

Stock Code : 2838

Union Bank of Taiwan

2024 General Shareholders

Procedure Manual

9 a.m., 14 June 2024 (Friday)

No. 187, Jinhua St., Taipei City
2F, International conference hall,
Center for Public Business Administration Education,
National Chengchi University

Shareholders' meeting Convening method:
Entity shareholders' meeting

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Union Bank of Taiwan

Procedure for the 2024 Annual Meeting of Shareholders

MEETING TIME: 9 a.m., 14 June 2024(Friday)

PLACE: 2F, International conference hall, Center for Public Business Administration
Education, National Chengchi University
(No. 187, Jinhua St., Taipei City)

1. Call the Meeting to Order
2. Chairperson Takes Chair
3. Chairperson Remarks
4. Reports
 - (1). 2023 Business Report.
 - (2). 2023 Audit Committee Audit Report.
 - (3). 2023 Employee and Director Remuneration Distribution Report
 - (4). 2023 Report on the Remuneration of Directors.
5. Proposals
 - (1). 2023 Business Report and Financial Statements.
 - (2). 2023 Earnings Distribution Proposal.
6. Discussion
 - (1). Amending part of the "Articles of Association ".
 - (2). Discuss the company's surplus to allocate capital to issue new share.
7. Election matters: Election of the 12th term of directors (including independent directors).
8. Other proposals: Lifting the 12th Directors' Non-Competition Restriction.
9. Questions and Motions.
10. Adjournment.

1. Reports

Proposal No. 1

Subject: The 2023 Business Report is submitted for review.

Illustration: Please refer to Attachment 1 Business Report (pages 10 to 16 of this manual).

Proposal No. 2

Subject: The 2023 Audit Committee Audit Report is submitted for review.

Illustration: Please refer to Attachment 2 Audit Committee Audit Report (page 17 of this manual).

Proposal No. 3

Subject: The 2023 Report on Employee and Director Remuneration Distribution Status is submitted for review.

Illustration:

- (1) In 2023, the Bank's pre-tax net profit before distribution of remuneration to employees and directors is NT\$ 5,267,789,980. It is planned to accrue NT\$96,927,336 for employees' remuneration and NT\$4,741,011 for directors' remuneration in accordance with the Bank's Articles of Association.
- (2) Among them, NT\$96,927,336 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 8, 2024). The closing price of ordinary shares of Japan Bank was NT\$14.70), a total of 6,593,696 new shares were issued, with a face value of NT\$10 per share, and the remuneration of less than 1 share was NT\$4.8, 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: 2023 Annual Report on the Remuneration of Directors is submitted for review.

Illustration:

- (1) The Bank pays directors remuneration mainly in the form of attendance fees and remuneration. The remuneration payment standard is a fixed amount. In addition, remuneration is paid within an amount not exceeding 0.1% of profit in accordance with the company's articles of association. In addition, the results of the board of directors' performance evaluation are regularly based on, such as the degree of participation in the company's operations, the mastery of the company's goals and tasks, the director's responsibilities, internal relationship management and communication, and the director's professional and continuing education, etc. as a reference for adjusting the director's remuneration.
- (2) In 2023, please refer to the attachment 5 (page 41 to 42 of this manual) for the remuneration of directors: including remuneration (salary, pension)

NT\$3,239,000, remuneration NT\$4,741,000, business execution expenses (attendance, special expenses) , vehicle allocation, fuel and tolls) NT\$1,206,000 totaling NT\$9,186,043.

2. Proposals

Proposal No. 1

Subject: The 2023 business report and financial statements are submitted for approval. (Proposed by Board of Directors)

Illustration:

1. The 2023 business report and financial statements of the Bank (including consolidated financial statements) have been audited by accountants Kuan-Hao Lee and Jiun-Hung Shih of Deloitte & Touche and have, together with the business report, been approved by the 3th meeting of the 18th term of the audit committee and the 11th meeting of the 20th 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 10 to 16 of this manual) & Attachment 3 (pages 18 to 39 of this manual)

Resolution:

Proposal No. 2

Subject: The 2023 Profit Distribution Proposal is submitted for approval. (Proposal by Board of Directors)

Illustration:

1. 2023 distributable profit of NT\$4,299,388,611. It is proposed that the distribution be made as shown in Attachment 4 (page 40 of this manual) in accordance with the articles of association of the Bank.
 - (1) Special dividends (NT\$2.559226025 per share) ,Calculated in segments based on the interest rate reset on April 24, 2023 total NT\$511,845,205.
 - (2) Common stock cash dividends (NT\$0.20 per share) totaled NT\$75,579,500 .
 - (3) Common stock dividends (NT\$0.70 per share) totaled NT\$2,645,266,752.
 - (4) Undistributed profit: NT\$386, 486, 154.
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 2023 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 based on the stock exchange's letter No. 11200147631 issued on August 23, 2023 to amend some provisions of "Key Points to be Followed in the Establishment and Exercise of the Board of Directors of Listed Companies". The revision is as follows:
 - (1) In line with the promotion of "Corporate Governance 3.0-Sustainable Development Blueprint", it is stipulated that for listed companies with a capital of more than 10,000,000,000 yuan and in the financial and insurance industries, the number of independent directors shall not be less than one-third from 2024, and in accordance with the "Listed OTC Companies" "Sustainable Development Action Plan (2023)" Promotional Measures 2. Deepen the corporate sustainable governance culture. Item 1 strengthens the functions of independent directors and audit committees. Item 2 clearly stipulates that all listed companies should complete independent directorships according to the director's term starting from 2027. The number of seats shall not be less than 1/3.
 - (2) In accordance with the "Sustainable Development Action Plan for Listed Companies (2023)", promote measures 2, deepen corporate sustainable governance culture, item 1, strengthen the functions of independent directors and audit committees, item 3, and standardize the continuous appointment of all independent directors of listed companies starting from 2027. The term of office shall not exceed 3 terms.
2. Article 18-1 of the "Articles of Association" of this revision: "Among the number of directors of the Bank, the number of independent directors shall be at least 3, and shall not be less than 1/3 of the director seats. A candidate nomination system shall be adopted. The shareholders' meeting shall select independent directors. The independent directors of the Bank shall serve no more than three consecutive terms if they are selected from the list of candidates."
3. Before and after the revision, please refer to Attachment 6 (pages 43 of this manual)

Proposal No. 2

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 2023, NT\$2,645,266,752 will be allocated to transfer the surplus to capital increase, of which NT\$2,645,266,750 will be issued for 264,526,675 ordinary shares, and the remaining NT\$2 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, 70 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、Election

Subject Election of the 12th term of directors (including independent directors). (Proposed by the Board of Directors)

Illustration:

1. Handled in accordance with Article 18 and Article 18-1 of the Bank's Articles of Association.
2. The Bank has 9 to 15 directors, who serve a three-year term and may be re-elected. It is planned to re-elect 9 directors for the 12th term, including 3 independent directors.
3. The 12th term of directors will be elected at this (2024) regular meeting of shareholders, and the term will expire from the election date of the regular meeting of shareholders on June 14, 2024, to June 13, 2027, but the actual term will be until the election of the 13th director.
4. The list of candidates for the 12th term of directors (including independent directors) of the Bank is as attached (pages 6 to 8 of this manual)

Resolution:

Union Bank of Taiwan
List of Director Candidates

No.	Job Title	Name	Gender	Education	Main Experience	Number of shares(Unit: Share)
1	director	Union Investment Ltd. representative : Lin Jeff	male	Master 's Degree, National Taiwan University	Current: 11th Directors, Union Bank of Taiwan Experience: General Manager, Union Bank of Taiwan	15,902,240
2	director	Chuan Cheng Investment Co., Ltd. represented by: Chiang Chen Hsiung	male	National Defense Medical Center	Current: 11th Managing Director, Union Bank of Taiwan Experience: Commissioner, International Rotary Taiwan Rotary Club Association	183,392,986
3	director	Bai Sheng Investment Co., Ltd. represented by: Lin Si Yong	male	National Taiwan Normal University	Current: 11th Directors, Union Bank of Taiwan Experience: Director, Hong Bung Construction Enterprise Co., Ltd.	198,707,789
4	director	Yo Bang Co., Ltd. (represented by: Shieh Hir-Ming)	male	Doctor 's Degree, National Cheng Kung University	Current: GM, UNION OPTRONICS CORP. Director, UNION OPTRONICS CORP. Executive Director of Laser Application Association Experience: Technical Executive Vice President, UNION OPTRONICS CORP. Associate Professor at Kunshan University of Science and Technology	54,409,095

5	director	Union Investment Ltd. represented by:Li, Wen Ming	male	Dept. of Industrial and Systems Engineering, Chung Yuan Christian University	Current: Senior Commissioner, Federal Construction Enterprise Co., Ltd. 11th Directors, Union Bank of Taiwan 5th member of Salary and Remuneration Committee, Union Bank of Taiwan Experience: Commissioner, Formosa Chemicals & Fibre Corporation	15,902,240
6	director	Tu Herman	male	Dept. of Business Administration, College of Chinese Culture	Current: 11th Directors, Union Bank of Taiwan Experience: deputy general manager, Union Bank of Taiwan Senior Deputy General Manager, Union Bank of Taiwan	421,816
7	Independent director	Lee, Yao-Hsien	male	Feng Jia University Manager of Union Bills Finance Corp.	Current: NONE Experience: VP & GM of Bills Finance Dept. Manager, Union Bank of Taiwan	100,060
8	Independent director	Lee Tzung Hang	male	Ph.D., Dept. of Naval Architecture and Marine Engineering, University of Michigan, Ann Arbor, U.S.A.	Current: Dean of Tamkang University School of Engineering, Tamkang University AI Innovation Academy Tamkang University College of Precision Healthcare Dean 5th member of Salary and Remuneration Committee, Union	0

					Bank of Taiwan 11th Directors, Union Bank of Taiwan Experience: Examination Yuan Examiner、 Visiting Scholar, University of Manchester, UK Professor, Department of Mechanical and Mechatronics Engineering, Tamkang University	
9	Independent director	Fan Lin Yu	Female	MBA, City University of Seattle, Washington, U. S. A.	Current: 11th Directors, Union Bank of Taiwan Experience: Deputy General Manager of Fuhua Securities, Executive Chairman of Jinfuhua Securities Investment Trust, Resident Director of Wangwang Youlian Product Insurance, General Manager of Federal Securities Investment Trust	0

Note: The number of shares held by director candidates (including special shares) is the number of shares held by the company as of the closing date of this shareholder meeting (April 16, 2024).

5、Other proposals

Subject: Lifting the non-competition restrictions of the 12th session of directors. (Proposed by the Board of Directors)

Illustration:

1. According to Article 209-1 of the Company Law: "If a director commits an act within the scope of the company's business for himself or others, he shall explain the important content of his act to the shareholders' meeting and obtain its approval."
2. If a new director of the Bank may be involved in the business activities of other companies with the same or similar business scope as the Bank, in accordance with Article 209 of the Company Law, the shareholders' meeting shall be submitted for approval to remove the new director and his representative from competing for the position of director of the Bank. The restrictions on business prohibition are detailed as follows:

Job Title	Name	Items permitted to engage in competitive conduct
director	Tu Herman	Union Securities Investment Trust Co., Ltd. Chairman, Or a company position that is the same or similar to the company's business scope
director	Union Investment Ltd. represented by:Li, Wen Ming	Morgan Commonwealth Asset Management Co., Ltd. Chairman Union Securities Investment Trust Co., Ltd. Supervisor ,Or a company position that is the same or similar to the company's business scope

6、Questions and Motions.

Adjournment

1. Domestic and Overseas Financial Status

Although the epidemic will develop towards influenza in 2023, international border controls will gradually be lifted, driving overseas markets to become active again. However, issues such as the Ukraine-Russia war, the Sino-US technology war, the collapse of Silicon Valley Bank, the Credit Suisse crisis and China's real estate default will There are many uncertainties in the overall financial market and China's banking industry's overseas implicit exposure, and the world continues to face inflationary pressures, prompting the Federal Reserve to continue the atmosphere of raising interest rates in 2022 and raise interest rates again by a total of 4 points in 2023. The central bank of China raised interest rates by 0.5% in response. However, benefiting from the positive benefits of the interest rate increase, Taiwanese businessmen continued to return and the government continued to promote a number of policies to encourage industrial development, driving investment and various deposit businesses. Overall, in 2023, The banking industry maintains its growth momentum.

Looking forward to 2024, although inflation has not yet been completely eliminated, it is expected that inflationary pressure will ease compared with 2023. The overall environment predicts that there will be opportunities for interest rate cuts in 2024. However, interest rates are still in a relatively high-end environment, so we still hold a positive view on the banking industry. The positive view, coupled with the rising momentum of private consumption, and the government's continued promotion of a number of policies to encourage investment in Taiwan and industrial development, are expected to drive bank deposit business and also inject interest spread income in the banking industry. However, we should still pay attention to the overall international political and economic situation in the future. , domestic and overseas investment environment and customer solvency and other risks.

2. 2023 Operating Results and Main Business Status

In 2023, 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 2023 was 4,317,000,000 yuan, the after-tax earnings per share (EPS) was 1.02 yuan, the return on total assets (ROA) was 0.49%, and the return on common equity (ROE) was 7.01%. In terms of quality, the overdue loan ratio was 0.27%, and the allowance for bad debt coverage ratio was 439.98%, 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 14, 2023, 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 2023:

(1) Deposit

Taiwan's foreign currency deposit balance at the end of 2023 was 761.7 billion, an increase of 46.6 billion yuan from 715.1 billion at the end of 2022, with a growth rate of 6.52%. In terms of deposit structure, the balance of demand deposits was 368.3 billion, accounting for 48.35% of the total deposit ratio, and the balance of time deposits was 393.4 billion, accounting for 51.65% of the total deposit ratio.

(2) Lending

The loan balance at the end of 2023 was NT\$571 billion, an increase of 36.6 billion from

NT\$534.4 billion at the end of 2022, with a growth rate of 6.85%. Among them, guaranteed loans were NT\$500.3 billion, accounting for 87.62% of the total loans; unsecured loans were NT\$70.7 billion, accounting for 12.38% of the total loans.

(3) Credit Card

1. In 2023, there will be an explosion of foreign travel demand, coupled with issues such as inflation and reduced disposable income. Our credit card activities will follow the changes in the market, and will also focus on channels such as tourism, people's livelihood consumption and necessary expenditures (such as taxes/fees, insurance, etc.) , planning full rewards or installment activities, combined with key card benefit bonuses, to drive spending amount. In 2023, YOY will grow by 52%, ranking first in the industry, and the total credit card spending amount will exceed 170 billion, an increase of approximately 60 billion compared with 2022. , the results are outstanding.
2. The total number of cards issued in 2023 will exceed 600,000 (a growth of 78%). Among them, the federal LINE Bank co-branded card will be issued in 2023 to create a cross-bank cooperation Jinjin co-branded credit card, sparking market discussion. A total of more than 80,000 cards have been issued in half a year. Another year With the lifting of national borders, the number of people going abroad has increased sharply. Jihe Card, which focuses on domestic 2% unlimited rebates and Japan's highest 5% rebate, has taken advantage of the situation and quickly gained popularity and applications. In 2023, it quickly acquired about 320,000 cards, and the cumulative number of cards issued reached 370,000 cards; in addition, the main customer base of Jihe Card and Laidian Card is the younger generation. In order to achieve the benefits of cross-bank sales and joint customer acquisition, New New Bank digital account linkage has been integrated, and New New Bank new depositors have been added. 85,000 households; the company also sells the Happiness M Card, which focuses on high returns on insurance, transportation and travel, the Green Card, which implements ESG plans to create green consumption, and key co-branded cards for continued maintenance and operation (such as Breeze Card and Nationwide Card). As of December 2023, the number of credit cards in circulation is 2,866,981 (YOY growth of 18%).
3. In the post-epidemic era, online shopping consumption continues to be booming, and the acquiring business is actively promoting and optimizing online acquiring. 3DS2.0, which supports cash flow API and improves the security of online transactions, has been launched one after another. It also cooperates with branches to promote acquiring business, except for large-scale In addition to chain-type specialty stores, we will actively expand small and medium-sized merchants and expand the breadth of receipts. In response to the epidemic, the demand for Chinese people to gather for dinner has increased significantly. In 2023, we will spare no effort to promote catering specialty stores. In 2023, we will promote new specialty stores There were 1,525 stores, an increase of 214 stores (a growth of 16.32%) compared with last year, of which 401 special catering stores accounted for a quarter. The total amount of acquiring transactions in 2023 will reach 117.8 billion yuan, an increase of 22.5 billion yuan compared with last year (a growth of 24%).

(4) Fortune Management

The number of wealth management accounts of the Bank in 2023 increased by 6.83% compared with 2022, and the monthly average balance of total assets under management increased by 6.62% compared with 2022.

In order to show its determination to fight inflation, the U.S. Federal Reserve continued to raise the federal benchmark interest rate range. With interest rates rising and bond prices relatively cheap, foreign bonds have become the Bank's sales focus and foreign bond fee income has increased. In the second half of 2023, the U.S. stock market will be driven by the AI theme to drive the technology industry's rise, which will also drive the order volume of our funds and U.S. stocks. To sum up, the specific money trust handling fees in 2023 will increase by NT\$159 million (+36.13%) compared with the previous

year. The Bank will continue to provide customers with more diversified financial product choices to increase overall financial management income.

In terms of insurance agency business, new bans on investment policies came into effect in July, which affected the sales of investment policies. The Bank serves customers' financial management needs for asset allocation, retirement planning, and reserved tax resources. It continues to promote profit-changing insurance with high protection, and in the second half of the year, it introduces participating policies with protection functions and the opportunity to share policy profits, creating a win-win situation and enhancing Profit.

(5) Operating Performance

The net interest income in 2023 is 8.460 billion, the net income other than interest is 6.867 billion, and the total net income is 15.327 billion. After deducting the net provision for bad debts of 606 million and operating expenses of 9.554 billion, the pre-tax net profit is 5.166 billion, and after-tax Net profit was 4.317 billion.

(6) Sustainable development of enterprises

The Bank attaches great importance to the sustainable development of ESG enterprises and is committed to promoting various energy-saving and carbon-reducing measures in response to environmental protection actions. In order to achieve net-zero carbon emissions in 2050, the short-term plan aims to reduce the bank's greenhouse gas emissions by 1% per year. By 2023 We have implemented green procurement and were commended by the Taipei City Environmental Protection Bureau's "Green Procurement Promotion Plan for Private Enterprises and Groups"; we care about ecological conservation, and our bank has long-term corporate adoption of campus flower gardens, community park green spaces, and Taiwan's conserved animals, stone tigers and ring-necked pheasants. We also issue green cards to allocate funds to donate to environmental groups. In terms of investment in social welfare, the Bank participated in social emergency relief. In 2023, it donated 2,000,000 yuan to the Pingtung factory gas explosion incident. In addition, it also cooperated with the Federal Cultural and Educational Foundation to launch the "Let's Help Happiness" charity donation platform, which raised a total of approximately 5,500,000 yuan in 2023. Donate to the disadvantaged in society; attach importance to art promotion and social care. The Bank has successively sponsored Taojie, Zhongjie, and Gaojie to organize activities related to blood donation, beach cleaning, road running, and art exhibitions. At the same time, it has long-term cooperation with the Federal Cultural and Educational Foundation to promote Taiwanese oil paintings. Art, the federal art competition will continue to be held in 2023 and the total prize money will be increased to 2,400,000 yuan. At the same time, federal art touring exhibitions will be held in 12 counties and cities across the country. Paying attention to corporate governance, the Bank continues to strengthen internal auditing and internal control, legal compliance, risk management and information security operations to implement fair treatment of customers.

3. 2024 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). Continue to evaluate the establishment of new off-bank ATMs and strengthen the establishment of off-bank ATM locations in supermarkets to expand service locations, enhance the bank's visibility and expand deposit business; we also evaluate the elimination of off-bank ATMs with poor performance.

(2). Continue to expand deposit solicitation from reciprocal dealers with our bank; open deposit accounts for supermarket franchise stores, etc.; launch various

- deposit projects to absorb stable funds.
2. Enterprise and foreign exchange business:
 - (1) Actively expand loans to industrial and commercial enterprises, give priority to factory loans (MIT) and self-repaying loans, and use big data marketing projects to identify potential customers.
 - (2) For credit cases in Article 72-2 of the Banking Law or credit cases in which real estate is used as a guarantee and a higher risk weight is applied to strengthen the creditor's rights, the conditions for undertaking should be evaluated on a case-by-case basis with reference to profitability and contribution.
 - (3) Appropriately increase fee income for credit cases with complex transactions, high operating costs or Bridge Loans.
 - (4) In response to the growth of corporate finance business, we will accelerate the training of corporate finance business personnel, continue to optimize assessment standards and projects, and formulate incentive measures to motivate corporate finance business personnel and enhance growth momentum.
 - (5) Foreign exchange business
 - I. In conjunction with the annual contract renewal of MIT customers, the "foreign exchange business promotion team" will accompany the branch to visit customers, assist with import and export related business needs, and fully cooperate with the branch's business promotion.
 - II. Based on market interest rates and the Bank's capital needs, we launch foreign currency preferential deposit projects from time to time to expand our deposit business.
 - III. Continue to optimize the foreign exchange-related information system and add new functions to enhance the bank's competitiveness in the market.
 - (6) Ticket financial business
 - I. Guarantee business - Actively expand to large enterprises with Taiwan Corporate Credit Risk Index (TCRI) levels 1 to 5, and give priority to undertaking guarantee types that are self-repaying (such as passenger tickets) or high-quality stocks or bank deposits recognized by the Bank. of credit, and continuously track the financial and operational status of credit recipients.
 - II. Bills and bonds business - For investment business, actively cultivate financial trading talents internally, select high-quality investment targets, implement relevant risk control disciplines, improve overall returns, continue to expand customer base externally, diversify funding sources, and reduce liquidity risks to increase returns and maintain market position.
 3. Consumer finance business:
 - (1) In order to strengthen a more sound capital structure and effectively utilize funds, and increase the rate of return through price control and volume control, loan interest rates and loan case fees will be increased, unused quotas will be reduced, and the penetration rate of mortgage life insurance will be increased.
 - (2) Continue to focus on and develop high-quality customers, grasp customer demand trends, and consolidate existing customers.
 - (3) Launch online mortgage business and actively market online mortgages to improve the efficiency and service quality of old customers' loan investment and financial management funds.
 - (4) Continue to expand the online loan optimization function, enhance digital channel loan services, 24-hour online loan services, and plan to develop credit loan revolving lines, card-bound overdraft loans, and mortgage loan enhancements to promote the online channel .
 - (5) Stabilize the car loan business and strengthen the promotion of original car loans

- to increase business profitability.
- (6) Cooperate with sending text messages to customers whose car loans are about to expire, and strengthen the back-office staff's marketing of loan renewal or car loan transactions.
 - (7) Added EDM activity information for old car loan customers on the bank's website to increase customers' recognition of the car loan business.
 - (8) Maintain credit reporting to verify and evaluate repayment sources to ensure the quality of credit; implement post-lending management to control overdue loans, and actively collect bad debts to increase post-deposit surpluses..
4. Credit Card:
- (1) Deepen the management of customer groups, strengthen customer stickiness, and conduct precise marketing to increase the market share of cardholders.
 - (2) Strengthen digital platform services and provide a full range of online experiences.
 - (3) Grasp the pulse of consumption, flexibly adjust channel activity strategies, and actively increase spending amounts and card activation rates.
 - (4) Develop diversified payment services to capture medium and large-scale, chain and online payment store businesses.
 - (5) In response to the new BASEL III regulations, the card account management strategy will be adjusted, and the card account suspension strategy for unused card accounts and the credit card account verification and management operation will be adopted to control RWA (risk assets).
5. Wealth management, insurance agency and trust business:
- (1) Plan and build a financial management business management system to improve management efficiency; reduce the error rate of manual settlement, and facilitate transaction monitoring and financial management human resources management.
 - (2) Evaluate the risks derived from advisory behavior based on transactions, operations, legal compliance and customer relations, establish an advisory risk classification system, and strengthen advisory risk assessment and monitoring.
 - (3) Continue to optimize the trading operation platform and add commodity trading functions such as online banking APP, mobile accounting, and U-talk phone ordering.
 - (4) Strengthen personnel training, improve professionalism, deepen the management of customer groups based on the concept of asset allocation, or serve as the main financial management bank for customers.
 - (5) Add conservative structured products to expand product diversity, meet customers' comprehensive financial needs, and achieve the effect of increasing financial management AUM.
 - (6) In response to the demographic trends of super-old age and low birthrate, Chinese people have increasing demand for insurance for the economic life security and medical care of the elderly. We will continue to promote long-term and high-protection life insurance, medical insurance and other products to assist customers in proper planning. Ensure retirement life and prepare for asset inheritance.
 - (7) In line with government policies, we will continue to promote key businesses of Trust 2.0 and actively cultivate trust talents.
6. Digital financial business:
- (1) Optimize personal electronic banking services and add large foreign exchange settlements, online settlement of incoming foreign exchange remittances, and foreign currency non-agreed transfer services to improve the convenience of customers' foreign exchange transactions.

- (2) Improve corporate online banking services and enrich foreign exchange service functions, including large foreign exchange settlement services and online delivery negotiation exchange rate services, to provide enterprises with a better cash flow service platform.
- (3) Strengthen risk management and fraud prevention measures to reduce the possibility of fraud and improve overall security.
- (4) The goal is to strengthen New New Bank's digital banking service market share and cross-selling synergies.
- (5) Use digital banking to enhance the efficiency of integrated virtual and real services, and through cooperation with non-traditional financial service bases, such as supermarkets, LINEPay all-in-one cards, campus payments, etc., to achieve a close link between online and offline cash flow services and enhance Customer convenience, creating a more comprehensive and efficient financial ecosystem, enhancing customer experience, and improving the innovation and competitiveness of overall services.
- (6) Strengthen the marketing application of communities and various information platforms.
- (7) Integration and application of new digital financial services, and the introduction of intelligent customer service into the customer service system to reduce dedicated service costs and improve service efficiency and quality.

7. Securities Business:

- (1) Balanced development of securities and futures businesses; upgrade the trading system to provide a more effective, stable and secure trading environment.
- (2) Assist sales and financial management to re-entrust, diversify products and increase profits; hold investment lectures regularly to expand new customer sources.
- (3) Strengthen various risk control and implement education and training for new colleagues.

8. Others:

- (1) The strategies adopted by the Bank in response to climate change are as follows:
 - I. Towards Net Zero: Manage the bank's daily operational activities, respond to energy conservation and carbon reduction, and gradually move towards the goal of net zero carbon emissions.
 - II. Support low-carbon economic activities: develop and layout potential business opportunities and related financial benefits brought by climate change, assist customers in low-carbon transformation, support the development of low-carbon technologies, and promote climate financial products and services.
- (2) Deeply cultivate existing customers, strengthen cross-selling business, and improve customer stickiness to achieve synergistic effects.
- (3) Strive to improve capital utilization efficiency, strengthen risk management, and maintain good asset quality.

(2) Channel Development

1. The Bank has a total of 90 business offices in China. It has a representative office in Ho Chi Minh City and a representative office in Hanoi in Vietnam. It 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 actively expanded its ATMs outside the bank in recent years, hoping to enhance the brand image and popularity of the bank through the extension of channels. By the end of 2023, the bank has installed a total of 608 ATMs inside and outside the bank.

(3) The Bank's 2024 Estimated Operational Targets

- 1.

Type of Business	2024Target
Deposit (including foreign currencies)	Average balance of NT\$804,104,000,000 at the end of the year
Lending (excluding credit card)	Average balance of NT\$576,662,,000,000 at the end of the year
Foreign Exchange	Annual transaction of US\$7,454,000,000

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 Weiwēn Accounting Head: Lu Wenjuan

Union Bank of Taiwan

Audit Committee Audit Report

The Bank's 2023 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. 2023 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 Kuan-Hao Lee and Jiun-Hung Shih 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

11 March 2024

INDEPENDENT AUDITORS' REPORT

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, 2023 and 2022, 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, 2023 and 2022, 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, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Bank's financial statements for the year ended December 31, 2023 is described as follows:

Assessment of the Impairment of Discounts and Loans

As of December 31, 2023, the net amount of discounts and loans of the Bank was approximately 61% 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, 2023.

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 about loan impairment assessment, please 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 are 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, 2023 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 Jiun-Hung Shih.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2024

UNION BANK OF TAIWAN

BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023		2022	
	Amount	%	Amount	%
ASSETS				
CASH AND CASH EQUIVALENTS	\$ 10,867,826	1	\$ 11,806,105	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS	31,773,751	4	24,624,316	3
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	51,429,948	6	27,316,180	3
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	57,374,480	6	58,665,959	7
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST	81,648,341	9	82,519,002	10
SECURITIES PURCHASED UNDER RESELL AGREEMENTS	62,727,638	7	43,731,932	5
RECEIVABLES, NET	33,068,592	4	26,655,389	3
DISCOUNTS AND LOANS, NET	565,382,803	61	528,761,720	64
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET	7,705,722	1	7,044,344	1
OTHER FINANCIAL ASSETS, NET	1,764,109	-	1,520,811	-
PROPERTY AND EQUIPMENT, NET	8,905,278	1	8,155,271	1
RIGHT-OF-USE ASSETS	1,461,416	-	1,341,040	-
GOODWILL	1,985,307	-	1,985,307	-
COMPUTER SOFTWARE	164,355	-	186,741	-
DEFERRED TAX ASSETS	692,339	-	504,970	-
OTHER ASSETS, NET	<u>3,067,465</u>	<u>-</u>	<u>3,871,175</u>	<u>1</u>
TOTAL	\$ 920,019,370	100	\$ 828,690,262	100
LIABILITIES AND EQUITY				
DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS	\$ 11,264,229	1	\$ 4,790,895	1
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	1,824,034	-	931,500	-
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS	61,079,195	7	34,298,607	4
PAYABLES	8,877,037	1	7,033,812	1
CURRENT TAX LIABILITIES	199,453	-	637,420	-
DEPOSITS AND REMITTANCES	758,260,020	83	710,745,127	86
BANK DEBENTURES	5,000,000	1	5,000,000	1
OTHER FINANCIAL LIABILITIES	8,033	-	-	-
PROVISIONS	344,617	-	327,115	-
LEASE LIABILITIES	1,449,389	-	1,325,495	-
DEFERRED TAX LIABILITIES	2,195,530	-	1,735,860	-
OTHER LIABILITIES	<u>1,083,881</u>	<u>-</u>	<u>794,009</u>	<u>-</u>
Total liabilities	<u>851,585,418</u>	<u>93</u>	<u>767,619,840</u>	<u>93</u>
EQUITY				
Share capital				
Ordinary shares	37,789,525	4	35,940,460	4
Preference shares	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>
Total share capital	<u>39,789,525</u>	<u>4</u>	<u>37,940,460</u>	<u>4</u>
Capital surplus	<u>8,125,732</u>	<u>1</u>	<u>8,076,826</u>	<u>1</u>
Retained earnings				
Legal reserve	11,518,843	1	10,589,878	1
Special reserve	757,036	-	627,440	-
Unappropriated earnings	<u>5,623,241</u>	<u>1</u>	<u>4,473,399</u>	<u>1</u>
Total retained earnings	<u>17,899,120</u>	<u>2</u>	<u>15,690,717</u>	<u>2</u>
Other equity	<u>2,619,575</u>	<u>-</u>	<u>(637,581)</u>	<u>-</u>
Total equity	<u>68,433,952</u>	<u>7</u>	<u>61,070,422</u>	<u>7</u>
TOTAL	\$ 920,019,370	100	\$ 828,690,262	100

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, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
NET INTEREST					
INTEREST REVENUE	\$ 19,831,906	129	\$ 14,885,912	111	33
INTEREST EXPENSE	<u>11,372,158</u>	<u>74</u>	<u>4,978,798</u>	<u>37</u>	128
NET INTEREST	<u>8,459,748</u>	<u>55</u>	<u>9,907,114</u>	<u>74</u>	(15)
NET REVENUES OTHER THAN INTEREST					
Service fee income, net	3,291,783	22	3,327,946	25	(1)
Gains (losses) on financial assets and liabilities at fair value through profit or loss	1,844,707	12	(296,501)	(2)	722
Realized gains on financial assets at fair value through other comprehensive income	186,920	1	772,231	6	(76)
Share of profit of subsidiaries and associates	160,655	1	155,959	1	3
Foreign exchange gains, net	1,225,100	8	537,072	4	128
Impairment losses on assets	(74,059)	-	(1,269,245)	(9)	(94)
Securities brokerage fee revenue, net	212,156	1	190,882	1	11
Loss on disposal of properties and equipment, net	(3,922)	-	(4,563)	-	(14)
Other noninterest gains, net	<u>23,677</u>	<u>-</u>	<u>26,150</u>	<u>-</u>	(9)
TOTAL NET REVENUES	<u>15,326,765</u>	<u>100</u>	<u>13,347,045</u>	<u>100</u>	15
BAD-DEBT EXPENSE AND PROVISION FOR LOSSES ON COMMITMENTS AND GUARANTEES	<u>606,398</u>	<u>4</u>	<u>481,754</u>	<u>4</u>	26
OPERATING EXPENSES					
Employee benefit	4,338,691	28	3,971,685	30	9
Depreciation and amortization	785,006	5	780,288	6	1
General and administrative	<u>4,430,548</u>	<u>29</u>	<u>3,619,814</u>	<u>27</u>	22

(Continued)

UNION BANK OF TAIWAN

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
Total operating expenses	<u>9,554,245</u>	<u>62</u>	<u>8,371,787</u>	<u>63</u>	14
INCOME BEFORE INCOME TAX	5,166,122	34	4,493,504	33	15
INCOME TAX EXPENSE	<u>848,836</u>	<u>6</u>	<u>954,434</u>	<u>7</u>	(11)
NET INCOME	<u>4,317,286</u>	<u>28</u>	<u>3,539,070</u>	<u>26</u>	22
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	(57,427)	-	(79,907)	-	(28)
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	2,848,167	19	(1,684,799)	(13)	269
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	219,518	1	(271,454)	(2)	181
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(291,797)</u>	<u>(2)</u>	<u>(49,395)</u>	<u>-</u>	491
Items that will not be reclassified subsequently to profit or loss, net of income tax	<u>2,718,461</u>	<u>18</u>	<u>(2,085,555)</u>	<u>(15)</u>	230
Items that may be reclassified subsequently to profit or loss:					

(Continued)

UNION BANK OF TAIWAN

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
Exchange differences on translation of the financial statements of foreign operations	14,187	-	1,453,521	11	(99)
Share of other comprehensive losses of subsidiaries and associates accounted for using the equity method	(111,863)	(1)	(34,963)	(1)	220
Unrealized gains (losses) on investments in debt instruments at fair value through other comprehensive income	1,166,753	8	(5,768,822)	(43)	120
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(2,837)</u>	-	<u>(290,704)</u>	<u>(2)</u>	(99)
Items that may be reclassified subsequently to profit or loss, net of income tax	<u>1,066,240</u>	<u>7</u>	<u>(4,640,968)</u>	<u>(35)</u>	123
Other comprehensive income for the year, net of income tax	<u>3,784,701</u>	<u>25</u>	<u>(6,726,523)</u>	<u>(50)</u>	156
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ 8,101,987</u>	<u>53</u>	<u>\$ (3,187,453)</u>	<u>(24)</u>	354
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 40)					
Basic	<u>\$1.02</u>		<u>\$0.81</u>		
Diluted	<u>\$1.01</u>		<u>\$0.81</u>		

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

UNION BANK OF TAIWAN

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(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		Total Equity
	Ordinary Shares	Preference Shares	Total		Legal Reserve	Special Reserve	Unappropriated Earnings	Total		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	
BALANCE AT JANUARY 1, 2022	\$ 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
Disposals 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	35,940,460	2,000,000	37,940,460	8,076,826	10,589,878	627,440	4,473,399	15,690,717	(508,759)	(128,822)	(637,581)	61,070,422
Appropriation of the 2022 earnings												
Legal reserve	-	-	-	-	928,965	-	(928,965)	-	-	-	-	-
Special reserve	-	-	-	-	-	129,596	(129,596)	-	-	-	-	-
Cash dividends on common shares	-	-	-	-	-	-	(359,405)	(359,405)	-	-	-	(359,405)
Cash dividends on preference shares	-	-	-	-	-	-	(480,000)	(480,000)	-	-	-	(480,000)
Stock dividends on common shares	1,797,023	-	1,797,023	-	-	-	(1,797,023)	(1,797,023)	-	-	-	-
Other changes in capital surplus												
Changes in capital surplus from investment in associates /and ventures accounted for using the equity method	-	-	-	16,640	-	-	-	-	-	-	-	16,640
Net income for the year ended December 31, 2023	-	-	-	-	-	-	4,317,286	4,317,286	-	-	-	4,317,286
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	(45,595)	(45,595)	(100,513)	3,930,809	3,830,296	3,784,701
Share-based payment	52,042	-	52,042	32,266	-	-	-	-	-	-	-	84,308
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	573,140	573,140	-	(573,140)	(573,140)	-
BALANCE AT DECEMBER 31, 2023	\$ 37,789,525	\$ 2,000,000	\$ 39,789,525	\$ 8,125,732	\$ 11,518,843	\$ 757,036	\$ 5,623,241	\$ 17,899,120	\$ (609,272)	\$ 3,228,847	\$ 2,619,575	\$ 68,433,952

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, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 5,166,122	\$ 4,493,504
Adjustments for:		
Depreciation expenses	696,513	694,405
Amortization expenses	88,493	85,883
Expected credit losses/bad-debt expenses	606,398	481,754
Gains (losses) on financial assets at fair value through profit or loss	(1,770,649)	339,993
Interest expense	11,372,158	4,978,798
Interest revenue	(19,831,906)	(14,885,912)
Dividend income	(509,818)	(735,418)
Share of profit of subsidiaries and associates	(160,655)	(155,959)
Losses on disposal of properties and equipment	3,936	4,563
(Losses) gains on disposal of investments	248,840	(80,305)
Impairment loss recognized on financial assets	75,493	1,279,572
Reversal of impairment loss on financial assets	-	(8,219)
Reversal of impairment loss on nonfinancial asset	(1,434)	(2,108)
Gains on disposal of collaterals	485	1,008
Changes in operating assets and liabilities		
Due from the Central Bank and call loans to other banks	(7,149,435)	4,928,795
Financial assets at fair value through profit or loss	(19,413,558)	19,598,792
Financial assets at fair value through other comprehensive income	5,023,466	(6,722,782)
Investments in debt instruments at amortized cost	746,263	(5,181,515)
Receivables	(6,102,502)	(852,188)
Discounts and loans	(37,163,771)	(35,634,450)
Other financial assets	(236,798)	90,959
Deposits from the Central Bank and other banks	6,473,334	(4,505,418)
Financial liabilities at fair value through profit or loss	(2,037,027)	(985,460)
Securities sold under repurchase agreements	26,780,588	(16,981,149)
Payables	1,256,332	(1,247,349)
Deposits and remittances	47,514,893	37,919,522
Other financial liabilities	8,033	(6,446)
Provision for employee benefits	(57,426)	(79,905)
Other liabilities	(500)	-
Cash generated from (used in) operations activities	11,625,868	(13,167,035)
Interest received	19,622,948	14,668,232
Dividend received	533,141	773,079
Interest paid	(10,700,958)	(4,755,768)
Income tax paid	(1,309,136)	(735,554)
Net cash generated from (used in) operating activities	<u>19,771,863</u>	<u>(3,217,046)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of associates	(400,000)	(481,394)
Payments for property and equipment	(1,383,727)	(546,522)
Proceeds from disposal of property and equipment	15	-

(Continued)

UNION BANK OF TAIWAN

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Increase in settlement fund	-	(324)
Decrease in settlement fund	872	-
Increase in refundable deposits	-	(969,725)
Decrease in refundable deposits	633,832	-
Payments for intangible assets	-	(53,488)
Proceeds from disposal of intangible assets	305,072	-
Proceeds from disposal of collaterals	949	1,100
Decrease in other assets	<u>169,006</u>	<u>69,127</u>
Net cash used in investing activities	<u>(673,981)</u>	<u>(1,981,226)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in due to Central Bank and other banks	-	(6,741,390)
Repayments of bank debentures	-	(2,700,000)
Increase in guarantee deposits received	20,339	-
Decrease in guarantee deposits received	-	(30,918)
Repayment of the principal portion of lease liabilities	(434,406)	(432,733)
Increase in other liabilities	194,038	-
Decrease in other liabilities	-	(196,937)
Cash dividends paid	<u>(839,405)</u>	<u>(974,282)</u>
Net cash used in financing activities	<u>(1,059,434)</u>	<u>(11,076,260)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>18,979</u>	<u>1,301,740</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	18,057,427	(14,972,792)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>55,538,037</u>	<u>70,510,829</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 73,595,464</u>	<u>\$ 55,538,037</u>

(Continued)

UNION BANK OF TAIWAN

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (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, 2023 and 2022:

	December 31	
	2023	2022
Cash and cash equivalents in balance sheets	\$ 10,867,826	\$ 11,806,105
Securities purchased under agreements to resell that meet the definition of cash and cash equivalents in IAS 7	<u>62,727,828</u>	<u>43,731,932</u>
Cash and cash equivalents in statements of cash flows	<u>\$ 73,595,654</u>	<u>\$ 55,538,037</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, 2023 and 2022, 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, 2023 and 2022, 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, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Company's consolidated financial statements for the year ended December 31, 2023 is described as follows:

Assessment of the Impairment of Discounts and Loans

As of December 31, 2023, the net amount of discounts and loans of the Company was approximately 60% 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, 2023.

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 about loan impairment assessment, please 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 are 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, 2023 and 2022 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, 2023 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 Jiun-Hung Shih.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2024

UNION BANK OF TAIWAN AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
	Amount	%	Amount	%
ASSETS				
CASH AND CASH EQUIVALENTS	\$ 11,526,796	1	\$ 12,598,697	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS	31,773,751	3	24,624,316	3
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	52,855,566	6	29,047,342	3
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	58,459,080	6	59,513,169	7
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST	81,648,341	9	82,519,002	10
SECURITIES PURCHASED UNDER RESELL AGREEMENTS	62,727,638	7	43,741,945	5
RECEIVABLES, NET	37,808,389	4	29,180,983	3
CURRENT TAX ASSETS	15,608	-	1,593	-
DISCOUNTS AND LOANS, NET	564,107,624	60	528,118,601	63
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET	1,942,531	-	1,937,259	-
OTHER FINANCIAL ASSETS, NET	1,841,988	-	1,638,825	-
PROPERTY AND EQUIPMENT, NET	15,351,294	2	12,518,775	2
RIGHT-OF-USE ASSETS	1,819,034	-	1,674,658	-
INVESTMENT PROPERTIES, NET	4,669,256	1	4,803,059	1
GOODWILL	1,985,306	-	1,985,307	-
COMPUTER SOFTWARE	176,106	-	199,103	-
DEFERRED TAX ASSETS	943,965	-	732,966	-
OTHER ASSETS, NET	<u>9,494,772</u>	<u>1</u>	<u>10,164,333</u>	<u>1</u>
TOTAL	<u>\$ 939,147,045</u>	<u>100</u>	<u>\$ 844,999,933</u>	<u>100</u>
LIABILITIES AND EQUITY				
DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS	\$ 12,844,229	1	\$ 5,817,199	1
DUE TO THE CENTRAL BANK AND OTHER BANKS	1,403,184	-	904,865	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	1,824,034	-	931,500	-
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS	61,079,195	7	34,298,607	4
PAYABLES	9,166,930	1	7,256,873	1
CURRENT TAX LIABILITIES	226,334	-	660,557	-
DEPOSITS AND REMITTANCES	756,162,659	81	707,914,334	84
BANK DEBENTURES	5,000,000	1	5,000,000	1
BONDS PAYABLE	927,202	-	1,001,523	-
PREFERRED STOCK LIABILITY	375,000	-	375,000	-
OTHER FINANCIAL LIABILITIES	11,414,307	1	10,508,961	1
PROVISIONS	361,129	-	349,779	-
LEASE LIABILITIES	1,812,408	-	1,662,565	-
DEFERRED TAX LIABILITIES	2,284,362	-	1,819,261	-
OTHER LIABILITIES	<u>3,623,617</u>	<u>-</u>	<u>3,381,987</u>	<u>1</u>
Total liabilities	<u>868,504,590</u>	<u>92</u>	<u>781,883,011</u>	<u>93</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK				
Share capital				
Ordinary shares	37,789,525	4	35,940,460	4
Preference shares	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>
Total share capital	<u>39,789,525</u>	<u>4</u>	<u>37,940,460</u>	<u>4</u>
Capital surplus	<u>8,125,732</u>	<u>1</u>	<u>8,076,826</u>	<u>1</u>
Retained earnings				
Legal reserve	11,518,843	1	10,589,878	1
Special reserve	757,036	-	627,440	-
Unappropriated earnings	<u>5,623,241</u>	<u>1</u>	<u>4,473,399</u>	<u>1</u>
Total retained earnings	<u>17,899,120</u>	<u>2</u>	<u>15,690,717</u>	<u>2</u>
Other equity	<u>2,619,575</u>	<u>1</u>	<u>(637,581)</u>	<u>-</u>
Total equity attributable to owners of the Bank	68,433,952	8	61,070,422	7
NON-CONTROLLING INTERESTS	<u>2,208,503</u>	<u>-</u>	<u>2,046,500</u>	<u>-</u>
Total equity	<u>70,642,455</u>	<u>8</u>	<u>63,116,922</u>	<u>7</u>
TOTAL	<u>\$ 939,147,045</u>	<u>100</u>	<u>\$ 844,999,933</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, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
NET INTEREST					
INTEREST REVENUE	\$ 19,970,042	112	\$ 14,962,590	94	33
INTEREST EXPENSE	<u>11,618,055</u>	<u>65</u>	<u>5,120,855</u>	<u>32</u>	127
NET INTEREST	<u>8,351,987</u>	<u>47</u>	<u>9,841,735</u>	<u>62</u>	(15)
NET REVENUES OTHER THAN INTEREST					
Service fee income, net	3,310,311	18	3,321,684	21	-
Gains (losses) gain on financial assets and liabilities at fair value through profit or loss	2,077,262	12	(203,322)	(1)	1,122
Realized gains on financial assets at fair value through other comprehensive income	219,071	1	788,478	5	(72)
Share of loss of associates	(20,228)	-	(55,901)	-	(64)
Foreign exchange gains	1,224,309	7	547,695	3	124
Impairment losses on assets	(77,139)	(1)	(1,269,245)	(8)	(94)
Securities brokerage fee revenue, net	317,435	2	320,007	2	(1)
Rental revenue	2,228,937	12	2,318,359	14	(4)
Other noninterest gains, net	<u>302,682</u>	<u>2</u>	<u>375,849</u>	<u>2</u>	(19)
TOTAL NET REVENUE	<u>17,934,627</u>	<u>100</u>	<u>15,985,339</u>	<u>100</u>	12
BAD-DEBT EXPENSE AND PROVISION FOR LOSSES ON COMMITMENTS AND GUARANTEES	<u>628,393</u>	<u>3</u>	<u>499,377</u>	<u>3</u>	26
OPERATING EXPENSES					
Employee benefit	4,682,035	26	4,298,695	27	9
Depreciation and amortization	2,666,665	15	2,713,880	17	(2)
General and administrative	<u>4,722,137</u>	<u>26</u>	<u>3,923,613</u>	<u>24</u>	20

(Continued)

UNION BANK OF TAIWAN AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
Total operating expenses	<u>12,070,837</u>	<u>67</u>	<u>10,936,188</u>	<u>68</u>	10
INCOME BEFORE INCOME TAX	5,235,397	29	4,549,774	28	15
INCOME TAX EXPENSE	<u>914,717</u>	<u>5</u>	<u>1,008,240</u>	<u>7</u>	(9)
CONSOLIDATED NET INCOME	<u>4,320,680</u>	<u>24</u>	<u>3,541,534</u>	<u>22</u>	22
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	(57,490)	-	(77,502)	(1)	(26)
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	3,067,341	17	(1,958,173)	(12)	257
Income tax relating to items that will not be reclassified subsequently to profit or loss	(291,386)	(2)	(49,876)	-	484
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of the financial statements of foreign operations	(125,642)	(1)	1,409,818	9	(109)
Unrealized loss on investments in debt instruments at fair value through other comprehensive income	1,166,753	7	(5,768,822)	(36)	120
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>25,129</u>	<u>-</u>	<u>(281,964)</u>	<u>(2)</u>	109
Other comprehensive income for the year, net of income tax	<u>3,784,705</u>	<u>21</u>	<u>(6,726,519)</u>	<u>(42)</u>	156

(Continued)

UNION BANK OF TAIWAN AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ 8,105,385</u>	<u>45</u>	<u>\$ (3,184,985)</u>	<u>(20)</u>	354
NET INCOME ATTRIBUTABLE TO:					
Owners of the Bank	\$ 4,317,286	24	\$ 3,539,070	22	22
Non-controlling interests	<u>3,394</u>	<u>-</u>	<u>2,464</u>	<u>-</u>	38
	<u>\$ 4,320,680</u>	<u>24</u>	<u>\$ 3,541,534</u>	<u>22</u>	22
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
Owners of the Bank	\$ 8,101,987	45	\$ (3,187,453)	(20)	354
Non-controlling interests	<u>3,398</u>	<u>-</u>	<u>2,468</u>	<u>-</u>	38
	<u>\$ 8,105,385</u>	<u>45</u>	<u>\$ (3,184,985)</u>	<u>(20)</u>	354
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 46)					
Basic	<u>\$1.02</u>		<u>\$0.81</u>		
Diluted	<u>\$1.01</u>		<u>\$0.81</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, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	Equity Attributable Owners of the Company												Non-controlling Interests	Total Equity
	Share Capital			Capital Surplus	Retained Earnings				Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity				
	Ordinary Shares	Preference Shares	Total		Legal Reserve	Special Reserve	Unappropriated Earnings	Total		Unrealized Valuation Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Total			
BALANCE AT JANUARY 1, 2022	\$ 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
Disposals 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	35,940,460	2,000,000	37,940,460	8,076,826	10,589,878	627,440	4,473,399	15,690,717	(508,759)	(128,822)	(637,581)	61,070,422	2,046,500	63,116,922
Appropriation of the 2022 earnings														
Legal reserve	-	-	-	-	928,965	-	(928,965)	-	-	-	-	-	-	-
Capital reserve	-	-	-	-	-	129,596	(129,596)	-	-	-	-	-	-	-
Cash dividends on common shares	-	-	-	-	-	-	(359,405)	(359,405)	-	-	-	(359,405)	-	(359,405)
Cash dividends on preference shares	-	-	-	-	-	-	(480,000)	(480,000)	-	-	-	(480,000)	-	(480,000)
Stock dividends on common shares	1,797,023	-	1,797,023	-	-	-	(1,797,023)	(1,797,023)	-	-	-	-	-	-
Other changes in capital surplus changes in capital surplus from investment in associates and joint ventures accounted for using the equity method	-	-	-	16,640	-	-	-	-	-	-	-	16,640	-	16,640
Net income for the year ended December 31, 2023	-	-	-	-	-	-	4,317,286	4,317,286	-	-	-	4,317,286	3,394	4,320,680
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	(45,595)	(45,595)	(100,513)	3,930,809	3,830,296	3,784,701	4	3,784,705
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	158,605	158,605
Share-based payment	52,042	-	52,042	32,266	-	-	-	-	-	-	-	84,308	-	84,308
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	573,140	573,140	-	(573,140)	(573,140)	-	-	-
BALANCE AT DECEMBER 31, 2023	<u>\$ 37,789,525</u>	<u>\$ 2,000,000</u>	<u>\$ 39,789,525</u>	<u>\$ 8,125,732</u>	<u>\$ 11,518,843</u>	<u>\$ 757,036</u>	<u>\$ 5,623,241</u>	<u>\$ 17,899,120</u>	<u>\$ (609,272)</u>	<u>\$ 3,228,847</u>	<u>\$ 2,619,575</u>	<u>\$ 68,433,952</u>	<u>\$ 2,208,503</u>	<u>\$ 70,642,455</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, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 5,235,397	\$ 4,549,774
Adjustments for:		
Depreciation expenses	2,569,804	2,620,997
Amortization expenses	96,861	92,883
Expected credit losses/bad-debt expenses	628,393	499,377
Gains (losses) on financial assets at fair value through profit or loss	(2,002,284)	378,723
Interest expense	11,618,055	5,120,855
Interest revenue	(19,970,042)	(14,962,590)
Dividend income	(542,889)	(751,874)
Share of loss of associates	20,228	55,901
Gains disposal of properties and equipment	(37,227)	(77,126)
(Losses) gains on disposal of investments	248,840	(80,305)
Impairment loss on financial assets	75,492	1,279,572
Reversal of impairment loss on financial assets	-	(8,219)
Impairment loss on nonfinancial assets	3,081	-
Reversal of impairment loss on nonfinancial assets	(1,434)	(2,108)
Losses on disposal of collaterals	485	1,008
Changes in operating assets and liabilities		
Due from the Central Bank and call loans to other banks	(7,149,435)	4,928,795
Financial assets at fair value through profit or loss	(18,876,379)	18,638,526
Financial assets at fair value through other comprehensive income	4,952,909	(6,473,341)
Investments in debt instruments at amortized cost	746,263	(5,181,515)
Receivables	(8,392,145)	(1,064,363)
Discounts and loans	(36,531,709)	(35,509,315)
Other financial assets	(196,663)	48,938
Deposits from the Central Bank and other banks	6,708,630	(3,864,543)
Financial liabilities at fair value through profit or loss	(2,037,027)	(985,460)
Securities sold under repurchase agreements	26,780,588	(16,981,149)
Payables	(388,300)	(1,491,526)
Deposits and remittances	48,248,325	36,531,476
Other financial liabilities	8,034	(6,445)
Provision for employee benefits	(63,481)	(75,374)
Other liabilities	(1,059)	(278)
Cash generated from (used in) operations activities	11,751,311	(12,768,706)
Interest received	19,758,609	14,507,752
Dividends received	542,889	746,684
Interest paid	(9,237,745)	(4,750,963)
Income tax paid	(1,374,697)	(790,757)
Net cash generated from (used in) operating activities	<u>21,440,367</u>	<u>(3,055,990)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of associates	(10,000)	-
Net cash outflow on acquisition of subsidiary	420,434	-

(Continued)

UNION BANK OF TAIWAN AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Payments for property and equipment	(3,588,525)	(2,116,964)
Proceeds from disposal of property and equipment	15	1
Payments for investment properties	(49,086)	(11,214)
Increase in settlement fund	-	(324)
Decrease in settlement fund	872	-
Increase in refundable deposits	-	(1,025,315)
Decrease in refundable deposits	690,628	-
Payments for intangible assets	(73,863)	(98,967)
Proceeds from disposal of collaterals	949	1,100
Increase in other assets	<u>(1,230,108)</u>	<u>(1,146,252)</u>
Net cash used in investing activities	<u>(3,838,684)</u>	<u>(4,397,935)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in due to Central Bank and other banks	914,233	-
Decrease in due to Central Bank and other banks	-	(6,545,390)
Increase in commercial paper	897,311	731,167
Repayment of bonds payable	(9,564)	(10,224)
Proceeds from issue of bank debentures	-	(2,700,000)
Proceeds from issuance of preferred stock liability	-	375,000
Repayments of preferred stock liability	-	(371,500)
Proceeds from guarantee deposits received	5,016	-
Refund of guarantee deposits received	-	(111,977)
Repayment of the principal portion of lease liabilities	(489,595)	(482,985)
Increase in other liabilities	161,120	-
Decrease in other liabilities	-	(147,849)
Cash dividends paid	(839,405)	(974,282)
Preference shares issued by subsidiaries	-	1,314,000
Changes in non-controlling interests	<u>(234,934)</u>	<u>274</u>
Net cash generated from (used in) financing activities	<u>404,182</u>	<u>(8,923,766)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>(92,073)</u>	<u>1,229,071</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,913,792	(15,148,620)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>56,340,642</u>	<u>71,489,262</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 74,254,434</u>	<u>\$ 56,340,642</u>

(Continued)

UNION BANK OF TAIWAN AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (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, 2023 and 2022:

	December 31	
	2023	2022
Cash and cash equivalents in the consolidated balance sheets	\$ 11,526,796	\$ 12,598,697
Securities purchased under agreements to resell that meet the definition of cash and cash equivalents in IAS 7	<u>62,727,638</u>	<u>43,741,945</u>
Cash and cash equivalents in consolidated statements of cash flows	<u>\$ 74,254,434</u>	<u>\$ 56,340,642</u>

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

Attachment 4

Union Bank of Taiwan
2023 Profit Distribution Table

Unit: NT\$

Item	Amount	
Beginning Undistributed Profit		778,410,517
Surplus after tax for the current period		4,317,285,965
Determine the remeasurement amount of the welfare plan and recognize it in the retained surplus		(45,594,768)
Disposal of equity instruments at fair value through other comprehensive income		573,139,543
Provide the statutory surplus reserve for the year		(1,453,449,222)
Withdrawal of the special surplus reserve for the year		129,596,576
Current surplus available for distribution		4,299,388,611
Assign items		
Special stock dividend	(511,845,205)	
Common stock dividend (NT\$0.9per share)	(3,401,057,252)	(3,912,902,457)
Undistributed profit		386,486,154

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 2023.

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

Attachment 5

Remuneration of Directors for the Latest Fiscal Year
A. Director's Remuneration

Unit: NT Dollar Thousand, December 31, 2023

Title	Name	Directors' Remuneration				Total of (A, B, C and D) and % of Net profit after tax	Remuneration of Part-time Employees																																																																																													
		Remuneration (A)	Earning Termination payment and pension costs (B)	Earning Distribution for Director's Remuneration (C)	Costs incurred to Perform Duties(D)		Termination payment and pension costs (F)	Salaries, Bonus and Special Allowance (E)	Earnings Distribution for Employees' Bonus (G)	Total No. of Shares Issued for Employee Stock Option (H)	Total of (A, B, C, D, E, F & G) as a % of Net profit after tax																																																																																									
											All Companies in the Consolidated Statement	The Bank																																																																																								
Chairman	Union Investment Co., Ltd. Representative: Jeff Lin	1,079	0	3,100	554	4,733 ; 11%	All Companies in the Consolidated Statement	The Bank	Cash Dividend	0	0	0	0	0	4,453 ; 10%																																																																																					
Managing Director	Chen-Chern Investment Co., Representative: Zhen-Xong Jiang															2,160	0	1,641	652	4,453 ; 10%	All Companies in the Consolidated Statement	The Bank	Cash Dividend	0	0	0	0	4,453 ; 10%																																																																								
Director	Union Investment Co., Ltd. Representative: Wen-Ming Li																												2,160	0	1,641	652	4,453 ; 10%	All Companies in the Consolidated Statement	The Bank	Cash Dividend	0	0	0	4,453 ; 10%																																																												
Director	Herman Tu																																								2,160	0	1,641	652	4,453 ; 10%	All Companies in the Consolidated Statement	The Bank	Cash Dividend	0	0	0	4,453 ; 10%																																																
Director	Yu-Pang Investment Co., Representative: Pa-Hsan Wu																																																				2,160	0	1,641	652	4,453 ; 10%	All Companies in the Consolidated Statement	The Bank	Cash Dividend	0	0	0	4,453 ; 10%																																				
Director	Yu-Pang Investment Co., Representative: Sue-Feng Tsao																																																																2,160	0	1,641	652	4,453 ; 10%	All Companies in the Consolidated Statement	The Bank	Cash Dividend	0	0	0	4,453 ; 10%																								
Director	Pai-Sheng Investment Co., Representative: Si-Yong Lin																																																																												2,160	0	1,641	652	4,453 ; 10%	All Companies in the Consolidated Statement	The Bank	Cash Dividend	0	0	0	4,453 ; 10%												
Independent Director	Guo-Zhang Li																																																																																								2,160	0	1,641	652	4,453 ; 10%	All Companies in the Consolidated Statement	The Bank	Cash Dividend	0	0	0	4,453 ; 10%
Independent Director	Tzung Hang Lee																																																																																																			
Independent Director	Lin-Yu Fan	2,160	0	1,641	652	4,453 ; 10%	All Companies in the Consolidated Statement	The Bank	Cash Dividend	0	0	0	0	0	4,453 ; 10%																																																																																					

Note 1: The latest annual surplus distribution proposal of the amount of the directors' remuneration paid by the board of directors before the shareholders' meeting.

Note 2: The employee bonus to President, SEVP, Chief Auditor and Chief Compliance Officer be distributed as approved by the Board of Directors before the shareholders' meeting for the motion of distribution of earnings for the most recent year (the projected amount based on the proportion of distribution last year)

B. Remuneration Range

Unit: NT Dollar

Range of Remuneration Paid to Directors	Name of Directors			
	Total of A,B,C and D		Total of A, B,C,D, E,F & G	
	UBOT	All the Companies in the Consolidated Statement	UBOT	All the Companies in the Consolidated Statement
Less than 1,000,000	Sue-Feng Tsao, Si-Yong Lin, Wen-Ming Li, Herman Tu, Pa-Hsan Wu	Sue-Feng Tsao, Si-Yong Lin, Wen-Ming Li, Herman Tu, Pa-Hsan Wu	Sue-Feng Tsao, Si-Yong Lin, Wen-Ming Li, Herman Tu, Pa-Hsan Wu	Sue-Feng Tsao, Si-Yong Lin, Wen-Ming Li, Herman Tu, Pa-Hsan Wu
1,000,000 (inclusive) ~ 2,000,000 (non-inclusive)	Jeff Lin, Lin-Yu Fan, Zhen-Xong Jiang, Guo-Zhang Li, Tzung Hang Lee	Jeff Lin, Lin-Yu Fan, Zhen-Xong Jiang, Guo-Zhang Li, Tzung Hang Lee	Jeff Lin, Lin-Yu Fan, Zhen-Xong Jiang, Guo-Zhang Li, Tzung Hang Lee	Jeff Lin, Lin-Yu Fan, Zhen-Xong Jiang, Guo-Zhang Li, Tzung Hang Lee
Total	10	10	10	10

Attachment 6

Articles of Association Table of Comparison Clauses Before and After Amendment

Clause after Amendment	Clause before Amendment	Remarks
<p>Article 18-1 Among the number of directors of the Bank, the number of independent directors must be at least 3, and shall not be less than 1/3 of the number of directors. A candidate nomination system is adopted, and the shareholders' meeting shall select independent directors from the list of independent director candidates. The independent directors of the Bank shall serve consecutive terms. No more than 3 terms shall be held.</p> <p>The professional qualifications, shareholdings, part-time restrictions, nomination and election methods and other matters that should be complied with by independent directors are all in compliance with the relevant regulations of the competent authority. The Bank's Board of Directors has established an Audit Committee since the ninth term, and is composed of all independent directors. The number of its members shall not be less than 3, one of whom shall be the convener, and at least one shall have accounting or financial expertise; Responsibilities and Organizational Rules of the Audit Committee, The exercise of powers and other matters that should be complied with shall be handled in accordance with relevant laws and company regulations.</p>	<p>Article 18-1 Among the number of directors of the Bank, the number of independent directors must be at least 3, and shall not be less than 1/5 of the number of directors. A candidate nomination system is adopted, and shareholders select independent directors from a list of candidates.</p> <p>The professional qualifications, shareholdings, part-time restrictions, nomination and election methods and other matters that should be complied with by independent directors are all in compliance with the relevant regulations of the competent authority.</p> <p>The Bank's Board of Directors has established an Audit Committee since the ninth term, and is composed of all independent directors. The number of its members shall not be less than 3, one of whom shall be the convener, and at least one shall have accounting or financial expertise; Responsibilities and Organizational Rules of the Audit Committee, The exercise of powers and other matters that should be complied with shall be handled in accordance with relevant laws and company regulations.</p>	<p>1. In line with the promotion of "Corporate Governance 3.0-Sustainable Development Blueprint", it is stipulated that for listed companies with a capital of more than 10 billion yuan and in the financial and insurance industry, the number of independent director seats shall not be less than one-third from 113, and in accordance with "The Sustainable Development Action Plan for Listed Companies (2023)" Promotional Measures 2: Deepen Corporate Sustainable Governance Culture Point 1 Strengthen the Functions of Independent Directors and Audit Committees Point (2) clearly stipulates that all listed companies should follow the rules starting from 2027 The number of independent director seats shall not be less than one-third of the total number of directors during the term of the board of directors.</p> <p>2. Promote measures in accordance with the "Sustainable Development Action Plan for Listed Companies (2023)" 2. Deepen corporate sustainable governance culture Point 1 Strengthen the functions of independent directors and audit committees Point (3) to standardize listed companies starting from 2027 The consecutive term of all independent directors shall not exceed 3 terms.</p>
<p>Article 43 This constitution was established on August 20, 1990 in the Republic of China. (abbreviated below) Amended 27 June 14, 2024.</p>	<p>Article 43 This constitution was established on August 20, 1990 in the Republic of China. (hereinafter omitted).</p>	<p>Add this revision date.</p>

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 regular shareholders' meeting or 15 days before the extraordinary shareholders' meeting, prepare the shareholders' meeting notice, proxy form, and the causes and explanatory materials of each proposal regarding recognition, discussion, election or removal of directors, etc. into an electronic file and sent 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 meeting supplementary materials will be prepared and sent to the public information observation station in electronic files. However, the bank's paid-in capital at the end of the most recent fiscal year reaches If the amount exceeds NT\$10 billion or if the shareholders' register of the most recent shareholders' meeting holds a total shareholding ratio of foreign capital and mainland capital exceeding 30%, the electronic file transmission in advance of the shareholders' meeting should be completed 30 days before the shareholders' meeting. Fifteen days before the shareholders' meeting, the proceedings manual and meeting supplementary information for the current shareholders' meeting shall be prepared for shareholders to request at any time and displayed at the Bank and the professional stock agency appointed by the Bank.

The Bank shall provide shareholders with the procedure manual and meeting supplementary information referred to in the preceding paragraph on the day of the shareholders' meeting in the following manner:

1. When a physical shareholders' meeting is held, the certificates shall be distributed at the shareholders' meeting site.
2. When convening a video-assisted shareholders' meeting, it should be distributed on-site at the shareholders' meeting and transmitted to the video conference platform as an electronic file.
3. When convening a video conference of shareholders, electronic files should be sent to the video conferencing platform.

Notices and announcements shall specify the reasons for the convening; notifications may be made electronically with the consent of the counterparty.

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 meeting notice the time and place of registration of shareholders, solicitors and entrusted agents (hereinafter referred to as shareholders), as well as other matters that should be noted.

The time for accepting shareholder registration in the preceding paragraph should be at least 30 minutes before the start of the meeting; the registration desk should be clearly

marked, and adequate and qualified personnel should be assigned to handle it; the video conference of the shareholders' meeting should be held at the shareholders' meeting 30 minutes before the start of the meeting. The meeting platform accepts registration, and shareholders who complete the registration will be deemed to have attended the shareholders' meeting in person.

The Bank should set up a signature book for shareholders to sign in, or have shareholders present to sign in on their behalf by handing in a sign-in card.

The Bank shall deliver the proceedings manual, annual report, attendance certificate, speech slips, voting tickets and other meeting materials to shareholders attending the shareholders' meeting; if there is an election for directors, additional electoral votes shall be attached. Shareholders should attend the shareholders' meeting with their attendance certificate, attendance sign-in card or other attendance certificates. The Bank shall not arbitrarily add to the supporting documents for shareholders' attendance and require the provision of other supporting documents; solicitors who are soliciting power of attorney must bring their identity documents, for verification.

When the government or legal entity is a shareholder, the number of representatives attending the shareholders' meeting is not limited to one person. When a legal person is entrusted to attend a shareholders' meeting, only one representative may be appointed to attend.

If the shareholders' meeting is held via video conference, shareholders who wish to attend via video conference should register with the Bank two days before the shareholders' meeting.

The shareholders' meeting will be held via video conference. The Bank shall upload the procedure manual, annual report and other relevant materials to the shareholders' meeting video conference platform at least 30 minutes before the start of the meeting, and continue to disclose them until the end of the meeting.

6-1.

When a bank convenes a video meeting of shareholders, it shall specify the following matters in the shareholders' meeting notice:

1. Methods for shareholders to participate in video conferences and exercise their rights.
2. The method for handling obstacles to the video conferencing platform or video participation due to natural disasters, accidents or other force majeure events, including at least the following matters:
 - (1) The time when the meeting needs to be postponed or continued due to the occurrence of previously opened obstacles that cannot be ruled out, and the date of the meeting if it is necessary to postpone or continue the meeting.
 - (2) Shareholders who have not registered to participate in the original shareholders' meeting via video conference are not allowed to participate in the postponed or continued meeting.
 - (3) A video-assisted shareholders' meeting is convened. If the video meeting cannot be continued, after deducting the number of shares attending the shareholders' meeting via video conference, the total number of shares present reaches the legal quota for the shareholders' meeting, and the shareholders' meeting
It should continue. For shareholders who participate via video conference, the number of shares they attend should be included in the total number of shares of shareholders present, and all resolutions of the shareholders' meeting will be deemed to have abstained from voting.
 - (4) How to handle situations where the results of all motions have been announced but no provisional motions have been made.
3. Convene a video conference of shareholders and specify the appropriate alternative

measures for shareholders who would have difficulty participating via video conference.

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 entire shareholder registration process, meeting proceedings, and voting counting process continuously and uninterrupted from the time it accepts shareholder registration.

The audio and video materials mentioned in the preceding paragraph shall be kept for at least 1 year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Law, it shall be preserved until the lawsuit is concluded.

If the shareholders' meeting is held via video conference, the Bank shall record and preserve shareholders' registration, registration, check-in, questions, voting and company vote counting results, etc., and record and videotape the entire video conference continuously.

The Bank shall properly preserve the information and audio and video recordings mentioned in the preceding paragraph during its existence, and provide the audio and video recordings to those entrusted with the video conferencing business for preservation.

If the shareholders' meeting is held via video conference, the Bank is advised to record and videotape the backend operation interface of the video conference platform.

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. Each shareholder has one vote per share; however, this does not apply to those with restricted or no voting rights.

When the Bank convenes a shareholders' meeting, it shall exercise its voting rights electronically and may exercise its voting rights in writing; when it exercises its voting rights in writing or electronically, the method of exercise shall be stated 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, temporary motions and amendments to the original motion at the shareholders' meeting will be deemed as abstentions, so the Bank is advised to avoid proposing temporary motions and amendments to the original motion.

For those who exercise their voting rights in writing or electronically in the preceding paragraph, their expression of intention should be delivered to the company 2 days before the shareholders' meeting. If there are duplicate expressions of intention, the one that is delivered first shall prevail. However, this does not apply to those who expressed their intention before the statement was withdrawn.

After a shareholder has exercised his voting rights in writing or electronically, if he wishes to attend the shareholders' meeting in person or by video conference, he should revoke his intention to exercise his voting rights in the preceding paragraph 2 days before the shareholders' meeting in the same way as for exercising his voting rights. Voting rights shall be exercised in writing or electronically. If the voting rights are exercised in writing or electronically and a proxy is entrusted to attend the shareholders' meeting with a power of attorney, the voting rights exercised by the entrusted proxy shall prevail.

Unless otherwise stipulated in the Company Law and the Bank's Articles of Association, voting on proposals shall be passed with the consent of more than half of the voting rights of 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. The shareholders shall vote on a case-by-case basis. The results of shareholders' approval, objection and abstention shall be entered into the public information observatory on the day after the shareholders' meeting is held.

When there are amendments or substitutions to the same motion, the chairman shall determine the order of voting based on the original motion. If one of the motions has been passed, the other motions will be deemed to have been rejected and will not need to be voted on again.

The supervisors and counting personnel for voting on proposals shall be designated by the chairman, but the supervisors shall have the status of shareholders.

The counting of votes for shareholders' meetings or election proposals shall be carried out in a public place at the shareholders' meeting, and after the counting of votes is completed, The voting results, including statistical weights, will be announced on the spot and recorded.

The Bank convenes a video conference of shareholders. Shareholders participating in the video conference should vote on various proposals and election proposals through the video conferencing platform after the chairman announces the meeting. The voting should be completed before the chairman announces the end of voting. Overtime Those who do so will be deemed to have abstained.

If the shareholders' meeting is held via video conference, the votes shall be counted in one go and the voting and election results shall be announced after the chairman announces the end of the voting.

When the Bank convenes a video-assisted shareholders' meeting, shareholders who have registered to attend the shareholders' meeting via video conference in accordance with Article 6 and wish to attend the physical shareholders' meeting in person should cancel their registration in the same manner as the registration two days before the shareholders' meeting; Those who cancel after the deadline can only attend the shareholders' meeting via videoconference.

Those who exercise their voting rights in writing or electronically, do not revoke their expression of intention, and participate in the shareholders' meeting via video conference, may no longer exercise their voting rights on the original motion, propose amendments to the original motion, or exercise voting rights on amendments to the original motion, except for temporary motions.

14. When the shareholders' meeting elects directors, it shall be conducted in accordance with the relevant election standards set by the Bank, and the results of the election shall be announced on the spot, including the list of elected directors and their voting rights, and the list of unsuccessful directors and their voting rights.

The electoral votes for the election matters mentioned in the preceding paragraph shall be sealed and signed by the scrutineers, and then 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 preserved until the lawsuit is concluded.

15. The resolutions of the shareholders' meeting shall be recorded in minutes, signed or sealed by the chairman, and distributed to all shareholders within 20 days after the meeting. The production and distribution of minutes can be done electronically.

The minutes of proceedings referred to in the preceding paragraph may be distributed by entering announcements into the public information observatory.

The minutes of the meeting should be accurately recorded according to the year, month, day, venue, name of the chairman, resolution method, essentials of the proceedings and voting results (including statistical weights). When there is an election of directors, the names of each candidate should be disclosed. Number of votes. It shall be kept permanently during the existence of the Bank.

If a shareholders' meeting is convened by video conference, in addition to the matters that should be recorded in accordance with 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 the records due to natural disasters, accidents or other The handling methods and situations when force majeure causes obstacles to the video conferencing platform or video participation.

When convening a video conference of shareholders, the Bank shall, in addition to complying with the provisions of the preceding paragraph, also specify in the minutes the alternative measures provided by shareholders who would have difficulty participating via video conference.

16. Regarding the number of shares acquired by solicitors, the number of shares entrusted by agents, and the number of shares attended by shareholders in writing or electronically, the Bank shall, on the day of the shareholders' meeting, prepare a statistical table in the

prescribed format at the shareholders' meeting venue. Clear disclosure: If the shareholders' meeting is held via video conference, the Bank shall upload the aforementioned information to the shareholders' video conference platform at least 30 minutes before the start of the meeting and continue to disclose it until the end of the meeting. The bank convenes a video conference of shareholders and when announcing the meeting, the total number of shares attended by shareholders should be disclosed on the video conference platform. The same applies if the total number of shares and voting rights of shareholders present are calculated during the meeting.

If there is any material information required by laws and regulations of the Taiwan Stock Exchange Co., Ltd. regarding resolution matters of the shareholders' meeting, 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 via video conference, the Bank can provide shareholders with a simple connection test before the meeting, and provide relevant services immediately before and during the meeting to help solve technical communication problems.

If the shareholders' meeting is convened by video conference, the chairman shall separately announce when announcing the opening of the meeting, except for the circumstances that do not require the postponement or continuation of the meeting as stipulated in Article 44-24 of the Standards for Handling Stock Affairs of Companies with Public Issuance of Stocks. Before the meeting is adjourned, if there is any obstacle to the video conferencing platform or participation in the video conference due to natural disasters, accidents or other force majeure, which lasts for more than thirty minutes, the date of the meeting shall be postponed or rescheduled within five days. The first requirement of the Company Law shall not apply. The provisions of Article 182. If a meeting that should be postponed or continued as specified in the preceding

paragraph occurs, shareholders who have not registered to participate in the original shareholders' meeting via video conference shall not participate in the postponed or continued meeting.

If a meeting should be postponed or postponed in accordance with the provisions of Paragraph 2, shareholders who have registered to participate in the original shareholders' meeting via video conferencing and have completed registration, but who have not participated in the postponed or postponed meeting, their number of shares attended at the original shareholders' meeting, their exercised voting rights and The voting rights shall be included in the total number of shares, voting rights and electoral rights of shareholders present at the postponed or continued meeting.

When the shareholders' meeting is postponed or resumed in accordance with the provisions of Paragraph 2, there is no need to re-discuss and resolve the resolutions that have completed voting and counting, and announced the voting results or the list of elected directors.

When the Bank convenes a video-assisted shareholders' meeting and the video meeting cannot be continued due to the occurrence of the second paragraph, if the total number of shares present after deducting the number of shares attending the shareholders' meeting via video conference still reaches the legal quota for the resolution of the shareholders' meeting, the shareholders' meeting can still To continue, there is no need to postpone or continue the assembly in accordance with the provisions of Paragraph 2.

In the event that the meeting as specified in the preceding paragraph occurs and the meeting should continue, shareholders who participate in the shareholders' meeting via video conference shall count the number of shares they attend as part of the total number of shares held by the shareholders present, but all resolutions of the shareholders' meeting will be deemed to have abstained from voting.

The Bank shall postpone or renew the meeting in accordance with the provisions of Paragraph 2, and shall handle relevant matters in accordance with the provisions of Article 44-27 of the Standards for Handling Stock Affairs of Companies with Public Issuance of Stocks, the date of the original shareholders' meeting and the provisions of the respective Articles. Preliminary work.

The second paragraph of Article 12 and Paragraph 3 of Article 13 of the Rules for the Use of Proxy Letters for Public Issuance Companies to Attend Shareholders' Meetings, Article 44-5 Paragraph 2 and Article 44-1 of the Rules for Handling Stock Affairs of Companies with Public Issuance of Stocks 15. During the period specified in Paragraph 1 of Article 44-17, the Bank shall postpone or extend the date of the shareholders' meeting in accordance with Paragraph 2.

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

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
8	Amended on June 9, 2023	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. Special stock dividends are capped at an annual rate of 8%, calculated based on the issuance price per share. Dividends may be paid in cash once a year. After the annual shareholder meeting approves the financial report and earnings distribution, the board of directors shall set a base date for payment in the previous year. Dividends. The number of dividends paid in the year of issuance and the year of withdrawal is calculated based on the actual number of days of issuance in that 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 provisions 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 provisions 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 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 shall be prepared. After review by the board of directors, it shall be submitted to the Audit Committee or the accountant appointed by it for review 30 days before the regular shareholders' meeting, and then submitted to the regular shareholders' meeting for approval. Within 15 days after the approval of the regular shareholders' meeting, it shall be submitted to the central competent authority and the central bank for record respectively, and the financial statements shall be announced.

(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 there is a surplus in the bank's annual final accounts, in addition to paying income tax in accordance with the law, it should first make up for the previous year's losses, then set aside 30% as a statutory surplus reserve and set aside or reverse the special surplus reserve in accordance with legal provisions or business needs. Then, based on the balance and the accumulated undistributed earnings of the previous year, the board of directors will draft a surplus distribution proposal and submit it to the shareholders' meeting to resolve the distribution of dividends and bonuses. The type of dividends and bonuses to be distributed shall be determined by the Board of Directors in accordance with the current financial situation, future profitability and the bank's capital budget plan, and the proportion of cash or stock distribution shall be determined. In principle, if the ratio of the bank's own capital to risky assets after distribution is lower than the ratio stipulated by the competent authority plus one percentage point, stock dividends may be distributed first; before the statutory surplus reserve reaches the total capital, its maximum cash surplus distribution, shall not exceed 15% of the 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. twenty-sixth amendment on June 9, 2023

“Procedures for Election of Directors of Union Bank of Taiwan, Ltd.”

- Article 1 This Procedure is provided in accordance with the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies to elect/appoint directors on fair, just, and open principles.
- Article 2 Unless otherwise stipulated by the laws, election/appointment of the Bank’s director shall be governed by this Procedure.
- Article 3 Election/appointment of the Bank’s director shall consider the overall balance of the board, which should consists of members from diversified backgrounds and establish adequate diversification policy according to its operation, business types, and development requirements, including but not limited to the 2 major standards below:
1. Basic criteria and values: Gender, age, nationality, and culture.
 2. Professional knowledge and skill: Professional background (e.g. laws, accounting, industry, finance, marketing, or technology), professional skill, and industry experience.
- The members of the board should generally process the knowledge, skill, and quality required for executing their duties, and should process the following general expertise:
1. Sound judgment
 2. Accounting and financial analysis
 3. Operational management
 4. Crisis handling
 5. Industry knowledge
 6. International market insight
 7. Leadership
 8. Decision-making
- More than half of the directors may not be in the relation of spouse or class two or closer relatives. The representative assigned by the corporate director of the Bank must qualify the Bank’s professional requirement and should not change without due consideration. The board of the Bank should consider adjusting its profile according to the result of performance appraisal.
- Article 4 The qualification and election/appointment of the Bank’s independent directors should comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies.
- Article 5 The election of directors of the company shall be conducted in accordance with the candidate nomination system procedures stipulated in Article 192-1 of the Company Law.
- If directors are dismissed for any reason and there are fewer than five directors, by-elections shall be held at the latest shareholders' meeting. However, when the vacancy of directors reaches one-third of the number of seats specified in the articles of association, a special meeting of shareholders shall be held for by-election within 60 days from the date of occurrence.
- If the number of independent directors falls short of the relevant provisions of the proviso to Paragraph 1 of Paragraph 14-2 of the Securities and Exchange Act or the

Taiwan Stock Exchange's Listing Review Guidelines, by-elections shall be held at the latest shareholders' meeting; when all independent directors are dismissed, the number of independent directors shall be determined from the date of the fact. Within 60 days from the date of the announcement, a special meeting of shareholders will be held to conduct a by-election.

- Article 6 Election of the Bank's directors shall adopt accumulated votes; each share shall have as many voting rights as the number of directors to be elected and the voting rights may be voted to one or several candidates.
- Article 7 The board should prepare ballots at a quantity same as the number of directors to be elected, and the number of share should be stated on the ballots. The ballots shall be distributed to the shareholders present at the meeting. The names of the voting shareholders to be stated on the ballots may be replaced by the attendee badge number.
- Article 8 Director quota stipulated in the Bank's Chapter of Incorporation shall be applicable separately on independent and non-independent directors. The result of election shall be determined by the number of voting shares won by the respective candidates, and candidates winning the highest number of voting shall be elected until the said quota is exhausted. In the case that two or more candidates have won the same number of voting shares, a draw among them shall determine the winner. If one of the drawing candidate is not present at the meeting, the presiding chairperson shall draw on behalf of the said candidate.
- Article 9 The presiding chairperson shall appoint several shareholders as the scrutineers and vote counters prior to the start of election. The ballot box shall be prepared by the board and examined before voting by the scrutineers.
- Article 10 The elector shall fill in the name of the person to be elected according to the announced list of director candidates.
If the names on the list of director candidates are the same, the board of directors or other convening authority shall make a note to distinguish them.
- Article 11 An electoral vote will be invalid if any of the following circumstances apply:
1. Ballots prepared by the person with the right to convene are not required.
2. Putting a blank ballot into the ballot box.
3. The handwriting is illegible or has been altered.
4. The name of the electee filled in does not match the announced list of candidates.
5. The total number of electoral rights allocated to the electors exceeds the number of electoral rights based on the cumulative voting system.
6. In addition to filling in the name of the elector and the number of allocated voting rights, other words are included.
- Article 12 After the voting is completed, the votes will be counted on the spot. The results of the voting shall be announced on the spot by the chairman or his designated person, and the list of elected directors shall be announced and the number of elected directors shall be disclosed.
The electoral votes for the election matters mentioned in the preceding paragraph shall be sealed and signed by the scrutineers, and then 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 preserved until the lawsuit is concluded.
- Article 13 The elected directors will be notified separately by the company's board of directors.
- Article 14 This Procedure is promulgated with the approval from the annual general meeting of shareholders, and its amendment shall follow the same.

Attached table: revision history

1	Approved at the 18th board meeting on March 18, 2015	Passed by the shareholders meeting
2	Amended on May 28, 2021	Passed by the shareholders meeting

Appendix 4

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 95,494,860 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	5,902,240	15,902,240	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	179,147,027	183,392,986	4.60%
Director	Union Investment Ltd. represented by: Li, Wen Ming	10,000,000	5,902,240	15,902,240	0.39%
Director	Yo Bang Co., Ltd. (represented by: Wu Ba Shan)	-	54,409,095	54,409,095	1.36%
Director	Bai Sheng Investment Co., Ltd. (represented by: Lin Si Yong)	8,167,281	190,540,508	198,707,789	4.99%
Director	Tu Herman	-	421,816	421,816	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	430,420,686	452,833,926	11.38%

Note: The date of the current general shareholders meeting is 14 June 2024 (share transfer suspension period is from 16 April 2024 to 14 June 2024) Capital stock 3,978,952,502 shares (Ordinary shares:

3,778,952,502 shares, special shares: 200,000,000 shares)

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