)</u>	<u>\$ 151,241,517</u>

For the six months ended June 30, 2025

	Opening Balance	Cash Flows	Non-cash Changes				Closing Balance
			Change in Exchange Rate	Change in Fair Value	Other Changes	Others	
Bank debentures	\$ 117,026,717	\$ 7,590,000	\$ (2,647,972)	\$ 1,632,427	\$ 343,768	\$ -	\$ 123,944,940
Lease liabilities	4,277,335	(911,939)	(40,816)	-	1,590,100	(67,464)	4,847,216
Due to the Central Bank and banks	<u>1,341,114</u>	<u>1,806,697</u>	<u>(3,076,131)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,680</u>
	<u>\$ 122,645,166</u>	<u>\$ 8,484,758</u>	<u>\$ (5,764,919)</u>	<u>\$ 1,632,427</u>	<u>\$ 1,933,868</u>	<u>\$ (67,464)</u>	<u>\$ 128,863,836</u>

48. PLEDGED ASSETS

The following assets had been provided as refundable deposits:

	June 30, 2026	December 31, 2025	June 30, 2025
Negotiable certificates of deposit of the Central Bank (included in investments in debt instruments measured at amortized cost)	\$ 24,000,000	\$ 23,497,591	\$ 23,498,603
Government bonds (included in investments in debt instruments measured at amortized cost)	7,702,217	5,997,616	6,134,606
Due from other banks (included in other financial assets)	<u>512,846</u>	<u>508,927</u>	<u>508,927</u>
	<u>\$ 32,215,063</u>	<u>\$ 30,004,134</u>	<u>\$ 30,142,136</u>

As of June 30, 2026, December 31, 2025 and June 30, 2025, a total of \$10,000,000 thousand had been provided for as collateral for day-term overdraft to comply with the CB's clearing system requirement for real-time gross settlement (RTGS). The unused overdraft amount at the end of the day may be treated as liquidity reserve. As of June 30, 2026, December 31, 2025 and June 30, 2025, certificates of deposit (CD) of the Central Bank and negotiable certificates of deposit (NCD) of the Central Bank amounting to \$14,000,000 thousand, \$13,500,000 thousand and \$13,500,000 thousand, respectively had been provided to the Central Bank as collateral for the Bank's foreign-currency call loans.

Other pledged assets had been placed with (a) courts for meeting requirements for judiciary provisional seizure of debtors' property, (b) the National Credit Card Center for the Bank's potential obligations on credit card activities, (c) the Central Bank for the Bank's potential obligations on its trust activities, (d) foreign governments for the Bank's potential obligations on its overseas operations, (e) collateral for fund dispatching, (f) securities trading margin purchase and short sale operations by securities firms, and (g) counterparties as collateral of derivatives transactions.

49. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- a. Except for those disclosed in other notes of the accompanying consolidated financial statements, as of June 30, 2026, December 31, 2025 and June 30, 2025, the Bank and its subsidiaries had commitments as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Undrawn credit card commitments	\$ 817,417,766	\$ 808,543,096	\$ 801,405,103
Collections for customers	22,081,788	23,899,811	22,677,771
Agency loans payable	610,876	696,164	789,108
Trust deposits	281,266	238,517	446,670
Entrusted loans	281,266	238,517	446,670
Entrusted financial management	16,693,943	16,355,176	5,324,676
Marketable securities under custody	714,194,977	625,087,881	607,143,873
Management for book-entry government bonds	162,650,000	131,886,700	151,776,000

- b. As of June 30, 2026, December 31, 2025 and June 30, 2025, the capital expenditure commitment amounts were \$1,440,410 thousand, \$1,488,230 thousand and \$1,349,062 thousand, respectively.
- c. As of June 30, 2026, December 31, 2025 and June 30, 2025, the committed investment amount of private equity fund contract that has not yet been invested is:

(In Thousands of U.S. Dollars)

	June 30, 2026	December 31, 2025	June 30, 2025
USD	\$ 1,349	\$ 1,522	\$ 1,732

50. TRUST BUSINESS UNDER THE TRUST LAW

The trust-related items shown below were managed by the Bank's Trust Department. However, these items were not included in the Bank and its subsidiaries' consolidated financial statements.

Balance Sheets of Trust Accounts June 30, 2026 and 2025					
	2026	2025		2026	2025
Bank deposits	\$ 15,026,985	\$ 13,252,102	Payables	\$ 7,024	\$ 6,334
Short-term investments			Capital		
Mutual funds	469,351,821	367,308,705	Money	723,007,242	596,766,796
Bonds	151,576,887	158,609,168	Real estate	86,695,374	71,592,331
Stock	83,803,957	68,491,131	Marketable securities	29,241,786	22,459,645
Structured products	43,093,758	17,592,734		838,944,402	690,818,772
Receivables	30,238	29,710	Securities investment trust fund under custody	459,105,695	503,062,324
	747,856,661	612,031,448	Reserves and cumulative earnings (deficit)		
Securities investment trust fund under custody	459,105,695	503,062,324	Cumulative earnings (deficit)	(13,492,007)	(7,883,176)
Real estate			Net income	18,794,215	9,743,998
Land	52,562,432	48,163,994		5,302,208	1,860,822
Construction in progress	27,016,879	18,983,046			
Buildings	1,790,677	255,338			
	81,369,988	67,402,378			
Total trust assets	\$ 1,303,359,329	\$ 1,195,748,252	Total trust liabilities	\$ 1,303,359,329	\$ 1,195,748,252

Trust Income Statements
For the Six Months Ended June 30, 2026 and 2025

	2026	2025
Trust income		
Interest income	\$ 18,964,088	\$ 13,956,845
Cash dividends	171,350	587,514
Others	42,884	16,616
Realized capital income - common stock	1,640,714	733,902
Unrealized capital income - common stock	1,310,898	64,694
Realized capital income - mutual funds	6,067,461	1,271,960
Realized capital income - bonds	95,685	28,222
Realized capital income - structured products	10,579	4,985
Distribution from beneficial certificates	<u>943,710</u>	<u>402,341</u>
	<u>29,247,369</u>	<u>17,067,079</u>
Trust expense		
Trust administrative expense	1,098,026	653,874
Supervision fee	275	227
Service fee	5,097	5,083
Others	289,739	307,625
Realized capital loss - common stock	128,350	223,765
Unrealized capital loss - common stock	1,684	52,248
Realized capital loss - mutual funds	6,135,100	4,366,681
Realized capital loss - bonds	2,639,372	1,459,927
Realized capital loss - structured products	<u>152,674</u>	<u>250,570</u>
Total trust expense	<u>10,450,317</u>	<u>7,320,000</u>
Income tax expense	<u>2,837</u>	<u>3,081</u>
Net income	<u>\$ 18,794,215</u>	<u>\$ 9,743,998</u>

Trust Property of Trust Accounts
June 30, 2026 and 2025

Investment Portfolio	2026	2025
Bank deposits	\$ <u>15,026,985</u>	\$ <u>13,252,102</u>
Short-term investments		
Mutual funds	469,351,821	367,308,705
Bonds	151,576,887	158,609,168
Stock	83,803,957	68,491,131
Structured products	43,093,758	17,592,734
Receivables	<u>30,238</u>	<u>29,710</u>
	<u>747,856,661</u>	<u>612,031,448</u>
Security investment trust fund under custody	<u>459,105,695</u>	<u>503,062,324</u>
Real estate		
Land	52,562,432	48,163,994
Construction in progress	27,016,879	18,983,046
Buildings	<u>1,790,677</u>	<u>255,338</u>
	<u>81,369,988</u>	<u>67,402,378</u>
	<u>\$ 1,303,359,329</u>	<u>\$ 1,195,748,252</u>

51. ALLOCATION OF REVENUE, COST AND EXPENSE RESULTING FROM INTERCOMPANY SHARING OF RESOURCES

The Bank entered into a marketing collaboration agreement with Fubon Financial Holdings Company (“FFH”) and its subsidiaries for the cross-selling business. The collaboration arrangements include the sharing of office space, manpower, and business support. Cost allocation and payments are made in accordance with cross-selling rules and the contractual agreements with FFH and its subsidiaries.

Refer to Note 46 for the cross-selling revenues and expenses for the six months ended June 30, 2026 and 2025.

52. FINANCIAL INSTRUMENTS

a. Fair value

1) Overview

Fair value is the price that would be received to sell assets or paid to transfer liabilities in orderly transactions between market participants at the measurement date.

All financial instruments are initially measured at fair value, which is usually the transaction price in many cases. Financial assets are subsequently measured at fair value, except those measured at amortized cost. Quoted market prices in active markets provide the most reliable evidence of fair value. The fair value of financial instruments is measured by marking-to-model or, if the market is inactive, by referring to the quoted prices from Bloomberg or Reuters or from the counterparty.

2) The Levels of the fair value hierarchy are described below:

a) Level 1

Level 1 financial instruments are traded in an active market and have quoted prices for identical assets or liabilities. An active market has the following conditions:

- i. All financial instruments traded in the market are homogeneous.
- ii. Willing buyers and sellers are found in the market all the time.
- iii. The public can access the price information easily.

The products categorized in this level usually have high liquidity or are traded in the futures market or exchanges, such as the spot foreign exchange, listed stock and the Taiwan treasury benchmark index bond.

b) Level 2

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

- i. Quoted prices of similar products in the active market. This means the fair value can be derived from the current trading prices of similar products. The determination of product similarity is based on the financial instrument characteristics and the trading rules. The fair price valuation is subject to adjustments due to differences in prices over time and between market participants and in trading rules;

- ii. Quoted prices of identical or similar financial instruments in inactive markets;
- iii. When marking-to-model, observable inputs other than quoted prices (such as interest rates and yield curves observable at commonly quoted intervals, and implied volatilities), i.e., the inputs can be observed in the market and can reflect the expectation of market participants;
- iv. Inputs are derived from or corroborated by observable market data through correlation or other means.

The fair value of the products categorized in this level are based on inputs used for a simple model or valuation model generally accepted by the market. Examples of these products are forward contracts, cross-currency swap, simple interest-earning bonds and simple foreign exchange options.

c) Level 3

The fair value of Level 3 products, which include financial instruments and investment properties, are based on inputs other than direct market data. For example, historical volatility used in valuing options is an unobservable input because it cannot represent the entire market participants' expectation of future volatility.

The products categorized in this level are complex derivative financial instruments, products with prices provided by brokers or unlisted shares, such as complex foreign exchange options, commodity options, and complex interest rate options.

b. Specific financial instruments measured at fair value

1) Fair value hierarchy

The financial instruments and investment properties of the Bank and its subsidiaries are measured at fair value on a recurring basis. The fair value hierarchy of these financial instruments and investment properties as of June 30, 2026, December 31, 2025 and June 30, 2025 was as follows:

Item	June 30, 2026			
	Total	Level 1	Level 2	Level 3
<u>Measured on a recurring basis</u>				
Non-derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss				
Financial assets mandatorily measured as at fair value through profit or loss				
Stock investments	\$ 3,566,021	\$ 2,467,678	\$ -	\$ 1,098,343
Bond investments	53,518,687	28,842,762	21,220,646	3,455,279
Others	185,413,943	1,200,564	182,854,454	1,358,925
Financial assets at fair value through other comprehensive income				
Stock investments	43,997,920	41,185,863	-	2,812,057
Bond investments	273,799,991	107,666,604	165,170,139	963,248
Others	71,483,188	6,122,474	61,851,438	3,509,276
Investment properties	5,401,720	-	-	5,401,720
Liabilities				
Hedging of financial liabilities - non-derivative	8,190,864	-	8,190,864	-
Derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss	51,066,926	377,702	48,829,335	1,859,889
Financial assets for hedging	4,539,512	-	4,539,512	-
Liabilities				
Financial liabilities at fair value through profit or loss	50,699,681	-	48,844,440	1,855,241
Financial liabilities for hedging	5,462,893	-	5,462,893	-

Item	December 31, 2025			
	Total	Level 1	Level 2	Level 3
<u>Measured on a recurring basis</u>				
Non-derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss				
Financial assets mandatorily measured as at fair value through profit or loss				
Stock investments	\$ 1,286,801	\$ 242,809	\$ -	\$ 1,043,992
Bond investments	33,165,044	22,469,573	6,192,147	4,503,324
Others	127,220,521	814,814	125,066,766	1,338,941
Financial assets at fair value through other comprehensive income				
Stock investments	29,913,368	27,065,018	-	2,848,350
Bond investments	306,653,914	97,815,783	206,116,811	2,721,320
Others	55,097,828	9,284,067	41,760,230	4,053,531
Investment properties	5,311,713	-	-	5,311,713
Liabilities				
Financial liabilities designated as at fair value through profit or loss				
Held-for-trading financial liabilities	207,432	-	207,432	-
Hedging of financial liabilities - non-derivative	11,447,186	-	11,447,186	-
Derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss	50,344,780	532,707	48,637,172	1,174,901
Financial assets for hedging	3,885,376	-	3,885,376	-
Liabilities				
Financial liabilities at fair value through profit or loss	49,976,644	3,943	48,850,540	1,122,161
Financial liabilities for hedging	6,141,923	-	6,141,923	-
Item	June 30, 2025			
	Total	Level 1	Level 2	Level 3
<u>Measured on a recurring basis</u>				
Non-derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss				
Financial assets mandatorily measured as at fair value through profit or loss				
Stock investments	\$ 1,147,897	\$ 417,265	\$ -	\$ 730,632
Bond investments	38,083,560	23,268,469	10,614,709	4,200,382
Others	144,684,872	3,942,825	139,606,904	1,135,143
Financial assets designated as at fair value through profit or loss				
Bond investments	975,766	975,766	-	-
Financial assets at fair value through other comprehensive income				
Stock investments	31,154,165	28,510,269	-	2,643,896
Bond investments	283,027,297	71,456,349	208,117,553	3,453,395
Others	70,642,022	8,703,038	57,548,283	4,390,701
Investment properties	4,415,140	-	-	4,415,140
Liabilities				
Financial liabilities designated as at fair value through profit or loss	1,135,866	-	1,135,866	-
Hedging of financial liabilities - non-derivative	10,719,276	-	10,719,276	-
Derivative financial instruments				
Assets				
Financial assets at fair value through profit or loss	61,288,704	815,654	58,758,694	1,714,356
Financial assets for hedging	4,768,934	-	4,768,934	-
Liabilities				
Financial liabilities at fair value through profit or loss	68,065,040	2,825	66,422,190	1,640,025
Financial liabilities for hedging	5,465,105	-	5,465,105	-

2) Fair value measurement technique

a) Financial instruments

The Bank and its subsidiaries measure financial instruments at fair value using mark-to-market approaches.

This method should be employed at the first place, unless it is infeasible. Following are the principles to be observed when using marking-to-market:

- i. Ensure the consistency and integrity of market data.
- ii. The source of market data should be transparent, easy to access, and independent.
- iii. Listed securities with representative quoted prices should be valued at closing prices.
- iv. Fair value of unlisted securities with no closing prices are evaluated based on prices quoted by independent brokers.
- v. The guidelines provided by the regulatory authorities should be followed.

Marking to model is suggested if marking to market is infeasible. This valuation methodology uses model inputs to derive the value of trading positions. Senior managers should acknowledge the valuation model scope, uncertainties and effects. In addition to complying with the Bank's regulations regarding model valuation, the Bank should consider the following:

- i. Model inputs should be consistent and complete.
- ii. Valuation models should be made on the basis of proper assumptions. The Bank should also consider its internal control system, market risk management framework and mathematical expertise in making calculations. Moreover, model validation should be implemented by a quantitative trading team that is independent of the market risk-taking unit.
- iii. There should be standard procedures for model alteration and the operation of a backup system, and valuation results should be tested periodically using historical backup data.

The Bank and its subsidiaries' fair value measurement models - such as the Black-Scholes option pricing model or Monte Carlo Simulation are widely used in the industry. If some valuation model parameters consist of unobservable information in markets, the Bank and its subsidiaries must make proper fair value estimates based on assumptions.

The fair value of unlisted equity securities was determined based on the nature of targets and the condition of collected data using the appropriate valuation approach, including the market approach, income approach and the asset approach.

For estimating the impact of parameters based on unobservable data, the Bank's "Quantitative Information on Significant Unobservable Inputs (Level 3)" is used as reference.

b) Non-financial instruments

Fair value of investment properties is measured using the income approach based on the valuations carried out by independent qualified professional appraisers. The related data and inputs are as follows:

- i. Cash flows: The Bank and its subsidiaries evaluate market rentals of comparable properties on the basis of current lease agreements, local rental prices and market similarity, and rule out the values that are too high or too low. In addition, properties with terminal values should add the present value of terminal value to their market rentals.
- ii. Analysis period: The cash flows are projected over a 10-year period.
- iii. Discount rate: The discount rate is based on the interest rate for two-year time deposits as posted by Chunghwa Post Co., Ltd., plus 0.75% and asset-specific risk premiums.

3) Fair value adjustment

Credit risk value adjustments included in the calculation of the fair value of financial instruments take into account the counterparties' credit risk and the Bank's credit quality.

Credit risk value adjustments represent adjustments to the fair value of derivative contracts that reflect the credit risks of both parties to a transaction. These adjustments mainly comprise credit value adjustments (CVA) and debit value adjustments (DVA).

- a) Credit value adjustment (CVA) applies to OTC derivative contracts and represents the adjustment made to reflect the possibility that the counterparty may default and that the Bank may not recover the full market value of the transaction.
- b) Debit value adjustment (DVA) applies to OTC derivative contracts and represents the adjustment made to reflect the possibility that the Bank may default on its obligations and may not be required to pay the full market value of the transaction.

CVA and DVA are estimates of expected losses and are calculated as the product of Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD).

For customers with external credit ratings, the Bank adopts the corresponding default probabilities based on such ratings. For customers without external credit ratings, the probability of default is determined based on the default rates and average default rates derived from the Bank's impairment assessment of loans and receivables. For customers whose derivative positions have been closed out and reclassified as receivables due to non-agreed settlement, the probability of default is set at 100%.

The Bank uses the fair value of OTC derivative instruments to determine the exposure at default (EAD).

In accordance with the "IFRS 13 CVA and DVA-related Disclosure Guidelines" issued by the Taiwan Stock Exchange, the Bank adopts a loss given default (LGD) rate of 60%.

4) Transfers between Level 1 and Level 2

The Bank and its subsidiaries regularly review and enhance the liquidity of quotes to improve the quality of valuation information. The Bank and its subsidiaries transferred certain New Taiwan dollar-denominated bonds from Level 1 to Level 2 because, based on market quotation information and liquidity, such debt instrument investments were determined not to be in active markets. Accordingly, the relevant balances were transferred from Level 1 to Level 2 during the six months ended June 30, 2026 and 2025.

5) Reconciliation of Level 3 items

a) Reconciliation of Level 3 assets

For the Six Months Ended June 30, 2026

Name	Beginning Balance	Gains (Losses) on Valuation		Increase		Decrease		Ending Balance
		Profit and Loss	Other Comprehensive Income	Purchase/ Issue	Transfer to Level 3	Disposal/ Sale	Transfer Out of Level 3	
Financial assets at fair value through profit or loss								
Financial assets mandatorily measured as at fair value through profit or loss	\$ 8,061,158	\$ 1,064,577	\$ -	\$ 686,323	\$ -	\$ 1,819,222	\$ 220,400	\$ 7,772,436
Financial assets at fair value through other comprehensive income	9,623,201	104,623	(33,777)	-	-	588,491	1,820,975	7,284,581
Investment properties	5,311,713	71,607	-	-	18,400	-	-	5,401,720

Note: Transfers out of Level 3 were mainly attributable to increased observability of market inputs for certain financial assets mandatorily measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income.

For the Six Months Ended June 30, 2025

Name	Beginning Balance	Gains (Losses) on Valuation		Increase		Decrease		Ending Balance
		Profit and Loss	Other Comprehensive Income	Purchase/ Issue	Transfer to Level 3	Disposal/ Sale	Transfer Out of Level 3	
Financial assets at fair value through profit or loss								
Financial assets mandatorily measured as at fair value through profit or loss	\$ 10,634,705	\$ (1,540,178)	\$ -	\$ 857,456	\$ 447,063	\$ 1,749,566	\$ 868,967	\$ 7,780,513
Financial assets at fair value through other comprehensive income	13,147,986	(844,073)	16,187	-	1,161,131	810,640	2,182,599	10,487,992
Investment properties	4,266,142	25,587	-	-	123,411	-	-	4,415,140

Note: Transfers into Level 3 during the period were mainly attributable to decreased observability of market inputs for certain financial assets mandatorily measured at fair value through profit or loss and certain financial assets measured at fair value through other comprehensive income. Transfers to Level 3 of investment properties were due to the reclassification of property, plant and equipment to investment properties. Transfers out of Level 3 were mainly attributable to increased observability of market inputs for certain financial assets mandatorily measured at fair value through profit or loss and certain financial assets measured at fair value through other comprehensive income.

As of June 30, 2026 and 2025, valuation gains of \$1,051,202 thousand and losses of \$2,316,452 thousand, respectively, recognized in profit or loss were attributable to assets still held as of those dates, while valuation losses of \$32,618 thousand and gains of \$19,647 thousand, respectively, recognized in other comprehensive income were attributable to assets still held as of those dates.

b) Reconciliation of Level 3 liabilities

For the Six Months Ended June 30, 2026

Name	Beginning Balance	Gains (Losses) on Valuation		Increase		Decrease		Ending Balance
		Profit or Loss	Other Comprehensive Income	Purchase/Issue	Transfer to Level 3	Disposed	Transfer Out of Level 3	
Financial liabilities at fair value through profit or loss								
Held-for-trading financial liabilities	\$ 1,122,161	\$ 820,418	\$ -	\$ 3,548	\$ -	\$ 90,886	\$ -	\$ 1,855,241

For the Six Months Ended June 30, 2025

Name	Beginning Balance	Gains (Losses) on Valuation		Increase		Decrease		Ending Balance
		Profit or Loss	Other Comprehensive Income	Purchase/Issue	Transfer to Level 3	Disposed	Transfer Out of Level 3	
Financial liabilities at fair value through profit or loss								
Held-for-trading financial liabilities	\$ 3,381,978	\$ (1,402,514)	\$ -	\$ 3,277	\$ -	\$ 342,716	\$ -	\$ 1,640,025
Financial liabilities designated as at fair value through profit or loss	37,296	845	(65)	-	-	38,076	-	-

As of June 30, 2026 and 2025, valuation losses of \$807,334 thousand and gains of \$1,320,321 thousand, respectively, recognized in profit or loss were attributable to liabilities still held as of those dates.

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

Fair value measurements classified under Level 3 include some overseas bonds, overseas securitized products, credit-linked notes, complex derivatives, investments in equity instruments of unlisted shares and investment properties.

Financial instruments for which there are significant unobservable inputs are measured using a credit model, a complex interest rate option model and a complex foreign exchange option model. The parameters used in these models can be accurately calibrated to observable market parameters, and each type of product contains one significant unobservable input.

Quantitative information on significant unobservable inputs is set out below. However, positions valued using third-party data sources or valuations determined by professional appraisal institutions based on market evidence (including back-to-back transactions, foreign currency bonds priced using Yield Book quotations, investments in equity instruments of unlisted shares, and investment properties, etc.) are not shown below and on the “Sensitivity Analysis of Fair Value If Reasonably Possible Alternative Assumptions Are Used” because it is impracticable to fully determine the relationship between significant unobservable inputs and fair value.

June 30, 2026

Name	Products	Fair Value	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-average)	Relationships between Inputs and Fair Value
Items measured at fair value based on repeatability:						
Financial assets at fair value through profit or loss	Credit-linked notes (CLN)	\$ 1,117,843	Complex option model	Default recovery rate	30%-50%	The default recovery rate and the fair value do not have linear relationship. The changes of default recovery rate would first change the default probability then affect the fair value.
<u>Derivative financial assets</u>						
Financial assets at fair value through profit or loss	Foreign exchange option (FX Option)	11,960	Complex foreign exchange option model	Proportion parameter	50%-80%	The proportion parameter and the fair value do not have linear relationship. The increase in proportion parameter would approximate to stochastic volatility model, otherwise it would approximate to local volatility model.
<u>Derivative financial liabilities</u>						
Financial liabilities at fair value through profit or loss	Foreign exchange option (FX Option)	7,651	Complex foreign exchange option model	Proportion parameter	50%-80%	The proportion parameter and the fair value do not have linear relationship. The increase in proportion parameter would approximate to stochastic volatility model, otherwise it would approximate to local volatility model.

December 31, 2025

Name	Products	Fair Value	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-average)	Relationships between Inputs and Fair Value
Items measured at fair value based on repeatability:						
Financial assets at fair value through profit or loss	Credit-linked notes (CLN)	\$ 1,432,975	Complex option model	Default recovery rate	30%-50%	The default recovery rate and the fair value do not have linear relationship. The changes of default recovery rate would first change the default probability then affect the fair value.
<u>Derivative financial assets</u>						
Financial assets at fair value through profit or loss	Foreign exchange option (FX Option)	113,299	Complex foreign exchange option model	Proportion parameter	50%-80%	The proportion parameter and the fair value do not have linear relationship. The increase in proportion parameter would approximate to stochastic volatility model, otherwise it would approximate to local volatility model.
<u>Derivative financial liabilities</u>						
Financial liabilities at fair value through profit or loss	Foreign exchange option (FX Option)	66,864	Complex foreign exchange option model	Proportion parameter	50%-80%	The proportion parameter and the fair value do not have linear relationship. The increase in proportion parameter would approximate to stochastic volatility model, otherwise it would approximate to local volatility model.

June 30, 2025

Name	Products	Fair Value	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-average)	Relationships between Inputs and Fair Value
Items measured at fair value based on repeatability:						
Financial assets at fair value through profit or loss	Credit-linked notes (CLN)	\$ 1,349,706	Complex option model	Default recovery rate	30%-50%	The default recovery rate and the fair value do not have linear relationship. The changes of default recovery rate would first change the default probability then affect the fair value.
<u>Derivative financial assets</u>						
Financial assets at fair value through profit or loss	Foreign exchange option (FX Option)	134,777	Complex foreign exchange option model	Proportion parameter	50%-80%	The proportion parameter and the fair value do not have linear relationship. The increase in proportion parameter would approximate to stochastic volatility model, otherwise it would approximate to local volatility model.
<u>Derivative financial liabilities</u>						
Financial liabilities at fair value through profit or loss	Foreign exchange option (FX Option)	61,184	Complex foreign exchange option model	Proportion parameter	50%-80%	The proportion parameter and the fair value do not have linear relationship. The increase in proportion parameter would approximate to stochastic volatility model, otherwise it would approximate to local volatility model.

7) Valuation processes for Level 3 fair value measurements

The Bank and its subsidiaries' Risk Management Division (the "Division") is responsible for independently verifying fair value, confirming that the information needed is correct and consistent before evaluating the financial instruments with the use of models, calibrating measurement models in relation to market prices, and updating the inputs required for models so that the model results will approximate market conditions. In addition to maintaining the accuracy of measurement models, the Division also periodically examines the reasonableness of prices provided by third parties. Investment properties are regularly measured by independent qualified professional appraisers commissioned by Property Management Division in conformity with the Regulations Governing the Preparation of financial Reports by Public Banks. Unlisted shares are also regularly appraised by external institutions commissioned by Investment Management Division.

The Risk Management Division and Property Management Division create the policies for the fair value valuation of financial instruments and investment properties and valuation procedures.

8) Sensitivity analysis of Level 3 fair value if reasonably possible alternative assumptions are used

Although the Bank and its subsidiaries believe that their estimates of fair value are appropriate, the use of different methodology or assumptions could lead to different measurements of fair value. For Level 3 fair value measurements, a 10% change in assumptions would have the following effects:

Name	June 30, 2026			
	Effect on Profit or Loss		Effect on Other Comprehensive Income	
	Favorable	Unfavorable	Favorable	Unfavorable
<u>Assets</u>				
Financial assets at fair value through profit or loss				
Financial assets mandatorily measured at fair value through profit or loss	\$ 1,126	\$ (1,284)	\$ -	\$ -
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss				
Held-for-trading financial liabilities	2	(2)	-	-

Name	December 31, 2025			
	Effect on Profit or Loss		Effect on Other Comprehensive Income	
	Favorable	Unfavorable	Favorable	Unfavorable
<u>Assets</u>				
Financial assets at fair value through profit or loss				
Financial assets mandatorily measured at fair value through profit or loss	\$ 1,562	\$ (1,765)	\$ -	\$ -
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss				
Held-for-trading financial liabilities	15	(14)	-	-

Name	June 30, 2025			
	Effect on Profit or Loss		Effect on Other Comprehensive Income	
	Favorable	Unfavorable	Favorable	Unfavorable
<u>Assets</u>				
Financial assets at fair value through profit or loss				
Financial assets mandatorily measured at fair value through profit or loss	\$ 1,995	\$ (2,269)	\$ -	\$ -
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss				
Held-for-trading financial liabilities	4	(3)	-	-

c. Fair value of financial instruments not carried at fair value

1) Fair value information of financial instruments

Financial instruments not measured at fair value, excluding those in the table below, have carrying amounts that are reasonably close to their fair value; thus, their fair value is not disclosed. Examples of these instruments are (a) financial assets such as cash and cash equivalents, due from the Central Bank and other banks, securities purchased under resell agreements, receivables, discounts and loans, and parts of other financial assets; and (b) financial liabilities such as deposits from the Central Bank and other banks, due to the Central Bank and banks, securities sold under repurchased agreements, payables, deposits and remittances and other financial liabilities.

Items	June 30, 2026	
	Carrying Amount	Fair Value
<u>Financial assets</u>		
Investments in debt instruments measured at amortized cost	\$ 970,992,972	\$ 940,249,152
<u>Financial liabilities</u>		
Bank debentures	146,572,585	144,043,714

Items	December 31, 2025	
	Carrying Amount	Fair Value
<u>Financial assets</u>		
Investments in debt instruments measured at amortized cost	\$ 960,808,475	\$ 934,348,435
<u>Financial liabilities</u>		
Bank debentures	138,970,140	137,147,564

Items	June 30, 2025	
	Carrying Amount	Fair Value
<u>Financial assets</u>		
Investments in debt instruments measured at amortized cost	\$ 840,045,290	\$ 811,629,368
<u>Financial liabilities</u>		
Bank debentures	123,944,940	120,758,779

2) Fair value hierarchy of financial instruments

Assets and Liabilities	June 30, 2026			
	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Investments in debt instruments measured at amortized cost	\$ 940,249,152	\$ 272,226,713	\$ 461,770,477	\$ 206,251,962
<u>Financial liabilities</u>				
Bank debentures	144,043,714	108,975,381	35,068,333	-

Assets and Liabilities	December 31, 2025			
	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Investments in debt instruments measured at amortized cost	\$ 934,348,435	\$ 275,079,806	\$ 457,883,705	\$ 201,384,924
<u>Financial liabilities</u>				
Bank debentures	137,147,564	94,258,671	42,888,893	-

Assets and Liabilities	June 30, 2025			
	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Investments in debt instruments measured at amortized cost	\$ 811,629,368	\$ 243,210,622	\$ 392,927,671	\$ 175,491,075
<u>Financial liabilities</u>				
Bank debentures	120,758,779	91,919,484	28,839,295	-

3) Measurement technique

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

- a) The carrying amounts of financial instruments such as cash and cash equivalents, due from the Central Bank and call loans to other banks, securities purchased under resell agreements, receivables, part of other financial assets, due to the Central Bank and banks, funds borrowed from the Central Bank and other banks, securities sold under repurchase agreements, payables, and remittances approximate their fair value because of the short maturities of these instruments.
- b) Discounts and loans, deposits, and principals of structured products are interest-earning financial assets/interest-bearing financial liabilities; thus, their carrying amounts approximate their fair value. The carrying amounts of nonperforming loans are estimated at their recoverable amounts after considering the reserve for impairment loss; thus the carrying amounts are regarded as fair value.
- c) Investments in debt instruments measured at amortized cost and bank debentures are based on their quoted prices in an active market. For those instruments with no quoted market prices, their fair values are determined using valuation techniques incorporating estimates and assumptions consistent with those generally used by market participants in pricing financial instruments, and based on information available to the Bank and its subsidiaries.

53. FINANCIAL RISK MANAGEMENT

a. Overview

The Bank and its subsidiaries have been fully devoted to establishing a robust risk management culture and environment, improving the sound risk management system, pursuing the optimization of risks and rewards, formulating comprehensive risk management procedures and related business hedging strategies, complying with the risk management requirements of the Basel Accord framework, continually enhancing the professional standards of risk management, assisting business sustainable growth, and optimizing shareholder's value.

The major risks faced by the Bank and its subsidiaries from on- and off- balance sheet activities include credit risk, liquidity risk, market risk (including interest rate, foreign exchange, equity and commodity risks) and climate risk.

The Bank and its subsidiaries have duly established risk management policies approved by the board of directors to ensure consistent compliance with the comprehensive risk management systems, and to identify, measure, monitor, transfer, and mitigate the Bank and its subsidiaries' credit, liquidity, market, and climate risk.

b. Risk management framework

Taipei Fubon Bank

The Bank adopts the Three Lines Model (formerly known as the Three Lines of Defense, as amended pursuant to the Financial Supervisory Commission Order No. 11502710961 dated May 6, 2026, promulgating amendments to the "Implementation Rules of Internal Control and Audit Systems of Financial Holding Companies and Banking Industries.") in its risk management framework to ensure operating effectiveness of risk management system. The board of directors and senior management oversee the risk management framework to ensure operating effectiveness and take ultimate responsibility for its effectiveness.

Business, operation, and management units each undertake the first line model role to identify, evaluate, control, and mitigate operational risks by ensuring compliance with risk management requirements and implementation of the risk control procedures while performing their job functions and by conducting self-assessment and monitoring of risk limits and exposures. Risk management units assume an independent role in enacting the second line model, and are responsible for assisting and overseeing the first line model role by identifying and monitoring risk, designing a risk management system, monitoring risk exposures and submitting risk reports to the board of directors or senior management. The audit department conducts the third line model by independently assisting the board of directors and senior management in the audit and evaluation of the effectiveness of risk management, including the first and second lines of defense role to ensure effectiveness of risk management, and provide recommendations for improvement.

The board of directors oversees the establishment of the Bank's effective risk management system and mechanism, approves risk management policies, and reviews important risk management reports. The Bank has established Audit and Risk Management Committee, Asset and Liability Management Committee ("ALCO"), The Risk Management Committee and The Credit Review Committee. The committee meetings are held regularly and at other times depending on business needs.

The Audit and Risk Management Committee, composed entirely of independent directors, reviews risk-management-related policies and the implementation status of risk management, and assists the Board of Directors in overseeing risk-management matters.

The ALCO is chaired by the Bank's chairman and supervisors appointed by the Bank's chairman, and its members include the Bank's president and senior managers of the relevant departments. The committee is in charge of the Bank's business strategy. It manages assets and liabilities and capital adequacy, sustains liquidity and enhances the management of the sources and use of capital to pursue the Bank's best interests under acceptable risks.

The Risk Management Committee is chaired by the Bank's chairman and supervisors appointed by the Bank's chairman, and its members include the senior managers of the relevant departments. The committee assists the board of directors in monitoring the Bank's risk management, including credit risk, market risk, operational risk, wealth management risk, climate risk, information security, anti-money laundering, and financial crime risk. The committee also reviews the overall risk strategy of the Bank and its subsidiaries, evaluates and monitors risk-taking capacity, current risk profile and risk response strategies, and regularly reviews the implementation of risk management and internal control systems.

The Credit Review Committee is headed by the Bank's president, who appoints members with considerable qualifications. The committee is responsible for reviewing credit-related cases above certain authorization levels and other cases requiring review by the Credit Review Committee in order to benefit from collective deliberation and reduce credit risk.

Fubon Bank (China)

The board of directors, as the highest decision-making body of Fubon Bank (China), takes ultimate responsibility for its risk management and decides Fubon Bank (China)'s overall risk tolerance. The special committee under the board of directors monitors and evaluates the effectiveness of Fubon Bank (China)'s risk management practices.

The senior management and its subcommittees are responsible for implementing risk policies authorized by the board of directors. They establish risk management procedures and operational rules, enhance the effectiveness of risk management practices, and optimize workflow. The Risk Management Department identifies, quantifies and monitors risk factors and reports on Fubon Bank (China)'s overall risks to senior management and the board of directors. The Internal Audit Department independently evaluates the soundness and effectiveness of internal controls, as well as the accuracy and effectiveness of risk identification, measurement, monitoring and control procedures.

c. Credit risk

1) Credit risk definitions and sources

Taipei Fubon Bank

Credit risk refers to the risk of losses caused by borrowers, debtors, or counterparties' failure to fulfill their contractual obligations because of deteriorating financial position or other factors. It arises principally from businesses such as discounts, loans, credit cards, due from or call loans to banks, debt investments, derivatives etc., but also from off-balance sheet products such as guarantees, acceptance, letters of credit and other commitments.

Fubon Bank (China)

Credit risk is the primary risk faced by Fubon Bank (China), and it mainly comes from commercial lending (loans, discounts, documentary bill negotiations, other credit facilities, acceptance bills, issued letters of credit, standby letters of credit, bank guarantees, etc.), financial derivative contracts, and security investments.

2) Strategy/objectives/policies and procedures

Taipei Fubon Bank

The Bank's credit risk management strategy takes into consideration factors such as the overall economic environment, industry developments, and domestic and international financial markets. Based on its business plans, the Bank establishes credit risk concentration management policies, risk limits, credit risk management policies, and procedures for the measurement, assessment, monitoring and reporting of credit risk. The objective of the Bank's credit risk management is to achieve an optimal balance between risk and return. The Bank develops and utilizes credit risk management tools to identify, measure, manage and monitor various types of credit risk, as well as to support post-loan management and the collection and management of non-performing assets. Through these practices, the Bank effectively manages expected losses and maintains asset quality.

Fubon Bank (China)

The credit risk strategy of Fubon Bank (China) is developed under the risk appetite guidance of the board of directors and takes into consideration domestic and international economic developments as well as regional industry characteristics. Through the establishment of credit management policies, approval procedures and post-disbursement management policies, Fubon Bank (China) effectively controls credit risk under its comprehensive risk management framework. The objective of credit risk management is to effectively manage expected losses through the use of credit risk management tools, safeguard credit assets, and achieve the optimal balance between risk and return. The credit risk management process includes the identification, measurement, monitoring and control of credit risk.

3) Credit risk management framework

Taipei Fubon Bank

- a) To strengthen risk management function, under the supervision of the board of directors, the Bank has established the Risk Management Committee, which is composed of senior management and chaired by the Chairman or the supervisor assigned by the Chairman, to examine credit risk policies and quotas and to monitor significant credit risk developments and compliance with approved risk limits.
- b) To enhance the independence of credit risk management, the Bank has established the Risk Management Division, which is responsible for measuring the Bank's risk exposure; monitoring risk limits; reporting and coordinating the development of the mechanism for managing credit risk.
- c) Under the risk controller, there are corporate banking credit risk management units, personal credit risk management units and credit management units which are responsible for performing credit investigation, credit review, post-loan management, collection and credit management.
- d) The Bank has established the Credit Review Committee to review credit-related cases above certain authorization levels in order to strengthen the control of credit risk associated with large credit exposures.
- e) The audit department, which is under the supervision of the board of directors, conducts the third line model of examining independently the effectiveness of internal control functions.

Fubon Bank (China)

Fubon Bank (China)'s current credit risk management is based on its comprehensive risk management system. The Risk Management Department is responsible for identifying, quantifying, monitoring, controlling and reporting on Fubon Bank (China)'s credit risk.

4) Credit risk measurement, control and reporting

Taipei Fubon Bank

- a) The Bank has established credit risk measurement and control procedures, including credit investigation and review, risk rating, limit control, post-loan management, pre-settlement limit control and collection management systems, which enable the Bank to manage and limit the country risk, single legal entity and group exposure risk, and industry concentration risk effectively. The Bank has also established a vigorous review and early warning mechanism to ensure that there are proper actions taken for effective credit risk management.
- b) The Bank regularly performs stress testing based on the guidelines issued by the Financial Supervisory Commission. The Bank implements the framework and methodology for statutory credit risk stress testing and develops advanced stress testing with reference to relevant IRB specifications. It continues to enhance scenario analysis and stress testing methodologies to provide senior management with an assessment of loss-bearing capacity and capital adequacy under stress scenarios, as well as an important reference for credit portfolio management.
- c) The Bank has completed several Basel Accord credit risk management projects, including risk data warehousing system, internal risk rating system, and the risk-weighted asset calculation system. The development and revision of score card and rating models are validated periodically to monitor the model performance and stability.

Fubon Bank (China)

- a) The credit risk control process includes credit policy development, credit approval, portfolio management, early warning and loan collection. Credit risk supervision includes monitoring of credit risk concentrations (covering major regulatory indicators), early warning indicators, non-performing loans and non-performing loan ratios, customer credit grading management, and periodic adjustments to the classification of financial assets. The above monitoring results are regularly reported to senior management and documented in written risk management reports, which are submitted quarterly to the board of directors and its committees.
- b) Fubon Bank (China) makes a regular credit portfolio stress test based on the actual status of the credit portfolio. The stress test results, including changes in results due to differences in risk triggers, will be reported at the board meeting and serve as reference for risk management and decision-making.
- c) The credit management system of Fubon Bank (China) has modules for credit approval, loan ledger management, collateral information maintenance, customer grading management and five-category asset classification for bank loans. The system can support credit risk management effectively.

5) Credit risk mitigation

Taipei Fubon Bank

The Bank has established sophisticated limits in controlling concentration risks on credit, securities investment and counterparty exposures. Risk rating is assessed for each borrower on the basis of the stringent evaluation of obligor risk and facility risk. Further, the Bank has set a centralized approval process with documented guidelines. Appropriate collaterals are required on the basis of borrowers' financials and debt service capabilities to mitigate credit risk.

Fubon Bank (China)

In the process of credit line review and approval, Fubon Bank (China) implements the principle of "separation of credit review and approval, and hierarchical authorization" and stipulates different authorization ceilings for personnel at each level of review and approval based on factors such as borrower risk ratings and facility risk. Corporate banking and financial market credit businesses adopt a dual-track approval mechanism involving both the business and credit review functions, while personal credit business is approved by designated credit approvers within the review function. According to the risk profile of each credit case, appropriate collateral is obtained to strengthen the risk mitigation effect of collateral. In addition, the credit asset portfolio is regularly reviewed and analyzed from various perspectives, including industry, product, collateral type and risk profile. Continuous monitoring and management are carried out in accordance with post-loan management and early-warning mechanisms.

6) The determination of significant increase in credit risk after initial recognition

a) Credit assets

The Bank and its subsidiaries assess changes in default risk of discounts and loans, receivables, loan commitments and other credit assets for the expected subsequent period on each reporting date to determine whether there is a significant increase in credit risk since the initial recognition. For this assessment, the Bank and its subsidiaries, according to the internal credit risk management purposes and based on the internal rating, overdue status, location of collateral and other risk characteristics, and debtor's risk segments, has considered the reasonableness and reliability of information showing significant increase in credit risk after initial recognition (including forward-looking information) of the financial asset. The main considerations for various types of financial assets are listed below:

- i. Financial assets that are overdue more than 30 days;
- ii. Significant fall in the debtor's internal or external credit rating;
- iii. Significant increase in the credit risk of any product of the same debtor;
- iv. Adverse changes in the current or projected operating, financial or economic conditions that are expected to result in significant changes in the ability of the borrower to perform its debt obligations;
- v. Significant changes in actual or expected operating results of the borrower.

b) Debt instruments

The Bank and its subsidiaries assess debt instruments measured at amortized cost and that are measured at fair value through other comprehensive income on each reporting date to determine whether there has been a significant increase in credit risk since the initial recognition. For this assessment, the Bank and its subsidiaries have individually considered the reasonableness and reliability of information showing significant increase in credit risk after initial recognition (including forward-looking information). The main considerations are listed below:

- i. Significant changes in the internal and external ratings of financial assets or debtors;
- ii. The fair value of financial assets is significantly lower than the amortized cost;
- iii. Adverse changes in the current or projected operating, financial or economic conditions that are expected to result in significant changes in the ability of the borrower to perform its debt obligations;
- iv. Significant changes in actual or expected operating results of the borrower;
- v. Significant increase in the credit risk of other financial instruments of the same borrower.

If on the reporting date it is not possible to identify whether the credit risk of financial assets has increased significantly since the original recognition, except for the financial assets whose credit risk is low on the reporting date, the expected credit losses are recognized according to the existing condition.

If the financial instrument is of investment grade and the risk of default is low, the financial asset is considered to have low credit risk on the reporting date.

7) Definition of default and credit impaired financial assets

a) Credit assets

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

- i. Financial assets are overdue for more than 90 days;
- ii. Financial assets are recognized as overdue loans or bad debts;
- iii. The debtors or issuers are undergoing financial difficulties;
- iv. Changes in the conditions of the debt contract due to the financial difficulties of the debtor;
- v. The debtor has claimed bankruptcy or is likely to claim bankruptcy;
- vi. The debtor has undergone a reorganization or is likely to request a reorganization;
- vii. Credit losses have occurred at the time of the creation of the financial assets.

The above definition of default and credit impairment applies to all credit assets held by the Bank and its subsidiaries. It is consistent with the definition of relevant financial assets for internal credit risk management, and is also applied in the relevant impairment assessment models.

If the financial assets no longer meet the definition of default and credit impairment at the reporting date, their status returns to performing status, and they are no longer regarded as credit-impaired or defaulted financial assets.

b) Debt instruments

If one or more of the following conditions are satisfied, the Bank determines that the financial asset has defaulted and is credit impaired.

- i. The financial assets have failed to repay the principal and interest on time according to the conditions of issuance;
- ii. The issuer is undergoing financial difficulties;
- iii. The issuer has claimed bankruptcy or is likely to claim bankruptcy;
- iv. The issuer has undergone a reorganization or is likely to request a reorganization;
- v. Credit losses have occurred at the time of the creation of the financial assets.

The above definition of default and credit impairment applies to all debt instrument investments held by the Bank and its subsidiaries. It is consistent with the definition of relevant financial assets for internal credit risk management, and is also applied in the relevant impairment assessment models.

If the financial assets no longer meet the definition of default and credit impairment at the reporting date, they return to performing status and are no longer regarded as defaulted or credit-impaired financial assets.

8) Write-off policy

If any of the following circumstances occurs, overdue loans and nonperforming assets of the Bank and its subsidiaries, after deducting any estimated recoverable amount, shall be written off as bad debts.

- a) All or part of the creditor's rights cannot be enforced due to the debtor's dissolution, abscondment, debt settlement, bankruptcy declaration, or other causes.
- b) The values of collateral and properties of the main and subordinate debtors are very low, no recovery is available after deducting prior-ranking secured claims, or the enforcement costs are close to or may exceed the amount recoverable by the Bank and its subsidiaries.
- c) The collateral and the properties of the primary and secondary obligors remain unsold after multiple reduced-price auctions, and acquisition thereof would not provide any economic benefit to the Bank and its subsidiaries.
- d) Overdue and nonperforming loans have not been recovered after more than 2 years from the maturity date.

The financial assets that have been written off by the Bank and its subsidiaries may still have ongoing recourse activities and continue to conduct collection activities under the relevant policies.

9) Assessment of expected credit losses

a) Credit assets

For the purpose of assessing expected credit losses, the Bank and its subsidiaries classify credit assets into different groups based on borrowers' industry, credit risk rating, overdue status, collateral type, and other risk characteristics, so as to apply different risk parameters.

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

In measuring expected credit losses, the Bank and its subsidiaries consider the borrower's probability of default ("PD") over the next 12 months and over the lifetime of the instrument, together with loss given default ("LGD") and exposure at default ("EAD"), and take into account the impact of the time value of money. The Bank and its subsidiaries calculate the expected credit losses for 12 months and for lifetime periods.

Probability of default is the probability of default of the borrower, and the default loss rate is the rate of loss caused by default of the borrower. The PD and LGD used in impairment assessment and expected credit loss calculations for the Bank's lending business are based on internal historical information (such as credit loss experience) for each borrower group, with adjustments made to the historical data based on current observable data and forward-looking macroeconomic information.

In the process of reviewing financial credit businesses, the Bank takes into account the forward-looking information of the case, such as future industry prospects, estimated financial circumstances, and business potential, which are included in the internal credit rating assessment of the case. The judgment about the significant increase in the credit asset's credit risk takes into consideration changes in internal rating as one of the quantitative indicators; the assessment of expected credit losses takes into consideration the credit risk level and the calculation of the relevant parameters of the assessment.

Fubon Bank (China) evaluates the macroeconomic environment of domestic and international markets and the external economic environment relevant to the bank, and incorporates the weighted calculations into the PD calculation as forward-looking information.

The Bank and its subsidiaries assess the EAD based on the book value of financial assets and interest receivable. The estimations of loan commitments' expected credit losses for the 12 months and lifetime period are based on "IFRS 9 Impairment Assessment Methodology Guidelines" issued by the Association of Banks. For the off-balance sheet exposure project, the specification of the credit conversion factor in the "Description and Format of Calculation Methods for Bank-Owned Capital and Risky Assets - Credit Risk Standard Method" is adopted. Based on the Credit Conversion Factor calculation method, the loan commitment is expected to be utilized within the 12 months after the reporting date and within the lifetime period of the loan to determine the amount of EAD used to calculate the expected credit losses.

b) Debt instruments

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

To measure expected credit losses, the Bank and its subsidiaries take into account the issuer's probability of default ("PD") over the next 12 months and over the lifetime of the instrument, together with loss given default ("LGD") and exposure at default ("EAD"), and calculate expected credit losses while taking into account the impact of the time value of money.

The probability of default and the recovery rate are calculated by reference to the information on the default rate and default loss rate published by external credit rating agencies. In evaluating credit ratings, the international credit rating agencies have taken into account forward-looking information; therefore, the Bank considers the information to be appropriate for use and regularly observes and updates changes of parameters. EAD is assessed by the book value of the financial assets and the interest receivables, and the amortized cost of each period is calculated on a straight-line basis over the period.

10) The total carrying value and expected credit losses of the Bank and its subsidiaries

a) Financial assets at fair value through other comprehensive income - debt instruments

Total carrying value

	For the Six Months Ended June 30, 2026					
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)	Total
Balance, January 1	\$ 352,793,669	\$ -	\$ 1,306,811	\$ 1,222,051	\$ 22,775	\$ 355,345,306
Changes due to financial instruments that have been recognized at the beginning of the period:						
Derecognized financial assets in the current period	(116,573,560)	-	-	-	-	(116,573,560)
Originated or purchased financial assets	100,308,051	-	15,297	-	-	100,323,348
Effect of exchange rate changes and others	4,381,883	-	54,677	18,703	213	4,455,476
Balance, June 30	<u>\$ 340,910,043</u>	<u>\$ -</u>	<u>\$ 1,376,785</u>	<u>\$ 1,240,754</u>	<u>\$ 22,988</u>	<u>\$ 343,550,570</u>

	For the Six Months Ended June 30, 2025					
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)	Total
Balance, January 1	\$ 322,375,293	\$ -	\$ 1,683,323	\$ 863,015	\$ 23,137	\$ 324,944,768
Changes due to financial instruments that have been recognized at the beginning of the period:						
Derecognized financial assets in the current period	(110,112,278)	-	(163,312)	-	-	(110,275,590)
Originated or purchased financial assets	149,560,781	-	160,186	-	-	149,720,967
Effect of exchange rate changes and others	(17,168,160)	-	(109,093)	(60,465)	(1,621)	(17,339,339)
Balance, June 30	<u>\$ 344,655,636</u>	<u>\$ -</u>	<u>\$ 1,571,104</u>	<u>\$ 802,550</u>	<u>\$ 21,516</u>	<u>\$ 347,050,806</u>

Expected credit losses

	For the Six Months Ended June 30, 2026							
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually 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	\$ 80,626	\$ -	\$ 297,536	\$ 953,023	\$ 18,094	\$ 1,349,279	\$ -	\$ 1,349,279
Changes due to financial instruments that have been recognized at the beginning of the period:								
Derecognized financial assets in the current period	(22,106)	-	-	-	-	(22,106)	-	(22,106)
Originated or purchased financial assets	32,625	-	261	-	-	32,886	-	32,886
Impairment differences recognized in accordance with "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans"	-	-	-	-	-	-	-	-
Effect of exchange rate changes and others	(9,860)	-	17,287	72,738	1,051	81,216	-	81,216
Balance, June 30	<u>\$ 81,285</u>	<u>\$ -</u>	<u>\$ 315,084</u>	<u>\$ 1,025,761</u>	<u>\$ 19,145</u>	<u>\$ 1,441,275</u>	<u>\$ -</u>	<u>\$ 1,441,275</u>

	For the Six Months Ended June 30, 2025							
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually 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	\$ 124,254	\$ -	\$ 287,925	\$ 473,139	\$ 14,090	\$ 899,408	\$ -	\$ 899,408
Changes due to financial instruments that have been recognized at the beginning of the period:								
Derecognized financial assets in the current period	(58,056)	-	(80,467)	-	-	(138,523)	-	(138,523)
Originated or purchased financial assets	163,218	-	79,209	-	-	242,427	-	242,427
Impairment differences recognized in accordance with "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans"	-	-	-	-	-	-	35,081	35,081
Effect of exchange rate changes and others	(12,101)	-	(7,378)	293,614	4,464	278,599	-	278,599
Balance, June 30	<u>\$ 217,315</u>	<u>\$ -</u>	<u>\$ 279,289</u>	<u>\$ 766,753</u>	<u>\$ 18,554</u>	<u>\$ 1,281,911</u>	<u>\$ 35,081</u>	<u>\$ 1,316,992</u>

b) Investments in debt instruments at amortized cost

Total carrying value

	For the Six Months Ended June 30, 2026					
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)	Total
Balance, January 1	\$ 953,430,246	\$ -	\$ 9,847,035	\$ -	\$ -	\$ 963,277,281
Changes due to financial instruments that have been recognized at the beginning of the period:						
Derecognized financial assets in the current period	(244,109,293)	-	(1,118,197)	-	-	(245,227,490)
Originated or purchased financial assets	244,227,594	-	13,295	-	-	244,240,889
Effect of exchange rate changes and others	12,028,657	-	105,220	-	-	12,133,877
Balance, June 30	\$ 965,577,204	\$ -	\$ 8,847,353	\$ -	\$ -	\$ 974,424,557

	For the Six Months Ended June 30, 2025					
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)	Total
Balance, January 1	\$ 875,682,150	\$ -	\$ 12,328,252	\$ -	\$ -	\$ 888,010,402
Changes due to financial instruments that have been recognized at the beginning of the period:						
Derecognized financial assets in the current period	(269,716,196)	-	(1,395,462)	-	-	(271,111,658)
Originated or purchased financial assets	263,836,424	-	11,752	-	-	263,848,176
Effect of exchange rate changes and others	(36,736,116)	-	(945,017)	-	-	(37,681,133)
Balance, June 30	\$ 833,066,262	\$ -	\$ 9,999,525	\$ -	\$ -	\$ 843,065,787

Expected credit losses

	For the Six Months Ended June 30, 2026							
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually 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	\$ 216,902	\$ -	\$ 341,395	\$ -	\$ -	\$ 558,297	\$ -	\$ 558,297
Changes due to financial instruments that have been recognized at the beginning of the period:								
Derecognized financial assets in the current period	(8,981)	-	(74,330)	-	-	(83,311)	-	(83,311)
Originated or purchased financial assets	17,845	-	360	-	-	18,205	-	18,205
Impairment differences recognized in accordance with "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans"	-	-	-	-	-	-	-	-
Effect of exchange rate changes and others	(53,451)	-	3,261	-	-	(50,190)	-	(50,190)
Balance, June 30	\$ 172,315	\$ -	\$ 270,686	\$ -	\$ -	\$ 443,001	\$ -	\$ 443,001

	For the Six Months Ended June 30, 2025							Total
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually 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	
Balance, January 1	\$ 218,986	\$ -	\$ 385,200	\$ -	\$ -	\$ 604,186	\$ -	\$ 604,186
Changes due to financial instruments that have been recognized at the beginning of the period:								
Derecognized financial assets in the current period	(15,361)	-	(13,614)	-	-	(28,975)	-	(28,975)
Originated or purchased financial assets	31,430	-	318	-	-	31,748	-	31,748
Impairment differences recognized in accordance with "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Nonaccrual Loans"	-	-	-	-	-	-	-	-
Effect of exchange rate changes and others	(28,156)	-	(32,407)	-	-	(60,563)	-	(60,563)
Balance, June 30	<u>\$ 206,899</u>	<u>\$ -</u>	<u>\$ 339,497</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 546,396</u>	<u>\$ -</u>	<u>\$ 546,396</u>

c) Receivables

Total carrying value

	For the Six Months Ended June 30, 2026						Total
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)		
Balance, January 1	\$ 148,223,810	\$ 3,587,784	\$ -	\$ 766,576	\$ -		\$ 152,578,170
Changes due to financial instruments that have been recognized at the beginning of the period:							
Transferred to lifetime ECL	(1,681,877)	1,682,542	-	(665)	-		-
Transferred to credit impaired financial assets	(122,997)	(254,438)	-	377,435	-		-
Transferred to 12-month ECL	1,051,158	(1,050,795)	-	(363)	-		-
Derecognized financial assets in the current period	(85,827,824)	(1,079,793)	-	(443,071)	-		(87,350,688)
Originated or purchased financial assets	102,382,437	710,133	-	109,024	-		103,201,594
Written off as bad debt expense	-	-	-	(12,808)	-		(12,808)
Effect of exchange rate changes and others	753,246	2,503	-	-	-		755,749
Balance, June 30	<u>\$ 164,777,953</u>	<u>\$ 3,597,936</u>	<u>\$ -</u>	<u>\$ 796,128</u>	<u>\$ -</u>		<u>\$ 169,172,017</u>

Note: Only acceptances, accounts receivable - factoring, and credit card receivables are included.

	For the Six Months Ended June 30, 2025						Total
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)		
Balance, January 1	\$ 162,378,386	\$ 3,976,071	\$ -	\$ 727,675	\$ -		\$ 167,082,132
Changes due to financial instruments that have been recognized at the beginning of the period:							
Transferred to lifetime ECL	(1,780,504)	1,781,027	-	(523)	-		-
Transferred to credit impaired financial assets	(157,181)	(285,191)	-	442,372	-		-
Transferred to 12-month ECL	990,498	(990,233)	-	(265)	-		-
Derecognized financial assets in the current period	(96,681,619)	(1,790,046)	-	(497,375)	-		(98,969,040)
Originated or purchased financial assets	80,807,681	638,594	-	99,285	-		81,545,560
Written off as bad debt expense	-	-	-	(14,062)	-		(14,062)
Effect of exchange rate changes and others	(1,870,876)	(9,658)	-	(1,303)	-		(1,881,837)
Balance, June 30	<u>\$ 143,686,385</u>	<u>\$ 3,320,564</u>	<u>\$ -</u>	<u>\$ 755,804</u>	<u>\$ -</u>		<u>\$ 147,762,753</u>

Note: Only acceptances, accounts receivable - factoring, and credit card receivables are included.

Expected credit losses

	For the Six Months Ended June 30, 2026							Total
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually 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	
Balance, January 1	\$ 562,597	\$ 516,311	\$ 92,351	\$ 228,718	\$ -	\$ 1,399,977	\$ 180,034	\$ 1,580,011
Changes due to financial instruments that have been recognized at the beginning of the period:								
Transferred to lifetime ECL	(37,699)	38,551	-	(852)	-	-	-	-
Transferred to credit impaired financial assets	(4,484)	(79,927)	-	84,411	-	-	-	-
Transferred to 12-month ECL	132,010	(131,641)	-	(369)	-	-	-	-
Derecognized financial assets in the current period	(310,430)	(100,026)	(53,607)	(51,094)	-	(515,157)	-	(515,157)
Originated or purchased financial assets	235,294	110,175	90,801	99,612	-	535,882	-	535,882
Impairment differences recognized in accordance with "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Nonaccrual Loans"	-	-	-	-	-	-	5,486	5,486
Written off as bad debt expense	-	-	-	(23,511)	-	(23,511)	-	(23,511)
Effect of exchange rate changes and others	8,776	211,138	3,048	(46,014)	-	176,948	-	176,948
Balance, June 30	\$ 586,064	\$ 564,581	\$ 132,593	\$ 290,901	\$ -	\$ 1,574,139	\$ 185,520	\$ 1,759,659

	For the Six Months Ended June 30, 2025							Total
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually 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	
Balance, January 1	\$ 619,738	\$ 518,888	\$ 40,599	\$ 257,276	\$ 2,254	\$ 1,438,755	\$ 320,855	\$ 1,759,610
Changes due to financial instruments that have been recognized at the beginning of the period:								
Transferred to lifetime ECL	(38,439)	39,074	-	(635)	-	-	-	-
Transferred to credit impaired financial assets	(43,958)	(192,391)	20,578	215,771	-	-	-	-
Transferred to 12-month ECL	99,289	(98,914)	-	(375)	-	-	-	-
Derecognized financial assets in the current period	(411,886)	(88,602)	(15,273)	(201,297)	(19)	(717,077)	-	(717,077)
Originated or purchased financial assets	201,616	85,196	25,096	29,454	-	341,362	-	341,362
Impairment differences recognized in accordance with "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Nonaccrual Loans"	-	-	-	-	-	-	(91,230)	(91,230)
Written off as bad debt expense	-	-	(27,813)	(26,312)	-	(54,125)	-	(54,125)
Effect of exchange rate changes and others	68,239	185,976	6,987	(61,579)	(148)	199,475	-	199,475
Balance, June 30	\$ 494,599	\$ 449,227	\$ 50,174	\$ 212,303	\$ 2,087	\$ 1,208,390	\$ 229,625	\$ 1,438,015

d) Discounts and loans

Total carrying value

	For the Six Months Ended June 30, 2026					Total
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)	
Balance, January 1	\$ 2,826,155,610	\$ 44,080,023	\$ -	\$ 13,077,261	\$ -	\$ 2,883,312,894
Changes due to financial instruments that have been recognized at the beginning of the period:						
Transferred to lifetime ECL	(15,774,669)	15,924,788	-	(150,119)	-	-
Transferred to credit impaired financial assets	(1,262,523)	(955,635)	-	2,218,158	-	-
Transferred to 12-month ECL	5,899,416	(5,835,807)	-	(63,609)	-	-
Derecognized financial assets in the current period	(706,999,581)	(15,869,663)	-	(2,281,169)	-	(725,150,413)
Originated or purchased financial assets	945,205,725	14,094,242	-	2,690,184	-	961,990,151
Written off as bad debt expense	-	-	-	(1,348,768)	-	(1,348,768)
Effect of exchange rate changes and others	19,445,535	(2,792,187)	-	120,048	-	16,773,396
Balance, June 30	\$ 3,072,669,513	\$ 48,645,761	\$ -	\$ 14,261,986	\$ -	\$ 3,135,577,260

	For the Six Months Ended June 30, 2025					
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)	Total
Balance, January 1	\$ 2,528,938,874	\$ 37,134,867	\$ -	\$ 10,082,011	\$ -	\$ 2,576,155,752
Changes due to financial instruments that have been recognized at the beginning of the period:						
Transferred to lifetime ECL	(12,147,871)	12,217,730	-	(69,859)	-	-
Transferred to credit impaired financial assets	(1,497,407)	(2,130,441)	-	3,627,848	-	-
Transferred to 12-month ECL	4,806,319	(4,695,184)	-	(111,135)	-	-
Derecognized financial assets in the current period	(652,104,353)	(12,260,896)	-	(1,270,137)	-	(665,635,386)
Originated or purchased financial assets	772,605,364	13,955,776	-	1,152,566	-	787,713,706
Written off as bad debt expense	-	-	-	(2,057,003)	-	(2,057,003)
Effect of exchange rate changes and others	(30,001,022)	(3,035,321)	-	(307,397)	-	(33,343,740)
Balance, June 30	<u>\$ 2,610,599,904</u>	<u>\$ 41,186,531</u>	<u>\$ -</u>	<u>\$ 11,046,894</u>	<u>\$ -</u>	<u>\$ 2,662,833,329</u>

Expected credit losses

	For the Six Months Ended June 30, 2026							
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually 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	\$ 6,308,891	\$ 1,502,537	\$ -	\$ 4,530,840	\$ -	\$ 12,342,268	\$ 25,704,736	\$ 38,047,004
Changes due to financial instruments that have been recognized at the beginning of the period:								
Transferred to lifetime ECL	(73,696)	105,300	-	(31,604)	-	-	-	-
Transferred to credit impaired financial assets	(20,618)	(208,884)	-	229,502	-	-	-	-
Transferred to 12-month ECL	314,374	(300,627)	-	(13,747)	-	-	-	-
Derecognized financial assets in the current period	(1,625,443)	(154,644)	-	(263,970)	-	(2,044,057)	-	(2,044,057)
Originated or purchased financial assets	1,806,149	180,309	-	1,332,882	-	3,319,340	-	3,319,340
Impairment differences recognized in accordance with “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans”	-	-	-	-	-	-	1,919,943	1,919,943
Written off as bad debt expense	-	-	-	(1,348,768)	-	(1,348,768)	-	(1,348,768)
Recoveries of bad debts	-	-	-	430,306	-	430,306	-	430,306
Effect of exchange rate changes and others	(896,140)	511,691	-	620,815	-	236,366	-	236,366
Balance, June 30	<u>\$ 5,813,517</u>	<u>\$ 1,635,682</u>	<u>\$ -</u>	<u>\$ 5,486,256</u>	<u>\$ -</u>	<u>\$ 12,935,455</u>	<u>\$ 27,624,679</u>	<u>\$ 40,560,134</u>

	For the Six Months Ended June 30, 2025							Total
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually 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	
Balance, January 1	\$ 4,775,679	\$ 1,868,450	\$ -	\$ 4,255,774	\$ -	\$ 10,899,903	\$ 24,361,681	\$ 35,261,584
Changes due to financial instruments that have been recognized at the beginning of the period:								
Transferred to lifetime ECL	(40,265)	54,653	-	(14,388)	-	-	-	-
Transferred to credit impaired financial assets	(10,679)	(872,605)	-	883,284	-	-	-	-
Transferred to 12-month ECL	227,130	(177,395)	-	(49,735)	-	-	-	-
Derecognized financial assets in the current period	(1,462,479)	(127,806)	-	(242,073)	-	(1,832,358)	-	(1,832,358)
Originated or purchased financial assets	2,016,349	225,617	-	785,485	-	3,027,451	-	3,027,451
Impairment differences recognized in accordance with "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Nonaccrual Loans"	-	-	-	-	-	-	524,680	524,680
Written off as bad debt expense	-	-	-	(2,057,003)	-	(2,057,003)	-	(2,057,003)
Recoveries of bad debts	-	-	-	326,815	-	326,815	-	326,815
Effect of exchange rate changes and others	(334)	443,880	-	268,047	-	711,593	-	711,593
Balance, June 30	<u>\$ 5,505,401</u>	<u>\$ 1,414,794</u>	<u>\$ -</u>	<u>\$ 4,156,206</u>	<u>\$ -</u>	<u>\$ 11,076,401</u>	<u>\$ 24,886,361</u>	<u>\$ 35,962,762</u>

e) Other financial assets

Total carrying value

	For the Six Months Ended June 30, 2026					
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)	Total
Balance, January 1	\$ 13,281,079	\$ -	\$ -	\$ 888,138	\$ -	\$ 14,169,217
Changes due to financial instruments that have been recognized at the beginning of the period:						
Derecognized financial assets in the current period	(6,638,428)	-	-	(172,258)	-	(6,810,686)
Originated or purchased financial assets	18,876,774	-	-	935,110	-	19,811,884
Written off as bad debt expense	-	-	-	(684,202)	-	(684,202)
Effect of exchange rate changes and others	192,612	-	-	20,078	-	212,690
Balance, June 30	\$ 25,712,037	\$ -	\$ -	\$ 986,866	\$ -	\$ 26,698,903

	For the Six Months Ended June 30, 2025					
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually Assessed)	Lifetime ECL (Non-purchased or Originated Credit-impaired Financial Assets)	Lifetime ECL (Purchased or Originated Credit-impaired Financial Assets)	Total
Balance, January 1	\$ 25,191,579	\$ -	\$ -	\$ 282,422	\$ -	\$ 25,474,001
Changes due to financial instruments that have been recognized at the beginning of the period:						
Derecognized financial assets in the current period	(10,302,497)	-	-	(30,973)	-	(10,333,470)
Originated or purchased financial assets	5,387,208	-	-	1,071,517	-	6,458,725
Written off as bad debt expense	-	-	-	(585,723)	-	(585,723)
Effect of exchange rate changes and others	(1,172,960)	-	-	(17,251)	-	(1,190,211)
Balance, June 30	\$ 19,103,330	\$ -	\$ -	\$ 719,992	\$ -	\$ 19,823,322

Expected credit losses

	For the Six Months Ended June 30, 2026							
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually 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	\$ -	\$ -	\$ -	\$ 451,688	\$ -	\$ 451,688	\$ 22,175	\$ 473,863
Changes due to financial instruments that have been recognized at the beginning of the period:								
Derecognized financial assets in the current period	-	-	-	(137,980)	-	(137,980)	-	(137,980)
Originated or purchased financial assets	4,797	-	-	501,050	-	505,847	-	505,847
Impairment differences recognized in accordance with “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans”	-	-	-	-	-	-	-	-
Written off as bad debt expense	-	-	-	(684,202)	-	(684,202)	-	(684,202)
Recoveries of bad debts	-	-	-	308,022	-	308,022	-	308,022
Effect of exchange rate changes and others	77	-	-	94,675	-	94,752	-	94,752
Balance, June 30	<u>\$ 4,874</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 533,253</u>	<u>\$ -</u>	<u>\$ 538,127</u>	<u>\$ 22,175</u>	<u>\$ 560,302</u>

	For the Six Months Ended June 30, 2025							
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually 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	\$ 1,160	\$ -	\$ -	\$ 257,507	\$ -	\$ 258,667	\$ -	\$ 258,667
Changes due to financial instruments that have been recognized at the beginning of the period:								
Derecognized financial assets in the current period	(588)	-	-	(22,665)	-	(23,253)	-	(23,253)
Originated or purchased financial assets	2,795	-	-	396,630	-	399,425	-	399,425
Impairment differences recognized in accordance with “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans”	-	-	-	-	-	-	5,799	5,799
Written off as bad debt expense	-	-	-	(585,723)	-	(585,723)	-	(585,723)
Recoveries of bad debts	-	-	-	218,013	-	218,013	-	218,013
Effect of exchange rate changes and others	(176)	-	-	151,416	-	151,240	-	151,240
Balance, June 30	<u>\$ 3,191</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 415,178</u>	<u>\$ -</u>	<u>\$ 418,369</u>	<u>\$ 5,799</u>	<u>\$ 424,168</u>

f) Reserve for losses on guarantees, financial commitments and other reserves - letter of credit

Expected credit losses

	For the Six Months Ended June 30, 2026							
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually 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	\$ 306,475	\$ 107,698	\$ -	\$ 58,508	\$ -	\$ 472,681	\$ 246,968	\$ 719,649
Changes due to financial instruments that have been recognized at the beginning of the period:								
Transferred to lifetime ECL	(14,342)	14,426	-	(84)	-	-	-	-
Transferred to credit impaired financial assets	(714)	(4,492)	-	5,206	-	-	-	-
Transferred to 12-month ECL	32,262	(31,879)	-	(383)	-	-	-	-
Derecognized financial assets in the current period	(83,871)	(22,664)	-	(1,891)	-	(108,426)	-	(108,426)
Originated or purchased financial assets	93,197	26,621	-	2,635	-	122,453	-	122,453
Impairment differences recognized in accordance with "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans"	-	-	-	-	-	-	72,807	72,807
Effect of exchange rate changes and others	(43,066)	35,379	-	239	-	(7,448)	-	(7,448)
Balance, June 30	<u>\$ 289,941</u>	<u>\$ 125,089</u>	<u>\$ -</u>	<u>\$ 64,230</u>	<u>\$ -</u>	<u>\$ 479,260</u>	<u>\$ 319,775</u>	<u>\$ 799,035</u>

	For the Six Months Ended June 30, 2025							
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually 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	\$ 304,963	\$ 91,281	\$ -	\$ 12,605	\$ -	\$ 408,849	\$ 233,743	\$ 642,592
Changes due to financial instruments that have been recognized at the beginning of the period:								
Transferred to lifetime ECL	(9,286)	9,379	-	(93)	-	-	-	-
Transferred to credit impaired financial assets	(353)	(4,666)	-	5,019	-	-	-	-
Transferred to 12-month ECL	34,509	(34,350)	-	(159)	-	-	-	-
Derecognized financial assets in the current period	(78,264)	(16,456)	-	(1,545)	-	(96,265)	-	(96,265)
Originated or purchased financial assets	81,497	23,715	-	4,278	-	109,490	-	109,490
Impairment differences recognized in accordance with "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans"	-	-	-	-	-	-	10,638	10,638
Effect of exchange rate changes and others	(74,219)	27,156	-	4,624	-	(42,439)	-	(42,439)
Balance, June 30	<u>\$ 258,847</u>	<u>\$ 96,059</u>	<u>\$ -</u>	<u>\$ 24,729</u>	<u>\$ -</u>	<u>\$ 379,635</u>	<u>\$ 244,381</u>	<u>\$ 624,016</u>

11) Maximum exposure to credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset on the balance sheet without taking into consideration any collateral held or other credit enhancements. The maximum credit exposures of the off-balance sheet financial instruments (before taking into account any collateral held or other credit enhancements) are summarized as follows:

Taipei Fubon Bank

Off-Balance Sheet Item	Maximum Exposure Amount		
	June 30, 2026	December 31, 2025	June 30, 2025
Irrevocable credit commitments	\$ 248,137,138	\$ 213,843,711	\$ 196,431,561
Outstanding letters of credit	6,575,200	5,452,158	6,307,509
Financial guarantees	35,214,670	28,367,750	27,115,965
Total	\$ 289,927,008	\$ 247,663,619	\$ 229,855,035

Fubon Bank (China)

(In Thousands of RMB)

Off-Balance Sheet Item	Maximum Exposure Amount		
	June 30, 2026	December 31, 2025	June 30, 2025
Irrevocable credit commitments	\$ 1,083,175	\$ 317,117	\$ 885,105
Outstanding letters of credit	391,553	210,779	186,373
Financial guarantees	588,738	477,364	562,165
Total	\$ 2,063,466	\$ 1,005,260	\$ 1,633,643

The maximum exposures of the financial assets pledged as collateral or other credit enhancements on and off balance sheet are the assets' carrying amount and are summarized as follows:

Taipei Fubon Bank

June 30, 2026	Financial Instrument	Property	Guarantee	Others
<u>Category of assets</u>				
Loans	3.86%	63.92%	2.94%	1.81%
Guarantees receivable	13.74%	11.32%	0.80%	1.08%
Acceptances and other credits	0.63%	0.70%	0.02%	-
Financial assets at fair value through profit or loss - debt instruments	-	-	1.08%	-
Financial assets at fair value through other comprehensive income - debt instruments	-	-	2.83%	-
Investments in debt instruments measured at amortized cost	-	-	10.91%	-

December 31, 2025	Financial Instrument	Property	Guarantee	Others
<u>Category of assets</u>				
Loans	3.28%	64.39%	2.97%	1.53%
Guarantees receivable	16.99%	10.31%	0.98%	1.07%
Acceptances and other credits	0.26%	0.59%	-	-
Financial assets at fair value through profit or loss - debt instruments	-	-	1.69%	-
Financial assets at fair value through other comprehensive income - debt instruments	-	-	2.28%	-
Investments in debt instruments measured at amortized cost	-	-	10.64%	-

June 30, 2025	Financial Instrument	Property	Guarantee	Others
<u>Category of assets</u>				
Loans	3.07%	66.11%	2.84%	1.40%
Guarantees receivable	12.70%	9.71%	0.87%	1.33%
Acceptances and other credits	0.29%	0.35%	-	0.02%
Financial assets at fair value through profit or loss - debt instruments	-	-	1.44%	-
Financial assets at fair value through other comprehensive income - debt instruments	-	-	2.72%	-
Investments in debt instruments measured at amortized cost	-	-	11.06%	-

Fubon Bank (China)

June 30, 2026	Financial Instrument	Property	Guarantee
<u>Category of assets</u>			
Loans	10.51%	21.57%	0.16%
Guarantees receivable	56.81%	1.26%	0.38%
Acceptances	34.80%	1.40%	-

December 31, 2025	Financial Instrument	Property	Guarantee
<u>Category of assets</u>			
Loans	9.07%	25.04%	0.16%
Guarantees receivable	42.06%	-	0.45%
Acceptances	38.74%	0.54%	-

June 30, 2025	Financial Instrument	Property	Guarantee
<u>Category of assets</u>			
Loans	8.14%	26.41%	0.20%
Guarantees receivable	45.80%	1.78%	0.18%
Acceptances	39.12%	0.69%	-

12) Concentration of credit risk exposure

Concentrations of credit risk results from the uneven distribution of credit relationship with debtors, depending on sectors or geographical regions in which debtors operate. If most of the debtors have similar business activities or operate in regions with similar economic conditions, the possibility of default on debt is also similar.

Credit risk concentration can arise in the Bank and its subsidiaries' assets, liabilities, or off-balance sheet items, through the execution or processing of transactions (either product or service), or through a combination of exposures across these broad categories. It includes credits, loans and deposits, call loans to banks, investments, receivables and derivatives. The Bank and its subsidiaries do not have significant concentrations of credit risk with any single customer or counterparty. The total exposure to any individual customer or counterparty is not significant in relation to the balances of discounts and loans, acceptances receivable, guarantees receivable, accounts receivable - factoring, inward remittances purchased, non-loan transferred overdue receivables - accounts receivable factoring, and other credit facilities (including advances and overdue receivables related to the foregoing items). To manage credit risk, the Bank and its subsidiaries maintain a diversified portfolio; limit their exposure to any one geographic region, country or individual creditor; and monitor their exposure continually. The Bank and its subsidiaries' credit risk concentrations are summarized by industry, geographical area and collateral as follows:

Taipei Fubon Bank

a) By industry

By Industry	June 30, 2026		December 31, 2025		June 30, 2025	
	Amount	%	Amount	%	Amount	%
Private	\$ 1,652,501,056	59.31	\$ 1,502,718,788	58.44	\$ 1,432,283,755	59.23
Private enterprise	884,229,810	31.73	861,320,678	33.50	798,509,234	33.02
Financial organization	214,262,421	7.69	172,188,758	6.70	147,848,294	6.11
Public enterprise	19,204,908	0.69	19,204,895	0.75	18,169,702	0.75
Government institution	14,450,000	0.52	14,284,533	0.55	19,936,981	0.83
Non-profit organization	1,655,849	0.06	1,516,875	0.06	1,459,916	0.06
Total	\$ 2,786,304,044	100.00	\$ 2,571,234,527	100.00	\$ 2,418,207,882	100.00

b) By geographical area

Geographical Area	June 30, 2026		December 31, 2025		June 30, 2025	
	Amount	%	Amount	%	Amount	%
Domestic	\$ 2,375,345,824	85.25	\$ 2,217,780,845	86.25	\$ 2,102,800,035	86.96
Asia	190,021,171	6.82	164,249,598	6.39	154,037,188	6.37
America	79,295,623	2.85	78,692,127	3.06	73,494,183	3.04
Others	141,641,426	5.08	110,511,957	4.30	87,876,476	3.63
Total	\$ 2,786,304,044	100.00	\$ 2,571,234,527	100.00	\$ 2,418,207,882	100.00

c) By collateral

By Collateral	June 30, 2026		December 31, 2025		June 30, 2025	
	Amount	%	Amount	%	Amount	%
Unsecured	\$ 794,520,940	28.52	\$ 741,830,885	28.85	\$ 673,028,707	27.83
Secured	1,991,783,104	71.48	1,829,403,642	71.15	1,745,179,175	72.17
Properties	1,750,910,933	62.84	1,627,790,783	63.31	1,567,940,690	64.84
Financial instruments	110,363,754	3.96	87,576,894	3.41	76,285,436	3.16
Guarantees	80,669,977	2.89	75,226,435	2.92	67,509,738	2.79
Others	49,838,440	1.79	38,809,530	1.51	33,443,311	1.38
Total	\$ 2,786,304,044	100.00	\$ 2,571,234,527	100.00	\$ 2,418,207,882	100.00

d) Classification of credit ratings quality risk

Taipei Fubon Bank

- i. Good: Exposures demonstrate a good capacity to meet financial commitments, with low default risk and/or low levels of expected loss.
- ii. Moderate: Exposures require closer monitoring and demonstrate an average to fair capacity to meet financial commitments, with moderate default risk.
- iii. Substandard: Exposures require varying degrees of special attention and default risk is of greater concern.

June 30, 2026	Financial Assets Measured at Amount of 12 Months ECL				Financial Assets with Significant Increase in Credit Risk After Initial Recognition				Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	Allowance for Impairment	Total
	Good	Moderate	Substandard	Total	Good	Moderate	Substandard	Total				
Financial assets at fair value through other comprehensive income - debt instruments	\$ 180,749,994	\$ -	\$ -	\$ 180,749,994	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,127	\$ 180,715,867
Investments in debt instruments measured at amortized cost	856,785,546	2,396,662	-	859,182,208	8,847,353	-	-	8,847,353	-	-	432,822	867,596,739
Receivables												
Credit card receivables	77,982,088	27,489,554	121,757	105,593,399	-	443,887	3,005,748	3,449,635	796,128	-	941,671	108,897,491
Accounts receivable - factoring	15,700,221	1,104,974	1,556	16,806,751	-	82,525	-	82,525	-	-	196,980	16,692,296
Acceptances	320,044	750,745	-	1,070,789	-	1,705	-	1,705	-	-	11,841	1,060,653
Loans												
Personal finance	1,204,350,713	259,939,033	518,173	1,464,807,919	-	8,257,129	11,043,843	19,300,972	5,212,552	-	18,788,090	1,470,533,353
Corporate banking	541,778,556	672,778,526	264,679	1,214,821,761	-	19,846,577	1,665,590	21,512,167	5,876,181	-	15,931,977	1,226,278,132
Other financial assets	20,254,315	-	-	20,254,315	-	-	-	-	397,479	-	189,117	20,462,677
Off-balance sheet assets												
Financial commitment	1,601,385,530	406,852,782	48,493	2,008,286,805	-	11,381,041	2,809,158	14,190,199	987,274	-	364,547	2,023,099,731
Guarantees receivable	22,839,583	12,149,421	-	34,989,004	-	121,076	17,592	138,668	86,998	-	401,669	34,813,001
Credit receivable	4,029,213	2,181,421	-	6,210,634	-	364,566	-	364,566	-	-	2,017	6,573,183

December 31, 2025	Financial Assets Measured at Amount of 12 Months ECL				Financial Assets with Significant Increase in Credit Risk After Initial Recognition				Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	Allowance for Impairment	Total
	Good	Moderate	Substandard	Total	Good	Moderate	Substandard	Total				
Financial assets at fair value through other comprehensive income - debt instruments	\$ 172,263,496	\$ -	\$ -	\$ 172,263,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,104	\$ 172,221,392
Investments in debt instruments measured at amortized cost	866,195,991	1,775,285	-	867,971,276	9,060,699	786,336	-	9,847,035	-	-	554,370	877,263,941
Receivables												
Credit card receivables	65,270,083	25,755,914	127,683	91,153,680	-	460,170	2,890,329	3,350,499	766,576	-	887,863	94,382,892
Accounts receivable - factoring	17,633,778	1,233,823	520	18,868,121	-	158,552	-	158,552	-	-	210,374	18,816,299
Acceptances	102,094	428,899	-	530,993	-	-	-	-	-	-	6,269	524,724
Loans												
Personal finance	1,100,408,716	228,739,778	397,768	1,329,546,262	-	7,631,800	9,952,144	17,583,944	4,839,998	-	17,339,066	1,334,631,138
Corporate banking	505,187,549	637,390,873	610,316	1,143,188,738	10,000	19,154,269	1,785,250	20,949,519	5,799,368	-	15,383,706	1,154,553,919
Other financial assets	10,573,259	-	-	10,573,259	-	-	-	-	407,264	-	200,898	10,779,625
Off-balance sheet assets												
Financial commitment	1,478,226,966	379,327,414	198,623	1,857,753,003	-	12,698,230	2,621,497	15,319,727	981,393	-	369,891	1,873,684,232
Guarantees receivable	21,041,722	7,124,248	-	28,165,970	-	72,343	42,439	114,782	86,998	-	332,174	28,035,576
Credit receivable	3,622,308	1,814,787	-	5,437,095	-	15,063	-	15,063	-	-	4,158	5,448,000

June 30, 2025	Financial Assets Measured at Amount of 12 Months ECL				Financial Assets with Significant Increase in Credit Risk After Initial Recognition				Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	Allowance for Impairment	Total
	Good	Moderate	Substandard	Total	Good	Moderate	Substandard	Total				
Financial assets at fair value through other comprehensive income - debt instruments	\$ 150,772,646	\$ -	\$ -	\$ 150,772,646	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,280	\$ 150,735,366
Investments in debt instruments measured at amortized cost	777,576,918	1,693,367	-	779,270,285	8,621,078	1,378,447	-	9,999,525	-	-	543,513	788,726,297
Receivables												
Credit card receivables	62,566,510	24,240,947	132,177	86,939,634	-	426,811	2,677,907	3,104,718	737,066	-	812,887	89,968,531
Accounts receivable - factoring	18,244,546	4,490,285	1,130	22,735,961	-	61,041	-	61,041	-	-	252,928	22,544,074
Acceptances	355,002	269,237	-	624,239	-	17,661	-	17,661	-	-	7,728	634,172
Loans												
Personal finance	1,050,159,342	218,064,177	385,439	1,268,608,958	-	6,785,400	9,154,572	15,939,972	4,346,754	-	16,647,612	1,272,248,072
Corporate banking	457,724,329	592,891,269	1,050,993	1,051,666,591	-	19,311,152	2,984,566	22,295,718	3,608,098	-	13,491,577	1,064,078,830
Other financial assets	15,163,430	-	-	15,163,430	-	-	-	-	393,430	-	185,965	15,370,895
Off-balance sheet assets												
Financial commitment	1,437,584,701	404,469,516	147,904	1,842,202,121	-	10,452,439	2,852,500	13,304,939	970,852	-	325,064	1,856,152,848
Guarantees receivable	18,739,001	8,145,981	-	26,884,982	-	190,627	40,356	230,983	-	-	273,412	26,842,553
Credit receivable	4,251,669	1,776,195	-	6,027,864	-	279,645	-	279,645	-	-	4,027	6,303,482

Fubon Bank (China)

a) By industry

(In Thousands of RMB)

By Industry	June 30, 2026		December 31, 2025		June 30, 2025	
	Amount	%	Amount	%	Amount	%
Personal loans	\$ 47,212,700	54.78	\$ 45,512,833	56.67	\$ 41,328,214	58.21
Finance and insurance	9,474,534	10.99	8,725,530	10.87	8,593,450	12.10
Manufacturing	8,480,557	9.84	7,504,695	9.35	5,994,027	8.45
Wholesale and retail	7,568,495	8.78	6,933,841	8.63	6,466,724	9.11
Others	13,455,332	15.61	11,629,663	14.48	8,612,542	12.13
Total (Note)	\$ 86,191,618	100.00	\$ 80,306,562	100.00	\$ 70,994,957	100.00

Note: Includes only discounts and loans.

b) By geographical area

(In Thousands of RMB)

Geographical Area	June 30, 2026		December 31, 2025		June 30, 2025	
	Amount	%	Amount	%	Amount	%
East China	\$ 14,919,034	17.31	\$ 15,029,562	18.72	\$ 11,921,041	16.79
Southwest China	5,798,535	6.73	4,505,275	5.61	3,478,977	4.90
North China	5,010,347	5.81	4,077,701	5.08	3,358,491	4.73
Central China	4,968,959	5.77	4,794,430	5.97	4,209,807	5.93
South China	3,476,321	4.03	3,424,619	4.26	1,705,225	2.40
Northwest China	1,399,558	1.62	904,207	1.13	695,151	0.98
Others	50,618,864	58.73	47,570,768	59.23	45,626,265	64.27
Total (Note)	\$ 86,191,618	100.00	\$ 80,306,562	100.00	\$ 70,994,957	100.00

Note: Includes only discounts and loans.

c) By collateral

(In Thousands of RMB)

By Collateral	June 30, 2026		December 31, 2025		June 30, 2025	
	Amount	%	Amount	%	Amount	%
Clean loans	\$ 58,404,193	67.76	\$ 52,781,911	65.73	\$ 46,331,331	65.25
Guarantee loans	135,905	0.16	131,657	0.16	138,655	0.20
Collateral loans	27,651,520	32.08	27,392,994	34.11	24,524,971	34.55
Mortgage loans	18,594,963	21.57	20,112,218	25.04	18,748,742	26.41
Pledge loans	9,056,557	10.51	7,280,776	9.07	5,776,229	8.14
Total (Note)	\$ 86,191,618	100.00	\$ 80,306,562	100.00	\$ 70,994,957	100.00

Note: Includes only discounts and loans.

d) Classification of credit ratings quality risk

Fubon Bank (China)

- i. Good: Exposures demonstrate a good capacity to meet financial commitments, with low default risk and/or low levels of expected loss.
- ii. Moderate: Exposures require closer monitoring and demonstrate an average to fair capacity to meet financial commitments, with moderate default risk.
- iii. Substandard: Exposures require varying degrees of special attention and default risk is of greater concern.

(In Thousands of RMB)

June 30, 2026	Financial Assets Measured at Amount of 12 Months ECL				Financial Assets with Significant Increase in Credit Risk After Initial Recognition				Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	Allowance for Impairment	Total
	Good	Moderate	Substandard	Total	Good	Moderate	Substandard	Total				
Financial assets at fair value through other comprehensive income - debt instruments	\$ 34,165,575	\$ -	\$ -	\$ 34,165,575	\$ 293,698	\$ -	\$ -	\$ 293,698	\$ 264,680	\$ 4,904	\$ 305,007	\$ 34,423,850
Investments in debt instruments measured at amortized cost	22,696,336	-	-	22,696,336	-	-	-	-	-	-	2,171	22,694,165
Receivables												
Acceptances	7,879,424	-	-	7,879,424	-	-	-	-	-	-	23,208	7,856,216
Credit card receivables	932,248	-	-	932,248	13,668	-	-	13,668	-	-	13,634	932,282
Loans												
Personal finance	46,251,781	-	64,775	46,316,556	282,813	-	34,247	317,060	579,084	-	873,793	46,338,907
Corporate banking	20,079,740	16,867,667	579,867	37,527,274	1,353,806	-	-	1,353,806	97,839	-	372,019	38,606,900
Other financial assets	1,164,249	-	-	1,164,249	-	-	-	-	125,729	-	79,182	1,210,796
Financial assets off-balance sheet												
Financial commitment	1,833,163	-	-	1,833,163	-	-	-	-	-	-	6,108	1,827,055
Guarantees receivable	588,738	-	-	588,738	-	-	-	-	-	-	415	588,323
Credit receivable	391,553	-	-	391,553	-	-	-	-	-	-	47	391,506

December 31, 2025	Financial Assets Measured at Amount of 12 Months ECL				Financial Assets with Significant Increase in Credit Risk After Initial Recognition				Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	Allowance for Impairment	Total
	Good	Moderate	Substandard	Total	Good	Moderate	Substandard	Total				
Financial assets at fair value through other comprehensive income - debt instruments	\$ 40,114,981	\$ -	\$ -	\$ 40,114,981	\$ 290,382	\$ -	\$ -	\$ 290,382	\$ 271,548	\$ 5,061	\$ 299,800	\$ 40,382,172
Investments in debt instruments measured at amortized cost	18,989,540	-	-	18,989,540	-	-	-	-	-	-	873	18,988,667
Receivables												
Acceptances	7,257,441	-	-	7,257,441	-	-	-	-	-	-	20,315	7,237,126
Credit card receivables	1,112,342	-	-	1,112,342	17,495	-	-	17,495	-	-	15,197	1,114,640
Accounts receivable - factoring	962	-	-	962	-	-	-	-	-	-	15	947
Loans												
Personal finance	44,742,343	-	43,820	44,786,163	362,310	-	16,580	378,890	347,780	-	697,638	44,815,195
Corporate banking	17,958,110	15,410,911	377,180	33,746,201	853,592	-	-	853,592	193,936	-	485,441	34,308,288
Other financial assets	601,695	-	-	601,695	-	-	-	-	106,853	-	60,655	647,893
Financial assets off-balance sheet												
Financial commitment	1,053,384	-	-	1,053,384	-	-	-	-	-	-	2,540	1,050,844
Guarantees receivable	477,364	-	-	477,364	-	-	-	-	-	-	406	476,958
Credit receivable	210,779	-	-	210,779	-	-	-	-	-	-	38	210,741

June 30, 2025	Financial Assets Measured at Amount of 12 Months ECL				Financial Assets with Significant Increase in Credit Risk After Initial Recognition				Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	Allowance for Impairment	Total
	Good	Moderate	Substandard	Total	Good	Moderate	Substandard	Total				
Financial assets at fair value through other comprehensive income - debt instruments	\$ 46,444,791	\$ -	\$ -	\$ 46,444,791	\$ 376,359	\$ -	\$ -	\$ 376,359	\$ 192,251	\$ 5,154	\$ 291,511	\$ 46,727,044
Investments in debt instruments measured at amortized cost	12,886,860	-	-	12,886,860	-	-	-	-	-	-	691	12,886,169
Receivables												
Acceptances	6,645,650	-	-	6,645,650	-	-	-	-	-	-	20,154	6,625,496
Credit card receivables	1,328,808	-	-	1,328,808	32,853	-	-	32,853	4,489	-	17,575	1,348,575
Accounts receivable - factoring	23,311	-	-	23,311	-	-	-	-	-	-	462	22,849
Loans												
Personal finance	40,811,974	-	57,964	40,869,938	220,668	-	12,807	233,475	224,801	-	604,442	40,723,772
Corporate banking	14,699,554	13,468,120	509,768	28,677,442	398,685	-	74,716	473,401	515,900	-	790,599	28,876,144
Other financial assets	943,806	-	-	943,806	-	-	-	-	78,228	-	57,062	964,972
Financial assets off-balance sheet												
Financial commitment	1,632,191	-	-	1,632,191	-	-	-	-	-	-	4,716	1,627,475
Guarantees receivable	562,165	-	-	562,165	-	-	-	-	-	-	390	561,775
Credit receivable	186,373	-	-	186,373	-	-	-	-	-	-	47	186,326

13) Financial impact of credit risk mitigation policy

a) Collateral and other credit enhancements

To ensure that collateral is managed effectively, the Bank and its subsidiaries establish a rigorous collateral management system and control procedures and clearly define the acceptable types of collateral, the appropriate amount of various collaterals, the corresponding amount of risk, collection/disposal criteria and valuation and reassessment methods, etc. The main types of collaterals for financial assets of the Bank and its subsidiaries are as follows:

- i. Immovable properties
- ii. Movable properties
- iii. Deposits
- iv. Marketable securities
- v. Rights and guarantees

Before extending a loan or trading, the relevant collateral documents are obtained and the collateral information is documented in details in the loan contracts or transaction agreements.

Collaterals must be legally enforceable, and the collateral value must be realizable within a reasonable time frame. In regards to the collateral capacity and value, fair value assessment should be made, and benefit of offering collateral should be confirmed.

The nature of the collaterals and the impact of market/economic changes on the collaterals value should be considered, and the value of the collateral should be reviewed in a timely basis.

Regular or irregular inspections or on-site examinations of collaterals are conducted to understand the use, custody and maintenance of collaterals and to avoid unauthorized sale, rental, pledge, transfer or other disposal of collaterals.

b) The collateral amount of impaired financial assets

The Bank and its subsidiaries actively cleaned up the credit-impaired financial assets, and closely observed the value of their collaterals and recognized impairment. The impact of the collateral held for the credit-impaired financial assets on their carrying amount is as follows:

Taipei Fubon Bank

June 30, 2026	Financial Instrument	Property	Guarantee	Others
<u>Asset category</u>				
Receivables	0.01%	1.56%	1.37%	0.10%
Loans	0.39%	54.75%	9.36%	2.40%
Other financial assets	-	56.48%	-	-

December 31, 2025	Financial Instrument	Property	Guarantee	Others
<u>Asset category</u>				
Receivables	-	1.89%	1.24%	0.15%
Loans	0.25%	55.42%	9.12%	2.78%
Other financial assets	-	54.45%	-	-

June 30, 2025	Financial Instrument	Property	Guarantee	Others
<u>Asset category</u>				
Receivables	-	1.46%	1.23%	0.11%
Loans	0.29%	59.55%	10.61%	3.19%
Other financial assets	-	53.60%	-	-

Fubon Bank (China)

June 30, 2026	Financial Instrument	Property	Guarantee
<u>Asset category</u>			
Loans	-	27.15%	-

December 31, 2025	Financial Instrument	Property	Guarantee
<u>Asset category</u>			
Loans	-	50.03%	-

June 30, 2025	Financial Instrument	Property	Guarantee
<u>Asset category</u>			
Loans	-	79.65%	-

- c) The outstanding contract amounts of financial assets that were written off and still have recourse actions

The outstanding contract amount of the Bank's financial assets that were written off and still have recourse actions as of June 30, 2026, December 31, 2025 and June 30, 2025 were \$2,008,058 thousand, \$5,935,697 thousand and \$2,603,313 thousand, respectively.

- d) The nature, policy and carrying amount of the obtained collaterals (collateral assumed)

The collateral assumed by Fubon Bank (China) is currently managed primarily in accordance with its Collateral Management Policy.

The properties of the collaterals held by Fubon Bank (China) are houses and buildings. As of June 30, 2026, December 31, 2025 and June 30, 2025, the carrying amounts of the properties were \$51,758 thousand, \$0 thousand and \$0 thousand, respectively. The collateral assumed are classified as other assets in the consolidated balance sheets.

d. Liquidity risk

1) Source and definition of liquidity risk

Liquidity risk refers to the risk that Bank may be unable to obtain sufficient funding, in a timely manner and at a reasonable cost, to meet its payment obligations as they fall due, and may consequently be required to delay payments to counterparties or raise funds under unfavorable conditions to bridge funding gaps.

2) Liquidity risk management strategy and principles

Taipei Fubon Bank

- a) The Bank's strategy is to lower liquidity risk by acquiring stable, low interest-rate, sufficient funding to cover asset size growth and meet obligations on matured liabilities and to narrow gaps between funding availability and demand.
- b) The principle is to harmonize fund availability with the Bank's deposit, loan and financial transaction growth. The Bank adjusts its funding strategy depending on market fund change and the Central Bank's policies to increase fund use and lower liquidity risk. Thus, the Bank not only pays attention to maturities of long-term and short-term securities to match the timing of large-amount loan drawdowns and repayments, but also analyzes the stability and percentages of various types of deposits to manage funding liquidity.
- c) The Bank has the liquidity risk limits to monitor and manage the Bank's liquidity risk. The liquidity risk limits are regulated by the Bank's president based on the regulations and the range of risk appetite, then regularly reported to the ALCO and the board of directors.

Fubon Bank (China)

- a) The liquidity risk management strategy of Fubon Bank (China) aims not only to meet compliance and regulatory requirements but also to find a sound balance between business performance and adequate liquidity position. By adjusting its short-term and long-term asset allocation and dispersing fund sources on the basis of market conditions, the Bank manages its liquidity risk exposure at an acceptable level to ensure the sustainability of its business operations and maintain its fine reputation.
- b) Fubon Bank (China) maintains a strategically defined risk appetite for its liquidity management. Daily liquidity management is centralized given the size and complexity of its current business scope, and Fubon Bank (China)'s organization structure is suitable for managing liquidity exposure. The board of directors takes the ultimate responsibility for Fubon Bank (China)'s liquidity risk. The senior management, which is in charge of implementing liquidity management policies and procedures, has authorized the Asset and Liability Management Committee to perform related management duties daily. Liquidity risk assessment reports are prepared by the Risk Management Department on a quarterly basis and submitted to the Risk & Related Party Transaction Committee.
- c) Fubon Bank (China)'s liquidity risk management involves the full participation of staff in dynamic prevention, scientific quantification and prudent risk management, ensuring that Fubon Bank (China) has sufficient funding to support asset growth and meet maturing obligations under both normal and stressed operating conditions.

3) Maturity analysis

The Bank and its subsidiaries' management policy is to match maturities of and interest rates for assets and liabilities, i.e., because of uncertainties of terms and conditions or types, the maturities of and interest rates for assets and liabilities usually do not match perfectly, resulting in potential gain or loss. To maintain proper liquidity, the Bank and its subsidiaries use appropriate ways to group assets and liabilities to evaluate liquidity and monitor the ratios of short-term negative funding gap to total assets denominated in major currencies.

The analysis of cash inflow and outflow on assets and liabilities held for liquidity risk was based on periods from the reporting date to contractual maturity dates. The maturity analysis of financial assets and liabilities, derivative assets and liabilities, and off-balance sheet items denominated in major currencies was as follows (except for non-deliverable derivatives, all were non-discounted contractual cash flows):

a) Maturity analysis of financial assets and liabilities - NTD

Taipei Fubon Bank

June 30, 2026	0-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year	Total
Assets						
Cash, call loans and deposits due from/to other banks	\$ 131,027,838	\$ 7,979,101	\$ 9,979,919	\$ 16,329,511	\$ 52,080,044	\$ 217,396,413
Investments in marketable securities (Note 2)	273,059,720	46,950,845	40,152,193	76,278,932	208,164,996	644,606,686
Securities purchased under resell agreements	44,976,261	-	-	-	-	44,976,261
Loans (included overdue loans)	96,657,089	143,394,161	155,852,884	149,538,018	1,724,147,922	2,269,590,074
Deliverable derivative assets	181,510,180	153,855,570	160,552,126	58,541,868	5,491,730	559,951,474
Non-deliverable derivative assets	8,941,929	-	-	5,319	200,115	9,147,363
Other capital inflow on maturity	80,093,225	17,528,942	12,495,813	8,549,411	48,917,694	167,585,085
Subtotal	816,266,242	369,708,619	379,032,935	309,243,059	2,039,002,501	3,913,253,356
Liabilities						
Deposits from the Central Bank and banks	2,530,477	2,000	6,000,000	18,033,946	107,000	26,673,423
Deposits and remittances	294,508,856	225,927,529	282,651,350	462,484,539	1,473,595,420	2,739,167,694
Securities sold under repurchase agreements	1,894,970	2,441,977	10,837	31,673	-	4,379,457
Payables	1,408,820	943,218	1,791,612	1,457,544	103,473	5,704,667
Bank debentures	-	3,690,993	-	1,200,000	117,121,388	122,012,381
Deliverable derivative liabilities	218,709,350	161,214,803	170,481,570	54,021,777	8,276,680	612,704,180
Non-deliverable derivative liabilities	9,423,245	1,838	6,998	-	1,320,033	10,752,114
Other capital outflow on maturity	18,804,829	(812,568)	(1,387,791)	9,378,711	18,485,611	44,468,792
Subtotal	547,280,547	393,409,790	459,554,576	546,608,190	1,619,009,605	3,565,862,708

December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year	Total
Assets						
Cash, call loans and deposits due from/to other banks	\$ 119,331,512	\$ 8,171,587	\$ 9,888,822	\$ 14,445,452	\$ 42,756,568	\$ 194,593,941
Investments in marketable securities (Note 2)	249,333,577	30,800,321	43,108,324	88,052,865	190,534,810	601,829,897
Securities purchased under resell agreements	48,378,073	-	-	-	-	48,378,073
Loans (included overdue loans)	102,913,148	157,605,590	144,886,813	112,647,540	1,609,915,230	2,127,968,321
Deliverable derivative assets	157,360,516	199,072,393	128,792,586	100,081,395	6,170,096	591,476,986
Non-deliverable derivative assets	8,621,935	-	-	-	146,888	8,768,823
Other capital inflow on maturity	60,872,450	15,576,342	13,895,820	8,386,510	46,695,733	145,426,855
Subtotal	746,811,211	411,226,233	340,572,365	323,613,762	1,896,219,325	3,718,442,896
Liabilities						
Deposits from the Central Bank and banks	13,123,157	6,002,000	51,988	6,000,000	109,000	25,286,145
Deposits and remittances	208,026,173	237,238,595	287,163,885	419,484,961	1,240,166,289	2,392,079,903
Securities sold under repurchase agreements	5,380,093	293,390	320,835	31,567	-	6,025,885
Payables	1,054,868	926,443	1,233,021	1,653,842	138,967	5,007,141
Bank debentures	999,091	-	-	3,670,442	100,107,573	104,777,106
Deliverable derivative liabilities	270,544,253	264,351,526	145,478,484	107,627,330	8,881,200	796,882,793
Non-deliverable derivative liabilities	8,116,394	-	-	29,101	1,398,265	9,543,760
Other capital outflow on maturity	22,667,918	6,670,980	4,806,573	888,861	16,626,894	51,661,226
Subtotal	529,911,947	515,482,934	439,054,786	539,386,104	1,367,428,188	3,391,263,959

June 30, 2025	0-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year	Total
Assets						
Cash, call loans and deposits due from/to other banks	\$ 98,361,523	\$ 7,993,807	\$ 8,268,363	\$ 14,494,276	\$ 39,699,888	\$ 168,817,857
Investments in marketable securities (Note 2)	264,963,536	23,800,162	32,898,915	75,531,214	196,699,448	593,893,275
Securities purchased under resell agreements	25,962,203	-	-	-	-	25,962,203
Loans (included overdue loans)	83,568,238	131,456,092	138,076,126	110,530,357	1,553,396,746	2,017,027,559
Deliverable derivative assets	119,897,092	179,952,572	169,903,858	74,355,089	2,789,206	546,897,817
Non-deliverable derivative assets	7,822,835	-	-	-	558,611	8,381,446
Other capital inflow on maturity	64,633,726	16,409,569	13,660,523	8,338,530	45,403,695	148,446,043
Subtotal	665,209,153	359,612,202	362,807,785	283,249,466	1,838,547,594	3,509,426,200
Liabilities						
Deposits from the Central Bank and banks	6,715,468	2,000	6,000,000	12,051,988	109,000	24,878,456
Deposits and remittances	224,595,191	231,477,440	239,487,670	419,817,158	1,148,432,868	2,263,810,327
Securities sold under repurchase agreements	3,394,806	672,685	319,618	31,460	-	4,418,569
Payables	1,266,348	1,234,146	1,270,909	1,358,962	132,698	5,263,063
Bank debentures	-	2,198,246	-	993,959	99,582,274	102,774,479
Deliverable derivative liabilities	178,751,341	276,363,009	189,745,152	88,279,724	2,745,510	735,884,736
Non-deliverable derivative liabilities	7,026,533	1,697	-	5,993	867,740	7,901,963
Other capital outflow on maturity	29,960,619	42,926	397,197	7,951,428	15,931,368	54,283,538
Subtotal	451,710,306	511,992,149	437,220,546	530,490,672	1,267,801,458	3,199,215,131

Note 1: The above amounts include only New Taiwan dollar amounts held by the headquarter and onshore branches.

Note 2: Investments in marketable securities include financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, investments in debt instruments measured at amortized cost.

b) Maturity analysis of financial assets and liabilities - USD

Taipei Fubon Bank

(In Thousands of U.S. Dollars)

June 30, 2026	0-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year	Total
Assets						
Cash, call loans and deposits due from/to other banks	\$ 2,284,032	\$ 236,100	\$ 774,000	\$ 318,000	\$ -	\$ 3,612,132
Investments in marketable securities (Note 2)	1,012,633	214,655	281,341	649,599	11,828,813	13,987,041
Securities purchased under resell agreements	2,370	18,705	-	-	-	21,075
Loans (included overdue loans)	1,027,243	490,515	511,779	320,163	3,588,284	5,937,984
Deliverable derivative assets	11,616,987	9,135,845	6,879,282	3,353,897	284,262	31,270,273
Non-deliverable derivative assets	135,451	273	747	4,205	119,569	260,245
Other capital inflow on maturity	1,246,565	334,816	82,939	34,333	333,223	2,031,876
Subtotal	17,325,281	10,430,909	8,530,088	4,680,197	16,154,151	57,120,626
Liabilities						
Deposits from the Central Bank and banks	2,072,257	3,159,800	620,000	130,000	-	5,982,057
Deposits and remittances	5,465,261	4,761,371	3,635,995	2,508,285	5,106,314	21,477,226
Securities sold under repurchase agreements	216,209	692,610	-	-	-	908,819
Payables	55,817	67,077	39,833	9,408	102	172,237
Bank debentures	-	-	-	-	428,929	428,929
Deliverable derivative liabilities	8,030,029	7,729,560	6,680,580	2,788,919	188,999	25,418,087
Non-deliverable derivative liabilities	275,504	6	15	2	128,842	404,369
Other capital outflow on maturity	407,271	196,145	60,641	91,491	1,023,458	1,779,006
Subtotal	16,522,348	16,606,569	11,037,064	5,528,105	6,876,644	56,570,730

(In Thousands of U.S. Dollars)

December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year	Total
Assets						
Cash, call loans and deposits due from/to other banks	\$ 1,857,190	\$ 373,000	\$ 330,000	\$ 867,000	\$ -	\$ 3,427,190
Investments in marketable securities (Note 2)	713,842	123,348	262,932	671,807	11,881,322	13,653,251
Securities purchased under resell agreements	6,555	37,458	-	-	-	44,013
Loans (included overdue loans)	797,392	961,326	675,837	418,825	2,491,483	5,344,863
Deliverable derivative assets	13,852,542	11,302,768	5,290,690	4,535,671	300,000	35,281,671
Non-deliverable derivative assets	67,819	213	450	2,607	106,139	177,228
Other capital inflow on maturity	1,610,761	300,271	42,708	23,903	237,460	2,215,103
Subtotal	18,906,101	13,098,384	6,602,617	6,519,813	15,016,404	60,143,319
Liabilities						
Deposits from the Central Bank and banks	5,267,362	1,700,800	90,000	716,000	-	7,774,162
Deposits and remittances	6,595,679	5,109,186	2,488,647	4,585,520	4,903,232	23,682,264
Securities sold under repurchase agreements	92,606	227,040	-	-	-	319,646
Payables	56,697	49,758	18,221	20,898	211	145,785
Bank debentures	-	-	-	-	415,960	415,960
Deliverable derivative liabilities	7,947,481	8,290,099	4,814,151	4,012,004	210,435	25,274,170
Non-deliverable derivative liabilities	122,009	-	25	265	146,513	268,812
Other capital outflow on maturity	419,594	220,455	42,647	59,922	840,503	1,583,121
Subtotal	20,501,428	15,597,338	7,453,691	9,394,609	6,516,854	59,463,920

(In Thousands of U.S. Dollars)

June 30, 2025	0-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year	Total
Assets						
Cash, call loans and deposits due from/to other banks	\$ 2,935,321	\$ 335,000	\$ 198,000	\$ 123,000	\$ -	\$ 3,591,321
Investments in marketable securities (Note 2)	698,549	137,026	152,021	481,741	11,495,241	12,964,578
Securities purchased under resell agreements	43,687	15,114	-	-	-	58,801
Loans (included overdue loans)	949,702	749,578	728,513	434,184	2,105,671	4,967,648
Deliverable derivative assets	9,206,820	11,292,020	7,112,875	3,376,226	90,000	31,077,941
Non-deliverable derivative assets	53,465	290	520	2,807	129,934	187,016
Other capital inflow on maturity	1,455,808	298,885	64,754	20,059	208,956	2,048,462
Subtotal	15,343,352	12,827,913	8,256,683	4,438,017	14,029,802	54,895,767
Liabilities						
Deposits from the Central Bank and banks	2,184,503	2,398,000	57,000	20,000	-	4,659,503
Deposits and remittances	6,117,222	6,432,298	3,464,866	2,565,137	4,925,390	23,504,913
Securities sold under repurchase agreements	222,774	159,624	-	-	-	382,398
Payables	58,771	67,120	24,579	9,439	118	160,027
Bank debentures	-	-	-	-	402,584	402,584
Deliverable derivative liabilities	6,522,004	7,518,963	6,222,984	2,774,031	92,000	23,129,982
Non-deliverable derivative liabilities	129,570	-	43	25	148,543	278,181
Other capital outflow on maturity	479,172	129,204	77,555	104,408	1,133,602	1,923,941
Subtotal	15,714,016	16,705,209	9,847,027	5,473,040	6,702,237	54,441,529

Note 1: The above amounts include only USD amounts held by the headquarter, onshore branches and offshore banking unit.

Note 2: Investments in marketable securities include financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, investments in debt instruments measured at amortized cost.

c) Maturity analysis of derivative assets and liabilities - RMB

Fubon Bank (China)

(In Thousands of RMB)

June 30, 2026	0-30 Days	31-90 Days	91- 365 Days	Over 1 Year	No Maturity Date	Total
Assets						
Cash, call loans and deposits due from/to other banks	\$ 3,373,737	\$ 2,474	\$ -	\$ -	\$ 6,264,081	\$ 9,640,292
Investments in marketable securities (Note)	2,486,900	1,794,013	9,788,013	53,561,465	62,444	67,692,835
Securities purchased under resell agreements	1,852,072	-	-	-	-	1,852,072
Loans (including overdue loans)	7,526,705	11,455,704	34,568,392	32,889,143	-	86,439,944
Deliverable derivative assets	91,116,562	53,759,852	88,900,815	329,229	-	234,106,458
Non-deliverable derivative assets	5,890	11,621	10,412	-	-	27,923
Other capital inflow on maturity	3,301,959	2,258,444	5,060,333	-	583,817	11,204,553
Subtotal	109,663,825	69,282,108	138,327,965	86,779,837	6,910,342	410,964,077
Liabilities						
Deposits from the Central Bank and banks	4,458,230	1,767,812	755,276	738,237	-	7,719,555
Due to the Central Bank and banks	-	-	719,518	-	-	719,518
Deposits and remittances	48,628,245	27,873,411	42,807,796	15,703,453	-	135,012,905
Securities sold under repurchase agreements	1,700,063	-	-	-	-	1,700,063
Payables	2,538,704	2,258,444	4,560,333	536	-	9,358,017
Bank debentures	-	34,900	92,500	5,209,100	-	5,336,500
Deliverable derivative liabilities	91,194,512	53,827,151	89,132,329	328,715	-	234,482,707
Non-deliverable derivative liabilities	51,173	228,608	462,272	2,519	-	744,572
Other capital outflow on maturity	723,949	916,926	910,264	6,166	209	2,557,514
Subtotal	149,294,876	86,907,252	139,440,288	21,988,726	209	397,631,351

(In Thousands of RMB)

December 31, 2025	0-30 Days	31-90 Days	91- 365 Days	Over 1 Year	No Maturity Date	Total
Assets						
Cash, call loans and deposits due from/to other banks	\$ 3,686,575	\$ 2,417	\$ -	\$ -	\$ 5,834,346	\$ 9,523,338
Investments in marketable securities (Note)	2,632,818	1,826,001	11,615,528	49,813,511	64,123	65,951,981
Loans (including overdue loans)	8,245,680	11,565,338	33,847,425	28,653,274	-	82,311,717
Deliverable derivative assets	87,679,662	86,103,325	120,606,649	69,169	-	294,458,805
Non-deliverable derivative assets	22,365	51,886	237,318	471,563	-	783,132
Other capital inflow on maturity	2,871,626	2,981,676	3,405,628	-	603,679	9,862,609
Subtotal	105,138,726	102,530,643	169,712,548	79,007,517	6,502,148	462,891,582
Liabilities						
Deposits from the Central Bank and banks	2,068,090	1,101,776	-	70,949	-	3,240,815
Due to the Central Bank and banks	-	-	771,718	-	-	771,718
Deposits and remittances	43,452,877	18,965,509	35,212,257	30,443,310	-	128,073,953
Securities sold under repurchase agreements	2,800,550	-	-	-	-	2,800,550
Payables	1,962,534	2,046,728	2,958,458	538	-	6,968,258
Bank debentures	-	-	2,128,700	4,854,550	-	6,983,250
Deliverable derivative liabilities	87,675,571	86,141,359	120,697,332	68,824	-	294,583,086
Non-deliverable derivative liabilities	20,759	56,266	249,463	506,134	-	832,622
Other capital outflow on maturity	469,683	519,476	1,002,130	-	209	1,991,498
Subtotal	138,450,064	108,831,114	163,020,058	35,944,305	209	446,245,750

(In Thousands of RMB)

June 30, 2025	0-30 Days	31-90 Days	91- 365 Days	Over 1 Year	No Maturity Date	Total
Assets						
Cash, call loans and deposits due from/to other banks	\$ 1,997,917	\$ 1,925	\$ -	\$ -	\$ 5,313,857	\$ 7,313,699
Investments in marketable securities (Note)	2,416,976	6,853,706	13,256,779	43,907,648	241,358	66,676,467
Loans (including overdue loans)	8,046,056	11,053,472	28,451,999	25,102,029	-	72,653,556
Deliverable derivative assets	78,200,172	72,780,029	131,521,109	828,935	-	283,330,245
Non-deliverable derivative assets	34,252	35,138	141,771	272,605	-	483,766
Other capital inflow on maturity	3,095,609	2,137,674	3,770,128	-	696,747	9,700,158
Subtotal	93,790,982	92,861,944	177,141,786	70,111,217	6,251,962	440,157,891
Liabilities						
Deposits from the Central Bank and banks	1,833,321	3,468,886	30,268	-	-	5,332,475
Due to the Central Bank and banks	-	-	728,009	-	-	728,009
Deposits and remittances	38,222,680	27,522,252	29,439,058	19,874,775	-	115,058,765
Securities sold under repurchase agreements	3,045,508	-	-	-	-	3,045,508
Payables	2,490,935	1,917,150	3,766,622	539	-	8,175,246
Bank debentures	-	-	2,099,950	2,314,550	-	4,414,500
Deliverable derivative liabilities	78,055,611	72,624,666	131,498,810	835,237	-	283,014,324
Non-deliverable derivative liabilities	24,047	36,163	142,736	305,157	-	508,103
Other capital outflow on maturity	545,514	752,144	717,013	-	209	2,014,880
Subtotal	124,217,616	106,321,261	168,422,466	23,330,258	209	422,291,810

Note: Investments in marketable securities include financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and investments in debt instruments measured at amortized cost.

d) Maturity analysis of derivatives assets and liabilities - NTD

Taipei Fubon Bank

June 30, 2026	0-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year	Total
<u>Assets</u>						
Deliverable derivative assets						
Forward contracts	\$ 305,251	\$ 228,375	\$ 14,631	\$ -	\$ -	\$ 548,257
Currency swaps	178,549,044	151,173,027	156,312,181	50,566,249	4,083,130	540,683,631
Cross-currency swaps	2,655,885	2,454,168	4,225,314	7,975,619	1,408,600	18,719,586
Subtotal	181,510,180	153,855,570	160,552,126	58,541,868	5,491,730	559,951,474
Non-deliverable derivative assets						
Interest rate derivative instruments - hedging	-	-	-	5,319	200,115	205,434
Interest rate derivative instruments - non-hedging	9,428,013	-	-	-	-	9,428,013
Equity derivative instruments	(486,084)	-	-	-	-	(486,084)
Subtotal	8,941,929	-	-	5,319	200,115	9,147,363
<u>Liabilities</u>						
Deliverable derivative liabilities						
Forward contracts	711,206	757,310	15,774	-	-	1,484,290
Currency swaps	217,179,369	158,892,134	164,902,316	51,824,177	6,126,280	598,924,276
Cross-currency swaps	818,775	1,565,359	5,563,480	2,197,600	2,150,400	12,295,614
Subtotal	218,709,350	161,214,803	170,481,570	54,021,777	8,276,680	612,704,180
Non-deliverable derivative liabilities						
Interest rate derivative instruments - hedging	-	1,838	6,998	-	1,320,033	1,328,869
Interest rate derivative instruments - non-hedging	9,208,129	-	-	-	-	9,208,129
Equity derivative instruments	215,116	-	-	-	-	215,116
Subtotal	9,423,245	1,838	6,998	-	1,320,033	10,752,114

December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year	Total
<u>Assets</u>						
Deliverable derivative assets						
Forward contracts	\$ 199,433	\$ 49,796	\$ -	\$ -	\$ -	\$ 249,229
Currency swaps	155,384,503	194,893,751	128,280,334	93298,490	3,771,350	575,628,428
Cross-currency swaps	1,776,580	4,128,846	512,252	6782,905	2,398,746	15,599,329
Subtotal	157,360,516	199,072,393	128,792,586	100,081,395	6,170,096	591,476,986
Non-deliverable derivative assets						
Foreign exchange derivative instruments	-	-	-	-	-	-
Interest rate derivative instruments - hedging	-	-	-	-	146,888	146,888
Interest rate derivative instruments - non-hedging	8,418,134	-	-	-	-	8,418,134
Equity derivative instruments	203,801	-	-	-	-	203,801
Subtotal	8,621,935	-	-	-	146,888	8,768,823
<u>Liabilities</u>						
Deliverable derivative liabilities						
Forward contracts	1,398,449	1,744,329	26,811	-	-	3,169,589
Currency swaps	268,463,863	257,979,711	144,557,314	102,971,040	5,814,500	779,786,428
Cross-currency swaps	681,941	4,627,486	894,359	4,656,290	3,066,700	13,926,776
Subtotal	270,544,253	264,351,526	145,478,484	107,627,330	8,881,200	796,882,793
Non-deliverable derivative liabilities						
Foreign exchange derivative instruments	-	-	-	-	-	-
Interest rate derivative instruments - hedging	785	-	-	29,101	1,398,265	1,428,151
Interest rate derivative instruments - non-hedging	7,908,538	-	-	-	-	7,908,538
Equity derivative instruments	207,071	-	-	-	-	207,071
Subtotal	8,116,394	-	-	29,101	1,398,265	9,543,760

June 30, 2025	0-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year	Total
Assets						
Deliverable derivative assets						
Forward contracts	\$ 23,935	\$ 573,938	\$ 177,238	\$ -	\$ -	\$ 775,111
Currency swaps	119,511,889	175,415,737	169,591,099	68,973,466	548,160	534,040,351
Cross-currency swaps	361,268	3,962,897	135,521	5,381,623	2,241,046	12,082,355
Subtotal	119,897,092	179,952,572	169,903,858	74,355,089	2,789,206	546,897,817
Non-deliverable derivative assets						
Interest rate derivative instruments - hedging	192	-	-	-	558,611	558,803
Interest rate derivative instruments - non-hedging	7,578,727	-	-	-	-	7,578,727
Equity derivative instruments	243,916	-	-	-	-	243,916
Subtotal	7,822,835	-	-	-	558,611	8,381,446
Liabilities						
Deliverable derivative liabilities						
Forward contracts	2,275,674	1,861,210	601,303	51,269	-	4,789,456
Currency swaps	174,409,527	272,559,303	188,495,149	82,986,669	264,810	718,715,458
Cross-currency swaps	2,066,140	1,942,496	648,700	5,241,786	2,480,700	12,379,822
Subtotal	178,751,341	276,363,009	189,745,152	88,279,724	2,745,510	735,884,736
Non-deliverable derivative liabilities						
Interest rate derivative instruments - hedging	-	1,697	-	5,993	867,740	875,430
Interest rate derivative instruments - non-hedging	6,779,791	-	-	-	-	6,779,791
Equity derivative instruments	246,742	-	-	-	-	246,742
Subtotal	7,026,533	1,697	-	5,993	867,740	7,901,963

Note: The above amounts include only New Taiwan dollar amounts held by the headquarters and onshore branches.

e) Maturity analysis of derivative assets and liabilities - USD

Taipei Fubon Bank

(In Thousands of U.S. Dollars)

June 30, 2026	0-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year	Total
Assets						
Deliverable derivative assets						
Forward contracts	\$ 521,127	\$ 418,026	\$ 471,136	\$ 424,629	\$ 4,262	\$ 1,839,180
Currency swaps	11,093,650	8,665,176	6,232,146	2,859,268	210,000	29,060,240
Cross-currency swaps	2,210	52,643	176,000	70,000	70,000	370,853
Subtotal	11,616,987	9,135,845	6,879,282	3,353,897	284,262	31,270,273
Non-deliverable derivative assets						
Foreign exchange derivative instruments	55,368	-	-	-	-	55,368
Interest rate derivative instruments - hedging	24	273	747	4,205	119,569	124,818
Interest rate derivative - non-hedging	79,930	-	-	-	-	79,930
Equity derivative instruments	127	-	-	-	-	127
Product derivative instruments	2	-	-	-	-	2
Subtotal	135,451	273	747	4,205	119,569	260,245
Liabilities						
Deliverable derivative liabilities						
Forward contracts	362,192	537,784	680,026	439,673	5,564	2,025,239
Currency swaps	7,602,787	7,112,997	5,865,422	2,105,246	138,435	22,824,887
Cross-currency swaps	65,050	78,779	135,132	244,000	45,000	567,961
Subtotal	8,030,029	7,729,560	6,680,580	2,788,919	188,999	25,418,087
Non-deliverable derivative liabilities						
Foreign exchange derivative instruments	62,093	-	-	-	-	62,093
Interest rate derivative instruments - hedging	9,007	6	15	2	128,842	137,872
Interest rate derivative - non-hedging	204,276	-	-	-	-	204,276
Equity derivative instruments	127	-	-	-	-	127
Product derivative instruments	1	-	-	-	-	1
Subtotal	275,504	6	15	2	128,842	404,369

(In Thousands of U.S. Dollars)

December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year	Total
Assets						
Deliverable derivative assets						
Forward contracts	\$ 567,217	\$ 478,415	\$ 235,488	\$ 212,477	\$ -	\$ 1,493,597
Currency swaps	13,282,291	10,681,413	5,026,202	4,173,194	200,000	33,363,100
Cross-currency swaps	3,034	142,940	29,000	150,000	100,000	424,974
Subtotal	13,852,542	11,302,768	5,290,690	4,535,671	300,000	35,281,671
Non-deliverable derivative assets						
Foreign exchange derivative instruments	21,551	-	-	-	-	21,551
Interest rate derivative instruments - hedging	12	213	450	2,607	106,139	109,421
Interest rate derivative - non-hedging	46,157	-	-	-	-	46,157
Equity derivative instruments	99	-	-	-	-	99
Product derivative instruments	-	-	-	-	-	-
Subtotal	67,819	213	450	2,607	106,139	177,228
Liabilities						
Deliverable derivative liabilities						
Forward contracts	408,782	538,231	248,990	314,754	-	1,510,757
Currency swaps	7,503,759	7,623,670	4,552,161	3,475,118	133,435	23,288,143
Cross-currency swaps	34,940	128,198	13,000	222,132	77,000	475,270
Subtotal	7,947,481	8,290,099	4,814,151	4,012,004	210,435	25,274,170
Non-deliverable derivative liabilities						
Foreign exchange derivative instruments	28,430	-	-	-	-	28,430
Interest rate derivative instruments - hedging	-	-	25	265	146,513	146,803
Interest rate derivative - non-hedging	93,480	-	-	-	-	93,480
Equity derivative instruments	99	-	-	-	-	99
Product derivative instruments	-	-	-	-	-	-
Subtotal	122,009	-	25	265	146,513	268,812

(In Thousands of U.S. Dollars)

June 30, 2025	0-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year	Total
Assets						
Deliverable derivative assets						
Forward contracts	\$ 692,407	\$ 548,146	\$ 381,933	\$ 149,487	\$ -	\$ 1,771,973
Currency swaps	8,456,975	10,683,452	6,710,942	3,063,798	10,000	28,925,167
Cross-currency swaps	57,438	60,422	20,000	162,941	80,000	380,801
Subtotal	9,206,820	11,292,020	7,112,875	3,376,226	90,000	31,077,941
Non-deliverable derivative assets						
Foreign exchange derivative instruments	39,400	-	-	-	-	39,400
Interest rate derivative instruments - hedging	-	290	520	2,807	129,934	133,551
Interest rate derivative - non-hedging	13,957	-	-	-	-	13,957
Equity derivative instruments	108	-	-	-	-	108
Product derivative instruments	-	-	-	-	-	-
Subtotal	53,465	290	520	2,807	129,934	187,016
Liabilities						
Deliverable derivative liabilities						
Forward contracts	466,300	505,909	448,921	125,901	-	1,547,031
Currency swaps	6,052,852	6,889,688	5,769,938	2,485,432	20,000	21,217,910
Cross-currency swaps	2,852	123,366	4,125	162,698	72,000	365,041
Subtotal	6,522,004	7,518,963	6,222,984	2,774,031	92,000	23,129,982
Non-deliverable derivative liabilities						
Foreign exchange derivative instruments	47,038	-	-	-	-	47,038
Interest rate derivative instruments - hedging	18	-	43	25	148,543	148,629
Interest rate derivative - non-hedging	82,406	-	-	-	-	82,406
Equity derivative instruments	108	-	-	-	-	108
Product derivative instruments	-	-	-	-	-	-
Subtotal	129,570	-	43	25	148,543	278,181

Note: The above amounts include only USD amounts held by the headquarters, onshore branches and offshore banking unit.

f) Maturity analysis of derivative assets and liabilities - RMB

Fubon Bank (China)

(In Thousands of RMB)

June 30, 2026	0-30 Days	31-90 Days	91-365 Days	Over 1 Year	Total
<u>Assets</u>					
Deliverable derivative assets					
Forward contracts	\$ 307,357	\$ 554,241	\$ 712,405	\$ 160,987	\$ 1,734,990
Currency swaps	90,600,529	53,132,694	88,188,410	168,242	232,089,875
Cross-currency swaps	208,676	72,917	-	-	281,593
Subtotal	91,116,562	53,759,852	88,900,815	329,229	234,106,458
Non-deliverable derivative assets					
Option Contracts	5,890	11,621	10,412	-	27,923
Subtotal	5,890	11,621	10,412	-	27,923
<u>Liabilities</u>					
Deliverable derivative liabilities					
Forward contracts	306,590	553,025	731,628	168,288	1,759,531
Currency swaps	90,679,253	53,201,202	88,400,701	160,427	232,441,583
Cross-currency swaps	208,669	72,924	-	-	281,593
Subtotal	91,194,512	53,827,151	89,132,329	328,715	234,482,707
Non-deliverable derivative liabilities					
Interest rate derivatives - non-hedging	49,482	215,585	451,360	2,519	718,946
Option Contracts	1,691	13,023	10,912	-	25,626
Subtotal	51,173	228,608	462,272	2,519	744,572

(In Thousands of RMB)

December 31, 2025	0-30 Days	31-90 Days	91-365 Days	Over 1 Year	Total
<u>Assets</u>					
Deliverable derivative assets					
Forward contracts	\$ 1,639,154	\$ 140,080	\$ 34,786	\$ -	\$ 1,814,020
Currency swaps	85,257,744	85,963,245	120,492,245	69,169	291,782,403
Cross-currency swaps	782,764	-	79,618	-	862,382
Subtotal	87,679,662	86,103,325	120,606,649	69,169	294,458,805
Non-deliverable derivative liabilities					
Interest rate derivatives - non-hedging	18,099	46,961	223,027	471,324	759,411
Option Contracts	4,266	4,925	14,291	239	23,721
Subtotal	22,365	51,886	237,318	471,563	783,132
<u>Liabilities</u>					
Deliverable derivative liabilities					
Forward contracts	1,638,271	140,278	35,073	-	1,813,622
Currency swaps	85,226,982	86,001,081	120,582,375	68,824	291,879,262
Cross-currency swaps	810,318	-	79,884	-	890,202
Subtotal	87,675,571	86,141,359	120,697,332	68,824	294,583,086
Non-deliverable derivative liabilities					
Interest rate derivatives - non-hedging	13,099	53,905	240,480	505,879	813,363
Option Contracts	7,660	2,361	8,983	255	19,259
Subtotal	20,759	56,266	249,463	506,134	832,622

(In Thousands of RMB)

June 30, 2025	0-30 Days	31-90 Days	91-365 Days	Over 1 Year	Total
Assets					
Deliverable derivative assets					
Forward contracts	\$ 85,791	\$ 209,994	\$ 1,521,592	\$ -	\$ 1,817,377
Currency swaps	78,114,381	72,570,035	129,053,269	828,935	280,566,620
Cross-currency swaps	-	-	946,248	-	946,248
Subtotal	78,200,172	72,780,029	131,521,109	828,935	283,330,245
Non-deliverable derivative assets					
Interest rate derivatives - non-hedging	23,790	22,168	133,796	272,605	452,359
Option Contracts	10,462	12,970	7,975	-	31,407
Subtotal	34,252	35,138	141,771	272,605	483,766
Liabilities					
Deliverable derivative liabilities					
Forward contracts	86,643	211,618	1,530,332	-	1,828,593
Currency swaps	77,968,968	72,413,048	129,007,389	835,237	280,224,642
Cross-currency swaps	-	-	961,089	-	961,089
Subtotal	78,055,611	72,624,666	131,498,810	835,237	283,014,324
Non-deliverable derivative liabilities					
Interest rate derivatives - non-hedging	20,426	19,313	139,306	305,157	484,202
Option Contracts	3,621	16,850	3,430	-	23,901
Subtotal	24,047	36,163	142,736	305,157	508,103

g) Maturity analysis of off-balance sheet items

The table below presents the maturity analysis of the Bank and its subsidiaries' off-balance sheet items based on the remaining period from the balance sheet date to the contractual maturity date. Off-balance sheet items are allocated to the earliest period in which the Bank and its subsidiaries may be required to make payment or perform under the related guarantees. The amounts disclosed in the table are based on contractual cash flows; therefore, certain amounts may not be directly comparable to the related amounts reported in the consolidated balance sheet.

Taipei Fubon Bank

June 30, 2026	0-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year	Total
Irrevocable credit commitments	\$ 248,137,138	\$ -	\$ -	\$ -	\$ -	\$ 248,137,138
Outstanding letters of credit	1,776,832	2,925,271	1,716,352	156,745	-	6,575,200
Financial guarantees	34,024,270	547,600	361,500	27,619	253,681	35,214,670
Total	\$ 283,938,240	\$ 3,472,871	\$ 2,077,852	\$ 184,364	\$ 253,681	\$ 289,927,008

December 31, 2025	0-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year	Total
Irrevocable credit commitments	\$ 213,843,711	\$ -	\$ -	\$ -	\$ -	\$ 213,843,711
Outstanding letters of credit	1,490,909	2,143,522	1,294,164	521,364	2,199	5,452,158
Financial guarantees	27,466,650	198,700	-	421,100	281,300	28,367,750
Total	\$ 242,801,270	\$ 2,342,222	\$ 1,294,164	\$ 942,464	\$ 283,499	\$ 247,663,619

June 30, 2025	0-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year	Total
Irrevocable credit commitments	\$ 196,431,561	\$ -	\$ -	\$ -	\$ -	\$ 196,431,561
Outstanding letters of credit	2,111,816	3,053,036	994,443	148,214	-	6,307,509
Financial guarantees	22,293,891	1,257,554	300,000	2,562,120	702,400	27,115,965
Total	\$ 220,837,268	\$ 4,310,590	\$ 1,294,443	\$ 2,710,334	\$ 702,400	\$ 229,855,035

Fubon Bank (China)

(In Thousands of RMB)

June 30, 2026	0-30 Days	31-90 Days	91-365 Days	Over 1 Year	Total
Irrevocable credit commitments	\$ 25,520	\$ 77,050	\$ 804,405	\$ 176,200	\$ 1,083,175
Outstanding letters of credit	54,180	62,410	198,441	76,522	391,553
Financial guarantees	1,290	92,368	396,090	98,990	588,738
Total	\$ 80,990	\$ 231,828	\$ 1,398,936	\$ 351,712	\$ 2,063,466

(In Thousands of RMB)

December 31, 2025	0-30 Days	31-90 Days	91-365 Days	Over 1 Year	Total
Irrevocable credit commitments	\$ -	\$ 50,413	\$ 180,181	\$ 86,523	\$ 317,117
Outstanding letters of credit	111,568	17,260	55,369	26,582	210,779
Financial guarantees	2,654	29,034	294,649	151,027	477,364
Total	\$ 114,222	\$ 96,707	\$ 530,199	\$ 264,132	\$ 1,005,260

(In Thousands of RMB)

June 30, 2025	0-30 Days	31-90 Days	91-365 Days	Over 1 Year	Total
Irrevocable credit commitments	\$ 1,774	\$ -	\$ 701,968	\$ 181,363	\$ 885,105
Outstanding letters of credit	64,716	80,123	41,534	-	186,373
Financial guarantees	46,886	45,652	138,074	331,553	562,165
Total	\$ 113,376	\$ 125,775	\$ 881,576	\$ 512,916	\$ 1,633,643

e. Market risk

1) Market risk definition and classifications

Market risk refers to unfavorable changes in the market (such as changes in interest rates, exchange rates, stock prices and commodity prices), which may cause a potential loss on or off the balance sheet. Based on the Bank and its subsidiaries' internal risk management policies, positions are classified into either the trading book or the banking book and are measured and managed accordingly.

2) Market risk strategy and procedures

Taipei Fubon Bank

The Bank has comprehensive policies on market risk management and has a systematic mechanism for deal execution, clearing and settlement. The Bank classifies trading positions into four categories based on different risk factors: Interest rate-related instruments, exchange rate-related instruments, equity securities and commodity-related instruments. The risk management systems apply the Bank's management policies and market risk limits to identify, measure, monitor and control market risks.

Fubon Bank (China)

Based on relevant laws and regulations, Fubon Bank (China) has established market risk management policies and control procedures to define market risk management processes, risk limits and trading strategies. Risk management systems have been implemented to identify, measure, monitor and control market risks and to ensure the sound and effective implementation of its market risk management framework.

3) Market risk management framework

Taipei Fubon Bank

The Bank has established the Risk Management Committee, which is chaired by the Chairman of the board of directors or a designated representative. Its members include the President and senior executives of relevant departments. The committee is responsible for reviewing significant market risk policies and monitoring significant market risk information, changes and compliance with risk limits.

The Risk Management Department is responsible for formulating policies on and procedures for market risk management, enforcing market risk limits, timely reporting of market risk events and validating valuation models independently. Furthermore, the independent audit department under the Bank's board of directors manages the independent assurance functions of the market risk management framework.

Fubon Bank (China)

The board of directors of Fubon Bank (China) is the highest supervisory body for market risk management and is responsible for approving the overall market risk management strategy, as well as market risk management policies and procedures. The Risk & Related Party Transaction Committee, under the board of directors, is responsible for approving market risk limits. The Risk Management Department regularly submits market risk reports to the President, senior management and the Risk & Related Party Transaction Committee under the board of directors.

The Risk Management Department, which is independent from the front trading desk and back settlement desk, is responsible for implementing market risk management policies authorized by Fubon Bank (China)'s board of directors and senior management. The Internal Audit Department is responsible for reviewing and evaluating the effectiveness and independence of the risk management system. The Compliance Department is in charge of monitoring compliance risks and submitting related reports to Fubon Bank (China)'s board of directors and senior management.

4) Market risk measurement, control and reporting

The Risk Management Department is responsible for monitoring compliance with daily market risk limits (including the analysis of risk sensitivity measures such as Delta, Vega, DV01 and Value at Risk ("VaR")) and profit and loss control. The valuation models for financial instruments are independently validated by the Risk Management Department to ensure their effectiveness and stability. The Bank has established a market risk management system and related market risk management policies and control procedures, and has implemented VaR limit management. In addition, the Bank performs periodic back-testing to assess the effectiveness of the VaR calculation module and valuation benchmarks. The Bank also continues to enhance its financial trading systems and rolls out financial products and related risk control measures in phases.

5) Measurement of trading book market risk

Taipei Fubon Bank

The Bank manages market risk using individual risk measures (also known as sensitivity measures or the “Greeks”) established for different business lines or trading desks, together with integrated risk measures such as Value at Risk (“VaR”) and stress testing. VaR and stress testing provide a consistent and comparable measurement framework across different trading desks and risk categories. Details are described below.

a) Value at Risk (“VaR”)

VaR is a tool used to measure the maximum expected loss over a given time horizon under normal market conditions at a specified confidence level. The Bank uses various VaR models to estimate the maximum potential loss of its current net positions over a one-day period at a 99% confidence level. The Bank also calculates current VaR and stressed VaR using the historical simulation approach to capture a wide range of potential market risk scenarios. To ensure the reliability of VaR estimates, the Bank performs periodic back-testing and statistical validation using actual profit and loss results.

Trading book VaR information is shown below:

For the Six Months Ended June 30, 2026				
Common VaR	Highest	Lowest	Average	End of Period
Equity	\$ 59,613	\$ 344	\$ 28,053	\$ 344
Interest rate	100,632	44,390	76,978	57,067
Exchange rate	27,597	15,631	19,532	16,861
Volatility	2,360	942	1,516	942
Diversification effect	-	-	(46,665)	(31,456)
Common VaR of trading book			\$ 79,414	\$ 43,758

For the Six Months Ended June 30, 2025				
Common VaR	Highest	Lowest	Average	End of Period
Equity	\$ 45,777	\$ 13,183	\$ 32,637	\$ 41,612
Interest rate	49,229	12,798	29,121	49,229
Exchange rate	55,033	11,814	20,801	13,316
Volatility	3,757	1,021	1,893	1,950
Diversification effect	-	-	(38,605)	(39,280)
Common VaR of trading book			\$ 45,847	\$ 66,827

Note: The highest and lowest VaRs may occur on different dates; therefore, the related diversification effects are not considered meaningful and are not disclosed in the above table.

The VaRs presented above represent the risk values calculated based on changes in the respective risk factors. If a single product is exposed to more than one risk factor, it is classified under multiple risk factor categories. For example, forward contracts are exposed to both interest rate risk and exchange rate risk and are therefore classified under both the interest rate and exchange rate categories. Foreign exchange options are exposed to exchange rate risk and volatility risk and are therefore classified under both the exchange rate and volatility categories.

b) Stress testing

As described above, VaR estimates the maximum potential loss that may occur over a specified period under normal market conditions at a given confidence level. However, VaR cannot fully predict losses arising from significant market movements or major events such as systemic risk that may affect the total value of positions. Stress testing is used to complement the limitations of VaR by assessing the impact of abnormal market conditions, estimating potential extreme losses (stress losses), and measuring the effects of significant shock events on investment portfolios.

Fubon Bank (China)

To manage market risk in the trading book, Fubon Bank (China) has established appropriate market risk measurement methodologies and selected suitable market risk limits based on the types of trading products, risk characteristics and complexity of risk exposures. Market risk limits include exposure limits, stop-loss limits and sensitivity limits. Fubon Bank (China)'s proprietary foreign exchange business mainly consists of spot foreign exchange trading and foreign exchange option trading, while its proprietary interest rate business mainly consists of bond trading, foreign exchange forwards, currency swaps and RMB interest rate swaps. Overall compliance with market risk limits remained satisfactory.

The Risk Management Department conducts quarterly market risk stress testing for the trading book, primarily measuring the potential losses in the market value of the trading book resulting from significant movements in market risk factors, such as interest rates and exchange rates, and assessing Fubon Bank (China)'s ability to withstand such losses.

6) Measurement of banking book market risk

Taipei Fubon Bank

a) Interest rate risk

Interest rate risk refers to the impact of changes in interest rates on the value of investment portfolio positions. In measuring banking book interest rate risk, the sensitivity of both interest rate-sensitive assets and liabilities on the balance sheet to changes in interest rates should be considered. In addition, debt securities held in the banking book differ in nature from trading book securities, which are intended for short-term trading. As the valuation of banking book debt securities may be measured on both a fair value basis and an accrued interest basis, the Bank separately discloses the related risk information.

Banking book interest rate risk refers to the risk of adverse impacts on the Bank's banking book positions resulting from unfavorable movements in interest rates. Such risk may be measured from an earnings perspective. Earnings analysis focuses on the effects of interest rate changes on the Bank's accrual or reported earnings, with particular emphasis on measuring the impact of interest rate changes on the Bank's near-term profitability. Assuming all other factors remain constant, if the New Taiwan dollar and U.S. dollar interest rate curves had shifted in parallel by 1 basis point (1 bp) as of June 30, 2026, December 31, 2025 and June 30, 2025, the impact on earnings over the following year would have been \$16 million, \$7 million and \$1 million, respectively.

b) Exchange rate risk

Banking book exchange rate risk refers to the risk of adverse impacts resulting from unfavorable changes in exchange rates on the foreign currency operating fund positions established in accordance with the requirements of the domestic or local regulatory authorities when the Bank initially commenced foreign exchange operations or established overseas branches, as well as investments in overseas subsidiaries accounted for using the equity method. Such exchange rate fluctuations may give rise to exchange differences recognized either in the statement of comprehensive income or in equity under exchange differences on translating foreign operations.

The Bank's foreign exchange business, overseas branch operations and equity-method investments in overseas subsidiaries are all conducted on a long-term basis. With respect to exchange differences on translating foreign operations' financial statements, as of June 30, 2026, such exchange differences represented only an insignificant proportion of equity attributable to owners of the Bank.

c) Equity risk

The Bank's banking book equity securities portfolio is mainly divided into two categories. The first category consists of investments in accordance with Article 74 of the Banking Act and investments in related enterprises approved by the competent authorities. The second category consists of investments in listed, over-the-counter (OTC) and emerging market companies that are considered to have promising business prospects, high cash dividend yields and growth potential. Although changes in market prices of the second category may affect equity, the Bank holds these investments for medium- to long-term investment purposes, and the acquisition and disposal of such positions are subject to strict controls. For investments in the aforementioned listed, OTC and emerging market companies, risk is measured through a sensitivity analysis based on a 10% increase or decrease in share prices, as presented in the table below.

	June 30, 2026		December 31, 2025		June 30, 2025	
	Influence on Profit and Loss	Influence on Other Equity	Influence on Profit and Loss	Influence on Other Equity	Influence on Profit and Loss	Influence on Other Equity
Stock price increase by 10%	\$ -	\$ 4,730,834	\$ -	\$ 3,634,910	\$ -	\$ 3,721,331
Stock price decrease by 10%	-	(4,730,834)	-	(3,634,910)	-	(3,721,331)

Fubon Bank (China)

a) Interest rate risk

Fubon Bank (China)'s interest rate risk arises primarily from interest repricing risk. Banking book interest rate risk is primarily monitored under the standardized measurement framework prescribed by the local regulatory authorities by calculating the repricing gap of interest rate-sensitive assets and liabilities and establishing risk indicators for monitoring purposes. Assuming all other factors remain constant, the sensitivity analysis below illustrates the impact of a 50-basis-point increase or decrease in interest rates.

	(In Thousands of RMB)					
	June 30, 2026		December 31, 2025		June 30, 2025	
	Impact on Profit and Loss	Impact on Other Equity	Impact on Profit and Loss	Impact on Other Equity	Impact on Profit and Loss	Impact on Other Equity
Interest rate increases 50 basis points	\$ (216,486)	\$ (26,091)	\$ (121,399)	\$ (397,466)	\$ (156,739)	\$ (343,155)
Interest rate decreases 50 basis points	237,774	914,291	143,585	577,324	157,984	380,496

b) Exchange rate risk

Fubon Bank (China)'s loans, deposits and interbank lending and borrowing businesses are primarily denominated in RMB, while its foreign currency positions are mainly composed of U.S. dollars. To effectively manage exchange rate risk, Fubon Bank (China) has established foreign exchange gap control limits based on its risk appetite and business strategy, and regularly performs foreign currency sensitivity analyses on its assets and liabilities. Assuming that the RMB appreciates or depreciates by 5% against all foreign currencies in both spot and forward exchange rates, and that all other factors remain constant, the estimated impact on Fubon Bank (China)'s current-period carrying amounts measured in RMB as its functional currency is presented below:

	(In Thousands of RMB)					
	June 30, 2026		December 31, 2025		June 30, 2025	
	Influence on Profit and Loss	Influence on Other Equity	Influence on Profit and Loss	Influence on Other Equity	Influence on Profit and Loss	Influence on Other Equity
USD and HKD appreciate by 5% against the RMB	\$ (664,468)	\$ 242,551	\$ (690,258)	\$ 199,675	\$ (746,659)	\$ 197,937
USD and HKD depreciate by 5% against the RMB	664,468	(242,551)	690,258	(199,675)	746,659	(197,937)

7) Foreign currency rate risk information

The table below presents the foreign currency concentration risk information of the Bank and its subsidiaries, categorized by currency and stated at carrying amounts, for financial assets and liabilities denominated in foreign currencies as of June 30, 2026, December 31, 2025 and June 30, 2025.

Taipei Fubon Bank

Units: (In Thousands, Unless Otherwise Indicated)

	June 30, 2026		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary item			
USD	\$ 32,608,323	31.8411	\$ 1,038,284,204
AUD	10,025,995	21.9101	219,670,690
HKD	12,071,107	4.0601	49,009,950
RMB	7,048,505	4.6878	33,041,709
VND	26,989,942,715	0.0012	32,676,384
Nonmonetary item			
USD	521,386	31.8411	16,601,482
SGD	303,645	24.5893	7,466,412
JPY	25,271,221	0.1961	4,955,813
RMB	488,461	4.6878	2,289,790
HKD	445,863	4.0601	1,810,249
Investments accounted for using the equity method			
RMB	6,969,220	4.6878	32,670,039
KRW	415,707,622	0.0205	8,534,062
<u>Financial liabilities</u>			
Monetary item			
USD	40,763,516	31.8411	1,297,954,334
RMB	13,469,932	4.6878	63,143,823
HKD	9,653,913	4.0601	39,195,892
JPY	195,955,578	0.1961	38,427,869
AUD	1,471,756	21.9101	32,246,336
Nonmonetary item			
USD	483,618	31.8411	15,398,924
JPY	16,150,291	0.1961	3,167,153
RMB	502,183	4.6878	2,354,114
SGD	52,866	24.5893	1,299,946
HKD	267,633	4.0601	1,086,617

December 31, 2025			
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary item			
USD	\$ 31,683,985	31.4510	\$ 996,494,149
AUD	8,419,856	21.0145	176,939,323
HKD	11,790,085	4.0405	47,637,746
VND	24,295,878,129	0.0012	29,074,292
RMB	5,669,970	4.5003	25,516,668
Nonmonetary item			
USD	251,233	31.4510	7,901,540
JPY	31,641,599	0.2006	6,348,665
AUD	154,135	21.0145	3,239,083
RMB	427,871	4.5003	1,925,555
HKD	211,694	4.0405	855,350
Investments accounted for using the equity method			
RMB	6,753,054	4.5003	30,390,892
KRW	405,942,203	0.0218	8,848,728
<u>Financial liabilities</u>			
Monetary item			
USD	43,185,866	31.4510	1,358,240,236
RMB	14,615,903	4.5003	65,776,209
HKD	12,726,839	4.0405	51,422,690
JPY	186,032,096	0.2006	37,326,038
VND	20,455,319,813	0.0012	24,478,388
Nonmonetary item			
USD	401,337	31.4510	12,622,469
JPY	11,484,066	0.2006	2,304,197
RMB	300,107	4.5003	1,350,578
VND	383,244,733	0.0012	458,620
HKD	81,907	4.0405	330,943
June 30, 2025			
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary item			
USD	\$ 30,708,644	29.9072	\$ 918,408,021
AUD	7,074,058	19.5544	138,328,707
HKD	11,239,556	3.8085	42,805,522
EUR	832,040	35.0705	29,180,091
RMB	6,408,471	4.1745	26,752,055
(Continued)			

June 30, 2025			
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Nonmonetary item			
USD	\$ 419,091	29.9072	\$ 12,533,827
JPY	22,202,201	0.2074	4,605,580
AUD	135,534	19.5544	2,650,282
RMB	300,109	4.1745	1,252,801
HKD	327,567	3.8085	1,247,529
Investments accounted for using the equity method			
RMB	6,819,007	4.1745	28,465,830
KRW	382,243,676	0.0221	8,442,998
<u>Financial liabilities</u>			
Monetary item			
USD	40,023,775	29.9072	1,196,997,052
RMB	14,607,825	4.1745	60,980,117
JPY	183,555,861	0.2074	38,076,461
HKD	8,373,880	3.8085	31,891,678
EUR	782,619	35.0705	27,446,872
Nonmonetary item			
USD	560,404	29.9072	16,760,091
RMB	279,659	4.1745	1,167,432
JPY	4,973,967	0.2074	1,031,790
HKD	137,070	3.8085	522,026
AUD	2,684	19.5544	52,484
			(Concluded)

Fubon Bank (China)

Units: (In Thousands, Unless Otherwise Indicated)

June 30, 2026			
	Foreign Currencies	Exchange Rate	RMB
<u>Financial assets</u>			
Monetary item			
USD	\$ 2,995,231	6.8109	\$ 20,400,218
HKD	805,922	0.8686	699,984
EUR	28,919	7.7671	224,619
SGD	7,964	5.2605	41,897
Nonmonetary item			
USD	102,480	6.8109	697,981
HKD	267	0.8686	232
AUD	9	4.6804	40
			(Continued)

June 30, 2026			
	Foreign Currencies	Exchange Rate	RMB
<u>Financial liabilities</u>			
Monetary item			
USD	\$ 4,745,443	6.8109	\$ 32,320,740
JPY	3,034,484	0.0420	127,585
EUR	13,003	7.7671	100,993
AUD	19,827	4.6804	92,799
Nonmonetary item			
USD	90,188	6.8109	614,262
HKD	3,183	0.8686	2,765
JPY	1,402	0.0420	59
CAD	2	4.7847	12
			(Concluded)

December 31, 2025			
	Foreign Currencies	Exchange Rate	RMB
<u>Financial assets</u>			
Monetary item			
USD	\$ 2,022,168	7.0288	\$ 14,213,411
HKD	730,458	0.9032	659,764
EUR	22,168	8.2355	182,561
JPY	883,244	0.0448	39,567
Nonmonetary item			
USD	182,769	7.0288	1,284,648
HKD	38	0.9032	34

<u>Financial liabilities</u>			
Monetary item			
USD	4,084,602	7.0288	28,709,852
EUR	13,489	8.2355	111,086
JPY	2,193,119	0.0448	98,245
AUD	18,007	4.6892	84,441
Nonmonetary item			
USD	43,670	7.0288	306,947
EUR	65	8.2355	538
HKD	436	0.9032	394
JPY	4,763	0.0448	213

June 30, 2025			
	Foreign Currencies	Exchange Rate	RMB
<u>Financial assets</u>			
Monetary item			
USD	\$ 1,864,044	7.1586	\$ 13,343,944
HKD	285,965	0.9120	260,786
EUR	6,440	8.4024	54,109
JPY	607,169	0.0496	30,112
Nonmonetary item			
USD	280,607	7.1586	2,008,755
<u>Financial liabilities</u>			
Monetary item			
USD	4,202,464	7.1586	30,083,760
EUR	12,771	8.4024	107,309
JPY	1,292,875	0.0496	64,119
AUD	10,200	4.6817	47,755
Nonmonetary item			
USD	627	7.1586	4,487
EUR	238	8.4024	1,999
HKD	473	0.9120	431
JPY	2,390	0.0496	119

f. ESG and climate risk

The Bank adheres to the sustainable finance policy established by FFH and the Bank's Climate Risk Management Policy, incorporating ESG considerations into financing and investment-related decision-making processes. International standards such as the United Nations Principles for Responsible Investment (PRI) and the Equator Principles serve as key references in the Bank's credit and investment decisions.

To ensure a thorough assessment of ESG risks associated with counterparties, the Bank has formulated the "Sustainable Credit and Investment Guidelines," the "Sustainable Credit Management Procedures," and the "Responsible Investment and ESG Risk Assessment Guidelines for Securities Transactions." When processing credit, investment, or related business activities, an ESG assessment is conducted on a case-by-case basis using either the "Sustainable Credit ESG Checklist" or the "Responsible Investment and ESG Risk Assessment Checklist for Securities Transactions." If a client is found to be involved in activities that have significant adverse impacts on environmental and social sustainability, the Bank will decline to establish or maintain a business relationship with such client.

In addition, the Bank has established entry and exit criteria for five high carbon-emission sensitive industries: Coal-fired power plants, coal mining, cement, petrochemicals, and steel. For listed companies and cases subject to a designated approval level, ESG questionnaires are used to understand the client's low-carbon transition goals and performance. The Bank further evaluates ESG impact and transition efforts through an internal ESG grading framework, with the results serving as a basis for determining the Bank's engagement strategy.

g. Transfers of financial assets

Transfers of financial assets not qualifying for derecognition

The transferred financial assets of the Bank and its subsidiaries that do not qualify for derecognition in the ordinary course of business mainly consist of debt securities sold under repurchase agreements and equity securities lent under securities lending agreements.

Through these transactions, the contractual rights to receive the cash flows from the financial assets are transferred to third parties; however, the Bank and its subsidiaries retain the obligation to repurchase the transferred financial assets at fixed prices in the future.

During the term of these transactions, the Bank and its subsidiaries cannot use, sell or pledge the transferred financial assets. However, the Bank and its subsidiaries continue to bear the interest rate risk and credit risk associated with these assets and therefore do not derecognize them.

The analysis of financial assets and related financial liabilities that do not qualify for derecognition is shown in the following table:

Category of Financial Assets	June 30, 2026	
	Transferred Financial Assets - Book Value	Related Financial Liabilities - Book Value
<u>Transactions under repurchase agreements</u>		
Financial assets at fair value through other comprehensive income	\$ 2,035,431	\$ 2,050,329
Investments in debt instruments measured at amortized cost	58,576,334	56,414,543

Category of Financial Assets	December 31, 2025	
	Transferred Financial Assets - Book Value	Related Financial Liabilities - Book Value
<u>Transactions under repurchase agreements</u>		
Financial assets at fair value through other comprehensive income	\$ 2,157,237	\$ 2,156,909
Investments in debt instruments measured at amortized cost	28,707,852	27,569,366

Category of Financial Assets	June 30, 2025	
	Transferred Financial Assets - Book Value	Related Financial Liabilities - Book Value
<u>Transactions under repurchase agreements</u>		
Financial assets at fair value through other comprehensive income	\$ 198,907	\$ 187,714
Investments in debt instruments measured at amortized cost	32,339,881	29,960,786

h. Offsetting of financial assets and financial liabilities

The Bank and its subsidiaries had no financial instruments that met the offsetting criteria under Paragraph 42 of IAS 32 “Financial Instruments: Presentation” as endorsed by the Financial Supervisory Commission, and therefore no related financial assets and financial liabilities were presented on a net basis in the consolidated balance sheets.

Although the Bank and its subsidiaries are not engaged in transactions that meet the offsetting criteria under IFRSs, they have entered into enforceable master netting arrangements or similar agreements with counterparties, such as Global Master Repurchase Agreements (GMRAs), Global Securities Lending Agreements (GSLAs), and other similar repurchase or reverse repurchase agreements. Under these enforceable master netting arrangements or similar agreements, financial assets and financial liabilities may be settled on a net basis when both counterparties elect to settle through net settlement. Otherwise, the transactions are settled on a gross basis. However, if either party defaults, the non-defaulting party may elect to settle the transactions on a net basis.

The following table presents information relating to the offsetting of the aforementioned financial assets and financial liabilities:

June 30, 2026

Financial Assets	Recognized Financial Assets - Gross Amount	Netted Financial Liabilities Recognized on the Balance Sheet - Gross Amount	Recognized Financial Assets - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments (Note 1)	Cash Received as Collaterals	
Derivative instruments (Note 2)	\$ 55,606,438	\$ -	\$ 55,606,438	\$ 36,095,812	\$ 7,002,453	\$ 12,508,173
Securities purchased under resell agreements	<u>55,126,517</u>	<u>-</u>	<u>55,126,517</u>	<u>54,999,648</u>	<u>-</u>	<u>126,869</u>
	<u>\$ 110,732,955</u>	<u>\$ -</u>	<u>\$ 110,732,955</u>	<u>\$ 91,095,460</u>	<u>\$ 7,002,453</u>	<u>\$ 12,635,042</u>

Financial Liabilities	Recognized Financial Liabilities - Gross Amount	Netted Financial Assets Recognized on the Balance Sheet - Gross Amount	Recognized Financial Liabilities - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments (Note 1)	Cash Collaterals Pledged	
Derivative instruments (Note 2)	\$ 56,162,574	\$ -	\$ 56,162,574	\$ 35,851,199	\$ 12,017,606	\$ 8,293,769
Securities sold under repurchased agreements	<u>58,464,872</u>	<u>-</u>	<u>58,464,872</u>	<u>58,380,037</u>	<u>27,577</u>	<u>57,258</u>
	<u>\$ 114,627,446</u>	<u>\$ -</u>	<u>\$ 114,627,446</u>	<u>\$ 94,231,236</u>	<u>\$ 12,045,183</u>	<u>\$ 8,351,027</u>

December 31, 2025

Financial Assets	Recognized Financial Assets - Gross Amount	Netted Financial Liabilities Recognized on the Balance Sheet - Gross Amount	Recognized Financial Assets - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments (Note 1)	Cash Received as Collaterals	
Derivative instruments (Note 2)	\$ 54,230,156	\$ -	\$ 54,230,156	\$ 33,811,413	\$ 5,905,370	\$ 14,513,373
Securities purchased under resell agreements	<u>49,969,185</u>	<u>-</u>	<u>49,969,185</u>	<u>49,857,470</u>	<u>-</u>	<u>111,715</u>
	<u>\$ 104,199,341</u>	<u>\$ -</u>	<u>\$ 104,199,341</u>	<u>\$ 83,668,883</u>	<u>\$ 5,905,370</u>	<u>\$ 14,625,088</u>

Financial Liabilities	Recognized Financial Liabilities - Gross Amount	Netted Financial Assets Recognized on the Balance Sheet - Gross Amount	Recognized Financial Liabilities - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments (Note 1)	Cash Collaterals Pledged	
Derivative instruments (Note 2)	\$ 56,118,567	\$ -	\$ 56,118,567	\$ 32,561,620	\$ 13,720,150	\$ 9,836,797
Securities sold under repurchased agreements	<u>29,726,275</u>	<u>-</u>	<u>29,726,275</u>	<u>29,668,644</u>	<u>-</u>	<u>57,631</u>
	<u>\$ 85,844,842</u>	<u>\$ -</u>	<u>\$ 85,844,842</u>	<u>\$ 62,230,264</u>	<u>\$ 13,720,150</u>	<u>\$ 9,894,428</u>

June 30, 2025

Financial Assets	Recognized Financial Assets - Gross Amount	Netted Financial Liabilities Recognized on the Balance Sheet - Gross Amount	Recognized Financial Assets - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments (Note 1)	Cash Received as Collaterals	
Derivative instruments (Note 2)	\$ 66,057,638	\$ -	\$ 66,057,638	\$ 43,513,839	\$ 12,208,230	\$ 10,335,569
Securities purchased under resell agreements	<u>28,366,295</u>	<u>-</u>	<u>28,366,295</u>	<u>28,215,909</u>	<u>-</u>	<u>150,386</u>
	<u>\$ 94,423,933</u>	<u>\$ -</u>	<u>\$ 94,423,933</u>	<u>\$ 71,729,748</u>	<u>\$ 12,208,230</u>	<u>\$ 10,485,955</u>

Financial Liabilities	Recognized Financial Liabilities - Gross Amount	Netted Financial Assets Recognized on the Balance Sheet - Gross Amount	Recognized Financial Liabilities - Net Amount	Related Amount Not Netted on the Balance Sheet		Net Amount
				Financial Instruments (Note 1)	Cash Collaterals Pledged	
Derivative instruments (Note 2)	\$ 73,530,145	\$ -	\$ 73,530,145	\$ 41,550,668	\$ 9,900,641	\$ 22,078,836
Securities sold under repurchased agreements	<u>30,148,500</u>	<u>-</u>	<u>30,148,500</u>	<u>25,528,602</u>	<u>-</u>	<u>4,619,898</u>
	<u>\$ 103,678,645</u>	<u>\$ -</u>	<u>\$ 103,678,645</u>	<u>\$ 67,079,270</u>	<u>\$ 9,900,641</u>	<u>\$ 26,698,734</u>

Note 1: Including netting settlement agreement and non-cash financial collaterals.

Note 2: Including derivative financial assets for hedging.

54. CAPITAL MANAGEMENT

a. Overview

In accordance with the minimum requirements on the regulatory capital to risk (weighted) assets ratio (i.e. the capital adequacy ratio) from the “Regulation Governing the Capital Adequacy and Capital Category of Banks” under Article 44 of the Banking Act, the Bank’s regulatory capital and consolidated eligible capital should be higher than the statutory requirement. This is the fundamental principle of capital management.

For sound operations, the Bank has established internal control policies to ensure its capital adequacy ratio meets the minimum regulatory requirement.

b. Capital management procedures

The Bank’s capital is managed by the Bank’s Capital Adequacy Management Policy, which was approved by the board of directors. Regulatory capital is calculated in accordance with the “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 capital and net additional Tier 1 capital) and net Tier 2 capital. The components of regulatory capital are as follows:

1) Net Tier 1 capital

- a) Net common equity Tier 1 capital: Mainly includes common stock, capital surplus, retained earnings, other equity, and non-controlling interests, deducted by regulatory adjustment items in accordance with the rules for calculation methods issued by the authorities.

- b) Net additional Tier 1 capital: Mainly includes non-cumulative perpetual preferred stock, non-cumulative perpetual subordinated debts, and the capital issued by the Bank's subsidiaries but not held by the Bank, deducted by regulatory adjustment items in accordance with the rules for calculation methods issued by the authorities.

2) Net Tier 2 capital

Mainly includes long-term subordinated debts, the capital issued by the Bank's subsidiaries but not held by the Bank, operational reserves and loan-loss provisions, and so on, deducted by regulatory adjustment items in accordance with the rules for calculation methods issued by the authorities.

The Bank evaluates capital adequacy regularly as well as the future demand for capital and raises the capital if needed to maintain capital adequacy.

c. Statement of capital adequacy

As of June 30, 2026, the Bank and its subsidiaries had met the authorities' minimum requirements for capital adequacy ratio. Refer to Note 56 for more details.

55. ASSET QUALITY, CONCENTRATION OF CREDIT EXTENSIONS, INTEREST RATE SENSITIVITY, PROFITABILITY AND MATURITY ANALYSIS OF ASSETS AND LIABILITIES

Except for profitability described in item (d) below, the following information only refers to the Bank.

a. Asset quality

See Table 1.

b. Concentration of credit extensions

June 30, 2026

Rank (Note 1)	Group Name (Note 2)	Credit Extensions Balance (Note 3)	% to Net Asset Value
1	A Group (manufacture of computers)	\$ 19,108,926	5.77
2	B Group (packaging and testing of semi-conductors)	18,067,393	5.46
3	C Group (overseas financial institutions (excluding OIU))	9,552,324	2.88
4	D Group (electricity supply)	9,500,000	2.87
5	E Group (manufacture of plastic materials)	9,362,482	2.83
6	F Group (other financial service activities not elsewhere classified)	8,523,558	2.57
7	G Group (manufacture of panel and components)	8,268,944	2.50
8	H Group (ocean freight forwarder)	8,027,858	2.42
9	I Group (other financial service activities not elsewhere classified)	7,832,905	2.37
10	J Group (real estate development activities)	7,790,000	2.35

June 30, 2025

Rank (Note 1)	Group Name (Note 2)	Credit Extensions Balance (Note 3)	% to Net Asset Value
1	A Group (packaging and testing of semi-conductors)	\$ 14,499,079	4.96
2	B Group (manufacture of computers)	14,366,233	4.92
3	C Group (manufacture of plastic materials)	10,722,421	3.67
4	D Group (manufacture of panel and components)	10,689,625	3.66
5	E Group (manufacture of other electronic parts and components not elsewhere classified)	10,269,612	3.51
6	F Group (financial leasing)	8,143,104	2.79
7	G Group (real estate development activities)	7,990,000	2.73
8	H Group (manufacture of man-made fibers)	6,891,574	2.36
9	I Group (manufacture of power generation, transmission and distribution machinery)	6,891,195	2.36
10	J Group (wholesale of computers, computer peripheral equipment and software)	6,747,728	2.31

Note 1: The list shows the top ten non-government and non-state-owned corporate borrowers ranked by total credit extensions (excluding those of government-owned or state-run enterprises). If the borrower is a member of any of the above groups, the total amount of credit, endorsement or other transactions of the entire group must be listed and disclosed by code and line of industry. The industry of the Bank and its subsidiaries should be represented by the industry of the entity with the highest risk exposure. The lines of industry should be described in accordance with the Standard Industrial Classification System of the Republic of China published by the Directorate-General of Budget, Accounting and Statistics under the Executive Yuan.

Note 2: A group refers to a combination of corporate entities as defined by Article 6 of the Supplementary Provisions to the Taiwan Stock Exchange Corporation Criteria for Review of Securities Listings.

Note 3: Credit Extensions Balance represents the aggregate balance of various loans, including import bills purchased, export bills purchased, discounts, overdrafts, unsecured and secured short-term loans, securities financing receivables, unsecured and secured medium-term loans, unsecured and secured long-term loans, and overdue loans, as well as inward remittances purchased, accounts receivable factored without recourse, acceptances receivable and guarantee balances.

c. Interest rate sensitivity information

Interest Rate Sensitivity (New Taiwan Dollars)
June 30, 2026

(In Thousands of NTD, %)

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	\$ 2,564,130,262	\$ 164,801,945	\$ 117,334,531	\$ 181,832,662	\$ 3,028,099,400
Interest rate-sensitive liabilities	856,570,682	1,732,603,039	152,789,856	128,606,112	2,870,569,689
Interest rate sensitivity gap	1,707,559,580	(1,567,801,094)	(35,455,325)	53,226,550	157,529,711
Net worth					320,968,582
Ratio of interest rate-sensitive assets to liabilities					105.49%
Ratio of the interest rate sensitivity gap to net worth					49.08%

Interest Rate Sensitivity (New Taiwan Dollars)
June 30, 2025

(In Thousands of NTD, %)

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	\$ 2,252,257,523	\$ 128,266,863	\$ 103,344,220	\$ 168,528,418	\$ 2,652,397,024
Interest rate-sensitive liabilities	759,838,778	1,407,201,015	99,564,938	113,224,512	2,379,829,243
Interest rate sensitivity gap	1,492,418,745	(1,278,934,152)	3,779,282	55,303,906	272,567,781
Net worth					285,008,545
Ratio of interest rate-sensitive assets to liabilities					111.45%
Ratio of the interest rate sensitivity gap to net worth					95.63%

Note 1: The above amounts include only New Taiwan dollar amounts held by the Bank, and exclude contingent assets and contingent liabilities.

Note 2: Interest rate-sensitive assets and liabilities represent interest-earning assets and interest-bearing liabilities whose revenue or costs 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 (New Taiwan dollars).

Interest Rate Sensitivity (U.S. Dollars)
June 30, 2026

(In Thousands of USD, %)

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	\$ 21,068,587	\$ 3,160,482	\$ 1,857,383	\$ 11,276,843	\$ 37,363,295
Interest rate-sensitive liabilities	37,209,306	4,449,233	2,719,320	1,143,985	45,521,844
Interest rate sensitivity gap	(16,140,719)	(1,288,751)	(861,937)	10,132,858	(8,158,549)
Net worth					244,069
Ratio of interest rate-sensitive assets to liabilities					82.08%
Ratio of the interest rate sensitivity gap to net worth					(3,342.72%)

Interest Rate Sensitivity (U.S. Dollars)
June 30, 2025

(In Thousands of USD, %)

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	\$ 18,970,934	\$ 2,392,223	\$ 1,788,181	\$ 11,016,605	\$ 34,167,943
Interest rate-sensitive liabilities	35,862,331	3,861,474	2,762,155	1,079,896	43,565,856
Interest rate sensitivity gap	(16,891,397)	(1,469,251)	(973,974)	9,936,709	(9,397,913)
Net worth					188,089
Ratio of interest rate-sensitive assets to liabilities					78.43%
Ratio of the interest rate sensitivity gap to net worth					(4,996.52%)

Note 1: The above amounts include only USD amounts held by the Bank, and exclude contingent assets and contingent liabilities.

Note 2: Interest rate-sensitive assets and liabilities represent interest-earning assets and interest-bearing liabilities whose revenue or costs 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 (U.S. dollars).

d. Profitability

(%)

Item		For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Return on total assets	Before income tax	0.57	0.49
	After income tax	0.48	0.41
Return on equity	Before income tax	8.86	7.34
	After income tax	7.45	6.19
Profit margin		45.21	41.80

Note 1: Return on total assets = Income before (after) income tax/Average total assets.

Note 2: Return on equity = Income before (after) income tax/Average equity.

Note 3: Profit margin = Income after income tax/Total operating revenues.

Note 4: Income before (after) income tax represents the year-to-date income from January 1 through the reporting date.

e. Maturity analysis of assets and liabilities

Maturity Analysis of Assets and Liabilities (New Taiwan Dollars)
June 30, 2026

	Total	The Amount for the Remaining Period to Maturity					
		0-10 Days	11-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year
Main capital inflow on maturity	\$ 3,913,253,356	\$ 521,614,069	\$ 294,652,173	\$ 369,708,619	\$ 379,032,935	\$ 309,243,059	\$ 2,039,002,501
Main capital outflow on maturity	4,778,070,720	231,953,648	397,231,803	557,219,597	705,269,287	946,418,198	1,939,978,187
Gap	(864,817,364)	289,660,421	(102,579,630)	(187,510,978)	(326,236,352)	(637,175,139)	99,024,314

Maturity Analysis of Assets and Liabilities (New Taiwan Dollars)
June 30, 2025

	Total	The Amount for the Remaining Period to Maturity					
		0-10 Days	11-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year
Main capital inflow on maturity	\$ 3,509,426,200	\$ 404,913,913	\$ 260,295,240	\$ 359,612,202	\$ 362,807,785	\$ 283,249,466	\$ 1,838,547,594
Main capital outflow on maturity	4,288,639,014	178,248,130	342,400,571	649,868,938	644,035,729	921,275,643	1,552,810,003
Gap	(779,212,814)	226,665,783	(82,105,331)	(290,256,736)	(281,227,944)	(638,026,177)	285,737,591

Note: The above amounts are book value of assets and liabilities held by the Bank and denominated in New Taiwan dollars.

Maturity Analysis of Assets and Liabilities (U.S. Dollars)
June 30, 2026

(In Thousands of U.S. Dollars)

	Total	The Amount for the Remaining Period to Maturity				
		0-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year
Capital inflow on maturity	\$ 92,655,189	\$ 31,163,144	\$ 18,992,634	\$ 12,844,052	\$ 9,808,207	\$ 19,847,152
Capital outflow on maturity	101,909,639	33,286,452	28,806,592	16,365,102	12,631,844	10,819,649
Gap	(9,254,450)	(2,123,308)	(9,813,958)	(3,521,050)	(2,823,637)	9,027,503

Maturity Analysis of Assets and Liabilities (U.S. Dollars)
June 30, 2025

(In Thousands of U.S. Dollars)

	Total	The Amount for the Remaining Period to Maturity				
		0-30 Days	31-90 Days	91-180 Days	181-365 Days	Over 1 Year
Capital inflow on maturity	\$ 83,474,095	\$ 26,486,617	\$ 19,828,710	\$ 11,635,406	\$ 7,904,453	\$ 17,618,909
Capital outflow on maturity	91,588,183	29,465,579	26,631,365	14,438,290	10,695,997	10,356,952
Gap	(8,114,088)	(2,978,962)	(6,802,655)	(2,802,884)	(2,791,544)	7,261,957

Note: The above amounts represent U.S. dollar amounts of the Bank.

56. STATEMENT OF CAPITAL ADEQUACY

Analysis			Year (Note 2)	June 30, 2026		December 31, 2025		June 30, 2025				
				Consolidation	Standalone	Consolidation	Standalone	Consolidation	Standalone			
Regulatory capital	Net common equity Tier 1 capital		\$	316,513,039	\$	292,676,484	\$	290,350,341	\$	284,633,818	\$	269,550,216
	Net additional Tier 1 capital			46,150,989		38,500,000		37,084,629		31,000,000		36,022,326
	Net Tier 2 capital			65,928,424		51,468,168		58,132,445		46,893,391		54,872,477
	Regulatory capital			428,592,452		382,644,652		402,990,414		368,243,732		375,528,621
Risk-weighted assets	Credit risk	Standardized approach		2,707,004,586		2,265,173,881		2,558,695,138		2,163,890,228		2,369,017,794
		Internal rating - based approach		-		-		-		-		-
		Securitization exposures		169,520,751		411,997		66,115,963		221,242		31,481,484
	Operational risk	Standardized approach		105,615,050		90,665,363		105,615,050		90,665,363		95,325,688
		Standardized approach		148,183,138		136,023,250		162,651,788		151,731,538		129,862,763
	Market risk	Simplified approach		-		-		-		-		-
		Internal models approach (IMA)		-		-		-		-		-
	Total risk-weighted assets			3,130,323,525		2,492,274,491		2,893,077,939		2,406,508,371		2,625,687,729
Total capital adequacy ratio				13.69%		15.35%		13.93%		15.30%		14.30%
Common equity Tier 1 ratio				10.11%		11.74%		10.64%		12.07%		10.84%
Tier 1 capital ratio				11.59%		13.29%		11.92%		13.35%		12.21%
Leverage ratio				6.20%		6.53%		6.31%		6.78%		6.33%

Note 1: Regulatory capital, total risk-weighted assets and exposure measurement presented in the above table were calculated in accordance with the “Regulations Governing the Capital Adequacy and Capital Category of Banks” and the “Instructions and Tables for the Calculation of Regulatory Capital and Risk-Weighted Assets of Banks.”

Note 2: The formula:

- 1) Regulatory capital = Net common equity Tier 1 capital + Net additional Tier 1 capital + Net Tier 2 capital.
- 2) Total risk-weighted assets = Risk-weighted assets for credit risk + (Capital requirements for operational risk + Capital requirement for market risk) × 12.5.
- 3) Total capital adequacy ratio = Regulatory capital/Total risk-weighted assets.
- 4) Common equity Tier 1 ratio = Net common equity Tier 1 capital/Total risk-weighted assets.
- 5) Tier 1 capital ratio = (Net common equity Tier 1 capital + Net additional Tier 1 capital)/Total risk-weighted assets.
- 6) Leverage ratio = Net Tier 1 capital/Exposure measurement.

57. SEGMENT INFORMATION

The segment information reported to the chief operating decision maker for assessment of segment performance focuses on the nature of business operations and pretax profit or loss.

The accounting standards and policies mentioned in Note 4 apply to all the business segments. Under IFRS 8 “Operating Segments,” the Bank and its subsidiaries report the following:

- Personal finance group: Responsible for wealth management, trust and consumer finance business, etc.
- Corporate banking group: Responsible for corporate and investment banking and public treasury, etc.
- Financial market group: Responsible for financial markets, etc.
- Overseas subsidiary: On the business operations of the Bank’s subsidiary, Fubon Bank (China).
- Others: Business segments other than the above groups.

The Bank and its subsidiaries’ segmental and geographical information of revenue and operating results were as follows:

For the six months ended June 30, 2026

	Personal Finance	Corporate Banking	Financial Market	Overseas Subsidiaries	Others	Total
Net interest income	\$ 16,047,516	\$ 10,239,742	\$ 1,303,177	\$ 8,012,882	\$ (311,520)	\$ 35,291,797
Net interest income (external)	9,118,911	2,415,016	15,792,244	8,131,474	(165,848)	35,291,797
Inter-segment revenues (expenses)	6,928,605	7,824,726	(14,489,067)	(118,592)	(145,672)	-
Net non-interest income	<u>17,378,499</u>	<u>5,572,856</u>	<u>5,172,682</u>	<u>(2,038,223)</u>	<u>(2,978,083)</u>	<u>23,107,731</u>
Net revenue	\$ <u>33,426,015</u>	\$ <u>15,812,598</u>	\$ <u>6,475,859</u>	\$ <u>5,974,659</u>	\$ <u>(3,289,603)</u>	\$ <u>58,399,528</u>
Net profit (loss) before income tax	\$ <u>19,357,516</u>	\$ <u>12,766,973</u>	\$ <u>5,756,214</u>	\$ <u>2,025,566</u>	\$ <u>(8,521,476)</u>	\$ <u>31,384,793</u>

For the six months ended June 30, 2025

	Personal Finance	Corporate Banking	Financial Market	Overseas Subsidiaries	Others	Total
Net interest income	\$ 13,309,266	\$ 9,551,813	\$ (1,134,385)	\$ 6,263,186	\$ (299,830)	\$ 27,690,050
Net interest income (external)	5,647,655	(730,766)	16,515,042	6,405,026	(146,907)	27,690,050
Inter-segment revenues (expenses)	7,661,611	10,282,579	(17,649,427)	(141,840)	(152,923)	-
Net non-interest income	<u>12,100,081</u>	<u>3,713,882</u>	<u>6,721,086</u>	<u>(119,945)</u>	<u>(2,263,463)</u>	<u>20,151,641</u>
Net revenue	\$ <u>25,409,347</u>	\$ <u>13,265,695</u>	\$ <u>5,586,701</u>	\$ <u>6,143,241</u>	\$ <u>(2,563,293)</u>	\$ <u>47,841,691</u>
Net profit (loss) before income tax	\$ <u>13,699,028</u>	\$ <u>10,749,766</u>	\$ <u>5,006,784</u>	\$ <u>1,672,895</u>	\$ <u>(7,439,384)</u>	\$ <u>23,689,089</u>

58. ADDITIONAL DISCLOSURES

a. Relevant information of material transaction:

No.	Item	Explanation
1	Allowance for service fee to related parties amounting to at least NT\$5 million	None
2	Receivables from related parties amounting to at least NT\$300 million or 10% of the issued capital	Table 2
3	Trading information - sale of non-performing loans	Table 3
4	Financial asset securitization	None
5	Related parties transaction	Table 4
6	Other significant transactions which may affect the decisions of financial report users	None

b. Information related to subsidiary:

No.	Item	Explanation
1	Financing provided	None
2	Endorsements/guarantees provided	None
3	Significant marketable securities held	Table 5

Note: Subsidiaries which belong to financial, insurance, securities industries and its main business registration include financing provided, endorsements/guarantees provided, acquisition and disposal of marketable securities do not need to disclose above information.

c. The related information and proportionate share in investees: Table 6.

d. Information on investments in mainland China: Table 7.

TABLE 1

TAIPEI FUBON COMMERCIAL BANK CO., LTD.

OVERDUE LOANS AND RECEIVABLES
JUNE 30, 2026 AND 2025
(In Thousands of New Taiwan Dollars, %)

Item			June 30, 2026				June 30, 2025					
			Nonperforming Loans (NPL) (Note 1)	Total Loans	NPL Ratio (Note 2)	Loan Loss Reserves (LLR)	Coverage Ratio (Note 3)	Nonperforming Loans (NPL) (Note 1)	Total Loans	NPL Ratio (Note 2)	Loan Loss Reserves (LLR)	Coverage Ratio (Note 3)
Corporate loans	Secured		\$ 989,486	\$ 391,202,593	0.25	\$ 4,918,309	497.06	\$ 782,602	\$ 341,320,677	0.23	\$ 4,394,794	561.56
	Unsecured		270,676	691,347,236	0.04	9,175,340	3,389.79	535,267	597,293,973	0.09	7,467,289	1,395.06
Consumer finance	Mortgage (Note 4)		541,390	721,868,323	0.07	10,833,948	2,001.14	424,978	708,681,549	0.06	10,630,857	2,501.51
	Cash card		-	280	-	6	-	-	357	-	7	-
	Microcredit (Note 5)		259,714	140,001,850	0.19	1,646,400	633.93	212,533	98,014,717	0.22	1,180,821	555.59
	Other (Note 6)	Secured	989,206	749,234,868	0.13	7,723,494	780.78	803,051	582,033,947	0.14	6,043,086	752.52
		Unsecured	69,636	39,246,161	0.18	422,570	606.83	65,732	40,095,138	0.16	422,335	642.51
Total			3,120,108	2,732,901,311	0.11	34,720,067	1,112.78	2,824,163	2,367,440,358	0.12	30,139,189	1,067.19
			Overdue Receivables	Receivables	Delinquency Ratio	Allowance for Credit Loss	Coverage Ratio	Overdue Receivables	Receivables	Delinquency Ratio	Allowance for Credit Loss	Coverage Ratio
Credit card			161,034	112,106,142	0.14	1,387,141	861.40	172,373	93,576,860	0.18	1,226,163	711.34
Accounts receivable - factoring with no recourse (Note 7)			-	16,220,680	-	194,553	-	-	22,258,190	-	247,540	-
Excluded NPL as a result of debt negotiations and loan agreements (Note 8)			5,090					9,090				
Excluded overdue receivables as a result of debt negotiations and loan agreements (Note 8)			4,876					8,441				
Excluded NPL as a result of consumer debt clearance (Note 9)			489,663					386,773				
Excluded overdue receivables as a result of consumer debt clearance (Note 9)			465,739					424,328				

Note 1: These are the reported overdue loans as defined in the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Nonaccrual Loans” issued by the Ministry of Finance. For credit cards, overdue receivables are subject to the Banking Bureau’s regulations dated July 6, 2005 (Ref. No. 0944000378).

Note 2: For loans, NPL ratio = NPL/Total loans.
For credit cards, delinquency ratio = Overdue receivables/Accounts receivable.

Note 3: For loans, coverage ratio = LLR/NPL.
For credit cards, coverage ratio = Allowance for credit losses/Overdue receivables.

Note 4: Household mortgage refers to loans granted for the purchase, construction or repair of the residence owned by the borrower or the borrower’s spouse or children, and the residence is used to secure the loan fully.

Note 5: Microcredits are subject to the Banking Bureau’s regulations dated December 19, 2005 (Ref. No. 09440010950).

Note 6: Other consumer loans refer to secured or unsecured loans excluding mortgages, cash cards, microcredits, and credit cards.

Note 7: Under the Banking Bureau’s requirements in its letter dated July 19, 2005 (Ref. No. 094000494), an allowance for bad debts should be recognized within three months once no compensation is obtained from a factoring or insurance company for accounts receivable-factoring with no recourse.

Note 8: The disclosure of excluded NPLs and excluded overdue receivables resulting from debt negotiations and loan agreements are based on the Banking Bureau’s requirement dated April 25, 2006 (Ref. No. 09510001270).

Note 9: The disclosure of excluded NPLs and excluded overdue receivables resulting from consumer debt clearance is based on the Banking Bureau’s requirement dated September 15, 2008 (Ref. No. 09700318940) and September 20, 2016 (Ref. No. 10500134790).

TABLE 2

TAIPEI FUBON COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT NT\$300 MILLION OR 10%OF THE ISSUED CAPITAL
JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Taipei Fubon Commercial Bank Co., Ltd.	Fubon Life Insurance	Subsidiary of FFH	\$ 1,055,187	-	\$ -	-	\$ -	\$ -

TAIPEI FUBON COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

SALE OF NON-PERFORMING LOANS
JUNE 30, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. Summary statement:

Trade Date	Counterparty	Loans Composition	Carrying Amount (Note 1)	Selling Price	Gain (Loss) on Disposal	Terms	Relationship
<u>Fubon Bank (China)</u> 2026.05.28	China CITIC Financial Asset Management Co., Ltd., Shanghai Branch	Corporate secured loans	\$ 442,846 (Note 2) (RMB 95,989)	\$ 299,877 (Note 2) (RMB 65,000)	\$ (142,969) (Note 2) (RMB (30,989))	None	Non-related party

Note 1: Book value equals the amount of the original loan minus the allowance for bad debts.

Note 2: Based on the average RMB exchange rate for the six months ended June 30, 2026.

2. Sale of nonperforming loans in a single batch amounting to over \$1 billion (excluding sales to related parties): None.

TABLE 4

TAIPEI FUBON COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Transaction Company	Counter-party	Flow of Transactions (Note 2)	Description of Transactions			
				Financial Statement Account	Transaction Amount	Transaction Item	Percentage to Consolidated Revenue/Assets (Note 3)
0	Taipei Fubon Commercial Bank Co., Ltd. (the “Bank”)	Fubon Bank (China)	a	Cash and cash equivalents	\$ 129,880	Note 4	-
		Fubon Bank (China)	a	Due from the Central Bank and call loans to other banks	6,145,328	Note 4	0.11
		Fubon Bank (China)	a	Accrued interest	93,707	Note 4	-
		Fubon Bank (China)	a	Deposits from the Central Bank and banks	74	Note 4	-
		Fubon Bank (China)	a	Interest income	118,593	Note 4	0.20
		TFB Capital Co., Ltd.	a	Receivables, net	1,025	Note 4	-
		TFB Capital Co., Ltd.	a	Interest payable	37	Note 4	-
		TFB Capital Co., Ltd.	a	Deposit and remittances	61,178	Note 4	-
		TFB Capital Co., Ltd.	a	Other liabilities	117	Note 4	-
		TFB Capital Co., Ltd.	a	Interest income	23	Note 4	-
		TFB Capital Co., Ltd.	a	Service fee income	2	Note 4	-
		TFB Capital Co., Ltd.	a	Interest expense from deposits	331	Note 4	-

Note 1: The parent company and subsidiaries are numbered as follows:

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

Note 2: The flow of transactions among related parties is as follows:

- a. Parent company to subsidiary.
- b. Subsidiary to parent company.
- c. Between subsidiaries.

Note 3: For calculating the percentages, the asset or liability account is divided by total consolidated assets, and the revenue or expense account is divided by the total consolidated net revenue of the period.

Note 4: For the transactions between the Bank and related parties, the terms are similar to those transacted with unrelated parties.

Note 5: The transactions and balances above had been eliminated in the preparation of consolidated financial statement.

TABLE 5

TAIPEI FUBON COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2026				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
TFB Capital Co., Ltd.	<u>Stock</u>							
	Hyena Inc.	-	Financial assets at fair value through profit or loss	500	\$ 1,877	2.62	\$ 1,877	Unlisted stocks
	Transsnet FinTech Group	-	Financial assets at fair value through profit or loss	524	12,274	0.06	12,274	Unlisted stocks
	URSrobot Holding Ltd.	-	Financial assets at fair value through profit or loss	1,328	55,722	2.91	55,722	Unlisted stocks
	Welab Sky Limited	-	Financial assets at fair value through profit or loss	10,000	510,760	2.67	510,760	Unlisted stocks
	Chenfeng Optronics Co., Ltd.	-	Financial assets at fair value through profit or loss	500	5,822	0.50	5,822	Unlisted stocks
	King Point Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss	1,300	15,577	2.93	15,577	Unlisted stocks
	Stash Financial, Inc.	-	Financial assets at fair value through profit or loss	2,563	144,982	1.44	144,982	Unlisted stocks
	Cloud Mile Inc.	-	Financial assets at fair value through profit or loss	1,662	222,619	4.57	222,619	Unlisted stocks
	Inpsytech, Inc.	-	Financial assets at fair value through profit or loss	200	119,596	0.67	119,596	Emerging stocks
	Ye Siang Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss	200	125,442	0.28	125,442	Emerging stocks
	Infinitix Inc.	-	Financial assets at fair value through profit or loss	2,000	80,000	7.55	80,000	Unlisted stocks
	<u>Beneficiary certificates</u>							
	Nomura Global Financial Bond Fund	-	Financial assets at fair value through profit or loss	14,403	158,784	-	158,784	Beneficiary certificates
	Allianz Global Investors Fund	-	Financial assets at fair value through profit or loss	852	310,012	-	310,012	Beneficiary certificates
	PIMCO Diversified Income Fund	-	Financial assets at fair value through profit or loss	126	104,222	-	104,222	Beneficiary certificates
	Fin Regatta II, LP	-	Financial assets at fair value through profit or loss	3,000	103,231	5.00	103,231	Private investment fund
	QED Fund VIII, LP	-	Financial assets at fair value through profit or loss	2,000	31,082	0.31	31,082	Private investment fund

TABLE 6

TAIPEI FUBON COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Held at End-period			Investment Gain (Loss)	The Bank and Related Enterprises Consolidated Investment				Note
				Shares (Thousands)	Percentage of Ownership	Carrying Amount		Shares (Thousands)	Imitated Shares	Total		
										Shares (Thousands)	Percentage of Ownership	
Taipei Fubon Commercial Bank Co., Ltd.	<u>Financial - related</u>											
	Taipei Foreign Exchange Inc.	Taipei	Foreign exchange market maker	860	4.34	\$ 79,090	\$ 7,654	860	-	860	4.34	Note 2
	Taiwan Futures Exchange Corporation	Taipei	Futures exchange and settlement	9,110	1.26	765,798	18,220	60,187	-	60,187	8.34	Note 2
	Taiwan Asset Management Corporation	Taipei	Purchasing for financial institutions’ loan assets	18,000	1.70	225,636	14,400	18,000	-	18,000	1.70	Note 2
	Taiwan Financial Asset Service Co., Ltd.	Taipei	Auction	15,000	8.82	134,501	-	15,000	-	15,000	8.82	
	Financial Information Service Co., Ltd.	Taipei	Planning and developing the information systems of banking institutions and managing the information web system	26,709	3.58	830,175	-	26,709	-	26,709	3.58	
	Sunny Asset Management Corporation	Taipei	Purchasing for financial institutions’ loan assets	602	10.03	10,497	568	602	-	602	10.03	Note 2
	Taiwan Mobile Payment Co., Ltd.	Taipei	Mobile payment and business	2,400	4.00	23,318	-	2,400	-	2,400	4.00	
	EasyCard Corporation	Taipei	Electronic payment	1,374	1.93	72,341	-	1,374	-	1,374	1.93	
	Fubon Bank (China)	China	Banking	-	57.92	32,670,039	903,685	-	-	-	100.00	Note 1
	LINE Pay Taiwan Limited	Taipei	Third-party payment service industry	11,709	17.22	3,977,419	51,042	11,709	-	11,709	17.22	Note 1
	Line Bank Taiwan Limited	Taipei	Banking	583,250	29.16	4,692,313	45,090	583,250	-	583,250	29.16	Note 1
	TFB Capital Co., Ltd.	Taipei	Venture capital investment	206,856	100.00	2,100,349	148,783	206,856	-	206,856	100.00	Note 1
	Hyundai Card Co., Ltd.	Korea	Credit card industry	16,047	10.00	8,531,002	359,108	32,093	-	32,093	20.00	Note 1
	<u>Non-financial related</u>											
	Taipei Rapid Transit Corporation	Taipei	Public transportation	14	-	131	-	14	-	14	-	
	Taiwan Power Company	Taipei	Management of power facilities	374	-	1,089	-	374	-	374	-	
	Fubon Real Estate Management Co., Ltd.	Taipei	Construction management	6,964	30.00	112,526	8,454	6,964	-	6,964	30.00	Note 1
	Easy Card Investment Holding Co., Ltd.	Taipei	General investment business	3,269	4.91	41,636	-	3,269	-	3,269	4.91	
	Taiwan High Speed Rail Corporation	Taipei	Management of high speed rail	20,278	0.36	537,356	-	20,278	-	20,278	0.36	
	Taiwan Aerospace Corp.	Taipei	Aerospace industry	1,700	1.25	25,410	-	3,400	-	3,400	2.51	
Fubon Bank (China)	<u>Financial - related</u>											
	Sichuan Vip Fubon Consumer Finance Ltd.	China	Personal consumption loan	-	25.00	1,375,988	33,556	-	-	-	25.00	

Note 1: The investment gain (loss) was based on the investee’s audited financial statements for the six months ended June 30, 2026.

Note 2: The investment gain (loss) was the cash dividends recognized for the six months ended June 30, 2026.

TABLE 7

TAIPEI FUBON COMMERCIAL BANK CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Name	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investments from Taiwan as of January 1, 2026	Remittance of Funds		Accumulated Outward Remittance for Investments from Taiwan as of June 30, 2026	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of June 30, 2026	Accumulated Repatriation of Investment Income as of June 30, 2026 (Note 3)	Note
					Outward	Inward							
Fubon Bank (China)	Banking	\$ 11,463,366 (RMB 2,445,382)	Direct investment in mainland China	\$ 24,579,578	\$ -	\$ -	\$ 24,579,578	\$ 1,756,370 (RMB 380,703)	57.92	\$ 903,685	\$ 32,670,039	\$ 107,737	
Sichuan Vip Fubon Consumer Finance Ltd.	Personal consumption loan	4,687,761 (RMB 1,000,000)	Others	Remitted from Fubon Bank (China)	-	-	Remitted from Fubon Bank (China)	134,220 (RMB 29,093)	14.48	19,435 (RMB 4,213)	796,972 (RMB 170,011)	-	

	Accumulated Outward Remittance for Investments in Mainland China as of June 30, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investments, as Stipulated by the Investment Commission, MOEA
Taipei Fubon Commercial Bank Co., Ltd.	\$ 24,579,578 (RMB 5,093,113)	\$ 24,579,578 (RMB 5,093,113)	\$ 198,681,937

Note 1: The foreign currency of paid-in capital and net income was converted into New Taiwan dollars at the exchange rate on June 30, 2026 and the average exchange rate for the six month ended June 30, 2026, respectively.

Note 2: Based on Rule No. 10300002750 approved by the Investment Commission under the Ministry of Economic Affairs, the authorized investment amount is RMB4,093,113 thousand; and based on Rule No. 10900196820 approved by the Investment Commission under the Ministry of Economic Affairs, the authorized investment amount is RMB1,000,000 thousand.

Note 3: The amounts were accumulated from the start date of the investment to the end of the period.