

Stock Code : 2838

Union Bank of Taiwan

2023 General Shareholders

Procedure Manual

9 a.m., 9 June 2023 (Friday)

No. 16, Sec. 4, Jhongshan N. Rd., Taipei City
CHIENTAN OVERSEAS YOUTH ACTIVITY CENTER
CHUN-YING Hall
(Second floor at Ching-Kuo Memorial Hall)

Shareholders' meeting Convening method:
Entity shareholders' meeting

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Union Bank of Taiwan

Procedure for the 2023 Annual Meeting of Shareholders

MEETING TIME: 9 a.m., 9 June 2023(Friday)

PLACE: CHIANTAN OVERSEAS YOUTH ACTIVITY CENTER CHUN-YING Hall

(Second floor at Ching-Kuo Memorial Hall)

(No. 16, Sec. 4, Jhongshan N. Rd., Taipei City)

1. Call the Meeting to Order
2. Chairperson Takes Chair
3. Chairperson Remarks
4. Reports
 - (1). 2022 Business Report.
 - (2). 2022 Audit Committee Audit Report.
 - (3). 2022 Employee and Director Remuneration Distribution Report
 - (4). 2022 Report on the Remuneration of Directors.
5. Proposals
 - (1). 2022 Business Report and Financial Statements.
 - (2). 2022 Earnings Distribution Proposal.
6. Discussion
 - (1). Amending part of the "Articles of Association ".
 - (2). Amending part of the " Rules of Procedure for Shareholders Meetings ".
 - (3). Discuss the company's surplus to allocate capital to issue new share.
7. Questions and Motions.
8. Adjournment.

1. Reports

Proposal No. 1

Subject: The 2022 Business Report is submitted for review.

Illustration: Please refer to Attachment 1 Business Report (pages 6 to 14 of this manual).

Proposal No. 2

Subject: The 2022 Audit Committee Audit Report is submitted for review.

Illustration: Please refer to Attachment 2 Audit Committee Audit Report (page 15 of this manual).

Proposal No. 3

Subject: The 2022 Report on Employee and Director Remuneration Distribution Status is submitted for review.

Illustration:

- (1) In 2022, the Bank's pre-tax net profit before distribution of remuneration to employees and directors is NT\$ 4,581,935,117. It is planned to accrue NT\$84,307,606 for employees' remuneration and NT\$4,123,742 for directors' remuneration in accordance with the Bank's Articles of Association.
- (2) Among them, NT\$84,307,606 of employee remuneration is issued in shares. According to the order of the Financial Supervision and Administration Commission on January 30, 2016 (Jin Guan Zheng Shen Zi No. 1050001900), the number of issued shares is calculated at the closing price on the day before the resolution of the board of directors (March 10, 2023). The closing price of ordinary shares of Japan Bank was NT\$16.20), a total of 5,204,173 new shares were issued, with a face value of NT\$10 per share, and the remuneration of less than 1 share was NT\$3, which was paid in cash; the director's remuneration was paid in cash. There is no difference between the aforesaid amount and the amount estimated in the year in which the expense is recognized.

Proposal No. 4

Subject: 2022 Annual Report on the Remuneration of Directors is submitted for review.

Illustration:

- (1) The Bank (Principles for the Appraisal of Directors' Remuneration) Please refer to the attachment5 (page39 of this manual) for the principles of monthly remuneration, attendance fees and remuneration distribution for directors, and regular adjustments based on the results of the performance evaluation of the Board of Directors.
- (2) In 2022, please refer to the attachment5 (page40 of this manual) for the remuneration of directors: including remuneration (salary, pension) NT\$3,240,000, remuneration NT\$4,737,055, business execution expenses (attendance, special expenses) , vehicle allocation, fuel and tolls) NT\$1,240,000 totaling NT\$9,217,055.

2. Proposals

Proposal No. 1

Subject: The 2022 business report and financial statements are submitted for approval. (Proposed by Board of Directors)

Illustration:

1. The 2022 business report and financial statements of the Bank (including consolidated financial statements) have been audited by accountants Li Guan-Howe and Yang Cheng-Hsiu Yang of Deloitte & Touche and have, together with the business report, been approved by the 3th meeting of the 12th term of the audit committee and the 11th meeting of the 14th term of the board of directors of the Bank. They are submitted for approval.
2. Please refer to the above-cited documents in Attachment 1 (pages 6 to 14 of this manual) & Attachment 3 (pages 16 to 37 of this manual)

Resolution:

Proposal No. 2

Subject: The 2022 Profit Distribution Proposal is submitted for approval. (Proposal by Board of Directors)

Illustration:

1. 2022 distributable profit of NT\$3,414,838,134. It is proposed that the distribution be made as shown in Attachment 4 (page 38 of this manual) in accordance with the articles of association of the Bank.
 - (1) Special dividends (NT\$2.4 per share, calculated at a rate of 4.8% per share) total NT\$480,000,000.
 - (2) Common stock cash dividends (NT\$0.10 per share) totaled NT\$359,404,603.
 - (3) Common stock dividends (NT\$0.50 per share) totaled NT\$1,797,023,014.
 - (4) Undistributed profit: NT\$778,410,517.
2. After the profit distribution proposal is approved by the general shareholders meeting, the board of managing directors is authorized to determine the record date for dividend distribution and to handle cash distribution related matters.
3. In accordance with the regulation of the Ministry of Finance Tai-Cao-Shui No. 871941343 date 30 April 1998, in distributing profit, individual identification should be adopted. The 2022 profit should be distributed in priority in this profit distribution.
4. If the total number of outstanding shares is subsequently changed due to buy-back of the Bank's shares or the transfer, exchange or cancellation of treasury shares or any other event, resulting in the change of dividend distribution ratio, the shareholders meeting should authorize the board of directors to carry out the change.

Resolution:

3. Discussions

Proposal No.1

Subject: Amending part of the Articles of Association (Proposed by Board of Directors)

Illustration:

1. This revision is in accordance with the provisions of the Financial Supervision and Administration Commission's August 5, 2022 Jinguanyinfazi No. 1110270673 letter: the profit distribution shall be submitted to the shareholders' meeting for approval in accordance with Article 49 of the Banking Law, and Item 5 of Article 240 of the Company Law shall not apply. The Articles of Association authorizes the board of directors to distribute cash dividends and Article 228-1 for quarterly or semi-annual profit distribution, and amend Article 5-1 Article 37 and Article 39 of the Articles of Association and delete Article 39-1.
2. Before and after the revision, please refer to Attachment 6 (pages 41 of this manual)

Proposal No. 2

Subject: Amending part of the " Rules of Procedure for Shareholders Meetings ".
(Proposed by Board of Directors)

Illustration:

1. In order to improve the Bank's "Rules of Procedures for Shareholders' Meetings", refer to the "Reference Sample of Rules of Procedures for Shareholders' Meetings" revised by the Taiwan Stock Exchange on March 8, 2022, and revise the Bank's rules 3, 6, 8, 13, 14, 15, 16, 21, etc. and add 6-1 to make up for the deficiencies of the previous revision.
2. In this revision, in addition to some provisions based on the reference example, the relevant text is revised, and the remaining key points are as follows:
 - (1). Cooperate with the procedural manuals of shareholders' meetings of publicly issued companies revised and released on December 16, 2021, and comply with the provisions of Article 6 of the Procedures, add the relevant capital or foreign and land-owned shareholdings to a certain ratio of shareholders' meeting manuals The time limit for sending electronic files, and adding the method that the agenda manual should be provided for shareholders to refer to on the day of the shareholders' meeting in accordance with the form of the meeting (Article 3).
 - (2). In order to make shareholders aware of the relevant rights and restrictions on participating in the shareholders' meeting before the shareholders' meeting, the notice of convening the shareholders' meeting shall be updated to include important matters (Article 6-1).

- (3). I Add the follow-up processing of audio and video recording, meeting minutes recording, troubleshooting, postponement or continuation of video conferences (Articles 8, 15, and 21).
- (4) According to the practical operation method of video conferencing, delete repeated words, modify some words, vote on proposals, voting and counting methods, etc. (Articles 6, 13, 14, and 16).
3. Please refer to Attachment 7 (pages 42 to 45 of this manual). for the comparison table before and after the revision of the "Rules of Procedures for Shareholders Meetings" of the Bank.

Resolution:

Proposal No. 3

Subject Discuss the company's surplus to allocate capital to issue new share. (Proposed by the Board of Directors)

Illustration:

1. In order to enrich the Bank's working capital needs, For the distributable surplus in 2022, NT\$1,797,023,014 will be allocated to transfer the surplus to capital increase, of which NT\$1,797,023,010 will be issued for 179,702,301 ordinary shares, and the remaining NT\$4 less than 1 share will be distributed in cash.
2. This case is approved by the regular meeting of shareholders and reported to the competent authority for approval. The board of directors sets the base date for capital increase and allotment of shares (capital increase base date). There is a proportion of shares distributed free of charge, 50 shares for every 1,000 shares. If less than 1 new share is allotted in this capital increase, the shareholder shall merge it by himself, and handle the merger with the Bank's stock affairs agency within 5 days from the allotment base date to form a whole share. The chairman of the board of directors consults a specific person to purchase at face value.
3. The new shares issued are ordinary shares, and the rights and obligations are the same as ordinary shares, with a denomination of NT\$10 per share.
4. In the event of a change in the shares of the Bank, or the transfer, conversion or cancellation of the treasury shares or other circumstances, affecting the total number of shares outstanding, the share allotment, and the dividend rate, the shareholders' meeting authorizes the board of directors to handle the change.
5. In the case of the above-mentioned capital increase and issuance of new shares, the shareholders' meeting authorizes the board of directors to deal with changes in the law or when the competent authority approves the amendment.

Resolution:

4 、 Questions and Motions.

Adjournment

2022 Business Report

Attachment 1

1.Domestic and Overseas Financial Status

In 2022, the world will be affected by the rapid spread of the epidemic variant virus, and the global supply of raw materials such as agricultural grains and crude oil will be impacted by the Russia-Ukraine war, which will cause the world to face inflationary pressure, prompting the Federal Reserve to raise interest rates by a total of 17% in 2022 In response, China's central bank raised interest rates by a total of 2.5 yards in order to curb domestic expected inflation. Although the weak domestic and foreign stock markets affected investment and financial management needs and eroded some of the banking industry's earnings, they benefited from the positive benefits of interest rate hikes and Taiwan The continuous return of businessmen and the government's promotion of the "Three Major Plans for Investing in Taiwan" have driven the development of various deposits. Overall, the banking industry will maintain profit growth in 2022.

Looking forward to 2023, in the environment of rising interest rates, the banking industry is still positive, and bank deposits are expected to increase. In addition, the gradual lifting of international border control on the epidemic will drive the overseas market to become active again, and the government will continue to promote A number of policies to encourage industrial development will drive investment and lending business, and will also inject interest rate spread income into the banking industry. However, risks such as the overall international political and economic situation, domestic and overseas investment environment, and customer solvency should still be paid attention to in the future.

2. 2022 Operating Results and Main Business Status

In 2022, with the concerted efforts of all colleagues in the Bank, various operational indicators will have excellent performance. In terms of profit, the net profit after tax in 2022 was 3,539,000,000 yuan, the after-tax earnings per share (EPS) was 0.85 yuan, the return on total assets (ROA) was 0.43%, and the return on common equity (ROE) was 5.76%. In terms of quality, the overdue loan ratio was 0.24%, and the allowance for bad debt coverage ratio was 481.40%, maintaining good asset quality.

Over the years, the Bank has continued to expand various businesses with the business strategy of steady growth and local deep cultivation. On December 21, 2022, the China Credit Rating Company announced that due to the good quality of the Bank's assets, the Bank's long-term and short-term credit ratings and The outlook ratings remain at "twA+", "twA-1" and "Stable". According to the company's rating report, the Bank's strong capital strength, prudent capital policy and appropriate risk control will continue to maintain a stable credit structure in the next two years. China Credit Rating also expects that the Bank should be able to maintain a solid corporate foundation in the consumer finance business, good asset quality, and an appropriate funding source and liquidity structure during the aforementioned period. Below is a summary report on the operational status of the Bank's main businesses in 2022:

(1) Deposit

At the end of 2022, the balance of foreign currency deposits in Taiwan was NT\$715.1 billion, an increase of NT\$37.6 billion from NT\$677.5 billion at the end of 2021, with a growth rate of 5.55%. In terms of deposit structure, demand deposits have a balance of NT\$355 billion, accounting for 49.64% of the total deposit ratio, and time deposits have a balance of NT\$360.1 billion, accounting for 50.36% of the total deposit ratio.

(2) Lending

The loan balance at the end of 2022 was NT\$534.4 billion, an increase of NT\$35.6 billion

or 7.14% from NT\$498.8 billion at the end of 2021. Among them, secured loans amounted to NT\$450 billion, accounting for 84.21% of the total loans; unsecured loans amounted to NT\$84.4 billion, accounting for 15.79% of the total loans.

(3) Credit Card

1. In the first half of 2022, due to rising prices and rising epidemic situation, consumption will be tightened, and credit card activities will be actively targeted at people's livelihood consumption (such as supermarkets/markets, refueling, online shopping, delivery apps, etc.) and necessary expenditures (such as taxes/fees, insurance, etc.) Plan the full amount, cash discount or installment activities to stabilize the amount of spending. In the second half of the year, activities will grasp tourism issues and online shopping consumption opportunities, which will greatly promote the growth of the amount of spending. The total amount of credit card spending in 2022 will be NT\$112.5 billion, an increase of NT\$10.9 billion compared to 2021, an increase of 11%.
2. In 2022, a new Jihe Card will be issued, which is very popular among the Kazakhs and Japanese. It will provide card members with domestic famous Japanese-style restaurants and high-value Japanese currency reward activities, and match the topic of opening up the country to quickly open up discussions in the market; in addition, it will continue to focus on young generations. The market voice of the point card integrates the bank's resources and links with the New New Bank digital account to achieve bank cross-selling and customer acquisition benefits; the happiness M card attracts tourists who love travel through the high-reward activities of transportation and tourism. Quickly acquired more than 100,000 customers; in addition, to implement the ESG plan, it created green consumption of 96 million yuan, and accumulated 650,000 yuan of green public welfare donations, realizing corporate social responsibility. For the existing co-branded cards, we will maintain the Breeze Card and National Card whose card issuance volume has reached an economic scale. As of December 2022, the number of credit cards in circulation is 2,431,532 cards.
3. Taking the consumer experience as the premise, optimize the function and convenience of online card application, increase the proportion of online card application, and then save the cost of import and labor operation; and optimize the system as follows:
 - (1) The online card application function of China Travel Card is launched.
 - (2) Store fast binding function, the first two international brands in the industry to go online at the same time.
 - (3) Added LINE BC fast binding LINE PAY function.

(4) Fortune Management

The number of wealth management accounts of the Bank in 2022 will increase by 4.72% compared with 2022, and the average monthly balance of total assets under management will increase by 8.04% compared with 2022. Rising interest rates have suppressed private consumption, the real estate market and investment momentum, and the unemployment rate has also increased significantly. Coupled with the unresolved Ukrainian-Russian war and the continuation of the new crown epidemic, the possibility of the global economy entering recession has increased significantly, dragging down the global stock and bond markets sharply. As a result, the fee income of mutual funds and ETFs generally declined. However, foreign bonds were affected by the interest rate hike policy, and bond prices continued to break through the bottom. When the price weakened, the yield to maturity of foreign bonds rose. Among them, the yield to maturity of investment-grade foreign bonds even soared to more than 6%, which was The highest since the financial tsunami in 2008, attracting investors to enter the market, foreign bonds have become the focus of sales of the bank, and the financial management business policy has been adjusted, and the insurance business of inherited assets has been the main business direction, and the operating income has increased by 12.82% compared with

2022 , the Bank will continue to provide customers with more diversified financial product choices to increase the overall financial management income.

(5) Operating Performance

The net interest income in 2022 is 9.907 billion yuan, the net income other than interest is 3.440 billion yuan, and the total net income is 13.347 billion yuan. After deducting the net provision for bad debts of 482 million yuan and operating expenses of 8.372 billion yuan, the net profit before tax is 4.494 billion yuan, net profit after tax was 3.539 billion yuan.

(6) Sustainable development of enterprises

In order to fulfill corporate social responsibility and implement the sustainable development of ESG enterprises, the main specific actions of the Bank in 2022, in terms of environmental and ecological protection, in addition to adopting local conservation animals such as stone tigers and ring-necked pheasants, the bank also participated in the adoption of green spaces in community parks. Promote energy conservation and carbon reduction across the bank, issue green cards to allocate funds to donate to environmental protection groups, and implement green procurement. Received commendation from the Taipei City Environmental Protection Bureau's "Green Procurement Promotion Plan for Private Enterprises and Organizations"; participate in social welfare activities, and practice humanitarian care and assistance. Responding to the government's call to provide relief to Ukraine, we joined hands with Tamkang University to participate in the 2022 ESG Summit, established a Metaverse branch, cooperated with the Federal Cultural and Educational Foundation to promote Taiwan's oil painting art, held federal art competitions and art tours, and launched "Let's Let's Build Happiness" The charity donation platform helps the disadvantaged in social welfare; attaches great importance to corporate governance, and the Bank continues to strengthen internal audit and control, compliance with laws and regulations, risk management and information security operations, and implement fair treatment of customers.

3. 2023 Operational Plan and Development Guidelines by Business

(1) Actively expand the scale of business based on the competitive innovative services; in terms of business purposes, adhere to the spirit of service by persistence; establish a long-term relationship with the customers; and create a win-win value:

1. Deposits:

- (1). Evaluate the establishment of new off-bank ATMs, expand service bases, and enhance the expansion of deposit business.
- (2). Continue to expand the deposit solicitation and business with the bank's vendors.
- (3). Business marketing plan (acceptance (subsidy) project of special credit card stores, Anyang trust business) to develop new customer sources and deposits.
- (4). Continue to promote the Huozhu Youli Project to attract new households from small and medium-sized enterprises, and increase the scale of deposits through corporate networks and other business contacts; use the large-amount current deposit Youli Project to attract large-scale cash flow enterprises and groups.
- (5). Hold a deposit contest to accelerate the achievement of the KPI target amount.
- (6). Depending on the market capital situation, deposit projects are launched from time to time.

2. Enterprise and foreign exchange business:

Business

- (1). In terms of business, increase the proportion of self-use financing of industrial and commercial enterprises, and reduce the proportion of civil construction financing and individual household loans, so as to gradually adjust the credit structure of

corporate finance business.

- (2). In order to actively expand the MIT factory loan business, continue to implement the "Expand MIT Factory Loan Action Plan", and track the business transactions between the borrower and its related customers on a quarterly basis to achieve overall benefits. The MIT factory loan business is also included in the branch KPI and The assessment scope of AO personnel assessment.
- (3). Actively expand high-quality stock financing loan business.
- (4). Under risk control, efforts are made to improve profitability. The measures to be adopted to improve profitability are as follows:
 - i. In response to rising market interest rates and capital costs, interest rate pricing should evaluate various business transactions, and strive for cash flow and closeness of various business transactions through credit transactions to increase overall profitability.
 - ii. Moderately increase service fee income for complex transactions, high operating costs or Bridge Loan credit cases.
 - iii. Banking Law 72-2 credit granting cases and credit granting cases in which real estate is used as a guarantee and strengthens creditor's rights with a higher risk weight (LTV100% or more), should be priced at a higher interest rate.

Corporate Finance Management

- (1). Speed up the review of "Type A Guarantee Cases" and "MIT Projects".
- (2). Accelerate the cultivation of enterprise financial business personnel to respond to the growth of enterprise financial business.
- (3). The credit extension integration system (LIS) optimizes and continuously introduces the credit collection process and related review documents.
- (4). In order to integrate human resources and reduce operational risks, plan the centralized operation of enterprise finance business appropriation.

Foreign exchange business

- (1) In response to the increased risks in the international financial market, focus on overseas high-quality financial institutions and credit cases guaranteed by national or government agencies, and strengthen post-loan management.
- (2) Regularly review and update the content of overseas credit guarantees, increase the credit protection of the bank through overseas credit guarantee funds, and assist branches in case promotion.
- (3) Continuously optimize the simple foreign exchange and foreign exchange deposit system to improve the efficiency of handling and executing transactions, and set up relevant education and training courses to enhance the professional ability of handling.
- (4) Cultivate corporate finance AO assistants with foreign exchange expertise, and encourage branch staff to go abroad for internships to facilitate the promotion of the bank's foreign exchange business.
- (5) Develop foreign exchange business customer source, expand import and export and exchange business to enhance the bank's foreign exchange niche and market share.
- (6) In order to provide our customers with payment of foreign exchange import and export payments and other foreign exchange fund scheduling needs through online banking, we have established large-amount foreign exchange settlement and remittance functions of more than NT\$500,000 in each channel to increase customer stickiness with more complete and convenient services. Reduce the Bank's operational risks.

Ticket finance business

- (1) Guarantee business: Actively expand large-scale enterprises with TCRI grades 1-5, and give priority to undertaking credit with guarantee conditions such as self-compensating (such as passenger tickets) or high-quality stocks recognized by the Bank, and continuously track the financial and financial status of credit customers. operating conditions.
 - (2) Bills and bonds business: In terms of investment business, actively cultivate financial transaction talents internally, select high-quality investment targets, implement relevant risk control disciplines, improve overall income, continue to expand customer base externally, diversify sources of funds, and reduce liquidity Sexual risk in order to increase returns and maintain market position.
 - (3) Deposit and other business: Actively refer credit recipients to nearby branches to visit with them, strive for credit recipients to deposit or purchase coupons RP in the bank, meet the business needs of credit recipients, strive for other business contacts, and strengthen credit recipients and the Bank relation.
3. Consumer finance business:
- (1) Continue to focus on and deeply cultivate high-quality customers, grasp customer demand trends, and consolidate existing customers; provide customized projects for different ethnic groups to develop new customer groups.
 - (2) The loan service of the newly added digital channel targets young and digital customer groups to strengthen the promotion of online channels.
 - (3) In order to provide services for customers with investment and wealth management needs around the branch, the "Good Neighbor" loan business project will be added to provide financial services for customers around the branch.
 - (4) Actively recruit new recruits or train credit-granting AO personnel to increase business volume, and will add incentive measures for AO to undertake investment and wealth management loan business to encourage AO to strengthen its commitment.
 - (5) In order to effectively utilize the cross-marketing value of the business between the Enterprise Finance Branch and the Consumer Loan Center, the incentive plan for the Enterprise Finance Branch to refer customers to handle housing loan projects will be added to increase the source of high-quality customers around the housing loan.
 - (6) Continue to focus on and cultivate high-quality customers in accordance with the existing marketing strategy, and maintain the stickiness between existing customers and the Bank. Cooperate with business units to expand small industrial and commercial enterprises, and provide employee loans for enterprise households, and various personal loan plans (such as: high-quality stocks, real estate overdraft, etc.), and combine the cross-product resources of other departments of the bank to launch loan projects to increase Customer stickiness.
 - (7) In order to respond to the transfer of small business loans, evaluate and increase the number of AO personnel for loan management, and assist the personnel department and corporate finance department to be transferred from insiders; in addition, increase the business volume and care for the business customers around the branch, and develop small business customer loans.
 - (8) In response to the development trend of digital financial services, continue to

expand online loan optimization functions, improve digital access loan services, 24-hour online loan services, plan to develop credit loan revolving lines, micro-enterprise online application operations, and online housing loans to achieve online access promotion. And link special loan plans for specific ethnic groups and other regular seasons.

- (9) Stabilize the new car loan business and develop the special loan business; strengthen the expansion of high-quality used car dealers to increase the business scale.
 - (10) Open credit lines for car loan customers to increase the closeness of contacts.
 - (11) Strengthen credit investigation and evaluation of repayment sources to ensure credit quality.
 - (12) Control the management and tracking of notifications of abnormal cases to strengthen internal control; implement management and control of overdue loans after lending; analyze overdue and bad debts as a reference for credit policy; actively recover bad debts to increase surplus after withdrawal .
4. Credit Card:
- Deeply develop customer group management, strengthen customer stickiness, and increase the market share of card users with precise marketing
- (1) Deeply develop customer group management, strengthen customer stickiness, and increase the market share of card users with precise marketing Channel marketing.
 - (2) Issuing new cards in combination with strong channels to achieve rapid customer acquisition and young new customer groups.
Strengthen digital platform services to provide a full range of online experience
 - (1) Strengthen publicity exposure and diversion, and increase the rate of online bids.
 - (2) For the digital platform, strengthen the fast binding function with the store to increase the competitive advantage.
 - (3) In response to the increasing popularity of mobile payments, use the current key channels to promote the Bank's credit cards, and actively increase the number of customer bindings to increase the rate of mobile cards.
 - (4) Optimize various online service functions, such as online card application and online loan application.
- Grasp the pulse of consumption, seize market opportunities, and effectively increase the amount of transactions and the rate of card transactions
- (1) In the post-epidemic era and the opening of borders, we will seize domestic and foreign tourism opportunities and digital and people's livelihood consumption.
 - (2) Combining key cards to launch themed consumption activities, such as: transportation and tourism, online shopping, and taxes.
 - (3) Plan key installment activities, such as taxes, tuition fees, insurance and other necessary large expenditures.
- Committed to diversifying payment and attacking medium and large-scale, chain-type and online special store business
- (1) Integrate acquiring platforms of different industries, provide diversified payment, and strengthen the promotion of online special stores.
 - (2) Develop heavyweight Internet special stores and chain merchants.
5. Wealth management, insurance agency and trust business:
- (1) In response to the trend of the elderly society, continue to train colleagues to obtain the certificate of "financial planning consultant for the elderly", establish

the bank's trust talent pool, cultivate professional functions, provide more comprehensive financial services and care for the elderly, and fulfill social responsibilities.

- (2) Integrate trust services, expand trust 2.0 business, strengthen core customer relationships, and provide tailor-made service measures.
 - (3) In order to create a friendly financial environment and increase the convenience of customer transactions, in addition to the original network and APP, add mobile management, air wealth management phone order trading platforms, and build overseas debt and ETF online trading functions to improve operating efficiency .
 - (4) In addition to domestic/overseas funds, foreign bonds, and ETFs, the main products of wealth management business will add structured products, US stocks, special stocks and other products to meet customers' all-round financial management needs and expand the scale of specific money trust business. And increase business income.
 - (5) In the future, we will continue to advance in the direction of deepening customers, optimizing operations, strengthening training, and risk management, so as to enhance the competitiveness of the bank's financial management business.
 - (6) In response to the changing trend of Taiwan's aging family population and declining birthrate, continue to introduce protection-type, investment-type, and retirement-planning-related insurance products to meet customers' all-round financial management needs and increase fee income.
6. Digital financial business:
- (1) Personal Electronic Banking Services
Practice the development of digital financial business and create a new territory for financial transactions. In addition to continuously optimizing the user interface and process, the premise is to strengthen the quality of e-banking online services, and add large-scale foreign exchange transaction functions and online foreign exchange remittance services. Etc., to enhance the convenience of domestic foreign exchange transactions and the diversity of electronic banking transactions, and realize the competitiveness of the digital development of personal Internet banking and mobile banking.
 - (2) Corporate Internet Banking Services
Based on user experience, aiming to solve the needs of enterprise account management, continuously optimize various transaction processes, and add online foreign exchange transaction service functions and online investment transaction environment of corporate Internet banking to provide enterprises with more flexible cash flow services The platform helps enterprises reduce operating costs, optimize operating performance, and create market competitive advantages.
 - (3) New New Bank Digital Banking Services
 - A. New Accounts "Customer Acquisition Strategy" continues to increase the number of accounts to acquire new young customers and expand market share.
 - B. Existing customers "customer education strategy" uses cross-business credit cards, securities and funds and other marketing solutions to increase the contribution of existing customers and product stickiness.
 - C. Continue to expand and strengthen online service functions, integrate various online financial services such as credit, credit card application, securities account opening, and wealth management investment, and

cooperate with video, counter verification, and digital account opening authority specifications to continuously optimize the online account opening process , and increase offline counter transactions.

D. Use digital banks to increase the benefits of virtual and real integration services, strengthen business cooperation with non-traditional financial service bases such as Laierfu supermarkets, LINE Pay one-card, campus payment, etc., and link with online and offline cash flow services.

E. Target the young digital group, integrate the resources of the whole bank and various financial products, and increase the number of accounts and business operations through promotional strategies such as business discounts, strategic partners, cross-industry cooperation, and cross-marketing.

(4) Strengthen the marketing application of the community and various information platforms

Strengthen community management, improve the integration and application of various information platforms such as LINE BC, SMS, e-DM, etc., and combine new functions related to LINE API, continue to optimize and add personalized message notifications, marketing promotion and other service applications.

(5) Integration and application of new digital financial services

A. Establish a big data forecasting model for cross-industry sales of individual funds and corporate funds, and strengthen the application and implementation of the model to facilitate cross-penetration of customers across business categories.

B. Cooperate with the competent authorities to assess and build various cross-system services (such as MyData digital service personalization, Open Banking API and other services).

C. The customer service system introduces intelligent customer service and voiceprint recognition system to reduce the cost of dedicated service and improve service efficiency and quality.

D. Develop customer service OTP text message verification method to strengthen identity verification function.

E. Video customer service can replace face-to-counter verification and strengthen identity verification.

F. Foreign customer service outsourcing service, assisting in dealing with foreign migrant workers, data storage business and APP use related issues.

7. Securities Business:

(1) Strengthen the stability and backup mechanism of the securities trading system, and at the same time establish the SOP process for information security and trading system abnormalities.

(2) Cooperate with the opening of all accounts, continue to promote online account opening, and strive to increase the ratio of active accounts to achieve the market share target.

(3) Establishment of order takers, overall planning of company resources, and continuous recruitment of salespersons.

(4) Strengthen the connection with branches and increase the contribution of branches to securities.

(5) Regularly invite futures companies to assist in organizing futures customer seminars to increase options customers.

8. Others:

(1) All businesses of the Bank will continue to promote relevant businesses in

response to business opportunities derived from climate risk issues, and will continue to monitor and control the various objectives, indicators and risk management mechanisms that have been formulated; The Bank's ESG Sustainability Report discloses the handling of related governance, strategies, risk management, indicators and goals.

- (2) In terms of investment business, actively cultivate financial transaction talents, carefully select investment targets, and implement the disciplinary requirements for risk control related to capital operations, so as to inject the Bank's profits.
- (3) Make every effort to improve the profitability of various assets, strengthen risk management, and maintain good asset quality.

(2)Channel Development

1. The bank has a total of 90 business offices in China, and continues to actively expand its overseas business territory and expand its operations.
2. In order to provide customers with more convenient services, the bank has been actively expanding non-bank ATMs in recent years, hoping to enhance the bank's brand image and popularity through the extension of channels. By the end of 2022, the bank has installed a total of 555 internal and external ATMs.

(3)The Bank's 2023 Estimated Operational Targets

1.

Type of Business	2023Target
Deposit (including foreign currencies)	Average balance of NT\$774,090,000,000 at the end of the year
Lending (excluding credit card)	Average balance of NT\$551,630,000,000 at the end of the year
Foreign Exchange	Annual transaction of US\$8,545,000,000

2. Improvement of business performance-related indicators:

In response to BASEL regulations, maintain capital levels to meet the supervisory benchmarks of various capital ratios of the competent authority, and maintain stable funding sources and high-quality current assets to meet the net stable funding ratio (NSFR) and liquidity coverage ratio (LCR) standard.

With the supervision of all shareholders and the effort of all employees, we hope to achieve all operating targets and create even more outstanding performance to answer to the expectations of the shareholders and the society. We hope that all shareholders will continue to encourage and guide the Bank.

Chairman: Lin Jeff Manager: Xu Weiwen Accounting Head: Lu Wenjuan

Union Bank of Taiwan

Audit Committee Audit Report

The Bank's 2022 consolidated financial report is prepared in accordance with the standards for the preparation of financial reports for publicly issued banks, the standards for the preparation of financial reports for securities firms, and the international financial reporting standards, international accounting standards, interpretations and interpretation announcements approved and promulgated by the Financial Regulatory Commission. 2022 The annual individual financial report is prepared in accordance with the financial report preparation standards of publicly issued banks and the financial report preparation standards of securities firms, and has been checked by Deloitte & Touche Li Guan-Howe and Yang Cheng-Hsiu accountants After the review by the Audit Committee, After review by the Audit Committee, it is deemed that there is no discrepancy. In accordance with the provisions of Articles 14-4 and 36 of the Securities and Exchange Act, a report is prepared, please check .

To

Union Bank of Taiwan 2023 General Shareholder Meeting

Union Bank of Taiwan

Chairman of Audit Committee: Li Guo Chang

13 March 2023

INDEPENDENT AUDITORS' REPORT

Attachment 3

The Board of Directors and Stockholders

Union Bank of Taiwan

Opinion

We have audited the accompanying financial statements of Union Bank of Taiwan (the "Bank"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2022 and 2021, 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 Banks and Regulations Governing the Preparation of Financial Reports by Securities Firms.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Bank's financial statements for the year ended December 31, 2022 are described as follows:

Assessment of the Impairment of Discounts and Loans

As of December 31, 2022, the net amount of discounts and loans of the Bank was approximately 64% of total assets, and was considered material to the financial statements as a whole. Refer to Note 14 to the financial statements. The Bank's management perform loan impairment assessment that involves making critical judgments on accounting estimates and assumptions; therefore, we determined allowance for possible losses on discounts and loans as a key audit matter for the year ended December 31, 2022.

The Bank's management periodically perform loan impairment assessment that requires making judgments to measure loss allowance at an amount equal to expected credit losses. Besides assessing expected credit losses of loans in accordance with IFRS 9 "Financial Instruments", The Bank's management complies with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans and related regulations when assessing classification of credit assets and recognizing allowance for possible losses.

For the accounting policies and relevant information on loan impairment assessment, refer to Notes 4, 5 and 14 to the financial statements.

The main audit procedures we performed in response to certain aspects of the key audit matter described above were as follows:

1. We obtained an understanding of the relevant internal controls in respect of the Bank's loan impairment assessment and tested the operating effectiveness of such controls.
2. We tested the classification of credit assets in accordance with relevant regulations issued by management and authorities. In addition, we calculated the required provision of allowance for possible losses on loans in order to assess whether the recognized amount complied with the

regulations.

3. We assessed the reasonableness and consistency of the methodology applied by management in the calculation of expected credit losses; we tested the completeness of the loans and the accuracy of the calculation of expected credit losses for selected 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 Banks and Regulations Governing the Preparation of Financial Reports by Securities Firms, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Kuan-Hao Lee and Chen-Hsiu Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

UNION BANK OF TAIWAN

BBALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS	\$ 11,806,105	2	\$ 12,822,394	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS	24,624,316	3	29,553,111	4
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	27,316,180	3	45,833,426	6
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	58,665,959	7	60,672,055	7
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST	82,519,002	10	77,431,542	9
SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL	43,731,932	5	57,688,435	7
RECEIVABLES, NET	26,655,389	3	25,351,438	3
DISCOUNTS AND LOANS, NET	528,761,720	64	493,750,735	60
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET	7,044,344	1	6,523,042	1
OTHER FINANCIAL ASSETS, NET	1,520,811	-	1,605,569	-
PROPERTY AND EQUIPMENT, NET	8,155,271	1	7,913,431	1
RIGHT-OF-USE ASSETS	1,341,040	-	1,590,101	-
Goodwill	1,985,307	-	1,985,306	-
Computer software	186,741	-	182,782	-
DEFERRED TAX ASSETS	504,970	-	706,598	-
OTHER ASSETS, NET	<u>3,871,175</u>	<u>1</u>	<u>2,970,253</u>	<u>-</u>
TOTAL	<u>\$ 828,690,262</u>	<u>100</u>	<u>\$ 826,580,218</u>	<u>100</u>
LIABILITIES AND EQUITY				
DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS	\$ 4,790,895	1	\$ 9,296,313	1
DUE TO THE CENTRAL BANK AND OTHER BANKS	-	-	6,741,390	1
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	931,500	-	495,421	-
SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE	34,298,607	4	51,279,756	6
PAYABLES	7,033,812	1	8,154,976	1
CURRENT TAX LIABILITIES	637,420	-	411,559	-
DEPOSITS AND REMITTANCES	710,745,127	86	672,825,605	82
BANK DEBENTURES	5,000,000	1	7,700,000	1
OTHER FINANCIAL LIABILITIES	-	-	6,446	-
PROVISIONS	327,115	-	361,874	-
LEASE LIABILITIES	1,325,495	-	1,576,632	-
DEFERRED TAX LIABILITIES	1,735,860	-	1,604,370	-
OTHER LIABILITIES	<u>794,009</u>	<u>-</u>	<u>990,565</u>	<u>-</u>
Total liabilities	<u>767,619,840</u>	<u>93</u>	<u>761,444,907</u>	<u>92</u>
EQUITY				
Share capital				
Ordinary shares	35,940,460	4	32,952,187	4
Preference shares	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>
Total share capital	<u>37,940,460</u>	<u>4</u>	<u>34,952,187</u>	<u>4</u>
Capital surplus	<u>8,076,826</u>	<u>1</u>	<u>8,051,984</u>	<u>1</u>
Retained earnings				
Legal reserve	10,589,878	1	8,924,700	1
Special reserve	627,440	-	627,440	-
Unappropriated earnings	<u>4,473,399</u>	<u>1</u>	<u>6,932,579</u>	<u>1</u>
Total retained earnings	<u>15,690,717</u>	<u>2</u>	<u>16,484,719</u>	<u>2</u>
Other equity	<u>(637,581)</u>	<u>-</u>	<u>5,646,421</u>	<u>1</u>
Total equity	<u>61,070,422</u>	<u>7</u>	<u>65,135,311</u>	<u>8</u>
TOTAL	<u>\$ 828,690,262</u>	<u>100</u>	<u>\$ 826,580,218</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements

UNION BANK OF TAIWAN

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
NET INTEREST					
Interest revenue	\$ 14,885,912	111	\$ 11,537,639	81	29
Interest expense	<u>4,978,798</u>	<u>37</u>	<u>2,863,330</u>	<u>20</u>	74
Net interest	<u>9,907,114</u>	<u>74</u>	<u>8,674,309</u>	<u>61</u>	14
NET REVENUE OTHER THAN INTEREST					
Commissions and fee revenue, net	3,327,946	25	3,064,775	22	9
(Loss) gain on financial assets and liabilities at fair value through profit or loss	(296,501)	(2)	557,486	4	(153)
Realized gain on financial assets at fair value through other comprehensive income	772,231	6	875,982	6	(12)
Share of profit of subsidiaries and associates	155,959	1	79,960	1	95
Foreign exchange gain, net	537,072	4	683,542	5	(21)
Impairment loss on assets	(1,269,245)	(9)	(90,697)	(1)	1,299
Securities brokerage fee revenue, net	190,882	1	300,193	2	(36)
Loss on disposal of properties and equipment, net	(4,563)	-	(1,193)	-	282
Other noninterest gain, net	<u>26,150</u>	<u>-</u>	<u>20,858</u>	<u>-</u>	25
TOTAL NET REVENUE	<u>13,347,045</u>	<u>100</u>	<u>14,165,215</u>	<u>100</u>	(6)
PROVISIONS					
Provision of allowance for doubtful accounts and provision for losses on commitments and guarantees	<u>481,754</u>	<u>4</u>	<u>776,891</u>	<u>5</u>	(38)
OPERATING EXPENSES					
Employee benefit expense	3,971,685	30	3,979,844	28	-
Depreciation and amortization	780,288	6	803,620	6	(3)
Others	<u>3,619,814</u>	<u>27</u>	<u>3,443,049</u>	<u>24</u>	5
Total operating expenses	<u>8,371,787</u>	<u>63</u>	<u>8,226,513</u>	<u>58</u>	2

(Continued)

UNION BANK OF TAIWAN

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INCOME BEFORE INCOME TAX	4,493,504	33	5,161,811	37	(13)
INCOME TAX EXPENSE	<u>954,434</u>	<u>7</u>	<u>698,043</u>	<u>5</u>	37
NET INCOME	<u>3,539,070</u>	<u>26</u>	<u>4,463,768</u>	<u>32</u>	(21)
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	(79,907)	-	(940)	-	8,401
Unrealized (loss) gain on investments in equity instrument at fair value through other comprehensive income	(1,684,799)	(13)	1,772,006	12	(195)
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	(271,454)	(2)	540,371	4	(150)
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(49,395)</u>	<u>-</u>	<u>34,734</u>	<u>-</u>	(242)
Items that will not be reclassified subsequently to profit or loss, net of income tax	<u>(2,085,555)</u>	<u>(15)</u>	<u>2,346,171</u>	<u>16</u>	(189)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of the financial statements of foreign operations	1,453,521	11	(361,067)	(3)	503

(Continued)

UNION BANK OF TAIWAN

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	(34,963)	(1)	(256,536)	(2)	(86)
Unrealized loss on investments in debt instruments at fair value through other comprehensive income	(5,768,822)	(43)	(918,605)	(6)	528
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(290,704)</u>	<u>(2)</u>	<u>72,213</u>	<u>1</u>	(503)
Items that may be reclassified subsequently to profit or loss, net of income tax	<u>(4,640,968)</u>	<u>(35)</u>	<u>(1,463,995)</u>	<u>(10)</u>	217
Other comprehensive income for the year, net of income tax	<u>(6,726,523)</u>	<u>(50)</u>	<u>882,176</u>	<u>6</u>	(862)
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ (3,187,453)</u>	<u>(24)</u>	<u>\$ 5,345,944</u>	<u>38</u>	(160)
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 41)					
Basic	<u>\$0.85</u>		<u>\$1.11</u>		
Diluted	<u>\$0.85</u>		<u>\$1.11</u>		

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

UNION BANK OF TAIWAN

STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	Share Capital			Capital Surplus	Retained Earnings				Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total Equity
	Ordinary Shares	Preference Shares	Total		Legal Reserve	Special Reserve	Unappropriated Earnings	Total				
BALANCE AT JANUARY 1, 2021	\$ 30,933,688	\$ 2,000,000	\$ 32,933,688	\$ 8,040,035	\$ 7,883,630	\$ 627,440	\$ 4,854,972	\$ 13,366,042	\$ (1,091,223)	\$ 6,942,293	\$ 5,851,070	\$ 60,190,835
Appropriation of the 2020 earnings												
Legal reserve	-	-	-	-	1,041,070	-	(1,041,070)	-	-	-	-	-
Cash dividends on preference shares	-	-	-	-	-	-	(480,000)	(480,000)	-	-	-	(480,000)
Stock dividends on common shares	1,951,916	-	1,951,916	-	-	-	(1,951,916)	(1,951,916)	-	-	-	-
Net income for the year ended December 31, 2021	-	-	-	-	-	-	4,463,768	4,463,768	-	-	-	4,463,768
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	-	-	228	228	(545,390)	1,427,338	881,948	882,176
Share-based payment	66,583	-	66,583	5,659	-	-	-	-	-	-	-	72,242
Changes in ownership interests in subsidiaries	-	-	-	6,290	-	-	-	-	-	-	-	6,290
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	1,086,597	1,086,597	-	(1,086,597)	(1,086,597)	-
BALANCE AT DECEMBER 31, 2021	32,952,187	2,000,000	34,952,187	8,051,984	8,924,700	627,440	6,932,579	16,484,719	(1,636,613)	7,283,034	5,646,421	65,135,311
Appropriation of the 2021 earnings												
Legal reserve	-	-	-	-	1,665,178	-	(1,665,178)	-	-	-	-	-
Cash dividends on common shares	-	-	-	-	-	-	(494,282)	(494,282)	-	-	-	(494,282)
Cash dividends on preference shares	-	-	-	-	-	-	(480,000)	(480,000)	-	-	-	(480,000)
Stock dividends on common shares	2,916,269	-	2,916,269	-	-	-	(2,916,269)	(2,916,269)	-	-	-	-
Net income for the year ended December 31, 2022	-	-	-	-	-	-	3,539,070	3,539,070	-	-	-	3,539,070
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	(62,001)	(62,001)	1,127,854	(7,792,376)	(6,664,522)	(6,726,523)
Share-based payment	72,004	-	72,004	24,842	-	-	-	-	-	-	-	96,846
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	(380,520)	(380,520)	-	380,520	380,520	-
BALANCE AT DECEMBER 31, 2022	<u>\$ 35,940,460</u>	<u>\$ 2,000,000</u>	<u>\$ 37,940,460</u>	<u>\$ 8,076,826</u>	<u>\$ 10,589,878</u>	<u>\$ 627,440</u>	<u>\$ 4,473,399</u>	<u>\$ 15,690,717</u>	<u>\$ (508,759)</u>	<u>\$ (128,822)</u>	<u>\$ (637,581)</u>	<u>\$ 61,070,422</u>

The accompanying notes are an integral part of the financial statements

UNION BANK OF TAIWAN
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 4,493,504	\$ 5,161,811
Adjustments for:		
Depreciation expense	694,405	717,519
Amortization expense	85,883	86,101
Expected credit losses/provision of allowance for doubtful accounts	481,754	776,891
Loss (gain) on disposal of financial assets at fair value through profit or loss	339,993	(503,731)
Interest expense	4,978,798	2,863,330
Interest revenue	(14,885,912)	(11,537,639)
Dividend income	(735,418)	(564,470)
Share of profit of subsidiaries and associates	(155,959)	(73,295)
Gain on disposal of associates	-	(6,665)
Loss on disposal of properties and equipment	4,563	1,193
Gain on disposal of investments	(80,305)	(365,267)
Impairment loss recognized on financial assets	1,279,572	22,479
Reversal of impairment loss on financial assets	(8,219)	-
Impairment loss on nonfinancial asset	-	68,935
Reversal of impairment loss on nonfinancial asset	(2,108)	(717)
Gain on disposal of collaterals	1,008	240
Changes in operating assets and liabilities		
Due from the Central Bank and call loans to banks	4,928,795	(5,227,313)
Financial assets at fair value through profit or loss	19,598,792	(10,444,144)
Financial assets at fair value through other comprehensive income	(6,722,782)	(6,599,533)
Investments in debt instruments at amortized cost	(5,181,515)	13,084,558
Receivables	(852,188)	(2,499,589)
Discounts and loans	(35,634,450)	(70,149,182)
Other financial assets	90,959	2,926,067
Deposits from the Central Bank and other banks	(4,505,418)	(2,646,550)
Financial liabilities at fair value through profit or loss	(985,460)	(628,402)
Securities sold under repurchase agreements	(16,981,149)	6,851,580
Payables	(1,247,349)	2,827,518
Deposits and remittances	37,919,522	64,556,091
Other financial liabilities	(6,446)	(108,915)
Provision for employee benefits	(79,905)	(940)
Cash used in operations activities	(13,167,035)	(11,412,039)
Interest received	14,668,232	11,575,870
Dividend received	773,079	586,800
Interest paid	(4,755,768)	(2,894,026)
Income tax paid	(735,554)	(342,995)
Net cash used in operating activities	(3,217,046)	(2,486,390)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of associates	(481,394)	(357,844)

(Continued)

UNION BANK OF TAIWAN

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

	2022	2021
Disposal of associates	-	45,007
Payments for properties and equipment	(546,522)	(345,503)
Decrease in settlement fund	(324)	(3,386)
Increase in refundable deposits	(969,725)	(248,099)
Payments for intangible assets	(53,488)	(50,332)
Proceeds from disposal of collaterals	1,100	477
Decrease in other assets	<u>69,127</u>	<u>32,832</u>
Net cash used in investing activities	<u>(1,981,226)</u>	<u>(926,848)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in due to Central Bank and other banks	-	2,954,670
Decrease in due to Central Bank and other banks	(6,741,390)	-
Proceeds from issue of bank debentures	-	3,000,000
Repayments of bank debentures	(2,700,000)	(2,500,000)
Proceeds from guarantee deposits received	-	4,164
Decrease in guarantee deposits received	(30,918)	-
Repayment of the principal portion of lease liabilities	(432,733)	(437,403)
Decrease in other liabilities	(196,937)	(133,357)
Dividends paid	<u>(974,282)</u>	<u>(480,000)</u>
Net cash generated from (used in) financing activities	<u>(11,076,260)</u>	<u>2,408,074</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>1,301,740</u>	<u>(498,314)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(14,972,792)	(1,503,478)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>70,510,829</u>	<u>72,014,307</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 55,538,037</u>	<u>\$ 70,510,829</u>

(Continued)

UNION BANK OF TAIWAN

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

Reconciliation of the amounts in the statements of cash flows with the equivalent items reported in the balance sheets as of December 31, 2022 and 2021:

	December 31	
	2022	2021
Cash and cash equivalents in balance sheets	\$ 11,806,105	\$ 12,822,394
Securities purchased under agreements to resell that meet the definition of cash and cash equivalents in IAS 7	<u>43,731,932</u>	<u>57,688,435</u>
Cash and cash equivalents in statements of cash flows	<u>\$ 55,538,037</u>	<u>\$ 70,510,829</u>

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

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders

Union Bank of Taiwan

Opinion

We have audited the accompanying consolidated financial statements of Union Bank of Taiwan (the "Bank") and its subsidiaries (collectively, the "Company"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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 consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Company's consolidated financial statements for the year ended December 31, 2022 are described as follows:

Assessment of the Impairment of Discounts and Loans

As of December 31, 2022, the net amount of discounts and loans of the Company was approximately 63% of total consolidated assets, and was considered material to the financial statements as a whole. Refer to Note 14 to the consolidated financial statements. The Company's management perform loan impairment assessment that involves making critical judgments on accounting estimates and assumptions; therefore, we determined allowance for possible losses on discounts and loans as a key audit matter for the year ended December 31, 2022.

The Company's management periodically perform loan impairment assessment that requires making judgments to measure loss allowance at an amount equal to expected credit losses. Besides assessing expected credit losses of loans in accordance with IFRS 9 "Financial Instruments", The Company's management complies with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans and related regulations when assessing classification

of credit assets and recognizing allowance for possible losses.

For the accounting policies and relevant information on loan impairment assessment, refer to Notes 4, 5 and 14 to the consolidated financial statements.

The main audit procedures we performed in response to certain aspects of the key audit matter described above were as follows:

1. We obtained an understanding of the relevant internal controls in respect of the Bank's loan impairment assessment and tested the operating effectiveness of such controls.
2. We tested the classification of credit assets in accordance with relevant regulations issued by management and authorities. In addition, we calculated the required provision of allowance for possible losses on loans in order to assess whether the recognized amount complied with the regulations.
3. We assessed the reasonableness and consistency of the methodology applied by management in the calculation of expected credit losses; we tested the completeness of the loans and the accuracy of the calculation of expected credit losses for selected loans.

Other Matter

We have also audited the separate financial statements of Union Bank of Taiwan as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, and IFRS, IAS, IFRIC, and 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 Consolidated Financial Statements

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to

provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Kuan-Hao Lee and Chen-Hsiu Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 15, 2023

UNION BANK OF TAIWAN AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022		2021	
	Amount	%	Amount	%
ASSETS				
CASH AND CASH EQUIVALENTS	\$ 12,598,697	2	\$ 13,767,806	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS	24,624,316	3	29,553,111	4
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	29,047,342	3	46,643,053	6
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	59,513,169	7	61,748,943	7
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST	82,519,002	10	77,431,542	9
SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL	43,741,945	5	57,721,456	7
RECEIVABLES, NET	29,180,983	3	27,476,621	3
CURRENT TAX ASSETS	1,593	-	5,133	-
DISCOUNTS AND LOANS, NET	528,118,601	63	493,232,510	59
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET	1,937,259	-	1,993,160	-
OTHER FINANCIAL ASSETS, NET	1,638,825	-	1,681,562	-
PROPERTY AND EQUIPMENT, NET	12,518,775	2	9,967,221	1
RIGHT-OF-USE ASSETS	1,674,658	-	1,908,089	-
INVESTMENT PROPERTIES, NET	4,803,059	1	4,911,521	1
GOODWILL	1,985,307	-	1,985,307	-
COMPUTER SOFTWARE	199,103	-	193,019	-
DEFERRED TAX ASSETS	732,966	-	925,832	-
OTHER ASSETS, NET	<u>10,164,333</u>	<u>1</u>	<u>10,443,260</u>	<u>1</u>
TOTAL	<u>\$ 844,999,933</u>	<u>100</u>	<u>\$ 841,589,146</u>	<u>100</u>
LIABILITIES AND EQUITY				
DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS	\$ 5,817,199	1	\$ 10,000,142	1
DUE TO THE CENTRAL BANK AND OTHER BANKS	904,865	-	7,142,055	1
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	931,500	-	495,421	-
SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE	34,298,607	4	51,279,756	6
PAYABLES	7,256,873	1	8,519,964	1
CURRENT TAX LIABILITIES	660,557	-	451,475	-
DEPOSITS AND REMITTANCES	707,914,334	84	671,382,858	80
BANK DEBENTURES	5,000,000	1	7,700,000	1
BONDS PAYABLE	1,001,523	-	1,047,276	-
PREFERRED STOCK LIABILITY	375,000	-	371,500	-
OTHER FINANCIAL LIABILITIES	10,508,961	1	9,784,240	1
PROVISIONS	349,779	-	382,688	-
LEASE LIABILITIES	1,662,565	-	1,894,074	-
DEFERRED TAX LIABILITIES	1,819,261	-	1,675,426	-
OTHER LIABILITIES	<u>3,381,987</u>	<u>1</u>	<u>3,597,202</u>	<u>1</u>
Total liabilities	<u>781,883,011</u>	<u>93</u>	<u>775,724,077</u>	<u>92</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK				
Share capital				
Ordinary shares	35,940,460	4	32,952,187	4
Preference shares	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>
Total share capital	<u>37,940,460</u>	<u>4</u>	<u>34,952,187</u>	<u>4</u>
Capital surplus	<u>8,076,826</u>	<u>1</u>	<u>8,051,984</u>	<u>1</u>
Retained earnings				
Legal reserve	10,589,878	1	8,924,700	1
Special reserve	627,440	-	627,440	-
Unappropriated earnings	<u>4,473,399</u>	<u>1</u>	<u>6,932,579</u>	<u>1</u>
Total retained earnings	<u>15,690,717</u>	<u>2</u>	<u>16,484,719</u>	<u>2</u>
Other equity	<u>(637,581)</u>	<u>-</u>	<u>5,646,421</u>	<u>1</u>
Total equity attributable to owners of the Bank	61,070,422	7	65,135,311	8
NON-CONTROLLING INTERESTS	<u>2,046,500</u>	<u>-</u>	<u>729,758</u>	<u>-</u>
Total equity	<u>63,116,922</u>	<u>7</u>	<u>65,865,069</u>	<u>8</u>
TOTAL	<u>\$ 844,999,933</u>	<u>100</u>	<u>\$ 841,589,146</u>	<u>100</u>

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

UNION BANK OF TAIWAN AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
NET INTEREST					
Interest revenue	\$ 14,962,590	94	\$ 11,635,599	70	29
Interest expense	<u>5,120,855</u>	<u>32</u>	<u>2,973,928</u>	<u>18</u>	72
Net interest	<u>9,841,735</u>	<u>62</u>	<u>8,661,671</u>	<u>52</u>	14
NET REVENUE OTHER THAN INTEREST					
Commissions and fee revenue, net	3,321,684	21	3,054,372	18	9
(Loss) Gain on financial assets and liabilities at fair value through profit or loss	(203,322)	(1)	589,123	4	(135)
Realized gain on financial assets at fair value through other comprehensive income	788,478	5	893,737	5	(12)
Share of loss of associates	(55,901)	-	(7,490)	-	646
Foreign exchange gain	547,695	3	674,680	4	(19)
Impairment loss on assets	(1,269,245)	(8)	(153,955)	(1)	724
Securities brokerage fee revenue, net	320,007	2	460,999	3	(31)
Rental revenue	2,318,359	14	2,334,323	14	(1)
Other noninterest gain, net	<u>375,849</u>	<u>2</u>	<u>181,313</u>	<u>1</u>	107
TOTAL NET REVENUE	<u>15,985,339</u>	<u>100</u>	<u>16,688,773</u>	<u>100</u>	(4)
PROVISIONS					
Provision of allowance for doubtful accounts and provision for losses on commitments and guarantees	<u>499,377</u>	<u>3</u>	<u>805,824</u>	<u>5</u>	(38)
OPERATING EXPENSES					
Employee benefit expense	4,298,695	27	4,301,694	26	-
Depreciation and amortization	2,713,880	17	2,637,588	16	3
Others	<u>3,923,613</u>	<u>25</u>	<u>3,733,423</u>	<u>22</u>	5
Total operating expenses	<u>10,936,188</u>	<u>69</u>	<u>10,672,705</u>	<u>64</u>	2

(Continued)

UNION BANK OF TAIWAN AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INCOME BEFORE INCOME TAX	4,549,774	28	5,210,244	31	(13)
INCOME TAX EXPENSE	<u>1,008,240</u>	<u>6</u>	<u>746,848</u>	<u>4</u>	35
CONSOLIDATED NET INCOME	<u>3,541,534</u>	<u>22</u>	<u>4,463,396</u>	<u>27</u>	(21)
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	(77,502)	(1)	287	-	(27,104)
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(1,958,173)	(12)	2,311,402	14	(185)
Income tax relating to items that will not be reclassified subsequently to profit or loss	(49,876)	-	34,489	-	(245)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of the financial statements of foreign operations	1,409,818	9	(681,737)	(4)	307
Unrealized loss on investments in debt instruments at fair value through other comprehensive income	(5,768,822)	(36)	(918,605)	(6)	528
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(281,964)</u>	<u>(2)</u>	<u>136,347</u>	<u>1</u>	(307)
Other comprehensive income for the year, net of income tax	<u>(6,726,519)</u>	<u>(42)</u>	<u>882,183</u>	<u>5</u>	(862)
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ (3,184,985)</u>	<u>(20)</u>	<u>\$ 5,345,579</u>	<u>32</u>	(160)

(Continued)

UNION BANK OF TAIWAN AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<u>2022</u>		<u>2021</u>		<u>Percentage Increase (Decrease)</u>
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>%</u>
NET INCOME ATTRIBUTABLE TO:					
Owners of the Bank	\$ 3,539,070	22	\$ 4,463,768	27	(21)
Non-controlling interests	<u>2,464</u>	<u>-</u>	<u>(372)</u>	<u>-</u>	762
	<u>\$ 3,541,534</u>	<u>22</u>	<u>\$ 4,463,396</u>	<u>27</u>	(21)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
Owners of the Bank	\$ (3,187,453)	(20)	\$ 5,345,944	32	(160)
Non-controlling interests	<u>2,468</u>	<u>-</u>	<u>(365)</u>	<u>-</u>	776
	<u>\$ (3,184,985)</u>	<u>(20)</u>	<u>\$ 5,345,579</u>	<u>32</u>	(160)
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 46)					
Basic	<u>\$0.85</u>		<u>\$1.11</u>		
Diluted	<u>\$0.85</u>		<u>\$1.11</u>		

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

(Concluded)

UNION BANK OF TAIWAN AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Equity Attributable Owners of the Company										Other Equity			
	Share Capital			Capital Surplus	Retained Earnings				Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gains (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total	Non-controlling Interests	Total Equity
	Ordinary Shares	Preference Shares	Total		Legal Reserve	Special Reserve	Unappropriated Earnings	Total						
BALANCE AT JANUARY 1, 2021	\$ 30,933,688	\$ 2,000,000	\$ 32,933,688	\$ 8,040,035	\$ 7,883,630	\$ 627,440	\$ 4,854,972	\$ 13,366,042	\$ (1,091,223)	\$ 6,942,293	\$ 5,851,070	\$ 60,190,835	\$ 1,577	\$ 60,192,412
Appropriation of the 2020 earnings														
Legal reserve	-	-	-	-	1,041,070	-	(1,041,070)	-	-	-	-	-	-	-
Cash dividends on preference shares	-	-	-	-	-	-	(480,000)	(480,000)	-	-	-	(480,000)	-	(480,000)
Stock dividends on common shares	1,951,916	-	1,951,916	-	-	-	(1,951,916)	(1,951,916)	-	-	-	-	-	-
Net income for the year ended December 31, 2021	-	-	-	-	-	-	4,463,768	4,463,768	-	-	-	4,463,768	(372)	4,463,396
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	-	-	228	228	(545,390)	1,427,338	881,948	882,176	7	882,183
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	205,205	205,205
Share-based payment	66,583	-	66,583	5,659	-	-	-	-	-	-	-	72,242	-	72,242
Changes in ownership interests in subsidiaries	-	-	-	6,290	-	-	-	-	-	-	-	6,290	(659)	5,631
Preferred stock liabilities converted to preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	524,000	524,000
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	1,086,597	1,086,597	-	(1,086,597)	(1,086,597)	-	-	-
BALANCE AT DECEMBER 31, 2021	32,952,187	2,000,000	34,952,187	8,051,984	8,924,700	627,440	6,932,579	16,484,719	(1,636,613)	7,283,034	5,646,421	65,135,311	729,758	65,865,069
Appropriation of the 2021 earnings														
Legal reserve	-	-	-	-	1,665,178	-	(1,665,178)	-	-	-	-	-	-	-
Cash dividends on common shares	-	-	-	-	-	-	(494,282)	(494,282)	-	-	-	(494,282)	-	(494,282)
Cash dividends on preference shares	-	-	-	-	-	-	(480,000)	(480,000)	-	-	-	(480,000)	-	(480,000)
Stock dividends on common shares	2,916,269	-	2,916,269	-	-	-	(2,916,269)	(2,916,269)	-	-	-	-	-	-
Net income for the year ended December 31, 2022	-	-	-	-	-	-	3,539,070	3,539,070	-	-	-	3,539,070	2,464	3,541,534
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	(62,001)	(62,001)	1,127,854	(7,792,376)	(6,664,522)	(6,726,523)	4	(6,726,519)
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	1,314,274	1,314,274
Share-based payment	72,004	-	72,004	24,842	-	-	-	-	-	-	-	96,846	-	96,846
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	(380,520)	(380,520)	-	380,520	380,520	-	-	-
BALANCE AT DECEMBER 31, 2022	<u>\$ 35,940,460</u>	<u>\$ 2,000,000</u>	<u>\$ 37,940,460</u>	<u>\$ 8,076,826</u>	<u>\$ 10,589,878</u>	<u>\$ 627,440</u>	<u>\$ 4,473,399</u>	<u>\$ 15,690,717</u>	<u>\$ (508,759)</u>	<u>\$ (128,822)</u>	<u>\$ (637,581)</u>	<u>\$ 61,070,422</u>	<u>\$ 2,046,500</u>	<u>\$ 63,116,922</u>

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

UNION BANK OF TAIWAN AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 4,549,774	\$ 5,210,244
Adjustments for:		
Depreciation expense	2,620,997	2,544,293
Amortization expense	92,883	93,295
Expected credit losses/provision of allowance for doubtful accounts	499,377	805,824
Loss (gain) on disposal of financial assets at fair value through profit or loss	378,723	(535,113)
Interest expense	5,120,855	2,973,928
Interest revenue	(14,962,590)	(11,635,599)
Dividend income	(751,874)	(582,480)
Share of loss of associates	55,901	14,155
Gain on disposal of investments on associates	-	(6,665)
Gain on disposal of properties and equipment	(77,126)	(60,210)
Gain on disposal of investments	(80,305)	(365,267)
impairment loss on financial assets	1,279,572	22,479
Reversal of impairment loss on financial assets	(8,219)	-
Impairment loss on nonfinancial assets	-	132,193
Reversal of impairment loss on nonfinancial assets	(2,108)	(717)
Loss on disposal of collaterals	1,008	240
Changes in operating assets and liabilities		
Due from the Central Bank and call loans to banks	4,928,795	(5,227,313)
Financial assets at fair value through profit or loss	18,638,526	(10,308,271)
Financial assets at fair value through other comprehensive income	(6,473,341)	(6,432,923)
Investments in debt instruments at amortized cost	(5,181,515)	13,084,558
Receivables	(1,064,363)	(2,163,779)
Discounts and loans	(35,509,315)	(71,090,628)
Other financial assets	48,938	2,927,936
Deposits from the Central Bank and other banks	(3,864,543)	(2,480,972)
Financial liabilities at fair value through profit or loss	(985,460)	(628,402)
Securities sold under repurchase agreements	(16,981,149)	6,851,580
Payables	(1,491,526)	1,037,323
Deposits and remittances	36,531,476	64,522,359
Other financial liabilities	(6,445)	(108,917)
Provision for employee benefits	(75,374)	(1,406)
Other liabilities	(278)	(1,387)
Cash generated used in operations activities	(12,768,706)	(11,409,642)
Interest received	14,507,752	11,587,198
Dividends received	746,684	582,480
Interest paid	(4,750,963)	(3,051,101)
Income tax paid	(790,757)	(412,045)
Net cash used in operating activities	(3,055,990)	(2,703,110)
CASH FLOWS FROM INVESTING ACTIVITIES		

(Continued)

UNION BANK OF TAIWAN AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Acquisition of associates	-	(497,844)
Disposal of associates	-	45,007
Acquisition of subsidiary	-	(245,440)
Payments for properties and equipment	(2,116,964)	(365,463)
Proceeds from disposal of properties and equipment	1	75
Payments for investment properties	(11,214)	(18,663)
Increase in settlement fund	-	(3,387)
Decrease in settlement fund	(324)	-
Increase in refundable deposits	(1,025,315)	(243,477)
Payments for intangible assets	(98,967)	(57,808)
Proceeds from disposal of collaterals	1,100	477
Increase in other assets	<u>(1,146,252)</u>	<u>(2,167,885)</u>
Net cash used in investing activities	<u>(4,397,935)</u>	<u>(3,554,408)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in due to Central Bank and other banks	(6,545,390)	3,355,335
Increase in commercial paper	731,167	2,472,996
Repayment of bonds payable	(10,224)	(227,062)
Proceeds from issue of bank debentures	(2,700,000)	3,000,000
Repayments of bank debentures	-	(2,500,000)
Proceeds from issuance of preferred stock liability	375,000	371,500
Repayments of preferred stock liability	(371,500)	-
Proceeds from guarantee deposits received	-	130,395
Refund of guarantee deposits received	(111,977)	-
Repayment of the principal portion of lease liabilities	(482,985)	(470,599)
Decrease in other liabilities	(147,849)	(225,756)
Dividends paid	(974,282)	(480,000)
Preference shares issued by subsidiaries	1,314,000	-
Changes in non-controlling interests	<u>274</u>	<u>168,410</u>
Net cash generated from (used in) financing activities	<u>(8,923,766)</u>	<u>5,595,219</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>1,229,071</u>	<u>(721,350)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(15,148,620)	(1,383,649)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>71,489,262</u>	<u>72,872,911</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 56,340,642</u>	<u>\$ 71,489,262</u>

(Continued)

UNION BANK OF TAIWAN AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

Reconciliation of the cash and cash equivalents reported in the consolidated statements of cash flows with those reported in the consolidated balance sheets as of December 31, 2022 and 2021:

	December 31	
	2022	2021
Cash and cash equivalents in the consolidated balance sheets	\$ 12,598,697	\$ 13,767,806
Securities purchased under agreements to resell that meet the definition of cash and cash equivalents in IAS 7	<u>43,741,945</u>	<u>57,721,456</u>
Cash and cash equivalents in consolidated statements of cash flows	<u>\$ 56,340,642</u>	<u>\$ 71,489,262</u>

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

Attachment 4

Union Bank of Taiwan
2022 Profit Distribution Table

Unit: NT\$

Item	Amount	
Beginning Undistributed Profit		1, 376, 850, 321
Surplus after tax for the current period		3, 539, 070, 075
Determine the remeasurement amount of the welfare plan and recognize it in the retained surplus		(62, 001, 427)
Disposal of equity instruments at fair value through other comprehensive income		(380, 519, 521)
Provide the statutory surplus reserve for the year		(928, 964, 738)
Withdrawal of the special surplus reserve for the year		(129, 596, 576)
Current surplus available for distribution		3, 414, 838, 134
Assign items		
Special stock dividend (annual rate 4.8%)	(480, 000, 000)	
Common stock dividend (NT\$0.6per share)	(2, 156, 427, 617)	(2, 636, 427, 617)
Undistributed profit		778, 410, 517

Notes:

According to the Ministry of Finance's 1998.04.30 fiscal and taxation No. 871941343, when the surplus is distributed, it should be identified by individual identification. This surplus distribution will give priority to the surplus of 2022.

Chairman: Lin Jeff Manager: Xu Weiwen Accounting Head: Lu Wenjuan

Attachment 5

Salary Appraisal Principles

1. The remuneration and attendance fees of directors of the Bank are determined as follows according to their positions:

Remuneration/ attendance fee job title	monthly remuneration	per attendance fee	
		Executive Board	Board of Directors The Audit Committee Compensation Committee Director Nomination Committee
Chairman	<u>300, 000~</u> <u>600, 000</u>	none	
managing Director	50, 000	8, 000	6, 000
Independent Managing Director	60, 000		
director	10, 000	none	
independent director	60, 000		

2. Distribution of remuneration for directors: The amount allocated in accordance with Article 38 of the company's articles of association is calculated according to the weight ratio of each position in the table below.

job title	proportion
Chairman	3
Independent (Managing) Director	1.5
independent director	1.5
director	1

3. The results of the performance evaluation of the board of directors are regularly used as a reference for the adjustment of directors' remuneration.
4. This remuneration assessment principle shall be implemented after the resolution of the board of directors is passed, and the same shall apply to amendments.

Remuneration of directors in 2022

unit: Nt\$

job title	name	Director's Remuneration				
		remuneration	Director's Remuneration	holding trust	Execution business expenses	total
Chairman	* Li Siang Chang	3, 240, 000	4, 737, 055		1, 240, 000	9, 217, 055
Independent Managing Director	* Wang Gao Jing					
Independent Director	* Lu Ren Fa					
Director	*Union Enterprise Construction Co.,Ltd. (representative : Lin Jeff)					
Chairman	Union Investment Ltd. representative : Lin Jeff					
Independent Managing Directo	Li Guo Chang					
Independent Director	Lee Tzung Hang					
Independent Director	Fan Lin Yu					
Managing Director	Chuan Cheng Investment Co., Ltd. represented by: Chiang Chen Hsiung					
Director	Yo Bang Co., Ltd. (represented by: Cao Su Fong)					
Director	Bai Sheng Investment Co., Ltd. (represented by: Lin Si Yong)					
Director	Union Investment Ltd. represented by: Li, Wen Ming					
Director	Tu Herman					

*Note: Retired on 2021/7/20

Attachment 6

Articles of Association

Table of Comparison Clauses Before and After Amendment

Clause after Amendment	Clause before Amendment	Remarks
<p>Article 5-1 The rights and obligations of the Bank's special shares and other important issuance conditions are as follows: (slightly)</p> <p>2. Dividends for special shares are subject to an annual rate of 8% as the upper limit, and are calculated based on the issue price per share. Dividends can be paid in cash once a year. After the annual general meeting of shareholders approves the financial report and profit distribution, the board of directors will determine the base date before the payment. Annual dividends payable. The number of dividends paid in the year of issuance and the year of recovery shall be calculated based on the actual number of days of issuance in that year. (abbreviated below)</p>	<p>Article 5-1 The rights and obligations of the Bank's special shares and other important issuance conditions are as follows: (slightly)</p> <p>2. Dividends for special shares shall be capped at 8% per annum and calculated based on the issue price per share. Dividends may be distributed in cash in accordance with the bank's half-fiscal year and annual profit distribution. Dividends shall be paid on a base date determined by the board of directors. The number of dividends paid in the year of issuance and the year of recovery shall be calculated based on the actual number of days of issuance in that year. (abbreviated below)</p>	<p>Because the FSC explained that the bank's profit distribution should be recognized by the shareholders' meeting in accordance with Article 49 of the Banking Law, and Article 240, Item 5 of the Company Law is not applicable. Regulations on profit distribution after the end of each quarter or semi-annual period shall be revised in cooperation with the competent authority.</p>
<p>Article 37 The bank's fiscal year begins on January 1 of each year and ends on December 31 of the same year. After the end of each fiscal year, the following list should be prepared, and after review by the board of directors, it should be submitted to the audit committee or an accountant appointed by it for review 30 days before the regular meeting of shareholders, and then submitted to the regular meeting of shareholders for approval. Within 15 days after the approval at the general meeting of shareholders, the report shall be submitted to the central competent authority and the central bank for reference, and the financial statements shall be announced. (abbreviated below)</p>	<p>Article 37 The bank's fiscal year begins on January 1 of each year and ends on December 31 of the same year. After the end of each fiscal year, the following list should be prepared, and after review by the board of directors, it should be submitted to the audit committee or an accountant appointed by it for review 30 days before the regular meeting of shareholders, and then submitted to the regular meeting of shareholders for approval. Within 15 days after the approval at the general meeting of shareholders, it shall be reported to the central competent authority and the central bank for reference, and the balance sheet shall be announced. (abbreviated below)</p>	<p>In order to meet the actual operation situation, the text has been revised.</p>
<p>Article 39 If there is a surplus in the bank's annual final accounts, in addition to paying income tax according to law, it should first make up for the previous year's losses, and then set aside 30% as a statutory surplus reserve. Then, based on the balance and the accumulated undistributed earnings of the previous year, the board of directors will prepare a surplus distribution proposal and submit it to the shareholders' meeting for a resolution on the distribution of dividends and bonuses. (Second item deleted)</p>	<p>Article 39 If there is a surplus in the bank's annual final accounts, in addition to paying income tax according to law, it should first make up for the previous year's losses, and then set aside 30% as a statutory surplus reserve. Then, based on the balance and the accumulated undistributed earnings of the previous year, the board of directors will prepare a surplus distribution proposal and submit it to the shareholders' meeting for a resolution on the distribution of dividends and bonuses.</p>	<p>Item 2 of Article 39 is deleted, and the reason for the amendment is the same as that of Article 5-1.</p>

" Rules of Procedure for Shareholders' Meeting " Attachment 7

Table of Comparison Clauses Before and After Amendment

Clause after Amendment	Clause before Amendment	Remarks
<p>Article 3, (previously omitted) The Bank shall, 30 days before the regular shareholders' meeting or 15 days before the extraordinary shareholders' meeting, submit the notice of the shareholders' meeting, the paper of the power of attorney, the relevant proposals for recognition, discussion, election or dismissal of directors, supervisors, and other proposals. The case and explanatory materials are made into electronic files and sent to the Public Information Observation Station. And 21 days before the regular shareholders' meeting or 15 days before the extraordinary shareholders' meeting, the shareholders' meeting manual and supplementary materials for the meeting, make electronic files and send them to the public information observation station. If the amount reaches NT\$10 billion or more, or if the shareholders' list of shareholders held a regular meeting in the most recent fiscal year and the total shareholding ratio of foreign capital and mainland capital reaches 30% or more, the e-mail should be opened 30 days before the regular shareholders' meeting is completed. File transfer. Fifteen days before the shareholders' meeting, prepare the manual of the shareholders' meeting and supplementary materials for the meeting for shareholders to request at any time, and display them in the Bank and the professional stock affairs agency appointed by the Bank. On the day of the shareholders' meeting, the Bank shall provide shareholders with reference to the agenda manual and meeting supplementary materials mentioned in the preceding paragraph in the following ways: 1. When the physical shareholder meeting is held, it shall be issued on the spot of the shareholder meeting. 2. When convening a video-assisted shareholders' meeting, it shall be distributed at the site of the shareholders' meeting and sent to the video conference platform as an electronic file. 3. When convening a video conference, the electronic file shall be sent to the video conference platform. The notification and announcement shall specify the reason for the convening; the notification may be done electronically if the counterparty agrees. (omitted later))</p>	<p>Article 3, (previously omitted) Thirty days before the regular shareholders' meeting or 15 days before the extraordinary shareholders' meeting, the Bank shall submit the notice of the shareholders' meeting, the power of attorney, the reasons for the proposals, the proposals for discussion, the election or dismissal of directors, and other proposals and explanatory materials. Make an electronic file and send it to the Public Information Observatory. And 21 days before the regular shareholders' meeting or 15 days before the extraordinary shareholders' meeting, the shareholders' meeting manual and supplementary materials for the meeting will be prepared and sent to the public information observation station as electronic files. Fifteen days before the shareholders' meeting, the handbook of the shareholders' meeting and supplementary materials for the meeting shall be prepared for shareholders to request and read at any time, and shall be displayed at the Bank and the professional stock affairs agency appointed by the Bank, and shall be distributed on-site at the shareholders' meeting. The notification and announcement shall specify the reason for the convening; the notification may be done electronically if the counterparty agrees. Appointment or dismissal of directors, change of articles of association, capital reduction, application for cessation of public development, directors' non-competition permit, capital increase from surplus, capital increase from public reserve, company dissolution, merger, division, or the first subparagraphs of Article 185 of the Company Law, Article 26-1 and Article 43-6 of the Securities and Exchange Act, Article 56-1 and Article 60-2 of the Issuer's Handling Guidelines for Offering and Issuing Securities shall be included in the reason for the call Listing and explaining its main content shall not be proposed as an interim motion; its main content may be placed on the website designated by the securities regulatory authority or the Bank, and its website address shall be specified in the notice. (later omitted)</p>	<p>In line with the announcement of the Stock Exchange on March 8, 2022, Article 3 of the "Sample Rules of Procedures for the Shareholders' Meeting of ○○ Co., Ltd." was amended, and the following additions were added: 1. When the bank's paid-in capital and foreign shareholding ratio reach a certain ratio, it shall complete the transmission of the electronic file of the Proceedings Manual 30 days before the regular shareholders' meeting. 2. Shareholders' meeting manual and meeting supplementary materials shall be provided to shareholders for reference on the day of the shareholders' meeting in accordance with the meeting format. 3. Edit and delete text as appropriate.</p>
<p>Article 6, The Bank shall specify in the notice of the meeting the time and location of the acceptance of shareholders, solicitors, and authorized agents (hereinafter referred to as shareholders), and other matters to be noted. (delete) The time for accepting shareholder registration in the preceding paragraph shall be handled at least 30 minutes before the meeting starts; the registration office shall be clearly marked, and adequate and competent personnel shall be assigned to handle it; the shareholders meeting video meeting shall be held 30 minutes before the meeting starts at the shareholders meeting The meeting platform accepts registration, and shareholders who complete the registration are deemed to have attended the shareholders' meeting in person. Shareholders should present their attendance certificates, attendance cards or other attendance certificates to attend the shareholders' meeting. The company shall not arbitrarily add other certificates to the certificates that shareholders rely on for attendance; the solicitor who is a solicitation letter of attorney shall bring his or her identity certificate, for verification. The Bank shall set up a signature book for the attendance</p>	<p>Article 6, The Bank shall specify the reporting time, place of reporting, and other matters that should be paid attention to by shareholders, solicitors, and entrusted agents (hereinafter referred to as "shareholders") in the meeting circular. If the shareholders' meeting is convened by video conference, it shall record the method for shareholders to participate and exercise their rights, the method of dealing with obstacles caused by force majeure to the video conference platform or to participate in video conference, and the date when the meeting needs to be postponed or continued, and other requirements. Points to note: If a video conference is held, appropriate alternative measures for shareholders who have difficulty participating in video conferences shall be recorded. The time for accepting shareholder registration in the preceding paragraph shall be handled at least 30 minutes before the meeting starts; the registration office shall be clearly marked, and adequate and competent personnel shall be assigned to handle it; the shareholders meeting video meeting shall be held 30 minutes before the meeting starts at the shareholders meeting The meeting platform accepts registration and completes the registration East, it is deemed to attend the shareholders' meeting in</p>	<p>In line with the announcement of the Stock Exchange on March 8, 2022, the "Sample Rules of Procedures for the Shareholders' Meeting of ○○ Co., Ltd." was amended, and part of the text was deleted as appropriate.</p>

Clause after Amendment	Clause before Amendment	Remarks
of shareholders to sign in, or the attendance card shall be submitted by the attending shareholder to sign in. (later omitted)	person. The Bank shall set up a signature book for attendance by shareholders themselves or proxies entrusted by shareholders (hereinafter collectively referred to as "shareholders"), or attendance cards shall be submitted by attending shareholders to sign on their behalf. (later omitted)	
<p><u>Article 6-1.</u> <u>When the Bank holds a shareholders meeting via videoconference, it shall specify the following items in the shareholders meeting convening notice:</u> <u>1. Shareholders' participation in video conferences and methods for exercising their rights.</u> <u>2. How to deal with obstacles caused by natural disasters, accidents, or other force majeure events, including at least the following items:</u> <u>(1) The time at which the meeting must be postponed or continued due to the occurrence of previous obstacles that cannot be eliminated, and the date when the meeting must be postponed or continued.</u> <u>(2) Shareholders who have not registered to participate in the original shareholders' meeting via video conference shall not participate in the postponed or continued meeting.</u> <u>(3) To convene a video-assisted shareholders' meeting, if the video conference cannot be continued, after deducting the number of shares attending the shareholders' meeting via video conference, the total number of shares attended reaches the statutory quota for the shareholders' meeting, the shareholders' meeting should continue and participate in the video conference Shareholders, whose number of shares attended shall be included in the total number of shareholders' shares present, shall be deemed to have abstained from voting on all proposals at the shareholders' meeting.</u> <u>(4) How to deal with the situation where all the motions have been announced and no provisional motions have been made.</u> <u>3. To convene a video-conference shareholders meeting, which shall specify appropriate alternative measures for shareholders who have difficulty participating in video-conferencing.</u></p>	This article adds	<p>In line with the 2022.3.8 announcement of the stock exchange to amend the "Sample Rules of Procedures for Shareholders' Meeting of ○○ Co., Ltd.", Article 6-1 is added: In order to make shareholders aware of the relevant rights and restrictions on participating in the shareholders' meeting before the shareholders' meeting, it is stipulated that important matters should be included in the notice of the shareholders' meeting.</p>
<p>Article 8, The Bank shall make continuous and uninterrupted audio and video recordings of the shareholder registration process, meeting process, and vote counting process from the time the shareholder registration process is accepted. (lightly) If the shareholders' meeting is held by video conference, the bank should make audio and video recordings of the background operation interface of the video conference platform.</p>	<p>Article 8, The Bank shall record and record the whole process of shareholder registration, meeting, voting and vote counting from the time of acceptance of shareholder registration. (later omitted)</p>	<p>In line with the announcement of the Stock Exchange on March 8, 2022, Article 8 of the "Sample Rules of Procedures for Shareholders' Meetings of ○○ Co., Ltd." is amended: The additional video conference should be continuously and uninterruptedly recorded and videotaped, and it is also advisable to record and videotape the background operation interface of the video conference.</p>
<p>Article 13 (Previously omitted) The counting of votes or election proposals at the shareholders' meeting shall be done in a public place in the shareholders' meeting, and after the counting of votes is completed, the voting results shall be announced on the spot, including the right to count Count and make a record. The Bank convenes a video meeting of the shareholders' meeting. Shareholders who participate in the video conference shall vote on various proposals and election proposals through the video</p>	<p>Article 13, (Previously omitted) If the shareholders' meeting is convened by videoconference, after the chairman announces that the voting is over, the votes shall be counted at one time, and the voting and election results shall be announced. When the Bank convenes a video-assisted shareholders' meeting, shareholders, solicitors, or authorized agents who have registered to attend the shareholders' meeting by videoconference in accordance with the provisions of Article 6, and who wish to attend the physical shareholders'</p>	<p>The method of voting and counting votes for proposals held by videoconferences at shareholders' meetings has been revised.</p>

Clause after Amendment	Clause before Amendment	Remarks
conference platform after the chairman announces the opening of the meeting. deemed a waiver. (later omitted)	meeting in person, shall, two days before the meeting of the shareholders' meeting, communicate with the Deregistration is done in the same manner as registration; if the deregistration is overdue, the shareholder meeting can only be attended by videoconference. (later omitted)	
<u>Article 14,</u> <u>When the shareholders' meeting elects directors, it shall follow the relevant election rules stipulated by the Bank, and shall announce the election results on the spot, including the list of elected directors and the number of voting rights they have received, and the list of unsuccessful directors and the number of voting rights they have obtained</u> (later omitted)	Article 14, When the shareholders' meeting elects directors, it shall follow the relevant election rules stipulated by the bank, and shall announce the election results on the spot, including the list of elected directors and their voting rights. (later omitted).	In line with the announcement of the stock exchange on March 8, 2022, the "Sample Rules of Procedures for the Shareholders' Meeting of ○○ Co., Ltd." was added and the list of unsuccessful directors and the number of voting rights obtained should be announced on the spot.
Article 15, (previously omitted) If the shareholders meeting is convened by videoconference, in addition to the matters that shall be recorded in accordance with the provisions of the preceding paragraph, the minutes shall also record the start and end time of the shareholders meeting, the method of convening the meeting, the name of the chairman and the minutes, and records of events caused by natural disasters, accidents or other force majeure. The handling method and handling situation when there is an obstacle to the video conferencing platform or participation in the form of video. The Bank shall hold a video-conference shareholders meeting, in addition to complying with the provisions of the preceding paragraph, and shall specify in the minutes of meeting that there are alternative measures provided by shareholders who have difficulties participating in the video-conferencing method.	Article 15, (previously omitted) If the shareholders' meeting is convened by videoconference, in addition to the matters that shall be recorded in accordance with the provisions of the preceding paragraph, the minutes of the meeting shall also record the start and end time of the shareholders' meeting, the method of convening the meeting, the name of the chairman and the minutes of the meeting, and the names of the shareholders' meeting attended by videoconference. Shareholders in difficulty shall provide appropriate alternative measures and the methods and circumstances of dealing with obstacles caused by force majeure to the video conferencing platform or participation in video conferencing.	In line with the announcement of the stock exchange on March 8, 2022, the "Sample Rules of Procedures for the Shareholders' Meeting of ○○ Co., Ltd." has been revised, and the minutes of the meeting should be updated to record the handling method and situation of obstacles to video-based participation and shareholders who have difficulties participating in video-based participation. Alternative measures provided.
Article 16, (previously omitted) When the Bank holds a video conference of the shareholders' meeting and announces the meeting, the total number of shareholders' shares present shall be disclosed on the video conference platform. The same shall apply if the total number of shares and voting rights of shareholders present are counted separately during the meeting. (later omitted)	Article 16, (previously omitted) When the Bank holds a video conference of the shareholders' meeting and announces the meeting, the number of shareholders' attendance rights shall be disclosed on the video conference platform. The same applies to those who count attendance rights separately during the meeting. (later omitted)	Discretionary text
Article 21, If the shareholders' meeting is held by video conference, the Bank may provide shareholders with a simple connection test before the meeting, and provide relevant services in real time before the meeting and during the meeting to assist in dealing with technical problems in communication. If the shareholders' meeting is convened by videoconference, the chairman shall, when announcing the opening of the meeting, separately announce that there is no need to postpone or continue the meeting except for the circumstances specified in Item 24, Article 44 of the Standards for the Handling of Stock Affairs of Public Offering Companies. Before the adjournment of the meeting, due to natural disasters, accidents or other force majeure, if the video conferencing platform or participation in video conferencing is obstructed and lasts for more than 30 minutes, the date of the meeting shall be postponed or continued within five days, and the company law does not apply. Article 182. In the occurrence of the preceding paragraph, the meeting shall be postponed or continued,	Article 21, If the shareholders' meeting is held by video conference, the Bank may provide shareholders with a simple connection test before the meeting, and provide relevant services in real time before the meeting and during the meeting to assist in dealing with technical problems in communication. If the shareholders' meeting is convened by video conference, the chairman shall, when announcing the opening of the meeting, announce the date of the meeting that does not need to be postponed or continued except for the date stipulated in Article 44-20 of the Standards for the Handling of Share Affairs of Publicly Issued Stock Companies. Article 182. When adjourning or adjourning a general meeting of shareholders in accordance with the provisions of the preceding paragraph, no re-discussion and resolution is required for proposals that have completed voting and counting, and announced the voting results or the list of directors and elected candidates. The bank postpones or continues the general meeting in accordance with the provisions of the second paragraph,	In line with the 2022.3.8 announcement of the stock exchange to amend the "Sample Rules of Procedures for the Shareholders' Meeting of ○○ Co., Ltd." to revise the follow-up processing when the obstacle in the video meeting of the shareholders' meeting cannot be eliminated, and the meeting should be postponed or continued.

Clause after Amendment	Clause before Amendment	Remarks
<p>Shareholders who have not registered to participate in the original shareholders' meeting via video conference shall not participate in the postponed or continued meeting. The meeting shall be postponed or resumed according to the provisions of Paragraph 2. Shareholders who have registered to participate in the original shareholders' meeting and completed the registration through video conference, and those who have not participated in the postponed or continued meeting, the number of shares attended at the original shareholders' meeting, the voting rights exercised and Voting rights shall be included in the total number of shares, voting rights and voting rights of shareholders present at the postponed or resumed meeting.</p> <p>When adjourning or adjourning a general meeting of shareholders in accordance with the provisions of Paragraph 2, no re-discussion and resolution is required for proposals that have completed voting and counting, and announced the voting results or lists of directors and supervisors.</p> <p>When the Bank convenes a video-assisted shareholders' meeting, and the video conference cannot be continued under Paragraph 2, if the total number of shares present after deducting the number of shares attending the shareholders' meeting via video conference still reaches the statutory quota for the shareholders' meeting, the shareholders' meeting shall continue There is no need to postpone or continue the meeting in accordance with the provisions of the second paragraph.</p> <p>In the event that the meeting should continue as mentioned in the preceding paragraph, the shareholders who participate in the shareholders meeting via video conference shall count the number of shares present in the total number of shares of the shareholders present, but shall be deemed as abstaining from voting on all the resolutions of the shareholders meeting.</p> <p>The Bank shall postpone or continue the general meeting in accordance with the provisions of the second paragraph, and shall follow the provisions listed in Article 44-27 of the Standards for the Handling of Share Affairs of Public Offering Companies, and handle relevant matters in accordance with the original date of the general meeting of shareholders and the provisions of each article.</p> <p>Preliminary work. (later omitted)</p>	<p>and shall follow the provisions listed in the 24th item of Article 44 of the Standards for the Handling of Share Affairs of Public Offering Companies, and handle relevant matters in accordance with the original date of the shareholders' meeting and the provisions of each article. Pre-operations, and shareholders listed in the register of shareholders whose transfer of ownership is suspended at the original shareholders' meeting have the right to attend the shareholders' meeting.</p> <p>(later omitted)</p>	

Attached table: revision history

1	Established on December 10, 1991	Passed by the Founding meeting
2	Amended on April 20, 1998	Passed by the shareholders meeting
3	Amended on April 23, 2010	Passed by the shareholders meeting
4	Amended on June 22, 2012	Passed by the shareholders meeting
5	Amended on June 26, 2015	Passed by the shareholders meeting
6	Amended on May 28, 2021	Passed by the shareholders meeting
7	Amended on May 27, 2022	Passed by the shareholders meeting
8	Amended on June 9, 2023	

Appendix 1

Union Bank of Taiwan Shareholders Meeting Procedure Rules

1. In order to establish a good governance system of the shareholders' meeting, improve the supervisory function and strengthen the management function of the Bank, these Rules are formulated in accordance with the provisions of the Code of Practice for Corporate Governance of Listed Companies for compliance.
2. Unless otherwise stipulated by laws and regulations and the Articles of Association of the Bank, the rules of procedure for the shareholders' meeting of the Bank shall be implemented in accordance with these rules.
3. Unless otherwise stipulated by laws and regulations, the shareholders' meeting of the Bank shall be convened by the board of directors.

Changes in the method of convening the shareholders' meeting of the Bank shall be resolved by the board of directors, and shall be implemented no later than the dispatch of the notice of the shareholders' meeting.

The Bank shall, 30 days before the ordinary shareholders' meeting or 15 days before the extraordinary shareholders' meeting, submit the notice of the shareholders' meeting, the proxy paper, the reasons and explanatory materials for the resolutions related to recognition, discussion, election or dismissal of directors, etc. Produced as an electronic file and sent to the Public Information Observatory. Twenty-one days before the ordinary shareholders' meeting or fifteen days before the extraordinary shareholders' meeting, the shareholders' meeting procedure manual and supplementary materials of the meeting shall be prepared as electronic files and sent to the public information observatory. Fifteen days before the shareholders' meeting, prepare the current shareholders' meeting procedure manual and meeting supplementary materials for shareholders to request at any time, display them in the Bank and the professional stock agency agency appointed by the Bank, and distribute them at the shareholders' meeting. The notice and announcement shall specify the reason for the convening; if the notice is approved by the counterparty, it may be done electronically. Election or dismissal of directors, change of articles of association, capital reduction, application for cessation of public offering, directors' non-compete license, capital increase from surplus, capital increase from public reserves, company dissolution, merger, division, or the first paragraphs of Item 185 of the Company Law, Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of the Issuer's Handling Standards for Offering and Issuing Securities shall be listed in the reasons for convening. The main content shall not be proposed as an interim motion; the main content may be placed on the website designated by the securities regulatory authority or the Bank, and the website address shall be stated in the notice. The reasons for convening the general meeting of shareholders have stated the general re-election of directors and the date of their inauguration. After the re-election of the shareholders' meeting is completed, the same meeting shall not change the date of their inauguration by temporary motions or other means. Shareholders holding more than 1% of the total issued shares may submit a written proposal to the Bank for the general meeting of shareholders. However, it is limited to one item, and any proposal with more than one item will not be included in the proposal. However, the shareholders' proposal is a proposal to urge the Bank to enhance public interests or fulfill its social responsibilities, and the board of directors may still include it in the proposal. In addition, the proposal proposed by the shareholders falls under one of the circumstances of Article 172-1, Item 4 of the Company Law, and the board of directors may

not list it as a proposal. The Bank shall announce the acceptance of the shareholder's proposal, the method of acceptance, the place of acceptance and the acceptance period prior to the date of suspension of share transfer before the ordinary shareholders' meeting; the acceptance period shall not be less than ten days. Proposals proposed by shareholders shall be limited to 300 words, and those exceeding 300 words shall not be included in the proposal; the proposing shareholders shall attend the general meeting of shareholders in person or by proxy, and participate in the discussion of the proposal. The Bank shall notify the proposing shareholders of the handling results prior to the date of the notice of convening the shareholders' meeting, and list the resolutions in compliance with the provisions of this article in the meeting notice. For shareholder proposals that are not included in the resolutions, the board of directors shall explain the reasons for not including them at the shareholders' meeting.

4. Shareholders may issue a power of attorney issued by the Bank at each shareholders meeting, specifying the scope of authorization and entrusting a proxy to attend the shareholders meeting.

A shareholder shall issue one proxy letter, limited to one person entrusting the proxy, which shall be delivered to the Bank five days before the shareholders' meeting. In the event of repeated proxy forms, the one that is served first shall prevail. However, it is not limited to those who declare to revoke the previous entrustment.

After the power of attorney is delivered to the Bank, shareholders who wish to attend the shareholders' meeting in person or to exercise their voting rights in writing or electronically shall notify the Bank in writing of revocation of the proxy two days before the shareholders' meeting; The voting rights exercised by attendance shall prevail.

After the power of attorney is delivered to the Bank, if the shareholder wishes to attend the shareholders' meeting via video conference, he or she shall notify the Bank in writing of the cancellation of the proxy two days before the shareholders' meeting;

5. The venue of the shareholders' meeting shall be the location of the Bank or a venue that is convenient for shareholders to attend and suitable for the shareholders' meeting. The meeting shall start no earlier than 9:00 a.m. or later than 3:00 p.m. The venue and time of the meeting should be fully considered. Opinions of independent directors.

When the Bank holds a video-conference shareholders meeting, it is not subject to the restriction on the location of the meeting in the preceding paragraph.

6. The Bank shall specify in the notice of the meeting the reporting time, place of reporting and other matters to be noted by the accepting shareholders, solicitors, and entrusted agents (hereinafter referred to as "shareholders"). If the shareholders' meeting is convened by video conference, it shall record the method for shareholders to participate and exercise their rights, how to deal with obstacles caused by force majeure to the video conference platform or to participate in video conferences, and the date when the meeting needs to be postponed or continued, and other requirements. Points to note: If a video conference is held, appropriate alternative measures for shareholders who have difficulty participating in video conferences shall be recorded.

The time for accepting shareholder registration in the preceding paragraph shall be at least 30 minutes before the meeting starts; the registration office shall be clearly marked, and adequate and competent personnel shall be assigned to handle it; the shareholder meeting shall be held 30 minutes before the meeting starts.

Shareholders who register on the video conferencing platform of the shareholders' meeting and complete the registration are deemed to have attended the shareholders' meeting in person.

The Bank shall set up a signature book for attendance by shareholders themselves or

proxies entrusted by shareholders (hereinafter collectively referred to as “shareholders”), or attendance cards shall be submitted by attending shareholders to sign on their behalf. The Bank shall deliver the agenda manual, annual report, attendance certificate, speech slips, votes and other meeting materials to the shareholders present at the shareholders' meeting; those who elect directors shall attach ballots.

Shareholders should present their attendance certificates, attendance cards or other attendance certificates to attend the shareholders' meeting.

The supporting documents shall not be arbitrarily added and required to provide other supporting documents ; Bring proof of identity with you for verification.

When the government or legal person is the shareholder, the representative attending the shareholders meeting is not limited to one person. When a legal person is entrusted to attend a shareholders' meeting, it may only designate one representative to attend. If the shareholders' meeting is held by video conference, shareholders who wish to attend by video conference shall register with the Bank two days before the shareholders' meeting. Shareholders' meetings are held via videoconference. The Bank shall upload the procedure manual, annual report and other relevant materials to the shareholders' meeting videoconference platform at least 30 minutes before the start of the meeting, and continue to disclose them until the end of the meeting.

7. If the shareholders' meeting is convened by the board of directors, the chairman of the board of directors shall serve as the chairman. If the chairman of the board of directors requests leave or cannot exercise his power for any reason, the vice-chairman shall act on his behalf. When exercising functions and powers, the chairman of the board shall designate a managing director to act as an agent; if there is no managing director, a director shall be appointed to act as an agent, and if the chairman does not designate an agent, the managing director or one of the directors shall be appointed as an agent. The chairman of the preceding paragraph shall be a managing director or a director who has served for more than six months and who has an understanding of the company's financial and business conditions. The same applies if the chairman is the representative of the corporate directors. The chairman of the board of directors shall preside over the shareholders' meeting convened by the board of directors in person, and more than half of the directors of the board of directors shall be present in person and at least one representative of the members of various functional committees shall be present, and the attendance shall be recorded in the minutes of the shareholders' meeting. If the shareholders meeting is convened by a person with the right to convene other than the board of directors, the chairman shall be the person with the right to convene. The Bank may designate appointed lawyers, accountants or relevant personnel to attend the shareholders' meeting.

8. The Bank shall record and videotape the shareholders' registration process meeting and the whole process of voting and counting from the time of acceptance of shareholders' registration. The audio-visual materials in the preceding paragraph shall be kept for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Law, it shall be kept until the lawsuit is concluded.

If the shareholders' meeting is held by video conference, the Bank shall keep records of shareholders' registration, registration, registration, questions, voting, and company vote counting results, etc., and record and video the entire process of the video conference continuously. The Bank shall properly preserve the materials and audio and video recordings in the preceding paragraph during the period of existence, and provide the audio and video recordings to the person entrusted to handle the video conferencing affairs for storage.

9. Attendance at the shareholders' meeting shall be calculated on the basis of shares. The number of shares attended is calculated based on the signature book or attendance card submitted, and the number of shares registered on the video conferencing platform plus the number of shares exercising voting rights in written or electronic means.

When the meeting time has expired, the chairman shall immediately announce the opening of the meeting, and at the same time announce relevant information such as the number of non-voting rights and the number of shares present. However, when shareholders representing more than half of the total number of issued shares are not present, the chairman may announce the postponement of the meeting. The number of postponements shall be limited to two, and the total delay shall not exceed one hour. If there are still not enough shareholders representing more than one-third of the total number of issued shares to attend after the second postponement, the chairman will announce that the meeting will be adjourned; the shareholders' meeting will be held by video conference

Otherwise, the Bank shall also announce the streamed meeting on the video conferencing platform of the shareholders meeting.

If the above-mentioned delay is still insufficient for two times and there are shareholders representing more than one-third of the total number of issued shares present, the

Paragraph 1 of Article 175 of the Company Law stipulates that it is a false resolution, and the false resolution shall be notified to all shareholders within one month.

To convene a shareholders' meeting again; if the shareholders' meeting is held via video conference, shareholders who wish to attend via video conference shall re-register with the Bank in accordance with Article 6.

Before the end of the current meeting, if the number of shares represented by the present shareholders reaches more than half of the total number of issued shares, the chairman may resubmit the false resolution made to the shareholders' meeting for voting in accordance with Article 174 of the Company Law.

10. If the shareholders' meeting is convened by the board of directors, its agenda shall be determined by the board of directors, and relevant proposals (including interim motions and amendments to original proposals) shall be voted on a case-by-case basis. Change it. If the shareholders meeting is convened by a person other than the board of directors who has the right to convene, the provisions of the preceding paragraph shall apply mutatis mutandis. Before the meeting (including provisional motions) is concluded, the chairman shall not announce the adjournment of the meeting without a resolution; if the chairman violates the rules of procedure and announces the adjournment of the meeting, the other members of the board of directors shall promptly assist the shareholders attending the meeting in accordance with the legal procedures to avoid the meeting. More than half of the voting rights of shareholders present agree to nominate one person to be the chairman and continue the meeting. The chairman shall give sufficient explanation and discussion opportunities for the proposal and the amendment or interim motion proposed by the shareholders. When he deems that the resolution has reached the level of voting, he may announce the suspension of discussion, put forward for voting, and arrange a suitable time for voting.
11. Before attending a shareholder's speech, a speech must be filled out, stating the gist of the speech, the shareholder's account number (or the attendance certificate number and account name, and the chairman will determine the order of their speeches. If the attending shareholders only provide a speech without speaking, it will be deemed as No speech. If the content of the speech is inconsistent with the record of the speech, the content of the speech shall prevail. Each shareholder of the same proposal shall not make

more than two speeches without the consent of the chairman, and each time shall not exceed five minutes, except that the shareholder's speech violates the regulations or exceeds the agenda. The chairman may stop him from speaking. When a shareholder is present, other shareholders shall not interfere with their speech unless they have obtained the consent of the chairman and the speaking shareholder. The chairman shall stop the violation. When a corporate shareholder designates two or more representatives to attend the shareholders meeting, the same motion can only be pushed by one person to speak. After the shareholders who attended the speech, the chairman may reply in person or designate a relevant person.

If the shareholders meeting is convened by video conference, shareholders who participate in the video conference may ask questions in text on the shareholders meeting video conference platform after the chairman announces the meeting and before the meeting is closed. The number of questions for each proposal shall not exceed two times. The limit is 200 characters, and the provisions of items 1 to 5 do not apply.

If the question in the preceding paragraph does not violate the regulations or go beyond the scope of the proposal, it is advisable to disclose the question on the board of the video conference of the shareholders meeting.

Taiwan, I thought it was well known.

12. Voting at the shareholders' meeting shall be calculated on the basis of shares. The number of shares of shareholders without voting rights shall not be included in the total number of issued shares in the resolution of the shareholders' meeting. Shareholders who have their own interests in the matters of the meeting and may be harmful to the interests of the Bank shall not participate in voting, and shall not exercise their voting rights on behalf of other shareholders. The number of shares for which voting rights are not exercised in the preceding paragraph shall not be included in the number of voting rights of shareholders present. Except for a trust enterprise or a stock agency approved by the securities regulatory authority, when one person is entrusted by two or more shareholders at the same time, the voting rights of the proxy shall not exceed 3% of the total voting rights of the issued shares. Not counted.
13. Shareholders have one voting right per share; however, for those with restricted or no voting rights, when the Bank convenes a general meeting of shareholders, the Bank shall use electronic means and may exercise its voting rights in writing; Therefore, the Bank should avoid filing interim motions and amendments to original motions. When exercising voting rights, or by video the method of exercising it shall be specified in the notice of convening the shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically are deemed to have attended the shareholders' meeting in person. However, the provisional motion of the shareholders meeting and the amendment of the original motion shall be deemed as abstention. In the case of exercising voting rights in writing or electronically in the preceding paragraph, the statement of intent shall be delivered to the company two days before the shareholders' meeting. However, those who express their intentions before the declaration of revocation are not subject to this limitation. After the shareholders exercise their voting rights in writing or electronically, if they wish to attend the shareholders' meeting in person, they shall revoke the declaration of intention to exercise the voting rights in the preceding paragraph in the same manner as when exercising the voting rights two days before the shareholders' meeting; voting rights shall prevail. If the voting rights are exercised in writing or electronically and a proxy is entrusted to attend the shareholders' meeting by proxy, the voting rights that are entrusted to attend and exercise shall prevail. Unless otherwise stipulated by the Company Law and the Articles of Association of the

Bank, voting on a resolution shall be passed with the consent of more than half of the voting rights of the shareholders present. When voting, the chairman or his designee shall announce the total number of voting rights of the shareholders present on a case-by-case basis, and then the shareholders shall vote on a case-by-case basis. When there are amendments or alternatives to the same motion, the chairman shall determine the order of voting on the same motion as the original motion. If one of the motions has been passed, the other motions are deemed to be rejected and no further voting is required. The scrutineer and vote-counter for voting on the resolution shall be designated by the chairman, but the scrutineer shall have the identity of a shareholder. The counting of votes for votes or election proposals at the shareholders' meeting shall be done in a public place at the shareholders' meeting, and after the counting of votes is completed, the voting results shall be announced on the spot, including the weight of the statistics, and a record shall be made.

If the shareholders meeting is convened by video conference, shareholders who participate in the video conference may ask questions in text on the shareholders meeting video conference platform after the chairman announces the meeting and before the meeting is closed. The number of questions for each proposal shall not exceed two times. The limit is 200 characters, and the provisions of items 1 to 5 do not apply.

If the question in the preceding paragraph does not violate the regulations or exceed the scope of the proposal, it is advisable to disclose the question on the video conferencing platform of the shareholders meeting for public awareness.

14. When the shareholders' meeting elects directors, it shall be handled in accordance with the relevant selection and appointment regulations set by the Bank, and the election results shall be announced on the spot, including the list of elected directors and their right to be elected. The ballots for the election matters mentioned in the preceding paragraph shall be sealed and signed by the scrutineers, and shall be properly kept for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Law, it shall be kept until the lawsuit is concluded.

15. The resolutions of the shareholders' meeting shall be made into minutes, which shall be signed or sealed by the chairman, and shall be distributed to all shareholders within 20 days after the meeting. The production of minutes can be done electronically. The distribution of minutes of proceedings can be done by entering the public notice of the public information observatory. The minutes of the meeting should be based on the year, month, day, venue, name of the chairman, method of resolution, and the proceedings of the meeting.

The essentials and voting results (including statistical weights) shall be recorded. When there is an election of directors, the number of votes obtained by each candidate shall be disclosed. During the existence of the Bank, it shall be kept permanently.

If the shareholders' meeting is convened by videoconference, in addition to the matters that shall be recorded in accordance with the provisions of the preceding paragraph, the minutes of the meeting shall also record the start and end time of the shareholders' meeting, the method of convening the meeting, the name of the chairman and the minutes of the meeting, and the names of the shareholders' meeting attended by videoconference. Shareholders in difficulty shall provide appropriate alternative measures and the methods and circumstances of dealing with obstacles caused by force majeure to the video conferencing platform or participation in video conferencing.

16. The number of shares acquired by the solicitor, the number of shares represented by the entrusted agent, and the number of shares attended by shareholders in writing or electronically the revelation of

If the shareholders' meeting is held by video conference, the Bank shall upload the above-mentioned information to the shareholders' meeting video conference platform at least 30 minutes before the meeting, and continue to disclose it until the end of the meeting.

When the Bank holds a video conference of the shareholders' meeting and announces the meeting, the number of shareholders' attendance rights shall be disclosed on the video conference platform. The same applies to those who count attendance rights separately during the meeting.

For the resolutions of the shareholders' meeting, if there is any major information required by the laws and regulations of Taiwan Stock Exchange Co., Ltd., the Bank shall transmit the content to the public information observation station within the specified time.

17. The executives handling the shareholders' meeting shall wear identification cards or armbands. The chairman may direct pickets or security personnel to assist in maintaining order at the venue. When the pickets or security personnel are present to assist in maintaining order, they should wear an armband or identification card with the word "picket". If the venue is equipped with amplifying equipment, the chairman may stop the shareholders from speaking on the equipment provided by the Bank. If a shareholder violates the rules of procedure and refuses to obey the chairman's corrections, and obstructs the progress of the meeting and fails to comply, the chairman may direct the pickets or security personnel to ask them to leave the venue.
18. When the meeting is in progress, the chairman may decide to announce a break. In the event of force majeure, the chairman may decide to suspend the meeting temporarily, and announce the time for the meeting to resume according to the situation. If the agenda of the shareholders' meeting is not concluded, the venue for the meeting will not be able to continue to be used, and the shareholders' meeting may decide to find another venue to continue the meeting. The shareholders meeting may, in accordance with Article 182 of the Company Law, decide to postpone or renew the meeting within five days.
19. If the shareholders' meeting is held by video conference, the company shall immediately disclose the voting results of various proposals and election results on the shareholders' meeting video conference platform in accordance with the regulations after the voting ends, and shall continue to disclose for at least 15 minutes after the chairman announces the adjournment of the meeting .
20. When the Bank holds a video-conference shareholders meeting, the chairman and the recorder shall be at the same place in China, and the chairman shall announce the address of the place when the meeting is held.
21. If the shareholders' meeting is held by video conference, the Bank may provide shareholders with a simple connection test before the meeting, and provide relevant services in real time before the meeting and during the meeting to assist in dealing with technical problems in communication.

If the shareholders meeting is convened by videoconference, the chairman shall, when announcing the opening of the meeting, separately announce that, except for the circumstances stipulated in Article 44-20 of the Standards for the Handling of Stock Affairs of Public Offering Companies, there is no need to postpone or continue the meeting, before the chairman announces the adjournment of the meeting, When force majeure causes obstacles to the video conferencing platform or participation in video conferencing that lasts for more than 30 minutes, the date of the shareholder meeting shall be postponed or resumed, and the provisions of Article 182 of the Company Law shall not apply.

When adjourning or adjourning a general meeting of shareholders in accordance with the provisions of the preceding paragraph, no re-discussion and resolution is required for proposals that have completed voting and counting, and announced the voting results or the list of directors and elected candidates.

The bank postpones or continues the general meeting in accordance with the provisions of the second paragraph, and shall follow the provisions listed in the 24th item of Article 44 of the Standards for the Handling of Share Affairs of Public Offering Companies, and handle relevant matters in accordance with the original date of the shareholders' meeting and the provisions of each article. Pre-operations, and shareholders listed in the register of shareholders whose transfer of ownership is suspended at the original shareholders' meeting have the right to attend the shareholders' meeting.

The second paragraph of Article 12 and Item 3 of Article 13 of the Rules for the Use of Power of Attorneys for Attending Shareholders' Meetings by Public Offering Companies, the Second Item of Article 44-5, and Article 44-10 of the Guidelines for the Handling of Stock Affairs of Public Offering Companies 5. During the period specified in Paragraph 1 of Article 44-17, the Bank shall postpone or reschedule the date of the general meeting of shareholders in accordance with the provisions of Paragraph 2.

When the Bank convenes a video-assisted shareholders' meeting, and the video meeting cannot be continued under Paragraph 2, if the total number of shares present at the shareholders' meeting after deducting the number of shares attending the shareholders' meeting by video-conference method still reaches the statutory quota for the resolution of the shareholders' meeting, the shareholders' meeting may still The meeting will continue without the need to postpone or continue the meeting in accordance with the provisions of the second paragraph.

When the Bank convenes a video-conference shareholders meeting, it shall provide appropriate alternative measures for shareholders who have difficulty in attending via video-conferencing.

22. These rules shall come into force after being passed by the shareholders' meeting, and the same shall apply when they are revised.

Attached table: revision history

1	Established on December 10, 1991	Passed by the Founding meeting
2	Amended on April 20, 1998	Passed by the shareholders meeting
3	Amended on April 23, 2010	Passed by the shareholders meeting
4	Amended on June 22, 2012	Passed by the shareholders meeting
5	Amended on June 26, 2015	Passed by the shareholders meeting
6	Amended on July 20, 2021	Passed by the shareholders meeting
7	Amended on May 27, 2022	Passed by the shareholders meeting

Union Bank of Taiwan

Articles of Association

Appendix 2

Chapter 1 General

- Article 1. The Bank is organized in accordance with the Company Act and the Banking Act and is named Union Bank of Taiwan.
- Article 2. The Bank is headquartered in Taipei City and may, as required for business, set up branches or offices in proper domestic and overseas locations. The establishment, cancellation or change of any such branch or office shall be subject to board resolution and approval by the competent authority.
- Article 3. The bank's announcement method can be published on newsprint or electronic newsletter, or on a website established or designated by the central competent authority. The provisions of the preceding paragraph shall be followed if the securities regulatory authority has other provisions.

Chapter 2 Shares

- Article 4. The total rated capital of the bank is NT\$45 billion, divided into 4.5 billion shares, each with a par value of NT\$10, divided into ordinary shares and special shares, which are issued in installments.
- Article 5. All of the Bank's shares are registered shares and shall be issued after the signatures or seals of the Chairman and two or more managing directors are affixed and following certification in accordance with the law. The Bank is not obliged to print share certificates for registered shares it issues. However, the shares shall be registered or kept by a securities custodian organization.
- Article 5-1 The rights & obligations of Preferred share and other important issuance conditions of the Bank shall be as follows:
1. If there is a surplus in the Bank's annual statement, in addition to paying income tax in accordance with the law, after making up the annual losses of previous years, setting the statutory surplus reserve and setting or recovering the Preferred surplus reserve in accordance with the provisions of Article 39 of the Articles of Association, the balance shall be hereto given priority to the allocation of dividends on Preferred shares in the current year.
 2. The upper limit of dividends on Preferred shares shall be up to 8% of the annual rate, which can be calculated according to the issue price per share; the dividends may be paid in one lump sum in cash each year; after the financial report has been accepted by the board of directors at the annual regular meeting of stockholders, the dividends payable over the previous year will be paid at the base date as set out by the board of directors. The dividends of issuance year and recovery year can be calculated according to the actual number of days of issuance in the current year.
 3. The Bank shall distribute the dividends on Preferred shares at its discretion. If the dividends are distributed due to the absence of surplus or non-surplus in the Bank's annual final accounts, or if the distribution of dividends on Preferred shares will result in the Bank's capital adequacy ratio below the minimum requirements as stipulated in the Decree or by the Competent Authority, or based on any other necessary considerations, the Bank must make resolutions on non-distribution of dividends on Preferred shares; the Preferred shareholders shall not raise objection to such resolutions; the non-distributed or distributed under-dividends shall not be accumulated in deferred payment from the surplus in subsequent years.
 4. Apart from receiving the dividends as stated in Paragraph 2 of this Item, the Preferred shareholders shall not participate in the distribution of surplus and capital reserve in

cash and appropriation of capital on ordinary shares.

- 5.The order of distributing the Bank's residual properties to the Preferred shareholders takes precedence over the ordinary shareholders, and is the same as the order of compensating the shareholders holding the Preferred shares issued by the Bank, whichever is next to the order of compensating the general creditors, but limited to the issue amount.
- 6.The Preferred shareholders have no voting rights and rights of election, but have the right to vote at the Preferred Shareholders meeting or the Shareholders meeting involved in the rights and obligations of Preferred shareholders.
- 7.The Preferred share shall not be converted into the ordinary share. Also, the Preferred shareholders shall not request the Bank to recover the rights of Preferred shares held by such Preferred shareholders.
- 8.The Preferred shares refer to the undated shares which may be recovered by the Bank in whole or in part as per the original actual issuing price at any time from the next day after the expiry of five-year term of issuance. The non-recovered Preferred shares will still have rights and obligations as set out in the issuance conditions of this Article. In the same year in which the Preferred shares are recovered, if a resolution on payment of dividends is made at the Shareholder meeting of the Bank, as of the recovery date, the dividends will be paid, which can be calculated according to the actual number of days issuance in the same year.

The board of directors shall be authorized to determine the name, issuing date and specific issuance conditions of Preferred share in respect of the capital market conditions and the subscription willingness of investors in accordance with the provisions of Articles of Association of the Bank and other relevant laws & regulations.

Article 6.The Bank's share dividend of ordinary share is 6% per year. However, no dividend shall be distributed unless there is profit.

Article 7.If any share of the Bank is held by the same person or the same affiliate individually or in a joint or combined manner, a filing or application for approval shall be made in accordance with the Banking Act. If no filing or application for approval is made as stipulated, the exceeding portion shall not be entitled to voting rights and the competent authority shall order disposal before a deadline.

Any matter that is not stipulated under the previous paragraph shall be handled in accordance with the applicable laws of the competent authority.

Article 8.The Bank's shareholder service shall be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies.

Article 9.Registration for share transfer shall be suspended during a period of 60 days before a general shareholders meeting, 30 days before a Preferred shareholders meeting and 5 days before the record date for distribution of dividend or bonus.

The periods under the previous paragraph shall start from the date of the meeting or the record date.

Chapter 3 Business

Article 10.The Bank operates the following business:

H101021 Commercial banking business.、H601011 Personal insurance agent、H601021 Property insurance agent

- 1.Commercial banking business。
- 2.Personal insurance agent business
- 3.Property insurance agent business
- 4.The other related business that issued by authority.

Chapter 4 Shareholders Meeting

- Article 11. The shareholders' meeting of the Bank is divided into regular meeting and extraordinary meeting. The regular meeting is held once a year within 6 months after the end of the fiscal year, and the extraordinary meeting is convened according to law when necessary. When the shareholders' meeting of the Bank is held, it may be held via videoconference or other means announced by the central competent authority. If otherwise stipulated by the securities competent authority, such regulations shall prevail.
- Shareholders shall be notified 30 days in advance of the convening of an ordinary shareholders meeting, and 15 days in advance of the convening of an extraordinary shareholders meeting. For shareholders who hold less than 1,000 registered shares, the notification in the preceding paragraph may be made in the form of an announcement. The notification and announcement shall specify the reason for the convening; the notification may be done electronically if the counterparty agrees.
- When necessary, special stockholders' meeting may be convened in accordance with relevant laws and regulations.
- Article 12. Any shareholder of the Bank that cannot attend a shareholders meeting for any reason may issue a proxy printed by the Bank, specifying the scope of authorization and designating a representative to attend the shareholders meeting. The Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies shall also be applicable.
- Article 13. The chairman shall chair shareholder meetings. If the chairman cannot attend the meeting for any reason, the chairman shall designate one managing director to chair the meeting. If the chairman does not make such designation, the managing directors shall appoint one person from among themselves.
- If the meeting is convened by any other person entitled to convene the meeting other than the board of directors, such person entitled to convene the meeting shall chair the meeting. If the meeting is convened by two or more persons entitled to convene the meeting, one person shall be elected to chair the meeting.
- Article 14. Other than the shares with no voting rights under Article 179 of the Company Act, each shareholder of the Bank is entitled to one voting right per share.
- Article 15. The shareholders meeting shall resolve and execute the following matters:
- (1) Establishment and amendment of these articles of association of the Bank.
 - (2) Resolution about capital increase or decrease.
 - (3) Election of directors.
 - (4) Audit and approval of the statements prepared by the board of directors and audit report by the audit committee. To audit the statements and report, the shareholders meeting may select auditors.
 - (5) Resolution to distribute profit, dividend and bonus.
 - (6) Other resolutions in accordance with the Company Act.
- Article 16. Unless otherwise provided by law, shareholder resolutions shall be approved by the shareholders representing the majority of voting rights represented in a meeting that is attended by shareholders representing the majority of all outstanding shares.
- If the attending shareholder does not constitute the number required under the previous paragraph and if the meeting is attended by shareholders representing 1/3 or more of all outstanding shares, the attending shareholders may reach a provisional resolution by the majority of voting rights. The provisional resolution shall be provided to each shareholder and a shareholders meeting may be convened again within one month.
- In the shareholders meeting under the previous paragraph and in relation to the provisional resolution, if the meeting is attended by shareholders representing 1/3 or more of all outstanding shares, an approval by the shareholders representing the

majority of voting rights shall be deemed a resolution under the first paragraph.

Article 17. Shareholder resolutions shall be recorded in minutes, which shall be affixed with the signature or seal of the chairman and distributed to all shareholders within 20 days from the meeting. The minutes may be prepared in an electronic manner.

The distribution of the minutes under the previous paragraph may be made through public announcement.

The minutes shall record the year, month, date and location of the meeting, the name of the chairman, the method of resolution, the main proceedings and results of the meeting and shall be maintained together with the signature sheets showing attending shareholders and proxies.

Chapter 5 Board of Directors

Article 18. The Bank has 9 to 15 directors, who constitute the board of directors. Directors serve terms of three years, are subject to the system of candidate nomination. Upon expiry, the same person may be re-elected. The directors shall be elected by the shareholders meeting from a list of director candidates. However, the election criteria established by the competent authority shall apply. The board of directors is authorized to establish and adopt the election rules following approval by the shareholders meeting.

Article 18-1 Among the directors of the bank, at least 3 and no more than 1/5 shall be independent directors, to be elected by the shareholders from a list of independent director candidates under the system of candidate nomination.

The professional qualifications, shareholding, restriction on other positions, nomination and election method and other compliance matters in relation to independent directors shall be in accordance with the applicable regulations of the competent authority.

An audit committee of the Bank is put in place starting from the 9th term of the board of directors. The audit committee shall be composed of all independent directors. There shall be not less than 3 members, among which 1 shall serve as the chairman and at least 1 person shall possess accounting or finance specialty. The duties, organizational charter, exercise of duties and other compliance matters of the audit committee shall be in accordance with the applicable laws and company charters.

Article 19. When there is a vacancy of 1/3 or more in the number of directors, a Preferred shareholders meeting shall be convened within 60 day for re-election. The term of the re-elected persons shall be the same as the original term.

Article 20. 3-5 managing directors shall be elected from among directors and by the majority of directors attending a meeting that is attended by 2/3 or more directors. One chairman shall be elected from among the managing directors and by the majority of managing directors attending a meeting that is attended by 2/3 or more managing directors. The chairman represents the Bank.

There shall be at least one independent director among the managing directors. At least 1/5 of the managing directors shall be independent directors.

Article 21. The board of directors is authorized to pay remuneration of the chairman, managing directors and directors based on the industry standard, regardless of whether there is profit.

Article 22. The duties of the board of directors are as follows:

- (1) Review and determination of main charters.
- (2) Review and determination of important business and the planning thereof.
- (3) Determination of capital increase or decrease.
- (4) Decision to set up, cancel or change any department of the Bank.
- (5) Review and determination important contracts.
- (6) Establishment of budget and closing.

- (7) Decision about real property transactions.
- (8) Preparation of profit distribution proposal.
- (9) Review and determination of hiring and dismissal of managers and main staff.
- (10) Matters to be determined as instructed by the chairman.
- (11) Other duties granted by law or shareholders meeting.

Article 23. Board meetings shall be held at least once every quarter. In case of emergency or pursuant to the request by the majority of directors, special meetings may be held. Unless otherwise provided by law, meetings shall be convened by the chairman. To convene a board meeting, notice shall be sent to all directors in writing, by email or by fax. If the chairman cannot attend the meeting due to any reason, the chairman shall designate one managing director. If no designation is made, the managing directors shall elect one person from among themselves to perform the chairman's duty.

Article 24. Any director that cannot attend a board meeting due to any reason may designate another director as his representative to attend the meeting. However, for each representation, a proxy shall be issued, specifying the scope of authorization for the agenda of the meeting. Each director shall represent no more than one other director in accordance with the above proxy. If a board meeting is held in video conference, the directors participating in the meeting through video conference shall be deemed to have attended the meeting in person.

Article 25. Unless otherwise provided by law, board resolutions shall be approved by the majority of directors attending a meeting that is attended by the majority of all directors. If a director has any interest in any matter in the meeting, a statement shall be provided in the meeting about the main aspects of such interest.

Article 26. Board proceedings shall be recorded in minutes, which shall be affixed with the signature or seal of the chairman and distributed to all directors within 20 days from the meeting. The minutes shall record the year, month, date and location of the meeting, the name of the chairman, the method of resolution, the main proceedings and results of the meeting and shall be maintained together with the signature sheet showing attending directors and proxies.

The minutes may be prepared, distributed and maintained in electronic manners.

Article 27. The president and vice president shall be asked to participate in board meetings. However, such participants shall have no voting rights.

Article 28. During recess of the board of directors, the managing directors shall perform the duties of the board of directors regularly through meetings based on the division of responsibilities in accordance with the law, these articles of association, shareholder resolutions and director resolutions (except for matters involving significant interest to the Bank).

Article 29. The chairman may convene and chair meetings of the managing directors at any time. If the chairman cannot attend the meeting, the chairman shall designate one managing director. If there is no such designation, the managing directors shall appoint one person from among themselves.

Article 30. Unless otherwise provided by law, resolutions of the meetings of managing directors shall be approved by the majority of managing directors attending a meeting that is attended by the majority of all managing directors. The minutes shall be affixed with the signature or seal of the chairman.

Article 31. The president and vice president shall be asked to participate in meetings of the managing directors. However, such participants shall have no voting rights.

Article 32. The Bank has an audit department that reports to the board of directors and is directed by the chief auditor. The audit department handles audit activities in an independent and

impartial manner. The position is the same level as the vice president. The auditors shall not perform any other duty that is in conflict with or that interferes with the audit work.

Article 33. The hiring, dismissal or relocation of the chief auditor shall be approved by the board of directors through 2/3 or more of the directors and shall be subject to the approval of the competent authority.

To seek sound decision-making functions and reinforced management mechanism, the Bank may put in place an audit committee, remuneration committee and other functional committees in consideration of the size of the board of directors and the number of independent directors.

The exercise of duties by the functional committees and other compliance matters shall be in accordance with applicable laws and company charters.

Chapter 6 Managers

Article 34. The Bank has one president, responsible for managing the activities of the Bank pursuant to board resolutions. There are also several vice presidents, assistance managers, managers and deputy managers, who assist the president in the handling of the activities of the Bank. The hiring, dismissal and remuneration of the president, vice presidents, assistant managers, managers and deputy managers shall be subject to the approval by the board of directors through approval by the majority of all directors.

Article 35. If the president cannot perform his duties due to any reason, the chairman shall designate one person from among the vice presidents to perform his duties.

Article 36. If required by the business, the president may ask the chairman to hire accountants as accounting advisors, lawyers as legal advisors or persons knowledgeable about the industry as advisors to the Bank.

Chapter 7 Accounting

Article 37. The Bank's accounting year starts from 1 January of each year and ends on 1 December of the same year. Upon completion of each accounting year, the following statements shall be prepared, reviewed by the board of directors and sent to the audit committee or the accountant hired by the audit committee for audit 30 days before the general shareholders meeting. Then the statements shall be submitted to the general shareholders meeting for approval. Within 15 days from approval by the general shareholders meeting, the statements shall be submitted to the central competent authority and central bank for reference. The balance sheet shall be published.

(1) Business report.

(2) Financial statements.

(3) Profit distribution or loss compensation proposal.

Article 38. If the Bank has profit at year-end closing, the board of directors shall, in consideration of the operating performance of the current year, provide employee remuneration and director remuneration in the following manner:

(1) Employee remuneration: Between 1-5% of the profit; if employee remuneration is paid in stock, the beneficiaries may include employees of subsidiaries that meet certain conditions. The board of directors is authorized to determine such conditions.

(2) Director Remuneration: No more than 0.1% of the profit.

The board of directors is authorized to determine the manner of distribution of the employee remuneration and director remuneration under the previous paragraph.

However, if the Bank has accumulated losses, provision shall first be made to compensate the losses before employee remuneration and director remuneration are provided based on the ratios under the previous paragraph.

Article 39. If the Bank has profit at year-end closing, in addition to paying income tax in accordance with the law, losses from prior years should first be compensated. Then 30% shall be

provided as legal reserve. Special reserve may also be provided in accordance with the law or as required for business. The remaining amount, together with the accumulated undistributed profit from the previous year, shall be subject to a profit distribution proposal to be prepared by the board of directors and submitted to the shareholders meeting for resolution of the distribution of shareholder dividend and bonus. The dividend and shareholder bonus under the first paragraph shall be distributed in cash or in stock, as determined by the board of directors based on the financial status at the time, future profitability status and capital budget planning of the Bank. In principle, if the ratio between the Bank's own capital and risky asset after distribution will be lower than the ratio stipulated by the competent authority by 1%, stock dividend may be issued in priority; before the level reserve reaches the amount of total capital, profit distribution in cash shall not exceed 15% of total capital.

Article 40. When the legal reserve provided has reached the capital amount, no provision needs to be made for the current period.

Chapter 8 Miscellaneous

Article 41. The organizational charter, levels of responsibility and other charters of each department of the Bank shall be established by the board of directors.

Article 42. Any matter that is not stipulated in these articles of association shall be handled in accordance with the Banking Act, the Company Act and applicable laws.

Article 43. These articles of association were established on 20 August 1990. The first amendment was made on 24 April 1993. The second amendment was made on 12 April 1995. The third amendment was made on 23 April 1996. The fourth amendment was made on 18 April 1997. The fifth amendment was made on 20 April 1998. The sixth amendment was made on 3 May 1999. The seventh amendment was made on 10 May 2000. The eighth amendment was made on 19 April 2001. The ninth amendment was made on 17 June 2002. The tenth amendment was made on 27 May 2003. The eleventh amendment was made on 11 June 2004. The twelfth amendment was made on 9 June 2006. The thirteenth amendment was made on 15 June 2007. The fourteenth amendment was made on 13 June 2008. The fifteenth amendment was made on 19 June 2009. The sixteenth amendment was made on 23 April 2010. The seventeenth amendment was made on 9 June 2011. The eighteenth amendment was made on 22 June 2012. The nineteenth amendment was made on 6 June 2014. The twentieth amendment was made on 26 June 2015. The twenty-first amendment was made on 8 June 2016. The twenty-second amendment was made on 20 June 2017. The twenty-third amendment was made on May 31, 2019. The twenty-fourth amendment was on May 28, 2020. Twenty-fifth amendment on May 27, 2022.

Appendix 3

Shareholding Status of All Directors of the Bank

1. In accordance with Article 26 of the Securities Exchange Act and the number of directors and supervisors of the public offering company and the implementation of the rules:

The total shareholding of all non-independent directors of the Company shall not be less than 91,057,105 shares of the Company's issued shares.

2. The directors of the Company hold the following number of shares in accordance with the shareholder register as of the date of share transfer suspension for the current general shareholders meeting:

Title	Name	Number of shares held			Share held ratio
		Special shares	Ordinary shares	Total shares	
Chairman	Union Investment Ltd. representative : Lin Jeff	10,000,000	5,144,991	15,144,991	0.39%
Managing Director (Independent Director)	Li Guo Chang	–	–	–	0.00%
Managing Director	Chuan Cheng Investment Co., Ltd. (represented by: Chiang Chen Hsiung)	4,245,959	170,616,217	174,862,176	4.60%
Director	Union Investment Ltd. represented by: Li, Wen Ming	10,000,000	5,144,991	15,144,991	0.39%
Director	Yo Bang Co., Ltd. (represented by: Cao Su Fong)	–	51,818,186	51,818,186	1.36%
Director	Bai Sheng Investment Co., Ltd. (represented by: Lin Si Yong)	8,167,281	181,467,151	189,634,432	4.99%
Director	Tu Herman	–	401,345	401,345	0.01%
Independent Director	Lee Tzung Hang	–	–	–	0.00%
Independent Director	Fan Lin Yu	–	–	–	0.00%
No. of Shares Held by All Non-Independent Directors		22,413,240	409,447,890	431,861,130	11.38%

Note: The date of the current general shareholders meeting is 9 June 2023 (share transfer suspension period is from 11 April 2023 to 9 June 2023) Capital stock 3,794,046,028 shares (Ordinary shares: 3,594,046,028 shares, special shares: 200,000,000 shares)

Mandarin Chinese version shall prevail if any inconsistency exists in English version.