Stock Code:5830

COTA COMMERCIAL BANK CO., LTD.

Financial Statements

with Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024

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The independent auditors' report and the accompanying 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 financial statements, the Chinese version shall prevail.

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Independent Auditors' Report

To the Board of Directors of COTA Commercial Bank Co., Ltd. :

Opinion

We have audited the financial statements of COTA Commercial Bank Co., Ltd. ("the Company"), which comprise the balance sheets as of December 31, 2025 and 2024, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Held Banks and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants, the permit No. 10802731571 as issued by the Financial Supervisory Commission 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 Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of loan and receivables

Please refer to Note 4(e) "Financial Instrument", Note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty", and Note 6(g), 6(h), 6(ak)(iii) of the financial statements.

Description of key audit matter:

The Company mainly engages in providing loans to its clients; hence, the recoverability of loans and receivables has a significant influence on its business operation which can result in its exposure to credit risk. Therefore, the evaluation of impairment of loans and receivables has been identified as our key audit matter.

How the matter was addressed in our audit:

In relation to the key audit matter mentioned above, our principal audit procedures included testing the Company's internal controls on the credit rating of its clients and its monitoring procedure; assessing whether the collateral assets and the crediting documents are thoroughly examined; assessing whether the loans and receivables are properly classified based on the status of credit guarantees and the length of time overdue; examining whether the measurement and the assumption the management has adopted to evaluate the expected credit loss (ECL) of loans and receivables are appropriate; evaluating whether the 12-month ECL and lifetime expected credit loss recognized are reasonable; analyzing the recognized impairment to make sure that it complies with the "Regulation Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans".

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Held Banks and IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company 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 Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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 Chen, Yen-Hui and Mei,Yuan-Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 9, 2026

Notes to Readers

The accompanying financial statements are intended only to present the 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 financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying 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' audit report and financial statements, the Chinese version shall prevail.

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

COTA COMMERCIAL BANK CO., LTD.

Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2025		December 31, 2024	
	Assets	**Amount**	**%**	**Amount**	**%**
11000	Cash and cash equivalents (note 6(a))	$ 2,708,125	1	3,933,436	2
11500	Due from the Central Bank and call loans to banks (note 6(b))	13,560,462	6	13,824,008	7
12000	Financial assets at fair value through profit or loss (note 6(c))	6,224,104	3	4,980,813	2
12100	Financial assets at fair value through other comprehensive income (note 6(d))	15,982,924	7	11,410,746	5
12200	Financial assets at amortized cost (note 6(e) and 8)	19,958,796	9	19,740,595	10
12500	Securities purchased under resell agreements (note 6(f))	4,991,650	2	998,561	1
13000	Receivables, net (note 6(g))	723,155	1	598,570	-
13200	Current income tax assets	34,985	-	44,437	-
13500	Discounts and loans, net (note 6(h) and 7)	151,304,795	69	144,696,790	71
15500	Other financial assets, net (note 6(j))	487,206	-	487,206	-
18500	Property and equipment, net (note 6(j))	1,513,901	1	1,292,290	1
18600	Right-of-use assets (note 6(k))	145,955	-	144,939	-
18700	Investment property, net (note 6(l))	1,147,185	1	1,148,368	1
19000	Intangible assets, net (note 6(m))	150,981	-	129,911	-
19300	Deferred income tax assets (note 6(u))	111,570	-	110,310	-
19500	Other assets (note 6(t))	548,830	-	445,918	-
	Total assets	**$ 219,594,624**	**100**	**203,986,898**	**100**

		December 31, 2025		December 31, 2024	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Liabilities:				
21000	Deposits from the Central Bank and banks (note 6(n))	$ 37,383	-	38,336	-
22000	Financial liabilities at fair value through profit or loss (note 6(c))	1,272	-	2,160	-
23000	Payables (note 6(o))	984,537	1	961,972	1
23200	Current income tax liabilities	116,199	-	-	-
23500	Deposits and remittances (note 6(p) and 7)	199,035,105	90	183,523,623	90
24000	Subordinate financial debentures (note 6(q))	1,650,000	1	2,250,000	1
25600	Provisions (note 6(r) and (t))	133,021	-	128,975	-
26000	Lease liabilities (note 6(s))	151,193	-	149,692	-
29300	Deferred income tax liabilities (note 6(u))	111,086	-	119,960	-
29500	Other liabilities	567,643	-	601,225	-
	Total liabilities	202,787,439	92	187,775,943	92
	Equity attributable to owners of parent (note 6(v)):				
31101	Common stock	11,814,810	5	11,814,810	6
31111	Common stock subscribed	90,182	-	-	-
31500	Capital reserve	927,800	1	927,130	-
	Retained earnings:				
32001	Legal reserve	2,803,932	1	2,514,874	1
32003	Special reserve	33,975	-	11,929	-
32005	Unappropriated retained earnings	1,006,478	1	964,258	1
		3,844,385	2	3,491,061	2
32500	Other items in stockholders' equity	130,008	-	(22,046)	-
	Total equity	16,807,185	8	16,210,955	8
	Total liabilities and equity	**$ 219,594,624**	**100**	**203,986,898**	**100**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

COTA COMMERCIAL BANK CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2025		2024		Change
		Amount	%	Amount	%	%
41000	Interest income (note 6(y) and 7)	$ 5,533,649	146	5,124,593	137	8
51000	Less: Interest expenses (note 6(y) and 7)	2,395,265	63	2,190,222	59	9
	Net Interest revenue	3,138,384	83	2,934,371	78	7
49100	Service fees income, net (note 6(z))	483,984	13	457,697	12	6
49200	Gains and losses on financial assets or liabilities measured at fair value through profit and loss (note 6(c) and (aa))	128,608	3	195,825	5	(34)
49310	Realized gains and losses on financial assets measured at fair value through other comprehensive income (note 6(d) and (ab))	51,051	1	48,459	2	5
49410	Gains arising from derecognition of financial assets measured at amortized cost	18	-	10	-	80
49600	Foreign exchange gain (loss), net	(11,192)	-	75,454	2	(115)
49700	Impairment (loss) gain and reversal of impairment loss on assets (note 6(d), (e) and (ac))	(12,556)	-	1,080	-	(1,263)
49800	Other non-interest income, net (note 6(ad))	24,636	-	27,648	1	(11)
	Operating revenue, net	3,802,933	100	3,740,544	100	2
	Operating costs:					
58200	Provisions for bad debt expenses and guarantee reserve (note 6(g), (h), (r) and (ae))	285,077	7	553,188	15	(48)
58500	Personnel expenses (note 6(t), (af) and (ag))	1,551,070	41	1,469,765	39	6
59000	Depreciation and amortization expense (note 6(ah))	123,418	3	112,307	3	10
59500	Other general and administrative expense (note 6(ai))	641,566	17	589,188	16	9
	Total operating expenses	2,316,054	61	2,171,260	58	7
61001	**Profit from continuing operations before tax**	1,201,802	32	1,016,096	27	18
61003	Less: Income tax expenses (note 6(u))	214,935	6	144,206	4	49
	Profit	**986,867**	**26**	**871,890**	**23**	13
	Other comprehensive income:					
65200	**Components of other comprehensive income that may not be reclassified subsequently to profit or loss**					
65201	Gains (losses) on remeasurements of defined benefit plans (note 6(t))	62,768	2	60,494	2	4
65204	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(v))	15,503	-	26,364	1	(41)
65220	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(u))	(12,553)	-	(12,099)	(1)	(4)
		65,718	2	74,759	2	(12)
65300	**Other components of other comprehensive income that may be reclassified subsequently to profit or loss** (note 6(v))					
65301	Exchange differences of overseas subsidiaries financial reports translation	(2,175)	-	5,042	-	(143)
65309	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	104,783	2	(37,243)	(1)	381
		102,608	2	(32,201)	(1)	419
65000	**Other comprehensive income (after tax)**	168,326	4	42,558	1	296
	Total comprehensive income	**$ 1,155,193**	**30**	**914,448**	**24**	**26**
	Earning per share (NT dollars) (note 6(x))					
67500	Basic	**$ 0.84**		**0.80**		
67700	Diluted	**$ 0.83**		**0.80**		

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

COTA COMMERCIAL BANK CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Share capital			Retained earnings				Other equity			
	Ordinary shares	**Advance receipts for share capital**	**Capital surplus**	**Legal reserve**	**Special reserve**	**Unappropriated retained earnings**	**Total retained earnings**	**Exchange differences on translation of foreign financial statements**	**Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income**	**Total**	**Total equity**
Balance at January 1, 2024	$ 10,530,487	-	923,705	2,222,207	138,296	977,876	3,338,379	(2,058)	29,093	27,035	14,819,606
Profit 2024	-	-	-	-	-	871,890	871,890	-	-	-	871,890
Other comprehensive income for 2024	-	-	-	-	-	48,395	48,395	5,042	(10,879)	(5,837)	42,558
Total comprehensive income	-	-	-	-	-	920,285	920,285	5,042	(10,879)	(5,837)	914,448
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	-	292,667	-	(292,667)	-	-	-	-	-
Special reserve appropriated	-	-	-	-	(126,367)	126,367	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(526,524)	(526,524)	-	-	-	(526,524)
Stock dividends of ordinary share	284,323	-	-	-	-	(284,323)	(284,323)	-	-	-	-
Other changes in capital surplus:											
Compensation cost of employee stock option certificates	-	-	2,613	-	-	-	-	-	-	-	2,613
Shareholders' odd lot excess payment	-	-	36	-	-	-	-	-	-	-	36
Dividends not received overtime by shareholders	-	-	776	-	-	-	-	-	-	-	776
Issuance of ordinary shares for cash	1,000,000	-	-	-	-	-	-	-	-	-	1,000,000
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	43,244	43,244	-	(43,244)	(43,244)	-
Balance at December 31, 2024	**$ 11,814,810**	**-**	**927,130**	**2,514,874**	**11,929**	**964,258**	**3,491,061**	**2,984**	**(25,030)**	**(22,046)**	**16,210,955**
Balance at January 1,2025	$ 11,814,810	-	927,130	2,514,874	11,929	964,258	3,491,061	2,984	(25,030)	(22,046)	16,210,955
Profit 2025	-	-	-	-	-	986,867	986,867	-	-	-	986,867
Other comprehensive income for 2025	-	-	-	-	-	50,215	50,215	(2,175)	120,286	118,111	168,326
Total comprehensive income	-	-	-	-	-	1,037,082	1,037,082	(2,175)	120,286	118,111	1,155,193
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	-	289,058	-	(289,058)	-	-	-	-	-
Special reserve appropriated	-	-	-	-	22,046	(22,046)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	-	(649,815)	(649,815)	-	-	-	(649,815)
Other changes in capital surplus:											
Dividends net received overtime by shareholders	-	-	670	-	-	-	-	-	-	-	670
Issuance of ordinary shares for cash	-	90,182	-	-	-	-	-	-	-	-	90,182
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	(33,943)	(33,943)	-	33,943	33,943	-
Balance at December 31, 2025	**$ 11,814,810**	**90,182**	**927,800**	**2,803,932**	**33,975**	**1,006,478**	**3,844,385**	**809**	**129,199**	**130,008**	**16,807,185**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

COTA COMMERCIAL BANK CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	$ 1,201,802	1,016,096
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	113,130	104,283
Amortization expense	10,288	8,024
Provision for bad debt expense	285,077	553,188
Interest expense	2,395,265	2,190,222
Interest income	(5,533,649)	(5,124,593)
Dividend income	(70,929)	(106,364)
Gain on disposal of property and equipment	(1,069)	(899)
Gain from reversal of impairment on financial assets	12,556	(1,080)
Profit from lease revised	-	(85)
Compensation cost of employee stock option certificates	-	2,613
Total adjustments to reconcile profit (loss)	(2,789,331)	(2,374,691)
Changes in operating assets and liabilities:		
Increase in due from the Central Bank and call loans to banks	(415,579)	(525,242)
Decrease (increase) in financial assets at fair value through profit or loss	(1,243,291)	764,088
Increase in financial assets at fair value though other comprehensive income	(4,459,753)	(2,301,786)
(Increase) decrease in financial assets at amortized cost	(222,896)	3,091,970
Increase in receivables	(37,554)	(5,938)
Increase in discounts and loans	(6,892,420)	(12,516,056)
Increase in other financial assets	(49,045)	(61,210)
Total changes in operating assets	(13,320,538)	(11,554,174)
Changes in operating liabilities:		
Decrease in deposits from Central Bank and banks	(953)	(14,568)
Decrease in financial liabilities at fair value through profit or loss	(888)	(283)
Decrease in payables	(3,604)	(32,298)
Increase in deposits and remittances	15,511,482	4,936,059
Increase in provisions for employee benefits	1,059	1,228
(Decrease) increase in other liabilities	(33,595)	64,626
Total changes in operating liabilities	15,473,501	4,954,764
Total changes in operating assets and liabilities	2,152,963	(6,599,410)
Total adjustments	(636,368)	(8,974,101)
Cash outflow used in operations	565,434	(7,958,005)
Interest received	5,448,123	5,145,654
Dividends received	71,762	105,772
Interest paid	(2,369,096)	(2,185,910)
Income taxes paid	(111,971)	(235,880)
Net cash flows from (used in) operating activities	3,604,252	(5,128,369)
Cash flows from (used in) investing activities:		
Acquisition of property equipment	(279,876)	(89,451)
Proceeds from disposal of property equipment	1,835	1,468
Acquisition of intangible assets	(23,028)	(10,220)
Decrease (increase) in other assets	(2,183)	(4,892)
Net cash flows used in investing activities	(303,252)	(103,095)
Cash flows from (used in) financing activities:		
Repayment of financial bonds	(600,000)	-
Payment of lease liabilities	(51,209)	(48,532)
Overdue dividend transferred to capital surplus	670	776
Shareholders' odd lot excess payment	-	36
Cash dividends paid	(649,815)	(526,524)
Capital increase by cash	90,182	1,000,000
Net cash flows used in financing activities	(1,210,172)	425,756
Effect of exchange rate changes on cash and cash equivalents	(2,175)	5,042
Net (decrease) increase in cash and cash equivalents	2,088,653	(4,800,666)
Cash and cash equivalents at beginning of period	11,123,328	15,923,994
Cash and cash equivalents at end of period	**$ 13,211,981**	**11,123,328**
Components of cash and cash equivalents		
Cash and cash equivalents reported in the balance sheet	$ 2,708,125	3,933,436
Due from the Central Bank and call loans to banks following the definition of cash and cash equivalents under IAS 7 as accepted by FSC	5,512,206	6,191,331
Securities purchased under resell agreements following the definition of cash and cash equivalents under IAS 7 as accepted by FSC	4,991,650	998,561
Cash and cash equivalents at end of period	**$ 13,211,981**	**11,123,328**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

COTA COMMERCIAL BANK CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

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

(1) Company history

COTA COMMERCIAL BANK CO., LTD. (the "Company") was established in 1915 as a credit cooperative bank. Effective from January 1, 1999, the Company changed its status to commercial bank and its name to COTA Commercial Bank Co., Ltd. in accordance with the Company Law and the Banking Law. Pursuant to the resolution decided during the shareholders' meeting held on September 17, 2005 and as approved by the regulatory authorities, the Company merged with Fengyuan Credit Cooperative on January 1, 2006.The Company merged with Cota Insurance Broker Co., Ltd. on May 1. Currently, the Company has 33 domestic branches and one offshore banking unit.(Including 32 domestic branches and one international financial business branch.)

The Company is engaged in:

- ♦ Receiving deposits, extending loans, investing in bills and bonds, processing funds remittance, acceptances and guarantees, issuing letters of credit and providing other agency business (except for issuing foreign letters of credit and providing foreign guarantees);
- ♦ Buying and selling foreign currencies and traveler's checks;
- ♦ Credit card related services;
- ♦ Trust and fiduciary services;
- ♦ Foreign exchange service as authorized by the Central Bank;
- ♦ Commercial banking business related to international trade.
- ♦ Life Insurance Agent
- ♦ Property and Casualty Insurance Agent

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

The financial Statements were authorized for issuance by the Board of Directors on March 9, 2026.

(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 Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2025:

- Amendments to IAS21 "Lack of Exchangeability"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

(Continued)

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

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

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its financial statements:

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

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

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
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.	January 1, 2027 note:On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	● 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.	

The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(4) Summary of material accounting policies:

The material accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Public Held Banks (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (hereinafter rteffered to IFRS endesed by the FSC).

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(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value (including Derivative financial instruments);

2) Financial assets at fair value through other comprehensive income are measured at fair value;

3) The defined benefit liabilities (assets) are measured a fair value of plan assets less the present value of the defined benefit obligation and the effect of the effect of the asset celiing in Note 4(n).

(ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(c) Foreign Currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies at the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which recognized in other comprehensive income is an investment in equity securities designated as at fair value through other comprehensive income.

(ii) Foreign operations

Regarding offshore banking unit (OBU), the assets and liabilities reported in functional currencies are translated into New Taiwan Dollars at the exchange rates on reporting date; the income and expenses, excluding in hyperinflationary economic situation, are translated into New Taiwan Dollars at the rate of exchange prevailing on the date of the transaction date. Exchange differences are recognized as other comprehensive income.

When the settlement of monetary receivables/payables to OBU is neither planned nor likely to happen in the foreseeable future, gains and losses arising from currency exchange are valued as part of net investment and are recognized as other comprehensive income.

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(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, checks for clearance, checking and demand deposits due from other banks, money deposited in other financial institutions without designated purposes or with unrestricted access and short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents reported in the statement of cash flows are assets that reported in the statement of financial positions, due from central bank and call loans to banks and securities purchased under resell agreements following the definition of cash and cash equivalents under IAS 7 as accepted by FSC.

(e) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A. Investments in debt instruments at amortised cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold the assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

B. Securities purchased under resell agreements

Securities sold/purchased, with a commitment, are treated as financing transactions, which are recorded at cost. The difference between the cost and the repurchase/resell price is treated as interest expenses/revenue and recognized over the term of the agreement.

C. Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market, including receivables and loans. At initial recognition, these assets are recognized at fair value, plus, any directly attributable transaction costs subsequent to initial recognition.

Interest income is recognized in profit or loss, and it is included in statement of comprehensive income account.

Loans and receivables shall be transferred to overdue loans account if either of the following situation qualifies:

- Collection of payment of principal or interest accrued is considered highly unlikely; or
- Payment of principal or interest accrued is over 3 or 6 months past due; or

According to “ Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-Performing and Non-Accrual Loans” , non-performing loans with interest accrued shall be transferred to overdue loans after 6-month-additional extension of overdue payment. However, the reclassification does not apply to those of agreed installment payments, consultative consumer credit, and cases executed by the “Statute for Consumer Debt Clearance”.

Reclassified overdue loans are assorted into discounts and loans, while other overdue receivables reclassified from guarantees, acceptances, factoring accounts receivable, and receivables-other credit card, are classified as other financial assets.

Outstanding balances of overdue loans’ unrecoverable parts are written-off under approval of Board of Directors.

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2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL：

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, trade receivables and notes receivable, other receivables, leases receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI and contract assets.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date； and

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company’s historical experience and informed credit assessment, as well as forward looking information.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade which is considered to be BBB- or higher per Standard & Poor’s, Baa3 or higher per Moody’s, twA or higher per Taiwan Ratings’. A(twn) and BBB- or higher per Fitch.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit impaired includes the following observable data：

- significant financial difficulty of the borrower or issuer；

- a breach of contract such as a default or being more than a year past due；

(Continued)

- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider；
- it is probable that the borrower will enter bankruptcy or other financial reorganization；or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities

1) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

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Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

2) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(iii) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iv) Interest rate benchmark reform financial liability financial instruments modifications

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortized cost changed as a result of interest rate benchmark reform, the Group will update the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

– the change is necessary as a direct consequence of the reform; and

– the new basis for determining the contractual cash flows is economically equivalent to theprevious basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group will first update the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. Thereafter, the Group will apply applied the policies on accounting for modifications to the additional changes.

(f) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at cost less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

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Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(g) Property, plant, and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings：5 years～80 years

2) Machinery equipment：1 year～20 years

3) Transportation equipment：4 years～10 years

4) Miscellaneous equipment：3 year～50 years

5) The significant portion of buildings and their useful life are as follow：

Item	useful life
Buildings	
Main building	60 years～80 years
Premises Renovation	5 years～15 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date adjusted if appropriate.

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(iv) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner occupied to investment property.

(h) Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lease

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

1) fixed payments, including in-substance fixed payments;

2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

3) amounts expected to be payable under a residual value guarantee; and

4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

1) there is a change in future lease payments arising from the change in an index or rate; or

2) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or

(Continued)

4) there is a change of its assessment on whether it will exercise an extension or termination option; or

5) there is any lease modification

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets for the location of ATM. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

As a lessor, the Company classifies each lease at the commencement date as either a finance lease or an operating lease, based on whether substantially all the risks and rewards incidental to ownership of the underlying asset are transferred. In making this assessment, the Company considers relevant indicators, including whether the lease term covers a major portion of the economic life of the underlying asset.

For transactions in which the Company acts as an intermediate lessor, the head lease and the sublease are accounted for separately. The classification of the sublease is determined with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the recognition exemption is applied, the sublease is classified as an operating lease.

When a contract contains both lease and non-lease components, the Company allocates the consideration to each component in accordance with IFRS 15.

(i) Intangible assets

(i) Computer software

Computer software system expenses, which are recorded based on the cost of acquisition less accumulated depreciation and accumulated impairment, are amortized using a straight-line method over a period of 3 to 8 years. The amortization is recognized in profit or loss.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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(ii) Goodwill

Goodwill derives from enterprise acquisition is included in intangible assets.

Goodwill is cash generating units, indefinite useful life intangible assets and intangible assets which are not available for use. There are regular impairment tests every year and the impairment losses are recognized and non-reversible if the recoverable amount is lower than the book value.

(j) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than deferred tax assets and assets arising from employee benefits) to determine whether there is any indication of impairment. If any such indication exists, then the asset' s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(k) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(l) Financial guarantee contract

The Company recognized financial guarantee liabilities initially at their fair value at the date of providing guarantee. The Company receives commission income with arm' s-length transaction at contract date; this is the income could represent the fair value of financial guarantee contract. The advanced service fee is recognized as deferred item and amortized by straight-line method over the contract period of the financial guarantee.

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(m) Revenue recognition

Interest revenue arised from credits is estimated on an accrual basis. All interest accrued shall be suspended from the date the loans are classified as nonperforming loans. Interest earned from nonperforming loans shall be recognized as interest income when the interest has been collected by the Company. If the repayment of loan is extended under an agreement, the related interest should be recognized as deferred revenue, classified into other liability and recognized as income when collected.

Service fee income is recognized when collected or when the majority of project is completed. Service fee income is received when loans and receivables are recognized. The service fee income which are caused by loans or receivables shall be recognized as interest revenue when they meet a suggested policy announced by the Bankers Association of the Republic of China. This policy requires an individual loan that meets the materiality criteria to have its effective interest rate be consistent with its interest revenue. Overall, the service fees shall be adjusted from the original agreed interest rate to the effective interest rate.

Rental income of a property is incurred during the lease term. Incentives granted to the lessee to enter into the operating lease are spread over the lease term on a straight-line basis so that the lease income received is reduced accordingly.

(n) Employee benefits

(i) Short-term employee benefit

Short-term employee benefits are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Post-employment benefit: The Company’s pension plan comprises defined contribution plan and defined benefit plan.

1) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which the related service is provided by employees.

2) Defined benefit plans

The Company’s net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The Company's defined benefit pension plan follows the Labor Standards Act. Pension payments to employees are calculated based on years of service and average salary upon retirement. The Company will make monthly contributions to the employees' pension accounts, which are managed by the Employee Pension Fund Committee, and the contributions are deposited in the employees' pension accounts with Bank of Taiwan. The pension fund for management is contributed 8% of salaries to individual pension accounts monthly.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Deposits with favorable rate

The Company provides deposits with favorable rate to employees, which include fix amount deposits with favorable rate for current employees and post-employment fix amount deposits with favorable rate for retired and current employees. The rate difference between the favorable rate and the market rate is considered employee benefit.

According to article 30 of "Regulations Governing the Preparation of Financial Report by Public Banks", the additional interests resulted from the difference between deposit with favorable rate and the deposits with market interest rate need actuary per the regulations related to defined benefit plan in IAS 19 . The parameters of actuarial assumptions should obey the competent authority if any regulation is applicable.

(o) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

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For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(p) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on taxable profits (losses) for the year and any adjustments to the tax payable or receivable in respect of previous year. The amount of current tax payable or receivables are the best estimate of the tax amount expected to the paid or received.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date, and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Earnings per share (EPS)

The Company discloses the Company’s basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares.

(r) Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Company). Operating results of the operating segment are regularly reviewed by the Company’s chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. The Company's chief operating decision maker is the Board of Directors.

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

In preparing these consolidated financial statements, management has made 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 Company’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 significant effects or uncertainty over estimate on the amounts recognized in the financial statements is as follows:

Impairment loss on loans and receivables

When the Company decide whether to recognize impairment loss, they mainly assess if there are any observable evidence indicating possible impairment. The evidence may include observable information indicating unfavorable changes in debtor payment status, or sovereign or local economic situation related to debt payment in arrears. When analyzing expected cash flow, the estimates by the management are based on past losses experience on assets of similar credit risk characteristics. The Company quarterly reviews methods and assumptions behind the amount and schedule of expected cash flow, to reduce the difference between expected and actual loss. Please refer to Note 6(aj) for impairment loss on loans.

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COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

The Company’s accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit or loss. The Company's financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back-testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value. The Company strives to use market observable when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

(a) Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.

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

(c) Level 3: inputs for the assets or liability that are not based on observable market data.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand	$ 1,728,880	2,909,118
Checks for clearance	107,562	175,163
Deposits from other banks	871,683	849,155
	$ 2,708,125	**3,933,436**

The cash and cash equivalents presented in the statement of cash flows had the following components, please refer to note 6(b) and (f).

	December 31, 2025	December 31, 2024
Cash and cash equivalents reported in the balance sheet	$ 2,708,125	3,933,436
Due from the Central Bank and call loans to banks following the definition of cash and cash equivalents under IAS 7 as accepted by FSC	5,512,206	6,191,331
Securities purchased under resell agreements following the definition of cash and cash equivalents under IAS 7 as accepted by FSC	4,991,650	998,561
Cash and cash equivalents reported in the statement of cash flows	**$ 13,211,981**	**11,123,328**

COTA COMMERCIAL BANK CO., LTD.
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(b) Due from the Central Bank and call loans to banks

	December 31, 2025	December 31, 2024
Deposit reserve - checking accounts	$ 4,128,934	4,985,388
Deposit reserve - demand accounts	6,856,890	6,455,844
Deposit reserve - foreign currency deposits	6,288	6,556
Call loans to banks	1,383,272	1,205,943
Deposits with Financial Information Service Co., Ltd.	1,185,078	1,170,277
	$ 13,560,462	**13,824,008**

The reserves for deposits are calculated at prescribed rates, using the average monthly balances of various deposit accounts, and are appropriated and deposited in the reserve account of the Central Bank of the Republic of China (Taiwan). Deposits reserve－demand accounts cannot be withdrawn except for the monthly adjustment to the required reserve permitted by relevant regulations.

Due from Central Bank and call loans to banks following the definition of cash and cash equivalents under IAS 7 as accepted by FSC are as follows:

	December 31, 2025	December 31, 2024
Call loans to banks	$ 1,383,272	1,205,943
Deposit reserve - checking accounts	4,128,934	4,985,388
	$ 5,512,206	**6,191,331**

(c) Financial assets (liabilities) at fair value through profit or loss

	December 31, 2025	December 31, 2024
Mandatorily measured at fair value through profit or loss:		
Securities of listed companies	$ 79,656	62,849
Beneficiary certificates (including ETF)	94,378	804,377
Short-term bills	5,302,353	2,948,444
Convertible bonds	742,605	1,163,710
Derivatives	5,112	1,433
	$ 6,224,104	**4,980,813**

	December 31, 2025	December 31, 2024
Hold-for-trading financial liabilities:		
Derivatives	**$ 1,272**	**2,160**

(Continued)

COTA COMMERCIAL BANK CO., LTD.
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The Company engages in derivative transactions to mitigate exchange rate risks and interest rate risks. The Company's financial hedging policy is to minimize its market price or cash flow exposures.

		December 31, 2025	December 31, 2024
Derivative contracts	$	**619,487**	**528,518**

The net gains on financial assets at fair value through profit or loss for the years ended December 31, 2025 and 2024, were $127,720 thousand and $195,542 thousand, respectively. The net gains on financial liabilities at fair value through profit or loss for the years ended December 31, 2025 and 2024, were $888 thousand and $283 thousand, respectively.

(d) Financial assets at fair value through other comprehensive income

		December 31, 2025	December 31, 2024
Debt investments at fair value through other comprehensive income：			
Corporate bonds	$	14,861,789	10,564,332
Equity investments at fair value through other comprehensive income：			
Domestic listed stock		898,056	620,642
Domestic unlisted stock		223,079	225,772
Total	$	**15,982,924**	**11,410,746**

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

The Company has assessed that the following securities were held within a business model whose objective was achieved by both collecting the contractual cash flows and selling securities. Therefore, they have been classified as debt investments at fair value through other comprehensive income.

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

The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term strategic purposes.

During the years ended December 31, 2025 and 2024, the dividends of $51,051 thousand and $48,459 thousand, respectively, related to equity investments at fair value through other comprehensive income held on the years then ended, were recognized.

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

On December 31, 2025 and 2024, the Company has sold its shares held in the equity investments at fair value through other comprehensive income as a result of investment strategy. The shares sold had a fair value of $380,722 thousand and $794,045 thousand and the Company realized a gain of $(33,943) thousand and $43,244 thousand, which were already included in other comprehensive income. The gain has been transferred to retained earnings.

(iii) For credit risk (including the impairment of debt investments) and market risk, please refer to note 6(aj).

(iv) The financial assets of the Company had not been pledged as collateral.

(v) The movement in the allowance for debt investments at fair value through other comprehensive income was as follows:

	2025	2024
Balance on January 1	$ 624	889
Recognized (Reversal) during the period	7,861	(265)
Balance on December 31	**$ 8,485**	**624**

(e) Financial assets measured at amortized cost

	December 31, 2025	December 31, 2024
Government bonds	$ 1,008,334	980,633
Corporate bonds	6,049,874	6,871,310
Negotiable certificates of deposits	12,550,000	11,625,000
Financial bonds	357,190	265,562
Subtotal	19,965,398	19,742,505
Less: the allowance for impairment loss	(6,602)	(1,910)
Total	**$ 19,958,796**	**19,740,595**

(i) The Company has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

(ii) For credit risk, please refer to note 6(ak).

(iii) As of December 31, 2025 and 2024, the government bonds had been pledged as collateral. Please refer to note (8).

COTA COMMERCIAL BANK CO., LTD.
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(iv) The movement in the allowance for financial assets measured at amortized cost was as follows:

		2025	2024
Balance on January 1	$	1,910	2,720
Provision (Reversal) during the period		4,695	(815)
Effect of exchange rate changes		(3)	5
Balance on December 31	**$**	**6,602**	**1,910**

(f) Securities purchased under resell agreements

Securities purchased under resell agreements, and their sold back amounts, using determined price were as follow:

	December 31, 2025			
Item	Book value	Resell agreement	Resell price	Resell price
Commercial papers	**$ 5,000,400**	**4,991,650**	**4,992,730**	Resell gradually before 2026.01.08

	December 31, 2024			
Item	Book value	Resell agreement	Resell price	Resell price
Commercial papers	**$ 1,000,000**	**998,561**	**998,730**	Resell gradually before 2025.01.08

(g) Receivables, net

		December 31, 2025	December 31, 2024
Accounts receivable purchase-non-recourse	$	11,895	11,438
Credit card accounts receivable		180,378	179,594
Interest receivable		478,552	393,026
Accrued income		27,543	14,385
Dividends receivable		1,400	2,233
Guarantee payments receivable		751	751
Others		55,079	27,901
Spot exchange receivable		-	180
Subtotal		755,598	629,508
Less: allowance for doubtful accounts		(32,443)	(30,938)
	$	**723,155**	**598,570**

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The movement in the allowance for receivables (including overdue receivables) during the year ended December 31, 2025 was as follows:

	12-month ECL	Lifetime ECL-group	Lifetime ECL-individual	Lifetime ECL- not new financial assets acquired or credit-impaired	Lifetime ECL- new financial assets acquired or credit-impaired	expected credit loss accordance with IFRS9	Difference of impairment loss in accordance with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal	Total
Balance on January 1	$ 1,555	1,743	-	3,133	-	6,431	214,507	220,938
Reconciliation arising from financial instruments recognized at the beginning of the year:								
-Transfer to lifetime ECL	(34)	69	-	(35)	-	-	-	-
-Transfer to credit-impaired financial assets	(47)	(474)	-	521	-	-	-	-
-Transfer to 12-month ECL	80	(75)	-	(5)	-	-	-	-
-Financial assets repaid	(418)	(448)	-	(469)	-	(1,335)	-	(1,335)
New financial assets acquired	583	238	-	627	-	1,448	-	1,448
Difference of impairment in accordance with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal							(687)	(687)
Bad debts	(2,730)	(779)	-	(580)	-	(4,089)	(2)	(4,091)
Recovered bad debts	86	58	-	4,709	-	4,853	218	5,071
Foreign exchange gains (losses) and others	2,869	1,710	-	(3,480)	-	1,099	-	1,099
Balance on December 31	$ 1,944	2,042	-	4,421	-	8,407	214,036	222,443

The movement in the allowance for receivables during the year ended December 31, 2024 was as follows:

	12-month ECL	Lifetime ECL-group	Lifetime ECL-individual	Lifetime ECL- not new financial assets acquired or credit-impaired	Lifetime ECL- new financial assets acquired or credit-impaired	expected credit loss accordance with IFRS9	Difference of impairment loss in accordance with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal	Total
Balance on January 1	$ 1,677	1,001	-	4,848	-	7,526	211,183	218,709
Reconciliation arising from financial instruments recognized at the beginning of the year:								
-Transfer to lifetime ECL	(24)	57	-	(33)	-	-		-
-Transfer to credit-impaired financial assets	(25)	(106)	-	131	-	-		-
-Transfer to 12-month ECL	83	(50)	-	(33)	-	-		-
- Financial assets repaid	(542)	(431)	-	(2,467)	-	(3,440)		(3,440)
New financial assets acquired	566	177	-	46	-	789		789
Difference of impairment in accordance with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal							2,949	2,949
Bad debts	(2,603)	(494)	-	(276)	-	(3,373)	(7)	(3,380)
Recovered bad debts	164	83	-	4,202	-	4,449	382	4,831
Foreign exchange gains (losses) and others	2,259	1,506	-	(3,285)	-	480		480
Balance on December 31	$ 1,555	1,743	-	3,133	-	6,431	214,507	220,938

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Notes to the Financial Statements

(h) Discounts and loans, net

	December 31, 2025	December 31, 2024
Overdrafts	$ 5,552	5,548
Short-term loans	26,366,814	24,400,075
Medium-term loans	85,397,594	86,004,969
Long-term loans	40,996,471	35,727,907
Overdue loans	523,063	489,427
Accounts receivable-financing	107,074	102,947
Foreign Exchange Purchase and Export Bill Negotiation	12,428	-
Subtotal	153,408,996	146,730,873
Less: allowance for bad debts	(1,861,200)	(1,771,600)
adjustment of discount and premium	(243,001)	(262,483)
	$ 151,304,795	144,696,790

The movement in the allowance for discounts and loans during the year ended December 31, 2025 was as follows:

	12-month ECL	Lifetime ECL-group	Lifetime ECL-individual	Lifetime ECL- not new financial assets acquired or credit-impaired	Lifetime ECL- new financial assets acquired or credit-impaired	expected credit loss accordance with IFRS9	Difference of impairment loss in accordance with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal	Total
Balance on January 1	$ 217,011	94,447	-	264,396	-	575,854	1,195,746	1,771,600
Reconciliation arising from financial instruments recognized at the beginning of the year:								
-Transfer to lifetime ECL	(1,242)	11,429	-	(10,187)	-	-	-	-
-Transfer to credit-impaired financial assets	(4,358)	(45,303)	-	49,661	-	-	-	-
Transfer to 12-month ECL	3,142	(589)	-	(2,553)	-	-	-	-
- Financial assets repaid	(91,106)	(10,316)	-	(79,776)	-	(181,198)	-	(181,198)
New financial assets acquired	156,556	1,922	-	8,740	-	167,218	-	167,218
Difference of impairment in accordance with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal							152,072	152,072
Bad debts	-	-	-	-	-	-	(363,515)	(363,515)
Recovered bad debts	-	-	-	-	-	-	172,432	172,432
Foreign exchange gains (losses) and others	5,226	42,179	-	98,186	-	145,591	(3,000)	142,591
Balance on December 31	$ 285,229	93,769	-	328,467	-	707,465	1,153,735	1,861,200

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COTA COMMERCIAL BANK CO., LTD.
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The movement in the allowance for discounts and loans during the year ended December 31, 2024, was as follows:

	12-month ECL	Lifetime ECL-group	Lifetime ECL-individual	Lifetime ECL-not new financial assets acquired or credit-impaired	Lifetime ECL- new financial assets acquired or credit-impaired	expected credit loss accordance with IFRS9	Difference of impairment loss in accordance with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal	Total
Balance on January 1	$ 269,165	23,667	-	553,106	-	845,938	965,564	1,811,502
Reconciliation arising from financial instruments recognized at the beginning of the year:								
-Transfer to lifetime ECL	(1,005)	4,258	-	(3,252)	-	-	-	-
-Transfer to credit-impaired financial assets	(2,354)	(6,790)	-	9,144	-	-	-	-
-Transfer to 12-month ECL	4,050	(595)	-	(3,454)	-	-	-	-
- Financial assets repaid	(134,103)	(11,089)	-	(386,041)	-	(531,232)	-	(531,232)
New financial assets acquired	115,976	5,987	-	11,866	-	133,829	-	133,829
Difference of impairment in accordance with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal							836,550	836,550
Bad debts	-	-	-	-	-	-	(813,579)	(813,579)
Recovered bad debts	-	-	-	-	-	-	207,211	207,211
Foreign exchange gains (losses) and others	(34,718)	79,009	-	83,027	-	127,319	-	127,319
Balance on December 31	$ 217,011	94,447	-	264,396	-	575,854	1,195,746	1,771,600

(i) Other Financial Assets, Net

	December 31, 2025	December 31, 2024
Overdue receivables	$ 677,206	677,206
Less: allowance for bad debt	(190,000)	(190,000)
	$ 487,206	487,206

The movement in the allowance for bad debt during the year ended December 31, 2025 and 2024. Please refer to note 6(g).

(j) Property and equipment, net

The cost, depreciation, and impairment of the property and equipment of the Company, were as follows:

	Land	Buildings	Machinery equipment	Transportation equipment	Miscellaneous equipment	Leasehold improvements	Construcion in progress	Total
Cost:								
Balance at January 1, 2025	$ 799,819	628,056	218,415	45,118	322,772	112,434	-	2,126,614
Additions	213,873	-	31,924	9,836	22,925	380	938	279,876
Disposals	-	-	(8,820)	(7,505)	(6,603)	(278)	-	(23,206)
Reclassification	-	-	90	-	2,664	-	-	2,754
Balance at December 31,2025	$ 1,013,692	628,056	241,609	47,449	341,758	112,536	938	2,386,038

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

	Land	Buildings	Machinery equipment	Transportation equipment	Miscellaneous equipment	Leasehold improvements	Construcion in progress	Total
Balance at January 1, 2024	$ 799,819	627,596	188,481	42,854	277,504	112,434	-	2,048,688
Additions	-	460	33,704	7,494	47,793	-	-	89,451
Disposals	-	-	(7,358)	(5,230)	(3,445)	-	-	(16,033)
Reclassification	-	-	3,588	-	920	-	-	4,508
Balance at December 31, 2024	**$ 799,819**	**628,056**	**218,415**	**45,118**	**322,772**	**112,434**	**-**	**2,126,614**
Depreciation and impairment losses：								
Balance at January 1, 2025	$ -	(356,572)	(138,708)	(21,959)	(218,280)	(98,805)	-	(834,324)
Depreciation for the period	-	(11,768)	(23,091)	(4,012)	(16,748)	(4,634)	-	(60,253)
Disposals	-	-	8,819	6,740	6,603	278	-	22,440
Balance at December 31, 2025	**$ -**	**(368,340)**	**(152,980)**	**(19,231)**	**(228,425)**	**(103,161)**	**-**	**(872,137)**
Balance at January 1, 2024	$ -	(344,812)	(127,253)	(22,984)	(207,112)	(93,620)	-	(795,781)
Depreciation for the period	-	(11,760)	(18,813)	(3,636)	(14,613)	(5,185)	-	(54,007)
Disposals	-	-	7,358	4,661	3,445	-	-	15,464
Balance at December 31, 2024	**$ -**	**(356,572)**	**(138,708)**	**(21,959)**	**(218,280)**	**(98,805)**	**-**	**(834,324)**
Carrying amounts:								
Balance at December 31, 2025	**$ 1,013,692**	**259,716**	**88,629**	**28,218**	**113,333**	**9,375**	**938**	**1,513,901**
Balance at January 1, 2024	**$ 799,819**	**282,784**	**61,228**	**19,870**	**70,392**	**18,814**	**-**	**1,252,907**
Balance at December 31, 2024	**$ 799,819**	**271,484**	**79,707**	**23,159**	**104,492**	**13,629**	**-**	**1,292,290**

No property and equipment was pledged as collateral.

(k) Right-of-use assets

The Company leases many assets including land and buildings, vehicles and ATM placement.

Information about leases for which the Company as a lessee was presented below：

	Buildings	Transportation equipment	Superficies	Total
Cost:				
Balance at January 1, 2025	$ 253,949	4,859	6,614	265,422
Additions	51,748	-	962	52,710
Disposals	(29,736)	-	(2,034)	(31,770)
Balance at December 31, 2025	**$ 275,961**	**4,859**	**5,542**	**286,362**
Balance at January 1, 2024	$ 259,939	4,360	6,614	270,913
Additions	36,151	4,858	-	41,009
Disposals	(42,141)	(4,359)	-	(46,500)
Balance at December 31, 2024	**$ 253,949**	**4,859**	**6,614**	**265,422**
Accumulated depreciation:				
Balance at January 1, 2025	$ (115,799)	(810)	(3,874)	(120,483)
Depreciation for the period	(48,685)	(1,619)	(1,390)	(51,694)
Disposals	29,736	-	2,034	31,770
Balance at December 31, 2025	**$ (134,748)**	**(2,429)**	**(3,230)**	**(140,407)**

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COTA COMMERCIAL BANK CO., LTD.
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	Buildings	Transportation equipment	Superficies	Total
Balance at January 1 , 2024	$ (111,707)	(3,633)	(2,551)	(117,891)
Depreciation for the period	(46,233)	(1,536)	(1,323)	(49,092)
Disposals	42,141	4,359	-	46,500
Balance at December 31, 2024	$ (115,799)	(810)	(3,874)	(120,483)
Carrying amount:				
Balance at December 31, 2025	$ 141,213	2,430	2,312	145,955
Balance at January 1, 2024	$ 148,232	727	4,063	153,022
Balance at December 31, 2024	$ 138,150	4,049	2,740	144,939

(l) Investment property, net

Investment property comprises office buildings that are leased to third parties under operating leases, including properties that are held as right-of-use assets, as well as properties that are owned by the Company. The leases of investment properties contain an initial non-cancellable lease term of three to eight years, the rental income is fixed under the contracts.

	Land	Buildings	Total
Cost:			
Balance at December 31, 2025 (Balance at January 1,2025)	$ 1,122,530	71,102	1,193,632
Balance at December 31, 2024 (Balance at January 1, 2024)	$ 1,122,530	71,102	1,193,632
Depreciation and impairment losses:			
Balance at January 1, 2025	$ (1,765)	(43,499)	(45,264)
Depreciation for the period	-	(1,183)	(1,183)
Balance at December 31, 2025	$ (1,765)	(44,682)	(46,447)
Balance at January 1, 2024	$ (1,765)	(42,315)	(44,080)
Depreciation for the period	-	(1,184)	(1,184)
Balance at December 31, 2024	$ (1,765)	(43,499)	(45,264)
Carrying amounts:			
Balance at December 31, 2025	$ 1,120,765	26,420	1,147,185
Balance at January 1, 2024	$ 1,120,765	28,787	1,149,552
Balance at December 31, 2024	$ 1,120,765	27,603	1,148,368

Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of one to five years. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

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The fair value of investment properties (as measured or disclosed in the financial statements) was based on a valuation by the market comparison approach to compare the market value of real estate with similar conditions in adjacent areas and the development land analysis approach. The valuation is based on the remaining amount of the saleable amount minus the relevant costs and reasonable profits of the maximum floor area that can be used on the land. The inputs of levels of fair value hierarchy in determining the fair value is classified to Level 3. The fair value of investment property as of December 31, 2025 and 2024 are $1,348,640 thousand and $1,344,443 thousand, respectively.

Related rent revenue and direct operating expenses are as below:

	2025	2024
Rent revenue	$ 16,725	18,681
Direct operating expenses	$ 1,183	1,184

No investment property was pledged as collateral.

(m) Intangible assets

The costs amortization, and the impairment of the intagible assets of the Company for the years ended December 31, 2025 and 2024, were as follows:

	Goodwill	Software	Total
Cost:			
Balance at January 1, 2025	$ 154,027	53,600	207,627
Additions	-	23,028	23,028
Decreases	-	(5,884)	(5,884)
Reclassification	-	8,330	8,330
Balance at December 31, 2025	$ 154,027	79,074	233,101
Balance at January 1, 2024	$ 154,027	48,497	202,524
Additions	-	10,220	10,220
Decreases	-	(5,627)	(5,627)
Reclassification	-	510	510
Balance at December 31, 2024	$ 154,027	53,600	207,627
Amortization:			
Balance at January 1, 2025	$ 51,738	25,978	77,716
Amortization for the period	-	10,288	10,288
Decreases	-	(5,884)	(5,884)
Balance at December 31, 2025	$ 51,738	30,382	82,120
Balance at January 1, 2024	$ 51,738	23,581	75,319
Amortization for the period	-	8,024	8,024
Decreases	-	(5,627)	(5,627)
Balance at December 31, 2024	$ 51,738	25,978	77,716

(Continued)

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

		Goodwill	Software	Total
Carrying amounts:				
Balance at December 31, 2025	$	**102,289**	**48,692**	**150,981**
Balance at January 1, 2024	$	**102,289**	**24,916**	**127,205**
Balance at December 31, 2024	$	**102,289**	**27,622**	**129,911**

Goodwill represents the excess of consideration over the net fair value of acquired tangible assets, identifiable intangible assets and liabilities in the acquisition of Fengyuan Credit Cooperative on January 1, 2006.

Fengyuan Credit Cooperative's original business and goodwill are identified as one cash-generating unit (CGU) in impairment test. The recoverable value of the CGU is based on the key assumptions such as operating revenues, operating costs, operating expenses and discount rate.

The Company' s goodwill has been tested for impairment, where the recoverable amount is determined based on the value in use. The accumulated goodwill impairment loss amounted to $51,738 thousand.

No intangible assets were pledged as collateral.

(n) Deposits from the Central Bank and other banks

		December 31, 2025	December 31, 2024
Postal deposits accepted	$	25,670	25,670
Call loans to banks		11,713	12,666
	$	**37,383**	**38,336**

(o) Payables

		December 31, 2025	December 31, 2024
Interest payable	$	247,694	221,525
Tax payable		47,970	45,491
Collections payable		54,711	59,435
Accrued expenses		452,925	392,386
Dividends payable		1,699	1,533
Checks for clearance		107,562	175,163
Others		71,976	66,439
	$	**984,537**	**961,972**

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

(p) Deposits and remittances

		December 31, 2025	December 31, 2024
Checking accounts	$	2,037,431	2,061,975
Cashiers' checks		1,371,483	1,455,121
Demand deposits		34,278,688	33,614,692
Time deposits		39,282,378	26,540,725
Demand savings deposits		49,694,835	50,738,172
Term savings deposits		72,370,206	69,111,037
Remittances outstanding		84	1,901
	$	**199,035,105**	**183,523,623**

(q) Subordinate financial debentures

		December 31, 2025	December 31, 2024
Subordinate financial debentures:			
112-1	$	1,050,000	1,050,000
107-1		600,000	600,000
107-2		-	600,000
	$	**1,650,000**	**2,250,000**

(i) In order to increase the capital adequacy and raise medium-term and long-term operating funds, the Board of Directors of the Company resolved to issue subordinate financial debentures in a total amount of $1,050,000 thousand on June 29, 2022, which was approved by the regulation authorities on August 11, 2022 and August 16, 2022. The Company issued these debentures on April 25, 2023, and the subscription was completed during the year.

The details were as follows:

1) Issue price: At face value.

2) Issue period: From April 25, 2023 to April 25, 2030.

3) Interest rate: For 112-1A, 2.65%.

4) Interest accrual: Annually accrued and paid since the issued date.

5) Repayment of principal: Except for the liquidation, bankruptcy and reorganization, the holder of the debenture shall not request early repayment.

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

(ii) In order to increase the capital adequacy and raise medium-term and long-term operating funds, the Board of Directors of the Company resolved to issue subordinate financial debentures in a total amount of $600,000 thousand on November 9, 2017, which was approved by the regulation authorities on August 31, 2018. The Company issued these debentures on December 12, 2018, and the subscription was completed during the year.

The details were as follows:

1) Issue price: At face value.

2) Issue period: From December 12, 2018 to December 12, 2025.

3) Interest rate: For 107-2A, 1.95%.

4) Interest accrual: Annually accrued and paid since the issued date.

5) Repayment of principal: Except for the liquidation, bankruptcy and reorganization, the holder of the debenture shall not request early repayment.

(iii) In order to increase the capital adequacy and raise medium-term and long-term operating funds, the Board of Directors of the Company resolved to issue subordinate financial debentures in a total amount of $600,000 thousand on November 9, 2017, which was approved by the regulation authorities on March 5, 2018. The Company issued these debentures on June 21, 2018, and the subscription was completed during the year.

The details were as follows:

1) Issue price: At face value.

2) Issue period: From June 21, 2018 to Null.

3) Interest rate: For 107-1A, 3.06%, based on the Company's term deposits regular rate plus 1.65%.

4) Interest accrual: Annually accrued and paid since the issued date.

5) Repayment of principal: After the expiration of 5 years after the issuance of this bond, if the ratio of the Company's own capital to the risky assets after the redemption is calculated meets the minimum ratio requirements set by the competent authority, the Company may redeem it with the consent of the competent authority; Announcement on the 30th day of the redemption date, the interest payable plus the denomination, and all redemption.

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COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

(r) Provisions

	December 31, 2025	December 31, 2024
Provisions for guarantees	$ 24,519	24,532
Provisions of loan commitments	40,500	37,500
Provisions for other	5,000	5,000
Provisions for employee benefits	63,002	61,943
	$ 133,021	**128,975**

Provisions were as follows:

	January 1, 2025	Current reclassfication	Current reclassify	Exchange rate differences	December 31, 2025
Provisions for guarantees	$ 24,532	-	-	(13)	24,519
Provisions of loan commitments	37,500	3,000	-	-	40,500
Provisions for other	5,000	-	-	-	5,000

	January 1, 2024	Current reclassfication	Current reclassify	Exchange rate differences	December 31, 2024
Provisions for guarantees	$ 24,511	-	-	21	24,532
Provisions of loan commitments	37,500	-	-	-	37,500
Provisions for other	5,000	-	-	-	5,000

Provisions for employee benefits please refer to note 6 (t).

(s) Lease Liabilities

The Company’s lease liabilities was as follows：

	December 31, 2025	December 31, 2024
Less than one year	$ 48,085	43,202
More than one year	103,108	106,490
	$ 151,193	**149,692**

For the maturity analyses, please refer to note 6 (ak).

The amounts recognized in profit or loss was as follows：

	2025	2024
Interest on lease liabilities	$ 3,812	3,314
Expenses relating to leases of low-value assets	$ 4,884	5,700

The amounts recognized in the statement of cash flows by the Company were as follows：

	2025	2024
Total cash outflow for leases (Including payment of lease liabilities, interest paid, and the amounts recognized above in profit or loss)	$ 59,905	57,546

(i) Real estate leases

The Company leases land and buildings for its office space. The leases of office space typically run for five to seven years.

(ii) Other leases

The Company leases vehicles and equipment, with lease terms of three years. The leases term of superficies right is five years, and some cases are lease liabilities for leases of low-value items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(t) Employee benefits

(i) Defined benefit plans:

The reconciliation in the present value of defined benefit obligations and fair value of plan assets as follows:

	December 31, 2025	December 31, 2024
Total present value of obligations	$ 981,521	1,007,786
Fair value of plan assets	(1,393,095)	(1,310,217)
Recognized assets for defined benefit obligations (Other assets)	$ (411,574)	(302,431)

The Company makes defined benefit plan contributions to the pension fund account in the Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on the years of service and the average monthly salary for six months prior to retirement.

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

1) Composition of plan assets

The Company's employee retirement benefits are based on the policy of the labor dismission and the implementation rules of the labor pension. The actual retirement pension entitlement of employees is calculated by applying the above two methods in stages according to their periods of service, and the payment base is determined according to the number of years in service, and the amount is determined by the hourly retirement salary.

According to the Labor Standards Law, the Company provides labor retirement reserves to 15% of the total monthly salary of employees (except for appointed managers) to the pension fund account in the Bank of Taiwan to meet the needs of employee pensions. In addition, to support the pension of the appointed managers, a special bank account is set up, which is paid monthly based on 8% of the total salary of the appointed managers.

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Labor Pension Fund Supervisory Committee. With regard to the utilization of the funds, minimum earnings in the annual distributions on the financial statements shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to 1,393,095 thousand as of December 31, 2025. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Labor Pension Fund Supervisory Committee.

2) Change in present value of the defined benefit obligations

The change in present value of the defined benefit obligations were as follows:

	2025	2024
Defined benefit obligations at January 1	$ 1,007,786	1,010,522
Current service costs and interest	34,159	33,246
Remeasurements of the net defined benefit asset :		
－Actuarial loss (gain) arising from financial assumptions	26,801	43,464
Benefits paid by the plan assets	(87,225)	(79,446)
Defined benefit obligations at December 31	**$ 981,521**	**1,007,786**

(Continued)

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

3) Change in fair value of defined benefit plan assets

The change in the fair value of the defined benefit plan assets were as follows:

		2025	2024
Fair value of plan assets at January 1	$	1,310,217	1,207,449
Interest income		22,742	19,412
Remeasurements of the net defined benefit liability (asset) :			
—Return on plan assets excluding interest income		89,569	103,958
Contributions made		44,352	46,703
Benefits paid by the plan assets		(73,785)	(67,305)
Fair value of plan assets at December 31	**$**	**1,393,095**	**1,310,217**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss were as follows:

		2025	2024
Current service costs	$	17,173	17,431
Net Interest on the net defined benefit liability (asset)		(5,756)	(3,597)
	$	**11,417**	**13,834**
Administration expenses	**$**	**11,417**	**13,834**
Actual return on assets	**$**	**112,311**	**123,370**

5) Actuarial gains and losses recognized in other comprehensive income recognized in other comprehensive income

The Company’s actuarial gains and losses recognized in other comprehensive income were as follows:

		2025	2024
Cumulative amount at January 1	$	(9,540)	50,954
Recognized during the period		(62,768)	(60,494)
Cumulative amount at December 31	**$**	**(72,308)**	**(9,540)**

(Continued)

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follow:

Actuarial assumptions in deciding the present value of the defined benefit obligations:

	December 31, 2025	December 31, 2024
Discount rate	1.300 %	1.750 %
Future salary increases	3.0 %	3.0 %

Actuarial assumptions in deciding cost of defined benefit plans:

	2025	2024
Discount rate	1.300 %	1.625 %
Future salary increases	3.0 %	2.0 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $40,200 thousand.

The weighted average duration of the defined benefit plan is 9.0 years.

7) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of defined benefit obligation shall be as follows:

	Influences of defined benefit obligations	
	Increase 0.25%	Decrease 0.25%
December 31, 2025		
Discount rate	$ (16,466)	16,905
Future salary increases	16,178	(15,842)
December 31, 2024		
Discount rate	$ (15,827)	16,250
Future salary increases	15,368	(15,048)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2025 and 2024.

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

(ii) Employee Promotions Deposits plans

The Company was obligated to pay present employees and retired employees fixed preferential interest rate for their deposits in conformity with "Rules Employee Preferential Deposit for Retired Employees for COTA commercial Bank". If the Company's preferential deposit interest rate for an employee as stated in the employment contract exceeds the market interest rate, the excess will be subject to IAS 19 "Employee Benefits" upon the employees' retirement.

The regonized defined benefit liabilities were as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	$ 63,002	61,943
Fair value of plan assets	-	-
Recognized liabilities for defined benefit obligations (Provisions)	**$ 63,002**	**61,943**

1) Movements in the present value of the defind benefit obligation

	2025	2024
Defined benefit obligation on January 1	$ 61,943	60,715
Current service cost and interest	3,097	3,036
Remeasurement of the net defined benefit liability (asset):		
－Actuarial loss (gain) arising from financial assumptions	6,450	6,074
Past service cost	5,795	5,738
Benefits paid by the plan assets	(14,283)	(13,620)
Defined benefit obligation on December 31	**$ 63,002**	**61,943**

2) Expenses recognized in profit or loss

As of December 31, 2025 and 2024, the Company's expenses recognized in profit or loss were $15,342 thousand and $14,848 thousand, respectively.

(iii) Defined contribution plans

The Company allocates 6% of each employee's monthly salaries to the labor pension personal account at the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

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COTA COMMERCIAL BANK CO., LTD.
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The pension costs incurred from the contributions to the Bureau of Labor Insurance amounted to $37,093 thousand and $35,801 thousand for the years ended December 31, 2025 and 2024, respectively.

(u) Income tax

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

	2025	2024
Current tax expense		
Current period		
Corporate income tax	$ 228,040	109,018
Additional tax on undistributed earnings	130	-
Adjustment for prior periods	9,452	855
	237,622	109,873
Deferred tax expense		
Origination and reversal of temporary differences	(22,687)	34,333
Income tax expense	**$ 214,935**	**144,206**

The amount of income tax recognized in other comprehensive income for 2025 and 2024 was follows:

	2025	2024
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit plans	**$ 12,553**	**12,099**

Reconciliation of income tax and profit before tax for 2025 and 2024 is as follows:

	2025	2024
Profit before income tax	**$ 1,201,802**	**1,016,096**
Income tax using the Company's domestic tax rate	$ 240,360	203,219
Tax effect of tax-exempt gains from sale of marketable securities	(4,299)	(7,192)
Changes in unrecognized temporary differences	1,000	(9,000)
Additional tax on undistributed earnings	130	-
Changes in provision in prior periods	9,452	855
Other adjustments	(31,708)	(43,676)
Tax expense	**$ 214,935**	**144,206**

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

(ii) Deferred tax asset and liability

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2025	December 31, 2024
Tax effect of deductible temporary differences	$ 32,000	31,000

2) Recognized deferred tax assets and liabilities

Changes in the amounts of deferred tax assets and liabilities for 2025 and 2024 were as follows:

	Defined benefit plans	Fair value losses	Allowance of impairment loss	Others	Total
Deferred tax assets:					
Balance at January 1, 2025	$ (7,944)	24,292	71,493	22,469	110,310
Recognized in profit or loss	211	6,782	3,665	3,155	13,813
Recognized in other comprehensive income	(12,553)	-	-	-	(12,553)
Balance at December 31, 2025	**$ (20,286)**	**31,074**	**75,158**	**25,624**	**111,570**
Balance at January 1, 2024	$ 3,909	24,292	93,876	26,222	148,299
Recognized in profit or loss	246	-	(22,383)	(3,753)	(25,890)
Recognized in other comprehensive income	(12,099)	-	-	-	(12,099)
Balance at December 31, 2024	**$ (7,944)**	**24,292**	**71,493**	**22,469**	**110,310**

	Accrued land value increment tax	Fair value profit	Others	Total
Deferred tax liabilities:				
Balance at January 1, 2025	$ 83,799	8,875	27,286	119,960
Recognized in profit or loss	-	(8,875)	1	(8,874)
Balance at December 31, 2025	**$ 83,799**	**-**	**27,287**	**111,086**
Balance at January 1, 2024	$ 83,799	415	27,303	111,517
Recognized in profit or loss	-	8,460	(17)	8,443
Balance at December 31, 2024	**$ 83,799**	**8,875**	**27,286**	**119,960**

3) Assessment of tax

The Company’s tax returns for the years through 2023 were examined and approved by the Tax Authorities.

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

(v) Share capital and other equity accounts

As of December 31, 2025 and 2024, the Company's authorized capital amounted to $20,000,000 thousand and $12,000,000 thousand, respectively, divided into ordinary shares.
The issued share capital amounted to $11,814,810 thousand for both years, all of which consisted of ordinary shares.

Outstanding shares reconciliation as below:

		Ordinary Share	
(thousand shares)		**2025**	**2024**
Balance at January 1	$	1,181,481	1,053,049
Common stock dividend		-	28,432
Issuance of ordinary share for cash		-	100,000
Balance at December 31	**$**	**1,181,481**	**1,181,481**

(i) Share capital

The Company issued 200,000 thousand new shares for cash, at a par value of $10 per share, amounting to $2,000,000 thousand. The capital increase became effective with the registration of Letter No. 1140363059 issued by the Financial Supervisory Commission on November 24, 2025.As of December 31, 2025, the amount of $90,182 thousand that had been received in advance had been recognized as common stock subscribed. The relevant statutory registration procedures have yet to be completed.

The Company issued 100,000 thousand new shares for cash, at a par value of $10 per share, amounting to $1,000,000 thousand, based on the resolution approved during the board meeting held on June 26, 2024. The relevant statutory registration procedures had been completed.

The Company increased its capital through a capitalization of its retained earnings amounting to $284,323 thousand based on a resolution approved during the shareholders' meeting held on June 25, 2024. With the approval of the government authorities on August 13, 2024.

(ii) Capital surplus

The components of capital surplus were as follows:

		December 31, 2025	**December 31, 2024**
Statutory reserve and special reserve transferred in	$	742,056	742,056
Share capital		172,596	172,596
Shareholders' odd lot excess payment		369	369
Dividends not received overtime by shareholders		12,779	12,109
	$	**927,800**	**927,130**

In accordance with the ROC Company Law, capital reserve is exclusively used for offsetting prior losses and conversion to capital and cannot be distributed as cash dividends. According to the ROC Company Law and relevant securities exchange regulations, a capital increase using capital reserve has to be reserves arisen from issuing stock or donated assets received and cannot exceed 10% of a Company's paid-in capital in any year. Capital reserve arisen from long-term equity investments cannot be used to offset prior losses or converted to capital.

(iii) Retained earnings

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 30% is to be appropriated as legal reserve but the legal reserve has reached its total capital, or the financial business is sound and raise the legal reserve who under the ROC Bank Act, Have unrestricted preceding paragraph; And the operation needs of the Company with the Act provides for the extension or rotation of the special reserve, If there are reserve, together with the unallocated surplus at the beginning of the period, Drafted by the Board of Directors for distribution of profits brought to the shareholders' meeting dispatch shareholders dividends.

According to the Banking Law, cash dividends are limited to 15% of total capital until the balance of statutory reserve reaches the amount of capital.

Except as otherwise provided by law, cash dividend shall not be lower than 10% of the total dividend distributed. If the cash dividend distributed per share is lower than $0.1, expect for otherwise resolved by the shareholder's meeting, it is not distributed.

1) Legal reserve

Under the ROC Bank Act, the Company must retain10% of its earnings as legal reserve until such retention equals the amount of the total capital. According to the amendment of the ROC Bank Act as of January 2012, legal reserve is limited to the extent of 25% of the share capital. In addition, under the ROC Bank Act, the Bank shall retain 30% of its after-tax earnings as the legal reserve before distributing them. Before the amount of legal reserves reaches the amount of the total capital, the maximum amount of distributing earnings in cash shall not exceed 15% of the total capital. The restriction is not applied if the amount of legal reserves equals the amount of the total capital, or if the Bank is in a sound financial condition and when it complies the ROC Bank Act.

2) Special reserve

In accordance with permit NO.10510001510 as issued by the Financial Supervisory Commission, the Company shall retain 0.5% to 1% of its after-tax earnings as the special reserve before distributing the earning for 2016 to 2018. The special reserve from this as of December 31, 2025 and 2024 were approximately the same as $11,929 thousand.

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According to the regulation stipulated by the Securities and Futures Bureau, an amount equal to the net debit balance of other items of the shareholders' equity (including the exchange differences on translating foreign operations, unrealized gain or loss on financial assets at FVTOCI, the amount of items other than the current after-tax net profit, plus the current after-tax net profit included in the undistributed earnings of the current period, and the undistributed earnings of the previous period) are added to the special surplus reserve. However, supplementary undistributed surplus listed as special surplus reserve shall not be distributed. Thereafter, if there is any reversal of the decrease in shareholders' equity, the Bank is allowed to appropriate the retained earnings from the reversed amount.

The amounts of reversal special reserve as of December 31, 2025 and 2024 were $22,046 thousand and $(126,367) thousand, respectively.

3) Appropriation of earnings

Earning distribution for 2024 and 2023 was decided via the general meeting of shareholders held on June 19, 2025 and June 25, 2024, respectively. The details were as follows:

	2024		2023	
	Amount per share	**Total amount**	**Amount per share**	**Total amount**
Dividends distributed to ordinary shareholders				
Cash	$ 0.55	649,815	0.50	526,524
Shares	-	-	0.27	284,323
Total		$ 649,815		810,847

On March 9, 2026, the company's Bond of Directors resolved to appropriate the 2025 earnings. These earnings were appropriated as follows:

	2025	
	Amount per share	**Total amount**
Dividends distributed to ordinary shareholders		
Cash	$ 0.52	$ 718,370

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

4) Other equity accounts

		Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance, January1, 2025	$	2,984	(25,030)	(22,046)
Disposed of investments in equity instruments designated at fair vlue through other comprehensive income		-	33,943	33,943
Unrealized gains (losses) on financial assets, measured at fair value through other comprehensive income		-	120,286	120,286
Foreign currency translation differences (net of tax):		(2,175)	-	(2,175)
Balance, December 31, 2025	**$**	**809**	**129,199**	**130,008**
Balance, January1, 2024	$	(2,058)	29,093	27,035
Disposed of investments in equity instruments designated at fair vlue through other comprehensive income		-	(43,244)	(43,244)
Unrealized gains (losses) on financial assets, measured at fair value through other comprehensive income		-	(10,879)	(10,879)
Foreign currency translation differences (net of tax):		5,042	-	5,042
Balance, December 31, 2024	**$**	**2,984**	**(25,030)**	**(22,046)**

(w) Share-based payment

On the Board of Directors' meeting on June 26, 2024, the Company decided to award 10,000 thousand new shares of common stock to those full-time employees who meet the Company's requirements. The unvested shares are authorized managing director to search specific people to pay at fair value.

As of December 31, 2024, the Company has the following share-based payment transactions.

	Equity-settled Cash capital increase reserved for employee subscription
Grant date	2024.10.28
Number of shares granted	10,000thousand shares
Contract term	-
Recipients	full-time employees
Vesting conditions	Immediately vested

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(i) Determining the fair value of equity instruments granted

The Company used the market-based evaluation method in measuring the fair value of the share-based payment at the grant date. The measurement inputs were as follows:

	2024
	Cash capital increase reserved for employee subscription
Fair value at grant date	10.67 dollars
Share price at grant date	10.22~11.12 dollars
Exercise price	10.00 dollars
Expected volatility(%)	15.65%
Expected life (years)	0.104 year
Expected dividend	-
Risk-free interest rate (%)	1.225%

The expected life is between the grant date and the payment date. The determination of fair value doesn't include service from the trade and non-market profitability condition.

(ii) Expense recognized in profit or loss

The Company incurred expenses of share-based arrangements in 2024 as follows:

	2024
Expenses resulting from cash-settled share-based payment to employees	$ 2,613

(x) Earnings per share

The basic and diluted earnings per share for were calculated as follows:

	2025	2024
Basic earnings per share:		
Profit of the Company for the year	$ 986,867	871,890
Weighted-average number of ordinary shares at 31 December	1,181,481	1,087,765
Basic Earnings per share (in NT dollars)	$ 0.84	0.80
Diluted earnings per share:		
Profit of the Company for the year	$ 986,867	871,890
Weighted-average number of ordinary shares at 31 December	1,181,481	1,087,765
Effect of dilutive potential ordinary shares:		
Employee share bonuses	6,411	5,857
Weighted-average number of ordinary shares (diluted) at 31 December	1,187,892	1,093,622
Diluted earnings per share (in NT dollars)	$ 0.83	0.80

(Continued)

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

(y) Net interest income

		2025	2024
Interest income			
Discount and loans	$	4,693,175	4,318,774
Due from banks		161,253	144,679
Short-term bills and bonds		514,775	481,443
Other		164,446	179,697
Subtotal		5,533,649	5,124,593
Interest expense			
Deposit		2,312,493	2,112,378
Deposits from the Central Bank and banks and due to the Central Bank and banks		617	1,194
Financial bonds		67,606	67,971
Interest on lease liabilities		3,812	3,314
Other		10,737	5,365
Subtotal		2,395,265	2,190,222
	$	**3,138,384**	**2,934,371**

(z) Service fee income

		2025	2024
Service fee income			
Insurance agency service fee	$	293,422	252,765
Fund service fee		61,561	46,098
Guarantee service fee		29,904	25,764
Consumer financial center service fee		19,325	23,329
Remittance service fee		10,977	11,416
Credit card service fee		13,143	13,318
Oversea Bonds Service fee		49,367	81,837
Others		32,160	29,441
Subtotal		509,859	483,968
Less:Service fee expense		25,875	26,271
	$	**483,984**	**457,697**

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

(aa) Gains and losses on financial assets or liabilities measured at fair value through profit or loss

	2025	2024
Disposal gains (losses)		
Convertible bonds	$ 31,989	28,552
Listed securities	8,061	9,027
Beneficiary certificates	(8,452)	53,937
Subtotal	31,598	91,516
Valuation gains (losses)		
Convertible bonds	295	485
Listed securities	7,367	656
Short-term bills	1,840	419
Beneficiary certificates	7,816	(27,086)
Derivative	1,134	(1,478)
Subtotal	18,452	(27,004)
Dividend and interest income	78,558	131,313
	$ 128,608	**195,825**

(ab) Realized gains and losses on financial assets measured at fair value through other comprehensive income

	2025	2024
Dividend income	**$ 51,051**	**48,459**

(ac) Asset impairment (loss) revolving interest

	2025	2024
Financial assets at fair value through other comprehensive income	$ (7,861)	265
Financial assets at amortized cost	(4,695)	815
	$ (12,556)	**1,080**

(ad) Other net non-interest income, net

	2025	2024
Rental income	$ 16,725	18,681
Net gains on disposal of premises and equipment	1,068	899
Other revenues-net	6,843	8,068
	$ 24,636	**27,648**

(Continued)

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

(ae) Bad debt expenses and provision for guarantee reserve

	2025	2024
Discounts and loans	$ 284,415	552,619
Receivables	662	569
	$ 285,077	**553,188**

(af) Employee compensation and directors' remuneration

In accordance with the Articles of incorporation, the Company should contribute no less than 6% of the profit as employee compensation and less than 2% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors.

For the year ended December 31, 2025 and 2024, the Company estimated its employee remuneration at $78,379 thousand and $66,267 thousand, and directors' remuneration at $26,126 thousand and 22,089 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration of employees and directors as specified in the Company's articles. These remunerations were expensed under operating expenses during 2025 and 2024. The amounts, as stated in the financial statements, are identical to those of the actual distributions for 2025 and 2024.

(ag) Employee benefits expenses

	2025	2024
Salary expenses	$ 1,254,182	1,178,102
Insurance expenses	102,771	99,878
Retirement expenses	48,510	49,635
Remuneration of directors	43,822	40,471
Other employee benefits	101,785	101,679
	$ 1,551,070	**1,469,765**

(ah) Depreciation and amortization expenses

	2025	2024
Depreciation of property and equipment	$ 60,253	54,007
Depreciation of right-of-use assets	51,694	49,092
Depreciation of investment property	1,183	1,184
Amortization of intangible assets	10,288	8,024
	$ 123,418	**112,307**

(Continued)

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

(ai) Other general and administrative expenses

		2025	2024
Taxes and fees	$	300,078	278,490
Insurance expense		52,697	52,764
Rental expense		4,884	5,700
Occupational group membership fee		31,509	21,952
Advertising and printing expense		19,614	19,556
Security fees		26,618	25,981
Other		206,166	184,745
	$	**641,566**	**589,188**

(aj) Financial instruments

(i) Fair value Measurement

1) Overview

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.

Financial instruments are measured at fair value on initial recognition, which, in most cases, refers to the entry price. Subsequent valuation is based on the fair value basis except for financial instruments measured at amortized cost. The optimal evidence in deciding fair value is the exit price of an active market. Considering those financial instruments without an active market, the Company adopts the valuation techniques, or the references of the exit price offered by Bloomberg, Reuters and counterparties in fair value valuation.

2) Definition of three－level fair value hierarchy

a) Level 1

Fair value measurement for a financial instrument classified in Level 1 is determined as the quoted price for an identical financial instrument in an active market. The definition of active market has all of the following conditions: the products traded in the market are homogeneous, willing parties are available anytime in the market, and price information is available for the public. The Company's investments in listed and TPEx securities, beneficiary certificates, popular Taiwan central government bonds, and derivative financial instruments which had the quoted price in an active market, are classified to Level 1.

COTA COMMERCIAL BANK CO., LTD.
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b) Level 2

Fair value measurement for a financial instrument classified in Level 2 is determined as the observable price other than quoted price in an active market including an observable input obtained in an active market, either directly (i.e., as prices) or indirectly (i.e., derived from prices). The Company's investments in government bonds not in popular demand, corporate bonds, financial debentures, convertible bonds, and majority derivative instruments, are classified to Level 2.

c) Level 3

Input for a fair value measurement for a financial instrument classified in Level 3 is not based on obtainable data from the market (an unobservable input, such as volatility for a share option derived from the share's historical prices, as it does not generally represent current market expectations about future volatility). The equity instruments with no active market which the Company invested are Level 3.

3) Fair value hierarchy

a) The table below analyses recurring financial instruments carried at fair value

	December 31, 2025			
Fair value measurement for financial instruments	**Total**	**Level 1**	**Level 2**	**Level 3**
Non-derivative financial instruments				
Assets:				
Financial assets at fair value through profit or loss				
Investment in stocks	$ 79,656	79,656	-	-
Investment in bonds	742,605	-	742,605	-
Short-term bills	5,302,353	5,302,353	-	-
Others	94,378	94,378	-	-
Financial assets at fair value through other comprehensive income				
Investment in stocks	1,121,135	898,056	-	223,079
Investment in bonds	14,861,789	14,861,789	-	-
Derivative financial instruments				
Assets:				
Financial assets at fair value through profit or loss	5,112	-	5,112	-
Liabilities:				
Financial liabilities at fair value through profit or loss	1,272	-	1,272	-

COTA COMMERCIAL BANK CO., LTD.
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Fair value measurement for financial instruments	December 31, 2025 Total	Level 1	Level 2	Level 3
Instruments not measured at fair value				
Financial assets at amortized cost	19,949,919	12,550,000	7,399,919	-

Fair value measurement for financial instruments	December 31, 2024 Total	Level 1	Level 2	Level 3
Non-derivative financial instruments				
Assets:				
Financial assets at fair value through profit or loss				
Investment in stocks	$ 62,849	62,849	-	-
Investment in bonds	1,163,710	-	1,163,710	-
Short-term bills	2,948,444	2,948,444	-	-
Others	804,377	804,377	-	-
Financial assets at fair value through other comprehensive income				
Investment in stocks	846,414	620,642	-	225,772
Investment in bonds	10,564,332	10,564,332	-	-
Derivative financial instruments				
Assets:				
Financial assets at fair value through profit or loss	1,433	-	1,433	-
Liabilities:				
Financial liabilities at fair value through profit or loss	2,160	-	2,160	-
Instruments not measured at fair value				
Financial assets at amortized cost	19,643,276	11,625,000	8,018,276	-

(Continued)

b) Valuation techniques of financial assets and liabilities measured by fair value

If there is a quoted price in an active market for non-derivative financial assets and liabilities measured at fair value through profit or loss, financial assets at fair value through other comprehensive income, the quoted price is regarded as its fair value. Financial instruments with public market prices (except for stocks and depositary receipt), such as government bonds, use the latest trade price TPEX Electronic Bond Trading System (EBTS) or reference theory price under as fair value. Foreign currency bonds use the latest trade price as fair value. If no quoted price available, the fair value is estimated using the valuation techniques of which the assumptions and estimates are in conformity with those information (available for the Company) used in pricing the financial instruments. Financial derivative instruments with an active market price use the market value as fair value. When there is no active market price, the valuation model is mainly adopted in evaluation. Derivative instruments — non-option use the discounted cash flow method; Derivative instruments — options mainly use the Black — Scholes Model in evaluation.

c) Fair value adjustment

i) Limitations to Evaluation Models and uncertain inputs

The outputs of evaluation models are estimated, while the model is possibly incapable of reflecting all relevant factors relating to financial instruments held by the Company. In such circumstances, the estimates are hence adjusted according to suitable extra parameters, such as model risk or liquidity risk. The Company's operation process of financial instrument evaluation policy considers the adjustment to evaluation, which is adequate and necessary so as to fairly present the financial instrument's fair value in statement of financial position. In the evaluation process, the pricing information and parameters are deliberately assessed and modulated in light of market situation.

ii) Credit risk valuation adjustment

Credit risk valuation adjustment can be classified into Credit value adjustments and Debit value adjustments. The adjustments reflect the possibility of delayed repayment by the counterparty or the Company in fair value and of failure in transaction's entire market value collected (paid) by the Company.

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Notes to the Financial Statements

d) Reconciliation of Level 3 fair values

	2025							
		profit or loss		Increase		Decrease		
Account	**Opening balance**	**In profit or loss**	**In other comprehensive income**	**Purchased or issued**	**Transfers in Level 3**	**Sell or Disposal**	**Transfers out of Level 3**	**Ending Balance**
Financial assets at fair value through other comprehensive income	$ 225,772	-	(2,693)	-	-	-	-	223,079

	2024							
		profit or loss		Increase		Decrease		
Account	**Opening balance**	**In profit or loss**	**In other comprehensive income**	**Purchased or issued**	**Transfers in Level 3**	**Sell or Disposal**	**Transfers out of Level 3**	**Ending Balance**
Financial assets at fair value through other comprehensive income	$ 204,322	-	21,450	-	-	-	-	225,772

e) Profit and loss for Level 3

The total gains and losses that were included in unrealized gains and losses from financial assets at fair value through other comprehensive income were as follows:

	2025	**2024**
Recognized as "unrealized gains and losses from financial assets at fair value through other comprehensive income"	$ (2,693)	21,450

f) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

	December 31, 2025			
	fair value	**Valuation technique**	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Financial assets at fair value through other comprehensive income				
Stocks unlisted	$ 223,079	Market Method	value growth rate	The estimated fair value would increase (decrease) if:
		Net Asset Value	Net Asset Value	· the value growth rate was higher · the Net Asset Value was higher

(Continued)

COTA COMMERCIAL BANK CO., LTD.
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	December 31, 2024			
	fair value	**Valuation technique**	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Financial assets at fair value through other comprehensive income				
Stocks unlisted	$ 225,772	Market Method	value growth rate	The estimated fair value would increase (decrease) if:
		Net Asset Value	Net Asset Value	‧ the value growth rate was higher ‧ the Net Asset Value was higher

g) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

For fair value measurements in Level 3, changing one or more of the assumptions by 5% to reflect reasonably possible alternative assumptions would have the following effects:

i) market method

	Profit or loss	
	Favorable (5%)	Unfavorable (5%)
December 31, 2025		
Financial assets at fair value through other comprehensive income		
Stocks unlisted	$ 10,969	(10,909)
December 31, 2024		
Financial assets at fair value through other comprehensive income		
Stocks unlisted	$ 11,317	(11,317)

ii) Net Asset Value

	Profit or loss	
	Favorable (5%)	Unfavorable (5%)
December 31, 2025		
Financial assets at fair value through other comprehensive income		
Stocks unlisted	$ 2,850	(2,800)
December 31, 2024		
Financial assets at fair value through other comprehensive income		
Stocks unlisted	$ 250	(300)

(Continued)

COTA COMMERCIAL BANK CO., LTD.
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(ii) Methods and assumptions used by the Company for fair value evaluation of financial instruments were as follows:

1) Fair value of short-term financial instruments are estimated by their book value on the balance sheet date. Since these instruments have short maturities, the book value is adopted as a reasonable basis in estimating the fair value. The method is applied to cash and cash equivalents, due from Central Bank and call loans to banks, securities purchased under reverse repurchase agreements, receivables, other assets, deposits from Central Bank and other banks, and payables.

2) If there is a quoted price in an active market for the financial asset, including financial instruments at fair value through profit or loss, financial assets at fair value through other comprehensive income, and financial assets at amortized cost, the quoted price is regarded as its fair value. If there is no quoted price in an active market for the financial asset, its fair value is estimated based on the result of a valuation technique that refers to quoted prices provided by financial institutions. The discounted cash flow technique is used to estimate the fair value of a debt instrument where an active market does not exist. The estimates and assumptions made by the Company using the valuation method are consistent with the information made by the market participants, in which the Company can obtain, to estimate and assume the financial instruments.

3) Loans and deposits are both classified as interest-bearing financial assets; therefore, the book value of financial assets is equivalent to their fair value. The net book value of the nonaccrual account, after deducting provision for credit loss, is adopted as the fair value.

4) Financial Bonds Payable: It refers to the financial bonds issued by the Company. Their coupon rates are almost equal to the market interest rate, so it is reasonable to using the discounted present values of the expected future cash flow to estimate their fair values. The present values are almost equal to the carrying amounts.

5) Except those with quoted price in an active market, the fair values of the other financial instruments are attained by valuation techniques or quoted prices from countered parties. The fair value calculated using valuation techniques can refer to the present fair values of financial instruments with similar conditions and characteristics, the discounted cash flow method or other valuation techniques, including the modular valuation method of which the calculated values are computed using attainable market information (such as the commercial paper fixing rates of Reuters.)

COTA COMMERCIAL BANK CO., LTD.
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(ak) Financial risk information

(i) Overview

The main risks that the Company faced, and the management strategies are as follows:

1) Management of capital adequacy ratio

The Company risk management considers the Bank as a continuous operation and is being based on the best practice of Basel III, to develop a complete risk management structure and capital adequacy management to ensure the Bank fulfills the minimum capital requirements and enable to bear pressure of capital shock.

2) Credit risk management

Credit strategy includes returns and risk diversification. The asset portfolio includes qualified retail bonds, corporate credit and mortgages. It is also distinguished based on the level of client risk to control the acceptable range of the overall credit risk. The Bank also made use of the risk transfer in credit guarantee fund to strengthen the collateral of small-and-medium enterprises, reduce breach of contract risk and accomplish benefits of risk capital at the same time. To effectively maintain the asset quality and risk return, the Bank has improved its credit investigation and review procedures. It has also managed its collateral and strengthened the development use of risk management instruments and credit risk management schemes.

3) Liquidity risk and market risk management

Assets and liabilities committee is responsible of the liquidity, security and profitability of assets and liabilities. The committee not only conducts regular assessment on the duration and the maturity analysis of assets and liabilities but also set limit structure and the related liquidity limits to control index, adjust capital gap in order to conform with the objective of risk appetite. Profitability is strengthened through the optimization of assets and liabilities structure. Market risk management includes investment in trading book and banking book. To prevent financial instruments from suffering from excessive fluctuations in market price, management measures and restrictions on investment are set, sensitivity index on market risk factors.

4) Operational risk management

In order to integrate risk management culture with employees, the Company not only restricts employees by undertaking regulations, discipline and incentive and penalty measures, but also adopts standard operating procedures and internal control systems to enhance capability of information systems control and the timeliness and accuracy of information on risk management. Risk is controlled and reviewed regularly through the risk appetite, key risk indicator and warning system of risk events for early planning to improve measures.

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COTA COMMERCIAL BANK CO., LTD.
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(ii) Organizational structure of risk management

The organizational structure of risk management includes BOD, Risk Committee, Risk Management Committee, Assets and Liabilities Committee, Loan Review Committee, Department of Risk Management, Department of Audit, Department of Law, Credit Management Headquarter and Department of Credit Analysis and Appraisal and other management departments, with BOD as the ultimate responsible unit. The risk committee is subordinated to the BOD, and the member of risk committee is elected from the Board of Directors, who monitor risks on behalf of the BOD. The BOD and risk committee will delegate authorities to the general manager and committees in setting management rules as regards to risk identification, measurement, disclosure, report, monitoring and offsetting. The Company also established independent risk management department to monitor the credit risk, market risk, operational risk and liquidity risk. At the same time, the Company promotes the framework of new Basel capital agreement that identifies measures, discloses and reports management system and proposes each risk management report for management decision on a regular basis. Also, the law department is set up to carry out law risk management and procedures on review of legal compliance. The business units, which are subordinated to the general manager, ensure the coordination of each risk management policies; establish appropriate internal control and standard operating procedures and support the risk management project based on the business needs. The audit department is responsible for auditing the compliance of all internal and external business norms in all units, as well as the implementation of internal control in practice.

(iii) Credit risk

1) The source and definition of credit risk

Credit risk is the risk of financial loss to the Company if a creditor or counterparty fails to meet its contractual obligations. Credit risk management should be adopted in all operating activities that involved in credit risk, including loans, investment in banking book, financial derivatives, transactions in repurchase agreement and other operating activities in relation to the credit risk.

2) Management policy of credit risk

The Company has set standard control procedures on credit risk identification, measurement, and information on disclosures and reports to conduct rational identification, measurement, disclosures and effective control on credit risk. The Company also deliberates the fluctuation in economics and adjusts the credit risk structure accordingly to control the risks in credit portfolio within the risk appetite. These procedures include criteria for targeted client, credit investigation, credit approval or rejection, approval on exceptions, risk control and management, credit review, management on non-performing loans and requests and control of all related documents and information. Based on the risk management policies, the illustration of management process carried out by the competent authority is as follows:

a) Credit investigation

With respect to the criteria for targeted client, the Company should ask for all necessary documents from the clients in order to filter client accurately and control credit portfolio within the acceptable range.

(Continued)

b) Credit approval

Cases that have passed through the credit investigation are reviewed by the credit authority of each level. The credit authorities authorize credits in compliance with the credit limitation structure and authorization policies of the Company. The credit limitation structure and authorization policies of the Company are not only based on banking act and the rules stipulated by the authority, concerning the credit extended to same person or same affiliated enterprises/groups, stock collateral, industry and country, but also based on the professionalism of the credit authorities and the quality of asset control. The amounts of credit authorized are reviewed by the credit authorities on occasional basis.

c) Post-lending loan review mechanisms

The corporate banking business of the Company strengthens the tracking control of the financial and business conditions on creditors, carry out risk assessment report of credit asset portfolio on a regular basis, set-up warning system and adjust business development strategy to cope with economic conditions and changes in asset quality through the account management scheme and regular reassessment system. As regards to delinquent loans, the Company uses concentration management method, together with information systems and analysis model to conduct regular review to improve the performance on overdue to expedite the collection of nonperforming loans.

d) Development, application and verification of risk information system

The Company has actively developed quantify risk assessment model as a reference for credit decision. The Bank develops the credit rating model based on products and characteristics of counterparties and use the results from the model to filter new clients, risk pricing and limit management, to analyze and develop overdue management strategy on overdue loans based on client behavior pattern. To improve the effectiveness of credit investigation and ensure the consistency with the investigation standards, the Company built a credit investigation operating system, which not only strengthen the effectiveness of the Company operation and information system, but also improve the development of model for quantifying risk. The Company conducts verification on the risk assessment model on a regular basis and evaluates the effectiveness of the model and made necessary amendments.

The methods of risk measurement in the main operating departments are as follows:

i) Loans (including credit commitment and guarantee)

Classifications in credit assets and level of credit quality are illustrated as follows:

(Continued)

COTA COMMERCIAL BANK CO., LTD.
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1. Classification of credit assets

   The credit assets are classified into 5 categories, where the normal credit assets are classified as Category 1. After nonperforming credit assets are evaluated by assessing the status of the loan collaterals and the length of time overdue, they are classified under Category 2 assets that require special mention. Assets that are substandard are classified as Category 3, assets that are doubtful are classified as Category 4 and assets for which incurred a loss are classified as Category 5. The Bank has set " Regulations Governing the Procedures to Evaluate Credit Assets, Set Aside Loss Reserves and Handle Non-performing Credit, Non-accrual Loans and Bad Debts" as management for doubtful loans and as a basis for handling overdue loans.

2. Level of credit quality

   The level of credit quality is set to accommodate the characteristics and the scale of operating business and conduct risk management.

ii) Due from the Central Banks and call loans to banks, investments in debt instruments and financial derivatives instruments

The Company always assesses the credit situation of the counterparty before entering into a transaction. The counterparty' s rating and information on financial condition from domestic and international credit rating agency are being considered and different credit risk limits are set. The credit risk limits are approved by the BOD or the authority level. Overall, most of the investments are above investment grade ratings.

3) Determination that credit risk has increased significantly since the initial recognition

The Company assesses the change in the probability of default of loans during the lifetime on each reporting date to determine if the credit risk has increased significantly since the initial recognition. In order to make this assessment, the Company's considerations show the reasonable and supportable information that the credit risk has increased significantly since the initial recognition. The main considerations include: The borrowers of various types of credit assets that have not paid their principal and interest over the contract for more than 30 days and less than 90 days, and the recent credit rating of the debt instruments on the reporting date that has dropped by more than 3 grades (inclusive) from the original rating. Non-investment grades, financial guarantees, and letters of credit, not classified as reference indicators for significant increase in credit risk, are therefore, temporarily classified as a significant increase in credit risk.

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4) Credit risk that has not increased significantly or is judged as low credit risk on the reporting date

The Company assesses that there is no significant increase in the risk of default in the expected renewal period of each type of credit assets or low credit risk on each reporting date. The 12-month expected credit loss is used as the risk change if the credit risk of the credit asset is low on the reporting date. It is also assumed that the credit risk of the credit assets has not increased significantly since the original recognition. The credit assets of the low credit risk refer to the credit rating of the borrower's principal and interest and debt instruments as above than BBB-.

5) Reversal policy

The merger Company shall determine the unrecoverable creditor's rights, report it to the Board of Directors for approval, and then resell it. Afterwards, the balance of the allowance will be adjusted.

6) Impairment of financial assets

If the financial assets are deducted from the objective evidence, the difference between the book value of the financial assets and the present value of the original effective interest rate of the estimated future cash flows should be recognized as the impairment loss. The impairment loss should be included in the current profit and loss. When determining the amount of the impairment, the estimated future cash flows are estimated to include the collateral and other credit enhancements.

The objective impairment certificate includes the following information:

- The issuer or the debtor's credit rating is reduced to the default level or the principal and interest are not settled.
- The loan has been overdue for 90 days or has been procured to the principal and clerk for the collateral, which is the overdue loan of Class A and Class B.

7) Measurement of expected credit losses

a) Assumption of adoption

After considering the factors, such as the attributes of financial assets and credit assets and the adequacy of default experience, the internal risk data or institutional information, such as external credit ratings, are used to estimate the credit risk component factors, such as the debtor’s probability of default (PD), the loss given default (LGD), and the exposure at default (EAD).

For credit assets that have not significantly increased credit risk or low credit risk since the original recognition, the allowance loss is measured by the 12-month expected credit loss amount; the credit risk has been significantly increased or credit has been deducted since the original recognition production, expected credit losses during the existence of a measure of the amount.

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The difference between all the cash flows expected to be received by the combined companies is based on all the contractual cash flows receivable during the expected period of the financial instrument and all the contractual terms of the consideration period (including the collateral held by the sale or other credit enhancements, etc.) The difference between all cash flows that are expected to be charged is the credit risk loss measured by the amount discounted at the original effective interest rate as follows:

- The amount that is determined to be unbiased and weighted by chance, as assessed by each possible outcome.
- Time value of money.
- Reasonable and corroborative information relating to past facts, current conditions and future economic forecasts.

In addition, when the Company can obtain reasonable and corroborative information that is more forward-looking than the historical overdue information without undue cost or investment, it must use this information to assess changes in credit risk, that is, when assessing the risk of default, factors that take into consideration changes in overall economic indicators.

b) Forward-looking information considerations

Forward-looking information is taken into account when determining whether credit risk has significantly increased after the original recognition of credit assets and measures expected credit losses. The Company performs analysis with historical data and adjusts the probability of default based on "Taiwan business indicators" issued regularly by National Development Council, in which five light signals are used to indicate the current economy. The analysis is further taken into account when the Company assesses the overall expected credit loss.

8) Mitigation or hedging of risk

Based on the risk assessment of the credit counterparty and transactions, the Bank requires high liquidity and sufficient collateral or transfer of credit guarantee and guarantee association (for instance, Small and Medium Enterprise Credit Guarantee Fund) to strengthen the guarantee of loans. In order to avoid and control risks, the Company not only requires the provision of necessary legal documents, but also conducts field survey on the status of collateral and determines whether to reassess the value of collateral and demand for additional collateral or adjust the credit amount. The lists of management conduct by the Company are as follows:

a) Setting the value of collateral and management measures, including types of acceptable collateral, valuation process and methods, frequency of revaluation, market assessment and law enforcement procedures.

b) The liquidity and value of collateral and the degree of law enforcement should be assessed by independent party.

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c) The selection of appraise or appraisal institute, the requirements of appraisal and its related fees should be in compliance with the internal management procedures.

d) Transfer of collateral, authority setting, and other insurance procedures should be completed before being appropriated, and the amount set, insured and other legal aspects should be complied with the Company regulations.

9) Maximum exposure of credit risk

Without taking collateral or other credit enhancement mitigation effect into account, the maximum exposure to credit risk of on-balance sheet financial assets are equal to their carrying values and the maximum exposure of credit risk of off-balance sheet financial instruments were as follows:

	December 31, 2025	December 31, 2024
Irrevocable loan commitment	$ 21,216,117	21,850,763
Credit card commitment	30,198	26,734
Unused credit card limit	1,965,085	1,947,218
Guarantees	56,258	334,308
	$ 23,267,658	24,159,023

The Company believe the adopting stringent selection processes and conducting regular review afterwards are the reasons why they can continuously control and minimize the credit risk exposure of their off-balance sheet items.

10) Concentrations of credit risk

Concentrations of credit risk arise when a number of counterparties or exposure have comparable economic characteristics, or such counterparties are engaged in similar activities, or operate in the same geographical areas or industry sectors, so that their collective ability to meet contractual obligations is uniformly affected by changes in economic or other conditions.

Credit risk concentration can arise in a bank’s assets, liabilities, or off-balance sheet items, through the execution or processing of transactions (either product or service), or through a combination of exposures across these broad categories. It includes credit, loan and deposits, call loan to banks, investment, receivables and derivatives. The Bank maintains a diversified portfolio, limits its exposure on a continuous basis. The Company’s most significant concentrations of credit risk are summarized as follows:

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

a) By Industry

	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
Private enterprise	$ 36,913,982	24.06	37,880,235	25.82
Public enterpris	1,000,000	0.65	-	-
Public Sector	9,082,450	5.92	10,471,450	7.14
Non-profit organization	276,619	0.18	333,237	0.23
Individuals	103,675,240	67.58	96,393,789	65.69
Financial institutions	2,460,705	1.61	1,652,162	1.12
	$ 153,408,996	**100.00**	**146,730,873**	**100.00**

b) By Geography

Not applicable since the Company conducts its business domestically.

c) By Collateral

	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
Non-secured	$ 25,691,599	16.75	26,368,983	17.97
Securities				
Bond	129,109	0.08	116,886	0.08
Real estate	90,286,122	58.85	82,590,254	56.29
Chattel	31,107,240	20.28	30,785,966	20.98
Notes receiviables	19,612	0.01	18,738	0.01
Guarantee	6,149,322	4.01	6,844,709	4.67
Other	25,992	0.02	5,337	-
	$ 153,408,996	**100.00**	**146,730,873**	**100.00**

11) Credit quality and overdue impairment loss of financial assets of the Company

Part of the financial assets, such as cash and cash equivalent, due from the Central Bank and call loans to banks, financial assets at fair value through profit or loss, bills and bonds purchased under resell agreement, guarantee deposits paid and operation guarantee deposits and settlement funds are considered of minimum credit risk due to the good credit ratings of the trade counterparties.

Expect for the abovementioned items, the credit quality analysis of the rest of the financial assets are as follows:

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

a) Credit quality analysis of discounts and loans as well as receivables

December 31, 2025	Neither past due nor impaired (A)	Past due not impaired (B)	Impaired(C) Individual	Impaired(C) Group	Total (A)+(B)+(C)	Impairment allowance (D)	Net (A)+(B)+(C)-(D)
Receivables							
－Credit card	175,710	1,963	-	2,705	180,378	20,390	159,988
－Revenue	27,543	-	-	-	27,543	-	27,543
－Interest	468,186	5,116	1,330	3,920	478,552	6,073	472,479
－Accounts receivable factoring without recourse	11,895	-	-	-	11,895	200	11,695
－Others	54,964	115	-	751	55,830	5,780	50,050
Subtotal	738,298	7,194	1,330	7,376	754,198	32,443	721,755
Discounts and loans	151,150,371	556,505	550,034	1,152,086	153,408,996	1,861,200	151,547,796
Overdue receivables - other	-	-	677,206	-	677,206	190,000	487,206
Off balance sheet items							
－Guarantee	-	2,095,295	-	-	2,095,295	24,519	2,070,776
－Letter of credit	-	41,647	-	-	41,647	5,000	36,647
－Agreed financing amount	23,267,174	484	-	-	23,267,658	40,500	23,227,158

December 31, 2024	Neither past due nor impaired (A)	Past due not impaired (B)	Impaired(C) Individual	Impaired(C) Group	Total (A)+(B)+(C)	Impairment allowance (D)	Net (A)+(B)+(C)-(D)
Receivables							
－Credit card	175,726	1,752	-	2,116	179,594	18,963	160,631
－Revenue	14,385	-	-	-	14,385	-	14,385
－Interest	385,651	4,094	483	2,798	393,026	6,211	386,815
－Accounts receivable factoring without recourse	11,438	-	-	-	11,438	200	11,238
－Others	27,840	61	-	751	28,652	5,564	23,088
Subtotal	615,040	5,907	483	5,665	627,095	30,938	596,157
Discounts and loans	144,809,920	480,024	545,578	895,351	146,730,873	1,771,600	144,959,273
Overdue receivables - other	-	-	677,206	-	677,206	190,000	487,206
Off balance sheet items							
－Guarantee	-	1,919,149	-	-	1,919,149	24,532	1,894,617
－Letter of credit	-	54,764	-	-	54,764	5,000	49,764
－Agreed financing amount	24,158,818	205	-	-	24,159,023	37,500	24,121,523

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

b) Credit quality analysis of security investments

December 31, 2025	Neither past due nor impaired				Past due Not Impaired (B)	Impaired (C)	Total (A)+(B)+ (C)	Impairment Allowance (D)	Net (A)+(B)+ (C)-(D)
	Very Good	Good	Normal	Total(A)					
Fair value through other comprehensive income									
－Bond	14,861,789	-	-	14,861,789	-	-	14,861,789	-	14,861,789
－Other	1,121,135	-	-	1,121,135	-	-	1,121,135	-	1,121,135
Amortized cost									
－Bond	7,415,398	-	-	7,415,398	-	-	7,415,398	6,494	7,408,904
－Other	12,550,000	-	-	12,550,000	-	-	12,550,000	108	12,549,892

December 31, 2024	Neither past due nor impaired				Past due Not Impaired(B)	Impaire d(C)	Total (A)+(B)+ (C)	Impairment Allowance (D)	Net (A)+(B)+ (C)-(D)
	Very Good	Good	Normal	Total(A)					
Fair value through other comprehensive income									
－Bond	10,564,332	-	-	10,564,332	-	-	10,564,332	-	10,564,332
－Other	846,414	-	-	846,414	-	-	846,414	-	846,414
Amortized cost									
－Bond	8,117,505	-	-	8,117,505	-	-	8,117,505	1,899	8,115,606
－Other	11,625,000	-	-	11,625,000	-	-	11,625,000	11	11,624,989

12) Management of Foreclosed Collateral

Foreclosed collateral is recorded at cost, using lower-at-cost or market approach as at balance sheet date. If collateral is not disposed of within the statutory period, the Bank should apply for an extension of the disposal period and increase its provision for possible losses if necessary.

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

13) Disclosures required in the "Regulations Governing the Preparation of Financial Reports by Public Banks"

a) Asset quality of nonperforming loan and overdue credits

Items			December 31, 2025				
Items		Period	Nonperforming Loans (NPL) (Note 1)	Total Loans	NPL Ratio (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)
Corporate Banking	Secured		231,003	27,172,215	0.85 %	343,370	148.64%
	Unsecured		53,748	22,557,922	0.24 %	205,350	382.06%
Consumer Banking	Mortgage loans(Note 4)		49,966	25,186,793	0.20 %	309,144	618.71%
	Cash card		-	-	- %	-	- %
	Small-scale credit loans (Note 5)		31,555	9,248,577	0.34 %	131,289	416.07%
	Other (Note 6)	Secured	374,906	69,172,781	0.54 %	867,408	231.37%
		Unsecured	151	70,708	0.21 %	4,639	3,072.12%
Total loans			741,329	153,408,996	0.48 %	1,861,200	251.06%
			Overdue Receivables	Receivables	Delinquency Ratio	Allowance for Possible Losses	Coverage Ratio
Credit cards			746	180,378	0.41 %	20,390	2,733.24%
Accounts receivable factoring without recourse			-	11,895	- %	200	- %

Items			December 31, 2024				
Items		Period	Nonperforming Loans (NPL) (Note 1)	Total Loans	NPL Ratio (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)
Corporate Banking	Secured		139,830	27,239,390	0.51 %	348,076	248.93 %
	Unsecured		30,659	23,097,693	0.13 %	173,554	566.06 %
Consumer Banking	Mortgage loans(Note 4)		26,931	20,848,544	0.13 %	258,244	958.91 %
	Cash card		-	-	- %	-	- %
	Small-scale credit loans (Note 5)		43,197	9,944,912	0.43 %	145,939	337.84 %
	Other (Note 6)	Secured	382,095	65,529,513	0.58 %	840,964	220.09 %
		Unsecured	151	70,821	0.21 %	4,823	3,194.10 %
Total loans			622,863	146,730,873	0.42 %	1,771,600	284.43 %
			Overdue Receivables	Receivables	Delinquency Ratio	Allowance for Possible Losses	Coverage Ratio
Credit cards			460	179,594	0.26 %	18,963	4,122.39 %
Accounts receivable factoring without recourse			-	11,438	- %	200	- %

Note 1: Nonperforming loans are reported to the authorities and disclosed to the public, as required by the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming / Non-accrued Loans."
Nonperforming credit card receivables are reported to the authorities and disclosed to the public, as required by the Banking Bureau' s letter dated July 6, 2005 (Ref. No. 0944000378).

Note 2: For loan business: NPL ratio= Nonperforming loans ÷ Total loan balance.
For credit card business: Delinquency ratio= Overdue credit card receivables ÷ Credit card receivables balance.

(Continued)

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

Note 3: Coverage ratio of loans: Allowance for possible losses for loans ÷ Nonperforming loans.
Coverage ratio of credit card receivables: Allowance for possible losses for credit card receivables ÷ Overdue credit card receivables.

Note 4: The mortgage loan is for house purchase or renovation and is fully secured by housing that is purchased (owned) by the borrower or the spouse or the minor children of the borrower.

Note 5: Based on the Banking Bureau's letter dated December 19, 2005 (Ref. No. 09440010950), small-scale credit loans are unsecured, involve small amounts, and exclude credit cards and cash cards.

Note 6: Other consumer banking loans refer to secured or unsecured loans that exclude mortgages, cash cards, credit cards and small-scale credit loans.

Note 7: As required by the Banking Bureau in its letter dated July 19, 2005 (Ref. No. 094000494), accounts receivable factoring without recourse are reported as overdue receivables within three months after the factors or insurance companies refuse to indemnify banks for any liabilities on these accounts.

b) Exemption of NPLs and overdue receivables

	December 31, 2025		**December 31, 2024**	
	Amount exempted from reporting as non-performing loans	**Amount exempted from reporting as overdue account receivable**	**Amount exempted from reporting as non-performing loans**	**Amount exempted from reporting as overdue account receivable**
Amounts of executed contracts on negotiated debts not reported (Note 1)	319	50	419	88
Amounts of executed debt settlement program and rehabilitation program not reported (Note 2)	157,547	1,803	162,895	1,471
Total	157,866	1,853	163,314	1,559

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

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

c) Concentration of credit extensions

December 31, 2025			
Rank (Note 1)	**Business Groups' Standard Industrial Classification and Symbol (Note 2)**	**Total Amount of Credit Endorsement or Other Transactions (note 3)**	**Percentage of the Bank's Equity (%)**
1	I Company -Civil Engineering	547,042	3.25
2	i Company -Private pulp, paper and paper products manufacturing industry	448,400	2.68
3	AG Company -Private real Estate	342,850	2.04
4	t Company -Private real Estate	342,400	2.03
5	AE Company -Private real Estate	305,590	1.82
6	X Company -Private real Estate	293,580	1.75
7	AO Company -Private Water Supply and Pollution Remediation	275,520	1.63
8	AR Company -Foreign Financial Institutions	262,335	1.56
9	AP Company -Private real Estate	257,760	1.53
10	Z Company -Private real Estate	255,320	1.52

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COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

December 31, 2024			
Rank (Note 1)	**Business Groups' Standard Industrial Classification and Symbol (Note 2)**	**Total Amount of Credit Endorsement or Other Transactions (note 3)**	**Percentage of the Bank's Equity (%)**
1	i Company -Private pulp, paper and paper products manufacturing industry	457,000	2.82
2	x Company -Real Estate	435,790	2.70
3	t Company -Real Estate	342,700	2.10
4	AG Company -Private real Estate	322,850	1.99
5	I Company -Civil Engineering	311,821	1.92
6	AE ompany -Private real Estate	307,990	1.90
7	AL Company -Private construction Industry	258,450	1.58
8	X Company -Private real Estate	243,680	1.50
9	AM Company -Private Financial Services Industry	242,010	1.49
10	w Company -Private real Estate	228,650	1.41

Note 1 : The top ten enterprise groups other than government or state-owned enterprises are ranked according to their total outstanding credit amount. If the borrowers belong to an enterprise group, the aggregate credit balance of the enterprise should be calculated and disclosed as a code number for each such borrower together with an indication of the borrowers' line of business. In addition, if the borrowers are enterprise groups, the enterprise group's industry sector with the maximum exposure to credit risk in its main industry sector should be disclosed, along with the "class" of the industry, in compliance with the Standard Industrial Classification System of the R.O.C. posted by the Directorate-General of Budget, Accounting and Statistics, Executive Yuan, R.O.C.

Note 2 : Enterprise group is as defined in Article 6 of the "Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Review of Securities Listings".

Note 3 : Consists of loans (foreign currency imports financing, foreign currency export financing, notes discounted, customer overdrafts, short-term unsecured loans, short-term secured loans, receivables from securities lending, medium-term unsecured loans, medium-term secured loans, long-term unsecured loans loan-term secured loans, non-performing loans), foreign currency long positions, accounts receivable-factoring discount, bankers' acceptance receivable, guarantees receivable.

(iv) Liquidity risk

1) Causes and definition of liquidity risk

The Company's definition for liquidity risk is the risk the Company encounter difficulty in meeting the obligations with its financial liabilities and cause the losses, for example, a saving account cancels its saving ahead of time, the ways or conditions to call loans to banks drop, creditors' credit become worsen and cause an exceptional condition, financial instruments cannot be financed and etc. The situation mentioned above may reduce the money for lending, trading, and investing activities. In some extreme situation, the lack of liquidity may decrease the level of balance sheet, sale assets, or the possibility of could not fulfill the promise of loan. Liquidity risk is containing in the inherent risk of bank operating, and could be affected by every industry individual or whole market's incident, which are included but not only as: credit event, consolidation or merger and acquisition, system shock, and natural disaster.

(Continued)

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

2) Management policy of liquidity risk

The Company carries out its management procedures respectively and is monitored by their respective independent risk management department. The procedures include:

a) Daily capital movement: monitoring future cash flows in order to ensure all requirements are fulfilled.

b) Maintain adequate stock of liquid assets to buffer unexpected events that may interrupt cash flows.

c) Monitor liquidity ratios of balance sheets in accordance with the internal management purposes and external regulatory requirements.

The monitoring and reporting procedures are based on the estimation of future 1 month, 1-3 months, 3-6 months, 6-12 months and more than one-year capital flow (The time interval is used to manage the liquidity risk). The estimation of future cash flow is based on the contract maturity date of financial liabilities and the estimated collection date of financial assets. The Bank monitors the interest rate risk, structure of assets and liabilities, and the liquidity conditions based on the related report and indices in ALCO and set alert and limits or MAT based on the key indices.

Related information is regularly provided to the risk management committee and BOD.

3) To manage liquidity risk of financial assets hold and non-derivative financial liabilities maturity analysis

a) To manage liquidity risk of financial assets held

The financial assets include cash and assets that are of highly liquid and high quality for the purpose of paying liabilities and capital movement during emergency. The assets held for managing liquidity risk include cash and cash equivalents, due from the central bank and call loans to banks, financial assets at FVTPL, discounts and loans, financial assets at fair value through other comprehensive income and financial assets at amortized cost.

b) Maturity analysis for non-derivative financial liabilities

The Company’s non-derivative financial liabilities are based both on the maturing of assets and liabilities, and the corresponding interest rate and controlled gaps that do not match. As the transaction conditions are uncertain and are of different types, the maturity of assets and liabilities usually does not match. This may result in gains or losses. The following table shows the maturity analysis of liquidity based on liabilities.

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COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

December 31, 2025	0~30 days	31~90 days	91~180 days	181 days~ 1 year	Over 1 year	Total
Deposits from Central Bank and other banks	11,713	-	-	25,670	-	37,383
Payables	403,146	290,192	183,350	80,873	26,976	984,537
Current tax liabilities	-	-	116,199	-	-	116,199
Deposit and remittance	15,868,914	24,276,437	29,589,853	59,345,375	69,954,526	199,035,105
Financial debentures	-	-	-	-	1,650,000	1,650,000
Lease liabilities	4,360	8,049	12,164	23,512	103,108	151,193

December 31, 2024	0~30 days	31~90 days	91~180 days	181 days~ 1 year	Over 1 year	Total
Deposits from Central Bank and other banks	12,666	25,670	-	-	-	38,336
Payables	635,831	49,185	169,442	80,139	27,375	961,972
Deposit and remittance	12,089,563	20,071,889	26,494,184	53,862,689	71,005,298	183,523,623
Financial debentures	-	-	-	600,000	1,650,000	2,250,000
Lease liabilities	3,937	7,544	10,614	21,107	106,490	149,692

4) The maturity analysis of lease agreement

The derivative instruments of the Company’s possession which are settled by net amount include foreign derivative instruments, such as non-delivery forward contracts, foreign exchange options settled by net amount. After evaluation the Company concluded that the maturity date is the basic element to comprehend all the derivative financial instruments listed in the financial statement.

The maturity analysis of derivative financial liabilities settled by net amount is as follows:

	December 31, 2025					
	0-30 days	31-90 days	91-180 days	180-365 days	Over 365 days	Total
Financial assets at fair value through profit or loss, Derivative instruments						
－Foreign exchange	$ 1,272	-	-	-	-	1,272
－Interest exchange	-	-	-	-	-	-
	$ 1,272	-	-	-	-	1,272

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

	December 31, 2024					
	0-30 days	31-90 days	91-180 days	180-365 days	Over 365 days	Total
Financial assets at fair value through profit or loss, Derivative instruments						
－Foreign exchange	$ 2,140	-	-	-	-	2,140
－Interest exchange	20	-	-	-	-	20
	$ 2,160	-	-	-	-	2,160

5) Maturity analysis for off balance sheet items

The table below shows the maturity analysis of the off-balance sheet items of the Bank based on the remaining days from the financial statement date to the contract maturity date. For the financial guarantee contracts issued, the maximum amount of the guarantee is listed in the earliest time zone that the guarantee may be executed. The amount disclosed is based on the cash flows of the contracts and thus part of the amount disclosed may not correspond to the amount disclosed in the financial statement.

December 31, 2025	0~30 days	31~90 days	91~180days	181~365 days	Over 365 days	Total
Commitment of loans	3,101,512	6,147,025	9,304,537	2,663,043	-	21,216,117
Commitment for letter of credit card	-	144	142	1,665	28,247	30,198
Unused cycle quota of credit cards	-	38,554	27,315	125,523	1,773,693	1,965,085
Guarantees	-	56,000	-	258	-	56,258

December 31, 2024	0~30 days	31~90 days	91~180days	181~365 days	Over 365 days	Total
Commitment of loans	2,875,185	5,440,870	8,622,556	4,912,152	-	21,850,763
Commitment for letter of credit card	-	318	115	2,091	24,210	26,734
Unused cycle quota of credit cards	-	40,533	22,326	243,419	1,640,940	1,947,218
Guarantees	-	309,500	3,000	21,808	-	334,308

(Note): Since the year 2004, the main of statistics is the credit card and cash card cardholders who have drawn recycle credit, and the balance after deducting the amount of recycle credit from the credit limit approved by the previous cardholders .

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

6) Disclosures required by the Regulations Governing the Preparation of Financial Reports by Public Banks

a) Maturity analysis of assets and liabilities in New Taiwan Dollars

(in thousands of New Taiwan Dollars)

December 31, 2025							
	Total	Amount for each remaining period to maturity					
		0~10 days	11~30 days	31~90 days	91~180 days	181 days ~ 1 year	Over 1 year
Main capital inflow on maturity	214,462,032	21,234,287	12,734,418	6,852,065	13,841,296	22,820,241	136,979,725
Main capital outflow on maturity	235,692,943	6,684,323	12,136,737	30,208,973	38,871,983	61,545,795	86,245,132
Gap	(21,230,911)	14,549,964	597,681	(23,356,908)	(25,030,687)	(38,725,554)	50,734,593

(in thousands of New Taiwan Dollars)

December 31, 2024							
	Total	Amount for each remaining period to maturity					
		0~10 days	11~30 days	31~90 days	91~180 days	181 days ~ 1 year	Over 1 year
Main capital inflow on maturity	199,688,052	17,581,716	10,429,917	6,620,315	12,394,587	24,972,537	127,688,980
Main capital outflow on maturity	221,873,570	6,077,762	9,505,092	25,553,844	35,006,892	58,808,646	86,921,334
Gap	(22,185,518)	11,503,954	924,825	(18,933,529)	(22,612,305)	(33,836,109)	40,767,646

Note: The table show the whole amount of the Company in NTD.

b) Maturity analysis of assets and liabilities in US Dollars

(in thousands of USD)

December 31, 2025						
	Total	Amount for each remaining period to maturity				
		0~30 days	31~90 days	91~180 days	181 days ~1 year	Over 1 year
Main capital inflow on maturity	154,197	41,036	16,161	6,440	21,589	68,971
Main capital outflow on maturity	154,197	59,885	18,041	8,807	16,203	51,261
Gap	-	(18,849)	(1,880)	(2,367)	5,386	17,710

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COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

(in thousands of USD)

December 31, 2024						
		Amount for each remaining period to maturity				
	Total	0~30 days	31~90 days	91~180 days	181 days ~1 year	Over 1 year
Main capital inflow on maturity	128,631	36,459	13,336	15,020	10,038	53,778
Main capital outflow on maturity	128,631	46,632	12,501	8,530	18,834	42,134
Gap	-	(10,173)	835	6,490	(8,796)	11,644

Note: The table show the whole amount of the Company in USD.

(v) Financial risk information

1) Market risk

Market risk means the changes in market price that lead to the fair value and future cash flow volatility risk of the held financial instruments, even if it is not included in the financial statements. The risk factors usually refer to interest rate, exchange rate, equity investment and price. When the factors change, the Company's net operating income and the value of investment portfolio will have volatility risk.

The main market risks of the Company and its subsidiary are interest rate risk, exchange rate risk and equity investment risk. The main position of interest rate risk includes transactions with conditions, bonds, securities investments, interest rate swaps and so on. The main position of exchange risks includes forward exchange, foreign exchange swaps, and FX options and so on. The main position of equity investment risk includes stocks, funds, and stock market index futures and so on.

The major objective of the risk management of the Company is to control the risk under the scope approved by the Board of Directors by using effective management methods to utilize resource and create maximum economic profit. For major risks, the Company had established the risk management policies to serve as its primary principle, which covers managerial objective, organizational structure, accountability, and risk management procedures, and by implementing these mechanisms, operational risks can be controlled at an acceptable level.

Market risk is the risk that the Company' s earnings or capital or its ability to meet business objectives will be adversely affected by changes in the level, volatility or correlation of market risk factors, such as interest rate (including credit spread), foreign exchange rate, securities price and commodity price. The market correlation and liquidity of these types of instruments are also covered.

The Company divides market risk exposures into either trading or non-trading portfolios. The trading portfolio includes positions arising from trading activities, which aim at benefiting from short-term price movements, such as proprietary trading and market making. The non-trading portfolio includes positions not held for the purpose of earning capital gains.

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Notes to the Financial Statements

Sensitivity analysis for exchange rate risk, interest rate risk and equity security price risk are as follows:

December 31, 2025			
		Amount influence	
Main risk	Range	Equity	Gain or loss
Exchange rate risk	USD/NTD, EUR/NTD increase 5%, other currency/NTD decrease 5%	-	38,401
Exchange rate risk	USD/NTD, EUR/NTD decrease 5%, other currency/NTD increase 5%	-	(38,401)
Interest rate risk	Interest rate curve rise 20BPS	(90,054)	(2,264)
Interest rate risk	Interest rate curve fall 20BPS	90,054	2,264
Price of equity stock risk	Price of equity stock rise 15%	168,170	26,105
Price of equity stock risk	Price of equity stock fall 15%	(168,170)	(26,105)

December 31, 2024			
		Amount influence	
Main risk	Range	Equity	Gain or loss
Exchange rate risk	USD/NTD, EUR/NTD increase 3%, other currency/NTD decrease 5%	-	26,641
Exchange rate risk	USD/NTD, EUR/NTD decrease 3%, other currency/NTD increase 5%	-	(26,641)
Interest rate risk	Interest rate curve rise 20BPS	(60,219)	(4,207)
Interest rate risk	Interest rate curve fall 20BPS	60,219	4,207
Price of equity stock risk	Price of equity stock rise 15%	126,962	130,084
Price of equity stock risk	Price of equity stock fall 15%	(126,962)	(130,084)

(Continued)

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

2) Exchange rate risk concentration information

All held foreign financial assets and liabilities are classified by currencies and represented using the carrying amounts.

(in thousands of New Taiwan Dollars)

	December 31, 2025		
	Foreign currency (in thousands)	**Exchange Rate**	**NTD**
Financial assets			
Monetary items			
USD	154,192	31.438	4,847,488
HKD	3,652	4.0390	14,750
CAD	812	22.9424	18,635
JPY	2,834,422	0.2008	569,152
CHF	31	39.6394	1,222
AUD	10,712	21.0289	225,268
NZD	1,691	18.1523	30,702
ZAR	42,932	1.8945	81,335
GBP	456	42.3093	19,295
EUR	2,361	36.9019	87,134
CNY	87,561	4.4971	393,772
Financial liabilities			
Monetary items			
USD	129,705	31.438	4,077,662
HKD	3,627	4.0390	14,651
CAD	620	22.9424	14,227
JPY	2,842,287	0.2008	570,731
CHF	10	39.6394	386
AUD	10,744	21.0289	225,935
NZD	1,547	18.1523	28,082
ZAR	43,060	1.8945	81,578
GBP	486	42.3093	20,555
EUR	2,453	36.9019	90,528
CNY	88,852	4.4971	399,575

(Continued)

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

	December 31, 2024		
	Foreign currency (in thousands)	Exchange Rate	NTD
Financial assets			
Monetary items			
USD	129,139	32.781	4,233,303
HKD	3,966	4.2221	16,743
CAD	778	22.8137	17,750
JPY	2,680,093	0.2098	562,283
CHF	42	36.2822	1,510
AUD	24,475	20.3931	499,112
NZD	2,090	18.4655	38,593
ZAR	95,035	1.7507	166,377
GBP	269	41.1762	11,058
EUR	3,013	34.1316	102,843
CNY	37,427	4.4778	167,591
Financial liabilities			
Monetary items			
USD	102,045	32.781	3,345,145
HKD	3,817	4.2221	16,114
CAD	766	22.8137	17,482
JPY	2,703,773	0.2098	567,252
CHF	11	36.2822	398
AUD	24,520	20.3931	500,030
NZD	1,931	18.4655	35,652
ZAR	94,218	1.7507	164,948
GBP	307	41.1762	12,644
EUR	3,054	34.1316	104,246
CNY	37,356	4.4778	167,273

(Continued)

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

3) Disclosure required by the Regulations Governing the Preparation of Financial Reports by Public Banks.

a) The analysis table of interest rate sensitivity in New Taiwan Dollars

December 31, 2025

(in thousands of New Taiwan Dollars)

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest-rate-sensitive assets	140,527,194	9,024,978	2,735,849	50,123,976	202,411,997
Interest-rate-sensitive liabilities	71,002,722	93,474,327	25,564,910	2,458,851	192,500,810
Interest rate sensitivity gap	69,524,472	(84,449,349)	(22,829,061)	47,665,125	9,911,187
Net worth					16,807,185
Ratio of interest-rate-sensitive assets to liabilities (%)					105.15
Ratio of interest rate sensitivity gap to net worth (%)					58.97

December 31, 2024

(in thousands of New Taiwan Dollars)

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest-rate-sensitive assets	128,052,948	7,270,477	2,240,908	47,983,001	185,547,334
Interest-rate-sensitive liabilities	70,179,823	89,091,689	16,509,826	2,357,459	178,138,797
Interest rate sensitivity gap	57,873,125	(81,821,212)	(14,268,918)	45,625,542	7,408,537
Net worth					16,210,955
Ratio of interest-rate-sensitive assets to liabilities (%)					104.16
Ratio of interest rate sensitivity gap to net worth (%)					45.70

Note 1: The above amount included only U.S. dollar amounts held by the Bank and excluded contingent assets and contingent liabilities.

Note 2: Interest rate sensitivity assets and liabilities are interest-earning assets and interesting-bearing liabilities with revenues and costs affected by interest rate changes.

Note 3: Interest rate-sensitivity gap = Interest-rate-sensitivity assets – Interest-rate-sensitivity liabilities.

Note 4: Ratio of interest-rate-sensitivity assets to liabilities=Interest-rate-sensitivity assets / Interest-rate-sensitivity liabilities.

(Continued)

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

b) The analysis table of interest rate sensitivity in US Dollars

December 31, 2025

(in thousands of USD)

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest-rate-sensitive assets	50,143	6,440	21,589	68,971	147,143
Interest-rate-sensitive liabilities	30,591	8,801	16,203	49,356	104,951
Interest rate sensitivity gap	19,552	(2,361)	5,386	19,615	42,192
Net worth					1,905
Ratio of interest-rate-sensitive assets to liabilities (%)					140.20
Ratio of interest rate sensitivity gap to net worth (%)					2,214.80

December 31, 2024

(in thousands of USD)

Items	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest-rate-sensitive assets	35,304	15,020	10,038	53,778	114,140
Interest-rate-sensitive liabilities	20,860	8,519	18,834	40,089	88,302
Interest rate sensitivity gap	14,444	6,501	(8,796)	13,689	25,838
Net worth					2,045
Ratio of interest-rate-sensitive assets to liabilities (%)					129.26
Ratio of interest rate sensitivity gap to net worth (%)					1,263.47

Note 1: The above amount included only U.S. dollar amounts held by the Bank, and excluded contingent assets and contingent liabilities.

Note 2: Interest rate sensitivity assets and liabilities are interest-earning assets and interesting-bearing liabilities with revenues and costs affected by interest rate changes.

Note 3: Interest rate sensitivity gap = Interest-rate-sensitivity assets – Interest-rate-sensitivity liabilities.

Note 4: Ratio of interest-rate-sensitivity assets to liabilities=Interest-rate-sensitivity assets/Interest-rate-sensitivity liabilities.

(Continued)

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

(al) Capital management

(i) Introduction

In accordance with the “Regulations Governing the Capital Adequacy and Capital Category of Banks” announced by FSC, regular calculation and preparation of related reports and report to the authorities for review are required in order to perform financial disclosures and conduct internal capital adequacy management. In accordance with the operation plans and budget targets, also considering the Company’s development strategy, capital adequacy, liabilities ratios, and increased of return on equity.

1) Comply with the Company's business development strategy and balance risk control.

2) It meets the basic requirements for capital management (the minimum statutory capital adequacy ratio).

3) It is in line with the international capital management trend, which is better to gear to international standards.

4) Increase the rate of return to shareholders.

(ii) Regulatory capital

Based on the “Regulations Governing the Capital Adequacy and Capital Category of Banks” announced by FSC, self-owned capital is classified into Tier 1 capital and Tier 2 capital:

1) Tier 1 capital: includes common equity and other Tier 1 capital.

a) Common equity: Common equity includes common stock, capital surplus (excluding premium on preference shares issuance), accumulated surplus and equity adjustments, less the following items: intangible assets (including goodwill), unamortized loss on disposal of non-performing loans, major investments, deferred tax assets, deferred pension costs and the items originally deducted from Tier 1 capital and Tier 2 capital (excluding the major investment on financial related business).

b) Other Tier 1 capital including cumulative perpetual preferred stock, cumulative perpetual subordinated debts, revaluation, convertible bonds, operating reserve and allowance for doubtful account.

2) Tier 2 capital: includes cumulative perpetual preferred stock, cumulative perpetual subordinated debts, revaluation appreciation, convertible debt, operational provisions and loan-loss reserves.

(iii) The following table shows the calculation of the Company's own capital, risk-weighted assets and capital adequacy ratio. On December 31, 2025 and 2024, the Company complied with the capital management regulations of the competent authorities.

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

(iv) Capital adeguacy ratio:

<table>
<tr><th colspan="3">Year
Item</th><th>December 31, 2025</th><th>December 31, 2024</th></tr>
<tr><td rowspan="4">Eligible Capital</td><td colspan="2">Common stock capital</td><td>16,380,556</td><td>15,902,384</td></tr>
<tr><td colspan="2">Other tier 1 capital</td><td>600,000</td><td>600,000</td></tr>
<tr><td colspan="2">Tier 2 Capital</td><td>2,567,323</td><td>2,620,571</td></tr>
<tr><td colspan="2">Eligible capital</td><td>19,547,879</td><td>19,122,955</td></tr>
<tr><td rowspan="9">Risk-weighted Assets</td><td rowspan="3">Credit risk</td><td>Standardized approach</td><td>125,760,170</td><td>113,108,319</td></tr>
<tr><td>Internal-rating-based approach</td><td>-</td><td>-</td></tr>
<tr><td>Secularization</td><td>-</td><td>-</td></tr>
<tr><td rowspan="3">Operational risk</td><td>Basic indicator approach</td><td>-</td><td>6,385,457</td></tr>
<tr><td>Standardized approach / Alternative standardized approach</td><td>5,546,119</td><td>-</td></tr>
<tr><td>Advanced measurement approach</td><td>-</td><td>-</td></tr>
<tr><td rowspan="2">Market risk</td><td>Standardized approach</td><td>7,509,420</td><td>10,192,290</td></tr>
<tr><td>Internal model approach</td><td>-</td><td>-</td></tr>
<tr><td colspan="2">Total Risk-weighted assets</td><td>138,815,709</td><td>129,686,066</td></tr>
<tr><td colspan="3">Capital adequacy ratio</td><td>14.08 %</td><td>14.75 %</td></tr>
<tr><td colspan="3">Ratio of common stock equity to risk-weighted assets (%)</td><td>11.80 %</td><td>12.26 %</td></tr>
<tr><td colspan="3">Ratio of tier 1 capital to risk-weighted assets (%)</td><td>12.23 %</td><td>12.72 %</td></tr>
<tr><td colspan="3">Leverage Ratio%</td><td>7.65 %</td><td>7.92 %</td></tr>
</table>

Note 1:Eligible capital, risk-weighted assets and risk exposure are calculated under the "Regulations Governing the Capital Adequacy and Capital Category of Banks" and the "Explanation of Methods for Calculating the Eligible Capital and Risk-Weighted Assets of Banks."

Note 2:Formulas used were as follows:

1) Eligible capital = Common equity capital + Other tier 1 capital excluding common stock equity + Tier 2 capital

2) Risk-weighted assets = Risk-weighted assets for credit risk + (Capital requirements for operational risk and market risk) x 12.5.

3) Capital adequacy ratio = Eligible capital ÷ Risk-weighted assets.

4) Ratio of common equity to risk-weighted assets = Common equity ÷ Risk-weighted assets.

5) Ratio of tier 1 capital to risk-weighted assets = (Common equity capital + additional tier 1 capital) ÷ Risk-weighted assets.

6) Leverage＝Tier 1 capital ÷ Exposure measurement.

(am) Investing and financing activities not affecting current cash flow

The Company's investing and financing activities which did not affect the current cash flow to get the right-of-use assets by lease in the years ended December 31, 2025 and 2024, please refer to note 6(k).

	January 1, 2025	Cash flows	Non-cash changes: Additions	Fair value changes	Changes in other	December 31, 2025
Financial liability at fair value through profit or loss	$ 2,160	(888)	-	-	-	1,272
Subordinate financial debentures	2,250,000	(600,000)	-	-	-	1,650,000
Lease liabilities	149,692	(51,209)	52,710	-	-	151,193
Total liabilities from financing activities	**$ 2,401,852**	**(652,097)**	**52,710**	**-**	**-**	**1,802,465**

	January 1, 2024	Cash flows	Non-cash changes: Additions	Fair value changes	Changes in other	December 31, 2024
Financial liability at fair value through profit or loss	$ 2,443	(283)	-	-	-	2,160
Subordinate financial debentures	2,250,000	-	-	-	-	2,250,000
Lease liabilities	157,300	(48,532)	41,009	-	(85)	149,692
Total liabilities from financing activities	**$ 2,409,743**	**(48,815)**	**41,009**	**-**	**(85)**	**2,401,852**

(7) Related-party transactions

(a) Relations parties of Name and Relationship

Name of related party	Relationship
Other	Director, supervisors, managers of the Company and their relatives.

(b) Significant transactions with related parties

(i) Loans

December 31, 2025							
Type	Account Volume (Number of Names)	Highest Balance	Ending Balance	Loan classification: Normal Loans	Loan classification: Non-performing loans	Collateral (note2)	Differences in Transaction Terms from Those for Unrelated Parties
Private housing mortgage loan	5	19,975	19,159	19,159	-	Real estate	None
Other loans	9	38,577	34,940	34,940	-	Real estate/cars	None

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

December 31, 2024							
Type	Account Volume (Number of Names)	Highest Balance	Ending Balance	Loan classification		Collateral (note2)	Differences in Transaction Terms from Those for Unrelated Parties
				Normal Loans	Non-performing loans		
Private housing mortgage loan	4	20,027	19,303	19,303	-	Real estate	None
Other loans	11	161,099	133,784	133,784	-	Real estate/cars	None

Loans for related parties are $54,099 thousand and $153,087 thousand on December 31, 2025 and 2024, and the ratio of it to total loan is 0.04% and 0.10%, respectively. Interest income from related parties is $1,486 thousand and $3,445 thousand for 2025 and 2024 and the ratio of it to total interest income is the same as 0.03% and 0.07%, respectively. The range for related parties' loan interest rate is 2.247%~2.507% and 2.230%~2.575% for 2025 and 2024, respectively.

Loans for main management are $2,215 thousand and $2,486 thousand on December 31, 2025 and 2024, and the ratio of it to total loan is 0.001444% and 0.001694%, respectively. Interest income from main management is $53 thousand and $65 thousand for 2025 and 2024 respectively, and the ratio of it to total interest income is the same as 0.0010% and 0.0013%. The range for related parties' loan interest rate is 2.247% and 2.23%~2.25%.

(ii) Deposits

	December 31, 2025		
Name of related parties	Ending Balance	%	The range of interest rate
The sum of separate accounts balances related parties' is lower than 1% of total deposits.	$ 778,179	0.39	0.51%~1.73%

	December 31, 2024		
Name of related parties	Ending Balance	%	The range of interest rate
The sum of separate accounts balances related parties' is lower than 1% of total deposits.	$ 661,730	0.36	0.53%~1.71%

Interest resulting from such deposits was $9,421 thousand and $12,923 thousand for 2025 and 2024. The range for employee demand savings deposits interest rate were all 8.1% for 2025 and 2024.

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

(c) Compensation information for main management

	2025	2024
Salary and other short-term employee benefits	$ 67,358	61,981
Post-employment benefits	505	463
Termination benefits	-	-
Other long-term employee benefits	-	-
Share-based payment	-	74
	$ 67,863	62,518

(8) Pledged assets:

Pledged assets	Object	December 31, 2025	December 31, 2024
Financial assets measured at amortized cost:			
Government bonds	Placed as deposits in courts	$ 37,700	58,200
Government bonds	Deposited as trust compensation	50,000	50,000
		$ 87,700	108,200

(9) Significant commitments and contingencies:

(a) The commitments and contingencies were as follows：

	December 31, 2025	December 31, 2024
Collections received	$ 3,890,395	4,402,745
Handled several guarantees	2,095,095	1,919,149
Letter of credit	41,647	54,764
Undrawn loan commitments	21,302,573	22,211,805
Unused cycle quota of credit cards	1,965,085	1,947,218
Underwriting of securities on a consignment	118,200	206,688

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

(10) Significant Disaster Losses:None

(11) Significant Subsequent Events:None

(12) Other:

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

By funtion / By item	For the year ended December 31					
	2025			2024		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Personnel Expenses						
Salaries	-	1,254,182	1,254,182	-	1,178,102	1,178,102
Labor and health insurance	-	102,771	102,771	-	99,878	99,878
Pension	-	48,510	48,510	-	49,635	49,635
Remuneration of directors	-	43,822	43,822	-	40,471	40,471
Others	-	101,785	101,785	-	101,679	101,679
Depreciation expenses	-	113,130	113,130	-	104,283	104,283
Amortization expenses	-	10,288	10,288	-	8,024	8,024

(b) Balance sheet and trust property under the Company’s trust accounts are disclosed as follows:

Trust Balance Sheets
December 31, 2025

Trust Assets		Trust Liabilities	
Cash in bank	$ 1,160,684	Trust capital－money	$ 9,542,415
Investment in mutual fund	4,084,226	Trust capital－PP&E	2,548,660
Land	2,460,573	Provisions and accumulated	
Oversea debt	4,397,473	profit or loss	11,881
Total Trust Assets	**$ 12,102,956**	Total Trust Liabilities	**$ 12,102,956**

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

December 31, 2024

Trust Assets		Trust Liabilities	
Cash in bank	$ 1,151,632	Trust capital－Money	$ 8,564,826
Investment in mutual fund	3,936,959	Trust capital－PP&E	1,616,393
Land	1,467,546	Provisions and accumulated	
Oversea debt	3,632,061	profit or loss	6,979
Total Trust Assets	**$ 10,188,198**	Total Trust Liabilities	**$ 10,188,198**

Trust Property list of trust account
December 31, 2025

Investment Item	Book Amounts
Cash in bank	$ 1,160,684
Investment in mutual fund	4,084,226
Land	2,460,573
Overseas debt	4,397,473
	$ 12,102,956

December 31, 2024

Investment Item	Book Amounts
Cash in bank	$ 1,151,632
Investment in mutual fund	3,936,959
Land	1,467,546
Oversea debt	3,632,061
	$ 10,188,198

Trust Income Statement
December 31, 2025

Investment Item	Book Amounts
Trust income	
Interest income	$ 374,137
Rental income	622
Gains on trust investments	179,662
Total trust income	554,421
Trust expense	
Management fees	8,317
Losses on trust investments	96,938
Total trust expense	105,255
Loss before income taxes	449,166
Income tax expense	-
Net profit	**$ 449,166**

(Continued)

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

Trust Income Statement
December 31, 2024

Investment Item	Book Amounts
Trust Income	
Interest income	$ 280,691
Rental income	185
Gain on trust investments	155,769
Total trust income	436,645
Trust Expense	
Management fees	9,053
Losses on trust investments	91,504
Total trust expense	100,557
Profit before income taxes	336,088
Income tax expense	-
Net loss	$ 336,088

(c) Profitability:

Unit: %

Items		December 31, 2025	December 31, 2024
Return on assets ratio	Before income tax	0.57	0.51
	After income tax	0.47	0.43
Return on equity ratio	Before income tax	7.28	6.55
	After income tax	5.98	5.62
Net Income ratio		25.95	23.31

Note 1: Return on assets ratio = Net income before/after income tax ÷ average total assets.

Note 2: Return on equity ratio = Net income before/after income tax ÷ average total stockholders' equity.

Note 3: Net income ratio = Net income after income tax ÷ Net revenue.

(Continued)

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

(13) Other disclosures:

(a) Information on significant transactions: None

(i) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 10% of the capital stock: None

(ii) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 10% of the capital stock: None

(iii) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 10% of the capital stock: None

(iv) Service charge discounts on transactions with related parties in an aggregate amount of NT$5 million or more: None

(v) Receivables from related parties with amounts exceeding the lower of NT$300 million or 10% of the capital stock: None

(vi) Information on NPL disposal transaction: None

(vii) Types of securitization instruments approved to be issued pursuant to financial assets securitization rules or real estate securitization rules and other relevant information: None

(viii) Business relationships and significant intercompany transactions: None

(ix) Other significant transactions that may have substantial influence upon the decisions made by financial report users: None

(b) Information on investees: None

(c) Information on investment in mainland China: None

(Continued)

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

(14) Segment information:

(a) The Company has set up three major business divisions, departments and offices to manage various business matters: 1. Individual Banking Business Division: In charge of policy formulation of individual financial, marketing planning, business promotion, sales personnel performance management and counseling, credit investigation, and operation management of individual financial business and optimization. The individual banking business includes consumer finance, investment and wealth management, credit card, trust, personal and property insurance agency business. 2. Corporate Banking Business Division: Responsible for policy formulation of corporation, marketing planning, business promotion, sales personnel performance management and counseling, credit investigation, and operation management of corporation banking business and optimization. The corporation banking products and services include enterprise loans, national syndicated loans, structured finance and other project loan. 3. Branch Banking Business Division: In charge of the overall policy formulation of the branch banking business office, branch banking business strategy planning, channel sales performance management and guidance, channel customer relationship management, financial channel trend and practice research, government financial policy implementation, operation management and optimization and so on.

The reportable department of the Company is a strategic business unit to provide different products and services. Since each strategic business unit requires different technology and marketing strategies, it must be managed separately.

(b) The operation businesses of the segments which need to be disclosed were as follow:

2025	Individual Banking Business Division	Corporate Banking Business Division	Branch Banking Business Division	Others	Subtotal	Elimination	Total
Revenue							
Net interest income	$ 1,601,428	142,381	719,081	675,494	3,138,384	-	3,138,384
Net service income	392,900	1,249	90,128	(293)	483,984	-	483,984
Other income,net	37	(4,636)	602	184,562	180,565	-	180,565
Income between segments	(1,073,594)	(24,318)	1,458,142	(360,230)	-	-	-
Total	920,771	114,676	2,267,953	499,533	3,802,933	-	3,802,933
Expenses							
Bad debt	$ 101,588	23,036	180,453	(20,000)	285,077	-	285,077
Operating expenses	429,092	45,121	961,912	879,929	2,316,054	-	2,316,054
Total	530,680	68,157	1,142,365	859,929	2,601,131	-	2,601,131
Income before tax	**$ 390,091**	**46,519**	**1,125,588**	**(360,396)**	**1,201,802**	**-**	**1,201,802**

December 31, 2025	Individual Banking Business Division	Corporate Banking Business Division	Branch Banking Business Division	Others	Subtotal	Elimination	Total
Assets	**$ 47,614,301**	**6,179,481**	**196,091,703**	**(30,290,861)**	**219,594,624**	**-**	**219,594,624**
Liabilities	**$ 47,224,211**	**6,132,380**	**194,966,115**	**(45,535,267)**	**202,787,439**	**-**	**202,787,439**

(Continued)

COTA COMMERCIAL BANK CO., LTD.
Notes to the Financial Statements

2024	Individual Banking Business Division	Corporate Banking Business Division	Branch Banking Business Division	Others	Subtotal	Elimination	Total
Revenue							
Net interest income	$ 1,459,750	274,853	648,908	550,860	2,934,371	-	2,934,371
Net service income	319,895	979	137,195	(372)	457,697	-	457,697
Other income,net	-	70,664	329	277,483	348,476	-	348,476
Income between segments	(843,586)	(90,669)	1,311,908	(377,653)	-	-	-
Total	936,059	255,827	2,098,340	450,318	3,740,544	-	3,740,544
Expenses							
Bad debt	$ 95,581	27,791	171,654	258,162	553,188	-	553,188
Operating expenses	453,439	78,108	881,103	758,610	2,171,260	-	2,171,260
Total	549,020	105,899	1,052,757	1,016,772	2,724,448	-	2,724,448
Income before tax	**$ 387,039**	**149,928**	**1,045,583**	**(566,454)**	**1,016,096**	**-**	**1,016,096**

December 31, 2024	Individual Banking Business Division	Corporate Banking Business Division	Branch Banking Business Division	Others	Subtotal	Elimination	Total
Assets	**$ 46,484,667**	**7,619,608**	**181,229,817**	**(31,347,194)**	**203,986,898**	**-**	**203,986,898**
Liabilities	**$ 46,097,628**	**7,466,971**	**180,164,233**	**(45,952,889)**	**187,775,943**	**-**	**187,775,943**

(c) Geographic segment information:

The Company’s interest income and service fee income are both from the customers in Taiwan. The Company’s non-current assets are all located in Taiwan.

(d) Information on major customers:

No individual customer of the Company accounted for 10% or more of the Bank and its subsidiaries’ revenue in the statements of income.

COTA COMMERCIAL BANK CO., LTD

Statement of Cash and Cash Equivalents

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Cash on hand:	
NTD	$ 1,615,912
USD1,009,038 exchange rate 31.4380	31,722
HKD3,210,640 exchange rate 4.0390	12,968
JPY225,102,000 exchange rate 0.2008	45,200
EUR381,580 exchange rate 36.9019	14,081
CNY2,000,522 exchange rate 4.4971	8,997
	1,728,880
Deposits from other banks：	
Demand deposits	265,649
Checking deposits	131,365
Foreign currency deposits	
(USD2,201,894.36 exchange rate 31.4380	
EUR730,680.46 exchange rate 36.9019	
CAD190,071.47 exchange rate 22.9424	
NZD291,345.61 exchange rate 18.1523	
AUD1,598,563.52 exchange rate 21.0289	
GBP156,049.35 exchange rate 42.3093	
CHF30,823.88 exchange rate 39.6394	
ZAR216,437.84 exchange rate 1.8945	
JPY1,608,514,468 exchange rate 0.2008	
CNY490,184.13 exchange rate 4.4971	
HKD441,248.81 exchange rate 4.0390)	474,669
	871,683
Checks for clearance	107,562
Total	**$ 2,708,125**

COTA COMMERCIAL BANK CO., LTD

Statement of Financial Assets at Fair Value through Profit or Loss

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Total face value	Acquisition cost	Total fair value
Financial Assets Held for Trading:			
Domestic Listed (OTC) Stocks	$ -	72,068	79,656
Beneficiary Certification(Include ETF)	-	89,811	94,378
Short-term Securities	-	5,297,699	5,302,353
Derivatives			
Interest Rate Swap			5,112
Subtotal			5,481,499
Financial Assets at Fair Value Through Profit or Loss at Incception			
Convertible bonds	739,900	739,900	742,605
			$ 6,224,104

COTA COMMERCIAL BANK CO., LTD
Statement of Financial Instruments at Fair Value through Other Comprehensive Income
December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

Debt investments:

Name of financial instruments	Summary	Total par value	Acquisition cost	Fair Value: Unit price (dollar/ hundred dollar)	Fair Value: Total
Corporate bonds					
B20172-01	maturity date 2030.12.22	$ 300,000	300,000	99.9996	300,148
B20258-01	maturity date 2031.12.23	300,000	300,000	99.9997	300,149
B20258-02	maturity date 2031.12.23	700,000	700,000	99.9997	700,348
B30441-01	maturity date 2026.05.15	200,000	200,000	99.6184	199,466
B30455-01	maturity date 2028.04.18	100,000	100,000	99.9976	99,709
B30463-01	maturity date 2030.04.18	100,000	100,000	99.9963	99,867
B30463-02	maturity date 2030.04.18	100,000	100,000	99.9963	99,867
B30463-03	maturity date 2030.04.18	100,000	100,000	99.9963	99,867
B30463-04	maturity date 2030.04.18	100,000	100,000	99.9963	99,867
B30804-01	maturity date 2027.05.17	200,000	200,000	99.9993	199,746
B401DQ-01	maturity date 2026.06.03	50,000	50,000	99.4809	49,676
B401DR-01	maturity date 2028.06.03	100,000	100,000	97.7521	96,684
B401DR-02	maturity date 2028.06.03	200,000	194,867	97.7521	193,368
B402BM-01	maturity date 2029.05.14	200,000	200,000	99.9962	200,458
B402BM-02	maturity date 2029.05.14	100,000	100,000	99.9962	100,229
B402BM-03	maturity date 2029.05.14	100,000	100,000	99.9962	100,229
B402BM-04	maturity date 2029.05.14	100,000	100,000	99.9962	100,229
B50180-01	maturity date 2028.12.25	100,000	100,000	99.5768	98,356
B50180-02	maturity date 2028.12.25	100,000	100,000	99.5768	98,356
B50180-03	maturity date 2028.12.25	100,000	100,000	99.5768	98,356
B50180-04	maturity date 2028.12.25	100,000	100,000	99.5768	98,356
B50183-01	maturity date 2027.09.27	100,000	100,000	99.9963	100,273
B501A1-01	maturity date 2030.12.19	300,000	300,000	99.9995	300,111
B51407-01	maturity date 2026.10.28	100,000	100,000	99.9998	99,347
B618BN-01	maturity date 2027.03.23	100,000	100,000	98.6397	98,742
B618BN-02	maturity date 2027.03.23	100,000	100,000	98.6397	98,742
B618BR-01	maturity date 2027.04.15	100,000	100,000	98.5563	98,710
B618CA-01	maturity date 2028.03.30	100,000	100,000	97.2977	97,544
B618CA-02	maturity date 2028.03.30	100,000	100,000	97.2977	97,544
B618CA-03	maturity date 2028.03.30	100,000	100,000	97.2977	97,544
B618DG-01	maturity date 2028.05.03	100,000	100,000	99.9994	99,951
B618DG-02	maturity date 2028.05.03	100,000	100,000	99.9994	99,951
B618DV-01	maturity date 2029.05.17	200,000	200,000	100.0926	202,598
B63112-01	maturity date 2030.04.23	300,000	300,000	99.9953	302,244
B638BH-01	maturity date 2028.09.15	100,000	100,000	99.9098	99,717
B638BK-01	maturity date 2030.06.27	100,000	100,000	99.9951	100,360
B638BK-02	maturity date 2030.06.27	100,000	100,000	99.9951	100,360
B644BW-01	maturity date 2027.12.28	100,000	100,000	98.1477	97,981
B644CR-01	maturity date 2028.04.20	100,000	100,000	99.8181	99,775
B644CR-02	maturity date 2028.04.20	100,000	100,000	99.8181	99,775
B644D8-01	maturity date 2027.04.25	200,000	200,000	99.9969	200,563
B644D9-01	maturity date 2029.04.25	100,000	100,000	100.1339	100,186
B644D9-02	maturity date 2029.04.25	100,000	100,000	100.1339	100,186
B644D9-03	maturity date 2029.04.25	100,000	100,000	100.1339	100,186
B66302-01	maturity date 2026.03.29	200,000	200,000	99.7794	199,563
B69906-01	maturity date 2028.05.28	200,000	200,000	99.9952	200,667
B69906-02	maturity date 2028.05.28	100,000	100,000	99.9952	100,333
B6A306-01	maturity date 2028.04.27	100,000	100,000	99.9975	99,705
B702AG-02	maturity date 2026.01.17	100,000	100,000	100.0161	99,968
B702AT-01	maturity date 2030.07.02	100,000	100,000	99.9946	99,250
B702AT-02	maturity date 2030.07.02	100,000	100,000	99.9946	99,250
B71895-01	maturity date 2027.06.02	100,000	100,000	99.0998	98,939
B71895-02	maturity date 2027.06.02	100,000	100,000	99.0998	98,939
B71899-01	maturity date 2028.06.17	100,000	100,000	99.9997	96,875
B718A4-01	maturity date 2027.08.04	100,000	100,000	100.0666	99,623
B718A9-01	maturity date 2028.05.16	200,000	200,000	99.7285	198,948
B718AJ-01	maturity date 2029.01.11	500,000	500,234	100.1964	498,329
B718AQ-01	maturity date 2029.06.21	300,000	300,000	101.1051	301,209
B718AR-01	maturity date 2031.06.20	200,000	200,000	99.9952	202,052
B72103-01	maturity date 2028.08.11	200,000	200,000	99.9997	195,428
B801AT-01	maturity date 2030.04.29	200,000	200,000	100.8737	201,554
B84308-01	maturity date 2030.03.31	200,000	200,000	99.9959	201,682
B84308-02	maturity date 2030.03.31	100,000	100,000	99.9959	100,841
B84308-03	maturity date 2030.03.31	100,000	100,000	99.9959	100,841
B84706-01	maturity date 2028.06.13	200,000	200,000	99.9971	199,286
B85410-01	maturity date 2026.06.13	100,000	100,000	99.9970	99,956
B85410-02	maturity date 2026.06.13	100,000	100,000	99.9970	99,956
B85410-03	maturity date 2026.06.13	100,000	100,000	99.9970	99,956
B85411-01	maturity date 2028.12.12	100,000	100,000	100.1180	99,529
B85411-02	maturity date 2028.12.12	100,000	100,000	100.1180	99,529
B85411-03	maturity date 2028.12.12	100,000	100,000	100.1180	99,529
B85412-01	maturity date 2029.04.23	100,000	100,000	99.2353	99,328
B85412-02	maturity date 2029.04.23	200,000	200,000	99.2353	198,657
B86407-01	maturity date 2026.01.14	100,000	100,000	99.9633	99,972
B903XY-01	maturity date 2028.11.15	100,000	100,000	95.7949	95,913
B903YQ-01	maturity date 2027.12.15	100,000	100,000	100.2907	100,108
B903YQ-02	maturity date 2027.12.15	100,000	100,000	100.2907	100,108
B903Z2-01	maturity date 2028.06.15	100,000	100,000	99.8297	99,932

Name of financial instruments	Summary	Total par value	Acquisition cost	Fair Value: Unit price (dollar/ hundred dollar)	Fair Value: Total
B903ZA-01	maturity date 2030.10.18	100,000	100,000	98.9505	99,785
B903ZF-01	maturity date 2029.01.10	400,000	400,511	100.1363	399,562
B903ZL-01	maturity date 2029.06.18	300,000	300,000	100.1111	300,669
B903ZP-01	maturity date 2029.07.19	200,000	200,000	99.9159	200,827
B903ZP-02	maturity date 2029.07.19	200,000	200,000	99.9159	200,827
B921A8-01	maturity date 2026.04.28	50,000	50,000	99.9998	49,810
B921AA-01	maturity date 2026.04.28	50,000	50,000	99.9998	49,810
B94172-01	maturity date 2028.05.22	100,000	100,000	100.0135	99,717
B94173-01	maturity date 2029.09.27	300,000	300,000	99.9966	301,566
B94663-01	maturity date 2028.03.12	100,000	100,000	99.9972	100,530
B94663-02	maturity date 2028.03.12	50,000	50,000	99.9972	50,265
B95146-01	maturity date 2028.08.15	200,000	200,000	99.9949	199,812
B95146-02	maturity date 2028.08.15	200,000	200,000	99.9949	199,812
B99211-01	maturity date 2035.12.30	500,000	500,000	100.0096	501,920
B99515-01	maturity date 2035.12.16	200,000	200,000	100.0105	199,898
B9A102-01	maturity date 2026.04.21	200,000	200,000	99.9848	199,908
B9A102-02	maturity date 2026.04.21	100,000	100,000	99.9848	99,954
B9A502-01	maturity date 2026.04.26	100,000	100,000	99.8158	99,800
B9AG05-01	maturity date 2028.04.20	200,000	200,000	99.9998	196,002
B9AT02-01	maturity date 2028.12.08	100,000	100,000	99.9988	99,839
			$ 14,895,612		**14,861,789**

COTA COMMERCIAL BANK CO., LTD

Statement of Financial Instruments at Fair Value through Other Comprehensive Income

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Equity instrument:

Instruments	Beginning		Current increase		Current decrease		Value adjustment		Ending		Guarantee or pledge
	Shares	Book value	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Provided
Taiwan Asset Management Corporation	6,000	$ 85,260	-	-	-	-	-	(10,500)	6,000	74,760	None
Taiwan Financial Asset Service Corp., Ltd.	5,000	44,150	-	-	-	-	-	1,650	5,000	45,800	None
Taiwan Depository & Cleaning Corp., Ltd.	646	96,109	194	-	-	-	-	6,157	840	102,266	None
Sunny Asset Management Corporation	25	253	-	-	-	-	-	-	25	253	None
Total		**$ 225,772**		**-**		**-**		**(2,693)**		**223,079**	

Note: The current increase of Taiwan Depository & Cleaning Corp., Ltd. is the number of received from the distribution of stock dividends in 2025.

COTA COMMERCIAL BANK CO., LTD

Statement of Financial Instruments at Fair Value through Other Comprehensive Income

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Equity instrument:

	Beginning		Increase		Decrease		Value adjustment		Ending		Guarantee or pledge
Instruments	Shares	Book value	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Provided
TCC	588,986	$ 18,671	-	-	588,986	18,671	-	-	-	-	
ACC	563,000	22,745	-	-	63,000	1,186	-	(2,959)	500,000	18,600	
UNI	309,000	24,998	41,000	1,872	-	-	-	115	350,000	26,985	
FENC	508,000	16,053	342,000	12,290	-	-	-	(4,713)	850,000	23,630	
ECLAT	13,000	6,617	-	-	13,000	6,617	-	-	-	-	
MAKALOT	16,320	5,239	-	-	16,320	5,239	-	-	-	-	
TFC	432,000	22,075	-	-	277,000	11,992	-	(2,674)	155,000	7,409	
HOTAI	24,180	14,967	-	-	-	(338)	-	(2,006)	24,180	13,299	
LTC	162,000	16,119	-	(360)	32,000	-	-	5,496	130,000	21,255	
UMC	147,000	6,328	473,000	22,233	-	-	-	1,974	620,000	30,535	
HON HAI	50,000	9,200	140,000	21,855	-	-	-	12,740	190,000	43,795	
COMPAL	207,000	7,793	573,000	16,007	-	-	-	(88)	780,000	23,712	
YAGEO	7,800	4,218	97,200	8,884	-	-	-	11,153	105,000	24,255	
TSMC	20,000	21,500	6,000	1,758	-	-	-	17,042	26,000	40,300	
ACCTON	19,000	14,687	-	-	19,000	14,687	-	-	-	-	
SYNNEX	141,000	9,983	229,000	15,760	-	-	-	(4,320)	370,000	21,423	
INVENTEC	28,000	1,403	562,000	23,926	-	-	-	(18)	590,000	25,311	
ASUSTEK	-	-	29,000	18,261	-	-	-	(2,369)	29,000	15,892	
GIGABYTE	80,000	21,800	-	-	4,000	1,684	-	(1,154)	76,000	18,962	
MSI	125,000	22,937	-	-	125,000	22,937	-	-	-	-	
RT	46,000	26,128	-	-	1,000	4,157	-	34	45,000	22,005	
QCI	8,000	2,296	107,000	27,030	-	-	-	1,954	115,000	31,280	
CHICONY	99,000	15,048	41,000	7,886	-	-	-	(6,554)	140,000	16,380	
ADVANTECH	80,397	27,857	-	-	18,000	5,274	-	(4,613)	62,397	17,970	
CHT	366,000	45,201	26,000	1,773	-	-	-	4,182	392,000	51,156	
KYEC	-	-	190,000	18,148	-	-	-	28,877	190,000	47,025	
MEDIATEK	-	-	20,000	26,888	-	-	-	1,712	20,000	28,600	
CATCHER	-	-	50,000	10,544	-	-	-	(144)	50,000	10,400	
EMC	-	-	45,000	10,217	-	-	-	(1,667)	45,000	8,550	
EVAAIR	-	-	510,000	20,092	-	-	-	(1,452)	510,000	18,640	

COTA COMMERCIAL BANK CO., LTD

Statement of Financial Instruments at Fair Value through Other Comprehensive Income

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Equity instrument:

	Beginning		Increase		Decrease		Value adjustment		Ending		Guarantee or pledge
Instruments	**Shares**	**Book value**	**Shares**	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**	**Provided**
PCSC	93,000	24,459	-	-	-	(952)	-	(4,811)	93,000	20,600	
GETAC	-	-	200,000	25,691	-	-	-	(2,291)	200,000	23,400	
LARGAN	-	-	1,000	2,223	-	-	-	272	1,000	2,495	
NOVATEK	17,000	8,534	6,000	3,642	-	-	-	(3,574)	23,000	8,602	
TRIPOD	-	-	75,000	15,828	-	-	-	7,985	75,000	23,813	
TWM	310,000	35,185	150,000	13,244	-	-	-	1,481	460,000	49,910	
WISTRON	76,000	7,904	-	933	11,000	-	-	945	65,000	9,782	
WPG	305,000	20,862	-	-	65,000	2,537	-	(4,357)	240,000	13,968	
ASEH	-	-	10,000	2,093	-	-	-	412	10,000	2,505	
FAR EASTONE	609,000	54,445	-	-	39,000	9,690	-	5,576	570,000	50,331	
PEGATRON	45,000	4,135	175,000	14,675	-	-	-	(3,718)	220,000	15,092	
CHAILEASE	5,000	560	168,400	20,215	-	-	-	(2,481)	173,400	18,294	
ROEC	18,000	3,537	92,000	13,165	-	-	-	(3,062)	110,000	13,640	
HOTAI FINANCE	223,420	17,114	-	-	223,420	17,114	-	-	-	-	
MOMO	4,000	1,356	-	-	4,000	1,356	-	-	-	-	
FT	127,480	16,955	-	-	127,480	16,955	-	-	-	-	
MIC	41,000	6,191	-	-	41,000	6,191	-	-	-	-	
PIT	-	-	115,000	16,231	-	-	-	3,664	115,000	19,895	
TAIWAN SECOM	206,000	25,441	-	-	36,000	6,842	-	(239)	170,000	18,360	
GIANT	62,833	8,965	-	-	62,833	8,965	-	-	-	-	
TAC	11,000	1,136	-	-	11,000	1,136	-	-	-	-	
Subtotal		$ **620,642**		**393,004**		**161,940**		**46,350**		**898,056**	
Total										$ **15,982,924**	

COTA COMMERCIAL BANK CO., LTD

Statement of Financial Assets Measured at Amortized Cost

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Name of bonds	Summary	Total par value	Current amortization	Book value	Note
Government bonds					
A06104	maturity date 2027.03.01	$ 200,000	167	200,193	Total guarantee in 9,100 thousand dollars
A13107	maturity date 2034.06.21	100,000	(12)	99,888	
A14105	maturity date 2045.03.27	100,000	4	100,081	Total guarantee in 17,800 thousand dollars
A95107	maturity date 2026.11.10	500,000	5,928	505,127	Total guarantee in 10,800 thousand dollars
A98102	maturity date 2029.02.16	100,000	951	103,045	Total guarantee in 50,000 thousand dollars
		1,000,000		1,008,334	
Less: Allowance for loss		-		(246)	
Subtotal		1,000,000		1,008,088	
Corporate bonds					
B20246-01	maturity date 2027.04.15	100,000	-	100,000	
B20254-04	maturity date 2027.11.25	200,000	(37)	200,000	
B30462-01	maturity date 2029.10.23	100,000	-	99,854	
B402BK-01	maturity date 2028.06.27	100,000	-	100,000	
B402BK-02	maturity date 2028.06.27	200,000	-	200,000	
B40424-01	maturity date 2028.06.23	100,000	-	100,000	
B40426-01	maturity date 2028.10.26	100,000	-	100,000	
B50176-01	maturity date 2026.07.27	100,000	-	100,000	
B50176-02	maturity date 2026.07.27	100,000	(375)	100,000	
B50180-05	maturity date 2028.12.25	200,000	-	199,146	
B50182-01	maturity date 2029.04.08	200,000	-	200,000	
B50182-02	maturity date 2029.04.08	100,000	-	100,000	
B63110-01	maturity date 2026.05.04	100,000	-	100,000	
B64611-01	maturity date 2026.05.03	200,000	-	200,000	
B68125-01	maturity date 2029.04.11	100,000	-	100,000	
B68125-02	maturity date 2029.04.11	200,000	-	200,000	
B6A301-01	maturity date 2027.04.07	100,000	-	100,000	
B6A301-02	maturity date 2027.04.07	200,000	844	200,000	
B702AG-01	maturity date 2026.01.07	100,000	-	100,000	
B71310-01	maturity date 2026.07.12	50,000	-	50,000	
B801AQ-01	maturity date 2026.07.05	200,000	-	200,000	
B801AR-01	maturity date 2028.07.05	100,000	-	100,000	
B801AS-01	maturity date 2029.05.28	100,000	-	100,000	
B801AS-02	maturity date 2029.05.28	200,000	-	200,000	
B86510-01	maturity date 2029.06.27	100,000	-	100,000	
B92361-01	maturity date 2027.12.28	200,000	-	200,000	
B94174-01	maturity date 2030.04.28	100,000	-	100,000	
B94174-02	maturity date 2030.04.28	100,000	(1,022)	100,000	
B94647-01	maturity date 2026.12.20	50,000	(361)	49,515	
B94655-01	maturity date 2027.09.08	200,000	-	199,371	
B94704-01	maturity date 2026.11.26	100,000	301	100,000	
B98008-01	maturity date 2027.08.01	200,000	-	200,477	
B99004-01	maturity date 2033.10.26	100,000	-	100,000	
B99007-01	maturity date 2034.06.24	100,000	-	99,997	
B99503-01	maturity date 2033.09.05	200,000	-	200,000	
B99603-01	maturity date 2033.08.01	300,000	-	300,000	
B9A802-01	maturity date 2028.05.26	100,000	-	100,000	
B9AM01-01	maturity date 2026.05.27	100,000	-	100,000	
B9AM01-02	maturity date 2026.05.27	50,000	-	50,000	
B9AN01-01	maturity date 2026.08.05	200,000	-	200,000	

Name of bonds	Summary	Total par value	Current amortization	Book value	Note
B9AQ01-01	maturity date 2026.09.27	100,000	-	100,000	
TAISEM	maturity date 2027.04.22	64,121	-	63,220	
CNRCN	maturity date 2032.08.05	57,500	-	59,277	
NESTLE HOLDINGS INC	maturity date 2026.03.13	64,648	-	62,995	
INTERNATIONAL BUSINESS MACHINES CORPORATION	maturity date 2028.02.06	61,581	-	62,282	
Cathay Life Insurance Company	maturity date 2033.08.07	62,876	-	62,876	
TMO	maturity date 2029.01.31	96,087	-	95,419	
ROSW	maturity date 2028.11.13	96,125	-	95,445	
		6,052,938		6,049,874	
Less: Allowance for loss		-		(6,068)	
Subtotal		6,052,938		6,043,806	
Negotiable certificates of deposits		12,550,000		12,550,000	
Less: Allowance for loss		-		(108)	
Subtotal		12,550,000		12,549,892	
Financial bonds					
G10172-01	maturity date 2026.12.12	200,000	-	200,000	
STANDARD CHARTERED BANK	maturity date 2028.05.16	62,876	-	62,876	
STANDARD CHARTERED BANK	maturity date 2040.05.21	94,314	-	94,314	
		357,190		357,190	
Less: Allowance for loss		-	-	(180)	
Subtotal		357,190	-	357,010	
Total		**$ 19,602,938**	-	**19,958,796**	

COTA COMMERCIAL BANK CO., LTD

Statement of Securities Purchased under Resell Agreements

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Book value	Note
Commercial paper	$ **4,991,650**	2025.12.26~2026.01.08 rate 1.44%~1.45%

Statement of Receivables

Item	Summary	Amount
Interest receivable		
	Loans	$ 280,589
	Corporate bonds	16,885
	Due from Central Bank and call loans to banks interest	176,101
	Other	4,977
	Subtotal	478,552
Accounts Receivable Purchase (Non-Recourse)		11,895
Credit card accounts receivable		180,378
Accrued income		27,543
Dividends receivable		1,400
Guarantee payments receivable		751
Others		55,079
Subtotal		755,598
Less: Allowance for doubtful accounts		(32,443)
Total		$ **723,155**

COTA COMMERCIAL BANK CO., LTD

Statement of Discounts and Loans

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Pledge overdraft	$ 5,552
Short-term loans	6,547,462
Short-term secured loans	19,819,352
Medium-term loans	22,817,665
Medium-term secured loans	62,579,929
Long-term loans	2,348,226
Long-term secured loans	38,648,245
Non-accrual loans	523,063
Accounts receivable - financing	107,074
Export financing	12,428
Subtotal	153,408,996
Less: Allowance for bad debts	(1,861,200)
Adjustment of discount and premium	(243,001)
Total	**$ 151,304,795**

COTA COMMERCIAL BANK CO., LTD

Statement of Changes in the Property and Equipment

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6(j) for Property and Equipment.

Statement of changes in Right-of-Use Assets

Please refer to note 6(k) for Right-of-Use Assets.

Statement of changes in Investment Property

Please refer to note 6(l) for Investment Property.

COTA COMMERCIAL BANK CO., LTD

Statement of changes in Intangible Assets

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6(m) for Intangible Assets.

Statement of Other Assets

Item	Amount
Prepaid expenses	$ 47,312
Prepaid pension cost	411,574
Refundable deposits	84,232
Other	5,712
	548,830
Guarantee deposits	37,700
Less: Securities for guarantee deposits	(37,700)
Total	**$ 548,830**

COTA COMMERCIAL BANK CO., LTD

Statement of Payables

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Amount	
Collection due on behalf of the payable		$ 54,711
Interest expenses		247,694
Demand savings deposits interest	$ 143,738	
Time deposits interest	63,644	
Financial debentures interest	33,613	
Other	6,699	
Accrued expenses		452,925
Bonus and salaries	311,661	
Compensation of employee and remuneration of directors	104,505	
Labor and health insurance expense	15,762	
Other	20,997	
Tax payable		47,970
Checks for clearance payable		107,562
Other payable		73,675
Seize or offset	6,115	
Stock refundable	11,417	
Dishonored account	1,767	
Retention stop payment	6,822	
Payment on hand	3,594	
Other	43,960	
		$ 984,537

COTA COMMERCIAL BANK CO., LTD

Statement of Deposits and Remittances

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Summary	Amount
Checking accounts		$ 2,037,431
Cashier's checks		1,371,483
Demand deposits		34,278,688
Time deposits		39,282,378
Demand savings deposits	Demand savings deposits	48,663,706
	Staff demand savings deposits	1,031,129
	Installment saving deposits	146,982
	Round-amount savings deposits	8,607,137
	Withdrawals of interest savings deposits	63,616,087
Remittances outstanding		84
		$ 199,035,105

Statement of Financial Debentures Payable

Name Debentures	Starting	Maturity	Interest rate %	Genus	Value	Book value
107-1	2018.6.21	No due date	Adjustable Rates for Consumer Loans add 3.06%	Unsecured subordinated debenture	$ 600,000	600,000
112-1	2024.04.25	2030.04.25	2.65%	Unsecured subordinated debenture	1,050,000	1,050,000
					$ 1,650,000	**1,650,000**

COTA COMMERCIAL BANK CO., LTD

Statement of Provisions

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6(r) for Provisions.

Statement of Other Liabilities

Item		Amount
Advance interest receipts	$	428,912
Temporary receipts and suspense accounts		93,005
Other advance receipts		7,266
Guarantee deposits received		4,831
Advance revenue		33,629
	$	**567,643**

COTA COMMERCIAL BANK CO., LTD

Statement of Net Interest Income

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item		Amount
Interest Income		$ 5,533,649
Short-term secured deposit interest	630,749	
Medium-term deposit interest	787,748	
Medium-term secured deposit interest	1,923,188	
Long-term secured deposit interest	1,008,604	
Short-term investments and Bond interest	514,775	
Other (Note)	668,585	
Interest Expense		2,395,265
Demand deposits interest	173,768	
Time deposits interest	566,491	
Savings deposit interest	348,701	
Withdrawals of interest savings deposits interest	1,058,851	
Round-amount savings deposits interest	147,519	
Other (Note)	99,935	
Net Interest Income		**$ 3,138,384**

Note : Each accounts does not exceed 5% of the ending balance.

COTA COMMERCIAL BANK CO., LTD

Statement of Service Fee Income

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6(z) for Service Fee Income.

Statement of Gains and Losses on Financial Assets or Liabilities at Fair Value through Profit or Loss

Item	Amount
Gain on disposal of financial assets, net	$ 31,598
Gain on valuation of financial assets, net	17,564
Gain on valuation of financial liabilities, net	888
Dividend income	19,878
Interest income	58,680
	$ 128,608

COTA COMMERCIAL BANK CO., LTD

Statement of Other Net Non-interest Income (Loss)

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Income from other non-interest	
Rental income	$ 16,725
Gain on disposal of assets	1,069
Miscellaneous income	6,860
	24,654
Expense from other non-interest	
Loss on disposal of assets	1
Miscellaneous expenses	17
	18
	$ 24,636

Statement of Provisions for Bad Debt Expenses and Guarantee Reserve

Please refer to note 6(g), (h) and (r) for debts expense and guarantee liability provision.

COTA COMMERCIAL BANK CO., LTD

Statement of Employee Benefits Expenses

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Employee benefits expenses	Other net non-interest income	Other general and administrative expenses	Total
Salaries	1,254,182	-	-	$ 1,254,182
Labor and health insurance	102,771	-	-	102,771
Pension	48,510	-	-	48,510
Remuneration of directors	43,822	-	-	43,822
Other	101,785	-	-	101,785
				$ 1,551,070

COTA COMMERCIAL BANK CO., LTD

Statement of Employee Benefits Expenses

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

The additional information about the number of employees and personnel expenses as of 2025 and 2024 are as below:

	2025	2024
Number of employees	1,180	1,174
Number of directors who are not employees	14	14
Average employee benefits	$ 1,296	1,232
Average salary expense	$ 1,076	1,016
The percentage of change between two years	5.91 %	(2.21)%
Supervisor remuneration	$ -	-

The Company's remuneration policy (including directors, managers and employees) is as below:

1. The remuneration policy includes the remuneration paid to directors and employees, holiday bonus and bonus (including performance bonus, review bonus, incentive bonus, annual bonus, etc.). In addition, the directors' remuneration also includes the directors' remuneration, monthly directors' remuneration and transportation allowance.
2. The standard of payment for directors should be in accordance with the provisions stated in the "Company's Articles of Association" and the "Director Employee's Remuneration Policy" and should be submitted to the Board of directors for discussion and approval according to the degree of the individual's participation in the operations of the Company and to the level of the other banks concerned.
3. Remuneration for president and vice president is paid in accordance with the rules approved by the board of directors. Payment of employee salary is calculated based on related laws.
4. All bonuses should be awarded in consideration of the Company's financial position, risk management, group (individual) evaluation score and equity principle. The key points for group (individual) evaluation should be approved by the general manager.
5. Based on the performance indicators of the Company (as a whole and per individual), the performance evaluation points of the business unit, management performance assessment points, and the performance of every individual, are also taken into consideration.
6. Based on future risk considerations, the annual bonus for managers will be deferred to 8% before the end of January of the following year, and the quarterly bonus for account management commissioner and head of account management will be deferred to 20% before the end of the year.

COTA COMMERCIAL BANK CO., LTD

Statement of Depreciation and Amortization Expenses

For the year ended December 31, 2025

Please refer to note 6(j), (k), (l), (m) and (ah) for depreciation and amortization.

Statement of Other General and Administrative Expenses

Please refer to note 6(ai) for other general and administration expenses.