

Stock Code : 2838

# Union Bank of Taiwan

2025 General Shareholders

Procedure Manual

9 a.m., 13 June 2025 (Friday)

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

Shareholders' meeting method:  
Entity and video assistance

Video conferencing platform : Video conferencing platform  
of Taiwan Depository and Clearing Co., Ltd.

【<https://stockservices.tdcc.com.tw>】

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# Union Bank of Taiwan

## Procedure for the 2025 Annual Meeting of Shareholders

MEETING TIME: 9 a.m., 13 June 2025(Friday)

PLACE: 2F, International conference hall, Center for Public Business

Administration Education, National Chengchi University

(No. 187, Jinhua St., Taipei City)

Shareholders' meeting method : Entity and video assistance

1. Call the Meeting to Order
2. Chairperson Takes Chair
3. Chairperson Remarks
4. Reports
  - (1). 2024 Business Report.
  - (2). 2024 Audit Committee Audit Report.
  - (3). 2024 Employee and Director Remuneration Distribution Report
  - (4). 2024 Report on the Remuneration of Directors.
  - (5). Report on the Spin-off of Securities Business to Establish a 100%-Owned Securities Subsidiary, "Union Securities of Taiwan Co., Ltd"
5. Proposals
  - (1). 2024 Business Report and Financial Statements.
  - (2). 2024 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. Questions and Motions.
8. Adjournment.

## 1. Reports

### **Proposal No. 1**

Subject: The 2024 Business Report is submitted for review.

Illustration: Please refer to Attachment 1 Business Report (pages 8 to 17 of this manual).

### **Proposal No. 2**

Subject: The 2024 Audit Committee Audit Report is submitted for review.

Illustration: Please refer to Attachment 2 Audit Committee Audit Report (page 18 of this manual).

### **Proposal No. 3**

Subject: The 2024 Report on Employee and Director Remuneration Distribution Status is submitted for review.

Illustration:

- (1) In 2024, the Bank's pre-tax net profit before distribution of remuneration to employees and directors is NT\$ 6,234,733,649. It is planned to accrue NT\$114,719,099 for employees' remuneration and NT\$5,611,260 for directors' remuneration in accordance with the Bank's Articles of Association.
- (2) Among them, NT\$114,719,099 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 7, 2025). The closing price of Common shares was NT\$16.45, a total of 6,973,805 new shares were issued, with a face value of NT\$10 per share, and the remuneration of less than 1 share was NT\$6.75, 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: 2024 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 2024, please refer to the attachment<sup>4</sup> (page 41 to 42 of this manual) for the remuneration of directors: including remuneration (salary, pension) NT\$3,279,667 remuneration NT\$5,611,260, business execution expenses (attendance, special expenses), vehicle allocation, fuel and tolls) NT\$1,198,000 totaling NT\$10,088,927.

### **Proposal No. 5**

Subject: The Spin-off of Securities Business to Establish a 100%-Owned Securities Subsidiary, "Union Securities of Taiwan Co., Ltd. " is submitted for review.

Illustration:

- (1). In order to achieve the goal of cross-industry comprehensive management efficiency in response to the changes in corporate professional division of labor and financial environment, and to improve competitiveness and operating performance, the company intends to separate the securities business from the securities brokerage business and futures trading auxiliary business in addition to retaining the bond proprietary business in accordance with Article 36-1 of the Corporate Merger and Acquisition Act, and establish a wholly-owned securities subsidiary " Union Securities of Taiwan Co., Ltd." The newly established securities subsidiary will issue shares to the Company.  
The Company will become the sole shareholder of the Securities Subsidiary. The spin-off will see the Company acquire "Union Securities of Taiwan Co., Ltd. "
- (2). The Company will tentatively set the separation date as November 1, 2025, subject to the approval of the relevant competent authorities. The Company will transfer the aforementioned separation business and establish a securities subsidiary, "Union Securities of Taiwan Co., Ltd. " on the separation date.
- (3). This split is an organizational reorganization and should have no impact on the interests of the Company's shareholders.

## 2. Proposals

### Proposal No. 1

Subject: The 2024 business report and financial statements are submitted for approval. (Proposed by Board of Directors)

#### Illustration:

1. The 2024 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 4<sup>th</sup> meeting of the 5<sup>th</sup> term of the audit committee and the 12<sup>th</sup> meeting of the 6<sup>th</sup> 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 8 to 17 of this manual) & Attachment 3 (pages 19 to 40 of this manual)

#### Resolution:

### Proposal No. 2

Subject: The 2024 Profit Distribution Proposal is submitted for approval. (Proposal by Board of Directors)

#### Illustration:

1. 2024 distributable profit of NT\$5,092,107,406. In accordance with the Bank's Articles of Association, the proposed distribution is as follows:
  - (1) Preferred stock dividends (NT\$2.630625 per share), Calculated in segments based on the interest rate reset on April 24, 2024 total NT\$526,125,000.
  - (2) Common stock cash dividends (NT\$0.35 per share) totaled NT\$1,417,525,506.
  - (3) Common stock dividends (NT\$0.70 per share) totaled NT\$2,835,051,011.
  - (4) Undistributed profit: NT\$313,405,889.
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 2024 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.

Union Bank of Taiwan  
2024 Profit Distribution Table

Unit: NT\$

Item	Amount	
Beginning Undistributed Profit		386,486,154
Surplus after tax for the current period		5,215,276,644
Determine the remeasurement amount of the welfare plan and recognize it in the retained surplus		49,912,891
Disposal of equity instruments at fair value through other comprehensive income		1,457,126,539
Provide the statutory surplus reserve for the year		(2,016,694,822)
Withdrawal of the special surplus reserve for the year		0
Current surplus available for distribution		5,092,107,406
Assign items		
Preferred stock dividend	(526,125,000)	
Common stock dividend	(4,252,576,517)	(4,778,701,517)
Undistributed profit		313,405,889

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 2024.

Resolution:

### 3. Discussions

Proposal No.1

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

Illustration:

1. The contents of the revised articles of association are as follows:
  - (1) In order to cooperate with the capital increase through profit transfer, the total capital and total number of shares will be changed. It is proposed to amend Article 4: "The total authorized capital of the Bank shall be NT\$55,000,000,000, divided into 5,500,000,000 shares, with a par value of NT\$10 per share, divided into common shares and preferred shares, to be issued in batches."
  - (2) Article 162 of the Company Law provides that the revised Article 5 states that "the Bank's shares shall be registered and signed or sealed by the directors representing the company and issued after being certified by a bank that is legally authorized to serve as the certificate holder for the issuance of shares."
  - (3) Pursuant to Article 14-6 of the Securities and Exchange Act, it is proposed to add to Article 38 that "the ratio of employee compensation referred to in the preceding paragraph to grassroots employees shall not be less than 50% of the total amount paid. The method of allocating employee compensation and directors' compensation and the definition of grassroots employees referred to in the preceding two paragraphs shall be authorized to be separately determined by the Board of Directors."
  - (4) The original Article 40, "When the statutory surplus reserve reaches the paid-in capital, the current period's contribution may be stopped," has been incorporated into Article 39.
2. Before and after the revision, please refer to Attachment 5 (pages 43 to 44 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 2024, NT\$2,835,051,011 will be allocated to transfer the surplus to capital increase, of which NT\$2,835,051,010 will be issued for 283,505,101 shares, and the remaining NT\$1 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 Common shares, and the rights and obligations are the same as Common shares, with a denomination of NT\$10 per share.
4. In the event of a change in the shares of the Bank, or the transfer, Conversion or cancellation of the treasury shares or other circumstances, affecting the total number of shares outstanding, the share allotment, and the dividend rate, the shareholders' meeting authorizes the board of directors to handle the change.
5. In the case of the above-mentioned capital increase and issuance of new shares, the shareholders' meeting authorizes the board of directors to deal with changes in the law or when the competent authority approves the amendment.

Resolution:

#### **4 、 Questions and Motions.**

#### **Adjournment**

# 2024 Business Report

## Attachment 1

### 1. Domestic and Overseas Financial Status

Looking back at 2024, although the global economy continues to face challenges, central banks around the world maintain tight monetary policies to curb inflation. Although inflationary pressure has eased compared to 2023, it has led to increased financing costs for companies, especially for companies that rely on foreign capital or multinational supply chains, and the pressure on capital allocation has increased. In response to international trends and domestic economic conditions, our central bank will maintain interest rates unchanged in the first half of 2024, driving stable growth in the banking industry's deposit and lending business, as well as the return of Taiwanese businessmen and the government's promotion of industrial development plans such as semiconductors and green energy, further supporting corporate financing needs and enabling the banking industry to continue to benefit.

Looking ahead to 2025, the market generally expects the Federal Reserve to start cutting interest rates in the second half of the year. However, interest rates are likely to remain at a relatively high level, which will continue to support bank interest rate spreads. As the government continues to promote public construction and corporate investment, the scale of bank loans is expected to grow steadily. However, we need to pay attention to global economic uncertainties, such as the Ukraine-Russia war, the Sino-US technology war, the slowdown in economic growth in the United States and Europe, and the risk of default in the Chinese real estate market, to avoid overseas exposure that impacts the quality of bank assets. In addition, as international regulators strengthen capital adequacy and risk management requirements, the banking industry must actively adjust its business strategies and maintain stable profits by strengthening digital finance, green finance and the development of diversified financial products to ensure sound operations. Overall, the banking industry will still have growth momentum in 2025, but it should respond prudently to market changes to ensure financial stability and operational resilience.

### 2. 2024 Operating Results and Main Business Status

In 2024, 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 2024 was NT\$5,215,000,000, the after-tax earnings per share (EPS) was 1.16 yuan, the return on total assets (ROA) was 0.55%, and the return on common equity (ROE) was 7.47%. In terms of quality, the overdue loan ratio was 0.22%, and the allowance for bad debt coverage ratio was 537.01%, 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 12, 2024, 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 2024:

(1) Deposit

At the end of 2024, Taiwan's foreign currency deposit balance will be NT\$810.8 billion, an increase of NT\$49 billion from NT\$761.8 billion at the end of 2023, with a growth rate of 6.43%. In terms of deposit structure, the balance of demand deposits was RMB 386.3 billion, accounting for 47.64% of total deposits; the balance of time deposits was RMB 424.5 billion, accounting for 52.36% of total deposits.

(2) Lending

The loan balance at the end of 2024 is NT\$613.8 billion, an increase of NT\$42.8 billion from NT\$571.0 billion at the end of 2023, with a growth rate of 7.50%. Among them, secured loans amounted to NT\$539.9 billion, accounting for 87.96% of the total loans; unsecured loans amounted to NT\$73.9 billion, accounting for 12.04% of the total loans.

(3) Credit Card

1. In 2024, the momentum of tourism will continue to heat up. The credit card activity strategy will combine card benefits with travel, overseas consumption, full-amount rebates for people's livelihood consumption, and tax and insurance installment activities to drive the growth of transaction amounts. The total credit card transaction amount in 2024 will be 191.5 billion yuan, an increase of 19.9 billion yuan from last year (a growth of 12%).
2. The total number of cards issued in 2024 will be 390,000. The tourism boom remains unabated, and the number of people traveling abroad continues to increase, prompting the LINE Bank co-branded card, Jihe Card, and Federal M Card, which focus on high overseas returns, to have a certain voice in the market. In addition, the main customer groups of Jihe Card and Laidian Card are the younger generation. In order to achieve the benefits of cross-bank sales and joint customer acquisition, they are combined with an account-automatic deduction credit card payment bonus activity and integrated with New New Bank digital account opening, adding approximately 16,000 new digital depositors of New New Bank. In addition, they are segmented for marketing, including the Federal M Card, which focuses on high returns in insurance, travel and transportation, the Green Card, which implements the ESG plan to create green consumption, and the continuous maintenance of key co-branded cards (such as the Breeze Card and the National Card). As of December 2024, the number of credit cards in circulation is 2,764,467 cards.
3. Microcredit continues to use its own "marketing model" to develop the bank's depositor credit customer base, and the "risk segmentation model" to screen customer base, in order to expand the business of medium and high-risk customer base, while increasing media exposure and optimizing the online application process to increase the proportion of self-initiated applications. The amount of self-initiated application funding in 2024 will increase by 61% compared to last year, and the proportion will also increase to 15%. The overall amount of microcredit grants in 2024 increased by 24% compared to last year. In addition, the sales revenue of consumer installment loans increased by 19% compared to last year, continuously increasing profits.
4. In addition to promoting large and chain stores, the acquiring business will also work with branches to expand small and medium-sized merchants and expand the breadth of acquiring. The promotion of contracted stores in 2024 will grow by 40% compared to last year. In addition, the online acquiring

business will be actively optimized. In addition to fully supporting 3D 2.0, it also supports API payment flows to simplify the time schedule for customers to connect with banks. The total transaction amount in 2024 will increase by NT\$24 billion compared to last year, with new specialty stores such as Watsons, BMW Rongde Automobile, Taijin Travel Agency, Diaomin Pickled Fish, and Taichung Chaogang City.

(4) Fortune Management

The Bank's number of wealth management accounts in 2024 increased by 19.55% compared to 2023, and the average monthly balance of total managed assets increased by 9.03% compared to 2023.

Specific money trust business: Benefiting from the stable US economy, falling inflation, the development of the AI industry, and the continuous influx of global funds into the US stock market, the S&P 500 index rose 23% and the Nasdaq index rose 28.7% in 2024, with brilliant performances, driving a significant increase in the sales of special gold products such as foreign bonds, US stocks, and funds. The specific money trust handling fees in 2024 increased by NT\$298 million (+49.76%) compared with the previous year. The Bank will continue to provide customers with a more diversified selection of financial products to increase overall financial management returns.

Insurance agency business: In order to serve customers' financial needs for asset allocation, retirement planning, and reserved tax sources, the Bank continues to promote variable insurance with high protection and participating insurance policies with protection functions and the opportunity to share policy profits, creating a win-win situation and increasing profits. In 2024, the insurance fee income will increase by NT\$183 million (+24.41%) compared with the previous year.

(5) Operating Performance

The net interest income in 2024 was RMB 8.366 billion, the net income other than interest was RMB 8.661 billion, and the total net income was RMB 17.027 billion. After deducting the net provision for bad debts of RMB 1.067 billion and operating expenses of RMB 9.846 billion, the net profit before tax was RMB 6.114 billion and the net profit after tax was RMB 5.215 billion.

(6) Sustainable development of enterprises

The bank attaches importance to ESG corporate sustainable development and takes environmental protection actions. In order to achieve the "2050 Net Zero Emissions" goal, the bank has set a medium-term goal of reducing carbon emissions by 6%, saving water by 1%, and increasing the use of products made of recycled materials by at least 30% each year by 2030. The green procurement amount in 2024 exceeded NT\$30 million, and was awarded the "Green Procurement Promotion Plan for Private Enterprises and Groups" by the Taipei City Environmental Protection Bureau. Caring about ecological conservation, the bank has corporately adopted campuses, community park green spaces, Shei-Pa National Park trail facilities, and Taiwan's protected animals, the clouded leopard and ring-necked pheasant. It has also issued green cards to encourage customers to jointly implement green consumption and allocate funds to donate to environmental protection groups. In terms of social welfare investment, in 2024, the Bank and its affiliated companies jointly donated 30 million yen to Japan's Noto Peninsula earthquake and 30 million New Taiwan dollars to Hualien earthquake. At the same time, we joined hands with the Federal Culture and Education

Foundation to launch the "Let's Be Happy Together" charity donation platform, and raised a total of approximately 2.35 million yuan in 2024 to donate to the disadvantaged in social welfare; attaching importance to art promotion, the Bank has long cooperated with the Federal Culture and Education Foundation to promote Taiwanese oil painting art and hold the Federal Art Tour Exhibition. Attaching importance to corporate governance, the Bank continues to strengthen internal audit and control, legal compliance, risk management and information security operations to ensure fair treatment of customers.

### **3. 2025 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 increase the Bank's deposit operating volume.

(2) We will continue to evaluate the establishment of new off-site ATMs and strengthen the establishment of off-site ATM locations in convenience stores to expand our service locations, enhance our visibility and expand our deposit business.

(3) Continue to expand deposit solicitation with suppliers that have mutual business relations with the Bank; open deposit accounts with convenience store franchisees or strengthen business relations with suppliers that have opened accounts with convenience store franchisees to increase deposit performance.

#### **2. Enterprise and foreign exchange business:**

(1) Actively expand industrial and commercial enterprise loans, factory loans (MIT) and self-liquidating loans, and aim to expand large-scale high-quality enterprises (such as listed or OTC companies with TCRI ratings of 1 to 5 or export manufacturers of a certain scale, etc.) in order to derive deposits and various business transactions.

(2) For credit cases under Section 72-2 of the Banking Act, central bank construction financing loan cases, or credit cases where real estate is used as collateral and where a higher risk weight is applied to the enhanced credit, the conditions for undertaking the case should be evaluated on a case-by-case basis taking into account profitability and contribution.

(3) For credit cases involving complex transactions, high operating costs or Bridge Loans, the commission income will be appropriately increased.

(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. The "Foreign Exchange Business Promotion Team" accompanies the branch to visit customers. In addition to assisting with import and export related business needs, in order to strengthen the absorption of customer deposits and improve customer stickiness, they also promote various deposit businesses and fully assist the branch in expanding its business.

- II. Based on market interest rates and the Bank's funding needs, we will continue to launch preferential foreign currency deposit programs to expand our deposit business.
  - III. Continue to optimize the Bank's foreign exchange related information system and add new functions to enhance the Bank's competitiveness in the market.
  - IV. Regularly organize foreign exchange internship courses to enhance AO and business colleagues' understanding of foreign exchange business, and arrange discussions focusing on actual cases to facilitate business expansion.
  - V. To expand overseas markets, actively apply for the establishment of overseas branches.
- (6) Ticket financial business
- I. Guarantee business - Actively expand large enterprises in TCRI Level 1 to 5, and adjust the credit account structure, giving priority to credit with self-liquidity (such as passenger tickets), bank deposits (the bank's bills and bonds RP) or high-quality stocks recognized by the bank, strengthen post-loan management, and maintain steady "profit" growth.
  - II. Notes and Bonds Business
    - i. In terms of investment business, we will actively cultivate financial transaction talents, screen high-quality investment targets, implement relevant risk control disciplines, and improve overall returns; we will continue to expand our customer base externally, strive for enterprises to issue floating-price FRCP business, diversify funding sources, reduce liquidity risks, so as to increase returns and maintain market position.
    - ii. The bond business adopts the strategy of not increasing the positions on the account upon natural maturity, but still maintains operational flexibility, grasps the pulse of the market, and waits for opportunities to build a bond position with a higher interest rate than the current level.
  - III. Deposits and other businesses - Actively refer credit customers to nearby branches for joint visits, strive for credit customers to deposit or purchase bills RP in the bank, meet the credit customers' business needs, in addition to the commercial bill guarantee line, actively develop other credit, TMU, foreign exchange, acquiring, trust, wealth management and other business transactions to strengthen the relationship between customers and the bank.
3. Consumer finance business:
- (1) In response to the central bank's measures to control the total amount of residential purchase loans, the Bank will actively promote non-home purchase investment business, launch preferential programs for specific high-quality customer groups, and launch a referral reward program to encourage bank employees to develop loan applications from customers around the bank premises.
  - (2) In order to effectively utilize funds and improve yields, the interest rates and case handling fees of newly undertaken cases (especially high RW cases) will be increased, and the penetration rate of mortgage life insurance will be improved. For cases with renewals of revolving credit lines, the utilization status will be reviewed to

reduce the unused credit line.

- (3) Actively market online real estate loan increase business by sending text messages or E-DMs to improve the efficiency and service quality of old customers' loan increase investment and financial management funds. In addition, for the maintenance of old customers without AO, the customer list will be provided to each branch manager and center director, and a dedicated person will be assigned to contact them.
  - (4) To achieve the "Domestic Banks Strengthening Small and Medium Enterprise Lending Program" evaluation and reward, we will continue to carry out reward and punishment activities to promote small enterprises, systematically collect lists of small enterprises that originally had transactions with the Bank but have repaid or partially repaid their loans, and provide them to business units for credit promotion.
  - (5) Continuously train loan management AOs, invite managers or senior business colleagues to share their experience in developing customers, use actual case studies to strengthen AOs' practical capabilities, and provide understanding and guidance to colleagues whose performance lags behind.
  - (6) Vehicle loan
    - I. Strengthen the development of original car loans and extension cases to increase business profits.
    - II. Continue to develop new car loan business projects and expand high-quality used car dealers.
    - III. Continue to strengthen ties with branches and cooperate in handling auto loan cases and other sales promotion projects.
    - IV. Strengthen the recruitment and training of AO personnel in the auto loan center to increase business volume.
    - V. Adjust the internal staff establishment and centralize work planning to improve work efficiency.
    - VI. Establish online auto loan business to improve the efficiency and service quality of existing customers' loan needs.
4. Credit Card:
- (1) Focus on cardholder market management, provide differentiated cardholder benefits, increase brand value, and continuously innovate through credit card product development to continuously acquire new customers and maintain market share.
  - (2) Strengthen digital platform services, enhance customer-friendly operations, and manage personalized card functions (inquiries, transactions, credit limits, etc.), and continue to introduce multiple transaction verification methods to ensure transaction security.
  - (3) Understand the pulse of consumption, deepen customer base management, strengthen customer stickiness, create market topics through more active event exposure and strengthen cooperation with key channels, drive card swiping momentum, expand the scale of checkout consumption, and increase revenue.
  - (4) Leverage competitive advantages to continue developing medium- to large-sized online specialty stores and chain merchants, deepen the depth and breadth of cooperation with existing merchants, and enhance regional balance.

- (5) In response to the new BASEL III standards and anti-fraud risk control mechanism, we will adjust the cardholder management strategy (including but not limited to card activation and credit limit usage) on a rolling basis to control RWA (risky assets) and reduce customer card usage risks.
- 5. Wealth management, insurance agency and trust business:
  - (1) Increase the sales momentum of bonds and multiple fund after-income products, add conservative structured products, expand product diversity to meet customers' all-round financial needs, and expand the scale of specific money trust business to increase business revenue.
  - (2) We added the day-trading and revolving fund function for foreign stock/ETF trading, expanded the online trading function for wealth management business, and established an online trading service for overseas bonds.
  - (3) Continue to optimize the ordering platforms and transaction processes for each product to provide customers with an instant and convenient transaction experience, thereby improving customer service satisfaction.
  - (4) We will continue to recruit counselors through various channels and strengthen their professional education and training to enhance their professional image.
  - (5) Actively expand the clientele with professional investor qualifications and deepen the customer base. Provide professional services to meet clients' asset allocation and asset inheritance needs, become the main wealth management bank for clients, and strive to increase the scale of asset management.
  - (6) In response to the demographic trend of an extremely aging population and a declining birth rate, the demand for insurance to protect the economic security and medical care of the elderly is increasing. We will continue to promote long-term and high-protection life insurance and medical insurance products to help customers properly plan their retirement life security and prepare for asset inheritance.
  - (7) In response to the trend of an aging society and the "all-round trust" policy of Trust 2.0, we provide information on retirement care, caring for family members (minor children or people with disabilities), asset inheritance and taxation, and tailor-made retirement trusts, pre-signed retirement trusts and insurance trusts and other warmest financial products according to the individual needs of customers. We have established a corporate culture with "fair treatment of customers" as its core and achieved the goals of "inclusive finance" and "sustainable development".
  - (8) We will continue to cultivate professional trust talents and encourage our colleagues to apply for the qualifications of Senior Financial Planning Consultant and Family Trust Planning Consultant. We will train these certified bank employees to be trust seed employees and work in our business units in the north, central and south to provide local services and meet the needs of senior financial services, thus upholding the Bank's original aspiration of providing friendly services to our customers.



6. Digital financial business:

(1) Personal e-banking services

- I. Strengthen anti-fraud measures: Cooperate with the competent authorities to prevent financial fraud, strengthen the control measures of agreed transfer accounts, and increase the review and control of customers who have not had transactions for a long time.
- II. Promote a bilingual financial environment: Cooperate with the competent authority's bilingual national policy, establish an English version of mobile banking, and modify the electronic banking counter application form to be bilingual, etc.
- III. Create a financial-friendly environment: Continue to provide friendly services to people with disabilities, integrate the friendly financial network portal interface, provide a guide to the terms of the agreement for the visually impaired, strengthen care for the disadvantaged and elderly groups, and strengthen the Bank's various financial-friendly service measures.
- IV. Enhance foreign exchange service functions: New functions such as large-scale foreign exchange settlement, over-the-counter negotiation and online delivery are added to improve the convenience of foreign exchange transactions for customers.
- V. Continue to optimize the user interface and process: Add graphic/gesture login to mobile banking, and integrate the mobile banking transaction interface to create a more convenient and user-friendly operation experience. We have optimized personal electronic banking services, added new services such as large-scale foreign exchange settlement, online settlement of foreign exchange inward remittances, and non-agreed foreign currency transfers, to increase the convenience of foreign exchange transactions for customers.

(2) Corporate Internet Banking Services

- I. Strengthen anti-fraud measures: Cooperate with the competent authorities to prevent financial fraud, strengthen the review and control measures of corporate applications, and strengthen transaction monitoring and long-term customer verification.
  - i. Strengthen risk management mechanisms and establish risk assessment processes to identify potential risks in advance.
  - ii. Cooperate with the competent authorities in their operational control requirements to ensure that the operation of corporate online banking complies with regulatory standards.
  - iii. Add new anti-fraud measures to reduce the possibility of fraud and improve overall security.
- II. Enrich foreign exchange service functions: Add new functions such as large-scale foreign exchange settlement, over-the-counter negotiation and online delivery to provide enterprises with a better cash flow service platform.
- III. Improve the user experience of corporate customers and enhance service competitiveness: revise the e-network website, and continuously optimize various transaction processes with the goal of balancing operational convenience, efficiency and security.

(3) New New Bank digital banking services

- I. Aiming at strengthening market share and cross-selling synergy, we

plan relevant business promotion activities, and use internal and external media to promote new customers to open accounts and old customers to do foreign exchange, credit card, investment and financial management and credit services, so as to enhance customer contribution and business synergy.

- II. Continue to expand online financial services, including enriching foreign exchange services, integrating multiple functions such as credit, credit cards, securities, and financial management, and introducing verification methods such as video authentication and counter transactions to continuously optimize online service processes; at the same time, increase offline counter transactions to provide comprehensive services.
- III. Use digital banking to enhance the benefits of virtual-real integration services. Through cooperation with non-traditional financial service outlets, such as convenience stores, LINE Pay, campus payments, etc., we can achieve a close link between online and offline financial services, improve customer convenience, create a more comprehensive and efficient financial ecosystem, enhance customer experience, and improve the overall service innovation and competitiveness.
- IV. Strengthen anti-fraud measures, add related abnormal pattern monitoring operations, and control the transaction permissions of suspicious accounts in advance to reduce the chances of fraud.

(4) Strengthen marketing use of social networks and various information platforms

- I. Strengthen social marketing efforts and make timely use of diversified emerging media such as Youtube, Dcard and self-media video platforms to strengthen the communication between the Bank's brand, products and the younger generation.
- II. Strengthen social network management and enhance the integration of various information platforms such as LINE BC, SMS, eDM, etc., and combine with new functions related to LINE API to continuously optimize and add new personalized message notifications, marketing promotion and other service applications.
- III. Establish APP push service to increase information communication platform and enhance marketing conversion efficiency.

(5) Integration and application of new digital financial services

- I. Cooperate with the competent authorities in policy assessment and establishment of various cross-system services (such as MyData digital service personalization, financial FIDO and Open Banking API services).
- II. Establish video customer service and add identity verification methods to facilitate the promotion of various businesses.
- III. The customer service system introduces intelligent customer service to reduce the cost of dedicated service and improve service efficiency and quality.

7. Securities Business:

- (1) Develop corporate business and improve the regional rankings of securities branches.
- (2) Regular and fixed-amount business promotion.
- (3) Optimize the securities trading system platform to provide customers

with more functions and convenient services.

- (4) Strengthen information security and various risk controls, and implement the principle of fair treatment of customers to reduce the frequency of defaults, errors in accounts, operational errors, etc.

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) In terms of investment business, we will actively cultivate financial transaction talents, carefully select investment targets, and implement the disciplinary requirements for risk control related to fund operations to contribute to the Bank's surplus.

- (3) Improve the profitability of various assets, strengthen risk management, and maintain good asset quality.

(2)Channel Development

1. The Bank has a total of 90 business offices in China. 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 2024, the bank has installed a total of 426 ATMs inside and outside the bank.

(3)The Bank's 2025 Estimated Operational Targets

1.

Type of Business	2024Target
Deposit (including foreign currencies)	Average balance of NT\$849,819,000,000 at the end of the year
Lending (excluding credit card)	Average balance of NT\$628,765,000,000 at the end of the year
Foreign Exchange	Annual transaction of US\$10,538,000,000

2. Improvement of business performance-related indicators:

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

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

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

# **Union Bank of Taiwan**

## **Audit Committee Audit Report**

The Bank's 2024 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. 2024 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 2024 General Shareholder Meeting

Union Bank of Taiwan

Chairman of Audit Committee: Lee, Yao Hsien

**10 March 2025**

**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, 2024 and 2023, 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 material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2024 and 2023, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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, 2024. 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, 2024 is described as follows:

**Assessment of the Impairment of Discounts and Loans**

As of December 31, 2024, the net amount of discounts and loans of the Bank was approximately 63% of its total assets, and is considered material to the financial statements as a whole. Besides assessing expected credit losses of loans in accordance with IFRS 9 "Financial Instruments", the management of the Bank complies with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Nonaccrual Loans and related regulations (collectively, the Regulations) when assessing classification of credit assets and recognizing allowance for possible losses. For accounting policies and relevant information about loan impairment assessment of the Bank, please refer to Notes 4, 5 and 14 to the financial statements.

We determined the assessment of allowance for possible losses on loans to be a key audit matter because the assessment made by the Bank to assess the classification of credit assets and recognize allowance for possible losses in accordance with the Regulations involves critical estimates and judgments.

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 and performed tests of the relevant internal controls in respect of the Bank's loan impairment assessment.
2. We acquired the loan evaluation form used by management of the Bank and assessed the allowance for possible losses on credit assets; we tested the completeness of the loan assets.
3. We assessed that the loans of the Bank were classified in accordance with the definition of the Regulations.

4. We calculated the required provision of allowance for possible losses on loans of the Bank in order to assess whether it complied with the Regulations.

### **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, 2024 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 12, 2025

## UNION BANK OF TAIWAN

### BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS (Notes 4 and 6)	\$ 10,184,819	1	\$ 10,867,826	1
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Notes 7)	41,848,692	4	31,773,751	4
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4 and 8)	55,151,550	6	51,429,948	6
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 5, 9 and 11)	61,786,473	6	57,374,480	6
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST (Notes 4, 5, 10 and 11)	81,725,126	9	81,648,341	9
SECURITIES PURCHASED UNDER RESALE AGREEMENTS (Notes 4 and 12)	59,118,321	6	62,727,638	7
RECEIVABLES, NET (Notes 4, 5 and 13)	32,371,490	3	33,068,592	4
DISCOUNTS AND LOANS, NET (Notes 4, 5, 14 and 41)	607,501,317	63	565,382,803	61
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET (Notes 4 and 16)	6,139,238	1	7,705,722	1
OTHER FINANCIAL ASSETS, NET (Notes 4, 17 and 42)	1,543,325	-	1,764,109	-
PROPERTY AND EQUIPMENT, NET (Notes 4 and 18)	9,047,089	1	8,905,278	1
RIGHT-OF-USE ASSETS (Notes 4 and 19)	1,271,717	-	1,461,416	-
GOODWILL (Notes 4 and 20)	1,985,307	-	1,985,307	-
COMPUTER SOFTWARE (Note 4)	201,898	-	164,355	-
DEFERRED TAX ASSETS (Notes 4 and 39)	495,890	-	692,339	-
OTHER ASSETS, NET (Notes 4, 21, 42 and 43)	<u>2,774,896</u>	<u>-</u>	<u>3,067,465</u>	<u>-</u>
TOTAL	<u>\$ 973,147,148</u>	<u>100</u>	<u>\$ 920,019,370</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS (Note 22)	\$ 13,402,374	1	\$ 11,264,229	1
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4 and 8)	468,953	-	1,824,034	-
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 4 and 23)	58,563,701	6	61,079,195	7
PAYABLES (Notes 24 and 41)	7,691,462	1	8,877,037	1
CURRENT TAX LIABILITIES (Note 4)	170,635	-	199,453	-
DEPOSITS AND REMITTANCES (Notes 25 and 41)	805,201,585	83	758,260,020	83
BANK DEBENTURES (Notes 4 and 26)	5,000,000	1	5,000,000	1
OTHER FINANCIAL LIABILITIES	-	-	8,033	-
PROVISIONS (Notes 4, 5 and 27)	405,943	-	344,617	-
LEASE LIABILITIES (Notes 4, 19 and 41)	1,264,022	-	1,449,389	-
DEFERRED TAX LIABILITIES (Notes 4 and 39)	2,646,121	-	2,195,530	-
OTHER LIABILITIES (Notes 29, 41 and 43)	<u>1,097,536</u>	<u>-</u>	<u>1,083,881</u>	<u>-</u>
Total liabilities	<u>895,912,332</u>	<u>92</u>	<u>851,585,418</u>	<u>93</u>
<b>EQUITY</b>				
Share capital				
Ordinary shares	40,500,729	4	37,789,525	4
Preference shares	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>
Total share capital	<u>42,500,729</u>	<u>4</u>	<u>39,789,525</u>	<u>4</u>
Capital surplus	<u>8,168,291</u>	<u>1</u>	<u>8,125,732</u>	<u>1</u>
Retained earnings				
Legal reserve	12,972,292	1	11,518,843	1
Special reserve	627,440	-	757,036	-
Unappropriated earnings	<u>7,108,802</u>	<u>1</u>	<u>5,623,241</u>	<u>1</u>
Total retained earnings	<u>20,708,534</u>	<u>2</u>	<u>17,899,120</u>	<u>2</u>
Other equity	<u>5,857,262</u>	<u>1</u>	<u>2,619,575</u>	<u>-</u>
Total equity	<u>77,234,816</u>	<u>8</u>	<u>68,433,952</u>	<u>7</u>
TOTAL	<u>\$ 973,147,148</u>	<u>100</u>	<u>\$ 920,019,370</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements



# UNION BANK OF TAIWAN

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
NET INTEREST					
Interest revenue	\$ 21,948,051	129	\$ 19,831,906	129	11
Interest expense	<u>13,582,158</u>	<u>80</u>	<u>11,372,158</u>	<u>74</u>	19
Net interest	<u>8,365,893</u>	<u>49</u>	<u>8,459,748</u>	<u>55</u>	(1)
NET REVENUES OTHER THAN INTEREST					
Service fee income, net	3,865,182	23	3,291,783	22	17
Gains (losses) on financial assets and liabilities at fair value through profit or loss	5,423,412	32	1,844,707	12	194
Realized gains on financial assets at fair value through other comprehensive income	355,629	2	186,920	1	90
Share of profit of subsidiaries and associates	681,338	4	160,655	1	324
Foreign exchange gains, net	(1,894,120)	(11)	1,225,100	8	(255)
Impairment losses on assets	(71,616)	(1)	(74,059)	-	(3)
Securities brokerage fee revenue, net	285,301	2	212,156	1	34
Loss on disposal of properties and equipment, net	(9,131)	-	(3,922)	-	133
Other noninterest gains, net	<u>24,723</u>	<u>-</u>	<u>23,677</u>	<u>-</u>	4
TOTAL NET REVENUES	<u>17,026,611</u>	<u>100</u>	<u>15,326,765</u>	<u>100</u>	11
BAD-DEBT EXPENSE AND PROVISION FOR LOSSES ON COMMITMENTS AND GUARANTEES	<u>1,066,561</u>	<u>6</u>	<u>606,398</u>	<u>4</u>	76
OPERATING EXPENSES					
Employee benefit	4,826,491	28	4,338,691	28	11
Depreciation and amortization	779,307	5	785,006	5	(1)
General and administrative	<u>4,239,848</u>	<u>25</u>	<u>4,430,548</u>	<u>29</u>	(4)

(Continued)

# UNION BANK OF TAIWAN

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
Total operating expenses	<u>9,845,646</u>	<u>58</u>	<u>9,554,245</u>	<u>62</u>	3
INCOME BEFORE INCOME TAX	6,114,404	36	5,166,122	34	18
INCOME TAX EXPENSE	<u>899,127</u>	<u>6</u>	<u>848,836</u>	<u>6</u>	6
NET INCOME	<u>5,215,277</u>	<u>30</u>	<u>4,317,286</u>	<u>28</u>	21
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	51,716	-	(57,427)	-	190
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	4,747,853	28	2,848,167	19	67
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	(40,813)	-	219,518	1	(119)
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 39)	<u>(448,612)</u>	<u>(3)</u>	<u>(291,797)</u>	<u>(2)</u>	54
Items that will not be reclassified subsequently to profit or loss, net of income tax	<u>4,310,144</u>	<u>25</u>	<u>2,718,461</u>	<u>18</u>	59
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, 2024 AND 2023

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

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
Exchange differences on translation of the financial statements of foreign operations	989,297	6	14,187	-	6,873
Share of other comprehensive losses of subsidiaries and associates accounted for using the equity method	(39,009)	-	(111,863)	(1)	(65)
Unrealized gains (losses) on investments in debt instruments at fair value through other comprehensive income	(317,847)	(2)	1,166,753	8	(127)
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(197,859)</u>	<u>(1)</u>	<u>(2,837)</u>	<u>-</u>	6,874
Items that may be reclassified subsequently to profit or loss, net of income tax	<u>434,582</u>	<u>3</u>	<u>1,066,240</u>	<u>7</u>	(59)
Other comprehensive income for the year, net of income tax	<u>4,744,726</u>	<u>28</u>	<u>3,784,701</u>	<u>25</u>	25
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ 9,960,003</u>	<u>58</u>	<u>\$ 8,101,987</u>	<u>53</u>	23
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 40)					
Basic	<u>\$1.16</u>		<u>\$0.95</u>		
Diluted	<u>\$1.16</u>		<u>\$0.95</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, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)

									Other Equity			
	Share Capital			Capital Surplus	Retained Earnings				Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total Equity
	Ordinary Shares	Preference Shares	Total		Legal Reserve	Special Reserve	Unappropriated Earnings	Total				
BALANCE AT JANUARY 1, 2023	\$ 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
Appropriation of the 2023 earnings												
Legal reserve	-	-	-	-	1,453,449	-	(1,453,449)	-	-	-	-	-
Special reserve	-	-	-	-	-	(129,596)	129,596	-	-	-	-	-
Cash dividends on common shares	-	-	-	-	-	-	(755,790)	(755,790)	-	-	-	(755,790)
Cash dividends on preference shares	-	-	-	-	-	-	(511,845)	(511,845)	-	-	-	(511,845)
Stock dividends on common shares	2,645,267	-	2,645,267	-	-	-	(2,645,267)	(2,645,267)	-	-	-	-
Other changes in capital surplus												
Changes in capital surplus from investment in associates/and ventures accounted for using the equity method	-	-	-	11,569	-	-	-	-	-	-	-	11,569
Net income for the year ended December 31, 2024	-	-	-	-	-	-	5,215,277	5,215,277	-	-	-	5,215,277
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	49,912	49,912	752,429	3,942,385	4,694,814	4,744,726
Share-based payment	65,937	-	65,937	30,990	-	-	-	-	-	-	-	96,927
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	1,457,127	1,457,127	-	(1,457,127)	(1,457,127)	-
BALANCE AT DECEMBER 31, 2024	\$ 40,500,729	\$ 2,000,000	\$ 42,500,729	\$ 8,168,291	\$ 12,972,292	\$ 627,440	\$ 7,108,802	\$ 20,708,534	\$ 143,157	\$ 5,714,105	\$ 5,857,262	\$ 77,234,816

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, 2024 AND 2023**  
**(In Thousands of New Taiwan Dollars)**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 6,114,404	\$ 5,166,122
Adjustments for:		
Depreciation expenses	690,988	696,513
Amortization expenses	88,319	88,493
Expected credit losses/bad-debt expenses	1,066,561	606,398
Gains (losses) on financial assets at fair value through profit or loss	(5,368,985)	(1,770,649)
Interest expense	13,582,158	11,372,158
Interest revenue	(21,948,051)	(19,831,906)
Dividend income	(410,056)	(509,818)
Share of profit of subsidiaries and associates	(681,338)	(160,655)
Losses on disposal of properties and equipment	9,131	3,936
(Losses) gains on disposal of investments	-	248,840
Impairment loss recognized on financial assets	71,616	75,493
Reversal of impairment loss on nonfinancial asset	-	(1,434)
Gains on disposal of collaterals	-	485
Changes in operating assets and liabilities		
Due from the Central Bank and call loans to other banks	(10,074,941)	(7,149,435)
Financial assets at fair value through profit or loss	3,115,621	(19,413,558)
Financial assets at fair value through other comprehensive income	2,939,340	5,023,466
Investments in debt instruments at amortized cost	(166,298)	746,263
Receivables	806,146	(6,102,502)
Discounts and loans	(43,044,811)	(37,163,771)
Other financial assets	255,784	(236,798)
Deposits from the Central Bank and other banks	2,138,145	6,473,334
Financial liabilities at fair value through profit or loss	(2,823,319)	(2,037,027)
Securities sold under repurchase agreements	(2,515,494)	26,780,588
Payables	(1,142,544)	1,256,332
Deposits and remittances	46,941,565	47,514,893
Other financial liabilities	(8,033)	8,033
Provision for employee benefits	51,715	(57,426)
Other liabilities	(300)	(500)
Cash generated from (used in) operations activities	(10,312,677)	11,625,868
Interest received	21,868,008	19,622,948
Dividend received	410,056	533,141
Interest paid	(13,516,693)	(10,700,958)
Income tax paid	(927,375)	(1,309,136)
Net cash generated from (used in) operating activities	(2,478,681)	19,771,863
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of associates	-	(400,000)
Payments for property and equipment	(542,977)	(1,383,727)
Proceeds from disposal of property and equipment	-	15
Decrease in settlement fund	1,754	872

(Continued)

# UNION BANK OF TAIWAN

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Decrease in refundable deposits	333,298	633,832
Payments for intangible assets	19,391	-
Proceeds from disposal of intangible assets	-	305,072
Proceeds from disposal of collaterals	-	949
Increase in other assets	(42,483)	-
Decrease in other assets	-	169,006
Dividends received	<u>114,966</u>	<u>-</u>
Net cash used in investing activities	<u>(116,051)</u>	<u>(673,981)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in guarantee deposits received	-	20,339
Decrease in guarantee deposits received	(9,046)	-
Repayment of the principal portion of lease liabilities	(439,874)	(434,406)
Increase in other liabilities	-	194,038
Decrease in other liabilities	(33,987)	-
Cash dividends paid	<u>(1,267,635)</u>	<u>(839,405)</u>
Net cash used in financing activities	<u>(1,750,542)</u>	<u>(1,059,434)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES</b>	<u>52,950</u>	<u>18,979</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(4,292,324)	18,057,427
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>73,595,464</u>	<u>55,538,037</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 69,303,140</u>	<u>\$ 73,595,464</u>

(Continued)

## UNION BANK OF TAIWAN

### STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

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Reconciliation of the amounts in the statements of cash flows with the equivalent items reported in the balance sheets as of December 31, 2024 and 2023:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Cash and cash equivalents in balance sheets	\$ 10,184,819	\$ 10,867,826
Securities purchased under agreements to resell that meet the definition of cash and cash equivalents in IAS 7	<u>59,118,321</u>	<u>62,727,638</u>
Cash and cash equivalents in statements of cash flows	<u>\$ 69,303,140</u>	<u>\$ 73,595,464</u>

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

## **NDEPENDENT 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 referred to as the "Company"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, 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 material accounting policy information (collectively referred to as the "consolidated financial statements").

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, 2024 and 2023, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Company's consolidated financial statements for the year ended December 31, 2024 are described as follows:

#### Assessment of the Impairment of Discounts and Loans

As of December 31, 2024, the net amount of discounts and loans of the Company was approximately 61% of total consolidated assets, and is considered material to the consolidated financial statements as a whole. Besides assessing expected credit losses of loans in accordance with IFRS 9 "Financial Instruments", the management of the Company complies with the Regulations Governing the Procedures of Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans and related regulations (collectively, the Regulations) when assessing classification of credit assets and recognizing allowance for possible losses. For accounting policies and relevant information about loan impairment assessment of the Company, please refer to Notes 4,5, and 14.

We determined the assessment of allowance for possible losses on losses on loans to be a key audit matter because the assessment made by the Company to assess the classification of credit assets and recognize allowance for possible losses in accordance with the Regulations involves critical estimates and judgments.

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 and performed tests of the relevant internal controls in respect of the Company's loan impairment assessment.
2. We acquired the loan evaluation form used by management of the Company and assessed the allowance for possible losses on credit assets; we tested the completeness of the loan assets.
3. We assessed that the loans of the Company were classified in accordance with the definition of the Regulations.
4. We calculated the required provision of allowance for possible losses on loans of the Company in order to assess whether it complied with the Regulations.

#### **Other Matter**

We have also audited the parent company only financial statements of Union Bank of Taiwan as of and for the years ended December 31, 2024 and 2023 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, 2024 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 12, 2025

UNION BANK OF TAIWAN AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS	\$ 10,828,862	1	\$ 11,526,796	1
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS	41,848,692	4	31,773,751	3
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	56,021,935	6	52,855,566	6
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	62,897,886	6	58,459,080	6
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST	81,725,126	8	81,648,341	9
SECURITIES PURCHASED UNDER RESALE AGREEMENTS	59,118,321	6	62,727,638	7
RECEIVABLES, NET	40,464,033	4	37,808,389	4
CURRENT TAX ASSETS	8,019	-	15,608	-
DISCOUNTS AND LOANS, NET	606,021,210	61	564,107,624	60
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET	360,711	-	1,942,531	-
OTHER FINANCIAL ASSETS, NET	1,562,805	-	1,841,988	-
PROPERTY AND EQUIPMENT, NET	16,106,731	2	15,351,294	2
RIGHT-OF-USE ASSETS	1,745,478	-	1,819,034	-
INVESTMENT PROPERTIES, NET	4,563,187	1	4,669,256	1
GOODWILL	1,985,307	-	1,985,307	-
COMPUTER SOFTWARE	214,722	-	176,105	-
DEFERRED TAX ASSETS	759,038	-	943,965	-
OTHER ASSETS, NET	<u>9,225,403</u>	<u>1</u>	<u>9,494,772</u>	<u>1</u>
TOTAL	<u>\$ 995,457,466</u>	<u>100</u>	<u>\$ 939,147,045</u>	<u>100</u>
LIABILITIES AND EQUITY				
DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS	\$ 15,232,374	2	\$ 12,844,229	1
DUE TO THE CENTRAL BANK AND OTHER BANKS	1,405,281	-	1,403,184	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	468,953	-	1,824,034	-
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS	58,563,701	6	61,079,195	7
PAYABLES	8,504,262	1	9,166,930	1
CURRENT TAX LIABILITIES	209,587	-	226,334	-
DEPOSITS AND REMITTANCES	803,449,537	81	756,162,659	81
BANK DEBENTURES	5,000,000	1	5,000,000	1
BONDS PAYABLE	885,881	-	927,202	-
PREFERRED STOCK LIABILITY	375,000	-	375,000	-
OTHER FINANCIAL LIABILITIES	13,244,765	1	11,414,307	1
PROVISIONS	510,926	-	361,129	-
LEASE LIABILITIES	1,747,230	-	1,812,408	-
DEFERRED TAX LIABILITIES	2,749,178	-	2,284,362	-
OTHER LIABILITIES	<u>3,658,193</u>	<u>-</u>	<u>3,623,617</u>	<u>-</u>
Total liabilities	<u>916,004,868</u>	<u>92</u>	<u>868,504,590</u>	<u>92</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK				
Share capital				
Ordinary shares	40,500,729	4	37,789,525	4
Preference shares	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>	<u>-</u>
Total share capital	<u>42,500,729</u>	<u>4</u>	<u>39,789,525</u>	<u>4</u>
Capital surplus	<u>8,168,291</u>	<u>1</u>	<u>8,125,732</u>	<u>1</u>
Retained earnings				
Legal reserve	12,972,292	1	11,518,843	1
Special reserve	627,440	-	757,036	-
Unappropriated earnings	<u>7,108,802</u>	<u>1</u>	<u>5,623,241</u>	<u>1</u>
Total retained earnings	<u>20,708,534</u>	<u>2</u>	<u>17,899,120</u>	<u>2</u>
Other equity	<u>5,857,262</u>	<u>1</u>	<u>2,619,575</u>	<u>1</u>
Total equity attributable to owners of the Bank	77,234,816	8	68,433,952	8
NON-CONTROLLING INTERESTS	<u>2,217,782</u>	<u>-</u>	<u>2,208,503</u>	<u>-</u>
Total equity	<u>79,452,598</u>	<u>8</u>	<u>70,642,455</u>	<u>8</u>
TOTAL	<u>\$ 995,457,466</u>	<u>100</u>	<u>\$ 939,147,045</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, 2024 AND 2023

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

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
NET INTEREST					
Interest revenue	\$ 22,198,305	112	\$ 19,970,042	112	11
Interest expense	<u>13,920,486</u>	<u>70</u>	<u>11,618,055</u>	<u>65</u>	20
Net interest	<u>8,277,819</u>	<u>42</u>	<u>8,351,987</u>	<u>47</u>	(1)
NET REVENUES OTHER THAN INTEREST					
Service fee income, net	3,904,501	20	3,310,311	18	18
Gains (losses) gain on financial assets and liabilities at fair value through profit or loss	5,537,143	28	2,077,262	12	167
Realized gains on financial assets at fair value through other comprehensive income	405,894	2	219,071	1	85
Share of loss of associates	484,200	2	(20,228)	-	2,494
Foreign exchange gains	(1,890,992)	(10)	1,224,309	7	(254)
Impairment losses on assets	(71,616)	-	(77,139)	(1)	(7)
Securities brokerage fee revenue, net	389,247	2	317,435	2	23
Rental revenue	2,208,908	11	2,228,937	12	(1)
Other noninterest gains, net	<u>581,765</u>	<u>3</u>	<u>302,682</u>	<u>2</u>	92
TOTAL NET REVENUE	<u>19,826,869</u>	<u>100</u>	<u>17,934,627</u>	<u>100</u>	11
BAD-DEBT EXPENSE AND PROVISION FOR LOSSES ON COMMITMENTS AND GUARANTEES	<u>1,107,084</u>	<u>6</u>	<u>628,393</u>	<u>4</u>	76
OPERATING EXPENSES					
Employee benefit	5,220,579	26	4,682,035	26	12
Depreciation and amortization	2,766,241	14	2,666,665	15	4
General and administrative	<u>4,565,861</u>	<u>23</u>	<u>4,722,137</u>	<u>26</u>	(3)

(Continued)

**UNION BANK OF TAIWAN AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	<b>2024</b>		<b>2023</b>		<b>Percentage Increase (Decrease)</b>
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>%</b>
Total operating expenses	<u>12,552,681</u>	<u>63</u>	<u>12,070,837</u>	<u>67</u>	4
INCOME BEFORE INCOME TAX	6,167,104	31	5,235,397	29	18
INCOME TAX EXPENSE	<u>944,591</u>	<u>5</u>	<u>914,717</u>	<u>5</u>	3
CONSOLIDATED NET INCOME	<u>5,222,513</u>	<u>26</u>	<u>4,320,680</u>	<u>24</u>	21
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	62,392	-	(57,490)	-	209
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	4,702,791	24	3,067,341	17	53
Income tax relating to items that will not be reclassified subsequently to profit or loss	(455,033)	(2)	(291,386)	(2)	56
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of the financial statements of foreign operations	940,536	5	(125,642)	(1)	849
Unrealized loss on investments in debt instruments at fair value through other comprehensive income	(317,847)	(2)	1,166,753	7	(127)
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(188,107)</u>	<u>(1)</u>	<u>25,129</u>	<u>-</u>	(849)
Other comprehensive income for the year, net of income tax	<u>4,744,732</u>	<u>24</u>	<u>3,784,705</u>	<u>21</u>	25

(Continued)

# UNION BANK OF TAIWAN AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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

	<b>2024</b>		<b>2023</b>		<b>Percentage Increase (Decrease)</b>
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>%</b>
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ 9,967,245</u>	<u>50</u>	<u>\$ 8,105,385</u>	<u>45</u>	23
NET INCOME ATTRIBUTABLE TO:					
Owners of the Bank	\$ 5,215,277	26	\$ 4,317,286	24	21
Non-controlling interests	<u>7,236</u>	<u>-</u>	<u>3,394</u>	<u>-</u>	113
	<u>\$ 5,222,513</u>	<u>26</u>	<u>\$ 4,320,680</u>	<u>24</u>	21
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
Owners of the Bank	\$ 9,960,003	50	\$ 8,101,987	45	23
Non-controlling interests	<u>7,242</u>	<u>-</u>	<u>3,398</u>	<u>-</u>	113
	<u>\$ 9,967,245</u>	<u>50</u>	<u>\$ 8,105,385</u>	<u>45</u>	23
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 46)					
Basic	<u>\$1.16</u>		<u>\$0.95</u>		
Diluted	<u>\$1.16</u>		<u>\$0.95</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, 2024 AND 2023  
(In Thousands of New Taiwan Dollars)

	Equity Attributable Owners of the Company													
									Other Equity				Non-controlling Interests	Total Equity
									Exchange Differences on Translation of the Financial Statements of Foreign Operations		Unrealized Valuation Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income			
	Share Capital			Retained Earnings					Total	Total				
	Ordinary Shares	Preference Shares	Total	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total						
BALANCE AT JANUARY 1, 2023	\$ 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	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	2,208,503	70,642,455
Appropriation of the 2023 earnings														
Legal reserve	-	-	-	-	1,453,449	-	(1,453,449)	-	-	-	-	-	-	-
Capital reserve	-	-	-	-	-	(129,596)	129,596	-	-	-	-	-	-	-
Cash dividends on common shares	-	-	-	-	-	-	(755,790)	(755,790)	-	-	-	(755,790)	-	(755,790)
Cash dividends on preference shares	-	-	-	-	-	-	(511,845)	(511,845)	-	-	-	(511,845)	-	(511,845)
Stock dividends on common shares	2,645,267	-	2,645,267	-	-	-	(2,645,267)	(2,645,267)	-	-	-	-	-	-
Other changes in capital surplus changes in capital surplus from investment in associates and joint ventures accounted for using the equity method	-	-	-	11,569	-	-	-	-	-	-	-	11,569	-	11,569
Net income for the year ended December 31, 2024	-	-	-	-	-	-	5,215,277	5,215,277	-	-	-	5,215,277	7,236	5,222,513
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	49,912	49,912	752,429	3,942,385	4,694,814	4,744,726	6	4,744,732
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	2,037	2,037
Share-based payment	65,937	-	65,937	30,990	-	-	-	-	-	-	-	96,927	-	96,927
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	1,457,127	1,457,127	-	(1,457,127)	(1,457,127)	-	-	-
BALANCE AT DECEMBER 31, 2024	\$ 40,500,729	\$ 2,000,000	\$ 42,500,729	\$ 8,168,291	\$ 12,972,292	\$ 627,440	\$ 7,108,802	\$ 20,708,534	\$ 143,157	\$ 5,714,105	\$ 5,857,262	\$ 77,234,816	\$ 2,217,782	\$ 79,452,598

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, 2024 AND 2023**  
**(In Thousands of New Taiwan Dollars)**

	<b>2024</b>	<b>2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 6,167,104	\$ 5,235,397
Adjustments for:		
Depreciation expenses	2,669,028	2,569,804
Amortization expenses	97,213	96,861
Expected credit losses/bad-debt expenses	1,107,084	628,393
Gains (losses) on financial assets at fair value through profit or loss	(5,482,716)	(2,002,284)
Interest expense	13,920,486	11,618,055
Interest revenue	(22,198,305)	(19,970,042)
Dividend income	(460,321)	(542,889)
Share of loss of associates	(484,200)	20,228
Gains disposal of properties and equipment	(43,069)	(37,227)
(Losses) gains on disposal of investments	-	248,840
Impairment loss on financial assets	71,616	75,492
Impairment loss on nonfinancial assets	-	3,081
Reversal of impairment loss on nonfinancial assets	-	(1,434)
Losses on disposal of collaterals	-	485
Changes in operating assets and liabilities		
Due from the Central Bank and call loans to other banks	(10,074,941)	(7,149,435)
Financial assets at fair value through profit or loss	3,784,585	(18,876,379)
Financial assets at fair value through other comprehensive income	2,879,335	4,952,909
Investments in debt instruments at amortized cost	(166,298)	746,263
Receivables	(2,633,714)	(8,392,145)
Discounts and loans	(42,839,719)	(36,531,709)
Other financial assets	314,183	(196,663)
Deposits from the Central Bank and other banks	2,388,145	6,708,630
Financial liabilities at fair value through profit or loss	(2,823,319)	(2,037,027)
Securities sold under repurchase agreements	(2,515,494)	26,780,588
Payables	(666,030)	(388,300)
Deposits and remittances	47,286,878	48,248,325
Other financial liabilities	(8,034)	8,034
Provision for employee benefits	55,510	(63,481)
Other liabilities	72,762	(1,059)
Cash generated from (used in) operations activities	(9,582,231)	11,751,311
Interest received	22,108,164	19,758,609
Dividends received	460,321	542,889
Interest paid	(13,807,231)	(9,237,745)
Income tax paid	(942,860)	(1,374,697)
Net cash generated from (used in) operating activities	(1,763,837)	21,440,367
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of associates	-	(10,000)
Net cash outflow on acquisition of subsidiary	-	420,434
Payments for property and equipment	(1,382,900)	(3,588,525)

(Continued)



# UNION BANK OF TAIWAN AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Proceeds from disposal of property and equipment	10,191	15
Payments for investment properties	(8,134)	(49,086)
Decrease in settlement fund	1,754	872
Decrease in refundable deposits	333,953	690,628
Payments for intangible assets	(135,830)	(73,863)
Proceeds from disposal of collaterals	-	949
Increase in other assets	(1,629,744)	(1,230,108)
Decrease in other assets	<u>176,732</u>	<u>-</u>
Net cash used in investing activities	<u>(2,633,978)</u>	<u>(3,838,684)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in due to Central Bank and other banks	13,169	914,233
Increase in commercial paper	1,838,492	897,311
Repayment of bonds payable	(9,232)	(9,564)
Proceeds from guarantee deposits received	-	5,016
Refund of guarantee deposits received	(13,769)	-
Repayment of the principal portion of lease liabilities	(503,592)	(489,595)
Increase in other liabilities	-	161,120
Decrease in other liabilities	(8,344)	-
Cash dividends paid	(1,267,635)	(839,405)
Dividend of payment	(7,963)	(7,434)
Changes in non-controlling interests	<u>10,000</u>	<u>(227,500)</u>
Net cash generated from (used in) financing activities	<u>51,126</u>	<u>404,182</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>39,438</u>	<u>(92,073)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,307,251)	17,913,792
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>74,254,434</u>	<u>56,340,642</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 69,947,183</u>	<u>\$ 74,254,434</u>

(Continued)

## UNION BANK OF TAIWAN AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

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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, 2024 and 2023:

	<b>December 31</b>	
	<b>2024</b>	<b>2023</b>
Cash and cash equivalents in the consolidated balance sheets	\$ 10,828,862	\$ 11,526,796
Securities purchased under agreements to resell that meet the definition of cash and cash equivalents in IAS 7	<u>59,118,321</u>	<u>62,727,638</u>
Cash and cash equivalents in consolidated statements of cash flows	<u>\$ 69,947,183</u>	<u>\$ 74,254,434</u>

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

# Attachment4

## Remuneration of Directors for the Latest Fiscal Year

Title		Name	Directors' Remuneration								Total of (A,B,C and D) and % of Net profit after tax		Remuneration of Part-time Employees								Total of (A, B,C,D, E,F & G) as a % of Net profit after tax		Remuneration from Investee Companies Excluding Subsidiaries	
			Remuneration (A)		Earning Termination payment and pension costs (B)		Earning Distribution for Director's Remuneration (C)		Costs Incurred to Perform Duties(D)				Salaries, Bonus and Special Allowance (E)		Termination payment and pension costs (F)		Earnings Distribution for Employees' Bonus (G)							
Director	Chairman	Union Investment Co., Ltd. Representative: Jeff Lin	0	0	0	0	1,295	1,295	0	0	1,295 、 0.02	1,295 、 0.02	0	0	0	0	0	0	0	0	1,295 、 0.02	1,295 、 0.02	0	
	Managing Director	Chen-Chern Investment Co., Representative: Zhen-Xong Jiang	600	600	0	0	647	647	330	330	1,577 、 0.03	1,577 、 0.03	0	0	0	0	0	0	0	0	1,577 、 0.03	1,577 、 0.03	0	
	Director	Union Investment Co., Ltd. Representative: Wen-Ming Li	120	120	0	0	432	432	60	60	612 、 0.01	612 、 0.01	0	0	0	0	0	0	0	0	612 、 0.01	612 、 0.01	0	
	Director	Herman Tu	120	120	0	0	432	432	48	48	600 、 0.01	600 、 0.01	0	0	0	0	0	0	0	0	600 、 0.01	600 、 0.01	0	
	Director	Yu-Pang Investment Co., Representative: Pa-Hsan Wu	60	60	0	0	194	194	24	24	278 、 0.00	278 、 0.00	0	0	0	0	0	0	0	0	278 、 0.00	278 、 0.00	0	
	Director	Yu-Pang Investment Co., Representative: Hir-Ming Shieh	66	66	0	0	237	237	24	24	327 、 0.00	327 、 0.00	0	0	0	0	0	0	0	0	327 、 0.00	327 、 0.00	0	
	Director	Pai-Sheng Investment Co., Representative: Si-Yong Lin	120	120	0	0	432	432	36	36	588 、 0.01	588 、 0.01	0	0	0	0	0	0	0	0	588 、 0.01	588 、 0.01	0	
Independent	Independent	Guo-Zhang Li	360	360	0	0	292	292	176	176	828 、 0.01	828 、 0.01	0	0	0	0	0	0	0	0	828 、 0.01	828 、 0.01	0	

Director	Director										、 0.01	、 0.01									、 0.01	、 0.01	
	Independent Director	Yao-Hsien Lee	394	394	0	0	356	356	208	208	958 、 0.01	958 、 0.01	0	0	0	0	0	0	0	0	958 、 0.01	958 、 0.01	0
	Independent Director	Tzung Hang Lee	720	720	0	0	647	647	154	154	1,521 、 0.03	1,521 、 0.03	0	0	0	0	0	0	0	0	1,521 、 0.03	1,521 、 0.03	0
	Independent Director	Lin-Yu Fan	720	720	0	0	647	647	138	138	1,505 、 0.03	1,505 、 0.03	0	0	0	0	0	0	0	0	1,505 、 0.03	1,505 、 0.03	0

## Articles of Association

### Table of Comparison Clauses Before and After Amendments

Clause after Amendment	Clause before Amendment	Remarks
<p>Article 4</p> <p>The Bank's total authorized capital is NT\$55 billion, consisting of 5.5 billion shares, with a par value of NT\$10 per share, divided into common shares and preferred shares, to be issued in batches.</p>	<p>Article 4</p> <p>The Bank's total authorized capital is NT\$45 billion, divided into 4.5 billion shares, with a par value of NT\$10 per share, divided into common shares and preferred shares, to be issued in batches</p>	<p>In conjunction with the capital increase from surplus, the total capital and total number of shares were changed and revised.</p>
<p>Article 5</p> <p>The Bank's shares are all registered and signed or stamped by the directors representing the company and issued after being endorsed by a bank that is legally authorized to act as the endorser of the share issuance. Registered shares issued by the Bank may be exempted from the requirement to print share certificates, but must be registered or kept by a securities central depository institution.</p>	<p>Article 5</p> <p>The Bank's shares shall be registered and shall be issued in accordance with the law and signed or sealed by two or more persons, including the Chairman and the Managing Director. Registered shares issued by the Bank may be exempted from the requirement to print share certificates, but must be registered or kept by a securities central depository institution.</p>	<p>Article 162 of the Company Law was amended.</p>
<p>Article 38</p> <p>If the Bank's annual financial statements show a profit, the Board of Directors shall, taking into account the annual operating performance, allocate employee remuneration and director remuneration in the following manner:</p> <p>(1) Employee compensation: between 1% and 5% of profits; when employee compensation is paid in the form of stocks, the recipients may include employees of affiliated companies who meet certain conditions, and such conditions are authorized to be determined by the board of directors.</p> <p>(2) Directors' remuneration: not more than 0.1% of profits.</p> <p>The ratio of employee remuneration referred to in the preceding paragraph paid to grassroots employees shall not be less than fifty percent of the total amount paid.</p> <p>The employee compensation and director remuneration allocation methods and the definition of grassroots employees referred to in the preceding two paragraphs shall be authorized to be separately determined by the board of directors.</p> <p>However, if the Bank still has accumulated losses, it shall reserve the amount to make up for it in advance and then allocate the employee remuneration and director remuneration in accordance with the proportions set forth in the preceding paragraph.</p>	<p>Article 38</p> <p>If the Bank's annual financial statements show a profit, the Board of Directors shall, taking into account the annual operating performance, allocate employee remuneration and director remuneration in the following manner:</p> <p>(1) Employee compensation: 1% to 5% of profits; when employee compensation is paid in the form of stocks, the recipients may include employees of affiliated companies who meet certain conditions, and such conditions are authorized to be determined by the board of directors.</p> <p>(2) Directors' remuneration: not more than 0.1% of profits.</p> <p>The method for allocating employee remuneration and director remuneration referred to in the preceding paragraph shall be authorized to be separately determined by the Board of Directors. However, if the Bank still has accumulated losses, it shall reserve the amount to make up for it in advance and then allocate the employee remuneration and director remuneration in accordance with the proportions set forth in the preceding paragraph.</p>	<p>Amendment to Article 14-6 of the Securities and Exchange Act.</p>

Clause after Amendment	Clause before Amendment	Remarks
<p>Article 39</p> <p>If the Bank's annual financial statements show a surplus, in addition to paying income tax in accordance with the law, it shall first make up for losses in previous years, then set aside 30% as statutory surplus reserves and set aside or transfer special surplus reserves in accordance with legal regulations or business needs. The remaining amount, together with the accumulated undistributed surplus of the previous year, shall be used by the Board of Directors to prepare a surplus distribution proposal and submit it to the shareholders' meeting for a resolution on the distribution of dividends and bonuses. When the statutory surplus reserve has reached the paid-in capital, the current period's contribution may be stopped.</p> <p>The types of dividends and bonuses to be distributed shall be determined by the Board of Directors in accordance with the prevailing financial situation, future profitability and the Bank's capital budget planning, and the proportion of cash or stock to be distributed. In principle, if the ratio of a bank's own capital to risky assets after distribution is lower than the ratio prescribed by the competent authority plus one percentage point, it may give priority to distributing stock dividends; before the statutory surplus reserve reaches the total capital, the maximum cash surplus distribution shall not exceed 15% of the total capital.</p>	<p>Article 39</p> <p>If the Bank's annual financial statements show a surplus, in addition to paying income tax in accordance with the law, it shall first make up for losses in previous years, then set aside 30% as statutory surplus reserves and set aside or transfer special surplus reserves in accordance with legal regulations or business needs. The remaining amount, together with the accumulated undistributed surplus of the previous year, shall be used by the Board of Directors to prepare a surplus distribution proposal and submit it to the shareholders' meeting for a resolution on the distribution of dividends and bonuses.</p> <p>The types of dividends and bonuses to be distributed shall be determined by the Board of Directors in accordance with the prevailing financial situation, future profitability and the Bank's capital budget planning, and the proportion of cash or stock to be distributed. In principle, if the ratio of a bank's own capital to risky assets after distribution is lower than the ratio prescribed by the competent authority plus one percentage point, it may give priority to distributing stock dividends; before the statutory surplus reserve reaches the total capital, the maximum cash surplus distribution shall not exceed 15% of the total capital.</p> <p>Article 40</p> <p>When the statutory surplus reserve has reached the capital amount, the current period's contribution may be stopped.</p>	<p>Article 40 is revised and incorporated into Article 39.</p>
Articles 40 to 42	Articles 40 to 43	In conjunction with Article 40, Article 39 is incorporated and the item numbers are adjusted.
<p>Article 42</p> <p>This charter was established on August 20, 1980. (The following is omitted)</p> <p>The 28th amendment was on June 13, 2025.</p>	<p>Article 42</p> <p>This charter was established on August 20, 1980.</p>	Added this revision date.

## **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 extraCommon 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 extraCommon 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 Common 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**

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



# Union Bank of Taiwan

## Articles of Association

### 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 Common shares and Preferred 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. Preferred 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 Common shares.

5. The order of distributing the Bank's residual properties to the Preferred shareholders takes precedence over the Common 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 Common 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 Common 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, Preferred stockholders' meeting may be convened in accordance with relevant laws and regulations.

Article 12. Any shareholder of the Bank that cannot attend a shareholders meeting for any reason may issue a proxy printed by the Bank, specifying the scope of authorization and designating a representative to attend the shareholders meeting. The Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies shall also be applicable.

Article 13. The chairman shall chair shareholder meetings. If the chairman cannot attend the meeting for any reason, the chairman shall designate one managing director to chair the meeting. If the chairman does not make such designation, the managing directors shall appoint one person from among themselves. If the meeting is convened by any other person entitled to convene the meeting other than the board of directors, such person entitled to convene the meeting shall chair the meeting. If the meeting is convened by two or more persons entitled to convene the meeting, one person shall be elected to chair the meeting.

Article 14. Other than the shares with no voting rights under Article 179 of the Company Act, each shareholder of the Bank is entitled to one voting right per share.

Article 15. The shareholders meeting shall resolve and execute the following matters:

- (1) Establishment and amendment of these articles of association of the Bank.
- (2) Resolution about capital increase or decrease.
- (3) Election of directors.
- (4) Audit and approval of the statements prepared by the board of directors and audit report by the audit committee. To audit the statements and report, the shareholders meeting may select auditors.
- (5) Resolution to distribute profit, dividend and bonus.
- (6) Other resolutions in accordance with the Company Act.

Article 16. Unless otherwise provided by law, shareholder resolutions shall be approved by the shareholders representing the majority of voting rights represented in a meeting that is attended by shareholders representing the majority of all outstanding shares.

If the attending shareholder does not constitute the number required under the previous paragraph and if the meeting is attended by shareholders representing 1/3 or more of all outstanding shares, the attending shareholders may reach a provisional resolution by the majority of voting rights. The provisional resolution shall be provided to each shareholder and a shareholders meeting may be convened again within one month.

In the shareholders meeting under the previous paragraph and in relation to the

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 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.

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.

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. Amended 27 June 14, 2024.

## Appendix 3

### Shareholding Status of All Directors of the Bank

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

The total shareholding of all non-independent directors of the Company shall not be less than 102,001,748 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
		Preferred shares	Common shares	Total shares	
Chairman	Union Investment Ltd. representative : Lin Jeff	10,000,000	6,315,396	16,315,396	0.38%
Managing Director (Independent Director)	Lee, Yao Hsien	0	0	0	0.00%
Managing Director	Chuan Cheng Investment Co., Ltd. (represented by: Chiang Chen Hsiung)	4,245,959	191,687,318	195,933,277	4.61%
Director	Union Investment Ltd. represented by: Li, Wen Ming	10,000,000	6,315,396	16,315,396	0.38%
Director	Yo Bang Co., Ltd. (represented by: Shieh Hir Ming)	–	58,217,731	58,217,731	1.36%
Director	Bai Sheng Investment Co., Ltd. (represented by: Lin Si Yong)	8,167,281	203,878,343	212,045,624	4.98%
Director	Tu Herman	0	452,595	452,595	0.01%
Independent Director	Lee Tzung Hang	0	0	0	0.00%
Independent Director	Fan Lin Yu	0	0	0	0.00%
No. of Shares Held by All Non-Independent Directors		22,413,240	460,551,383	482,964,623	11.36%

Note: The date of the current general shareholders meeting is 13 June 2025 (share transfer suspension period is from 15 April 2025 to 13 June 2025) Capital stock 4,250,072,873 shares (Common stock: 4,050,072,873 shares, Preferred stock: 200,000,000 shares)

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