

Union Bank of Taiwan Co., Ltd.

Parent Company Only Financial
Statement and the Independent
Auditor's Report
First Half of 2025 and 2024

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Audited Report

To: The Board of Directors and Stockholders Union Bank of Taiwan

Auditor's Opinion

We have audited the accompanying consolidated financial statements of Union Bank of Taiwan (the "Bank"), which comprise the parent-only balance sheets as of June 30th, 2025, and December 31st and June 30th, 2024, as well as the consolidated statements of comprehensive income, changes in equity and cash flows for January 1st to June 30th, 2025 and 2024, and the notes to the Parent Company Only Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the parent company only financial position of the Bank as of June 30th, 2025, and December 31st and June 30th, 2024, as well as the parent company only financial performance and the parent company only cash flows for January 1st to June 30th, 2025 and 2024.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and auditing standards generally accepted in 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 first half of 2025. 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.

For the Bank's Parent Company Only Financial Statements for the first half of 2025, the key audit matters are specified as follows:

Estimated impairment of discounts and loans

As of June 30, 2025, the net book value of discounts at Union Bank accounted for approximately 61% of total assets, which was material to the parent company only financial statements. The management of Union Bank not only evaluates the ECL pursuant to International Financial Report Standard 9, "Financial Instruments," but also evaluates the classification and provides allowance for bad debt pursuant to the "Handling Regulations Governing Banks for Evaluating Provisions of Loss Reservation and Collecting Bad Debt of Overdue Loans" ("the Handling Regulations"). Please refer to Note IV, V, and XIV for the accounting policies regarding evaluation for the impairment of lending and related information.

As Union Bank complies with the "Handling Regulations" and related laws and regulations for evaluating the classification and provision of allowance for bad debts, which involving material estimations and judgments made by the management. Therefore, we have identified the evaluation of the allowance for bad debts as a key audit matter.

The major audit procedures implemented by us including:

1. Understand and test the Company's internal control regarding assessment of loan impairment
2. Obtained the evaluation report used by the management to evaluate the allowance for bad debt of credit assets, and perform the completeness test of the amount of evaluable assets for lending.
3. Evaluate whether the lendings are classified in accordance with the definition of the Handling Regulations.
4. Whether the allowance for bad debt to be provided for lending complies with the requirements of the Handling Regulations and relevant laws and 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 Statements by Public Banks and the Regulations Governing the Preparation of Financial Statements by Securities Issuers, 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 Statementing process.

Auditors' Responsibilities for the Audit of the Parent Company Only 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 auditing standards generally accepted in 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

6. Obtain sufficient and adequate audit evidence for the components of the parent-only financial information, in order to express opinions regarding the Parent Company Only Financial Statements. We are responsible for direct, supervise, and execute the audit case, as well as form the audit opinions for the Bank.

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 first half of 2025, 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.

Deloitte Taiwan
Kuan-Hao Li, CPA

Chun-Hung Shih, CPA

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Jin-Guan-Zheng-Shen-Zhi No. 1100372936

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August 27, 2025

Notice to Readers

For the convenience of readers, the independent auditors' report and the accompanying parent company only Financial Statement financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Union Bank of Taiwan Co., Ltd.
Parent-Only Balance Sheet
June 30, 2025, December 31 and June 30, 2024

Unit: NTD thousand

Code	Asset	June 30, 2025		December 31 2024		June 30, 2024	
		Amount	%	Amount	%	Amount	%
11000	CASH AND CASH EQUIVALENTS (Note VI)	\$ 7,738,988	1	\$ 10,184,819	1	\$ 10,044,251	1
11500	DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Note VII)	44,956,174	5	41,848,692	4	40,386,203	4
12000	FINANCIAL ASSETS MEASURED AT FVTPL (Note VIII)	67,902,774	7	55,151,550	6	52,773,408	6
12100	FINANCIAL ASSETS MEASURED AT FVTOCI (Notes V, IX, and XI)	62,032,201	6	61,786,473	6	62,191,972	6
12200	INVESTMENT OF DEBT INSTRUMENT MEASURED AT AMORTIZED COSTS (Notes V, X, and XI)	78,129,371	8	81,725,126	9	82,094,413	9
12500	SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL (Note XII)	64,281,898	6	59,118,321	6	55,262,976	6
13000	RECEIVABLES, NET (Notes V, XIII and XV)	32,127,104	3	32,371,490	3	35,886,399	4
13200	CURRENT TAX ASSETS (Note IV)	146,354	-	-	-	134,313	-
13500	DISCOUNTS AND LOANS, NET (Notes V, XIV, and XLI)	614,511,535	61	607,501,317	63	581,924,362	62
15000	INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET (Note XVI)	5,965,856	1	6,139,238	1	6,174,632	1
15500	OTHER FINANCIAL ASSETS, NET (Notes XVII and XLII)	1,552,725	-	1,543,325	-	1,573,812	-
18500	PROPERTY AND EQUIPMENT, NET (Notes XVIII)	9,444,230	1	9,047,089	1	8,994,696	1
18600	RIGHT-OF-USE ASSETS, NET (Notes XIX)	1,210,050	-	1,271,717	-	1,359,654	-
19007	GOODWILL (Notes IV and XX)	1,985,307	-	1,985,307	-	1,985,307	-
19009	COMPUTER SOFTWARE	166,120	-	201,898	-	198,585	-
19300	DEFERRED TAX ASSETS (Note IV)	1,196,938	-	495,890	-	330,985	-
19500	OTHER ASSETS, NET (Notes XXI, XLI, and XLIII)	<u>8,007,192</u>	<u>1</u>	<u>2,774,896</u>	<u>-</u>	<u>2,534,124</u>	<u>-</u>
10000	TOTAL	<u>\$1,001,354,817</u>	<u>100</u>	<u>\$ 973,147,148</u>	<u>100</u>	<u>\$ 943,850,092</u>	<u>100</u>
Code	LIABILITIES AND EQUITY						
	Liabilities						
21000	DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS (Note XXII)	\$ 7,496,469	1	\$ 13,402,374	1	\$ 12,356,053	1
22000	FINANCIAL LIABILITIES MEASURED AT FVTPL (Note VIII)	3,645,791	-	468,953	-	389,311	-
22500	SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE (Note XXIII)	71,513,920	7	58,563,701	6	61,092,610	7
23000	PAYABLES (Note XXIV and XLI)	11,354,078	1	7,691,462	1	11,631,122	1
23200	CURRENT TAX LIABILITIES (Notes IV)	575,935	-	170,635	-	384,655	-
23500	DEPOSITS AND REMITTANCES (Notes XXV and XLI)	816,243,267	82	805,201,585	83	775,495,145	82
24000	FINANCIAL BONDS PAYABLE (Note XXVI)	5,000,000	1	5,000,000	1	5,000,000	1
25500	Other financial liabilities	62,411	-	-	-	34,072	-
25600	PROVISIONS (Notes V, XXVII, and XLI)	418,712	-	405,943	-	416,216	-
26000	LEASE LIABILITIES (Notes XIX and XLI)	1,201,631	-	1,263,022	-	1,347,894	-
29300	DEFERRED TAX LIABILITIES (Note IV)	3,064,922	-	2,646,121	-	2,140,449	-
29500	OTHER LIABILITIES (Notes XXIX, XLI and XLIII)	<u>1,059,836</u>	<u>-</u>	<u>1,097,536</u>	<u>-</u>	<u>1,020,819</u>	<u>-</u>
20000	TOTAL	<u>921,636,972</u>	<u>92</u>	<u>895,911,332</u>	<u>92</u>	<u>871,308,346</u>	<u>92</u>
	EQUITY						
	Share capital						
31101	Share capital of common stock	40,500,729	4	40,500,729	4	37,789,525	4
31103	Share capital of preference shares	2,000,000	-	2,000,000	-	2,000,000	-
31121	Capital increase reserve	<u>2,949,770</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,742,194</u>	<u>-</u>
31100	Total share capital	<u>45,450,499</u>	<u>4</u>	<u>42,500,729</u>	<u>4</u>	<u>42,531,719</u>	<u>4</u>
31500	Capital reserve	<u>8,192,011</u>	<u>1</u>	<u>8,168,291</u>	<u>1</u>	<u>8,137,301</u>	<u>1</u>
	Retained earnings						
32001	Legal reserve	14,988,987	2	12,972,292	1	12,972,292	2
32003	Special surplus reserve	627,440	-	627,440	-	627,440	-
32011	Undistributed earnings	<u>3,008,273</u>	<u>-</u>	<u>7,108,802</u>	<u>1</u>	<u>3,280,029</u>	<u>-</u>
32000	Total retained earnings	<u>18,624,700</u>	<u>2</u>	<u>20,708,534</u>	<u>2</u>	<u>16,879,761</u>	<u>2</u>
32500	Other equity	<u>7,450,635</u>	<u>1</u>	<u>5,857,262</u>	<u>1</u>	<u>4,992,965</u>	<u>1</u>
30000	Total equity	<u>79,717,845</u>	<u>8</u>	<u>77,234,816</u>	<u>8</u>	<u>72,541,746</u>	<u>8</u>
	TOTAL LIABILITIES AND EQUITY	<u>\$1,001,354,817</u>	<u>100</u>	<u>\$ 973,146,148</u>	<u>100</u>	<u>\$ 943,850,092</u>	<u>100</u>

The attached notes are the integral part of the Parent Company Only Financial Statement.

Chairperson: Lin Hung-Lian;

Manager: Hsu Wei-Wen;

Accounting Officer: Lu Wen-Chuan

Union Bank of Taiwan Co., Ltd.
Parent-Only Statement of Comprehensive Income
January 1 to June 30, 2025 and 2024

Unit: NTD thousand, Except NTD for Earnings Per Share

Code		January 1 to June 30, 2025		January 1 to June 30, 2024	
		Amount	%	Amount	%
	NET INTEREST INCOME (Notes XXXI and XLI)				
41000	Interest income	\$ 11,562,142	139	\$ 10,584,532	120
51000	Interest expense	<u>6,978,382</u>	<u>84</u>	<u>6,634,705</u>	<u>75</u>
49010	Total net interest income	<u>4,583,760</u>	<u>55</u>	<u>3,949,827</u>	<u>45</u>
	Net income other than interest				
49100	Commissions and fee revenue, net (Notes XXXII)	2,024,406	25	1,852,926	21
49200	Gain (loss) on financial assets and liabilities at FVTPL (Note XXXIII)	(2,744,161)	(33)	3,938,921	45
49310	Realized gain on financial assets at FVTOCI (Note XXXIV)	156,772	2	131,760	2
49750	Share of gain/loss of subsidiaries and affiliates adopted the equity method (Note XVI)	(141,543)	(2)	726,732	8
49600	Net foreign exchange profit or loss	4,216,196	51	(1,894,778)	(22)
49700	Reversal of impairment profit (loss) on assets (Note XXXV)	110,728	1	(53,048)	(1)
49831	Securities brokerage fee revenue, net	111,077	1	145,779	2
49863	Net loss from property transactions	(3,677)	-	(4,102)	-
49899	Other noninterest gains, net	<u>4,086</u>	<u>-</u>	<u>13,311</u>	<u>-</u>
4xxxx	Net income	<u>8,317,644</u>	<u>100</u>	<u>8,807,328</u>	<u>100</u>
58200	Allowance for doubtful accounts - provision for losses on commitments and guarantees (Note XV)	<u>220,855</u>	<u>3</u>	<u>375,727</u>	<u>4</u>
	Operating expenses				
58500	Employee benefit expense (Notes XXVIII, XXXVI and XLI)	2,454,324	29	2,748,693	31
59000	Depreciation and amortization (Notes XIX and XXXVII)	404,651	5	382,868	5
59500	Other operating and management expenses (Notes XXXVIII and XLI)	<u>2,008,428</u>	<u>24</u>	<u>2,112,872</u>	<u>24</u>
58400	Total operating expenses	<u>4,867,403</u>	<u>58</u>	<u>5,244,433</u>	<u>60</u>

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Code		January 1 to June 30, 2025		January 1 to June 30, 2024	
		Amount	%	Amount	%
61001	Net profit before tax	\$ 3,229,386	39	\$ 3,187,168	36
61003	INCOME TAX EXPENSE (Note IV and XXXIX)	<u>573,352</u>	<u>7</u>	<u>410,965</u>	<u>4</u>
64000	Current net profit	<u>2,656,034</u>	<u>32</u>	<u>2,776,203</u>	<u>32</u>
	Other comprehensive income				
	Items that will not be reclassified subsequently to profit or loss:				
65204	Valuation gain/loss of the equity instruments measured at fair value through other comprehensive income	1,571,267	19	2,527,538	29
65207	Shares in other comprehensive income of the subsidiaries and affiliates recognized with the equity method - not reclassified subsequently to profit or loss	88,464	1	9,573	-
65220	Income tax expenses relating to items that will not be reclassified subsequently to profit or loss (Note XXXIX)	(<u>16,525</u>)	<u>-</u>	(<u>121,639</u>)	(<u>2</u>)
65200	Total items that will not be reclassified subsequently to profit or loss (after tax)	<u>1,643,206</u>	<u>20</u>	<u>2,415,472</u>	<u>27</u>
65300	Items that may be reclassified subsequently to profit or loss:				
65301	Exchange difference from translating the financial statements of overseas operations	(1,440,017)	(17)	824,214	9
65307	Shares in other comprehensive income of the subsidiaries and affiliates recognized with the equity method - may be reclassified subsequently to profit or loss	(38,988)	-	(96,641)	(1)
65308	Gain/loss of the debt instruments measured at fair value through other comprehensive income	1,177,665	14	(487,472)	(5)

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<u>Code</u>		<u>January 1 to June 30, 2025</u>		<u>January 1 to June 30, 2024</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
65320	Income tax expenses relating to items that may be reclassified subsequently to profit or loss (Note XXXIX)	<u>\$ 290,340</u>	<u>3</u>	<u>(\$ 164,843)</u>	<u>(2)</u>
	Items that may be reclassified subsequently to profit or loss (after tax)	<u>(11,000)</u>	<u>-</u>	<u>75,258</u>	<u>1</u>
65000	Other comprehensive income for the period (net of tax)	<u>1,632,206</u>	<u>20</u>	<u>2,490,730</u>	<u>28</u>
66000	TOTAL COMPREHENSIVE INCOME	<u>\$ 4,288,240</u>	<u>52</u>	<u>\$ 5,266,933</u>	<u>60</u>
	EARNINGS PER SHARE (Note XL)				
67500	Basic earnings per share	<u>\$ 0.49</u>		<u>\$ 0.52</u>	
67700	Diluted earnings per share	<u>\$ 0.49</u>		<u>\$ 0.52</u>	

The attached notes are the integral part of the Parent Company Only Financial Statement.

Chairperson: Lin Hung-Lian;

Manager: Hsu Wei-Wen;

Accounting Officer: Lu Wen-Chuan

Union Bank of Taiwan Co., Ltd.
Parent-Only Statement of Changes in Equity
January 1 to June 30, 2025 and 2024

Unit: NTD thousand

Code		Share capital (Notes XXX and XXXVI)				Capital reserve (Note XXX)	Retained earnings (Note XXX)				Other Equity (Note XXX)			
		Share capital of common stock	Share capital of preference shares	Capital increase reserve	Total		Legal reserve	Special surplus reserve	Undistributed earnings	Total	Exchange difference from translating the financial statements of overseas operations	Unrealized gain (loss) on financial assets at FVTOCI	Total	TOTAL
A1	Balance at January 1, 2024	\$ 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 and distribution of retained earnings for 2023													
B1	Legal reserve provision	-	-	-	-	-	1,453,449	-	(1,453,449)	-	-	-	-	-
B3	Reversal of special reserve	-	-	-	-	-	-	(129,596)	129,596	-	-	-	-	-
B5	Cash dividends of common stock	-	-	-	-	-	-	-	(755,790)	(755,790)	-	-	(755,790)	-
B7	Cash dividends of preference shares	-	-	-	-	-	-	-	(511,845)	(511,845)	-	-	(511,845)	-
B9	Share dividends of common stock	-	-	2,645,267	2,645,267	-	-	-	(2,645,267)	(2,645,267)	-	-	-	-
C7	Changes in affiliates and joint ventures accounted for using the equity method	-	-	-	-	11,569	-	-	-	-	-	-	-	11,569
D1	Net profit, January 1 to June 30, 2024	-	-	-	-	-	-	-	2,776,203	2,776,203	-	-	-	2,776,203
D3	Other comprehensive income after tax, January 1 to June 30, 2024	-	-	-	-	-	-	-	-	-	562,730	1,928,000	2,490,730	2,490,730
D5	Total comprehensive income, January 1 to June 30, 2024	-	-	-	-	-	-	-	2,776,203	2,776,203	562,730	1,928,000	2,490,730	5,266,933
N1	Share-based payment transaction	-	-	96,927	96,927	-	-	-	-	-	-	-	-	96,927
Q1	Disposal of the equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	117,340	117,340	-	(117,340)	(117,340)	-
Z1	Balance at June 30, 2024	\$ 37,789,525	\$ 2,000,000	\$ 2,742,194	\$ 42,531,719	\$ 8,137,301	\$ 12,972,292	\$ 627,440	\$ 3,280,029	\$ 16,879,761	(\$ 46,542)	\$ 5,039,507	\$ 4,992,965	\$ 72,541,746
A1	Balance at January 1, 2025	\$ 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
	Appropriation and distribution of retained earnings for 2024													
B1	Legal reserve provision	-	-	-	-	-	2,016,695	-	(2,016,695)	-	-	-	-	-
B5	Cash dividends of common stock	-	-	-	-	-	-	-	(1,417,525)	(1,417,525)	-	-	-	(1,417,525)
B7	Cash dividends of preference shares	-	-	-	-	-	-	-	(526,125)	(526,125)	-	-	-	(526,125)
B9	Share dividends of common stock	-	-	2,835,051	2,835,051	-	-	-	(2,835,051)	(2,835,051)	-	-	-	-
C7	Changes in affiliates and joint ventures accounted for using the equity method	-	-	-	-	23,720	-	-	-	-	-	-	-	23,720
D1	Net profit, January 1 to June 30, 2025	-	-	-	-	-	-	-	2,656,034	2,656,034	-	-	-	2,656,034
D3	Other comprehensive income after tax, January 1 to June 30, 2025	-	-	-	-	-	-	-	-	-	(1,188,665)	2,820,871	1,632,206	1,632,206
D5	Total comprehensive income, January 1 to June 30, 2025	-	-	-	-	-	-	-	2,656,034	2,656,034	(1,188,665)	2,820,871	1,632,206	4,288,240
N1	Share-based payment transaction	-	-	114,719	114,719	-	-	-	-	-	-	-	-	114,719
Q1	Disposal of the equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	38,833	38,833	-	(38,833)	(38,833)	-
Z1	Balance at June 30, 2025	\$ 40,500,729	\$ 2,000,000	\$ 2,949,770	\$ 45,450,499	\$ 8,192,011	\$ 14,988,987	\$ 627,440	\$ 3,008,273	\$ 18,624,700	(\$ 1,045,508)	\$ 8,496,143	\$ 7,450,635	\$ 79,717,845

The attached notes are the integral part of the Parent Company Only Financial Statement.

Chairperson: Lin Hung-Lian;

Manager: Hsu Wei-Wen;

Accounting Officer: Lu Wen-Chuan

Union Bank of Taiwan Co., Ltd.
Parent-Only Statement of Cash Flow
January 1 to June 30, 2025 and 2024

Unit: NTD thousand

Code		January 1 to June 30, 2025	January 1 to June 30, 2024
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Current net income before income tax	\$ 3,229,386	\$ 3,187,168
	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	358,552	340,118
A20200	Amortization expense	46,099	42,750
A20300	Expected credit losses/provision of allowance for doubtful accounts	220,855	375,727
A20400	Loss (gain) on disposal of financial assets at FVTPL	2,771,777	(3,915,664)
A20900	Interest expense	6,978,382	6,634,705
A21200	Interest income	(11,562,142)	(10,584,532)
A21300	Dividend incomes	(174,683)	(155,017)
A22300	Share of gain/loss of subsidiaries and affiliates adopted the equity method	158,764	(726,732)
A22500	Loss on disposal and scrape of properties and equipment	3,677	4,102
A23100	Gain on disposal of investments	(9,705)	-
A23200	Gain on disposal of investment under equity method	(17,221)	-
A23500	Gain/Loss on reversal of impairment loss on financial assets	(110,728)	53,048
	Changes in operating assets and liabilities, net		
A41110	Due from the Central Bank and call loans to banks	(2,957,972)	(8,612,452)
A41120	Financial Assets Measured at Fair Value Through Profit or Loss	(10,315,678)	3,662,366
A41123	Financial Assets Measured at Fair Value Through Other Comprehensive Income	2,757,418	(832,120)
A41125	Investment of debt instrument measured at amortized costs	3,560,426	(508,790)
A41150	Accounts receivable	230,133	(2,601,050)
A41160	Discounts and loans	(7,184,064)	(16,836,579)
A41190	Other financial assets	(300)	221,797
A42110	Deposits from the Central Bank and Peers	(5,905,905)	1,091,824
A42120	Financial liabilities measured at fair value through profit or loss	(2,030,485)	(2,524,885)
A42140	Securities sold under agreements to repurchase	12,950,219	13,415

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Code		January 1 to June 30, 2025	January 1 to June 30, 2024
A42150	Accounts payable	\$ 1,882,173	\$ 1,365,457
A42160	Deposits and remittances	11,041,682	17,235,125
A42170	Other financial liabilities	62,411	26,039
A42990	Increase (Decrease) in other liabilities	(<u>1</u>)	<u>-</u>
A33000	Cash inflow (outflow) from operations	5,983,070	(13,044,180)
A33100	Interest received	11,612,112	10,513,394
A33200	Dividends received	174,683	155,017
A33300	Interest paid	(7,018,077)	(6,416,785)
A33500	Income tax paid	(<u>322,837</u>)	(<u>340,286</u>)
AAAA	Cash inflow (outflow) from operating activities, net	<u>10,428,951</u>	(<u>9,132,840</u>)
CASH FLOWS FROM INVESTING ACTIVITIES			
B01800	Investments accounted for using the equity method	(89,154)	-
B01900	Disposal of Investments Accounted for Using the Equity Method	172,533	-
B02700	Acquisition of properties and equipment	(539,545)	(284,341)
B03600	(Increase) Decrease in settlement fund	(450)	1,754
B03800	(Increase) Decrease in refundable deposits	(5,106,054)	550,173
B04500	Acquisition of intangible assets	(8,439)	(5,242)
B06700	Increase in other assets	(125,792)	(18,586)
B07600	Dividends received	<u>4,677</u>	<u>4,604</u>
BBBB	Cash inflow (outflow) from investment activities, net	(<u>5,692,224</u>)	<u>248,362</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
C03100	Decrease in guarantee deposits	(16,287)	(23,612)
C04020	Repayment of lease liability principals	(222,430)	(220,769)
C04400	Decrease in other liabilities	(<u>64,910</u>)	(<u>57,930</u>)
CCCC	Cash outflow from financing activities, net	(<u>303,627</u>)	(<u>302,311</u>)
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(<u>1,565,844</u>)	<u>898,552</u>
EEEE	INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,867,256	(8,288,237)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>69,303,140</u>	<u>73,595,464</u>
E00200	Balance of cash and cash equivalents at the end of the period	<u>\$ 72,170,396</u>	<u>\$ 65,307,227</u>

(continued at next page)

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RECONCILIATION OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD

<u>Code</u>		<u>June 30, 2025</u>	<u>June 30, 2024</u>
E00210	Cash and cash equivalents in the parent-only balance sheets	\$ 7,738,988	\$ 10,044,251
E00220	that meet the definition of cash and cash equivalents in IAS 7 "Cash Flow Statements"	149,510	-
E00230	Securities purchased under agreements to resell that meet the definition of cash and cash equivalents in IAS 7 "Cash Flow Statements"	<u>64,281,898</u>	<u>55,262,976</u>
E00200	CASH AND CASH EQUIVALENTS	<u>\$ 72,170,396</u>	<u>\$ 65,307,227</u>

The attached notes are the integral part of the Parent Company Only Financial Statement.

Chairperson: Lin Hung-Lian;

Manager: Hsu Wei-Wen;

Accounting Officer: Lu Wen-Chuan

Union Bank of Taiwan Co., Ltd.
Notes to the Parent Company Only Financial Statement
January 1 to June 30, 2025 and 2024
(In NTD thousand, unless specified otherwise)

I. Company History

The Union Bank of Taiwan (the "Bank") was incorporated on December 31, 1991 after obtaining approval from the Ministry of Finance (MOF) on August 1, 1991 and started operations on January 21, 1992. The Bank is mainly engaged in activities including deposits, loans, discounts, remittances, acceptances, issuance of guarantees and letters of credit, short-term bills transactions, investments, foreign exchange transactions, savings, trust, and other agent business.

On the Bank's merger with Chung Shing Bank on March 19, 2005, the Bank took over all of its assets, liabilities and operating units.

The Bank merged with Union Bills Finance Corporation (UBF) on August 16, 2010, with the Bank as the surviving entity.

On August 26, 2015, the board of directors of the Bank resolved to merge UIB in order to integrate the resources, and strengthen management and business synergy. The merger was approved by the Financial Supervisory Commission (FSC) under Rule No. 10502022990 dated March 21, 2016. The effective date of this merger was August 1, 2016.

As of June 30, 2025, the Bank's operating units included Trust, Wealth Management, Security Finance, Bills Finance, International Banking, Insurance Agency, Offshore Banking Units (OBU), overseas representative offices in Ho Chi Minh City and Hanoi, Vietnam, and 90 domestic branches (including the business department).

In response to the division of labor of the enterprise and changes in the financial environment, achieve the goal of cross-industry comprehensive operating efficiency and thereby improve competitiveness and operating performance, the Bank's board of directors resolved to pass a resolution on August 26, 2024 pursuant to Article 36-1 of the Business Mergers and Acquisitions Act, the Company Act and relevant laws and regulations of the R.O.C., a new 100%-owned securities subsidiary "TBA Securities Co., Ltd." with securities brokerage business and futures introducing brokerage business was separated from the Bank's concurrent securities business, which now only reserves the proprietary bond trading business. The newly established securities subsidiary issued shares to the Bank, and the Bank became the only shareholder of the subsidiary. The newly established securities subsidiary divided from the Company is still subject to the approval of the competent authority. If there is supplemental information required for the base date of division, business scope, amount (including assets and liabilities), and the division proposal, or if the competent authority requires adjustments according to law, the board of directors has the full authority to handle such matters.

The operations of the Bank's trust department are (1) trust business planning, managing and operating; and (2) custody of nondiscretionary trust funds in domestic and overseas securities and mutual funds. These foregoing operations are regulated under the Banking Act and Trust Act.

The Bank's shares are traded on the Taiwan Stock Exchange.

The Parent Company Only Financial Statements are presented in NTD, the Bank's functional currency.

II. Date and Procedures Passing the Financial Statements

The Parent Company Only Financial Statements were approved by the Company's board of directors on August 25, 2025

III. Standards Recently Published or Amended, and the Applications of the Interpretations

- (I) Initial application of the amended Regulations Governing the Preparation of Financial Statements by Public Banks and the International Financial Statementing Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Recognition of related parties

According to the "Related Party Recognition Questionnaire" published by the Accounting Research and Development Foundation in June 2025, the Bank has reevaluated whether the fund managed by the managers has control, significant influence or only provides services to the main management personnel, which may change the relationship identified in the IFRS questionnaire published in July 2013. The Bank is still under the process of evaluation. In addition, the FSC's Q&A section does not require the need to restate the information of the 2024 comparison period, meaning that it is not necessary to retroactively adjust the identified and disclosed related party relationships and transactions in the previous financial statements.

- (II) IFRSs endorsed by the FSC applicable since 2026

<u>Standards Recently Published /Amended/Applications of the Interpretations</u>	<u>Effective date of IASB release</u>
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 - “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
"IFRS accounting standards Annual Improvements - Volume 11"	January 1, 2026
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023

Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

1. Amendment to the application of the classification of financial assets

The amendments mainly revised the classification of financial assets, including:

- A. If a financial asset containing a contingency that can change the timing or amount of the contract cash flow, and the nature of the contingency is not directly related to changes in the basic lending risk and cost (such as whether the debtor has achieved a specific reduction in carbon emissions), the contract cash flow of such financial assets will still be entirely interest on the principal paid and the outstanding principal amount when the following two conditions are met:
- All contractual cash flows generated under all possible scenarios (before or after the contingency) are interest payment on principal and outstanding principal amount.
 - There is no significant difference between the contractual cash flows generated under all possible scenarios and the cash flows from financial instruments with the same contractual terms but without contingent characteristics.
- B. Financial assets with no right to recourse refer to the ultimate right to receive cash flows of an enterprise. According to the contract, it is limited to the cash flows generated from a specific asset.

C. Clarify that contract-linked instruments are structured to establish a variety of levels of securities to establish a priority sequence for payment of financial assets holders, and thus generate credit risk concentration and lead to the cash shortage of the underlying pool due to the different levels of securities.

2. Amendment to the application of derecognition of financial liabilities

The amendments mainly describe that financial liabilities should be derecognized on the settlement date. However, if the enterprise uses an electronic payment system to settle financial liabilities in cash, if the following conditions are met, the financial liabilities can be derecognized before the settlement date:

- The enterprise does not have the actual ability to withdraw, stop or cancel the payment instruction;
- Due to the payment instruction, the enterprise has no actual ability to access the cash to be used for the settlement; and
- The settlement risk associated with the electronic payment system is not significant.

The Bank shall apply the amendments retrospectively and the effects of the amendments shall be recognized on the date of initial application, but it is not necessary to re-state the comparison period. However, if the Bank does not adopt a forward-looking mindset, it may choose to re-state the comparison period.

As of the date the parent company only financial statements were authorized for issue, the Bank is continuously assessing the possible impact that the application of various amendments will have on the Bank's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

(III) New IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC	Standards Recently Published /Amended/Applications of the Interpretations	Effective dates issued by IASB (Note)
	Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
	IFRS 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027
	IFRS 19 "Subsidiaries with No Public Responsibility: Disclosures"	January 1, 2027

Note: Unless noted otherwise, the above said standards recently released/amended/amended standards or interpretations take effects from the year of reporting period after the dates of release or amendment.

1. Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"

According to the amendments, if the Company sells or invests assets to an affiliate (or joint venture), or the Company loses control of a subsidiary but retains significant influence (or joint control) over the subsidiary, or, if the aforementioned assets or former subsidiary meets the definition of "business" in IFRS 3 "Business Combination," the Company recognizes all gains and losses arising from the transaction.

In addition, if the Company sells or invests assets to an affiliated enterprise (or joint venture), or the Company loses control of a subsidiary in a transaction with an affiliated enterprise (or joint venture), but retains significant influence (or joint control) over the subsidiary, or, if the aforementioned assets or the former subsidiary do not meet the definition of "business" in IFRS 3, the Company only recognizes the profit or loss arising from the

transaction to the extent of unrelated investors' interests in the affiliated enterprise (or joint venture). That is, the Company's share of the profit or loss shall be eliminated.

2. IFRS 18 "Presentation and Disclosures in Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation in Financial Statements", and the main changes include:

- Income and loss items should be classified as operating, investment, financing, income tax, and discontinued operation in the income statement.
- The operating profit or loss, profit or loss before financing and before tax, as well as the subtotal and total of the profit and loss shall be presented in the income statement.
- Provide guidelines to strengthen the requirement of aggregation and segmentation: The Bank must identify assets, liabilities, equity, income, expenses, and cash flows from individual transactions or other events, and classify and summarize them based on common characteristics so that each line item presented in the primary financial statements has at least one similar feature. Items with dissimilar characteristics should be broken down in the main financial statements and notes. The Bank only marks such items as "others" if no more informative name can be found.
- Increase the disclosure of performance measurement defined by management: When the Bank conducts public communication outside the financial statements, and when communicating the management's point of view on a certain aspect of the Bank's overall financial performance with the users of the financial statements, the performance measurement related information defined by the management should be disclosed in a single note to the financial statements, including the description of the measurement, how the calculation is performed, the adjustment to the subtotal or total specified in IFRS accounting standards, and the income tax and non-controlling equity impact of related adjustments.

In addition to the above effects, as of the date, the parent company only financial statements were authorized for issue. The Bank is continuously assessing the other impacts that the amendments of various standards and interpretations will have on the Bank's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

IV. Summaries of the Material Accounting Policies

(I) Statement of Compliance

The Parent Company Only Financial Statements are prepared pursuant to the Regulations Governing the Preparation of Financial Statements by Public Banks and the Regulations Governing the Preparation of Financial Statements by Securities Issuers. The Parent Company Only Financial Statements do not include all the IFRSs disclosure information required for the full-year Financial Statements.

(II) Other material accounting policies

Except for the following explanation, please refer to the summary of the material accounting policies in the 2024 Consolidated Financial Statements

1. Financial instruments - impairment of financial assets

The Bank recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including loans, trade receivables, and non-accrual loans), investments in debt instruments at FVTOCI, lease receivables, as well as contract assets.

For the aforesaid financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial

recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

In determining the allowance for credit losses and the reserve for losses on guarantees, the Bank assesses the balances of discounts and loans, receivables, nonperforming loans, and other financial assets as well as guarantees and acceptances for their collectability and their specific risks or general risks as of the balance sheet date. Under the regulations issued by the Ministry of Finance (MOF), the Bank evaluates credit balances on the basis of their estimated collectability. The MOF regulations also require the grouping of credit assets into these five classes: Normal, special mention, substandard, doubtful and losses; the minimum loan loss provision and guarantee reserve for the unsound credit assets (those other than normal) should be 2%, 10%, 50% and 100%, respectively, of the outstanding credit balance. The MOF issued a guideline stating that from January 1, 2014, the minimum loan loss provision and guarantee should be the sum of 1% of the outstanding balance of the normal credit asset's claim, 2% of the balance of special mention credit assets, 10% of the balance of substandard credit assets, 50% of the balance of doubtful credit assets, and the full balance of losses credit assets (excluding assets that represent claims against the central and local government in Taiwan). Also, in accordance with Rule No. 10300329440 issued by FSC, the minimum allowance for mortgage loans should be 1.5% (the policy loans added since January 1, 2011 may be excluded) as the minimum provision standard for NPL and guarantee liability reserve; the higher between this allowance and the assessment result of the aforesaid ECL is taken to measure the allowance loss.

The Bank assesses the probability of collection for non-accrual loans and overdue loans and values of collaterals when determining the write-offs. The credits deemed uncollectable may be written off if the write-off is approved by the board of directors. Recoveries of amounts previously written off are credited to the allowance account.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of such a financial asset.

2. Defined benefits and post-employment benefits

The pension costs for the interim period are calculated with the pension cost rate determined by the actuarial calculation at the end date of the previous year from the beginning of the year to the end of the period; adjustments are made as well for the material market fluctuation, material plan modification, repayment, or other material one-time-off events during the period, if any.

3. Income tax expense

Income tax expense are the sum of the current income tax and deferred income taxes. The income tax for the interim period is assessed on the annual basis, to calculate the interim profit before tax with the expected applicable tax rate for the total annual earnings.

V. Material Accounting Judgement, Estimations, and the Main Sources of Uncertainties for Estimation

In the application of the Bank's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Bank, when making significant accounting estimates, incorporated the potential impact of the Russo-Ukrainian War and relevant international sanctions on the economic environment into relevant material accounting estimates, such as cash flows, growth rates, discount rates, and profitability. Management will continue to review the estimates and underlying assumptions.

Estimated Impairment of Financial Assets

The provision for impairment of loan, receivables, investments in debt instruments, and financial guarantee contracts is based on assumptions about risk of default and expected loss rates. The Bank uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Bank's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note LIII. Where the actual future cash inflows are less than expected, a material impairment loss may arise. Moreover, the impacts of market fluctuations due to the Russo-Ukrainian War and relevant international sanctions on the credit risk of financial assets, result in greater uncertainty regarding the estimation of the probability of default.

VI. Cash and Cash Equivalents

	June 30, 2025	December 31 2024	June 30, 2024
Cash on hand	\$ 4,795,194	\$ 7,057,682	\$ 4,635,991
Checks for clearing	888,637	1,316,427	3,375,919
Due from banks	<u>2,055,157</u>	<u>1,810,710</u>	<u>2,032,341</u>
	<u>\$ 7,738,988</u>	<u>\$ 10,184,819</u>	<u>\$ 10,044,251</u>

VII. Due from the Central Bank and Call Loans to Other Banks

	June 30, 2025	December 31 2024	June 30, 2024
Deposit reserve - checking account	\$ 18,068,953	\$ 16,175,820	\$ 16,947,737
Required deposit reserve	26,627,074	25,551,582	23,318,401
Deposit reserve - foreign-currency deposits	110,637	121,290	120,065
Interbank lending	<u>149,510</u>	<u>-</u>	<u>-</u>
	<u>\$ 44,956,174</u>	<u>\$ 41,848,692</u>	<u>\$ 40,386,203</u>

Under a directive issued by the Central Bank of the ROC, the Company determines monthly NTD-denominated reserve deposits at prescribed rates based on the average balances of customers' NTD-denominated deposits, which are subject to withdrawal restrictions.

In addition, the foreign-currency reserve deposits are determined at rates prescribed for balances of foreign-currency deposits. These reserves may be withdrawn anytime and do not bear interest.

VIII. Financial Products Measured at Fair Value Through Profit or Loss

	June 30, 2025	December 31 2024	June 30, 2024
<u>Financial assets mandatorily measured at fair value</u>			
Commercial paper	\$ 58,803,395	\$ 44,253,476	\$ 46,295,724
Fund beneficiary certificates	623,111	1,190,696	834,658
Future exchange margins - self owned	60,343	66,095	65,336
Asset-backed securities	13,436	15,892	16,584
Domestic listed shares	1,221,392	1,242,068	1,588,450
Overseas government bonds	<u>6,733,638</u>	<u>6,884,346</u>	<u>2,663,768</u>
Subtotal	<u>67,455,315</u>	<u>53,652,573</u>	<u>51,464,520</u>
<u>Derivative financial products</u>			
Foreign exchange forward contracts	71,307	58,820	44,426
Option contracts	152,791	114,242	106,164
Currency swap contracts	<u>223,361</u>	<u>1,325,915</u>	<u>1,158,298</u>
Subtotal	<u>447,459</u>	<u>1,498,977</u>	<u>1,308,888</u>
	<u>\$ 67,902,774</u>	<u>\$ 55,151,550</u>	<u>\$ 52,773,408</u>
<u>Financial liabilities held for trading</u>			
<u>Derivative financial products</u>			
Currency swap contracts	\$ 3,489,592	\$ 333,155	\$ 275,705
Option contracts	152,356	114,268	105,665
Foreign exchange forward contracts	<u>3,843</u>	<u>21,530</u>	<u>7,941</u>
	<u>\$ 3,645,791</u>	<u>\$ 468,953</u>	<u>\$ 389,311</u>

The Bank engaged in derivative transactions mainly to accommodate customers' needs and manage its exposure positions. The financial risk management objective of the Bank was to minimize risks due to changes in fair value or cash flows.

The contract amounts (notional amounts) of the derivative transactions for accommodating customers' needs and managing its exposure positions as of June 30th, 2025, December 31st and June 30th, 2024 are as follows:

	<u>Contract amount</u>		
	June 30, 2025	December 31 2024	June 30, 2024
Currency swap contracts	\$ 66,221,884	\$ 85,854,435	\$ 88,246,093
Foreign exchange forward contracts	1,062,767	1,029,327	936,650
Option contracts			
Call options	4,948,757	5,697,638	4,422,405
Put options	4,948,757	5,697,638	4,422,405

As of June 30, 2025, December 31 and June 30, 2024, financial assets at fair value through profit and loss in the amounts of NT\$40,172,652 thousand, NT\$23,480,327 thousand and NT\$26,354,006 thousand, respectively, were sold under repurchase agreements.

IX. Financial Assets Measured at Fair Value Through Other Comprehensive Income

	June 30, 2025	December 31 2024	June 30, 2024
Investments of the equity instruments measured at fair value through other comprehensive income			
Domestic listed shares	\$ 10,272,831	\$ 6,822,560	\$ 7,133,086
Overseas listed shares	9,792,100	9,709,474	8,126,327
Unlisted shares, domestic and overseas	<u>2,135,094</u>	<u>1,910,183</u>	<u>4,388,639</u>
Subtotal	<u>22,200,025</u>	<u>18,442,217</u>	<u>19,648,052</u>
Investments of the debt instruments measured at fair value through other comprehensive income			
Overseas government bonds	17,493,672	17,659,018	14,912,007
Overseas corporate bonds	13,378,967	16,140,375	16,681,090
Domestic corporate bonds	3,849,642	4,065,252	5,464,380
Domestic government bonds	2,809,636	2,890,073	2,880,376
Overseas financial bonds	2,000,345	2,289,785	2,606,067
Domestic financial bonds	<u>299,914</u>	<u>299,753</u>	<u>-</u>
Subtotal	<u>39,832,176</u>	<u>43,344,256</u>	<u>42,543,920</u>
	<u>\$ 62,032,201</u>	<u>\$ 61,786,473</u>	<u>\$ 62,191,972</u>

Details of the Bank's investments in foreign and domestic unlisted shares are as follows:

	June 30, 2025	December 31 2024	June 30, 2024
LINE Pay Taiwan Limited (Note XVI)	\$ -	\$ -	\$ 2,557,580
LINE Bank Taiwan Limited	722,555	510,815	528,750
Taiwan Futures Exchange	649,909	640,752	599,088
Financial Information Service Co., Ltd.	503,802	502,047	455,952
Taiwan Depository & Clearing Corporation	106,560	103,762	-
Others	<u>152,268</u>	<u>152,807</u>	<u>247,269</u>
	<u>\$ 2,135,094</u>	<u>\$ 1,910,183</u>	<u>\$ 4,388,639</u>

(I) Investments of the equity instruments measured at fair value through other comprehensive income

The Bank holds the listed, emerging, and unlisted shares for long-term strategic purposes, and expects to earn profits via the long-term investment. The management believes it is inconsistent to the aforesaid long-term investment planning if the short-term fair value fluctuations of such investments are listed to profit and loss, and thus elected to designate these investments in equity instruments as at FVTOCI.

On April 1, 2025, the Board of Directors of the Bank resolved to participate in the cash capital increase of LINE Bank Taiwan Limited, and subscribed 25,000 thousand shares at 5% of its shareholding ratio for NT\$250,000 thousand.

Due to the consideration of the investment strategy, the Bank sold the equity instrument investment measured at fair value through other comprehensive income from January 1 to June 30, 2025 and 2024. The fair value of the sale was NT\$663,214 thousand and NT\$1,241,436 thousand, respectively. Meanwhile, the unrealized valuation gains of NT\$38,833 thousand and NT\$117,340 thousand accumulated during the disposal were transferred from other equity to retained earnings.

For the six months ended June 30, 2025 and 2024, the dividend revenue recognized by the Company as investments in equity instruments measured at fair value through other comprehensive income were NT\$147,067 thousand and NT\$131,760 thousand, respectively, of which, these held as of June 30, 2025 and 2024, amounted to NT\$146,227 thousand and NT\$123,560 thousand, respectively.

- (II) Investments of the debt instruments measured at fair value through other comprehensive income
For further information regarding credit risk management and impairment assessment of financial assets at FVTOCI, refer to Note XI.

The Bank had sold NT\$17,358,307 thousand, NT\$19,831,849 thousand and NT\$19,816,148 thousand of its financial assets at FVTOCI under a repurchase agreement on June 30, 2025, December 31 and June 30, 2024, respectively.

X. Financial Assets Measured at Amortized Costs

	June 30, 2025	December 31 2024	June 30, 2024
Negotiable certificates of deposit	\$ 42,900,000	\$ 42,900,000	\$ 42,900,000
Debt instruments			
Overseas asset-backed securities	29,632,930	32,393,357	31,883,997
Domestic government bonds	<u>5,596,441</u>	<u>6,431,769</u>	<u>7,310,416</u>
Subtotal	<u>35,229,371</u>	<u>38,825,126</u>	<u>39,194,413</u>
	<u>\$ 78,129,371</u>	<u>\$ 81,725,126</u>	<u>\$ 82,094,413</u>

For further information regarding credit risk management and impairment assessment on financial assets at amortized cost, refer to Note XI.

The Bank sold financial assets at amortized cost under repurchase agreements in the amounts of NT\$26,394,541 thousand, NT\$28,866,742 thousand and NT\$29,138,193 thousand on June 30, 2025, December 31 and June 30, 2024, respectively.

XI. Credit Risk Management for Investments in Debt Instruments

Debt instruments that the Bank invested in have been further split into two categories, financial assets at FVTOCI and financial assets at amortized cost:

	June 30, 2025		
	At fair value through other comprehensive income	At amortized costs	Total
Total carrying amount	\$ 45,482,842	\$ 35,468,933	\$ 80,951,775
Loss allowance	(1,380,288)	(239,562)	(1,619,850)
Fair value adjustment	<u>(4,270,378)</u>	<u>-</u>	<u>(4,270,378)</u>
	<u>\$ 39,832,176</u>	<u>\$ 35,229,371</u>	<u>\$ 75,061,547</u>
	December 31 2024		
	At fair value through other comprehensive income	At amortized costs	Total
Total carrying amount	\$ 50,660,895	\$ 39,087,754	\$ 89,748,649
Loss allowance	(1,624,442)	(262,628)	(1,887,070)
Fair value adjustment	<u>(5,692,197)</u>	<u>-</u>	<u>(5,692,197)</u>
	<u>\$ 43,344,256</u>	<u>\$ 38,825,126</u>	<u>\$ 82,169,382</u>

June 30, 2024

	At fair value through other comprehensive income	At amortized costs	Total
Total carrying amount	\$ 49,955,703	\$ 39,456,223	\$ 89,411,926
Loss allowance	(1,587,201)	(261,810)	(1,849,011)
Fair value adjustment	(5,824,582)	-	(5,824,582)
	<u>\$ 42,543,920</u>	<u>\$ 39,194,413</u>	<u>\$ 81,738,333</u>

The Bank continuously monitors the external credit rating information and price movements of the debt instruments invested in to assess whether their credit risks have significantly increased since initial recognition.

The Company takes into consideration the multi-period default probability table for each ratings of securities issued by credit rating agencies and the recovery rates of different types of bonds to assess the 12-month expected credit losses or lifetime expected credit losses. The carrying values of financial assets at FVTOCI and at amortized cost sorted by credit rating are as follows:

Credit Risk Ratings	Terms and definitions	ECL Recognition Basis	Expected Credit Loss Rate	June 30, 2025 Carrying amount (Including Premiums and Discounts)
Low credit risk	Low credit risk at the reporting date	12-month expected credit losses	0.00%~0.48%	\$ 74,123,127
Significant increase in credit risk	Credit risk has increased significantly since initial recognition	Lifetime expected credit losses (no credit impairment)	0.32%~0.35%	412,062
Default	Evidence of impairment at the reporting date	Lifetime expected credit losses (with credit impairment)	22.89%~50.00%	526,358

Credit Risk Ratings	Terms and definitions	ECL Recognition Basis	Expected Credit Loss Rate	December 31 2024 Carrying amount (Including Premiums and Discounts)
Low credit risk	Low credit risk at the reporting date	12-month expected credit losses	0.00%~0.51%	\$ 81,252,689
Significant increase in credit risk	Credit risk has increased significantly since initial recognition	Lifetime expected credit losses (no credit impairment)	0.40%~0.45%	445,298
Default	Evidence of impairment at the reporting date	Lifetime expected credit losses (with credit impairment)	40.33%~50%	471,395

Credit Risk Ratings	Terms and definitions	ECL Recognition Basis	Expected Credit Loss Rate	June 30, 2024 Carrying amount (Including Premiums and Discounts)
Low credit risk	Low credit risk at the reporting date	12-month expected credit losses	0%~0.2170%	\$ 80,771,121
Significant increase in credit risk	Credit risk has increased significantly since initial recognition	Lifetime expected credit losses (no credit impairment)	0.40%~0.45%	428,182
Default	Evidence of impairment at the reporting date	Lifetime expected credit losses (with credit impairment)	37.37%~50.00%	539,030

The following table shows changes in balances of loss allowances of financial assets at FVTOCI and debt instruments at amortized cost, sorted by credit risk ratings:

	Credit Rating		
	Low credit risk (12-month expected credit losses)	Significant increase in credit risk (lifetime expected credit losses without credit impairment)	With objective evidence of impairment Lifetime expected credit losses (with credit impairment)
Balance at January 1, 2025	\$ 277,995	\$ 3,533	\$ 1,605,542
Changes in credit risk ratings			
- Low credit risk to significant increase in credit risk	-	-	-
- Significant increase in credit risk to low credit risk	-	-	-
- Significant increase in credit risk to default	-	-	-
New debt instruments purchased	-	-	-
Derecognition	(344)	-	-
Changes in risk or model parameters	(10,220)	(653)	(99,511)
Change in exchange rates	(15,174)	(311)	(141,007)
Loss allowance on June 30, 2025	<u>\$ 252,257</u>	<u>\$ 2,569</u>	<u>\$ 1,365,024</u>
Balance at January 1, 2024	\$ 271,378	\$ 1,779	\$ 1,426,623
Changes in credit risk ratings			
- Low credit risk to significant increase in credit risk	(991)	991	-
- Significant increase in credit risk to low credit risk	-	-	-
- Significant increase in credit risk to default	-	-	-
New debt instruments purchased	168	-	-
Derecognition	(12,030)	-	-
Changes in risk or model parameters	3,414	405	61,091
Change in exchange rates	<u>16,479</u>	<u>99</u>	<u>79,605</u>
Loss allowance on June 30, 2024	<u>\$ 278,418</u>	<u>\$ 3,274</u>	<u>\$ 1,567,319</u>

XII. Securities Purchased Under Agreements to Resell

	June 30, 2025	December 31 2024	June 30, 2024
Commercial paper	\$ 45,709,963	\$ 31,312,980	\$ 29,503,491
Corporate bonds	17,523,174	23,800,079	24,237,771
Negotiable certificates of deposits	<u>1,048,761</u>	<u>4,005,262</u>	<u>1,521,714</u>
	<u>\$ 64,281,898</u>	<u>\$ 59,118,321</u>	<u>\$ 55,262,976</u>
Maturity date	July 2025	January 2025	July 2024
Proceeds agreed for resale	<u>\$ 64,332,747</u>	<u>\$ 59,159,820</u>	<u>\$ 55,297,171</u>

The Bank's investments of notes under reverse repurchase agreement and bonds are not offered to be sold with repurchase agreement conditions.

XIII. Receivables, Net

	June 30, 2025	December 31 2024	June 30, 2024
Credit card receivables	\$ 24,199,862	\$ 24,999,598	\$ 27,523,969
Interbank clearing fund receivable	3,040,133	3,021,822	3,017,385
Interest receivable	1,909,440	1,915,913	1,868,799
Collections receivable	1,885,892	1,205,517	1,996,769
Acceptances receivable	105,099	113,667	134,004
Receipts under custody for non-peers receivable	216,692	199,780	121,308
Proceed of delivery receivable	41,760	309,991	167,840
Incomes from shares and beneficiary certificates receivable	78,032	14,277	45,938
Notes and accounts receivable	68,563	171,126	289,435
Receivables under custody from non-peers	234,584	20,156	486,862
Interbank transactions receivable	330,982	336,391	112
Others	<u>282,904</u>	<u>330,517</u>	<u>499,052</u>
	32,393,943	32,638,755	36,151,473
Less: Allowance for doubtful accounts	<u>266,839</u>	<u>267,265</u>	<u>265,074</u>
Net	<u>\$ 32,127,104</u>	<u>\$ 32,371,490</u>	<u>\$ 35,886,399</u>

The changes in gross carrying amounts of receivables are as follows:

January 1 to June 30, 2025

	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses (Credit-impaired Financial Assets)	Total
Balance at the beginning of the period	\$ 31,598,217	\$ 155,653	\$ 884,885	\$ 32,638,755
Receivables assessed collectively	(24,253)	(34,283)	58,536	-
Receivables purchased or originated	9,503,840	137,959	201,338	9,843,137
Write-offs	-	-	(165,338)	(165,338)
Derecognition	(9,726,968)	(85,559)	(110,084)	(9,922,611)
Balance at the end of the period	<u>\$ 31,350,836</u>	<u>\$ 173,770</u>	<u>\$ 869,337</u>	<u>\$ 32,393,943</u>

January 1 to June 30, 2024

	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses (Credit-impaired Financial Assets)	Total
Balance at the beginning of the period	\$ 32,298,453	\$ 171,671	\$ 818,079	\$ 33,288,203
Receivables assessed collectively	(29,060)	(33,531)	62,591	-
Receivables purchased or originated	12,936,296	122,843	234,381	13,293,520
Write-offs	-	-	(123,926)	(123,926)
Derecognition	(10,108,387)	(91,690)	(106,247)	(10,306,324)
Balance at the end of the period	<u>\$ 35,097,302</u>	<u>\$ 169,293</u>	<u>\$ 884,878</u>	<u>\$ 36,151,473</u>

Refer to Note XLVII for the impairment loss analysis of receivables.

The Bank had set up an allowance for doubtful accounts on accounts receivable. The details of and changes in allowance for doubtful accounts on accounts receivable are as follows:

	June 30, 2025					
	12-month expected credit losses	Lifetime Expected Credit Loss	Lifetime Expected- credit Losses (Credit- impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans”	Total
<u>Accounts receivable</u>						
Balance at the beginning of the period	\$ 50,227	\$ 18,325	\$ 156,190	\$ 224,742	\$ 42,523	\$ 267,265
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(546)	988	(442)	-	-	-
- Transferred to credit-impaired financial assets	(23,086)	(39,696)	62,782	-	-	-
- Transferred to 12-month ECL	840	(599)	(241)	-	-	-
- Derecognition of financial assets in the current reporting period	(31,189)	(6,630)	(25,517)	(63,336)	-	(63,336)
New financial assets purchased or originated	27,947	39,102	122,441	189,490	-	189,490
Difference of Impairment Loss under the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans”	-	-	-	-	31,513	31,513
Write-offs	-	-	(165,338)	(165,338)	-	(165,338)
Recovery of written-off receivables	-	-	131,191	131,191	-	131,191
Change in risk parameters and other changes	58	80	(123,796)	(123,658)	-	(123,658)
Change in exchange rate	(288)	-	-	(288)	-	(288)
Balance at the end of the period	\$ 23,963	\$ 11,570	\$ 157,270	\$ 192,803	\$ 74,036	\$ 266,839

	2024					
	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected- credit Losses (Credit- impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans”	Total
<u>Accounts receivable</u>						
Balance at the beginning of the year	\$ 50,837	\$ 16,874	\$ 113,150	\$ 180,861	\$ 38,750	\$ 219,611
Changes of financial instruments recognized at the beginning of the current reporting year						
- Transferred to lifetime ECL	(512)	695	(183)	-	-	-
- Transferred to credit-impaired financial assets	(155,674)	(62,330)	218,004	-	-	-
- Transferred to 12-month ECL	540	(443)	(97)	-	-	-
- Derecognition of financial assets in the current reporting period	(16,982)	(4,440)	(24,724)	(46,146)	-	(46,146)
New financial assets purchased or originated	176,685	68,000	158,724	403,409	-	403,409
Difference of Impairment Loss under the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans”	-	-	-	-	3,773	3,773
Write-offs	-	-	(316,638)	(316,638)	-	(316,638)
Recovery of written-off receivables	-	-	285,257	285,257	-	285,257
Change in risk parameters and other changes	(4,900)	(31)	(277,303)	(282,234)	-	(282,234)
Change in exchange rate	233	-	-	233	-	233
End of year balance	\$ 50,227	\$ 18,325	\$ 156,190	\$ 224,742	\$ 42,523	\$ 267,265

	June 30, 2024					
	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected- credit Losses (Credit- impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans”	Total
<u>Accounts receivable</u>						
Balance at the beginning of the period	\$ 50,837	\$ 16,874	\$ 113,150	\$ 180,861	\$ 38,750	\$ 219,611
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(396)	601	(205)	-	-	-
- Transferred to credit-impaired financial assets	(28,832)	(37,215)	66,047	-	-	-
- Transferred to 12-month ECL	529	(432)	(97)	-	-	-
- Derecognition of financial assets in the current reporting period	(15,336)	(3,387)	(20,587)	(39,310)	-	(39,310)
New financial assets purchased or originated	43,158	42,574	113,877	199,609	-	199,609
Difference of Impairment Loss under the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans”	-	-	-	-	25,212	25,212
Write-offs	-	-	(123,926)	(123,926)	-	(123,926)
Recovery of written-off receivables	-	-	159,973	159,973	-	159,973
Change in risk parameters and other changes	(4,989)	(18)	(171,259)	(176,266)	-	(176,266)
Change in exchange rate	171	-	-	171	-	171
Balance at the end of the period	\$ 45,142	\$ 18,997	\$ 136,973	\$ 201,112	\$ 63,962	\$ 265,074

XIV. Discounts and Loans, Net

	June 30, 2025	December 31 2024	June 30, 2024
Discounts and overdraft	\$ 58,416	\$ 64,654	\$ 55,244
Accounts receivable - financing	59,928	23,270	45,230
Short-term loans	21,767,914	25,371,894	22,149,209
Secured short-term borrowing	139,622,252	136,828,368	125,171,623
Medium-term loans	\$ 43,238,356	\$ 41,345,714	\$ 41,774,343
secured mid-term borrowing	153,678,299	147,764,500	141,225,219
Long-term loans	6,856,860	7,096,380	7,846,874
Secured long-term borrowing	255,520,501	255,301,084	249,376,803
Import and export negotiations	8,841	20,929	9,048
Non-accrual loans from loans	<u>1,075,624</u>	<u>864,718</u>	<u>1,324,580</u>
Subtotal	621,886,991	614,681,511	588,978,173
Less: Allowance for doubtful accounts	<u>7,375,456</u>	<u>7,180,194</u>	<u>7,053,811</u>
	<u>\$ 614,511,535</u>	<u>\$ 607,501,317</u>	<u>\$ 581,924,362</u>

As of June 30, 2025, December 31 and June 30, 2024, the balances of nonaccrual loans were NT\$1,075,624 thousand, NT\$864,718 thousand and NT\$1,324,580 thousand, respectively. The unrecognized interest revenues on nonperforming loans were NT\$17,703 thousand and NT\$22,403 thousand during January 1 to June 30, 2025 and 2024. The Bank has no credit re-sold without collection during January 1 to June 30, 2025 and 2024.

The changes in gross carrying amounts on receivables are as follows:

January 1 to June 30, 2025

	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses (Credit-impaired Financial Assets)	Total
Balance at the beginning of the period	\$ 609,535,139	\$ 3,029,721	\$ 2,116,651	\$ 614,681,511
Discount and loans assessed collectively	(1,491,913)	897,069	594,844	-
Discount and loans purchased or originated	168,994,267	351,220	140,693	169,486,180
Write-offs	-	-	(50,093)	(50,093)
Derecognition	(161,121,573)	(643,726)	(465,308)	(162,230,607)
Balance at the end of the period	<u>\$ 615,915,920</u>	<u>\$ 3,634,284</u>	<u>\$ 2,336,787</u>	<u>\$ 621,886,991</u>

January 1 to June 30, 2024

	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses (Credit-impaired Financial Assets)	Total
Balance at the beginning of the period	\$ 567,308,416	\$ 2,711,467	\$ 2,236,465	\$ 572,256,348
Discount and loans assessed collectively	(957,175)	339,376	617,799	-
Discount and loans purchased or originated	179,119,676	358,524	46,424	179,524,624
Write-offs	-	-	(220,702)	(220,702)
Derecognition	(161,708,371)	(582,742)	(290,984)	(162,582,097)
Balance at the end of the period	<u>\$ 583,762,546</u>	<u>\$ 2,826,625</u>	<u>\$ 2,389,002</u>	<u>\$ 588,978,173</u>

Refer to Note XLVII for impairment loss analysis of discounts and loans.

The Bank had set up an allowance for doubtful accounts on discounts and loans. The details of and changes in allowance for doubtful accounts on discounts and loans are as follows:

January 1 to June 30, 2025

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected- credit Losses (Credit- impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	Total
<u>Discounts and loans</u>						
Balance at the beginning of the period	\$ 504,970	\$ 147,094	\$ 471,908	\$ 1,123,972	\$ 6,056,222	\$ 7,180,194
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(787)	5,163	(4,376)	-	-	-
- Transferred to credit-impaired financial assets	(182)	(20,440)	20,622	-	-	-
- Transferred to 12-month ECL	30,383	(13,386)	(16,997)	-	-	-
- Derecognition of financial assets in the current reporting period	(259,938)	(30,527)	(103,539)	(394,004)	-	(394,004)
New financial assets purchased or originated	249,274	46,229	66,773	362,276	-	362,276
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	(100,881)	(100,881)
Write-offs	-	-	(50,093)	(50,093)	-	(50,093)
Recovery of written-off receivables	-	-	83,574	83,574	-	83,574
Change in risk parameters and other changes	22,591	99,576	184,288	306,455	-	306,455
Change in exchange rate	(12,065)	-	-	(12,065)	-	(12,065)
Balance at the end of the period	<u>\$ 534,246</u>	<u>\$ 233,709</u>	<u>\$ 652,160</u>	<u>\$ 1,420,115</u>	<u>\$ 5,955,341</u>	<u>\$ 7,375,456</u>

January 1 to June 30, 2024

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected- credit Losses (Credit- impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	Total
Discounts and loans						
Balance at the beginning of the period	\$ 697,689	\$ 158,499	\$ 265,770	\$ 1,121,958	\$ 5,751,587	\$ 6,873,545
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(664)	5,837	(5,173)	-	-	-
- Transferred to credit-impaired financial assets	(237)	(27,470)	27,707	-	-	-
- Transferred to 12-month ECL	31,641	(20,756)	(10,885)	-	-	-
- Derecognition of financial assets in the current reporting period	(327,801)	(37,154)	(82,535)	(447,490)	-	(447,490)
New financial assets purchased or originated	250,050	102,637	113,928	466,615	-	466,615
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	250,407	250,407
Write-offs	-	-	(220,702)	(220,702)	-	(220,702)
Recovery of written-off receivables	-	-	94,917	94,917	-	94,917
Change in risk parameters and other changes	(177,974)	(16,900)	220,362	25,488	-	25,488
Change in exchange rate	11,031	-	-	11,031	-	11,031
Balance at the end of the period	\$ 483,735	\$ 164,693	\$ 403,389	\$ 1,051,817	\$ 6,001,994	\$ 7,053,811

XV. Allowance for Doubtful Accounts, Provision for Losses on Commitments and Guarantees

	January 1 to June 30, 2025	January 1 to June 30, 2024
Provision of allowance for doubtful accounts on accounts receivable	\$ 34,009	\$ 9,245
Provision for doubtful accounts on discounts and loans	173,846	295,020
Provision for guarantee liabilities	13,000	71,462
	<u>\$ 220,855</u>	<u>\$ 375,727</u>

XVI. Investments Accounted for Using the Equity Method, Net

	June 30, 2025	December 31 2024	June 30, 2024
Subsidiaries invested	\$ 5,623,334	\$ 5,889,531	\$ 5,903,858
Affiliate	342,522	249,707	270,774
	<u>\$ 5,965,856</u>	<u>\$ 6,139,238</u>	<u>\$ 6,174,632</u>

(I) Subsidiaries invested

	June 30, 2025	December 31 2024	June 30, 2024
Union Finance & Leasing (Int'l) Corporation	\$ 3,393,617	\$ 3,336,598	\$ 3,251,897
Union Securities Investment Trust Corporation (USITC)	412,509	416,652	427,652
Union Finance International (HK) Limited	-	172,291	167,739
Union Information Technology Corporation (UIT)	380,621	152,891	142,636
Union Venture Capital Co., Ltd.	1,436,587	1,811,099	1,913,934
	<u>\$ 5,623,334</u>	<u>\$ 5,889,531</u>	<u>\$ 5,903,858</u>

On the balance sheet date, the Bank has the ownership interests and voting rights in the subsidiaries with the following percentage:

Company name	June 30, 2025	December 31 2024	June 30, 2024
Union Finance & Leasing (Int'l) Corporation	100%	100%	100%
Union Securities Investment Trust Corporation (USITC)	99.60%	99.60%	99.60%
Union Finance International (HK) Limited	-	100%	100%
Union Information Technology Corporation (UIT)	99.99%	99.99%	99.99%
Union Venture Capital Co., Ltd.	100%	100%	100%

On November 13, 2023, the Bank's board of directors approved the closure of Union Finance International (H.K.) Limited after taking into account the overseas professional layout plan. The Company's cancellation of company registration was approved by the Hong Kong Registration Office on January 17, 2025, and the earnings were repatriated on February 18, 2025, with an amount of NT\$172,533 thousand and a gain on disposal of NT\$17,221 thousand.

(II) Affiliate

	June 30, 2025	December 31 2024	June 30, 2024
<u>Not individually material</u>			
iPASS Corporation	\$ 290,634	\$ 197,768	\$ 218,996
Union Construction Management Co., Ltd.	51,888	51,939	51,778
	\$ 342,522	\$ 249,707	\$ 270,774

The summarized financial information in respect of the Bank's affiliates not individually material is set out below:

	January 1 to June 30, 2025	January 1 to June 30, 2024
Share attributed to the Bank		
Current net loss	(\$ 5,133)	(\$ 5,511)

To promote innovative financial technology services and popularize mobile payment endorsed by the government, the board of directors of the Bank approved the investment in LINE Pay Taiwan Limited (Line Pay) on July 25, 2018 and later acquired 5,471 thousand shares with a price of NT\$1,579,977 thousand on September 21, 2018 resulting in a 10% shareholding. The Bank is a director of LINE Pay and with substantial influence, and thus the recognition is made by the equity method. Acquired Line BIZ+ Taiwan Limited has generated NT\$977,235 thousand of goodwill and was included in the investment's cost.

In April 2023, LINE Pay executed employee stock options, resulting in a decrease in the Bank's shareholding to 9.76%. On January 2, 2024, the Bank stepped down as a director of LINE Pay and lost its influence. In January 2024, the equity method was discontinued and the financial assets measured at fair value through other comprehensive gain or loss were considered for investment purposes (Note IX), and a gain of NT\$526,654 thousand was recognized.

The Bank's Board of Directors approved the participation in the cash capital increase of iPass Corporation (iPass) on January 13, 2025. However, iPass executed employee share options, resulting in the Bank's subscription of 5,944 thousand shares and investment of NT\$89,154 thousand, resulting in a decrease in shareholding from 33.944% to 33.165%.

The investment accounted for using the equity methods, the Bank's shares of profit and loss in such investments and other profit and loss, are calculated based on the unaudited Financial Statements, except for Union Finance & Leasing (Int'l) Corporation that is calculated based on the Financial Statements reviewed by CPAs; provided, the management of the Company considers the Financial Statements of the investees are not audited by CPAs, with no material effect.

XVII. Other Financial Assets, Net

	<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
Assets Pledged (Note XLII)	\$ 1,552,725	\$ 1,543,325	\$ 1,543,812
Due from banks - time deposit	<u>-</u>	<u>-</u>	<u>30,000</u>
	<u>\$ 1,552,725</u>	<u>\$ 1,543,325</u>	<u>\$ 1,573,812</u>

The amount of due from banks - time deposits with maturities longer than three months or certificate of deposits that cannot be cancelled or used.

XVIII. Property and Equipment, Net

	<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
<u>Carrying amount of each category</u>			
Land	\$ 4,451,794	\$ 4,451,794	\$ 4,451,794
Buildings	3,562,237	3,119,251	3,146,864
Machinery and Computer Equipment	446,284	428,116	332,252
Transportation Equipment	56,570	54,663	58,888
Lease Improvements	170,064	167,227	170,139
Prepayment for equipment and property	<u>757,281</u>	<u>826,038</u>	<u>834,759</u>
	<u>\$ 9,444,230</u>	<u>\$ 9,047,089</u>	<u>\$ 8,994,696</u>

The Bank's property and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	33-55 years
Equipment installed in buildings	3-20 years
Machinery and Computer Equipment	1-5years
Transportation Equipment	1-7 years
Lease Improvements	5 years

XIX. Lease Arrangements

(I) Right-of-use assets

	<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
Carrying amounts of right-of- use assets			
Buildings	<u>\$ 1,210,050</u>	<u>\$ 1,271,717</u>	<u>\$ 1,359,654</u>
	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>	
Increase in right-of-use assets	<u>\$ 160,196</u>	<u>\$ 124,785</u>	
Depreciation expense of right-of-use assets			
Buildings	<u>\$ 221,706</u>	<u>\$ 221,036</u>	

(II)	Lease liabilities			
		<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
	Carrying amounts of lease liabilities	\$ 1,201,631	\$ 1,263,022	\$ 1,347,894

Range of discount rate for lease liabilities was as follows:

		<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
	Buildings	0.72%~1.79%	0.72%~1.79%	0.72%~1.77%

(III)	Other lease information			
		<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>	
	Expenses relating to short-term leases	\$ 77,826	\$ 83,294	
	Total cash (outflow) for leases	(\$ 300,256)	(\$ 304,063)	

The Bank has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

XX. Goodwill

The Bank acquired Chung Shing Bank (Chung Shing) on March 19, 2005 and recognized goodwill amounting to \$3,309,000 thousand. The goodwill amortization period was five years, and the amortization expense in 2005 was \$551,500 thousand. However, the amortization of goodwill was no longer required from January 1, 2006. The Bank merged with Union Bills Finance Corporation on August 16, 2010, with the Bank as the survivor entity, and recognized goodwill amounting to \$130,498 thousand.

For the impairment test on Chung Shing, the Bank treated individual business units as cash-generating units (CGUs). Goodwill resulting from the merger was allocated to the relevant CGUs. The recoverable amount was determined by the value in use of each CGU, and the key assumptions adopted use the actual operations and business of CGUs or the objective information of the economic cycles as the basis of future cash flow estimation; based on the going-concern assumption, the net cash flows generated from the operations of each CGU in the next five years are forecasted. As of June 30, 2025, December 31 and June 30, 2024, there was no impairment after evaluation by the Bank. As of June 30, 2025 and 2024, the Bank had recognized goodwill impairment loss of NT\$902,691 thousand in total.

XXI. Other Assets, Net

		<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
	Refundable deposits	\$ 7,591,064	\$ 2,484,561	\$ 2,267,686
	Prepaid expenses	336,306	210,437	238,321
	Prepaid pension	79,631	79,631	27,924
	Others	191	267	193
		<u>\$ 8,007,192</u>	<u>\$ 2,774,896</u>	<u>\$ 2,534,124</u>

XXII. Deposits from the Central Bank and Peers

		<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
	Deposits from Chunghwa Post Co., Ltd.	\$ 5,574,680	\$ 5,574,680	\$ 3,574,680
	Call loans from banks	1,418,628	7,500,000	8,486,750
	Overdraft from other banks	311,924	194,635	169,944
	Deposits from the Central Bank and Peers	191,237	133,059	124,679
		<u>\$ 7,496,469</u>	<u>\$ 13,402,374</u>	<u>\$ 12,356,053</u>

XXIII.	<u>Securities sold under agreements to repurchase</u>			
		<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
	Commercial paper	\$ 40,232,656	\$ 23,495,917	\$ 26,386,805
	Asset-backed securities	15,096,632	16,925,265	15,898,285
	Government bonds	9,759,430	10,220,295	10,147,373
	Corporate bonds	5,458,666	6,870,062	7,643,700
	Financial bonds	<u>966,536</u>	<u>1,052,162</u>	<u>1,016,447</u>
		<u>\$ 71,513,920</u>	<u>\$ 58,563,701</u>	<u>\$ 61,092,610</u>
	Maturity date	July to December 2025	January to September 2025	July to September 2025
	Agreed repurchase price	<u>\$ 71,836,955</u>	<u>\$ 58,921,888</u>	<u>\$ 61,575,113</u>
XXIV.	<u>Accounts Payable</u>			
		<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
	Dividend payable	\$ 1,943,650	\$ -	\$ 1,267,636
	Interest payable	1,551,772	1,583,204	1,727,315
	Collection payable	1,447,412	1,307,077	1,822,458
	Accrued payable	1,422,525	203,417	313,411
	Agency business payable, not settled	914,170	51,061	5,677
	Exchange clearing payable	888,637	1,316,426	3,375,919
	Expense payables	747,962	1,307,286	1,170,110
	Others	<u>2,437,950</u>	<u>1,922,991</u>	<u>1,948,596</u>
		<u>\$ 11,354,078</u>	<u>\$ 7,691,462</u>	<u>\$ 11,631,122</u>
XXV.	<u>Deposits and Remittances</u>			
		<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
	Checking deposits	\$ 5,201,500	\$ 7,076,272	\$ 5,526,936
	Demand deposits	170,478,075	162,188,774	151,433,739
	Savings deposits	470,797,460	456,634,884	450,566,733
	Time deposits	169,372,042	178,938,234	167,639,651
	Negotiable certificates of deposit	238,500	230,000	213,800
	Inward and outward remittances	<u>155,690</u>	<u>133,421</u>	<u>114,286</u>
		<u>\$ 816,243,267</u>	<u>\$ 805,201,585</u>	<u>\$ 775,495,145</u>
XXVI.	<u>Bank Debentures</u>			
		<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
	First issue of subordinated bank debentures in 2019; fixed rate at 1.10%; maturity: September 2026	\$ 500,000	\$ 500,000	\$ 500,000
	First issue of subordinated bank debentures in 2019; fixed rate at 1.23%; maturity: September 2029	1,500,000	1,500,000	1,500,000
	First issue of subordinated bank debentures in 2021; no maturity date and non-cumulative; redeemable at face value plus interest accrued under the approval of the authorities when the issue term is above 5.6 years; fixed rate at 1.92% (the benchmark interest rate is +1.1183%)	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
		<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>

XXVII. Provisions

	June 30, 2025	December 31 2024	June 30, 2024
Reserve for losses on guarantees and loan commitment	\$ 390,934	\$ 378,164	\$ 388,138
Others	<u>27,778</u>	<u>27,779</u>	<u>28,078</u>
	<u>\$ 418,712</u>	<u>\$ 405,943</u>	<u>\$ 416,216</u>

Details and changes in allowances for guarantees and financial commitments are as follows:

January 1 to June 30, 2025

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected- credit Losses (Credit- impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans”	Total
<u>Reserve for losses on guarantees and loan commitment</u>						
Balance at the beginning of the period	\$ 84,043	\$ 5,072	\$ 191	\$ 89,306	\$ 288,858	\$ 378,164
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(105)	111	(6)	-	-	-
- Transferred to credit-impaired financial assets	(74)	(1)	75	-	-	-
- Transferred to 12-month ECL	3,369	(3,369)	-	-	-	-
- Derecognition of financial assets in the current reporting period	(66,259)	(330)	(131)	(66,720)	-	(66,720)
New financial assets purchased or originated	34,274	1,368	74	35,716	-	35,716
Difference of Impairment Loss under the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans”	-	-	-	-	46,453	46,453
Change in risk parameters and other changes	(2,449)	-	-	(2,449)	-	(2,449)
Change in exchange rate	(230)	-	-	(230)	-	(230)
Balance at the end of the period	<u>\$ 52,569</u>	<u>\$ 2,851</u>	<u>\$ 203</u>	<u>\$ 55,623</u>	<u>\$ 335,311</u>	<u>\$ 390,934</u>

January 1 to June 30, 2024

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected- credit Losses (Credit- impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans”	Total
<u>Reserve for losses on guarantees and loan commitment</u>						
Balance at the beginning of the period	\$ 113,007	\$ 3,146	\$ 309	\$ 116,462	\$ 200,076	\$ 316,538
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(117)	117	-	-	-	-
- Transferred to credit-impaired financial assets	(63)	(16)	79	-	-	-
- Transferred to 12-month ECL	510	(510)	-	-	-	-
- Derecognition of financial assets in the current reporting period	(76,541)	(2,006)	(253)	(78,800)	-	(78,800)
New financial assets purchased or originated	64,308	5,728	54	70,090	-	70,090
Difference of Impairment Loss under the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans”	-	-	-	-	80,172	80,172
Change in risk parameters and other changes	-	-	-	-	-	-
Change in exchange rate	138	-	-	138	-	138
Balance at the end of the period	<u>\$ 101,242</u>	<u>\$ 6,459</u>	<u>\$ 189</u>	<u>\$ 107,890</u>	<u>\$ 280,248</u>	<u>\$ 388,138</u>

XXVIII. Post-Employment Benefit Plan

(I) Defined contribution plans

The Bank has adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The total expenses recognized in consolidated statement of comprehensive income during January 1 to June 30, 2025 and 2024, for NT\$100,506 thousand and NT\$95,517 thousand, respectively, as the contributions payable to these plans by the Bank at proportion specified in the defined contribution plan.

(II) Defined benefit plans

The Bank has adopted the defined benefit plan under the Labor Standards Act. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Bank contributes 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan and in the Bank's Business Department in the committee's name (opened at the Bank's Department of Business) The fund is deposited in the Bank of Taiwan under management of Bureau of Labor Funds, Ministry of Labor. The Bank has no right to influence the investment policy and strategy. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year.

The Bank recognized the pension expenses of NT\$2,863 thousand and NT\$3,649 thousand during January 1 to June 30, 2025 and 2024, based on the pension cost rates determined by the actuarial calculation on December 31, 2024 and 2023.

XXIX. Other Liabilities

	June 30, 2025	December 31 2024	June 30, 2024
Advance receipts	\$ 908,558	\$ 927,518	\$ 862,828
Guarantee deposits	87,649	103,936	89,370
Others	<u>63,629</u>	<u>66,082</u>	<u>68,621</u>
	<u>\$ 1,059,836</u>	<u>\$ 1,097,536</u>	<u>\$ 1,020,819</u>

XXX. Rights and benefits

(I) Share capital

Common stock	June 30, 2025	December 31 2024	June 30, 2024
Authorized number of shares (thousand shares)	<u>5,500,000</u>	<u>4,500,000</u>	<u>4,500,000</u>
Authorized share capital	<u>\$ 55,000,000</u>	<u>\$ 45,000,000</u>	<u>\$ 45,000,000</u>
Number of shares issued and fully paid (thousand shares)	<u>4,050,073</u>	<u>4,050,073</u>	<u>3,778,953</u>
Issued share capital	<u>\$ 40,500,729</u>	<u>\$ 40,500,729</u>	<u>\$ 37,789,525</u>

Issued common stock with the par value of NT\$10 per share, and carry one vote per share and carry a right to dividends.

Preference shares

Due to the capital needs of the Bank for future long-term business development and operational scale expansion, the Bank's shareholders approved and authorized the board of directors to issue ordinary shares or special shares for domestic cash capital increase (one or both, as appropriate) on

June 20, 2017, in accordance with the provisions of the Articles of Incorporation or the relevant laws and regulations, in order to raise the long-term funds. The total funds to be raised through issuing new shares as authorized this time shall not be more than NT\$10 billion (inclusive) as the principle. The number of shares for issue shall not be more than 800,000 thousand shares (inclusive) as the principle. On June 28th, 2017, the Banks's board of directors resolved to issue preferred stock - A totaling 200,000 thousand shares, with a par value of NT\$10 per share, at NT\$50 per share. The issuance of shares has been approved by the FSC under Order No. 1060033586 issued on September 1, 2017.

On October 24th, 2017, the capital from issue of preferred stock - A amounted to NT\$10,000,000 thousand. The preferential shares - A was listed on Taiwan Stock Exchange on December 1, 2017.

The rights and other important conditions of issuance of the class A. Class A preference shares are as follows:

1. Maturity: Perpetual for the preferential shares A of the Bank.
2. Dividend: The annual interest rate is 4.8% per annum (5-year IRS interest rate, 0.89125%+3.90875%) for the class A preference shares, based on the price per share. The 5-year IRS will be reset on the next business day after each fifth and half anniversary day after issuance thereafter. The pricing date for reset is the second business day of financial industry in Taipei immediately preceding each reset date. The 5-year IRS rate is the arithmetic mean of 5-year IRS rates appearing on Reuters pages "PYTWDFIX" and "COSMOS3" at 11:00 a.m. (Taipei time) on the relevant pricing date for reset. As the price of "PYTWDFIX" at the five-year IRS rate at 11:00 a.m. was not available, the Company decided to adopt the arithmetic mean of 5-year IRS rates of "TAIFXIRS" and "COSMOS3" appearing on Reuters pages at 11:00 a.m. dated April 20, 2023 as the 5-year IRS rate based on the integrity principle and reasonable market conditions. The dividend yield (annual rate) reset for the Company's Class A preference shares from April 24, 2023 is 5.26125%.
3. Dividend payment: Whereas the Bank makes profit in a fiscal year, apart from paying the income tax by law, it shall first compensate for the deficits in previous years, appropriate the legal reserve, and appropriate or reverse the special reserve with respect to these Articles of Incorporation before distributing dividends deserved for preference shares of the year. The Bank shall enjoy the discretionary power over the distribution of dividends for preference shares, including but not limited to where no earnings or earnings are insufficient for distribution of the dividend of preference shares after the annual account is closed; or should the distribution of the dividend for preference shares will cause this Bank's capital adequacy to become lower than the minimum requirements by law or as specified by competent authorities; or should there be other necessary considerations, the Bank may decide not to distribute the dividend for preference shares, and under no circumstances shall shareholders make objections thereof. In addition, the undistributed dividends or the shortfall in distributed dividends shall not be accumulated for compensation in future years with earnings. Dividends of class A preference shares if distributed will be in cash and in one payment in a year. After the annual general meeting of shareholders ratifies the financial statements, the Board of Directors shall determine the base date to disburse the dividends for the previous year. The year of issuance and the recovery of the number of dividends issued of the year shall be calculated based on the actual number of days of issuance in the year. The amount of dividends distributed should be recognized on the dividend statements.
4. Exceeding dividend distribution: class A preference shares, other than the dividends received as dividend rate prescribed in the preceding paragraph, under no circumstances shall holders of

preference shares be entitled to receive the dividend distributed for common stock from this Bank's earnings and legal reserves in cash or capital reserves.

5. Redemption of class A preference shares: After 5.5 years from the issue date, the Bank may redeem a portion or all of the outstanding shares of class A preference shares at any time at the issue price. The rights and obligations of all types of issuance conditions of unrecovered preference shares will continue. Should the board meeting resolution of the Bank determine to issue dividends for preferential shares A in the recovery year, the dividends to be distributed shall be calculated by the day of recovery based on the actual number of days issued in the year.
6. Liquidation preference: In the event of liquidation, when the competent authority assigned officials to take receivership over the Bank, order the Bank to suspend and wind up business, or liquidate the Bank, in accordance with the "Regulations Governing the Capital Adequacy and Capital Category of Banks", the order of priority for the distribution of the earnings and assets of the shareholders of class A preference shares is the same as that of a common shareholder, otherwise the shareholders of preference shares shall be given priority to claim on the Bank's remaining assets over the shareholders of common stock, and equal to shareholders of other preference shares issued by the Bank, but subordinate to the holders of Tier 2 capital, depositors, and other general creditors, and not more than the issuance amount of outstanding shares of class A preference shares.
7. Voting rights or election rights: The shareholders of class A class A preference shares are not entitled to any voting rights or election rights in shareholders' meeting. However, they may vote in preference shares shareholders' meetings and in general shareholder meetings with regard to agenda items concerning rights and obligations of the shareholders of preference shares.
8. Convertibility to common shares: Under no circumstances shall the conversion from preferential shares A into common shares be allowed, nor shall holders of preferential shares be entitled to request the Bank to recover their preference shares held.
9. When the Bank issues new shares in cash to increase the capital, the shareholders of preferential shares A, and the common stock shall be entitled to equivalent rights on subscribing new shares.

Capital increase reserve

On June 13th, 2025, the AGM resolved to increase the capital from earnings for NT\$2,835,051 thousands and from the employees' remuneration for NT\$114,719 thousands by issuing new shares for 283,505 thousand shares and 6,974 thousand shares, respectively, totaling 290,479 thousand shares. The face value is NT\$10 per share. The said capital increase has been reported to and approved by Securities and Futures Bureau, Financial Supervisory Commission on July 3rd, 2025, and the base date of capital increase was July 29th, 2025.

(II) Capital reserve

	<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u> (1)			
Premium of issuing preference shares	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000
Treasury share transactions	32,413	32,413	32,413
Premium of issuing common stock	101,379	101,379	70,389
<u>May only be used to offset a deficit</u>			
Changes in percentage of ownership interests in subsidiaries (2)	659	659	659
Changes in net values of equities of affiliates recognized with the equity method	<u>57,560</u>	<u>33,840</u>	<u>33,840</u>
	<u>\$ 8,192,011</u>	<u>\$ 8,168,291</u>	<u>\$ 8,137,301</u>

1. The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of ordinary shares and treasury stock transactions) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital limited to a certain percentage of the Company's capital surplus and to once a year.
2. The changes in ownership of subsidiaries under the capital reserve, are generated from the effects of equity transaction recognized due to changes of the subsidiaries' equities, but not actually acquiring or disposing the subsidiaries' equities.

(III) Legal reserve

Legal reserve should be appropriated until it equals the Company's paid-in-capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of its paid-in capital, the excess may be transferred to capital or distributed in cash. In addition, pursuant to the Banking Act, if the legal reserve is less than the Company's paid-in capital, the amount that may be distributed in cash should not exceed 15% of the Company's paid-in-capital. These who possess the legal reserve equal to the total capital, or are financially and operationally health and provide the legal reserve as required by the Company Act, are not subject to the restriction in the preceding paragraph.

(IV) Special surplus reserve

	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Balance at the beginning of the period	\$ 627,440	\$ 757,036
Reversal in current period	<u>-</u>	(<u>129,596</u>)
Balance at the end of the period	<u>\$ 627,440</u>	<u>\$ 627,440</u>

The Bank appropriates and reverses the special reserve pursuant to Rule No. 109015022 issued by the FSC dated on March 31, 2021 and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRS Accounting Standards" should be appropriated to or reversed from a special reserve by the Bank. For the reversal of balance for other shareholders' equity deduction, earning distributions may be made from the reversed portion.

If a special reserve appropriated on the first-time adoption of IFRS accounting standards relates to investment properties other than land, the special reserve may be reversed continuously over the period of use. The special reserve relating to land may be reversed on the disposal or reclassification of the related assets.

The above special reserve may be used to offset a deficit; if the reserve has reached at least 50% of the paid-in capital, half of this special reserve may be capitalized.

According to May 25, 2016 Rule No. 10510001510 issued by the FSC, a special reserve should be appropriated between 0.5% and 1% of net income after tax when banks appropriate earnings of 2016 through 2018. Since 2017, the Company is allowed to reverse the special reserve at the amount of the costs of employee transfer and arrangement in connection with the development of financial technology.

(V) Retained earnings and dividend policy

Should there be net earnings after the account is closed, apart from paying the income tax by law, the Bank shall first compensate for the deficits in previous years and then appropriate thirty percent (30%) as the legal reserve. Next, the balance shall be appropriated or reversed as the special reserve by law or based on business needs. Then, the balance after that, if any, shall be combined to the accumulative unappropriated earnings of the previous year for BOD to draw up a proposal for earnings distribution and submit to AGM for adoption of the distribution of dividends and bonuses.

BOD shall draw up the proportion of distribution in cash or in stock for dividends and bonuses based on the temporal financial trend, future status of profitability, and the Bank's budget planning. On principle, if the regulatory capital to risk-weighted assets ratio of the Bank is lower than the ratio required by competent authorities plus one percentage point after earnings distribution, distribution in stock shall first be adopted. When the legal reserve is lower than the total capital, the maximum amount of earnings distribution in cash shall not exceed fifteen percent (15%) of the total capital.

The Bank's AGM resolved the earning distributions for 2024 and 2023 on June 13th, 2025 and June 14th, 2024 as below:

	Earning distribution		Dividends per share (NT\$)	
	2024	2023	2024	2023
Legal reserve	\$ 2,016,695	\$ 1,453,449		
Reversal of special reserve	-	(129,596)		
Special surplus reserve	-	-		
Share dividends of common stock	2,835,051	2,645,267	\$ 0.700	\$ 0.700
Cash dividends of common stock	1,417,525	755,790	0.350	0.200
Cash dividends of preference shares	526,125	511,845	2.631	2.559

(VI) Other equity items

1. Exchange difference from translating the financial statements of overseas operations

	January 1 to June 30, 2025	January 1 to June 30, 2024
Balance at the beginning of the period	\$ 143,157	(\$ 609,272)
Exchange differences arising on translation the foreign operations	(1,440,017)	824,214
Income tax on exchange differences on translation of the net assets of foreign operations	290,340	(164,843)
Share in the translation difference from the subsidiaries with the equity method	(38,988)	(96,641)
Balance at the end of the period	<u>(\$ 1,045,508)</u>	<u>(\$ 46,542)</u>

2. Unrealized gain or loss on financial assets at fair value through other comprehensive income

	January 1 to June 30, 2025	January 1 to June 30, 2024
Balance at the beginning of the period	<u>\$ 5,714,105</u>	<u>\$ 3,228,847</u>
Generated in the current period		
Unrealized gain (loss)		
Debt instruments	1,431,524	(617,138)
Equity instrument	1,554,742	2,405,899
Adjustments to loss allowance for debt instruments	(244,154)	129,666
Share in the subsidiaries with the equity method	88,464	9,573
Disposal of debt instruments	(9,705)	-
Other comprehensive income for the period	<u>2,820,871</u>	<u>1,928,000</u>
Accumulated gain (loss) transferred to retained earnings from disposal of equity instruments	(38,833)	(117,340)
Balance at the end of the period	<u>\$ 8,496,143</u>	<u>\$ 5,039,507</u>

XXXI. Net Interest Income

	January 1 to June 30, 2025	January 1 to June 30, 2024
Interest income		
Discounts and loans	\$ 8,920,899	\$ 8,054,094
Interests from debt instruments measured at amortized costs	844,122	849,117
Interests from financial assets measured at fair value through other comprehensive income	601,296	610,073
Interests from revolving credit	519,760	477,098
Investment of bonds under reverse repurchase agreement	485,902	422,654
Due from the Central Bank and call loans to other banks	145,566	130,582
Other interest income	44,597	40,914
Subtotal	<u>11,562,142</u>	<u>10,584,532</u>
Interest expense		
Interests from deposits	5,764,430	5,331,882
Interests from notes under repurchase agreement and bonds	1,071,236	1,151,080
Interests from financial bonds	40,775	40,775
Due to Chunghwa Post Co., Ltd.	48,072	29,748
Other interest expense	53,869	81,220
Subtotal	<u>6,978,382</u>	<u>6,634,705</u>
Total	<u>\$ 4,583,760</u>	<u>\$ 3,949,827</u>

XXXII. Commission and Fee Income, Net

	January 1 to June 30, 2025	January 1 to June 30, 2024
Fee income		
Fees from credit cards and debit cards	\$ 1,890,979	\$ 1,651,326
COMMISSION AND FEE REVENUE, NET	729,269	672,177
Fees from trust	436,277	432,693
Fees from loans	303,832	322,689
Fees from underwriting	101,994	86,968
Fees from guarantee	67,603	72,040
Incomes from interbank service	31,081	28,371
Others	153,215	152,228
Subtotal	<u>3,714,250</u>	<u>3,418,492</u>

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	January 1 to June 30, 2025	January 1 to June 30, 2024
Commission and fee expense		
Fees from acquiring liquidation deal	\$ 876,391	\$ 712,084
Fees from credit cards	706,176	739,798
Fees from credit inquiry	19,232	19,855
Fees from interbank service	11,477	19,565
Agency service fee expense	7,159	7,355
Others	69,409	66,909
Subtotal	<u>1,689,844</u>	<u>1,565,566</u>
Total	<u>\$ 2,024,406</u>	<u>\$ 1,852,926</u>

XXXIII. Net profit of financial assets or liabilities at FVTPL

	January 1 to June 30, 2025	January 1 to June 30, 2024
Realized gain or loss on financial assets at fair value through profit or loss		
Currency swap contracts	\$ 736,253	\$ 899,335
Foreign exchange forward contracts	43,013	(14,713)
Commercial paper	8,837	11,539
Beneficiary securities and shares	(145,654)	189,288
Option contracts	3,258	3,624
Interest income	678,933	486,277
Dividend incomes	27,616	23,257
Futures exchange margins	-	420
Subtotal	<u>1,352,256</u>	<u>1,599,027</u>
Profit or loss of financial assets or liabilities at FVTPL		
Beneficiary securities and shares	(28,403)	141,958
Government bonds and corporate bonds	183,324	(48,511)
Commercial paper	(4,137)	12,010
Derivative financial assets and liabilities	(4,247,201)	2,234,437
Subtotal	<u>(4,096,417)</u>	<u>2,339,894</u>
Total	<u>(\$ 2,744,161)</u>	<u>\$ 3,938,921</u>

XXXIV. Realized Gain on Financial Assets at FVTOCI

	January 1 to June 30, 2025	January 1 to June 30, 2024
Dividend incomes	<u>\$ 156,772</u>	<u>\$ 131,760</u>

XXXV. Reversal of Loss (Impairment Loss)

	January 1 to June 30, 2025	January 1 to June 30, 2024
Debt instruments measured at fair value through other comprehensive income	\$ 110,728	(\$ 47,852)
Financial assets measured at amortized costs	-	(5,196)
Total	<u>\$ 110,728</u>	<u>(\$ 53,048)</u>

XXXVI. Employee Benefits

	January 1 to June 30, 2025	January 1 to June 30, 2024
Salaries and wages	\$ 1,384,411	\$ 1,331,435
Bonus	691,778	1,052,588
Post-employment benefits		
Defined contribution plans	100,506	95,517
Defined benefit plans	2,863	3,649
Labor insurance and national health insurance	211,985	198,737
Other employee benefits	<u>62,781</u>	<u>66,767</u>
Total	<u>\$ 2,454,324</u>	<u>\$ 2,748,693</u>

The Bank accrued remuneration of employees and directors at the rates of between 1% and 5% and no higher than 0.1%, respectively, of net profit before income tax (in case of accumulated losses, the amount to offset the losses shall be set aside in advance) The remuneration of employees and directors estimated from January 1 to June 30, 2025 and 2024 is as follows:

Accrual rate

	January 1 to June 30, 2025	January 1 to June 30, 2024
Remuneration of employees	1.84%	1.84%
Remuneration of directors	0.09%	0.09%

Amount

	January 1 to June 30, 2025	January 1 to June 30, 2024
Remuneration of employees	<u>\$ 60,590</u>	<u>\$ 59,378</u>
Remuneration of directors	<u>\$ 2,964</u>	<u>\$ 2,904</u>

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

The Bank held the board meetings on March 10th, 2025 and March 11th, 2024, to resolve the remuneration of employees and directors for 2024 and 2023, respectively, as below:

	2024		2023	
	Cash	Shares	Cash	Shares
Remuneration of employees	\$ -	\$ 114,719	\$ -	\$ 96,927
Remuneration of directors	5,611	-	4,741	-

The remunerations of employees for 2024 and 2023 were 6,974 thousand shares and 6,594 thousand shares, and the calculation were based on the closing prices, NT\$16.45 and NT\$14.70 of the day before the board's resolution date.

There was no difference remunerations of employees and directors paid for 2024 and 2023 and the amounts recognized in the Parent Company Only Financial Statements for 2024 and 2023.

Information on the remunerations of employees and directors resolved by the Bank's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

XXXVII. Depreciation and Amortization

	January 1 to June 30, 2025	January 1 to June 30, 2024
Depreciation of properties and equipment	\$ 136,846	\$ 119,082
Depreciation of right-of-use assets	221,706	221,036
Amortization of intangible assets	<u>46,099</u>	<u>42,750</u>
Total	<u>\$ 404,651</u>	<u>\$ 382,868</u>

XXXVIII. Other operating and management expenses

	January 1 to June 30, 2025	January 1 to June 30, 2024
Advertising expenses	\$ 340,861	\$ 408,835
Taxation and levies	600,958	547,272
Outsourcing service fee	190,912	200,664
Postage/cable charge	124,392	132,008
Computer information expense	150,741	137,577
Rent	77,826	83,294
Deposit insurance premium	97,299	95,038
Repair and maintenance expense	84,732	73,269
Business promotion expenses	53,123	123,579
Printing and binding	21,738	22,290
Others	<u>265,846</u>	<u>289,046</u>
Total	<u>\$ 2,008,428</u>	<u>\$ 2,112,872</u>

XXXIX. Income tax

(I) Income tax recognized in profit or loss

The main components of income tax expense were as follows:

	January 1 to June 30, 2025	January 1 to June 30, 2024
Current income tax		
Incurred in the current year	\$ 575,935	\$ 632,958
Adjustment for prior year	5,849	6,519
Deferred tax		
Incurred in the current year	(8,432)	(228,512)
Income tax expense recognized in profit or loss	<u>\$ 573,352</u>	<u>\$ 410,965</u>

(II) Income tax recognized in other comprehensive income

	January 1 to June 30, 2025	January 1 to June 30, 2024
<u>Deferred tax</u>		
Recognized in other comprehensive income:		
- Translating the financial statements of overseas operations	(\$ 290,340)	\$ 164,843
- Unrealized gain or loss on financial assets at fair value through other comprehensive income	<u>16,525</u>	<u>121,639</u>
Income tax expenses recognized in other comprehensive income	<u>(\$ 273,815)</u>	<u>\$ 286,482</u>

(III) Income tax assessments

Up to the filing in 2020, the Bank's profit-seeking enterprise income tax returns have been assessed by the tax authorities.

XL. Earnings Per Share

	January 1 to June 30, 2025	January 1 to June 30, 2024
Basic earnings per share	\$ 0.49	\$ 0.52
Diluted earnings per share	\$ 0.49	\$ 0.52

The weighted average number of common stock outstanding (in thousands of shares) is as follows:

Current net profit

	January 1 to June 30, 2025	January 1 to June 30, 2024
Net Profit	\$ 2,656,034	\$ 2,776,203
Less: Dividends on preferential shares announced	(526,125)	(511,845)
Earnings used in the computation of basic earnings per share	\$ 2,129,909	\$ 2,264,358
Earnings used in the computation of diluted earnings per share	\$ 2,129,909	\$ 2,264,358

Number of shares Unit: thousand shares

	January 1 to June 30, 2025	January 1 to June 30, 2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	4,337,932	4,331,042
Effect of potentially dilutive ordinary shares		
Remuneration of employees	6,005	6,193
Weighted average number of ordinary shares used in the computation of diluted earnings per share	4,343,937	4,337,235

If the Bank offered to settle the compensation or bonuses paid to employees in cash or shares, the Bank assumed that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

When calculating earnings per share, the impact of the unpaid rights issue has been retrospectively adjusted, and the ex-date for the unpaid rights issue was set on July 29, 2025. The basic and diluted earnings per share were both adjusted from NT\$0.56 to NT\$0.52 for the period between January 1 to June 30, 2024 due to the retrospective adjustment.

XLI. Transactions with Related Parties

The transactions of the Bank with other related parties are as below:

(I) Related parties and their relationships with the Company

Related Party	Relationship with the Bank
Union Finance and Leasing (Int'l) Corp (UFLIC)	Subsidiary
Union Information Technology Corporation (UIT)	Subsidiary

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<u>Related Party</u>	<u>Relationship with the Bank</u>
Union Finance Co., Ltd. (Hong Kong) (Union Finance)	Subsidiary (revoked on January 17, 2025)
Union Securities Investment Trust Corporation (USITC)	Subsidiary
Union Venture Capital Co., Ltd. (UVC)	Subsidiary
Union Capital (Cayman) Corp.(UCCC)	Sub-subsiidiary
Union Capital (Singapore) Holding Pte. Ltd (UCSH)	Sub-subsiidiary
Ufcl Capital (Singapore) Holding Pte. Ltd (UFLC)	Sub-subsiidiary
Kabushiki Kaisha UCJ1 (KK)	Sub-subsiidiary
Tokutei Mokuteki Kaisha SSG15 (TMK SSG15)	Sub-subsiidiary
Tokutei Mokuteki Kaisha SSG12 (TMK SSG12)	Sub-subsiidiary
Tokutei Mokuteki Kaisha SSG16 (TMK SSG16)	Sub-subsiidiary
Corner Union Venture Capital, LLC (Delaware)	Sub-subsiidiary
Corner Union LLC DAG I-U, LLC	Sub-subsiidiary
Corner Union, LLC	Sub-subsiidiary
Na He Yi Hau Electric Power Inc. (Na He Yi Hau)	Sub-subsiidiary
Union Energy Co., Ltd. (Union Energy)	Sub-subsiidiary
Ting Jie Electric Power Inc. (Ting Jie Electric Power)	Sub-subsiidiary
Union Private Equity Co., Ltd. (Union Private Equity)	Sub-subsiidiary
Tian Ji Smart Energy Co., Ltd. (Tian Ji Smart)	Sub-subsiidiary
Union Construction Management Co., Ltd. (Union Construction Management)	Affiliate
iPass Corporation (iPass)	Affiliate
Blue Borders Medical and Health Management Consulting Co., Ltd. (Blue Borders)	Affiliate
Horng Gow Construction Co., Ltd. (Horng Gow)	Related party in substance
The Liberty Times Co., Ltd. (the Liberty Times)	Related party in substance
Long Shan Lin Corporation (Long Shan Lin)	Related party in substance
Yung Hsuan Co., Ltd	Related party in substance
Lianhe Investment Co., Ltd. (Lianhe Investment)	Related party in substance
Union Enterprise Construction Co., Ltd. (Union Enterprise Construction)	Related party in substance
Yu-Bon Limited Co. (Yu-Bon)	Related party in substance
Union Recreation Enterprise Corporation (Union Recreation Enterprise)	Related party in substance
Union Optronics Corp. (Union Optronics)	Related party in substance
Hi-Life International Co., Ltd. (Hi-Life International)	Related party in substance
Hsinrong Energy Technology Co., Ltd. (Hsinrong Energy)	Related party in substance
Hope Vision Co., Ltd. (Hope Vision)	Substantive related party (not a related party as of November 2024)

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Related Party	Relationship with the Bank
Issued by Union Securities Investment Trust	Issued by subsidiary Union Securities Investment Trust
Union Green Energy Private Equity Limited Partnership (Union Green Energy)	Union Private Equity Co., Ltd. and UFLIC are general partner and limited partner, respectively
Union Green Energy I Private Equity Limited Partnership (Union Green Energy I)	Subsidiary, Union Private Equity Co., Ltd. is general partner
Union Green Energy II Private Equity Limited Partnership (Union Green Energy II)	Subsidiary, Union Private Equity Co., Ltd. is general partner
Others	Directors, managerial officers, and their relatives and affiliates, as well as related parties in substance of the Bank

(II) Material transactions with related parties

Other than the material transactions of the Bank with other related parties disclosed in notes, others are indicated below:

1. Loans

June 30, 2025

Type	Number of Account or Related Parties	Highest Balance in the period	Balance at the end of the period	Fulfillment Status		Collaterals	Differences in Terms of Transaction with Those for Unrelated Parties
				Normal Loans	Overdue loan		
Consumer loans	14 households	\$ 23,402	\$ 19,942	\$ 19,942	\$ -	Land, buildings, securities (certificates of deposit), and vehicles	None
Self-used housing mortgage loans	35 households	175,808	153,132	153,132	-	Real estates	None
Other loans	Union Finance and Leasing (Int'l) Corp	1,793,788	1,527,428	1,527,428	-	Land, buildings and certificates of deposit of the Bank	None
Other loans	9 households	31,364	24,969	24,969	-	Land, buildings and securities (certificates of deposit, stocks)	None

December 31 2024

Type	Number of Account or Related Parties	Highest Balance in the period	Balance at the end of the period	Fulfillment Status		Collaterals	Differences in Terms of Transaction with Those for Unrelated Parties
				Normal Loans	Overdue loan		
Consumer loans	19 households	\$ 27,552	\$ 21,512	\$ 21,512	\$ -	Lands, buildings, and securities	None
Self-used housing mortgage loans	38 households	182,588	147,830	147,830	-	Real estates	None
Other loans	Union Finance and Leasing (Int'l) Corp	1,732,207	1,480,107	1,480,107	-	Lands and buildings	None
Other loans	Hope Vision	22,208	16,250	16,250	-	Small and Medium Enterprise Credit Guarantee Fund of Taiwan	None
Other loans	15 households	48,525	31,719	31,719	-	Lands, buildings, and securities	None

June 30, 2024

Type	Number of Account or Related Parties	Highest Balance in the period	Balance at the end of the period	Fulfillment Status		Collaterals	Differences in Terms of Transaction with Those for Unrelated Parties
				Normal Loans	Overdue loan		
Consumer loans	17 households	\$ 23,673	\$ 20,032	\$ 20,032	\$ -	Land, buildings and securities (certificates of deposit)	None
Self-used housing mortgage loans	38 households	127,152	110,981	110,981	-	Real estates	None
Other loans	Union Finance and Leasing (Int'l) Corp	1,558,932	1,432,651	1,432,651	-	Land, buildings and certificates of deposit of the Bank	None
Other loans	Hope Vision	22,208	20,042	20,042	-	Small and Medium Enterprise Credit Guarantee Fund of Taiwan	None
Other loans	13 households	43,988	32,444	32,444	-	Land, buildings and securities (certificates of deposit)	None

Year	Balance at June 30	% in the account	Annual interest rate	Interest income from January 1 to June 30	% in the account
114	\$ 1,725,471	0.27%	1.73%-3.07%	\$ 20,471	0.18%
113	1,616,150	0.28%	1.70%-2.98%	17,007	0.16%

2. Deposit

Year	Balance at June 30	% in the account	Annual interest rate (Note)	Interest expenses from January 1 to June 30	% in the account
114	\$ 8,990,707	1.10%	0%-5.15%	\$ 45,319	0.65%
113	7,814,602	1.01%	0%-5.80%	36,070	0.54%

Note: Interest rates of foreign currencies included.

3. Guarantees and letters of credit

June 30, 2025

Related Party	Highest Balance in the period	Balance at the end of the period	Balance of Guarantees and Letters of Credit (Note)	Rate Range	Collaterals
Union Recreation Enterprise Corporation	\$ 7,265	\$ 7,265	\$ -	1.00%	Time Deposit
The Liberty Times Co., Ltd.	2,888	-	-	0.05%	Time Deposit
Long Shan Lin Corporation	71,040	71,040	-	0.50%	Time Deposit
Hi-Life International Co., Ltd.	118,645	32,405	-	0.40%	Time Deposit
Bang Long Construction	122,120	122,120	-	0.50%	Deposits of the Bank

December 31 2024

Related Party	Highest Balance in the period	Balance at the end of the period	Balance of Guarantees and Letters of Credit (Note)	Rate Range	Collaterals
Union Recreation Enterprise Corporation	\$ 7,265	\$ 7,265	\$ -	1.00%	Time Deposit
The Liberty Times Co., Ltd.	2,890	-	-	0.05%	Time Deposit
Long Shan Lin Corporation	71,040	71,040	-	0.50%	Time Deposit
Hi-Life International Co., Ltd.	37,395	37,395	-	0.40%	Time Deposit
iPASS Corporation	43,378	-	-	0.50%	Time Deposit

June 30, 2024

Related Party	Highest Balance in the period	Balance at the end of the period	Balance of Guarantees and Letters of Credit (Note)	Rate Range	Collaterals
Union Recreation Enterprise Corporation	\$ 7,265	\$ 7265	\$ -	1.00%	Time Deposit
The Liberty Times Co., Ltd.	2,815	-	-	0.05%	Time Deposit
Long Shan Lin Corporation	71,040	71,040	-	0.50%	Time Deposit
Hi-Life International Co., Ltd.	18,270	18,270	-	0.40%	Time Deposit
iPASS Corporation	43,378	20,300	-	0.50%	Time Deposit

Note: the guarantee obligations reserves are provided based on the entire credit.

4. Lease agreement

(1) The Company as the lessee

Under operating lease agreements with terms of one year to five years, the Bank rents office spaces from related parties for use by the Bank's Head Office, Trust, International Banking Department, Wealth Management, Information Technology Department, Consumer Banking Department, Insurance Agency Department, Credit Card Department, Northern Collaterals Appraisal Center, some branches. Rentals are paid quarterly or are taken from lease deposits. Rental expenses and lease deposits were as follows:

Year	Lessor	Balance of Lease Deposit at June 30 (Other Assets - Refundable Deposits)		June 30 Lease liabilities	
		Amount	% in the account	Amount	% in the account
2025	Yu-Bon	\$ 456,046	6.01%	\$ 18,384	1.53%
	Horng Gow	219,464	2.89%	12,339	1.03%
	Yung Hsuan	16,584	0.22%	225,150	18.74%
	UECC	5,434	0.07%	8,085	0.67%
2024	Yu-Bon	456,046	20.11%	32,164	2.39%
	Horng Gow	219,464	9.68%	96,865	7.19%
	Yung Hsuan	16,694	0.74%	289,410	21.47%
	UECC	5,019	0.22%	20,738	1.54%

During January 1st to June 30th, 2025 and 2024, the Bank leased vehicles for operation from UFLIC with the rent expenses of NT\$7,491 thousand and NT\$7,505 thousand, respectively; the rents payable on June 30th, 2025, December 31 and June 30th, 2024 were NT\$298 thousand, NT\$270 thousand, and NT\$284 thousand.

The Bank rented space to install an ATM of Hi-life International Corporation, the rent expense was NT\$9,773 thousand and NT\$6,481 thousand January 1 to June 30, 2025 and 2024.

(2) The Company as the lessee

Some offices of the Bank's Taoying, Kaohsiung, Juru, Xingzhong, and Tunhua S. Road Branch, office of Zhongxiao Rd. Branch, Taichung, and some offices of Songjiang Branch, have been leased to UFLIC, Hi-Life, Blue Border, and UVC for December 2014 to August 2024, January 2021 to December 2025, May 2017 to April 2027, November 2017 to

October 2027, January 2021 to January 2032, March 2020 to April 2030, and January 2022 to December 2026; during January 1st to June 30th 2025 and 2024, the rent incomes were NT\$8,251 thousand and NT\$8,187 thousand, respectively. The rents are received on the monthly basis. In addition, the lease deposit received is NT\$6,541 thousand (accounted in Other Liabilities - guarantee deposits).

5. System development contract

In order to develop the application system services, the Bank signed a system development service contract with UIT on March 13, 2025. The contract price was NT\$84,000 thousand, and the contract period was from May 16, 2025 to May 15, 2027. In addition, UIT purchased computer-related peripheral devices, information software and provides network services to the Bank. The related purchase and labor service expenses from January 1 to June 30, 2025 and 2024 were NT\$113,840 thousand and NT\$97,171 thousand, respectively.

6. Hi-Life provided the product bonus redemptions and marketing campaigns to the Bank. The advertising fees were NT\$8,698 thousand and NT\$10,010 thousand, respectively, during January 1 to June 30, 2025 and 2024.

Under Articles 32 and 33 of the Banking Act, no unsecured loan may be provided to the stakeholders except for within the consumer loan limits and government loans, credits extended by the Bank to any related party should be fully secured, and the credit terms for related parties should not be favorable to those for unrelated parties.

(III) Rewards and compensations to major management

During January 1 to June 30, 2025 and 2024, the rewards and compensations to directors and other major management are as follows:

	January 1 to June 30, 2025	January 1 to June 30, 2024
Short-term employment benefits		
Salaries	\$ 17,222	\$ 18,629
Transportation expenses	<u>604</u>	<u>660</u>
	17,826	19,289
Post-employment benefits	<u>359</u>	<u>381</u>
	<u>\$ 18,185</u>	<u>\$ 19,670</u>

Compensation of directors and management is determined by the remuneration committee on the basis of individual performance and market trends.

XLII. Assets Pledged

As of June 30, 2025, December 31 and June 30, 2024, government bonds and bank debentures, which amounted to NT\$399,905 thousand, NT\$390,805 thousand, and \$417,305 thousand (all amounts included in other financial assets), respectively, had been provided to the courts and the Bank of Taiwan as guarantee deposits on provisional seizures against the debtors' properties, as reserve for credit card receivables, as guarantee deposits on bills finance operations, brokering life insurance, property and casualty insurance, and as trust reserve.

As of June 30, 2025, December 31 and June 30, 2024, the Bank pledged a time deposit of both \$1,100,000 thousand (listed under other financial assets) to Mega International Commercial Bank and Mizuho Bank to be part of the latter's online bank-to-bank payment system.

XLIII. Material Contingent Liabilities and the Contractual Commitments not Recognized

(I) As of June 30, 2025, December 31 and June 30, 2024, the Bank's commitments consisted of the following:

	<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
Unused standby loan commitment	\$ 150,881,499	\$ 155,746,503	\$ 154,201,305
Unused credit card commitment	180,311,029	305,777,821	331,242,136
Unused letters of credit	1,125,006	2,585,787	1,031,417
Other guarantees	29,217,873	23,001,788	28,049,438
Collections for customers	-	17,255,571	17,760,998
Guarantee notes payable	1,383,900	1,394,800	1,391,300
Trust assets	117,312,616	118,104,838	114,742,402
Marketable securities under custody	3,259,960	3,251,534	3,993,899

(II) Computer equipment purchase contracts

As of June 30, 2025, December 31 and June 30, 2024, the Bank had contracts to purchase computer equipment and software for NT\$931,192 thousand, NT\$990,023 thousand and NT\$936,900 thousand, respectively, of which NT\$650,828 thousand, NT\$631,809 thousand and NT\$559,904 thousand had been paid as of June 30, 2025, December 31 and June 30, 2024.

XLIV. Other Matters

Since the start of Russia-Ukraine War in February 2022, the credit rating agencies lowered the sovereign rating of Russia and thus the credit risks of the financial instruments of the Bank in investment positions in Russia increased. The Bank has considered the related impacts and reflected in Note XI and XXXV of the financial statements

XLV. Description and Amounts of Trust Business Under the Trust Act

Balance Sheet of Trust Accounts

June 30, 2025

	<u>Amount</u>		<u>Amount</u>
<u>Trust assets</u>		<u>Trust Liabilities and Capital</u>	
Bank deposits	\$ 20,423,317	Management fees payable	\$ 2
Investment		Income tax payable	1,898
Fund investments	75,303,623	Marketable securities under custody payable	11,099,154
Bond investment	26,258	Trust capital	105,749,329
Investments in common stock	567,231	Reserves and cumulative profit/deficit	<u>462,233</u>
Accounts receivable	24,026		
Marketable securities under custody	11,099,154		
Real estate - land and building	<u>9,869,007</u>		
Total trust assets	<u>\$ 117,312,616</u>	Total trust liabilities and capital	<u>\$ 117,312,616</u>

Balance Sheet of Trust Accounts

December 31 2024

	Amount		Amount
<u>Trust assets</u>		<u>Trust Liabilities and Capital</u>	
Bank deposits	\$ 19,551,180	Management fees payable	\$ -
Investment		Income tax payable	6,493
Fund investments	76,781,609	Marketable securities under custody payable	12,012,184
Bond investment	9,123	Trust capital	105,714,288
Investments in common stock	518,992	Reserves and cumulative profit/deficit	<u>371,873</u>
Accounts receivable	67,983		
Marketable securities under custody	12,012,184		
Real estate - land and building	<u>9,163,767</u>		
 Total trust assets	 <u>\$ 118,104,838</u>	 Total trust liabilities and capital	 <u>\$ 118,104,838</u>

Balance Sheet of Trust Accounts

June 30, 2024

	Amount		Amount
<u>Trust assets</u>		<u>Trust Liabilities and Capital</u>	
Bank deposits	\$ 19,139,681	Management fees payable	\$ 2
Investment		Income tax payable	3,423
Fund investments	70,576,942	Marketable securities under custody payable	13,642,032
Bond investment	9,378	Trust capital	100,789,203
Investments in common stock	484,571	Reserves and cumulative profit/deficit	<u>307,742</u>
Accounts receivable	38,218		
Marketable securities under custody	13,642,032		
Real estate - land and building	<u>10,851,580</u>		
 Total trust assets	 <u>\$ 114,742,402</u>	 Total trust liabilities and capital	 <u>\$ 114,742,402</u>

Income Statement of Trust Accounts

January 1 to June 30, 2025

	Amount
Trust Income	
Interest revenue - demand account	\$ 34,470
Interest revenue - time deposit	37,947
Interest revenue - bond	618
Income distributed from beneficiary certificate	177
Unrealized capital gain - unlisted common share	184,606
Unrealized capital gain - fund	<u>516</u>
Total trust income	<u>258,334</u>
Trust expenses	
Management fee	5,434
Unrealized capital loss - bond	3,815
Unrealized capital loss - fund	543
Other expenses	<u>14</u>
Total trust expense	<u>9,806</u>
Net profit before tax	248,528
Income tax expense	(6,707)
Gain after tax for the period	<u>\$ 241,821</u>

Note: The above trust income statements were only the income of the trusted assets under the Bank's Department of Trust, and not included in the Bank's income statements.

Income Statement of Trust Accounts

January 1 to June 30, 2024

	Amount
Trust Income	
Interest revenue - demand account	\$ 16,683
Interest revenue - time deposit	45,654
Interest revenue - bond	245
Common share cash dividend income	149
Income distributed from beneficiary certificate	305
Unrealized capital gain - unlisted common share	149,735
Unrealized capital gain - fund	<u>635</u>
Total trust income	<u>213,406</u>
Trust expenses	
Management fee	5,608
Unrealized capital loss - listed common share	775
Unrealized capital loss - bond	3,203
Unrealized capital loss - fund	90
Other expenses	<u>647</u>
Total trust expense	<u>10,323</u>
Net profit before tax	203,083
Income tax expense	(<u>5,749</u>)
Gain after tax for the period	<u>\$ 197,334</u>

Note: The above trust income statements were only the income of the trusted assets under the Bank's Department of Trust, and not included in the Bank's income statements.

Trust Property and Equipment Accounts

June 30, 2025

Investment Portfolio	Amount
Bank deposits	\$ 20,423,317
Investment	
Fund investments	75,303,623
Bond investment	26,258
Investments in common stock	567,231
Accounts receivable	24,026
Marketable securities under custody	11,099,154
Real estate - land and building	<u>9,869,007</u>
Total	<u>\$ 117,312,616</u>

Trust Property and Equipment Accounts

December 31 2024

Investment Portfolio	Amount
Bank deposits	\$ 19,551,180
Investment	
Fund investments	76,781,609
Bond investment	9,123
Investments in common stock	518,992
Accounts receivable	67,983
Marketable securities under custody	12,012,184
Real estate - land and building	<u>9,163,767</u>
Total	<u>\$ 118,104,838</u>

Trust Property and Equipment Accounts

June 30, 2024

Investment Portfolio	Amount
Bank deposits	\$ 19,139,681
Investment	
Fund investments	70,576,942
Bond investment	9,378
Investments in common stock	484,571
Accounts receivable	38,218
Marketable securities under custody	13,642,032
Real estate - land and building	<u>10,851,580</u>
Total	<u>\$ 114,742,402</u>

XLVI. Financial Instruments

(I) Information on fair value

1. Overview

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

When initially recognizing a financial instrument, its fair value is accounted for; in many cases, it usually refers to the transaction price. Other than some financial instruments are measured at the amortized costs, the subsequent measurements are at fair values. The best evidence of fair values are the public quotations in active markets. Where the market of a financial instrument is not activate, the Bank applies the valuation models, or the quotations from Bloomberg, Reuters, or transaction counterparties to measure the fair values of the financial instruments.

2. Definitions of fair value hierarchy

(1) Level 1

Level 1 financial products are traded in an active market in which there are quoted prices for identical financial products. An active market has the following characteristics:

- A. All financial instruments in the market are homogeneous.
- B. There are willing buyers and sellers in the market all the time.
- C. The public can access the price information easily.

The products in this level, such as listed shares and beneficiary securities, usually have high liquidity or are traded in exchanges.

(2) Level 2

The products in Level 2 have fair values that can be inferred from either directly or indirectly observable inputs other than quoted prices in an active market. Examples of these inputs are:

- A. Quoted prices from the similar products in an active market. This means the fair value can be derived from the current trading prices of similar products, and whether they are similar products should be judged on the characteristics and trading rules. The fair price valuation in this circumstance may be adjusted due to time differences, trading rule's differences (time apart from present), related parties' prices, and the correlation of observable transaction price between itself and the similar goods;

- B. Quoted prices for identical or similar financial instruments in inactive markets;
- C. For the valuation model method, the inputs to this model (such as interest rates, yield curves and volatilities) should be data available in the market (the observable inputs mean that they can be obtained from the market and can reflect the expectation of market participants);
- D. Inputs that are derived from observable market data through correlation or other means.

The fair values of products categorized in this level are usually calculated using a valuation model generally accepted by the market. Examples are forward contracts, cross-currency swap, simple interest bearing bonds, convertible bonds and commercial paper.

(3) Level 3

The fair values of the products in Level 3 are typically based on management assumptions or expectations other than the direct market data. For example, historical volatility used in valuing options is an unobservable input because it cannot represent the entire market participants' expectation on future volatility.

The products in this level are complex derivate financial instruments or products with prices that are provided by brokers. Examples are investments in equities unlisted or without active markets, or complex foreign exchange options.

3. Measured at fair value on a recurring basis

(1) Information of the fair value hierarchies

The Bank's financial instruments measured at fair value are all measured at fair value on a recurring basis. The fair value hierarchies of the Bank's financial instruments are as follows:

Unit: NTD thousand

Asset and liability items	June 30, 2025			
	Total	Level 1	Level 2	Level 3
<u>Measured at fair value on a recurring basis</u>				
<u>Nonderivative financial instruments</u>				
Assets				
Financial Assets Measured at Fair Value Through Profit or Loss				
Financial assets mandatorily classified as at FVTPL				
Fund beneficiary certificates	\$ 623,111	\$ 623,111	\$ -	\$ -
Commercial paper	58,803,395	-	58,803,395	-
Asset-backed securities	13,436	-	13,436	-
Share investments	1,221,392	1,221,392	-	-
Future exchange margins - self owned	60,343	60,343	-	-
Bond investment	6,733,638	-	6,733,638	-
Financial Assets Measured at Fair Value Through Other Comprehensive Income				
Share investments	\$ 22,200,025	\$ 20,064,931	\$ -	\$ 2,135,094
Bond investment	39,832,176	-	39,832,176	-
<u>Derivative financial products</u>				
Assets				
Financial Assets Measured at Fair Value Through Profit or Loss				
	447,459	-	294,668	152,791
Liabilities				
Financial liabilities measured at fair value through profit or loss				
	3,645,791	-	3,493,435	152,356

Unit: NTD thousand

Asset and liability items	December 31 2024			
	Total	Level 1	Level 2	Level 3
<u>Measured at fair value on a recurring basis</u>				
<u>Nonderivative financial instruments</u>				
Assets				
Financial Assets Measured at Fair Value Through Profit or Loss				
Financial assets mandatorily classified as at FVTPL				
Fund beneficiary certificates	\$ 1,190,696	\$ 1,190,696	\$ -	\$ -
Commercial paper	44,253,476	-	44,253,476	-
Asset-backed securities	15,892	-	15,892	-
Share investments	1,242,068	1,242,068	-	-
Future exchange margins - self owned	66,095	66,095	-	-
Bond investment	6,884,346	-	6,884,346	-
Financial Assets Measured at Fair Value Through Other Comprehensive Income				
Share investments	18,442,216	16,532,033	-	1,910,183
Bond investment	43,344,256	-	43,344,256	-
<u>Derivative financial products</u>				
Assets				
Financial Assets Measured at Fair Value Through Profit or Loss				
	1,498,977	-	1,384,735	114,242
Liabilities				
Financial liabilities measured at fair value through profit or loss				
	468,953	-	354,685	114,268

Unit: NTD thousand

Asset and liability items	June 30, 2024			
	Total	Level 1	Level 2	Level 3
<u>Measured at fair value on a recurring basis</u>				
<u>Nonderivative financial instruments</u>				
Assets				
Financial Assets Measured at Fair Value Through Profit or Loss				
Financial assets mandatorily classified as at FVTPL				
Fund beneficiary certificates	\$ 834,658	\$ 834,658	\$ -	\$ -
Commercial paper	46,295,724	-	46,295,724	-
Asset-backed securities	16,584	-	16,584	-
Share investments	1,558,450	1,558,450	-	-
Future exchange margins - self owned	65,336	65,336	-	-
Bond investment	2,663,768	-	2,663,768	-
Financial Assets Measured at Fair Value Through Other Comprehensive Income				
Share investments	19,648,052	15,259,413	-	4,388,639
Bond investment	42,543,920	-	42,543,920	-
<u>Derivative financial products</u>				
Assets				
Financial Assets Measured at Fair Value Through Profit or Loss				
	1,308,888	-	1,202,724	106,164
Liabilities				
Financial liabilities measured at fair value through profit or loss				
	389,311	-	283,646	105,665

(2) Valuation technique of measurement at fair value

A fair value refers to the amount for asset exchange or debt repayment between two parties with sufficient understanding and willingness of transaction in an arm-length transaction. The fair values of financial instruments at fair value, financial assets at fair value through other comprehensive income, available-for-sale financial assets and hedging derivative financial instruments with quoted price in an active market are based on their market prices. Financial instruments with no quoted prices in an active market are estimated by valuation methods.

A. Marking to market

This method should be used first to determine fair value. Following are the principles to follow in marking to market:

- a. Ensure the consistency and integrity of market data.

- b. The source of market data should be transparent and easy to access and can be referred to by independent resources.
- c. Listed securities with tradable prices should be valued at closing prices.
- d. Evaluating unlisted securities that lack tradable closing prices should use quoted prices from independent brokers.

B. Marking to model

The use of marking to model is suggested if marking to market is infeasible. This valuation methodology is based upon model inputs that are used to derive the value of the trading positions. The Bank uses the same estimations and assumptions as those used by market participants to determine the fair value.

The Bank uses the forward rates provided by Reuters to estimate the fair values of forward contracts, foreign exchange swap contracts, interest rate swap and cross-currency swap contracts and the discounted cash flow method to calculate the fair values of each contract. For foreign exchange option transactions, the Company uses the option pricing models which are generally used by other market participants (e.g., Garman & Kohlhagen model) to calculate the fair value of the contracts.

(3) Fair value adjustment

Credit risk assessment adjustment

Credit risk assessment adjustment refers to the fair value of the over the counter (OTC) derivative financial commodity contracts, which also reflects the credit risk of both parties. It can be mainly divided into “credit evaluation adjustment” and “debit evaluation adjustment”:

- A. Credit value adjustments (CVA): A transaction in a non-concentrated trading market, that is, the adjustment of the derivatives contract evaluation in the OTC transaction, which reflects the possibility of the Company may not be able to collect the full market value or the counterparty may default on the repayment on the fair value.
- B. Debit value adjustments (DVA): It refers to the transactions of the non-concentrated trading market, that is, the adjustment of the derivatives contract evaluation in the OTC transaction, which reflects the possibility that the Company may not be able to collect the full market value or the counterparty may default on the repayment of the fair value.

Both CVA and DVA are concepts of estimated loss, calculated as the probability of default (PD) multiplied by the default loss rate (LGD) and multiplied by the exposure at default (EAD).

For customers with external credit ratings, the default probability is based on the default probability corresponding to the external rating; for customers without external credit ratings, the impairment rate calculated according to the Bank’s loan and receivable impairment assessment and the average incidence of impairment is taken as the default probability.

The Bank uses the fair value of OTC derivatives to calculate the amount of default risk (EAD).

The Bank uses 60% as the default loss rate based on the recommendation of “IFRS 13 CVA and DVA Related Disclosure Guidelines” of the Stock Exchange.

The Bank incorporates the credit risk assessment adjustment into the fair value calculation of financial instruments to reflect the counterparty’s credit risk and the Company’s credit quality.

(4) Transfers between Level 1 and Level 2

During January 1 to June 30, 2025 and 2024, there was no material transfer between Level 1 and Level 2.

(5) Reconciliation of Level 3 items of financial instruments

Changes in Level 3 financial assets at fair value

January 1 to June 30, 2025

Unit: NTD thousand

Name	Balance at the beginning of the period	Valuation Gains (Losses)		Increase for the period		Decrease for the period		Balance at the end of the period
		In Net Income	In Other Comprehensive Income	Purchased or issued	Transfer to Level 3	Sale, disposal, or delivery	Transfer from Level 3	
Financial Assets Measured at Fair Value Through Profit or Loss Derivative financial products	\$ 114,242	\$ 22,024	\$ -	\$ 68,322	\$ -	(\$ 51,797)	\$ -	\$ 152,791
Financial Assets Measured at Fair Value Through Other Comprehensive Income Share investments	1,910,183	-	(22,473)	-	250,000	(2,616)	-	2,135,094

January 1 to June 30, 2024

Unit: NTD thousand

Name	Balance at the beginning of the period	Valuation Gains (Losses)		Increase for the period		Decrease for the period		Balance at the end of the period
		In Net Income	In Other Comprehensive Income	Purchased or issued	Transfer to Level 3	Sale, disposal, or delivery	Transfer from Level 3	
Financial Assets Measured at Fair Value Through Profit or Loss Derivative financial products	\$ 121,266	(\$ 6,297)	\$ -	\$ 42,771	\$ -	(\$ 51,576)	\$ -	\$ 106,164
Financial Assets Measured at Fair Value Through Other Comprehensive Income Share investments	1,821,341	-	493,339	-	2,077,589	(3,630)	-	4,388,639

The valuation profit and loss above are listed in the current profit and loss, and attributed to the amount of profit and loss of the assets held in the accounts as of June 30, 2025 and 2024; with a profit of NT\$22,024 thousand and a loss of NT\$6,297 thousand, respectively.

B. Changes in Level 3 financial liabilities at fair value

January 1 to June 30, 2025

Unit: NTD thousand

Name	Balance at the beginning of the period	Valuation Gains (Losses)		Increase for the period		Decrease for the period		Balance at the end of the period
		In Net Income	In Other Comprehensive Income	Purchased or issued	Transfer to Level 3	Sale, disposal, or delivery	Transfer from Level 3	
Financial liabilities measured at fair value through profit or loss Derivative financial products	\$ 114,268	\$ 55,778	\$ -	\$ 52,030	\$ -	(\$ 69,720)	\$ -	\$ 152,356

January 1 to June 30, 2024

Unit: NTD thousand

Name	Balance at the beginning of the period	Valuation Gains (Losses)		Increase for the period		Decrease for the period		Balance at the end of the period
		In Net Income	In Other Comprehensive Income	Purchased or issued	Transfer to Level 3	Sale, disposal, or delivery	Transfer from Level 3	
Financial liabilities measured at fair value through profit or loss Derivative financial products	\$ 121,570	(\$ 24,801)	\$ -	\$ 53,968	\$ -	(\$ 45,072)	\$ -	\$ 105,665

The valuation profit and loss above are listed in the current profit and loss, and attributed to the amount of profit and loss of the liabilities assumed in the accounts as of June 30, 2025 and 2024, with a loss of NT\$55,778 thousand and a profit of NT\$24,801 thousand, respectively.

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

The Bank's Level 3 fair value assets are investments in unlisted stocks or equity without an active market and derivative financial instruments.

The quantitative information of significant unobservable inputs - Level 3 fair value measurement is shown in the following table:

Name	Products	Fair value on June 30, 2025	Valuation Technique	Significant Unobservable Inputs	Range (weighted average)	Relation Between Input and Fair Value
Measured at fair value on a recurring basis <u>Financial Assets Measured at Fair Value Through Profit or Loss</u> Derivative financial assets	Foreign exchange options	\$ 152,791	Option pricing model	Fluctuation	AUD/USD 9.73%-9.95% EUR/GBP 5.05%-5.13% GBP/AUD 7.73%-7.86% USD/JPY 10.69% USD/TWD 10.85%-14.16% USD/ZAR 11.47%-13.44%	The higher the fluctuation is, the higher the fair value
<u>Financial Assets Measured at Fair Value Through Other Comprehensive Income</u> Nonderivative financial instruments	Share investments	2,135,094	Assets value model	Allowance of minor equity and liquidity	5%-10%	The higher the allowance is, the lower the fair value
<u>Financial liabilities measured at fair value through profit or loss</u> Derivative financial liabilities	Foreign exchange options	152,356	Option pricing model	Fluctuation	AUD/USD 9.73%-9.95% EUR/GBP 5.05%-5.13% GBP/AUD 7.73%-7.86% USD/JPY 10.69% USD/TWD 10.85%-14.16% USD/ZAR 11.47%-13.44%	The higher the fluctuation is, the higher the fair value

Name	Products	Fair value on December 31, 2024	Valuation Technique	Significant Unobservable Inputs	Range (weighted average)	Relation Between Input and Fair Value
Measured at fair value on a recurring basis <u>Financial Assets Measured at Fair Value Through Profit or Loss</u> Derivative financial assets	Foreign exchange options	\$ 114,242	Option pricing model	Fluctuation	GBP/AUD 6.93%-8.35% USD/TWD 4.41%-7.68% USD/ZAR 11.78%-14.56% EUR/GBP 5.43% GBP/USD 8.22%	The higher the fluctuation is, the higher the fair value
<u>Financial Assets Measured at Fair Value Through Other Comprehensive Income</u> Nonderivative financial instruments	Share investments	1,910,183	Asset method	Allowance of minor equity and liquidity	5%-10%	The higher the allowance is, the lower the fair value
<u>Financial liabilities measured at fair value through profit or loss</u> Derivative financial liabilities	Foreign exchange options	114,268	Option pricing model	Fluctuation	GBP/AUD 6.93%-8.35% USD/TWD 4.41%-7.68% USD/ZAR 11.78%-14.56% EUR/GBP 5.43% GBP/USD 8.22%	The higher the fluctuation is, the higher the fair value

Name	Products	Fair value on June 30th, 2024	Valuation Technique	Significant Unobservable Inputs	Range (weighted average)	Relation Between Input and Fair Value
Measured at fair value on a recurring basis <u>Financial Assets Measured at Fair Value Through Profit or Loss</u> Derivative financial assets	Foreign exchange options	\$ 106,164	Option pricing model	Fluctuation	GBP/AUD 6.36%~7.37% AUD/USD 8.49% EUR/GBP 4.81%~4.85% USD/TWD 4.02%~7.00% USD/ZAR 14.07%~15.75%G BP/USD 7.27%	The higher the fluctuation is, the higher the fair value
<u>Financial Assets Measured at Fair Value Through Other Comprehensive Income</u> Nonderivative financial instruments	Share investments	4,388,639	Assets value model	Allowance of minor equity and liquidity	5%~20%	The higher the allowance is, the lower the fair value
<u>Financial liabilities measured at fair value through profit or loss</u> Derivative financial liabilities	Foreign exchange options	105,665	Option pricing model	Fluctuation	GBP/AUD 6.36%~7.37% AUD/USD 8.49% EUR/GBP 4.81%~4.85% USD/TWD 4.02%~7.00% USD/ZAR 14.07%~15.75%G BP/USD 7.27%	The higher the fluctuation is, the higher the fair value

(7) The valuation process of Level 3 fair value measurement

To ensure that the product assessment results can be close to the market, the risk management department of the Bank is responsible for the verification of the independent fair value. For products valued by the model, before daily valuation, the information required for the valuation will be verified as correct and consistent with each other and the department will calibrate the model to the market quotation and update the input value required for the valuation model. In addition to regular checking of the accuracy of the valuation model, the reasonableness of the prices provided by third parties will also be checked.

The asset method is adopted for the Bank's equity investment unlisted or without active market. By valuating the total value of the individual asset and liability covered by the valuation target, the overall value of the target is reflected.

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

The Bank's Level 3 financial instruments are foreign exchange options. When engaging in foreign exchange option transactions, the Bank makes a match for other banks and customers. Thus, the Company does not hold positions, and its source of profit and loss is from receiving and paying premiums. The sensitivity analysis has no effect on profit and loss since the Bank does back-to-back transactions and the assets offset the liabilities.

The fair value measurement of equity investment unlisted or without active market is reasonable; provided, the use of different valuation models or parameters may lead to different results. For financial instruments classified in Level 3, if the parameter changes by 10%, the effects on profit or loss or other comprehensive income for the current periods are as follows:

June 30, 2025

	Changes in Fair Value Are Reflected in Other Comprehensive Income for the Current Period	
	<u>Favorable Changes</u>	<u>Unfavorable Changes</u>
Equity instruments under financial assets measured at fair value through other comprehensive income	\$ 213,509	(\$ 213,509)

December 31 2024

	Changes in Fair Value Are Reflected in Other Comprehensive Income for the Current Period	
	<u>Favorable Changes</u>	<u>Unfavorable Changes</u>
Equity instruments under financial assets measured at fair value through other comprehensive income	\$ 191,018	(\$ 191,018)

June 30, 2024

	Changes in Fair Value Are Reflected in Other Comprehensive Income for the Current Period	
	<u>Favorable Changes</u>	<u>Unfavorable Changes</u>
Equity instruments under financial assets measured at fair value through other comprehensive income	\$ 438,864	(\$ 438,864)

4. Not measured at fair value

(1) Information on fair value

For the Bank's financial assets not measured at fair values, other than the items listed in the following table, the book amounts of cash and cash equivalents, dues from the Central Bank and other banks, investments of notes under reverse repurchase agreement and bonds, accounts receivable, discounts and loans, some of other financial assets, deposits from the Central Bank and other banks, dues to the Central Bank and other banks, liabilities of notes under repurchase agreement and bonds, accounts payable, deposits and remittances, corporate bonds payable, and other financial liabilities are the reasonable approximation of their fair values, so their fair values are not disclosed.

	<u>June 30, 2025</u>		<u>December 31 2024</u>		<u>June 30, 2024</u>	
	<u>Carrying Amount</u>	<u>Fair value</u>	<u>Carrying Amount</u>	<u>Fair value</u>	<u>Carrying Amount</u>	<u>Fair value</u>
<u>Financial assets</u>						
Financial assets measured at amortized costs	\$ 78,129,371	\$ 73,052,024	\$ 81,725,126	\$ 75,538,170	\$ 82,094,413	\$ 76,301,118
<u>Financial liabilities</u>						
Bank debentures	5,000,000	4,951,884	5,000,000	4,944,576	5,000,000	4,937,822

(2) Information of the fair value hierarchies

Asset and liability items	June 30, 2025			
	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Financial assets measured at amortized costs	\$ 73,052,024	\$ -	\$ 73,052,024	\$ -
<u>Financial liabilities</u>				
Bank debentures	4,951,884	-	4,951,884	-

Asset and liability items	December 31 2024			
	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Financial assets measured at amortized costs	\$ 75,538,170	\$ -	\$ 75,538,170	\$ -
<u>Financial liabilities</u>				
Bank debentures	4,944,576	-	4,944,576	-

Asset and liability items	June 30, 2024			
	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Financial assets measured at amortized costs	\$ 76,301,118	\$ -	\$ 76,301,118	\$ -
<u>Financial liabilities</u>				
Bank debentures	4,937,822	-	4,937,822	-

XLVII. Financial Risk Management

(I) Overview

To deal with any expected or unexpected business risk, the Bank has established a comprehensive risk management system to allocate resources effectively and efficiently, strengthen business competitiveness, mitigate operational risk to a tolerable or acceptable level, and maintain the capital adequacy ratio to meet the minimum requirements of the authorities and the Basel Accord framework.

(II) Risk management framework

The board of directors, which occupies the highest level in the Bank's risk management framework, reviews risk management policies, the overall risk management framework and organization structure for carrying out responsibilities and exercising accountability. The Audit Committee is responsible for assisting the Board of Directors to review the Bank's risk management policy, review relevant risk control reports, and supervise the implementation of risk management. The Asset/Liability and Risk Management Committee inspects management reports or information provided by business units and the Risk Management Division. The Risk Management Division is an independent unit that is in charge of reviewing the risk management system designed by business units and the compliance with risk management requirements; this division also submits risk management reports to the authorities and develops a series of risk management tools to assess the risks identified. Business units establish risk control procedures, manage and monitor the implementation of those controls in operation units. Operation units perform daily risk management work and internal controls to ensure the accuracy and completeness of the risk management information generated.

(III) Credit risk

1. Definitions and sources of credit risks

Credit risk refers to the risk of losses caused by clients or counterparties' failure to fulfill their contractual obligations. The sources of credit risks cover the in- and off-balance sheet items.

2. Strategy/objectives/policies and processes

- (1) Credit risk management strategy: The Bank has established the "Credit Risk Management Standards of Union Bank of Taiwan" as the basis of planning, implementing, and managing credit risk management system.

- (2) Credit risk management objective: The objectives are to establish and implement an effective credit risk management mechanism to mitigate credit risk, archive operational and management goals, and balance business development and risk control.
 - (3) Credit risk management policy: The policies are meant to ensure that credit risk falls within an acceptable range and that adequate capital is maintained to meet credit risk management objectives and create maximum risk-adjusted returns.
 - (4) Credit risk management process: The Bank carries out credit risk identification, credit risk measurement, credit risk mitigation, credit risk monitoring and control and credit risk reporting process as part of its credit risk management mechanism.
3. Credit risk management organization and framework
- (1) The board of directors: The board of directors, the top risk supervisor of the Bank, reviews risk management policies, operational risk limits and the design and change of credit risk management framework.
 - (2) Audit Committee: Assisting the board of directors in reviewing the Bank's credit risk management guidelines, reviewing credit risk control reports, and supervising the implementation of credit risk management.
 - (3) Asset/Liability and Risk Management Committee: Reviewing and inspecting the management reports or information provided by business units and the Risk Management Division.
 - (4) Risk Management Division: The Risk Management Division is an independent unit that is in charge of work related to three pillars of Basel and reviews the risk management system designed by business units and the compliance with risk management requirements; the division also submits risk management reports to the authorities and develops risk management tools to assess the risk identified.
 - (5) Business units: Business units are responsible for establishing risk management regulations and risk control procedures and managing and monitoring the implementation of those controls in operation units.
 - (6) Operation units: Under the risk management regulations and procedures set by business units, operation units perform daily risk management work and internal controls and prepares reports on these tasks.
4. Scope and features of credit risk report and the measurement system
- (1) Scope of credit risk report:
 - A. Each business unit will regularly report the promotion of the business and the allocation of risk assets to the Assets/Liability and Risk Management Committee (ALRMC).
 - B. The Bank's risk management department regularly monitors the credit limit control situations and reports to the ALRMC the credit and investment concentration and the status of each business' achieving BIS (Bank for International Settlements) goals. The department also presents the volume of business NPL situation, credit concentration and the execution of credit risk control to the board of directors.
 - (2) Measurement system: The Bank's credit risk management adopts the use of the standardized approach to calculate capital charge and regularly submits related reports to the government. The risk management division and business units implement the Bank's management system and monitors the credit exposure of the business, industry, and countries as well as the concentration of credit and collateral to effectively measure and manage investment portfolio.

5. Policy for mitigation of risks or hedging of credit risk, and the strategies/processes to monitor the continuing effectiveness of risk hedging and mitigation tools

The Bank is exposed to loss on each credit risk faced by its business. Thus, depending on the nature of the business and the cost considerations, the Bank will take appropriate remeasures to control risk. The Bank's information systems provide information that can be used in managing risk control procedures, and the risk management division reports to the board every six months the business risk management status.

6. Maximum exposure to credit risk of the Bank

The maximum credit exposures of assets in the balance sheets are almost equivalent to their carrying values, without considering the collaterals or other credit enhancement tools. These off-balance sheet maximum credit exposures (excluding collaterals and other credit enhancement instruments) are shown as follows:

Off-balance sheet items	Maximum exposure to credit risk		
	June 30, 2025	December 31 2024	June 30, 2024
Irrevocable standby loan commitment	\$ 1,380,829	\$ 4,266,360	\$ 3,418,528
Unused letters of credit	1,125,006	2,585,787	1,031,417
Other guarantees	29,217,873	23,001,788	28,049,438
Unused credit card commitments	180,311,029	305,777,821	331,242,136

The financial effects on the maximum credit risk exposure from the collaterals, netting arrangements, and other credit enhancement held in the assets in the balance sheets and off-balance sheet items are shown in the table below.

June 30, 2025	Collaterals	Netting Arrangements	Other Credit Enhancement	Total
<u>In-balance sheet items</u>				
Discounts and loans	\$ 574,396,529	\$ -	\$ -	\$ 574,396,529
<u>December 31 2024</u>				
<u>In-balance sheet items</u>				
Discounts and loans	\$ 565,491,325	\$ -	\$ -	\$ 565,491,325
<u>June 30, 2024</u>				
<u>In-balance sheet items</u>				
Discounts and loans	\$ 542,189,268	\$ -	\$ -	\$ 542,189,268

The Bank's management believes that the credit risk exposure of these off-balance sheet items may be controlled continuously and minimized because the Bank adopts a more rigorous review process with subsequent regular reviews when granting credits.

7. Concentrations of credit risk exposure

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

There can be credit risk concentrations in a bank's assets, liabilities, or off-balance sheet items through the execution or processing of transactions (either product or service), or through a combination of exposures across these broad categories. These exposures can cover credits, loans and deposits, call loans to banks, investments, receivables and derivatives. The Bank does not concentrate transactions with a single client or counterparty, nor any total transaction

amount of a single client or counterparty accounts for a significant share in the Bank's discounts and loans (including non-accrual loan), accounts receivable factoring without recourse, acceptances receivable, and balance of guarantee deposit receivable. The Bank's most significant concentrations of credit risk by industry, by geographical area, and by collaterals are summarized as follows:

(1) By industry

By industry	June 30, 2025		December 31 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
Private enterprises	\$ 208,024,147	31.95	\$ 196,901,686	30.87	\$ 194,099,558	31.45
Public enterprises	-	-	-	-	45,323	0.01
Government organizations	1,000,000	0.15	5,000,000	0.78	4,340,725	0.70
Nonprofit organizations	1,193,484	0.18	880,180	0.14	728,268	0.12
Private	438,548,143	67.34	431,694,560	67.69	415,678,840	67.35
Financial institutions	495,000	0.08	1,427,810	0.22	809,580	0.13
Overseas	1,949,188	0.30	1,892,730	0.30	1,459,320	0.24
Total	\$ 651,209,962	100.00	\$ 637,796,966	100.00	\$ 617,161,614	100.00

(2) By region

The Bank's operations are mainly in Taiwan except for the OBU business, and thus no significant credit risk concentration in terms of geographical area.

(3) By collaterals

By collaterals	June 30, 2025		December 31 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
Unsecured	\$ 63,895,694	9.81	\$ 59,928,545	9.40	\$ 64,189,416	10.40
Secured						
- Financial collaterals	14,687,562	2.26	15,059,537	2.36	12,144,437	1.97
- Share collaterals	26,568,437	4.08	25,956,598	4.07	22,838,697	3.70
- Property collaterals	500,185,816	76.81	491,320,745	77.03	474,371,833	76.87
- Movable collaterals	27,699,663	4.25	26,398,944	4.14	25,453,150	4.12
- Guarantee	12,554,401	1.93	13,211,203	2.07	14,191,091	2.30
- Others	5,618,389	0.86	5,921,394	0.93	3,972,990	0.64
Total	\$ 651,209,962	100.00	\$ 637,796,966	100.00	\$ 617,161,614	100.00

8. Description of the collaterals and other credit enhancement

On the basis of the result of a credit evaluation, the Bank may require collaterals before the credit facilities are granted. To minimize credit risk, appropriate collaterals are required on the basis of the borrowers' financials and debt service capabilities. All guarantees and appraisal procedures follow the authorities' relevant regulations and the Bank's internal rules. The Bank's internal rules describe the acceptable types of collaterals, appraisal methods, appraisal process, and post-approval collateral management, which require close monitoring of the value of collaterals to ensure repayment. The main collateral types are summarized as follows:

- (1) Property
- (2) Personal estate
- (3) Negotiable securities/shares
- (4) Deposits/certificates of deposits
- (5) Credit guarantee fund or government guarantee

The Bank observes the value of collateral for financial instruments and takes into consideration the impairment loss that should be recognized for financial assets that are credit-impaired. The values of the credit-impaired financial assets and the values of collateral to mitigate potential losses are as follows:

June 30, 2025	Total carrying amount	Allowance for Impairment Loss	Exposure Amount (Amortized Cost)	Fair Value of Collateral
Credit-impaired Financial Assets:				
Accounts receivable				
- Credit Card	\$ 827,551	\$ 129,864	\$ 697,687	\$ -
- Others	41,786	27,406	14,380	30,100
Discounts and loans	2,336,787	652,160	1,684,627	3,778,714
Total impaired financial assets	\$ 3,206,124	\$ 809,430	\$ 2,396,694	\$ 3,808,814

December 31 2024	Total carrying amount	Allowance for Impairment Loss	Exposure Amount (Amortized Cost)	Fair Value of Collateral
Credit-impaired Financial Assets:				
Accounts receivable				
- Credit Card	\$ 846,159	\$ 134,753	\$ 711,406	\$ -
- Others	38,726	21,437	17,289	22,298
Discounts and loans	<u>2,116,651</u>	<u>471,908</u>	<u>1,644,743</u>	<u>2,911,287</u>
Total impaired financial assets	<u>\$ 3,001,536</u>	<u>\$ 628,098</u>	<u>\$ 2,373,438</u>	<u>\$ 2,933,585</u>
June 30, 2024	Total carrying amount	Allowance for Impairment Loss	Exposure Amount (Amortized Cost)	Fair Value of Collateral
Credit-impaired Financial Assets:				
Accounts receivable				
- Credit Card	\$ 836,623	\$ 121,474	\$ 715,149	\$ -
- Others	48,255	15,499	32,756	35,603
Discounts and loans	<u>2,389,002</u>	<u>403,389</u>	<u>1,985,613</u>	<u>3,668,094</u>
Total impaired financial assets	<u>\$ 3,273,880</u>	<u>\$ 540,362</u>	<u>\$ 2,733,518</u>	<u>\$ 3,703,697</u>

9. Judgment that credit risk has increased significantly since the initial recognition

On each reporting date, the Bank assesses the change in the default risk of financial assets, as well as considers reasonable and corroborative information that shows the credit risk has increased significantly since initial recognition, to determine whether the credit risk has increased significantly. For the assessment, the Bank considers the supporting evidence showing that the credit risk has increased significantly since the initial recognition (including the forward-looking information). The main considerations include:

Quantitative indicators:

- A. The borrower pays the amount for contracts overdue for at least one month (more than or equal to 30 days for the credit card business), or the amounts for other contracts that are overdue for at least one month (more than or equal to 30 days for the credit card business).
- B. Debt instruments whose prices on the reporting date have fallen more than 40% from the original price since the acquisition date.
- C. Debt instruments that have non-investment grades based on the debt (priority), issuer, and guarantor's credit rating and that have fallen by more than two grades and whose prices have fallen by more than 15% on the reporting date.

Qualitative indicators

- A. The borrower's check bounced due to insufficient funds in the Bank's checking account, or announced as a rejected account.
- B. The borrower's collateral was seized.
- C. The borrower's debt has been recognized as a non-accrual loan or transferred to bad debt by other financial institutions.
- D. The borrower has request restructured and ruled for the restructure.
- E. An auditors' report on the borrower has been released where it was stated that a material uncertainty exists that may cast significant doubt on the borrower's ability to continue as a going concern.
- F. The borrower has other bad debts that indicate that the borrower's ability to perform its debt obligations is weak or has signs of impairment, which has been assessed to affect its operations or solvency.

10. Definition of default and credit impaired financial assets

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

- A. The borrower pays the amount for contracts overdue for at least 3 months (90 days and above for the credit card business).
- B. The debtor has significant financial difficulties (e.g., the debtor has ceased operations, is bankrupt, or has liquidated).
- C. Economic or legal considerations, concessions to borrowers with financial difficulties (such as debt negotiations).

If the financial assets no longer meet the definition of default and credit impairment, they are judged as regaining their status of meeting performance obligations and are no longer regarded as financial assets that have defaulted and are credit impaired.

11. Write-off policy

When the Bank is not reasonably expected to recover all or part of the financial assets, the indicators that all or part of the financial assets that cannot be reasonably expected to be recovered include the following:

- (1) Recourse activities have stopped.
- (2) The borrower is assessed to have insufficient assets or sources of income to pay the outstanding amount.

The financial assets that have been written off by the Bank may still have ongoing recourse activities in accordance with the relevant policies.

12. Contractual cash flow modification of financial assets

The Bank may modify the contractual cash flow of financial assets due to the borrower's financial difficulties, increase in the recovery rate of the doubtful borrowers, or to maintain customer relationships. The modification of the contractual terms of the financial assets may include extending the contract period, modifying the interest payment time, and modifying the agreed interest rate or the exemption of some of the outstanding debts. The modification of contractual cash flows of financial assets may result in the delisting of existing financial assets in accordance with the Bank's financial assets delisting policy and recognition of new financial assets at fair value.

If the contractual cash flow modification of a financial asset does not result in a derecognition, the Bank assesses whether the credit risk of the financial asset has increased significantly by comparing the following:

- (1) Risk of default on the reporting date (based on modified contract terms).
- (2) The risk of default at the time of original recognition (based on the original unmodified contract terms).

The Bank considers the borrower's subsequent payment in accordance with the revised terms and several relevant behavioral indicators to assess the probability of default of the revised financial assets and confirm whether the contract modification improves or restores the ability of the Bank to recover the relevant contract payments. If the borrower pays the contract amount according to the revised terms and shows good payment behavior, it can be determined that the credit risk is reduced and the loss allowance will be measured by the 12-month expected credit loss.

The Bank regularly reviews the changes in credit risk of the revised financial assets in accordance with relevant policies, and evaluates whether there is a significant increase in credit risk following the revised financial assets based on a specific model.

13. Measurement of expected credit losses

For the purpose of assessing expected credit losses, credit assets are classified into the following groups based on the credit risk characteristics of the borrower's industry, credit risk rating, collateral type and remaining maturity period:

Business	Group	Terms and definitions
Corporate banking	Corporate banking	Corporate Finance
Consumer banking	Mortgages	Mortgages business
	Financial loans	Financial loan business
	Credit card	Credit card business
	Others	Other business

The Bank adopts the 12-month ECL model to evaluate the loss allowance of financial instruments whose credit risk have not increased significantly since initial recognition, and adopt the lifetime ECL model to evaluate the loss allowance of financial instruments whose credit risk has increased significantly since initial recognition or of that are credit-impaired.

The Bank considers both the 12-month and lifetime probability of default ("PD") of the borrower with the loss given default ("LGD"), multiplied by the exposure at default ("EAD"), as well as the impact of time value, to calculate the 12-month ECLs and lifetime ECLs, respectively.

"PD" refers to the borrower's probability to default and "LGD" refers to losses caused by the default. The Bank calculates the "PD" and "LGD" used in the impairment assessment of the credit business according to each group's historical information (such as credit loss experience) from internal statistical data, and after adjustment of the historical data based on current observable and forward-looking macroeconomic information.

Accounts receivable					
June 30, 2025					
	Stage 1	Stage 2	Stage 3	Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	Total
	12-month expected credit losses	Lifetime ECL	Lifetime ECL		
Total carrying amount	\$ 31,350,836	\$ 173,770	\$ 869,337	\$ -	\$ 32,393,943
Less: Allowance for impairment	23,963	11,570	157,270	-	192,803
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	74,036	74,036
Total	\$ 31,326,873	\$ 162,200	\$ 712,067	\$ 74,036	\$ 32,127,104
Accounts receivable					
December 31 2024					
	Stage 1	Stage 2	Stage 3	Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	Total
	12-month expected credit losses	Lifetime ECL	Lifetime ECL		
Total carrying amount	\$ 31,598,217	\$ 155,653	\$ 884,885	\$ -	\$ 32,638,755
Less: Allowance for impairment	50,227	18,325	156,190	-	224,742
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	42,523	42,523
Total	\$ 31,547,990	\$ 137,328	\$ 728,695	\$ 42,523	\$ 32,371,490

Accounts receivable					
June 30, 2024					
	Stage 1	Stage 2	Stage 3	Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	Total
	12-month expected credit losses	Lifetime ECL	Lifetime ECL		
Total carrying amount	\$ 35,097,302	\$ 169,293	\$ 884,878	\$ -	\$ 36,151,473
Less: Allowance for impairment	45,142	18,997	136,973	-	201,112
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	63,962	63,962
Total	\$ 35,052,160	\$ 150,296	\$ 747,905	\$ 63,962	\$ 35,886,399

Discounts and loans					
June 30, 2025					
	Stage 1	Stage 2	Stage 3	Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	Total
	12-month expected credit losses	Lifetime ECL	Lifetime ECL		
Total carrying amount	\$ 615,915,920	\$ 3,634,284	\$ 2,336,787	\$ -	\$ 621,886,991
Less: Allowance for impairment	534,246	233,709	652,160	-	1,420,115
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	5,955,341	5,955,341
Total	\$ 615,381,674	\$ 3,400,575	\$ 1,684,627	\$ 5,955,341	\$ 614,511,535

Discounts and loans					
December 31 2024					
	Stage 1	Stage 2	Stage 3	Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	Total
	12-month expected credit losses	Lifetime ECL	Lifetime ECL		
Total carrying amount	\$ 609,535,139	\$ 3,029,721	\$ 2,116,651	\$ -	\$ 614,681,511
Less: Allowance for impairment	504,970	147,094	471,908	-	1,123,972
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	6,056,222	6,056,222
Total	\$ 609,030,169	\$ 2,882,627	\$ 1,644,743	\$ 6,056,222	\$ 607,501,317

Discounts and loans					
June 30, 2024					
	Stage 1	Stage 2	Stage 3	Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	Total
	12-month expected credit losses	Lifetime ECL	Lifetime ECL		
Total carrying amount	\$ 583,762,546	\$ 2,826,625	\$ 2,389,002	\$ -	\$ 588,978,173
Less: Allowance for impairment	483,735	164,693	403,389	-	1,051,817
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	6,001,994	6,001,994
Total	\$ 583,278,811	\$ 2,661,932	\$ 1,985,613	\$ 6,001,994	\$ 581,924,362

When the Bank estimates the 12-month and lifetime expected credit losses for its loan commitments, it will give different credit conversion factors according to the characteristics of each product. The Bank will also take into consideration the amount that is expected to be utilized within 12 months from the reporting date and the expected lifetime of each commitment in determining the default risk amount that is used to calculate the expected credit loss.

The estimation techniques or material assumptions used to assess expected credit losses have not changed significantly during the current period.

14. Consideration of forward-looking information

The Bank's credit (including credit card) segments are based on different loan properties, such as corporate banking, consumer finance, credit, car loans and credit cards, and forward-looking model estimates are carried out, based on actual default rates and overall economic variables of each segment in the past quarters. The default rate for the next year is estimated using the credit risk chain model, by estimating the relationship between the default rate and the overall economic variables. The investment function makes reference to external credit ratings in their consideration of forward-looking information.

(IV) Liquidity Risks

1. Source and definition of liquidity risk

Liquidity risk means banks cannot provide sufficient funding for asset size growth and for meeting obligations on matured liabilities or have to make late payments to counterparties or raise emergency funding to cover funding gaps.

2. Liquidity risk management strategy and principles

(1) The Board of Directors shall be the top decision-making unit of the Bank to review and approve policies for liquidity risk management. The Asset/Liability Management Committee shall be the top implementation unit of liquidity risk management to establish appropriate monitoring processes and take necessary actions.

(2) In making internal transfer pricing, performance evaluation and new product development decisions, the operation units take liquidity cost and product effectiveness and risks into consideration and align their decisions with the Company's overall liquidity risk management policies.

(3) Capital management departments shall establish a conservative and steady capital management strategy, effectively disperse capital sources and time limits, constantly participate in the lending market, maintain a close relationship with capital providers, and maintain fluency in all fund-raising channels, in order to ensure the stability and reliability of capital sources.

(4) To strengthen the Bank's liquidity risk management, related regulations shall be established to define the routine handling process and implementation details to maintain appropriate liquidity.

(5) The risk management units report the Bank's liquidity position to the Asset/Liability Management Committee monthly and report the Bank's liquidity risk management to the board of directors regularly.

3. The maturity analysis of financial assets held for managing the liquidity risks and non-derivative financial liabilities

(1) Financial assets held for managing the liquidity risks

The Bank holds cash and quality profit-generating assets with high liquidity to fund the debt-repaying obligation, and the assets held for managing the liquidity risk to fund the needs of potential emergent fund deployment existing in the market, including: cash and cash equivalents, dues from the Central Bank and other banks, financial assets measured at FVTPL, financial assets measured at FVTOCI, investment of debt instrument measured at amortized costs, and discounts and loans.

(2) The maturity analysis of non-derivative financial liabilities

The following table shows the analysis of cash outflows from non-derivative financial liabilities by the residual maturities between the parent-only balance sheet dates to maturities. The amounts of cash outflows are based on contractual cash flows, so some amounts may not correspond to those that shown in the parent-only balance sheets.

A. The maturity analysis of financial liabilities

	June 30, 2025					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Deposits from the Central Bank and Peers	\$ 1,921,789	\$ -	\$ 4,515,000	\$ 1,059,680	\$ -	\$ 7,496,469
Notes and bonds sold under agreements to repurchase	54,713,195	17,068,206	55,554	-	-	71,836,955
Accounts payable	5,514,593	4,031,285	604,053	1,152,026	52,121	11,354,078
Deposits and remittances	64,161,823	112,104,518	114,768,192	209,960,166	315,248,568	816,243,267
Bank debentures	-	-	-	-	5,000,000	5,000,000
Other liabilities	63,707	-	-	-	86,354	150,061

Further information on the maturity analysis of lease liabilities on June 30, 2025 is as follows:

Lease liabilities	Less than 1 Year	Over 1 year to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	More than 20 years	Total
		\$ 321,511	\$ 670,539	\$ 215,139	\$ 38,245	\$ -	\$ -

	December 31 2024					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Deposits from the Central Bank and Peers	\$ 7,827,694	\$ 59,680	\$ 1,000,000	\$ 4,515,000	\$ -	\$ 13,402,374
Notes and bonds sold under agreements to repurchase	39,359,281	19,352,529	-	210,078	-	58,921,888
Accounts payable	4,304,162	1,671,735	1,388,570	283,677	43,318	7,691,462
Deposits and remittances	64,114,142	110,884,938	111,253,238	224,500,726	294,448,541	805,201,585
Bank debentures	-	-	-	-	5,000,000	5,000,000
Other liabilities	15,664	-	-	-	88,272	103,936

Further information on the maturity analysis of lease liabilities on December 31, 2024 is as follows:

Lease liabilities	Less than 1 Year	Over 1 year to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	More than 20 years	Total
		\$ 374,148	\$ 737,251	\$ 168,793	\$ 30,796	\$ -	\$ -

	June 30, 2024					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Deposits from the Central Bank and Peers	\$ 8,781,373	\$ -	\$ 2,515,000	\$ 1,059,680	\$ -	\$ 12,356,053
Notes and bonds sold under agreements to repurchase	46,916,804	14,658,309	-	-	-	61,575,113
Accounts payable	6,948,863	2,678,791	642,054	1,322,095	39,319	11,631,122
Deposits and remittances	65,909,317	102,462,124	116,348,701	209,714,243	281,060,760	775,495,145
Bank debentures	-	-	-	-	5,000,000	5,000,000
Other liabilities	37,771	-	-	-	85,671	123,442

Further information on the maturity analysis of lease liabilities on June 30th, 2024 is as follows:

Lease liabilities	Less than 1 Year	Over 1 year to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	More than 20 years	Total
		\$ 420,602	\$ 732,088	\$ 202,401	\$ 36,718	\$ 39	\$ -

B. Maturity analysis of derivatives financial liabilities - forward exchange contracts and currency swap contracts

June 30, 2025						
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Derived liabilities with delivery						
Inflow	\$ 11,822,570	\$ 35,264,755	\$ 35,502	\$ 68,321	\$ -	\$ 47,191,148
Outflow	(11,085,500)	(32,509,512)	(35,250)	(67,452)	-	(43,697,714)
Subtotal	737,070	2,755,243	252	869	-	3,493,434
Derived liabilities without delivery						
Non-deliverable forward	-	-	-	-	-	-
Total	\$ 737,070	\$ 2,755,243	\$ 252	\$ 869	\$ -	\$ 3,493,434

December 31 2024						
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Derived liabilities with delivery						
Inflow	\$ 11,385,108	\$ 3,060,000	\$ 1,268,660	\$ 541,514	\$ -	\$ 16,255,282
Outflow	(11,129,397)	(3,004,613)	(1,236,844)	(529,743)	-	(15,900,597)
Subtotal	255,711	55,387	31,816	11,771	-	354,685
Derived liabilities without delivery						
Non-deliverable forward	-	-	-	-	-	-
Total	\$ 255,711	\$ 55,387	\$ 31,816	\$ 11,771	\$ -	\$ 354,685

June 30, 2024						
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Derived liabilities with delivery						
Inflow	\$ 10,141,033	\$ 6,812,713	\$ 3,999,744	\$ 608,509	\$ -	\$ 21,561,999
Outflow	9,953,616	6,760,829	3,976,940	587,841	-	21,279,226
Subtotal	187,417	51,884	22,804	20,668	-	282,773
Derived liabilities without delivery						
Non-deliverable forward	-	-	-	-	-	-
Total	\$ 187,417	\$ 51,884	\$ 22,804	\$ 20,668	\$ -	\$ 282,773

C. The maturity analysis of derivatives financial liabilities-option contracts

June 30, 2025						
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Without delivery	\$ 7,248	\$ 7,562	\$ 18,105	\$ 29,260	\$ -	\$ 62,175

December 31 2024						
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Without delivery	\$ 6,874	\$ 8,667	\$ 5,227	\$ 14,219	\$ -	\$ 34,987

June 30, 2024						
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Without delivery	\$ 4,438	\$ 9,278	\$ 12,286	\$ 11,979	\$ -	\$ 37,981

(V) Market risks

1. Source and definition of market risk

Market risk is defined as an unfavorable change in market prices (such as interest rates, exchange rates, stock prices and commodity prices), which may cause financial instruments classified in the trading book to give rise to a potential loss in- or off-balance sheet items.

2. Market risk management strategy and processes
 - (1) The Bank implements the “Market Risk Management Standards of Union Bank of Taiwan”, which had been approved by the board of directors, as the basis of market risk management.
 - (2) The market risk management processes are risk identification, risk measurement, risk monitoring and control, risk reporting and risk mitigation.
 - A. Risk identification: For balance sheet and off-balance sheet items, the Company identifies and assesses market risk factors of products and the investment business and subjects them to risk management, monitoring and control procedures.
 - B. Risk measurement: In principle, each investment or transaction has at least one risk measurement tool - such as sensitivity analysis, value at risk and stress testing, which can be applied to variables, such as fair market value and notional amounts, to quantify market risk.
 - C. Risk monitoring and control: Each operation unit observes the risk limit regulation stated in its operating manual and regularly monitors risk control. The department of risk management is responsible for summarizing and reporting the Company’s overall market risk monitoring.
 - D. Risk reporting: The risk management reports are classified as regular report, over-limit report and exception report. Regular reports are the management statements sent to the appropriate level in accordance with certain requirements. Over-limit reports are about situations in which risk limits are exceeded. Exception reports contain operation units’ recommendations on how to meet temporary business needs.
 - E. Risk mitigation: An operation unit may take certain action to reduce risk, such as hedging, investment combination adjustment, position adjustment, setting a break-even point, halting new transactions, etc.
3. Market risk management organization and framework
 - (1) The board of directors: The board of directors, the top market risk supervisor of the Bank, reviews market risk management policies, operational risk limits and the design and change of market risk management framework.
 - (2) Audit Committee: Assisting the board of directors in reviewing the Company's credit risk management guidelines, reviewing credit risk control reports, and supervising the implementation of credit risk management.
 - (3) Asset/Liability and Risk Management Committee: Reviewing the management reports or information provided by the Risk Management Division and business management units.
 - (4) Risk Management Division: The Risk Management Division is an independent unit in charge of the work related to three pillars of Basel and of the development of market risk management tools to assess and control the risk identified through setting risk limits.
 - (5) Operation units: Operation units perform daily market risk management work and report the market risk of investment positions and related information to the authorities.
4. Scope and features of market risk report and the measurement system
 - (1) The market risk of the trading book financial instruments is measured in accordance with the fair market value or evaluation model and the profit and loss situation is evaluated regularly.

- (2) The business units and the risk management division prepares management reports periodically and report to the appropriate level.
 - (3) The market risk management system combines the evaluation of the front and middle offices to generate information that will assist management in risk monitoring. Moreover, the system supports the capital accrual method being used by the Company through generating internal and external reports for management's decision making.
5. Market risk measurement of trading book

The Bank assesses the market risk exposure of the trading book in conformity with an assessment model using publicly quoted market prices or other measurement methods, including interest rate sensitivity analysis (DV01 value) and stress tests. The interest rate sensitivity analysis (DV01 value) refers to changes in market interest by 1 basis point (0.01%); the abnormal stress test system deals with market volatility and involves the regular estimation of possible losses (stress loss) and of the impact of stress test scenarios on major asset portfolios and the Bank's profit and loss.
6. Banking book market risk
 - (1) Interest rate risk

For the loans and deposits and other interest rate-related items in the Bank's balance sheet, including interest rate sensitive assets and interest rate sensitive liabilities; for the period of January 1 to June 30, 2025 and 2024, assuming all market risk indicators, except interest rates, remained constant, an interest rate increase or decrease by 100bps would result in an increase or decrease in profit before tax by NT\$612,409 thousand and NT\$553,592 thousand, respectively.
 - (2) Exchange rate risk

The exchange rate risk of the banking book refers to the business operation of the International Banking Department of the Bank's Head Office and the operating funds in foreign currencies required by the ROC or local regulations; if there are adverse exchange rate changes, the income statement or cumulative translation adjustments in equity would be negatively affected.

The International Banking Department (IBD) of the Bank's Head Office is a going concern, and its operating funds are foreign currencies for business needs. However, the exchange rate risk on these funds is not significant because the percentage of the operating funds to the Bank's total assets is small, as shown by the immaterial ratio of the IBD's cumulative translation adjustment to the Bank's net worth.

7. Exchange rate risk concentration information

The information of significant foreign currency financial assets and liabilities is as follows:

Unit: Each Foreign Currency (In Thousands)/NTD thousand

	June 30, 2025		
	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>			
USD	\$ 4,212,487	29.9020	\$ 125,961,791
JPY	33,501,815	0.2075	6,951,426
GBP	7,442	40.9747	304,950
AUD	91,729	19.5410	1,792,476
HKD	69,872	3.8093	266,164
CAD	14,418	21.8662	315,277
CNY	663,542	4.1747	2,770,078
SGD	2,747	23.4654	64,455
ZAR	877,775	1.6807	1,475,260
CHF	1,014	37.4149	37,946
NZD	19,437	18.1386	352,558
EUR	36,772	35.0511	1,288,908
<u>Financial liabilities</u>			
USD	3,844,692	29.9020	114,963,976
JPY	33,600,088	0.2075	6,971,817
GBP	7,433	40.9747	304,577
AUD	92,050	19.5410	1,798,740
HKD	\$ 69,608	\$ 3.8093	\$ 265,160
CAD	14,438	21.8662	315,701
CNY	663,997	4.1747	2,771,977
SGD	2,725	23.4654	63,937
ZAR	876,648	1.6807	1,473,365
CHF	457	37.4149	17,091
NZD	19,406	18.1386	351,990
EUR	36,004	35.0511	1,261,986

				December 31 2024		
				Foreign currency	Exchange rate	NTD
<u>Financial assets</u>						
USD	\$	4,191,131		32.7810		\$ 137,389,462
JPY		40,237,058		0.2098		8,442,741
GBP		7,369		41.1762		303,439
AUD		84,956		20.3931		1,732,513
HKD		86,861		4.2221		366,739
CAD		13,036		22.8121		297,387
CNY		576,732		4.4778		2,582,484
SGD		3,266		24.1179		78,772
ZAR		860,964		1.7507		1,507,315
CHF		1,154		36.2782		41,849
NZD		19,698		18.4655		363,728
EUR		43,944		34.1316		1,499,877
<u>Financial liabilities</u>						
USD		3,850,261		32.7810		126,215,410
JPY		41,786,879		0.2098		8,767,932
GBP		7,393		41.1762		304,433
AUD		84,970		20.3931		1,732,791
HKD		86,689		4.2221		366,013
CAD		12,914		22.8121		294,589
CNY		576,154		4.4778		2,579,894
SGD		3,295		24.1179		79,467
ZAR		861,066		1.7507		1,507,493
CHF		553		36.2782		20,074
NZD		19,664		18.4655		363,108
EUR		43,310		34.1316		1,478,253
				June 30, 2024		
				Foreign currency	Exchange rate	NTD
<u>Financial assets</u>						
USD	\$	4,091,827		32.4500		\$ 132,779,794
JPY		41,848,356		0.2016		8,436,754
GBP		6,671		41.0298		273,726
AUD		73,367		21.5273		1,579,390
HKD		91,739		4.1558		381,252
CAD		12,181		23.6689		288,305
CNY		635,261		4.4459		2,824,329
SGD		4,256		23.9130		101,778
ZAR		841,227		1.7815		1,498,620
CHF		843		36.0716		30,412
NZD		17,311		19.6907		340,867
EUR		32,938		34.7085		1,143,219

(continued at next page)

(Cont')

Financial liabilities	June 30, 2024		
	Foreign currency	Exchange rate	NTD
USD	3,765,195	32.4500	122,180,582
JPY	45,389,213	0.2016	9,150,602
GBP	6,688	41.0298	274,423
AUD	73,478	21.5273	1,581,795
HKD	91,547	4.1558	380,454
CAD	12,214	23.6689	289,081
CNY	635,591	4.4459	2,825,797
SGD	4,241	23.9130	101,414
ZAR	842,737	1.7815	1,501,310
CHF	800	36.0716	28,865
NZD	17,262	19.6907	339,902
EUR	32,999	34.7085	1,145,348

(VI) Transfers of financial assets

Transferred financial assets not entirely derecognized

Most of the transferred financial assets of the Bank during daily operations that are not derecognized in their entirety are debenture securities under repurchase agreements or the equity securities loaned under the securities loaning agreement. According to these transactions, the right on cash flow of the transferred financial assets would be transferred to other entities and the associated liabilities of the Bank's obligation to repurchase the transferred financial assets at a fixed price in the future are reflected. As the Bank is restricted to use, sell or pledge the transferred financial assets throughout the term of transaction, and is still exposed to interest rate risks and credit risks on these instruments, the transferred financial assets are not derecognized in their entirety. The details of financial assets that are not derecognized in their entirety and the associated financial liabilities are as follows:

June 30, 2025					
Financial asset classes	Carrying Amount of Transferred Financial Asset	Carrying Amount of Associated Financial Liability	Fair Value of Transferred Financial Asset	Fair Value of Associated Financial Liability	Fair Value of Net Position
Financial Assets Measured at Fair Value Through Profit or Loss Repurchase agreements	\$ 40,172,652	\$ 40,232,656	\$ 40,172,652	\$ 40,232,656	(\$ 60,004)
Financial Assets Measured at Fair Value Through Other Comprehensive Income Repurchase agreements	17,358,307	16,184,632	17,358,307	16,184,632	1,173,675
Investment of debt instrument measured at amortized costs Repurchase agreements	26,394,541	15,096,632	21,840,919	15,096,632	6,744,287

December 31 2024					
Financial asset classes	Carrying Amount of Transferred Financial Asset	Carrying Amount of Associated Financial Liability	Fair Value of Transferred Financial Asset	Fair Value of Associated Financial Liability	Fair Value of Net Position
Financial Assets Measured at Fair Value Through Profit or Loss Repurchase agreements	\$ 23,480,327	\$ 23,495,917	\$ 23,480,327	\$ 23,495,917	(\$ 15,590)
Financial Assets Measured at Fair Value Through Other Comprehensive Income Repurchase agreements	19,831,849	18,142,519	19,831,849	18,142,519	1,689,330
Investment of debt instrument measured at amortized costs Repurchase agreements	28,866,742	16,925,265	23,356,904	16,925,265	6,431,639

June 30, 2024					
Financial asset classes	Carrying Amount of Transferred Financial Asset	Carrying Amount of Associated Financial Liability	Fair Value of Transferred Financial Asset	Fair Value of Associated Financial Liability	Fair Value of Net Position
Financial Assets Measured at Fair Value Through Profit or Loss Repurchase agreements	\$ 26,354,006	\$ 26,386,805	\$ 26,354,006	\$ 26,386,805	(\$ 32,799)
Financial Assets Measured at Fair Value Through Other Comprehensive Income Repurchase agreements	19,816,148	18,807,520	19,816,148	18,807,520	1,008,628
Investment of debt instrument measured at amortized costs Repurchase agreements	29,138,193	15,898,285	23,810,891	15,898,285	7,912,606

(VII) Measured at FVTPL

The Bank has the financial instrument transaction offsetting to which the Paragraph 42 of IAS 32 endorsed by the FSC is applicable; the financial assets and liabilities related to such transactions are presented on a net basis on the balance sheets.

The Bank also has the repurchase or reverse repurchase agreements not complying to the offsetting criteria in IAS but entered the enforceable netting arrangements or similar agreements, such as global master repurchase agreement or global securities lending agreement. When delivering in net amount is elected by both transaction parties under the enforceable netting arrangements or similar agreements, the delivery may be made in the net amount after offsetting the financial assets and liabilities, or in the total amount if no such agreement. However, where any of the transaction party defaults, the counterparty may opt to deliver in the net amount.

The tables below present the information on said financial assets and financial liabilities that have been offset

June 30, 2025						
Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements.						
Description	Gross Amount of Recognized Financial Liabilities (a)	Gross Amount of Recognized Financial Assets Offset in the Balance Sheets (b)	Net Amount of Financial Liabilities Presented in the Balance Sheets (c)=(a)-(b)	Related Amount Not Offset in the Balance Sheets (d)		Net Amount (e)=(c)-(d)
				Financial instruments (Note)	Cash Collateral Pledged	
Derivatives	\$ 447,459	\$ -	\$ 447,459	\$ 15,751	\$ -	\$ 431,708

Note: Including the master netting arrangements and non-cash financial collaterals.

June 30, 2025						
Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements.						
Description	Gross Amount of Recognized Financial Assets (a)	Gross Amount of Recognized Financial Liabilities Offset in the Balance Sheets (b)	Net Amount of Financial Assets Presented in the Balance Sheets (c)=(a)-(b)	Related Amount Not Offset in the Balance Sheets (d)		Net Amount (e)=(c)-(d)
				Financial instruments (Note)	Cash Collateral Received	
Derivatives	\$3,645,791	\$ -	\$3,645,791	\$ 15,751	\$ -	\$3,630,040

Note: Including the master netting arrangements and non-cash financial collaterals.

December 31 2024						
Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements.						
Description	Gross Amount of Recognized Financial Assets (a)	Gross Amount of Recognized Financial Liabilities Offset in the Balance Sheets (b)	Net Amount of Financial Assets Presented in the Balance Sheets (c)=(a)-(b)	Related Amount Not Offset in the Balance Sheets (d)		Net Amount (e)=(c)-(d)
				Financial instruments (Note)	Cash Collateral Received	
Derivatives	\$1,498,977	\$ -	\$1,498,977	\$ 17,771	\$ -	\$1,481,206

Note: Including the master netting arrangements and non-cash financial collaterals.

December 31 2024						
Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements.						
Description	Gross Amount of Recognized Financial Liabilities (a)	Gross Amount of Recognized Financial Assets Offset in the Balance Sheets (b)	Net Amount of Financial Liabilities Presented in the Balance Sheets (c)=(a)-(b)	Related Amount Not Offset in the Balance Sheets (d)		Net Amount (e)=(c)-(d)
				Financial instruments (Note)	Cash Collateral Pledged	
Derivatives	\$ 468,953	\$ -	\$ 468,953	\$ 17,771	\$ 188,398	\$ 262,784

Note: Including the master netting arrangements and non-cash financial collaterals.

June 30, 2024						
Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements.						
Description	Gross Amount of Recognized Financial Assets (a)	Gross Amount of Recognized Financial Liabilities Offset in the Balance Sheets (b)	Net Amount of Financial Assets Presented in the Balance Sheets (c)=(a)-(b)	Related Amount Not Offset in the Balance Sheets (d)		Net Amount (e)=(c)-(d)
				Financial instruments (Note)	Cash Collateral Received	
Derivatives	\$1,308,888	\$ -	\$1,308,888	\$ 3,521	\$ -	\$1,305,367

Note: Including the master netting arrangements and non-cash financial collaterals.

June 30, 2024						
Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements.						
Description	Gross Amount of Recognized Financial Liabilities (a)	Gross Amount of Recognized Financial Assets Offset in the Balance Sheets (b)	Net Amount of Financial Liabilities Presented in the Balance Sheets (c)=(a)-(b)	Related Amount Not Offset in the Balance Sheets (d)		Net Amount (e)=(c)-(d)
				Financial instruments (Note)	Cash Collateral Pledged	
Derivatives	\$ 389,311	\$ -	\$ 389,311	\$ 3,521	\$ 157,173	\$ 228,617

Note: Including the master netting arrangements and non-cash financial collaterals.

XLVIII. Capital Management

(I) Strategies to maintain capital adequacy

Under the regulations set by the authorities, the Bank complies with the requirements set for the supervisory benchmarking ratio, including the common equity Tier I capital ratio; the Bank's leverage ratio is also in accordance with the requirements of the relevant authorities. These ratios are applied in accordance with the regulations announced by the authorities.

(II) Capital assessment procedure

The capital ratios and leverage ratios are applied, analyzed, monitored and reported regularly, and are assigned to each business unit as the target capital adequacy ratios. The business units' compliance with the ratio requirements is tracked regularly, and remedial action is taken if the capital and leverage ratio requirements are not met.

(III) Capital adequacy

Unit: In NTD thousand, %

Items		Year	June 30, 2025		
			Own Capital Adequacy Ratio	Consolidated Capital Adequacy Ratio	
Own Capital	Common share equity		59,287,511	57,040,020	
	Other Tier 1 capital		13,000,000	13,000,000	
	Tier 2 capital		7,689,433	9,517,255	
	Own Capital		79,976,944	79,557,275	
Risk-weighted assets	Credit risk	Standard	482,246,042	497,526,060	
		Internal rating-based approach	-	-	
		Asset securitization	280,254	280,254	
	Operational risk	Basic indicator approach	28,296,787	34,044,611	
		Standard/alternative standardized approach	-	-	
		Advanced measurement approach	-	-	
	Market risks	Standard	38,660,852	40,672,070	
		Internal model approach	-	-	
	Total risk-weighted assets			549,483,935	572,522,995
	Capital Adequacy			14.55%	13.90%
Ratio of common share equity to risk-weighted assets			10.79%	9.96%	
Ratio of Tier 1 capital to risk-weighted assets			13.16%	12.23%	
Leverage Ratio			6.89%	6.54%	

Unit: In NTD thousand, %

Items		Year	December 31 2024		
			Own Capital Adequacy Ratio	Consolidated Capital Adequacy Ratio	
Own Capital	Common share equity		56,775,204	55,319,309	
	Other Tier 1 capital		13,000,000	13,000,000	
	Tier 2 capital		11,026,372	12,531,688	
	Own Capital		80,801,576	80,850,997	
Risk-weighted assets	Credit risk	Standard	468,567,499	479,094,001	
		Internal rating-based approach	-	-	
		Asset securitization	308,124	308,124	
	Operational risk	Basic indicator approach	29,580,646	34,723,220	
		Standard/alternative standardized approach	-	-	
		Advanced measurement approach	-	-	
	Market risks	Standard	30,974,211	33,041,174	
		Internal model approach	-	-	
	Total risk-weighted assets			529,430,480	547,166,519
	Capital Adequacy			15.26%	14.78%
Ratio of common share equity to risk-weighted assets			10.72%	10.11%	
Ratio of Tier 1 capital to risk-weighted assets			13.18%	12.49%	
Leverage Ratio			6.66%	6.38%	

Unit: In NTD thousand, %

Items		Year	June 30, 2024	
			Own Capital Adequacy Ratio	Consolidated Capital Adequacy Ratio
Own Capital	Common share equity		52,515,304	51,064,632
	Other Tier 1 capital		13,000,000	13,000,000
	Tier 2 capital		11,216,597	12,675,964
	Own Capital		76,731,901	76,740,596
Risk-weighted assets	Credit risk	Standard	465,401,542	472,199,821
		Internal rating-based approach	-	-
		Asset securitization	305,432	305,432
	Operational risk	Basic indicator approach	27,562,984	32,615,448
		Standard/alternative standardized approach	-	-
		Advanced measurement approach	-	-
	Market risks	Standard	40,547,775	42,565,663
		Internal model approach	-	-
	Total risk-weighted assets			533,817,733
Capital Adequacy			14.37%	14.01%
Ratio of common share equity to risk-weighted assets			9.84%	9.32%
Ratio of Tier 1 capital to risk-weighted assets			12.27%	11.70%
Leverage Ratio			6.38%	6.11%

Note 1: Eligible capital and risk-weighted assets are calculated under the “Regulations Governing the Capital Adequacy Ratio of Banks” and the “Explanation of Methods for Calculating the Eligible Capital and Risk-weighted Assets of Banks.”

Note 2: Formulas used were as follows:

1. Eligible capital = Common equity Tier 1 capital + Other Tier 1 capital + Tier 2 capital.
2. Risk-weighted assets = Risk-weighted asset for credit risk + Capital requirements for operational risk and market risk x 12.5.
3. Capital adequacy ratio = Eligible capital ÷ Risk-weighted assets.
4. Ratio of Common equity Tier 1 capital to risk-weighted assets = Common equity Tier 1 capital ÷ Risk-weighted assets.
5. Ratio of Tier 1 capital to risk-weighted assets = (Common equity Tier 1 capital + Other Tier 1 capital) ÷ Risk-weighted assets.
6. Leverage ratio = Tier 1 capital ÷ Exposure Measurement

The Banking Act and related regulations require that the Bank maintains its unconsolidated and consolidated CARs at a minimum of 10.5%, the Tier 1 Capital Ratio at a minimum of 8.5% and the Common Equity Tier 1 Ratio at a minimum of 7.0%. In addition, if the Bank’s CAR falls below the minimum requirement, the authorities may impose certain restrictions on its distribution of earnings.

XLIX. Loan Asset Quality, Concentration of Credit Concentration, Interest Rate Sensitivity, Profitability and Maturity Analysis

(I) Credit risk

1. Loan asset quality: See Table 6.
2. Concentration of credit extensions

June 30, 2025			
Rank	Sector to Which the Company or Group Belongs	Credit Extension Balance	% to Net Asset Value
1	Group H - Retail Sale of Other Food, Beverages and Tobacco in Specialized Stores	5,377,000	6.55
2	Group G - Other Financial Services Not Elsewhere Classified	3,348,000	4.08
3	Company I - Manufacture of Man-made Fibers	3,277,600	3.99
4	Company U - Other Financial Services Not Elsewhere Classified	2,600,000	3.17
5	Group B- Financial leasing	2,299,333	2.80
6	Group P - Iron and Steel Refining	2,089,153	2.55
7	Company L - Wholesale of Building Materials	1,611,874	1.96
8	V Group - Food Industry	1,599,326	1.95
9	Company T - Manufacture of Grain Mill Products	1,540,000	1.88
10	Company B- Financial leasing	1,527,428	1.86

December 31 2024			
Rank	Sector to Which the Company or Group Belongs	Credit Extension Balance	% to Net Asset Value
1	Group H - Retail Sale of Other Food, Beverages and Tobacco in Specialized Stores	5,119,000	6.44
2	Group G - Other Financial Services Not Elsewhere Classified	3,348,000	4.21
3	Company I - Manufacture of Man-made Fibers	3,277,600	4.12
4	Company U - Classified as Other Financial Services	3,077,320	3.87
5	Group B- Financial leasing	2,299,333	2.89
6	Group P - Iron and Steel Refining	2,015,888	2.54
7	Company L - Wholesale of Building Materials	1,574,089	1.98
8	Company B- Financial leasing	1,480,107	1.86
9	Group T - Manufacture of Grain Mill Products	1,455,000	1.83
10	Company D - Air Transport	1,059,944	1.33

June 30, 2024			
Rank	Sector to Which the Company or Group Belongs	Credit Extension Balance	% to Net Asset Value
1	Group H - Retail Sale of Other Food, Beverages and Tobacco in Specialized Stores	4,901,000	6.56
2	Group G - Other Financial Services Not Elsewhere Classified	3,348,000	4.48
3	Company U - Other Financial Services Not Elsewhere Classified	3,077,320	4.12
4	Company I - Manufacture of Man-made Fibers	2,902,000	3.88
5	Group J - Real Estate Development Activities	1,672,088	2.24
6	Company L - Wholesale of Building Materials	1,599,357	2.14
7	Group A - Real Estate Development Activities	1,490,249	1.99
8	Company T - Manufacture of Grain Mill Products	1,455,000	1.95
9	Company B- Financial leasing	1,432,651	1.92
10	Group P - Iron and Steel Refining	1,333,765	1.78

(II) Market risks

Interest Rate Sensitive Asset/Liability Analysis (NT\$)

June 30, 2025

Unit: In NTD thousand, %

Item	1-90 days (inclusive)	91-180 days (inclusive)	181 days to one year (inclusive)	More than one year	Total
Interest rate-sensitive assets	743,281,344	6,137,962	11,570,216	66,824,267	827,813,789
Interest rate-sensitive liabilities	407,299,270	297,967,407	91,919,519	23,621,621	820,807,817
Interest rate-sensitive gap	335,982,074	(291,829,445)	(80,349,303)	43,202,646	7,005,972
Net value					76,963,328
Ratio of interest rate-sensitive assets to liabilities					100.85%
Ratio of interest rate sensitivity gap to net worth					9.10%

Interest Rate Sensitive Asset/Liability Analysis (NT\$)

December 31 2024

Unit: In NTD thousand, %

Item	1-90 days (inclusive)	91-180 days (inclusive)	181 days to one year (inclusive)	More than one year	Total
Interest rate-sensitive assets	717,875,751	6,436,916	13,622,345	64,333,145	802,268,157
Interest rate-sensitive liabilities	409,405,200	280,557,083	88,201,457	20,422,704	798,586,444
Interest rate-sensitive gap	308,470,551	(274,120,167)	(74,579,112)	43,910,441	3,681,713
Net value					76,218,363
Ratio of interest rate-sensitive assets to liabilities					100.46%
Ratio of interest rate sensitivity gap to net worth					4.83%

Interest Rate Sensitive Asset/Liability Analysis (NT\$)

June 30, 2024

Unit: In NTD thousand, %

Item	1-90 days (inclusive)	91-180 days (inclusive)	181 days to one year (inclusive)	More than one year	Total
Interest rate-sensitive assets	699,950,380	10,941,015	10,342,250	68,639,414	789,873,059
Interest rate-sensitive liabilities	403,862,945	284,989,813	74,354,948	15,848,102	779,055,808
Interest rate-sensitive gap	296,087,435	(274,048,798)	(64,012,698)	52,791,312	10,817,251
Net value					71,903,885
Ratio of interest rate-sensitive assets to liabilities					101.39%
Ratio of interest rate sensitivity gap to net worth					15.04%

- Note : I. The above amounts included only the New Taiwan dollar held by the Bank's head office and branches (excluding foreign currency).
- II. Interest rate-sensitive assets and liabilities mean the revenues or costs of interest-earning assets and interest-bearing liabilities are affected by interest rate changes.
- III. Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.
- IV. Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities (in New Taiwan dollars).

Interest Rate Sensitive Asset/Liability Analysis (USD)

June 30, 2025

(In Thousands of U.S. Dollars, %)

Item	1-90 days (inclusive)	91-180 days (inclusive)	181 days to one year (inclusive)	More than one year	Total
Interest rate-sensitive assets	1,740,551	146,653	192,170	2,352,268	4,431,642
Interest rate-sensitive liabilities	2,498,843	425,886	263,795	556,863	3,745,387
Interest rate-sensitive gap	(758,292)	(279,233)	(71,625)	1,795,405	686,255
Net value					117,140
Ratio of interest rate-sensitive assets to liabilities					118.32%
Ratio of interest rate sensitivity gap to net worth					585.84%

Interest Rate Sensitive Asset/Liability Analysis (USD)

December 31 2024

(In Thousands of U.S. Dollars, %)

Item	1-90 days (inclusive)	91-180 days (inclusive)	181 days to one year (inclusive)	More than one year	Total
Interest rate-sensitive assets	2,107,053	80,475	114,916	2,363,389	4,665,833
Interest rate-sensitive liabilities	2,506,250	418,627	401,559	446,503	3,772,939
Interest rate-sensitive gap	(399,197)	(338,152)	(286,643)	1,916,886	892,894
Net value					78,004
Ratio of interest rate-sensitive assets to liabilities					123.67%
Ratio of interest rate sensitivity gap to net worth					1,144.68%

Interest Rate Sensitive Asset/Liability Analysis (USD)

June 30, 2024

(In Thousands of U.S. Dollars, %)

Item	1-90 days (inclusive)	91-180 days (inclusive)	181 days to one year (inclusive)	More than one year	Total
Interest rate-sensitive assets	1,880,565	532,092	88,122	2,096,270	4,597,049
Interest rate-sensitive liabilities	2,121,078	550,687	559,919	455,685	3,687,369
Interest rate-sensitive gap	(240,513)	(18,595)	(471,797)	1,640,585	909,680
Net value					61,959
Ratio of interest rate-sensitive assets to liabilities					124.67%
Ratio of interest rate sensitivity gap to net worth					1,468.20%

- Note : I. The above amounts included only U.S. dollar amounts held by the Bank's headquarter, domestic branches, OBU and overseas branches and excluded contingent assets and contingent liabilities.
- II. Interest rate-sensitive assets and liabilities mean the revenues or costs of interest-earning assets and interest-bearing liabilities are affected by interest rate changes.
- III. Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities
- IV. Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities (in USD).

(III) Liquidity Risks

1. Profitability

Unit: %

Item	January 1 to June 30,		
	2025	2024	
Return on total assets	Before tax	0.33	0.34
	After tax	0.27	0.30
Return on common share net worth	Before tax	3.97	4.42
	After tax	3.13	3.74
Net income ratio		31.93	31.60

Note : I. Return on total assets = Income before (after) income tax ÷ Average total assets

II. Return on common share net worth = [Income before (after) income tax - dividends preference shares] ÷ Average common stock net worth

III. Net income ratio = Income after income tax ÷ Total net revenues

IV. Income before (after) income tax represents income for current year up to June 30

2. Maturity analysis of assets and liabilities

Maturity Analysis of New Taiwan Dollar

June 30, 2025

Unit: NTD thousand

	Total	Remaining Period to Maturity				
		1-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	925,568,096	234,003,360	42,897,847	58,762,923	135,103,999	454,799,967
Main capital outflow on maturity	1,067,791,595	111,031,980	148,979,099	138,862,167	253,722,209	415,196,140
Gap	(142,223,499)	122,971,380	(106,081,252)	(80,099,244)	(118,618,210)	39,603,827

Maturity Analysis of New Taiwan Dollar

December 31 2024

Unit: NTD thousand

	Total	Remaining Period to Maturity				
		1-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	899,462,319	211,196,870	42,029,267	69,406,494	128,228,214	448,601,474
Main capital outflow on maturity	1,037,457,808	105,208,035	149,020,257	129,522,993	265,483,775	388,222,748
Gap	(137,995,489)	105,988,835	(106,990,990)	(60,116,499)	(137,255,561)	60,378,726

Maturity Analysis of New Taiwan Dollar

June 30, 2024

Unit: NTD thousand

	Total	Remaining Period to Maturity				
		1-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	877,999,137	205,451,147	48,868,890	56,523,588	128,058,648	439,096,864
Main capital outflow on maturity	1,012,769,070	117,073,448	138,337,673	144,864,289	242,697,904	369,795,756
Gap	(134,769,933)	88,377,699	(89,468,783)	(88,340,701)	(114,639,256)	69,301,108

Note: The above amounts included only the New Taiwan dollar held by the Bank's head office and branches (excluding foreign currency).

Maturity Analysis of USD

June 30, 2025

In Thousands of U.S. Dollars

	Total	Remaining Period to Maturity				
		1-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	4,765,984	599,266	1,470,446	149,179	192,388	2,354,705
Main capital outflow on maturity	4,757,678	1,431,283	1,542,916	514,134	270,435	998,910
Gap	8,306	(832,017)	(72,470)	(364,955)	(78,047)	1,355,795

Maturity Analysis of USD

December 31 2024

In Thousands of U.S. Dollars

	Total	Remaining Period to Maturity				
		1-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	4,835,017	858,679	1,547,148	82,988	142,479	2,203,723
Main capital outflow on maturity	4,838,921	1,494,770	1,614,716	459,582	420,086	849,767
Gap	(3,904)	(636,091)	(67,568)	(376,594)	(277,607)	1,353,956

Maturity Analysis of USD

June 30, 2024

In Thousands of U.S. Dollars

	Total	Remaining Period to Maturity				
		1-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	4,742,366	685,844	1,244,245	544,796	105,999	2,161,482
Main capital outflow on maturity	4,748,615	1,435,412	1,312,983	577,889	579,623	842,708
Gap	(6,249)	(749,568)	(68,738)	(33,093)	(473,624)	1,318,774

Note: The above amounts are sum of the U.S. dollar amounts held by the Bank's headquarter, domestic branches, OBU and overseas branches.

L. Disclosed Matters in Notes

- (I) Information Related to Material Transactions and (II) Information of the Re-investees
1. Loan provided: not applicable to the Bank, and please see Table 1 for other re-investees.
 2. Endorsement/guarantee provided: Table 2.
 3. Negotiable securities held at the end of the period, and please see Table 3 for other re-investees.
 4. Trading shares of the same investee for NT\$300 million, or 10% of the paid-in capital or more cumulatively: None.
 5. Acquisition of individual real estate at costs of NT\$300 million or 10% of the paid-in capital or more: None.
 6. Disposal of individual real estate at costs of NT\$300 million or 10% of the paid-in capital or more: None.
 7. Allowance of service fees to related parties amounting to at least NT\$5 million: None.
 8. Receivables from related parties amounting to at least NT\$300 million or 10% of the paid-in capital: Table 4.
 9. Sale of nonperforming loans: None.
 10. Asset securitization under the "Financial Asset Securitization Act" or the "Clauses of the Real Estate Securitization Act": None.
 11. Other significant transactions which may affect the decisions of users of Financial Statements: Table 5.

- 12. Names, locations and other information of investees on which the Bank exercises significant influence: Table 6.
- 13. Derivative transactions: Note VIII.
- (III) Investment in Mainland China: None.
- (IV) Information of major shareholders which hold ownership of 5% or greater: Table 7.

LI. Department Information

The Bank has prepared the Consolidated Financial Statements, and disclosed the department information in the Consolidated Financial Statements; thus no department information is disclosed in the Parent Company Only Financial Statements.

Union Bank of Taiwan Co., Ltd.
LOAN PROVIDED TO OTHERS
January 1 to June 30, 2025

Table 1. Unit: In NTD thousand (Foreign Currency)

No.	Lender	Borrower	Financial Statement Account	Highest Balance for the Period (Note 1)	Ending Balance(Note 2)	Actual Drafted Amount	Interest Rate Range (%)	Nature of loan	Business Transaction Amount(Note 3)	Reason for Short-term Financing	Amount of allowance for doubtful accounts provided	Collaterals		Financing Limit for Each Borrower (Note 4)	Aggregate Financing Limit(Note 5)
												Name	Value		
1	UFLIC	Union Capital (Singapore) Holding PTE. Ltd.	Accounts receivable from affiliates	\$ 767,728 (JPY 3,700,000)	\$ 767,728 (JPY 3,700,000)	\$ 545,133 (JPY 2,627,225)	2.085%~2.169%	Business transaction	\$ 767,728 (JPY 3,700,000)	-	\$ -	-	\$ -	\$ 3,393,617	\$ 3,393,617
		Uflc Capital (Singapore) Holding PTE. Ltd.	Accounts receivable from affiliates	1,244,964 (JPY 6,000,000)	1,244,964 (JPY 6,000,000)	1,146,157 (JPY 5,523,808)	2.085%~2.169%	Business transaction	1,244,964 (JPY 6,000,000)	-	-	-	-	3,393,617	3,393,617
		Junwei Development and Construction Co., Ltd.	Accounts receivable	9,269	9,269	9,269	5%~8%	Short-term financing	-	Business turnover	185	Real estates	12,447	339,362	1,357,447
		Qiaoda Social Enterprise Co., Ltd.	Accounts receivable	128,647	123,265	123,265	3%~6%	Short-term financing	-	Investment in equity of affiliates	1,233	Real estates	150,380	339,362	1,357,447
		Sing Hong Yang Construction Co., Ltd.	Accounts receivable	21,682	-	-	3%~6%	Short-term financing	-	Business turnover	-	Real estates	29,593	339,362	1,357,447
		NFC I Renewable Power Co., Ltd.	Accounts receivable	100,000	100,000	100,000	3%~6%	Short-term financing	-	Business turnover	1,000	-	-	339,362	1,357,447
		NFC II Renewable Power Co., Ltd.	Accounts receivable	100,000	100,000	100,000	3%~6%	Short-term financing	-	Business turnover	1,000	-	-	339,362	1,357,447
		NFC III Renewable Power Co., Ltd.	Accounts receivable	250,000	250,000	250,000	3%~6%	Short-term financing	-	Business turnover	2,500	-	-	339,362	1,357,447
		De Ken Construction Co., Ltd.	Accounts receivable	120,000	120,000	120,000	3%~6%	Short-term financing	-	Repayment of borrowings	1,200	Real estates	152,136	339,362	1,357,447
		He Hua Cultural and Creative Enterprise Co., Ltd.	Accounts receivable	98,370	96,705	96,705	4%~7%	Short-term financing	-	Business turnover	967	Real estates	182,343	339,362	1,357,447
Sing Hong Yang Construction Co., Ltd.	Accounts receivable	20,800	20,623	20,623	3%~6%	Short-term financing	-	Business turnover	206	Real estates	34,429	339,362	1,357,447		
2	Union Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJI (Japan)	Accounts receivable from affiliates	394,239 (JPY 1,900,000)	394,239 (JPY 1,900,000)	304,158 (JPY 1,465,865)	2.75%	Business transaction	394,239 (JPY 1,900,000)	-	-	-	-	3,393,617	3,393,617
3	Uflc Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJI (Japan)	Accounts receivable from affiliates	684,730 (JPY 3,300,000)	684,730 (JPY 3,300,000)	592,500 (JPY 2,855,504)	2.75%	Business transaction	684,730 (JPY 3,300,000)	-	-	-	-	3,393,617	3,393,617
4	Union Venture Capital Co., Ltd.	Bei Chen Yi Hau Electric Power Inc.	Accounts receivable	109,000	109,000	109,000	3%	Short-term financing	-	Business turnover	-	-	-	574,635	1,436,587
		Hao Tian Electric Power Inc.	Accounts receivable	136,000	136,000	136,000	3%	Short-term financing	-	Business turnover	-	-	-	574,635	1,436,587
		Feng Tai Electric Power	Accounts receivable	134,000	134,000	134,000	3%	Short-term financing	-	Business turnover	-	-	-	574,635	1,436,587
		Na He Yi Hau Electric Power Inc.	Accounts receivable	160,000	160,000	160,000	3%	Short-term financing	-	Business turnover	-	-	-	574,635	1,436,587
		Ting Jie Electric Power Inc.	Accounts receivable	700,000	700,000	310,000	3%	Short-term financing	-	Business turnover	-	-	-	574,635	1,436,587
		Ting Syu Energy Co., Ltd.	Accounts receivable	3,000	3,000	3,000	3%	Short-term financing	-	Business turnover	-	-	-	574,635	1,436,587

Note 1: Highest balance of loans provided to others in the current year.

Note 2: Where the public companies submits the loaning of funds one by one to the board of directors for resolution pursuant to Paragraph 1, Article 14 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," even though the fund is not disbursed, the amount resolved by the board shall be listed in the announced balance to disclose the risk assumed; provided, when the fund is repaid, the balance after the repayment shall be disclosed to reflect the risk adjustment. Where the public companies have the board of directors to resolve a limit to be loaned for several times or drafted on the revolving basis within the limit during the period of one year pursuant to Paragraph 2, Article 14 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," the resolved limit of loans shall still be announced as the reported balance. Although repayments may be made later, such limit may be used again, and thus the limit approved by the board shall be the announced and reported balance.

Note 3: Where a loaning of funds is a business transaction in the nature, the amount of such transaction shall be entered; the business transaction amounts within a year between the lender and the borrower.

Note 4: For the transactions with the subsidiaries 100% voting rights held directly and indirectly, and the loaning of funds for short-term financing, the limit is the net worth of UFLIC; in terms of loaning of funds for short-term financing to the non-subsidiaries, the limit is 10% of UFLIC; for those with business transactions that are in demand of short-term financing, the limit is 40% of the net worth of Union Venture Capital Co., Ltd.

Note 5: For the transactions with the subsidiaries 100% voting rights held directly and indirectly, and the loaning of funds for short-term financing, the limit is the net worth of Union Finance & Leasing (Int'l) Corp.; in terms of loaning of funds for short-term financing to the non-subsidiaries, the limit is 40% of the net worth of Union Finance & Leasing (Int'l) Corp.; for the inter-company and firms having business transactions, and in need of loaning of funds for short-term financing, the limit is 100% of the net worth of Union Venture Capital Co., Ltd.

Note 6: All the "balance" and "amount" referred in the statement, other than the actual borrowing amount, business transaction amount, and amount of allowance for doubtful accounts provided, are the limit or amount financed to others occurring on the date of occurrence (the earliest among date of the Board's resolution, date of contract execution, date of payment, or date sufficient to ensure the counterparty and transaction amount) pursuant to Article 7 of the handling standards.

Union Bank of Taiwan Co., Ltd.
Endorsement/guarantee provided
January 1 to June 30, 2025

Table 2

Unit: In NTD thousand, unless specified otherwise

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party(Note 5)	Maximum Amount Endorsed/ Guaranteed During the Period(Note 3)	Outstanding Endorsement/ Guarantee at the End of the Period(Note 4)	Actual Amount Drafted (Note 6)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 7)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Company name	Relationship (Note 2)										
1	Union Venture Capital Co., Ltd.	Ting Jie Electric Power Inc.	4	\$ 14,365,873	\$ 5,325,000	\$ 5,325,000	\$ 2,175,000	\$ -	6.67%	\$ 43,097,618	Yes	No	No

Note 1: Description of number column

(1) Issuer: 0

(2) The investees are numbered from 1 by the companies.

Note 2: There are seven relationships between the endorser/guarantor and endorsee/guarantee, only the type needs to be indicated.

(1) Company with business relationships

(2) Companies in which the Company holds shares for more than 50% voting rights directly or indirectly.

(3) Companies hold the Company's shares for more than 50% voting rights directly or indirectly

(4) Among the companies in which the Company holds shares for more than 90% voting rights directly or indirectly.

(5) Companies guarantee each other as peers or joint constructors under contracts based on the requirements of construction contracting.

(6) All the shareholders to the companies they endorse and guarantee due to the joint investment proportionally to their shareholdings.

Note 3: The maximum balance of the endorsement/guarantee provided to others of the current year.

Note 4: The endorsement/guarantee limit was approved by the board of directors

Note 5: The total amount of endorsement or guarantee provided by UVC and Union Energy to a single company shall not exceed 10 times UVC's and 25 times Union Energy's net worth.

Note 6: Enter the actual amount drafted withing the balance of endorsement/guarantee by the endorsee/guarantee.

Note 7: The total amount of endorsement or guarantee provided by UVC and Union Energy to others shall not exceed 30 times UVC's and 50 times Union Energy's net worth.

Note 8: Ting Jie Electric Power signed a syndicate with 11 financial Institutions with the limit of NTS\$7,500,000 thousand. The joint guarantors are the parent company, UVC and Union Energy.

Union Bank of Taiwan Co., Ltd.
Details of negotiable securities held at the end of the period
June 30, 2025

Table 3. Unit: for amounts, thousand NTD (foreign currency); for shares and units, thousand shares and thousand units

Held by	Types and names of negotiable securities	Relationship with the negotiable securities issuers	Account	At the end of the period				Remark
				Shares/units	Book amount	Shareholding ratio	Fair value	
UFLIC	<u>Shares</u> Hey-Song Corporation	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	4,551	\$ 181,812	1.13%	\$ 181,812	
	<u>Funds and beneficiary certificates</u> U.S. Investment Grade Bond Fund - Type A	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	4,000	37,562	-	37,562	
	Union APEC Balanced A	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	1,102	24,176	-	24,176	
	Union Utilities and Infrastructure Equity Income Fund - Type A	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	820	12,451	-	12,451	
	Union Taiwan Select Income Multi-asset Fund - Type A	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	3,893	45,392	-	45,392	
	Union Green Energy Private Equity Limited Partnership	—	Financial Assets Measured at Fair Value Through Profit or Loss	-	538,929	25.98%	538,929	
Union Information Technology Corporation (UIT)	<u>Shares</u> ELTA Technology Co., Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	3,537	273,073	13.33%	273,073	
	Union Securities Investment Corporation	<u>Shares</u> Fundrish Securities Co., Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	594	9,057	0.94%	9,057
<u>Funds and beneficiary certificates</u> Union Money Market Fund		Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	1,380	19,143	-	19,143	
Union Advantage Global Fixed Income Portfolio Fund		Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	1,068	15,194	-	15,194	
Union APEC Balanced A		Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	503	11,028	-	11,028	
Union Asia Non Investment Grade Bond Fund - A		Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	1,983	13,920	-	13,920	

(continued at next page)

(Cont')

Held by	Types and names of negotiable securities	Relationship with the negotiable securities issuers	Account	At the end of the period				Remark
				Shares/units	Book amount	Shareholding ratio	Fair value	
Union Venture Capital Co., Ltd.	Union Technology Fund	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	159	\$ 5,338	-	\$ 5,338	
	Union China Fund	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	98	6,300	-	6,300	
	Union Golden Balanced Fund	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	172	7,967	-	7,967	
	Union Taiwan Select Income Multi-asset Fund - Type A	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	143	1,669	-	1,669	
	U.S. Investment Grade Bond Fund - Type A	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	1,181	11,090	-	11,090	
	<u>Shares</u>							
	Greenway Environmental Technology Co., Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	1,100	234	1.96%	234	
	Hope Vision Co., Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	529	1,728	2.55%	1,728	
	RFD Micro Electricity Co., Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	10,127	279,723	14.24%	279,723	
	MaiCoin	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	429	102,340	0.93%	102,340	
Thermolysis Co.,Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	1,000	3,226	1.88%	3,226		
Corner Ventures DAG I-U, LLC (Delaware, US)	<u>Shares</u>							
	AnyRoad Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	7	USD 37	-	USD 37	
	Assemble Stream, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	32	USD 8	-	USD 8	
	Adanate, Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	5	USD 12	-	USD 12	
	Cargomatic, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	19	USD 142	-	USD 142	
	Engageli. Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	170	USD 369	-	USD 369	
	FINDEM, INC.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	4	USD 36	-	USD 36	

(continued at next page)

(Cont')

Held by	Types and names of negotiable securities	Relationship with the negotiable securities issuers	Account	At the end of the period				Remark
				Shares/units	Book amount	Shareholding ratio	Fair value	
	Garuda Labs, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	14	USD 343	-	USD 343	
	Get Fabric Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	1,536	USD 1,239	-	USD 1,239	
	Halcyon Tech, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	5,530	USD 3,302	-	USD 3,302	
	Healthy.io Limited	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	14	USD 144	-	USD 144	
		—	Financial Assets Measured at Fair Value Through Profit or Loss	36	USD 387	-	USD 387	
	Latigo Biotherapeutics, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	223	USD 351	-	USD 351	
	Melio Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	1,213	USD 480	-	USD 480	
	Nexar, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	83	USD 319	-	USD 319	
	Prismo Systems , Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	39	USD 10	-	USD 10	
	Solv Health, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	111	USD 483	-	USD 483	
	Travelier(fka Bookaway Ltd.)	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	53	USD 615	-	USD 615	
	Twin Health, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	159	USD 2,201	-	USD 2,201	
	Underdog Sports, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	8	USD 83	-	USD 83	
	Corner Ventures(Cayman) LP	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	USD 89	-	USD 89	
	Folius Digital Opportunities Offshore,LTD	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	USD 77	-	USD 77	
	ParaFi Digital Opportunities International LP	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	USD 55	-	USD 55	
	ParaFi Private Opportunities LLC	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	USD 31	-	USD 31	
	Sybil Capital Fund I-B Feeder,LP	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	USD 242	-	USD 242	

(continued at next page)

(Cont')

Held by	Types and names of negotiable securities	Relationship with the negotiable securities issuers	Account	At the end of the period				Remark
				Shares/units	Book amount	Shareholding ratio	Fair value	
Corner Union LLC (Delaware, US)	<u>Shares</u> Healthy.io Limited	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	36	USD 385	-	USD 385	
Union Private Equity Co., Ltd.	<u>Beneficiary certificates</u> Union Green Energy Private Equity Limited Partnership	—	Financial Assets Measured at Fair Value Through Profit or Loss	4,300	49,015	2.01%	49,015	
	Union Green Energy I Private Equity Limited Partnership	—	Financial Assets Measured at Fair Value Through Profit or Loss	1,488	15,762	3.05%	15,762	
	Union Green Energy II Private Equity Limited Partnership	—	Financial Assets Measured at Fair Value Through Profit or Loss	2	12	16.67%	12	

Union Bank of Taiwan Co., Ltd.
Receivables from related parties amounting to at least NT\$300 million or 10% of the paid-in capital
June 30, 2025

Table 4

In NTD thousand (Foreign Currency)

Company accounted for accounts receivable	Counterparty	Relationship	Balance of receivable from related party	Turnover Rate	Overdue receivables from related party		Amounts received in subsequent period	Amount of allowance for doubtful accounts provided
					Amount	Actions Taken		
UFLIC	Union Capital (Singapore) Holding PTE. Ltd.	Group subsidiary	\$ 545,133 (JPY 2,627,225)	-	\$ -	-	\$ -	\$ -
UFLIC	Uflc Capital (Singapore) Holding PTE. Ltd.	Group subsidiary	1,146,157 (JPY 5,523,808)	-	-	-	-	-
UFLIC	Tian Ji Smart Energy Co., Ltd.	Group subsidiary	1,463,463	-	-	-	6,706	14,635
Union Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1 (Japan)	Group subsidiary	304,158 (JPY 1,465,865)	-	-	-	-	-
Uflc Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1 (Japan)	Group subsidiary	592,500 (JPY 2,855,504)	-	-	-	-	-

Union Bank of Taiwan Co., Ltd.
Overdue loans and accounts
June 30, 2025, December 31 and June 30, 2024

Table 5. Unit: In NTD thousand, %

Year Month		June 30, 2025					June 30, 2024				
Business\item		Amount of overdue loan	Total loans	Overdue ratio (Note 2)	Amount of allowance for doubtful accounts	Coverage ratio (Note 3)	Amount of nonperforming loans	Total loans	Overdue ratio	Amount of allowance for doubtful accounts	Coverage ratio
Corporate finance	Guarantee	\$ 514,009	\$ 204,007,339	0.25%	\$ 2,801,067	472.94%	\$ 924,528	\$ 185,245,402	0.50%	\$ 2,717,806	267.14%
	Unsecured	78,260	41,851,999	0.19%			92,844	42,937,789	0.22%		
Consumer finance	Home mortgage (Note 4)	582,303	266,994,741	0.22%	3,355,423	576.23%	469,663	261,664,701	0.18%	3,268,069	695.83%
	Cash card	-	1,796	0.00%	60	-	74	3,029	2.44%	136	183.78%
	Small-scale credit loans (Note 5)	21,013	761,847	2.76%	107,906	513.52%	17,999	643,930	2.80%	70,977	394.34%
	Others (Note 6)	Guarantee	282,042	84,669,570	0.33%	1,111,000	296.19%	167,528	76,946,600	0.22%	996,823
	Unsecured	93,054	23,599,699	0.39%	79,598			21,536,722	0.37%		
Total loan		1,570,681	621,886,991	0.25%	7,375,456	469.57%	1,752,234	588,978,173	0.30%	7,053,811	402.56%
Business\item		Nonperforming Loan	Balance of Account Receivables	Ratio of Nonperforming Loan	Amount of allowance for doubtful accounts	Coverage ratio	Nonperforming Loan	Balance of Account Receivables	Ratio of Nonperforming Loan	Amount of allowance for doubtful accounts	Coverage ratio
Credit card business		\$ 46,154	\$ 22,891,919	0.20%	\$ 211,874	459.06%	\$ 59,751	\$ 26,917,821	0.22%	\$ 208,610	349.13%
Accounts receivable factored without recourse		-	-	-	-	-	-	-	-	-	-

Note 1: Nonperforming loans are reported to the authorities and disclosed to the public, as required by the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Non-accrued Loans."

Nonperforming credit card receivables are reported to the authorities and disclosed to the public, as required by the FSC (IV) dated July 6, 2005 (Ref. No. 0944000378).

Note 2: Ratio of nonperforming loans: Nonperforming loans ÷ Outstanding loan balance; Ratio of nonperforming credit card receivables: Nonperforming credit card receivables ÷ Outstanding credit card receivables balance.

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

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

Note 5: Based on the FSC (IV) dated December 19, 2005 (Ref. No. 09440010950), small-scale credit loans are unsecured, in small amounts and exclude credit cards and cash cards.

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

Note 7: As required by the Banking Bureau in its letter dated July 19, 2005 (Ref. No. 0945000494), accounts receivable factored without recourse are reported as nonperforming receivables within three months after the factors or insurance companies refuse to indemnify banks for any liabilities on these accounts.

Year Month		December 31 2024				
Business\item		Amount of overdue loan	Total loans	Overdue ratio (Note 2)	Amount of allowance for doubtful accounts	Coverage ratio (Note 3)
Corporate finance	Guarantee	\$ 426,597	\$ 197,849,485	0.22%	\$ 2,678,619	559.06%
	Unsecured	52,534	44,280,181	0.12%		
Consumer finance	Home mortgage (Note 4)	554,683	267,280,472	0.21%	3,356,661	605.15%
	Cash card	62	2,396	2.59%	134	216.13%
	Small-scale credit loans (Note 5)	18,048	714,625	2.53%	82,816	458.87%
	Others (Note 6)	198,568	81,718,401	0.24%	1,061,964	372.44%
Guarantee Unsecured	86,566	22,835,951	0.38%			
Total loan		1,337,058	614,681,511	0.22%	7,180,194	537.01%
		Nonperforming Loan	Balance of Account Receivables	Ratio of Nonperforming Loan	Amount of allowance for doubtful accounts	Coverage ratio
Credit card business		\$ 60,797	\$ 24,297,069	0.25%	\$ 211,536	347.94%
Accounts receivable factored without recourse		-	-	-	-	-

Not reported as nonperforming loans or nonperforming receivables

	June 30, 2025		December 31 2024		June 30, 2024	
	Not Reported as Nonperforming Loan	Not Reported as Nonperforming Receivable	Not Reported as Nonperforming Loan	Not Reported as Nonperforming Receivable	Not Reported as Nonperforming Loan	Not Reported as Nonperforming Receivable
Amounts of executed contracts on negotiated debts not reported as nonperforming loans and receivables (Note 1)	\$ 1,843	\$ 10,247	\$ 2,352	\$ 12,890	\$ 3,040	\$ 16,602
Amounts of discharged and executed contracts on clearance of consumer debts not reported as nonperforming loans and receivables (Note 2)	275,805	567,811	264,573	564,056	247,679	564,400
Total	277,648	578,058	266,925	576,946	250,719	581,002

Note 1: Amounts of executed contracts on negotiated debts that are not reported as nonperforming loans or receivables are reported in accordance with the FSC (I) dated April 25, 2006 (Ref. No. 09510001270)

Note 2: Amounts of discharged and executed contracts on clearance of consumer debts that are not reported as nonperforming loans or receivables of The Consumer Debt Clearance Statute are reported in accordance with the FSC (I) dated September 15, 2008 (Ref. No. 09700318940).

Union Bank of Taiwan Co., Ltd.
Information of the Re-investees
June 30, 2025

Table 6. Unit: unless otherwise specified, the amount are in thousand NTS (foreign currency), and the shares are in thousand shares

Investor	Investee Company (Note 1)	Location	Main Business and Product	Shareholding ratio at the end of the period	Book amount	Investment profit (loss) recognized in the year	Consolidated shareholding of the Company and affiliates (Note 1)				Remark
							Number of existing shares	Number of shares for fiction shareholding (Note 2)	Total		
									Number of shares	Shareholding ratio	
Union Bank of Taiwan Co., Ltd.	<u>Financial related business</u>										
	UFLIC	Taipei City	Installment, leasing and accounts receivable factoring	100.00%	\$ 3,393,617	\$ 84,746	226,000	-	226,000	100.00%	
	Union Finance International (HK) Limited	Hong Kong	Import and export financing	-	-	17,221	-	-	-	-	Note 3
	Union Securities Investment Trust Corporation (USITC)	Taipei City	Securities investment trust	99.60%	412,509	(4,533)	31,014	-	31,014	99.60%	
	Union Information Technology Corporation (UIT)	Taipei City	Software and hardware product retail and distribution, system programming development, system development outsourcing, website design, e-commerce, etc.	99.99%	380,621	29,398	9,999	-	9,999	99.99%	
	Union Venture Capital Co., Ltd.	Taipei City	Venture Investment	100.00%	1,436,587	(263,242)	140,000	-	140,000	100.00%	
	iPASS Corporation	Kaohsiung City	Electronic Stored Value Cards	33.17%	290,634	(5,082)	44,640	-	44,640	33.17%	Note 4
	Taiwan Asset Management Corporation	Taipei City	Financial Institution Creditor's Right (Money) Purchase Business, Process Financial Institution Creditor's Right(Money) Appraisal and Auction Business, and Credit Management Service for Financial Institutions	0.57%	82,619	-	6,000	-	6,000	0.57%	
	Taiwan Financial Asset Service Corporation	Taipei City	Fair Third Party Asset Auction Business and Process Financial Institution Creditor's Right(Money) Appraisal and Auction Business	2.94%	49,670	-	5,000	-	5,000	2.94%	
	Sunshine Asset Management Corporation Limited	Taipei City	Financial Institution Creditor's Right (Money) Purchase Business, Industrial and Commercial Credit Checking Service, Investment Consulting, Information Software Services, Data Processing Services, Electronic Information Supply Services, and General Advertisement Service	6.44%	4,165	-	386	-	386	6.44%	
	Taipei Forex Inc.	Taipei City	Foreign exchange trading, foreign currency offering, exchange transactions	0.81%	6,992	-	160	-	160	0.81%	
	Financial Information Service Co., Ltd.	Taipei City	Type II Telecommunications Business, Information Software Services, Data Processing Services, and Electronic Information Supply Services	2.61%	503,802	-	17,679	-	17,679	2.61%	
	Taiwan Depository & Clearing Corporation	Taipei City	Centralized Securities Depository Enterprise, Short-term Bill Centralized Custody and Settlement Institution, and Type II Telecommunications Business	0.25%	106,560	-	1,937	-	1,937	0.25%	
	Taiwan Futures Exchange	Taipei City	Futures Exchange and Futures Clearing Houses	2.04%	649,909	-	12,674	-	12,674	2.04%	
	Taiwan Mobile Payment Corporation	Taipei City	International Trade, Data Processing Services, and Electronic Information Supply Services	1.00%	3,524	-	600	-	600	1.00%	
	LINE Bank Taiwan Limited	Taipei City	Commercial Banking	5.00%	722,555	-	100,000	-	100,000	5.00%	
	<u>Non-financial related business</u>										
	Union Construction Management Co., Ltd.	Taipei City	Review and consultancy for commissioned constructions and plans	40.00%	51,888	(51)	2,000	-	2,000	40.00%	
	Li Yu Venture Corporation	Taipei City	Venture Investment	4.76%	2,592	-	391	-	391	4.76%	
	Lian An Service Corporation	Taipei City	Other Industrial and Commercial Services, Other Repair, Rental and Leasing, Wholesale of Precision Instruments, and Retail Sale of Precision Instruments	5.00%	1,573	-	125	-	125	5.00%	
Taiwan Power Corporation	Taipei City	Electric Power Generation, Electric Power Transmission, Electric Power Distribution, Electric Appliance Construction, Manpower Dispatched, Cable Installation Engineering, and Automatic Control Equipment Engineering,	-	1,133	-	395	-	395	-		

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(Cont')

Investor	Investee Company (Note 1)	Location	Main Business and Product	Shareholding ratio at the end of the period	Book amount	Investment profit (loss) recognized in the year	Consolidated shareholding of the Bank and affiliates (Note 1)				Remark
							Number of existing shares	Number of shares for fiction shareholding (Note 2)	Total		
									Number of shares	Shareholding ratio	
UFLIC	<u>Non-financial related business</u> Union Capital (Cayman) Corp.	Cayman Islands	Investment, overseas financing, equipment leasing, installment selling, acquisition of accounts receivable, etc.	100.00%	\$ 60,058 (JPY 289,445)	(\$ 359) (JPY 1,671)	50	-	50	100.00%	
	Union Capital (Singapore) Holding PTE. Ltd.	Singapore	Investment, overseas financing, equipment leasing, installment selling, acquisition of accounts receivable, etc.	100.00%	106,299 (JPY 512,297)	7,884 (JPY 36,658)	-	-	-	100.00%	Note 5
	Uflc Capital (Singapore) Holding PTE. Ltd.	Singapore	Investment, overseas financing, equipment leasing, installment selling, acquisition of accounts receivable, etc.	100.00%	87,183 (JPY 420,171)	9,827 (JPY 45,694)	-	-	-	100.00%	Note 5
Union Capital (Singapore) Holding PTE. Ltd.	<u>Non-financial related business</u> Kabushiki Kaisha UCJ1	Japan	Sale, purchasing and leasing of real estates, etc.	30.55%	94,930 (JPY 457,505)	2,080 (JPY 9,786)	9	-	9	30.55%	Note 5
	Tokutei Mokuteki Kaisha SSG15	Japan	A real estate securitized special purpose company	49.00%	153,498 (JPY 739,769)	8,295 (JPY 39,019)	Note 7	-	Note 7	49.00%	Note 5
Kabushiki Kaisha UCJ1	<u>Non-financial related business</u> Tokutei Mokuteki Kaisha SSG15	Japan	A real estate securitized special purpose company	51.00%	159,752 (JPY 769,912)	8,633 (JPY 40,612)	15	-	15	51.00%	Note 5
	Tokutei Mokuteki Kaisha SSG12	Japan	A real estate securitized special purpose company	51.00%	209,948 (JPY 1,011,826)	5,851 (JPY 27,526)	20	-	20	51.00%	Note 5
	Tokutei Mokuteki Kaisha SSG16	Japan	A real estate securitized special purpose company	51.00%	130,145 (JPY 627,224)	5,068 (JPY 23,843)	13	-	13	51.00%	Note 5
Uflc Capital (Singapore) Holding PTE. Ltd.	<u>Non-financial related business</u> Kabushiki Kaisha UCJ1	Japan	Sale, purchasing and leasing of real estates, etc.	69.45%	215,819 (JPY 1,040,121)	4,729 (JPY 22,248)	21	-	21	69.45%	Note 5
	Tokutei Mokuteki Kaisha SSG12	Japan	A real estate securitized special purpose company	49.00%	201,725 (JPY 972,197)	5,622 (JPY 26,447)	Note 8	-	Note 8	49.00%	Note 5
	Tokutei Mokuteki Kaisha SSG16	Japan	A real estate securitized special purpose company	49.00%	125,052 (JPY 602,677)	4,870 (JPY 22,908)	Note 6	-	Note 6	49.00%	Note 5
Union Securities Investment Trust Corporation (USITC)	<u>Financial related business</u> Union Private Equity Co., Ltd.	Taiwan	Investment and management of private equity	100.00%	77,815	15,425	3,000	-	3,000	100.00%	
	<u>Non-financial related business</u> Na He Yi Hau Electric Power Inc.	Taiwan	Power Generation, Transmission and Distribution, and Energy Technical Services	90.00%	135,454	12	14,940	-	14,940	90.00%	
Union Venture Capital Co., Ltd.	Corner Union Venture Capital, LLC.	United States	Overseas Investment Management Consulting	100.00%	353,763 (USD 11,831)	(14,469) (USD 456)	1,178	-	1,178	100.00%	
	Union Energy Co., Ltd.	Taiwan	General investment advisory and energy management	100.00%	(3,898)	23,262	1,674	-	1,674	100.00%	
	Blue Borders Medical and Health Management Consulting Co., Ltd.	Taiwan	Healthcare service	32.08%	112,581	(13,349)	14,500	-	14,500	32.08%	Note 4
	Ting Syu Energy Co., Ltd.	Taiwan	Power Generation, Transmission and Distribution, and Energy Technical Services	60.00%	608	5	60	-	60	60.00%	
	Bei Chen Electric Power Inc.	Taiwan	Power Generation, Transmission and Distribution, and Energy Technical Services	99.08%	85,863	3	10,800	-	10,800	99.08%	
	Hao Tian Electric Power Inc.	Taiwan	Power Generation, Transmission and Distribution, and Energy Technical Services	99.08%	106,337	(44)	10,800	-	10,800	99.08%	
	Feng Tai Electric Power	Taiwan	Power Generation, Transmission and Distribution, and Energy Technical Services	99.08%	107,039	(36)	10,800	-	10,800	99.08%	
Ting Jie Electric Power Inc.	Taiwan	Power Generation, Transmission and Distribution, and Energy Technical Services	90.00%	(203,827)	(215,255)	1,890	-	1,890	90.00%		

(continued at next page)

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Investor	Investee Company (Note 1)	Location	Main Business and Product	Shareholding ratio at the end of the period	Book amount	Investment profit (loss) recognized in the year	Consolidated shareholding of the Bank and affiliates (Note 1)				Remark
							Number of existing shares	Number of shares for fiction shareholding (Note 2)	Total		
									Number of shares	Shareholding ratio	
Union Energy Co., Ltd.	<u>Non-financial related business</u> Tian Ji Smart Energy Co., Ltd.	Taiwan	Power Generation, Transmission and Distribution, and Energy Technical Services	90.00%	\$ 374,386	\$ 23,140	33,904	-	33,904	90.00%	
Corner Union Venture Capital, LLC.	<u>Non-financial related business</u> Corner Ventures DAG I-U, LLC.	United States	Venture Investment	100.00%	342,335	(13,629)	-	-	-	100.00%	
	Corner Union, LLC.	United States	Venture Investment	100.00%	(USD 11,449)	(USD 429)	-	-	-	100.00%	
					(USD 11,269)	(USD 479)					
					(USD 377)	(USD 15)					

Note 1: Including the Bank, directors, president, vice president, and the existing shareholding or pro forma shareholding in the investees by the affiliates in line with the definition of the Company Act.

Note 2: (1) Pro forma shareholding refers to shares to be converted, under the conversion assumption, from the equity-type negotiable securities purchased, or the derivative contracts entered (but not converted to the equity for holding) that are linked to the equity of the re-investees, and for the reinvestment purpose specified in Article 74 of the Act under the agreed transaction conditions and the intentions of the bank for undertaking.

(2) The aforesaid "equity-type negotiable securities" refer to the negotiable securities specified in Article 11, the "Securities and Exchange Act Enforcement Rules," including convertible corporate bonds and warrants.

(3) The aforesaid "derivative contracts" refer to these meeting the definition of derivatives of IFRS 9, such as stock options.

Note 3: The company's registration was revoked on January 17, 2025 after approval by the Hong Kong registration office.

Note 4: Except that UFLIC recognized the profit and loss of investments based on the financial statements reviewed by CPAs on June 30th, 2025, other equity investment adopting the equity method are recognized for the investments based on the self-settled financial statement on June 30th, 2025.

Note 5: The investment profits and losses are recognized from the self-settled financial statements as of March 31st, 2025 by Union Capital (Singapore) Holding PTE. Ltd., Uflc Capital (Singapore) Holding PTE. Ltd., Kabushiki Kaisha UCJ1, Tokutei Mokuteki Kaisha SSG15, SSG12, and SSG16

Note 6: Refers to 1 share of common stock and 13 thousand shares of preferred stock.

Note 7: Refers to 1 share of common stock and 14 thousand shares of preferred stock.

Note 8: Refers to 1 share of common stock and 19 thousand shares of preferred stock.

Union Bank of Taiwan Co., Ltd.
Information of Major Shareholders
June 30, 2025

Table 7

Unit: thousand shares

Name of Major Shareholder	Shares			Shareholding ratio
	Number of shares		Total shares	
	Common stock	Preference shares		
Tsong-Li Investment Co., Ltd.	320,023,220	-	320,023,220	7.52%

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of common stock and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

Union Bank of Taiwan Co., Ltd.

Disclosure of the Securities
Department
First Half of 2025 and 2024

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Union Bank of Taiwan Co., Ltd.
Balance Sheet of the Securities Department
June 30, 2025, December 31 and June 30, 2024

Unit: NTD thousand

Code	Asset	June 30, 2025		December 31 2024		June 30, 2024	
		Amount	%	Amount	%	Amount	%
Current Assets							
111100	Cash and cash equivalents	\$ 700,200	14	\$ 700,200	15	\$ 730,200	13
113200	Financial assets measured at fair value through other comprehensive income (Notes V and XV)	2,124,651	43	2,145,971	44	2,405,321	42
114130	Accounts receivable, net (Note VI)	1,935,015	39	1,522,751	31	2,172,724	38
114150	Prepaid expenses	8,661	-	8,278	-	7,341	-
119000	Other current assets	<u>1,021</u>	<u>-</u>	<u>50,006</u>	<u>1</u>	<u>13,945</u>	<u>1</u>
110000	Total current assets	<u>4,769,548</u>	<u>96</u>	<u>4,427,206</u>	<u>91</u>	<u>5,329,531</u>	<u>94</u>
Non-current assets							
123300	Financial assets measured at amortized costs (Notes VII and XV)	-	-	-	-	600	-
129010	Operating bonds (Note VIII)	150,000	3	150,000	3	150,000	2
129020	Settlement and clearing fund (Note IX)	25,288	-	24,838	-	24,838	-
129030	Refundable deposits	36,225	1	36,225	1	36,225	1
129110	Internal Transactions (Note XIV)	-	-	230,936	5	152,794	3
129990	Other non-current assets - others	<u>1,003</u>	<u>-</u>	<u>166</u>	<u>-</u>	<u>-</u>	<u>-</u>
120000	Total non-current asset	<u>212,516</u>	<u>4</u>	<u>442,165</u>	<u>9</u>	<u>364,457</u>	<u>6</u>
906001	TOTAL	<u>\$ 4,982,064</u>	<u>100</u>	<u>\$ 4,869,371</u>	<u>100</u>	<u>\$ 5,693,988</u>	<u>100</u>
LIABILITIES AND EQUITY							
Current Liabilities							
214010	Liabilities of bonds under repurchase agreement (Note X)	\$ 1,137,457	23	\$ 2,392,536	49	\$ 2,648,586	47
214130	Accounts payable (Note XI)	1,923,103	38	1,514,180	31	2,169,168	38
214160	Collection for others	3,667	-	50,760	1	5,218	-
214170	Other accounts payable	<u>38,898</u>	<u>1</u>	<u>59,447</u>	<u>1</u>	<u>52,581</u>	<u>1</u>
210000	Total current liabilities	<u>3,103,125</u>	<u>62</u>	<u>4,016,923</u>	<u>82</u>	<u>4,875,553</u>	<u>86</u>
Non-current liabilities							
229110	Internal Transactions (Note XIV)	<u>1,080,922</u>	<u>22</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
220000	Toto non-current liabilities	<u>1,080,922</u>	<u>22</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
906003	Total liabilities	<u>4,184,047</u>	<u>84</u>	<u>4,016,923</u>	<u>82</u>	<u>4,875,553</u>	<u>86</u>
EQUITY							
301110	Appropriated operating capital	840,000	17	840,000	18	870,000	15
304000	Cumulative surplus	26,317	-	99,829	2	51,850	1
Other equity							
305140	Net gains on financial assets at fair value through other comprehensive income	(<u>68,300</u>)	(<u>1</u>)	(<u>87,381</u>)	(<u>2</u>)	(<u>103,415</u>)	(<u>2</u>)
906004	TOTAL	<u>798,017</u>	<u>16</u>	<u>852,448</u>	<u>18</u>	<u>818,435</u>	<u>14</u>
906002	TOTAL LIABILITIES AND EQUITY	<u>\$ 4,982,064</u>	<u>100</u>	<u>\$ 4,869,371</u>	<u>100</u>	<u>\$ 5,693,988</u>	<u>100</u>

The attached notes are the integral part the Financial Statement.

Chairperson: Lin Hung-Lian;

Manager: Hsu Wei-Wen;

Accounting Officer: Lu Wen-Chuan

Union Bank of Taiwan Co., Ltd.
Statement of Comprehensive Income of the Securities Department
January 1 to June 30, 2025 and 2024

Unit: NTD thousand

Code		January 1 to June 30, 2025		January 1 to June 30, 2024	
		Amount	%	Amount	%
	Net income				
401000	Income from brokerage fees - net	\$ 121,566	84	\$ 159,186	85
404000	Income from underwriting business	211	-	311	-
421200	Interest income	6,243	4	9,726	5
424100	Income from commissions of futures	1,283	1	844	1
428000	Other operating income	16,371	11	16,733	9
425300	Expected reversal gains from credit impairment	48	-	120	-
400000	Total income	<u>145,722</u>	<u>100</u>	<u>186,920</u>	<u>100</u>
	Expenditures and expenses				
501000	Brokerage expense	10,230	7	12,855	7
521200	Financial cost	1,796	1	1,817	1
531000	Employee benefit expense (Notes XII)	70,692	48	73,009	39
532000	DEPRECIATION AND AMORTIZATION	8,167	6	6,385	3
533000	Other operation expenses (Note XIII)	<u>44,643</u>	<u>31</u>	<u>48,435</u>	<u>26</u>
500000	Total expenditures and expenses	<u>135,528</u>	<u>93</u>	<u>142,501</u>	<u>76</u>
602000	Other gain and loss	<u>22,703</u>	<u>16</u>	<u>20,393</u>	<u>11</u>
902001	Net profit before tax	32,897	23	64,812	35
701000	Income tax expense	<u>6,580</u>	<u>5</u>	<u>12,962</u>	<u>7</u>
902005	Current net profit	<u>26,317</u>	<u>18</u>	<u>51,850</u>	<u>28</u>
	Other comprehensive income				
805600	Items that may be reclassified subsequently to profit or loss				
805615	Net unrealized profit (loss) from investments of the debt instruments measured at fair value through other comprehensive income	<u>19,081</u>	<u>13</u>	(<u>16,451</u>)	(<u>9</u>)
805000	Sum of other comprehensive income	<u>19,081</u>	<u>13</u>	(<u>16,451</u>)	(<u>9</u>)
902006	TOTAL CURRENT COMPREHENSIVE INCOME	<u>\$ 45,398</u>	<u>31</u>	<u>\$ 35,399</u>	<u>19</u>

The attached notes are the integral part the Financial Statement.

Chairperson: Lin Hung-Lian;

Manager: Hsu Wei-Wen;

Accounting Officer: Lu Wen-Chuan

Union Bank of Taiwan Co., Ltd.
Notes to the Financial Statement of the Securities Department
January 1 to June 30, 2025 and 2024
(In NTD thousand, unless specified otherwise)

I. History and Business Scope of the Securities Department

The Securities Department of the Bank commence the business officially on July 27, 1994, and obtained the permit of securities dealer for proprietary trading business of various bonds and the permit for futures introducing broker business by Securities Firms on August 11, 2010 and August 9, 1999, respectively; the major businesses include: trading negotiable securities in the stock exchange or OTC, and proprietary trading of various bonds and securitized products OTC (limited to the fixed-income negotiable securities). As of June 30th, 2025 and 2024, the appropriated operating capitals were NT\$840,000 thousand and NT\$870,000 thousand.

To cope with the division of expertise and changes in the financial environment, in order to achieve the goal of cross-industry comprehensive operating efficiency, and thereby improve the competitiveness and operating performance, upon the resolution adopted in the board meeting on August 26, 2024, according to the Article 36-1 of Business Mergers and Acquisitions Act, the Company Act, and other relevant regulations, the Company approved to split the securities brokerage and futures introducing broker businesses and securities business, from the securities business other than the bond proprietary trading business, to established the wholly-owned securities subsidiary, "Union Securities Investment Trust Co., Ltd." which issues shares to the Company. The Company will become the only shareholder of the securities subsidiary. This split of the newly established securities subsidiary shall be approved by the competent authority in advance. If anything not mentioned in the base date of the split, business scope, amount (including assets and liabilities), and the proposal for the split, or the competent authority requires amendments pursuant to the related laws and regulations and the adjustments are necessary, the Board of Directors has the full authority to handle such adjustments.

As of June 30th, 2025 and 2024, there were 135 and 137 employees of the Securities Department, respectively.

II. Date and Procedures Passing the Financial Statements

The Financial Statements of the Securities Department were submitted to, approved by the board of directors on August 25th, 2025 before releasing.

III. Standards Recently Published or Amended, and the Applications of the Interpretations

Please refer to Note III of the Bank's Parent Company Only Financial Statements for the first half of 2025.

IV. Summaries of the Material Accounting Policies

(I) Statement of Compliance

The Financial Statements of the Securities Department were prepared pursuant to the Regulations Governing the Preparation of Financial Statements by Securities Firms. The Financial Statements of the Securities Department do not include all the IFRSs disclosure information required for the full-year Parent Company Only Financial Statements.

(II) Other material accounting policies

The accounting policies adopted by the Securities Department in are the same as the 2024 Financial Statements of the Securities Department.

V. Financial assets measured at fair value through other comprehensive income – current

	June 30, 2025	December 31 2024	June 30, 2024
Domestic corporate bonds	\$ 1,010,077	\$ 1,147,513	\$ 1,414,961
Domestic government bonds	<u>1,114,574</u>	<u>998,458</u>	<u>990,360</u>
	<u>\$ 2,124,651</u>	<u>\$ 2,145,971</u>	<u>\$ 2,405,321</u>

The Securities Department had sold NT\$2,405,321 thousand, NT\$2,145,971 and NT\$2,405,321 thousand of its financial assets at FVTOCI under a repurchase agreement on June 30, 2025, December 31 and June 30, 2024, respectively.

VI. Accounts Receivable, Net

	June 30, 2025	December 31 2024	June 30, 2024
Delivery payment receivable - entrusted transactions	\$ 1,885,892	\$ 1,205,517	\$ 1,996,769
Accounts receivable	-	2	-
Proceed of delivery	41,760	309,991	167,840
Interest receivable	<u>7,363</u>	<u>7,241</u>	<u>8,115</u>
	<u>\$ 1,935,015</u>	<u>\$ 1,522,751</u>	<u>\$ 2,172,724</u>

VII. Financial Assets Measured at Amortized Costs

	June 30, 2025	December 31 2024	June 30, 2024
Debt instruments			
Domestic government bonds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 600</u>

The Securities Department has not offer to sell financial assets measured at amortized costs with repurchase agreement conditions as of June 30 2025, December 31 and June 30, 2024.

VIII. Operation Bonds

	June 30, 2025	December 31 2024	June 30, 2024
Operation bonds from securities brokers	\$ 90,000	\$ 90,000	\$ 90,000
Operation bonds from futures brokers	50,000	50,000	50,000
Operation bonds from securities dealers	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 150,000</u>

Pursuant to the “Regulations Governing Securities Firms” and the “Regulations Governing Futures Commission Merchants,” after a securities firm complete the company registration, it shall lodge an operation bond with a bank designated by the FSC. The Bank's securities department has deposited NT\$150,000 thousand as operating guarantee for the face value of the government bonds.

IX. Settlement and Clearing Fund

	June 30, 2025	December 31 2024	June 30, 2024
Settlement and clearing fund at TWSE	\$ 14,280	\$ 13,298	\$ 13,298
TPEX settlement and clearing fund	<u>11,008</u>	<u>11,540</u>	<u>11,540</u>
	<u>\$ 25,288</u>	<u>\$ 24,838</u>	<u>\$ 24,838</u>

The settlement and clearing fund deposited at TWSE and TPEX as required. The fund is deposited in a dedicate account for custody, and utilized and accrues interests as provided in the Securities and

Exchange Act. The interests generated are settled every six months and paid at once after deducting the related expenses and taxes.

X. Liabilities of Bonds Under Repurchase Agreement

	June 30, 2025	December 31 2024	June 30, 2024
Corporate bonds	\$ 403,814	\$ 2,184,536	\$ 1,507,070
Government bonds	<u>733,643</u>	<u>208,000</u>	<u>1,141,516</u>
	<u>\$ 1,137,457</u>	<u>\$ 2,392,536</u>	<u>\$ 2,648,586</u>
Maturity date	July - December 2025	January - March 2025	July - September 2025
Agreed repurchase price	<u>\$ 1,141,429</u>	<u>\$ 2,398,272</u>	<u>\$ 2,651,348</u>

XI. Accounts Payable

	June 30, 2025	December 31 2024	June 30, 2024
Delivery payment payable - entrusted transactions	\$ 1,447,412	\$ 1,307,077	\$ 1,822,458
Proceed of delivery	472,318	203,996	344,999
Others	<u>3,373</u>	<u>3,107</u>	<u>1,711</u>
	<u>\$ 1,923,103</u>	<u>\$ 1,514,180</u>	<u>\$ 2,169,168</u>

XII. Employee Benefits

	January 1 to June 30, 2025	January 1 to June 30, 2024
Salaries and wages	\$ 55,730	\$ 58,727
Labor insurance and national health insurance	6,636	6,420
Pension expenses	3,778	3,721
Other employee benefits	<u>4,548</u>	<u>4,141</u>
	<u>\$ 70,692</u>	<u>\$ 73,009</u>

XIII. Other Operation Expenses

	January 1 to June 30, 2025	January 1 to June 30, 2024
Debt interest expenses of bonds under repurchase agreement	\$ 14,394	\$ 17,586
Computer information expense	7,418	6,144
Postage/cable charge	3,308	3,096
Repair and maintenance expense	4,374	4,057
Taxes and levies	2,872	3,628
Centralized custody service fee	2,781	3,506
Others	<u>9,496</u>	<u>10,418</u>
	<u>\$ 44,643</u>	<u>\$ 48,435</u>

XIV. Transactions with Related Parties

(I) Related parties and their relationships with the Company	<u>Related Party</u>	<u>Relationship with the Company</u>
	Union Bank of Taiwan Co., Ltd. (Union Bank of Taiwan)	The head office and branches of the Company

(II) Material transactions with related parties

Related Party	Account	June 30, 2025	December 31 2024	June 30, 2024
Union Bank of Taiwan	Balance of (credit) debit of internal transactions	(\$ 1,080,922)	\$ 230,936	\$ 152,794

For the entrusted transactions of negotiable securities between the Bank's Securities Department and the Finance Department, the brokerage fees generated are automatically adjusted as the internal transactions; the transaction prices are not materially different from general customers.

XV. Disclosure of Financial Products

(I) Information on fair value - financial instruments not measured at fair value

Other than the items in the following table, the financial assets and liabilities of Bank's Securities Department not measured at fair value have the carrying amounts approximate to their fair values, or the fair values cannot be measured reliably:

	June 30, 2025		December 31 2024		June 30, 2024	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
<u>Assets</u>						
Financial assets measured at amortized costs	\$ -	\$ -	\$ -	\$ -	\$ 600	\$ -

The aforesaid fair values are measured as follows:

Assets	June 30, 2025			
	Total	Level 1	Level 2	Level 3
Financial assets				
Financial assets measured at amortized costs	\$ -	\$ -	\$ -	\$ -

Assets	December 31 2024			
	Total	Level 1	Level 2	Level 3
Financial assets				
Financial assets measured at amortized costs	\$ -	\$ -	\$ -	\$ -

Assets	June 30, 2024			
	Total	Level 1	Level 2	Level 3
Financial assets				
Financial assets measured at amortized costs	\$ -	\$ -	\$ -	\$ -

(II) The Bank's Securities Department adopts the following methods and assumptions to estimate the fair values of financial products.

- The fair values of short-term financial products are estimated with their carrying values on the balance sheet. Since such products have very short maturities, their carrying values shall be a reasonable basis for estimating the fair values. This method is applied to cash and cash equivalents, accounts receivable - net, other financial assets, other current assets, internal transactions, accounts payable, collection for others, other payables (excluding the tax payables) and other current liabilities.
- Operation bonds, settlement and clearing funds and refundable deposits mostly bear interests, with moderate effect of discounted value; thus, their fair values are estimated as their carrying amounts.

- (III) As of June 30, 2025, December 31 and June 30, 2024, the financial instruments of the Bank's Securities Department measured at fair value on the recurring basis have the following fair value hierarchies:

Unit: NTD thousand

Asset and liability items	June 30, 2025			
	Total	Level 1	Level 2	Level 3
<u>Measured at fair value on a recurring basis</u>				
<u>Nondervivative financial instruments</u>				
Assets				
Financial Assets Measured at Fair Value Through Other Comprehensive Income				
Bond investment	\$ 2,124,651	\$ -	\$ 2,124,651	\$ -

Asset and liability items	December 31 2024			
	Total	Level 1	Level 2	Level 3
<u>Measured at fair value on a recurring basis</u>				
<u>Nondervivative financial instruments</u>				
Assets				
Financial Assets Measured at Fair Value Through Other Comprehensive Income				
Bond investment	\$ 2,145,971	\$ -	\$ 2,145,971	\$ -

Asset and liability items	June 30, 2024			
	Total	Level 1	Level 2	Level 3
<u>Measured at fair value on a recurring basis</u>				
<u>Nondervivative financial instruments</u>				
Assets				
Financial Assets Measured at Fair Value Through Other Comprehensive Income				
Bond investment	\$ 2,405,321	\$ -	\$ 2,405,321	\$ -

Please refer to Note XLVI of the Bank's Parent Company Only Financial Statements for the definitions of fair value hierarchies.

During January 1 to June 30, 2025 and 2024, there was no material transfer between Level 1 and Level 2.

(IV) Information of Financial Risk

1. Market risks

The transactions of the Bank's Securities Department are measured at fair value, and may be increased or decreased based on the changes in valuation parameters, such as market price of the underlying products, market interest rates, or maturities, and hedged strategically to reduce the exposures to risks.

2. Credit risk

The credit risks of the Bank's Securities Department come from the entrusted transactions of negotiable securities, and the risks of default by the bond issuers or transaction counterparties. Before engaging in entrusted transactions or tradings, the Bank's Securities Department assesses the credit profiles of the counterparties, and cites the external credit ratings as the reference timely. For the counterparties or customers with different ratings, the defined transaction limits are assigned to control the loss from default in an extreme circumstance.

Debt instruments that the Securities Department invested in have been further split into two categories, financial assets at FVTOCI and financial assets at amortized cost:

June 30, 2025

	At fair value through other comprehensive income	At amortized costs	Total
Total carrying amount	\$ 2,193,191	\$ -	\$ 2,193,191
Loss allowance	(240)	-	(240)
Fair value adjustment	(68,300)	-	(68,300)
	<u>\$ 2,124,651</u>	<u>\$ -</u>	<u>\$ 2,124,651</u>

December 31 2024

	At fair value through other comprehensive income	At amortized costs	Total
Total carrying amount	\$ 2,333,640	\$ -	\$ 2,333,640
Loss allowance	(288)	-	(288)
Fair value adjustment	(187,381)	-	(187,381)
	<u>\$ 2,145,971</u>	<u>\$ -</u>	<u>\$ 2,145,971</u>

June 30, 2024

	At fair value through other comprehensive income	At amortized costs	Total
Total carrying amount	\$ 2,509,095	\$ 600	\$ 2,509,695
Loss allowance	(359)	-	(359)
Fair value adjustment	(103,415)	-	(103,415)
	<u>\$ 2,405,321</u>	<u>\$ 600</u>	<u>\$ 2,405,921</u>

The Securities Department continuously monitors the external credit rating information and price movements of the debt instruments invested in to assess whether their credit risks have significantly increased since initial recognition.

The Securities Department takes into consideration the multi-period default probability table for each ratings of securities issued by credit rating agencies and the recovery rates of different types of bonds to assess the 12-month expected credit losses or lifetime expected credit losses. The carrying values of financial assets at FVTOCI and at amortized cost sorted by credit rating are as follows:

Credit Risk Ratings	Terms and definitions	ECL Recognition Basis	Expected Credit Loss Rate	June 30, 2025 Carrying amount (Including Premiums and Discounts)
Low credit risk	Low credit risk at the reporting date	12-month expected credit losses	0.00%-0.48%	\$ 2,124,651
Significant increase in credit risk	Credit risk has increased significantly since initial recognition	Lifetime expected credit losses (no credit impairment)	(Note)	-
Default	Evidence of impairment at the reporting date	Lifetime expected credit losses (with credit impairment)	100%	-

Credit Risk Ratings	Terms and definitions	ECL Recognition Basis	Expected Credit Loss Rate	December 31 2024 Carrying amount (Including Premiums and Discounts)
Low credit risk	Low credit risk at the reporting date	12-month expected credit losses	0.00%-0.51%	\$ 2,145,971
Significant increase in credit risk	Credit risk has increased significantly since initial recognition	Lifetime expected credit losses (no credit impairment)	(Note)	-
Default	Evidence of impairment at the reporting date	Lifetime expected credit losses (with credit impairment)	100%	-

Credit Risk Ratings	Terms and definitions	ECL Recognition Basis	Expected Credit Loss Rate	June 30, 2024 Carrying amount (Including Premiums and Discounts)
Low credit risk	Low credit risk at the reporting date	12-month expected credit losses	0.00%-0.2170%	\$ 2,405,921
Significant increase in credit risk	Credit risk has increased significantly since initial recognition	Lifetime expected credit losses (no credit impairment)	(Note)	-
Default	Evidence of impairment at the reporting date	Lifetime expected credit losses (with credit impairment)	100%	-

Note: Not applicable as the credit rating of investment in debt instruments was normal as of June 30, 2025, December 31 and June 30, 2024.

The following table shows changes in balances of loss allowances of financial assets at FVTOCI and debt instruments at amortized cost, sorted by credit risk ratings

	Credit Rating		
	Low credit risk (12-month expected credit losses)	Significant increase in credit risk (lifetime expected credit losses without credit impairment)	With objective evidence of impairment Lifetime expected credit losses (with credit impairment)
Balance at January 1, 2025	\$ 288	\$ -	\$ -
Changes in credit risk ratings			
- Low credit risk to significant increase in credit risk	-	-	-
- Significant increase in credit risk to default	-	-	-
New debt instruments purchased	-	-	-
Derecognition	-	-	-
Changes in risk or model parameters	-	-	-
Exchange rate and other changes	(48)	-	-
Loss allowance on June 30, 2025	\$ 240	\$ -	\$ -

	Credit Rating		
	Low credit risk (12-month expected credit losses)	Significant increase in credit risk (lifetime expected credit losses without credit impairment)	With objective evidence of impairment Lifetime expected credit losses (with credit impairment)
Balance at January 1, 2024	\$ 479	\$ -	\$ -
Changes in credit risk ratings			
- Low credit risk to significant increase in credit risk	-	-	-
- Significant increase in credit risk to default	-	-	-
New debt instruments purchased	-	-	-
Derecognition	(45)	-	-
Changes in risk or model parameters	(75)	-	-
Exchange rate and other changes	-	-	-
Loss allowance on June 30, 2024	<u>\$ 359</u>	<u>\$ -</u>	<u>\$ -</u>

3. Liquidity Risks

The tradings engaged in by the Securities Department are with certain liquidity in the markets, and thus the risk is low. Of which, the positions of negotiable securities held for each trading target are limited.

XVI. Information Related to Material Transactions

- (I) Loans provided for others: none
- (II) Endorsement/guarantee provided: none
- (III) Acquisition of individual real estate at costs of NT\$100 million or 20% of the paid-in capital or more: none
- (IV) Disposal of individual real estate at costs of NT\$100 million or 20% of the paid-in capital or more: none
- (V) Allowance of service fees to related parties amounting to at least NT\$5 million: None
- (VI) Accounts receivable from related parties for NT\$100 million or 20% of the paid-in capital or more: none

XVII. Information of the re-investees: None.

XVIII. Investment in Mainland China: None.

Union Bank of Taiwan Co., Ltd.
The Securities Department's financial assets through other comprehensive income - liquidity details
June 30, 2025

Detail Table 1

Unit: thousand NTD/ face value thousand NTD, but the unit price is NTD

Name of negotiable securities	Maturity date	Interest rate %	Face value	Accumulated impairment	Acquisition costs		Fair value	
					Unit price	Amount	Unit price	Amount
Government bonds								
2019 Central Bond A 9	2029/10/14	0.63%	\$ 300,000	\$ -	100.6260	\$ 301,878	96.9773	\$ 290,932
2020 Central Bond A 3	2030/02/21	0.50%	450,000	-	100.2470	451,111	96.1430	432,643
2020 Municipal Bond of Kaohsiung City4	2030/04/15	0.60%	200,000	-	99.9997	200,000	94.2564	188,513
Others (Note 2)			<u>100,000</u>	<u>-</u>		<u>100,000</u>		<u>97,989</u>
			<u>1,050,000</u>	<u>-</u>		<u>1,052,989</u>		<u>1,010,077</u>
Corporate bonds								
P09 TSMC 5B	2027/09/03	0.58%	300,000	37	100.0330	300,099	98.1686	294,506
P09 Taipower 5B	2027/12/15	0.66%	500,000	125	500.0000	500,000	484.4805	484,481
Others (Note 2)			<u>340,000</u>	<u>78</u>		<u>340,103</u>		<u>335,587</u>
			<u>1,140,000</u>	<u>240</u>		<u>1,140,202</u>		<u>1,114,574</u>
			<u>\$ 2,190,000</u>	<u>\$ 240</u>		<u>\$ 2,193,191</u>		<u>\$ 2,124,651</u>

Note 1: The traded amount offered for the repurchase agreement condition is NT\$2,405,321 thousand.

Note 2: None of the item reaches 5% of the account balance.

Union Bank of Taiwan Co., Ltd.

Detail Table for the Securities Department's Liabilities of Bonds under Repurchase Agreement

June 30, 2025

Detail Table 2

Unit: NTD thousand

Name of securities	Transaction terms			Face value	Concluded amount
	Starting day	Maturity date	Interest rate %		
Government bonds					
2019 Central Bond A 9	2025.06.17	2025.12.17	0.86%~1.15%	\$ 173,000	\$ 189,479
2020 Central Bond A 3	2025.06.04	2025.10.02	0.91%~1.15%	249,100	273,202
2020 Municipal Bond of Kaohsiung City4	2025.06.20	2025.07.24	1%	195,300	212,259
2020 Municipal Bond of Kaohsiung City3	2025.06.04	2025.12.17	0.94%~1.13%	<u>54,500</u>	<u>58,703</u>
				<u>671,900</u>	<u>733,643</u>
Corporate bonds					
P09 TSMC 5B	2025.03.10	2025.07.01	1.48%	49,400	54,285
P09 Taiwan Mobile 2	2025.03.10	2025.07.01	1.48%~1.57%	64,700	71,098
P09 Taipower 5B	2025.03.10	2025.08.11	1.43%~1.57%	162,800	176,313
P09 TA YA 1	2025.06.02	2025.07.01	1.57%	40,000	42,000
P09 Radium 2	2025.06.04	2025.07.01	1.56%	<u>58,100</u>	<u>60,118</u>
				<u>375,000</u>	<u>403,814</u>
Total				<u>\$ 1,046,900</u>	<u>\$ 1,137,457</u>

Note : None of the balance of item reaches 5% of the account balance.

Union Bank of Taiwan Co., Ltd.
Statement of Income by Business, the Securities Department
January 1 to June 30, 2025

Detail Table 3

Unit: NTD thousand

Item	Broker		Dealer		Total	%
	Amount	%	Amount	%		
Profit (loss) directly attributable to the business						
Operating income						
Income from brokerage fees	\$ 121,566	87	\$ -	-	\$ 121,566	84
Income from underwriting business	211	-	-	-	211	-
Interest income	-	-	6,243	100	6,243	4
Income from commissions of futures	1,283	1	-	-	1,283	1
Other operating income	16,371	12	-	-	16,371	11
Expected credit reversal gains	48	-	-	-	48	-
Total	<u>139,479</u>	<u>100</u>	<u>6,243</u>	<u>100</u>	<u>145,722</u>	<u>100</u>
Operating expenses						
Brokerage expense	10,230	7	-	-	10,230	7
Financial cost	1,796	1	-	-	1,796	1
Employee Benefits	64,832	47	5,860	94	70,692	48
DEPRECIATION AND AMORTIZATION	8,167	6	-	-	8,167	6
Other operation expenses	29,904	21	14,739	236	44,643	31
Total	<u>114,929</u>	<u>82</u>	<u>20,599</u>	<u>330</u>	<u>135,528</u>	<u>93</u>
Profit (loss) by business	<u>24,550</u>	<u>18</u>	<u>(14,356)</u>	<u>(230)</u>	<u>10,194</u>	<u>7</u>
Other gain and loss	<u>22,655</u>	<u>16</u>	<u>48</u>	<u>1</u>	<u>22,703</u>	<u>16</u>
Net profit before tax	47,205	34	(14,308)	(229)	32,897	23
Income tax expense	<u>9,441</u>	<u>7</u>	<u>(2,861)</u>	<u>(46)</u>	<u>6,580</u>	<u>5</u>
Current net profit	37,764	27	(11,447)	(183)	26,317	18
Other comprehensive income	<u>-</u>	<u>-</u>	<u>19,081</u>	<u>305</u>	<u>19,081</u>	<u>13</u>
Comprehensive gains for the period	<u>\$ 37,764</u>	<u>27</u>	<u>\$ 7,634</u>	<u>122</u>	<u>\$ 45,398</u>	<u>31</u>

Union Bank of Taiwan Co., Ltd.
 Detail Table of Brokerage Fee Income of the Securities Department
 January 1 to June 30, 2025

Detail Table 4

Unit: NTD thousand

Month	Brokerage Fee			
	Entrust transactions in centralized trading markets	Entrust transactions over the counter	Fees of securities lending	Subtotal
I	\$ 26,136	\$ 7,465	\$ 58	\$ 33,659
II	35,470	10,917	35	46,422
III	35,563	12,986	249	48,798
IV	32,157	8,819	65	41,041
V	34,171	10,778	20	44,969
VI	<u>35,881</u>	<u>11,951</u>	<u>43</u>	<u>47,875</u>
Total	<u>\$ 199,378</u>	<u>\$ 62,916</u>	<u>\$ 470</u>	<u>\$ 262,764</u>

Union Bank of Taiwan Co., Ltd.
 Detail Table for Discounted Brokerage Fee of the Securities Department
 January 1 to June 30, 2025

Detail Table 5

Unit: NTD thousand

Month	Centralized market	OTC	Subtotal
I	\$ 13,978	\$ 3,971	\$ 17,949
II	18,786	6,083	24,869
III	19,066	7,394	26,460
IV	16,345	4,922	21,267
V	18,026	6,126	24,152
VI	<u>19,750</u>	<u>6,751</u>	<u>26,501</u>
Total	<u>\$ 105,951</u>	<u>\$ 35,247</u>	<u>\$ 141,198</u>

Union Bank of Taiwan Co., Ltd.
 Detail Table for Interest Income of the Securities Department
 January 1 to June 30, 2025

Detail Table 6

Unit: NTD thousand

Item	Amount
Interest income from investments in bonds	
Interests from financial assets measured at fair value through other comprehensive income	\$ 5,532
Interests from financial assets measured at amortized costs	<u>711</u>
	<u>\$ 6,243</u>

Union Bank of Taiwan Co., Ltd.
Detail Table for Operating Expenses of the Securities Department
January 1 to June 30, 2025 and 2024

Detail Table 7

Unit: NTD thousand

Item	January 1 to June 30, 2025	January 1 to June 30, 2024
Employee Benefits		
Salaries and wages	\$ 55,730	\$ 58,727
Labor insurance and national health insurance	6,636	6,420
Pension expenses	3,778	3,721
Others (Note)	<u>4,548</u>	<u>4,141</u>
	<u>70,692</u>	<u>73,009</u>
Depreciation and amortization		
Depreciation expense	4,391	2,830
Amortization expense	<u>3,776</u>	<u>3,555</u>
	<u>8,167</u>	<u>6,385</u>
Other operation expenses		
Debt interest expenses of bonds under repurchase agreement	14,394	17,586
Computer information expense	7,418	6,144
Postage/cable charge	3,308	3,096
Repair and maintenance expense	4,374	4,057
Tax and levies	2,872	3,628
Centralized custody service fee	2,781	3,506
Others (Note)	<u>9,496</u>	<u>10,418</u>
	<u>44,643</u>	<u>48,435</u>
Total	\$ <u>123,502</u>	\$ <u>127,829</u>

Note 1: There were 135 and 137 employees of the Securities Department, respectively for the first half of this and the previous year.

Note 2: None of the item reaches 5% of the account balance.

**Union Bank of Taiwan Co., Ltd.
and Subsidiaries**

**Consolidated Financial Statements
and the Independent Auditors’
Review Report**

The Second Quarter, 2025 and 2024

Address: 1F and 2F, No.109, Sec. 3, Minsheng E. Rd., Songshan District, Taipei City
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Independent Auditors' Review Report

To: The Board of Directors and Stockholders Union Bank of Taiwan

Foreword

We have reviewed the accompanying consolidated financial statements of Union Bank of Taiwan (the "Bank") and its subsidiaries (collectively, the "Group"), which comprise the consolidated balance sheets as of June 30th, 2025 and 2024, and April 1st to June 30th, 2025 and 2024, as well as the consolidated statements of comprehensive income, changes in equity and cash flows for January 1st to June 30th, 2025 and 2024, and the notes to the consolidated financial statements, including a summary of significant accounting policies. Pursuant to the "Regulations Governing the Preparation of Financial Statements by Public Banks," "Regulations Governing the Preparation of Financial Statements by Securities Firms," and the International Accounting Standards ("IAS") No. 34 "Interim Financial Statementing," recognized, released and effected by the Financial Supervisory Committee, preparing the Consolidated Financial Statements fairly presented is the responsibility of the management; our responsibility is to conclude the Consolidated Financial Statements based on the review results.

Scope

We conducted the review in accordance with the "Review of Financial Statements" of the Auditing Standard No. 2410. The procedures implemented during the review of financial statements include inquiry (mainly inquire the personnel in charge of finance and accounting affairs), analytical procedures, and other review procedures. The scope of work for review is obviously less than the scope of work for audit; therefore, we may not detect all material matters may be identified through audit, and thus no audit opinion may be expressed.

Conclusion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2025 and 2024, and its consolidated financial performance for the periods April 1 to June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the periods January 1 to June 30, 2025 and 2024, in conformity with the Regulations Governing the Preparation of Financial Reports by Public Banks, the Regulations Governing the Preparation of Financial Reports by Securities Firms, and the International Accounting Standard No. 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matters

Union Bank of Taiwan Co., Ltd. has prepared the Parent Company Only Financial Statements for the first half of 2025 and 2024, with the unqualified opinion presented by us for reference.

Deloitte Taiwan
Kuan-Hao Li, CPA

Chun-Hung Shih, CPA

Document Number of Approval by the FSC
Jin-Guan-Zheng-Shen-Zhi No. 1100372936

Document Number of Approval by the FSC
Jin-Guan-Zheng-Shen-Zhi No. 1110348898

August 27, 2025

Notice to Readers

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Union Bank of Taiwan Co., Ltd. and Subsidiaries

Consolidated Balance Sheet

June 30, 2025, December 31 and June 30, 2024

Unit: NTD thousand

Code	Asset	June 30, 2025		December 31 2024		June 30, 2024	
		Amount	%	Amount	%	Amount	%
11000	CASH AND CASH EQUIVALENTS (Note VI)	\$ 8,295,242	1	\$ 10,828,862	1	\$ 10,689,223	1
11500	DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Notes VII and XLVIII)	44,956,174	4	41,848,692	4	40,386,203	4
12000	FINANCIAL ASSETS MEASURED AT FVTPL (Notes VIII and XLVII)	68,729,283	7	56,021,935	6	53,602,857	6
12100	FINANCIAL ASSETS MEASURED AT FVTOCI (Notes V, IX, and XI)	63,213,955	6	62,897,886	6	63,352,544	7
12200	INVESTMENT OF DEBT INSTRUMENT MEASURED AT AMORTIZED COSTS (Notes V, X, and XI)	78,129,371	8	81,725,126	8	82,094,413	9
12500	SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL (Note XII)	64,281,898	6	59,118,321	6	55,262,976	6
13000	RECEIVABLES, NET (Notes V, XIII and XV)	40,719,403	4	40,464,033	4	42,284,265	4
13200	CURRENT TAX ASSETS	187,855	-	8,019	-	148,032	-
13500	DISCOUNTS AND LOANS, NET (Notes V, XIV, XV and XLVII)	612,984,106	60	606,021,210	61	580,491,711	60
15000	INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET (Note XVII)	455,103	-	360,711	-	387,245	-
15500	OTHER FINANCIAL ASSETS, NET (Notes XVIII, XLVII and XLVIII)	1,588,487	-	1,562,805	-	1,661,547	-
18500	PROPERTY AND EQUIPMENT, NET (Note XIX)	16,394,938	2	16,106,731	2	16,014,534	2
18600	RIGHT-OF-USE ASSETS, NET (Note XX)	1,665,320	-	1,745,478	-	1,844,851	-
18700	INVESTMENT PROPERTIES, NET (Notes XXI, XXX, XLVII and XLVIII)	4,521,741	1	4,563,187	1	4,501,887	-
19007	GOODWILL (Note XXII)	1,985,307	-	1,985,307	-	1,985,307	-
19009	COMPUTER SOFTWARE	181,586	-	214,722	-	209,165	-
19300	DEFERRED TAX ASSETS (Note IV)	1,464,449	-	759,038	-	611,541	-
19500	OTHER ASSETS, NET (Notes XXIII and XLVII)	14,491,670	1	9,225,403	1	9,070,288	1
10000	TOTAL	\$ 1,024,245,888	100	\$ 995,457,466	100	\$ 964,598,589	100
Code	LIABILITIES AND EQUITY						
	Liabilities						
21000	DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS (Note XXIV)	\$ 9,696,469	1	\$ 15,232,374	2	\$ 14,276,053	2
21500	DUE TO THE CENTRAL BANK AND OTHER BANKS (Note XXV)	1,482,367	-	1,405,281	-	1,325,004	-
22000	FINANCIAL LIABILITIES MEASURED AT FVTPL (Note VIII)	3,645,791	-	468,953	-	389,311	-
22500	SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE (Note XXVI)	71,513,920	7	58,563,701	6	61,092,610	6
23000	PAYABLES (Note XXVII)	12,080,519	1	8,504,262	1	12,194,075	1
23200	CURRENT TAX LIABILITIES	611,770	-	209,587	-	407,242	-
23500	DEPOSITS AND REMITTANCES (Notes XXVIII and XLVII)	814,484,673	80	803,449,537	81	773,558,029	80
24000	FINANCIAL BONDS PAYABLE (Note XXIX)	5,000,000	1	5,000,000	1	5,000,000	1
24100	CORPORATE BONDS PAYABLE (Notes XXX)	877,700	-	885,881	-	855,603	-
24500	PREFERENCE SHARES LIABILITIES (Note XXXI)	375,000	-	375,000	-	375,000	-
25500	OTHER FINANCIAL LIABILITIES (Note XXXII)	13,497,250	1	13,244,765	1	12,232,485	1
25600	LIABILITY PROVISIONS (Notes V and XXXIII)	524,526	-	510,926	-	455,607	-
26000	LEASE LIABILITIES (Notes XX and XLVII)	1,667,964	-	1,747,230	-	1,841,541	-
29300	DEFERRED TAX LIABILITIES (Note IV)	3,168,107	-	2,749,178	-	2,227,366	-
29500	OTHER LIABILITIES (Notes XXI and XXXV)	3,706,984	1	3,658,193	-	3,606,722	1
20000	Total liabilities	942,333,040	92	916,004,868	92	889,836,648	92
	EQUITY ATTRIBUTABLE TO OWNERS OF PARENT						
	Share capital						
31101	Share capital of common stock	40,500,729	4	40,500,729	4	37,789,525	4
31103	Share capital of preference shares	2,000,000	-	2,000,000	-	2,000,000	-
31121	Capital increase reserve	2,949,770	-	-	-	2,742,194	-
31100	Total share capital	45,450,499	4	42,500,729	4	42,531,719	4
31500	Capital reserve	8,192,011	1	8,168,291	1	8,137,301	1
	Retained earnings						
32001	Legal reserve	14,988,987	2	12,972,292	1	12,972,292	2
32003	Special surplus reserve	627,440	-	627,440	-	627,440	-
32011	Undistributed earnings	3,008,273	-	7,108,802	1	3,280,029	-
32000	Total retained earnings	18,624,700	2	20,708,534	2	16,879,761	2
32500	Other equity	7,450,635	1	5,857,262	1	4,992,965	1
31000	Total equity attributable to owners of the parent	79,717,845	8	77,234,816	8	72,541,746	8
38000	Non-controlling interests	2,195,003	-	2,217,782	-	2,220,195	-
30000	Total equity	81,912,848	8	79,452,598	8	74,761,941	8
	TOTAL	\$ 1,024,245,888	100	\$ 995,457,466	100	\$ 964,598,589	100

The attached notes are the integral part of the Consolidated Financial Statements.

Chairperson: Lin Hung-Lian;

Manager: Hsu Wei-Wen;

Accounting Officer: Lu Wen-Chuan

Union Bank of Taiwan Co., Ltd. and Subsidiaries

Consolidated Statement of Comprehensive Income

April 1 to June 30, 2025 and 2024; January 1 to June 30, 2025 and 2024

Unit: NTD thousand, Except NTD for Earnings Per Share

Code		April 1 to June 30, 2025		April 1 to June 30, 2024		January 1 to June 30, 2025		January 1 to June 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
	NET INTEREST INCOME (Notes XXXVII and XLVII)								
41000	Interest income	\$ 5,882,809	118	\$ 5,453,389	109	\$ 11,724,755	121	\$ 10,686,975	105
51000	Interest expense	<u>3,559,897</u>	<u>71</u>	<u>3,475,581</u>	<u>69</u>	<u>7,179,239</u>	<u>74</u>	<u>6,771,075</u>	<u>67</u>
49010	Total net interest income	<u>2,322,912</u>	<u>47</u>	<u>1,977,808</u>	<u>40</u>	<u>4,545,516</u>	<u>47</u>	<u>3,915,900</u>	<u>38</u>
	Net income other than interest								
49100	Commissions and fee revenue, net (Notes XXXVIII and XLVII)	1,078,219	22	1,088,415	22	2,034,650	21	1,888,004	19
49200	Net profit or loss on financial assets and liabilities at FVTPL (Note XXXIX)	(3,525,748)	(71)	179,927	3	(2,776,728)	(29)	4,036,876	40
49310	Realized gain on financial assets at FVTOCI (Note XL)	126,752	2	103,348	2	200,201	2	172,712	2
49750	Share of gain/loss of affiliates adopted the equity method (Note XVII)	(15,571)	-	(12,117)	-	(18,482)	-	510,734	5
49600	Net foreign exchange profit or loss	4,174,520	84	757,365	15	4,209,395	43	(1,892,112)	(19)
49700	Reversal of Loss (Impairment Loss) (Note XLI)	12,513	-	(169)	-	110,728	1	(53,048)	(1)
49831	Securities brokerage fee revenue, net	80,081	2	107,184	2	158,244	2	193,147	2
49851	Lease income	554,520	11	554,914	11	1,119,736	12	1,101,695	11
49899	Other noninterest gains, net	<u>174,398</u>	<u>3</u>	<u>239,167</u>	<u>5</u>	<u>81,973</u>	<u>1</u>	<u>335,059</u>	<u>3</u>
4xxxx	Net income	<u>4,982,596</u>	<u>100</u>	<u>4,995,842</u>	<u>100</u>	<u>9,665,233</u>	<u>100</u>	<u>10,208,967</u>	<u>100</u>
58200	Allowance for doubtful accounts - provision for losses on commitments and guarantees (Note V and XV)	<u>81,576</u>	<u>2</u>	<u>94,579</u>	<u>2</u>	<u>224,029</u>	<u>3</u>	<u>394,285</u>	<u>4</u>
	Operating expenses								
58500	Employee benefit expense (Notes XXXIV and XLII)	1,357,675	27	1,269,967	25	2,646,350	27	2,931,042	29
59000	Depreciation and amortization (Notes XX and XLIII)	690,327	14	743,612	15	1,397,400	15	1,406,458	14
59500	Other operating and management expenses (Notes XLIV and XLVII)	<u>1,101,001</u>	<u>22</u>	<u>1,160,909</u>	<u>23</u>	<u>2,160,112</u>	<u>22</u>	<u>2,271,793</u>	<u>22</u>
58400	Total operating expenses	<u>3,149,003</u>	<u>63</u>	<u>3,174,488</u>	<u>63</u>	<u>6,203,862</u>	<u>64</u>	<u>6,609,293</u>	<u>65</u>
61001	Net profit before tax	1,752,017	35	1,726,775	35	3,237,342	33	3,205,389	31
61003	INCOME TAX EXPENSE (Note XLV)	<u>295,040</u>	<u>6</u>	<u>275,501</u>	<u>6</u>	<u>596,966</u>	<u>6</u>	<u>419,532</u>	<u>4</u>
64000	CONSOLIDATED NET INCOME	<u>1,456,977</u>	<u>29</u>	<u>1,451,274</u>	<u>29</u>	<u>2,640,376</u>	<u>27</u>	<u>2,785,857</u>	<u>27</u>
	Other comprehensive income								
65200	Items that will not be reclassified subsequently to profit or loss:								
65204	Valuation gain/loss of the equity instruments measured at fair value through other comprehensive income	23,031	-	223,325	5	1,659,748	17	2,537,112	25
65220	Income tax relating to items that will not be reclassified subsequently to profit or loss (Note XLV)	178,915	4	52,027	1	(16,525)	-	(121,639)	(1)

(continued at next page)

(Cont')

Code		April 1 to June 30, 2025		April 1 to June 30, 2024		January 1 to June 30, 2025		January 1 to June 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
65300	Items that may be reclassified subsequently to profit or loss:								
65001	Exchange difference from translating the financial statements of overseas operations	(\$ 1,789,569)	(36)	\$ 141,869	3	(\$ 1,488,752)	(15)	\$ 703,413	7
65308	Gain/loss of the debt instruments measured at fair value through other comprehensive income	568,722	12	(51,973)	(1)	1,177,665	12	(487,472)	(5)
65320	Income tax relating to items that may be reclassified subsequently to profit or loss (Note XLV)	<u>357,914</u>	<u>7</u>	<u>(28,374)</u>	<u>(1)</u>	<u>300,087</u>	<u>3</u>	<u>(140,683)</u>	<u>(1)</u>
65000	Other comprehensive income for the period (net of tax)	<u>(660,987)</u>	<u>(13)</u>	<u>336,874</u>	<u>7</u>	<u>1,632,223</u>	<u>17</u>	<u>2,490,731</u>	<u>25</u>
66000	TOTAL COMPREHENSIVE INCOME	<u>\$ 795,990</u>	<u>16</u>	<u>\$ 1,788,148</u>	<u>36</u>	<u>\$ 4,272,599</u>	<u>44</u>	<u>\$ 5,276,588</u>	<u>52</u>
	NET INCOME ATTRIBUTABLE TO:								
67101	Owners of the parent	\$ 1,449,682	29	\$ 1,441,779	29	\$ 2,656,034	27	\$ 2,776,203	27
67111	Non-controlling interests	<u>7,295</u>	<u>-</u>	<u>9,495</u>	<u>-</u>	<u>(15,658)</u>	<u>-</u>	<u>9,654</u>	<u>-</u>
67100		<u>\$ 1,456,977</u>	<u>29</u>	<u>\$ 1,451,274</u>	<u>29</u>	<u>\$ 2,640,376</u>	<u>27</u>	<u>\$ 2,785,857</u>	<u>27</u>
	COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
67301	Owners of the parent	\$ 788,695	16	\$ 1,778,654	36	\$ 4,288,240	44	\$ 5,266,933	52
67311	Non-controlling interests	<u>7,295</u>	<u>-</u>	<u>9,494</u>	<u>-</u>	<u>(15,641)</u>	<u>-</u>	<u>9,655</u>	<u>-</u>
67300		<u>\$ 795,990</u>	<u>16</u>	<u>\$ 1,788,148</u>	<u>36</u>	<u>\$ 4,272,599</u>	<u>44</u>	<u>\$ 5,276,588</u>	<u>52</u>
	EARNINGS PER SHARE (Note III and XLVI)								
67500	Basic earnings per share	<u>\$ 0.21</u>		<u>\$ 0.21</u>		<u>\$ 0.49</u>		<u>\$ 0.52</u>	
67700	Diluted earnings per share	<u>\$ 0.21</u>		<u>\$ 0.21</u>		<u>\$ 0.49</u>		<u>\$ 0.52</u>	

The attached notes are the integral part of the Consolidated Financial Statements.

Chairperson: Lin Hung-Lian;

Manager: Hsu Wei-Wen;

Accounting Officer: Lu Wen-Chuan

Union Bank of Taiwan Co., Ltd. and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to June 30, 2025 and 2024

Unit: NTD thousand

Equity Attributable Owners of the Company

Code		Equity Attributable Owners of the Company								Other Equity (Note XXXVI)			Non-controlling interests	TOTAL		
		Share capital (Note XXXVI and XLII)				Capital reserve (Note XXXVI)	Retained earnings (Note XXXVI)			Exchange difference from translating the financial statements of overseas operations	Unrealized gain (loss) on financial assets at FVTOCI	Total				
		Share capital of common stock	Share capital of preference shares	Capital increase reserve	Total		Legal reserve	Special surplus reserve	Undistributed earnings						Total	
A1	Balance at January 1, 2024	\$ 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 and distribution of retained earnings for 2023															
B1	Legal reserve provision	-	-	-	-	-	1,453,449	-	(1,453,449)	-	-	-	-	-	-	-
B3	Reversal of special reserve	-	-	-	-	-	-	(129,596)	129,596	-	-	-	-	-	-	-
B5	Cash dividends of common stock	-	-	-	-	-	-	-	(755,790)	(755,790)	-	-	-	(755,790)	-	(755,790)
B7	Cash dividends of preference shares	-	-	-	-	-	-	-	(511,845)	(511,845)	-	-	-	(511,845)	-	(511,845)
B9	Share dividends of common stock	-	-	2,645,267	2,645,267	-	-	-	(2,645,267)	(2,645,267)	-	-	-	-	-	-
C7	Changes in affiliates and joint ventures accounted for using the equity method	-	-	-	-	11,569	-	-	-	-	-	-	-	11,569	-	11,569
D1	Net profit, January 1 to June 30, 2024	-	-	-	-	-	-	-	2,776,203	2,776,203	-	-	-	2,776,203	9,654	2,785,857
D3	Other comprehensive income after tax, January 1 to June 30, 2024	-	-	-	-	-	-	-	-	-	562,730	1,928,000	2,490,730	2,490,730	1	2,490,731
D5	Total comprehensive income, January 1 to June 30, 2024	-	-	-	-	-	-	-	2,776,203	2,776,203	562,730	1,928,000	2,490,730	5,266,933	9,655	5,276,588
N1	Share-based payment transaction	-	-	96,927	96,927	-	-	-	-	-	-	-	-	96,927	-	96,927
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	2,037	2,037
Q1	Disposal of the equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	117,340	117,340	-	(117,340)	(117,340)	-	-	-
Z1	Balance at June 30, 2024	\$ 37,789,525	\$ 2,000,000	\$ 2,742,194	\$ 42,531,719	\$ 8,137,301	\$ 12,972,292	\$ 627,440	\$ 3,280,029	\$ 16,879,761	(\$ 46,542)	\$ 5,039,507	\$ 4,992,965	\$ 72,541,746	\$ 2,220,195	\$ 74,761,941
A1	Balance at January 1, 2025	\$ 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
	Appropriation and distribution of retained earnings for 2024															
B1	Legal reserve provision	-	-	-	-	-	2,016,695	-	(2,016,695)	-	-	-	-	-	-	-
B5	Cash dividends of common stock	-	-	-	-	-	-	-	(1,417,525)	(1,417,525)	-	-	-	(1,417,525)	-	(1,417,525)
B7	Cash dividends of preference shares	-	-	-	-	-	-	-	(526,125)	(526,125)	-	-	-	(526,125)	-	(526,125)
B9	Share dividends of common stock	-	-	2,835,051	2,835,051	-	-	-	(2,835,051)	(2,835,051)	-	-	-	-	-	-
C7	Changes in affiliates and joint ventures accounted for using the equity method	-	-	-	-	23,720	-	-	-	-	-	-	-	23,720	-	23,720
D1	Net profit, January 1 to June 30, 2025	-	-	-	-	-	-	-	2,656,034	2,656,034	-	-	-	2,656,034	(15,658)	2,640,376
D3	Other comprehensive income after tax, January 1 to June 30, 2025	-	-	-	-	-	-	-	-	-	(1,188,665)	2,820,871	1,632,206	1,632,206	17	1,632,223
D5	Total comprehensive income, January 1 to June 30, 2025	-	-	-	-	-	-	-	2,656,034	2,656,034	(1,188,665)	2,820,871	1,632,206	4,288,240	(15,641)	4,272,599
N1	Share-based payment transaction	-	-	114,719	114,719	-	-	-	-	-	-	-	-	114,719	-	114,719
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,138)	(7,138)
Q1	Disposal of the equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	38,833	38,833	-	(38,833)	(38,833)	-	-	-
Z1	Balance at June 30, 2025	\$ 40,500,729	\$ 2,000,000	\$ 2,949,770	\$ 45,450,499	\$ 8,192,011	\$ 14,988,987	\$ 627,440	\$ 3,008,273	\$ 18,624,700	(\$ 1,045,508)	\$ 8,496,143	\$ 7,450,635	\$ 79,717,845	\$ 2,195,003	\$ 81,912,848

The attached notes are the integral part of the Consolidated Financial Statements.

Chairperson: Lin Hung-Lian;

Manager: Hsu Wei-Wen;

Accounting Officer: Lu Wen-Chuan

Union Bank of Taiwan Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
January 1 to June 30, 2025 and 2024

Unit: NTD thousand

Code		January 1 to June 30, 2025	January 1 to June 30, 2024
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Current net income before income tax	\$ 3,237,342	\$ 3,205,389
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	1,345,702	1,359,511
A20200	Amortization expense	51,698	46,947
A20300	Expected credit losses/provision of allowance for doubtful accounts	224,029	394,285
A20400	Loss (gain) on disposal of financial assets at FVTPL	2,804,344	(4,013,619)
A20900	Interest expense	7,179,239	6,771,075
A21200	Interest income	(11,724,755)	(10,686,975)
A21300	Dividend incomes	(218,112)	(195,969)
A22300	Share of loss/gain of affiliates accounted with the equity method	18,482	(510,734)
A22500	Gain on disposal and scrape of properties and equipment	(6,648)	(29,103)
A23100	Gain on disposal of investments	(9,705)	-
A23500	Gain/Loss on reversal of impairment loss on financial assets	(110,728)	53,048
	Changes in operating assets and liabilities, net		
A41110	Due from the Central Bank and call loans to banks	(2,957,972)	(8,612,452)
A41120	Financial Assets Measured at Fair Value Through Profit or Loss	(10,304,369)	4,356,490
A41123	Financial Assets Measured at Fair Value Through Other Comprehensive Income	2,775,559	(898,516)
A41125	Investment of debt instrument measured at amortized costs	3,560,426	(508,790)
A41150	Accounts receivable	(323,066)	(4,405,945)
A41160	Discounts and loans	(7,136,972)	(16,678,969)
A41190	Other financial assets	(16,582)	211,941
A42110	Deposits from the Central Bank and Peers	(5,535,905)	1,431,824
A42120	Financial liabilities measured at fair value through profit or loss	(2,030,485)	(2,524,885)
A42140	Securities sold under agreements to repurchase	12,950,219	13,415

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Code		January 1 to June 30, 2025	January 1 to June 30, 2024
A42150	Increase in accounts payable	\$ 1,820,829	\$ 1,631,896
A42160	Deposits and remittances	11,035,136	17,395,370
A42170	Other financial liabilities	62,411	26,039
A42180	Reserve for the liability of employees' benefit	(246)	(203)
A42990	Other liability reserves	(<u>30,059</u>)	(<u>792</u>)
A33000	Cash inflow (outflow) from operations	6,659,812	(12,168,138)
A33100	Interest received	11,781,497	10,615,262
A33200	Dividends received	218,112	195,969
A33300	Interest paid	(7,178,110)	(6,540,643)
A33500	Income tax paid	(<u>377,539</u>)	(<u>357,940</u>)
AAAA	Cash inflow (outflow) from operating activities, net	<u>11,103,772</u>	(<u>8,255,490</u>)
CASH FLOWS FROM INVESTING ACTIVITIES			
B01800	Investments accounted for using the equity method	(89,154)	-
B02700	Acquisition of properties and equipment	(952,246)	(962,597)
B02800	Disposal of properties and equipment	112	14
B05400	Acquisition of investment properties	(2,011)	(1,432)
B03600	(Increase) Decrease in settlement fund	(450)	1,754
B03700	Increase in refundable deposits	(5,104,383)	-
B03800	Decrease in refundable deposits	-	551,113
B04500	Acquisition of intangible assets	(18,562)	(80,007)
B06700	Increase in other assets	(<u>558,753</u>)	(<u>847,973</u>)
BBBB	Cash outflow from investment activities, net	(<u>6,725,447</u>)	(<u>1,339,128</u>)
CASH FLOWS FROM FINANCING ACTIVITIES			
C00300	Increase in due to Central Bank and other banks	80,848	-
C00400	Decrease in due to Central Bank and other banks	-	(57,670)
C00700	Increase in commercial paper payable	190,074	792,139
C01200	Issuance of corporate bonds	417,063	-
C01300	Repayment of corporate bonds	(417,685)	(4,436)
C03000	Increase in guarantee deposits	23,007	-
C03100	Decrease in guarantee deposits	-	(28,479)
C04020	Repayment of lease liability principals	(254,536)	(251,551)
C04400	Decrease in other liabilities	(13,770)	(6,895)
C05800	Change in non-controlling interests	(<u>7,138</u>)	<u>2,037</u>
CCCC	Cash inflow from financing activities, net	<u>17,863</u>	<u>445,145</u>
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(<u>1,616,721</u>)	<u>847,238</u>

(continued at next page)

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<u>Code</u>		<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
EEEE	DECREASE IN CASH AND CASH EQUIVALENTS OF THE PERIOD	\$ 2,779,467	(\$ 8,302,235)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>69,947,183</u>	<u>74,254,434</u>
E00200	Balance of cash and cash equivalents at the end of the period	<u>\$ 72,726,650</u>	<u>\$ 65,952,199</u>

RECONCILIATION OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD

<u>Code</u>		<u>June 30, 2025</u>	<u>June 30, 2024</u>
E00210	Cash and cash equivalents in the consolidated balance sheets	\$ 8,295,242	\$ 10,689,223
E00220	that meet the definition of cash and cash equivalents in IAS 7 "Cash Flow Statements"	149,510	-
E00230	Securities purchased under agreements to resell that meet the definition of cash and cash equivalents in IAS 7 "Cash Flow Statements"	<u>64,281,898</u>	<u>55,262,976</u>
E00200	Balance of cash and cash equivalents at the end of the period	<u>\$ 72,726,650</u>	<u>\$ 65,952,199</u>

The attached notes are the integral part of the Consolidated Financial Statements.

Chairperson: Lin Hung-Lian;

Manager: Hsu Wei-Wen;

Accounting Officer: Lu Wen-Chuan

Union Bank of Taiwan Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statement
January 1 to June 30, 2025 and 2024
(In NT\$ thousand unless specified otherwise)

I. Company History

The Union Bank of Taiwan (the “Bank” or the “Parent”) was incorporated on December 31, 1991 after obtaining approval from the Ministry of Finance (MOF) on August 1, 1991 and started operations on January 21, 1992. The Bank is mainly engaged in activities including deposits, loans, discounts, remittances, acceptances, issuance of guarantees and letters of credit, short-term bills transactions, investments, foreign exchange transactions, savings, trust, and other agent business.

On the Bank’s merger with Chung Shing Bank on March 19, 2005, the Bank took over all of the assets, liabilities and operating units of Chung Shing Bank.

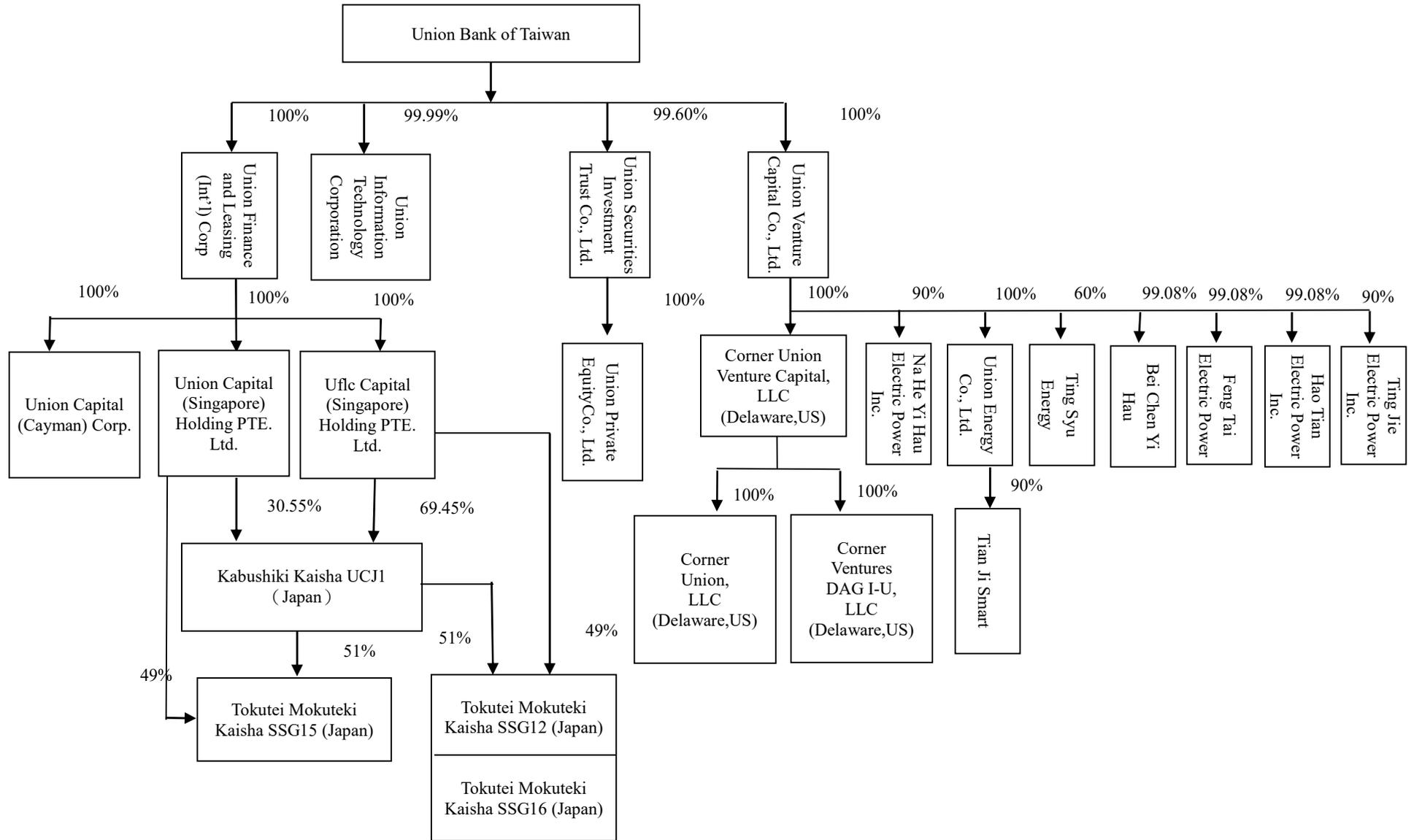
The Bank merged with Union Bills Finance Corporation (UBF) on August 16, 2010, with the Bank as the surviving entity.

On August 26, 2015, the board of directors of the Bank resolved to merge UIB in order to integrate the resources, strengthen management and business synergy. The merger was approved by the Financial Supervisory Commission (FSC) under Rule No. 10502022990 dated March 21, 2016. The effective date of this merger was August 1, 2016.

As of June 30, 2025, the Bank’s operating units included Trust, Wealth Management, Security Finance, Bills Finance, International Banking, Insurance Agency, Offshore Banking Units (OBU), overseas representative offices in Ho Chi Minh City and Hanoi, Vietnam, and 90 domestic branches (including the business department).

In response to the division of labor of the enterprise and changes in the financial environment, achieve the goal of cross-industry comprehensive operating efficiency and thereby improve competitiveness and operating performance, the Bank's board of directors resolved to pass a resolution on August 26, 2024 pursuant to Article 36-1 of the Business Mergers and Acquisitions Act, the Company Act and relevant laws and regulations of the R.O.C., a new 100%-owned securities subsidiary "TBA Securities Co., Ltd." with securities brokerage business and futures introducing brokerage business was separated from the Bank’s concurrent securities business, which now only reserves the proprietary bond trading business. The newly established securities subsidiary issued shares to the Company, and the Company became the only shareholder of the subsidiary. The newly established securities subsidiary divided from the Company is still subject to the approval of the competent authority. If there is supplemental information required for the base date of division, business scope, amount (including assets and liabilities), and the division proposal, or if the competent authority requires adjustments according to law, the board of directors has the full authority to handle such matters.

Please refer to Note XVI for the businesses of the Bank and its subsidiaries (collectively referred to as the “Company”) as of June 30, 2025; the following chart presents the investment relationship and the percentage of ownership:



The Company's functional currency is the New Taiwan Dollar, and the consolidated financial statements are presented in the New Taiwan Dollar.

II. Date and Procedures Passing the Financial Statements

The consolidated financial statements were approved by the Company's board of directors on August 25th, 2025

III. Standards Recently Published or Amended, and the Applications of the Interpretations

- (I) Initial application of the amended Regulations Governing the Preparation of Financial Statements by Public Banks and the International Financial Statementing Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

Recognition of related parties

According to the "Related Party Recognition Questionnaire" published by the Accounting Research and Development Foundation in June 2025, the Company has reevaluated whether the fund managed by the managers has control, significant influence or only provides services to the main management personnel, which may change the relationship identified in the IFRS questionnaire published in July 2013. The Company is still under the process of evaluation. In addition, the FSC's Q&A section does not require the need to restate the information of the 2024 comparison period, meaning that it is not necessary to retroactively adjust the identified and disclosed related party relationships and transactions in the previous financial statements.

- (II) IFRSs endorsed by the FSC applicable since 2026

<u>Standards Recently Published /Amended/Applications of the Interpretations</u>	<u>Effective date of IASB release</u>
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 - "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
"IFRS accounting standards Annual Improvements - Volume 11"	January 1, 2026
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023

Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

1. Amendment to the application of the classification of financial assets

The amendments mainly revised the classification of financial assets, including:

- A. If a financial asset containing a contingency that can change the timing or amount of the contract cash flow, and the nature of the contingency is not directly related to changes in the basic lending risk and cost (such as whether the debtor has achieved a specific reduction in carbon emissions), the contract cash flow of such financial assets will still be entirely interest on the principal paid and the outstanding principal amount when the following two conditions are met:
- All contractual cash flows generated under all possible scenarios (before or after the contingency) are interest payment on principal and outstanding principal amount.

- There is no significant difference between the contractual cash flows generated under all possible scenarios and the cash flows from financial instruments with the same contractual terms but without contingent characteristics.
 - B. Financial assets with no right to recourse refer to the ultimate right to receive cash flows of an enterprise. According to the contract, it is limited to the cash flows generated from a specific asset.
 - C. Clarify that contract-linked instruments are structured to establish a variety of levels of securities to establish a priority sequence for payment of financial assets holders, and thus generate credit risk concentration and lead to the cash shortage of the underlying pool due to the different levels of securities.
2. Amendment to the application of derecognition of financial liabilities

The amendments mainly describe that financial liabilities should be derecognized on the settlement date. However, if the enterprise uses an electronic payment system to settle financial liabilities in cash, if the following conditions are met, the financial liabilities can be derecognized before the settlement date:

- The enterprise does not have the actual ability to withdraw, stop or cancel the payment instruction;
- Due to the payment instruction, the enterprise has no actual ability to access the cash to be used for the settlement; and
- The settlement risk associated with the electronic payment system is not significant.

The Company shall apply the amendments retrospectively and the effects of the amendments shall be recognized on the date of initial application, but it is not necessary to re-state the comparison period. However, if the Company does not adopt a forward-looking mindset, it may choose to re-state the comparison period.

As of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of various amendments will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

(III) New IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

Standards Recently Published /Amended/Applications of the Interpretations	Effective dates issued by IASB (Note)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries with No Public Responsibility: Disclosures"	January 1, 2027

Note: Unless noted otherwise, the above said standards recently released/amended/amended standards or interpretations take effects from the year of reporting period after the dates of release or amendment.

1. Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"

According to the amendments, if the Company sells or invests assets to an affiliate (or joint venture), or the Company loses control of a subsidiary but retains significant influence (or joint control) over the subsidiary, or, if the aforementioned assets or former subsidiary meets the definition of "business" in IFRS 3 "Business Combination," the Company recognizes all gains and losses arising from the transaction.

In addition, if the consolidated company sells or invests assets to an affiliated enterprise (or joint venture), or the Company loses control of a subsidiary in a transaction with an affiliated enterprise (or joint venture), but retains significant influence (or joint control) over the subsidiary, or, if the aforementioned assets or the former subsidiary do not meet the definition of "business" in IFRS 3, the Company only recognizes the profit or loss arising from the transaction to the extent of unrelated investors' interests in the affiliated enterprise (or joint venture). That is, the Company's share of the profit or loss shall be eliminated.

2. IFRS 18 "Presentation and Disclosures in Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation in Financial Statements", and the main changes include:

- Income and loss items should be classified as operating, investment, financing, income tax, and discontinued operation in the income statement.
- The operating profit or loss, profit or loss before financing and before tax, as well as the subtotal and total of the profit and loss shall be presented in the income statement.
- Provide guidelines to strengthen the requirement of aggregation and segmentation: The Company must identify assets, liabilities, equity, income, expenses, and cash flows from individual transactions or other events, and classify and summarize them based on common characteristics so that each line item presented in the primary financial statements has at least one similar feature. Items with dissimilar characteristics should be broken down in the main financial statements and notes. The Company only marks such items as "others" if no more informative name can be found.
- Increase the disclosure of performance measurement defined by management: When the Company conducts public communication outside the financial statements, and when communicating the management's point of view on a certain aspect of the Company's overall financial performance with the users of the financial statements, the performance measurement related information defined by the management should be disclosed in a single note to the financial statements, including the description of the measurement, how the calculation is performed, the adjustment to the subtotal or total specified in IFRS accounting standards, and the income tax and non-controlling equity impact of related adjustments.

In addition to the effects above, as of the date the consolidated financial statements were approved for release, the Company continues evaluating the other impacts of revisions to various standards and interpretations on the financial condition and performance. The relevant impacts will be disclosed upon completion of the evaluation.

IV. Summaries of the Material Accounting Policies

(I) Statement of Compliance

The Consolidated Financial Statements are prepared pursuant to the "Regulations Governing the Preparation of Financial Statements by Public Banks," "Regulations Governing the Preparation of Financial Statements by Securities Firms" and IAS 34 "Interim Financial Reporting." This consolidated financial statement does not contain all the information disclosed in the annual financial statements as required by IFRS accounting standards.

(II) Basis of Consolidation

Please refer to the 2024 Consolidated Financial Statements for the principles for preparing Consolidated Financial Statements.

For the details, shareholding percentage, and businesses of subsidiaries, please refer to Note XVI.

(III) Other material accounting policies

Except for the following explanation, please refer to the summary of the material accounting policies in the 2024 Consolidated Financial Statements

1. Financial instruments - impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including loans, trade receivables, and non-accrual loans), investments in debt instruments at FVTOCI, lease receivables, as well as contract assets.

For the aforesaid financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

In determining the allowance for credit losses and the reserve for losses on guarantees, the Company assesses the balances of discounts and loans, receivables, nonperforming loans, and other financial assets as well as guarantees and acceptances for their collectability and their specific risks or general risks as of the balance sheet date. Under the regulations issued by the Ministry of Finance (MOF), the Company evaluates credit balances on the basis of their estimated collectability. The MOF regulations also require the grouping of credit assets into these five classes: Normal, special mention, substandard, doubtful and losses; the minimum loan loss provision and guarantee reserve for the unsound credit assets (those other than normal) should be 2%, 10%, 50% and 100%, respectively, of the outstanding credit balance. The MOF issued a guideline stating that from January 1, 2014, the minimum loan loss provision and guarantee should be the sum of 1% of the outstanding balance of the normal credit asset's claim, 2% of the balance of special mention credit assets, 10% of the balance of substandard credit assets, 50% of the balance of doubtful credit assets, and the full balance of losses credit assets (excluding assets that represent claims against the central and local government in Taiwan). Also, in accordance with Rule No. 10300329440 issued by FSC, the minimum allowance for mortgage loans should be 1.5% (the policy loans added since January 1, 2011 may be excluded) as the minimum provision standard for NPL and guarantee liability reserve; the higher between this allowance and the assessment result of the aforesaid ECL is taken to measure the allowance loss.

The Company assesses the probability of collection for non-accrual loans and overdue loans and values of collaterals when determining the write-offs. The credits deemed uncollectable may be written off if the write-off is approved by the board of directors. Recoveries of amounts previously written off are credited to the allowance account.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of such a financial asset.

2. Defined benefits and post-employment benefits

The pension costs for the interim period are calculated with the pension cost rate determined by the actuarial calculation at the end date of the previous year from the beginning of the year to the end of the period; adjustments are made as well for the material market fluctuation, material plan modification, repayment, or other material one-time-off events during the period, if any.

3. Income tax expense

Income tax expense are the sum of the current income tax and deferred income taxes. The income tax for the interim period is assessed on the annual basis, to calculate the interim profit before tax with the expected applicable tax rate for the total annual earnings.

V. Material Accounting Judgement, Estimations, and the Main Sources of Uncertainties for Estimation

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Company, when making significant accounting estimates, incorporated the potential impact of the Russo-Ukrainian War and relevant international sanctions on the economic environment into relevant material accounting estimates, such as cash flows, growth rates, discount rates, and profitability. Management will continue to review the estimates and underlying assumptions.

Estimated Impairment of Financial Assets

The provision for impairment of loan, receivables, investments in debt instruments, and financial guarantee contracts is based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note LIII. Where the actual future cash inflows are less than expected, a material impairment loss may arise. Moreover, the impacts of market fluctuations due to the Russo-Ukrainian War and relevant international sanctions on the credit risk of financial assets, result in greater uncertainty regarding the estimation of the probability of default.

VI. Cash and Cash Equivalents

	June 30, 2025	December 31 2024	June 30, 2024
Cash on hand	\$ 4,795,339	\$ 7,057,827	\$ 4,636,171
Checks for clearing	888,637	1,316,427	3,375,919
Due from banks	<u>2,611,266</u>	<u>2,454,608</u>	<u>2,677,133</u>
	<u>\$ 8,295,242</u>	<u>\$ 10,828,862</u>	<u>\$ 10,689,223</u>

VII. Due from the Central Bank and Call Loans to Other Banks

	June 30, 2025	December 31 2024	June 30, 2024
Deposit reserve - checking account	\$ 18,068,953	\$ 16,175,820	\$ 16,947,737
Required deposit reserve	26,627,074	25,551,582	23,318,401
Deposit reserve - foreign-currency deposits	110,637	121,290	120,065
Interbank lending	<u>149,510</u>	<u>-</u>	<u>-</u>
	<u>\$ 44,956,174</u>	<u>\$ 41,848,692</u>	<u>\$ 40,386,203</u>

Under a directive issued by the Central Bank of the ROC, the Company determines monthly NTD-denominated reserve deposits at prescribed rates based on the average balances of customers' NTD-denominated deposits, which are subject to withdrawal restrictions.

In addition, the foreign-currency reserve deposits are determined at rates prescribed for balances of foreign-currency deposits. These reserves may be withdrawn anytime and do not bear interest.

VIII. Financial Assets Measured at Fair Value Through Profit or Loss

	June 30, 2025	December 31 2024	June 30, 2024
<u>Financial assets mandatorily measured at fair value</u>			
Commercial paper	\$ 58,803,395	\$ 44,253,476	\$ 46,295,724
Overseas government bonds	6,733,638	6,884,346	2,663,768
Funds and beneficiary certificates	1,438,060	2,037,132	1,640,400
Domestic listed shares	1,221,392	1,242,068	1,588,450
Future exchange margins - self owned	60,343	66,095	65,336
Asset-backed securities	13,436	15,892	16,584
Overseas unlisted preference shares	<u>11,560</u>	<u>23,949</u>	<u>23,707</u>
Subtotal	<u>68,281,824</u>	<u>54,522,958</u>	<u>52,293,969</u>
<u>Derivative financial products</u>			
Foreign exchange forward contracts	71,307	58,820	44,426
Currency swap contracts	223,361	1,325,915	1,158,298
Option contracts	<u>152,791</u>	<u>114,242</u>	<u>106,164</u>
Subtotal	<u>447,459</u>	<u>1,498,977</u>	<u>1,308,888</u>
	<u>\$ 68,729,283</u>	<u>\$ 56,021,935</u>	<u>\$ 53,602,857</u>
<u>Financial liabilities held for trading</u>			
<u>Derivative financial products</u>			
Currency swap contracts	\$ 3,489,592	\$ 333,155	\$ 275,705
Option contracts	152,356	114,268	105,665
Foreign exchange forward contracts	<u>3,843</u>	<u>21,530</u>	<u>7,941</u>
	<u>\$ 3,645,791</u>	<u>\$ 468,953</u>	<u>\$ 389,311</u>

The Company engaged in derivative transactions mainly to accommodate customers' needs and manage its exposure positions. The financial risk management objective of the Company was to minimize risks due to changes in fair value or cash flows.

The contract amounts (notional amounts) of the derivative transactions for accommodating customers' needs and managing its exposure positions as of June 30, 2025, December 31 and June 30, 2024 are as follows:

	Contract amount		
	June 30, 2025	December 31 2024	June 30, 2024
Currency swap contracts	\$ 66,221,884	\$ 85,854,435	\$ 88,246,093
Foreign exchange forward contracts	1,062,767	1,029,327	936,650
Option contracts			
Call options	4,948,757	5,697,638	4,422,405
Put options	4,948,757	5,697,638	4,422,405

As of June 30, 2025, December 31 and June 30, 2024, financial assets at fair value through profit and loss in the amounts of NT\$40,172,652 thousand, NT\$23,480,327 thousand and NT\$26,354,006 thousand, respectively, were sold under repurchase agreements.

IX. Financial Assets Measured at Fair Value Through Other Comprehensive Income

	June 30, 2025	December 31 2024	June 30, 2024
Investments of the equity instruments measured at fair value through other comprehensive income			
Domestic listed shares	\$ 10,727,716	\$ 7,084,331	\$ 8,126,327
Overseas listed shares	9,792,100	9,709,474	7,396,945
Unlisted shares, domestic and overseas	<u>2,861,963</u>	<u>2,759,825</u>	<u>5,285,352</u>
Subtotal	<u>23,381,779</u>	<u>19,553,630</u>	<u>20,808,624</u>
Investments of the debt instruments measured at fair value through other comprehensive income			
Overseas government bonds	17,493,672	17,659,018	14,912,007
Overseas corporate bonds	13,378,967	16,140,375	16,681,090
Domestic corporate bonds	3,849,642	4,065,252	5,464,380
Domestic government bonds	2,809,636	2,890,073	2,880,376
Overseas financial bonds	2,000,345	2,289,785	2,606,067
Domestic financial bonds	<u>299,914</u>	<u>299,753</u>	<u>-</u>
Subtotal	<u>39,832,176</u>	<u>43,344,256</u>	<u>42,543,920</u>
	<u>\$ 63,213,955</u>	<u>\$ 62,897,886</u>	<u>\$ 63,352,544</u>

Details of the Company's investments in foreign and domestic unlisted shares are as follows:

	June 30, 2025	December 31 2024	June 30, 2024
LINE Pay Taiwan Limited (Note XVII)	\$ -	\$ -	\$ 2,557,580
LINE Bank Taiwan Limited	722,555	510,815	528,750
Taiwan Futures Exchange	649,909	640,752	599,088
Financial Information Service Co., Ltd.	503,802	502,047	455,952
RFD Micro Electricity Co., Ltd.	279,723	391,443	500,707
Others	<u>705,974</u>	<u>714,768</u>	<u>643,275</u>
	<u>\$ 2,861,963</u>	<u>\$ 2,759,825</u>	<u>\$ 5,285,352</u>

To promote innovative financial technology services, and popularize mobile payment endorsed by the government, the board of directors of the Bank approved the investment in Line BIZ+ Taiwan Limited on July 25, 2018, and later acquired 5,471 thousand shares at a price of NT\$1,579,977 thousand on September 21, 2018, resulting in a 10% shareholding. The Bank is a director of Line BIZ+ Taiwan with substantial influence; therefore the latter is recognized with the equity method. Acquired Line BIZ+ Taiwan Limited has generated NT\$977,235 thousand of goodwill and was included in the investment's cost.

In April 2023, LINE Pay Taiwan Limited executed employee stock options, resulting in a decrease in the Company's shareholding to 9.76%. On January 2, 2024, the Bank stepped down as a director of LINE Pay Taiwan Limited and lost its influence. In January 2024, the equity method was discontinued and the financial assets measured at fair value through other comprehensive gain or loss were considered for investment purposes (Note IX), and a gain of NT\$526,654 thousand was recognized.

- (I) Investments of the equity instruments measured at fair value through other comprehensive income
The Company holds the listed, emerging, and unlisted shares for long-term strategic purposes, and expects to earn profits via the long-term investment. The management believes it is inconsistent to the aforesaid long-term investment planning if the short-term fair value fluctuations of such investments are listed to profit and loss, and thus elected to designate these investments in equity instruments as at FVTOCI.

On April 1, 2025, the Board of Directors of the Bank resolved to participate in the cash capital increase of LINE Bank Taiwan Limited, and subscribed 25,000 thousand shares at 5% of its shareholding ratio for NT\$250,000 thousand.

Due to the consideration of the investment strategy, the Company sold the equity instrument investment measured at fair value through other comprehensive income from January 1 to June 30, 2025 and 2024. The fair value of the sale was NT\$663,214 thousand and NT\$1,241,436 thousand, respectively. Meanwhile, the unrealized valuation gains of NT\$38,833 thousand and gains of NT\$117,340 thousand accumulated during the disposal were transferred from other equity to retained earnings.

The dividend income recognized by the Company as equity instrument investments measured at fair value through other comprehensive income from January 1 to June 30, 2025 and 2024 was NT\$190,496 thousand and NT\$172,712 thousand, respectively. As of June 30, 2025 and 2024, the amounts still held were NT\$189,655 thousand and NT\$164,512 thousand, respectively.

- (II) Investments of the debt instruments measured at fair value through other comprehensive income

For further information regarding credit risk management and impairment assessment of financial assets at FVTOCI, refer to Note XI.

The Company had sold NT\$17,358,307 thousand, NT\$19,831,849 thousand and NT\$19,816,148 thousand of its financial assets at FVTOCI under a repurchase agreement on June 30, 2025, December 31 and June 30, 2024, respectively.

X. Financial Assets Measured at Amortized Costs

	<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
Negotiable certificates of deposit	\$ 42,900,000	\$ 42,900,000	\$ 42,900,000
Debt instruments			
Overseas asset-backed securities	29,632,930	32,393,357	31,883,997
Domestic government bonds	<u>5,596,441</u>	<u>6,431,769</u>	<u>7,310,416</u>
Subtotal	<u>35,229,371</u>	<u>38,825,126</u>	<u>39,194,413</u>
	<u>\$ 78,129,371</u>	<u>\$ 81,725,126</u>	<u>\$ 82,094,413</u>

For further information regarding credit risk management and impairment assessment on financial assets at amortized cost, refer to Note XI.

The Company sold financial assets at amortized cost under repurchase agreements in the amounts of NT\$26,394,541 thousand, NT\$28,866,742 thousand and NT\$29,138,193 thousand as of June 30, 2025, December 31 and June 30, 2024, respectively.

XI. Credit Risk Management for Investments in Debt Instruments

Debt instruments that the Company invested in have been further split into two categories, financial assets at FVTOCI and financial assets at amortized cost:

	June 30, 2025		
	At fair value through other comprehensive income	At amortized costs	Total
Total carrying amount	\$ 45,482,842	\$ 35,468,933	\$ 80,951,775
Loss allowance	(1,380,288)	(239,562)	(1,619,850)
Fair value adjustment	(4,270,378)	-	(4,270,378)
	<u>\$ 39,832,176</u>	<u>\$ 35,229,371</u>	<u>\$ 75,061,547</u>
	December 31 2024		
	At fair value through other comprehensive income	At amortized costs	Total
Total carrying amount	\$ 50,660,895	\$ 39,087,754	\$ 89,748,649
Loss allowance	(1,624,442)	(262,628)	(1,887,070)
Fair value adjustment	(5,692,197)	-	(5,692,197)
	<u>\$ 43,344,256</u>	<u>\$ 38,825,126</u>	<u>\$ 82,169,382</u>
	June 30, 2024		
	At fair value through other comprehensive income	At amortized costs	Total
Total carrying amount	\$ 49,955,703	\$ 39,456,223	\$ 89,411,926
Loss allowance	(1,587,201)	(261,810)	(1,849,011)
Fair value adjustment	(5,824,582)	-	(5,824,582)
	<u>\$ 42,543,920</u>	<u>\$ 39,194,413</u>	<u>\$ 81,738,333</u>

The Company continuously monitors the external credit rating information and price movements of the debt instruments invested in to assess whether their credit risks have significantly increased since initial recognition.

The Company takes into consideration the multi-period default probability table for each ratings of securities issued by credit rating agencies and the recovery rates of different types of bonds to assess the 12-month expected credit losses or lifetime expected credit losses. The carrying values of financial assets at FVTOCI and at amortized cost sorted by credit rating are as follows:

Credit Risk Ratings	Terms and definitions	ECL Recognition Basis	Expected Credit Loss Rate	June 30, 2025
				Total carrying amount (Including Premiums and Discounts)
Low credit risk	Low credit risk at the reporting date	12-month expected credit losses	0.00%~0.48%	\$ 74,123,127
Significant increase in credit risk	Credit risk has increased significantly since initial recognition	Lifetime expected credit losses (no credit impairment)	0.32%~0.35%	412,062
Default	Evidence of impairment at the reporting date	Lifetime expected credit losses (with credit impairment)	22.89%~50.00%	526,358
December 31 2024				
Credit Risk Ratings	Terms and definitions	ECL Recognition Basis	Expected Credit Loss Rate	December 31 2024
				Carrying amount (Including Premiums and Discounts)
Low credit risk	Low credit risk at the reporting date	12-month expected credit losses	0.00%~0.51%	\$ 81,252,689
Significant increase in credit risk	Credit risk has increased significantly since initial recognition	Lifetime expected credit losses (no credit impairment)	0.40%~0.45%	445,298
Default	Evidence of impairment at the reporting date	Lifetime expected credit losses (with credit impairment)	40.33%~50.00%	471,395
June 30, 2024				
Credit Risk Ratings	Terms and definitions	ECL Recognition Basis	Expected Credit Loss Rate	June 30, 2024
				Total carrying amount (Including Premiums and Discounts)
Low credit risk	Low credit risk at the reporting date	12-month expected credit losses	0%~0.2170%	\$ 80,771,121
Significant increase in credit risk	Credit risk has increased significantly since initial recognition	Lifetime expected credit losses (no credit impairment)	0.40%~0.45%	428,182
Default	Evidence of impairment at the reporting date	Lifetime expected credit losses (with credit impairment)	37.37%~50.00%	539,030

The following table shows changes in balances of loss allowances of financial assets at FVTOCI and debt instruments at amortized cost, sorted by credit risk ratings

	Credit Rating		
	Low credit risk (12-month expected credit losses)	Significant increase in credit risk (lifetime expected credit losses without credit impairment)	With objective evidence of impairment (Lifetime expected credit losses (with credit impairment))
Balance at January 1, 2025	\$ 277,995	\$ 3,533	\$ 1,605,542
Changes in credit risk ratings			
- Low credit risk to significant increase in credit risk	-	-	-
- Significant increase in credit risk to low credit risk	-	-	-

(continued at next page)

(Cont')

	Credit Rating		
	Low credit risk (12-month expected credit losses)	Significant increase in credit risk (lifetime expected credit losses without credit impairment)	With objective evidence of impairment Lifetime expected credit losses (with credit impairment)
- Significant increase in credit risk to default	\$ -	\$ -	\$ -
New debt instruments purchased	-	-	-
Derecognition	(344)	-	-
Changes in risk or model parameters	(10,220)	(653)	(99,511)
Change in exchange rates	(15,174)	(311)	(141,007)
Loss allowance on June 30, 2025	<u>\$ 252,257</u>	<u>\$ 2,569</u>	<u>\$ 1,365,024</u>

	Credit Rating		
	Low credit risk (12-month expected credit losses)	Significant increase in credit risk (lifetime expected credit losses without credit impairment)	Objective evidence of impairment at the reporting date (lifetime expected credit losses with credit impairment)
Balance at January 1, 2024	\$ 271,378	\$ 1,779	\$ 1,426,623
Changes in credit risk ratings			
- Low credit risk to significant increase in credit risk	(991)	991	-
- Significant increase in credit risk to low credit risk	-	-	-
- Significant increase in credit risk to default	-	-	-
New debt instruments purchased	168	-	-
Derecognition	(12,030)	-	-
Changes in risk or model parameters	3,414	405	61,091
Change in exchange rates	<u>16,479</u>	<u>99</u>	<u>79,605</u>
Loss allowance on June 30, 2024	<u>\$ 278,418</u>	<u>\$ 3,274</u>	<u>\$ 1,567,319</u>

XII. Securities Purchased Under Agreements to Resell

	June 30, 2025	December 31 2024	June 30, 2024
Commercial paper	\$ 45,709,963	\$ 31,312,980	\$ 29,503,491
Corporate bonds	17,523,174	23,800,079	24,237,771
Negotiable certificates of deposits	<u>1,048,761</u>	<u>4,005,262</u>	<u>1,521,714</u>
	<u>\$ 64,281,898</u>	<u>\$ 59,118,321</u>	<u>\$ 55,262,976</u>
Maturity date	July 2025	January 2025	July 2024
Proceeds agreed for resale	<u>\$ 64,332,747</u>	<u>\$ 59,159,820</u>	<u>\$ 55,297,171</u>

The Company's securities purchased under agreements to resell are not offered to be sold with repurchase agreement conditions.

XIII. Receivables, Net

	June 30, 2025	December 31 2024	June 30, 2024
Credit card receivables	\$ 24,199,862	\$ 24,999,598	\$ 27,523,969
Notes and accounts receivable	8,723,328	8,340,979	6,836,669
Interbank clearing fund receivable	3,040,133	3,021,822	3,017,385
Interest receivable	1,919,269	1,932,514	1,875,877
Collections receivable	1,885,892	1,205,517	1,996,769
Others	<u>1,320,241</u>	<u>1,330,177</u>	<u>1,379,466</u>
	41,088,725	40,830,607	42,630,135
Less: Allowance for doubtful accounts	<u>369,322</u>	<u>366,574</u>	<u>345,870</u>
Net	<u>\$ 40,719,403</u>	<u>\$ 40,464,033</u>	<u>\$ 42,284,265</u>

Refer to Note LIII for the impairment loss analysis of receivables.

The changes in gross carrying amounts of receivables are as follows:

January 1 to June 30, 2025

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected-credit Losses (Credit-impaired Financial Assets)	Total
Balance at the beginning of the period	\$ 39,777,435	\$ 161,408	\$ 891,764	\$ 40,830,607
Receivables assessed collectively	(24,253)	(34,283)	58,536	-
Receivables purchased or originated	9,268,186	137,959	201,338	9,607,483
Write-offs	-	-	(165,338)	(165,338)
Derecognition	(8,988,384)	(85,559)	(110,084)	(9,184,027)
Balance at the end of the period	<u>\$ 40,032,984</u>	<u>\$ 179,525</u>	<u>\$ 876,216</u>	<u>\$ 41,088,725</u>

January 1 to June 30, 2024

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected-credit Losses (Credit-impaired Financial Assets)	Total
Balance at the beginning of the period	\$ 37,097,858	\$ 177,426	\$ 814,953	\$ 38,090,237
Receivables assessed collectively	(29,060)	(33,531)	62,591	-
Receivables purchased or originated	13,451,325	122,843	234,380	13,808,548
Write-offs	-	-	(142,485)	(142,485)
Derecognition	(8,928,228)	(91,690)	(106,247)	(9,126,165)
Balance at the end of the period	<u>\$ 41,591,895</u>	<u>\$ 175,048</u>	<u>\$ 863,192</u>	<u>\$ 42,630,135</u>

The Bank had set up an allowance for doubtful accounts on accounts receivable. The details of and changes in allowance for doubtful accounts on accounts receivable are as follows:

January 1 to June 30, 2025

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected- credit Losses (Credit- impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	Total
<u>Accounts receivable</u>						
Balance at the beginning of the period	\$ 150,505	\$ 18,437	\$ 136,198	\$ 305,140	\$ 61,434	\$ 366,574
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(546)	988	(442)	-	-	-
- Transferred to credit-impaired financial assets	(23,086)	(39,696)	62,782	-	-	-
- Transferred to 12-month ECL	840	(599)	(241)	-	-	-
- Derecognition of financial assets in the current reporting period	(31,189)	(6,630)	(25,517)	(63,336)	-	(63,336)
New financial assets purchased or originated	31,121	39,102	122,441	192,664	-	192,664
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	31,513	31,513
Write-offs	-	-	(165,338)	(165,338)	-	(165,338)
Recovery of written-off receivables	-	-	131,191	131,191	-	131,191
Change in risk parameters and others	58	80	(123,796)	(123,658)	-	(123,658)
Change in exchange rate	(288)	-	-	(288)	-	(288)
Balance at the end of the period	\$ 127,415	\$ 11,682	\$ 137,278	\$ 276,375	\$ 92,947	\$ 369,322

January 1 to June 30, 2024

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected- credit Losses (Credit- impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	Total
<u>Accounts receivable</u>						
Balance at the beginning of the period	\$ 124,800	\$ 16,986	\$ 100,799	\$ 242,585	\$ 39,263	\$ 281,848
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(396)	601	(205)	-	-	-
- Transferred to credit-impaired financial assets	(28,832)	(37,215)	66,047	-	-	-
- Transferred to 12-month ECL	529	(432)	(97)	-	-	-
- Derecognition of financial assets in the current reporting period	(15,336)	(3,387)	(20,587)	(39,310)	-	(39,310)
New financial assets purchased or originated	61,716	42,574	113,876	218,166	-	218,166
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	25,212	25,212
Write-offs	-	-	(142,485)	(142,485)	-	(142,485)
Recovery of written-off receivables	-	-	178,532	178,532	-	178,532
Change in risk parameters and others	(4,989)	(18)	(171,258)	(176,265)	-	(176,265)
Change in exchange rate	172	-	-	172	-	172
Balance at the end of the period	\$ 137,664	\$ 19,109	\$ 124,622	\$ 281,395	\$ 64,475	\$ 345,870

XIV. Discounts and Loans, Net

	<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
Discounts and overdraft	\$ 58,416	\$ 64,654	\$ 55,244
Accounts receivable - financing	59,928	23,270	45,230
Short-term loans	21,767,914	25,371,894	22,149,209
Secured short-term borrowing	138,472,251	135,738,368	124,141,624
Medium-term loans	43,238,356	41,345,714	41,774,343
secured mid-term borrowing	153,678,299	147,764,500	141,225,219
Long-term loans	6,856,860	7,096,380	7,846,874
Secured long-term borrowing	255,143,073	254,910,977	248,974,151
Import and export negotiations	8,841	20,929	9,048
Non-accrual loans from loans	<u>1,075,624</u>	<u>864,718</u>	<u>1,324,580</u>
Subtotal	620,359,562	613,201,404	587,545,522
Less: Allowance for doubtful accounts	<u>7,375,456</u>	<u>7,180,194</u>	<u>7,053,811</u>
	<u>\$ 612,984,106</u>	<u>\$ 606,021,210</u>	<u>\$ 580,491,711</u>

As of June 30, 2025, December 31 and June 30, 2024, the balances of nonaccrual loans were NT\$1,075,624 thousand, NT\$864,718 thousand and NT\$1,324,580 thousand, respectively. The unrecognized interest revenues on nonperforming loans were NT\$17,703 thousand and NT\$22,403 thousand during January 1 to June 30, 2025 and 2024. The Company has no credit re-sold without collection during January 1 to June 30, 2025 and 2024.

Refer to Note LIII for impairment loss analysis of discounts and loans.

The changes in gross carrying amounts on receivables are as follows:

January 1 to June 30, 2025

	<u>12-month expected credit losses</u>	<u>Lifetime expected credit losses</u>	<u>Lifetime Expected-credit Losses (Credit-impaired Financial Assets)</u>	<u>Total</u>
Balance at the beginning of the period	\$ 608,055,032	\$ 3,029,721	\$ 2,116,651	\$ 613,201,404
Discount and loans assessed collectively	(1,491,913)	897,069	594,844	-
Discount and loans purchased or originated	168,946,945	351,220	140,693	169,438,858
Write-offs	-	-	(50,093)	(50,093)
Derecognition	(<u>161,121,573</u>)	(<u>643,726</u>)	(<u>465,308</u>)	(<u>162,230,607</u>)
Balance at the end of the period	<u>\$ 614,388,491</u>	<u>\$ 3,634,284</u>	<u>\$ 2,336,787</u>	<u>\$ 620,359,562</u>

January 1 to June 30, 2024

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected-credit Losses (Credit-impaired Financial Assets)	Total
Balance at the beginning of the period	\$ 566,033,237	\$ 2,711,467	\$ 2,236,465	\$ 570,981,169
Discount and loans assessed collectively	(957,175)	339,376	617,799	-
Discount and loans purchased or originated	178,962,204	358,524	46,423	179,367,151
Write-offs	-	-	(220,702)	(220,702)
Derecognition	(161,708,370)	(582,742)	(290,984)	(162,582,096)
Balance at the end of the period	<u>\$ 582,329,896</u>	<u>\$ 2,826,625</u>	<u>\$ 2,389,001</u>	<u>\$ 587,545,522</u>

The Bank had set up an allowance for doubtful accounts on discounts and loans. The details of and changes in allowance for doubtful accounts on discounts and loans are as follows:

January 1 to June 30, 2025

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected-credit Losses (Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	Total
Discounts and loans						
Balance at the beginning of the period	\$ 504,970	\$ 147,094	\$ 471,908	\$ 1,123,972	\$ 6,056,222	\$ 7,180,194
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(787)	5,163	(4,376)	-	-	-
- Transferred to credit-impaired financial assets	(182)	(20,440)	20,622	-	-	-
- Transferred to 12-month ECL	30,383	(13,386)	(16,997)	-	-	-
- Derecognition of financial assets in the current reporting period	(259,938)	(30,527)	(103,539)	(394,004)	-	(394,004)
New financial assets purchased or originated	249,274	46,229	66,773	362,276	-	362,276
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	(100,881)	(100,881)
Write-offs	-	-	(50,093)	(50,093)	-	(50,093)
Recovery of written-off receivables	-	-	83,574	83,574	-	83,574
Change in risk parameters and others	22,591	99,576	184,288	306,455	-	306,455
Change in exchange rate	(12,065)	-	-	(12,065)	-	(12,065)
Balance at the end of the period	<u>\$ 534,246</u>	<u>\$ 233,709</u>	<u>\$ 652,160</u>	<u>\$ 1,420,115</u>	<u>\$ 5,955,341</u>	<u>\$ 7,375,456</u>

January 1 to June 30, 2024

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected-credit Losses (Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	Total
Discounts and loans						
Balance at the beginning of the period	\$ 697,689	\$ 158,499	\$ 265,770	\$ 1,121,958	\$ 5,751,587	\$ 6,873,545
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(664)	5,837	(5,173)	-	-	-
- Transferred to credit-impaired financial assets	(237)	(27,470)	27,707	-	-	-
- Transferred to 12-month ECL	31,641	(20,756)	(10,885)	-	-	-
- Derecognition of financial assets in the current reporting period	(327,801)	(37,154)	(82,535)	(447,490)	-	(447,490)
New financial assets purchased or originated	250,050	102,637	113,928	466,615	-	466,615
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	250,407	250,407
Write-offs	-	-	(220,701)	(220,701)	-	(220,701)
Recovery of written-off receivables	-	-	94,916	94,916	-	94,916
Change in risk parameters and others	(177,974)	(16,900)	220,362	220,362	-	25,488
Change in exchange rate	11,031	-	-	11,031	-	11,031
Balance at the end of the period	<u>\$ 483,735</u>	<u>\$ 164,693</u>	<u>\$ 403,389</u>	<u>\$ 1,051,817</u>	<u>\$ 6,001,994</u>	<u>\$ 7,053,811</u>

XV. Allowance for Doubtful Accounts, Provision for Losses on Commitments and Guarantees

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Provision of allowance for doubtful accounts on accounts receivable	\$ 3,285	\$ 1,699	\$ 37,183	\$ 27,803
Provision for doubtful accounts on discounts and loans	75,291	73,418	173,846	295,020
Provision for guarantee liabilities	3,000	19,462	13,000	71,462
	<u>\$ 81,576</u>	<u>\$ 94,579</u>	<u>\$ 224,029</u>	<u>\$ 394,285</u>

XVI. SUBSIDIARIES

The investees included in the consolidated financial statements

The entities of the Consolidated Financial Statements are as follows:

Investor	Investee	Main Businesses	Percentage of Ownership			Description
			June 30, 2025	December 31 2024	June 30, 2024	
Union Bank of Taiwan Co., Ltd.	UFLIC	Installment, leasing and accounts receivable factoring	100.00%	100.00%	100.00%	(I)
	Union Information Technology Corporation (UIT)	Software and hardware product retail and distribution, system programming development, system development outsourcing, website design, e-commerce, etc.	99.99%	99.99%	99.99%	(II)
	Union Finance International (HK) Limited	Import and export financing	-	100.00%	100.00%	(III)
	Union Securities Investment Trust Corporation (USITC)	Securities investment trust	99.60%	99.60%	99.60%	(IV)
	Union Venture Capital Co., Ltd.	Venture Investment	100.00%	100.00%	100.00%	(V)
UFLIC	Union Capital (Cayman) Corp.	Investment, overseas financing, equipment leasing, installment selling, acquisition of accounts receivable, etc.	100.00%	100.00%	100.00%	(VI)
	Union Cptial (Singapore) Holding PTE. Ltd.	Investment, overseas financing, equipment leasing, installment selling, acquisition of accounts receivable, etc.	100.00%	100.00%	100.00%	(VI) and (VIII)
	Uflc Capital (Singapore) Holding PTE. Ltd.	Investment, overseas financing, equipment leasing, installment selling, acquisition of accounts receivable, etc.	100.00%	100.00%	100.00%	(VI) and (VIII)
Union Cptial (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1 (Japan)	Sale, purchasing and leasing of real estates, etc.	30.55%	30.55%	30.55%	(VII) and (VIII)
	Tokutei Mokuteki Kaisha SSG15 (Japan)	A real estate securitized special purpose company	49.00%	49.00%	49.00%	(VII) and (VIII)
Uflc Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1 (Japan)	Sale, purchasing and leasing of real estates, etc.	69.45%	69.45%	69.45%	(VII) and (VIII)
	Tokutei Mokuteki Kaisha SSG12 (Japan)	A real estate securitized special purpose company	49.00%	49.00%	49.00%	(VII) and (VIII)
	Tokutei Mokuteki Kaisha SSG16 (Japan)	A real estate securitized special purpose company	49.00%	49.00%	49.00%	(VII) and (VIII)

(continued at next page)

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Investor	Investee	Main Businesses	Percentage of Ownership			Description
			June 30, 2025	December 31 2024	June 30, 2024	
Kabushiki Kaisha UCJI (Japan)	Tokutei Mokuteki Kaisha SSG15 (Japan)	A real estate securitized special purpose company	51.00%	51.00%	51.00%	(VII) and (VIII)
	Tokutei Mokuteki Kaisha SSG12 (Japan)	A real estate securitized special purpose company	51.00%	51.00%	51.00%	(VII) and (VIII)
	Tokutei Mokuteki Kaisha SSG16 (Japan)	A real estate securitized special purpose company	51.00%	51.00%	51.00%	(VII) and (VIII)
Union Venture Capital Co., Ltd.	Corner Union Venture Capital, LLC (Delaware)	Venture Investment	100.00%	100.00%	100.00%	(IX)
	Na He Yi Hau Electric Power Inc.	Energy development and technology service	90.00%	90.00%	89.70%	(X)
	Ting Jie Electric Power Inc.	Energy development and technology service	90.00%	90.00%	-	(XI)
	Union Energy Co., Ltd.	Venture Investment	100.00%	100.00%	100.00%	(XII)
	Ting Syu Energy Co., Ltd.	Energy development and technology service	60.00%	60.00%	60.00%	(XV)
	Bei Chen Yi Hau Electric Power Inc.	Energy development and technology service	99.08%	99.08%	99.08%	(XVI)
	Hao Tian Electric Power Inc.	Energy development and technology service	99.08%	99.08%	99.08%	(XVII)
	Feng Tai Electric Power	Energy development and technology service	99.08%	99.08%	99.08%	(XVII)
	Union Energy Co., Ltd.	Na He Yi Hau Electric Power Inc.	Energy development and technology service	-	-	0.30%
	Ting Jie Electric Power Inc.	Energy development and technology service	-	-	90.00%	(XI)
	Tian Ji Smart Energy Co., Ltd.	Energy development and technology service	90.00%	90.00%	90.00%	(XIV)
Corner Union Venture Capital, LLC (Delaware)	Corner Ventures DAG I-U, LLC (Delaware)	Venture Investment	100.00%	100.00%	100.00%	(IX)
	Corner Union, LLC (Delaware)	Venture Investment	100.00%	100.00%	100.00%	(IX)
Union Securities Investment Trust Corporation (USITC)	Union Private Equity Co., Ltd.	Venture Investment	100.00%	100.00%	100.00%	(XIII)

- (I) Union Finance & Leasing (Int'l) Corp. (UFLIC) was established under the Company Act on November 11, 1996. UFLIC trades and leases real estates, motor vehicles and machinery and equipment and does accounts receivable factoring, as well as the development and leasing of residences and buildings.
- (II) Union Information Technology Corporation (UIT), which was incorporated on August 10, 1998, mainly renders software services, wholesale and retail of information software and telecommunications equipment, enterprise management consulting, etc.
- (III) Union Finance International (HK) Limited was incorporated in Hong Kong on April 23, 1996. The company mainly engages in financial service and financial investment, and management of business performance. On November 13, 2023, the Company's board of directors approved the closure of Union Finance International (H.K.) Limited after taking into account the overseas professional layout plan. The Company's cancellation of company registration was approved by the Hong Kong Registration Office on January 17, 2025, and the earnings were repatriated on February 18, 2025.
- (IV) Union Securities Investment Trust Corporation (USITC) was incorporated on November 20, 1998. It obtained a securities investment trust enterprise license and started operations on February 26, 1999; it mainly establishes securities investment trust funds by issuing beneficiary certificates, and apply the securities investment trust funds to invest securities and related products.
- (V) In order to actively support the FSC's needs to adapt to the nation's overall industry development and to boost the diversification of the corporate banking business as well as improve the efficiency in the use of funds, the Bank established Union Venture Capital ("UVC") in coordination with the nation's financial policies. The investment was approved by the FSC under Rule No. 10802042270 on March 28, 2019. Union Venture Capital was established by the Bank on November 21, 2019; it mainly engages in general business investment.
- (VI) Union Capital (Cayman) Corp. was established in the British West Indies in July 1997 and is mainly engaged in financial investment.

Uflc Capital (Singapore) Holding PTE. Ltd. and Union Capital (Singapore) Holding PTE. Ltd. are both 100%-owned subsidiaries and established by Union Capital (Cayman) Corp. in Singapore with an investment of US\$1 in March 2016 and September 2014, respectively. The main businesses are investment, offshore financing, equipment leasing, installment sales, and accounts receivable collection.

The subsidiary of UFLIC, Union Capital (Cayman) Corp., wants to comply with local economic regulations. Therefore, on February 25, 2020, the board approved to restructure the investment by transferring to Uflc Capital (Singapore) Holding PTE., Ltd. and Union Capital (Singapore) Holding PTE on July 1, and July 23, 2020. Ltd. the (the consideration was offset with the debt payable to UFLIC) and equity from Union Capital (Cayman) at the carrying value on June 30, 2020 to UFLIC.

- (VII) Kabushiki Kaisha UCJ1, Tokutei Mokuteki Kaisha SSG15, SSG12, and SSG16 are entities established in Japan under the real estate securitization structure by Union Capital (Singapore) Holding PTE. Ltd. and Uflc Capital (Singapore) Holding PTE. Ltd. for the purpose of acquiring real estate. Kabushiki Kaisha UCJ1 mainly buys, sells, and leases real estate. Tokutei Mokuteki Kaisha SSG15, SSG12 and SSG16 is a special purpose entity that securitizes real estate.
- (VIII) Union Capital (Singapore) Holding PTE. Ltd., Uflc Capital (Singapore) Holding PTE. Ltd., Kabushiki Kaisha UCJ1, Tokutei Mokuteki Kaisha SSG15, SSG12 and SSG16 have fiscal years different from calendar years. To apply the equity method, the Company recognized the consolidated financial statements of the said companies on March 31, 2025, and properly adjusted for changes from significant transactions since the date up to June 30, 2025.
- (IX) In order to manage Union Venture Corporation's investment, the board agreed to the establishment of a subsidiary, Corner Union Venture Capital, LLC on March 5, 2020; and sub-subsidiaries Corner Ventures DAG I-U, LLC and Corner Union, LLC in Delaware, USA, with the approval by Delaware state government in April and July 2020. Union Venture Corporation held 100% equity in the subsidiaries and engages in general business investment.
- (X) In alignment with the development of startup industries created by the government of the Republic of China, Union Venture Capital Co., Ltd. (UVC) and Union Energy Co., Ltd. (Union Energy) invested a capital amount of NT\$148,900 thousand and NT\$500 thousand, respectively, accounting for 89.7% and 0.3% of the common shares, respectively, in the acquisition of Na He Yi Hau Electric Power Inc. (Na He Yi Hau), which mainly engages in energy development and provision of technical services. In order to improve the financial structure, the Board of Directors of the Union Energy resolved and approved the transfer of 0.3% of the common shares of the Union Energy's original holding of Na He Yi Hau to Union Venture Capital Co., Ltd. on November 25, 2024, at NTD 10 per share.
- (XI) In order to actively adapt to the development of the nation's startup industries, on November 24th, 2020, the board approved to acquire 90% equity of Ting Jie Electric Power Inc. with total invested capital of NT\$900 thousand. For the investment development strategy and investment restructuring plan, on July 28th, 2021, the board of UVC resolved to sell a total of 90 thousand common stock of Ting Jie Electric Power at NT\$10 dollars per share to Union Energy. To promote power plant construction in the future, Ting Jie Electric Power Inc. completed the capital increase in cash on July 30, 2021. Union Energy invested NT\$18,000 thousand in proportion to its shareholding. Union Energy has invested a total of NT\$18,900 thousand and held 90% of equity. In order to improve the financial structure, the Board of Directors of the Union Energy resolved to transfer 1,890 thousand common shares of Ting Jie Electric Power Inc. to the Union Venture Capital Co., Ltd. on November 25, 2024, at NTD 10 per share. The main business of Ting Jie Electric Power Inc. is in the energy manufacturing and technical service industries.

- (XII) In order to manage Union Venture Corporation's investments in startups in the future, it established Union Energy Co., Ltd. (Union Energy) and held 100% equity on December 17, 2020. It mainly engages in general business investment management.
- (XIII) Union Securities Investment Trust Corporation actively supports the FSC's needs to adapt to the nation's overall industry development and has established Union Private Equity Co., Ltd. (United Private Equity), which mainly engages in general business investment and investment management advice.
- (XIV) Union Energy Co., Ltd. actively supports FSC's financial strategy, investment in the green energy technology industry, and efficiency of fund application. In May 2020, the Board of Union Energy Co., Ltd. approved the acquisition of Tianji Smart Energy Co., Ltd. (Tianji Smart), which mainly engages in energy development and provision of technical services.
- (XV) In order to actively adapt to the development of the nation's startup industries, UVC's Board resolved to set up Ting Xu Energy Co., Ltd. (Ting Xu Energy) on May 31, 2022. Ting Xu Energy was fully established on July 7, 2022. It mainly engages in energy development and provision of technical services.
- (XVI) In order to comply with the government's policy of developing startup industries in Taiwan, the board of directors of Union Venture Capital Co., Ltd. resolved, on March 13, 2023, to acquire 99.08% of the equity in Bei Chen Yi Hau Electric Power Inc. (Bei Chen Yi Hau) in May 2023. The total invested capital was NT\$108,000 thousand. The major businesses are energy development and technology service.
- (XVII) In order to cooperate with the development of startup industries by the government of Taiwan, Union Venture Capital's Board of Directors has on March 13, 2023 approved to invest NT\$108,000 thousand to acquire Hao Tian Electric Power Inc. (Hao Tian Electric) and Feng Tai Electric Power Inc. (Feng Tai Power) in July 2023 with a 99.08% stake in the companies. The major businesses are energy development and technology service.

XVII. Investments Accounted for Using the Equity Method, Net

	<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
<u>Not individually material</u>			
Union Construction Management Co., Ltd.	\$ 51,888	\$ 51,939	\$ 51,778
Blue Borders Medical and Health Management Consulting Co., Ltd.	112,581	111,004	116,471
iPASS Corporation	<u>290,634</u>	<u>197,768</u>	<u>218,996</u>
	<u>\$ 455,103</u>	<u>\$ 360,711</u>	<u>\$ 387,245</u>

The summarized financial information in respect of the Company's affiliates not individually material is set out below:

	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Share attributed to the Company		
Current net profit (loss)	(\$ 18,482)	\$ 510,734

The Company's share of profits and losses and other income on investments using the equity method is based on the unreviewed financial statements of the same period. The management of the Company considers that the financial statements of the investees are not reviewed by CPAs, therefore there is no material effect.

XVIII. Other Financial Assets, Net

	<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
Assets Pledged (Note XLVIII)	\$ 1,552,725	\$ 1,543,325	\$ 1,543,812
Due from banks - time deposit	<u>35,762</u>	<u>19,480</u>	<u>117,735</u>
	<u>\$ 1,588,487</u>	<u>\$ 1,562,805</u>	<u>\$ 1,661,547</u>

The amount of due from banks - time deposits with maturities longer than three months or certificate of deposits that cannot be cancelled or used.

XIX. Property and Equipment, Net

	<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
<u>Carrying amount of each category</u>			
Land	\$ 4,451,794	\$ 4,451,794	\$ 4,451,794
Buildings	3,562,969	3,120,023	3,147,676
Machinery and Computer Equipment	5,085,585	5,176,702	4,987,001
Transportation Equipment	56,570	54,663	58,888
Lease Improvements	191,016	192,611	195,910
Prepayment for equipment and property	<u>3,047,004</u>	<u>3,110,938</u>	<u>3,173,265</u>
	<u>\$ 16,394,938</u>	<u>\$ 16,106,731</u>	<u>\$ 16,014,534</u>

The Company's property and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	33-55 years
Equipment installed in buildings	3-20 years
Machinery and Computer Equipment	1-5years
Transportation Equipment	1-7 years
Lease Improvements	2-5years

For the amount of property and equipment pledged for loans, please refer to Note XLVIII.

XX. Lease Arrangements

(I) Right-of-use assets

	<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
Carrying amounts of right-of- use assets			
Land and buildings	<u>\$ 1,665,320</u>	<u>\$ 1,745,478</u>	<u>\$ 1,844,851</u>
	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>	
Increase in right-of-use assets	<u>\$ 174,338</u>	<u>\$ 307,391</u>	
Depreciation expense of right-of-use assets			
Land	\$ 13,329	\$ 13,920	
Buildings	<u>242,099</u>	<u>240,946</u>	
	<u>\$ 255,428</u>	<u>\$ 254,866</u>	

(II) Lease liabilities

	June 30, 2025	December 31 2024	June 30, 2024
Carrying amounts of lease liabilities	\$ <u>1,667,964</u>	\$ <u>1,747,230</u>	\$ <u>1,841,541</u>

Range of discount rate for lease liabilities was as follows:

	June 30, 2025	December 31 2024	June 30, 2024
Land and buildings	0.72%~2.87%	0.72%~2.87%	0.72%~3.00%

(III) Other lease information

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Expenses relating to short-term leases	\$ <u>42,754</u>	\$ <u>44,949</u>	\$ <u>70,790</u>	\$ <u>84,354</u>
Total cash (outflow) for leases			(\$ <u>325,326</u>)	(\$ <u>335,905</u>)

The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

XXI. Investment Properties, Net

	June 30, 2025	December 31 2024	June 30, 2024
Land	\$ 4,023,641	\$ 4,039,921	\$ 3,982,498
Buildings	<u>498,100</u>	<u>523,266</u>	<u>519,389</u>
	<u>\$ 4,521,741</u>	<u>\$ 4,563,187</u>	<u>\$ 4,501,887</u>

Investment properties are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	15-50 years
Equipment installed in buildings	6-15 years

The fair values of investment properties were NT\$5,990,106 thousand, NT\$6,018,451 thousand and NT\$5,853,958 thousand as of June 30, 2025, December 31 and June 30, 2024, respectively. The fair values were based on the valuation at these dates by independent appraisers that were not the Company's related parties and estimated by the management according to the prices of similar properties in the vicinity.

Refer to Note XXX for information relating to investment properties pledged as guarantee.

The investment properties were leased out for 3 to 20 years. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

As of June 30, 2025, December 31 and June 30, 2024, refundable deposits paid under operating leases were NT\$65,181 thousand, NT\$65,986 thousand, and NT\$63,676 thousand (included in other assets - refundable deposits), respectively.

The maturity analysis of lease payments receivable under operating leases of investment properties as of June 30, 2025, December 31 and June 30, 2024 are as follows:

	June 30, 2025	December 31 2024	June 30, 2024
Year 1	\$ 118,831	\$ 95,994	\$ 111,796
Year 2	92,790	63,594	64,015
Year 3	52,443	51,608	50,361

Year 4	52,383	51,193	50,081
Year 5	47,024	48,233	50,081
Year 6 onwards	<u>369,383</u>	<u>387,287</u>	<u>402,938</u>
	<u>\$ 732,854</u>	<u>\$ 697,909</u>	<u>\$ 729,272</u>

XXII. Goodwill

The Bank acquired Chung Shing Bank (Chung Shing) on March 19, 2005 and recognized goodwill amounting to \$3,309,000 thousand. The goodwill amortization period was five years, and the amortization expense in 2005 was \$551,500 thousand. However, the amortization of goodwill was no longer required from January 1, 2006. The Bank merged with Union Bills Finance Corporation on August 16, 2010, with the Bank as the survivor entity, and recognized goodwill amounting to NT\$130,498 thousand.

For the impairment test on Chung Shing, the Bank treated individual business units as cash-generating units (CGUs). Goodwill resulting from the merger was allocated to the relevant CGUs. The recoverable amount was determined by the value in use of each CGU, and the key assumptions adopted use the actual operations and business of CGUs or the objective information of the economic cycles as the basis of future cash flow estimation; based on the going-concern assumption, the net cash flows generated from the operations of each CGU in the next five years are forecasted. As of June 30, 2025, December 31 and June 30, 2024, there was no impairment after evaluation by Union Bank of Taiwan. As of June 30, 2025, December 31 and June 30, 2024, Union Bank of Taiwan had recognized goodwill impairment loss of NTD 902,691 thousand in total.

XXIII. Other Assets, Net

	<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
Assets leased to others, net	\$ 5,994,062	\$ 5,936,413	\$ 5,929,327
Refundable deposits	7,597,835	2,493,002	2,275,842
Prepaid expenses	528,908	400,514	543,586
Prepaid pension	79,631	111,759	27,924
Others	<u>291,234</u>	<u>283,715</u>	<u>293,609</u>
	<u>\$ 14,491,670</u>	<u>\$ 9,225,403</u>	<u>\$ 9,070,288</u>

XXIV. Deposits from the Central Bank and Peers

	<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
Deposits from Chunghwa Post Co., Ltd.	\$ 5,574,680	\$ 5,574,680	\$ 3,574,680
Call loans from banks	3,618,628	9,330,000	10,406,750
Overdraft from other banks	311,924	194,635	169,944
Deposits from the Central Bank and Peers	<u>191,237</u>	<u>133,059</u>	<u>124,679</u>
	<u>\$ 9,696,469</u>	<u>\$ 15,232,374</u>	<u>\$ 14,276,053</u>

XXV. Due to the Central Bank and Other Banks

	<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
Due to other banks (Note XXX)	<u>\$ 1,482,367</u>	<u>\$ 1,405,281</u>	<u>\$ 1,325,004</u>

XXVI. Securities sold under agreements to repurchase

	<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
Commercial paper	\$ 40,232,656	\$ 23,495,917	\$ 26,386,805
Asset-backed securities	15,096,632	16,925,265	15,898,285
Government bonds	9,759,430	10,220,295	10,147,373
Corporate bonds	5,458,666	6,870,062	7,643,700
Financial bonds	<u>966,536</u>	<u>1,052,162</u>	<u>1,016,447</u>
	<u>\$ 71,513,920</u>	<u>\$ 58,563,701</u>	<u>\$ 61,092,610</u>
Maturity date	July - December 2025	January - September 2025	July - September 2024
Agreed repurchase price	<u>\$ 71,836,955</u>	<u>\$ 58,921,888</u>	<u>\$ 61,575,113</u>

XXVII. Accounts Payable

	<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
Collection payable	\$ 1,447,412	\$ 1,307,077	\$ 1,822,458
Interest payable	1,556,777	1,585,847	1,727,815
Exchange clearing payable	888,637	1,316,426	3,375,919
Dividend payable	1,943,650	-	1,267,749
Expense payables	1,024,293	1,488,924	1,621,837
Accrued payable	1,424,678	205,608	315,453
Accounts Payable	282,832	420,164	68,225
Agency business payable, not settled	914,170	51,061	5,677
Others	<u>2,598,070</u>	<u>2,129,155</u>	<u>1,988,942</u>
	<u>\$ 12,080,519</u>	<u>\$ 8,504,262</u>	<u>\$ 12,194,075</u>

XXVIII. Deposits and Remittances

	<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
Checking deposits	\$ 5,185,716	\$ 7,059,281	\$ 5,506,512
Demand deposits	169,851,328	161,390,857	150,518,529
Savings deposits	470,797,460	456,634,884	450,566,733
Time deposits	168,255,979	178,001,094	166,638,169
Negotiable certificates of deposit	238,500	230,000	213,800
Inward and outward remittances	<u>155,690</u>	<u>133,421</u>	<u>114,286</u>
	<u>\$ 814,484,673</u>	<u>\$ 803,449,537</u>	<u>\$ 773,558,029</u>

XXIX. Bank Debentures

	<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
First issue of subordinated bank debentures in 2019; fixed rate at 1.10%; maturity: September 2026	\$ 500,000	\$ 500,000	\$ 500,000
First issue of subordinated bank debentures in 2019; fixed rate at 1.23%; maturity: September 2029	1,500,000	1,500,000	1,500,000
First issue of subordinated bank debentures in 2021; no maturity date and non-cumulative; redeemable at face value plus interest accrued under the approval of the authorities when the issue term is above 5.6 years; fixed rate at 1.92% (the benchmark interest rate is +1.1183%)	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>
	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>

XXX. Corporate Bonds Payable

	June 30, 2025	December 31 2024	June 30, 2024
Overseas corporate bonds - secured	\$ <u>877,700</u>	\$ <u>885,881</u>	\$ <u>855,603</u>

(I) TTK SSG15

In order to comply with the regulations governing the special purpose association of Japan, for overseas secured corporate bonds to be issued by TMK SSG15, the subsidiary UNION CAPITAL (SINGAPORE) HOLDING PTE. LTD. must transfer more than half of the common stock of TMK SSG15 to the legal entity Ippam Shadan Hojin UCJ1 (ISH UCJ1) established due to its donation, in order to establish a bankruptcy isolation mechanism. TMK SSG15 also provided an investment property of JPY3,787,112 thousand (equivalent to NT\$785,803 thousand) as the collateral to issue the five-year secured corporate bond with an issuance amount of JPY2,200,000 thousand (NT\$456,487 thousand) in March 2020. According to the contract, the issuance period can be extended by one year, the interest every quarter shall be paid and a principal of JPY11,000 thousand be repaid in installment. The corporate bond matures in March 2025 and its book value was JPY1,991,000 thousand (NT\$413,121 thousand). The issuance interest rates of the original corporate bonds are as follows:

1. The first to fifth years: Base interest rate +0.41%
Base rate: The Tokyo Swap Rate (TSR), six-month LIBOR-based 5-year JPY/JPY-interest swap rate displayed on page 17143 of the Telerate screen at 10:00 am (JST) on the day that is two business days before the issuance date.
2. The sixth year: Base interest rate +1.41%
Base rate: The 3-month TIBOR (based on 365 days) displayed as the Japanese yen TIBOR as published by the JBA TIBOR Administration on page 17097 of the Telerate screen at 11:00 am JST on the day that is two business days before the interest payment date.

The abovementioned corporate bonds have matured in March 2025, TMK SSG15 has provided the aforesaid investment property as a collateral, and issued the five-year secured corporate bonds with an issuance amount of JPY2,010,000 thousand (NT\$417,063 thousand) in March 2025. According to the contract, the issuance can be extended by one year, and the interest is paid quarterly and the principal is repaid in installments of JPY 13,500 thousand. The issuance interest rates of the corporate bonds are as follows:

1. The first to fifth years: Base interest rate +0.37%
Base rate: The 6-month DTIBOR/TONA plus five-year yen-yen swap rate displayed on Refinitiv Screen TKFX9154 as the index rate as of 11 a.m. Tokyo time two business days prior to the issue date.
2. The sixth year: Base interest rate +1.37%
Base rate: The 3-month TIBOR (based on 365 days) displayed as the Japanese yen TIBOR as published by the JBA TIBOR Administration on page 17097 of the Telerate screen at 11:00 am JST on the day that is two business days before the interest payment date.

(II) TTK SSG12

To issue overseas secured corporate bonds by TMK SSG12, the sub-subsidiary Kabushiki Kaisha UCJ1 must transfer more than half of the common stock of TMK SSG12 to the legal entity Ippam Shadan Hojin UCJ2 (ISH UCJ2) in order to establish bankruptcy isolation mechanism. TMK SSG12 has provided the aforesaid investment property as a collateral, and issued the five-year secured corporate bonds with an issuance amount of JPY1,920,000 thousand (NT\$398,388 thousand) in

September 2021. According to the contract, the issuance can be extended by one year. The issuance interest rates of the corporate bonds as of June 30, 2025 are as follows:

1. The first to fifth years: Base interest rate +0.5%
Base rate: The five-year yen-yen swap rate displayed on Refinitiv Screen page 17143 as the index rate as of 10 a.m. Tokyo time two business days prior to the issue date.
2. The sixth year: Base interest rate +0.5%
Base rate: The three-month TIBOR published by JBA TIBOR Administration on 11 a.m., Tokyo time two business days prior to the interest payment date.

(III) TTK SSG16

To issue overseas secured corporate bonds by TMK SSG16, the sub-subsidiary Kabushiki Kaisha UCJ1 must transfer more than half of the common stock of TMK SSG16 to the legal entity Ippam Shadan Hojin UCJ2 (ISH UCJ2) in order to establish bankruptcy isolation mechanism. By providing investment property as a collateral, TMK SSG16 issued four-year secured corporate bonds in September 2021 with a face value of JPY300,000 thousand (equivalent to NT\$62,248 thousand) and borrowed with collateral for JPY1,250,000 thousand (equivalent to NT\$259,368 thousand), both recognized as due from banks (Note XXV). As of June 30, 2025, the issuing interest rate of the corporate bonds and secured borrowings is the benchmark interest rate + 0.850%. (Base rate: four-year exchange interest rate of the reference exchange interest rates in Tokyo.)

XXXI. PREFERENCE SHARES LIABILITIES

	<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
PREFERENCE SHARES			
LIABILITIES	\$ <u>375,000</u>	\$ <u>375,000</u>	\$ <u>375,000</u>

On November 2, 2023, the board of directors of Union Energy Co., Ltd. approved the issue of 37,500 thousand class C preference shares, with the par value of NT\$10 per share, and the amount issued totaled NT\$375,000 thousand. On February 24, 2025, the extraordinary shareholders' meeting of the Union Energy Co., Ltd. passed a resolution to amend the issuance conditions of class C preference shares. The main conditions for the issuance of class C class A preference shares after the amendment are as follows:

- (I) Maturity: 20 years from the date of issuance for Class C preference shares.
- (II) Dividend: Annual rate of interest of the issue price of share is capped at 6.5%.
- (III) Dividend payment: Whereas Union Energy makes profit in a fiscal year, apart from paying the income tax by law, it shall first compensate for the deficits in previous years, appropriate the legal reserve, and appropriate or reverse the special reserve with respect to these Articles of Incorporation before distributing dividends deserved for preference shares of the year. Union Energy has the sole discretion on the distribution of dividends of preference shares, which includes but not limited to the their discretion to resolve not to distribute dividends to the preferential shareholders if there is no surplus, or if earnings in the fiscal year are insufficient to fully pay off dividends to the shareholders of the preference shares, the preferential shareholders shall raise no objection if the resolution is not to distribute dividends of preference shares; the dividends resolved not to be distributed or not paid in full amount will be accumulated and deferred to paid in the years with profits. The class C preference shares if distributed will be in cash and in one payment in a year. After the annual general meeting of shareholders ratifies the financial statements, the Board of Directors shall determine the base date to disburse the dividends for the previous year. The year of issuance and the recovery of the number of dividends issued of the year shall be calculated based on the actual number of days of issuance in the year. The amount of dividends distributed should be recognized on the dividend statements.

- (IV) Exceeding Dividend Distribution: Under no circumstances shall holders of preference shares be entitled to receive the dividend distributed for common stock from this Bank's earnings and legal reserves in cash or capital reserves. However, this does not apply to capital reserve generated from investment.
- (V) Redemption of class C preference shares: Union Energy Co., Ltd. may redeem all or part of the preference shares on the day following the end of three years after the issuance or within 30 days from the day following the end of each year after the balance sheet date, at the actual price of issuance, plus compensation at an annual rate of interest of 7.25%, based on the number of days starting from the date of issuance; however, the amount of cumulative dividends paid before the redemption date should be deducted. The rights and obligations of the initial issuance conditions shall continue for the preference shares that have not yet been redeemed. Or if these shares have not been outstanding for three full years, and Union Energy wishes to redeem all or part of such preference shares due to business adjustments, it must obtain the approval of more than half of the preference shareholders. The redemption price should be calculated at the actual price of issuance, plus compensation at an annual interest rate of 7.25%, based on the number of days since the issuance date; however, the amount of cumulative dividends paid before the redemption date should be deducted.
- (VI) Preference Shares Reverse Repurchase: The repurchase of class C preference shares cannot be reversed by the preferred shareholders.
- (VII) Liquidation priority: Holders of preference shares D are entitled to a higher priority than holders of common stock in the distribution of the Company's residual property and to the same priority in the right to claim of holders of all types of preference shares issued by Union Energy, but the right to claim shall be limited to the issuance amount only.
- (VIII) Voting and election rights: Holders of class C class A preference shares are not entitled to vote or elect, except for the meeting of holders of preference shares or meeting of shareholders involving the rights and obligations of holders of preference shares, both of which shall be entitled to the voting rights.
- (IX) Conversion of Ordinary Shares: Holders of class C preference shares must not be converted into ordinary shares.
- (X) When the Company issues new shares in cash, the shareholders of class C class A preference shares and the common stock shall be entitled to equivalent preemptive rights on the new shares.

Union Green Energy I Private Equity Limited Partnership acquired all of the Union Energy issued preferred stock.

XXXII. Other Financial Liabilities

	<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
Commercial paper payable	\$ 13,434,839	\$ 13,244,765	\$ 12,198,413
Principals of structured products	<u>62,411</u>	<u>-</u>	<u>34,072</u>
	<u>\$ 13,497,250</u>	<u>\$ 13,244,765</u>	<u>\$ 12,232,485</u>

XXXIII. Provisions

	June 30, 2025	December 31 2024	June 30, 2024
Reserve for losses on guarantee liabilities and loan commitment	\$ 390,934	\$ 378,164	\$ 388,138
Decommissioning of provisions	131,625	130,549	58,578
Reserve for the liability of employees' benefit	538	784	7,462
Others	<u>1,429</u>	<u>1,429</u>	<u>1,429</u>
	<u>\$ 524,526</u>	<u>\$ 510,926</u>	<u>\$ 455,607</u>

Details and changes in allowances for guarantees and financial commitments are as follows:

January 1 to June 30, 2025

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected- credit Losses (Credit- impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	Total
<u>Reserve for losses on guarantees and loan commitment</u>						
Balance at the beginning of the period	\$ 84,043	\$ 5,072	\$ 191	\$ 89,306	\$ 288,858	\$ 378,164
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(105)	111	(6)	-	-	-
- Transferred to credit-impaired financial assets	(74)	(1)	75	-	-	-
- Transferred to 12-month ECL	3,369	(3,369)	-	-	-	-
- Derecognition of financial assets in the current reporting period	(66,259)	(330)	(131)	(66,720)	-	(66,720)
New financial assets purchased or originated	34,274	1,368	74	35,716	-	35,716
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	46,453	46,453
Change in risk parameters and others	(2,449)	-	-	(2,449)	-	(2,449)
Change in exchange rate	(230)	-	-	(230)	-	(230)
Balance at the end of the period	<u>\$ 52,569</u>	<u>\$ 2,851</u>	<u>\$ 203</u>	<u>\$ 55,623</u>	<u>\$ 335,311</u>	<u>\$ 390,934</u>

January 1 to June 30, 2024

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected- credit Losses (Credit- impaired Financial Assets)	Impairment provided pursuant to IFRS 9	Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	Total
<u>Reserve for losses on guarantees and loan commitment</u>						
Balance at the beginning of the period	\$ 113,007	\$ 3,146	\$ 309	\$ 116,462	\$ 200,076	\$ 316,538
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(117)	117	-	-	-	-
- Transferred to credit-impaired financial assets	(63)	(16)	79	-	-	-
- Transferred to 12-month ECL	510	(510)	-	-	-	-
- Derecognition of financial assets in the current reporting period	(76,541)	(2,006)	(253)	(78,800)	-	(78,800)
New financial assets purchased or originated	64,308	5,728	54	70,090	-	70,090
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	80,172	80,172
Change in risk parameters and others	-	-	-	-	-	-
Change in exchange rate	138	-	-	138	-	138
Balance at the end of the period	<u>\$ 101,242</u>	<u>\$ 6,459</u>	<u>\$ 189</u>	<u>\$ 107,890</u>	<u>\$ 280,248</u>	<u>\$ 388,138</u>

XXXIV. Post-Employment Benefit Plan

(I) Defined contribution plans

The Company (except for Union Finance International (HK) Limited) adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The total expenses recognized in consolidated statement of comprehensive income during January 1 to June 30, 2025 and 2024, for NT\$108,227 thousand and NT\$104,419 thousand, respectively, as the contributions payable to these plans by the Company at proportion specified in the defined contribution plan.

(II) Defined benefit plans

The Company (except for Union Finance International (HK) Limited) adopted the defined benefit plan under the Labor Standards Act. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company contributes a fixed proportion of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Company of Taiwan and in the Company's Business Department in the committee's name (opened at the Bank's Department of Business). The fund is deposited in the Bank of Taiwan under management of Bureau of Labor Funds, Ministry of Labor. The Company (except for Union Finance International (HK) Limited) has no right to influence the investment policy and strategy. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year.

The Company (except for Union Finance International (HK) Limited) recognized the pension expenses of NT\$2,867 thousand and NT\$3,696 thousand for the six months ended June 30, 2025 and 2024, based on the pension cost rates determined by the actuarial calculation on December 31, 2024 and 2023.

(III) Post-employment benefit plan of Union

Union Finance International (HK) Limited has a defined contribution plan under foreign standards and regulations and is thus not covered by the Labor Pension Act and the Labor Standards Act. Its pension costs were NT\$5,503 thousand for the six months ended June 30, 2024.

XXXV. Other Liabilities

	<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
Guarantee deposits	\$ 2,470,969	\$ 2,447,962	\$ 2,433,252
Advance receipts	1,034,401	1,054,253	993,796
Others	<u>201,614</u>	<u>155,978</u>	<u>179,674</u>
	<u>\$ 3,706,984</u>	<u>\$ 3,658,193</u>	<u>\$ 3,606,722</u>

XXXVI. Rights and benefits

(I) Share capital

Common shares

	June 30, 2025	December 31 2024	June 30, 2024
Authorized number of shares (thousand shares)	<u>5,500,000</u>	<u>4,500,000</u>	<u>4,500,000</u>
Authorized share capital	<u>\$ 55,000,000</u>	<u>\$ 45,000,000</u>	<u>\$ 45,000,000</u>
Number of shares issued and fully paid (thousand shares)	<u>4,050,073</u>	<u>4,050,073</u>	<u>3,778,953</u>
Issued share capital	<u>\$ 40,500,729</u>	<u>\$ 40,500,729</u>	<u>\$ 37,789,525</u>

Issued common stock with the par value of NT\$10 per share, and carry one vote per share and carry a right to dividends.

Preference shares

Due to the capital needs of the Bank for future long-term business development and operational scale expansion, the Bank's shareholders approved and authorized the board of directors to issue ordinary shares or special shares for domestic cash capital increase (one or both, as appropriate) on June 20, 2017, in accordance with the provisions of the Articles of Incorporation or the relevant laws and regulations, in order to raise the long-term funds. The total funds to be raised through issuing new shares as authorized this time shall not be more than NT\$10,000,000 thousand (inclusive) as the principle. The number of shares for issue shall not be more than 800,000 thousand shares (inclusive) as the principle. On June 28, 2017, the Banks's board of directors resolved to issue class A preference shares totaling 200,000 thousand shares, with a par value of NT\$10 per share, at NT\$50 per share. The issuance of shares has been approved by the FSC under Order No. 1060033586 issued on September 1st, 2017.

On October 24th, 2017, the capital from issue of class A class A preference shares amounted to NT\$10,000,000 thousand. The class A class A preference shares was listed on Taiwan Stock Exchange on December 1, 2017.

The rights and other important conditions of issuance of the class A class A preference shares are as follows:

1. Maturity: Perpetual for the class A preference shares of the Bank.
2. Dividend: The annual interest rate is 4.8% per annum (5-year IRS interest rate, 0.89125%+3.90875%) for the class A preference shares, based on the price per share. The 5-year IRS will be reset on the next business day after each fifth and half anniversary day after issuance thereafter. The pricing date for reset is the second business day of financial industry in Taipei immediately preceding each reset date. The 5-year IRS rate is the arithmetic mean of 5-year IRS rates appearing on Reuters pages "PYTWDFIX" and "COSMOS3" at 11:00 a.m. (Taipei time) on the relevant pricing date for reset. As the price of "PYTWDFIX" at the five-year IRS rate at 11:00 a.m. was not available, the Company decided to adopt the arithmetic mean of 5-year IRS rates of "TAIFXIRS" and "COSMOS3" appearing on Reuters pages at 11:00 a.m. dated April 20, 2023 as the 5-year IRS rate based on the integrity principle and reasonable market conditions. The dividend yield (annual rate) reset for the Company's Class A preference shares from April 24, 2023 is 5.26125%.
3. Dividend payment: Whereas Union Bank of Taiwan makes profit in a fiscal year, apart from paying the income tax by law, it shall first compensate for the deficits in previous years, appropriate the legal reserve, and appropriate or reverse the special reserve with respect to

these Articles of Incorporation before distributing dividends deserved for preference shares of the year. Union Bank of Taiwan shall enjoy the discretionary power over the distribution of dividends for preference shares, including but not limited to no earnings or earnings are insufficient for distribution of the dividend of class A preference shares after the annual account is closed; or should the distribution of the dividend for preference shares will cause this Bank's capital adequacy to become lower than the minimum requirements by law or as specified by competent authorities; or should there be other necessary considerations, this Bank may decide not to distribute the dividend for preference shares, and under no circumstances shall shareholders make objections thereof. In addition, the undistributed dividends or the shortfall in distributed dividends shall not be accumulated for compensation in future years with earnings. Dividends of class A preference shares if distributed will be in cash and in one payment in a year. After the annual general meeting of shareholders ratifies the financial statements, the Board of Directors shall determine the base date to disburse the dividends for the previous year. The year of issuance and the recovery of the number of dividends issued of the year shall be calculated based on the actual number of days of issuance in the year. The amount of dividends distributed should be recognized on the dividend statements.

4. Exceeding dividend distribution: class A preference shares, other than the dividends received as dividend rate prescribed in the preceding paragraph, under no circumstances shall holders of preference shares be entitled to receive the dividend distributed for common stock from this Bank's earnings and legal reserves in cash or capital reserves.
5. Redemption of class A preference shares: After 5.5 years from the issue date, the Bank may redeem a portion or all of the outstanding shares of class A preference shares at any time at the issue price. The rights and obligations of all types of issuance conditions of unrecovered preference shares will continue. Should the board meeting resolution of the Bank determine to issue dividends for class A preference shares in the recovery year, the dividends to be distributed shall be calculated by the day of recovery based on the actual number of days issued in the year.
6. Liquidation preference: In the event of liquidation, when the competent authority assigned officials to take receivership over the Bank, order the Bank to suspend and wind up business, or liquidate the Bank, in accordance with the "Regulations Governing the Capital Adequacy and Capital Category of Banks", the order of priority for the distribution of the earnings and assets of the shareholders of class A preference shares is the same as that of a common shareholder, otherwise the shareholders of preference shares shall be given priority to claim on the Bank's remaining assets over the shareholders of common stock, and equal to shareholders of other preference shares issued by the Bank, but subordinate to the holders of Tier 2 capital, depositors, and other general creditors, and not more than the issuance amount of outstanding shares of class A preference shares.
7. Voting rights or election rights: The shareholders of class A class A preference shares are not entitled to any voting rights or election rights in shareholders' meeting. However, they may vote in preference shares shareholders' meetings and in general shareholder meetings with regard to agenda items concerning rights and obligations of the shareholders of preference shares.
8. Convertibility to common stock: Under no circumstances shall the conversion from class A preference shares into common stock be allowed, nor shall holders of preference shares be entitled to request the Bank to recover their class A preference shares held.

9. When the Bank issues new shares in cash to increase the capital, the shareholders of class A preference shares, and the common stock shall be entitled to equivalent rights on subscribing new shares.

Capital increase reserve

On June 13th, 2025, the AGM resolved to increase the capital from earnings for NT\$2,835,051 thousands and from the employees' remuneration for NT\$114,719 thousands by issuing new shares for 283,505 thousand shares and 6,974 thousand shares, respectively, totaling 290,479 thousand shares. The face value is NT\$10 per share. The said capital increase has been reported to and approved by Securities and Futures Bureau, Financial Supervisory Commission on July 3rd, 2025, and the base date of capital increase was July 29th, 2025.

(II) Capital reserve

	<u>June 30, 2025</u>	<u>December 31 2024</u>	<u>June 30, 2024</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u>			
(1)			
Premium of issuing preference shares	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000
Treasury share transactions	32,413	32,413	32,413
Premium of issuing common stock	101,379	101,379	70,389
<u>May only be used to offset a deficit</u>			
Changes in percentage of ownership interests in subsidiaries (2)	659	659	659
Changes in net values of equities of affiliates recognized with the equity method	<u>57,560</u>	<u>33,840</u>	<u>33,840</u>
	<u>\$ 8,192,011</u>	<u>\$ 8,168,291</u>	<u>\$ 8,137,301</u>

1. The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of ordinary shares and treasury stock transactions) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital limited to a certain percentage of the Company's capital surplus and to once a year.
2. The changes in ownership of subsidiaries under the capital reserve, are generated from the effects of equity transaction recognized due to changes of the subsidiaries' equities, but not actually acquiring or disposing the subsidiaries' equities.

(III) Legal reserve

Legal reserve should be appropriated until it equals the Company's paid-in-capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of its paid-in capital, the excess may be transferred to capital or distributed in cash. In addition, pursuant to the Banking Act, if the legal reserve is less than the Company's paid-in capital, the amount that may be distributed in cash should not exceed 15% of the Company's paid-in-capital. These who possess the legal reserve equal to the total capital, or are financially and operationally health and provide the legal reserve as required by the Company Act, are not subject to the restriction in the preceding paragraph.

(IV) Special surplus reserve

	January 1 to June 30, 2025	January 1 to June 30, 2024
Balance at the beginning of the period	\$ 627,440	\$ 757,036
Reversal in current period	<u>-</u>	(<u>129,596</u>)
Balance at the end of the period	<u>\$ 627,440</u>	<u>\$ 627,440</u>

The Bank appropriates and reverses the special reserve pursuant to Rule No. 109015022 issued by the FSC dated on March 31, 2021 and the directive titled “Questions and Answers for Special Reserves Appropriated Following Adoption of IFRS Accounting Standards” should be appropriated to or reversed from a special reserve by the Bank. For the reversal of balance for other shareholders’ equity deduction, earning distributions may be made from the reversed portion.

If a special reserve appropriated on the first-time adoption of IFRS accounting standards relates to investment properties other than land, the special reserve may be reversed continuously over the period of use. The special reserve relating to land may be reversed on the disposal or reclassification of the related assets.

The above special reserve may be used to offset a deficit; if the reserve has reached at least 50% of the paid-in capital, half of this special reserve may be capitalized.

According to May 25, 2016 Rule No. 10510001510 issued by the FSC, a special reserve should be appropriated between 0.5% and 1% of net income after tax when banks appropriate earnings of 2016 through 2018. Since 2017, the Company is allowed to reverse the special reserve at the amount of the costs of employee transfer and arrangement in connection with the development of financial technology.

(V) Retained earnings and dividend policy

Should there be net earnings after the account is closed, apart from paying the income tax by law, the Bank shall first compensate for the deficits in previous years and then appropriate thirty percent (30%) as the legal reserve. Next, the balance shall be appropriated or reversed as the special reserve by law or based on business needs. Then, the balance after that, if any, shall be combined to the accumulative unappropriated earnings of the previous year for BOD to draw up a proposal for earnings distribution and submit to AGM for adoption of the distribution of dividends and bonuses.

BOD shall draw up the proportion of distribution in cash or in share for dividends and bonuses based on the temporal financial trend, future status of profitability, and the Bank’s budget planning. On principle, if the regulatory capital to risk-weighted assets ratio of the Bank is lower than the ratio required by competent authorities plus one percentage point after earnings distribution, distribution in stock shall first be adopted. When the legal reserve is lower than the total capital, the maximum amount of earnings distribution in cash shall not exceed fifteen percent (15%) of the total capital.

The Bank's AGM resolved the earning distributions for 2024 and 2023 on March 10th, 2025 and June 14th, 2024 as below:

	Earning distribution		Dividends per share (NT\$)	
	2024	2023	2024	2023
Legal reserve	\$ 2,016,695	\$ 1,453,449		
Reversal of special reserve	-	(129,596)		
Share dividends of common stock	2,835,051	2,645,267	\$ 0.700	\$ 0.700
Cash dividends of common stock	1,417,525	755,790	0.350	0.200
Cash dividends of preference shares	526,125	511,845	2.631	2.559

(VI) Other equity items

1. Exchange difference from translating the financial statements of overseas operations

	January 1 to June 30, 2025	January 1 to June 30, 2024
Balance at the beginning of the period	\$ 143,157	(\$ 609,272)
Exchange differences arising on translation the foreign operations	(1,488,752)	703,413
Income tax on exchange differences on translation of the net assets of foreign operations	<u>300,087</u>	(<u>140,683</u>)
Balance at the end of the period	(<u>\$ 1,045,508</u>)	(<u>\$ 46,542</u>)

2. Unrealized gain or loss on financial assets at fair value through other comprehensive income

	January 1 to June 30, 2025	January 1 to June 30, 2024
Balance at the beginning of the period	\$ <u>5,714,105</u>	\$ <u>3,228,847</u>
Generated in the current period		
Unrealized gain (loss)		
Debt instruments	1,431,524	(617,138)
Equity instrument	1,643,206	2,415,472
Adjustments to loss allowance for debt instruments	(244,154)	129,666
Adjustment for reclassification		
Disposal of debt instruments	(<u>9,705</u>)	<u>-</u>
Other comprehensive income for the period	<u>2,820,871</u>	<u>1,928,000</u>
Accumulated gain (loss) transferred to retained earnings from disposal of equity instruments	(<u>38,833</u>)	(<u>117,340</u>)
Balance at the end of the period	\$ <u>8,496,143</u>	\$ <u>5,039,507</u>

(VII) Non-controlling interests	January 1 to June 30, 2025	January 1 to June 30, 2024
Balance at the beginning of the period	\$ 2,217,782	\$ 2,208,503
Shares attributable to non-controlling interests		
Net profit (loss) of the current year	(15,658)	9,654
Unrealized gain (loss) on financial assets at FVTOCI	17	1
Cash dividends from the subsidiaries	(7,138)	(7,963)
Recall of preferred shares by the subsidiary	(800,000)	(110,000)
Preferential shares issued by subsidiaries	<u>800,000</u>	<u>120,000</u>
Balance at the end of the period	<u>\$ 2,195,003</u>	<u>\$ 2,220,195</u>

Due to the business demands, Ting Jie Electric Power Inc. redeemed 40,000 thousand Class A class A preference shares at the original issuance price of NT\$400,000 thousand plus compensation for NT\$137,568 thousand for a total of NT\$537,568 thousand with the consent of the Board in March 2025.

On March 19, 2025, the extraordinary shareholders' meeting of the Ting Jie Electric Power Inc. passed a resolution to amend the issuance conditions of class B preference shares. The main conditions for the issuance of class B class A preference shares after the amendment are as follows:

- (I) Maturity: There is no maturity date for the Class A preference shares.
- (II) Interest: The annual interest rate is 6% per annum for the preference shares, based on the price per share.
- (III) Dividend payment: Whereas Ting Jie Electric Power Inc. makes profit in a fiscal year, apart from paying the income tax by law, it shall first compensate for the deficits in previous years, appropriate the legal reserve, and appropriate or reverse the special reserve with respect to these Articles of Incorporation before distributing dividends deserved for preference shares of the year. Ting Jie Electric Power has the sole discretion on the distribution of dividends of preference shares, which includes but not limited to the their discretion to resolve not to distribute dividends to the preferential shareholders if there is no surplus, or if earnings in the fiscal year are insufficient to fully pay off dividends to the shareholders of the preference shares, the preferential shareholders shall raise no objection if the resolution is not to distribute dividends of preference shares; the dividends resolved not to be distributed or not paid in full amount may be accumulated and deferred to paid in the years with profits. Dividends of class B preference shares if distributed will be in cash and in one payment in a year. After the annual general meeting of shareholders ratifies the Annual Accounting Final Reports and Statements of the Company, the Board of Directors shall determine the base date to disburse the dividends for the previous year. The year of issuance and the recovery of the number of dividends issued of the year shall be calculated based on the actual number of days of issuance in the year. The amount of dividends distributed should be recognized on the dividend statements.
- (IV) Exceeding dividend distribution: preference shares, other than the dividends received as dividend rate prescribed in the preceding paragraph, under no circumstances shall holders of preference shares be entitled to receive the dividend distributed for common stock from this Bank's earnings and legal reserves in cash or capital reserves.
- (V) Redemption of preference shares: Or if such class B preference shares have not yet been issued for three full years, and Ting Jie Electric Power Inc. intends to redeem all or part of such shares due to

business adjustments, it should obtain the approval of more than half of the preferred shareholders, and calculate the redemption price at the actual price of issuance. The interest rate will be calculated at 7.5% per annum as compensation, based on the number of days for which such shares have been issued. However, the amount of cumulative dividends paid before the redemption date should be deducted.

- (VI) Preference shares repurchase: preference shares cannot be sold by the holders of preference shares.
- (VII) Liquidation priority: Holders of class A preference shares are entitled to a higher priority than holders of common stock in the distribution of Ting Jie Electric Power's residual property and to the same priority in the right to claim of holders of all types of preference shares issued by Ting Jie Electric Power, but the right to claim shall be limited to the issuance amount only.
- (VIII) Voting and election rights: Holders of class A preference shares are not entitled to vote or elect, except for the meeting of holders of preference shares or meeting of shareholders involving the rights and obligations of holders of preference shares, both of which shall be entitled to the voting rights.
- (IX) Convertibility to Common Shares: Under no circumstances shall the conversion from preference shares into common shares be allowed, nor shall holders of preference shares be entitled to request Ting Jie Electric Power to recover their preference shares held.
- (X) When Ting Jie Electric Power issues new shares in cash, the shareholders of class A class A preference shares and the common stock shall be entitled to equivalent preemptive rights on the new shares.

Due to the business demands, Ting Jie Electric Power Inc. redeemed 40,000 thousand class B class A preference shares at the original issuance price of NT\$400,000 thousand plus compensation for NT\$87,370 thousand for a total of NT\$487,370 thousand with the consent of the Board in March 2025.

For the purpose of operation, Ting Jie Electric Power issued 80,000 thousand shares of class C preference shares in March 2025, at a par value of NTD 10 per share, in the amount of NTD 800,000 thousand. The issuance conditions of the class A preference shares are consistent with the above-mentioned amendments to the class B preference shares.

In the Articles of Incorporation of Na He Yi Hau Electric Power Inc., 12,400 thousand shares of class A preference shares are issued at a par value of NTD 10 per share. As of June 30, 2025, NTD 124,000 thousand has been issued. The main conditions for the issuance are as follows:

- (I) Maturity: Perpetual for the class A preference shares
- (II) Interest: The annual interest rate is capped at 6.5% per annum for the class A preference shares, based on the price per share.
- (III) Dividend payment: Whereas Na He Yi Hau makes profit in a fiscal year, apart from paying the income tax by law, it shall first compensate for the deficits in previous years, appropriate the legal reserve, and appropriate or reverse the special reserve with respect to these Articles of Incorporation before distributing dividends deserved for preference shares of the year. Na He Yi Hau has the sole discretion on the distribution of dividends of preference shares, which includes but not limited to the their discretion to resolve not to distribute dividends to the preferential shareholders if there is no surplus, or if earnings in the fiscal year are insufficient to fully pay off dividends to the shareholders of the preference shares, the preferential shareholders shall raise no objection if the resolution is not to distribute dividends of preference shares; the dividends resolved not to be distributed or not paid in full amount may be accumulated and deferred to paid in the years with profits. Dividends of class A preference shares if distributed will be in cash and in one payment in a year. After the annual general meeting of shareholders ratifies the Annual Accounting Final Reports and Statements of the Company, the Board of Directors shall determine the base date to disburse the dividends for the previous year. The year of issuance and the recovery of the number of dividends issued of the year shall be

calculated based on the actual number of days of issuance in the year. The amount of dividends distributed should be recognized on the dividend statements.

- (IV) Exceeding dividend distribution: class A preference shares, other than the dividends received as dividend rate prescribed in the preceding paragraph, under no circumstances shall holders of preference shares be entitled to receive the dividend distributed for common stock from this Bank's earnings and legal reserves in cash or capital reserves.
- (V) Redemption of class A preference shares: After 5 years from the issue date, Na He Yi Hau may redeem a portion or all of the outstanding shares of class A preference shares at any time at the issue price. The rights and obligations of all types of issuance conditions of unrecovered preference shares will continue. Should the board meeting resolution of Na He Yi Hau determine to issue dividends for class A preference shares in the recovery year, the dividends to be distributed shall be calculated by the day of recovery based on the actual number of days issued in the year.
- (VI) Preference shares repurchase: preference shares cannot be sold by the holders of preference shares.
- (VII) Liquidation priority: Holders of class A class A preference shares are entitled to a higher priority than holders of common stock in the distribution of Na He Yi Hau's residual property and to the same priority in the right to claim of holders of all types of preference shares issued by Na He Yi Hau, but the right to claim shall be limited to the issuance amount only.
- (VIII) Voting and election rights: Holders of class A class A preference shares are not entitled to vote or elect, except for the meeting of holders of preference shares or meeting of shareholders involving the rights and obligations of holders of preference shares, both of which shall be entitled to the voting rights.
- (IX) Convertibility to common stock: Under no circumstances shall the conversion from class A preference shares into common stock be allowed, nor shall holders of preference shares be entitled to request Na He Yi Hau to recover their class A preference shares held.
- (X) When Na He Yi Hau issues new shares in cash, the shareholders of class A class A preference shares and the common stock shall be entitled to equivalent preemptive rights on the new shares.

Union Green Energy I Private Equity Limited Partnership acquired all of the preference shares issued by Ting Jie Electric Power and Na He Yi Hau.

For the needs of business, and approved by the directors in December 2021, Tian Ji Smart issued preferential shares at the premium of NT\$50 per share. The shares for the capital increase is 5,280 thousand shares for total NT\$264,000 thousand. Tian Ji Smart redeemed 3,000 thousand Class-A class A preference shares at the original issuance price plus compensation for NT\$159,349 thousand with the consent of the Board in March 2023. As of June 30, 2025, 114,000 thousand was issued and the conditions for the issuance of class A preference shares are as follows:

- (I) Maturity: Perpetual for the class A preference shares
- (II) Interest: The annual interest rate is capped at 6.5% per annum for the class A preference shares, based on the price per share.
- (III) Dividend payment: Whereas Tian Ji Smart makes profit in a fiscal year, apart from paying the income tax by law, it shall first compensate for the deficits in previous years, appropriate the legal reserve, and appropriate or reverse the special reserve with respect to these Articles of Incorporation before distributing dividends deserved for preference shares of the year. Tian Ji Smart has the sole discretion on the distribution of dividends of preference shares, which includes but is not limited to their discretion to resolve not to distribute dividends to the preferential shareholders if there is no surplus, or if earnings in the fiscal year are insufficient to fully pay off dividends to the shareholders of the preference shares, the preferential shareholders shall raise no objection if the resolution is not to distribute dividends of preference shares; the dividends resolved not to be distributed or not paid in

full amount may be accumulated and deferred to paid in the years with profits. Dividends of class A preference shares if distributed will be in cash and in one payment in a year. After the annual general meeting of shareholders ratifies the Annual Accounting Final Reports and Statements of the Company, the Board of Directors shall determine the base date to disburse the dividends for the previous year. The year of issuance and the recovery of the number of dividends issued of the year shall be calculated based on the actual number of days of issuance in the year.

- (IV) Exceeding dividend distribution: class A preference shares, other than the dividends received as dividend rate prescribed in the preceding paragraph, under no circumstances shall holders of preference shares be entitled to receive the dividend distributed for common stock from this Bank's earnings and legal reserves in cash or capital reserves.
- (V) Redemption of class A preference shares: The recovery by Tian Ji Smart is based on the actual issue price, and the entire or part of the preferred shares are recovered at any time after the sixth month after the issuance. The annual interest rate of 6.5% is calculated based on the actual issue price plus the number of days from the date of issuance, and the amount of the compensation is the upper limit, but the amount of the paid dividends before the date of recovery should be deducted. The rights and obligations of all types of issuance conditions of unrecovered preference shares will continue.
- (VI) Preference shares repurchase: preference shares cannot be sold by the holders of preference shares during the issuance period.
- (VII) Liquidation priority: Holders of class A class A preference shares are entitled to a higher priority than holders of common stock in the distribution of Tian Ji Smart's residual property and to the same priority in the right to claim of holders of all types of preference shares issued by Tian Ji Smart, but the right to claim shall be limited to the issuance amount only.
- (VIII) Voting and election rights: Holders of class A class A preference shares are not entitled to vote or elect, except for the meeting of holders of preference shares or meeting of shareholders involving the rights and obligations of holders of preference shares, both of which shall be entitled to the voting rights.
- (IX) Convertibility to common stock: Under no circumstances shall the conversion from class A preference shares into common stock be allowed, nor shall holders of preference shares be entitled to request Tian Ji Smart to recover their class A preference shares held.

In 2022, Bei Chen Yi Hau's shareholders' meeting resolved to approve the issuance of preferred shares A under the Articles of Incorporation. These preferred shares totaled 18,750 thousand shares at a par value of NT\$10 per share for a total of NT\$187,500 thousand. On April 15, 2024, the extraordinary shareholders' meeting of Bei Chen Yi Hau passed a resolution to amend the issuance conditions of class A preference shares. The main conditions for the issuance of class A preference shares after the amendment are as follows:

- (I) Maturity: Perpetual for the class A preference shares
- (II) Interest: The annual interest rate is 6% per annum for the class A preference shares, based on the price per share.
- (III) Dividend payment: Whereas Bei Chen Yi Hau makes profit in a fiscal year, apart from paying the income tax by law, it shall first compensate for the deficits in previous years, appropriate the legal reserve, and appropriate or reverse the special reserve with respect to these Articles of Incorporation before distributing dividends deserved for preference shares of the year. Bei Chen Yi Hau has the sole discretion on the distribution of dividends of preference shares, which includes but not limited to the their discretion to resolve not to distribute dividends to the preferential shareholders if there is no surplus, or if earnings in the fiscal year are insufficient to fully pay off dividends to the shareholders of the preference shares, the preferential shareholders shall raise no objection if the resolution is not to

distribute dividends of preference shares; the dividends resolved not to be distributed or not paid in full amount may be accumulated and deferred to paid in the years with profits. Dividends of class A preference shares if distributed will be in cash and in one payment in a year. After the annual general meeting of shareholders ratifies the Annual Accounting Final Reports and Statements of the Company, the Board of Directors shall determine the base date to disburse the dividends for the previous year. The year of issuance and the recovery of the number of dividends issued of the year shall be calculated based on the actual number of days of issuance in the year. The amount of dividends distributed should be recognized on the dividend statements.

- (IV) Exceeding dividend distribution: class A preference shares, other than the dividends received as dividend rate prescribed in the preceding paragraph, under no circumstances shall holders of preference shares be entitled to receive the dividend distributed for common stock from this Bank's earnings and legal reserves in cash or capital reserves.
- (V) Redemption of class A preference shares: Or if such shares have not yet been issued for three full years, and Bei Chen Yi Hau intends to redeem all or part of such shares due to business adjustments, it should obtain the approval of more than half of the preferred shareholders, and calculate the redemption price at the actual price of issuance. The interest rate will be calculated at 7.5% per annum as compensation, based on the number of days for which such shares have been issued.
- (VI) Preference shares repurchase: preference shares cannot be sold by the holders of preference shares.
- (VII) Distribution of residual property: Holders of class A class A preference shares are entitled to a higher priority than holders of common stock in the distribution of Bei Chen Yi Hau's residual property, and the same order applies to holders of all types of preference shares issued by Bei Chen Yi Hau, but the right to claim shall be limited to the issuance amount.
- (VIII) Voting and election rights: Holders of class A class A preference shares are not entitled to vote or elect, except for the meeting of holders of preference shares or meeting of shareholders involving the rights and obligations of holders of preference shares, both of which shall be entitled to the voting rights.
- (IX) Convertibility to common shares: Under no circumstances shall the conversion from class A preference shares into common shares be allowed, nor shall holders of preference shares be entitled to request Bei Chen Yi Hau to recover their preference shares held.
- (X) When Bei Chen Yi Hau issues new shares in cash, the shareholders of class A preference shares and the common stock shall be entitled to equivalent preemptive rights on the new shares.

Due to business needs, Bei Chen Yi Hau's Board of Directors approved the proposal to increase the issuance price of the preferred shares from NT\$110,000 thousand plus compensation amount NT\$16,206 thousand and NT\$77,500 thousand plus compensation amount NT\$4,612 thousand in April 2024 and April 2023, respectively, for a total of NT\$208,318, and to recover 18,750 thousand shares of class A preference shares.

Bei Chen Yi Hau issued 12,000 thousand shares of class B preference shares in April 2024, at a par value of NTD 10 per share, in the amount of NTD 120,000 thousand. The issuance conditions of the class A preference shares are consistent with the above-mentioned amendments to the Class A Preferred Shares.

The preference shares issued by Bei Chen Yi Hau were fully subscribed by Union Green Energy I Private Equity Limited Partnership.

In 2022, the shareholders' meeting of Hao Tian Electric Power resolved the issuance conditions of Class A preference shares in the Articles of Incorporation. Such class A preference shares are 10,150 thousand shares in total with the face value of NT\$10 per share. As of June 30, 2025, a total of NT\$101,500 thousand was issued. The main terms and conditions of the issuance of Class-A class A preference shares are as follows:

- (I) Maturity: Perpetual for the class A preference shares
- (II) Interest: The annual interest rate is 6% per annum for the class A preference shares, based on the price per share.
- (III) Dividend payment: Whereas Hao Tian Electric Power makes profit in a fiscal year, apart from paying the income tax by law, it shall first compensate for the deficits in previous years, appropriate the legal reserve, and appropriate or reverse the special reserve with respect to these Articles of Incorporation before distributing dividends deserved for preference shares of the year. Hao Tian Electric Power has the sole discretion on the distribution of dividends of preference shares, which includes but not limited to the their discretion to resolve not to distribute dividends to the preferential shareholders if there is no surplus, or if earnings in the fiscal year are insufficient to fully pay off dividends to the shareholders of the preference shares, the preferential shareholders shall raise no objection if the resolution is not to distribute dividends of preference shares; the dividends resolved not to be distributed or not paid in full amount may be accumulated and deferred to paid in the years with profits. Dividends of class A preference shares if distributed will be in cash and in one payment in a year. After the annual general meeting of shareholders ratifies the Annual Accounting Final Reports and Statements of the Company, the Board of Directors shall determine the base date to disburse the dividends for the previous year. The year of issuance and the recovery of the number of dividends issued of the year shall be calculated based on the actual number of days of issuance in the year. The amount of dividends distributed should be recognized on the dividend statements.
- (IV) Exceeding dividend distribution: class A preference shares, other than the dividends received as dividend rate prescribed in the preceding paragraph, under no circumstances shall holders of preference shares be entitled to receive the dividend distributed for common stock from this Bank's earnings and legal reserves in cash or capital reserves.
- (V) Redemption of class A preference shares: Or if such shares have not yet been issued for three full years, and Hao Tian Electric Power intends to redeem all or part of such shares due to business adjustments, it should obtain the approval of more than half of the preferred shareholders, and calculate the redemption price at the actual price of issuance. The interest rate will be calculated at 6% per annum as compensation, based on the number of days for which such shares have been issued.
- (VI) Preference shares repurchase: preference shares cannot be sold by the holders of preference shares.
- (VII) Liquidation priority: Holders of class A class A preference shares are entitled to a higher priority than holders of common stock in the distribution of Hao Tian Electric Power's residual property and to the same priority in the right to claim of holders of all types of preference shares issued by Hao Tian Electric Power, but the right to claim shall be limited to the issuance amount only.
- (VIII) Voting and election rights: Holders of class A class A preference shares are not entitled to vote or elect, except for the meeting of holders of preference shares or meeting of shareholders involving the rights and obligations of holders of preference shares, both of which shall be entitled to the voting rights.
- (IX) Convertibility to common stock: Under no circumstances shall the conversion from class A preference shares into common stock be allowed, nor shall holders of preference shares be entitled to request Hao Tian Electric Power to recover their class A preference shares held.
- (X) When Hao Tian Electric Power issues new shares in cash, the shareholders of class A class A preference shares and the common stock shall be entitled to equivalent preemptive rights on the new shares.

The preference shares issued by Hao Tian Electric Power were fully subscribed by Union Green Energy Private Equity Limited Partnership.

Feng Tai Electric Power's Articles of Incorporation stated the issuance conditions of class A preference shares. Such class A preference shares are 10,150 thousand shares in total with the face value of NT\$10 per share. As of June 30, 2025, a total of NT\$101,500 thousand was issued. The main terms and conditions of the issuance of Class-A class A preference shares are as follows:

- (I) Maturity: Perpetual for the class A preference shares
- (II) Interest: The annual interest rate is 6% per annum for the class A preference shares, based on the price per share.
- (III) Dividend payment: Whereas Feng Tai Electric Power makes profit in a fiscal year, apart from paying the income tax by law, it shall first compensate for the deficits in previous years, appropriate the legal reserve, and appropriate or reverse the special reserve with respect to these Articles of Incorporation before distributing dividends deserved for preference shares of the year. Feng Tai Electric Power has the sole discretion on the distribution of dividends of preference shares, which includes but not limited to the their discretion to resolve not to distribute dividends to the preferential shareholders if there is no surplus, and if earnings in the fiscal year are insufficient to fully pay off dividends to the shareholders of the preference shares, the preferential shareholders shall raise no objection if the resolution is not to distribute dividends of preference shares; the dividends resolved not to be distributed or not paid in full amount may be accumulated and deferred to paid in the years with profits. Dividends of class A preference shares if distributed will be in cash and in one payment in a year. After the annual general meeting of shareholders ratifies the Annual Accounting Final Reports and Statements of the Company, the Board of Directors shall determine the base date to disburse the dividends for the previous year. The year of issuance and the recovery of the number of dividends issued of the year shall be calculated based on the actual number of days of issuance in the year. The amount of dividends distributed should be recognized on the dividend statements.
- (IV) Exceeding dividend distribution: class A preference shares, other than the dividends received as dividend rate prescribed in the preceding paragraph, under no circumstances shall holders of preference shares be entitled to receive the dividend distributed for common stock from this Bank's earnings and legal reserves in cash or capital reserves.
- (V) Redemption of class A preference shares: Or if such shares have not yet been issued for three full years, and Feng Tai Electric Power intends to redeem all or part of such shares due to business adjustments, it should obtain the approval of more than half of the preferred shareholders, and calculate the redemption price at the actual price of issuance. The interest rate will be calculated at 6% per annum as compensation, based on the number of days for which such shares have been issued.
- (VI) Preference shares repurchase: preference shares cannot be sold by the holders of preference shares.
- (VII) Liquidation priority: Holders of class A class A preference shares are entitled to a higher priority than holders of common stock in the distribution of Feng Tai Electric Power's residual property and to the same priority in the right to claim of holders of all types of preference shares issued by Feng Tai Electric Power, but the right to claim shall be limited to the issuance amount only.
- (VIII) Voting rights or election rights: The shareholders of class A class A preference shares are not entitled to any voting rights or election rights in shareholders' meeting. However, they may vote in preference shares shareholders' meetings and in general shareholder meetings with regard to agenda items concerning rights and obligations of the shareholders of preference shares.
- (IX) Convertibility to common stock: Under no circumstances shall the conversion from class A preference shares into common stock be allowed, nor shall the shareholders of class A preference shares be entitled to request Feng Tai Electric Power to recover their class A preference shares held.

- (X) When Feng Tai Electric Power issues new shares in cash, the shareholders of class A class A preference shares and the common stock shall be entitled to equivalent preemptive rights on the new shares.

The preference shares issued by Feng Tai Electric Power were fully subscribed by Union Green Energy Private Equity Limited Partnership.

XXXVII. Net Interest Income

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Interest income				
Discounts and loans	\$ 4,467,546	\$ 4,099,933	\$ 8,902,146	\$ 8,039,040
Interests from debt instruments measured at amortized costs	411,979	433,343	844,122	849,117
Interests from financial assets measured at fair value through other comprehensive income	289,087	305,163	601,296	610,073
Interests from revolving credit	261,150	241,759	519,760	477,098
Investment of bonds under reverse repurchase agreement	250,140	218,253	485,902	422,654
Due from the Central Bank and call loans to other banks	\$ 77,159	\$ 67,754	\$ 156,692	\$ 129,158
Other interest income	<u>125,748</u>	<u>87,184</u>	<u>214,837</u>	<u>159,835</u>
Subtotal	<u>5,882,809</u>	<u>5,453,389</u>	<u>11,724,755</u>	<u>10,686,975</u>
Interest expense				
Interests from deposits	2,849,737	2,751,287	5,760,280	5,325,739
Interests from notes under repurchase agreement and bonds	533,992	579,175	1,071,236	1,151,080
Interests from financial bonds	20,388	20,388	40,775	40,775
Due to Chunghwa Post Co., Ltd.	24,059	15,314	48,072	29,748
Other interest expense	<u>131,721</u>	<u>109,417</u>	<u>258,876</u>	<u>223,733</u>
Subtotal	<u>3,559,897</u>	<u>3,475,581</u>	<u>7,179,239</u>	<u>6,771,075</u>
Total	<u>\$ 2,322,912</u>	<u>\$ 1,977,808</u>	<u>\$ 4,545,516</u>	<u>\$ 3,915,900</u>

XXXVIII. Commission and Fee Income, Net

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Fee income				
Fees from credit cards and debit cards	\$ 935,272	\$ 874,152	\$ 1,890,890	\$ 1,651,253
COMMISSION AND FEE REVENUE, NET	446,657	405,470	729,269	672,177
Fees from trust	206,289	221,229	436,277	432,694
Fees from loans	156,063	204,315	303,832	322,689
Incomes from interbank service	15,875	12,286	31,081	28,371
Fees from underwriting	51,736	42,450	101,994	86,968
Fees from guarantee	32,488	30,446	67,603	72,040
Others	<u>90,522</u>	<u>89,287</u>	<u>166,359</u>	<u>191,904</u>
Subtotal	<u>1,934,902</u>	<u>1,879,635</u>	<u>3,727,305</u>	<u>3,458,096</u>
Commission and fee expense				
Fees from acquiring liquidation deal	438,993	367,623	876,391	712,084
Fees from credit cards	357,940	366,464	706,176	739,798
Fees from credit inquiry	5,424	7,125	19,232	19,855
Fees from interbank service	6,152	9,704	11,477	19,565
Others	<u>48,174</u>	<u>40,304</u>	<u>79,379</u>	<u>78,790</u>
Subtotal	<u>856,683</u>	<u>791,220</u>	<u>1,692,655</u>	<u>1,570,092</u>
Total	<u>\$ 1,078,219</u>	<u>\$ 1,088,415</u>	<u>\$ 2,034,650</u>	<u>\$ 1,888,004</u>

XXXIX. Net profit of financial assets or liabilities at FVTPL

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Realized gain or loss on financial assets at fair value through profit or loss				
Currency swap contracts	\$ 101,678	\$ 490,761	\$ 736,253	\$ 899,335
Foreign exchange forward contracts	55,512	(21,264)	43,013	(14,713)
Commercial paper	6,072	7,090	8,837	11,539
Beneficiary securities and shares	(81,556)	68,669	(145,654)	193,868
Option contracts	1,177	2,227	3,258	3,624
Dividend incomes	20,475	12,057	27,616	23,257
Interest income	347,327	253,375	678,933	486,277
Futures exchange margins	-	420	-	420
Subtotal	<u>450,685</u>	<u>813,335</u>	<u>1,352,256</u>	<u>1,603,607</u>
Profit or loss of financial assets or liabilities at FVTPL				
Derivative financial assets and liabilities	(4,046,202)	(634,706)	(4,247,201)	2,234,437
Beneficiary securities and shares	73,896	6,386	(60,970)	235,333
Commercial paper	(518)	8,221	(4,137)	12,010
Government bonds and corporate bonds	(3,609)	(13,309)	183,324	(48,511)
Subtotal	<u>(3,976,433)</u>	<u>(633,408)</u>	<u>(4,128,984)</u>	<u>2,433,269</u>
Total	<u>(\$ 3,525,748)</u>	<u>\$ 179,927</u>	<u>(\$ 2,776,728)</u>	<u>\$ 4,036,876</u>

XL. Realized Gain on Financial Assets at FVTOCI

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Dividend income	\$ 126,752	\$ 103,348	\$ 190,496	\$ 172,712
Net loss on disposal - debt instruments	-	-	9,705	-
Total	<u>\$ 126,752</u>	<u>\$ 103,348</u>	<u>\$ 200,201</u>	<u>\$ 172,712</u>

XLI. Reversal of Loss (Impairment Loss)

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Debt instruments measured at fair value through other comprehensive income	\$ 12,513	(\$ 22,856)	\$ 110,728	(\$ 47,852)
Financial assets measured at amortized costs	-	22,687	-	(5,196)
Total	<u>\$ 12,513</u>	<u>(\$ 169)</u>	<u>\$ 110,728</u>	<u>(\$ 53,048)</u>

XLII. Employee Benefits

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Salaries and wages	\$ 766,646	\$ 768,990	\$ 1,529,947	\$ 1,467,041
Bonus	397,468	310,949	715,588	1,072,560
Post-employment benefits				
Defined contribution plans	55,982	53,831	108,227	109,922
Defined benefit plans	1,174	1,751	2,867	3,696
Labor insurance and national health insurance	106,352	101,530	229,520	213,908
Other employee benefits	30,053	32,916	60,201	63,915
Total	<u>\$ 1,357,675</u>	<u>\$ 1,269,967</u>	<u>\$ 2,646,350</u>	<u>\$ 2,931,042</u>

The Bank accrued remuneration of employees and directors at the rates of between 1% and 5% and no higher than 0.1%, respectively, of net profit before income tax (in case of accumulated losses, the amount to offset the losses shall be set aside in advance) The remuneration of employees and directors estimated for January 1 to June 30, 2025 and 2024 are as follows:

Accrual rate

	January 1 to June 30, 2025	January 1 to June 30, 2024
Remuneration of employees	1.84%	1.84%
Remuneration of directors	0.09%	0.09%

Amount

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Remuneration of employees	\$ 32,524	\$ 31,816	\$ 60,590	\$ 59,378
Remuneration of directors	\$ 1,591	\$ 1,556	\$ 2,964	\$ 2,904

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

The Company held Board meetings on March 11, 2025 and March 13, 2024 to resolve the 2024 and 2023 remuneration to employees and directors, respectively. The details are as below:

	2024		2023	
	Cash	Shares	Cash	Shares
Remuneration of employees	\$ -	\$ 114,719	\$ -	\$ 96,927
Remuneration of directors	5,611	-	4,741	-

The remunerations of employees for 2024 and 2023 were 6,974 thousand shares and 6,594 thousand shares, and the calculation were based on the closing prices, NT\$16.45 and NT\$14.70 of the day before the board's resolution date.

There was no difference in the remunerations of employees and directors paid and the amounts recognized in the financial statements for 2024 and 2023.

Information on the remunerations to employees and directors resolved by the Bank's board of directors in 2024 and 2023 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

XLIII. Depreciation and Amortization

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Depreciation of assets leased	\$ 398,984	\$ 410,970	\$ 813,370	\$ 824,796
Depreciation of properties and equipment	126,862	167,849	254,524	258,118
Depreciation of investment properties	11,114	10,757	22,380	21,731
Depreciation of right-of-use assets	127,755	129,850	255,428	254,866
Amortization of intangible assets	25,612	24,186	51,698	46,947
Total	\$ 690,327	\$ 743,612	\$ 1,397,400	\$ 1,406,458

XLIV. Other operating and management expenses

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Taxation and levies	331,865	310,658	646,751	595,800
Advertising expenses	175,472	213,629	343,021	411,649
Outsourcing service fee	103,889	103,381	199,350	204,666
Computer information expense	80,337	71,727	153,553	140,903
Postage/cable charge	78,828	83,282	129,321	136,438
Repair and maintenance expense	52,279	49,534	105,872	94,637
Deposit insurance premium	48,650	47,519	97,299	95,038
Rent	38,865	44,949	78,294	84,354
Business promotion expenses	25,326	59,398	53,123	123,579
Others	<u>165,490</u>	<u>176,832</u>	<u>353,528</u>	<u>384,729</u>
Total	<u>\$ 1,101,001</u>	<u>\$ 1,160,909</u>	<u>\$ 2,160,112</u>	<u>\$ 2,271,793</u>

XLV. Income tax

(I) Income tax recognized in profit or loss

The main components of income tax expense were as follows:

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Current income tax				
Incurred in the current year	\$ 297,966	\$ 253,467	\$ 626,180	\$ 390,782
Adjustment for prior year	5,808	6,519	5,808	6,519
Others	(25,298)	-	(25,298)	-
Deferred tax				
Incurred in the current year	<u>16,564</u>	<u>15,515</u>	(<u>9,724</u>)	<u>22,231</u>
Income tax expense recognized in profit or loss	<u>\$ 295,040</u>	<u>\$ 275,501</u>	<u>\$ 596,966</u>	<u>\$ 419,532</u>

(II) Income tax recognized in other comprehensive income

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Deferred tax				
Recognized in other comprehensive income:				
- Exchange differences on the translation of financial statements of foreign operations	\$ 357,914	(\$ 28,374)	\$ 300,087	(\$ 140,863)
- Unrealized gain or loss on financial assets at fair value through other comprehensive income	<u>178,915</u>	<u>52,027</u>	(<u>16,525</u>)	(<u>121,639</u>)
Total income tax gains (expenses) recognized in other comprehensive income	<u>\$ 536,829</u>	<u>\$ 23,653</u>	<u>\$ 283,562</u>	(<u>\$ 262,502</u>)

(III) Income tax assessments

	<u>Assessments</u>
Union Bank of Taiwan	Approved until 2020
Union Finance and Leasing (Int'l) Corp	Approved until 2022
Union Information Technology Corporation	Approved until 2022
Union Securities Investment Trust Co., Ltd.	Approved until 2023
Union Private Equity	Approved until 2023
Union Venture Capital Co., Ltd.	Approved until 2023
Union Energy Co., Ltd.	Approved until 2023
Tian Ji Smart	Approved until 2023
Ting Jie Electric Power Inc.	Approved until 2023
Na He Yi Hau Electric Power Inc.	Approved until 2023
Bei Chen Yi Hau	Approved until 2023
Feng Tai Electric Power	Approved until 2023
Hao Tian Electric Power Inc.	Approved until 2023

XLVI. Earnings Per Share

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Basic earnings per share	\$ 0.21	\$ 0.21	\$ 0.49	\$ 0.52
Diluted earnings per share	\$ 0.21	\$ 0.21	\$ 0.49	\$ 0.52

Current net profit

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Earnings used in the computation of basic earnings per share	\$ 1,449,682	\$ 1,441,779	\$ 2,656,034	\$ 2,776,203
Less: Dividends on preferential shares announced	(526,125)	(511,845)	(526,125)	(511,845)
Earnings used in the computation of basic earnings per share	<u>\$ 923,557</u>	<u>\$ 929,934</u>	<u>\$ 2,129,909</u>	<u>\$ 2,264,358</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 923,557</u>	<u>\$ 929,934</u>	<u>\$ 2,129,909</u>	<u>\$ 2,264,358</u>

The weighted average number of common stock outstanding (in thousands of shares) is as follows:

Number of shares

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share	4,340,552	4,333,578	4,337,932	4,331,042
Effect of potentially dilutive ordinary shares	<u>1,817</u>	<u>1,971</u>	<u>6,005</u>	<u>6,193</u>
Remuneration of employees				
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>4,342,369</u>	<u>4,335,549</u>	<u>4,343,937</u>	<u>4,337,235</u>

If the Company offered to settle the compensation or bonuses paid to employees in cash or shares, the Company assumed that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the

potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

When calculating earnings per share, the impact of the unpaid rights issue has been retrospectively adjusted, and the ex-date for the unpaid rights issue was set on July 29, 2025. The basic and diluted earnings per share were both adjusted from NT\$0.56 to NT\$0.52 for the period between January 1 to June 30, 2024 due to the retrospective adjustment.

XLVII. Transactions with Related Parties

The transactions, account balance, incomes and expenses between the Company and subsidiaries (as the related parties of the Company) are all cancelled when consolidating, and thus not disclosed in the Note. Unless otherwise disclosed in the Notes, other significant transactions between the Company and other related parties are as follows:

(I) Related parties and their relationships with the Company	Related Party	Relationship with the Company
	Union Construction Management Co., Ltd. (Union Construction Management)	Affiliate
	iPASS Corporation	Affiliate
	Blue Borders Medical and Health Management Consulting Co., Ltd. (Blue Borders)	Affiliate
	Hornng Gow Construction Co., Ltd. (Hornng Gow)	Related party in substance
	The Liberty Times Co., Ltd. (the Liberty Times)	Related party in substance
	Long Shan Lin Corporation (Long Shan Lin)	Related party in substance
	Yung Hsuan Co., Ltd	Related party in substance
	Union Enterprise Construction Co., Ltd. (Union Enterprise Construction)	Related party in substance
	Yu-Bon Limited Co. (Yu-Bon)	Related party in substance
	Lianhe Investment Co., Ltd. (Lianhe Investment)	Related party in substance
	Union Recreation Enterprise Corporation (Union Recreation Enterprise)	Related party in substance
	Union Optronics Corp. (Union Optronics)	Related party in substance
	Hi-Life International Co., Ltd. (Hi-Life International)	Related party in substance
	Hope Vision Co., Ltd. (Hope Vision)	Substantive related party (not a related party as of November 2024)
	Issued by Union Securities Investment Trust	Issued by Union Securities Investment Trust
	Union Green Energy Private Equity Limited Partnership (Union Green Energy)	Union Private Equity Co., Ltd. and UFLIC are general partner and limited partner, respectively
	Union Green Energy I Private Equity Limited Partnership (Union Green Energy I)	Subsidiary, Union Private Equity Co., Ltd. is general partner
	Union Green Energy II Private Equity Limited Partnership (Union Green Energy II)	Subsidiary, Union Private Equity Co., Ltd. is general partner
	Others	The Company's directors, managers, their relatives, and their substantive related parties

(II) Material transactions with related parties

1. Loans

June 30, 2025

Type	Number of Account or Related Parties	Highest Balance in the period	Balance at the end of the period	Fulfillment Status		Collaterals	Differences in Terms of Transaction with Those for Unrelated Parties
				Normal Loans	Overdue loan		
Consumer loans	14 households	\$ 23,402	\$ 19,942	\$ 19,942	\$ -	Land, buildings and securities (certificates of deposit), vehicles	None
Self-used housing mortgage loans	35 households	175,808	153,132	153,132	-	Real estates	None
Other loans	9 households	31,364	24,969	24,969	-	Land, buildings and securities (certificates of deposit, stocks)	None

December 31 2024

Type	Number of Account or Related Parties	Highest Balance in the period	Balance at the end of the period	Fulfillment Status		Collaterals	Differences in Terms of Transaction with Those for Unrelated Parties
				Normal Loans	Overdue loan		
Consumer loans	19 households	\$ 27,552	\$ 21,512	\$ 21,512	\$ -	Lands, buildings, and securities	None
Self-used housing mortgage loans	38 households	182,588	147,830	147,830	-	Real estates	None
Other loans	15 households	48,525	31,719	31,719	-	Lands, buildings, and securities	None

June 30, 2024

Type	Number of Account or Related Parties	Highest Balance in the period	Balance at the end of the period	Fulfillment Status		Collaterals	Differences in Terms of Transaction with Those for Unrelated Parties
				Normal Loans	Overdue loan		
Consumer loans	17 households	\$ 23,673	\$ 20,032	\$ 20,032	\$ -	Land, buildings and securities (certificates of deposit)	None
Self-used housing mortgage loans	38 households	127,152	110,981	110,981	-	Real estates	None
Other loans	Hope Vision	22,208	20,042	20,042	-	Small and Medium Enterprise Credit Guarantee Fund of Taiwan	None
Other loans	13 households	43,988	32,444	32,444	-	Land, buildings and securities (certificates of deposit)	None

Year	Balance at June 30	% in the account	Annual interest rate	Interest income from January 1 to June 30	% in the account
114	\$ 198,043	0.03%	1.73%-3.07%	\$ 2,315	0.02%
113	183,499	0.03%	1.70%-2.98%	2,039	0.02%

2. Deposit

Year	Balance at June 30	% in the account	Annual interest rate (Note)	Interest expenses from January 1 to June 30	% in the account
114	\$ 7,232,113	0.89%	0%-5.15%	\$ 41,101	0.57%
113	5,877,486	0.76%	0%-5.80%	26,815	0.40%

Note: Interest rates of foreign currencies included.

3. Guarantees and letters of credit

June 30, 2025

Related Party	Highest Balance in the period	Balance at the end of the period	Balance of Guarantees and Letters of Credit (Note)	Rate Range	Collaterals
Union Recreation Enterprise Corporation	\$ 7,265	\$ 7,265	\$ -	1.00%	The Company's certificate of deposit
Long Shan Lin Corporation	71,040	71,040	-	0.50%	The Company's certificate of deposit
Bang Long Construction	122,120	122,120	-	0.50%	Deposits of the Company
The Liberty Times Co., Ltd.	2,888	-	-	0.05%	The Company's certificate of deposit
Hi-Life International Co., Ltd.	118,645	32,405	-	0.40%	The Company's certificate of deposit

December 31 2024

Related Party	Highest Balance in the period	Balance at the end of the period	Balance of Guarantees and Letters of Credit (Note)	Rate Range	Collaterals
Union Recreation Enterprise Corporation	\$ 7,265	\$ 7,265	\$ -	1.00%	The Company's certificate of deposit
The Liberty Times Co., Ltd.	2,890	-	-	0.05%	The Company's certificate of deposit
Long Shan Lin Corporation	71,040	71,040	-	0.50%	The Company's certificate of deposit
Hi-Life International Co., Ltd.	37,395	37,395	-	0.40%	The Company's certificate of deposit
iPASS Corporation	43,378	-	-	0.50%	The Company's certificate of deposit

June 30, 2024

Related Party	Highest Balance in the period	Balance at the end of the period	Balance of Guarantees and Letters of Credit (Note)	Rate Range	Collaterals
Union Recreation Enterprise Corporation	\$ 7,265	\$ 7,265	\$ -	1.00%	The Company's certificate of deposit
The Liberty Times Co., Ltd.	2,815	-	-	0.05%	The Company's certificate of deposit
Long Shan Lin Corporation	71,040	71,040	-	0.50%	The Company's certificate of deposit
Hi-Life International Co., Ltd.	18,270	18,270	-	0.40%	The Company's certificate of deposit
iPASS Corporation	43,378	20,300	-	0.50%	The Company's certificate of deposit

Note: the guarantee obligations reserves are provided based on the entire credit.

4. Lease agreement

Under operating lease agreements with terms of one year to five years, the Company rents office spaces from related parties for use by the Company's Head Office, Trust, International Banking Department, Wealth Management, Information Technology Department, Consumer Banking Department, Insurance Agency Department, Credit Card Department, Northern Collaterals Appraisal Center, five branches, USITC, UFLIC and UIT. Rentals are paid quarterly or are taken from lease deposits. Rental expenses and lease deposits were as follows:

(1) The Company as the lessee

Year	Lessor	Balance of Lease Deposit at Balance at June 30 (Other Assets - Refundable Deposits)		June 30 Lease liabilities	
		Amount	% in the account	Amount	% in the account
114	Yu-Bon	\$ 461,391	6.07%	\$ 35,982	2.16%
	Horng Gow	219,464	2.89%	12,339	0.74%
	Yung Hsuan	21,118	0.28%	245,835	14.74%
	UECC	5,701	0.08%	9,137	0.55%

Year	Lessor	Balance of Lease Deposit at Balance at June 30 (Other Assets - Refundable Deposits)		June 30 Lease liabilities	
		Amount	% in the account	Amount	% in the account
113	Yu-Bon	\$ 461,391	20.27%	\$ 58,935	3.20%
	Horng Gow	219,464	9.64%	96,865	5.26%
	Yung Hsuan	21,228	0.93%	326,605	17.74%
	UECC	5,286	0.23%	22,244	1.21%

From January 1 to June 30, 2025 and 2024, the rent expenses of ATM premises leased from Hi-life International Corporation were NT\$9,773 thousand and NT\$6,481 thousand, respectively.

(2) The Company as the lessor

The Company leased the properties at Zhongxiao Rd., Taichung City to Hi-Life International Co., Ltd. from March 2020 to April 2030. The rental income from January 1 to June 30, 2025 and 2024 was NT\$457 thousand. It is collected on a monthly basis, and the rent deposits collected are NT\$80 thousand (recognized as other liabilities - guarantee deposits received).

The Company leased the properties at Dunhua South Road, Taipei City, to Blue Borders from January 2022 to January 2032. The rental income during the six months ended June 30, 2025 and 2024 was NT\$6,847 thousand for both periods. The rent is received on the monthly basis. In addition, the deposit of NT\$5,980 thousand was received (accounted for other liabilities - guarantee deposit received).

The long-term car rental of the subsidiary, Union Finance and Leasing (Int'l) Corp was leased to Hi-Life International Co., Ltd. from January 2022 to June 2026. The rental income for the six months ended June 30, 2025 and 2024 were NT\$1,066 thousand and NT\$832 thousand, respectively. The rent is collected on a monthly basis.

5. Financial Assets Measured at Fair Value Through Profit or Loss

To enhance the efficiency of capital application and participate in domestic investment in green energy generation industry, Union Private Equity Co., Ltd., the Company's subsidiary, established "Union Green Energy Private Equity Limited Partnership" on December 2020 with the Company as a general partner. UFLIC also served as a limited partner of the fund. The total investment is NT\$556,334 thousand as of June 30, 2025.

In June 2021, as general partner, Union Private Equity Co., Ltd. raised Union Green Energy I Private Equity Limited Partnership; the total investment was NT\$14,878 thousand as of June 30, 2025.

In October 2021, the subsidiary Union Private Equity Co., Ltd. established "Union Green Energy II Private Equity Limited Partnership" as a general partner; the total investment was NT\$20 thousand as of June 30, 2025.

Union Private Equity Co., Ltd. charged management fee from Union Green Energy Private Equity Limited Partnership pursuant to the limited partnership agreement; during January 1 to June 30, 2025 and 2024, the amount was NT\$13,589 thousand and NT\$8,290 thousand, respectively.

Union Private Equity Co., Ltd. charged management fee from Union Green Energy Private Equity Limited Partnership and Union Green Energy I Private Equity Limited Partnership pursuant to the limited partnership agreement; during January 1 to June 30, 2025 and 2024, the amount were NT\$3,382 thousand and NT\$3,037 thousand, respectively.

As of June 30, 2025, December 31 and June 30, 2024, the Bank and the UFLIC have hold 9,815 thousand units, 10,287 thousand units, and 10,287 thousand units of beneficiary certificates issued by USITC, which amounted to NT\$119,582 thousand, NT\$128,693 thousand and NT\$127,729 thousand, respectively.

6. Hi-Life provided the product bonus redemptions and marketing campaigns to the Company. The advertising fees were NT\$8,698 thousand and NT\$10,010 thousand, respectively, during January 1 to June 30, 2025 and 2024.

7. Construction of solar power plant

In order to build a solar power station and operate the turnover, Nan He Yi Hau entered into a revolving commercial paper commitment agreement in December 2020, with International Bills Finance Corporation as the guarantor for a total limit of NT\$1,130,000 thousand. It is jointly endorsed and guaranteed by Union Venture Capital and RFD Micro Electricity. As of March 31, 2024, the face value of the commercial paper payable was NT\$242,100 thousand, and the maturity date was August 13, 2024, with an interest rate of 1.7000%. As of June 30, 2025, the face value of the commercial paper payable was NT\$0 thousand.

8. Installment payment

The subsidiary Union Finance and Leasing (Int'l) Corp. (UFLIC) undertakes the installment payment for Blue Borders, with machinery and equipment as collateral. The repayment is made each month from July 2023 to July 2030, with the Chairman of Blue Borders as the joint guarantor. From January to June 30, 2025 and 2024, the interest income was NT\$919 thousand and NT\$1,071 thousand respectively, and the installment receivables on June 30, 2025 and December 31, 2024 and June 30, 2024, were NT\$58,758 thousand, NT\$63,918 thousand, and NT\$69,000 thousand, respectively

9. Financial lease

The subsidiary, Union Finance and Leasing (Int'l) Corp has undertaken a financial lease, with machinery and equipment as collateral for Hi-Life. From September 2020 to September 2028, the

repayment is made in one instalment each month, and the Chairman of Hi-Life serves as the joint guarantor. The interest revenues from January to June 30, 2025 and 2024 were NTD 182 thousand and NTD 232 thousand, respectively, and the lease payments receivable as of June 30, 2025, December 31 and June 30, 2024 were NT\$15,392 thousand, NT\$17,664 thousand, and NT\$19,911 thousand, respectively.

Under the Article 32 and 33 of the Banking Act, no unsecured loan may be provided to the stakeholders except for within the consumer loan limits and government loans, credits extended by the Bank to any related party should be fully secured, and the credit terms for related parties should not be favorable to those for unrelated parties.

(III) Rewards and compensations to major management

During January 1 to June 30, 2025 and 2024, the rewards and compensations to directors and other major management are as follows:

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Short-term employment benefits				
Salaries	\$ 7,730	\$ 8,205	\$ 26,125	\$ 27,390
Transportation expenses	328	376	638	711
Others	<u>114</u>	<u>142</u>	<u>247</u>	<u>277</u>
	8,172	8,723	27,010	28,378
Post-employment benefits	<u>243</u>	<u>335</u>	<u>506</u>	<u>6,327</u>
	<u>\$ 8,415</u>	<u>\$ 9,058</u>	<u>\$ 27,516</u>	<u>\$ 34,705</u>

Compensation of directors and management is determined by the remuneration committee on the basis of individual performance and market trends.

XLVIII. Assets Pledged

(I) Union Bank of Taiwan

As of June 30, 2025, December 31 and June 30, 2024, government bonds and bank debentures, which amounted to NT\$399,905 thousand, NT\$390,805 thousand, and \$417,305 thousand (all amounts included in other financial assets), respectively, had been provided to the courts and the Bank of Taiwan as guarantee deposits on provisional seizures against the debtors' properties, as reserve for credit card receivables, as guarantee deposits on bills finance operations, brokering life insurance, property and casualty insurance, and as trust reserve.

As of June 30, 2025, December 31 and June 30, 2024, the Bank pledged a time deposit of both \$1,100,000 thousand (listed under other financial assets) to Mega International Commercial Bank and Mizuho Bank to be part of the latter's online bank-to-bank payment system.

(II) The following assets of the Company had been used as collaterals to apply for loans, issue commercial papers and apply for provisional seizure of certain assets:

	June 30, 2025	December 31 2024	June 30, 2024
Other financial assets			
Assets Pledged	\$ <u>104,899</u>	\$ <u>93,240</u>	\$ <u>160,656</u>
Investment properties	<u>\$ 2,148,581</u>	<u>\$ 2,170,685</u>	<u>\$ 2,079,244</u>

As of June 30, 2025, December 31 and June 30, 2024, notes receivable (not expired) amounting to NT\$526,388 thousand, NT\$600,863 thousand and NT\$657,884 thousand had been used as collaterals to apply for loans and issue commercial papers, respectively.

- (III) Ting Jie Electric Power obtained a syndicated loan in 2022 for the construction of a power station, and provided personal property for photovoltaic equipment operation worth NT\$3,093,671 thousand according to the syndicated loan agreement starting January 30, 2024 (Note XIX). The registration of the mortgage right is valid until March 28, 2047.

XLIX. Material Contingent Liabilities and the Contractual Commitments not Recognized

- (I) As of June 30, 2025, December 31 and June 30, 2024, the Company's commitments consisted of the following:

	June 30, 2025	December 31 2024	June 30, 2024
Unused standby loan commitment	\$ 150,881,499	\$ 155,746,503	\$ 154,201,305
Unused credit card commitment	180,311,029	305,777,821	331,242,136
Unused letters of credit	1,125,006	2,585,787	1,031,417
Other guarantees	29,217,873	23,001,788	28,049,438
Collections for customers	17,936,491	17,255,571	17,760,998
Guarantee notes payable	1,383,900	1,394,800	1,391,300
Trust assets	117,312,616	118,104,838	114,742,402
Marketable securities under custody	3,259,960	3,251,534	3,993,899

- (II) The duration of leasing cars (included in other assets) is about 1 to 7 years. Minimum future annual rentals for the irrevocable operating leases are as follows:

	June 30, 2025	December 31 2024	June 30, 2024
Within 1 year	\$ 1,900,654	\$ 1,864,298	\$ 1,902,877
Over 1 year to 5 years	<u>2,200,360</u>	<u>2,110,632</u>	<u>2,086,462</u>
	<u>\$ 4,101,014</u>	<u>\$ 3,974,930</u>	<u>\$ 3,989,339</u>

- (III) Computer equipment purchase contracts

As of June 30, 2025, December 31 and June 30, 2024, the Company had contracts to purchase computer equipment and software for NT\$842,684 thousand, NT\$901,515 thousand and NT\$848,392 thousand, respectively, of which NT\$579,828 thousand, NT\$560,809 thousand and NT\$507,354 thousand had been paid as of June 30, 2025, December 31 and June 30, 2024.

- (IV) Power plant contract

As of June 30th, 2025, December 31st and June 30th, 2024, the Group had contracts to construct the solar power system for NT\$14,892,150 thousand, NT\$14,892,150 thousand and NT\$14,629,800 thousand, respectively, with Micro Electricity; of which NT\$4,997,191 thousand, NT\$4,997,191 thousand and NT\$4,956,401 thousand had been paid as of June 30th, 2025, December 31st and June 30th, 2024.

Ting Jie Electric Power Inc. approved the signing of a solar power generation system construction (in areas around Madou District and Xuejia District, Tainan) contract with RFD Micro Electricity Co., Ltd. The total planned capacity is 160 mega watts, and the expected total price before tax is NT\$8,936,000 thousand. The final total capacity shall comply with the total approved capacity of the permission letter for the construction. This project is in the stage of being connected to the grid of the Taipower system with about 32 MW. The remaining construction is still in progress. To facilitate the process, Ting Jie Electric Power signed a syndicated loan with 11 financial Institutions with a limit of NT\$7,500,000 thousand. The joint guarantors are the parent company, UVC, Union Energy, and RFD Micro Electricity. There were 1,890 thousand shares in Ting Jie Electric Power pledged as collateral for the loan.

(V) Union Securities Investment Trust Co., Ltd.

The private equity funds managed by USITC, a subsidiary of the Bank, were mainly invested in the Fairfield Sentry Funds (F Funds) of the Madoff Investment Securities' (Madoff Company) Fairfield Company (Fairfield). On January 10, 2011, the liquidator of the F Funds sued USITC, the private equity funds managed by USITC and the beneficiaries who bought USITC's private equity funds to demand the return of the redemption proceeds of US\$17,206 thousand received by USITC's private equity funds from the F Funds. This case remained pending before the Bankruptcy Court for the Southern District of New York.

Madoff Company's liquidation trustee claimed that F Funds' redemption proceeds from Madoff Company constituted unjust enrichment and thus sued USITC and F Funds on March 23, 2012 to demand the return of the redemption proceeds of US\$17,206 thousand received by USITC's private equity funds from F Funds. This case remained pending before the Bankruptcy Court for the Southern District of New York. The plaintiff has asked the US court to deliver the complaint to the Taiwan Taipei District Court through mutual legal assistance. In accordance with the provisions of Article 402, paragraph 1, paragraph 2 of the Code of Civil Procedure and the relevant practical opinions of the court, the legal documents have been legally delivered to USITC. In order to avoid the unfavorable judgment of the court, USITC appointed American lawyers to deal with the litigation. The defendant in the case (that is, the non-US foreign investor who was a party in the Fairfield series of funds) disputed the application of the US bankruptcy law and the jurisdiction of the US court. The US Court recognized the law does not apply to such defendants, therefore, rejected the plaintiff's request for the reason of international comity. The Supreme court of the US rejected the appeal and considered it as a protest; therefore, the case is back to Bankruptcy Court to hear the case. According to information provided by the U.S. attorneys engaged by USITC, there are legal deficiencies in the claim recorded in the plaintiff's complaint. The U.S. attorneys asked the bankruptcy court to reject the plaintiff's complaint on April 4, 2022. Provided the US bankruptcy court rejected our claim on August 19 of the same year, and we are required to submit a physical statement of defense to the U.S. bankruptcy court by November 1 of the same year. On February 22, 2023, USITC's lawyer and the plaintiffs' lawyer completed the signing of the trial plan and submitted it to the U.S. Bankruptcy Court. On April 10, 2023, the relevant information for the initial disclosure was submitted by both parties, and USITC began to request related evidence and data. On November 27, 2023, USITC delivered a discovery briefing in response to the plaintiff's inquiry to the U.S. Bankruptcy Court and responded to the plaintiff's inquiry on May 31, 2024. The three private equity funds analysis report, investment decision, investment execution form, and monthly investment review report are provided to the plaintiff. The plaintiff believes that USITC did not provide the documents in full and with the email address. The plaintiff threatened USITC by claiming compulsory enforcement from the court. The Company is in the process of defense and negotiation.

The private equity funds managed by USITC and mainly invested in the F Funds of Fairfield had become a loss for USITC. Thus, on June 26, 2013, USITC joined Fairfield Greenwich, Citco and PwC in a class action litigation on this investment loss. Regarding the class action suit against Fairfield Greenwich, United States District Court of the Southern District of New York approved the settlement of the two parties on December 19, 2014. The settlement fee was distributed among the settling parties in February 2015. Regarding the class action suit against Citco, the two parties had already come to a settlement on August 12, 2015; the court also approved the settlement of Citco on November 20, 2015. The settlement fee is going to be distributed among the settling parties. Regarding the class action suit against PwC, the court gave a preliminary verdict of settlement to the two parties and opened a court session on January 7, 2016, for a hearing on the fairness of the settlement and the

granting of permission on May 6, 2016; there has been no further appeals since then. The settlement fee would be distributed to the settling parties after deducting the approved amount of counselor fees and disbursement fees. The private equity funds managed by USITC received the check of settlement fee from Rust Consulting Inc. on January 3, 2017 and redeemed for cash on February 6, 2017. As the last defendant, PwC, had settled with the plaintiff's attorneys, the case would be closed upon the completion of the distribution. In addition, the indemnity claimed to Madoff Victim Fund was applied under the name of each fund investor with the assistance of USITC, and would be reviewed by the Fund.

L. Other Matters

Since the start of Russia-Ukraine War in February 2022, the credit rating agencies lowered the sovereign rating of Russia and thus the credit risks of the financial instruments of the Company in investment positions in Russia increased. The Company has considered the related impacts and disclosed in Notes XI and XLI of the financial statements

LI. Description and Amounts of Trust Business Under the Trust Act

Balance Sheet of Trust Accounts

June 30, 2025

	<u>Amount</u>		<u>Amount</u>
<u>Trust assets</u>		<u>Trust Liabilities and Capital</u>	
Bank deposits	\$ 20,423,317	Management fees payable	\$ 2
Investment		Income tax payable	1,898
Fund investments	75,303,623	Marketable securities under	
Bond investment	26,258	custody payable	11,099,154
Investments in common		Trust capital	105,749,329
stock	567,231	Reserves and cumulative	
Accounts receivable	24,026	profit/deficit	<u>462,233</u>
Marketable securities under			
custody	11,099,154		
Real estate - land and building	<u>9,869,007</u>		
Total trust assets	<u>\$ 117,312,616</u>	Total trust liabilities and capital	<u>\$ 117,312,616</u>

Balance Sheet of Trust Accounts

December 31 2024

	<u>Amount</u>		<u>Amount</u>
<u>Trust assets</u>		<u>Trust Liabilities and Capital</u>	
Bank deposits	\$ 19,551,180	Income tax payable	\$ 6,493
Investment		Marketable securities under	
Fund investments	76,781,609	custody payable	12,012,184
Bond investment	9,123	Trust capital	105,714,288
Investments in common		Reserves and cumulative	
stock	518,992	profit/deficit	<u>371,873</u>
Accounts receivable	67,983		
Marketable securities under			
custody	12,012,184		
Real estate - land and building	<u>9,163,767</u>		
Total trust assets	<u>\$ 118,104,838</u>	Total trust liabilities and capital	<u>\$ 118,104,838</u>

Balance Sheet of Trust Accounts

June 30, 2024

	Amount		Amount
<u>Trust assets</u>		<u>Trust Liabilities and Capital</u>	
Bank deposits	\$ 19,139,681	Management fees payable	\$ 2
Investment		Income tax payable	3,423
Fund investments	70,576,942	Marketable securities under custody payable	13,642,032
Bond investment	9,378	Trust capital	100,789,203
Investments in common stock	484,571	Reserves and cumulative profit/deficit	<u>307,742</u>
Accounts receivable	38,218		
Marketable securities under custody	13,642,032		
Real estate - land and building	<u>10,851,580</u>		
Total trust assets	<u>\$ 114,742,402</u>	Total trust liabilities and capital	<u>\$ 114,742,402</u>

Income Statement of Trust Accounts

January 1 to June 30, 2025

	Amount
Trust Income	
Interest revenue - demand account	\$ 34,470
Interest revenue - time deposit	37,947
Interest revenue - bond	618
Income distributed from beneficiary certificate	177
Unrealized capital gain - unlisted common share	184,606
Unrealized capital gain - fund	<u>516</u>
Total trust income	<u>258,334</u>
Trust expenses	
Management fee	5,434
Unrealized capital loss - bond	3,815
Unrealized capital loss - fund	543
Other expenses	<u>14</u>
Total trust expense	<u>9,806</u>
Net profit before tax	248,528
Income tax expense	(<u>6,707</u>)
Gain after tax for the period	<u>\$ 241,821</u>

Note: The above income statement is based on the gain or loss of the assets entrusted by the Trust Department of the Union Bank of Taiwan, and is not included in the income of the Union Bank of Taiwan.

Income Statement of Trust Accounts
January 1 to June 30, 2024

	Amount
Trust Income	
Interest revenue - demand account	\$ 16,683
Interest revenue - time deposit	45,654
Interest revenue - bond	245
Common share cash dividend income	149
Income distributed from beneficiary certificate	305
Unrealized capital gain - unlisted common share	149,735
Unrealized capital gain - fund	635
Total trust income	213,406
Trust expenses	
Management fee	5,608
Unrealized capital loss - listed common share	775
Unrealized capital loss - bond	3,203
Unrealized capital loss - fund	90
Other expenses	647
Total trust expense	10,323
Net profit before tax	203,083
Income tax expense	(5,749)
Gain after tax for the period	\$ 197,334

Note: The above income statement is based on the gain or loss of the assets entrusted by the Trust Department of the Union Bank of Taiwan, and is not included in the income of the Union Bank of Taiwan.

Trust Property and Equipment Accounts
June 30, 2025

Investment Portfolio	Amount
Bank deposits	\$ 20,423,317
Investment	
Fund investments	75,303,623
Bond investment	26,258
Investments in common stock	567,231
Accounts receivable	24,026
Marketable securities under custody	11,099,154
Real estate - land and building	9,869,007
Total	\$ 117,312,616

Trust Property and Equipment Accounts
December 31 2024

Investment Portfolio	Amount
Bank deposits	\$ 19,551,180
Investment	
Fund investments	76,781,609
Bond investment	9,123
Investments in common stock	518,992
Accounts receivable	67,983
Marketable securities under custody	12,012,184
Real estate - land and building	<u>9,163,767</u>
Total	<u>\$ 118,104,838</u>

Trust Property and Equipment Accounts
June 30, 2024

Investment Portfolio	Amount
Bank deposits	\$ 19,139,681
Investment	
Fund investments	70,576,942
Bond investment	9,378
Investments in common stock	484,571
Accounts receivable	38,218
Marketable securities under custody	13,642,032
Real estate - land and building	<u>10,851,580</u>
Total	<u>\$ 114,742,402</u>

LII. Financial Instruments

(I) Information on fair value

1. Overview

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

When initially recognizing a financial instrument, its fair value is accounted for; in many cases, it usually refers to the transaction price. Other than some financial instruments are measured at the amortized costs, the subsequent measurements are at fair values. The best evidence of fair values are the public quotations in active markets. Where the market of a financial instrument is not activate, the Company applies the valuation models, or the quotations from Bloomberg, Reuters, or transaction counterparties to measure the fair values of the financial instruments.

2. Definitions of fair value hierarchy

(1) Level 1

Level 1 financial products are traded in an active market in which there are quoted prices for identical financial products. An active market has the following characteristics:

- A. All financial instruments in the market are homogeneous.
- B. There are willing buyers and sellers in the market all the time.
- C. The public can access the price information easily.

The products in this level, such as listed shares and beneficiary securities, usually have high liquidity or are traded in exchanges.

(2) Level 2

The products in Level 2 have fair values that can be inferred from either directly or indirectly observable inputs other than quoted prices in an active market. Examples of these inputs are:

- A. Quoted prices from the similar products in an active market. This means the fair value can be derived from the current trading prices of similar products, and whether they are similar products should be judged on the characteristics and trading rules. The fair price valuation in this circumstance may be adjusted due to time differences, trading rule's differences (time apart from present), related parties' prices, and the correlation of observable transaction price between itself and the similar goods;
- B. Quoted prices for identical or similar financial instruments in inactive markets;
- C. For the valuation model method, the inputs to this model (such as interest rates, yield curves and volatilities) should be data available in the market (the observable inputs mean that they can be obtained from the market and can reflect the expectation of market participants);
- D. Inputs that are derived from observable market data through correlation or other means.

The fair values of products categorized in this level are usually calculated using a valuation model generally accepted by the market. Examples are forward contracts, cross-currency swap, simple interest bearing bonds, convertible bonds and commercial paper.

(3) Level 3

The fair values of the products in Level 3 are typically based on management assumptions or expectations other than the direct market data. For example, historical volatility used in valuing options is an unobservable input because it cannot represent the entire market participants' expectation on future volatility.

The products in this level are complex derivate financial instruments or products with prices that are provided by brokers. Examples are investments in equities unlisted or without active markets, or complex foreign exchange options.

3. Measured at fair value on a recurring basis

(1) Information of the fair value hierarchies

The Company's financial instruments measured at fair value are all measured at fair value on a recurring basis. The fair value hierarchies of the Company's financial instruments are as follows:

Unit: NTD thousand

Asset and liability items	June 30, 2025			
	Total	Level 1	Level 2	Level 3
<u>Measured at fair value on a recurring basis</u>				
<u>Nonderivative financial instruments</u>				
Assets				
Financial Assets Measured at Fair Value Through Profit or Loss				
Financial assets mandatorily classified as at FVTPL				
Share investments	\$ 1,232,952	\$ 1,221,392	\$ -	\$ 11,560
Funds and beneficiary certificates	1,438,060	834,343	-	603,717
Commercial paper	58,803,395	-	58,803,395	-
Asset-backed securities	13,436	-	13,436	-
Future exchange margins - self owned	60,343	60,343	-	-
Bond investment	6,733,638	-	6,733,638	-

Asset and liability items	June 30, 2025			
	Total	Level 1	Level 2	Level 3
Financial Assets Measured at Fair Value Through Other Comprehensive Income				
Share investments	\$ 23,381,779	\$ 20,519,816	\$ -	\$ 2,861,963
Bond investment	39,832,176	-	39,832,176	-
<u>Derivative financial products</u>				
Assets				
Financial Assets Measured at Fair Value Through Profit or Loss	447,459	-	294,668	152,791
Liabilities				
Financial liabilities measured at fair value through profit or loss	3,645,791	-	3,493,435	152,356

Unit: NTD thousand

Asset and liability items	December 31 2024			
	Total	Level 1	Level 2	Level 3
<u>Measured at fair value on a recurring basis</u>				
<u>Nonderivative financial instruments</u>				
Assets				
Financial Assets Measured at Fair Value Through Profit or Loss				
Financial assets mandatorily classified as at FVTPL				
Share investments	\$ 1,266,017	\$ 1,242,068	\$ -	\$ 23,949
Funds and beneficiary certificates	2,037,132	1,413,124	-	624,008
Commercial paper	44,253,476	-	44,253,476	-
Asset-backed securities	15,892	-	15,892	-
Future exchange margins - self owned	66,095	66,095	-	-
Bond investment	6,884,346	-	6,884,346	-
Financial Assets Measured at Fair Value Through Other Comprehensive Income				
Share investments	19,553,629	16,793,804	-	2,759,825
Bond investment	43,344,256	-	43,344,256	-
<u>Derivative financial products</u>				
Assets				
Financial Assets Measured at Fair Value Through Profit or Loss	1,498,977	-	1,384,735	114,242
Liabilities				
Financial liabilities measured at fair value through profit or loss	468,953	-	354,685	114,268

Unit: NTD thousand

Asset and liability items	June 30, 2024			
	Total	Level 1	Level 2	Level 3
<u>Measured at fair value on a recurring basis</u>				
<u>Nonderivative financial instruments</u>				
Assets				
Financial Assets Measured at Fair Value Through Profit or Loss				
Financial assets mandatorily classified as at FVTPL				
Share investments	\$ 1,612,157	\$ 1,588,450	\$ -	\$ 23,707
Funds and beneficiary certificates	1,640,400	1,050,805	-	589,595
Commercial paper	46,295,724	-	46,295,724	-
Asset-backed securities	16,584	-	16,584	-
Future exchange margins - self owned	65,336	65,336	-	-
Bond investment	2,663,768	-	2,663,768	-
Financial Assets Measured at Fair Value Through Other Comprehensive Income				
Share investments	20,808,624	15,523,272	-	5,285,352
Bond investment	42,543,920	-	42,543,920	-
<u>Derivative financial products</u>				
Assets				
Financial Assets Measured at Fair Value Through Profit or Loss	1,308,888	-	1,202,724	106,164
Liabilities				
Financial liabilities measured at fair value through profit or loss	389,311	-	283,646	105,665

(2) Valuation technique of measurement at fair value

A fair value refers to the amount for asset exchange or debt repayment between two parties with sufficient understanding and willingness of transaction in an arm-length transaction. The fair values of financial instruments at fair value, financial assets at fair value through other comprehensive income, available-for-sale financial assets and hedging derivative financial instruments with quoted price in an active market are based on their market prices. Financial instruments with no quoted prices in an active market are estimated by valuation methods.

A. Marking to market

This method should be used first to determine fair value. Following are the principles to follow in marking to market:

- a. Ensure the consistency and integrity of market data.
- b. The source of market data should be transparent and easy to access and can be referred to by independent resources.
- c. Listed securities with tradable prices should be valued at closing prices.
- d. Evaluating unlisted securities that lack tradable closing prices should use quoted prices from independent brokers.

B. Marking to model

The use of marking to model is suggested if marking to market is infeasible. This valuation methodology is based upon model inputs that are used to derive the value of the trading positions. The Company uses the same estimations and assumptions as those used by market participants to determine the fair value.

The Company uses the forward rates provided by Reuters to estimate the fair values of forward contracts, foreign exchange swap contracts, interest rate swap and cross-currency swap contracts and the discounted cash flow method to calculate the fair values of each contract. For foreign exchange option transactions, the Company uses the option pricing models which are generally used by other market participants (e.g., Garman & Kohlhagen model) to calculate the fair value of the contracts.

(3) Fair value adjustment

Credit risk assessment adjustment

Credit risk assessment adjustment refers to the fair value of the over the counter (OTC) derivative financial commodity contracts, which also reflects the credit risk of both parties. It can be mainly divided into “credit evaluation adjustment” and “debit evaluation adjustment”:

- A. Credit value adjustments (CVA): A transaction in a non-concentrated trading market, that is, the adjustment of the derivatives contract evaluation in the OTC transaction, which reflects the possibility of the Company may not be able to collect the full market value or the counterparty may default on the repayment on the fair value.
- B. Debit value adjustments (DVA): It refers to the transactions of the non-concentrated trading market, that is, the adjustment of the derivatives contract evaluation in the OTC transaction, which reflects the possibility that the Company may not be able to collect the full market value or the counterparty may default on the repayment of the fair value.

Both CVA and DVA are concepts of estimated loss, calculated as the probability of default (PD) multiplied by the default loss rate (LGD) and multiplied by the exposure at default (EAD).

For customers with external credit ratings, the default probability is based on the default probability corresponding to the external rating; for customers without external credit ratings, the impairment rate calculated according to the Company's loan and receivable impairment assessment and the average incidence of impairment is taken as the default probability.

The Company uses the fair value of OTC derivatives to calculate the amount of default risk (EAD).

The Company uses 60% as the default loss rate based on the recommendation of "IFRS 13 CVA and DVA Related Disclosure Guidelines" of the Stock Exchange.

The Company incorporates the credit risk assessment adjustment into the fair value calculation of financial instruments to reflect the counterparty's credit risk and the Company's credit quality.

(4) Transfers between Level 1 and Level 2

During January 1 to June 30, 2025 and 2024, there was no material transfer between Level 1 and Level 2.

(5) Reconciliation of Level 3 items of financial instruments

Changes in Level 3 financial assets at fair value

January 1 to June 30, 2025

Unit: NTD thousand

Name	Balance at the beginning of the period	Valuation Gains (Losses)		Increase for the period		Decrease for the period		Balance at the end of the period
		In Net Income	In Other Comprehensive Income	Purchased or issued	Transfer to Level 3	Sale, disposal, or delivery	Transfer from Level 3	
Financial Assets Measured at Fair Value Through Profit or Loss								
Derivative financial products	\$ 114,242	\$ 22,024	\$ -	\$ 68,322	\$ -	(\$ 51,797)	\$ -	\$ 152,791
Funds and beneficiary certificates	624,008	(20,291)	-	-	-	-	-	603,717
Share investments	23,949	(12,389)	-	-	-	-	-	11,560
Financial Assets Measured at Fair Value Through Other Comprehensive Income								
Share investments	2,759,825	-	(182,544)	49,361	250,000	(14,679)	-	2,861,963

January 1 to June 30, 2024

Unit: NTD thousand

Name	Balance at the beginning of the period	Valuation Gains (Losses)		Increase for the period		Decrease for the period		Balance at the end of the period
		In Net Income	In Other Comprehensive Income	Purchased or issued	Transfer to Level 3	Sale, disposal, or delivery	Transfer from Level 3	
Financial Assets Measured at Fair Value Through Profit or Loss								
Derivative financial products	\$ 121,266	(\$ 6,297)	\$ -	\$ 42,771	\$ -	(\$ 51,576)	\$ -	\$ 106,164
Funds and beneficiary certificates	585,716	(6,121)	-	10,000	-	-	-	589,595
Share investments	626,110	(178,728)	-	-	-	(423,675)	-	23,707
Financial Assets Measured at Fair Value Through Other Comprehensive Income								
Share investments	2,721,625	-	500,880	49,362	2,077,589	(3,630)	(60,474)	5,285,352

The valuation profit and loss above are listed in the current profit and loss, and attributed to the amount of profit and loss of the assets held in the accounts as of June 30, 2025 and 2024; with a loss of NT\$10,656 thousand and a profit of NT\$191,146 thousand, respectively.

B. Changes in Level 3 financial liabilities at fair value

January 1 to June 30, 2025

Unit: NTD thousand

Name	Balance at the beginning of the period	Valuation Gains (Losses)		Increase for the period		Decrease for the period		Balance at the end of the period
		In Net Income	In Other Comprehensive Income	Purchased or issued	Transfer to Level 3	Sale, disposal, or delivery	Transfer from Level 3	
Financial liabilities measured at fair value through profit or loss Derivative financial products	\$ 114,268	\$ 55,778	\$ -	\$ 52,030	\$ -	(\$ 69,720)	\$ -	\$ 152,356

January 1 to June 30, 2024

Unit: NTD thousand

Name	Balance at the beginning of the period	Valuation Gains (Losses)		Increase for the period		Decrease for the period		Balance at the end of the period
		In Net Income	In Other Comprehensive Income	Purchased or issued	Transfer to Level 3	Sale, disposal, or delivery	Transfer from Level 3	
Financial liabilities measured at fair value through profit or loss Derivative financial products	\$ 121,570	(\$ 24,801)	\$ -	\$ 53,968	\$ -	(\$ 45,072)	\$ -	\$ 105,665

The valuation profit and loss above are listed in the current profit and loss, and attributed to the amount of profit and loss of the liabilities assumed in the accounts as of June 30, 2025 and 2024, with a loss of NT\$55,778 thousand and a profit of NT\$24,801 thousand, respectively.

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

The Company's Level 3 fair value assets are investments in unlisted stocks or equity without an active market and derivative financial instruments.

The quantitative information of significant unobservable inputs - Level 3 fair value measurement is shown in the following table:

Name	Products	Fair value on June 30, 2025	Valuation Technique	Significant Unobservable Inputs	Range (weighted average)	Relation Between Input and Fair Value
Measured at fair value on a recurring basis <u>Financial Assets</u> <u>Measured at Fair Value Through Profit or Loss</u>						
Derivative financial assets	Foreign exchange options	\$ 152,791	Option pricing model	Fluctuation	AUD/USD 9.73%~9.95% EUR/GBP 5.05%~5.13% GBP/AUD 7.73%~7.86% USD/JPY 10.69% USD/TWD 10.85%~14.16% USD/ZAR 11.47%~13.44%	The higher the fluctuation is, the higher the fair value
Non-derivative financial assets	Share investments	11,560	Assets value model	Allowance of minor equity and liquidity	-	The higher the allowance is, the lower the fair value
	Funds and beneficiary certificates	603,717	Assets value model	Allowance of minor equity and liquidity	15%	The higher the allowance is, the lower the fair value

(continued at next page)

(Cont')

Name	Products	Fair value on June 30, 2025	Valuation Technique	Significant Unobservable Inputs	Range (weighted average)	Relation Between Input and Fair Value
<u>Financial Assets Measured at Fair Value Through Other Comprehensive Income</u>						
Nondervative financial instruments	Share investments	\$ 2,479,900	Assets value model	Allowance of minor equity and liquidity	5%~30%	The higher the allowance is, the lower the fair value
	Share investments	382,063	Market method	Liquidity allowance	20%	The higher the allowance is, the lower the fair value
<u>Financial liabilities measured at fair value through profit or loss</u>						
Derivative financial liabilities	Foreign exchange options	152,356	Option pricing model	Fluctuation	AUD/USD 9.73%~9.95% EUR/GBP 5.05%~5.13% GBP/AUD 7.73%~7.86% USD/JPY 10.69% USD/TWD 10.85%~14.16% USD/ZAR 11.47%~13.44%	The higher the fluctuation is, the higher the fair value

Name	Products	Fair value on December 31, 2024	Valuation Technique	Significant Unobservable Inputs	Range (weighted average)	Relation Between Input and Fair Value
Measured at fair value on a recurring basis						
<u>Financial Assets Measured at Fair Value Through Profit or Loss</u>						
Derivative financial assets	Foreign exchange options	\$ 114,242	Option pricing model	Fluctuation	GBP/AUD 6.93%~8.35% GBP/USD 8.22% USD/TWD 4.41%~7.68% USD/ZAR 11.78%~14.56% EUR/GBP 5.43%	The higher the fluctuation is, the higher the fair value
	Non-derivative financial assets	23,949	Assets value model	Allowance of minor equity and liquidity	-	The higher the allowance is, the lower the fair value
	Funds and beneficiary certificates	624,008	Assets value model	Allowance of minor equity and liquidity	15%	The higher the allowance is, the lower the fair value
<u>Financial Assets Measured at Fair Value Through Other Comprehensive Income</u>						
Nondervative financial instruments	Share investments	2,299,751	Assets value model	Allowance of minor equity and liquidity	5%~30%	The higher the allowance is, the lower the fair value
	Share investments	460,074	Market method	Liquidity allowance	20%	The higher the allowance is, the lower the fair value
<u>Financial liabilities measured at fair value through profit or loss</u>						
Derivative financial liabilities	Foreign exchange options	114,268	Option pricing model	Fluctuation	GBP/AUD 6.93%~8.35% GBP/USD 8.22% USD/TWD 4.41%~7.68% USD/ZAR 11.78%~14.56% EUR/GBP 5.43%	The higher the fluctuation is, the higher the fair value

Name	Products	Fair value on June 30th, 2024	Valuation Technique	Significant Unobservable Inputs	Interval (Weighted-average)	Relation Between Input and Fair Value
Measured at fair value on a recurring basis <u>Financial Assets Measured at Fair Value Through Profit or Loss</u>						
Derivative financial assets	Foreign exchange options	\$ 106,164	Option pricing model	Fluctuation	AUD/USD 8.49% EUR/GBP 4.81%~4.85% GBP/AUD 6.36%~7.37% GBP/USD 7.27% USD/TWD 4.02%~7.00% USD/ZAR 14.07%~15.75%	The higher the fluctuation is, the higher the fair value
Non-derivative financial assets	Share investments	23,707	Assets value model	Allowance of minor equity and liquidity	-	The higher the allowance is, the lower the fair value
	Funds and beneficiary certificates	589,595	Assets value model	Allowance of minor equity and liquidity	15%	The higher the allowance is, the lower the fair value
<u>Financial Assets Measured at Fair Value Through Other Comprehensive Income</u>						
Nonderivative financial instruments	Share investments	4,784,645	Assets value model	Allowance of minor equity and liquidity	5%~30%	The higher the allowance is, the lower the fair value
	Share investments	500,707	Market method	Liquidity allowance	20%	The higher the allowance is, the lower the fair value
<u>Financial liabilities measured at fair value through profit or loss</u>						
Derivative financial liabilities	Foreign exchange options	105,665	Option pricing model	Fluctuation	AUD/USD 8.49% EUR/GBP 4.81%~4.85% GBP/AUD 6.36%~7.37% GBP/USD 7.27% USD/TWD 4.02%~7.00% USD/ZAR 14.07%~15.75%	The higher the fluctuation is, the higher the fair value

(7) The valuation process of Level 3 fair value measurement

To ensure that the product assessment results can be close to the market, the risk management department of the Bank is responsible for the verification of the independent fair value. For products valued by the model, before daily valuation, the information required for the valuation will be verified as correct and consistent with each other and the department will calibrate the model to the market quotation and update the input value required for the valuation model. In addition to regular checking of the accuracy of the valuation model, the reasonableness of the prices provided by third parties will also be checked.

The asset method is adopted for the Company's equity investment unlisted or without active market. By valuating the total value of the individual asset and liability covered by the valuation target, the overall value of the target is reflected.

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

The Company's Level 3 financial instruments are foreign exchange options. When engaging in foreign exchange option transactions, the Company makes a match for other banks and customers. Thus, the Company does not hold positions, and its source of profit and loss is from receiving and paying premiums. The sensitivity analysis has no effect on profit and loss since the Company does back-to-back transactions and the assets offset the liabilities.

The fair value measurement of equity investment unlisted or without active market is reasonable; provided, the use of different valuation models or parameters may lead to different results. For financial instruments classified in Level 3, if the parameter changes by 10%, the effects on profit or loss or other comprehensive income for the current periods are as follows:

June 30, 2025

	Changes in Fair Value Are Reflected in Other Comprehensive Income for the Current Period	
	Favorable Changes	Unfavorable Changes
Equity instruments under financial assets measured at fair value through other comprehensive income	\$ 286,196	(\$ 286,196)

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	Changes in Fair Value Are Reflected in Other Comprehensive Income for the Current Period	
	Favorable Changes	Unfavorable Changes
Equity instruments under financial assets measured at fair value through other comprehensive income	\$ 275,983	(\$ 275,983)

June 30, 2024

	Changes in Fair Value Are Reflected in Other Comprehensive Income for the Current Period	
	Favorable Changes	Unfavorable Changes
Equity instruments under financial assets measured at fair value through other comprehensive income	\$ 528,735	(\$ 528,735)

4. Not measured at fair value

(1) Information on fair value

Other than the items in the following table, the financial assets and liabilities of the Company not measured at fair value have the carrying amounts approximate to their fair values, or the fair values cannot be measured reliably:

	June 30, 2025		December 31 2024		June 30, 2024	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
<u>Financial assets</u>						
Financial assets measured at amortized costs	\$ 78,129,371	\$ 73,052,024	\$ 81,725,126	\$ 75,538,170	\$ 82,094,413	\$ 76,301,118
<u>Financial liabilities</u>						
Bank debentures	5,000,000	4,951,884	5,000,000	4,944,576	5,000,000	4,937,822

(2) Information of the fair value hierarchies

Asset and liability items	June 30, 2025			
	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Financial assets measured at amortized costs	\$ 73,052,024	\$ -	\$ 73,052,024	\$ -
<u>Financial liabilities</u>				
Bank debentures	4,951,884	-	4,951,884	-

Asset and liability items	December 31 2024			
	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Financial assets measured at amortized costs	\$ 75,538,170	\$ -	\$ 75,538,170	\$ -
<u>Financial liabilities</u>				
Bank debentures	4,944,576	-	4,944,576	-

Asset and liability items	June 30, 2024			
	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Financial assets measured at amortized costs	\$ 76,301,118	\$ -	\$ 76,301,118	\$ -
<u>Financial liabilities</u>				
Bank debentures	4,937,822	-	4,937,822	-

LIII. Financial Risk Management

(I) Overview

To deal with any expected or unexpected business risk, the Company has established a comprehensive risk management system to allocate resources effectively and efficiently, strengthen business competitiveness, mitigate operational risk to a tolerable or acceptable level, and maintain the capital adequacy ratio to meet the minimum requirements of the authorities and the Basel Accord framework.

(II) Risk management framework

The board of directors, which occupies the highest level in the Company's risk management framework, reviews risk management policies, the overall risk management framework and organization structure for carrying out responsibilities and exercising accountability. The Audit Committee is responsible for assisting the Board of Directors to review the Bank's risk management policy, review relevant risk control reports, and supervise the implementation of risk management. The Asset/Liability and Risk Management Committee inspects management reports or information provided by business units and the Risk Management Division. The Risk Management Division is an independent unit that is in charge of reviewing the risk management system designed by business units and the compliance with risk management requirements; this division also submits risk management reports to the authorities and develops a series of risk management tools to assess the risks identified. Business units establish risk control procedures, manage and monitor the implementation of those controls in operation units. Operation units perform daily risk management work and internal controls to ensure the accuracy and completeness of the risk management information generated.

(III) Credit risk

1. Definitions and sources of credit risks

Credit risk refers to the risk of losses caused by clients or counterparties' failure to fulfill their contractual obligations. The sources of credit risks cover the in- and off-balance sheet items.

2. Strategy/objectives/policies and processes

(1) Credit risk management strategy: The Company has established the "Credit Risk Management Standards of Union Bank of Taiwan" as the basis of planning, implementing, and managing credit risk management system.

(2) Credit risk management objective: The objectives are to establish and implement an effective credit risk management mechanism to mitigate credit risk, archive operational and management goals, and balance business development and risk control.

(3) Credit risk management policy: The policies are meant to ensure that credit risk falls within an acceptable range and that adequate capital is maintained to meet credit risk management objectives and create maximum risk-adjusted returns.

(4) Credit risk management process: The Company carries out credit risk identification, credit risk measurement, credit risk mitigation, credit risk monitoring and control and credit risk reporting process as part of its credit risk management mechanism.

3. Credit risk management organization and framework

(1) The board of directors: The board of directors, the top risk supervisor of the Company, reviews risk management policies, operational risk limits and the design and change of credit risk management framework.

(2) Audit Committee: Assisting the board of directors in reviewing the Company's credit risk management guidelines, reviewing credit risk control reports, and supervising the implementation of credit risk management.

(3) Asset/Liability and Risk Management Committee: Reviewing and inspecting the management reports or information provided by business units and the Risk Management Division.

(4) Risk Management Division: The Risk Management Division is an independent unit that is in charge of work related to three pillars of Basel and reviews the risk management system designed by business units and the compliance with risk management requirements; the division also submits risk management reports to the authorities and develops risk management tools to assess the risk identified.

(5) Business units: Business units are responsible for establishing risk management regulations and risk control procedures and managing and monitoring the implementation of those controls in operation units.

(6) Operation units: Under the risk management regulations and procedures set by business units, operation units perform daily risk management work and internal controls and prepares reports on these tasks.

4. Scope and features of credit risk report and the measurement system

(1) Scope of credit risk report:

A. Each business unit will regularly report the promotion of the business and the allocation of risk assets to the Assets/Liability and Risk Management Committee (ALRMC).

B. The Company's risk management department regularly monitors the credit limit control situations and reports to the ALRMC the credit and investment concentration

and the status of each business' achieving BIS (Bank for International Settlements) goals. The department also presents the volume of business NPL situation, credit concentration and the execution of credit risk control to the board of directors.

(2) Measurement system: The Company's credit risk management adopts the use of the standardized approach to calculate capital charge and regularly submits related reports to the government. The risk management division and business units implement the Company's management system and monitors the credit exposure of the business, industry, and countries as well as the concentration of credit and collateral to effectively measure and manage investment portfolio.

5. Policy for mitigation of risks or hedging of credit risk, and the strategies/processes to monitor the continuing effectiveness of risk hedging and mitigation tools

The Company is exposed to loss on each credit risk faced by its business. Thus, depending on the nature of the business and the cost considerations, the Company will take appropriate remeasures to control risk. The Company's information systems provide information that can be used in managing risk control procedures, and the risk management division reports to the board every six months the business risk management status.

6. Maximum exposure to credit risk

The maximum credit exposures of assets in the consolidated balance sheets are almost equivalent to their carrying values, without considering the collaterals or other credit enhancement tools. These off-balance sheet maximum credit exposures (excluding collaterals and other credit enhancement instruments) are shown as follows:

Off-balance sheet items	Maximum exposure to credit risk		
	June 30, 2025	December 31 2024	June 30, 2024
Irrevocable standby loan commitment	\$ 1,380,829	\$ 4,266,360	\$ 3,418,528
Unused letters of credit	1,125,006	2,585,787	1,031,417
Other guarantees	29,217,873	23,001,788	28,049,438
Unused credit card commitments	180,311,029	305,777,821	331,242,136

The financial effects on the maximum credit risk exposure from the collaterals, netting arrangements, and other credit enhancement held in the assets in the consolidated balance sheets and off-balance sheet items are shown in the table below.

June 30, 2025	Collaterals	Netting Arrangements	Other Credit Enhancement	Total
<u>In-balance sheet items</u>				
Discounts and loans	\$ 572,869,101	\$ -	\$ -	\$ 572,869,101
<u>December 31 2024</u>	<u>Collaterals</u>	<u>Netting Arrangements</u>	<u>Other Credit Enhancement</u>	<u>Total</u>
<u>In-balance sheet items</u>				
Discounts and loans	\$ 564,011,218	\$ -	\$ -	\$ 564,011,218
<u>June 30, 2024</u>	<u>Collaterals</u>	<u>Netting Arrangements</u>	<u>Other Credit Enhancement</u>	<u>Total</u>
<u>In-balance sheet items</u>				
Discounts and loans	\$ 540,756,617	\$ -	\$ -	\$ 540,756,617

The Company's management believes that the credit risk exposure of these off-balance sheet items may be controlled continuously and minimized because the Company adopts a more rigorous review process with subsequent regular reviews when granting credits.

7. Concentrations of credit risk exposure

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

There can be credit risk concentrations in a bank's assets, liabilities, or off-balance sheet items through the execution or processing of transactions (either product or service), or through a combination of exposures across these broad categories. These exposures can cover credits, loans and deposits, call loans to banks, investments, receivables and derivatives. The Company does not concentrate transactions with a single client or counterparty, nor any total transaction amount of a single client or counterparty accounts for a significant share in the Company's discounts and loans (including non-accrual loan), accounts receivable factoring without recourse, acceptances receivable, and balance of guarantee deposit receivable. The Company's most significant concentrations of credit risk by industry, by geographical area, and by collaterals are summarized as follows:

(1) By industry

By industry	June 30, 2025		December 31 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
Private enterprises	\$ 208,024,148	32.02	\$ 196,901,686	30.94	\$ 194,099,558	31.52
Public enterprises	-	-	-	-	45,323	0.01
Government organizations	1,000,000	0.15	5,000,000	0.79	4,340,725	0.70
Nonprofit organizations	1,193,484	0.18	880,180	0.14	728,268	0.12
Private	437,020,715	67.27	430,214,452	67.61	414,246,190	67.28
Financial institutions	495,000	0.08	1,427,810	0.22	809,580	0.13
Overseas	1,949,188	0.30	1,892,731	0.30	1,459,319	0.24
Total	\$ 649,682,535	100.00	\$ 636,316,859	100.00	\$ 615,728,963	100.00

(2) By geographical area

The Company's operations are mainly in Taiwan except for the OBU business, and thus no significant credit risk concentration in terms of geographical area.

(3) By collaterals

By collaterals	June 30, 2025		December 31 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
Unsecured	\$ 63,895,694	9.84	\$ 59,928,545	9.42	\$ 64,189,416	10.42
Secured						
- Financial collaterals	14,687,562	2.26	15,059,537	2.36	12,144,437	1.97
- Share collaterals	26,568,437	4.09	25,956,598	4.08	22,838,697	3.71
- Property collaterals	498,658,387	76.75	489,840,638	76.98	472,939,182	76.81
- Movable collaterals	27,699,663	4.26	26,398,944	4.15	25,453,150	4.14
- Guarantee	12,554,401	1.93	13,211,203	2.08	14,191,091	2.30
- Others	5,618,391	0.87	5,921,394	0.93	3,972,990	0.65
Total	\$ 649,682,535	100.00	\$ 636,316,859	100.00	\$ 615,728,963	100.00

8. Description of the collaterals and other credit enhancement

On the basis of the result of a credit evaluation, the Company may require collaterals before the credit facilities are granted. To minimize credit risk, appropriate collaterals are required on the basis of the borrowers' financials and debt service capabilities. All guarantees and appraisal procedures follow the authorities' relevant regulations and the Company's internal rules. The Company's internal rules describe the acceptable types of collaterals, appraisal methods, appraisal process, and post-approval collateral management, which require close monitoring of the value of collaterals to ensure repayment. The main collateral types are summarized as follows:

- (1) Real estates
- (2) Movables
- (3) Negotiable securities/shares
- (4) Deposits/certificates of deposits

(5) Credit guarantee fund or government guarantee

The Company observes the value of collateral for financial instruments and takes into consideration the impairment loss that should be recognized for financial assets that are credit-impaired. The values of the credit-impaired financial assets and the values of collateral to mitigate potential losses are as follows:

June 30, 2025	Total carrying amount	Allowance for Impairment Loss	Exposure Amount (Amortized Cost)	Fair Value of Collateral
Credit-impaired Financial Assets:				
Accounts receivable				
- Credit Card	\$ 827,551	\$ 129,864	\$ 697,687	\$ -
- Others	48,666	7,414	41,252	30,100
Discounts and loans	<u>2,336,788</u>	<u>652,160</u>	<u>1,684,628</u>	<u>3,778,714</u>
Total impaired financial assets	<u>\$ 3,213,005</u>	<u>\$ 789,438</u>	<u>\$ 2,423,567</u>	<u>\$ 3,808,814</u>
December 31 2024	Total carrying amount	Allowance for Impairment Loss	Exposure Amount (Amortized Cost)	Fair Value of Collateral
Credit-impaired Financial Assets:				
Accounts receivable				
- Credit Card	\$ 846,159	\$ 134,753	\$ 711,406	\$ -
- Others	45,605	1,445	44,160	22,298
Discounts and loans	<u>2,116,651</u>	<u>471,908</u>	<u>1,644,743</u>	<u>2,911,287</u>
Total impaired financial assets	<u>\$ 3,008,415</u>	<u>\$ 608,106</u>	<u>\$ 2,400,309</u>	<u>\$ 2,933,585</u>
June 30, 2024	Total carrying amount	Allowance for Impairment Loss	Exposure Amount (Amortized Cost)	Fair Value of Collateral
Credit-impaired Financial Assets:				
Accounts receivable				
- Credit Card	\$ 836,623	\$ 121,474	\$ 715,149	\$ -
- Others	26,569	3,148	23,421	35,603
Discounts and loans	<u>2,389,001</u>	<u>403,389</u>	<u>1,985,612</u>	<u>3,668,094</u>
Total impaired financial assets	<u>\$ 3,252,193</u>	<u>\$ 528,011</u>	<u>\$ 2,724,182</u>	<u>\$ 3,703,697</u>

9. Judgment that credit risk has increased significantly since the initial recognition

On each reporting date, the Bank assesses the change in the default risk of financial assets, as well as considers reasonable and corroborative information that shows the credit risk has increased significantly since initial recognition, to determine whether the credit risk has increased significantly. For the assessment, the Company considers the supporting evidence showing that the credit risk has increased significantly since the initial recognition (including the forward-looking information. The main considerations include:

Quantitative indicators:

- A. The borrower pays the amount for contracts overdue for at least one month (more than or equal to 30 days for the credit card business), or the amounts for other contracts that are overdue for at least one month (more than or equal to 30 days for the credit card business).
- B. Debt instruments whose prices on the reporting date have fallen more than 40% from the original price since the acquisition date.
- C. Debt instruments that have non-investment grades based on the debt (priority), issuer, and guarantor's credit rating and that have fallen by more than two grades and whose prices have fallen by more than 15% on the reporting date.

Qualitative indicators

- A. The borrower's check bounced due to insufficient funds in the Company's checking account, or announced as a rejected account.
- B. The borrower's collateral was seized.
- C. The borrower's debt has been recognized as a non-accrual loan or transferred to bad debt by other financial institutions.
- D. The borrower has request restructured and ruled for the restructure.
- E. An auditors' report on the borrower has been released where it was stated that a material uncertainty exists that may cast significant doubt on the borrower's ability to continue as a going concern.
- F. The borrower has other bad debts that indicate that the borrower's ability to perform its debt obligations is weak or has signs of impairment, which has been assessed to affect its operations or solvency.

10. Definition of default and credit impaired financial assets

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

- A. The borrower pays the amount for contracts overdue for at least 3 months (90 days and above for the credit card business).
- B. The debtor has significant financial difficulties (e.g., the debtor has ceased operations, is bankrupt, or has liquidated).
- C. Economic or legal considerations, concessions to borrowers with financial difficulties (such as debt negotiations).

If the financial assets no longer meet the definition of default and credit impairment, they are judged as regaining their status of meeting performance obligations and are no longer regarded as financial assets that have defaulted and are credit impaired.

11. Write-off policy

When the Company is not reasonably expected to recover all or part of the financial assets, the indicators that all or part of the financial assets that cannot be reasonably expected to be recovered include the following:

- (1) Recourse activities have stopped.
- (2) The borrower is assessed to have insufficient assets or sources of income to pay the outstanding amount.

The financial assets that have been written off by the Company may still have ongoing recourse activities in accordance with the relevant policies.

12. Contractual cash flow modification of financial assets

The Company may modify the contractual cash flow of financial assets due to the borrower's financial difficulties, increase in the recovery rate of the doubtful borrowers, or to maintain customer relationships. The modification of the contractual terms of the financial assets may include extending the contract period, modifying the interest payment time, and modifying the agreed interest rate or the exemption of some of the outstanding debts. The modification of contractual cash flows of financial assets may result in the delisting of existing financial assets in accordance with the Company's financial assets delisting policy and recognition of new financial assets at fair value.

If the contractual cash flow modification of a financial asset does not result in a derecognition, the Company assesses whether the credit risk of the financial asset has increased significantly by comparing the following:

- (1) Risk of default on the reporting date (based on modified contract terms).
- (2) The risk of default at the time of original recognition (based on the original unmodified contract terms).

The Company considers the borrower's subsequent payment in accordance with the revised terms and several relevant behavioral indicators to assess the probability of default of the revised financial assets and confirm whether the contract modification improves or restores the ability of the Company to recover the relevant contract payments. If the borrower pays the contract amount according to the revised terms and shows good payment behavior, it can be determined that the credit risk is reduced and the loss allowance will be measured by the 12-month expected credit loss.

The Company regularly reviews the changes in credit risk of the revised financial assets in accordance with relevant policies, and evaluates whether there is a significant increase in credit risk following the revised financial assets based on a specific model.

13. Measurement of expected credit losses

For the purpose of assessing expected credit losses, credit assets are classified into the following groups based on the credit risk characteristics of the borrower's industry, credit risk rating, collateral type and remaining maturity period:

Business	Group	Terms and definitions
Corporate banking	Corporate banking	Corporate Finance
Consumer banking	Mortgages	Mortgages business
	Financial loans	Financial loan business
	Credit card	Credit card business
	Others	Other business

The Company adopts the 12-month ECL model to evaluate the loss allowance of financial instruments whose credit risk have not increased significantly since initial recognition, and adopt the lifetime ECL model to evaluate the loss allowance of financial instruments whose credit risk has increased significantly since initial recognition or of that are credit-impaired.

The Company considers both the 12-month and lifetime probability of default ("PD") of the borrower with the loss given default ("LGD"), multiplied by the exposure at default ("EAD"), as well as the impact of time value, to calculate the 12-month ECLs and lifetime ECLs, respectively.

"PD" refers to the borrower's probability to default and "LGD" refers to losses caused by the default. The Company calculates the "PD" and "LGD" used in the impairment assessment of the credit business according to each group's historical information (such as credit loss experience) from internal statistical data, and after adjustment of the historical data based on current observable and forward-looking macroeconomic information.

Accounts receivable					
June 30, 2025					
	Stage 1	Stage 2	Stage 3	Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	Total
	12-month expected credit losses	Lifetime ECL	Lifetime ECL		
Total carrying amount	\$ 40,032,984	\$ 179,525	\$ 876,216	\$ -	\$ 41,088,725
Less: Allowance for impairment	127,415	11,682	137,278	-	276,375
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	92,947	92,947
Total	\$ 39,905,569	\$ 167,843	\$ 738,938	\$ 92,947	\$ 40,719,403

Accounts receivable					
December 31 2024					
	Stage 1	Stage 2	Stage 3	Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	Total
	12-month expected credit losses	Lifetime ECL	Lifetime ECL		
Total carrying amount	\$ 39,777,435	\$ 161,408	\$ 891,764	\$ -	\$ 40,830,607
Less: Allowance for impairment	150,505	18,437	136,198	-	305,140
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	61,434	61,434
Total	\$ 39,626,930	\$ 142,971	\$ 755,566	\$ 61,434	\$ 40,464,033

Accounts receivable					
June 30, 2024					
	Stage 1	Stage 2	Stage 3	Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	Total
	12-month expected credit losses	Lifetime ECL	Lifetime ECL		
Total carrying amount	\$ 41,591,895	\$ 175,048	\$ 863,192	\$ -	\$ 42,630,135
Less: Allowance for impairment	137,664	19,109	124,622	-	281,395
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	64,475	64,475
Total	\$ 41,454,231	\$ 155,939	\$ 738,570	\$ 64,475	\$ 42,284,265

Discounts and loans					
June 30, 2025					
	Stage 1	Stage 2	Stage 3	Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	Total
	12-month expected credit losses	Lifetime ECL	Lifetime ECL		
Total carrying amount	\$ 614,388,491	\$ 3,634,284	\$ 2,336,787	\$ -	\$ 620,359,562
Less: Allowance for impairment	534,246	233,709	652,160	-	1,420,115
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	5,955,341	5,955,341
Total	\$ 613,854,245	\$ 3,400,575	\$ 1,684,627	\$ 5,955,341	\$ 612,984,106

Discounts and loans					
December 31, 2024					
	Stage 1	Stage 2	Stage 3	Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	Total
	12-month expected credit losses	Lifetime ECL	Lifetime ECL		
Total carrying amount	\$ 608,055,032	\$ 3,029,721	\$ 2,116,651	\$ -	\$ 613,201,404
Less: Allowance for impairment	504,970	147,094	471,908	-	1,123,972
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	6,056,222	6,056,222
Total	\$ 607,550,062	\$ 2,882,627	\$ 1,644,743	\$ 6,056,222	\$ 606,021,210

Discounts and loans					
June 30, 2024					
	Stage 1	Stage 2	Stage 3	Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	Total
	12-month expected credit losses	Lifetime ECL	Lifetime ECL		
Total carrying amount	\$ 582,329,896	\$ 2,826,625	\$ 2,389,001	\$ -	\$ 587,545,522
Less: Allowance for impairment	483,735	164,693	403,389	-	1,051,817
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	6,001,994	6,001,994
Total	\$ 581,846,161	\$ 2,661,932	\$ 1,985,612	\$ 6,001,994	\$ 580,491,711

When the Company estimates the 12-month and lifetime expected credit losses for its loan commitments, it will give different credit conversion factors according to the characteristics of each product. The Company will also take into consideration the amount that is expected to be utilized within 12 months from the reporting date and the expected lifetime of each commitment in determining the default risk amount that is used to calculate the expected credit loss.

The estimation techniques or material assumptions used to assess expected credit losses have not changed significantly during the current period.

14. Consideration of forward-looking information

The Company's credit (including credit card) segments are based on different loan properties, such as corporate banking, consumer finance, credit, car loans and credit cards, and forward-looking model estimates are carried out, based on actual default rates and overall economic variables of each segment in the past quarters. The default rate for the next year is estimated using the credit risk chain model, by estimating the relationship between the default rate and the overall economic variables. The investment function makes reference to external credit ratings in their consideration of forward-looking information.

(IV) Liquidity Risks

1. Source and definition of liquidity risk

Liquidity risk means banks cannot provide sufficient funding for asset size growth and for meeting obligations on matured liabilities or have to make late payments to counterparties or raise emergency funding to cover funding gaps.

2. Liquidity risk management strategy and principles

- (1) The board of directors, the top risk supervisor of the Company, regularly reviews liquidity risk management policies. The Asset/Liability Management Committee, the top liquidity risk executive of the Company, supervises the implementation of liquidity

risk monitoring and control procedures and is responsible for taking any needed remedial measures. The Asset/Liability Management Committee shall be the top implementation unit of liquidity risk management to establish appropriate monitoring processes and take necessary actions.

- (2) In making internal transfer pricing, performance evaluation and new product development decisions, the operation units take liquidity cost and product effectiveness and risks into consideration and align their decisions with the Company's overall liquidity risk management policies.
 - (3) Capital management departments shall establish a conservative and steady capital management strategy, effectively disperse capital sources and time limits, constantly participate in the lending market, maintain a close relationship with capital providers, and maintain fluency in all fund-raising channels, in order to ensure the stability and reliability of capital sources.
 - (4) To strengthen the Company's liquidity risk management, related regulations shall be established to define the routine handling process and implementation details to maintain appropriate liquidity.
 - (5) The risk management units report the Company's liquidity position to the Asset/Liability Management Committee monthly and report the Company's liquidity risk management to the board of directors regularly.
3. The maturity analysis of financial assets held for managing the liquidity risks and non-derivative financial liabilities

- (1) Financial assets held for managing the liquidity risks

The Company holds cash and quality profit-generating assets with high liquidity to fund the debt-repaying obligation, and the assets held for managing the liquidity risk to fund the needs of potential emergent fund deployment existing in the market, including: cash and cash equivalents, dues from the Central Bank and other banks, financial assets measured at FVTPL, financial assets measured at FVTOCI, investment of debt instrument measured at amortized costs, and discounts and loans.

- (2) The maturity analysis of non-derivative financial liabilities

The following table shows the analysis of cash outflows from non-derivative financial liabilities by the residual maturities between the balance sheet dates to maturities. The amounts of cash outflows are based on contractual cash flows, so some amounts may not correspond to those that shown in the consolidated balance sheets.

A. The maturity analysis of financial liabilities

	June 30, 2025					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Deposits from the Central Bank and Peers	\$ 744,361	\$ 1,200,000	\$ 5,065,000	\$ 2,309,680	\$ 377,428	\$ 9,696,469
Due to the central bank and other banks	266,073	163,447	20,259	40,838	991,750	1,482,367
Notes and bonds sold under agreements to repurchase	54,713,195	17,068,206	55,554	-	-	71,836,955
Accounts payable	6,205,270	4,031,285	604,053	1,152,026	87,885	12,080,519
Deposits and remittances	62,403,229	112,104,518	114,768,192	209,960,166	315,248,568	814,484,673
Bank debentures	-	-	-	-	5,000,000	5,000,000
PREFERENCE SHARES	-	-	-	-	-	-
LIABILITIES	-	-	-	-	375,000	375,000
Corporate bonds payable	-	62,248	-	-	815,452	877,700
Other liabilities	10,584,414	5,008,749	248,799	-	126,257	15,968,219

Further information on the maturity analysis of lease liabilities on June 30, 2025 is as follows:

Lease liabilities	Less than 1 Year	Over 1 year to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	More than 20 years	Total
		\$ 385,803	\$ 829,818	\$ 358,637	\$ 170,365	\$ 50,491	\$ -

	December 31 2024					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Deposits from the bank industry peers	\$ 7,097,587	\$ 1,039,680	\$ 1,000,000	\$ 5,705,000	\$ 390,107	\$ 15,232,374
Due to the central bank and other banks	268,917	83,307	20,047	40,412	992,598	1,405,281
Notes and bonds sold under agreements to repurchase	39,359,281	19,352,529	-	210,078	-	58,921,888
Accounts payable	5,059,682	1,671,735	1,388,570	283,677	100,598	8,504,262
Deposits and remittances	62,362,094	110,884,938	111,253,238	224,500,726	294,448,541	803,449,537
Financial bonds payable	-	-	-	-	5,000,000	5,000,000
PREFERENCE SHARES	-	-	-	-	-	-
LIABILITIES	-	-	-	-	375,000	375,000
Corporate bonds payable	-	-	-	885,881	-	885,881
Other liabilities	10,348,701	5,216,230	-	-	127,796	15,692,727

Further information on the maturity analysis of lease liabilities on December 31, 2024 is as follows:

Lease liabilities	Less than 1 Year	Over 1 year to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	More than 20 years	Total
		\$ 441,224	\$ 905,070	\$ 309,561	\$ 162,916	\$ 69,776	\$ -

	June 30, 2024					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Deposits from the Central Bank and Peers	\$ 8,615,960	\$ 900,000	\$ 2,957,762	\$ 1,399,680	\$ 402,651	\$ 14,276,053
Due to the central bank and other banks	258,571	13,168	19,838	39,990	993,437	1,325,004
Notes and bonds sold under agreements to repurchase	46,916,804	14,658,309	-	-	-	61,575,113
Accounts payable	7,481,726	2,678,791	642,054	1,322,095	69,409	12,194,075
Deposits and remittances	63,972,201	102,462,124	116,348,701	209,714,243	281,060,760	773,558,029
Bank debentures	-	-	-	-	5,000,000	5,000,000
PREFERENCE SHARES	-	-	-	-	-	-
LIABILITIES	-	-	-	-	375,000	375,000
Corporate bonds payable	-	-	-	-	855,603	855,603
Other liabilities	10,739,101	3,801,968	-	-	124,668	14,665,737

Further information on the maturity analysis of lease liabilities on June 30th, 2024 is as follows:

Lease liabilities	Less than 1 Year	Over 1 year to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	More than 20 years	Total
		\$ 490,107	\$ 1,012,750	\$ 341,801	\$ 168,837	\$ 76,952	\$ -

B. Maturity analysis of derivatives financial liabilities - forward exchange contracts and currency swap contracts

	June 30, 2025					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Derived liabilities with delivery						
Inflow	\$ 11,822,570	\$ 35,264,755	\$ 35,502	\$ 68,321	\$ -	\$ 47,191,148
Outflow	(11,085,500)	(32,509,512)	(35,250)	(67,452)	-	(43,697,714)
Subtotal	737,070	2,755,243	252	869	-	3,493,434
Derived liabilities without delivery						
Non-deliverable forward	-	-	-	-	-	-
Total	\$ 737,070	\$ 2,755,243	\$ 252	\$ 869	\$ -	\$ 3,493,434

	December 31 2024					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Derived liabilities with delivery						
Inflow	\$ 11,385,108	\$ 3,060,000	\$ 1,268,660	\$ 541,514	\$ -	\$ 16,255,282
Outflow	(11,129,397)	(3,004,613)	(1,236,844)	(529,743)	-	(15,900,597)
Subtotal	255,711	55,387	31,816	11,771	-	354,685
Derived liabilities without delivery						
Non-deliverable forward	-	-	-	-	-	-
Total	\$ 255,711	\$ 55,387	\$ 31,816	\$ 11,771	\$ -	\$ 354,685

June 30, 2024						
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Derived liabilities with delivery						
Inflow	\$ 10,141,033	\$ 6,812,713	\$ 3,999,744	\$ 608,509	\$ -	\$ 21,561,999
Outflow	(9,953,616)	(6,760,829)	(3,976,940)	(587,841)	-	(21,279,226)
Subtotal	187,417	51,884	22,804	20,668	-	282,773
Derived liabilities without delivery						
Non-deliverable forward	-	-	-	-	-	-
Total	\$ 187,417	\$ 51,884	\$ 22,804	\$ 20,668	\$ -	\$ 282,773

C. The maturity analysis of derivatives financial liabilities-option contracts

June 30, 2025						
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Without delivery	\$ 7,248	\$ 7,562	\$ 18,105	\$ 29,260	\$ -	\$ 62,175

December 31 2024						
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Without delivery	\$ 6,874	\$ 8,667	\$ 5,227	\$ 14,219	\$ -	\$ 34,987

June 30, 2024						
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Without delivery	\$ 4,438	\$ 9,278	\$ 12,286	\$ 11,979	\$ -	\$ 37,981

(V) Market risks

1. Source and definition of market risk

Market risk is defined as an unfavorable change in market prices (such as interest rates, exchange rates, stock prices and commodity prices), which may cause financial instruments classified in the trading book to give rise to a potential loss in- or off-balance sheet items.

2. Market risk management strategy and processes

(1) The Company implements the “Market Risk Management Standards of Union Bank of Taiwan”, which had been approved by the board of directors, as the basis of market risk management.

(2) The market risk management processes are risk identification, risk measurement, risk monitoring and control, risk reporting and risk mitigation.

A. Risk identification: For balance sheet and off-balance sheet items, the Company identifies and assesses market risk factors of products and the investment business and subjects them to risk management, monitoring and control procedures.

B. Risk measurement: In principle, each investment or transaction has at least one risk measurement tool - such as sensitivity analysis, value at risk and stress testing, which can be applied to variables, such as fair market value and notional amounts, to quantify market risk.

C. Risk monitoring and control: Each operation unit observes the risk limit regulation stated in its operating manual and regularly monitors risk control. The department of risk management is responsible for summarizing and reporting the Company’s overall market risk monitoring.

- D. Risk reporting: The risk management reports are classified as regular report, over-limit report and exception report. Regular reports are the management statements sent to the appropriate level in accordance with certain requirements. Over-limit reports are about situations in which risk limits are exceeded. Exception reports contain operation units' recommendations on how to meet temporary business needs.
- E. Risk mitigation: An operation unit may take certain action to reduce risk, such as hedging, investment combination adjustment, position adjustment, setting a break-even point, halting new transactions, etc.
3. Market risk management organization and framework
- (1) The board of directors: The board of directors, the top market risk supervisor of the Company, reviews market risk management policies, operational risk limits and the design and change of market risk management framework.
 - (2) Audit Committee: Assisting the board of directors in reviewing the Company's credit risk management guidelines, reviewing credit risk control reports, and supervising the implementation of credit risk management.
 - (3) Asset/Liability and Risk Management Committee: Reviewing the management reports or information provided by the Risk Management Division and business management units.
 - (4) Risk Management Division: The Risk Management Division is an independent unit in charge of the work related to three pillars of Basel and of the development of market risk management tools to assess and control the risk identified through setting risk limits.
 - (5) Operation units: Operation units perform daily market risk management work and report the market risk of investment positions and related information to the authorities.
4. Scope and features of market risk report and the measurement system
- (1) The market risk of the trading book financial instruments is measured in accordance with the fair market value or evaluation model and the profit and loss situation is evaluated regularly.
 - (2) The business units and the risk management division prepares management reports periodically and report to the appropriate level.
 - (3) The market risk management system combines the evaluation of the front and middle offices to generate information that will assist management in risk monitoring. Moreover, the system supports the capital accrual method being used by the Company through generating internal and external reports for management's decision making.
5. Market risk measurement of trading book
- The Company assesses the market risk exposure of the trading book in conformity with an assessment model using publicly quoted market prices or other measurement methods, including interest rate sensitivity analysis (DV01 value) and stress tests. The interest rate sensitivity analysis (DV01 value) refers to changes in market interest by 1 basis point (0.01%); the abnormal stress test system deals with market volatility and involves the regular estimation of possible losses (stress loss) and of the impact of stress test scenarios on major asset portfolios and the Company's profit and loss.

6. Banking book market risk

(1) Interest rate risk

For the loans and deposits and other interest rate-related items in the Company's balance sheet, including interest rate sensitive assets and interest rate sensitive liabilities; for the period of January 1 to June 30, 2025 and 2024, assuming all market risk indicators, except interest rates, remained constant, an interest rate increase or decrease by 100bps would result in an increase or decrease in profit before tax by \$612,409 thousand and \$553,592 thousand, respectively.

(2) Exchange rate risk

The exchange rate risk of the banking book refers to the business operation of the International Banking Department of the Company's Head Office and the operating funds in foreign currencies required by the ROC or local regulations; if there are adverse exchange rate changes, the income statement or cumulative translation adjustments in equity would be negatively affected.

The International Banking Department (IBD) of the Company's Head Office is a going concern, and its operating funds are foreign currencies for business needs. However, the exchange rate risk on these funds is not significant because the percentage of the operating funds to the Company's total assets is small, as shown by the immaterial ratio of the IBD's cumulative translation adjustment to the Companies' net worth.

7. Exchange rate risk concentration information

The information of significant foreign currency financial assets and liabilities is as follows:

	Unit: Each Foreign Currency (In Thousands)/NTD thousand June 30, 2025		
	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>			
USD	\$ 4,206,514	29.9020	\$ 125,783,170
JPY	45,667,932	0.2075	9,475,822
GBP	7,442	40.9747	304,950
AUD	91,729	19.5410	1,792,476
HKD	69,872	3.8093	266,164
CAD	14,418	21.8662	315,277
CNY	663,542	4.1747	2,770,078
SGD	2,747	23.4654	64,455
ZAR	877,775	1.6807	1,475,260
CHF	1,014	37.4149	37,946
NZD	19,437	18.1386	352,558
EUR	36,772	35.0511	1,288,908

(continued at next page)

(Cont')

	June 30, 2025		
	Foreign currency	Exchange rate	NTD
<u>Financial liabilities</u>			
USD	3,844,692	29.9020	114,963,976
JPY	39,667,905	0.2075	8,230,852
GBP	7,433	40.9747	304,577
AUD	92,050	19.5410	1,798,740
HKD	69,608	3.8093	265,160
CAD	14,438	21.8662	315,701
CNY	663,997	4.1747	2,771,977
SGD	2,725	23.4654	63,937
ZAR	876,648	1.6807	1,473,365
CHF	457	37.4149	17,091
NZD	19,406	18.1386	351,990
EUR	36,004	35.0511	1,261,986
	December 31 2024		
	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>			
USD	\$ 4,184,773	32.7810	\$ 137,181,030
JPY	52,427,788	0.2098	11,000,661
GBP	7,369	41.1762	303,439
AUD	84,956	20.3931	1,732,513
HKD	86,861	4.2221	366,739
CAD	13,036	22.8121	297,387
CNY	576,732	4.4778	2,582,484
SGD	3,266	24.1179	78,772
ZAR	860,964	1.7507	1,507,315
CHF	1,154	36.2782	41,849
NZD	19,698	18.4655	363,728
EUR	43,944	34.1316	1,499,877
<u>Financial liabilities</u>			
USD	3,850,261	32.7810	126,215,410
JPY	47,895,673	0.2098	10,049,710
GBP	7,393	41.1762	304,433
AUD	84,970	20.3931	1,732,791
HKD	86,689	4.2221	366,013
CAD	12,914	22.8121	294,589
CNY	576,154	4.4778	2,579,894
SGD	3,295	24.1179	79,467
ZAR	861,066	1.7507	1,507,493
CHF	553	36.2782	20,074
NZD	19,664	18.4655	363,108
EUR	43,310	34.1316	1,478,253

	June 30, 2024		
	Foreign currency	Exchange rate	NTD
<u>Financial assets</u>			
USD	\$ 4,085,549	32.4500	\$ 132,576,058
JPY	42,171,510	0.2016	8,501,903
GBP	6,671	41.0298	273,726
AUD	73,367	21.5273	1,579,390
HKD	92,816	4.1558	385,730
CAD	12,181	23.6689	288,305
CNY	635,261	4.4459	2,824,329
SGD	4,256	23.9130	101,778
ZAR	841,227	1.7815	1,498,620
CHF	843	36.0716	30,412
NZD	17,311	19.6907	340,867
EUR	32,938	34.7085	1,143,219
<u>Financial liabilities</u>			
USD	3,765,195	32.4500	122,180,582
JPY	51,458,630	0.2016	10,374,214
GBP	6,688	41.0298	274,423
AUD	73,478	21.5273	1,581,795
HKD	91,519	4.1558	380,338
CAD	12,214	23.6689	289,081
CNY	635,591	4.4459	2,825,797
SGD	4,241	23.9130	101,414
ZAR	842,737	1.7815	1,501,310
CHF	800	36.0716	28,865
NZD	17,262	19.6907	339,902
EUR	32,999	34.7085	1,145,348

(VI) Transfers of financial assets

Transferred financial assets not entirely derecognized

Most of the transferred financial assets of the Company during daily operations that are not derecognized in their entirety are debenture securities under repurchase agreements or the equity securities loaned under the securities loaning agreement. According to these transactions, the right on cash flow of the transferred financial assets would be transferred to other entities and the associated liabilities of the Company's obligation to repurchase the transferred financial assets at a fixed price in the future are reflected. As the Company is restricted to use, sell or pledge the transferred financial assets throughout the term of transaction, and is still exposed to interest rate risks and credit risks on these instruments, the transferred financial assets are not derecognized in their entirety. The details of financial assets that are not derecognized in their entirety and the associated financial liabilities are as follows:

June 30, 2025					
Financial asset classes	Carrying Amount of Transferred Financial Asset	Carrying Amount of Associated Financial Liability	Fair Value of Transferred Financial Asset	Fair Value of Associated Financial Liability	Fair Value of Net Position
Financial Assets Measured at Fair Value Through Profit or Loss Repurchase agreements	\$ 40,172,652	\$ 40,232,656	\$ 40,172,652	\$ 40,232,656	(\$ 60,004)
Financial Assets Measured at Fair Value Through Other Comprehensive Income Repurchase agreements	17,358,307	16,184,632	17,358,307	16,184,632	1,173,675
Investment of debt instrument measured at amortized costs Repurchase agreements	26,394,541	15,096,632	21,840,919	15,096,632	6,744,287

December 31 2024					
Financial asset classes	Carrying Amount of Transferred Financial Asset	Carrying Amount of Associated Financial Liability	Fair Value of Transferred Financial Asset	Fair Value of Associated Financial Liability	Fair Value of Net Position
Financial Assets Measured at Fair Value Through Profit or Loss Repurchase agreements	\$ 23,480,327	\$ 23,495,917	\$ 23,480,327	\$ 23,495,917	(\$ 15,590)
Financial Assets Measured at Fair Value Through Other Comprehensive Income Repurchase agreements	19,831,849	18,142,519	19,831,849	18,142,519	1,689,330
Investment of debt instrument measured at amortized costs Repurchase agreements	28,866,742	16,925,265	23,356,904	16,925,265	6,431,639

June 30, 2024					
Financial asset classes	Carrying Amount of Transferred Financial Asset	Carrying Amount of Associated Financial Liability	Fair Value of Transferred Financial Asset	Fair Value of Associated Financial Liability	Fair Value of Net Position
Financial Assets Measured at Fair Value Through Profit or Loss Repurchase agreements	\$ 26,354,006	\$ 26,386,805	\$ 26,354,006	\$ 26,386,805	(\$ 32,799)
Financial Assets Measured at Fair Value Through Other Comprehensive Income Repurchase agreements	19,816,148	18,807,520	19,816,148	18,807,520	1,008,628
Investment of debt instrument measured at amortized costs Repurchase agreements	29,138,193	15,898,285	23,810,891	15,898,285	7,912,606

(VII) Measured at FVTPL

The Company has the financial instrument transaction offsetting to which the Paragraph 42 of IAS 32 endorsed by the FSC is applicable; the financial assets and liabilities related to such transactions are presented on a net basis on the balance sheets.

The Company also has the repurchase or reverse repurchase agreements not complying to the offsetting criteria in IAS but entered the enforceable netting arrangements or similar agreements, such as global master repurchase agreement or global securities lending agreement. When delivering in net amount is elected by both transaction parties under the enforceable netting arrangements or similar agreements, the delivery may be made in the net amount after offsetting the financial assets and liabilities, or in the total amount if no such agreement. However, where any of the transaction party defaults, the counterparty may opt to deliver in the net amount.

The tables below present the information on said financial assets and financial liabilities that have been offset

June 30, 2025						
Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements.						
Description	Gross Amount of Recognized Financial Assets (a)	Gross Amount of Recognized Financial Liabilities Offset in the Balance Sheets (b)	Net Amount of Financial Assets Presented in the Balance Sheets (c)=(a)-(b)	Related Amount Not Offset in the Balance Sheets (d)		Net Amount (e)=(c)-(d)
				Financial instruments (Note)	Cash Collateral Received	
Derivatives	\$ 447,459	\$ -	\$ 447,459	\$ 15,751	\$ -	\$ 431,708

Note: Including the master netting arrangements and non-cash financial collaterals.

June 30, 2025						
Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements.						
Description	Gross Amount of Recognized Financial Liabilities (a)	Gross Amount of Recognized Financial Assets Offset in the Balance Sheets (b)	Net Amount of Financial Liabilities Presented in the Balance Sheets (c)=(a)-(b)	Related Amount Not Offset in the Balance Sheets (d)		Net Amount (e)=(c)-(d)
				Financial instruments (Note)	Cash Collateral Pledged	
Derivatives	\$ 3,645,791	\$ -	\$ 3,645,791	\$ 15,751	\$ -	\$ 3,630,040

Note: Including the master netting arrangements and non-cash financial collaterals.

December 31 2024						
Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements.						
Description	Gross Amount of Recognized Financial Assets (a)	Gross Amount of Recognized Financial Liabilities Offset in the Balance Sheets (b)	Net Amount of Financial Assets Presented in the Balance Sheets (c)=(a)-(b)	Related Amount Not Offset in the Balance Sheets (d)		Net Amount (e)=(c)-(d)
				Financial instruments (Note)	Cash Collateral Received	
Derivatives	\$ 1,498,977	\$ -	\$ 1,498,977	\$ 17,771	\$ -	\$ 1,481,206

Note: Including the master netting arrangements and non-cash financial collaterals.

December 31 2024						
Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements.						
Description	Gross Amount of Recognized Financial Liabilities (a)	Gross Amount of Recognized Financial Assets Offset in the Balance Sheets (b)	Net Amount of Financial Liabilities Presented in the Balance Sheets (c)=(a)-(b)	Related Amount Not Offset in the Balance Sheets (d)		Net Amount (e)=(c)-(d)
				Financial instruments (Note)	Cash Collateral Pledged	
Derivatives	\$ 468,953	\$ -	\$ 468,953	\$ 17,771	\$ 188,398	\$ 262,784

Note: Including the master netting arrangements and non-cash financial collaterals.

June 30, 2024						
Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements.						
Description	Gross Amount of Recognized Financial Assets (a)	Gross Amount of Recognized Financial Liabilities Offset in the Balance Sheets (b)	Net Amount of Financial Assets Presented in the Balance Sheets (c)=(a)-(b)	Related Amount Not Offset in the Balance Sheets (d)		Net Amount (e)=(c)-(d)
				Financial instruments (Note)	Cash Collateral Received	
Derivatives	\$ 1,308,888	\$ -	\$ 1,308,888	\$ 3,521	\$ -	\$ 1,305,367

Note: Including the master netting arrangements and non-cash financial collaterals.

June 30, 2024						
Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements.						
Description	Gross Amount of Recognized Financial Liabilities (a)	Gross Amount of Recognized Financial Assets Offset in the Balance Sheets (b)	Net Amount of Financial Liabilities Presented in the Balance Sheets (c)=(a)-(b)	Related Amount Not Offset in the Balance Sheets (d)		Net Amount (e)=(c)-(d)
				Financial instruments (Note)	Cash Collateral Pledged	
Derivatives	\$ 389,311	\$ -	\$ 389,311	\$ 3,521	\$ 157,173	\$ 228,617

Note: Including the master netting arrangements and non-cash financial collaterals.

LIV. Capital Management

(I) Strategies to maintain capital adequacy

Under the regulations set by the authorities, the Company complies with the requirements set for the supervisory benchmarking ratio, including the common equity Tier I capital ratio; the Company's leverage ratio is also in accordance with the requirements of the relevant authorities. These ratios are applied in accordance with the regulations announced by the authorities.

(II) Capital assessment procedure

The capital ratios and leverage ratios are applied, analyzed, monitored and reported regularly, and are assigned to each business unit as the target capital adequacy ratios. The business units' compliance with the ratio requirements is tracked regularly, and remedial action is taken if the capital and leverage ratio requirements are not met.

(III) Capital adequacy

Unit: In NTD thousand, %

Items		Year	June 30, 2025		
			Own Capital Adequacy Ratio	Consolidated Capital Adequacy Ratio	
Own Capital	Common share equity		59,287,511	57,040,020	
	Other Tier 1 capital		13,000,000	13,000,000	
	Tier 2 capital		7,689,433	9,517,255	
	Own Capital		79,976,944	79,557,275	
Risk-weighted assets	Credit risk	Standard	482,246,042	497,526,060	
		Internal rating-based approach	-	-	
		Asset securitization	280,254	280,254	
	Operational risk	Basic indicator approach	28,296,787	34,044,611	
		Standard/alternative standardized approach	-	-	
		Advanced measurement approach	-	-	
	Market risks	Standard	38,660,852	40,672,070	
		Internal model approach	-	-	
	Total risk-weighted assets			549,483,935	572,522,995
	Capital Adequacy			14.55%	13.90%
Ratio of common share equity to risk-weighted assets			10.79%	9.96%	
Ratio of Tier 1 capital to risk-weighted assets			13.16%	12.23%	
Leverage Ratio			6.89%	6.54%	

Items		Year	December 31 2024		
			Own Capital Adequacy Ratio	Consolidated Capital Adequacy Ratio	
Own Capital	Common share equity		56,775,204	55,319,309	
	Other Tier 1 capital		13,000,000	13,000,000	
	Tier 2 capital		11,026,372	12,531,688	
	Own Capital		80,801,576	80,850,997	
Risk-weighted assets	Credit risk	Standard	468,567,499	479,094,001	
		Internal rating-based approach	-	-	
		Asset securitization	308,124	308,124	
	Operational risk	Basic indicator approach	29,580,646	34,723,220	
		Standard/alternative standardized approach	-	-	
		Advanced measurement approach	-	-	
	Market risks	Standard	30,974,211	33,041,174	
		Internal model approach	-	-	
	Total risk-weighted assets			529,430,480	547,166,519
	Capital Adequacy			15.26%	14.78%
Ratio of common share equity to risk-weighted assets			10.72%	10.11%	
Ratio of Tier 1 capital to risk-weighted assets			13.18%	12.49%	
Leverage Ratio			6.66%	6.38%	

Items		Year	June 30, 2024		
			Own Capital Adequacy Ratio	Consolidated Capital Adequacy Ratio	
Own Capital	Common share equity		52,515,304	51,064,632	
	Other Tier 1 capital		13,000,000	13,000,000	
	Tier 2 capital		11,216,597	12,675,964	
	Own Capital		76,731,901	76,740,596	
Risk-weighted assets	Credit risk	Standard	465,401,542	472,199,821	
		Internal rating-based approach	-	-	
		Asset securitization	305,432	305,432	
	Operational risk	Basic indicator approach	27,562,984	32,615,448	
		Standard/alternative standardized approach	-	-	
		Advanced measurement approach	-	-	
	Market risks	Standard	40,547,775	42,565,663	
		Internal model approach	-	-	
	Total risk-weighted assets			533,817,733	547,686,364
	Capital Adequacy			14.37%	14.01%
Ratio of common share equity to risk-weighted assets			9.84%	9.32%	
Ratio of Tier 1 capital to risk-weighted assets			12.27%	11.70%	
Leverage Ratio			6.38%	6.11%	

Note 1: Eligible capital and risk-weighted assets are calculated under the “Regulations Governing the Capital Adequacy Ratio of Banks” and the “Explanation of Methods for Calculating the Eligible Capital and Risk-weighted Assets of Banks.”

Note 2: Formulas used were as follows:

1. Eligible capital = Common equity Tier 1 capital + Other Tier 1 capital + Tier 2 capital.
2. Risk-weighted assets = Risk-weighted asset for credit risk + Capital requirements for operational risk and market risk x 12.5.
3. Capital adequacy ratio = Eligible capital ÷ Risk-weighted assets.
4. Ratio of Common equity Tier 1 capital to risk-weighted assets = Common equity Tier 1 capital ÷ Risk-weighted assets.
5. Ratio of Tier 1 capital to risk-weighted assets = (Common equity Tier 1 capital + Other Tier 1 capital) ÷ Risk-weighted assets.
6. Leverage ratio = Tier 1 capital ÷ Exposure Measurement

The Banking Act and related regulations require that the Bank maintains its unconsolidated and consolidated CARs at a minimum of 10.5%, the Tier 1 Capital Ratio at a minimum of 8.5% and the Common Equity Tier 1 Ratio at a minimum of 7.0%. In addition, if the Bank’s CAR falls below the minimum requirement, the authorities may impose certain restrictions on its distribution of earnings.

LV. Loan Asset Quality, Concentration of Credit Concentration, Interest Rate Sensitivity, Profitability and Maturity Analysis

Union Bank of Taiwan

(I) Credit risk

1. Loan asset quality: See Note LIII and Table V.

2. Concentration of credit extensions

Unit: In NTD thousand, %

June 30, 2025			
Rank	Sector to Which the Company or Group Belongs	Credit Extension Balance	% to Net Asset Value
1	Group H - Retail Sale of Other Food, Beverages and Tobacco in Specialized Stores	5,377,000	6.55
2	Group G - Other Financial Services Not Elsewhere Classified	3,348,000	4.08
3	Company I - Manufacture of Man-made Fibers	3,277,600	3.99
4	Company U - Other Financial Services Not Elsewhere Classified	2,600,000	3.17
5	Group B- Financial leasing	2,299,333	2.80
6	Group P - Iron and Steel Refining	2,089,153	2.55
7	Company L - Wholesale of Building Materials	1,611,874	1.96
8	V Group - Food Industry	1,599,326	1.95
9	Company T - Manufacture of Grain Mill Products	1,540,000	1.88
10	Company B- Financial leasing	1,527,428	1.86

December 31 2024			
Rank	Sector to Which the Company or Group Belongs	Credit Extension Balance	% to Net Asset Value
1	Group H - Retail Sale of Other Food, Beverages and Tobacco in Specialized Stores	5,119,000	6.44
2	Group G - Other Financial Services Not Elsewhere Classified	3,348,000	4.21
3	Company I - Manufacture of Man-made Fibers	3,277,600	4.12
4	Company U - Other Financial Services Not Elsewhere Classified	3,077,320	3.87
5	Group B- Financial leasing	2,299,333	2.89
6	Group P - Iron and Steel Refining	2,015,888	2.54
7	Company L - Wholesale of Building Materials	1,574,089	1.98
8	Company B- Financial leasing	1,480,107	1.86
9	Company T - Manufacture of Grain Mill Products	1,455,000	1.83
10	Company D - Air Transport	1,059,944	1.33

June 30, 2024			
Rank	Sector to Which the Company or Group Belongs	Credit Extension Balance	% to Net Asset Value
1	Group H - Retail Sale of Other Food, Beverages and Tobacco in Specialized Stores	4,901,000	6.56
2	Group G - Other Financial Services Not Elsewhere Classified	3,348,000	4.48
3	Company U - Other Financial Services Not Elsewhere Classified	3,077,320	4.12
4	Company I - Manufacture of Man-made Fibers	2,902,000	3.88
5	Group J - Real Estate Development Activities	1,672,088	2.24
6	Company L - Wholesale of Building Materials	1,599,357	2.14
7	Group A - Real Estate Development Activities	1,490,249	1.99
8	Company T - Manufacture of Grain Mill Products	1,455,000	1.95
9	Company B- Financial leasing	1,432,651	1.92
10	Group P - Iron and Steel Refining	1,333,765	1.78

(II) Market risks

Interest Rate Sensitive Asset/Liability Analysis (NT\$)

June 30, 2025

Unit: In NTD thousand, %

Item	1-90 days (inclusive)	91-180 days (inclusive)	181 days to one year (inclusive)	More than one year	Total
Interest rate-sensitive assets	743,281,344	6,137,962	11,570,216	66,824,267	827,813,789
Interest rate-sensitive liabilities	407,299,270	297,967,407	91,919,519	23,621,621	820,807,817
Interest rate-sensitive gap	335,982,074	(291,829,445)	(80,349,303)	43,202,646	7,005,972
Net value					76,963,328
Ratio of interest rate-sensitive assets to liabilities					100.85%
Ratio of interest rate sensitivity gap to net worth					9.10%

Interest Rate Sensitive Asset/Liability Analysis (NT\$)

December 31 2024

Unit: In NTD thousand, %

Item	1-90 days (inclusive)	91-180 days (inclusive)	181 days to one year (inclusive)	More than one year	Total
Interest rate-sensitive assets	717,875,751	6,436,916	13,622,345	64,333,145	802,268,157
Interest rate-sensitive liabilities	409,405,200	280,557,083	88,201,457	20,422,704	798,586,444
Interest rate-sensitive gap	308,470,551	(274,120,167)	(74,579,112)	43,910,441	3,681,713
Net value					76,218,363
Ratio of interest rate-sensitive assets to liabilities					100.46%
Ratio of interest rate sensitivity gap to net worth					4.83%

Interest Rate Sensitive Asset/Liability Analysis (NT\$)

June 30, 2024

Unit: In NTD thousand, %

Item	1-90 days (inclusive)	91-180 days (inclusive)	181 days to one year (inclusive)	More than one year	Total
Interest rate-sensitive assets	699,950,380	10,941,015	10,342,250	68,639,414	789,873,059
Interest rate-sensitive liabilities	403,862,945	284,989,813	74,354,948	15,848,102	779,055,808
Interest rate-sensitive gap	296,087,435	(274,048,798)	(64,012,698)	52,791,312	10,817,251
Net value					71,903,885
Ratio of interest rate-sensitive assets to liabilities					101.39%
Ratio of interest rate sensitivity gap to net worth					15.04%

- Note : I. The above amounts included only the New Taiwan dollar held by the Bank's head office and branches (excluding foreign currency).
- II. Interest rate-sensitive assets and liabilities mean the revenues or costs of interest-earning assets and interest-bearing liabilities are affected by interest rate changes.
- III. Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities
- IV. Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities (in New Taiwan dollars).

Interest Rate Sensitive Asset/Liability Analysis (USD)

June 30, 2025

(In Thousands of U.S. Dollars, %)

Item	1-90 days (inclusive)	91-180 days (inclusive)	181 days to one year (inclusive)	More than one year	Total
Interest rate-sensitive assets	1,740,551	146,653	192,170	2,352,268	4,431,642
Interest rate-sensitive liabilities	2,498,843	425,886	263,795	556,863	3,745,387
Interest rate-sensitive gap	(758,292)	(279,233)	(71,625)	1,795,405	686,255
Net value					117,140
Ratio of interest rate-sensitive assets to liabilities					118.32%
Ratio of interest rate sensitivity gap to net worth					585.84%

December 31 2024

(In Thousands of U.S. Dollars, %)

Item	1-90 days (inclusive)	91-180 days (inclusive)	181 days to one year (inclusive)	More than one year	Total
Interest rate-sensitive assets	2,107,053	80,475	114,916	2,363,389	4,665,833
Interest rate-sensitive liabilities	2,506,250	418,627	401,559	446,503	3,772,939
Interest rate-sensitive gap	(399,197)	(338,152)	(286,643)	1,916,886	892,894
Net value					78,004
Ratio of interest rate-sensitive assets to liabilities					123.67%
Ratio of interest rate sensitivity gap to net worth					1,144.68%

June 30, 2024

(In Thousands of U.S. Dollars, %)

Item	1-90 days (inclusive)	91-180 days (inclusive)	181 days to one year (inclusive)	More than one year	Total
Interest rate-sensitive assets	1,880,565	532,092	88,122	2,096,270	4,597,049
Interest rate-sensitive liabilities	2,121,078	550,687	559,919	455,685	3,687,369
Interest rate-sensitive gap	(240,513)	(18,595)	(471,797)	1,640,585	909,680
Net value					61,959
Ratio of interest rate-sensitive assets to liabilities					124.67%
Ratio of interest rate sensitivity gap to net worth					1,468.20%

- Note : I. The above amounts included only U.S. dollar amounts held by the Bank's headquarter, domestic branches, OBU and overseas branches and excluded contingent assets and contingent liabilities.
- II. Interest rate-sensitive assets and liabilities mean the revenues or costs of interest-earning assets and interest-bearing liabilities are affected by interest rate changes.
- III. Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities
- IV. Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities (in USD).

(III) Liquidity Risks

1. Profitability (consolidated)

Unit: %

Item		January 1 to June 30, 2025	January 1 to June 30, 2024
Return on total assets	Before tax	0.32	0.34
	After tax	0.26	0.29
Return on common share net worth	Before tax	3.84	4.30
	After tax	2.99	3.63
Net income ratio		27.32	27.29

Note : I. Return on total assets = Income before (after) income tax ÷ Average total assets

II. Return on common share net worth = [Income before (after) income tax - dividends preference shares] ÷ Average common stock net worth

III. Net income ratio = Income after income tax ÷ Total net revenues

IV. Income before (after) income tax represents income for current year up to June 30

2. Maturity analysis of assets and liabilities

Maturity Analysis of New Taiwan Dollar

June 30, 2025

Unit: NTD thousand

	Total	Remaining Period to Maturity				
		1-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	925,568,096	234,003,360	42,897,847	58,762,923	135,103,999	454,799,967
Main capital outflow on maturity	1,067,791,595	111,031,980	148,979,099	138,862,167	253,722,209	415,196,140
Gap	(142,223,499)	122,971,380	(106,081,252)	(80,099,244)	(118,618,210)	39,603,827

December 31 2024

Unit: NTD thousand

	Total	Remaining Period to Maturity				
		1-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	899,462,319	211,196,870	42,029,267	69,406,494	128,228,214	448,601,474
Main capital outflow on maturity	1,037,457,808	105,208,035	149,020,257	129,522,993	265,483,775	388,222,748
Gap	(137,995,489)	105,988,835	(106,990,990)	(60,116,499)	(137,255,561)	60,378,726

June 30, 2024

Unit: NTD thousand

	Total	Remaining Period to Maturity				
		1-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	877,999,137	205,451,147	48,868,890	56,523,588	128,058,648	439,096,864
Main capital outflow on maturity	1,012,769,070	117,073,448	138,337,673	144,864,289	242,697,904	369,795,756
Gap	(134,769,933)	88,377,699	(89,468,783)	(88,340,701)	(114,639,256)	69,301,108

Note: The above amounts included only the New Taiwan dollar held by the Bank's head office and branches (excluding foreign currency).

Maturity Analysis of USD

June 30, 2025

In Thousands of U.S. Dollars

	Total	Remaining Period to Maturity				
		1-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	4,765,984	599,266	1,470,446	149,179	192,388	2,354,705
Main capital outflow on maturity	4,757,678	1,431,283	1,542,916	514,134	270,435	998,910
Gap	8,306	(832,017)	(72,470)	(364,955)	(78,047)	1,355,795

December 31 2024

In Thousands of U.S. Dollars

	Total	Remaining Period to Maturity				
		1-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	4,835,017	858,679	1,547,148	82,988	142,479	2,203,723
Main capital outflow on maturity	4,838,921	1,494,770	1,614,716	459,582	420,086	849,767
Gap	(3,904)	(636,091)	(67,568)	(376,594)	(277,607)	1,353,956

June 30, 2024

In Thousands of U.S. Dollars

	Total	Remaining Period to Maturity				
		1-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	4,742,366	685,844	1,244,245	544,796	105,999	2,161,482
Main capital outflow on maturity	4,748,615	1,435,412	1,312,983	577,889	579,623	842,708
Gap	(6,249)	(749,568)	(68,738)	(33,093)	(473,624)	1,318,774

Note: The above amounts are sum of the U.S. dollar amounts held by the Bank's headquarter, domestic branches, OBU and overseas branches.

LVI. Disclosed Matters in Notes

- (I) Information Related to Material Transactions and (II) Information of the Re-investees
1. Loan provided: not applicable to the Bank, and please see Table 1 for other re-investees.
 2. Endorsement/guarantee provided: Table 2.
 3. Negotiable securities held at the end of the period, and please see Table 3 for other re-investees.
 4. Trading shares of the same investee for NT\$300 million, or 10% of the paid-in capital or more cumulatively: None.
 5. Acquisition of individual real estate at costs of NT\$300 million or 10% of the paid-in capital or more: None.
 6. Disposal of individual real estate at costs of NT\$300 million or 10% of the paid-in capital or more: None.
 7. Allowance of service fees to related parties amounting to at least NT\$5 million: None.
 8. Receivables from related parties amounting to at least NT\$300 million or 10% of the paid-in capital: Table 4.
 9. Sale of nonperforming loans: None.
 10. Asset securitization under the "Financial Asset Securitization Act" or the "Clauses of the Real Estate Securitization Act": None.
 11. Other significant transactions which may affect the decisions of users of Financial Statements: Table 5.
 12. Names, locations and other information of investees on which the Bank exercises significant influence: Table 6.
 13. Derivative transactions: Note VIII.
- (III) Investment in Mainland China: None.
- (IV) Business Relationships among Parent and Subsidiaries, and Key Transactions
The detailed information of intercompany relationships and significant intercompany transactions are referred to Table 7.
- (V) Information of major shareholders which hold ownership of 5% or greater: Table 8.

LVII. Department Information

The information reported to the Company's chief operating decision makers for the assessment of segment performance focuses mainly on operation and profitability. The Company's reportable segments are as follows:

- (I) Corporate banking unit: Corporate banking, foreign exchange business, debt management and public treasury business, etc.
- (II) Consumer banking unit: Consumer banking, financial management and loan business, credit card business and car-loan business, etc.
- (III) Wealth management and trust unit: Wealth management and trust business, etc.
- (IV) Investing unit: Investing business in the financial market, etc.
- (V) Leasing unit: Leasing of vehicles, buildings, etc.

The analysis of the Bank's operating revenue and results by reportable segment was as follows:

January 1 to June 30, 2025							
	Corporate Finance	Consumer banking unit	Wealth management and trust unit	Investing unit	Leasing unit	Others	Total
Net interest (Note)	\$ 1,223,266	\$ 2,517,509	(\$ 16)	\$ 95,383	\$ 4,364	\$ 1,383,943	\$ 5,224,449
COMMISSION AND FEE INCOME, NET	167,922	512,171	1,029,536	138,450	25,530	161,041	2,034,650
Net revenues other than interest	<u>112,891</u>	<u>(6,362)</u>	<u>3,239</u>	<u>309,045</u>	<u>1,180,924</u>	<u>806,397</u>	<u>2,406,134</u>
Net income	1,504,079	3,023,318	1,032,759	542,878	1,210,818	2,351,381	9,665,233
Bad debt expense	18,908	149,729	-	12,383	3,174	39,835	224,029
Operating expenses	<u>544,500</u>	<u>1,822,051</u>	<u>433,275</u>	<u>120,001</u>	<u>1,131,818</u>	<u>2,152,217</u>	<u>6,203,862</u>
Net profit before tax	<u>\$ 940,671</u>	<u>\$ 1,051,538</u>	<u>\$ 599,484</u>	<u>\$ 410,494</u>	<u>\$ 75,826</u>	<u>\$ 159,329</u>	<u>\$ 3,237,342</u>

January 1 to June 30, 2024							
	Corporate Finance	Consumer banking unit	Wealth management and trust unit	Investing unit	Leasing unit	Others	Total
Net interest (Note)	\$ 1,230,866	\$ 2,524,945	\$ 56	\$ 33,959	(\$ 16,334)	\$ 628,685	\$ 4,402,177
COMMISSION AND FEE INCOME, NET	204,986	406,314	977,434	121,595	38,959	138,716	1,888,004
Net revenues other than interest	<u>157,185</u>	<u>(3,121)</u>	<u>997</u>	<u>657,496</u>	<u>1,220,007</u>	<u>1,886,222</u>	<u>3,918,786</u>
Net income	1,593,037	2,928,138	978,487	813,050	1,242,632	2,653,623	10,208,967
Provisions for doubtful accounts (reversal)	<u>(68,979)</u>	<u>136,614</u>	<u>-</u>	<u>(46,883)</u>	<u>18,559</u>	<u>354,974</u>	<u>394,285</u>
Operating expenses	<u>496,422</u>	<u>1,952,708</u>	<u>403,358</u>	<u>119,724</u>	<u>1,142,946</u>	<u>2,494,135</u>	<u>6,609,293</u>
Net profit before tax	<u>\$ 1,165,594</u>	<u>\$ 838,816</u>	<u>\$ 575,129</u>	<u>\$ 740,209</u>	<u>\$ 81,127</u>	<u>(\$ 195,486)</u>	<u>\$ 3,205,389</u>

Note: Include interest of financial assets at fair value through profit or loss.

Union Bank of Taiwan Co., Ltd. and Subsidiaries

LOAN PROVIDED TO OTHERS

January 1 to June 30, 2025

Table 1. Unit: In NTD thousand (Foreign Currency)

No.	Lender	Borrower	Financial Statement Account	Highest Balance for the Period (Note 1)	Ending Balance(Note 2)	Actual Drafted Amount	Interest Rate Range (%)	Nature of loan	Business Transaction Amount(Note 3)	Reason for Short-term Financing	Amount of allowance for doubtful accounts provided	Collaterals		Financing Limit for Each Borrower (Note 4)	Aggregate Financing Limit(Note 5)
												Name	Value		
1	UFLIC	Union Capital (Singapore) Holding PTE. Ltd.	Accounts receivable from affiliates	\$ 767,728 (JPY 3,700,000)	\$ 767,728 (JPY 3,700,000)	\$ 545,133 (JPY 2,627,225)	2.085%~ 2.169%	Business transaction	\$ 767,728 (JPY 3,700,000)	-	\$ -	-	\$ -	\$ 3,393,617	\$ 3,393,617
		Uflc Capital (Singapore) Holding PTE. Ltd.	Accounts receivable from affiliates	1,244,964 (JPY 6,000,000)	1,244,964 (JPY 6,000,000)	1,146,157 (JPY 5,523,808)	2.085%~ 2.169%	Business transaction	1,244,964 (JPY 6,000,000)	-	-	-	-	3,393,617	3,393,617
		Junwei Development and Construction Co., Ltd.	Accounts receivable	9,269	9,269	9,269	5%~8%	Short-term financing	-	Business turnover	185	Real estates	12,447	339,362	1,357,447
		Qiaoda Social Enterprise Co., Ltd.	Accounts receivable	128,647	123,265	123,265	3%~6%	Short-term financing	-	Investment in equity of affiliates	1,233	Real estates	150,380	339,362	1,357,447
		Sing Hong Yang Construction Co., Ltd.	Accounts receivable	21,682	-	-	3%~6%	Short-term financing	-	Business turnover	-	Real estates	29,593	339,362	1,357,447
		NFC I Renewable Power Co., Ltd.	Accounts receivable	100,000	100,000	100,000	3%~6%	Short-term financing	-	Business turnover	1,000	-	-	339,362	1,357,447
		NFC II Renewable Power Co., Ltd.	Accounts receivable	100,000	100,000	100,000	3%~6%	Short-term financing	-	Business turnover	1,000	-	-	339,362	1,357,447
		NFC III Renewable Power Co., Ltd.	Accounts receivable	250,000	250,000	250,000	3%~6%	Short-term financing	-	Business turnover	2,500	-	-	339,362	1,357,447
		De Ken Construction Co., Ltd.	Accounts receivable	120,000	120,000	120,000	3%~6%	Short-term financing	-	Repayment of borrowings	1,200	Real estates	152,136	339,362	1,357,447
		He Hua Cultural and Creative Enterprise Co., Ltd.	Accounts receivable	98,370	96,705	96,705	4%~7%	Short-term financing	-	Business turnover	967	Real estates	182,343	339,362	1,357,447
Sing Hong Yang Construction Co., Ltd.	Accounts receivable	20,800	20,623	20,623	3%~6%	Short-term financing	-	Business turnover	206	Real estates	34,429	339,362	1,357,447		
2	Union Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJI (Japan)	Accounts receivable from affiliates	394,239 (JPY 1,900,000)	394,239 (JPY 1,900,000)	304,158 (JPY 1,465,865)	2.75%	Business transaction	394,239 (JPY 1,900,000)	-	-	-	-	3,393,617	3,393,617
3	Uflc Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJI (Japan)	Accounts receivable from affiliates	684,730 (JPY 3,300,000)	684,730 (JPY 3,300,000)	592,500 (JPY 2,855,504)	2.75%	Business transaction	684,730 (JPY 3,300,000)	-	-	-	-	3,393,617	3,393,617
4	Union Venture Capital Co., Ltd.	Bei Chen Yi Hau Electric Power Inc.	Accounts receivable	109,000	109,000	109,000	3%	Short-term financing	-	Business turnover	-	-	-	574,635	1,436,587
		Hao Tian Electric Power Inc.	Accounts receivable	136,000	136,000	136,000	3%	Short-term financing	-	Business turnover	-	-	-	574,635	1,436,587
		Feng Tai Electric Power	Accounts receivable	134,000	134,000	134,000	3%	Short-term financing	-	Business turnover	-	-	-	574,635	1,436,587

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No.	Lender	Borrower	Financial Statement Account	Highest Balance in the period (Note 1)	Balance at the end of the period (Note 2)	Actual Drafted Amount	Interest Rate Range (%)	Nature of loan	Business Transaction Amount (Note 3)	Reason for Short-term Financing	Amount of allowance for doubtful accounts provided	Collaterals		Financing Limit for Each Borrower (Note 4)	Aggregate Financing Limit (Note 5)
												Name	Value		
		Na He Yi Hau Electric Power Inc.	Accounts receivable	\$ 160,000	\$ 160,000	\$ 160,000	3%	Short-term financing	\$ -	Business turnover	\$ -	-	\$ -	\$ 574,635	\$ 1,436,587
		Ting Jie Electric Power Inc.	Accounts receivable	700,000	700,000	310,000	3%	Short-term financing	-	Business turnover	-	-	-	574,635	1,436,587
		Ting Syu Energy Co., Ltd.	Accounts receivable	3,000	3,000	3,000	3%	Short-term financing	-	Business turnover	-	-	-	574,635	1,436,587

Note 1: Highest balance of loans provided to others in the current year.

Note 2: Where the public companies submits the loaning of funds one by one to the board of directors for resolution pursuant to Paragraph 1, Article 14 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," even though the fund is not disbursed, the amount resolved by the board shall be listed in the announced balance to disclose the risk assumed; provided, when the fund is repaid, the balance after the repayment shall be disclosed to reflect the risk adjustment. Where the public companies have the board of directors to resolve a limit to be loaned for several times or drafted on the revolving basis within the limit during the period of one year pursuant to Paragraph 2, Article 14 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies," the resolved limit of loans shall still be announced as the reported balance. Although repayments may be made later, such limit may be used again, and thus the limit approved by the board shall be the announced and reported balance.

Note 3: Where a loaning of funds is a business transaction in the nature, the amount of such transaction shall be entered; the business transaction amounts within a year between the lender and the borrower.

Note 4: For the transactions with the subsidiaries 100% voting rights held directly and indirectly, and the loaning of funds for short-term financing, the limit is the net worth of UFLIC; in terms of loaning of funds for short-term financing to the non-subsidiaries, the limit is 10% of UFLIC; for those with business transactions that are in demand of short-term financing, the limit is 40% of the net worth of Union Venture Capital Co., Ltd.

Note 5: For the transactions with the subsidiaries 100% voting rights held directly and indirectly, and the loaning of funds for short-term financing, the limit is the net worth of Union Finance & Leasing (Int'l) Corp.; in terms of loaning of funds for short-term financing to the non-subsidiaries, the limit is 40% of the net worth of Union Finance & Leasing (Int'l) Corp.; for the inter-company and firms having business transactions, and in need of loaning of funds for short-term financing, the limit is 100% of the net worth of Union Venture Capital Co., Ltd.

Note 6: All the "balance" and "amount" referred in the statement, other than the actual borrowing amount, business transaction amount, and amount of allowance for doubtful accounts provided, are the limit or amount financed to others occurring on the date of occurrence (the earliest among date of the Board's resolution, date of contract execution, date of payment, or date sufficient to ensure the counterparty and transaction amount) pursuant to Article 7 of the handling standards.

Union Bank of Taiwan Co., Ltd. and Subsidiaries
Endorsement/guarantee provided
January 1 to June 30, 2025

Table 2

Unit: In NTD thousand, unless specified otherwise

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/Guarantee Given on Behalf of Each Party (Note 5)	Maximum Amount Endorsed/Guaranteed During the Period (Note 3)	Outstanding Endorsement/Guarantee at the End of the Period (Note 4)	Actual Drafted Amount (Note 6)	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/Guarantee Limit (Note 7)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Company name	Relationship (Note 2)										
1	Union Venture Capital Co., Ltd.	Ting Jie Electric Power Inc.	4	\$ 14,365,873	\$ 5,325,000	\$ 5,325,000	\$ 2,175,000	\$ -	6.67%	\$ 43,097,618	Yes	No	No

Note 1: Description of number column

(1) Issuer: 0

(2) The investees are numbered from 1 by the companies.

Note 2: There are seven relationships between the endorser/guarantor and endorsee/guarantee, only the type needs to be indicated.

(1) Company with business relationships

(2) Companies in which the Company holds shares for more than 50% voting rights directly or indirectly.

(3) Companies hold the Company's shares for more than 50% voting rights directly or indirectly

(4) Among the companies in which the Company holds shares for more than 90% voting rights directly or indirectly.

(5) Companies guarantee each other as peers or joint constructors under contracts based on the requirements of construction contracting.

(6) All the shareholders to the companies they endorse and guarantee due to the joint investment proportionally to their shareholdings.

Note 3: The maximum balance of the endorsement/guarantee provided to others of the current year.

Note 4: The endorsement/guarantee limit was approved by the board of directors

Note 5: The total amount of endorsement or guarantee provided by UVC and Union Energy to a single company shall not exceed 10 times UVC's and 25 times Union Energy's net worth.

Note 6: Enter the actual amount drafted withing the balance of endorsement/guarantee by the endorsee/guarantee.

Note 7: The total amount of endorsement or guarantee provided by UVC and Union Energy to others shall not exceed 30 times UVC's and 50 times Union Energy's net worth.

Note 8: Ting Jie Electric Power signed a syndicate with 11 financial Institutions with the limit of NTS\$7,500,000 thousand. The joint guarantors are the parent company, UVC and Union Energy.

Union Bank of Taiwan Co., Ltd. and Subsidiaries
Details of negotiable securities held at the end of the period
June 30, 2025

Table 3

Unit: for amounts, thousand NTD (foreign currency); for shares and units, thousand shares and thousand units

Held by	Types and names of negotiable securities	Relationship with the negotiable securities issuers	Account	At the end of the period				Remark
				Shares/units	Book amount	Shareholding ratio	Fair value	
UFLIC	<u>Shares</u> Hey-Song Corporation	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	4,551	\$ 181,812	1.13%	\$ 181,812	
	<u>Funds and beneficiary certificates</u> U.S. Investment Grade Bond Fund - Type A	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	4,000	37,562	-	37,562	
	Union APEC Balanced A	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	1,102	24,176	-	24,176	
	Union Utilities and Infrastructure Equity Income Fund - Type A	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	820	12,451	-	12,451	
	Union Taiwan Select Income Multi-asset Fund - Type A	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	3,893	45,392	-	45,392	
	Union Green Energy Private Equity Limited Partnership	—	Financial Assets Measured at Fair Value Through Profit or Loss	-	538,929	25.98%	538,929	
	Union Information Technology Corporation (UIT)	<u>Shares</u> ELTA Technology Co., Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	3,537	273,073	13.33%	273,073
Union Securities Investment Corporation		<u>Shares</u> Fundrish Securities Co., Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	594	9,057	0.94%	9,057
	<u>Funds and beneficiary certificates</u> Union Money Market Fund	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	1,380	19,143	-	19,143	
	Union Advantage Global Fixed Income Portfolio Fund	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	1,068	15,194	-	15,194	
	Union APEC Balanced A	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	503	11,028	-	11,028	
	Union Asia Non Investment Grade Bond Fund - A	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	1,983	13,920	-	13,920	

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Held by	Types and names of negotiable securities	Relationship with the negotiable securities issuers	Account	At the end of the period				Remark
				Shares/units	Book amount	Shareholding ratio	Fair value	
Union Venture Capital Co., Ltd.	Union Technology Fund	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	159	\$ 5,338	-	\$ 5,338	
	Union China Fund	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	98	6,300	-	6,300	
	Union Golden Balanced Fund	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	172	7,967	-	7,967	
	Union Taiwan Select Income Multi-asset Fund - Type A	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	143	1,669	-	1,669	
	U.S. Investment Grade Bond Fund - Type A	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	1,181	11,090	-	11,090	
	<u>Shares</u>							
	Greenway Environmental Technology Co., Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	1,100	234	1.96%	234	
	Hope Vision Co., Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	529	1,728	2.55%	1,728	
	RFD Micro Electricity Co., Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	10,127	279,723	14.24%	279,723	
	MaiCoin	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	429	102,340	0.93%	102,340	
Thermolysis Co.,Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	1,000	3,226	1.88%	3,226		
Corner Ventures DAG I-U, LLC (Delaware, US)	<u>Shares</u>							
	AnyRoad Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	7	USD 37	-	USD 37	
	Assemble Stream, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	32	USD 8	-	USD 8	
	Adanate, Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	5	USD 12	-	USD 12	
	Cargomatic, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	19	USD 142	-	USD 142	
	Engageli, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	170	USD 369	-	USD 369	
	FINDEM, INC.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	4	USD 36	-	USD 36	
	Garuda Labs, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	14	USD 343	-	USD 343	

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Held by	Types and names of negotiable securities	Relationship with the negotiable securities issuers	Account	At the end of the period				Remark
				Shares/units	Book amount	Shareholding ratio	Fair value	
	Get Fabric Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	1,536	USD 1,239	-	USD 1,239	
	Halcyon Tech, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	5,530	USD 3,302	-	USD 3,302	
	Healthy.io Limited	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	14	USD 144	-	USD 144	
		—	Financial Assets Measured at Fair Value Through Profit or Loss	36	USD 387	-	USD 387	
	Latigo Biotherapeutics, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	223	USD 351	-	USD 351	
	Melio Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	1,213	USD 480	-	USD 480	
	Nexar, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	83	USD 319	-	USD 319	
	Prismo Systems , Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	39	USD 10	-	USD 10	
	Solv Health, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	111	USD 483	-	USD 483	
	Travelier(fka Bookaway Ltd.)	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	53	USD 615	-	USD 615	
	Twin Health, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	159	USD 2,201	-	USD 2,201	
	Underdog Sports, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	8	USD 83	-	USD 83	
	Corner Ventures(Cayman) LP	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	USD 89	-	USD 89	
	Folius Digital Opportunities Offshore,LTD	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	USD 77	-	USD 77	
	ParaFi Digital Opportunities International LP	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	USD 55	-	USD 55	
	ParaFi Private Opportunities LLC	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	USD 31	-	USD 31	
	Sybil Capital Fund I-B Feeder,LP	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	USD 242	-	USD 242	

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Held by	Types and names of negotiable securities	Relationship with the negotiable securities issuers	Account	At the end of the period				Remark
				Shares/units	Book amount	Shareholding ratio	Fair value	
Corner Union LLC (Delaware, US)	<u>Shares</u> Healthy.io Limited	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	36	USD 385	-	USD 385	
Union Private Equity Co., Ltd.	<u>Beneficiary certificates</u> Union Green Energy Private Equity Limited Partnership	—	Financial Assets Measured at Fair Value Through Profit or Loss	4,300	49,015	2.01%	49,015	
	Union Green Energy I Private Equity Limited Partnership	—	Financial Assets Measured at Fair Value Through Profit or Loss	1,488	15,762	3.05%	15,762	
	Union Green Energy II Private Equity Limited Partnership	—	Financial Assets Measured at Fair Value Through Profit or Loss	2	12	16.67%	12	

Union Bank of Taiwan Co., Ltd. and Subsidiaries
Receivables from related parties amounting to at least NT\$300 million or 10% of the paid-in capital
June 30, 2025

Table 4

In NTD thousand (Foreign Currency)

Company accounted for accounts receivable	Counterparty	Relationship	Balance of receivable from related party	Turnover Rate	Overdue receivables from related party		Amounts received in subsequent period	Amount of allowance for doubtful accounts provided
					Amount	Actions Taken		
UFLIC	Union Capital (Singapore) Holding PTE. Ltd.	Group subsidiary	\$ 545,133 (JPY 2,627,225)	-	\$ -	-	\$ -	\$ -
UFLIC	Uflc Capital (Singapore) Holding PTE. Ltd.	Group subsidiary	1,146,157 (JPY 5,523,808)	-	-	-	-	-
UFLIC	Tian Ji Smart Energy Co., Ltd.	Group subsidiary	1,463,463	-	-	-	6,706	14,635
Union Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1 (Japan)	Group subsidiary	304,158 (JPY 1,465,865)	-	-	-	-	-
Uflc Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1 (Japan)	Group subsidiary	592,500 (JPY 2,855,504)	-	-	-	-	-

Union Bank of Taiwan Co., Ltd. and Subsidiaries
Overdue loans and accounts
June 30, 2025, December 31 and June 30, 2024

Table 5. Unit: In NTD thousand, %

Year Month		June 30, 2025					June 30, 2024				
Business\item		Amount of overdue loan	Total loans	Overdue ratio (Note 2)	Amount of allowance for doubtful accounts	Coverage ratio (Note 3)	Amount of nonperforming loans	Total loans	Overdue ratio	Amount of allowance for doubtful accounts	Coverage ratio
Corporate finance	Guarantee	\$ 514,009	\$ 204,007,339	0.25%	\$ 2,801,067	472.94%	\$ 924,528	\$ 185,245,402	0.50%	\$ 2,717,806	267.14%
	Unsecured	78,260	41,851,999	0.19%			92,844	42,937,789	0.22%		
Consumer finance	Home mortgage (Note 4)	582,303	266,994,741	0.22%	3,355,423	576.23%	469,663	261,664,701	0.18%	3,268,069	695.83%
	Cash card	-	1,796	0.00%	60	-	74	3,029	2.44%	136	183.78%
	Small-scale credit loans (Note 5)	21,013	761,847	2.76%	107,906	513.52%	17,999	643,930	2.80%	70,977	394.34%
	Others (Note 6)	Guarantee	282,042	84,669,570	0.33%	1,111,000	296.19%	167,528	76,946,600	0.22%	996,823
	Unsecured	93,054	23,599,699	0.39%	79,598			21,536,722	0.37%		
Total loan		1,570,681	621,886,991	0.25%	7,375,456	469.57%	1,752,234	588,978,173	0.30%	7,053,811	402.56%
Business\item		Nonperforming Loan	Balance of Account Receivables	Ratio of Nonperforming Loan	Amount of allowance for doubtful accounts	Coverage ratio	Nonperforming Loan	Balance of Account Receivables	Ratio of Nonperforming Loan	Amount of allowance for doubtful accounts	Coverage ratio
Credit card business		\$ 46,154	\$ 22,891,919	0.20%	\$ 211,874	459.06%	\$ 59,751	\$ 26,917,821	0.22%	\$ 208,610	349.13%
Accounts receivable factored without recourse		-	-	-	-	-	-	-	-	-	-

Note 1: Nonperforming loans are reported to the authorities and disclosed to the public, as required by the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Non-accrued Loans."

Nonperforming credit card receivables are reported to the authorities and disclosed to the public, as required by the FSC (IV) dated July 6, 2005 (Ref. No. 0944000378).

Note 2: Ratio of nonperforming loans: Nonperforming loans ÷ Outstanding loan balance; Ratio of nonperforming credit card receivables: Nonperforming credit card receivables ÷ Outstanding credit card receivables balance.

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

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

Note 5: Based on the FSC (IV) dated December 19, 2005 (Ref. No. 09440010950), small-scale credit loans are unsecured, in small amounts and exclude credit cards and cash cards.

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

Note 7: As required by the Banking Bureau in its letter dated July 19, 2005 (Ref. No. 0945000494), accounts receivable factored without recourse are reported as nonperforming receivables within three months after the factors or insurance companies refuse to indemnify banks for any liabilities on these accounts.

Year Month		December 31 2024				
Business\item		Amount of overdue loan	Total loans	Overdue ratio (Note 2)	Amount of allowance for doubtful accounts	Coverage ratio (Note 3)
Corporate finance	Guarantee	\$ 426,597	\$ 197,849,485	0.22%	\$ 2,678,619	559.06%
	Unsecured	52,534	44,280,181	0.12%		
Consumer finance	Home mortgage (Note 4)	554,683	267,280,472	0.21%	3,356,661	605.15%
	Cash card	62	2,396	2.59%	134	216.13%
	Small-scale credit loans (Note 5)	18,048	714,625	2.53%	82,816	458.87%
	Others (Note 6)	198,568	81,718,401	0.24%	1,061,964	372.44%
Unsecured	86,566	22,835,951	0.38%			
Total loan		1,337,058	614,681,511	0.22%	7,180,194	537.01%
		Nonperforming Loan	Balance of Account Receivables	Ratio of Nonperforming Loan	Amount of allowance for doubtful accounts	Allowance for doubtful accounts Coverage
Credit card business		\$ 60,797	\$ 24,297,069	0.25%	\$ 211,536	347.94%
Accounts receivable factored without recourse		-	-	-	-	-

Not reported as nonperforming loans or nonperforming receivables

	June 30, 2025		December 31 2024		June 30, 2024	
	Not Reported as Nonperforming Loan	Not Reported as Nonperforming Receivable	Not Reported as Nonperforming Loan	Not Reported as Nonperforming Receivable	Not Reported as Nonperforming Loan	Not Reported as Nonperforming Receivable
Amounts of executed contracts on negotiated debts not reported as nonperforming loans and receivables (Note 1)	\$ 1,843	\$ 10,247	\$ 2,352	\$ 12,890	\$ 3,040	\$ 16,602
Amounts of discharged and executed contracts on clearance of consumer debts not reported as nonperforming loans and receivables (Note 2)	275,805	567,811	264,573	564,056	247,679	564,400
Total	277,648	578,058	266,925	576,946	250,719	581,002

Note 1: Amounts of executed contracts on negotiated debts that are not reported as nonperforming loans or receivables are reported in accordance with the FSC (I) dated April 25, 2006 (Ref. No. 09510001270)

Note 2: Amounts of discharged and executed contracts on clearance of consumer debts that are not reported as nonperforming loans or receivables of The Consumer Debt Clearance Statute are reported in accordance with the FSC (I) dated September 15, 2008 (Ref. No. 09700318940).

Union Bank of Taiwan Co., Ltd. and Subsidiaries
Names, locations and other information of investees on which the Bank exercises significant influence
June 30, 2025

Table 6. Unit: unless otherwise specified, the amount are in thousand NTS (foreign currency), and the shares are in thousand shares

Investor	Investee Company (Note 1)	Location	Main Business and Product	Shareholding ratio at the end of the period	Book amount	Investment profit (loss) recognized in the year	Consolidated shareholding of the Company and affiliates (Note 1)				Remark
							Number of existing shares	Number of shares for fiction shareholding (Note 2)	Total		
									Number of shares	Shareholding ratio	
Union Bank of Taiwan Co., Ltd.	<u>Financial related business</u>										
	UFLIC	Taipei City	Installment, leasing and accounts receivable factoring	100.00%	\$ 3,393,617	\$ 84,746	226,000	-	226,000	100.00%	
	Union Finance International (HK) Limited	Hong Kong	Import and export financing	-	-	17,221	-	-	-	-	Note 3
	Union Securities Investment Trust Corporation (USITC)	Taipei City	Securities investment trust	99.60%	412,509	(4,533)	31,014	-	31,014	99.60%	
	Union Information Technology Corporation (UIT)	Taipei City	Software and hardware product retail and distribution, system programming development, system development outsourcing, website design, e-commerce, etc.	99.99%	380,621	29,398	9,999	-	9,999	99.99%	
	Union Venture Capital Co., Ltd.	Taipei City	Venture Investment	100.00%	1,436,587	(263,242)	140,000	-	140,000	100.00%	
	iPASS Corporation	Kaohsiung City	Electronic Stored Value Cards	33.17%	290,634	(5,082)	44,640	-	44,640	33.17%	Note 4
	Taiwan Asset Management Corporation	Taipei City	Financial Institution Creditor's Right (Money) Purchase Business, Process Financial Institution Creditor's Right(Money) Appraisal and Auction Business, and Credit Management Service for Financial Institutions	0.57%	82,619	-	6,000	-	6,000	0.57%	
	Taiwan Financial Asset Service Corporation	Taipei City	Fair Third Party Asset Auction Business and Process Financial Institution Creditor's Right(Money) Appraisal and Auction Business	2.94%	49,670	-	5,000	-	5,000	2.94%	
	Sunshine Asset Management Corporation Limited	Taipei City	Financial Institution Creditor's Right (Money) Purchase Business, Industrial and Commercial Credit Checking Service, Investment Consulting, Information Software Services, Data Processing Services, Electronic Information Supply Services, and General Advertisement Service	6.44%	4,165	-	386	-	386	6.44%	
	Taipei Forex Inc.	Taipei City	Foreign exchange trading, foreign currency offering, exchange transactions	0.81%	6,992	-	160	-	160	0.81%	
	Financial Information Service Co., Ltd.	Taipei City	Type II Telecommunications Business, Information Software Services, Data Processing Services, and Electronic Information Supply Services	2.61%	503,802	-	17,679	-	17,679	2.61%	
	Taiwan Depository & Clearing Corporation	Taipei City	Centralized Securities Depository Enterprise, Short-term Bill Centralized Custody and Settlement Institution, and Type II Telecommunications Business	0.25%	106,560	-	1,937	-	1,937	0.25%	
	Taiwan Futures Exchange	Taipei City	Futures Exchange and Futures Clearing Houses	2.04%	649,909	-	12,674	-	12,674	2.04%	
	Taiwan Mobile Payment Corporation	Taipei City	International Trade, Data Processing Services, and Electronic Information Supply Services	1.00%	3,524	-	600	-	600	1.00%	
	LINE Bank Taiwan Limited	Taipei City	Commercial Banking	5.00%	722,555	-	100,000	-	100,000	5.00%	
	<u>Non-financial related business</u>										
	Union Construction Management Co., Ltd.	Taipei City	Review and consultancy for commissioned constructions and plans	40.00%	51,888	(51)	2,000	-	2,000	40.00%	
	Li Yu Venture Corporation	Taipei City	Venture Investment	4.76%	2,592	-	391	-	391	4.76%	
	Lian An Service Corporation	Taipei City	Other Industrial and Commercial Services, Other Repair, Rental and Leasing, Wholesale of Precision Instruments, and Retail Sale of Precision Instruments	5.00%	1,573	-	125	-	125	5.00%	
Taiwan Power Corporation	Taipei City	Electric Power Generation, Electric Power Transmission, Electric Power Distribution, Electric Appliance Construction, Manpower Dispatched, Cable Installation Engineering, and Automatic Control Equipment Engineering,	-	1,133	-	395	-	395	-		

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Investor	Investee Company (Note 1)	Location	Main Business and Product	Shareholding ratio at the end of the period	Book amount	Investment profit (loss) recognized in the year	Consolidated shareholding of the Company and affiliates (Note 1)				Remark
							Number of existing shares	Number of shares for fiction shareholding (Note 2)	Total		
									Number of shares	Shareholding ratio	
UFLIC	<u>Non-financial related business</u> Union Capital (Cayman) Corp.	Cayman Islands	Investment, overseas financing, equipment leasing, installment selling, acquisition of accounts receivable, etc.	100.00%	\$ 60,058 (JPY 289,445)	(\$ 359) (JPY 1,671)	50	-	50	100.00%	
	Union Capital (Singapore) Holding PTE. Ltd.	Singapore	Investment, overseas financing, equipment leasing, installment selling, acquisition of accounts receivable, etc.	100.00%	106,299 (JPY 512,297)	7,884 (JPY 36,658)	-	-	-	100.00%	Note 5
	Uflc Capital (Singapore) Holding PTE. Ltd.	Singapore	Investment, overseas financing, equipment leasing, installment selling, acquisition of accounts receivable, etc.	100.00%	87,183 (JPY 420,171)	9,827 (JPY 45,694)	-	-	-	100.00%	Note 5
Union Capital (Singapore) Holding PTE. Ltd.	<u>Non-financial related business</u> Kabushiki Kaisha UCJ1	Japan	Sale, purchasing and leasing of real estates, etc.	30.55%	94,930 (JPY 457,505)	2,080 (JPY 9,786)	9	-	9	30.55%	Note 5
	Tokutei Mokuteki Kaisha SSG15	Japan	A real estate securitized special purpose company	49.00%	153,498 (JPY 739,769)	8,295 (JPY 39,019)	Note 7	-	Note 7	49.00%	Note 5
Kabushiki Kaisha UCJ1	<u>Non-financial related business</u> Tokutei Mokuteki Kaisha SSG15	Japan	A real estate securitized special purpose company	51.00%	159,752 (JPY 769,912)	8,633 (JPY 40,612)	15	-	15	51.00%	Note 5
	Tokutei Mokuteki Kaisha SSG12	Japan	A real estate securitized special purpose company	51.00%	209,948 (JPY 1,011,826)	5,851 (JPY 27,526)	20	-	20	51.00%	Note 5
	Tokutei Mokuteki Kaisha SSG16	Japan	A real estate securitized special purpose company	51.00%	130,145 (JPY 627,224)	5,068 (JPY 23,843)	13	-	13	51.00%	Note 5
Uflc Capital (Singapore) Holding PTE. Ltd.	<u>Non-financial related business</u> Kabushiki Kaisha UCJ1	Japan	Sale, purchasing and leasing of real estates, etc.	69.45%	215,819 (JPY 1,040,121)	4,729 (JPY 22,248)	21	-	21	69.45%	Note 5
	Tokutei Mokuteki Kaisha SSG12	Japan	A real estate securitized special purpose company	49.00%	201,725 (JPY 972,197)	5,622 (JPY 26,447)	Note 8	-	Note 8	49.00%	Note 5
	Tokutei Mokuteki Kaisha SSG16	Japan	A real estate securitized special purpose company	49.00%	125,052 (JPY 602,677)	4,870 (JPY 22,908)	Note 6	-	Note 6	49.00%	Note 5
Union Securities Investment Trust Corporation (USITC)	<u>Financial related business</u> Union Private Equity Co., Ltd.	Taiwan	Investment and management of private equity	100.00%	77,815	15,425	3,000	-	3,000	100.00%	
	<u>Non-financial related business</u> Na He Yi Hau Electric Power Inc.	Taiwan	Power Generation, Transmission and Distribution, and Energy Technical Services	90.00%	135,454	12	14,940	-	14,940	90.00%	
Union Venture Capital Co., Ltd.	Corner Union Venture Capital, LLC.	United States	Overseas Investment Management Consulting	100.00%	353,763 (USD 11,831)	(14,469) (USD 456)	1,178	-	1,178	100.00%	
	Union Energy Co., Ltd.	Taiwan	General investment advisory and energy management	100.00%	(3,898)	23,262	1,674	-	1,674	100.00%	
	Blue Borders Medical and Health Management Consulting Co., Ltd.	Taiwan	Healthcare service	32.08%	112,581	(13,349)	14,500	-	14,500	32.08%	Note 4
	Ting Syu Energy Co., Ltd.	Taiwan	Power Generation, Transmission and Distribution, and Energy Technical Services	60.00%	608	5	60	-	60	60.00%	
	Bei Chen Electric Power Inc.	Taiwan	Power Generation, Transmission and Distribution, and Energy Technical Services	99.08%	85,863	3	10,800	-	10,800	99.08%	
	Hao Tian Electric Power Inc.	Taiwan	Power Generation, Transmission and Distribution, and Energy Technical Services	99.08%	106,337	(44)	10,800	-	10,800	99.08%	
	Feng Tai Electric Power	Taiwan	Power Generation, Transmission and Distribution, and Energy Technical Services	99.08%	107,039	(36)	10,800	-	10,800	99.08%	
Ting Jie Electric Power Inc.	Taiwan	Power Generation, Transmission and Distribution, and Energy Technical Services	90.00%	(203,827)	(215,255)	1,890	-	1,890	90.00%		

(continued at next page)

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Investor	Investee Company (Note 1)	Location	Main Business and Product	Shareholding ratio at the end of the period	Book amount	Investment profit (loss) recognized in the year	Consolidated shareholding of the Company and affiliates (Note 1)				Remark
							Number of existing shares	Number of shares for fiction shareholding (Note 2)	Total		
									Number of shares	Shareholding ratio	
Union Energy Co., Ltd.	<u>Non-financial related business</u> Tian Ji Smart Energy Co., Ltd.	Taiwan	Power Generation, Transmission and Distribution, and Energy Technical Services	90.00%	\$ 374,386	\$ 23,140	33,904	-	33,904	90.00%	
Corner Union Venture Capital, LLC.	<u>Non-financial related business</u> Corner Ventures DAG I-U, LLC.	United States	Venture Investment	100.00%	342,335	(13,629)	-	-	-	100.00%	
	Corner Union, LLC.	United States	Venture Investment	100.00%	(USD 11,449)	(USD 429)	-	-	-	100.00%	
					(USD 11,269)	(USD 479)					
					(USD 377)	(USD 15)					

Note 1: Including the Company, directors, president, vice president, and the existing shareholding or pro forma shareholding in the investees by the affiliates in line with the definition of the Group Act.

Note 2: (1) Pro forma shareholding refers to shares to be converted, under the conversion assumption, from the equity-type negotiable securities purchased, or the derivative contracts entered (but not converted to the equity for holding) that are linked to the equity of the re-investees, and for the reinvestment purpose specified in Article 74 of the Act under the agreed transaction conditions and the intentions of the bank for undertaking.

(2) The aforesaid "equity-type negotiable securities" refer o the negotiable securities specified in Article 11, the "Securities and Exchange Act Enforcement Rules," including convertible corporate bonds and warrants.

(3) The aforesaid "derivative contracts" refer to these meeting the definition of derivatives of IFRS 9, such as stock options.

Note 3: The company's registration was revoked on January 17, 2025 after approval by the Hong Kong registration office.

Note 4: Except that UFLIC recognized the profit and loss of investments based on the financial statements reviewed by CPAs on June 30th, 2025, other equity investment adopting the equity method are recognized for the investments based on the self-settled financial statement on June 30th, 2025.

Note 5: The investment profits and losses are recognized from the self-settled financial statements as of March 31st, 2025 by Union Capital (Singapore) Holding PTE. Ltd., Uflc Capital (Singapore) Holding PTE. Ltd., Kabushiki Kaisha UCJ1, Tokutei Mokuteki Kaisha SSG15, SSG12, and SSG16.

Note 6: Refers to 1 share of common stock and 13 thousand shares of preferred stock.

Note 7: Refers to 1 share of common stock and 14 thousand shares of preferred stock.

Note 8: Refers to 1 share of common stock and 19 thousand shares of preferred stock.

Union Bank of Taiwan Co., Ltd. and Subsidiaries
Business Relationships among Parent and Subsidiaries, and Key Transactions
June 30, 2025

Table 7. Unit: In NTD thousand

No. (Note 1)	Names of Transaction Parties	Counterparty of the Transaction	Relationship with the counterparty (Note 2)	Status of transaction			Ratio to the consolidated net income or total assets (Note 3)
				Account	Amount	Transaction terms	
0	Union Bank of Taiwan	Union Finance and Leasing (Int'l) Corp and its subsidiaries	1	Deposits and remittance - Demand deposits	\$ 241,355	Note 4	0.02%
0	Union Bank of Taiwan	Union Finance and Leasing (Int'l) Corp and its subsidiaries	1	Deposits and remittance - Checking deposits	15,062	Note 4	0.00%
0	Union Bank of Taiwan	Union Finance and Leasing (Int'l) Corp and its subsidiaries	1	Deposits and remittance - Time deposits	822,946	Note 4	0.08%
1	Union Finance and Leasing (Int'l) Corp and its subsidiaries	Union Bank of Taiwan	2	Due from banks	1,079,363	Note 4	0.11%
0	Union Bank of Taiwan	Union Finance and Leasing (Int'l) Corp and its subsidiaries	1	Deposits and remittance - Time deposits	50,513	Note 4	0.00%
1	Union Finance and Leasing (Int'l) Corp and its subsidiaries	Union Bank of Taiwan	2	Other financial assets	50,513	Note 4	0.00%
0	Union Bank of Taiwan	Union Finance and Leasing (Int'l) Corp and its subsidiaries	1	Discounts and loans	1,527,428	Note 4	0.15%
1	Union Finance and Leasing (Int'l) Corp and its subsidiaries	Union Bank of Taiwan	2	Deposits from the central bank and other banks - call loans to other banks	1,527,428	Note 4	0.15%
0	Union Bank of Taiwan	Union Finance and Leasing (Int'l) Corp and its subsidiaries	1	Other operating and management expenses	7,491	Note 4	0.08%
1	Union Finance and Leasing (Int'l) Corp and its subsidiaries	Union Bank of Taiwan	2	Lease income	7,491	Note 4	0.08%
0	Union Bank of Taiwan	Union Finance and Leasing (Int'l) Corp and its subsidiaries	1	Interest income	18,753	Note 4	0.19%
1	Union Finance and Leasing (Int'l) Corp and its subsidiaries	Union Bank of Taiwan	2	Interest expense	18,753	Note 4	0.19%
0	Union Bank of Taiwan	Union Information Technology Corporation	1	Deposits and remittance - Demand deposits	35,119	Note 4	0.00%
2	Union Information Technology Corporation	Union Bank of Taiwan	2	Due from banks	35,119	Note 4	0.00%
0	Union Bank of Taiwan	Union Information Technology Corporation	1	Accounts payable - expenses payable	6,188	Note 4	0.00%
2	Union Information Technology Corporation	Union Bank of Taiwan	2	Accounts receivable - accounts receivable	6,188	Note 4	0.00%
0	Union Bank of Taiwan	Union Information Technology Corporation	1	Other assets	39,692	Note 4	0.00%
2	Union Information Technology Corporation	Union Bank of Taiwan	2	Other liabilities	39,692	Note 4	0.00%
0	Union Bank of Taiwan	Union Information Technology Corporation	1	Other operating and management expenses	113,840	Note 4	1.18%
2	Union Information Technology Corporation	Union Bank of Taiwan	2	Net revenues other than interest	113,840	Note 4	1.18%
0	Union Bank of Taiwan	Union Information Technology Corporation	1	Deposits and remittance - Time deposits	58,500	Note 4	0.01%
2	Union Information Technology Corporation	Union Bank of Taiwan	2	Other financial assets	58,500	Note 4	0.01%
0	Union Bank of Taiwan	Union Venture Capital Co., Ltd. and its subsidiaries	1	Deposits and remittance - Demand deposits	323,106	Note 4	0.03%
0	Union Bank of Taiwan	Union Venture Capital Co., Ltd. and its subsidiaries	1	Deposits and remittance - Checking deposits	721	Note 4	0.00%
3	Union Venture Capital Co., Ltd. and its subsidiaries	Union Bank of Taiwan	2	Due from banks	323,827	Note 4	0.03%
0	Union Bank of Taiwan	Union Venture Capital Co., Ltd. and its subsidiaries	1	Deposits and remittance - Time deposits	18,624	Note 4	0.00%
3	Union Venture Capital Co., Ltd. and its subsidiaries	Union Bank of Taiwan	2	Other financial assets	18,624	Note 4	0.00%
0	Union Bank of Taiwan	Union Securities Investment Trust Co., Ltd. and its subsidiaries	1	Deposits and remittance - Demand deposits	27,167	Note 4	0.00%
4	Union Securities Investment Trust Co., Ltd. and its subsidiaries	Union Bank of Taiwan	2	Due from banks	27,167	Note 4	0.00%
0	Union Bank of Taiwan	Union Securities Investment Trust Co., Ltd. and its subsidiaries	1	Fee income	19,882	Note 4	0.21%
4	Union Securities Investment Trust Co., Ltd. and its subsidiaries	Union Bank of Taiwan	2	Commission and fee expense	19,882	Note 4	0.21%

(continued at next page)

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No. (Note 1)	Names of Transaction Parties	Counterparty of the Transaction	Relationship with the counterparty (Note 2)	Status of transaction			
				Account	Amount	Transaction terms	Ratio to the consolidated net income or total assets (Note 3)
1	Union Finance and Leasing (Int'l) Corp and its subsidiaries	Union Venture Capital Co., Ltd. and its subsidiaries	3	Lease payment receivable	\$ 1,463,463	Note 4	0.14%
3	Union Venture Capital Co., Ltd. and its subsidiaries	Union Finance and Leasing (Int'l) Corp and its subsidiaries	3	Lease payment payable	1,463,463	Note 4	0.14%
1	Union Finance and Leasing (Int'l) Corp and its subsidiaries	Union Venture Capital Co., Ltd. and its subsidiaries	3	Interest income	15,532	Note 4	0.16%
3	Union Venture Capital Co., Ltd. and its subsidiaries	Union Finance and Leasing (Int'l) Corp and its subsidiaries	3	Interest expense	15,532	Note 4	0.16%
5	Union Finance and Leasing (Int'l) Corp	Tian Ji Smart	3	Temporary credits	27,801	Note 4	0.00%
6	Tian Ji Smart	Union Finance and Leasing (Int'l) Corp	3	Refundable deposits	27,801	Note 4	0.00%
5	Union Finance and Leasing (Int'l) Corp	Union Capital (Singapore) Holding PTE. Ltd.	3	Interest income	5,903	Note 4	0.06%
7	Union Capital (Singapore) Holding PTE. Ltd.	Union Finance and Leasing (Int'l) Corp	3	Interest expense	5,903	Note 4	0.06%
5	Union Finance and Leasing (Int'l) Corp	Uflc Capital (Singapore) Holding PTE. Ltd.	3	Interest income	12,412	Note 4	0.13%
8	Uflc Capital (Singapore) Holding PTE. Ltd.	Union Finance and Leasing (Int'l) Corp	3	Interest expense	12,412	Note 4	0.13%
7	Union Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1	3	Account receivable - accounts receivable from affiliates	308,604	Note 4	0.03%
9	Kabushiki Kaisha UCJ1	Union Capital (Singapore) Holding PTE. Ltd.	3	Account payable - accounts payable to affiliates	308,604	Note 4	0.03%
8	Uflc Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1	3	Account receivable - accounts receivable from affiliates	594,062	Note 4	0.06%
9	Kabushiki Kaisha UCJ1	Uflc Capital (Singapore) Holding PTE. Ltd.	3	Account payable - accounts payable to affiliates	594,062	Note 4	0.06%
8	Uflc Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1	3	Interest income	8,421	Note 4	0.09%
9	Kabushiki Kaisha UCJ1	Uflc Capital (Singapore) Holding PTE. Ltd.	3	Interest expense	8,421	Note 4	0.09%
10	Union Venture Capital Co., Ltd.	Bei Chen Yi Hau	3	Accounts receivable - accounts receivable	109,000	Note 4	0.01%
11	Bei Chen Yi Hau	Union Venture Capital Co., Ltd.	3	Payables - accounts payable	109,000	Note 4	0.01%
10	Union Venture Capital Co., Ltd.	Feng Tai Electric Power	3	Accounts receivable - accounts receivable	134,000	Note 4	0.01%
12	Feng Tai Electric Power	Union Venture Capital Co., Ltd.	3	Payables - accounts payable	134,000	Note 4	0.01%
10	Union Venture Capital Co., Ltd.	Hao Tian Electric Power Inc.	3	Accounts receivable - accounts receivable	136,000	Note 4	0.01%
13	Hao Tian Electric Power Inc.	Union Venture Capital Co., Ltd.	3	Payables - accounts payable	136,000	Note 4	0.01%
10	Union Venture Capital Co., Ltd.	Na He Yi Hau Electric Power Inc.	3	Accounts receivable - accounts receivable	160,000	Note 4	0.02%
14	Na He Yi Hau Electric Power Inc.	Union Venture Capital Co., Ltd.	3	Payables - accounts payable	160,000	Note 4	0.02%
10	Union Venture Capital Co., Ltd.	Ting Jie Electric Power Inc.	3	Accounts receivable - accounts receivable	310,000	Note 4	0.03%
15	Ting Jie Electric Power Inc.	Union Venture Capital Co., Ltd.	3	Payables - accounts payable	310,000	Note 4	0.03%

Note 1: The transacting corporation is identified in the No. column as follows:

1. 0 for parent company.
2. Sequentially from 1 for subsidiaries.

Note 2: There are three types of relationships with counterparties; just indicate the type:

1. From parent company to subsidiary.
2. From subsidiary to parent company.
3. Between subsidiaries

Note 3: for the calculation of the ratio transaction amounts to the consolidated net income or total assets, in case of the asset/liability account, the calculation is the ratio of the ending balance to the consolidated total assets; for the profit and loss, the calculation is the ratio of the interim accumulated amount to the consolidated net income.

Note 4: Equivalent to the unrelated parties

Note 5: Referring to transactions exceeding NT\$5 million.

Union Bank of Taiwan Co., Ltd. and Subsidiaries
Information of Major Shareholders
June 30, 2025

Table 8

Unit: Shares

Name of Major Shareholder	Shares			Shareholding ratio
	Number of shares			
	Common stock	Preference shares	Total shares	
Tsong-Li Investment Co., Ltd.	320,023,220	-	320,023,220	7.52%

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of common stock and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.