

**FUBON SECURITIES CO., LTD. AND
SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Report
For the Six Months Ended June 30, 2026 and 2025**

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The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Report

To the Board of Directors
Fubon Securities Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Fubon Securities Co., Ltd. and its subsidiaries (“the Group”), which comprise the consolidated statements of financial position as of June 30, 2026, December 31 and June 30, 2025, and the consolidated statements of comprehensive income for the three months and six months ended June 30, 2026 and 2025, as well as the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2026 and 2025, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2026, December 31 and June 30, 2025, and its consolidated financial performance for the three months and six months ended June 30, 2026 and 2025, as well as 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 Securities Firms”, “Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants”, and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 of the current period. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. The valuation of financial instruments

Please refer to Note 4(g) “Financial instruments” of the Consolidated Financial Statements for the year ended December 31, 2025 for related accounting policy, Note 5(a) for accounting assumptions and estimates, and Note 6(ai) “Disclosure of financial instruments” for details of valuation on financial instruments.

The valuation of several financial instruments of the Group are measured using the valuation models, which involved the exercise of professional judgments on valuation techniques and important parameters. Therefore, the valuation on financial instruments has been identified as a key audit matter in our audit.

We performed our audit procedures by:

- Appointing our valuation specialists to assess the reasonableness of valuation techniques and to test the key parameters of financial assets without active market prices, wherein valuation models are used to ensure that the applied valuation techniques are in accordance with IFRS 13 “Fair Value Measurement”.
- Verifying whether the presentation and disclosure of financial instruments are in accordance with the International Financial Reporting Standards.

2. The valuation of investment property

Please refer to Note 4(m) “Investment property” of the Consolidated Financial Statements for the year ended December 31, 2025 for related accounting policy, Note 5(b) for accounting assumptions and estimates, and Note 6(m) “Investment property” for details of the valuation of investment properties.

The Group holds several investment properties. The investment property appraisals are performed by appraisers from professional valuation agencies using the valuation techniques provided by the “Regulations on Real Estate Appraisal” and market evidences in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Firms”. The selection of appraising methods involved the exercise of significant professional judgments. Therefore, the valuation of investment properties has been identified as a key audit matter in our audit.

We performed our audit procedures by:

- Obtaining an understanding of the investment property appraisal procedures performed by professional appraisal agencies in order to assess whether the professional appraisal agencies have selected the appropriate valuation method and to confirm whether the professional appraisal agencies have adopted reasonable and significant assumptions.
- Verifying whether the presentation and disclosure of investment property are in accordance with IFRSs and the “Regulations Governing the Preparation of Financial Reports by Securities Firms”.
- Evaluating the reasonableness of the management’s assessment on the valuation of investment property based on the evidence obtained from the audit team and our estate appraiser specialists, as well as observable market information.

Other Matter

Fubon Securities Co., Ltd. has prepared its parent company only financial statements as of and for the six months ended June 30, 2026 and 2025, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with “the Regulations Governing the Preparation of Financial Reports by Securities Firms”, “Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants” and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as the management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the 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 Lee, Feng-Hui and Tsai, Pei-Ju.

KPMG

Taipei, Taiwan (Republic of China)
August 19, 2026

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the 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.

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(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
FUBON SECURITIES CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2026, December 31 and June 30, 2025

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2026		December 31, 2025		June 30, 2025				June 30, 2026		December 31, 2025		June 30, 2025	
Assets		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:															
111100	Cash and cash equivalents (notes 6(a), (aj), (am) and 7)	\$ 110,789,371	18	62,292,391	17	44,933,903	15	211100	Short-term borrowings (notes 6(r) and (aj))	\$ 24,559,143	4	740,292	-	255,882	-
112000	Financial assets measured at fair value through profit or loss— current (notes 6(b), (v), (ai), (aj), (ak) and 7)	116,572,646	19	64,312,858	17	52,419,242	17	211200	Commercial paper issued (notes 6(s) and (aj))	145,875,727	23	66,466,504	18	36,975,742	12
113200	Financial assets measured at fair value through other comprehensive income — current (notes 6(c), (ai), (aj), 7 and 8)	49,854,993	8	26,949,076	7	31,683,314	10	212000	Financial liabilities measured at fair value through profit or loss — current (notes 6(t), (v), (ai), (aj) and 7)	42,837,465	7	26,996,765	7	28,830,742	9
114010	Securities purchased under resell agreements (notes 6(d) and (aj))	-	-	109,231	-	456,711	-	214010	Securities sold under repurchase agreements (notes 6(u) and (aj))	42,383,818	7	28,977,632	8	42,244,844	14
114030	Receivables from pecuniary finance (notes 6(e) and (aj))	79,956,046	13	46,585,705	13	29,294,499	10	214040	Securities financing refundable deposits (notes 6(e) and (aj))	2,309,066	-	3,858,413	1	2,539,173	1
114040	Margin deposits for securities refinance (note 6(e))	8,467	-	3,497	-	18,541	-	214050	Deposits payable for securities financing (notes 6(e) and (aj))	2,693,709	-	4,248,817	1	2,652,690	1
114050	Receivables from securities refinance (note 6(e))	7,055	-	2,914	-	15,451	-	214070	Securities lending refundable deposits (note 6(aj))	83,214,237	13	58,989,326	16	41,343,658	14
114060	Receivables from securities borrowing and lending (note 6(f))	43,082,962	7	32,323,194	9	26,279,296	9	214080	Futures traders' equity (notes 6(aj) and 7)	81,049,063	13	44,431,826	12	44,463,354	14
114070	Customer margin account (notes 6(g), (aj) and 7)	81,049,063	13	44,431,826	12	44,463,354	14	214130	Notes and accounts payable (notes 6(w) and (aj))	99,156,071	16	58,457,267	16	38,201,984	13
114090	Collateral for borrowed securities (note 6(aj))	7,430	-	11,110	-	10,576	-	214140	Notes and accounts payable— related parties (notes 6(w), (aj) and 7)	35,139	-	26,840	-	22,896	-
114100	Margin deposits for borrowed securities (notes 6(aj) and 7)	5,349,651	1	5,614,229	2	8,042,029	3	214170	Other payables (note 6(x))	7,153,228	1	4,947,595	2	3,313,215	1
114130	Notes and accounts receivable (notes 6(h) and (aj))	99,726,882	16	60,042,496	16	41,851,281	14	214180	Other payables— related parties (notes 6(x) and 7)	1,185,035	-	226,567	-	165,600	-
114140	Accounts receivable— related parties (notes 6(h), (aj) and 7)	27,663	-	19,868	-	21,376	-	214600	Current tax liabilities (note 7)	1,235,178	-	1,420,302	-	689,308	-
114150	Prepayments (note 7)	493,315	-	113,206	-	133,180	-	216000	Lease liabilities- current (notes 6(aa), (aj) and 7)	180,090	-	186,750	-	223,423	-
114170	Other receivables	1,040,135	-	335,899	-	942,725	-	219000	Other current liabilities (notes 6(y), (aj) and 7)	9,635,500	2	4,439,278	1	5,997,452	2
114180	Other receivables— related parties (note 7)	443,687	-	230,040	-	325,262	-		Total current liabilities	543,502,469	86	304,414,174	82	247,919,963	81
114600	Current tax assets (note 7)	25,982	-	23,321	-	1,598	-		Non-Current liabilities:						
119000	Other current assets (notes 6(aj), 7 and 8)	9,278,309	1	4,441,103	1	4,374,841	1	221100	Bonds payable (notes 6(z), (ai) and (aj))	4,996,477	1	-	-	-	-
	Total current assets	597,713,657	96	347,841,964	94	285,267,179	93	225100	Provisions— non-current (note 6(ab))	531,523	-	524,167	-	659,390	-
Non-current assets:								226000	Lease liabilities- non-current (notes 6(aa), (aj) and 7)	303,063	-	257,825	-	292,508	-
123200	Financial assets measured at fair value through other comprehensive income — non-current (notes 6(i), (ai), (aj) and 8)	16,301,758	3	13,369,340	4	12,393,903	4	228000	Deferred tax liabilities	282,937	-	367,754	-	498,112	-
124100	Investments accounted for using the equity method (note 6(j))	1,587,707	-	1,462,921	-	1,369,156	-	229000	Other non-current liabilities (note 7)	11,874	-	10,990	-	11,203	-
125000	Property and equipment (notes 6(k), 7 and 8)	4,165,354	1	4,107,132	1	3,930,648	1		Total non-current liabilities	6,125,874	1	1,160,736	-	1,461,213	-
125800	Right-of-use assets (notes 6(l) and 7)	471,130	-	432,500	-	505,573	-		Total liabilities	549,628,343	87	305,574,910	82	249,381,176	81
126000	Investment property (notes 6(m), (ai), 7 and 8)	1,571,540	-	1,572,040	-	1,553,000	1	Equity attributable to shareholders of the company (note 6(ae)):							
127000	Intangible assets (note 6(n))	478,705	-	484,745	-	492,822	-	301000	Share capital	16,258,551	3	16,258,551	4	16,258,551	5
128000	Deferred tax assets	1,001,145	-	544,289	-	500,450	-	302000	Capital surplus	10,054,599	2	10,054,599	3	10,054,582	3
129000	Other non-current assets (notes 6(o), (p), (q) and 7)	2,915,837	-	2,132,464	1	2,133,313	1			10,054,599	2	10,054,599	3	10,054,582	3
	Total non-current assets	28,493,176	4	24,105,431	6	22,878,865	7		Retained earnings:						
								304010	Legal reserve	9,127,995	1	8,145,745	2	8,145,745	3
								304020	Special reserve	16,516,204	3	14,529,162	4	14,529,162	5
								304040	Undistributed retained earnings	11,249,289	2	9,822,497	3	3,352,542	1
										36,893,488	6	32,497,404	9	26,027,449	9
								305000	Other equity interests	13,306,505	2	7,496,652	2	6,359,066	2
									Total equity attributable to shareholders of the company	76,513,143	13	66,307,206	18	58,699,648	19
								306000	Non-controlling interests	65,347	-	65,279	-	65,220	-
									Total equity	76,578,490	13	66,372,485	18	58,764,868	19
Total assets		\$ 626,206,833	100	371,947,395	100	308,146,044	100	Total liabilities and equity		\$ 626,206,833	100	371,947,395	100	308,146,044	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the three months and six months ended June 30, 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		For the three months ended June 30				For the six months ended June 30			
		2026		2025		2026		2025	
		Amount	%	Amount	%	Amount	%	Amount	%
Revenue:									
401000	Brokerage handling fee revenue (notes 6(ah) and 7)	\$ 8,711,405	56	2,866,206	49	14,232,377	56	5,722,696	49
403000	Income from securities lendings	1,373,902	9	624,814	11	2,260,327	9	1,350,117	12
404000	Revenues from underwriting business (notes 6(ah) and 7)	207,854	1	251,323	4	384,050	2	360,448	3
406000	Gains on wealth management (note 7)	24,928	-	14,241	-	42,919	-	39,593	-
410000	Gains (losses) on sale of operating securities (notes 6(ah) and 7)	13,897,453	90	(882,542)	(15)	19,136,414	75	(714,068)	(6)
421100	Revenue from providing agency service for stock affairs (note 7)	35,707	-	33,276	1	64,791	-	61,340	1
421200	Interest revenue (notes 6(ah) and 7)	1,577,966	10	972,066	16	2,805,375	11	2,066,681	18
421300	Dividend revenue (notes 6(c) and 7)	586,927	4	502,199	8	966,437	4	768,419	7
421500	Valuation gains (losses) on operating securities measured at fair value through profit or loss (notes 6(ah) and 7)	16,466,671	106	774,834	13	16,844,039	66	(926,320)	(8)
421600	Gains (losses) on covering of borrowed securities and bonds with resale agreements — short sales	(1,430,753)	(9)	75,253	1	(1,768,368)	(7)	91,787	1
421610	Valuation gains (losses) on borrowed securities and bonds with resale agreements — short sales at fair value through profit or loss	(3,863,774)	(25)	(769,937)	(13)	(3,523,724)	(14)	(537,767)	(5)
422200	Gains (losses) from issuance of call (put) warrants (notes 6(ah) and 7)	(3,345,355)	(21)	(7,990)	-	(3,960,263)	(15)	153,034	1
424300	Revenue from consignment of clearing and settlement	5,732	-	3,282	-	11,024	-	5,448	-
424400	Gains (losses) from derivatives — futures (note 6(v))	(14,778,721)	(95)	1,293,821	22	(16,760,624)	(66)	2,379,340	20
424500	Gains (losses) from derivatives — OTC (note 6(v))	(4,004,845)	(26)	33,427	1	(5,309,179)	(21)	468,291	4
425300	Expected credit losses (reversal of impairment loss)	1,399	-	1,745	-	(5,574)	-	63	-
428000	Other operating income (notes 6(ah), (am) and 7)	17,114	-	134,247	2	103,984	-	350,786	3
Total Revenue		<u>15,483,610</u>	<u>100</u>	<u>5,920,265</u>	<u>100</u>	<u>25,524,005</u>	<u>100</u>	<u>11,639,888</u>	<u>100</u>
Expenditure and expense:									
501000	Brokerage handling fee expense (note 7)	763,129	5	231,466	4	1,235,477	5	452,787	4
502000	Proprietary handling fee expense (note 7)	26,788	-	9,956	-	45,227	-	20,811	-
503000	Refinancing processing fee expense	806	-	452	-	1,355	-	773	-
504000	Underwriting operation processing fee expense	866	-	1,932	-	3,438	-	2,731	-
521200	Finance costs (notes 6(aa), (ah) and 7)	1,856,224	12	892,546	15	3,047,344	12	2,020,330	17
521640	Losses from securities borrowing transactions	148,278	1	109,025	2	370,464	1	177,166	2
524100	Futures commission expense	24,309	-	35,865	1	56,732	-	78,796	1
524300	Expense of clearing and settlement (note 7)	41,716	-	31,122	1	81,769	-	57,379	-
528000	Other operating expenditure (note 7)	270,154	2	51,107	1	410,332	2	121,456	1
531000	Employee benefits expense (notes 6(ac), (ag), (ah), 7 and 12)	3,441,136	22	1,532,844	26	5,794,645	23	3,122,744	27
532000	Depreciation and amortization expense (notes 6(ah) and 12)	191,501	1	177,597	3	381,276	1	353,834	3
533000	Other operating expense (notes 6(m), (aa), (ah) and 7)	2,302,304	15	1,119,711	19	3,953,338	15	2,273,757	19
Total expenditure and expense		<u>9,067,211</u>	<u>58</u>	<u>4,193,623</u>	<u>72</u>	<u>15,381,397</u>	<u>59</u>	<u>8,682,564</u>	<u>74</u>
Net operating income		<u>6,416,399</u>	<u>42</u>	<u>1,726,642</u>	<u>28</u>	<u>10,142,608</u>	<u>41</u>	<u>2,957,324</u>	<u>26</u>
Non-operating income and expenses:									
601000	Share of profit (loss) of associates and joint ventures accounted for using equity method	175,344	1	(6,036)	-	116,968	-	(75,768)	(1)
602000	Other gains and losses (notes 6(i), (m), (ah) and 7)	1,233,545	8	1,040,268	18	2,164,317	8	1,952,979	17
Total non-operating income and expenses		<u>1,408,889</u>	<u>9</u>	<u>1,034,232</u>	<u>18</u>	<u>2,281,285</u>	<u>8</u>	<u>1,877,211</u>	<u>16</u>
Net income before tax from continuing operations		<u>7,825,288</u>	<u>51</u>	<u>2,760,874</u>	<u>46</u>	<u>12,423,893</u>	<u>49</u>	<u>4,834,535</u>	<u>42</u>
701000	Less: Income tax expense (note 6(ad))	<u>1,040,632</u>	<u>7</u>	<u>371,971</u>	<u>6</u>	<u>1,407,413</u>	<u>6</u>	<u>780,726</u>	<u>7</u>
Net income		<u>6,784,656</u>	<u>44</u>	<u>2,388,903</u>	<u>40</u>	<u>11,016,480</u>	<u>43</u>	<u>4,053,809</u>	<u>35</u>
805000	Other comprehensive income:								
805500	Items not to be reclassified to profit or loss								
805540	Unrealized gains (losses) from equity instruments measured at fair value through other comprehensive income	4,101,055	26	199,287	4	6,273,620	25	(493,056)	(4)
805550	Share of other comprehensive income of associates and joint ventures accounted for using equity method - items not to be reclassified to profit or loss	18,330	-	(34,456)	(1)	7,818	-	(72,284)	(1)
805599	Less: Income tax related to items not to be reclassified to profit or loss (note 6(ad))	-	-	-	-	-	-	-	-
	Subtotal of items not to be reclassified to profit or loss	<u>4,119,385</u>	<u>26</u>	<u>164,831</u>	<u>3</u>	<u>6,281,438</u>	<u>25</u>	<u>(565,340)</u>	<u>(5)</u>
805600	Items that may be subsequently reclassified to profit or loss								
805610	Exchange differences on translation of foreign operations	(12,223)	-	(215,049)	(4)	4,341	-	(210,039)	(2)
805615	Unrealized gains (losses) from debt instruments measured at fair value through other comprehensive income	16,521	-	62,576	1	(242,582)	(1)	245,405	2
805699	Less: Income tax related to items that may be subsequently reclassified to profit or loss (note 6(ad))	<u>(2,048)</u>	<u>-</u>	<u>(33,890)</u>	<u>(1)</u>	<u>468</u>	<u>-</u>	<u>(33,739)</u>	<u>-</u>
	Subtotal of items that may be subsequently reclassified to profit or loss	<u>6,346</u>	<u>-</u>	<u>(118,583)</u>	<u>(2)</u>	<u>(238,709)</u>	<u>(1)</u>	<u>69,105</u>	<u>-</u>
805000	Other comprehensive income	<u>4,125,731</u>	<u>26</u>	<u>46,248</u>	<u>1</u>	<u>6,042,729</u>	<u>24</u>	<u>(496,235)</u>	<u>(5)</u>
Total comprehensive income		<u>\$ 10,910,387</u>	<u>70</u>	<u>2,435,151</u>	<u>41</u>	<u>17,059,209</u>	<u>67</u>	<u>3,557,574</u>	<u>30</u>
Consolidated net income attributable to:									
	Owners of parent	\$ 6,784,645	44	2,388,812	40	11,016,412	43	4,053,636	35
913200	Non-controlling interests	11	-	91	-	68	-	173	-
		<u>\$ 6,784,656</u>	<u>44</u>	<u>2,388,903</u>	<u>40</u>	<u>11,016,480</u>	<u>43</u>	<u>4,053,809</u>	<u>35</u>
Total comprehensive income attributable to:									
	Owners of parent	\$ 10,910,376	70	2,435,060	41	17,059,141	67	3,557,401	30
	Non-controlling interests	11	-	91	-	68	-	173	-
		<u>\$ 10,910,387</u>	<u>70</u>	<u>2,435,151</u>	<u>41</u>	<u>17,059,209</u>	<u>67</u>	<u>3,557,574</u>	<u>30</u>
Basic earnings per share (in New Taiwan Dollars) (note 6(af))		<u>\$ 4.18</u>		<u>1.47</u>		<u>6.78</u>		<u>2.49</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
FUBON SECURITIES CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the six months ended June 30, 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Total other equity interest						
	Share capital Ordinary shares	Capital surplus	Retained earnings			Total	Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Revaluation gains	Total	Total equity attributable to owners of parent	Non- controlling interests	Total equity
			Legal reserve	Special reserve	Undistributed earnings								
Balance at January 1, 2025	\$ 16,258,551	10,054,569	7,146,150	12,523,940	9,995,951	29,666,041	48,455	6,046,647	59,104	6,154,206	62,133,367	65,047	62,198,414
Net income	-	-	-	-	4,053,636	4,053,636	-	-	-	-	4,053,636	173	4,053,809
Other comprehensive income	-	-	-	-	-	-	(176,300)	(319,935)	-	(496,235)	(496,235)	-	(496,235)
Total comprehensive income	-	-	-	-	4,053,636	4,053,636	(176,300)	(319,935)	-	(496,235)	3,557,401	173	3,557,574
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	999,595	-	(999,595)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	2,005,222	(2,005,222)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(6,991,133)	(6,991,133)	-	-	-	-	(6,991,133)	-	(6,991,133)
Changes in equity of associates and joint ventures accounted for using equity method	-	13	-	-	-	-	-	-	-	-	13	-	13
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	(701,095)	(701,095)	-	701,095	-	701,095	-	-	-
Balance at June 30, 2025	\$ 16,258,551	10,054,582	8,145,745	14,529,162	3,352,542	26,027,449	(127,845)	6,427,807	59,104	6,359,066	58,699,648	65,220	58,764,868
Balance at January 1,2026	\$ 16,258,551	10,054,599	8,145,745	14,529,162	9,822,497	32,497,404	(36,740)	7,474,288	59,104	7,496,652	66,307,206	65,279	66,372,485
Net income	-	-	-	-	11,016,412	11,016,412	-	-	-	-	11,016,412	68	11,016,480
Other comprehensive income	-	-	-	-	-	-	3,873	6,038,856	-	6,042,729	6,042,729	-	6,042,729
Total comprehensive income	-	-	-	-	11,016,412	11,016,412	3,873	6,038,856	-	6,042,729	17,059,141	68	17,059,209
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	982,250	-	(982,250)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	1,987,042	(1,987,042)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(6,853,204)	(6,853,204)	-	-	-	-	(6,853,204)	-	(6,853,204)
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	232,876	232,876	-	(232,876)	-	(232,876)	-	-	-
Balance at June 30, 2026	\$ 16,258,551	10,054,599	9,127,995	16,516,204	11,249,289	36,893,488	(32,867)	13,280,268	59,104	13,306,505	76,513,143	65,347	76,578,490

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
FUBON SECURITIES CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the six months ended June 30, 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2026	2025
Cash flows from (used in) operating activities, indirect method:		
Income before income tax	\$ 12,423,893	4,834,535
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	272,813	244,346
Amortization expense	108,463	109,488
Expected credit reversal of impairment loss (gain)	5,574	(63)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(7,293,408)	671,703
Interest expense	3,047,344	2,020,330
Interest revenue (including financial income)	(4,475,592)	(3,409,430)
Dividend revenue	(1,080,056)	(887,844)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(116,968)	75,768
Loss on disposal of property and equipment	14	47
Loss (gain) on disposal of investments	3,032,601	(1,783,152)
Gain on disposal of investments accounted for using equity method	-	(104,857)
Loss on non-operating financial instruments measured at fair value	2,897	19,712
Gain on fair value adjustment of investment property	(5,153)	-
Other adjustments	54	(911)
Total adjustments to reconcile profit (loss)	(6,501,417)	(3,044,863)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in financial assets at fair value through profit or loss	(38,279,963)	(3,224,214)
Decrease (increase) in bond investments under resale agreements	109,231	(456,711)
Decrease (increase) in margin loans receivable	(33,370,341)	15,675,508
Increase in refinancing margin	(4,970)	(1,491)
Increase in refinancing collateral receivable	(4,141)	(1,242)
Decrease (increase) in receivable of securities business money lending	(10,759,768)	2,049,619
Increase in customer margin account	(36,617,237)	(10,563,063)
Decrease (increase) in security borrowing collateral price	3,680	(10,576)
Decrease (increase) in security borrowing margin	264,578	(1,359,285)
Decrease (increase) in notes receivable	89	(89)
Increase in accounts receivable	(39,075,592)	(8,800,527)
Increase in accounts receivable - related parties	(7,795)	(4,858)
Increase in other prepayments	(380,109)	(39,372)
Increase in other receivables	(703,293)	(637,374)
Increase in other receivables - related parties	(213,647)	(103,514)
Increase in financial assets at fair value through other comprehensive income	(19,812,383)	(9,443,087)
Decrease (increase) in other current assets	(4,837,206)	1,323,519
Decrease (increase) in overdue receivable	(641)	156
Subtotal of changes in operating assets	(183,689,508)	(15,596,601)
Changes in operating liabilities:		
Increase in liabilities for bonds with attached repurchase agreements	13,406,186	18,663,773
Increase in financial liabilities at fair value through profit or loss	6,122,289	11,996,971
Decrease in securities financing refundable deposits	(1,549,347)	(1,210,301)
Decrease in deposits payable for securities financing	(1,555,108)	(1,697,601)
Increase (decrease) in refundable deposit	24,224,911	(14,274,075)
Increase in futures traders' equity	36,617,237	10,563,063
Decrease in notes payable	(10,835)	-
Increase in accounts payable	40,026,060	9,341,614
Increase in accounts payable - related parties	8,299	560
Increase (decrease) in other payable	2,038,356	(1,250,270)
Increase (decrease) in other payable - related parties	242,822	(1,298)
Increase (decrease) in provisions	7,356	(41,142)
Increase in other current liabilities	5,196,222	231,056
Increase in guarantee deposit received	884	1,501
Subtotal of changes in operating liabilities	124,775,332	32,323,851
Subtotal of changes in operating assets and liabilities	(58,914,176)	16,727,250
Subtotal of all adjustments	(65,415,593)	13,682,387
Cash flows from (used) in operations	(52,991,700)	18,516,922
Interest received	4,218,748	3,533,668
Dividends received	729,728	508,697
Interest paid	(2,879,060)	(1,957,876)
Income taxes paid	(1,421,693)	(1,388,527)
Net Cash flows from (used in) operating activities	(52,343,977)	19,212,884

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the three months and six months ended June 30, 2026 and 2025****(Expressed in Thousands of New Taiwan Dollars)**

	For the six months ended June 30	
	2026	2025
Cash flows used in investing activities:		
Proceeds from disposal of investments accounted for using equity method	\$ -	360,594
Acquisition of property and equipment	(131,031)	(104,919)
Decrease in operation guarantee	-	10,000
Increase in deposits settlement fund	(636,251)	(101,043)
Increase in refundable deposits	(172,914)	(9,715)
Acquisition of intangible assets	(62,762)	(51,125)
Increase in other non-current assets	(79)	(53,241)
Increase in prepayment for land and building	(13,840)	(17,506)
Increase in prepayments for business facilities	(70,245)	(99,778)
Net cash flows used in investing activities	(1,087,122)	(66,733)
Cash flows from financing activities:		
Increase (decrease) in short-term loans	23,818,851	(824,758)
Increase (decrease) in commercial papers payable	79,409,223	(25,501,070)
Proceeds from issuing bonds	4,996,447	-
Payment of lease liabilities	(124,252)	(120,242)
Cash dividends paid	(6,853,204)	(6,991,133)
Net cash flows from (used in) financing activities	101,247,065	(33,437,203)
Effect of exchange rate changes on cash and cash equivalents	2,245	(183,399)
Net increase (decrease) in cash and cash equivalents	47,818,211	(14,474,451)
Cash and cash equivalents at beginning of period (restated) (note 3(a))	62,971,160	59,408,354
Cash and cash equivalents at end of period	\$ 110,789,371	44,933,903

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

FUBON SECURITIES CO., LTD. (the Company) was incorporated on July 11, 1988, as a company limited by shares and with an integrated securities firm license. The Company's operations include securities underwriting, dealing, brokerage, pecuniary, securities financing and refinancing, securities transfer services, dealing brokerage services related to futures, foreign securities brokerage, securities borrowing and lending service, trust operations, offshore securities unit operations, securities investment consulting operations and other operations approved by the authorities.

On September 9, 2000, the Company merged with Universal Securities Co., Ltd.; Chung Zu Securities Co., Ltd; King Sheng Securities Co., Ltd; Wa Hsing Securities Co., Ltd; Shih Lin Securities Co., Ltd; and Happy Securities Co., Ltd. The continuing company is Fubon Securities Co., Ltd. The exchange ratios of stock of the abovementioned merged companies were 1.43 shares, 1.39 shares, 1.32 shares, 0.90 share, 0.92 share and 1.17 shares, respectively, for 1 share of the Company.

Following the enactment of the Financial Holding Company Act in Taiwan, Fubon Financial Holding Co., Ltd. ("Fubon Financial") was established on December 19, 2001, as the holding entity of four financial services companies, including Fubon Securities Co., Ltd., under the Fubon brand name. Shares of Fubon Securities Co., Ltd., Fubon Commercial Bank Co., Ltd. ("Fubon Bank"), Fubon Life Insurance Co., Ltd. ("Fubon Life Insurance"), and Fubon Insurance Co., Ltd. ("Fubon Insurance") were exchanged for shares in Fubon Financial at the following exchange ratios:

	<u>Exchange ratio per Fubon Financial share</u>
Fubon Securities Co., Ltd.	1.5078
Fubon Bank	1.7053
Fubon Life Insurance	0.7556
Fubon Insurance	1

The Company has acquired 100% equity of JihSun Securities Co., Ltd by cash and issued new shares on April 9, 2023. The exchange ratio per JihSun Securities' share is NT\$12.9622 and 0.4852 share of Fubon Securities' common stock for each JihSun Securities' common stock. The Company's share capital is amounted to \$16,258,551 thousand after issuing shares upon completion of the acquisition.

The Company's parent and ultimate parent is Fubon Financial Holding Co., Ltd. The registered address of the Company is 3F and 4F., No.169 Sec. 4, Ren'ai Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.). As of June 30, 2026, there were 55 branches (including head office) established for operating.

(2) Approval date and procedures of the consolidated financial statements

On August 19, 2026, the consolidated financial statements were presented to the Board of Directors and authorized for issuance afterward.

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The details of impact on the Group's adoption of the new amendments beginning January 1, 2026 are as follows :

- (i) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

For financial assets with contingent features that are not related directly to a change in basic lending risks or costs (e.g. where the cash flows change depending on whether the borrower meets an ESG target specified in the loan contract), the amendments introduce an additional test to assess the “solely payments of principal and interest on the principal amount outstanding” criterion.

In addition, these amendments clarify that financial assets and financial liabilities can only be derecognized upon settlement and introduce specific requirements for the derecognition of financial liabilities settled through electronic payment systems. When settling a financial liability (or part of a financial liability) in cash using an electronic payment system, the Group is permitted to deem the financial liability (or part of it) to be discharged before the settlement date only if, and only if, the Group has initiated a payment instruction that results in all of the following: (a) the Group having no practical ability to withdraw, stop or cancel the payment instruction; (b) the Group having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and (c) the settlement risk associated with the electronic payment system being insignificant. Certain financial liabilities of the Group are settled through electronic payment systems. As a result of the amendments, the timing of derecognition of such financial liabilities has changed. Although the amendments do not change the derecognition requirements for financial assets, the Basis for Conclusions clarifies that the right (i.e. the right to receive cash) expires only when the cash is received.

As a result of the amendments, for notes receivable that the Group has endorsed to banks for collection, the timing of derecognition of the related financial assets has changed from the date on which the notes are endorsed for collection to the date on which the cash is actually received. In addition, for cheques payable that have matured as at the statement of financial position date, the timing of derecognition of the related financial liabilities has changed from the maturity date of the instruments to the date on which the counterparty presents the cheques for payment. Furthermore, certain financial liabilities of the Group were settled through electronic payment systems, and the timing of derecognition of such financial liabilities has changed as a result of the amendments.

According to the transition of the amendments, the Group is not required to restate its comparative information for prior periods. On the date of initial application, the increase of \$678,769 thousand and \$678,769 thousand, in cash and notes payable, respectively, were recognized.

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Other amendments

The following amendments are not expected to have a significant impact on the Group's consolidated financial statements.

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2027, would not have a significant impact on its consolidated financial statements:

- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

The Group expects to adopt the following new and amended standards, which effective for annual period beginning on January 1, 2028:

(i) IFRS 18 “Presentation and Disclosure in Financial Statements”

The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.

- A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities.
- Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.
- Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The new standard introduces consequential amendments to IAS 7, which require to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows.

The Group is evaluating the impact on its consolidated financial statements upon the initial adoption of the new standard.

- (ii) Amendments to IAS 28 “The Fair Value Option for Investments in Associates and Joint Ventures”

The Group does not expect the amendments to have a significant impact on its consolidated financial statements.

- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 20 “Regulatory Assets and Regulatory Liabilities”

(4) Summary of material accounting policies

- (a) Statement of compliance

The consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Firms", "Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants" (hereinafter referred to as "the Regulations") and IAS 34 "Interim Financial Reporting" endorsed and issued into effect by the FSC. The consolidated financial statements do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (TIFRS) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2025. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2025.

- (b) Principles of consolidation

- (i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise Fubon Securities Co., Ltd. and its subsidiaries.

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Changes in ownership interest

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners).

(ii) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding		
			June 30, 2026	December 31, 2025	June 30, 2025
The Company	Fubon Futures Co., Ltd.	Futures	100 %	100 %	100 %
The Company	Fubon Investment Service Co., Ltd.	Investment Service	100 %	100 %	100 %
The Company	Fubon Securities Venture Capital Co., Ltd.	Venture Capital	100 %	100 %	100 %
The Company	Fubon Mintou Venture Capital Co., Ltd.	Venture Capital	67 %	67 %	67 %
The Company	Fubon Securities (HK) Ltd.	Securities business	100 %	100 %	100 %
The Company	JS CRESVALE Securities International Ltd.	Securities business	100 %	100 %	100 %
JS CRESVALE Securities International Ltd.	JS CRESVALE Capital Ltd.	Stock and futures brokerage, sales of mutual funds	100 %	100 %	100 %

(c) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

(d) Income tax

The income tax expenses have been prepared and disclosed in accordance with paragraph B 12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period (and allocated to current and deferred taxes based on its proportionate size).

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the regulations governing the preparation of financial reports and the IAS 34 “Interim Financial Reporting” endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group’s risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

(a) Fair value of financial instruments

The fair value of non-active market or non-quoted financial instruments is determined using valuation techniques. Such fair value is based on observable data of similar financial instruments or a valuation model. If there are no observable market parameters, the fair value of financial instruments is evaluated based on appropriate assumptions. If fair value is determined by the valuation model, the model shall be calibrated to ensure that all output data and the results reflect the actual market price. The models use only observable data as possible. Information of major assumptions for determining the fair value of financial instruments and the sensitivity analysis of those assumption, please refer to note 6(aj).

(b) Fair value of investment property

Fair value is determined using the valuation techniques, including income-based valuation and market-based valuation. The changes of these valuation assumptions will affect the fair value of investment property in the financial statements. Please refer to note 6(m) for the valuation assumptions of investment property.

(c) Assessment of financial assets’ impairment

The allowance loss of the Group’s financial assets is estimated based on the assumption of default risk and expected loss rate. The Group considers historical experience, current market conditions and forward-looking estimates on each reporting date to determine the inputs and assumptions to be used in calculating the impairment.

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Income tax

The Group calculates its income tax in accordance with the local ordinances. The possible difference in tax base and calculation between the Group and the tax authorities leads to the uncertainty of income tax. The Group recognizes related income tax and deferred income tax by assessing possible additional income tax pursuant to the transactions and calculations for the tax. If the final tax determined by the authorities differs from the initial recognized amount, the difference will affect the income tax and deferred income tax accounts.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Petty cash	\$ 3,100	3,100	3,100
Demand deposits and checking accounts	27,866,582	4,713,629	3,886,108
Time deposits	4,601,389	3,638,811	2,940,976
Foreign currency deposits	78,318,300	53,936,851	38,103,719
Total	<u><u>\$ 110,789,371</u></u>	<u><u>62,292,391</u></u>	<u><u>44,933,903</u></u>

Please refer to note 6(aj) for the disclosure of the sensitivity analysis and interest rate risk of the financial assets and financial liabilities of the Group.

(b) Financial assets measured at fair value through profit or loss — current

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets mandatorily measured at fair value through profit or loss:			
Non-hedge derivative instruments	\$ 7,040,321	3,065,406	1,837,534
Non-derivative financial assets	109,532,325	61,247,452	50,581,708
Total	<u><u>\$ 116,572,646</u></u>	<u><u>64,312,858</u></u>	<u><u>52,419,242</u></u>

The related accounts were as follows:

(i) Financial assets mandatorily measured at fair value through profit or loss — non-derivative

	June 30, 2026	December 31, 2025	June 30, 2025
Securities invested by broker	\$ 207,739	361,208	433,119
Open-end funds, money market instruments and other securities	236,608	198,684	227,616
Operating securities — dealing	51,671,177	27,240,436	25,695,083
Operating securities — underwriting	366,034	1,487,173	155,447
Operating securities — hedging	57,050,767	31,959,951	24,070,443
Total	<u><u>\$ 109,532,325</u></u>	<u><u>61,247,452</u></u>	<u><u>50,581,708</u></u>

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
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1) Details of securities invested by broker

	June 30, 2026	December 31, 2025	June 30, 2025
Securities invested by broker	\$ 512,000	616,761	734,059
Valuation adjustment	(304,261)	(255,553)	(300,940)
Total	<u>\$ 207,739</u>	<u>361,208</u>	<u>433,119</u>

2) Details of open-end funds, money market instruments and other securities

	June 30, 2026	December 31, 2025	June 30, 2025
Open-end funds, money market instruments and other securities	\$ 222,824	186,397	216,642
Valuation adjustment	13,784	12,287	10,974
Total	<u>\$ 236,608</u>	<u>198,684</u>	<u>227,616</u>

3) Operating securities

	June 30, 2026	December 31, 2025	June 30, 2025
Dealing department — domestic:			
Listed stocks and funds — TWSE	\$ 27,170,405	16,766,432	5,501,903
Listed stocks and funds — TPEX	2,258,606	2,470,415	1,506,491
Bonds	4,488,701	4,811,007	15,485,328
Emerging stocks and funds — TPEX	1,197,127	682,452	414,642
Others	243,380	243,380	250,880
Subtotal	<u>35,358,219</u>	<u>24,973,686</u>	<u>23,159,244</u>
Dealing department — foreign:			
Bonds	5,088,428	880,345	2,088,838
Subtotal	<u>5,088,428</u>	<u>880,345</u>	<u>2,088,838</u>
Valuation adjustment	11,224,530	1,386,405	447,001
Total	<u>\$ 51,671,177</u>	<u>27,240,436</u>	<u>25,695,083</u>

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Underwriting department — domestic:			
Listed stocks — TPEx	\$ 2,224	-	-
Bonds	309,488	1,158,809	144,456
Others	21,031	-	-
Subtotal	<u>332,743</u>	<u>1,158,809</u>	<u>144,456</u>
Valuation adjustment	<u>33,291</u>	<u>328,364</u>	<u>10,991</u>
Total	<u><u>\$ 366,034</u></u>	<u><u>1,487,173</u></u>	<u><u>155,447</u></u>
	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Hedging department — domestic:			
Listed stocks and warrants — TWSE	\$ 19,354,259	7,082,632	1,112,281
Listed stocks and warrants — TPEx	3,168,102	1,291,925	529,205
Bonds	<u>26,030,089</u>	<u>22,753,502</u>	<u>22,702,169</u>
Subtotal	<u>48,552,450</u>	<u>31,128,059</u>	<u>24,343,655</u>
Hedging department — foreign:			
Others	<u>607,291</u>	<u>285,701</u>	<u>414,349</u>
Valuation adjustment	<u>7,891,026</u>	<u>546,191</u>	<u>(687,561)</u>
Total	<u><u>\$ 57,050,767</u></u>	<u><u>31,959,951</u></u>	<u><u>24,070,443</u></u>

(ii) Financial assets mandatorily measured at fair value through profit or loss — derivatives

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Futures trading margin — proprietary funds	\$ 6,474,541	2,448,742	1,232,150
Interest rate swap contracts	534,970	587,331	540,782
IRS portion of asset swap contracts	2,831	585	2,440
Foreign exchange derivatives	15,302	26,316	61,312
Call options	<u>12,677</u>	<u>2,432</u>	<u>850</u>
Total	<u><u>\$ 7,040,321</u></u>	<u><u>3,065,406</u></u>	<u><u>1,837,534</u></u>

(iii) Related investment profit or loss please refer to note 6(ah).

(iv) Information of fair value and risk management, please refer to notes 6(ai) and (aj).

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Financial assets measured at fair value through other comprehensive income — current

	June 30, 2026	December 31, 2025	June 30, 2025
Debt investments measured at fair value through other comprehensive income:			
Government bonds	\$ 148,728	198,357	148,361
Financial bonds	200,000	-	-
Corporate bonds	1,600,000	1,700,000	2,850,000
Foreign bonds	26,565,551	18,950,330	19,290,015
Valuation adjustment	<u>(405,183)</u>	<u>(156,070)</u>	<u>71,892</u>
Subtotal	<u>28,109,096</u>	<u>20,692,617</u>	<u>22,360,268</u>
Equity investments measured at fair value through other comprehensive income:			
Stocks	17,856,126	5,484,917	8,867,678
Valuation adjustment	<u>3,939,032</u>	<u>821,009</u>	<u>505,103</u>
Subtotal	<u>21,795,158</u>	<u>6,305,926</u>	<u>9,372,781</u>
Less: Guarantee deposits	<u>(49,261)</u>	<u>(49,467)</u>	<u>(49,735)</u>
Total	<u>\$ 49,854,993</u>	<u>26,949,076</u>	<u>31,683,314</u>

(i) Debt investments measured at fair value through other comprehensive income

The Group has assessed that the securities are held within a business model whose objective is achieved by both collecting the contractual cash flows and selling securities. They were classified as financial assets measured at fair value through other comprehensive income.

(ii) Equity investments measured at fair value through other comprehensive income

The Group has designated the equity investments as at fair value through other comprehensive income because it intends to hold for long-term strategic purposes.

Dividends from abovementioned financial assets measured at profit or loss through other comprehensive income were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Dividend income	<u>\$ 226,420</u>	<u>396,224</u>	<u>276,637</u>	<u>493,394</u>

Dividends from disposed financial assets measured at profit or loss through other comprehensive income within the reporting period were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Dividend income	<u>\$ 165,454</u>	<u>234,020</u>	<u>209,681</u>	<u>292,218</u>

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
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For the three months and six months ended June 30, 2026 and 2025, the Group has sold the stocks designated as at fair value through other comprehensive income for allocation and reconciliation of the portfolios. The sold stocks had a fair value of \$5,204,479, \$5,246,596, \$8,923,261 and \$10,186,726, respectively, and the Group recognized accumulated gain (loss) of \$(22,376), \$(589,269), \$223,089 and \$(692,681). The accumulated gain (loss) has been transferred from other equity interests to retained earnings.

- (iii) Information of fair value and risk management, please refer to note 6 (ai) and (aj) for details.
- (iv) The guarantee of the financial assets measured at fair value through other comprehensive income—current provided as pledged assets, please refer to note 8 for details.

(d) Securities purchased under resell agreements

	June 30, 2026	December 31, 2025	June 30, 2025
Pecuniary financing	\$ <u>-</u>	<u>109,231</u>	<u>456,711</u>
The end date of the holding period		Open Tenor	Open Tenor
Interest rate (%) range		3.4	4.23

(e) Pecuniary and securities financing and refinancing

Securities received and lent for pecuniary and securities financing and refinancing were as follows:

	June 30, 2026		
	Shares (thousands)	Face value	Market value
Collateral securities for pecuniary financing	<u>1,153,186</u>	\$ <u>11,531,860</u>	<u>59,453,608</u>
Securities lent for securities financing	<u>28,301</u>	\$ <u>283,010</u>	<u>3,154,151</u>
	December 31, 2025		
	Shares (thousands)	Face value	Market value
Collateral securities for pecuniary financing	<u>1,034,383</u>	\$ <u>10,343,830</u>	<u>84,769,667</u>
Securities lent for securities financing	<u>51,049</u>	\$ <u>510,490</u>	<u>5,043,526</u>
	June 30, 2025		
	Shares (thousands)	Face value	Market value
Collateral securities for pecuniary financing	<u>843,261</u>	\$ <u>8,432,610</u>	<u>49,530,077</u>
Securities lent for securities financing	<u>27,426</u>	\$ <u>274,260</u>	<u>2,825,053</u>

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Pecuniary finance represents loans extended to securities investors and is accounted for as receivables from pecuniary finance. Such loans are secured by the securities purchased by investors. These securities are not reflected in the financial statements of the Group. These securities will be returned to investors when investors terminate pecuniary financing. As of June 30, 2026, December 31 and June 30, 2025, the Group had receivables from pecuniary finance amounting to \$79,956,046, \$46,585,705 and \$29,294,499, respectively, and allowances for uncollectible accounts were \$0. Please refer to note 6 (aj) for the estimation of impairment.

Securities finance represents securities lent to securities investors and is affected by lending to securities investors securities in custody that are received from pecuniary finance or borrowed from securities finance companies when necessary. The investors' deposits for borrowing securities are held by the Group as collateral and recorded under securities financing refundable deposits. In addition, investors are required to deposit the proceeds from sales of borrowed securities. Such deposits are accounted for as deposits payable for securities financing. As of June 30, 2026, December 31 and June 30, 2025, securities financing refundable deposits amounted to \$2,309,066, \$3,858,413 and \$2,539,173, respectively, and deposits payable for securities financing amounted to \$2,693,709, \$4,248,817 and \$2,652,690, respectively.

The guarantees provided to securities finance companies (securities borrowed by the Group in refinancing activities) were as follows:

June 30, 2026			
	Shares		
	(thousands)	Face value	Market value
Securities borrowed in refinancing activities	<u>101</u>	<u>\$ 1,010</u>	<u>7,055</u>
December 31, 2025			
	Shares		
	(thousands)	Face value	Market value
Securities borrowed in refinancing activities	<u>45</u>	<u>\$ 450</u>	<u>2,914</u>
June 30, 2025			
	Shares		
	(thousands)	Face value	Market value
Securities borrowed in refinancing activities	<u>281</u>	<u>\$ 2,810</u>	<u>15,451</u>

Securities refinancing is affected by borrowing securities from securities finance companies when the Group does not have sufficient securities to perform securities financing. For securities refinancing, the Group pays margin deposits to securities finance companies. These margin deposits are recorded as margin deposits for securities refinance. The Group also provides proceeds from selling borrowed securities to securities finance companies as collateral and records them under margin deposits for securities refinance and receivables from securities refinance. As of June 30, 2026, December 31 and June 30, 2025, margin deposits for securities refinance amounted to \$8,467, \$3,497 and \$18,541, respectively, and receivables from securities refinance amounted to \$7,055, \$2,914 and \$15,451, respectively.

As of June 30, 2026, December 31 and June 30, 2025, the Group provided other securities as collateral due to borrowing securities amounting to \$24,190,164, \$12,337,709 and \$8,137,386, respectively.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Receivables from securities borrowings and lending

	June 30, 2026	December 31, 2025	June 30, 2025
Receivables from securities borrowings and lending—secured securities purchased or owned by investors as collateral	\$ 1,146	25,814	7,494
Receivables from securities borrowings and lending—non restricted	43,081,816	32,297,380	26,271,802
Total	<u><u>\$ 43,082,962</u></u>	<u><u>32,323,194</u></u>	<u><u>26,279,296</u></u>

The Group collects securities purchased or owned by investors as collateral to perform securities borrowing and lending. The calculation of the collateral maintenance ratio should comply with regulations and should not be lower than 130%.

(g) Customer margin account

The details of the Group's customer margin account were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Bank deposits	\$ 50,166,888	28,444,937	30,156,401
Clearing balance of futures clearing house	27,628,004	12,161,470	9,503,685
Clearing balance of other futures commission merchants	3,213,698	3,783,234	4,753,786
Securities	40,473	42,185	49,482
Total	<u><u>\$ 81,049,063</u></u>	<u><u>44,431,826</u></u>	<u><u>44,463,354</u></u>

(h) Notes and accounts receivable

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable from non-related parties			
Proceeds receivable from customers	\$ 4,802,484	2,435,187	1,904,856
Accounts receivable—brokering	91,149,442	55,820,235	35,135,273
Clearance	147,326	11,199	2,146,963
Securities financing interest receivable	617,846	581,194	573,350
Bonds interest receivable	416,059	277,211	314,556
Cash dividends receivable	403,514	53,173	438,307
Revenues receivable	952,232	630,692	493,788
Others	1,373,997	369,534	980,193
Less: Loss allowance	(136,174)	(136,174)	(136,175)
	<u>99,726,726</u>	<u>60,042,251</u>	<u>41,851,111</u>
Notes receivable from non-related parties	156	245	170
Total	<u><u>\$ 99,726,882</u></u>	<u><u>60,042,496</u></u>	<u><u>41,851,281</u></u>
Accounts receivable from related parties	<u><u>\$ 27,663</u></u>	<u><u>19,868</u></u>	<u><u>21,376</u></u>

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
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As of June 30, 2026, December 31 and June 30, 2025, the aging analysis of notes and accounts receivables were as follows:

	<u>June 30, 2026</u>		<u>December 31, 2025</u>		<u>June 30, 2025</u>	
	<u>Total amount</u>	<u>Impairment</u>	<u>Total amount</u>	<u>Impairment</u>	<u>Total amount</u>	<u>Impairment</u>
Not overdue	\$ 99,754,545	-	60,062,364	-	41,872,657	-
Overdue 0 to 180 days	-	-	-	-	-	-
Overdue 181 days to one year	-	-	-	-	-	-
Overdue more than one year	136,174	136,174	136,174	136,174	136,175	136,175
Total	<u>\$ 99,890,719</u>	<u>136,174</u>	<u>60,198,538</u>	<u>136,174</u>	<u>42,008,832</u>	<u>136,175</u>

- (i) Financial assets measured at fair value through other comprehensive income — non-current

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Equity investments measured at fair value through other comprehensive income — non-current:			
Stocks	\$ 6,582,728	6,582,728	6,582,969
Valuation adjustment	9,719,030	6,786,612	5,810,934
Total	<u>\$ 16,301,758</u>	<u>13,369,340</u>	<u>12,393,903</u>

- (i) Equity investments measured at fair value through other comprehensive income

Dividends from abovementioned equity investments measured at fair value through other comprehensive income — non-current, were as follows:

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Dividend income	<u>\$ 112,524</u>	<u>118,966</u>	<u>112,524</u>	<u>118,966</u>

For the three month and the six month ended June 30, 2026 and 2025, the Group has not disposed of abovementioned equity investments.

- (ii) Information of fair value and risk management, please refer to notes 6 (ai) and (aj).
- (iii) The guarantee of the financial assets measured at fair value through comprehensive income — non-current provided as pledged assets, please refer to note 8 for details.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
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(j) Investments accounted for using the equity method

(i) Significant associates of the Group were as follows:

Name of associates	Relationship with the Group	Main Operating Location/Country of Registry	Proportion of shareholding and voting rights		
			June 30, 2026	December 31, 2025	June 30, 2025
Fubon Financial Holding Venture Capital Co., Ltd.	A subsidiary of the Company's parent company Fubon Financial Holding Co., Ltd. that engages in venture capital.	Taiwan	11.20 %	11.20 %	11.20 %

A summarized financial information of material significant associates was as follows:

1) Fubon Financial Holding Venture Capital Co., Ltd.

	December 31,			
	June 30, 2026	2025	June 30, 2025	
Current assets	\$ 10,821,140	9,396,676	9,298,861	
Non-current assets	4,346,177	4,243,475	3,786,564	
Current liabilities	(1,112,033)	(723,018)	(997,209)	
Non-current liabilities	(75,423)	(51,423)	(59,701)	
Net assets	<u>\$ 13,979,861</u>	<u>12,865,710</u>	<u>12,028,515</u>	
Share of net assets of associates	<u>\$ 13,979,861</u>	<u>12,865,710</u>	<u>12,028,515</u>	
	For the three months ended June 30	For the six months ended June 30		
	2026	2025	2026	2025
Revenue	<u>\$ 2,215,739</u>	<u>268,238</u>	<u>1,974,775</u>	<u>6,268</u>
Net income from continuing operations	\$ 1,565,579	(45,103)	1,044,361	(518,928)
Other comprehensive income	163,644	(257,160)	69,790	(594,908)
Total comprehensive income	<u>\$ 1,729,223</u>	<u>(302,263)</u>	<u>1,114,151</u>	<u>(1,113,836)</u>
Share of comprehensive income of associates	<u>\$ 1,729,223</u>	<u>(302,263)</u>	<u>1,114,151</u>	<u>(1,113,836)</u>

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
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	For the six months ended June 30	
	2026	2025
Share of net assets of associates at the beginning of periods	\$ 1,440,905	1,471,876
Changes in capital surplus of associates accounted for using equity method	-	13
Total comprehensive income (loss) attributable to the Group for the periods	<u>124,786</u>	<u>(124,749)</u>
Share of net assets of associates at the end of periods	1,565,691	1,347,140
Add: Unamortized premium	<u>22,016</u>	<u>22,016</u>
Carrying amount of equity of associates at the end of periods	<u>\$ 1,587,707</u>	<u>1,369,156</u>

(ii) Individually insignificant associates

The Group's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Attributable to the Group:				
Gain (loss) from continuing operations	\$ -	(984)	-	(17,648)
Other comprehensive income	-	(380)	-	(380)
Comprehensive income	<u>\$ -</u>	<u>(1,364)</u>	<u>-</u>	<u>(18,028)</u>

The Group disposed 20% of its equity in JihSun Securities Investment Trust Co., Ltd. on April 1, 2025, with a total consideration of \$365,662, resulting in a gain on disposal to be recognized as other gains and losses in the consolidated statement of comprehensive income.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
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(k) Property and equipment

Changes in the cost, depreciation, and impairment loss of the property and equipment of the Group were as follows:

	Land	Buildings	Information Appliance	Transportation equipment	Leasehold improvement	Miscellaneous	Total
Cost or deemed cost:							
Balance at January 1, 2026	\$ 2,990,991	440,678	1,548,881	138	552,271	379,617	5,912,576
Additions	-	450	103,295	-	3,782	23,504	131,031
Reclassification	4,720	2,733	53,764	-	1,925	12,726	75,868
Disposals	-	-	(5,516)	-	(6,778)	(60,762)	(73,056)
Effect of change in exchange rates	-	-	137	-	54	11	202
Balance at June 30, 2026	<u>\$ 2,995,711</u>	<u>443,861</u>	<u>1,700,561</u>	<u>138</u>	<u>551,254</u>	<u>355,096</u>	<u>6,046,621</u>
Balance at January 1, 2025	\$ 2,983,963	438,878	1,395,579	138	487,907	347,355	5,653,820
Additions	-	-	66,561	-	17,334	21,024	104,919
Reclassification	-	-	11,295	-	13,018	902	25,215
Disposals	-	-	(46,952)	-	(16,741)	(6,645)	(70,338)
Effect of change in exchange rates	-	-	(2,863)	-	(1,148)	(198)	(4,209)
Balance at June 30, 2025	<u>\$ 2,983,963</u>	<u>438,878</u>	<u>1,423,620</u>	<u>138</u>	<u>500,370</u>	<u>362,438</u>	<u>5,709,407</u>
Depreciation and impairment loss:							
Balance at January 1, 2026	\$ -	175,482	976,184	138	394,390	259,250	1,805,444
Depreciation	-	6,064	97,345	-	25,406	19,867	148,682
Disposals	-	-	(5,516)	-	(6,778)	(60,762)	(73,056)
Effect of change in exchange rates	-	-	133	-	54	10	197
Balance at June 30, 2026	<u>\$ -</u>	<u>181,546</u>	<u>1,068,146</u>	<u>138</u>	<u>413,072</u>	<u>218,365</u>	<u>1,881,267</u>
Balance at January 1, 2025	\$ -	163,572	950,809	138	383,016	232,639	1,730,174
Depreciation	-	5,901	77,180	-	19,802	19,768	122,651
Disposals	-	-	(46,952)	-	(16,741)	(6,645)	(70,338)
Effect of change in exchange rates	-	-	(2,662)	-	(876)	(190)	(3,728)
Balance at June 30, 2025	<u>\$ -</u>	<u>169,473</u>	<u>978,375</u>	<u>138</u>	<u>385,201</u>	<u>245,572</u>	<u>1,778,759</u>
Carrying amounts:							
Balance at January 1, 2026	<u>\$ 2,990,991</u>	<u>265,196</u>	<u>572,697</u>	<u>-</u>	<u>157,881</u>	<u>120,367</u>	<u>4,107,132</u>
Balance at June 30, 2026	<u>\$ 2,995,711</u>	<u>262,315</u>	<u>632,415</u>	<u>-</u>	<u>138,182</u>	<u>136,731</u>	<u>4,165,354</u>
Balance at January 1, 2025	<u>\$ 2,983,963</u>	<u>275,306</u>	<u>444,770</u>	<u>-</u>	<u>104,891</u>	<u>114,716</u>	<u>3,923,646</u>
Balance at June 30, 2025	<u>\$ 2,983,963</u>	<u>269,405</u>	<u>445,245</u>	<u>-</u>	<u>115,169</u>	<u>116,866</u>	<u>3,930,648</u>

Certain properties were pledged as collateral, please refer to note 8 for detail.

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Right-of-use assets

Information about leases of land, buildings, machinery, transportation equipment, and other equipment of the Group was presented below:

	Buildings	Machinery	Transportation equipment	Other equipment	Total
Cost:					
Balance at January 1, 2026	\$ 831,015	37,410	9,038	55,950	933,413
Additions	133,465	20,980	883	7,462	162,790
Reductions	(81,940)	(37,068)	(995)	(2,780)	(122,783)
Effect of changes in exchange rates	74	-	-	1	75
Balance at June 30, 2026	<u>\$ 882,614</u>	<u>21,322</u>	<u>8,926</u>	<u>60,633</u>	<u>973,495</u>
Balance at January 1, 2025	\$ 841,692	61,581	11,085	53,749	968,107
Additions	90,124	-	-	5,040	95,164
Reductions	(100,525)	(2,300)	-	(2,847)	(105,672)
Effect of changes in exchange rates	(1,569)	-	-	(36)	(1,605)
Balance at June 30, 2025	<u>\$ 829,722</u>	<u>59,281</u>	<u>11,085</u>	<u>55,906</u>	<u>955,994</u>
Accumulated depreciation and impairment losses:					
Balance at January 1, 2026	\$ 437,515	33,550	5,256	24,592	500,913
Depreciation	109,602	7,169	1,707	5,653	124,131
Other reductions	(81,926)	(37,068)	(995)	(2,756)	(122,745)
Effect of changes in exchange rates	65	-	-	1	66
Balance at June 30, 2026	<u>\$ 465,256</u>	<u>3,651</u>	<u>5,968</u>	<u>27,490</u>	<u>502,365</u>
Balance at January 1, 2025	\$ 362,466	42,545	3,878	21,549	430,438
Depreciation	107,008	7,583	1,836	5,268	121,695
Other reductions	(95,874)	(2,300)	-	(2,829)	(101,003)
Effect of changes in exchange rates	(690)	-	-	(19)	(709)
Balance at June 30, 2025	<u>\$ 372,910</u>	<u>47,828</u>	<u>5,714</u>	<u>23,969</u>	<u>450,421</u>
Carrying amounts:					
Balance at January 1, 2026	<u>\$ 393,500</u>	<u>3,860</u>	<u>3,782</u>	<u>31,358</u>	<u>432,500</u>
Balance at June 30, 2026	<u>\$ 417,358</u>	<u>17,671</u>	<u>2,958</u>	<u>33,143</u>	<u>471,130</u>
Balance at January 1, 2025	<u>\$ 479,226</u>	<u>19,036</u>	<u>7,207</u>	<u>32,200</u>	<u>537,669</u>
Balance at June 30, 2025	<u>\$ 456,812</u>	<u>11,453</u>	<u>5,371</u>	<u>31,937</u>	<u>505,573</u>

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Investment property

	Land and land improvements	Buildings	Total
Cost or deemed cost:			
Balance at January 1, 2026	\$ 1,360,194	211,846	1,572,040
Net gain (loss) from fair value adjustments	4,786	367	5,153
Reclassification	(4,720)	(933)	(5,653)
Balance at June 30, 2026	<u>\$ 1,360,260</u>	<u>211,280</u>	<u>1,571,540</u>
Balance at June 30, 2025 (i.e. Opening Balance)	<u>\$ 1,331,633</u>	<u>221,367</u>	<u>1,553,000</u>
Carrying amount:			
Balance at January 1, 2026	<u>\$ 1,360,194</u>	<u>211,846</u>	<u>1,572,040</u>
Balance at June 30, 2026	<u>\$ 1,360,260</u>	<u>211,280</u>	<u>1,571,540</u>
Balance at January 1, 2025	<u>\$ 1,331,633</u>	<u>221,367</u>	<u>1,553,000</u>
Balance at June 30, 2025	<u>\$ 1,331,633</u>	<u>221,367</u>	<u>1,553,000</u>

- (i) Buildings are leased out as operating leases, and the primary terms of the lease agreements are the same as those of the general lease agreement.
- (ii) A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date was as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Less than one year	\$ 43,545	37,047	36,025
One to two years	34,257	27,939	26,967
Two to three years	28,917	19,030	16,545
Three to four years	25,776	17,930	12,077
Four to five years	18,062	14,436	12,067
More than five years	35,750	40,956	15,705
Total undiscounted lease payments	<u>\$ 186,307</u>	<u>157,338</u>	<u>119,386</u>

- (iii) Investment property of the Group was evaluated by appraisers from professional real estate appraisers firm, with fair value as the appraisal basis in accordance with the “Regulations on Real Estate Appraisal”. The valuation dates were on December 31, 2025, and December 31, 2024, respectively. As of June 30, 2026 and 2025, the fair value of aforementioned investment property on June 30, 2026 and 2025 were considered valid, respectively. The appraisals were performed by following valuation agencies:

The appraisers were Hsu Hsiang-I and Wang Ming-Yang from Repro International Inc. on December 31, 2025.

The appraisers were Tsai You-Xiang and Hsu Hsiang-I from Repro International Inc. on December 31, 2024.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Due to changes in the rental ratio of certain investment properties held by the Group, the fair value in January and May 2026 was revalued by the appraiser, Wang Ming-Yang, from Repro International Inc.

The fair value of investment property is supported by observable evidences in the market. Appraising methods mainly include the DCF method of income.

Commercial office buildings and terraced shops are appraised using the DCF method of income approach mostly because of the market liquidity and the comparable sales and rental cases in their neighboring areas.

Reasonable rentals are based on the current market trading practice, total revenue from subject properties is estimated with the assumption that rent level is adjusted by 0.5%~1.5% per year, respectively, minus the loss due to idleness or other reasons and relevant expense raised from operating activities.

In accordance with R.O.C. Real Estate Appraiser Alliance Statement No.5, total assessment of the current value of the building refers to the assessed current value of the building released by the local government, and is calculated from areas of property right (including public facility). House tax is calculated with total assessment of the current value of the building, and tax rate in accordance with the Regulations of House Tax.

Land tax refers to future publicly announced price of the subject property estimated by changes of publicly announced price in recent year.

The replacement allowance is calculated in accordance with R.O.C. Real Estate Appraiser Alliance Statement No.5. It is amortized over 10 to 20 years at the rate of 10% ~ 20% of building and construction expenses.

The inputs applied are as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Discount rate (%)	3.32~4.33	3.32~4.33	3.32~4.33

The decision of discount rate is based on risk premium method, consideration of time deposit rates, government bond rates, risk on real estate investments changes in currency situation, and estate price, etc. Discount rate is based on the two-year time deposit floating rate below ten million of Chunghwa Post Co., Ltd., in consideration of the earning position, liquidity, risk, increment and the difficulty of management, plus, risk premium, in accordance with Rule No.9 of the “Regulations Governing the Preparation of Financial Reports by Securities Firms”. When the discount rate decreases, the fair value will increase, and vice versa.

For the three months and six months ended June 30, 2026 and 2025, rental revenue from investment property amounted to \$9,969, \$8,929, \$20,186 and \$17,355, respectively; direct operating expenses were \$160, \$99, \$1,453 and \$1,571, respectively; while the direct operating expenses of investment property which did not generate rental revenue amounted to \$130, \$99, \$453 and \$639, respectively.

Certain investment properties were pledged as collateral, please refer to note 8 for detail.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(n) Intangible assets

The costs and amortization of intangible assets of the Group were as follows:

	Operating rights and customer relationships	Computer software	Other intangible assets	Total
Costs:				
Balance at January 1, 2026	\$ 239,135	1,795,450	10,999	2,045,584
Acquisitions	-	62,762	-	62,762
Reclassification	-	21,793	-	21,793
Disposals	-	(97,220)	-	(97,220)
Effect of change in exchange rates	-	92	-	92
Balance at June 30, 2026	<u>\$ 239,135</u>	<u>1,782,877</u>	<u>10,999</u>	<u>2,033,011</u>
Balance at January 1, 2025	\$ 239,135	1,761,845	10,999	2,011,979
Acquisition	-	51,125	-	51,125
Reclassification	-	27,687	-	27,687
Disposals	-	(15,861)	-	(15,861)
Effect of change in exchange rates	-	(1,655)	-	(1,655)
Balance at June 30, 2025	<u>\$ 239,135</u>	<u>1,823,141</u>	<u>10,999</u>	<u>2,073,275</u>
Amortization:				
Balance at January 1, 2026	\$ 76,442	1,484,397	-	1,560,839
Amortization	5,335	85,284	-	90,619
Disposals	-	(97,220)	-	(97,220)
Effect of change in exchange rates	-	68	-	68
Balance at June 30, 2026	<u>\$ 81,777</u>	<u>1,472,529</u>	<u>-</u>	<u>1,554,306</u>
Balance at January 1, 2025	\$ 65,774	1,436,634	-	1,502,408
Amortization	5,334	89,752	-	95,086
Disposals	-	(15,861)	-	(15,861)
Effect of change in exchange rates	-	(1,180)	-	(1,180)
Balance at June 30, 2025	<u>\$ 71,108</u>	<u>1,509,345</u>	<u>-</u>	<u>1,580,453</u>
Carrying amount:				
Balance at January 1, 2026	<u>\$ 162,693</u>	<u>311,053</u>	<u>10,999</u>	<u>484,745</u>
Balance at June 30, 2026	<u>\$ 157,358</u>	<u>310,348</u>	<u>10,999</u>	<u>478,705</u>
Balance at January 1, 2025	<u>\$ 173,361</u>	<u>325,211</u>	<u>10,999</u>	<u>509,571</u>
Balance at June 30, 2025	<u>\$ 168,027</u>	<u>313,796</u>	<u>10,999</u>	<u>492,822</u>

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Operating deposits

As stipulated in the Regulations Governing Securities Firms, the Regulations for Securities Brokers Undertaking Pecuniary and Securities Financing, the Regulations Governing Futures Commission Merchants, and the Securities Investment Trust and Consulting Act, the Group has provided time deposits as operating deposits amounting to \$870,000, \$870,000 and \$870,000 as of June 30, 2026, December 31 and June 30, 2025, respectively, recognized as other non-current assets.

(p) Settlement and clearing funds

As stipulated in the Regulations Governing Securities Firms and the Taiwan Futures Exchange Corporation Criteria for Clearing Membership, the Group has deposited settlement and clearing funds in the TWSE, the Taiwan Futures Exchange, Hong Kong Exchanges and Clearing Limited, and the TPEX, recognized as other non-current assets. The details were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Centralized exchange market	\$ 760,044	301,823	304,008
Taipei Exchange	265,100	102,768	77,357
Taiwan Futures Exchange	183,159	167,461	164,290
Total	<u><u>\$ 1,208,303</u></u>	<u><u>572,052</u></u>	<u><u>545,655</u></u>

(q) Overdue receivables

Some investors failed to settle stock purchases made by pecuniary finance. Therefore, the Group disposed of the securities so purchased by the investors and deducted the proceeds of such sales from receivables from pecuniary finance. In addition, some collateral securities purchased by investors through unsettled pecuniary finance contracts were unable to be disposed of. The Group has persistently tried to settle the aforementioned claims and has recorded the uncollected receivables from such unsettled pecuniary finance contracts and past-maturity corporate bonds as overdue receivables, recognized as other non-current assets.

The details of overdue receivables were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Receivables from failed pecuniary finance contracts and the related interest	\$ 6,492	6,383	5,698
Other overdue receivables	3,926	3,394	2,588
Subtotal	10,418	9,777	8,286
Less: loss allowance	10,410	9,769	8,278
Total	<u><u>\$ 8</u></u>	<u><u>8</u></u>	<u><u>8</u></u>

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The composition of loss allowance was as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Beginning balance	\$ 9,769	11,034	11,034
Allowance for doubtful account	641	1,371	684
Write-off	-	(2,636)	(3,440)
Ending balance	<u><u>\$ 10,410</u></u>	<u><u>9,769</u></u>	<u><u>8,278</u></u>

(r) Short-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured and secured loans	<u><u>\$ 24,559,143</u></u>	<u><u>740,292</u></u>	<u><u>255,882</u></u>
Interest rate (%) range	2.08~5.607	1.88~4.208	1.99~4.39

For the details of pledged collateral for short-term borrowings, please refer to note 8.

(s) Commercial paper issued

	June 30, 2026	December 31, 2025	June 30, 2025
Commercial paper issued, par value	\$ 146,950,000	66,600,000	37,000,000
Less: discounts on commercial paper issued	(1,074,273)	(133,496)	(24,258)
Total	<u><u>\$ 145,875,727</u></u>	<u><u>66,466,504</u></u>	<u><u>36,975,742</u></u>
Interest rate (%) range	1.50~3.63	1.50~1.76	1.45~1.86

All of these commercial papers were underwritten by bills finance corporations and banks.

(t) Financial liabilities measured at fair value through profit or loss — current

	June 30, 2026	December 31, 2025	June 30, 2025
Securities purchased under resell agreements — securities lending	\$ -	107,766	454,510
Warrant liabilities	4,041,860	835,300	271,887
Liabilities on sale of borrowed securities	16,408,901	11,070,466	14,359,440
Derivative liabilities — OTC	17,847,023	13,145,085	11,175,666
Financial liabilities designated as at fair value through profit or loss	4,539,681	1,837,921	2,569,099
Put options — futures	-	227	140
Total	<u><u>\$ 42,837,465</u></u>	<u><u>26,996,765</u></u>	<u><u>28,830,742</u></u>

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The related accounts were as follows:

(i) Securities purchased under resell agreements — securities lending

	June 30, 2026	December 31, 2025	June 30, 2025
Securities purchased under resell agreements — securities lending	\$ -	106,360	452,730
Valuation adjustment	-	1,406	1,780
Total	<u>\$ -</u>	<u>107,766</u>	<u>454,510</u>

(ii) Warrant liabilities

The Group was approved by the authorities to issue warrants. As of June 30, 2026, December 31 and June 30, 2025, the details of warrant liabilities were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Warrant liabilities	\$ 16,853,472	27,430,655	20,874,136
Change in value of warrant liabilities	5,790,072	7,646	(8,667,238)
Market value	22,643,544	27,438,301	12,206,898
Warrants redeemed	13,917,816	23,730,832	18,377,432
Change in value of warrants redeemed	4,683,868	2,872,169	(6,442,421)
Market value	18,601,684	26,603,001	11,935,011
Warrant liabilities, net	<u>\$ 4,041,860</u>	<u>835,300</u>	<u>271,887</u>

(iii) Liabilities on sale of borrowed securities

	June 30, 2026	December 31, 2025	June 30, 2025
Hedged:			
Listed stocks — TWSE	\$ 12,063	11,155	56,194
Listed stocks — TPEX	-	-	1,845
Valuation adjustment	(807)	1,699	342
Subtotal	<u>11,256</u>	<u>12,854</u>	<u>58,381</u>
Non-hedged:			
Listed stocks — TWSE	10,533,093	8,438,012	12,182,873
Listed stocks — TPEX	1,343,939	1,626,632	1,599,716
Valuation adjustment	4,520,613	992,968	518,470
Subtotal	<u>16,397,645</u>	<u>11,057,612</u>	<u>14,301,059</u>
Total	<u>\$ 16,408,901</u>	<u>11,070,466</u>	<u>14,359,440</u>

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Derivative liabilities — OTC

	June 30, 2026	December 31, 2025	June 30, 2025
Interest rate swap contracts	\$ 564,749	579,941	467,720
IRS portion of asset swap contracts	464,312	417,043	391,262
Asset swap options	16,809,048	12,148,101	10,316,251
Equity derivatives	8,914	-	-
Foreign exchange derivatives	-	-	433
Total	<u><u>\$ 17,847,023</u></u>	<u><u>13,145,085</u></u>	<u><u>11,175,666</u></u>

(v) Financial liabilities designated as at fair value through profit or loss

	June 30, 2026	December 31, 2025	June 30, 2025
Structured products	\$ 3,498,392	1,669,372	2,490,242
Exchange traded notes	1,041,289	168,549	78,857
Total	<u><u>\$ 4,539,681</u></u>	<u><u>1,837,921</u></u>	<u><u>2,569,099</u></u>

(vi) Put options — futures

	June 30, 2026	December 31, 2025	June 30, 2025
Put options — futures	<u><u>\$ -</u></u>	<u><u>227</u></u>	<u><u>140</u></u>

(u) Securities sold under repurchase agreements

	June 30, 2026	December 31, 2025	June 30, 2025
Government bonds	\$ 5,655,918	7,323,447	17,087,701
Corporate bonds and financial bonds	36,727,900	21,654,185	25,157,143
Total	<u><u>\$ 42,383,818</u></u>	<u><u>28,977,632</u></u>	<u><u>42,244,844</u></u>
Interest rate (%)	1.33~4.75%	1.18~4.10	1.18~4.6

As of June 30, 2026, December 31 and June 30, 2025, the bonds sold under repurchase agreements will be due within a year, and will be repurchased with an interest at a contracted price on a specific date. The total amount of repurchase agreements were \$42,543,048, \$29,030,987 and \$42,415,463, respectively.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Derivative instruments

As of June 30, 2026, December 31 and June 30, 2025, the derivative instruments for trading were as follows:

	June 30, 2026		December 31, 2025		June 30, 2025	
	Book value	Nominal amount	Book value	Nominal amount	Book value	Nominal amount
Derivative assets:						
Futures trading margin—proprietary funds	\$ 6,474,541	-	2,448,742	-	1,232,150	-
Interest rate swap contracts	534,970	127,210,000	587,331	138,100,000	540,782	108,220,000
IRS portion of asset swap contracts	2,831	373,900	585	237,800	2,440	207,400
Foreign exchange derivatives	15,302	126,463	26,316	41,677	61,312	32,223
Call options	12,677	-	2,432	-	850	-
Derivative liabilities:						
Interest rate swap contracts	\$ 564,749	122,175,000	579,941	110,065,000	467,720	84,035,000
IRS portion of asset swap contracts	464,312	9,457,200	417,043	9,069,900	391,262	8,027,300
Asset swap options	16,809,048	21,960,800	12,148,101	20,211,400	10,316,251	20,428,900
Equity derivatives	8,914	20,454	-	-	-	-
Foreign exchange derivatives	-	-	-	-	433	1,196,286
Put options—futures	-	-	227	-	140	-
Structured products	3,498,392	3,572,644	1,669,372	1,678,586	2,490,242	2,549,643

The derivative financial assets as detailed above were recognized as financial assets measured at fair value through profit or loss—current in the financial statements, whereas the derivative financial liabilities were recognized as financial liabilities measured at fair value through profit or loss—current.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group conducted a trading of futures and options for trading purpose, and the details for the six months ended June 30, 2026 and 2025 were as follows:

(i) Futures contracts

- 1) As of June 30, 2026, December 31 and June 30, 2025, the Company's unsettled futures contracts were as follows:

June 30, 2026						
Item	Transaction types	Unsettled part		Contract Value	Fair value	Note
		Buy/Sell	Volume			
Future:						
	10-Year T-Note Futures	Sell	56	\$ (195,183)	(195,946)	
	2-Year T-Note Futures	Buy	576	3,784,036	3,780,571	
	2-Year T-Note Futures	Sell	50	(328,376)	(328,175)	
	5-Year T-Note Futures	Buy	40	136,548	136,340	
	5-Year T-Note Futures	Sell	164	(559,427)	(558,992)	
	E-Micro Gold Futures	Buy	4	5,663	5,144	
	E-Micro Gold Futures	Sell	16	(20,492)	(20,574)	
	Mini NASDAQ 100	Buy	5	96,175	97,190	
	Mini NASDAQ 100	Sell	6	(115,641)	(116,628)	
	MiniS&P500	Sell	8	(96,123)	(96,138)	
	VN30	Buy	44	10,447	10,644	
	JTM	Sell	23	(17,625)	(18,055)	
	MHI	Buy	1	919	928	
	MHI	Sell	3	(2,812)	(2,783)	
	China A50	Buy	263	129,812	129,917	
	China A50	Sell	111	(54,792)	(54,832)	
	M1JY&	Buy	14	35,061	34,475	
	US, Treasury Bond Futures	Buy	9	32,409	32,526	
	US, Treasury Bond Futures	Sell	25	(90,879)	(90,349)	
	HG	Sell	1	(4,915)	(4,978)	
	GDF	Sell	3	(43,387)	(38,577)	
	MNQ	Buy	4	7,772	7,775	
	MNQ	Sell	160	(305,291)	(311,008)	
	MES	Buy	37	44,088	44,464	
	MES	Sell	90	(106,995)	(108,155)	
	SIL	Sell	11	(21,555)	(20,988)	
	MYM	Sell	3	(2,492)	(2,516)	
	CL	Buy	4	11,235	8,852	

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

June 30, 2026						
Item	Transaction types	Unsettled part		Contract Value	Fair value	Note
		Buy/Sell	Volume			
	MCH	Buy	27	\$ 8,210	8,258	
	UB	Buy	181	657,575	669,436	
	M2K	Sell	36	(17,212)	(17,456)	
	HHI	Buy	21	31,718	32,114	
	MTW	Sell	4	(26,524)	(26,745)	
	DX	Sell	3	(9,531)	(9,644)	
	TWN	Sell	8	(41,266)	(41,195)	
	TN	Sell	220	(786,499)	(787,848)	
	MSCI China Free Index Futures	Buy	48	45,538	43,689	
	MSCI China A50 Index Futures	Sell	10	(22,609)	(22,628)	
	RX202609	Sell	1	(1,248)	(1,234)	
	RX	Buy	7	10,765	10,701	
	Nifty50	Buy	5	6,947	6,882	
	JNM	Sell	2	(2,580)	(2,753)	
	XT	Buy	5	12,021	12,031	
	XT	Sell	321	(767,456)	(772,363)	
	YT	Sell	363	(830,317)	(831,875)	
	Stock Futures	Buy	291	49,070	52,464	Non-hedge account
	Stock Futures	Sell	21,988	(12,703,773)	(13,322,444)	Non-hedge account
	MTX	Sell	44	(100,418)	(102,914)	Non-hedge account
	FITX	Buy	571	5,223,542	5,342,162	Non-hedge account
	FIOKF	Sell	47	(8,690)	(8,874)	Non-hedge account
	FIRIF	Sell	16	(5,289)	(5,366)	Non-hedge account
	FIRYF	Sell	1	(434)	(435)	Non-hedge account
	FINYF	Sell	5,205	(5,513,599)	(5,656,917)	Non-hedge account
	FIPFF	Sell	22	(11,704)	(11,715)	Non-hedge account
	FIRZF	Sell	195	(52,323)	(53,684)	Non-hedge account
	FISMF	Sell	8	(2,461)	(2,378)	Non-hedge account
	FISNF	Sell	8	(2,503)	(2,472)	Non-hedge account
	FISRF	Sell	2,269	(239,646)	(246,537)	Non-hedge account

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

June 30, 2026						
Item	Transaction types	Unsettled part		Contract Value	Fair value	Note
		Buy/Sell	Volume			
	FISSE	Sell	45	\$ (2,253)	(2,396)	Non-hedge account
	FIUJF	Sell	75	(11,237)	(11,400)	Non-hedge account
	Stock Futures	Buy	420	100,810	101,520	Hedge account
	Stock Futures	Sell	32,252	(17,272,138)	(17,522,538)	Hedge account
	FINYF	Sell	1,019	(1,087,413)	(1,107,295)	Hedge account
	FIOAF	Sell	65	(26,982)	(27,359)	Hedge account
	FIOKF	Sell	36	(6,517)	(6,797)	Hedge account
	FITF	Buy	1	3,086	3,127	Hedge account
	FITX	Sell	282	(2,579,618)	(2,638,336)	Hedge account
	FIZF	Sell	2	(1,575)	(1,563)	Hedge account
	FIMTX	Sell	220	(502,993)	(514,969)	Hedge account
	FIRIF	Sell	260	(85,032)	(87,354)	Hedge account
	FIRZF	Sell	137	(36,897)	(37,716)	Hedge account
	FISMF	Sell	113	(32,239)	(33,550)	Hedge account
	FISNF	Sell	15	(4,616)	(4,644)	Hedge account
	FIPFF	Sell	20	(10,371)	(10,650)	Hedge account
	FISRF	Sell	37	(3,947)	(4,015)	Hedge account
	FISUF	Sell	12	(1,539)	(1,517)	Hedge account
	FISX	Sell	26	(29,347)	(28,559)	Hedge account
	Total			<u>\$ (34,363,334)</u>	<u>(35,365,619)</u>	

December 31, 2025						
Item	Transaction types	Unsettled part		Contract Value	Fair value	Note
		Buy/Sell	Volume			
Future:						
	10-Year T-Note Futures	Buy	83	\$ 293,755	293,511	
	10-Year T-Note Futures	Sell	43	(152,308)	(152,060)	
	2-Year T-Note Futures	Buy	280	1,838,516	1,838,657	
	2-Year T-Note Futures	Sell	2	(13,127)	(13,133)	
	5-Year T-Note Futures	Buy	1,000	3,436,185	3,437,746	
	5-Year T-Note Futures	Sell	302	(1,038,637)	(1,038,199)	
	E-Micro Gold Futures	Buy	26	35,476	35,498	
	Mini-Dow Jones	Sell	1	(7,683)	(7,601)	
	Mini NASDAQ 100	Buy	8	127,538	128,103	
	MiniS&P500	Sell	3	(32,491)	(32,516)	
	VN30	Buy	9	2,119	2,186	

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2025						
Item	Transaction types	Unsettled part		Contract	Fair value	Note
		Buy/Sell	Volume	Value		
	JTI	Sell	5	(33,913)	(34,245)	
	JTM	Sell	36	(24,540)	(24,656)	
	MHI	Buy	1	1,038	1,036	
	MHI	Sell	5	(5,257)	(5,182)	
	China A50	Buy	307	147,877	147,536	
	China A50	Sell	43	(20,762)	(20,665)	
	M1JY&	Buy	13	33,034	32,804	
	BRF	Sell	24	(44,856)	(45,931)	
	US, Treasury Bond Futures	Buy	8	29,177	29,084	
	US, Treasury Bond Futures	Sell	27	(98,158)	(98,160)	
	HG	Sell	7	(30,638)	(31,273)	
	GDF	Buy	1	13,195	13,653	
	GDF	Sell	2	(27,456)	(27,306)	
	MNQ	Buy	104	166,487	166,533	
	MNQ	Sell	91	(146,190)	(145,717)	
	MES	Buy	6	6,503	6,503	
	MES	Sell	97	(104,949)	(105,136)	
	SIL	Buy	8	18,912	17,764	
	SIL	Sell	4	(6,472)	(8,882)	
	MYM	Sell	2	(1,525)	(1,520)	
	CL	Buy	4	7,362	7,224	
	MCH	Buy	116	41,766	41,728	
	UB	Buy	240	902,644	890,693	
	M2K	Sell	77	(31,140)	(30,247)	
	ESX	Sell	1	(2,134)	(2,153)	
	FXXP	Sell	9	(9,669)	(9,868)	
	MTW	Buy	5	19,720	19,913	
	USDx	Sell	3	(9,317)	(9,251)	
	TWN	Sell	12	(35,709)	(35,794)	
	TN	Sell	260	(942,514)	(940,514)	
	MSCI China Free Index Futures	Buy	56	58,938	59,575	
	MSCI China A50 Index Futures	Sell	15	(31,030)	(31,528)	
	RX	Sell	2	(2,247)	(2,251)	
	Nifty50	Buy	13	21,349	21,486	
	JNM	Sell	7	(7,149)	(7,079)	
	Stock Futures	Buy	697	97,976	100,363	Non-hedge account
	Stock Futures	Sell	7,276	(4,499,419)	(4,724,995)	Non-hedge account

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2025						
Item	Transaction types	Unsettled part		Contract Value	Fair value	Note
		Buy/Sell	Volume			
	MTX	Buy	180	250,359	261,126	Non-hedge account
	FITX	Buy	290	1,616,618	1,682,812	Non-hedge account
	FIOAF	Sell	52	(19,829)	(20,530)	Non-hedge account
	FIOJF	Sell	81	(21,481)	(21,967)	Non-hedge account
	FIOKF	Sell	51	(7,605)	(7,770)	Non-hedge account
	FIRIF	Buy	18	3,687	3,913	Non-hedge account
	FIRIF	Sell	16	(3,448)	(3,478)	Non-hedge account
	FIRXF	Sell	6	(1,063)	(1,090)	Non-hedge account
	FIRYF	Sell	6	(1,488)	(1,563)	Non-hedge account
	FISIF	Sell	13	(4,055)	(4,054)	Non-hedge account
	FINYF	Sell	4,961	(3,115,650)	(3,262,417)	Non-hedge account
	FIPFF	Sell	98	(35,715)	(36,053)	Non-hedge account
	FIOOF	Sell	5	(818)	(855)	Non-hedge account
	FIRZF	Sell	105	(28,634)	(28,707)	Non-hedge account
	FISGF	Sell	7	(2,245)	(2,272)	Non-hedge account
	FISMF	Sell	5	(1,129)	(1,126)	Non-hedge account
	FISNF	Buy	51	9,029	9,236	Non-hedge account
	FISNF	Sell	6	(1,070)	(1,088)	Non-hedge account
	FISRF	Sell	1,925	(122,060)	(126,624)	Non-hedge account
	FISSF	Sell	37	(1,336)	(1,361)	Non-hedge account
	FISUF	Sell	1	(93)	(93)	Non-hedge account
	FIUJF	Sell	330	(49,921)	(49,898)	Non-hedge account
	FIUKF	Sell	30	(8,558)	(8,521)	Non-hedge account
	Stock Futures	Buy	407	89,174	89,853	Hedge account
	Stock Futures	Sell	17,915	(6,378,439)	(6,727,532)	Hedge account

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2025						
Item	Transaction types	Unsettled part		Contract Value	Fair value	Note
		Buy/Sell	Volume			
	FINYF	Sell	348	(221,378)	(228,870)	Hedge account
	FIOAF	Sell	4	(1,538)	(1,579)	Hedge account
	FIOJF	Sell	21	(5,531)	(5,695)	Hedge account
	FIOKF	Sell	54	(8,051)	(8,229)	Hedge account
	FITE	Buy	1	6,880	6,960	Hedge account
	FITE	Sell	1	(6,848)	(6,979)	Hedge account
	FITF	Sell	15	(36,068)	(36,033)	Hedge account
	FITX	Sell	259	(1,479,352)	(1,503,363)	Hedge account
	FIZF	Sell	2	(1,195)	(1,201)	Hedge account
	FIMTX	Sell	303	(428,422)	(439,748)	Hedge account
	FIRIF	Sell	57	(12,271)	(12,392)	Hedge account
	FIRZF	Sell	552	(150,503)	(150,938)	Hedge account
	FISMF	Sell	42	(9,282)	(9,454)	Hedge account
	FIPFF	Sell	7	(2,565)	(2,574)	Hedge account
	FISRF	Sell	211	(13,419)	(13,880)	Hedge account
	FISSF	Sell	9	(330)	(331)	Hedge account
	FISUF	Sell	1	(93)	(93)	Hedge account
	FIUJF	Sell	78	(11,787)	(11,792)	Hedge account
	FIUKF	Sell	30	(8,507)	(8,508)	Hedge account
	SXF	Sell	32	(18,074)	(18,479)	Hedge account
	Total			<u>\$ (10,303,827)</u>	<u>(11,007,503)</u>	

June 30, 2025						
Item	Transaction types	Unsettled part		Contract Value	Fair value	Note
		Buy/Sell	Volume			
Future:						
	10-Year T-Note Futures	Sell	17	\$ (56,331)	(57,007)	
	2-Year T-Note Futures	Buy	1,280	7,941,643	7,963,377	
	2-Year T-Note Futures	Sell	9	(55,836)	(55,992)	
	5-Year T-Note Futures	Sell	805	(2,616,769)	(2,624,203)	
	E-Micro Gold Futures	Buy	28	28,000	27,699	
	Mini NASDAQ 100	Buy	10	132,583	136,934	
	MiniS&P500	Sell	6	(54,631)	(56,110)	
	VN30	Buy	15	2,444	2,514	
	JTM	Sell	13	(7,512)	(7,700)	
	MHI	Buy	2	1,855	1,834	
	MHI	Sell	5	(4,631)	(4,586)	
	China A50	Buy	566	228,727	226,625	
	China A50	Sell	3	(1,221)	(1,201)	
	M1JY&	Buy	5	13,031	13,074	

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

June 30, 2025						
Item	Transaction types	Unsettled part		Contract Value	Fair value	Note
		Buy/Sell	Volume			
	SSI	Sell	4	\$ (15,835)	(16,784)	
	BRF	Buy	1	1,979	1,996	
	US, Treasury Bond Futures	Buy	29	98,962	100,147	
	US, Treasury Bond Futures	Sell	2	(6,851)	(6,907)	
	GDF	Sell	4	(39,891)	(39,570)	
	MNQ	Buy	22	29,950	30,126	
	MNQ	Sell	55	(72,345)	(75,314)	
	MES	Buy	44	40,505	41,147	
	MES	Sell	31	(28,100)	(28,990)	
	SIL	Sell	4	(4,415)	(4,327)	
	MYM	Sell	15	(9,686)	(9,957)	
	CL	Buy	9	17,601	17,525	
	UB	Buy	87	29,173	28,724	
	UB	Sell	10	(3,350)	(3,302)	
	UB202509	Buy	159	554,135	566,468	
	UB202509	Sell	3	(10,570)	(10,688)	
	M2K	Sell	127	(41,060)	(41,623)	
	ESX	Sell	5	(9,188)	(9,341)	
	FXXP	Buy	1	948	951	
	HHI	Buy	4	6,704	6,603	
	RTY	Buy	6	19,321	19,664	
	RTY	Sell	1	(3,245)	(3,277)	
	MTW	Sell	6	(16,819)	(16,767)	
	DX	Sell	3	(8,806)	(8,657)	
	TWN	Buy	40	87,002	87,257	
	TN	Sell	190	(646,775)	(649,298)	
	MSCI China Free Index Futures	Buy	34	30,679	30,663	
	MSCI China A50 Index Futures	Sell	14	(21,862)	(22,082)	
	RX	Sell	2	(2,175)	(2,171)	
	Nifty50	Buy	1	1,524	1,531	
	JNM	Sell	19	(15,211)	(15,966)	
	Stock Futures	Buy	8,886	4,852,555	5,050,305	Non-hedge account
	Stock Futures	Sell	400	(110,185)	(110,937)	Non-hedge account
	MTX	Buy	118	128,101	130,650	Non-hedge account
	FITX	Buy	310	1,356,611	1,372,928	Non-hedge account

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

June 30, 2025						
Item	Transaction types	Unsettled part		Contract Value	Fair value	Note
		Buy/Sell	Volume			
	FIOAF	Sell	52	\$ (15,821)	(15,861)	Non-hedge account
	FIOBF	Sell	1	(292)	(295)	Non-hedge account
	FIOJF	Sell	15	(3,237)	(3,209)	Non-hedge account
	FIOKF	Sell	111	(11,669)	(11,877)	Non-hedge account
	FIRIF	Buy	166	34,402	34,661	Non-hedge account
	FISIF	Buy	81	23,392	23,405	Non-hedge account
	FINYF	Buy	845	400,160	406,445	Non-hedge account
	FIPFF	Buy	116	39,837	40,148	Non-hedge account
	FISGF	Sell	3	(674)	(705)	Non-hedge account
	FISMF	Buy	95	20,668	20,346	Non-hedge account
	FISNF	Buy	112	19,572	19,410	Non-hedge account
	FISQF	Buy	26	8,086	8,138	Non-hedge account
	FISRF	Buy	1,162	55,892	56,184	Non-hedge account
	FISSF	Buy	15	518	519	Non-hedge account
	FISUF	Buy	100	8,919	8,950	Non-hedge account
	FIUJF	Buy	59	8,117	8,228	Non-hedge account
	FIUKF	Buy	130	33,776	34,008	Non-hedge account
	Stock Futures	Buy	2,275	473,114	474,470	Hedge account
	Stock Futures	Sell	1,483	(261,538)	(261,112)	Hedge account
	FINYF	Sell	73	(34,607)	(35,208)	Hedge account
	FIOAF	Sell	91	(27,670)	(27,755)	Hedge account
	FIOJF	Sell	47	(9,965)	(10,049)	Hedge account
	FIOKF	Sell	54	(5,686)	(5,778)	Hedge account
	FITE	Buy	2	9,548	9,916	Hedge account
	FITF	Buy	22	45,990	46,020	Hedge account
	FITX	Sell	55	(242,570)	(243,584)	Hedge account
	FIZE	Buy	2	1,206	1,240	Hedge account
	FIZF	Buy	1	522	523	Hedge account
	FIMTX	Buy	268	291,294	296,730	Hedge account

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

June 30, 2025						
Item	Transaction types	Unsettled part		Contract Value	Fair value	Note
		Buy/Sell	Volume			
	FIRIF	Sell	163	\$ (34,037)	(34,034)	Hedge account
	FIRZF	Buy	628	157,749	158,479	Hedge account
	FISMF	Sell	225	(48,651)	(48,173)	Hedge account
	FISQF	Sell	16	(5,004)	(5,008)	Hedge account
	FIUJF	Sell	15	(2,080)	(2,093)	Hedge account
	FIUKF	Sell	1	(259)	(261)	Hedge account
	FISX	Sell	3	(1,253)	(1,348)	Hedge account
	FISIF	Sell	2	(581)	(578)	Hedge account
	Total			<u>\$ 12,667,901</u>	<u>12,916,877</u>	

- 2) As of June 30, 2026, December 31 and June 30, 2025, Fubon Futures' unsettled futures contracts were as follow:

June 30, 2026						
Item	Transaction types	Unsettled part		Contract value	Fair value	Note
		Buy/Sell	Volume			
Future:						
	Index Futures	Buy	1	\$ 2,332	2,339	
	Agricultural Products Futures	Sell	12	(21,626)	(21,851)	
	Metal Products Futures	Sell	6	(16,767)	(16,429)	
	Stock Futures	Buy	37	7,089	7,913	
	Total			<u>\$ (28,972)</u>	<u>(28,028)</u>	

December 31, 2025						
Item	Transaction types	Unsettled part		Contract value	Fair value	Note
		Buy/Sell	Volume			
Future:						
	Index Futures	Buy	8	\$ 19,327	19,942	
	Index Futures	Sell	16	(37,350)	(38,959)	
	Bond Futures	Buy	2	10,009	9,998	
	Stock Futures	Buy	14	2,444	2,570	
	Total			<u>\$ (5,570)</u>	<u>(6,449)</u>	

June 30, 2025						
Item	Transaction types	Unsettled part		Contract value	Fair value	Note
		Buy/Sell	Volume			
Future:						
	Index Futures	Sell	19	\$ (51,898)	(52,582)	
	Stock Futures	Sell	45	(19,167)	(18,534)	
	Bond Futures	Sell	3	(9,686)	(9,856)	
	Agricultural Products Futures	Sell	26	(39,280)	(39,118)	
	Total			<u>\$ (120,031)</u>	<u>(120,090)</u>	

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Option contracts

The Company engaged in market-making business after obtaining approval from the TAIEX and engaged in structured transaction business approved by the TPEx in February 2002 and July 2003, respectively.

- 1) As of June 30, 2026, December 31 and June 30, 2025, the Company's unsettled option contracts were as follow:

June 30, 2026						
Item	Volume	Unsettled part		Contract value	Fair value	Note
		Buy/sell	Volume			
Option:						
	TXO (put option)	Buy	60	\$ 2,980	635	Non-hedge account
	SO (call option)	Buy	175	2,363	2,003	Hedge account
	SO (put option)	Buy	285	5,674	8,938	Hedge account
	TXO (put option)	Buy	4	149	123	Hedge account
	TX1 (call option)	Buy	27	341	952	Hedge account
	TX1 (put option)	Buy	33	337	26	Hedge account
	Total			<u>\$ 11,844</u>	<u>12,677</u>	

December 31, 2025						
Item	Volume	Unsettled part		Contract value	Fair value	Note
		Buy/sell	Volume			
Option:						
	SO (call option)	Buy	117	\$ 1,631	1,424	Hedge account
	TXO (put option)	Buy	187	1,348	922	Hedge account
	TXO (put option)	Sell	116	(190)	(162)	Hedge account
	Total			<u>\$ 2,789</u>	<u>2,184</u>	

June 30, 2025						
Item	Volume	Unsettled part		Contract value	Fair value	Note
		Buy/sell	Volume			
Option:						
	TXO (put option)	Buy	76	\$ 626	258	Hedge account
	TX1 (call option)	Buy	30	137	62	Hedge account
	TX1 (call option)	Sell	30	(49)	(17)	Hedge account
	TX1 (put option)	Buy	312	1,231	530	Hedge account
	TX1 (put option)	Sell	209	(379)	(123)	Hedge account
	Total			<u>\$ 1,566</u>	<u>710</u>	

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 2) As of June 30, 2026, December 31 and June 30, 2025, Fubon Futures unsettled option contracts were as follows:

As of June 30, 2026, there were no unsettled option contracts from Fubon Futures.

December 31, 2025						
Item	Volume	Unsettled part		Contract value	Fair value	Note
		Buy/sell	Volume			
Option:						
	TXO (put option)	Buy	31	\$ 87	69	
	TXO (call option)	Buy	11	13	17	
	TXO (put option)	Sell	22	(63)	(53)	
	TXO (call option)	Sell	4	(8)	(12)	
	Total			<u>\$ 29</u>	<u>21</u>	

As of June 30, 2025, there were no unsettled option contracts from Fubon Futures.

Profit or loss from futures contracts and options were as follows (recognized as gains (losses) from derivatives – futures):

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Gains (losses) on futures contracts – realized	\$ (12,340,905)	1,527,520	(16,520,022)	2,195,590
Gains (losses) on futures contracts – unrealized	(2,449,577)	(228,670)	(259,597)	190,369
Gains (losses) on options – realized	10,187	(4,210)	17,547	(5,396)
Gains (losses) on options – unrealized	<u>1,574</u>	<u>(819)</u>	<u>1,448</u>	<u>(1,223)</u>
Gains (losses) from derivatives – futures	<u>\$ (14,778,721)</u>	<u>1,293,821</u>	<u>(16,760,624)</u>	<u>2,379,340</u>

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group entered into interest rate swaps, asset swaps, and structured notes expressed in the statements of comprehensive income as follows (recognized as gains (losses) from derivatives – OTC):

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Gains (losses) on valuation exchange	\$ 34,751	1,940	5,134	3,756
Valuation gains (losses) on asset swap options	(2,027,669)	9,210	(2,578,242)	452,384
Gains (losses) on maturity of asset swap options	187,756	50,884	213,081	154,001
Gains (losses) on exercise of asset swap options	(2,047,187)	(142,545)	(2,806,573)	(179,242)
Valuation gains (losses) from IRS portion of asset swap contracts	740	(45,877)	(72,864)	(116,774)
Gains (losses) on equity derivatives	(5,193)	-	(5,193)	-
Gains (losses) on structured products	(146,057)	159,245	(58,495)	152,032
Valuation gains (losses) on foreign exchange derivatives	(1,986)	570	(6,027)	2,134
Gains (losses) from derivatives – OTC	<u>\$ (4,004,845)</u>	<u>33,427</u>	<u>(5,309,179)</u>	<u>468,291</u>

(w) Notes and accounts payable

	June 30, 2026	December 31, 2025	June 30, 2025
Accounts payable – non-related parties:			
Accounts payable of securities sold for customers	\$ 7,013,247	2,551,647	3,834,862
Accounts payable for settlement	82,855,621	38,079,256	34,224,146
Settlement proceeds	8,214,147	17,675,694	46,969
Others	405,122	150,670	96,007
Subtotal	<u>98,488,137</u>	<u>58,457,267</u>	<u>38,201,984</u>
Notes payable – non-related parties	<u>667,934</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 99,156,071</u>	<u>58,457,267</u>	<u>38,201,984</u>
		December 31,	
	June 30, 2026	2025	June 30, 2025
Accounts payable – related parties	<u>\$ 35,139</u>	<u>26,840</u>	<u>22,896</u>

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(x) Other payables

	June 30, 2026	December 31, 2025	June 30, 2025
Other payables — non-related parties:			
Tax payable	\$ 194,538	99,894	84,900
Employee bonuses payable	3,562,986	2,812,306	1,570,250
Interest payable	370,212	203,028	290,602
Advertisement expense payable	24,238	22,169	37,084
Information technology fees payable	94,725	51,115	75,502
Professional service payable	30,752	27,404	32,177
Discount on brokerage commission payable	2,151,767	867,103	565,279
Short-term paid leave payable	140,070	176,692	128,809
Pensions payable	33,040	29,899	29,960
Insurance premium payable	85,634	90,739	67,815
Preferential retirement and retention bonuses payable	28,340	95,113	87,850
Others	436,926	472,133	342,987
Other payables	<u>\$ 7,153,228</u>	<u>4,947,595</u>	<u>3,313,215</u>
Other payables — related parties	<u>\$ 1,185,035</u>	<u>226,567</u>	<u>165,600</u>

(y) Other current liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Advance receipts	\$ 2,817	1,964	1,505
Receipts under custody	7,759,466	2,781,427	4,789,913
Customer ledgers	1,583,671	1,270,315	1,049,239
Temporary receipts	284,324	331,439	115,768
Leverage contracts traders' equity	5,222	54,133	41,027
Total	<u>\$ 9,635,500</u>	<u>4,439,278</u>	<u>5,997,452</u>

(z) Bonds payable

			Issue date	Maturity date	Issue amount	Interest rate(%)	June 30, 2026	December 31, 2025	June 30, 2025	Note
First	2026	unsecured	2026.06.17	2036.06.17	\$ 5,000,000	2.4	<u>\$ 4,996,477</u>	<u>-</u>	<u>-</u>	(Note)
		subordinated domestic corporate bonds								

Note: Fixed interest, interest payable annually; pay in full upon maturity .

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(aa) Lease liabilities

The Group's lease liabilities were as follow:

	June 30, 2026	December 31, 2025	June 30, 2025
Current	\$ <u>180,090</u>	<u>186,750</u>	<u>223,423</u>
Non-current	\$ <u>303,063</u>	<u>257,825</u>	<u>292,508</u>

For the maturity analysis, please refer to note 6 (aj).

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Interest on lease liabilities	\$ <u>5,096</u>	<u>5,147</u>	<u>9,624</u>	<u>10,092</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>19,121</u>	<u>16,139</u>	<u>37,601</u>	<u>33,112</u>
Expenses relating to short-term leases	\$ <u>799</u>	<u>657</u>	<u>1,680</u>	<u>1,403</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>16,590</u>	<u>18,778</u>	<u>33,200</u>	<u>35,708</u>

The amounts recognized in the statement of cash flows for the Group were as follows:

	For the six months ended June 30	
	2026	2025
Total cash outflow for leases	\$ <u>133,876</u>	<u>130,334</u>

(i) Real estate leases

As of June 30, 2026, the Group leases buildings for office space. The leases of office space typically run for a period of 2 to 10 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract-term.

(ii) Other leases

The Group leases vehicles and equipment, with lease terms of 3 to 8 years.

For short-term or leases of low-value items, the Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ab) Provisions — non-current

	June 30, 2026	December 31, 2025	June 30, 2025
Provision for employee benefits	\$ 494,805	488,777	624,064
Decommissioning costs	36,718	35,390	35,326
Total	<u>\$ 531,523</u>	<u>524,167</u>	<u>659,390</u>

The Group should estimate the costs of dismantling, relocating, and restoring the leased assets at the end of the lease term, and the costs are estimated based on discounted present value. The discount rate was the one-year time deposit rate from Chunghwa Post Co., Ltd.

(ac) Employee benefits

(i) Defined benefit plans

There was no significant volatility of the market or any significant reimbursement, settlement or other one-time event in the prior fiscal year, the Group used December 31, 2025 and 2024 pension cost measured and disclosed the interim pension cost.

The Group's expenses recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Pension expense (recognized as operating expense)	<u>\$ 2,438</u>	<u>3,897</u>	<u>4,873</u>	<u>7,721</u>

(ii) Defined contribution plans

The Group contributes 6% of each employee's monthly wages to a labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. The Group contributes a fixed amount to the Bureau of Labor Insurance without any additional legal or constructive obligations.

Pension under defined contribution plans has been deposited to Bureau of Labor Insurance. The Group's expenses recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Pension expense (recognized as operating expense)	<u>\$ 48,194</u>	<u>43,765</u>	<u>93,552</u>	<u>89,675</u>

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ad) Income tax

- (i) The components of income tax expense (benefit) were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Current tax expense (benefit)				
Current period	\$ 730,596	311,191	1,271,171	652,647
Adjustment for prior periods	865	20,127	(37,263)	17,226
Top-up tax under Pillar Two	<u>715,646</u>	<u>-</u>	<u>715,646</u>	<u>-</u>
	<u>1,447,107</u>	<u>331,318</u>	<u>1,949,554</u>	<u>669,873</u>
Deferred tax expense (benefit)				
Incurrence of temporary differences	<u>(406,475)</u>	<u>40,653</u>	<u>(542,141)</u>	<u>110,853</u>
Income tax expense	<u>\$ 1,040,632</u>	<u>371,971</u>	<u>1,407,413</u>	<u>780,726</u>

- (ii) The details of income tax expense (benefit) recognized in other comprehensive income were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Items that may be subsequently reclassified to profit or loss:				
Exchange differences on translation of foreign operations	<u>\$ (2,048)</u>	<u>(33,890)</u>	<u>468</u>	<u>(33,739)</u>

- (iii) The ROC income tax authorities have examined the income tax returns of the Company all years through 2020. For the reconciliation items recognized by the tax authorities from 2011, 2016 to 2020, the Company has filed an appeal within the statutory period. The company has recognized the amount of additional tax levied. The income tax returns of Fubon Futures, Fubon Securities Investment Service, Fubon Securities Venture Capital and Fubon Mintou Venture Capital all years through 2024 have been assessed by the tax authorities.

The tax returns of former JihSun Securities for corporate income tax has been assessed by the tax authorities up to the year 2022. For the year 2021, the assessments have not yet been completed. Regarding the adjustments determined by the tax authorities for the years 2020 and 2022, the company has filed for administrative relief within the statutory period. The tax returns of former JihSun Futures all years through 2022 have been assessed by the tax authorities.

(ae) Capital and other equity

- (i) Share Capital

As of June 30, 2026, December 31 and June 30, 2025, the total value of nominal ordinary shares amounted to \$26,000,000. Face value of each share is \$10, so in total there were 2,600,000 ordinary shares, and the paid-in capital were \$16,258,551.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Capital surplus

The Company's capital surplus was as follows:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Paid-in capital in excess of par value through merger	\$ 5,223,568	5,223,568	5,223,568
Long-term equity investment adjustments	3,207	3,207	3,190
Premium on capital stock	<u>4,827,824</u>	<u>4,827,824</u>	<u>4,827,824</u>
Total	<u><u>\$ 10,054,599</u></u>	<u><u>10,054,599</u></u>	<u><u>10,054,582</u></u>

According to the ROC Company Act, capital surplus should be used to offset the accumulated deficit first, and could be used to distribute as stock or cash dividends using the realized capital surplus. The aforementioned realized capital surplus includes the amount derived from the issuance of new shares at a premium and the income from endowments received by the Company. The share capital capitalized in any one year may not exceed 10% of the Company's paid-in capital under the Regulations Governing the Offering and Issuance of Securities by Securities Issuers.

(iii) Retained earnings

1) Legal reserve

When the Company incurs no loss, it may, pursuant to a resolution to be adopted by a shareholders' meeting, distribute its legal reserve by issuing new shares or distributing cash. Only the portion of the legal reserve which exceeds 25 percent of the paid-in capital can be distributed.

2) Special reserve

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Appropriation under Regulations Governing Securities Firms	\$ 16,031,638	14,067,139	14,067,139
Appropriation of bad debts loss expense reserve	10,909	10,909	10,909
Appropriation of the adoption of investment property using the fair value model	441,602	419,059	419,059
Appropriation of Fintech development	<u>32,055</u>	<u>32,055</u>	<u>32,055</u>
	<u><u>\$ 16,516,204</u></u>	<u><u>14,529,162</u></u>	<u><u>14,529,162</u></u>

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

According to the Regulations Governing Securities Firms, the Company must retain 20% of its after-tax annual earnings as special reserve until it is equal to share capital. Special Reserve can only be used to offset the accumulated deficit or be converted to share capital when it reaches an amount equals to one-half of paid-in capital.

According to Rule No. 1010032090 issued by the FSC, reserve for bad debt was transferred to special reserve on January 1, 2013. The special reserve can only be used to offset an accumulated deficit, or be converted to share capital, when it reaches an amount equal to one-half of issued share capital.

In 2014, the Company changed the subsequent measurement of investment property from cost model to fair value model. According to the rule issued by the FSC, the Company recognized the same amount of net increase in fair value as special reserve at the first-time adoption of fair value model. When allocating distributable earnings every year, the Company recognizes special reserve in the following order:

- a) If there is a net increase of fair value generated from the adoption of fair value model in the current period, the Company should recognize the same amount of increase as special reserve from its post-tax profit or loss plus other adjustments included current unappropriated earnings or prior unappropriated earnings. If there was an accumulated net increase in the prior period, the Company should recognize the same amount of increase from its prior unappropriated earnings as special reserve which could not be distributed. When there was the deduction of accumulated net increase of fair value or disposal of investment property, the Company should reverse and distribute the earnings to cover the deduction or the disposal.
- b) The difference between the deduction of other equity and the special reserve recognized due to the first-time adoption of IFRSs, the Company should retain its special reserve from the post-tax profit or loss plus other adjustments included current unappropriated earnings and unappropriated earnings in the prior period. If there was the deduction of accumulation in other equity, the Company should recognize its special reserve from the unappropriated earnings in the prior period which could not be distributed. When reversing the deduction of other equity, the Company can distribute its reversed earnings.

According to Rule No.10500278285 issued by the FSC on August 5, 2016, for the development of Fintech, the Company should retain 0.5% of its after-tax net income as special reserve upon distributing its annual earnings from 2016 to 2018 in order to guarantee the right of its employees. Also, upon distributing the earnings of 2017, the expenditure on staff education training, staff transfer, or resettlement arising from the development of Fintech, could be reversed from those special reserve.

However, according to Rule No. 1080321644 issued by the FSC on July 10, 2019, the abovementioned rule has been abolished, and the special reserve may not be appropriated beginning 2019. If any of the abovementioned expenditure arise, they could still be reversed from those special reserve.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

According to the regulations, the Company decided to appropriate its special reserve via Board of Directors' meeting on behalf of the shareholders held on April 22, 2026 and April 23, 2025, respectively, as follows:

	<u>2025</u>	<u>2024</u>
Appropriation under Rule No. 1030008251 issued by the FSC	\$ 22,543	6,032
Appropriation under Regulations Governing Securities Firms	<u>1,964,499</u>	<u>1,999,190</u>
	<u><u>\$ 1,987,042</u></u>	<u><u>2,005,222</u></u>

3) Unappropriated earnings

In accordance with Articles of Incorporation, 10% of annual earnings after offsetting accumulated deficit (if any) is to be retained as legal reserve and thereafter, appropriate or reverse the special reserve in accordance with laws and regulations. The remaining of the unappropriated earnings together with the prior year unappropriated earnings including the reverse from the special reserve, which is to be distributed as the common stock dividends upon the approval of the shareholders' meeting.

The authority of the shareholders' meeting has been fully executed by the Board of Directors since the Company became a 100%-owned subsidiary of Fubon Financial Holding Co., Ltd.

On April 22, 2026 and April 23, 2025, the Company's Board of Directors acted on behalf of the shareholders to appropriate the 2025 and 2024 earnings, respectively, as follows:

	<u>2025</u>	<u>2024</u>
Dividends distributed to common shareholders:		
Cash	<u><u>\$ 6,853,204</u></u>	<u><u>6,991,133</u></u>

(iv) Other equity (net of tax)

	Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Revaluation gains on property	Total
Balance as of January 1, 2026	\$ (36,740)	7,474,288	59,104	7,496,652
Amount recognized in other comprehensive income during the period	3,873	6,031,038	-	6,034,911
Amount of equity adjustments arising from associates accounted for using the equity method	-	7,818	-	7,818
Disposal of equity instruments measured at fair value through other comprehensive income	-	(232,876)	-	(232,876)
Balance as of June 30, 2026	<u><u>\$ (32,867)</u></u>	<u><u>13,280,268</u></u>	<u><u>59,104</u></u>	<u><u>13,306,505</u></u>

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Exchange differences on translation of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Revaluation gains on property	Total
Balance as of January 1, 2025	\$ 48,455	6,046,647	59,104	6,154,206
Amount recognized in other comprehensive income during the period	(176,300)	(247,651)	-	(423,951)
Amount of equity adjustments arising from associates accounted for using the equity method	-	(72,284)	-	(72,284)
Disposal of equity instruments measured at fair value through other comprehensive income	-	701,095	-	701,095
Balance as of June 30, 2025	<u>\$ (127,845)</u>	<u>6,427,807</u>	<u>59,104</u>	<u>6,359,066</u>

(v) Non-controlling interests

	For the six months ended June 30	
	2026	2025
Beginning balance	\$ 65,279	65,047
Attributable to non-controlling interests		
Net income	68	173
Ending balance	<u>\$ 65,347</u>	<u>65,220</u>

(af) Earnings per share

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Net income attributable to ordinary shareholders of the Company	<u>\$ 6,784,645</u>	<u>2,388,812</u>	<u>11,016,412</u>	<u>4,053,636</u>
Weighted-average number of ordinary shares outstanding (in thousands)	<u>1,625,885</u>	<u>1,625,885</u>	<u>1,625,855</u>	<u>1,625,855</u>
Basic earnings per share (dollars)	<u>\$ 4.18</u>	<u>1.47</u>	<u>6.78</u>	<u>2.49</u>

The Company's share-based payment transactions are settled in cash and have no impact on the weighted average number of common shares outstanding. Therefore, diluted EPS is not calculated.

(ag) Employees' compensation and remuneration to directors

In accordance with the Articles of Incorporation, 0.1% of the employees' compensation should be distributed if there is profit for the period. However, if the Company has accumulated losses, the earnings shall first be offset against any deficit. Employees entitled to receive shares or cash include the employees of the subsidiaries meeting certain requirements.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months and six months ended June 30, 2026 and 2025, the estimated employees' compensation were \$7,786, \$2,738, \$12,354 and \$4,785, respectively, and remuneration to directors was \$0. The amounts were calculated by using the income before tax, minus, employees' compensation and remuneration to directors, multiple by the employees' compensation and remuneration to directors quotient as the estimation basis; which is to be assigned in the Articles of Incorporation, and recognized as operating expenses for the three months and six months ended June 30, 2026 and 2025. If the actual distribution is different from the estimation, the difference will be dealt as changes in accounting estimates and recognized in profit or loss in the following year.

For the year ended December 31, 2025, the amounts for employees' compensation was the same as the amounts for actual distribution. The relevant information has been disclosed in the website of the Market Observation Post System.

(ah) Revenue and expense

(i) Brokerage handling fee revenue

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Centralized securities exchange market	\$ 6,049,610	1,739,816	9,800,538	3,431,176
Over-the-counter securities exchange	1,572,423	497,846	2,508,182	1,012,051
Futures Exchanges	286,375	252,871	580,719	508,502
Handling fees from securities financing	30,100	14,305	48,892	29,630
Income from dealing with securities lending	84,204	64,055	147,190	143,530
Revenues from sub-broker handling fee	<u>688,693</u>	<u>297,313</u>	<u>1,146,856</u>	<u>597,807</u>
Total	<u>\$ 8,711,405</u>	<u>2,866,206</u>	<u>14,232,377</u>	<u>5,722,696</u>

(ii) Revenues from underwriting business

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Revenues from underwriting securities on a firm commitment basis	\$ 55,739	72,913	109,226	101,626
Handling fee revenues from underwriting operations	16,215	5,892	33,355	13,931
Revenues from underwriting consultation	5,355	5,595	10,790	13,220
Other revenues from underwriting business	73,134	126,940	123,863	156,408
Commissions income from securities proxy sale	<u>57,411</u>	<u>39,983</u>	<u>106,816</u>	<u>75,263</u>
Total	<u>\$ 207,854</u>	<u>251,323</u>	<u>384,050</u>	<u>360,448</u>

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Gains (losses) on sale of operating securities

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Dealing — domestic	\$ 5,472,007	(416,758)	7,242,340	(231,303)
Dealing — foreign	(123,219)	(5,235)	(71,073)	88,822
Underwriting — domestic	423,772	69,654	928,769	73,425
Hedging — domestic	8,120,308	(503,756)	11,028,353	(609,754)
Hedging — foreign	4,585	(26,447)	8,025	(35,258)
Total	\$13,897,453	(882,542)	19,136,414	(714,068)

(iv) Valuation gains (losses) on operating securities measured 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
Dealing — domestic	\$ 9,264,840	215,338	9,855,552	(592,266)
Dealing — foreign	(40,505)	9,153	(61,275)	12,019
Underwriting — domestic	(137,466)	10,225	(295,073)	14,830
Hedging — domestic	7,376,376	541,360	7,347,829	(359,066)
Hedging — foreign	1,470	(1,242)	(2,994)	(1,837)
Settlement coverage bonds payable of short sale	1,956	-	-	-
Total	\$16,466,671	774,834	16,844,039	(926,320)

(v) Gains (losses) from issuance of call (put) warrants

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Gains (losses) from changes in fair value of call (put) warrants	\$ 9,883,453	4,609,234	22,585,729	16,173,958
Losses on exercise of call (put) warrants before maturity	(840,008)	(5,191)	(1,043,946)	(47,451)
Gains (losses) on changes in fair value upon redemption of call (put) warrants	(12,319,144)	(4,579,833)	(25,382,910)	(15,905,363)
Expenses arising from issuance of call (put) warrants	(69,656)	(32,200)	(119,136)	(68,110)
Total	\$ (3,345,355)	(7,990)	(3,960,263)	153,034

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Interest revenue

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Margin purchase / short sales	\$ 824,662	376,566	1,443,254	921,482
Bonds interests	382,924	349,804	703,983	647,420
Interest from securities borrowing and lending	306,584	187,159	540,845	383,639
Others	63,796	58,537	117,293	114,140
Total	<u><u>\$ 1,577,966</u></u>	<u><u>972,066</u></u>	<u><u>2,805,375</u></u>	<u><u>2,066,681</u></u>

(vii) Other operating income

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Advisory revenue	\$ 3,982	3,761	7,999	8,371
Realized gains (losses) on debt investments measured at fair value through other comprehensive income	(13,126)	46,206	(3,503)	99,149
Foreign exchange gains (losses), net	149,078	(11,026)	65,976	25,251
Others	(122,820)	95,306	33,512	218,015
Total	<u><u>\$ 17,114</u></u>	<u><u>134,247</u></u>	<u><u>103,984</u></u>	<u><u>350,786</u></u>

(viii) Employee benefits expense

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Wages and salaries	\$ 3,211,436	1,344,096	5,366,366	2,743,174
Insurance expense	117,170	93,509	220,041	188,228
Director's remuneration	6,888	8,823	13,980	17,387
Pension expense	59,208	51,822	107,839	104,057
Other employee benefits expense	46,434	34,594	86,419	69,898
Total	<u><u>\$ 3,441,136</u></u>	<u><u>1,532,844</u></u>	<u><u>5,794,645</u></u>	<u><u>3,122,744</u></u>

(ix) Depreciation and amortization expense

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Depreciation expense	\$ 140,174	122,317	272,813	244,346
Amortization expense	51,327	55,280	108,463	109,488
Total	<u><u>\$ 191,501</u></u>	<u><u>177,597</u></u>	<u><u>381,276</u></u>	<u><u>353,834</u></u>

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(x) Other operating expense

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Rental expense	\$ 36,627	35,744	72,720	70,536
Taxes	807,281	269,795	1,320,535	520,447
Information technology expense	139,654	107,185	274,254	216,583
Postage expense	94,880	66,509	171,520	126,773
Commission expense	121,953	33,428	192,532	72,599
Repair and maintenance expense	70,312	71,320	143,398	137,137
Professional service fees	48,750	36,085	81,652	52,638
Stock borrowing fees	541,656	270,257	938,702	622,131
Depository service expense	225,547	65,938	364,424	130,840
Advertisement expense	27,522	27,941	53,361	55,995
Others	188,122	135,509	340,240	268,078
Total	\$ 2,302,304	1,119,711	3,953,338	2,273,757

(xi) Finance costs

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Interest expense of asset swap	\$ 96,510	12,735	113,313	36,673
Interest expense of securities sold under repurchase agreements	346,770	270,253	636,757	543,515
Interest expense and handling fee of commercial paper	679,548	150,989	1,063,457	443,470
Interest expense of lease liabilities	5,095	5,147	9,624	10,092
Interest expense of margin deposits	567,719	417,115	995,436	905,123
Others	160,582	36,307	228,757	81,457
Total	\$ 1,856,224	892,546	3,047,344	2,020,330

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(xii) Other gains and losses

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Financial income	\$ 974,529	632,174	1,670,217	1,342,749
Losses on disposal of property and equipment	(14)	-	(14)	(47)
Gains (losses) on disposal of investment	1,680	119,596	8,383	128,813
Gains (losses) on fair value adjustment of investment property	(175)	-	5,153	-
Valuation gains (losses) on non-operating financial instruments measured at fair value through profit or loss	1,292	(13,062)	(2,897)	(19,712)
Dividend revenue	112,557	118,986	113,619	119,425
Rental revenue	9,969	8,929	20,186	17,355
Facility rental revenue	237,496	183,103	444,832	369,815
Cross-selling revenue	86,998	35,232	198,160	79,992
Cross-selling expense	(217,042)	(61,327)	(339,570)	(114,020)
Others	26,255	16,637	46,248	28,609
Total	\$ 1,233,545	1,040,268	2,164,317	1,952,979

(ai) Disclosure of financial instruments

(i) Fair value information

1) Summary

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Initially, financial instruments should be measured at fair value, which mostly refers to transaction price. Except for those measured at amortized cost, financial instruments are subsequently measured at fair value. A quoted market in an active market provides the most reliable evidence of fair value. If the market is not active, the Group determines the fair value of financial instruments in accordance with (a) the calculation of valuation techniques, (b) valuation provided by the professional electronic information company and commonly used by market participants, or (c) quoted prices of the counter party.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Definition of fair value hierarchy

a) Level 1

Level 1 means fair value of the financial instruments is based on quoted market prices of identical financial instruments in an active market. The definition of active market refers to a market that satisfies all of the following conditions:

- i) The products traded in the market are homogeneous.
- ii) Willing parties are available anytime in the market.
- iii) Price information is available for the public.

b) Level 2

Level 2 means fair value of the financial instruments is based on inputs other than quoted prices in active markets, including observable input parameters that are obtained directly (i.e., prices) or indirectly (i.e., derived from prices) in active markets. For instance:

- i) Quoted prices of similar financial instruments in active markets. The fair value of financial instruments is inferred from the recent trading price of similar financial instruments. Whether products are similar should be judged based on their characteristics and trading rules. Fair value of financial instruments should be based on observable trading prices adjusted over time, trading conditions, the impact of related parties, and correlation of price with similar financial instruments.
- ii) Quoted prices of similar financial instruments in non-active markets.
- iii) Fair value using valuation models. The inputs of valuation models (i.e., interest rates, yield curve, volatility, etc.) are based on available data in the market and should be observable. Observable inputs are those that can be obtained from the market and reflect the expectations of market participants.
- iv) The majority of the input parameters is derived from observable market data or can be validated by their correlation with observable market data.

c) Level 3

Level 3 means inputs in this level are not based on direct market data. For instance, historical volatility used in valuation options is an unobservable input because it cannot represent all market participants' expectations regarding future volatility.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Measured at fair value

1) Fair value hierarchy

The Group's financial instruments and investment properties measured at fair value are evaluated on a recurring basis. Information of fair value hierarchy was as follows:

Financial instruments measured at fair value	June 30, 2026			
	Total	(Level 1)	(Level 2)	(Level 3)
<u>Recurring fair value measurement</u>				
<u>Non-derivative financial instruments</u>				
Assets:				
Financial assets measured at fair value through profit or loss				
Financial assets mandatorily measured at fair value through profit or loss				
Stock investment	\$ 70,024,529	69,759,492	265,037	-
Bond investment	39,063,449	29,323,721	9,139,247	600,481
Securities invested by broker	207,739	85,931	14,824	106,984
Others	236,608	236,608	-	-
Financial assets measured at fair value through other comprehensive income				
Stock investment	38,096,916	21,795,158	-	16,301,758
Bond investment (Note)	28,109,096	323,894	27,785,202	-
Investment property	1,571,540	-	-	1,571,540
Liabilities:				
Financial liabilities measured at fair value through profit or loss				
Held-for-trading financial liabilities	16,408,901	16,408,901	-	-
Financial liabilities designated as at fair value through profit or loss	1,041,289	1,041,289	-	-
<u>Derivative financial instruments</u>				
Assets:				
Financial assets measured at fair value through profit or loss				
Financial assets mandatorily measured at fair value through profit or loss	7,040,321	6,487,218	553,103	-
Liabilities:				
Financial liabilities measured at fair value through profit or loss				
Held-for-trading financial liabilities	21,888,883	4,041,860	17,838,109	8,914
Financial liabilities designated as at fair value through profit or loss	3,498,392	-	318,778	3,179,614

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
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<u>Financial instruments measured at fair value</u>	<u>December 31, 2025</u>			
	<u>Total</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>
<u>Recurring fair value measurement</u>				
<u>Non-derivative financial instruments</u>				
Assets:				
Financial assets measured at fair value through profit or loss				
Financial assets mandatorily measured at fair value through profit or loss				
Stock investment	\$ 30,521,786	30,035,767	486,019	-
Bond investment	30,165,774	24,669,660	5,214,229	281,885
Securities invested by broker	361,208	147,864	91,790	121,554
Others	198,684	198,684	-	-
Financial assets measured at fair value through other comprehensive income				
Stock investment	19,675,266	6,305,926	-	13,369,340
Bond investment (Note)	20,692,617	374,788	20,317,829	-
Investment property	1,572,040	-	-	1,572,040
Liabilities:				
Financial liabilities measured at fair value through profit or loss				
Held-for-trading financial liabilities	11,178,232	11,070,466	107,766	-
Financial liabilities designated as at fair value through profit or loss	168,549	168,549	-	-
<u>Derivative financial instruments</u>				
Assets:				
Financial assets measured at fair value through profit or loss				
Financial assets mandatorily measured at fair value through profit or loss	3,065,406	2,451,174	614,232	-
Liabilities:				
Financial liabilities measured at fair value through profit or loss				
Held-for-trading financial liabilities	13,980,612	835,527	13,145,085	-
Financial liabilities designated as at fair value through profit or loss	1,669,372	-	251,674	1,417,698

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Financial instruments measured at fair value	June 30, 2025			
	Total	(Level 1)	(Level 2)	(Level 3)
<u>Recurring fair value measurement</u>				
<u>Non-derivative financial instruments</u>				
Assets:				
Financial assets measured at fair value through profit or loss				
Financial assets mandatorily measured at fair value through profit or loss				
Stock investment	\$ 9,672,576	9,422,055	250,521	-
Bond investment	40,248,397	27,276,654	12,564,059	407,684
Securities invested by broker	433,119	136,511	65,061	231,547
Others	227,616	227,616	-	-
Financial assets measured at fair value through other comprehensive income				
Stock investment	21,766,684	9,372,781	-	12,393,903
Bond investment (Note)	22,360,268	317,510	22,042,758	-
Investment property	1,553,000	-	-	1,553,000
Liabilities:				
Financial liabilities measured at fair value through profit or loss				
Held-for-trading financial liabilities	14,813,950	14,359,440	454,510	-
Financial liabilities designated as at fair value through profit or loss	78,857	78,857	-	-
<u>Derivative financial instruments</u>				
Assets:				
Financial assets measured at fair value through profit or loss				
Financial assets mandatorily measured at fair value through profit or loss	1,837,534	1,233,000	604,534	-
Liabilities:				
Financial liabilities measured at fair value through profit or loss				
Held-for-trading financial liabilities	11,447,693	272,027	11,175,666	-
Financial liabilities designated as at fair value through profit or loss	2,490,242	-	324,311	2,165,931

Note : Government bonds provided as guarantee deposits were included.

2) Valuation techniques

a) Financial instruments

Financial assets are recognized based on the quoted market price. However, if the market price is unavailable, then the fair value is determined based on certain valuation techniques. The estimates and assumptions of the valuation techniques adopted by the Group are identical to those of other market participants.

If a market for a derivative financial instrument is not active, an entity shall apply different valuation techniques for different financial instruments. For options on futures, an entity could apply the Black Scholes model, Black 76 model, or Merton model as a valuation basis. For fixed-income securities that do not have an active market, the discounted cash flow valuation will be applied to interest rate swap contracts, and the binary tree approach will be applied to bond options.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

b) Non-financial instruments

Fair value of investment property is determined based on the rules stipulating in the Regulation Governing Preparation of Financial Reports by Securities Firms. The fair value of investment property is based on a valuation set by a professional appraisal agency and supported by market evidences, or appraised by using the income approach of discounted cash flow method. Please refer to note 6(m) for details.

3) Fair value adjustment

a) Limitation of evaluation models and uncertainty inputs

The output of the evaluation model is an approximate amount, and the valuation techniques may not reflect all relevant elements of the Group's financial instrument and non-financial instrument. Therefore, the estimated value will be adjusted based on other parameters, such as model risk or liquidity risk. According to the Group's policy of the fair value model management and pertinent control procedure, the management believes that in order to express the fair value of the financial and non-financial instrument in balance sheet, the adjustments are proper and essential. Price information and parameters for measurement are carefully used, and the adjustments are based on the current market conditions.

b) Credit risk valuation adjustment

Credit risk valuation adjustment is the fair value of the over-the-counter (OTC) derivative contracts that reflect the credit risks of the two parties, and it is mainly divided into:

- i) Credit value adjustments (CVA): adjust the valuation on transactions that occurs outside the stock exchange market, which refers to OTC derivative contracts, in order to reflect the possibility of the counter parties' delayed payment and default into fair value.
- ii) Debit value adjustments (DVA): adjust the valuation on transactions that occurs outside the stock exchange market, which refers to OTC derivative contracts, in order to reflect the possibility of the counter parties' delayed payment and default into fair value.

CVA and DVA are loss expectation and can be measured at the products of PD (probability of default), LGD (loss given default), EAD (exposure at default). The Group uses the fair value of OTC derivatives as exposure at default (EAD).

60% of LGD is adopted per the "Disclosure guidance of CVA and DVA" under IFRS13 by TWSE.

The Group includes the credit risk valuation adjustment in calculating its fair value in order to reflect the credit risks of its counter party and the credit quality of the Group.

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4) Transfers between Level 1 and Level 2

There was no significant transfer between Level 1 and Level 2 for the six months ended June 30, 2026 and 2025.

5) Reconciliation for Level 3 of the fair value hierarchy

a) Reconciliation of financial assets measured at fair value in Level 3 of the fair value hierarchy

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	Purchased/ Issued	Transferred to Level 3	Disposed/ Sold	Transferred from Level 3	
Financial assets mandatorily measured at fair value through profit or loss	\$ 403,439	(34,482)	-	1,660,257	-	1,321,749	-	707,465
Financial assets measured at fair value through other comprehensive income	13,369,340	-	2,932,418	-	-	-	-	16,301,758
Investment property	1,572,040	5,153	-	-	-	-	5,653	1,571,540
Total	\$ 15,344,819	(29,329)	2,932,418	1,660,257	-	1,321,749	5,653	18,580,763

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	Purchased/ Issued	Transferred to Level 3	Disposed/ Sold	Transferred from Level 3	
Financial assets mandatorily measured at fair value through profit or loss	\$ 507,973	(23,147)	-	1,419,127	-	1,228,722	36,000	639,231
Financial assets measured at fair value through other comprehensive income	11,722,565	-	671,338	-	-	-	-	12,393,903
Investment property	1,553,000	-	-	-	-	-	-	1,553,000
Total	\$ 13,783,538	(23,147)	671,338	1,419,127	-	1,228,722	36,000	14,586,134

Valuation gains (losses) recognized in profit or loss for assets still held were \$(29,329) and \$(23,147) as of June 30, 2026 and 2025, respectively.

Valuation gains (losses) recognized in other comprehensive income for assets still held were \$2,932,418 and \$671,338 as of June 30, 2026 and 2025, respectively.

b) Reconciliation of financial liabilities measured at fair value in Level 3 of the fair value hierarchy

For the six months ended June 30, 2026								
Name	Beginning balance	Losses (gains) on Valuation		Increase		Decrease		Ending balance
		Profit and Loss	Other Comprehensive Income	Purchased/ Issued	Transferred to Level 3	Disposed/ Sold	Transferred from Level 3	
Held-for-trading financial liabilities	\$ -	-	-	8,914	-	-	-	8,914
Financial liabilities designated as at fair value through profit or loss	1,417,698	(48,200)	-	11,598,602	-	9,788,486	-	3,179,614
Total	\$ 1,417,698	(48,200)	-	11,607,516	-	9,788,486	-	3,188,528

For the six months ended June 30, 2025								
Name	Beginning balance	Losses (gains) on Valuation		Increase		Decrease		Ending balance
		Profit and Loss	Other Comprehensive Income	Purchased/ Issued	Transferred to Level 3	Disposed/ Sold	Transferred from Level 3	
Financial liabilities designated as at fair value through profit or loss	\$ 2,304,176	3,805	-	12,019,571	-	12,161,621	-	2,165,931

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
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Valuation gains recognized in profit or loss for the liabilities still held were \$48,200 and \$(3,805), as of June 30, 2026 and 2025, respectively.

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

Financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, investment property and financial liabilities designated as at fair value through profit or loss of the Group are categorized into Level 3.

The Group uses unadjusted transaction price or third party pricing information. Therefore, there is no need to disclose quantitative information.

Most level 3 inputs, which lack quoted prices in an active market, are referred to the valuation commonly used by market participants or quoted prices of the counter party. The inputs are irrelevant to each other.

Quantitative information of Level 3 inputs was as follows:

June 30, 2026					
	<u>Fair value</u>	<u>Valuation techniques</u>	<u>Significant unobservable inputs</u>	<u>Intervals</u>	<u>Relationship between inputs and fair value</u>
<u>Recurring fair value measurements</u>					
<u>Non-derivative financial instruments</u>					
Assets:					
Financial assets measured at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss					
Bond investment	\$ 600,481	Quoted prices of the counter party	Not applicable	Not applicable	Not applicable
Securities invested by broker	106,984	Evaluation methods of unlisted stock (Note 1)	The selection of the model is based on the evaluation methods of unlisted stock. (Note 1)	Not applicable	The selection of the model is based on the evaluation methods of unlisted stock.
Financial assets measured at fair value through other comprehensive income					
Stock investment	16,301,758	Evaluation methods of unlisted stock (Note 1)	The selection of the model is based on the evaluation methods of unlisted stock. (Note 1)	Not applicable	The selection of the model is based on the evaluation methods of unlisted stock.
Investment property	1,571,540	Note 2	Note 2	Note 2	Note 2
<u>Derivative financial instruments</u>					
Liabilities:					
Financial liabilities measured at fair value through profit or loss					
Held-for-trading financial liabilities	8,914	Option pricing model	Volatility	1%~80%	The higher the volatility, the higher the fair value.
Financial liabilities designated as at fair value through profit or loss	3,179,614	Option pricing model	Volatility	1%~80%	The higher the volatility, the higher the fair value.

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December 31, 2025					
	Fair value	Valuation techniques	Significant unobservable inputs	Intervals	Relationship between inputs and fair value
<u>Recurring fair value measurements</u>					
<u>Non-derivative financial instruments</u>					
Assets:					
Financial assets measured at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss					
Bond investment	\$ 281,885	Quoted prices of the counter party	Not applicable	Not applicable	Not applicable
Securities invested by broker	121,554	Evaluation methods of unlisted stock (Note 1)	The selection of the model is based on the evaluation methods of unlisted stock. (Note 1)	Not applicable	The selection of the model is based on the evaluation methods of unlisted stock.
Financial assets measured at fair value through other comprehensive income					
Stock investment	13,369,340	Evaluation methods of unlisted stock (Note 1)	The selection of the model is based on the evaluation methods of unlisted stock. (Note 1)	Not applicable	The selection of the model is based on the evaluation methods of unlisted stock.
Investment property	1,572,040	Note 2	Note 2	Note 2	Note 2
<u>Derivative financial instruments</u>					
Liabilities:					
Financial liabilities measured at fair value through profit or loss					
Financial liabilities designated as at fair value through profit or loss	1,417,698	Option pricing model	Volatility	1%~80%	The higher the volatility, the higher the fair value.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
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June 30, 2025					
	Fair value	Valuation techniques	Significant unobservable inputs	Intervals	Relationship between inputs and fair value
<u>Recurring fair value measurements</u>					
<u>Non-derivative financial instruments</u>					
Assets:					
Financial assets measured at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss					
Bond investment	\$ 407,684	Quoted prices of the counter party	Not applicable	Not applicable	Not applicable
Securities invested by broker	231,547	Evaluation methods of unlisted stock (Note 1)	The selection of the model is based on the evaluation methods of unlisted stock. (Note 1)	Not applicable	The selection of the model is based on the evaluation methods of unlisted stock.
Financial assets measured at fair value through other comprehensive income					
Stock investment	12,393,903	Evaluation methods of unlisted stock (Note 1)	The selection of the model is based on the evaluation methods of unlisted stock. (Note 1)	Not applicable	The selection of the model is based on the evaluation methods of unlisted stock.
Investment property	1,553,000	Note 2	Note 2	Note 2	Note 2
<u>Derivative financial instruments</u>					
Liabilities:					
Financial liabilities measured at fair value through profit or loss					
Financial liabilities designated as at fair value through profit or loss	2,165,931	Option pricing model	Volatility	1%~80%	The higher the volatility, the higher the fair value.

Note 1: The selection of evaluation methods of unlisted stock is performed case-by-case.

Note 2: The fair value of investment property has been performed by appraisers from professional valuation agencies based on the 'Regulations Governing the Preparation of Financial Reports by Securities Firms'. The main appraising method is the use of the discounted cash flow analysis of the income method. Please refer to note 6(m) for details.

7) **Measurement procedure of Level 3 inputs**

The financial instruments valuation team of the Group's risk management department is in charge of examining the fair value by using the independent source data in order to make the valuation results approximate the market condition. The team also confirms that the data source are independent, reliable, and consistent with the other information and can be represented as the exercise price, as well as corrects the valuation model periodically, conducts back testing, updates the inputs and information required for the valuation model, and other essential fair value adjustments, to ensure the consequences of valuation are reasonable.

Investment property is regularly appraised by professional appraisers commissioned by the General Affairs department in conformity with the Regulations Governing the Preparation of financial Reports by Securities Firms.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
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The Risk Management department and the General Affairs department make the fair value valuation policies and procedures on the financial instruments and investment properties, respectively, and ensure that those policies comply with the relevant IFRSs.

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

While under different models or using different parameters may lead to different results, fair value measurement for financial instruments of the Group is reasonable. The following tables shows the valuation impacts from 10% input parameters changes on Level 3 financial instruments.

June 30, 2026				
Name	Profit or loss		Other comprehensive income	
	Favorable	Unfavorable	Favorable	Unfavorable
Asset				
Financial assets mandatorily measured at fair value through profit or loss	\$ 70,746	(70,746)	-	-
Financial assets measured at fair value through other comprehensive income	-	-	1,630,176	(1,630,176)
Liabilities				
Held-for-trading financial liabilities	891	(891)	-	-
Financial liabilities designated as at fair value through profit or loss	317,961	(317,961)	-	-
December 31, 2025				
Name	Profit or loss		Other comprehensive income	
	Favorable	Unfavorable	Favorable	Unfavorable
Asset				
Financial assets mandatorily measured at fair value through profit or loss	\$ 40,344	(40,344)	-	-
Financial assets measured at fair value through other comprehensive income	-	-	1,336,934	(1,336,934)
Liabilities				
Financial liabilities designated as at fair value through profit or loss	141,770	(141,770)	-	-
June 30, 2025				
Name	Profit or loss		Other comprehensive income	
	Favorable	Unfavorable	Favorable	Unfavorable
Asset				
Financial assets mandatorily measured at fair value through profit or loss	\$ 63,923	(63,923)	-	-
Financial assets measured at fair value through other comprehensive income	-	-	1,239,390	(1,239,390)
Liabilities				
Financial liabilities designated as at fair value through profit or loss	216,593	(216,593)	-	-

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(iii) Fair value of financial instruments not carried at fair value

1) Fair value information

The Group's financial instruments that are not measured at fair value include cash and cash equivalents, securities purchased under resell agreements, pecuniary finance and securities finance, receivables from securities borrowing and lending, collateral for borrowed securities, margin deposits for borrowed securities, accounts receivable, notes receivable, other receivables, operating deposits, settlement and clearing funds, refundable deposits, short-term borrowings, commercial paper issued, securities sold under repurchase agreement, accounts payable, notes payable, other payables, and other financial assets. Since their book value is a reasonable approximation to the fair value, no fair value disclosure is necessary.

Items	Book Value	Fair Value
June 30, 2026		
Financial Liabilities		
Bonds Payable	\$ 4,996,477	5,161,210

2) Fair value hierarchy

		June 30, 2026		
Asset and Liability Item	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities:				
Bonds Payable	\$ 5,161,210	-	5,161,210	-

3) Valuation techniques

The methods and hypothesis that the Group used in estimating the financial instruments not measured at fair value are as follows:

- a) The carrying amount of financial instruments are estimated by using the book value. It is considered to be reasonable since the maturity date is short. This method is applied to cash and cash equivalents, securities purchased under resell agreements, pecuniary finance and securities finance, receivables from securities borrowing and lending, collateral for borrowed securities, margin deposits for borrowed securities, accounts receivable, notes receivable, other receivables, short-term borrowings, commercial paper issued, securities sold under repurchase agreement, accounts payable, notes payable and other payables.
- b) Because operating deposits, settlement and clearing funds, and refundable deposits do not have specified maturity date, their fair value are estimated based on their book value on the reporting day.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(aj) Financial risk management

(i) Risk management mechanisms

1) Risk management objectives

The risk management policy aims to establish an overall risk management policy and management mechanisms of the Group. The risk management policy rules the orientation, process, and procedure so as to identify, measure, monitor and control all matters of risk management. In addition, the objective of the risk management policy is to establish systems to manage the risk exposure of the Group, integrate with international risk management standards, and comply with the regulations of the authorities.

2) Risk management mechanisms

The Group has formulated and executed a written overall risk management system:

- a) Risk management policy: risk management categories (including risk management culture, risk management organization and risk management process); scopes of risk management policy (including market risk, credit risk, liquidity risk (i.e. funding liquidity risk and liquidation risk), operational risk (i.e. system and event risk), legal risk and compliance; modification, amendments and waivers of the policies, regulations, and standards; application procedure for risk limits; risk control of investment; asset and liability management; large credit exposure management.
- b) Implementation standard of risk management system: The Group sets risk management standards for the purpose of establishing risk management mechanisms, ensuring the integrity of the risk management system, and improving the efficiency of risk management. The standards include division of risk responsibility, the scope of risk management, market risk management mechanisms (risk management procedures, management mechanisms of risk limits, valuation management, risk factors management, model testing management), credit risk management mechanisms (management of credit risk rating, credit monitoring after transactions, high-risk-customer supervision, credit enhancement, and credit risk mitigation), liquidity risk management mechanisms (market liquidity risk management and funding liquidity risk management), operational risk management mechanisms (KPI and risk monitoring), legal risk and compliance management, and exceptional management.
- c) Risk management of each business department: The Group sets risk mechanisms on the basis of different features and requirements for the business of different departments, including the equity derivatives department, dealing department, bond trading department, and relevant regulations on risk management. The relevant departments should follow the standards of risk management, including relevant control requirements for market risk, credit risk, operational risk, liquidity risk, and legal risk.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Risk management organizational framework

In order to control the overall risk of the Group effectively, the Risk Management Department was established to take responsibility for risk management. The Risk Management Department of the Group functions independently and implements risk management systems. The risk management organization includes the Board of Directors, Audit and Risk Management Committee, Asset-Liability and Risk Management Executive Committee, risk management department, risk management implementation units, and business units. Through division of responsibilities and specialization, the Group cultivates compliance and risk management culture to ensure risk management works efficiently.

4) Risk management procedures

The risk management procedures of the Group include risk identification, risk measurement, risk monitoring, and risk reports. The risk assessments and strategies are as follows:

a) Credit risk

i) Strategies and processes

The Group has established credit risk management systems. And to control the credit risk of regulatory capital, the Group has implemented risk monitoring and risk rating policies.

The target of credit risk management of the Group is to reach risk-return optimization and use credit risk management instruments to recognize, measure, manage, and monitor credit risks. Through implementation of the risk management systems and standards, the Group can ensure those functions have been implemented.

ii) Risk reporting and information measurement

The operation of credit risk management of the Group includes:

1. Authorization structure and reporting procedures
2. Credit risk evaluation before transactions
3. Management of credit rating
4. Credit monitoring after transactions
5. Control measures for credit risk mitigation
6. Quantitative measurements of credit risk

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

In addition, the Group monitors the credit status of the counterparty, compares it with authorized credit risk limits in a daily basis, and regularly submits risk management reports to the Asset-Liability and Risk Management Executive Committee. Listed companies are separated into different ratings, and credit ratings are from S&P, Moody's, Fitch, and Taiwan Ratings. If events or situations occur that prejudice the Group's rights, urgent measures would be adopted immediately to assert its claim.

b) Liquidity risk

i) Strategies and processes

Liquidity risk includes market liquidity risk and funding liquidity risk. The Group has established and implemented liquidity risk management policies.

Strategies such as obtaining steady, low interest rates and sufficient capital, increasing assets, repaying matured loans, and lowering the funding liquidity risk were used by the Group as liquidity risk management policies for prevention of a cash flow deficit.

The amount and duration of funding needs of various departments are taken into consideration when the Company implements capital management.

The Group has also drawn up a capital allocation plan to react to abnormal capital flows or cope with emergency events.

ii) Risk reporting and information measurement

The management and monitoring of liquidity risk includes maintaining appropriate funds, capital allocation, and liquidity management on a daily basis, monitoring the indicators and limits of liquidity risk management, and establishing emergency strategies to control liquidity risk effectively and to adopt emergency measures immediately.

c) Market risk

i) Strategies and processes

The Group sets complete risk management policies and standards by separating financial instruments positions into interest rate, exchange rate, equity security, and other instruments. The Group sets the overall firewall mechanism between front, middle and back office. Market risk management procedures are controlled independently by the middle office, which engages in risk identification, risk measurement, limit monitoring, profit and loss monitoring, risk reporting, and valuation reporting of fair value.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

ii) Risk reporting and information measurement

The Group sets the trading position and profit or loss limit mechanisms and the stop-loss regulations to manage trading positions and the profit or loss situation effectively. In addition, the middle office is responsible for daily monitoring of risk limits (including the analysis of the risk sensitivity factors of Delta, Vega, and DV01) to manage trading positions, management of profit or loss, and management procedures for over-limit exceptions. Cooperating with the Risk Management Division of Fubon Financial Holding Co., Ltd. and improving market risk and related control measures help the Group to implement market risk management more effectively.

5) Hedging strategy

The Group's hedging trading is mainly for the purpose of hedging the risk of underlying stock price fluctuations after warrants are issued. A dynamic hedging strategy is adopted to hedge warrants. This means that traders calculate required hedging positions on the basis of the price fluctuation rate of underlying stocks and Delta, and engage in hedge trading within the market risk limits. After hours, according to actual situations, the Group should establish hedging positions to show the effectiveness of evaluating hedging to relevant authorities and traders.

(ii) Risk analysis

1) Credit risk presentation and disclosure

The Group has exposure to credit risk, including issuer credit risk, counterparty credit risk, and credit risk of underlying assets.

Issuer credit risk is the risk that an issuer of financial debt instruments or a bank will default and be unable to fulfill the repayment obligation, or go into bankruptcy or liquidation, and thereby cause the Group to suffer a financial loss.

Counterparty credit risk is the risk that a counterparty will default on a transaction and fail to pay due to price movement in the underlying securities of the Group's derivatives, and thereby cause the Group to suffer a financial loss.

Credit risk of underlying assets is the risk that an underlying asset of an instrument held by the Company will have its credit quality weakened, its risk premium increased, or its credit rating downgraded, or that the issuer will be unable to meet the contractual obligation, and thereby cause the Group to suffer a financial loss.

The Group faced credit risk arising from financial assets including bank deposits, debt securities, over-the-counter (OTC) derivative transactions, securities under resale/repurchase agreements, securities borrowing and lending, refundable deposits, futures trading margin, other refundable deposits, and receivables.

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

a) Analysis of concentrations of credit risk

The maximum credit risk exposure amount of financial assets by region and industry was as described in the following tables:

June 30, 2026						
Credit risk exposure amount—by region						
Financial assets	Taiwan	Hong Kong	Asia	Europe	America	Total
Cash and cash equivalents	\$ 98,765,748	134,936	11,795,299	74,740	18,648	110,789,371
Customer margin account	77,835,365	331,136	2,832,746	-	49,816	81,049,063
Financial assets mandatorily measured at fair value through profit or loss—current	42,036,322	-	2,755,969	1,811,047	1,356,465	47,959,803
Debt securities	34,718,975	-	2,755,969	1,811,047	1,356,465	40,642,456
Derivatives—OTC	537,801	-	-	-	-	537,801
Derivatives—futures trading margin	6,474,541	-	-	-	-	6,474,541
Foreign exchange derivatives	15,302	-	-	-	-	15,302
Other debt securities	277,026	-	-	-	-	277,026
Call Option—futures	12,677	-	-	-	-	12,677
Margin deposits for borrowed securities	5,349,651	-	-	-	-	5,349,651
Other refundable deposits	2,418,736	12,169	-	-	-	2,430,905
Other current assets	7,525,202	159,309	-	-	-	7,684,511
Financial assets measured at fair value through other comprehensive income—debt instruments (Note)	1,737,242	-	12,648,370	3,313,994	10,409,490	28,109,096
Total	<u>\$ 235,668,266</u>	<u>637,550</u>	<u>30,032,384</u>	<u>5,199,781</u>	<u>11,834,419</u>	<u>283,372,400</u>
Proportion of the total	<u>83.17 %</u>	<u>0.22 %</u>	<u>10.60 %</u>	<u>1.83 %</u>	<u>4.18 %</u>	<u>100.00 %</u>

December 31, 2025						
Credit risk exposure amount—by region						
Financial assets	Taiwan	Hong Kong	Asia	Europe	America	Total
Cash and cash equivalents	\$ 50,920,082	108,930	11,216,967	18,978	27,434	62,292,391
Customer margin account	40,648,592	1,039,480	2,714,640	-	29,114	44,431,826
Financial assets mandatorily measured at fair value through profit or loss—current	34,052,759	-	1,102,102	292,072	15,676	35,462,609
Debt securities	30,714,145	-	1,102,102	292,072	15,676	32,123,995
Derivatives—OTC	587,916	-	-	-	-	587,916
Derivatives—futures trading margin	2,448,742	-	-	-	-	2,448,742
Foreign exchange derivatives	26,316	-	-	-	-	26,316
Other debt securities	273,208	-	-	-	-	273,208
Call Option—futures	2,432	-	-	-	-	2,432
Margin deposits for borrowed securities	5,614,229	-	-	-	-	5,614,229
Other refundable deposits	1,611,398	10,239	-	-	-	1,621,637
Other current assets	3,125,877	80,824	-	1,560	104	3,208,365
Financial assets measured at fair value through other comprehensive income—debt instruments (Note)	1,893,813	-	8,468,555	1,970,146	8,360,103	20,692,617
Total	<u>\$ 137,866,750</u>	<u>1,239,473</u>	<u>23,502,264</u>	<u>2,282,756</u>	<u>8,432,431</u>	<u>173,323,674</u>
Proportion of the total	<u>79.54 %</u>	<u>0.71 %</u>	<u>13.56 %</u>	<u>1.32 %</u>	<u>4.87 %</u>	<u>100.00 %</u>

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

June 30, 2025						
Financial assets	Credit risk exposure amount—by region					
	Taiwan	Hong Kong	Asia	Europe	America	Total
Cash and cash equivalents	\$ 37,096,612	245,899	7,501,777	67,956	21,659	44,933,903
Customer margin account	39,709,568	1,382,606	3,261,055	-	110,125	44,463,354
Financial assets mandatorily measured at fair value through profit or loss—current	41,504,130	-	1,991,771	415,556	168,265	44,079,722
Debt securities	39,364,516	-	1,991,771	415,556	168,265	41,940,108
Derivatives—OTC	543,222	-	-	-	-	543,222
Derivatives—futures trading margin	1,232,150	-	-	-	-	1,232,150
Foreign exchange derivatives	61,312	-	-	-	-	61,312
Other debt securities	302,080	-	-	-	-	302,080
Call option—futures	850	-	-	-	-	850
Margin deposits for borrowed securities	8,042,029	-	-	-	-	8,042,029
Other refundable deposits	1,593,007	4,576	-	-	-	1,597,583
Other current assets	2,884,036	421,660	-	5,020	36	3,310,752
Financial assets measured at fair value through other comprehensive income—debt instruments (Note)	3,061,705	-	5,429,811	898,787	12,969,965	22,360,268
Total	<u>\$ 133,891,087</u>	<u>2,054,741</u>	<u>18,184,414</u>	<u>1,387,319</u>	<u>13,270,050</u>	<u>168,787,611</u>
Proportion of the total	<u>79.33 %</u>	<u>1.22 %</u>	<u>10.77 %</u>	<u>0.82 %</u>	<u>7.86 %</u>	<u>100.00 %</u>

Note: Government bonds provided as guarantee deposits were included.

June 30, 2026											
Financial assets	Credit risk exposure amount—by industry										
	Financial service	Central and local government agencies	Retail and wholesale	Construction and building materials	Biotechnology industry	Food and travel industry	Shipping industry	Electronic industry	Chemical industry	Motor Vehicle industry	Other services
Cash and cash equivalents	\$ 110,436,996	-	-	-	-	-	-	-	-	-	352,375
Customer margin account	81,049,063	-	-	-	-	-	-	-	-	-	-
Financial assets mandatorily measured at fair value through profit or loss—current	13,777,382	-	238,137	3,026,787	637,010	282,571	328,198	18,752,436	2,767,610	701,504	7,448,168
Debt securities	6,460,035	-	238,137	3,026,787	637,010	282,571	328,198	18,752,436	2,767,610	701,504	7,448,168
Derivatives—OTC	537,801	-	-	-	-	-	-	-	-	-	-
Derivatives—futures trading margin	6,474,541	-	-	-	-	-	-	-	-	-	-
Foreign exchange derivatives	15,302	-	-	-	-	-	-	-	-	-	-
Other debt securities	277,026	-	-	-	-	-	-	-	-	-	-
Call option—futures	12,677	-	-	-	-	-	-	-	-	-	-
Margin deposits for borrowed securities	5,349,651	-	-	-	-	-	-	-	-	-	-
Other refundable deposits	2,420,380	-	-	-	-	-	-	-	-	-	10,525
Other current assets	5,071,099	-	-	-	-	-	-	-	-	-	2,613,412
Financial assets measured at fair value through other comprehensive income—debt instruments (Note)	19,385,180	6,064,275	-	-	-	-	-	1,188,236	1,371,917	-	99,488
Total	<u>\$ 237,489,751</u>	<u>6,064,275</u>	<u>238,137</u>	<u>3,026,787</u>	<u>637,010</u>	<u>282,571</u>	<u>328,198</u>	<u>19,940,672</u>	<u>4,139,527</u>	<u>701,504</u>	<u>10,523,968</u>
Proportion of the total	<u>83.81 %</u>	<u>2.14 %</u>	<u>0.08 %</u>	<u>1.07 %</u>	<u>0.22 %</u>	<u>0.10 %</u>	<u>0.12 %</u>	<u>7.04 %</u>	<u>1.46 %</u>	<u>0.25 %</u>	<u>3.71 %</u>

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

December 31, 2025												
Credit risk exposure amount—by industry												
Financial assets	Financial service	Central and local government agencies	Retail and wholesale	Construction and building materials	Biotechnology industry	Food and travel industry	Shipping industry	Electronic industry	Chemical industry	Motor Vehicle industry	Other services	Total
Cash and cash equivalents	\$ 61,557,470	-	-	-	-	-	-	-	-	-	734,921	62,292,391
Customer margin account	44,431,826	-	-	-	-	-	-	-	-	-	-	44,431,826
Financial assets mandatorily measured at fair value through profit or loss—current	6,032,182	20,752	101,284	3,609,164	529,550	321,677	437,350	14,648,693	1,464,646	1,181,740	7,115,571	35,462,609
Debt securities	2,693,568	20,752	101,284	3,609,164	529,550	321,677	437,350	14,648,693	1,464,646	1,181,740	7,115,571	32,123,995
Derivative assets—OTC	587,916	-	-	-	-	-	-	-	-	-	-	587,916
Derivative assets—futures trading margin	2,448,742	-	-	-	-	-	-	-	-	-	-	2,448,742
Foreign exchange derivatives	26,316	-	-	-	-	-	-	-	-	-	-	26,316
Other debt securities	273,208	-	-	-	-	-	-	-	-	-	-	273,208
Call option—futures	2,432	-	-	-	-	-	-	-	-	-	-	2,432
Margin deposits for borrowed securities	5,614,229	-	-	-	-	-	-	-	-	-	-	5,614,229
Other refundable deposits	1,613,035	-	-	-	-	-	-	-	-	-	8,602	1,621,637
Other current assets	2,268,270	-	-	-	-	-	-	-	-	-	940,095	3,208,365
Financial assets measured at fair value through other comprehensive income—debt instruments (Note)	9,752,336	7,694,037	-	-	-	-	99,827	1,192,723	1,854,472	-	99,222	20,692,617
Total	<u>\$ 131,269,348</u>	<u>7,714,789</u>	<u>101,284</u>	<u>3,609,164</u>	<u>529,550</u>	<u>321,677</u>	<u>537,177</u>	<u>15,841,416</u>	<u>3,319,118</u>	<u>1,181,740</u>	<u>8,898,411</u>	<u>173,323,674</u>
Proportion of the total	<u>75.74 %</u>	<u>4.45 %</u>	<u>0.06 %</u>	<u>2.08 %</u>	<u>0.31 %</u>	<u>0.19 %</u>	<u>0.31 %</u>	<u>9.14 %</u>	<u>1.91 %</u>	<u>0.68 %</u>	<u>5.13 %</u>	<u>100.00 %</u>

June 30, 2025												
Credit risk exposure amount—by industry												
Financial assets	Financial service	Central and local government agencies	Retail and wholesale	Construction and building materials	Biotechnology industry	Food and travel industry	Shipping industry	Electronic industry	Chemical industry	Motor Vehicle industry	Other services	Total
Cash and cash equivalents	\$ 44,402,359	-	-	-	-	-	-	-	-	-	531,544	44,933,903
Customer margin account	44,463,354	-	-	-	-	-	-	-	-	-	-	44,463,354
Financial assets mandatorily measured at fair value through profit or loss—current	4,626,925	5,974,084	173,741	3,742,191	734,509	716,581	449,254	18,211,183	4,972,759	1,412,847	3,065,648	44,079,722
Debt securities	2,487,311	5,974,084	173,741	3,742,191	734,509	716,581	449,254	18,211,183	4,972,759	1,412,847	3,065,648	41,940,108
Derivatives—OTC	543,222	-	-	-	-	-	-	-	-	-	-	543,222
Derivatives—futures trading margin	1,232,150	-	-	-	-	-	-	-	-	-	-	1,232,150
Foreign exchange derivatives	61,312	-	-	-	-	-	-	-	-	-	-	61,312
Other debt securities	302,080	-	-	-	-	-	-	-	-	-	-	302,080
Call option—futures	850	-	-	-	-	-	-	-	-	-	-	850
Margin deposits for borrowed securities	8,042,029	-	-	-	-	-	-	-	-	-	-	8,042,029
Other refundable deposits	1,594,550	-	-	-	-	-	-	-	-	-	3,033	1,597,583
Other current assets	2,398,499	-	-	-	-	-	-	-	-	-	912,253	3,310,752
Financial assets measured at fair value through other comprehensive income—debt instruments (Note)	6,212,925	12,255,221	-	-	-	-	99,545	1,891,464	1,802,441	-	98,672	22,360,268
Total	<u>\$ 111,740,641</u>	<u>18,229,305</u>	<u>173,741</u>	<u>3,742,191</u>	<u>734,509</u>	<u>716,581</u>	<u>548,799</u>	<u>20,102,647</u>	<u>6,775,200</u>	<u>1,412,847</u>	<u>4,611,150</u>	<u>168,787,611</u>
Proportion of the total	<u>66.20 %</u>	<u>10.80 %</u>	<u>0.10 %</u>	<u>2.22 %</u>	<u>0.44 %</u>	<u>0.42 %</u>	<u>0.33 %</u>	<u>11.91 %</u>	<u>4.01 %</u>	<u>0.84 %</u>	<u>2.73 %</u>	<u>100.00 %</u>

Note: Government bonds provided as guarantee deposits were included.

The Group's exposure to credit risk is derived mainly from the financial industry and Taiwan because the Group deposits cash in different financial institutions and holds debt securities issued or guaranteed by the banks; also, most of the Group's counterparties of derivative transactions, investments in debt securities, and security lending are financial institutions in Taiwan.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

b) Introduction to credit risk of financial assets

i) Cash and cash equivalents

Cash and cash equivalents include time deposits, demand deposits, checking accounts, and short-term bills, with trading counterparties being mainly domestic financial institutions.

ii) Financial assets measured at fair value—current

1. Debt securities

The Group holds positions in debt securities, including bonds, convertible bonds, and bond funds, which were issued by domestic companies. The details of debt securities are as follows:

a. Convertible bonds

The convertible bonds held by the Group are primarily issued by domestic companies with good credit scores. To control exposure to credit risk from convertible bonds, the Group transfers credit risk to external investors by asset swaps.

b. Bond funds

The underlying assets of bond funds held by the Group are mainly domestic fixed income securities.

2. Bonds with repurchase/resale agreements (RP/RS) undertaking

The main counterparties of RP/RS are financial institutions. When engaging in RS transactions, the Group provided the underlying bonds as collateral which could reduce the exposure to credit risk of its counterparties.

3. Derivatives—over-the-counter (OTC)

When the Group engages in OTC derivatives, it will sign an ISDA agreement with each counterparty. This provides the contractual framework within which dealing activity across a full range of over-the-counter (OTC) products is conducted, and contractually binds both parties to apply close-out netting across all outstanding transactions covered by an agreement if either party defaults or another pre-agreed termination event occurs. The parties execute a Credit Support Annex (CSA) in conjunction with the ISDA Master Agreement. Under a CSA, collateral is passed between the parties to mitigate the counterparty risk inherent in outstanding positions.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

OTC derivatives held by the Group include interest rate swaps, convertible bond asset swaps, and equity options. The counterparties are all from the financial industry and are mainly based in Taiwan.

4. Derivatives— futures trading margin

For trading on the centralized exchange market, the Group deposits futures trading margin into an account designated by the Group as a guarantee of future funding to fulfill a contractual obligation. Fubon Futures and Yuanta Futures Co., Ltd. are the Group's futures commission merchants. Since Fubon Futures is a 100%-owned subsidiary, the credit risk is extremely low.

5. Other debt securities

Other debt securities are mainly the real estate beneficiary securities, such as Fubon R1. Because of the good quality of entrusted assets and the above-average quality of renters in the asset pool, the Group has low credit risk.

iii) Margin deposits for borrowed securities

This includes relevant disclosures of collateral for borrowed securities and margin deposits for borrowed securities. When borrowing the underlying securities from the holder, the Group should deposit the margin in the designated bank account. Because it holds the underlying securities as collateral, the Group will be able to effectively decrease credit exposure to the holder.

iv) Other refundable deposits

Other refundable deposits mainly include operating deposits, settlement and clearing funds, and refundable deposits. Operating deposits are mainly deposited in credit-worthy banks. Clearing and settlement funds are deposited in the TWSE and are used as compensation when a market securities trading party does not fulfill delivery obligations. The institutional credit risk of the abovementioned deposits is low. Refundable deposits arise when the Group deposits cash or other assets as guarantees. Since the deposits are placed in various financial institutions and each amount is not large, the credit risk is dispersed and the credit exposure of the overall refundable deposits is minimal.

v) Other current assets

Other current assets of the Group are cash provided for pledge or restricted use to domestic financial institutions with good credit.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

c) Credit risk quality classification definitions

i) Credit Risk quality classification definitions

Low Risk: an indicator assigned to financial instruments deemed to have low default risk, that the borrower possesses good credit quality, information transparency, and the capacity to meet financial commitment.

Moderate Risk: an indicator assigned to financial instruments deemed to have moderate default risk. And requires monitoring on the borrower that possesses an average level of credit quality, the capacity to fulfill debt contractual obligations, and the capacity to adapt business cycle.

High Risk: an indicator assigned to financial instruments deemed to have higher default risk. And requires close monitoring on the borrower that possesses weak credit quality, the capacity to fulfill debt contractual obligations.

Impaired: the company or the target did not perform its obligation according to the contracts, and the potential estimated loss of the Group has reached the standard of impairment. The information of credit risk quality was as follows:

June 30, 2026											
Financial assets measured at fair value through other comprehensive income — debt instruments (Note)	Financial assets measured by 12-month ECLs				Lifetime ECLs – not credit-impaired financial assets				Lifetime ECLs – credit-impaired financial assets	Loss allowance	Total
	Low risk	Moderate risk	High risk	Subtotal	Low risk	Moderate risk	High risk	Subtotal			
	\$ 24,028,547	4,087,996	-	28,116,543	-	-	-	-	-	7,447	28,109,096
December 31, 2025											
Financial assets measured at fair value through other comprehensive income — debt instruments (Note)	Financial assets measured by 12-month ECLs				Lifetime ECLs – not credit-impaired financial assets				Lifetime ECLs – credit-impaired financial assets	Loss allowance	Total
	Low risk	Moderate risk	High risk	Subtotal	Low risk	Moderate risk	High risk	Subtotal			
	\$ 13,556,882	7,139,886	-	20,696,768	-	-	-	-	-	4,151	20,692,617
June 30, 2025											
Financial assets measured at fair value through other comprehensive income — debt instruments (Note)	Financial assets measured by 12-month ECLs				Lifetime ECLs – not credit-impaired financial assets				Lifetime ECLs – credit-impaired financial assets	Loss allowance	Total
	Low risk	Moderate risk	High risk	Subtotal	Low risk	Moderate risk	High risk	Subtotal			
	\$ 19,285,889	3,077,934	-	22,363,823	-	-	-	-	-	3,555	22,360,268

Note: Government bonds provided as guarantee deposits were included.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Internal credit risk classification and external credit rating of Group were as follows. There were no direct relations between the internal and the external credit rating in the chart, and they were used to present the similarity of credit quality.

June 30, 2026							
Financial assets credit quality and classification							
Financial assets	Low risk	Moderate risk	High risk	Overdue but not impaired	Impaired	Loss allowance	Total
Cash and cash equivalents	\$ 98,994,073	11,795,298	-	-	-	-	110,789,371
Customer margin account	81,049,063	-	-	-	-	-	81,049,063
Financial assets mandatorily measured at fair value through profit or loss—current	30,630,095	17,056,131	273,577	-	-	-	47,959,803
Debt securities	23,700,187	16,668,692	273,577	-	-	-	40,642,456
Derivatives—OTC	150,362	387,439	-	-	-	-	537,801
Derivatives—futures trading margin	6,474,541	-	-	-	-	-	6,474,541
Foreign exchange derivatives	15,302	-	-	-	-	-	15,302
Other debt securities	277,026	-	-	-	-	-	277,026
Call option—futures	12,677	-	-	-	-	-	12,677
Margin deposits for borrowed securities	5,349,651	-	-	-	-	-	5,349,651
Other refundable deposits	2,430,905	-	-	-	-	-	2,430,905
Other current assets	7,684,511	-	-	-	-	-	7,684,511
Financial assets measured at fair value through other comprehensive income—debt instruments (Note1)	24,028,547	4,087,996	-	-	-	7,447	28,109,096
Subtotal	<u>250,166,845</u>	<u>32,939,425</u>	<u>273,577</u>	<u>-</u>	<u>-</u>	<u>7,447</u>	<u>283,372,400</u>
Proportion of the total	<u>88.28 %</u>	<u>11.62 %</u>	<u>0.10 %</u>	<u>- %</u>	<u>- %</u>	<u>- %</u>	<u>100.00 %</u>
Receivables	<u>151,956,039</u>	<u>26,894,457</u>	<u>832,276</u>	<u>-</u>	<u>136,174</u>	<u>136,174</u>	<u>179,682,772</u>
Accounts receivable	99,720,978	5,748	-	-	136,174	136,174	99,726,726
Receivables from pecuniary finance	52,235,061	26,888,709	832,276	-	-	-	79,956,046
Total	<u>\$ 402,122,884</u>	<u>59,833,882</u>	<u>1,105,853</u>	<u>-</u>	<u>136,174</u>	<u>143,621</u>	<u>463,055,172</u>
Proportion of the total	<u>86.84 %</u>	<u>12.92 %</u>	<u>0.24 %</u>	<u>- %</u>	<u>0.03 %</u>	<u>0.03 %</u>	<u>100.00 %</u>

December 31, 2025							
Financial assets credit quality and classification							
Financial assets	Low risk	Moderate risk	High risk	Overdue but not impaired	Impaired	Loss allowance	Total
Cash and cash equivalents	\$ 51,075,424	11,216,967	-	-	-	-	62,292,391
Customer margin account	44,431,826	-	-	-	-	-	44,431,826
Financial assets mandatorily measured at fair value through profit or loss—current	20,839,233	14,347,190	276,186	-	-	-	35,462,609
Debt securities	17,955,537	13,892,272	276,186	-	-	-	32,123,995
Derivatives—OTC	132,998	454,918	-	-	-	-	587,916
Derivatives—futures trading margin	2,448,742	-	-	-	-	-	2,448,742
Foreign exchange derivatives	26,316	-	-	-	-	-	26,316
Other debt securities	273,208	-	-	-	-	-	273,208
Call option—futures	2,432	-	-	-	-	-	2,432
Margin deposits for borrowed securities	5,614,229	-	-	-	-	-	5,614,229
Other refundable deposits	1,621,637	-	-	-	-	-	1,621,637
Other current assets	3,208,365	-	-	-	-	-	3,208,365
Financial assets measured at fair value through other comprehensive income—debt instruments (Note1)	13,556,882	7,139,886	-	-	-	4,151	20,692,617
Subtotal	<u>140,347,596</u>	<u>32,704,043</u>	<u>276,186</u>	<u>-</u>	<u>-</u>	<u>4,151</u>	<u>173,323,674</u>
Proportion of the total	<u>80.97 %</u>	<u>18.87 %</u>	<u>0.16 %</u>	<u>- %</u>	<u>- %</u>	<u>- %</u>	<u>100.00 %</u>
Receivables	<u>87,396,335</u>	<u>18,028,683</u>	<u>1,202,938</u>	<u>-</u>	<u>136,174</u>	<u>136,174</u>	<u>106,627,956</u>
Accounts receivable	60,035,635	6,616	-	-	136,174	136,174	60,042,251
Receivables from pecuniary finance	27,360,700	18,022,067	1,202,938	-	-	-	46,585,705
Total	<u>\$ 227,743,931</u>	<u>50,732,726</u>	<u>1,479,124</u>	<u>-</u>	<u>136,174</u>	<u>140,325</u>	<u>279,951,630</u>
Proportion of the total	<u>81.35 %</u>	<u>18.12 %</u>	<u>0.53 %</u>	<u>- %</u>	<u>0.05 %</u>	<u>0.05 %</u>	<u>100.00 %</u>

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

June 30, 2025							
Financial assets	Financial assets credit quality and classification						
	Low risk	Moderate risk	High risk	Overdue but not impaired	Impaired	Loss allowance	Total
Cash and cash equivalents	\$ 37,432,126	7,501,777	-	-	-	-	44,933,903
Customer margin account	44,463,354	-	-	-	-	-	44,463,354
Financial assets mandatorily measured at fair value through profit or loss—current	27,371,801	16,325,983	381,938	-	-	-	44,079,722
Debt securities	25,676,730	15,881,440	381,938	-	-	-	41,940,108
Derivatives—OTC	98,679	444,543	-	-	-	-	543,222
Derivatives—futures trading margin	1,232,150	-	-	-	-	-	1,232,150
Foreign exchange derivatives	61,312	-	-	-	-	-	61,312
Other debt securities	302,080	-	-	-	-	-	302,080
Call option—futures	850	-	-	-	-	-	850
Margin deposits for borrowed securities	8,042,029	-	-	-	-	-	8,042,029
Other refundable deposits	1,597,583	-	-	-	-	-	1,597,583
Other current assets	3,310,752	-	-	-	-	-	3,310,752
Financial assets measured at fair value through other comprehensive income—debt instruments (Note 1)	19,285,889	3,077,934	-	-	-	3,555	22,360,268
Subtotal	<u>141,503,534</u>	<u>26,905,694</u>	<u>381,938</u>	<u>-</u>	<u>-</u>	<u>3,555</u>	<u>168,787,611</u>
Proportion of the total	83.84 %	15.93 %	0.23 %	-	-	-	100.00 %
Receivables	57,391,860	12,926,271	827,479	-	136,175	136,175	71,145,610
Accounts receivable	41,843,354	7,757	-	-	136,175	136,175	41,851,111
Receivables from pecuniary finance	15,548,506	12,918,514	827,479	-	-	-	29,294,499
Total	<u>\$ 198,895,394</u>	<u>39,831,965</u>	<u>1,209,417</u>	<u>-</u>	<u>136,175</u>	<u>139,730</u>	<u>239,933,221</u>
Proportion of the total	<u>82.90 %</u>	<u>16.60 %</u>	<u>0.50 %</u>	<u>-</u>	<u>0.06 %</u>	<u>0.06 %</u>	<u>100.00 %</u>

Note 1: Government bonds provided as guarantee deposits were included.

Note 2: There is no purchased or originated credit-impaired financial assets.

As seen in the above tables, the Group had no financial assets which were overdue but not impaired. 0.24% of normal assets were classified in the high risk category. Those assets mainly were receivables from pecuniary finance and convertible bonds of electronic industry. The details of assets classified as high risk were as follows:

1. Cash and cash equivalents: To fulfill daily settlement payments and remittance operations, a certain amount is required to be deposited to the main delivery banks for the brokerage business and other operations. The management of the Group periodically reviews the financial condition, operation, and credit risk.
2. Debt securities: To control exposure to credit risk from convertible bonds, the Group transfers credit risk to external investors by asset swaps.
3. Receivables from pecuniary finance: A risk of financial loss arose from price fluctuation in the underlying securities. To lower credit risk, the Group has closely monitored market volatility of underlying assets and set strict controls over counterparty credit risk.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- ii) Determination on the credit risk that has increased significantly since initial recognition

The Group determines whether the credit risk of financial instruments applying the impairment requirements in IFRS 9 increased significantly since the initial recognition on each reporting date. For this assessment, the Group considers the reasonable and supportable information that shows the credit risk increased significantly since initial recognition (including forward-looking information). The main considerations include: internal/external credit rating, overdue situation, credit spreads, quantitative and qualitative information.

- iii) Definitions for default and credit impairment of financial assets

The Group uses the same definitions for default and credit impairment of financial assets. If one or more of the following conditions are met, the Group determines that the financial assets have been defaulted and credit-impaired:

1. Quantitative indicators

When financial assets-receivables are overdue for more than 90 days.

2. Qualitative indicators

If there is evidence that the borrower or the issuer will be unable to pay the contract, or show that the borrower or the issuer has significant financial difficulties, such as:

- The borrower / issuer has filed for bankruptcy or is likely to file a bankruptcy.
- The borrower / issuer has died or the company is dissolved.
- The financial instrument's contract of the borrower's or issuer's has defaulted.
- The financial market of the financial asset disappeared due to the financial difficulties of the borrower or the issuer.
- Due to financial or contractual reasons related to the financial difficulties of the borrower / issuer, the creditor of the borrower / issuer gives the borrower a concession that would not have been considered.
- Purchase or originate financial assets at a substantial discount that reflects the credit losses have occurred.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The aforementioned definition of breach of contract and credit impairment applies to all financial assets held by the Group, and is consistent with the definition used for the purpose of internal credit risk management for financial assets, and is also applied to the relevant impairment assessment model.

If a financial asset no longer meets the definition of default and credit impairment for a period of time, it is deemed to return to the state of compliance and is no longer considered defaulted and credit-impaired.

iv) Expected credit loss measurement

1. Adopted methods and assumptions

If the financial assets are of low credit risk or no significant increase in credit risk, the 12-month expected credit losses will be recognized. If the financial assets and operating lease payment receivable are significantly increased in credit risk or the credits have been impaired, the expected credit losses for a lifetime will be recognized.

In order to measure expected credit losses, the Group adopts Probability of default ("PD"), and include Loss given default ("LGD") and Exposure at default ("EAD"), and consider the impact of the time value of money, to calculate the expected credit losses for 12 months and for a lifetime, respectively.

Default probability is how likely the issuer or the counterparty breaches the contract, and the loss given default is the rate of loss due to default by the issuer or the counterparty. The Group calculates the default probability and loss given default based on the regularly published information from international credit rating agencies (Moody's), internal historical information (such as credit losses experience), current observable data and forward-looking general economic information (such as gross domestic production), after adjusting the historical data.

The estimation techniques or material assumptions made by the Group to assess expected credit losses have no significant changes for the six months ended June 30, 2026 and 2025.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements**

v) Forward-looking information considerations

The Group takes forward-looking information into account when judging whether the credit risk of a financial instrument has increased significantly since its initial recognition, and when the expected credit loss is measured. The Group uses historical data to analyze and identify the economic factors that affect the credit risk and expected credit losses of various asset portfolios. Regarding the economic factors and its impact on expected credit losses vary according to the types of financial instruments.

The evaluation of whether the credit risk of the debt instrument measured at fair value through other comprehensive income has increased significantly, is based on the external rating ratings announced by international credit rating agencies (Moody's). It is one of its quantitative indicators, and the expected credit loss is measured by reference to the external rating scale and Moody's regularly published default rate and loss given default information. The forward-looking macroeconomic condition is considered, and are appropriately adjusted.

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FUBON SECURITIES CO., LTD. AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

vi) Changes in loss allowance

1. Changes in loss allowance of debt instruments measured at fair value through other comprehensive income

As of June 30, 2026 and 2025, the reconciliations of the beginning and ending balances for loss allowance of debt instruments measured at fair value through other comprehensive income were as follows:

For the six months ended June 30, 2026							
	12-month ECLs	Lifetime ECLs (collectively assessed)	Lifetime ECLs (individually assessed)	Lifetime ECLs (not purchased or originated credit-impaired financial assets)	Lifetime ECLs (purchased or originated credit-impaired financial assets)	The loss allowances provided in accordance with IFRS 9	Total
Beginning balance	\$ 4,151	-	-	-	-	4,151	4,151
Changes due to financial instruments recognized as at beginning:							
— Derecognition of financial assets at current period	(487)	-	-	-	-	(487)	(487)
Originated or purchased new financial assets	3,549	-	-	-	-	3,549	3,549
Effects of exchange rate changes and others	234	-	-	-	-	234	234
Ending balance	<u>\$ 7,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,447</u>	<u>7,447</u>
For the six months ended June 30, 2025							
	12-month ECLs	Lifetime ECLs (collectively assessed)	Lifetime ECLs (individually assessed)	Lifetime ECLs (not purchased or originated credit-impaired financial assets)	Lifetime ECLs (purchased or originated credit-impaired financial assets)	The loss allowances provided in accordance with IFRS 9	Total
Beginning balance	\$ 4,782	-	-	-	-	4,782	4,782
Changes due to financial instruments recognized as at beginning:							
— Derecognition of financial assets at current period	(1,276)	-	-	-	-	(1,276)	(1,276)
Originated or purchased new financial assets	1,089	-	-	-	-	1,089	1,089
Effects of exchange rate changes and others	(1,040)	-	-	-	-	(1,040)	(1,040)
Ending balance	<u>\$ 3,555</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,555</u>	<u>3,555</u>

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FUBON SECURITIES CO., LTD. AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the six months ended June 30, 2026 and 2025, there was no significant change in the loss allowance resulting from significant changes in the total carrying amount.

2. Changes in loss allowance of accounts receivable, other receivables and overdue receivables

As of June 30, 2026 and 2025, the reconciliations of the beginning and ending balances for loss allowance of accounts receivable, other receivables and overdue receivables were as follows:

	For the six months ended June 30, 2026						
	12-month ECLs	Lifetime ECLs (collectively assessed)	Lifetime ECLs (individually assessed)	Lifetime ECLs (not purchased or originated credit-impaired financial assets)	Lifetime ECLs (purchased or originated credit-impaired financial assets)	The loss allowances provided in accordance with IFRS 9	Total
Beginning balance	\$ -	-	139,922	6,745	-	146,667	146,667
Originated or purchased new financial assets	-	-	368	3,200	-	3,568	3,568
Effects of exchange rate changes and others	-	-	(1,125)	(166)	-	(1,291)	(1,291)
Ending balance	<u>\$ -</u>	<u>-</u>	<u>139,165</u>	<u>9,779</u>	<u>-</u>	<u>148,944</u>	<u>148,944</u>
	For the six months ended June 30, 2025						
	12-month ECLs	Lifetime ECLs (collectively assessed)	Lifetime ECLs (individually assessed)	Lifetime ECLs (not purchased or originated credit-impaired financial assets)	Lifetime ECLs (purchased or originated credit-impaired financial assets)	The loss allowances provided in accordance with IFRS 9	Total
Beginning balance	\$ -	-	142,090	5,751	-	147,841	147,841
Originated or purchased new financial assets	-	-	898	1,732	-	2,630	2,630
Effects of exchange rate changes and others	-	-	(2,836)	(1,230)	-	(4,066)	(4,066)
Ending balance	<u>\$ -</u>	<u>-</u>	<u>140,152</u>	<u>6,253</u>	<u>-</u>	<u>146,405</u>	<u>146,405</u>

Affected by the sharp plummet in the US stock market in February, 2018, Fubon Futures Co., Ltd. had an unpaid amount of future exchange margins receivable amounting to \$141,922, \$142,789 and \$143,931, respectively, which has yet to be recovered, and therefore, the loss allowance amounting to \$136,174, \$136,174 and \$136,175, respectively, after considering the actual recovery, had been recognized, as of June 30, 2026, December 31 and June 30, 2025.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

vii) Impairment loss

As of June 30, 2026, December 31 and June 30, 2025, the Group's receivables from pecuniary finance recovery periods were principally less than a year or an operating cycle (not more than half a year). Thus, it was assumed that book value approximated fair value without discounting at an appropriate interest rate.

As of June 30, 2026, December 31 and June 30, 2025, in accordance with the “Regulations Governing Margin and Stock Loans by Securities Firms”, the Group had charged the margin for margin purchases to its customers and held all securities purchased as collateral. The Group sets a margin ratio of around 120% to manage receivables from pecuniary finance. If the stock price fluctuates too much to maintain margin ratio of 120%, the Group will inform the customers to repay part of the financing, replenish the deposit margin, or increase the amount of collateral to make up the balance. As of June 30, 2026, December 31 and June 30, 2025, the Group had no impairment loss on receivables from pecuniary finance, taking historical experience and the recoverable amount of collateral into account.

Some investors failed to settle stock purchases made by pecuniary finance. Therefore, the Group disposed of the securities so purchased by the investors and deducted the proceeds of such sales from receivables from pecuniary finance. In addition, some collateral securities purchased by investors through unsettled pecuniary finance contracts were unable to be disposed of.

The Group has persistently tried to settle the aforementioned claims, and recorded the uncollected receivables from such unsettled pecuniary finance contracts and the past-maturity corporate bonds as overdue receivables.

2) Liquidity risk presentation and disclosure

Liquidity risk is the risk that the Group cannot provide sufficient funding for asset size growth or matured liabilities, does not have sufficient cash to meet obligations to counterparties, or cannot raise emergency funding to cover funding gaps.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

a) Liquidity risk measurement analysis

	June 30, 2026					
	Cash flow deficit					Total
Financial assets	0-30 days	31-90 days	91-180 days	181 days-1 year	>1 year	
Cash and cash equivalents	\$ 75,263,881	28,568,577	4,946,403	1,270,510	740,000	110,789,371
Customer margin account	81,049,063	-	-	-	-	81,049,063
Financial assets mandatorily measured at fair value through profit or loss—current	107,155,445	928	-	98,971	9,317,302	116,572,646
Open-end funds, money market instruments and other securities	236,608	-	-	-	-	236,608
Operating securities	99,671,705	-	-	98,971	9,040,276	108,810,952
Derivatives—OTC	537,801	-	-	-	-	537,801
Derivatives—futures trading margin	6,474,541	-	-	-	-	6,474,541
Foreign exchange derivatives	14,374	928	-	-	-	15,302
Other debt securities	-	-	-	-	277,026	277,026
Call option—futures	12,677	-	-	-	-	12,677
Securities invested by broker	207,739	-	-	-	-	207,739
Financial assets measured at fair value through other comprehensive income—current and non-current (Note1)	266,730	159,439	-	22,200,666	43,579,177	66,206,012
Receivables from pecuniary finance	72,772,549	4,788,998	1,596,333	798,166	-	79,956,046
Collateral for borrowed securities	7,430	-	-	-	-	7,430
Margin deposits for borrowed securities	5,349,651	-	-	-	-	5,349,651
Accounts receivable (included related parties)	99,690,539	39,311	18,361	6,178	-	99,754,389
Total	<u>\$ 441,555,288</u>	<u>33,557,253</u>	<u>6,561,097</u>	<u>24,374,491</u>	<u>53,636,479</u>	<u>559,684,608</u>
Proportion of the total	<u>78.89 %</u>	<u>6.00 %</u>	<u>1.17 %</u>	<u>4.36 %</u>	<u>9.58 %</u>	<u>100.00 %</u>

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

June 30, 2026						
Financial liabilities	Cash flow deficit					Total
	0-30 days	31-90 days	91-180 days	181 days-1 year	>1 year	
Short-term borrowings	\$ 20,079,143	4,480,000	-	-	-	24,559,143
Commercial paper issued	51,106,228	30,606,206	37,809,981	26,353,312	-	145,875,727
Held-for-trading financial liabilities—current	38,297,784	-	-	-	-	38,297,784
Call (put) warrants	4,041,860	-	-	-	-	4,041,860
Derivatives—OTC	17,838,109	-	-	-	-	17,838,109
Liabilities on sale of borrowed securities	16,408,901	-	-	-	-	16,408,901
Equity derivatives	8,914	-	-	-	-	8,914
Financial liabilities designated as at fair value through profit or loss	4,539,681	-	-	-	-	4,539,681
Securities sold under repurchase agreements	42,383,818	-	-	-	-	42,383,818
Securities financing refundable deposits	2,101,250	138,544	46,181	23,091	-	2,309,066
Deposits payable for securities financing	2,451,275	161,623	53,874	26,937	-	2,693,709
Securities lending refundable deposits	83,214,237	-	-	-	-	83,214,237
Futures traders' equity	81,049,063	-	-	-	-	81,049,063
Accounts payable (included related parties)	98,523,237	26	9	4	-	98,523,276
Lease liabilities—current and non-current (Note 2)	21,970	35,808	50,306	87,379	326,966	522,429
Bonds payable (Note 2)	-	-	-	120,000	6,080,000	6,200,000
Receipts under custody	7,759,260	206	-	-	-	7,759,466
Total	<u>\$ 431,526,946</u>	<u>35,422,413</u>	<u>37,960,351</u>	<u>26,610,723</u>	<u>6,406,966</u>	<u>537,927,399</u>
Proportion of the total	<u>80.22 %</u>	<u>6.58 %</u>	<u>7.06 %</u>	<u>4.95 %</u>	<u>1.19 %</u>	<u>100.00 %</u>
Cash inflow	441,555,288	33,557,253	6,561,097	24,374,491	53,636,479	559,684,608
Cash outflow	431,526,946	35,422,413	37,960,351	26,610,723	6,406,966	537,927,399
Net cash inflow	10,028,342	(1,865,160)	(31,399,254)	(2,236,232)	47,229,513	21,757,209

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2025					
	Cash flow deficit					Total
Financial assets	0-30 days	31-90 days	91-180 days	181 days-1 year	>1 year	
Cash and cash equivalents	\$ 29,078,426	30,772,955	477,700	1,963,310	-	62,292,391
Customer margin account	44,431,826	-	-	-	-	44,431,826
Financial assets mandatorily measured at fair value through profit or loss—current	58,825,421	-	-	-	5,487,437	64,312,858
Open-end funds, money market instruments and other securities	198,684	-	-	-	-	198,684
Operating securities	55,200,123	-	-	-	5,214,229	60,414,352
Derivatives—OTC	587,916	-	-	-	-	587,916
Derivatives—futures trading margin	2,448,742	-	-	-	-	2,448,742
Other debt securities	-	-	-	-	273,208	273,208
Call option—futures	2,432	-	-	-	-	2,432
Securities invested by broker	361,208	-	-	-	-	361,208
Foreign exchange derivatives	26,316	-	-	-	-	26,316
Financial assets measured at fair value through other comprehensive income—current and non-current (Note1)	230,530	-	99,827	6,459,806	33,577,720	40,367,883
Securities sold under repurchase agreements	109,231	-	-	-	-	109,231
Receivables from pecuniary finance	40,063,706	4,192,714	1,397,571	931,714	-	46,585,705
Collateral for borrowed securities	11,110	-	-	-	-	11,110
Margin deposits for borrowed securities	5,614,229	-	-	-	-	5,614,229
Accounts receivable (included related parties)	59,971,548	54,766	24,181	11,624	-	60,062,119
Total	<u>\$ 238,336,027</u>	<u>35,020,435</u>	<u>1,999,279</u>	<u>9,366,454</u>	<u>39,065,157</u>	<u>323,787,352</u>
Proportion of the total	<u>73.61 %</u>	<u>10.81 %</u>	<u>0.62 %</u>	<u>2.89 %</u>	<u>12.07 %</u>	<u>100.00 %</u>

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2025					
	Cash flow deficit					Total
Financial liabilities	0-30 days	31-90 days	91-180 days	181 days-1 year	>1 year	
Short-term borrowings	\$ 740,292	-	-	-	-	740,292
Commercial paper issued	32,128,394	34,338,110	-	-	-	66,466,504
Held-for-trading financial liabilities – current	25,158,844	-	-	-	-	25,158,844
Call (put) warrants	835,300	-	-	-	-	835,300
Derivatives – OTC	13,145,085	-	-	-	-	13,145,085
Liabilities on sale of borrowed securities	11,070,466	-	-	-	-	11,070,466
Bond investments under resell agreements	107,766	-	-	-	-	107,766
Put option-futures	227	-	-	-	-	227
Financial liabilities designated as at fair value through profit or loss	1,837,921	-	-	-	-	1,837,921
Securities sold under repurchase agreement	28,977,632	-	-	-	-	28,977,632
Securities financing refundable deposits	3,318,235	347,257	115,753	77,168	-	3,858,413
Deposits payable for securities financing	3,653,982	382,394	127,465	84,976	-	4,248,817
Securities lending refundable deposits	58,989,326	-	-	-	-	58,989,326
Futures traders' equity	44,431,826	-	-	-	-	44,431,826
Accounts payable (included related parties)	58,483,953	99	33	22	-	58,484,107
Lease liabilities – current and non-current (Note 2)	20,763	41,380	55,963	83,309	281,035	482,450
Receipts under custody	2,781,165	262	-	-	-	2,781,427
Total	<u>\$ 260,522,333</u>	<u>35,109,502</u>	<u>299,214</u>	<u>245,475</u>	<u>281,035</u>	<u>296,457,559</u>
Proportion of the total	<u>87.88 %</u>	<u>11.84 %</u>	<u>0.10 %</u>	<u>0.08 %</u>	<u>0.10 %</u>	<u>100.00 %</u>
Cash inflow	238,336,027	35,020,435	1,999,279	9,366,454	39,065,157	323,787,352
Cash outflow	260,522,333	35,109,502	299,214	245,475	281,035	296,457,559
Net cash inflow	(22,186,306)	(89,067)	1,700,065	9,120,979	38,784,122	27,329,793

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

June 30, 2025						
Financial assets	Cash flow deficit					Total
	0-30 days	31-90 days	91-180 days	181 days-1 year	>1 year	
Cash and cash equivalents	\$ 18,755,123	19,878,838	5,317,382	982,560	-	44,933,903
Customer margin account	44,463,354	-	-	-	-	44,463,354
Financial assets mandatorily measured at fair value through profit or loss—current	35,074,127	-	-	-	17,345,115	52,419,242
Open-end funds, money market instruments and other securities	227,616	-	-	-	-	227,616
Operating securities	32,575,858	-	-	-	17,043,035	49,618,893
Derivatives—OTC	543,222	-	-	-	-	543,222
Derivatives—futures trading margin	1,232,150	-	-	-	-	1,232,150
Foreign exchange derivatives	61,312	-	-	-	-	61,312
Other debt securities	-	-	-	-	302,080	302,080
Call option—futures	850	-	-	-	-	850
Securities invested by broker	433,119	-	-	-	-	433,119
Financial assets measured at fair value through other comprehensive income—current and non-current (Note1)	204,796	-	88,929	9,485,718	34,347,509	44,126,952
Securities purchased under resell agreements	456,711	-	-	-	-	456,711
Receivables from pecuniary finance	24,900,324	2,929,450	878,835	585,890	-	29,294,499
Collateral for borrowed securities	10,576	-	-	-	-	10,576
Margin deposits for borrowed securities	8,042,029	-	-	-	-	8,042,029
Accounts receivable (included related parties)	41,774,625	60,716	25,679	11,467	-	41,872,487
Total	<u>\$ 173,681,665</u>	<u>22,869,004</u>	<u>6,310,825</u>	<u>11,065,635</u>	<u>51,692,624</u>	<u>265,619,753</u>
Proportion of the total	<u>65.39 %</u>	<u>8.61 %</u>	<u>2.37 %</u>	<u>4.17 %</u>	<u>19.46 %</u>	<u>100.00 %</u>

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

June 30, 2025						
Financial liabilities	Cash flow deficit					Total
	0-30 days	31-90 days	91-180 days	181 days-1 year	>1 year	
Short-term borrowings	\$ 255,882	-	-	-	-	255,882
Commercial paper issued	35,877,106	1,098,636	-	-	-	36,975,742
Held-for-trading financial liabilities—current	26,261,643	-	-	-	-	26,261,643
Call (put) warrants	271,887	-	-	-	-	271,887
Derivatives—OTC	11,175,233	-	-	-	-	11,175,233
Liabilities on sale of borrowed securities	14,359,440	-	-	-	-	14,359,440
Securities purchased under resell agreements—securities lending	454,510	-	-	-	-	454,510
Put option—futures	140	-	-	-	-	140
Foreign exchange derivatives	433	-	-	-	-	433
Financial liabilities designated as at fair value through profit or loss	2,569,099	-	-	-	-	2,569,099
Securities sold under repurchase agreements	42,244,844	-	-	-	-	42,244,844
Securities financing refundable deposits	2,158,297	253,917	76,175	50,784	-	2,539,173
Deposits payable for securities financing	2,254,786	265,269	79,581	53,054	-	2,652,690
Securities lending refundable deposits	41,343,658	-	-	-	-	41,343,658
Futures traders' equity	44,463,354	-	-	-	-	44,463,354
Accounts payable (included related parties)	38,224,832	32	10	6	-	38,224,880
Lease liabilities—current and non-current (Note 2)	21,458	42,521	62,929	109,375	319,293	555,576
Receipts under custody	4,789,681	232	-	-	-	4,789,913
Total	\$ 240,464,640	1,660,607	218,695	213,219	319,293	242,876,454
Proportion of the total	99.01 %	0.68 %	0.09 %	0.09 %	0.13 %	100.00 %
Cash inflow	173,681,665	22,869,004	6,310,825	11,065,635	51,692,624	265,619,753
Cash outflow	240,464,640	1,660,607	218,695	213,219	319,293	242,876,454
Net cash inflow	(66,782,975)	21,208,397	6,092,130	10,852,416	51,373,331	22,743,299

Note 1: Government bonds provided as guarantee deposits were included.

Note 2: The disclosed amounts include accrued interests.

As of the reporting date, the cash flows of the Group have shown a significant increase in its net cash in-flow in most of the periods. The Group maintains great net cash in-flow to accumulated capital deficit for a long-term period which shows the Group could sustain adequate quality of capital volatility.

b) Liquidity risk management

In order to allocate capital effectively, the Group utilizes liquidity risk management mechanisms to evaluate and monitor short-term cash flow requirements for various types of business, and considers local short-term, cross-border, or cross-market demand for capital.

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Financial Department provides capital requirement evaluation information to the Risk Management Department, and the Risk Management Department provides a capital deficit analysis stress test evaluation report to the Financial Department every six months to evaluate the Group's related action taken while facing periods of high market volatility. If a stressful situation occurs, the department reports the results to the management and performs the following procedures to prevent the occurrence of a stressful event when necessary.

In order to increase liquidity reserve, the Group sells the low-risk assets of dealing positions from the trading departments. The Group disposes of high-liquidity stocks, government bonds, and other securities in order to respond to adverse shocks affecting the market. The Group also uses secured loan credit lines and long-term financing credit lines from banks and bills corporations to implement the Group's capital allocation emergency response plan.

3) Market risk analyses

Market risk is defined as an unfavorable change in market prices (such as interest rates, exchange rates, stock prices, and commodity prices) which may cause a potential loss on or off the balance sheet. According to the Group's internal administrative policies, the positions in the trading book are for the purpose of market risk measurement and management.

Trading book positions fit the following definitions:

- a) Positions held for earning profits from changes in bid-ask spread or changes in price and interest rate.
- b) Positions held for brokerage business or dealing trading.
- c) Positions held for offsetting risk from other positions (either entirely or partly).
- d) Positions held for trading within approved market risk limits.

Trading book positions should not be under any restrictive trading terms and should be completely hedged against risks.

i) Guidelines and procedures

The Group has enacted comprehensive policies on market risk management and has established mechanisms for deal execution, clearing, and settlement. Based on the risk factors they are exposed to, trading book positions are categorized in the following four groups: interest rate instruments, exchange rate instruments, securities, and commodities. The Group has established management policies and market risk limits that implement the risk management systems to identify, measure, monitor, and control the market risk.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES**Notes to the Consolidated Financial Statements****ii) Organization and framework**

Under the supervision of the Board of Directors, the Asset-Liability and Risk Management Executive Committee is composed of the senior managers from each department, while the chairman of the board oversees this committee. To improve market risk management, the committee supervises the suitability of market risk exposures and the effectiveness of market risk management.

The Risk Management Department is responsible for formulating policies and procedures on market risk management, for executing market risk limits control, for reporting market risk events immediately, and for verifying valuation models independently. In addition, the independent Audit Department, which is under the Board of Directors, plays the role of the third line of defense in the market risk management framework.

iii) Procedure for market risk control, reporting and verification

The Risk Management Department is responsible for monitoring the daily risk limit (including the analysis of risk sensitivity factors such as Delta, Vega, DV01, and VaR), notional quota, and profit and loss (P&L). Based on the authorized daily limit, this department controls the quota used and the monthly / yearly P&L. However, a position exceeding the approved limit is treated as an exceptional case to be monitored. The Group has established related mechanisms and procedures for VaR limit management while also applying back-testing to check the VaR model calculation and the effectiveness of the valuation methodology. The Group also keeps upgrading and improving its trading system with a market risk control function. Moreover, the valuation models and VaR models are verified independently by the Risk Management Department to ensure their effectiveness and stability.

iv) Market risk measurement of trading book

The Group's market risk measurement of the trading book includes individual risk measures (such as Greeks) and integrated risk measures (such as VaR and stress-testing). The integrated measures provide consistent and comparable measurement across different trading desks or risk types.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Value at Risk (VaR)

VaR is defined as 'the worst expected loss over a target horizon with given level of confidence and normal market environment'. The Group adopts Historical Simulation risk models to evaluate the one-day worst loss on current net positions, with a 99% confidence level. Historical Simulation is used to calculate Common VaR and Stressed VaR, which reflects the impact on positions held by the Group in the historical scenario. To conform to the Basel Committee on Banking Supervision's suggestion after the financial crisis in 2008, a new Stressed VaR used a 12-month period of market turmoil to assess potential losses above the 99% confidence level used in the VaR model. The outcome of the Historical Simulation was easier to explain and understand, and the method could also avoid mistaken risk factor hypotheses being used. To ensure the quality of VaR measures, the Group executes statistical hypothesis testing and back-testing periodically.

In addition to the above calculations, the Group has adopted the one-year period under the Covid-19 outbreak scenario as the stressed historical scenario period for the Stressed VaR. VaR and Stressed VaR information on the trading book is as follows:

For the three months ended June 30, 2026

VaR (in thousands)	High	Low	Average
Foreign exchange rate	\$ 3,668	835	1,829
Interest rate	44,765	30,395	35,686
Equity	378,198	238,753	327,418
Fluctuation	31,403	18,631	25,262

For the three months ended June 30, 2025

VaR (in thousands)	High	Low	Average
Foreign exchange rate	\$ 2,664	790	1,701
Interest rate	42,312	28,755	36,300
Equity	84,788	59,376	74,657
Fluctuation	85,680	42,674	58,359

For the six months ended June 30, 2026

VaR (in thousands)	High	Low	Average
Foreign exchange rate	\$ 3,784	835	2,322
Interest rate	58,050	30,395	39,941
Equity	378,198	106,102	239,035
Fluctuation	32,612	8,825	24,364

For the six months ended June 30, 2025

VaR (in thousands)	High	Low	Average
Foreign exchange rate	\$ 2,664	694	1,315
Interest rate	42,312	24,064	33,795
Equity	90,979	59,376	76,911
Fluctuation	85,680	1,851	30,647

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(The highest and lowest VaR in the table may appear on different dates; therefore, its diversification effect is not significant. Hence, it is not disclosed in the table.)

Stress testing

As described earlier, VaR is the worst loss likely to occur over a holding period with a given confidence level during normal fluctuation. However, VaR cannot be used to predict the loss when an extreme event or systemic risk appears in the market. Therefore, stress testing is introduced to capture the above risk by measuring the potential impact on the trading book portfolio during an abnormal market period and potential stress loss, compensating for the insufficiency of Common VaR.

Some techniques can be used when executing stress testing, such as sensitivity analysis, scenario analysis, and maximum loss analysis. The Group selected and implemented stress testing periodically within the scope of market risk set by the Fubon Financial Holding risk control system. The result from the stress testing would be reported to the Risk and Asset-Liability Management Committee as a reference for management setting each managerial objective and quota.

Sensitivity analysis

Sensitivity analysis is used to measure the impact and effect of the products and portfolios when these are changes in the factors of a specific market. The Group uses the following sensitivities to measure and monitor the risk exposure based on each type of risk.

1. Delta: Measure the changing value of a specific asset whose price changes 1%.
2. Gamma: Measure the changing Delta value of a specific asset whose price changes 1%.
3. Vega: Measure the changing value of a specific asset whose price volatility changes 1%.
4. Price Value of Basis Point (PVBp): Measure the changing value of the yield rate curve when it moves 1 bp in parallel.

(iii) Transfer of financial assets

Transferred financial assets that are not completely derecognized

The transferred financial assets of the Group that are not qualified for de-recognition in the daily operation are mainly debt securities under repurchased agreements. Since the right to receive cash flow is transferred and it reflects the associated liabilities to repurchase transferred financial assets at fixed price in future period, the Group cannot use, sell or pledge these transferred financial assets during the valid transaction period. However, since the Group still bears the interest rate risk and credit risk, transferred financial assets are not completely derecognized.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group splits the convertible bonds into corporate bonds and option, and sells them to separate investors with varying needs. Because the transactions involved ownership transfer, the entry for disposal of corporate bonds is the same as the normal bond transactions. The agreed exchanged interest payments are recorded as net value and evaluate at the market price as of balance sheet date.

When engaging in convertible bond option transactions, buyers pay premium to obtain the right to purchase or sell a security at a predetermined price on or before a specified day; sellers have the corresponding obligation to sell his options at a predetermined price on or before a specified day. The premium of the options will be shown on the balance sheet.

Notional amounts of the option should be recorded by memorandum entries. When options' owner fulfills the obligation, the Group will sell repurchase bonds to options' owner. Thus, the entry for disposal of corporate bonds is the same as the normal bond transactions. However, the Group still has the right to control the underlying interest; therefore, the financial assets are not derecognized in their entirety. Analysis of financial assets that are not completely derecognized and the associated liabilities are as follows:

Types of financial assets	June 30, 2026	
	Carrying amount of the transferred financial assets	Carrying amount of relevant financial liabilities
Financial assets measured at fair value through profit or loss		
Under repurchase agreements	\$ 18,286,550	15,971,352
Convertible bonds transferred to counter parties of asset exchange option	12,515,954	9,391,952
Financial assets measured at fair value through other comprehensive income		
Under repurchase agreements	27,445,121	26,412,666
Types of financial assets	December 31, 2025	
	Carrying amount of the transferred financial assets	Carrying amount of relevant financial liabilities
Financial assets measured at fair value through profit or loss		
Under repurchase agreements	\$ 9,766,214	9,151,963
Convertible bonds transferred to counter parties of asset exchange option	10,191,211	8,916,417
Financial assets measured at fair value through other comprehensive income		
Under repurchase agreements	20,314,571	19,825,669
Types of financial assets	June 30, 2025	
	Carrying amount of the transferred financial assets	Carrying amount of relevant financial liabilities
Financial assets measured at fair value through profit or loss		
Under repurchase agreements	\$ 21,447,088	20,919,310
Convertible bonds transferred to counter parties of asset exchange option	8,625,766	7,842,588
Financial assets measured at fair value through other comprehensive income		
Under repurchase agreements	22,042,758	21,325,534

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Offsetting of financial assets and financial liabilities

The Group does not hold any financial instruments contract which meet Section 42 of the FSC endorsed by IAS 32. Therefore, the financial assets and financial liabilities will be offset on the balance sheet.

Although the Group does not engage in transactions that meet the offsetting condition in IFRSs, it has signed net settlement contracts of similar agreements with counterparties, such as repurchase agreements and resell agreements. If both parties choose to net settle, the abovementioned executable net settlement contracts or similar agreements will be allowed to be settled in net amount after offsetting the financial assets and financial liabilities. Otherwise, the transaction will be settled in gross amount. However, if one party defaults, the other party could choose to net settle.

The offsetting information of financial assets and liabilities is shown below:

June 30, 2026						
Financial assets under offsetting or general agreement of net amount settlement or similar norms						
	Total recognized financial assets	Total recognized financial liabilities offsetting on the balance sheet	Net amount of financial assets on the balance sheets	Relevant amount not offset on the balance sheet (d)		Net amount
Financial assets	(a)	(b)	(c)=(a)-(b)	Financial instrument (note)	Cash received as collaterals	(e)=(c)-(d)
Derivative financial assets	\$ 565,780	-	565,780	-	-	565,780
June 30, 2026						
Financial liabilities under offsetting or general agreement of net amount settlement or similar norms						
	Total recognized financial liabilities	Total recognized financial assets offsetting on the balance sheet	Net amount of financial liabilities on the balance sheets	Relevant amount not offset on the balance sheet (d)		Net amount
Financial liabilities	(a)	(b)	(c)=(a)-(b)	Financial instrument (note)	Pledged cash Collaterals	(e)=(c)-(d)
Derivative financial liabilities	\$ 17,847,023	-	17,847,023	-	-	17,847,023
Repurchase agreements	42,383,818	-	42,383,818	42,383,818	-	-
Total	\$ 60,230,841	-	60,230,841	42,383,818	-	17,847,023
December 31, 2025						
Financial assets under offsetting or general agreement of net amount settlement or similar norms						
	Total recognized financial assets	Total recognized financial liabilities offsetting on the balance sheet	Net amount of financial assets on the balance sheets	Relevant amount not offset on the balance sheet (d)		Net amount
Financial assets	(a)	(b)	(c)=(a)-(b)	Financial instrument (note)	Cash received as collaterals	(e)=(c)-(d)
Derivative financial assets	\$ 616,664	-	616,664	-	-	616,664
Resell agreements	109,231	-	109,231	109,231	-	-
Total	\$ 725,895	-	725,895	109,231	-	616,664

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2025						
Financial liabilities under offsetting or general agreement of net amount settlement or similar norms						
	Total recognized financial liabilities	Total recognized financial assets offsetting on the balance sheet	Net amount of financial liabilities on the balance sheets	Relevant amount not offset on the balance sheet (d)		Net amount
Financial liabilities	(a)	(b)	(c)=(a)-(b)	Financial instrument (note)	Pledged cash Collaterals	(e)=(c)-(d)
Derivative financial liabilities	\$ 13,145,312	-	13,145,312	-	-	13,145,312
Repurchase agreements	28,977,632	-	28,977,632	28,977,632	-	-
Total	<u>\$ 42,122,944</u>	<u>-</u>	<u>42,122,944</u>	<u>28,977,632</u>	<u>-</u>	<u>13,145,312</u>

June 30, 2025						
Financial assets under offsetting or general agreement of net amount settlement or similar norms						
	Total recognized financial assets	Total recognized financial liabilities offsetting on the balance sheet	Net amount of financial assets on the balance sheets	Relevant amount not offset on the balance sheet (d)		Net amount
Financial assets	(a)	(b)	(c)=(a)-(b)	Financial instrument (note)	Cash received as collaterals	(e)=(c)-(d)
Derivative financial assets	\$ 605,384	-	605,384	-	-	605,384
Resell agreements	456,711	-	456,711	456,711	-	-
Total	<u>\$ 1,062,095</u>	<u>-</u>	<u>1,062,095</u>	<u>456,711</u>	<u>-</u>	<u>605,384</u>

June 30, 2025						
Financial liabilities under offsetting or general agreement of net amount settlement or similar norms						
	Total recognized financial liabilities	Total recognized financial assets offsetting on the balance sheet	Net amount of financial liabilities on the balance sheets	Relevant amount not offset on the balance sheet (d)		Net amount
Financial liabilities	(a)	(b)	(c)=(a)-(b)	Financial instrument (note)	Pledged cash Collaterals	(e)=(c)-(d)
Derivative financial liabilities	\$ 11,175,806	-	11,175,806	-	-	11,175,806
Repurchase agreements	42,244,844	-	42,244,844	42,244,844	-	-
Total	<u>\$ 53,420,650</u>	<u>-</u>	<u>53,420,650</u>	<u>42,244,844</u>	<u>-</u>	<u>11,175,806</u>

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

(ak) Structured entities

Unconsolidated structured entities

- (i) The Group holds the following types of equity of unconsolidated structured entities. The fund was derived from the Group and an outside third-party.

Types of structured entity	Characteristic and purpose	Equity owned by the Group
Assets securitization products	Invest in assets securitization products to gain profit	Invest in asset-backed securities issued by the entity

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (ii) As of June 30, 2026, December 31 and June 30, 2025, the carrying amounts of the unconsolidated structured entities recognized by the Group were as below:

June 30, 2026	Asset securitization products
Assets possessed	
— Financial assets measured at fair value through profit or loss — current	\$ <u><u>277,026</u></u>
December 31, 2025	Asset securitization products
Assets possessed	
— Financial assets measured at fair value through profit or loss — current	\$ <u><u>273,208</u></u>
June 30, 2025	Asset securitization products
Assets possessed	
— Financial assets measured at fair value through profit or loss — current	\$ <u><u>302,080</u></u>

The maximum exposure of the possible loss from the entity is the carrying amount of the assets possessed.

- (iii) For the six months ended June 30, 2026 and 2025, the Group did not offer any financial support to those unconsolidated private investment funds and asset securitization products.

(al) Capital management

(i) Capital adequacy ratio

The Group sets objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to shareholders, and to protect the interests of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities. The Company calculates and declares the capital adequacy ratio in accordance with the Regulations Governing Securities Firms.

The capital adequacy ratios that the Company declared to the authorities were as follows (expressed in millions of TWD):

	June 30, 2026	December 31, 2025	June 30, 2025
Net amount of eligible regulatory capital	\$ <u><u>60,113</u></u>	<u><u>51,937</u></u>	<u><u>45,129</u></u>
Overall risk equivalent	\$ <u><u>24,657</u></u>	<u><u>17,352</u></u>	<u><u>15,284</u></u>
Regulatory capital adequacy ratio	<u><u>244 %</u></u>	<u><u>299 %</u></u>	<u><u>295 %</u></u>

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 1) Capital adequacy ratio = Net amount of eligible regulatory capital/Overall risk equivalent
- 2) Net amount of eligible regulatory capital = Tier 1 capital + Tier 2 capital + Tier 3 capital — Deductions.
- 3) Overall risk equivalent = Equivalent amount of market risk + Equivalent amount of credit risk + Equivalent amount of operational risk.

(ii) Capital adequacy ratio management

When executing the stress tests for the capital adequacy ratio, the Risk Management Department sets situations and events based on market fluctuations and changes in interest rates, and predictions regarding the financial environment and the overall economy. When the results of the stress tests reach the limit, the Risk Management Department will implement the procedures below:

- 1) Evaluate the impact on capital adequacy from the occurrence of the situations and events.
- 2) Identify the factor in the situation or event which has the greatest impact on the capital adequacy ratio.
- 3) Evaluate strategies to cope with the situation or event.
- 4) Report to top management, adjust the allocation of the risk-weighted assets, or execute a capital replenishment plan.

(am) Others

The significant foreign currency financial assets and financial liabilities were as follows:

	June 30, 2026			December 31, 2025			June 30, 2025		
	Foreign currency (in thousands)	Exchange rate (in dollars)	TWD	Foreign currency (in thousands)	Exchange rate (in dollars)	TWD	Foreign currency (in thousands)	Exchange rate (in dollars)	TWD
Financial assets:									
Monetary items:									
USD	\$ 2,126,895	31.8411	67,722,638	1,429,956	31.4510	44,973,598	1,099,358	29.9072	32,878,678
HKD	52,973	4.0601	215,078	107,824	4.0405	435,662	95,023	3.8085	361,891
AUD	4,604	21.9101	100,882	5,181	21.0145	108,879	6,792	19.5544	132,821
EUR	24	36.2656	862	7	36.8537	252	54	35.0705	1,898
JPY	51,948,473	0.1961	10,187,355	44,388,990	0.2006	8,906,340	24,662,349	0.2074	5,115,908
GBP	1	42.1242	38	814	42.2316	34,386	962	40.9787	39,404
CNY	5,810	4.6878	27,237	6,267	4.5003	28,204	10,563	4.1745	44,097
Non-monetary items:									
USD	911,802	31.8411	29,032,756	588,928	31.4510	18,522,389	794,112	29.9072	23,749,637
HKD	1,193	4.0601	4,845	1,242	4.0405	5,020	10,870	3.8085	41,397
AUD	545,091	21.9101	11,943,011	321,215	21.0145	6,750,182	233,592	19.5544	4,567,745
EUR	-	-	-	22	36.8537	819	20	35.0705	710
JPY	7,137	0.1961	1,400	16,770	0.2006	3,365	12,081	0.2074	2,506
Financial liabilities:									
Monetary items:									
USD	32,000	31.8411	1,018,915	-	-	-	-	-	-
AUD	42,000	21.9101	920,228	20,000	21.0145	420,292	7,000	19.5544	136,882
Non-monetary items:									
USD	2,990,526	31.8411	95,221,588	1,981,998	31.4510	62,335,886	1,801,266	29.9072	53,870,741
AUD	511,715	21.9101	11,211,743	310,032	21.0145	6,515,170	227,642	19.5544	4,451,390

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Because the Group has various kinds of functional currency, it uses the way of summarization to disclose the information on exchange gains or losses from monetary items. For the three months and six months ended June 30, 2026 and 2025, the exchange gains (losses), including realized and unrealized, amounted to \$149,078, \$(11,026), \$65,976 and \$25,251, respectively.

(7) Related-party transactions

(a) Names and relationships of related parties

<u>Name of related party</u>	<u>Relationship</u>
Fubon Financial Holding Co., Ltd.	Parent company
Fubon Insurance Co., Ltd.	Company controlled by Fubon Financial Holding
Fubon Life Insurance Co., Ltd.	Company controlled by Fubon Financial Holding
Taipei Fubon Commercial Bank Co., Ltd.	Company controlled by Fubon Financial Holding
Fubon Bank (Hong Kong) Limited	Company controlled by Fubon Financial Holding
Fubon Asset Management Co., Ltd.	Company controlled by Fubon Financial Holding
Fubon Sports & Entertainment Co., Ltd.	Company controlled by Fubon Financial Holding
Fubon Fund Management (Hong Kong) Limited	Company controlled by Fubon Financial Holding
Line Bank Co., Ltd.	Investments accounted for using equity method by Parent Company
Line Pay Taiwan Limited	Investments accounted for using equity method by Parent Company
Chung Hsing Construction Co., Ltd.	A major stockholder of Fubon Financial Holding
Ming-Dong Industrial Co., Ltd.	A major stockholder of Fubon Financial Holding
Concord System Management Corporation	Related parties in substance
momo.com Inc.	Related parties in substance
Taiwan Stock Exchange Corporation	Related parties in substance
Taiwan Futures Exchange Corporation	Related parties in substance
Taipei Exchange	Related parties in substance
Taiwan Mobile Co., Ltd.	Related parties in substance
Taiwan Fixed Network Co., Ltd.	Related parties in substance
Taiwan Life Insurance Co., Ltd.	Related parties in substance
TCC Group Holdings Co., Ltd.	Related parties in substance
Pou Chen Corporation	Related parties in substance

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of related party	Relationship
HD Renewable Energy Co., Ltd.	Related parties in substance
Winbond Electronics Corporation	Related parties in substance
Hon Hai Precision Industry Co., Ltd.	Related parties in substance
Global Unichip Corporation	Related parties in substance
Evergreen Marine Co., Ltd.	Related parties in substance
Win Semiconductors Corporation	Related parties in substance
ASE Technology Holding Co., Ltd.	Related parties in substance
Ye Siang Enterprise Co., Ltd.	Related parties in substance
Inventec Corporation	Related parties in substance
MiTAC Digital Technology Corporation	Related parties in substance
Fubon Charity Foundation	Related parties in substance
CTBC Securities Co., Ltd.	Related parties in substance
Funds managed by Fubon Asset Management Co., Ltd. (note)	Related parties in substance
Others	Directors, supervisors, managers and their relatives up to the second degree, affiliates and the related parties in substance

Note: In accordance with the TIFRS FAQ "Identification of Related Parties" issued by the Accounting Research and Development Foundation on June 16, 2025, the Group has reassessed that those Funds managed by Fubon Asset Management Co., Ltd are not considered as related parties of the Group.

Furthermore, in accordance with FAQ released by the Securities and Futures Bureau on July 11, 2025, the Group is not required to restate its comparative period information nor to make any retrospective adjustments to its previously identified and disclosed related-party relationships and transactions.

(b) Compensation to executive officers

	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Salaries and other short-term employee benefits	\$ 63,285	54,981	119,890	112,198
Post-employment benefits	1,093	2,802	2,400	4,186
Other long-term employee benefits	<u>1,087</u>	<u>1,036</u>	<u>2,075</u>	<u>2,127</u>
	<u><u>\$ 65,465</u></u>	<u><u>58,819</u></u>	<u><u>124,365</u></u>	<u><u>118,511</u></u>

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Significant transactions with related parties

(i) Bank deposits, short-term borrowings, and other current assets.

Cash deposited in Taipei Fubon Commercial Bank Co., Ltd. and Fubon Bank (Hong Kong) Limited was as follows:

	June 30, 2026		December 31, 2025		June 30, 2025	
	Amount	%	Amount	%	Amount	%
Demand deposits (excluding settlement accounts)	<u>\$ 26,251,245</u>	<u>98.10</u>	<u>3,976,917</u>	<u>85.78</u>	<u>2,675,262</u>	<u>78.42</u>
Demand deposits (recognized as customer margin accounts)	<u>\$ 352,988</u>	<u>3.76</u>	<u>275,477</u>	<u>5.81</u>	<u>351,223</u>	<u>8.74</u>
Checking account	<u>\$ 1,066,318</u>	<u>96.26</u>	<u>51,959</u>	<u>67.12</u>	<u>432,332</u>	<u>91.12</u>
Time deposits	<u>\$ 1,120,000</u>	<u>24.34</u>	<u>501,053</u>	<u>13.77</u>	<u>481,868</u>	<u>16.38</u>
Restricted time deposits	<u>\$ 148,000</u>	<u>100.00</u>	<u>138,000</u>	<u>100.00</u>	<u>138,000</u>	<u>100.00</u>
Foreign currency deposits (excluding settlement accounts)	<u>\$ 100,342</u>	<u>0.13</u>	<u>317,680</u>	<u>0.59</u>	<u>89,046</u>	<u>0.23</u>
Foreign time deposits	<u>\$ 20,308,224</u>	<u>100.00</u>	<u>14,901,662</u>	<u>100.00</u>	<u>13,194,614</u>	<u>100.00</u>

As of June 30, 2026, December 31 and June 30, 2025, the Group had bank deposits in Line Bank Co., Ltd. of \$58,410, \$23,308 and \$10,262, respectively.

As of June 30, 2026, December 31 and June 30, 2025, the Group had provided time deposits in Taipei Fubon Commercial Bank Co., Ltd. as operating deposits and warrant deposits amounted to \$870,000.

These were no balances of short-term borrowings from Taipei Fubon Commercial Bank Co., Ltd. as of June 30, 2026, December 31 and June 30, 2025, and unused credit facilities from Taipei Fubon Bank amounted to \$15,000,000, \$8,500,000 and \$8,500,000, respectively. As of June 30, 2026, December 31 and June 30, 2025, the carrying value of land and buildings pledged to Taipei Fubon Commercial Bank Co., Ltd. were \$3,890,481, \$1,442,564 and \$1,446,248, respectively, and time deposits pledged to Taipei Fubon Commercial Bank Co., Ltd. for short-term borrowing were \$148,000, \$138,000 and \$138,000, respectively. The Group also provided stock investments amounting to \$22,489,258, \$10,099,061 and \$11,675,570 (recognized as financial assets measured at fair value through other comprehensive income) to Taipei Fubon Commercial Bank Co., Ltd. as collateral for short-term borrowings and overdrafts as of June 30, 2026, December 31 and June 30, 2025, respectively.

Interest income from bank deposits was as follows:

Name of related party	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Taipei Fubon Commercial Bank Co., Ltd.	<u>\$ 277,660</u>	<u>161,363</u>	<u>465,057</u>	<u>343,120</u>
Others (no individual related party accounts for more than \$10,000)	<u>\$ 101</u>	<u>1,334</u>	<u>212</u>	<u>6,219</u>
Interest rate (%) range			<u>0.635~4.13</u>	<u>0.635~4.59</u>

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (ii) The Group has bought the following funds managed by related parties:

<u>Name of related party</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Funds managed by Fubon Asset Management Co., Ltd.	\$ <u>-</u>	<u>-</u>	<u>98,539</u>

- (iii) Operating securities — dealing (recognized as financial assets measured at fair value through profit or loss — current)

The details of related parties' securities held by the Group were as follows:

<u>Name of securities</u>	<u>June 30, 2026</u>	
	<u>Cost</u>	<u>Gains (losses) on valuation</u>
Fubon REIT I Fund	\$ 243,380	33,646
Winbond Electronics Corporation	10,430	418
Hon Hai Precision Industry Co., Ltd.	89,687	7,487
Global Unichip Corporation	400,010	471,712
Evergreen Marine Co., Ltd.	13,526	(1,419)
Win Semiconductors Corporation	71,773	69,659
ASE Technology Holding Co., Ltd.	49,764	37,738
Ye Siang Enterprise Co., Ltd.	16,640	(429)
Others (no individual related party accounts for more than \$10,000)	<u>24,094</u>	<u>3,689</u>
Total	<u>\$ 919,304</u>	<u>622,501</u>

<u>Name of securities</u>	<u>December 31, 2025</u>	
	<u>Cost</u>	<u>Gain (loss) on valuation</u>
Fubon REIT I Fund	\$ 243,380	29,828
Others (no individual related party accounts for more than \$10,000)	<u>9,318</u>	<u>29</u>
Total	<u>\$ 252,698</u>	<u>29,857</u>

<u>Name of securities</u>	<u>June 30, 2025</u>	
	<u>Cost</u>	<u>Gains (losses) on valuation</u>
Funds managed by Fubon Asset Management Co., Ltd.	\$ 1,271,643	31,818
Fubon REIT I Fund	243,380	58,700
Others (no individual related party accounts for more than \$10,000)	<u>9,121</u>	<u>(106)</u>
Total	<u>\$ 1,524,144</u>	<u>90,412</u>

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of securities	For the three months ended June 30, 2026	
	Dividend revenue	Gain (loss) on disposal
Others (no individual related party accounts for more than \$10,000)	\$ <u>4,710</u>	<u>7,057</u>
Name of securities	For the three months ended June 30, 2025	
	Dividend revenue	Gain (loss) on disposal
Funds managed by Fubon Asset Management Co., Ltd.	\$ 6,336	(72,612)
Others (no individual related party accounts for more than \$10,000)	-	3,724
Total	\$ <u>6,336</u>	<u>(68,888)</u>
Name of securities	For the six months ended June 30, 2026	
	Dividend revenue	Gains (losses) on disposal
Others (no individual related party accounts for more than \$10,000)	\$ <u>4,710</u>	<u>9,784</u>
Name of securities	For the six months ended June 30, 2025	
	Dividend revenue	Gains (losses) on disposal
Funds managed by Fubon Asset Management Co., Ltd.	\$ 8,982	(146,453)
Others (no individual related party accounts for more than \$10,000)	-	8,244
Total	\$ <u>8,982</u>	<u>(138,209)</u>

For the three months and six months ended June 30, 2026 and 2025, the interest revenue arise from operating securities — others were \$10,266, \$9,678, \$10,266 and \$9,678, respectively.

- (iv) Operating securities — underwriting (recognized as financial assets measured at fair value through profit or loss — current)

The details of related parties' securities held by the Group were as follows:

Name of securities	For the three months ended June 30, 2025	
	Dividend revenue	Gains (losses) on disposal
Others (no individual related party accounts for more than \$10,000)	\$ <u>-</u>	<u>2,187</u>

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of securities	For the six months ended June 30, 2025	
	Dividend revenue	Gains (losses) on disposal
Others (no individual related party accounts for more than \$10,000)	\$ -	4,888
(v) Operating securities — hedging (recognized as financial assets measured at fair value through profit or loss — current)		

The details of related parties' securities held by the Group were as follows:

Name of securities	June 30, 2026	
	Cost	Gains (losses) on valuation
TCC Group Holdings Co., Ltd.	\$ 19,617	(314)
TCC Group Holdings Co.,Ltd. 1st Domestic Unsecured Convertible Bond	297,283	2,761
TAIWAN MOBILE 4th Domestic Unsecured Convertible Bond	583,766	22,256
TAIWAN MOBILE 5th Domestic Unsecured Convertible Bond	29,458	1,646
HD Renewable Energy Co., Ltd. 2nd Unsecured Convertible Bond	104,814	(24,418)
Winbond Electronics Corporation	170,092	132,209
Hon Hai Precision Industry Co., Ltd.	590,156	(7,568)
Evergreen Marine Co., Ltd.	94,746	(9,962)
Win Semiconductors Corporation	209,519	(21,624)
Global Unichip Corporation	154,112	(496)
MiTAC Digital Technology Corporation	10,600	(503)
ASE Technology Holding Co., Ltd.	661,214	264,601
Call (put) warrants issued by CTBC Securities Co., Ltd.	36,346	23,244
Others (no individual related party accounts for more than \$10,000)	23,072	(22)
Total	<u>\$ 2,984,795</u>	<u>381,810</u>

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of securities	December 31, 2025	
	Cost	Gains (losses) on valuation
TCC Group Holdings Co.,Ltd.	\$ 28,615	362
TCC Group Holdings Co.,Ltd. 1st Domestic Unsecured Convertible Bond	297,283	(2,765)
TAIWAN MOBILE 4th Domestic Unsecured Convertible Bond	423,786	(3,234)
TAIWAN MOBILE 5th Domestic Unsecured Convertible Bond	41,658	408
HD Renewable Energy Co., Ltd. 2nd Unsecured Convertible Bond	104,814	(13,274)
Winbond Electronics Corporation	73,418	30,683
Pou Chen Corporation	19,257	(278)
Others (no individual related party accounts for more than \$10,000)	5,459	2,003
Total	\$ 994,290	13,905

Name of securities	June 30, 2025	
	Cost	Gains (losses) on valuation
Funds managed by Fubon Asset Management	\$ 29,503	(251)
TCC Group Holdings Co.,Ltd. 1st Domestic Unsecured Convertible Bond	297,383	(3,065)
TAIWAN MOBILE 4th Domestic Unsecured Convertible Bond	435,801	1,536
TAIWAN MOBILE 5th Domestic Unsecured Convertible Bond	47,916	199
Pou Chen Corporation	29,130	(238)
Winbond Electronics Corporation	10,675	(105)
HD Renewable Energy Co., Ltd. 2nd Unsecured Convertible Bond	105,351	899
Others (no individual related party accounts for more than \$10,000)	12,322	249
Total	\$ 968,081	(776)

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of securities	For the three months ended June 30, 2026	
	Dividend revenue	Gain (loss) on disposal
TAIWAN MOBILE 4th Domestic Unsecured Convertible Bond	\$ -	51
Winbond Electronics Corporation	-	52,334
Win Semiconductors Corporation	-	15,499
Global Unichip Corporation	1,796	38,879
ASE Technology Holding Co., Ltd.	-	17,552
Call (put) warrants issued by CTBC Securities Co., Ltd.	-	66,364
Others (no individual related party accounts for more than \$10,000)	6,769	1,328
Total	\$ 8,565	192,007

Name of securities	For the three months ended June 30, 2025	
	Dividend revenue	Gain (loss) on disposal
TAIWAN MOBILE 4th Domestic Unsecured Convertible Bond	\$ -	8
Others (no individual related party accounts for more than \$10,000)	189	4,830
Total	\$ 189	4,838

Name of securities	For the six months ended June 30, 2026	
	Dividend revenue	Gains (losses) on disposal
TAIWAN MOBILE 4th Domestic Unsecured Convertible Bond	\$ -	11,411
Winbond Electronics Corporation	794	70,561
Win Semiconductors Corporation	-	15,499
Global Unichip Corporation	1,796	38,879
ASE Technology Holding Co., Ltd.	-	17,552
Call (put) warrants issued by CTBC Securities Co., Ltd	-	69,986
Others (no individual related party accounts for more than \$10,000)	6,769	1,070
Total	\$ 9,359	224,958

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of securities	For the six months ended June 30, 2025	
	Dividend revenue	Gains (losses) on disposal
TAIWAN MOBILE 4th Domestic Unsecured Convertible Bond	\$ -	25,483
Others (no individual related party accounts for more than \$10,000)	333	7,325
Total	\$ 333	32,808

(vi) Financial assets measured at fair value through other comprehensive income—current

The details of related parties' shares held by the Group were as follows:

Name of securities	June 30, 2026		
	Cost	Shares	Gain (loss) on valuation
Taiwan Mobile Co., Ltd.	\$ 1,428,277	17,242	580,417
Hon Hai Precision Industry Co., Ltd.	448,389	1,893	26,754
Inventec Corporation	316,078	5,201	30,308
Evergreen Marine Co., Ltd.	712,305	3,263	(110,282)
ASE Technology Holding Co., Ltd.	588,590	2,114	848,930
Total	\$ 3,493,639	29,713	1,376,127

Name of securities	December 31, 2025		
	Cost	Shares	Gain (loss) on valuation
Taiwan Mobile Co., Ltd.	\$ 1,428,277	17,242	442,481

Name of securities	June 30, 2025		
	Cost	Shares	Gain (loss) on valuation
Taiwan Mobile Co., Ltd.	\$ 1,428,277	17,242	554,554

Name of securities	For the three months ended June 30, 2026	
	Dividend revenue	Gains (losses) on disposal
Evergreen Marine Co., Ltd.	\$ 131,936	(178,803)

Name of securities	For the six months ended June 30, 2026	
	Dividend revenue	Gains (losses) on disposal
Evergreen Marine Co., Ltd.	\$ 131,936	(178,803)

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vii) Derivative financial instrument transaction

June 30, 2026					
Name of related party	Derivative instrument contract	Contract duration	Nominal amounts	Financial statement balance	
				Account	Balance
CTBC Securities Co., Ltd.	IRS Portion of Asset Swap	2024.09.12~2029.02.05	\$ 287,000	IRS Portion of Asset Swap (liabilities)	12,603

December 31, 2025					
Name of related party	Derivative instrument contract	Contract duration	Nominal amounts	Financial statement balance	
				Account	Balance
CTBC Securities Co., Ltd.	IRS Portion of Asset Swap	2024.09.13~2028.11.24	\$ 392,000	IRS Portion of Asset Swap (liabilities)	19,271

June 30, 2025					
Name of related party	Derivative instrument contract	Contract duration	Nominal amounts	Financial statement balance	
				Account	Balance
CTBC Securities Co., Ltd.	IRS Portion of Asset Swap	2024.09.13~2028.06.16	\$ 311,400	IRS Portion of Asset Swap (liabilities)	12,968

(viii) Customer margin account

Name of related party	June 30, 2026	December 31, 2025	June 30, 2025
Taiwan Futures Exchange Corporation	\$ 27,628,004	12,161,470	9,503,685

(ix) Accounts receivable

Name of related party	June 30, 2026	December 31, 2025	June 30, 2025
Fubon Asset Management Co., Ltd.	\$ 19,222	15,094	13,766
Others (no individual related party accounts for more than \$10,000)	8,441	4,774	7,610
Total	\$ 27,663	19,868	21,376

(x) Other receivables

Name of related party	June 30, 2026	December 31, 2025	June 30, 2025
Taipei Fubon Commercial Bank Co., Ltd.	\$ 196,748	168,088	152,616
Fubon Life Insurance Co., Ltd.	76,467	27,596	34,842
Taiwan Futures Exchange Corporation	165,602	28,963	129,032
Others (no individual related party accounts for more than \$10,000)	4,870	5,393	8,772
Total	\$ 443,687	230,040	325,262

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(xi) Prepayments and Prepayments for equipment

<u>Name of related party</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Fubon Insurance Co., Ltd.	\$ 10,878	3,380	3,701
momo.com Inc.	17,365	13,303	13,907
Concord System Management Corporation	5,143	36,454	-
Others (no individual related party accounts for more than \$10,000)	5,611	3,090	1,532
Total	<u>\$ 38,997</u>	<u>56,227</u>	<u>19,140</u>

(xii) Settlement and clearing funds (recognized as other non-current assets)

<u>Name of related party</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Taiwan Stock Exchange Corporation	\$ 756,478	300,712	303,132
Taiwan Futures Exchange Corporation	183,159	167,461	164,290
Taipei Exchange	265,100	102,768	77,357
Total	<u>\$ 1,204,737</u>	<u>570,941</u>	<u>544,779</u>

(xiii) Refundable deposits (recognized as other non-current assets)

<u>Name of related party</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Taiwan Futures Exchange Corporation	\$ 110,220	93,767	84,269
Taipei Exchange	191,000	63,000	82,000
Others (no individual related party accounts for more than \$10,000)	28,405	28,378	28,327
Total	<u>\$ 329,625</u>	<u>185,145</u>	<u>194,596</u>

(xiv) Futures traders' equity

Related parties' deposits for initial and maintenance margins for futures trading were as follows:

<u>Name of related party</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Taipei Fubon Commercial Bank Co., Ltd.	\$ 111,784	169,996	162,077
Fund managed by Fubon Asset Management Co., Ltd.	-	-	14,075,432
Total	<u>\$ 111,784</u>	<u>169,996</u>	<u>14,237,509</u>

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(xv) Performance bond of ETNs

<u>Name of related party</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Taipei Exchange	\$ <u>31,500</u>	<u>3,500</u>	<u>2,600</u>

(xvi) Deal on credit

As of June 30, 2026, December 31 and June 30, 2025, the Group had receivables from the other related parties' pecuniary finance as well as securities borrowing and lending amounted to \$465,611, \$436,010 and \$183,724, respectively.

(xvii) Accounts payable

<u>Name of related party</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Taiwan Futures Exchange Corporation	\$ 35,139	26,840	22,656
Others (no individual related party accounts for more than \$10,000)	-	-	240
Total	\$ <u>35,139</u>	<u>26,840</u>	<u>22,896</u>

(xviii) Other payables

<u>Name of related party</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Taipei Fubon Commercial Bank Co., Ltd.	\$ 146,612	69,493	57,351
Fubon Sports & Entertainment Co., Ltd.	28,288	19,156	12,951
Taiwan Stock Exchange Corporation	222,339	89,333	60,480
Fubon Financial Holding Co., Ltd.	719,622	7,126	3,474
Taipei Exchange	56,345	29,896	21,184
Others (no individual related party accounts for more than \$10,000)	11,829	11,563	10,160
Total	\$ <u>1,185,035</u>	<u>226,567</u>	<u>165,600</u>

(xix) Receipts under custody (recognized as other current liabilities)

<u>Name of related party</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Fubon Fund Management (Hong Kong) Limited	\$ 3,747	10,926	3,178
Line Pay Taiwan Limited	102,012	16	-
Others (no individual related party accounts for more than \$10,000)	5,455	5,425	5,169
Total	\$ <u>111,214</u>	<u>16,367</u>	<u>8,347</u>

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(xx) Receivables and payables from combined corporate income tax filing

The Company has designated Fubon Financial Holding Co., Ltd. as the taxpayer to file a combined income tax return and undistributed earnings.

	June 30, 2026	December 31, 2025	June 30, 2025
Tax receivable from combined income tax (recognized as current tax assets)	\$ <u>2,699</u>	<u>-</u>	<u>-</u>
Tax payable from combined income tax (recognized as current tax liabilities)	\$ <u>1,187,785</u>	<u>1,388,361</u>	<u>637,026</u>

(xxi) Brokerage commission (recognized as brokerage handling fee revenue)

Name of 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.	\$ 33,223	25,289	76,252	62,574
Taipei Fubon Commercial Bank Co., Ltd.	25,564	26,725	55,891	48,371
Taiwan Life Insurance Co., Ltd.	7,769	1,478	18,432	3,820
Funds managed by Fubon Asset Management Co., Ltd.	-	33,942	-	69,370
Others (no individual related party accounts for more than \$10,000)	<u>55,884</u>	<u>17,631</u>	<u>94,755</u>	<u>32,444</u>
Total	<u>\$ 122,440</u>	<u>105,065</u>	<u>245,330</u>	<u>216,579</u>

(xxii) Revenue from underwriting business

Name of related party	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Fubon Financial Holding Co., Ltd.	\$ -	3,900	9,700	10,800
Fubon Asset Management Co., Ltd.	55,810	39,018	102,581	73,081
Fubon Life Insurance Co., Ltd.	20,000	17,600	20,000	17,600
Others (no individual related party accounts for more than \$10,000)	<u>4,030</u>	<u>1,870</u>	<u>8,520</u>	<u>9,633</u>
Total	<u>\$ 79,840</u>	<u>62,388</u>	<u>140,801</u>	<u>111,114</u>

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(xxiii) Revenue from providing agency service for stock affairs

Name of related party	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Fubon Financial Holding Co., Ltd.	\$ 7,969	8,041	15,810	15,861
Others (no individual related party accounts for more than \$10,000)	2,764	2,674	5,291	5,458
Total	<u>\$ 10,733</u>	<u>10,715</u>	<u>21,101</u>	<u>21,319</u>

(xxiv) Expenses arising from issuance of call (put) warrants (recognized as gains (losses) from issuance of call (put) warrants)

Name of related party	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Taiwan Stock Exchange Corporation	\$ 56,101	24,993	96,174	52,838
Taipei Exchange	12,898	6,737	21,766	14,233
Total	<u>\$ 68,999</u>	<u>31,730</u>	<u>117,940</u>	<u>67,071</u>

(xxv) Dividend income (recognized as other gains and losses)

Name of related party	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Taiwan Futures Exchange Corporation	\$ 101,534	109,411	101,534	109,411
Others (no individual related party accounts for more than \$10,000)	9,172	8,240	9,172	8,245
Total	<u>\$ 110,706</u>	<u>117,651</u>	<u>110,706</u>	<u>117,656</u>

(xxvi) Facility rental revenue (recognized as other gains and losses)

Name of related party	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Taipei Fubon Commercial Bank Co., Ltd.	<u>\$ 226,012</u>	<u>173,687</u>	<u>422,904</u>	<u>349,947</u>

(xxvii) Financial income - others (recognized as other gains and losses)

Name of related party	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Taiwan Futures Exchange Corporation	\$ 39,901	11,635	69,617	32,188
Others (no individual related party accounts for more than \$10,000)	443	239	2,267	1,588
Total	<u>\$ 40,344</u>	<u>11,874</u>	<u>71,884</u>	<u>33,776</u>

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(xxviii) Cross-selling revenue (recognized as other gains and losses)

Name of 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.	\$ 75,110	31,914	178,423	74,408
Taipei Fubon Commercial Bank Co., Ltd.	9,680	1,604	15,300	2,604
Others (no individual related party accounts for more than \$10,000)	2,208	1,714	4,437	2,980
Total	\$ 86,998	35,232	198,160	79,992

(xxix) Cross-selling expense (recognized as other gains and losses)

Name of related party	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Taipei Fubon Commercial Bank Co., Ltd.	\$ 216,798	61,277	339,159	113,970
Others (no individual related party accounts for more than \$10,000)	244	50	411	50
Total	\$ 217,042	61,327	339,570	114,020

(xxx) Brokerage handling fee expense (recognized as brokerage handling fee expense and proprietary handling fee expense)

Name of related party	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Taiwan Stock Exchange Corporation	\$ 556,088	144,354	890,323	283,820
Taiwan Futures Exchange Corporation	54,643	42,804	107,621	79,717
Taipei Exchange	176,137	53,473	277,985	108,375
Total	\$ 786,868	240,631	1,275,929	471,912

(xxxi) Settlement service fee expense

Name of related party	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Taiwan Futures Exchange Corporation	\$ 41,716	31,122	81,769	57,379

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
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(xxxii) Insurance expense (recognized as employee benefit expense and other operating expense)

Name of 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.	\$ 7,523	7,644	14,967	15,404
Fubon Insurance Co., Ltd.	4,706	5,020	12,709	8,475
Total	<u>\$ 12,229</u>	<u>12,664</u>	<u>27,676</u>	<u>23,879</u>

(xxxiii) Rental expense (recognized as other operating expense)

Name of related party	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Taiwan Stock Exchange Corporation	\$ 8,494	4,290	17,138	8,187
Others (no individual related party accounts for more than \$10,000)	7,403	6,092	14,856	12,340
Total	<u>\$ 15,897</u>	<u>10,382</u>	<u>31,994</u>	<u>20,527</u>

The calculation of rent between the Group and related parties was based on market price, and paid monthly.

(xxxiv) Stock borrowing fees (recognized as other operating expense)

Name of related party	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Funds managed by Fubon Asset Management Co., Ltd.	\$ -	12,591	-	15,516
Others (no individual related party accounts for more than \$10,000)	-	1,063	-	1,664
Total	<u>\$ -</u>	<u>13,654</u>	<u>-</u>	<u>17,180</u>

(xxxv) Advertisement expense (recognized as other operating expense)

Name of related party	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Fubon Sports & Entertainment Co., Ltd.	\$ 9,109	11,533	21,367	21,637
Others (no individual related party accounts for more than \$10,000)	635	132	708	1,132
Total	<u>\$ 9,744</u>	<u>11,665</u>	<u>22,075</u>	<u>22,769</u>

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(xxxvi) Information technology expense (recognized as other operating expense)

Name of related party	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Taiwan Stock Exchange Corporation	\$ 14,903	10,932	28,560	21,238
Others (no individual related party accounts for more than \$10,000)	9,437	5,449	17,950	10,869
Total	<u>\$ 24,340</u>	<u>16,381</u>	<u>46,510</u>	<u>32,107</u>

(xxxvii) Postage expense (recognized as other operating expense)

Name of related party	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Taiwan Fixed Network Co., Ltd.	\$ 8,325	7,827	16,853	13,349
Others (no individual related party accounts for more than \$10,000)	1,324	1,335	2,690	2,688
Total	<u>\$ 9,649</u>	<u>9,162</u>	<u>19,543</u>	<u>16,037</u>

(xxxviii) Professional services expense (recognized as other operating expense)

Name of related party	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Line Bank Co., Ltd.	\$ 6,870	6,224	11,301	8,683
Others (no individual related party accounts for more than \$10,000)	2,609	710	1,642	1,257
Total	<u>\$ 9,479</u>	<u>6,934</u>	<u>12,943</u>	<u>9,940</u>

(xxxix) Donations (recognized as other operating expense)

Name of related party	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Others (no individual related party accounts for more than \$10,000)	<u>\$ 15,349</u>	<u>-</u>	<u>15,349</u>	<u>-</u>

(xl) Other expense (recognized as other operating expense)

Name of related party	For the three months ended June 30		For the six months ended June 30	
	2026	2025	2026	2025
Others (no individual related party accounts for more than \$10,000)	<u>\$ 11,962</u>	<u>4,396</u>	<u>19,859</u>	<u>14,599</u>

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
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(xli) Right-of-use assets and lease liabilities

<u>Name of related party</u>	<u>Right-of-use Asset</u>		
	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Taipei Fubon Commercial Bank Co., Ltd.	\$ 56,432	36,611	64,957
Chung Hsing Construction Co., Ltd.	5,492	11,989	18,594
Ming-Dong Industrial Co., Ltd.	15,753	1,785	4,521
Fubon Charity Foundation	506	1,982	3,483
Fubon REIT I Fund	31,836	39,973	49,015
Fubon REIT II Fund	10,658	15,092	19,587
Fubon Life Insurance Co., Ltd.	6,474	12,485	18,597
Fubon Insurance Co., Ltd.	42,234	49,688	38,097
Total	<u>\$ 169,385</u>	<u>169,605</u>	<u>216,851</u>

<u>Name of related party</u>	<u>Lease liability</u>		
	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Taipei Fubon Commercial Bank Co., Ltd.	\$ 57,525	38,530	67,260
Chung Hsing Construction Co., Ltd.	5,738	12,511	19,156
Ming-Dong Industrial Co., Ltd.	15,827	1,902	4,710
Fubon Charity Foundation	523	2,073	3,594
Fubon REIT I Fund	32,599	40,596	49,258
Fubon REIT II Fund	10,991	15,472	19,850
Fubon Life Insurance Co., Ltd.	6,931	13,322	19,589
Fubon Insurance Co., Ltd.	26,824	27,882	22,629
Total	<u>\$ 156,958</u>	<u>152,288</u>	<u>206,046</u>

(xlii) Property transactions — Purchases of equipment and other assets

<u>Name of related party</u>	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Concord System Management Corporation	\$ 12,932	-	74,987	-
Others (no individual related party accounts for more than \$10,000)	1,849	-	1,849	-
Total	<u>\$ 14,781</u>	<u>-</u>	<u>76,836</u>	<u>-</u>

(xliii) The Company sold 20% of its equity in JihSun Securities Investment Trust Co., Ltd. to Fubon Asset Management Co., Ltd. on April 1, 2025 with a total consideration of \$365,662.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
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(xliv) Other transactions with related parties with amounts not exceeding \$10 million were as follows:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Assets and liabilities:			
Deposits received	\$ 2,691	2,571	2,571
Others (no individual related items for more than \$2,000)	96	83	81
Total	<u>\$ 2,787</u>	<u>2,654</u>	<u>2,652</u>
	<u>For the three months ended June 30</u>	<u>For the six months ended June 30</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u> <u>2025</u>
Revenue:			
Rental revenue	\$ 2,735	2,643	5,390 5,286
Revenues from wealth management business	2,364	1,254	4,074 3,605
Other non-operating revenue	1,338	5,243	2,416 7,597
Others (no individual item accounts for more than \$2,000)	1,142	1,013	2,044 1,947
Total	<u>\$ 7,579</u>	<u>10,153</u>	<u>13,924</u> <u>18,435</u>
	<u>For the three months ended June 30</u>	<u>For the six months ended June 30</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u> <u>2025</u>
Expense:			
Financial cost	\$ 50	5,239	88 9,284
Other operating expense	2,196	4,439	3,795 9,895
Repair and maintenance expense	2,767	696	5,626 1,118
Utilities expense	2,271	638	4,338 769
Others (no individual item accounts for more than \$2,000)	73	509	775 912
Total	<u>\$ 7,357</u>	<u>11,521</u>	<u>14,622</u> <u>21,978</u>

The price and payment terms of related-party transactions mentioned above are not significantly different from those of non-related parties.

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(8) Pledged assets

The carrying values of pledged assets were as follows:

Pledged assets	Pledged object	June 30, 2026	December 31, 2025	June 30, 2025
Time deposits (accounted for other current assets)	Bank loan and overdraft	\$ 148,000	138,000	138,000
Stocks (accounted for financial assets measured at fair value through other comprehensive income — current)	Bank loan	7,679,206	1,844,500	1,955,000
Stocks (accounted for financial assets measured at fair value through other comprehensive income — non-current)	Bank loan	14,810,052	8,254,561	9,720,570
Bonds (accounted for financial assets measured at fair value through other comprehensive income — current)	Reserves for trust business	49,644	49,749	49,661
Bonds (accounted for financial assets measured at fair value through other comprehensive income — current)	Guarantee for bond business	49,644	49,749	49,661
Bonds (accounted for financial assets measured at fair value through other comprehensive income — current)	Collaterals for derivatives	49,261	49,467	49,735
Property and equipment — land and buildings	Bank loan	3,070,422	1,527,711	1,529,028
Investment property — land and buildings	Bank loan	1,571,540	667,240	670,400
		<u><u>\$ 27,427,769</u></u>	<u><u>12,580,977</u></u>	<u><u>14,162,055</u></u>

(9) Commitments and contingencies: None

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events

- (a) The Board of Directors of Fubon Futures, acting on behalf of the shareholders, resolved on June 9, 2026, to capitalize the retained earnings in the amount of NT\$279,451 thousand through the issuance of 27,945 thousand shares. The capital increase was filed with the Securities and Futures Bureau of the Financial Supervisory Commission and became effective on August 10, 2026, with the record date being set at August 31, 2026.

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
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- (b) On August 3, 2026, the Board of Directors of Fubon Futures, resolved the issuance of secured subordinated corporate bonds, which may be issued in a single tranche or in multiple tranches, subject to market condition, at an aggregate principal amount not exceeding \$2,500,000, with each bond having a face value of \$1,000 and the issuance period not exceeding ten years.

(12) Other

- (a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By function By account	For the three months ended June 30, 2026			For the three months ended June 30, 2025		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits expense:						
Wage and salaries	-	3,211,436	3,211,436	-	1,344,096	1,344,096
Insurance expense	-	117,170	117,170	-	93,509	93,509
Pension expense	-	59,208	59,208	-	51,822	51,822
Directors' remuneration	-	6,888	6,888	-	8,823	8,823
Other employee benefits	-	46,434	46,434	-	34,594	34,594
Depreciation expense	-	140,174	140,174	-	122,317	122,317
Amortization expense	-	51,327	51,327	-	55,280	55,280

By function By account	For the six months ended June 30 2026			For the six months ended June 30 2025		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefits expense:						
Wage and salaries	-	5,366,366	5,366,366	-	2,743,174	2,743,174
Insurance expense	-	220,041	220,041	-	188,228	188,228
Pension expense	-	107,839	107,839	-	104,057	104,057
Directors' remuneration	-	13,980	13,980	-	17,387	17,387
Other employee benefits	-	86,419	86,419	-	69,898	69,898
Depreciation expense	-	272,813	272,813	-	244,346	244,346
Amortization expense	-	108,463	108,463	-	109,488	109,488

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FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
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(b) Legal compliance

- (i) In accordance with an SFB ruling, there are certain standards for financial ratios as prescribed by the RGFCM. The Company's financial ratios were as follows:

Rule	Formula	June 30 2026		June 30 2025		Standard	Within the standard
		Calculation	Ratio	Calculation	Ratio		
No. 17	Stockholders' equity	388,800	528.86	386,222	441.10	≥ 1	Satisfactory
	Total liabilities - futures traders' equity	735		875			
No. 17	Current assets	10,143,967	-	2,863,661	20,392.82	≥ 1	Satisfactory
	Current liabilities	-		140			
No. 22	Stockholders' equity	388,800	97.20 %	386,222	96.56 %	$\geq 60\%$	Satisfactory
	Minimum paid-in capital	400,000		400,000		$\geq 40\%$	
No. 22	Adjusted net working capital	8,574,852	136.49 %	2,361,504	231.30 %	$\geq 20\%$	Satisfactory
	Customer margin required	6,282,308		1,020,969		$\geq 15\%$	

- (ii) In accordance with an SFB ruling, there are certain standards for financial ratios as prescribed by the RGFCM. Financial ratios of Fubon Futures Co., Ltd. were as follows:

Rule	Formula	June 30 2026		June 30 2025		Standard	Within the standard
		Calculation	Ratio	Calculation	Ratio		
No. 17	Stockholders' equity	5,308,672	14.247	4,519,520	12.823	≥ 1	Satisfactory
	Total liabilities - futures traders' equity	372,614		352,449			
No. 17	Current assets	95,525,151	1.037	50,909,070	1.061	≥ 1	Satisfactory
	Current liabilities	92,098,245		47,962,088			
No. 22	Stockholders' equity	5,308,672	884.779 %	4,519,520	753.253 %	$\geq 60\%$	Satisfactory
	Minimum paid-in capital	600,000		600,000		$\geq 40\%$	
No. 22	Adjusted net working capital	4,913,834	23.301 %	4,077,547	40.057 %	$\geq 20\%$	Satisfactory
	Customer margin required	21,088,173		10,179,405		$\geq 15\%$	

(c) Special risk of futures brokering business

Future trading with low margins provides greater financial leverage. Although there is potential to produce large profits, it is equally possible to generate huge losses. When the market trend is unfavorable, futures commission merchants (FCMs) can ask customers for extra funds in order to maintain the margin balance. If customers cannot provide extra margins in a given period, FCMs have the right to settle the futures contracts on behalf of the customers. If there are losses after settlement, customers must reimburse the Company for the losses after netting the margin. If the futures market trend deviates from customers' expectations, original margins can be completely lost. On the other hand, the Group has a major risk, market price risk, when engaging in dealing business. That means the market price of futures contracts and options is affected by changes in the index of the investment object. The Group will suffer a loss if the price of the market index changes in reverse of the investment object. However, the Group sets stop-loss points based on risk management to control the risk.

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- (d) According to Rule Letter No.1030026386 issued by the Regulations for Securities Brokers Undertaking Pecuniary and Securities Financing, the Group provided the following information of its offshore securities business:

	(In thousands of USD)		
	June 30, 2026	December 31, 2025	June 30, 2025
Bank deposits	\$ 6,961	7,012	6,113
Stocks	31,888	33,832	31,355
Bonds	15,688	17,086	18,918
Funds	1,575	1,777	3,471
Structured products	11,195	6,423	5,236

- (e) According to Rule Letter No.1110016644 issued by the TWSE, the Group provided the following information of its customer ledgers of securities firms' settlement accounts:

	(In thousands of NTD)		
	June 30, 2026	December 31, 2025	June 30, 2025
Bank deposits:			
Time deposits	\$ 965,000	730,000	555,000
Demand deposits	618,671	540,315	494,239
Total	\$ 1,583,671	1,270,315	1,049,239

- (f) Because the US stocks had plummeted sharply on February 6, 2018, resulting in the equity of customer margin deposit to be negative. The clients of Fubon Futures Co., Ltd. breached the contract due to their failure to fully pay the additional guarantee deposits within three working days after having been noticed. Therefore, Fubon Futures Co., Ltd. had to recognize the future exchanges margins receivable with the approximate amount of \$185 million. This matter had been reported to the Taiwan Futures Exchange. As of June 30, 2026, the unpaid amount was \$141,922 thousand. After considering the actual recovery situation, Fubon Futures Co., Ltd. had recognized the allowance for doubtful accounts amounting to \$136,174 thousand.

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) According to Article 17 of Enforcement Rules of the Trust Enterprise Act, the details of trust balance sheet, trust income statement, and trust catalog of property were as follows:

(i) Trust balance sheets

Trust Balance Sheets

June 30, 2026, December 31 and June 30, 2025

(expressed in thousands of TWD)

Trust assets	June 30, 2026	December 31, 2025	June 30, 2025	Trust liabilities	June 30, 2026	December 31, 2025	June 30, 2025
Bank deposits	\$ 361,746	337,480	357,879	Payables	\$ 1,857	916	32,720
Short-term investments				Trust capital	19,447,842	24,316,253	17,624,528
Funds	23,002,392	18,398,853	15,546,435	Net income	18,567,691	6,027,729	2,794,674
Stocks	13,018,379	10,186,763	3,675,269	Accumulated surplus (loss)	(1,317,886)	(1,183,354)	(599,162)
Domestic listed and emerging stock securities	17,870	-	34,756				
Borrowed securities	148,978	148,385	160,888				
Receivables	147,425	86,092	76,944				
Beneficiary certificates pending settlement	2,714	3,971	589				
Total trust assets	\$ 36,699,504	29,161,544	19,852,760	Total trust liabilities	\$ 36,699,504	29,161,544	19,852,760

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Trust income statements

Trust Income Statements

For the six months ended June 30, 2026 and 2025

(expressed in thousands of TWD)

	For the six months ended June 30	
	2026	2025
Trust Revenues		
Interest revenue	\$ 1,493	1,175
Dividend revenue	388,748	313,499
Rental revenue	2,301	1,479
Borrowed securities compensation	638	2,044
Realized gains on investments	734,131	119,653
Unrealized gains on investments	<u>18,371,401</u>	<u>3,725,906</u>
Subtotal	<u>19,498,712</u>	<u>4,163,756</u>
Trust Expenses		
Management fee	488	313
Commission expense	2,080	3,584
Other expense	149	117
Realized losses on investments	108,378	130,775
Unrealized losses on investments	<u>819,926</u>	<u>1,234,293</u>
Subtotal	<u>931,021</u>	<u>1,369,082</u>
Income before tax	18,567,691	2,794,674
Income tax expense	<u>-</u>	<u>-</u>
Net income	<u><u>\$ 18,567,691</u></u>	<u><u>2,794,674</u></u>

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Trust catalog of property

Trust catalog of property

June 30, 2026, December 31 and June 30, 2025

(expressed in thousands of TWD)

Item	June 30, 2026	December 31, 2025	June 30, 2025
Bank deposits	\$ 361,746	337,480	357,879
Short-term investments			
Funds	23,002,392	18,398,853	15,546,435
Stocks	13,018,379	10,186,763	3,675,269
Domestic listed and emerging stock securities	17,870	-	34,756
Borrowed securities	148,978	148,385	160,888
Receivables	147,425	86,092	76,944
Beneficiary certificates pending settlement	2,714	3,971	589
Total	<u>\$ 36,699,504</u>	<u>29,161,544</u>	<u>19,852,760</u>

(13) Other disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

- (i) Financing provided to others: None.
- (ii) Endorsements/guarantees provided to others: None.
- (iii) Acquisition of individual real estate at price of at least NT\$300,000million or 20% of the paid-in capital: None.
- (iv) Disposal of individual real estate at price of at least NT\$300,000million or 20% of the paid-in capital: None.
- (v) Discount on brokerage trading fee to related parties amounting to at least NT\$5,000million: None.
- (vi) Receivables from related parties amounting to at least NT\$100,000million or 20% of the paid-in capital: None.

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vii) Details of material transactions between parent company and subsidiaries:

Number (Note I)	Name of company	Name of counter-party	Existing relationship with counter- party (Note II)	Transaction details			
				Account name	Amount	Terms of trading	Percentage of total consolidated revenue or total assets
0	Fubon Securities Co., Ltd.	Fubon Futures Co., Ltd.	1	Other receivables-related parties- other	14,577	Not materially different from the general trading terms.	- %
0	Fubon Securities Co., Ltd.	Fubon Futures Co., Ltd.	1	Accounts receivable- related parties	19,607	Not materially different from the general trading terms.	- %
0	Fubon Securities Co., Ltd.	Fubon Securities Investment Services Co., Ltd.	1	Professional service expense- advisory	104,029	Not materially different from the general trading terms.	0.41 %
0	Fubon Securities Co., Ltd.	Fubon Futures Co., Ltd.	1	Futures commission revenue- the operation of futures introducing broker business	103,037	Not materially different from the general trading terms.	0.40 %
0	Fubon Securities Co., Ltd.	Fubon Futures Co., Ltd.	1	Other non-operating revenue	13,786	Not materially different from the general trading terms.	0.05 %
0	Fubon Securities Co., Ltd.	Fubon Futures Co., Ltd.	1	Other non-operating expense	11,843	Not materially different from the general trading terms.	0.05 %
1	Fubon Futures Co., Ltd.	Fubon Securities Co., Ltd.	2	Customer margin account-bank deposits	10,695,806	Not materially different from the general trading terms.	1.71 %
1	Fubon Futures Co., Ltd.	Fubon Securities Co., Ltd.	2	Futures trader's equity- customer	937,462	Not materially different from the general trading terms.	0.15 %
1	Fubon Futures Co., Ltd.	Fubon Securities Co., Ltd.	2	Futures trader's equity- commission merchant	9,758,345	Not materially different from the general trading terms.	1.56 %
1	Fubon Futures Co., Ltd.	Fubon Securities Co., Ltd.	2	Other payables-related parties	14,577	Not materially different from the general trading terms.	- %
1	Fubon Futures Co., Ltd.	Fubon Securities Co., Ltd.	2	Accounts payable-related parties	19,607	Not materially different from the general trading terms.	- %
1	Fubon Futures Co., Ltd.	Fubon Securities Co., Ltd.	2	Futures commission expense- the operation of futures introducing broker business	103,037	Not materially different from the general trading terms.	0.40 %
1	Fubon Futures Co., Ltd.	Fubon Securities Co., Ltd.	2	Professional service expense- other	16,697	Not materially different from the general trading terms.	0.07 %
1	Fubon Futures Co., Ltd.	Fubon Securities Co., Ltd.	2	Brokerage handling fee revenue - futures	11,843	Not materially different from the general trading terms.	0.05 %
2	Fubon Securities Investment Services Co., Ltd.	Fubon Securities Co., Ltd.	2	Revenue from advisory- securities	104,029	Not materially different from the general trading terms.	0.41 %

Note I: The numbers indicate the following:

1. 0 means the parent.
2. The subsidiaries are sequentially numbered from 1.

Note II: Types of existing relationship with the counter-party are indicated as follows:

1. Parent to subsidiaries.
2. Subsidiaries to parent.

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Related information on investee companies (excluding information on investees in Mainland China)

For the six months ended June 30, 2026, the related information on investee companies was as follows (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Date of establishment	FSC Rule No.	Major operations	Initial investment (Amount)		Ending balance			Revenue of investee	Net income of investee	Investment income (losses)	Cash dividend	Notes
						Ending balance	Beginning balance	Shares	Ratio of shares	Book value					
Fubon Securities Co., Ltd.	Fubon Futures Co., Ltd.	Taipei City	May 7, 1998		Futures	3,274,128	3,274,128	260,000	100.00 %	5,308,671	616,706	361,360	361,360	-	The transaction was eliminated when the Company compiled its consolidated financial report.
"	Fubon Securities Investment Services Co., Ltd.	Taipei City	April 14, 1987		Investment service	90,444	90,444	9,000	100.00 %	107,585	105,765	4,449	4,449	1,581	"
"	Fubon Securities Venture Capital Co., Ltd.	Taipei City	September 11, 2015	No. 10400230351	Venture Capital	300,000	300,000	30,000	100.00 %	202,250	(40,629)	(42,842)	(42,842)	-	"
Fubon Securities Co., Ltd.	Fubon Mintou Venture Capital Co., Ltd.	Taipei City	May 26, 2017	No. 1050006031	Venture Capital	134,000	134,000	13,400	67.00 %	132,684	-	206	127	-	The transaction was eliminated when the Company compiled its consolidated financial report.
"	Fubon Securities (HK) Ltd.	Hong Kong	July 29, 2010	No.0990010266	Securities business	1,098,242	1,098,242	220,248	100.00 %	891,335	87,915	39,156	39,156	-	"
"	JS CRESVALE Securities International Ltd.	Hong Kong	January 26, 1993	No.10505	Securities business	990,108	990,108	96,000	100.00 %	412,868	4,523	6,936	6,936	-	"
"	Fubon Financial Holding Venture Capital Co., Ltd.	Taipei City	October 17, 2003		Venture capital	649,970	649,970	141,424	11.20 %	1,587,707	1,974,775	1,044,361	116,968	-	Investments accounted for using the equity method
JS CRESVALE Securities International Ltd.	JS CRESVALE Capital Ltd.	Hong Kong	December 27, 1985	No.101651	Stock and futures brokerage, sales of mutual funds	88,500	88,500	2,000	100.00 %	97,538	-	713	713	-	The transaction was eliminated when the Company compiled its consolidated financial report.

(c) Information on overseas branches and representative offices: None.

(d) Information on investment in mainland China: None.

(e) Related information on investee companies in other countries which do not have any securities authority: None.

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information

(a) Operating segment information

The Group offers different products and services based on the strategies of the Group, the main businesses, and geographical area. The various types of business are administered separately and have different finance and marketing strategies. The following are the segments the Group should report:

- (i) Dealing business: With its own funds, the dealing business engaged in trading securities, bonds, futures, options, and related listed stock instruments approved by the authorities, and undertook profit and loss risks.
- (ii) Equity derivatives business: Engaged in warrant liabilities, structured products, equity derivative instruments, and related business.
- (iii) Investment banking business: Engaged in helping business enterprises to have an initial public offering or to register on the emerging or listed market, in underwriting and selling securities, in helping business enterprises to raise funds, and related business.
- (iv) Brokerage business: Engaged in brokerage trading, margin trading, and futures brokerage services.
- (v) Fubon Futures Co., Ltd.: Engaged in the business of domestic and international futures brokerage services and futures investment consultancy, accepting appointments to handle futures trading, and assisting in or performing closing for other non-closing futures brokers.
- (vi) Others: Fubon Investment Service Co., Ltd.: Accepted appointments to provide research and analyses related to securities investment advice or recommendations, and other investment advisory services. Fubon Securities Venture Capital Co., Ltd.: Engaged in venture capital services. Fubon Mintou Venture Capital Co., Ltd.: Engaged in venture capital services. JS CRESVALE Securities International Ltd. and Fubon Securities (HK) : Engaged in foreign brokerage trades and other related investment activities.

(b) Reportable segment profit or loss

The Group does not allocate tax expenses or extraordinary activity gains or losses to reporting segments. The reportable amount is similar to that in the report used by the chief operating decision maker.

The operating segment accounting policies are similar to those described in note 4 "Significant Accounting Policies". The income of the operating segments is based on income before tax, which also serves as the basis for performance measurement. The sales and transfers between departments are regarded as third-party sales and transfers and are measured by current market value.

(Continued)

FUBON SECURITIES CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) The Group's business information and reconciliation

For the three months ended June 30 2026								
	Dealing business	Equity derivatives business	Investment banking business	Brokerage business	Fubon Futures Co., Ltd.	Others	Adjustment and reversal	Total
Revenue between segments	\$ 1,242,920	1,682,833	762,363	11,505,328	308,816	96,150	(114,800)	15,483,610
Segment income (Note)	\$ 452,113	558,582	585,100	5,948,719	262,957	251,371	(233,554)	7,825,288
For the three months ended June 30 2025								
	Dealing business	Equity derivatives business	Investment banking business	Brokerage business	Fubon Futures Co., Ltd.	Others	Adjustment and reversal	Total
Revenue between segments	\$ 814,400	466,384	346,268	4,042,854	245,162	95,913	(90,716)	5,920,265
Segment income (Note)	\$ 414,721	122,027	213,430	1,885,307	147,122	91,526	(113,259)	2,760,874
For the six months ended June 30 2026								
	Dealing business	Equity derivatives business	Investment banking business	Brokerage business	Fubon Futures Co., Ltd.	Others	Adjustment and reversal	Total
Revenue between segments	\$ 1,834,318	2,630,304	1,676,874	18,838,889	616,433	157,745	(230,558)	25,524,005
Segment income (Note)	\$ 501,802	753,190	1,292,021	9,733,039	441,921	71,117	(369,197)	12,423,893
For the six months ended June 30 2025								
	Dealing business	Equity derivatives business	Investment banking business	Brokerage business	Fubon Futures Co., Ltd.	Others	Adjustment and reversal	Total
Revenue between segments	\$ 1,211,622	940,148	593,898	8,373,512	514,398	192,116	(185,806)	11,639,888
Segment income (Note)	\$ 400,139	215,920	369,473	3,893,672	280,660	(100,599)	(224,730)	4,834,535

Note: Income tax expense information is not included in segments information.

The aforementioned significant reconciliation of reporting segments does not include segment information and the offsetting of transactions between parent and subsidiaries. The decision maker of the Group does not make decisions based on the assets and liabilities of the operating segment, therefore, the Group's business information and reconciliation were not disclosed.