

Union Bank of Taiwan Co., Ltd.  
and Subsidiaries

Consolidated Financial Statements  
and the Independent Auditors'  
Review Report

The Third Quarter, 2025 and 2024

Address: 1F and 2F, No.109, Sec. 3, Minsheng E. Rd., Songshan District, Taipei City  
Tel: (02)2718-0001

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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 September 30, 2025 and 2024, and July 1 to September 30, 2025 and 2024, as well as the consolidated statements of comprehensive income, changes in equity and cash flows for January 1 to September 30, 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 Statement," 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 September 30, 2025 and 2024, and its consolidated financial performance for the periods July 1 to September 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the periods January 1 to September 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.

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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November 12, 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

September 30, 2025, December 31 and September 30, 2024

Unit: NTD thousand

Code	Asset	September 30, 2025		December 31 2024		September 30, 2024	
		Amount	%	Amount	%	Amount	%
11000	CASH AND CASH EQUIVALENTS (Note VI)	\$ 8,213,879	1	\$ 10,828,862	1	\$ 8,540,566	1
11500	DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Notes VII and XLVII)	42,353,978	4	41,848,692	4	37,525,619	4
12000	FINANCIAL ASSETS MEASURED AT FVTPL (Note VIII)	80,214,577	8	56,021,935	6	53,250,878	5
12100	FINANCIAL ASSETS MEASURED AT FVTOCI (Note V, IX, and XI)	66,501,070	6	62,897,886	6	62,184,911	6
12200	INVESTMENT OF DEBT INSTRUMENT MEASURED AT AMORTIZED COSTS (Note V, X, and XI)	77,772,733	7	81,725,126	8	80,557,817	8
12500	SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL (Note XII)	59,563,995	6	59,118,321	6	57,328,787	6
13000	RECEIVABLES, NET (Notes V, XIII and XV)	49,233,439	5	40,464,033	4	46,073,819	5
13200	CURRENT TAX ASSETS	702,668	-	8,019	-	680,857	-
13500	DISCOUNTS AND LOANS, NET (Notes V, XIV, XV and XLVII)	623,168,360	60	606,021,210	61	598,876,077	61
15000	INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET (Note XVII)	445,892	-	360,711	-	376,944	-
15500	OTHER FINANCIAL ASSETS, NET (Notes XVIII, XLVII and XLVIII)	1,643,033	-	1,562,805	-	1,560,561	-
18500	PROPERTY AND EQUIPMENT, NET (Note XIX)	16,623,624	2	16,106,731	2	16,023,851	2
18600	RIGHT-OF-USE ASSETS, NET (Note XX)	2,140,511	-	1,745,478	-	1,862,273	-
18700	INVESTMENT PROPERTIES, NET (Notes XXI, XXXI, XLVII and XLVIII)	4,495,530	-	4,563,187	1	4,682,927	1
19007	GOODWILL (Note XXII)	1,985,307	-	1,985,307	-	1,985,307	-
19009	COMPUTER SOFTWARE	167,882	-	214,722	-	192,145	-
19300	DEFERRED TAX ASSETS (Notes IV)	874,070	-	759,038	-	443,139	-
19500	OTHER ASSETS, NET (Notes XXIII and XLVII)	9,712,337	1	9,225,403	1	8,892,845	1
10000	TOTAL	\$ 1,045,812,885	100	\$ 995,457,466	100	\$ 981,039,323	100
Code	LIABILITIES AND EQUITY						
	Liabilities						
21000	DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS (Note XXIV)	\$ 12,276,563	1	\$ 15,232,374	2	\$ 12,382,702	1
21500	DUE TO THE CENTRAL BANK AND OTHER BANKS (Notes XXV and XXX)	1,530,200	-	1,405,281	-	1,500,776	-
22000	FINANCIAL LIABILITIES MEASURED AT FVTPL (Note VIII)	279,812	-	468,953	-	872,936	-
22500	SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE (Note XXVI)	77,027,548	8	58,563,701	6	64,131,424	7
23000	PAYABLES (Note XXVII)	11,499,987	1	8,504,262	1	11,329,101	1
23200	CURRENT TAX LIABILITIES	909,592	-	209,587	-	623,291	-
23500	DEPOSITS AND REMITTANCES (Notes XXVIII and XLVII)	827,761,751	79	803,449,537	81	785,542,848	80
24000	FINANCIAL BONDS PAYABLE (Note XXIX)	6,000,000	1	5,000,000	1	5,000,000	1
24100	CORPORATE BONDS PAYABLE (Notes XXX)	867,589	-	885,881	-	940,661	-
24500	PREFERENCE SHARES LIABILITIES (Note XXXI)	375,000	-	375,000	-	375,000	-
25500	OTHER FINANCIAL LIABILITIES (Note XXXII)	13,772,163	1	13,244,765	1	12,688,367	1
25600	LIABILITY PROVISIONS (Notes V and XXXIII)	524,696	-	510,926	-	484,412	-
26000	LEASE LIABILITIES (Notes XX and XLVII)	2,141,167	-	1,747,230	-	1,858,263	-
29300	DEFERRED TAX LIABILITIES (Note IV)	2,579,989	-	2,749,178	-	2,082,492	-
29500	OTHER LIABILITIES (Notes XXI and XXXV)	3,708,185	1	3,658,193	-	3,811,634	1
20000	Total liabilities	961,254,242	92	916,004,868	92	903,623,907	92
	EQUITY ATTRIBUTABLE TO OWNERS OF PARENT						
	Share capital						
31101	Share capital of common shares	43,405,518	4	40,500,729	4	40,500,729	4
31103	Share capital of preference shares	2,000,000	-	2,000,000	-	2,000,000	-
31100	Total share capital	45,405,518	4	42,500,729	4	42,500,729	4
31500	Capital reserve	8,236,992	1	8,168,291	1	8,168,291	1
	Retained earnings						
32001	Legal reserve	14,988,987	1	12,972,292	1	12,972,292	1
32003	Special surplus reserve	627,440	-	627,440	-	627,440	-
32011	Undistributed earnings	4,846,773	1	7,108,802	1	5,103,479	1
32000	Total retained earnings	20,463,200	2	20,708,534	2	18,703,211	2
32500	Other equity	8,360,184	1	5,857,262	1	5,822,537	1
31000	Total equity attributable to owners of the parent	82,465,894	8	77,234,816	8	75,194,768	8
38000	Non-controlling interests	2,092,749	-	2,217,782	-	2,220,648	-
30000	Total equity	84,558,643	8	79,452,598	8	77,415,416	8
	TOTAL	\$ 1,045,812,885	100	\$ 995,457,466	100	\$ 981,039,323	100

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

Chairperson: Lin Hung-Lian;

Manager: Hsu Wei-Wen;

Accounting Officer: Chen Hung-Ming

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

## Consolidated Statement of Comprehensive Income

July 1 to September 30, 2025 and 2024, and January 1 to September 30, 2025 and 2024

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

Code	NET INTEREST INCOME (Notes XXXVII and XLVII)	July 1 to September 30, 2025		July 1 to September 30, 2024		January 1 to September 30, 2025		January 1 to September 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
41000	Interest income	\$ 6,003,816	107	\$ 5,706,735	110	\$ 17,728,571	116	\$ 16,393,710	106
51000	Interest expense	3,574,391	64	3,561,379	69	10,753,630	70	10,332,454	67
49010	Total net interest income	2,429,425	43	2,145,356	41	6,974,941	46	6,061,256	39
	Net income other than interest								
49100	Commissions and fee revenue, net (Notes XXXVIII and XLVII)	1,000,586	18	1,014,749	20	3,035,236	20	2,902,753	19
49200	Gain on financial assets and liabilities at FVTPL (Note XXXIX)	5,382,714	96	( 458,590 )	( 9 )	2,605,986	17	3,578,286	23
49310	Realized gain on financial assets at FVTOCI (Note XL)	231,915	4	202,316	4	432,116	3	375,028	2
49750	Share of gain/loss of affiliates adopted the equity method (Notes XVII)	( 9,210 )	-	( 10,300 )	-	( 27,692 )	-	500,434	3
49600	Net foreign exchange profit or loss	( 4,252,227 )	( 76 )	1,529,842	30	( 42,832 )	( 1 )	( 362,270 )	( 2 )
49700	Reversal of impairment profit (impairment loss) on assets (Note XLI)	14,154	-	( 26,434 )	( 1 )	124,882	1	( 79,482 )	-
49831	Securities brokerage fee revenue, net	106,554	2	106,155	2	264,798	2	299,302	2
49851	Lease income	568,543	10	540,406	10	1,688,279	11	1,642,101	11
49899	Other noninterest gains, net	136,451	3	129,646	3	218,424	1	464,705	3
49020	Total net income excluding interest	3,179,480	57	3,027,790	59	8,299,197	54	9,320,857	61
4xxxx	Net income	5,608,905	100	5,173,146	100	15,274,138	100	15,382,113	100
58200	Allowance for doubtful accounts - provision for losses on commitments and guarantees (Note V and XV)	393,078	7	327,954	7	617,107	4	722,239	5
	Operating expenses								
58500	Employee benefit expense (Notes XXXIV and XLII)	1,309,177	23	1,270,519	25	3,955,527	26	4,201,561	27
59000	Depreciation and amortization (Notes XX and XLIII)	694,556	13	699,118	13	2,091,956	14	2,105,576	14
59500	Other operating and management expenses (Notes XLIV and XLVII)	1,127,432	20	1,079,633	21	3,287,544	21	3,351,426	22
58400	Total operating expenses	3,131,165	56	3,049,270	59	9,335,027	61	9,658,563	63
61001	Net profit before tax	2,084,662	37	1,795,922	34	5,322,004	35	5,001,311	32
61003	INCOME TAX EXPENSE (Note XLV)	263,063	5	270,279	5	860,029	6	689,811	4
64000	CONSOLIDATED NET INCOME	1,821,599	32	1,525,643	29	4,461,975	29	4,311,500	28

(continued at next page)

(Cont')

Code	Description	July 1 to September 30, 2025		July 1 to September 30, 2024		January 1 to September 30, 2025		January 1 to September 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
	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	\$ 287,020	5	\$ 124,654	2	\$ 1,946,768	13	\$ 2,661,766	18
65220	Income tax relating to items that will not be reclassified subsequently to profit or loss (Note XLV)	11,235	1	( 11,002 )	-	( 5,290 )	-	( 132,641 )	( 1 )
65300	Items that may be reclassified subsequently to profit or loss:								
65301	Exchange difference from translating the financial statements of overseas operations	272,534	5	( 202,589 )	( 4 )	( 1,216,218 )	( 8 )	500,824	3
65308	Gain/loss of the debt instruments measured at fair value through other comprehensive income	409,951	7	1,176,251	23	1,587,616	10	688,779	5
65320	Income tax relating to items that may be reclassified subsequently to profit or loss (Note XLV)	( 54,507 )	( 1 )	40,518	1	245,580	2	( 100,165 )	( 1 )
65000	Other comprehensive income for the period (net of tax)	926,233	17	1,127,832	22	2,558,456	17	3,618,563	24
66000	<b>TOTAL COMPREHENSIVE INCOME</b>	<b>\$ 2,747,832</b>	<b>49</b>	<b>\$ 2,653,475</b>	<b>51</b>	<b>\$ 7,020,431</b>	<b>46</b>	<b>\$ 7,930,063</b>	<b>52</b>
	NET INCOME ATTRIBUTABLE TO:								
67101	Owners of the parent	\$ 1,821,818	32	\$ 1,525,192	29	\$ 4,477,852	29	\$ 4,301,395	28
67111	Non-controlling interests	( 219 )	-	451	-	( 15,877 )	-	10,105	-
67100		<u>\$ 1,821,599</u>	<u>32</u>	<u>\$ 1,525,643</u>	<u>29</u>	<u>\$ 4,461,975</u>	<u>29</u>	<u>\$ 4,311,500</u>	<u>28</u>
	COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
67301	Owners of the parent	\$ 2,748,049	49	\$ 2,653,022	51	\$ 7,036,289	46	\$ 7,919,955	52
67311	Non-controlling interests	( 217 )	-	453	-	( 15,858 )	-	10,108	-
67300		<u>\$ 2,747,832</u>	<u>49</u>	<u>\$ 2,653,475</u>	<u>51</u>	<u>\$ 7,020,431</u>	<u>46</u>	<u>\$ 7,930,063</u>	<u>52</u>
	EARNINGS PER SHARE (Note XLVI)								
67500	Basic earnings per share	\$ 0.42		\$ 0.35		\$ 0.91		\$ 0.87	
67700	Diluted earnings per share	\$ 0.42		\$ 0.35		\$ 0.91		\$ 0.87	

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

Chairperson: Lin Hung-Lian;

Manager: Hsu Wei-Wen;

Accounting Officer: Chen Hung-Ming

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

## Consolidated Statement of Changes in Equity

January 1 to September 30, 2025 and 2024

Unit: NTD thousand

Code		Equity Attributable Owners of the Company										Other Equity (Note XXXVI)			Non-controlling interests		
		Share capital (Note XXXVI and XLII)			Capital reserve			Retained earnings (Note XXXVI)			Exchange difference from translating the financial statements of overseas operations		Unrealized gain (loss) on financial assets at FVTOCI		(Notes XXX and XXXVI)	Total	
		Share capital of common shares	Share capital of preference shares	Total	(Note XXXVI)	Legal reserve	Special surplus reserve	Undistributed earnings	Total	( \$ )	609,272	\$ 3,228,847	Total	\$ 2,619,575	\$ 68,433,952	\$ 2,208,503	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 )	-	-	-	-	-	-	-	-	-	
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 from January 1 to September 30, 2024	-	-	-	-	-	-	4,301,395	4,301,395	-	-	-	-	4,301,395	10,105	4,311,500	
D3	Other comprehensive income after tax from January 1 to September 30, 2024	-	-	-	-	-	-	-	-	400,659	3,217,901	3,618,560	3,618,560	-	3	3,618,563	
D5	Total comprehensive income, January 1 to September 30, 2024	-	-	-	-	-	-	4,301,395	4,301,395	400,659	3,217,901	3,618,560	3,618,560	7,919,955	10,108	7,930,063	
N1	Share-based payment transaction	65,937	-	65,937	30,990	-	-	-	-	-	-	-	-	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	-	-	-	-	-	-	415,598	415,598	-	( 415,598 )	( 415,598 )	-	-	-	-	
Z1	Balance on September 30, 2024	\$ 40,500,729	\$ 2,000,000	\$ 42,500,729	\$ 8,168,291	\$ 12,972,292	\$ 627,440	\$ 5,103,479	\$ 18,703,211	( \$ 208,613 )	\$ 6,031,150	\$ 5,822,537	\$ 75,194,768	\$ 2,220,648	\$ 77,415,416		
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 September 30, 2025	-	-	-	-	-	-	4,477,852	4,477,852	-	-	-	4,477,852	( 15,877 )	4,461,975		
D3	Other comprehensive income after tax, January 1 to September 30, 2025	-	-	-	-	-	-	-	-	( 970,638 )	3,529,075	2,558,437	2,558,437	19	2,558,456		
D5	Total comprehensive income, January 1 to September 30, 2025	-	-	-	-	-	-	4,477,852	4,477,852	( 970,638 )	3,529,075	2,558,437	2,558,437	7,036,289	( 15,858 )	7,020,431	
N1	Share-based payment transaction	69,738	-	69,738	44,981	-	-	-	-	-	-	-	114,719	-	114,719		
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	( 109,175 )	( 109,175 )		
Q1	Disposal of the equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	55,515	55,515	-	( 55,515 )	( 55,515 )	-	-	-	-	
Z1	Balance at September 30, 2025	\$ 43,405,518	\$ 2,000,000	\$ 45,405,518	\$ 8,236,992	\$ 14,988,987	\$ 627,440	\$ 4,846,773	\$ 20,463,200	( \$ 827,481 )	\$ 9,187,665	\$ 8,360,184	\$ 82,465,894	\$ 2,092,749	\$ 84,558,643		

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

Chairperson: Lin Hung-Lian;

Manager: Hsu Wei-Wen;

Accounting Officer: Chen Hung-Ming

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

Unit: NTD thousand

Code		January 1 to September 30, 2025	January 1 to September 30, 2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
A10000	Current net income before income tax	\$ 5,322,004	\$ 5,001,311
	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	2,015,213	2,033,428
A20200	Amortization expense	76,743	72,148
A20300	Expected credit losses/provision of allowance for doubtful accounts	617,107	722,239
A20400	Net gain on financial assets and liabilities measured at fair value through profit or loss	( 2,559,174 )	( 3,529,748 )
A20900	Interest expense	10,753,630	10,332,454
A21200	Interest income	( 17,728,571 )	( 16,393,710 )
A21300	Dividend incomes	( 469,223 )	( 423,566 )
A22300	Share of losses (profit) on affiliated companies accounted for using the equity method	27,692	( 500,434 )
A22500	Gain on disposal and scrap of properties and equipment	( 6,348 )	( 40,964 )
A23100	Gain on disposal of investments	( 9,705 )	-
A23500	Impairment loss on financial assets	12,740	84,208
A23600	Reversal of impairment loss on financial assets	( 137,622 )	( 4,726 )
	Changes in operating assets and liabilities, net		
A41110	Due from the Central Bank and call loans to banks	( 505,286 )	( 5,751,868 )
A41120	Financial Assets Measured at Fair Value Through Profit or Loss	( 19,731,789 )	4,869,588
A41123	Financial Assets Measured at Fair Value Through Other Comprehensive Income	121,943	1,645,105
A41125	Investment of debt instrument measured at amortized costs	3,877,561	1,030,512
A41150	Accounts receivable	( 8,731,232 )	( 8,271,454 )
A41160	Discounts and loans	( 17,698,972 )	( 35,347,372 )
A41190	Other financial assets	( 45,428 )	299,927
A42110	Deposits from the Central Bank and Peers	( 2,955,811 )	( 461,527 )
A42120	Financial liabilities measured at fair value through profit or loss	( 2,090,820 )	( 2,686,250 )
A42140	Liabilities of notes under repurchase agreement and bonds	18,463,847	3,052,229

(continued at next page)

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Code		January 1 to September 30, 2025	January 1 to September 30, 2024
A42150	Accounts payable	\$ 2,620,288	\$ 1,593,867
A42160	Deposits and remittances	24,312,214	29,380,189
A42170	Other financial liabilities	146,856	65,894
A42180	Reserve for the liability of employees' benefit	( 369 )	( 304 )
A42990	Other liability reserves	( 29,810 )	( 29,762 )
A33000	Cash outflow generated from operations	( 4,332,322 )	( 13,199,062 )
A33100	Interest received	17,677,959	16,366,061
A33200	Dividends received	469,223	423,566
A33300	Interest paid	( 10,184,377 )	( 9,652,568 )
A33500	Income tax paid	( 898,604 )	( 891,953 )
AAAA	Cash inflow (outflow) from operating activities, net	<u>2,731,879</u>	<u>( 6,953,956 )</u>

**CASH FLOWS FROM INVESTING  
ACTIVITIES**

B01800	Investments accounted for using the equity method	( 89,154 )	-
B02700	Acquisition of properties and equipment	( 1,309,551 )	( 1,133,716 )
B02800	Disposal of properties and equipment	83	297
B05400	Acquisition of investment properties	( 2,570 )	( 2,052 )
B03600	Decrease in settlement fund	748	1,754
B03700	Increase in refundable deposits	( 475,951 )	-
B03800	Decrease in refundable deposits	-	684,411
B04500	Acquisition of intangible assets	( 29,903 )	( 88,188 )
B06700	Increase in other assets	( 1,138,665 )	( 1,208,288 )
B06800	Decrease in other assets	<u>328,266</u>	<u>44,158</u>
BBBB	Cash outflow from investment activities, net	( 2,716,697 )	( 1,701,624 )

**CASH FLOWS FROM FINANCING  
ACTIVITIES**

C00300	Increase in due to Central Bank and other banks	131,275	92,748
C00700	Increase in commercial paper payable	380,542	1,208,166
C01200	Issuance of corporate bonds	447,052	-
C01300	Repayment of corporate bonds payable	( 421,498 )	( 7,332 )
C01400	Proceeds from issuance of financial bonds	1,000,000	-
C03000	Increase in guarantee deposits	27,787	-
C03100	Decrease in guarantee deposits	-	( 13,642 )
C04020	Repayment of lease liability principals	( 385,559 )	( 381,204 )
C04300	Increase in other liabilities	11,627	174,416
C04500	Cash dividends payable	( 1,943,650 )	( 1,267,635 )

(continued at next page)

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Code		January 1 to September 30, 2025	January 1 to September 30, 2024
C05600	Dividends paid	(\$ 7,175)	(\$ 7,963)
C05800	Change in non-controlling interests	( 102,000)	10,000
CCCC	Cash outflow from financing activities, net	( 861,599)	( 192,446)
DDDD	Effects of exchange rate changes on cash and cash equivalents	( 1,322,892)	462,945
EEEE	Decrease in cash and cash equivalents of the period	( 2,169,309)	( 8,385,081)
E00100	Cash and cash equivalents at the beginning of the period	69,947,183	74,254,434
E00200	Balance of cash and cash equivalents at the end of the period	\$ 67,777,874	\$ 65,869,353

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

Code		September 30, 2025	September 30, 2024
E00210	Cash and cash equivalents in the consolidated balance sheets	\$ 8,213,879	\$ 8,540,566
E00230	Investments of notes under reverse repurchase agreement and bonds that meet the definition of cash and cash equivalents in IAS 7 "Cash Flow Statements"	59,563,995	57,328,787
E00200	Balance of cash and cash equivalents at the end of the period	\$ 67,777,874	\$ 65,869,353

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

Chairperson: Lin Hung-Lian; Manager: Hsu Wei-Wen; Accounting Officer: Chen Hung-Ming

Union Bank of Taiwan Co., Ltd. and Subsidiaries  
Notes of Consolidated Financial Statements  
January 1 to September 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.

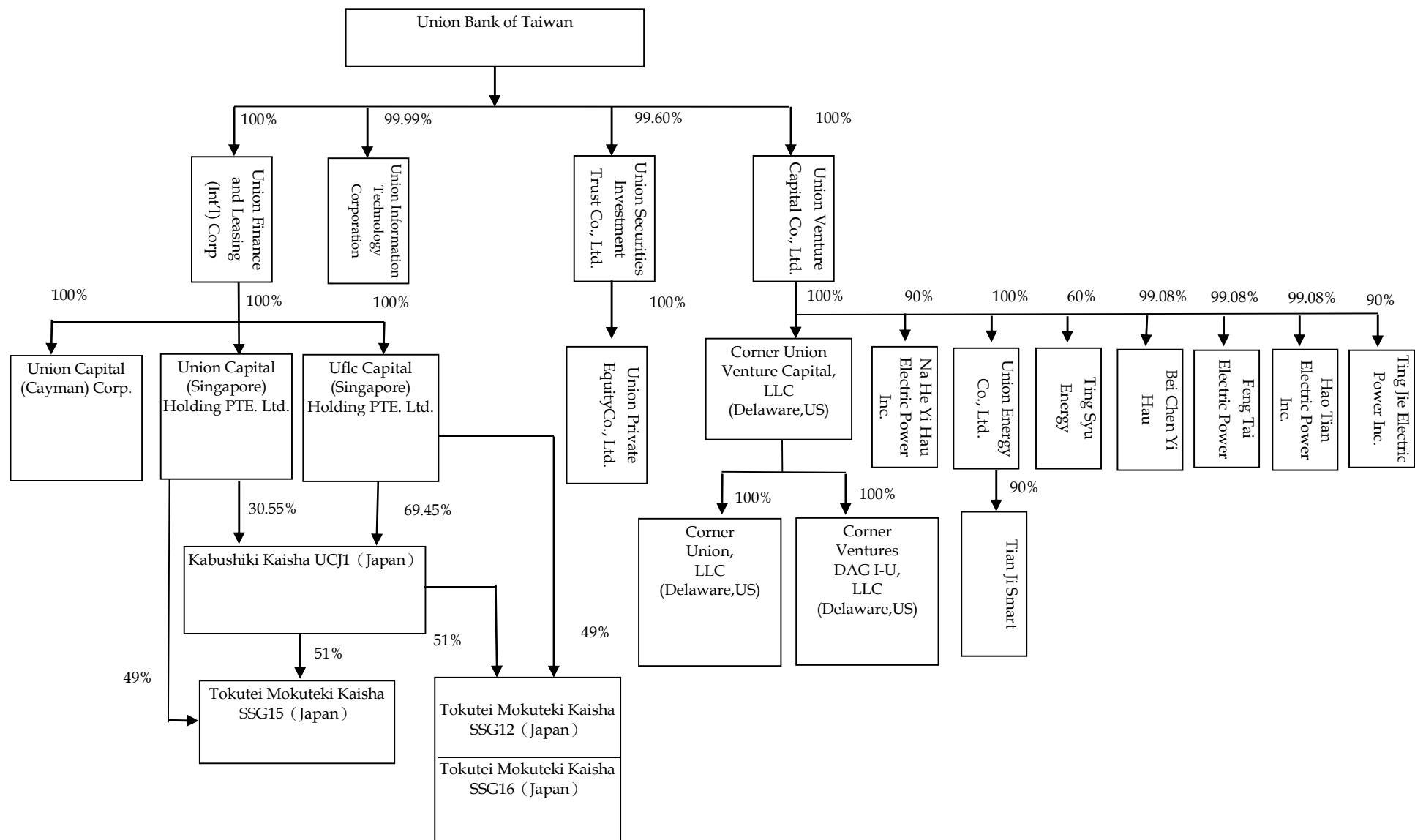
The Bank merged with Union Bills Finance Corporation (UBF) on August 16, 2010, with the Bank as the surviving entity.

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 September 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 September 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 November 10, 2025

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

- (I) Initial application of 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

**Standards Recently Published / Amended/ Applications  
of the Interpretations**

Effective dates issued by  
IASB

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 Relating to Nature-dependent Electricity"	January 1, 2026
"IFRS accounting standards Annual Improvements - Volume 11"	January 1, 2026
IFRS 17 "Insurance Contracts" (including amendments in 2020 and 2021)	January 1st, 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:

1. 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.
- (2) 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.
- (3) 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 1)
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 (Note 2)
IFRS 19 "Subsidiaries with No Public Responsibility: Disclosures"	January 1, 2027

Note 1: 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.

Note 2: On September 25, 2025, the FSC announced that Taiwanese companies will be required to adopt IFRS 18 starting January 1, 2028, and may choose to adopt it earlier with FSC approval.

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 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

	September 30, 2025	December 31 2024	September 30, 2024
Cash on hand	\$ 4,958,646	\$ 7,057,827	\$ 4,606,838
Checks for clearing	900,008	1,316,427	925,901
Due from banks	<u>2,355,225</u>	<u>2,454,608</u>	<u>3,007,827</u>
	<u>\$ 8,213,879</u>	<u>\$ 10,828,862</u>	<u>\$ 8,540,566</u>

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

	September 30, 2025	December 31 2024	September 30, 2024
Deposit reserve - checking account	\$ 15,338,573	\$ 16,175,820	\$ 13,124,272
Required deposit reserve	26,893,529	25,551,582	24,284,238
Deposit reserve - foreign-currency deposits	<u>121,876</u>	<u>121,290</u>	<u>117,109</u>
	<u>\$ 42,353,978</u>	<u>\$ 41,848,692</u>	<u>\$ 37,525,619</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 Instruments Measured at Fair Value Through Profit or Loss

	September 30, 2025	December 31 2024	September 30, 2024
<u>Financial assets mandatorily measured at fair value</u>			
Commercial paper	\$ 68,744,073	\$ 44,253,476	\$ 45,079,805
Overseas government bonds	6,945,458	6,884,346	4,321,706
Domestic listed shares	1,488,265	1,242,068	1,493,782
Funds and beneficiary certificates	1,482,854	2,037,132	1,866,666
Domestic corporate bonds	65,940	-	-
Future exchange margins - self owned	61,488	66,095	63,728
Asset-backed securities	13,501	15,892	16,920
Overseas unlisted preferential shares	<u>11,778</u>	<u>23,949</u>	<u>23,123</u>
Subtotal	<u>78,813,357</u>	<u>54,522,958</u>	<u>52,865,730</u>
Derivative financial products			
Currency swap contracts	873,628	1,325,915	230,703
Asset exchange for convertible bonds	300,518	-	-
Option contracts	180,836	114,242	109,229
Foreign exchange forward contracts	<u>46,238</u>	<u>58,820</u>	<u>45,216</u>
Subtotal	<u>1,401,220</u>	<u>1,498,977</u>	<u>385,148</u>
	<u>\$ 80,214,577</u>	<u>\$ 56,021,935</u>	<u>\$ 53,250,878</u>
<u>Financial liabilities held for trading</u>			
Derivative financial products			
Option contracts	\$ 180,332	\$ 114,268	\$ 108,006
Foreign exchange forward contracts	10,021	21,530	2,064
Currency swap contracts	<u>89,459</u>	<u>333,155</u>	<u>762,866</u>
	<u>\$ 279,812</u>	<u>\$ 468,953</u>	<u>\$ 872,936</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 September 30, 2025, December 31 and September 30, 2024 are as follows:

	Contract amount		
	September 30, 2025	December 31 2024	September 30, 2024
	\$ 72,728,226	\$ 85,854,435	\$ 89,125,419
Currency swap contracts			
Foreign exchange forward contracts	820,534	1,029,327	1,263,616
Asset exchange for convertible bonds	300,000	-	-
Option contracts			
Call options	5,756,209	5,697,638	4,818,094
Put options	5,756,209	5,697,638	4,818,094

As of September 30, 2025, December 31 and September 30, 2024, financial assets at fair value through profit and loss in the amounts of NT\$45,009,836 thousand, NT\$23,480,327 thousand and NT\$28,629,558 thousand, respectively, were sold under repurchase agreements.

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

	September 30, 2025	December 31 2024	September 30, 2024
Investments of the equity instruments measured at fair value through other comprehensive income			
Domestic listed shares	\$ 11,224,423	\$ 7,084,331	\$ 7,041,309
Overseas listed shares	9,735,925	9,709,474	8,181,337
Unlisted shares, domestic and overseas	<u>2,962,267</u>	<u>2,759,825</u>	<u>5,297,258</u>
Subtotal	<u>23,922,615</u>	<u>19,553,630</u>	<u>20,519,904</u>
Investments of the debt instruments measured at fair value through other comprehensive income			
Overseas government bonds	22,013,983	17,659,018	14,814,915
Overseas corporate bonds	12,906,177	16,140,375	16,624,020
Domestic corporate bonds	3,769,627	4,065,252	4,778,340
Domestic government bonds	<u>2,818,945</u>	<u>2,890,073</u>	<u>2,896,171</u>
Overseas financial bonds	769,307	2,289,785	2,551,561
Domestic financial bonds	<u>300,416</u>	<u>299,753</u>	<u>-</u>
Subtotal	<u>42,578,455</u>	<u>43,344,256</u>	<u>41,665,007</u>
	<u>\$ 66,501,070</u>	<u>\$ 62,897,886</u>	<u>\$ 62,184,911</u>

Details of the Company's investments in foreign and domestic unlisted shares as of September 30, 2025 are as follows:

	September 30, 2025	December 31 2024	September 30, 2024
LINE Pay Taiwan Limited	\$ -	\$ -	\$ 2,593,239
Taiwan Futures Exchange	670,962	640,752	621,428
LINE Bank Taiwan Limited	720,116	510,815	518,603
Financial Information Service Co., Ltd.	503,802	502,047	475,100
RFD Micro Electricity Co., Ltd.	279,723	391,443	459,564
Modernity Financial Holdings, Ltd.	150,747	68,631	47,202
Others	<u>636,917</u>	<u>646,137</u>	<u>582,122</u>
	<u><u>\$ 2,962,267</u></u>	<u><u>\$ 2,759,825</u></u>	<u><u>\$ 5,297,258</u></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, 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.

Union Bank of Taiwan's Board of Directors approved an investment in 5,357 thousand shares, representing approximately a 9.67% stake, of Modernity Financial Holdings, Ltd., a company incorporated in the British Cayman Islands, for a total of US\$27,817 thousand on August 25, 2025. In addition to external purchases, the shares currently held by Union Venture Capital ("UVC") are also expected to be transferred in full to Federal Bank, to ensure regulatory compliance and adjust the Company's group investment structure. The aforementioned investment is subject to approval by the competent authorities.

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 September 30, 2025 and 2024. The fair value of the sale was NT\$578,680 thousand and NT\$1,988,537 thousand, respectively. Meanwhile, the unrealized valuation gains of NT\$55,515 thousand and gains of NT\$415,598 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 September 30, 2025 and 2024 was NT\$422,411 thousand and NT\$375,028 thousand, respectively. As of September 30, 2025 and 2024, the amounts still held were NT\$418,741 thousand and NT\$366,828 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\$17,616,203 thousand, NT\$19,831,849 thousand and NT\$20,391,419 thousand of its financial assets at FVTOCI under a repurchase agreement on September 30, 2025, December 31 and September 30, 2024, respectively.

X. Investment of debt instrument measured at amortized costs

	September 30, 2025	December 31 2024	September 30, 2024
Negotiable certificates of deposit	\$ 42,900,000	\$ 42,900,000	\$ 42,900,000
Debt instruments			
Domestic government bonds	4,656,937	6,431,769	6,461,457
Asset-backed securities	30,215,796	32,393,357	31,196,360
Subtotal	34,872,733	38,825,126	37,657,817
	\$ 77,772,733	\$ 81,725,126	\$ 80,557,817

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\$29,284,731 thousand, NT\$28,866,742 thousand and NT\$26,678,354 thousand as of September 30, 2025, December 31 and September 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:

	September 30, 2025		
	At fair value through other comprehensive income	At amortized costs	
			Total
Total carrying amount	\$ 47,842,683	\$ 35,116,838	\$ 82,959,521
Loss allowance	( 1,392,044 )	( 244,105 )	( 1,636,149 )
Fair value adjustment	( 3,872,184 )	-	( 3,872,184 )
	\$ 42,578,455	\$ 34,872,733	\$ 77,451,188

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>

September 30, 2024

	At fair value through other comprehensive income	At amortized costs	Total
Total carrying amount	\$ 47,878,616	\$ 37,911,392	\$ 85,790,008
Loss allowance	( 1,576,240 )	( 253,575 )	( 1,829,815 )
Fair value adjustment	( 4,637,369 )	—	( 4,637,369 )
	<u>\$ 41,665,007</u>	<u>\$ 37,657,817</u>	<u>\$ 79,322,824</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	September 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%	\$ 76,490,008
Significant increase in credit risk	Credit risk has increased significantly since initial recognition	Lifetime expected credit losses (no credit impairment)	0.32%~0.36%	415,881
Default	Evidence of impairment at the reporting date	Lifetime expected credit losses (with credit impairment)	18.85%~50.00%	545,299

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

					September 30, 2024
					Carrying amount (Including Premiums and Discounts)
Credit Risk	Ratings	Terms and definitions	ECL Recognition Basis	Expected Credit Loss Rate	
Low credit risk	Low credit risk	Low credit risk at the reporting date	12-month expected credit losses	0%~0.22%	\$ 78,548,792
Significant increase in credit risk		Credit risk has increased significantly since initial recognition	Lifetime expected credit losses (no credit impairment)	0.40%~0.44%	308,395
Default		Evidence of impairment at the reporting date	Lifetime expected credit losses (with credit impairment)	40.92%~50.00%	465,637

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		
	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, 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	158	( 158 )	-
- Significant increase in credit risk to default	-	-	-
New debt instruments purchased	25	-	-
Derecognition	( 867 )	-	-
Changes in risk or model parameters	( 9,081 )	( 598 )	( 114,360 )
Exchange rate and other changes	( 12,564 )	( 238 )	( 113,237 )
Loss allowance on September 30, 2025	<u>\$ 255,666</u>	<u>\$ 2,539</u>	<u>\$ 1,377,945</u>

	Credit Rating		
	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)	
Low credit risk (12-month expected credit losses)			
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	-	-	-
- Significant increase in credit risk to low credit risk	-	-	-
- Significant increase in credit risk to default	-	-	-
New debt instruments purchased	169	-	-
Derecognition	( 11,843 )	-	-
Changes in risk or model parameters	2,605	391	88,160
Exchange rate and other changes	<u>7,982</u>	<u>53</u>	<u>42,518</u>
Loss allowance on September 30, 2024	<u>\$ 270,291</u>	<u>\$ 2,223</u>	<u>\$ 1,557,301</u>

**XII. Securities Purchased Under Agreements to Resell**

	September 30, 2025	December 31 2024	September 30, 2024
Commercial paper	\$ 38,836,442	\$ 31,312,980	\$ 33,780,001
Corporate bonds	20,727,553	23,800,079	22,459,786
Negotiable certificates of deposits	-	4,005,262	1,089,000
	<u>\$ 59,563,995</u>	<u>\$ 59,118,321</u>	<u>\$ 57,328,787</u>
Maturity date	October 2025	January 2025	October 2024
Proceeds agreed for resale	<u>\$ 59,605,603</u>	<u>\$ 59,159,820</u>	<u>\$ 57,371,091</u>

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

XIII. Receivables, Net

	September 30, 2025	December 31 2024	September 30, 2024
Credit card receivables	\$ 31,499,310	\$ 24,999,598	\$ 25,239,400
Notes and accounts receivable	9,223,611	8,340,979	7,879,646
Interbank clearing fund receivable	3,172,600	3,021,822	8,026,614
Collections receivable	2,463,803	1,205,517	1,906,315
Interest receivable	2,031,087	1,932,514	1,840,576
Others	<u>1,217,625</u>	<u>1,330,177</u>	<u>1,536,707</u>
	49,608,036	40,830,607	46,429,258
Less: Allowance for doubtful accounts	<u>374,597</u>	<u>366,574</u>	<u>355,439</u>
Net	<u><u>\$ 49,233,439</u></u>	<u><u>\$ 40,464,033</u></u>	<u><u>\$ 46,073,819</u></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 September 30, 2025

	12-month expected credit losses	Lifetime expected credit losses	(Credit-impaired Financial Assets)	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	( 71,910 )	( 36,465 )	112,885		4,510
Receivables purchased or originated	17,110,042	169,999	277,177		17,557,218
Write-offs	-	-	( 238,068 )	( 238,068 )	
Derecognition	( 8,287,914 )	( 99,443 )	( 158,874 )	( 8,546,231 )	
Balance at the end of the period	<u>\$ 48,527,653</u>	<u>\$ 195,499</u>	<u>\$ 884,884</u>	<u>\$ 49,608,036</u>	

January 1 to September 30, 2024

	12-month expected credit losses	Lifetime expected credit losses	(Credit-impaired Financial Assets)	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	( 83,314 )	( 50,550 )	133,864		-
Receivables purchased or originated	13,699,438	156,246	314,167		14,169,851
Write-offs	-	-	( 245,204 )	( 245,204 )	
Derecognition	( 5,325,077 )	( 100,443 )	( 160,106 )	( 5,585,626 )	
Balance at the end of the period	<u>\$ 45,388,905</u>	<u>\$ 182,679</u>	<u>\$ 857,674</u>	<u>\$ 46,429,258</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 September 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
<b>Accounts receivable</b>						
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	( 618 )	992	( 374 )	-	-	-
- Transferred to credit-impaired financial assets	( 70,425 )	( 42,652 )	113,077	-	-	-
- Transferred to 12-month ECL	723	( 540 )	( 183 )	-	-	-
- Derecognition of financial assets in the current reporting period	( 18,977 )	( 5,073 )	( 27,290 )	( 51,340 )	-	( 51,340 )
New financial assets purchased or originated	92,981	51,191	149,431	293,603	-	293,603
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	( 4,831 )	( 4,831 )
Write-offs	-	-	( 238,068 )	( 238,068 )	-	( 238,068 )
Recovery of written-off receivables	-	-	193,852	193,852	-	193,852
Change in risk parameters and other changes	( 10 )	20	( 184,972 )	( 184,962 )	-	( 184,962 )
Change in exchange rates	( 231 )	-	( 231 )	-	-	( 231 )
Balance at the end of the period	<u>\$ 153,948</u>	<u>\$ 22,375</u>	<u>\$ 141,671</u>	<u>\$ 317,994</u>	<u>\$ 56,603</u>	<u>\$ 374,597</u>

January 1 to September 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
<b>Accounts receivable</b>						
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	( 526 )	707	( 181 )	-	-	-
- Transferred to credit-impaired financial assets	( 82,490 )	( 54,670 )	137,160	-	-	-
- Transferred to 12-month ECL	553	( 457 )	( 96 )	-	-	-
- Derecognition of financial assets in the current reporting period	( 16,658 )	( 3,995 )	( 23,374 )	( 44,027 )	-	( 44,027 )
New financial assets purchased or originated	129,545	62,314	147,870	339,729	-	339,729
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	9,204	9,204
Write-offs	-	-	( 245,204 )	( 245,204 )	-	( 245,204 )
Recovery of written-off receivables	-	-	246,918	246,918	-	246,918
Change in risk parameters and other changes	( 4,996 )	( 36 )	( 228,089 )	( 233,121 )	-	( 233,121 )
Change in exchange rates	92	-	-	92	-	92
Balance at the end of the period	<u>\$ 150,320</u>	<u>\$ 20,849</u>	<u>\$ 135,803</u>	<u>\$ 306,972</u>	<u>\$ 48,467</u>	<u>\$ 355,439</u>

XIV. Discounts and Loans, Net

	September 30, 2025	December 31 2024	September 30, 2024
Discounts and overdraft	\$ 54,073	\$ 64,654	\$ 63,025
Accounts receivable - financing	71,716	23,270	33,210
Short-term loans	23,069,161	25,371,894	24,582,919
Secured short-term borrowing	142,702,237	135,738,368	131,568,823
Medium-term loans	43,631,268	41,345,714	41,542,956
secured mid-term borrowing	158,019,504	147,764,500	146,061,882
Long-term loans	6,653,691	7,096,380	7,461,251
Secured long-term borrowing	255,624,341	254,910,977	253,560,221
Import and export negotiations	7,746	20,929	2,590
Non-accrual loans from loans	<u>869,562</u>	<u>864,718</u>	<u>1,164,910</u>
Subtotal	630,703,299	613,201,404	606,041,787
Less: Allowance for doubtful accounts	<u>7,534,939</u>	<u>7,180,194</u>	<u>7,165,710</u>
	<u>\$ 623,168,360</u>	<u>\$ 606,021,210</u>	<u>\$ 598,876,077</u>

As of September 30, 2025, December 31 and September 30, 2024, the balances of nonaccrual loans were NT\$869,562 thousand, NT\$864,718 thousand and NT\$1,164,910 thousand, respectively. The unrecognized interest revenues on nonperforming loans were NT\$20,025 thousand and NT\$29,600 thousand during January 1 to September 30, 2025 and 2024. The Company has no credit re-sold without collection during January 1 to September 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 September 30, 2025

	12-month expected credit losses	Lifetime expected credit losses	(Credit-impaired Financial Assets)	Total
Balance at the beginning of the period	\$ 608,055,032	\$ 3,029,721	\$ 2,116,651	\$ 613,201,404
Discount and loans assessed collectively	( 2,796,114)	1,962,093	834,021	-
Discount and loans purchased or originated	231,250,899	1,187,154	178,511	232,616,564
Write-offs	-	-	( 323,607)	( 323,607)
Derecognition	( 213,363,456)	( 888,800)	( 538,806)	( 214,791,062)
Balance at the end of the period	<u>\$ 623,146,361</u>	<u>\$ 5,290,168</u>	<u>\$ 2,266,770</u>	<u>\$ 630,703,299</u>

January 1 to September 30, 2024

	12-month 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	( 1,274,422)	476,494	797,928	-
Discount and loans purchased or originated	249,058,491	529,167	96,574	249,684,232
Write-offs	-	-	( 464,205)	( 464,205)
Derecognition	( 212,975,661)	( 761,674)	( 422,074)	( 214,159,409)
Balance at the end of the period	<u>\$ 600,841,645</u>	<u>\$ 2,955,454</u>	<u>\$ 2,244,688</u>	<u>\$ 606,041,787</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 September 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
<b>Discounts and loans</b>						
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	( 1,634 )	13,559	( 11,925 )	-	-	-
- Transferred to credit-impaired financial assets	( 343 )	( 21,442 )	21,785	-	-	-
- Transferred to 12-month ECL	28,040	( 14,961 )	( 13,079 )	-	-	-
- Derecognition of financial assets in the current reporting period	( 304,578 )	( 43,323 )	( 146,257 )	( 494,158 )	-	( 494,158 )
New financial assets purchased or originated	351,112	206,258	84,603	641,973	-	641,973
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	( 412,566 )	( 412,566 )	
Write-offs	-	-	( 323,607 )	( 323,607 )	-	( 323,607 )
Recovery of written-off receivables	-	-	136,236	136,236	-	136,236
Change in risk parameters and other changes	31,285	339,791	445,312	816,388	-	816,388
Change in exchange rate	( 9,521 )	-	-	( 9,521 )	-	( 9,521 )
Balance at the end of the period	<u>\$ 599,331</u>	<u>\$ 626,976</u>	<u>\$ 664,976</u>	<u>\$ 1,891,283</u>	<u>\$ 5,643,656</u>	<u>\$ 7,534,939</u>

January 1 to September 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
<b>Discounts and loans</b>						
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	( 653 )	5,284	( 4,631 )	-	-	-
- Transferred to credit-impaired financial assets	( 202 )	( 32,232 )	32,434	-	-	-
- Transferred to 12-month ECL	34,139	( 20,821 )	( 13,318 )	-	-	-
- Derecognition of financial assets in the current reporting period	( 384,299 )	( 46,860 )	( 110,366 )	( 541,525 )	-	( 541,525 )
New financial assets purchased or originated	305,710	103,808	162,740	572,258	-	572,258
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	357,847	357,847
Write-offs	-	-	( 464,205 )	( 464,205 )	-	( 464,205 )
Recovery of written-off receivables	-	-	169,304	169,304	-	169,304
Change in risk parameters and other changes	( 180,916 )	( 15,591 )	386,919	190,412	-	190,412
Change in exchange rate	8,074	-	-	8,074	-	8,074
Balance at the end of the period	<u>\$ 479,542</u>	<u>\$ 152,087</u>	<u>\$ 424,647</u>	<u>\$ 1,056,276</u>	<u>\$ 6,109,434</u>	<u>\$ 7,165,710</u>

XV.

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

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Provision of allowance for doubtful accounts on accounts receivable	\$ 15,287	\$ 43,982	\$ 52,470	\$ 71,785
Provision for doubtful accounts on discounts and loans	377,791	283,972	551,637	578,992
Provision for guarantee liabilities	<u>\$ 393,078</u>	<u>\$ 327,954</u>	<u>\$ 617,107</u>	<u>\$ 722,239</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			
			September 30, 2025	December 31 2024	September 30, 2024	Explain
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)
	Union Capital (Cayman) Corp.	Investment, overseas financing, equipment leasing, installment selling, acquisition of accounts receivable, etc.	100.00%	100.00%	100.00%	(VI)
UFLIC	Union 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)
	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)
	Kabushiki Kaisha UCJ1 (Japan)	Sale, purchasing and leasing of real estates, etc.	30.55%	30.55%	30.55%	(VII) and (VIII)
Uflc Capital (Singapore) Holding PTE. Ltd.	Tokutei Mokuteki Kaisha SSG15 (Japan)	A real estate securitized special purpose company	49.00%	49.00%	49.00%	(VII) and (VIII)
	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)
Kabushiki Kaisha UCJ1 (Japan)	Tokutei Mokuteki Kaisha SSG16 (Japan)	A real estate securitized special purpose company	49.00%	49.00%	49.00%	(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.	Union Energy Co., Ltd.	Venture Investment	90.00%	90.00%	100.00%	(XII)
	Ting Syu Energy Co., Ltd.	Energy development and technology service	100.00%	100.00%	60.00%	(XV)
	Bei Chen Yi Hau Electric Power Inc.	Energy development and technology service	60.00%	60.00%	99.08%	(XVI)
Union Energy Co., Ltd.	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)
	Na He Yi Hau Electric Power Inc.	Energy development and technology service	-	-	0.30%	(X)
Corner Union Venture Capital, LLC (Delaware)	Ting Jie Electric Power Inc.	Energy development and technology service	-	-	90.00%	(XI)
	Tianji Smart Energy Co., Ltd.	Energy development and technology service	90.00%	90.00%	90.00%	(XIV)
	Corner Ventures DAG I-U, LLC (Delaware)	Venture Investment	100.00%	100.00%	100.00%	(IX)
Union Securities Investment Trust Corporation (USITC)	Corner Union, LLC (Delaware)	Venture Investment	100.00%	100.00%	100.00%	(IX)
	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. 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 June 30, 2025, and properly adjusted for changes from significant transactions since the date up to September 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 shares 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 NT\$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

	September 30, 2025	December 31 2024	September 30, 2024
<u>Not individually material</u>			
Union Construction			
Management Co., Ltd.	\$ 51,861	\$ 51,939	\$ 50,948
iPASS Corporation	284,213	197,768	212,107
Blue Borders Medical and Health Management Consulting Co., Ltd.	<u>109,818</u>	<u>111,004</u>	<u>113,889</u>
	<u><u>\$ 445,892</u></u>	<u><u>\$ 360,711</u></u>	<u><u>\$ 376,944</u></u>

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

	January 1 to September 30, 2025	January 1 to September 30, 2024
Share attributed to the Company		
Current net profit (loss)	(\$ 27,692)	\$ 500,434

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

	September 30, 2025	December 31 2024	September 30, 2024
Assets Pledged (Note XLVIII)	\$ 1,579,596	\$ 1,543,325	\$ 1,527,634
Due from banks - time deposit	63,437	19,480	31,423
Others	<u>-</u>	<u>-</u>	<u>1,504</u>
	<u><u>\$ 1,643,033</u></u>	<u><u>\$ 1,562,805</u></u>	<u><u>\$ 1,560,561</u></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

	September 30, 2025	December 31 2024	September 30, 2024
<u>Carrying amount of each category</u>			
Land	\$ 4,451,794	\$ 4,451,794	\$ 4,451,794
Buildings	3,545,132	3,120,023	3,126,404
Machinery and Computer Equipment	5,032,483	5,176,702	4,992,205
Transportation Equipment	55,364	54,663	57,608
Lease Improvements	190,510	192,611	190,681
Prepayment for equipment and property	<u>3,348,341</u>	<u>3,110,938</u>	<u>3,205,159</u>
	<u>\$ 16,623,624</u>	<u>\$ 16,106,731</u>	<u>\$ 16,023,851</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	1-8 years
Lease Improvements	2-5years

As Union Bank's branch premises were no longer adequate, the Bank's Board of Directors approved the purchase of land near the branch from an unrelated party for a total price of NT\$498,355 thousand on November 10, 2025. The Bank plans to construct its own premises for use as office space and warehouses.

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

XX. Lease Arrangements

(I) Right-of-use assets	September 30, 2025	December 31 2024	September 30, 2024
<u>Carrying amounts of right-of-use assets</u>			
Land and buildings	<u>\$ 2,140,511</u>	<u>\$ 1,745,478</u>	<u>\$ 1,862,273</u>
Increase in right-of-use assets	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>	
Depreciation expense of right-of-use assets	<u>\$ 783,611</u>	<u>\$ 451,137</u>	
Land	\$ 19,994	\$ 20,381	
Buildings	<u>364,469</u>	<u>363,439</u>	
	<u>\$ 384,463</u>	<u>\$ 383,820</u>	

(II) Lease liabilities

	September 30, 2025	December 31 2024	September 30, 2024
Carrying amounts of lease liabilities	\$ 2,141,167	\$ 1,747,230	\$ 1,858,263

Range of discount rate for lease liabilities was as follows:

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

(III) Other lease information

	January 1 to September 30, 2025	January 1 to September 30, 2024
Expenses relating to short-term leases	\$ 108,620	\$ 111,847
Total cash (outflow) for leases	(\$ 494,179)	(\$ 493,051)

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

	September 30, 2025	December 31 2024	September 30, 2024
Land	\$ 4,011,530	\$ 4,039,921	\$ 4,126,494
Buildings	484,000	523,266	556,433
	\$ 4,495,530	\$ 4,563,187	\$ 4,682,927

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\$5,964,905 thousand, NT\$6,018,451 thousand and NT\$6,169,186 thousand as of September 30, 2025, December 31 and September 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 2 to 14 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 September 30, 2025, December 31 and September 30, 2024, refundable deposits paid under operating leases were NT\$64,633 thousand, NT\$65,986 thousand, and NT\$69,271 thousand (included in other assets - refundable deposits), respectively.

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

	September 30, 2025	December 31 2024	September 30, 2024
Year 1	\$ 118,577	\$ 95,994	\$ 105,944
Year 2	85,089	63,594	65,050
Year 3	51,544	51,608	51,821
Year 4	50,289	51,193	51,226
Year 5	46,122	48,233	49,968
Year 6 onwards	<u>351,981</u>	<u>387,287</u>	<u>399,057</u>
	<u>\$ 703,602</u>	<u>\$ 697,909</u>	<u>\$ 723,066</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 September 30, 2025, December 31 and September 30, 2024, there was no impairment after evaluation by Union Bank of Taiwan. As of September 30, 2025, December 31 and September 30, 2024, Union Bank of Taiwan had recognized goodwill impairment loss of NT\$902,691 thousand in total.

XXIII. Other Assets, Net

	September 30, 2025	December 31 2024	September 30, 2024
Assets leased to others, net	\$ 5,873,148	\$ 5,936,413	\$ 5,909,297
Refundable deposits	2,968,205	2,493,002	2,142,545
Prepaid expenses	594,546	400,514	508,491
Prepaid pension	79,631	111,759	27,924
Others	<u>196,807</u>	<u>283,715</u>	<u>304,588</u>
	<u>\$ 9,712,337</u>	<u>\$ 9,225,403</u>	<u>\$ 8,892,845</u>

XXIV. Deposits from the Central Bank and Peers

	September 30, 2025	December 31 2024	September 30, 2024
Call loans from banks	\$ 6,403,919	\$ 9,330,000	\$ 8,480,000
Deposits from Chunghwa Post Co., Ltd.	5,574,680	5,574,680	3,574,680
Overdraft from other banks	140,886	194,635	189,801
Deposits from the Central Bank and Peers	<u>157,078</u>	<u>133,059</u>	<u>138,221</u>
	<u>\$ 12,276,563</u>	<u>\$ 15,232,374</u>	<u>\$ 12,382,702</u>

XXV.	<u>Due to the Central Bank and Other Banks</u>			
		September 30, 2025	December 31 2024	September 30, 2024
	Due to other banks (Note XXX)	<u>\$ 1,530,200</u>	<u>\$ 1,405,281</u>	<u>\$ 1,500,776</u>
XXVI.	<u>Securities sold under agreements to repurchase</u>			
		September 30, 2025	December 31 2024	September 30, 2024
	Commercial paper	\$ 45,073,141	\$ 23,495,917	\$ 28,634,257
	Asset-backed securities	15,541,029	16,925,265	16,632,662
	Corporate bonds	5,819,442	6,870,062	7,557,834
	Government bonds	9,971,591	10,220,295	10,307,798
	Financial bonds	<u>622,345</u>	<u>1,052,162</u>	<u>998,873</u>
		<u>\$ 77,027,548</u>	<u>\$ 58,563,701</u>	<u>\$ 64,131,424</u>
	Maturity date	October 2025 - September 2026	January - September 2025	October 2024 - September 2025
	Agreed repurchase price	<u>\$ 77,392,652</u>	<u>\$ 58,921,888</u>	<u>\$ 64,611,106</u>
XXVII.	<u>Accounts Payable</u>			
		September 30, 2025	December 31 2024	September 30, 2024
	Interest payable	\$ 2,127,558	\$ 1,585,847	\$ 2,175,351
	Accrued payable	2,032,501	205,608	1,885,447
	Collection payable	2,077,962	1,307,077	1,816,194
	Expense payables	1,426,274	1,488,924	1,513,926
	Exchange clearing payable	900,008	1,316,426	925,901
	Accounts payable	285,087	420,164	405,601
	Proceed of delivery	567,002	203,996	380,783
	Others	<u>2,083,595</u>	<u>1,976,220</u>	<u>2,225,898</u>
		<u>\$ 11,499,987</u>	<u>\$ 8,504,262</u>	<u>\$ 11,329,101</u>
XXVIII.	<u>Deposits and Remittances</u>			
		September 30, 2025	December 31 2024	September 30, 2024
	Savings deposits	\$ 478,793,542	\$ 456,634,884	\$ 453,918,084
	Demand deposits	170,031,181	161,390,857	156,225,338
	Time deposits	173,127,887	178,001,094	169,800,424
	Checking deposits	5,384,860	7,059,281	5,166,075
	Negotiable certificates of deposit	210,300	230,000	194,000
	Inward and outward remittances	<u>213,981</u>	<u>133,421</u>	<u>238,927</u>
		<u>\$ 827,761,751</u>	<u>\$ 803,449,537</u>	<u>\$ 785,542,848</u>

XXIX. Bank Debentures

	September 30, 2025	December 31 2024	September 30, 2024
First issue of subordinated bank debentures in 2019; fixed rate at 1.10%; maturity: September 2026	\$ 500,000	\$ 500,000	\$ 500,000
Second 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 after the issue term reaches 5.5 years; fixed rate at 1.92% (the benchmark interest rate is +1.1183%)	3,000,000	3,000,000	3,000,000
General issue of subordinated bank debentures in 2025; fixed rate at 1.80%; maturity: August 2028	<u>1,000,000</u> \$ 6,000,000	<u>-</u> \$ 5,000,000	<u>-</u> \$ 5,000,000

XXX. Corporate Bonds Payable

	September 30, 2025	December 31 2024	September 30, 2024
Overseas corporate bonds - secured	\$ 867,589	\$ 885,881	\$ 940,661

(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), with real estate held in trust by the Bank to implement a bankruptcy isolation mechanism. TMK SSG15 also provided an investment property of JPY3,787,112 thousand (equivalent to NT\$779,236 thousand) as the collateral to issue the five-year secured corporate bond with an issuance amount of JPY2,200,000 thousand (NT\$452,672 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\$409,668 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\$413,578 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. As of September 30, 2025, the carrying amount of corporate bonds was JPY 1,996,500 thousand (equivalent to NT\$410,801 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\$395,060 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 September 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\$61,728 thousand) and borrowed with collateral for JPY1,250,000 thousand (equivalent to NT\$257,200 thousand), both recognized as due from banks (Note XXV). As of September 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

	September 30, 2025	December 31 2024	September 30, 2024
PREFERENTIAL SHARE 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

	September 30, 2025	December 31 2024	September 30, 2024
Commercial paper payable	\$ 13,625,307	\$ 13,244,765	\$ 12,614,440
Principals of structured products	<u>146,856</u>	<u>-</u>	<u>73,927</u>
	<u>\$ 13,772,163</u>	<u>\$ 13,244,765</u>	<u>\$ 12,688,367</u>

XXXIII. Provisions

	September 30, 2025	December 31 2024	September 30, 2024
Reserve for losses on guarantee liabilities and loan commitment	\$ 390,979	\$ 378,164	\$ 388,074
Decommissioning of provisions	131,873	130,549	87,549
Reserve for the liability of employees' benefit	415	784	7,361
Others	<u>1,429</u>	<u>1,429</u>	<u>1,428</u>
	<u>\$ 524,696</u>	<u>\$ 510,926</u>	<u>\$ 484,412</u>

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

January 1 to September 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
<b>Reserve for losses on guarantees and loan commitment</b>						
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	( 189 )	196	( 7 )	-	-	-
- Transferred to credit-impaired financial assets	( 120 )	( 1 )	121	-	-	-
- Transferred to 12-month ECL	4,153	( 4,153 )	-	-	-	-
- Derecognition of financial assets in the current reporting period	( 61,399 )	( 746 )	( 179 )	( 62,324 )	-	( 62,324 )
New financial assets purchased or originated	41,919	5,710	69	47,698	-	47,698
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"					30,844	30,844
Change in risk parameters and others	( 3,218 )	-	-	( 3,218 )	-	( 3,218 )
Change in exchange rate	( 185 )	-	-	( 185 )	-	( 185 )
Balance at the end of the period	<u>\$ 65,004</u>	<u>\$ 6,078</u>	<u>\$ 195</u>	<u>\$ 71,277</u>	<u>\$ 319,702</u>	<u>\$ 390,979</u>

January 1 to September 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
<b>Reserve for losses on guarantees and loan commitment</b>						
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	( 98 )	98	-	-	-	-
- Transferred to credit-impaired financial assets	( 103 )	( 8 )	111	-	-	-
- Transferred to 12-month ECL	881	( 879 )	( 2 )	-	-	-
- Derecognition of financial assets in the current reporting period	( 81,227 )	( 2,004 )	( 289 )	( 83,520 )	-	( 83,520 )
New financial assets purchased or originated	62,090	1,250	36	63,376	-	63,376
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"					91,955	91,955
Change in risk parameters and others	( 349 )	-	-	( 349 )	-	( 349 )
Change in exchange rate	74	-	-	74	-	74
Balance at the end of the period	<u>\$ 94,275</u>	<u>\$ 1,603</u>	<u>\$ 165</u>	<u>\$ 96,043</u>	<u>\$ 292,031</u>	<u>\$ 388,074</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 September 30, 2025 and 2024, for NT\$155,165 thousand and NT\$151,232 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\$3,925 thousand and NT\$6,812 thousand for the nine months ended September 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\$5,515 thousand for the nine months ended September 30, 2024.

XXXV. Other Liabilities

	September 30, 2025	December 31 2024	September 30, 2024
Guarantee deposits	\$ 2,475,750	\$ 2,447,962	\$ 2,448,089
Advance receipts	1,021,276	1,054,253	1,175,834
Others	211,159	155,978	187,711
	<u>\$ 3,708,185</u>	<u>\$ 3,658,193</u>	<u>\$ 3,811,634</u>

XXXVI. Rights and benefits

(I) Share capital  
Common shares

	September 30, 2025	December 31 2024	September 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>4,340,552</u>	<u>4,050,073</u>	<u>4,050,073</u>
Issued share capital	<u>\$ 43,405,518</u>	<u>\$ 40,500,729</u>	<u>\$ 40,500,729</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 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 1st, 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 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 preferential 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.

(II) Capital reserve

	September 30, 2025	December 31 2024	September 30, 2024
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u>			
(1)			
Premium of issuing preferential shares	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000
Treasury share transactions	32,413	32,413	32,413
Premium of issuing common shares	146,360	101,379	101,379
<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	57,560	33,840	33,840
	<u>\$ 8,236,992</u>	<u>\$ 8,168,291</u>	<u>\$ 8,168,291</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. Those 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 September 30, 2025</u>	<u>January 1 to September 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><u>\$ 627,440</u></u>	<u><u>\$ 627,440</u></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 10, 2025 and June 14, 2024 as below:

	Earning distribution		Dividends per share (NT\$)	
			2024	2023
	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		755,790		0.200
Cash dividends of preference shares	1,417,525	511,845	0.350	2.559
	526,125		2.631	
(VI) Other equity items				
1. Exchange difference from translating the financial statements of overseas operations				
		January 1 to September 30, 2025		January 1 to September 30, 2024
Balance at the beginning of the period	\$ 143,157			(\$ 609,272 )
Exchange differences arising on translation the foreign operations	( 1,216,218 )			500,824
Income tax on exchange differences on translation of the net assets of foreign operations		245,580		( 100,165 )
Balance at the end of the period	(\$ 827,481 )			(\$ 208,613 )
2. Unrealized gain or loss on financial assets at fair value through other comprehensive income				
		January 1 to September 30, 2025		January 1 to September 30, 2024
Balance at the beginning of the period	\$ 5,714,105			\$ 3,228,847
Generated in the current period				
Unrealized gain (loss)				
Debt instruments	1,829,719			570,074
Equity instrument	1,941,459			2,529,122
Adjustments to loss allowance for debt instruments	( 232,398 )			118,705
Adjustment for reclassification				
Disposal of debt instruments	( 9,705 )			-
Other comprehensive income for the period		3,529,075		3,217,901
Accumulated gain (loss) transferred to retained earnings from disposal of equity instruments				
( 55,515 )				( 415,598 )
Balance at the end of the period	\$ 9,187,665			\$ 6,031,150

(VII) Non-controlling interests

	<u>January 1 to September 30, 2025</u>	<u>January 1 to September 30, 2024</u>
Balance at the beginning of the period	\$ 2,217,782	\$ 2,208,503
Shares attributable to non-controlling interests	( 15,877 )	10,105
Net profit (loss) of the current year	19	3
Unrealized gain (loss) on financial assets at FVTOCI	12,000	-
Acquisition of part of subsidiaries' equities	( 7,175 )	( 7,963 )
Cash dividends from the subsidiaries	( 914,000 )	( 110,000 )
Recall of preferred shares by the subsidiary	800,000	120,000
Preferential shares issued by subsidiaries		
Balance at the end of the period	<u>\$ 2,092,749</u>	<u>\$ 2,220,648</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 September 30, 2025, NT\$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 preferential 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 preferential 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. In addition, in March 2023, with the approval of the directors, Tian Ji Smart repurchased 3,000 thousand shares of Class A preferred stock at the original issue price plus NT\$159,349 thousand in compensation. On July 28, 2025, with the approval of the directors, 2,280 thousand shares of Class A preferred stock were repurchased, plus a 5% dividend totaling NT\$3,311 thousand from January 1, 2025 to July 31, 2025. The dividend will be distributed in 2026 from the 2025 profits. 2,280 thousand shares of Class A preferred stock were repurchased on August 1, 2025. As of September 30, 2025, all preferred shares have been repurchased. The terms of the preferred share 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 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 preferential 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 thousand, 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 September 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 September 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**

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Interest income				
Discounts and loans	\$ 4,590,969	\$ 4,325,500	\$ 13,493,115	\$ 12,364,540
Interests from revolving credit	265,034	252,478	784,794	729,576
Due from the Central Bank and call loans to other banks	81,277	85,306	237,969	214,464
Investment of bonds under reverse repurchase agreement	214,288	215,802	700,190	638,456
Interests from debt instruments measured at amortized costs	411,561	432,072	1,255,683	1,281,189
Interests from financial assets measured at fair value through other comprehensive income	300,066	297,345	901,362	907,418
Other interest income	140,621	98,232	355,458	258,067
Subtotal	<u>6,003,816</u>	<u>5,706,735</u>	<u>17,728,571</u>	<u>16,393,710</u>
Interest expense				
Interests from deposits	2,857,052	2,803,390	8,617,332	8,129,129
Interests from notes under repurchase agreement and bonds	520,982	575,239	1,592,218	1,726,319
Financing interest expense from the Central Bank and peer banks	71,082	67,290	213,330	179,735
Due to Chunghwa Post Co., Ltd.	24,141	15,460	72,213	45,208
Interests from financial bonds	22,033	20,388	62,808	61,163
Other interest expense	79,101	79,612	195,729	190,900
Subtotal	<u>3,574,391</u>	<u>3,561,379</u>	<u>10,753,630</u>	<u>10,332,454</u>
Total	<u>\$ 2,429,425</u>	<u>\$ 2,145,356</u>	<u>\$ 6,974,941</u>	<u>\$ 6,061,256</u>

**XXXVIII. Commission and Fee Income, Net**

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Fee income				
Fees from credit cards and debit cards	\$ 972,155	\$ 940,383	\$ 2,863,045	\$ 2,591,636
COMMISSION AND FEE REVENUE, NET	348,618	288,670	1,077,887	960,847
Fees from trust	207,901	279,183	644,178	711,877
Fees from loans	163,835	151,787	467,667	474,476
Incomes from interbank service	18,199	12,900	49,280	41,271
Fees from underwriting	56,969	52,967	158,963	139,935
Fees from guarantee	36,480	36,631	104,083	108,671
Others	81,864	92,465	248,223	284,369
Subtotal	<u>1,886,021</u>	<u>1,854,986</u>	<u>5,613,326</u>	<u>5,313,082</u>
Commission and fee expense				
Fees from acquiring liquidation deal	458,576	395,940	1,334,967	1,108,024
Fees from credit cards	363,586	385,123	1,069,762	1,124,921
Fees from credit inquiry	13,066	10,755	32,298	30,610
Fees from interbank service	6,620	8,814	18,097	28,379
Others	43,587	39,605	122,966	118,395
Subtotal	<u>885,435</u>	<u>840,237</u>	<u>2,578,090</u>	<u>2,410,329</u>
Total	<u>\$ 1,000,586</u>	<u>\$ 1,014,749</u>	<u>\$ 3,035,236</u>	<u>\$ 2,902,753</u>

**XXXIX. Net profit or loss on financial assets and liabilities measured at fair value through profit or loss**

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Realized gain or loss on financial assets at fair value through profit or loss				
Currency swap contracts	\$ 544,732	\$ 562,914	\$ 1,280,985	\$ 1,462,249
Interest income	331,770	241,181	1,010,703	727,458
Foreign exchange forward contracts	( 1,607 )	( 168 )	41,406	( 14,881 )
Principal guaranteed notes	-	1,536	-	1,536
Commercial paper	7,080	5,239	15,917	16,778
Option contracts	2,507	2,176	5,765	5,800
Dividend incomes	19,196	25,281	46,812	48,538
Beneficiary securities and shares	118,015	8,651	( 27,639 )	202,519
Futures exchange margins	-	-	-	420
Government bonds	543	-	543	-
Corporate bonds	894	-	894	-
Subtotal	<u>1,023,130</u>	<u>846,810</u>	<u>2,375,386</u>	<u>2,450,417</u>
Profit or loss of financial assets or liabilities at FVTPL				
Derivative financial assets and liabilities	4,043,211	( 1,408,594 )	( 203,990 )	825,843
Government bonds and corporate bonds	90,531	142,653	273,855	94,142
Commercial paper	( 2,860 )	( 1,690 )	( 6,997 )	10,320
Beneficiary securities and shares	<u>228,702</u>	<u>( 37,769 )</u>	<u>167,732</u>	<u>197,564</u>
Subtotal	<u>4,359,584</u>	<u>( 1,305,400 )</u>	<u>230,600</u>	<u>1,127,869</u>
Total	<u>\$ 5,382,714</u>	<u>( \$ 458,590 )</u>	<u>\$ 2,605,986</u>	<u>\$ 3,578,286</u>

XL.	<u>Realized Gain on Financial Assets at FVTOCI</u>	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
	Dividend income	\$ 231,915	\$ 202,316	\$ 422,411	\$ 375,028
	Net income on disposal - debt instruments	<u>-</u>	<u>-</u>	<u>9,705</u>	<u>-</u>
	Total	<u>\$ 231,915</u>	<u>\$ 202,316</u>	<u>\$ 432,116</u>	<u>\$ 375,028</u>
XLI.	<u>Reversal of Loss (Impairment Loss)</u>	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
	Debt instruments measured at fair value through other comprehensive income	\$ 14,154	( \$ 28,230 )	\$ 124,882	( \$ 76,082 )
	Financial assets measured at amortized costs	<u>-</u>	<u>1,796</u>	<u>-</u>	<u>( 3,400 )</u>
	Total	<u>\$ 14,154</u>	<u>( \$ 26,434 )</u>	<u>\$ 124,882</u>	<u>( \$ 79,482 )</u>
XLII.	<u>Employee Benefits</u>	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
	Salaries and wages	\$ 780,516	\$ 781,571	\$ 2,310,463	\$ 2,248,612
	Bonus	352,244	313,351	1,067,832	1,385,911
	Post-employment benefits				
	Defined contribution plans	46,938	46,825	155,165	156,747
	Defined benefit plans	1,058	3,116	3,925	6,812
	Labor insurance and national health insurance	96,812	94,918	326,332	308,826
	Other employee benefits	<u>31,609</u>	<u>30,738</u>	<u>91,810</u>	<u>94,653</u>
	Total	<u>\$ 1,309,177</u>	<u>\$ 1,270,519</u>	<u>\$ 3,955,527</u>	<u>\$ 4,201,561</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 September 30, 2025 and 2024 is as follows:

Accrual rate

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

Amount

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Remuneration of employees	\$ 38,746	\$ 33,837	\$ 99,336	\$ 93,215
Remuneration of directors	\$ 1,895	\$ 1,655	\$ 4,859	\$ 4,559

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 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 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**

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Depreciation of assets leased	\$ 399,202	\$ 403,491	\$ 1,212,572	\$ 1,228,287
Depreciation of properties and equipment	130,495	130,191	385,019	388,309
Depreciation of investment properties	10,779	11,281	33,159	33,012
Depreciation of right-of-use assets	129,035	128,954	384,463	383,820
Amortization of intangible assets	25,045	25,201	76,743	72,148
<b>Total</b>	<b>\$ 694,556</b>	<b>\$ 699,118</b>	<b>\$ 2,091,956</b>	<b>\$ 2,105,576</b>

**XLIV. Other operating and management expenses**

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Taxation and levies	\$ 328,860	\$ 310,930	\$ 975,611	\$ 906,730
Advertising expenses	192,566	182,936	535,587	594,585
Outsourcing service fee	96,352	101,861	295,702	306,527
Computer information expense	81,082	75,369	234,635	216,272
Deposit insurance	49,580	48,343	146,879	143,381
Repair and maintenance expense	47,513	40,924	153,385	135,561
Rent	41,996	38,766	120,290	123,120
Business promotion expenses	37,021	39,890	90,144	163,469
Postage/cable charge	20,523	22,832	149,844	159,270
Others	231,939	217,782	585,467	602,511
<b>Total</b>	<b>\$ 1,127,432</b>	<b>\$ 1,079,633</b>	<b>\$ 3,287,544</b>	<b>\$ 3,351,426</b>

**XLV. Income tax**

**(I) Income tax recognized in profit or loss**

The main components of income tax expense were as follows:

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Current income tax				
Incurred in the current year	\$ 303,928	\$ 217,594	\$ 930,108	\$ 608,376
Adjustment for prior year	-	( 174 )	5,808	6,345
Others	-	-	( 25,298 )	-
Deferred tax				
Incurred in the current year	( 40,865 )	52,859	( 50,589 )	75,090
Income tax expense recognized in profit or loss	\$ 263,063	\$ 270,279	\$ 860,029	\$ 689,811

(II) Income tax recognized in other comprehensive income		July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
		Deferred tax	Recognized in other comprehensive income:		
	- Exchange differences on the translation of financial statements of foreign operations	( \$ 54,507 )	\$ 40,518	\$ 245,580	( \$ 100,165 )
	- Unrealized gain or loss on financial assets at fair value through other comprehensive income	11,235	( 11,002 )	( 5,290 )	( 132,641 )
	Total income tax gains (expenses) recognized in other comprehensive income	( \$ 43,272 )	\$ 29,516	\$ 240,290	( \$ 232,806 )
(III) Income tax assessments		Assessments			
Union Bank of Taiwan		Assessed to 2020			
Union Finance and Leasing (Int'l) Corp		Approved until 2022			
Union Information Technology Corporation		Approved until 2023			
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		July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
		Basic earnings per share	\$ 0.42	\$ 0.35	\$ 0.91
	Diluted earnings per share	\$ 0.42	\$ 0.35	\$ 0.91	\$ 0.87
<u>Current net profit</u>		July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Earnings used in the computation of basic earnings per share		\$ 1,821,818	\$ 1,525,192	\$ 4,477,852	\$ 4,301,395
Less: Dividends on preferential shares announced		-	-	( 526,125 )	( 511,845 )
Earnings used in the computation of basic earnings per share		\$ 1,821,818	\$ 1,525,192	\$ 3,951,727	\$ 3,789,550
Earnings used in the computation of diluted earnings per share		\$ 1,821,818	\$ 1,525,192	\$ 3,951,727	\$ 3,789,550

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

<u>Number of shares</u>	Unit: thousand shares			
	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	4,340,552	4,333,578	4,338,815	4,331,893
Effect of potentially dilutive ordinary shares				
Remuneration of employees	2,159	2,156	7,271	7,698
Weighted average number of ordinary shares used in the computation of diluted earnings per share	4,342,711	4,335,734	4,346,086	4,339,591

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. Due to the retrospective adjustment, the basic and diluted earnings per share from January 1 to September 30, 2024 decreased from NT\$0.94 to NT\$0.93, NT\$0.87, and NT\$0.87 respectively.

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

##### (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
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
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

September 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	\$ 23,991	\$ 19,719	\$ 19,719	\$ -	Land, buildings and securities (certificates of deposit, vehicles)	None
Self-used housing mortgage loans	34 households	187,468	148,899	148,899	\$ -	Real estates	None
Other loans	7 households	36,597	28,296	28,296	\$ -	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

September 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	19 households	\$ 25,609	\$ 22,380	\$ 22,380	-	Land, buildings and securities (certificates of deposit, stocks)	None
Self-used housing mortgage loans	40 households	176,366	155,616	155,616	-	Real estates	None
Other loans	14 households	45,788	30,698	30,698	-	Land, buildings and securities (certificates of deposit, stocks)	None
Other loans	Hope Vision	22,208	17,875	17,875	-	Small and Medium Enterprise Credit Guarantee Fund of Taiwan	None

Year	Balance at September 30th		Annual interest rate	Interest income from January 1st to September 30th	
	\$	%		\$	%
2025	\$ 196,914	0.03%	1.73%-3.07%	\$ 3,510	0.02%
2024	226,569	0.04%	0.50%-3.06%	3,056	0.02%

## 2. Deposit

Year	Balance at September 30th		Annual interest rate (Note)	Interest expenses from January 1st to September 30th	
	\$	%		\$	%
2025	\$ 6,900,433	0.83%	0%-5.15%	\$ 61,831	0.58%
2024	6,672,064	0.85%	0%-8.00%	48,623	0.47%

Note: Interest rates of foreign currencies included.

## 3. Guarantees and letters of credit

September 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	29,905	-	0.40%	Time Deposit
Bang Long Construction	224,830	224,830	-	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%	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

September 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%	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.	19,770	19,770	-	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

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 September 30 (Other Assets - Refundable Deposits)		September 30 Lease liabilities	
		Amount	%	Amount	%
2025	Yu-Bon	\$ 461,391	15.54%	\$ 119,932	5.60%
	Horng Gow	219,464	7.39%	431,866	20.17%
	Yung Hsuan	21,118	0.71%	225,442	10.53%
	UECC	1,529	0.05%	5,663	0.26%
2024	Yu-Bon	461,391	21.53%	51,127	2.75%
	Horng Gow	219,464	10.24%	81,495	4.39%
	Yung Hsuan	21,118	0.99%	306,532	16.50%
	UECC	5,701	0.27%	18,796	1.01%

From January 1 to September 30, 2025 and 2024, the rent expenses of ATM premises leased from Hi-life International Corporation were NT\$14,995 thousand and NT\$10,526 thousand, respectively.

(2) The Company as the lessor

The Company leased the properties at Zhongxiao Rd., Taichung City to Hi-Life from March 2020 to April 2030. The rental income in 2024 and for the nine months ended September 30, 2025 was NT\$687 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 property on Dunhua South Road, Taipei to Blue Borders from January 2022 to January 2032. The rental income from January 1 to September 30, 2025 and 2024 was NT\$10,348 thousand and NT\$10,324 thousand, respectively. In addition, a deposit of NT\$5,980 thousand was received for both years (recognized as 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 from January 2022 to June 2026. The rental income from January 1 to September 30, 2025 and 2024 were NT\$1,683 thousand and NT\$1,314 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 September 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 September 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 September 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 September 30, 2025 and 2024, the amount was NT\$16,087 thousand and NT\$10,812 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 September 30, 2025 and 2024, the amount were NT\$3,382 thousand and NT\$3,037 thousand, respectively.

As of September 30, 2025, December 31 and September 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\$128,250 thousand, NT\$128,693 thousand and NT\$128,600 thousand, respectively.

6. Hi-Life provided the product bonus redemptions and marketing campaigns to the Company. The advertising fees were NT\$8,732 thousand and NT\$12,163 thousand, respectively, during January 1 to September 30, 2025 and 2024. Printing expenses for the period during January 1 to September 30, 2025 and 2024 were NT\$6 thousand.
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. 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 September 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 September 30, 2025 and 2024, the interest income was NT\$1,351 thousand and NT\$1,580 thousand respectively, and the installment receivables on September 30, 2025 and December 31, 2024 and September 30, 2024, were NT\$56,149 thousand, NT\$63,918 thousand, and NT\$66,468 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 September 30, 2025 and 2024 were NTD 264 thousand and NTD 339 thousand, respectively, and the lease payments receivable as of September 30, 2025, December 31 and September 30, 2024 were NT\$14,247 thousand, NT\$17,664 thousand, and NT\$18,791 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 September 30, 2025 and 2024, the rewards and compensations to directors and other major management are as follows:

	July 1 to September 30, 2025	July 1 to September 30, 2024	January 1 to September 30, 2025	January 1 to September 30, 2024
Short-term employment benefits				
Salaries	\$ 14,090	\$ 14,943	\$ 40,215	\$ 42,333
Transportation expenses	304	323	942	1,034
Others	101	125	348	402
	14,495	15,391	41,505	43,769
Post-employment benefits	222	95	728	6,422
	\$ 14,717	\$ 15,486	\$ 42,233	\$ 50,191

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 September 30, 2025, December 31 and September 30, 2024, government bonds and bank debentures, which amounted to NT\$425,605 thousand, NT\$390,805 thousand, and \$374,305 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 September 30, 2025, and December 31 and September 30, 2024, the Bank pledged time deposits with all their values being NT\$1,100,000 thousand (recognized as other financial assets) to the clearing banks Mega International Commercial Bank Co., Ltd. and Mizuho Bank in response to the launch of the synchronous payment and receipt services on the foreign currency settlement platform.

(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:

	September 30, 2025	December 31 2024	September 30, 2024
Other financial assets			
Assets Pledged	\$ 133,606	\$ 93,240	\$ 103,007
Investment properties	\$ 2,131,202	\$ 2,170,685	\$ 2,292,362

As of June 30, 2025, December 31 and September 30, 2024, notes receivable (not expired) amounting to NT\$510,446 thousand, NT\$600,863 thousand and NT\$570,074 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 September 30, 2025, December 31 and September 30, 2024, the Company's commitments consisted of the following:

	September 30, 2025	December 31 2024	September 30, 2024
Unused standby loan commitment	\$ 150,102,186	\$ 155,746,503	\$ 155,545,698
Unused credit card commitment	178,225,401	305,777,821	319,292,041
Unused letters of credit	1,593,632	2,585,787	1,937,835
Other guarantees	28,000,576	23,001,788	25,965,809
Collections for customers	17,677,783	17,255,571	17,560,960
Guarantee notes payable	1,409,600	1,394,800	1,378,300
Trust assets	117,883,749	118,104,838	115,977,600
Marketable securities under custody	3,334,434	3,251,534	3,738,200

- (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:

	September 30, 2025	December 31 2024	September 30, 2024
Within 1 year	\$ 1,869,632	\$ 1,864,298	\$ 1,872,686
1 to 5 years	2,124,946	2,110,632	2,092,207
	<u>\$ 3,994,578</u>	<u>\$ 3,974,930</u>	<u>\$ 3,964,893</u>

- (III) Computer equipment purchase contracts

As of September 30, 2025, December 31 and September 30, 2024, the Company had contracts to purchase computer equipment and software for NT\$856,603 thousand, NT\$901,515 thousand and NT\$865,415 thousand, respectively, of which NT\$620,299 thousand, NT\$560,809 thousand and NT\$553,864 thousand had been paid as of September 30, 2025, December 31 and September 30, 2024.

- (IV) Power plant contract

As of September 30th, 2025, December 31st and September 30th, 2024, the Group had contracts to construct the solar power system for NT\$14,892,150 thousand, respectively, with Micro Electricity; of which NT\$5,038,061 thousand, NT\$4,997,191 thousand and NT\$4,956,401 thousand had been paid as of June 30th, 2025, December 31st and September 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. As there was a reduction in the planned development capacity in 2024, the development contract is still subject to ongoing adjustments. To facilitate the process, Ting Jie Electric Power signed a syndicated loan with 11 financial Institutions. Considering the high financing costs, the credit line was reduced from NT\$7,500,000 thousand to NT\$5,325,000 thousand. The joint guarantors are the parent company, UVC, 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 fund managed by Federated Investment, referred to as "F Fund", invested in the Fairfield Sentry Fund. The F Fund's liquidator filed a lawsuit in the U.S. Bankruptcy Court for the Southern District of New York (hereinafter referred to as the U.S. Bankruptcy Court) against KGI Bank, the fund's custodian bank, alleging "unjust enrichment". 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. The U.S. Court of Appeals for the Second Circuit has ruled against the liquidator of the F Funds, who is now considering an appeal to the U.S. Supreme Court.

Madoff Company's liquidation trustee filed an amended complaint 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 District Court for the Southern District of New York recognized the law does not apply to such defendants, therefore, rejected the plaintiff's request for the reason of international comity. The plaintiff has appealed to the Federal Second Circuit Court of Appeal. 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. Currently, the plaintiff is demanding that the Company provide witnesses for cross-examination. 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 reflected in Note XI and XLI of the financial statements

LI. DESCRIPTION AND AMOUNTS OF TRUST BUSINESS UNDER THE TRUST ACT

Balance Sheet of Trust Accounts

September 30, 2025

	Amount		Amount
<u>Trust assets</u>		<u>Trust Liabilities and Capital</u>	
Bank deposits	\$ 18,562,275	Income tax payable	\$ 4,223
Investment		Marketable securities under custody payable	10,823,853
Fund investments	78,070,484	Trust capital	106,535,118
Bond investment	40,676	Reserves and cumulative deficit	<u>520,555</u>
Investments in common stock	611,112		
Accounts receivable	49,334		
Marketable securities under custody	10,823,853		
Real estate - land and building	<u>9,726,015</u>		
Total trust assets	<u>\$ 117,883,749</u>	Total trust liabilities and capital	<u>\$ 117,883,749</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	Income tax payable	\$ 6,493
Investment		Marketable securities under custody payable	12,012,184
Fund investments	76,781,609	Trust capital	105,714,288
Bond investment	9,123	Reserves and cumulative profit/deficit	<u>371,873</u>
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 trust assets	<u>\$ 118,104,838</u>	Total trust liabilities and capital	<u>\$ 118,104,838</u>

Balance Sheet of Trust Accounts

September 30, 2024

	Amount		Amount
<u>Trust assets</u>		<u>Trust Liabilities and Capital</u>	
Bank deposits	\$ 19,082,722	Income tax payable	\$ 5,945
Investment		Marketable securities under custody payable	12,525,520
Fund investments	73,711,097	Trust capital	103,098,334
Bond investment	9,598	Reserves and cumulative deficit	<u>347,801</u>
Investments in common stock	505,364		
Accounts receivable	64,726		
Marketable securities under custody	12,525,520		
Real estate - land and building	<u>10,078,573</u>		
Total trust assets	<u>\$ 115,977,600</u>	Total trust liabilities and capital	<u>\$ 115,977,600</u>

Income Statement of Trust Accounts  
January 1 to September 30, 2025

	Amount
<b>Trust Income</b>	
Interest revenue - demand account	\$ 52,941
Interest revenue - time deposit	51,225
Interest revenue - bond	1,046
Income distributed from beneficiary certificate	260
Unrealized capital gain - bond	389
Common share cash dividend income	13,306
Unrealized capital gain - unlisted common share	205,169
Unrealized capital gain - fund	<u>781</u>
Total trust income	<u>325,117</u>
<b>Trust expenses</b>	
Management fee	6,396
Unrealized capital loss - bond	3,036
Unrealized capital loss - fund	99
Other expenses	<u>34</u>
Total trust expense	<u>9,565</u>
Net profit before tax	315,552
Income tax expense	( <u>9,593</u> )
Net profit after tax	<u>\$ 305,959</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 September 30, 2024

	Amount
<b>Trust Income</b>	
Interest revenue - demand account	\$ 25,140
Interest revenue - time deposit	71,450
Interest revenue - bond	363
Income distributed from beneficiary certificate	473
Common share cash dividend income	7,256
Unrealized capital gain - bond	29
Unrealized capital gain - unlisted common share	152,988
Unrealized capital gain - fund	<u>628</u>
<b>Total trust income</b>	<u>258,327</u>
<b>Trust expenses</b>	
Management fee	7,896
Unrealized capital loss - listed common share	992
Unrealized capital loss - bond	2,701
Unrealized capital loss - fund	65
Other expenses	<u>677</u>
<b>Total trust expense</b>	<u>12,331</u>
Net profit before tax	245,996
Income tax expense	( <u>8,954</u> )
<b>Net profit after tax</b>	<u>\$ 237,042</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  
September 30, 2025

Investment Portfolio	Amount
Bank deposits	\$ 18,562,275
<b>Investment</b>	
Fund investments	78,070,484
Investments in common stock	611,112
Bond investment	40,676
Accounts receivable	49,334
Marketable securities under custody	10,823,853
Real estate - land and building	<u>9,726,015</u>
<b>Total</b>	<u>\$ 117,883,749</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  
September 30, 2024

Investment Portfolio	Amount
Bank deposits	\$ 19,082,722
Investment	
Fund investments	73,711,097
Investments in common stock	505,364
Bond investment	9,598
Accounts receivable	64,726
Marketable securities under custody	12,525,520
Real estate - land and building	<u>10,078,573</u>
Total	<u>\$ 115,977,600</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 active, 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	September 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	\$ 1,500,043	\$ 1,488,265	\$ -	\$ 11,778
Funds and beneficiary certificates	1,482,854	852,905	-	629,949
Commercial paper	68,744,073	-	68,744,073	-
Asset-backed securities	13,501	-	13,501	-
Future exchange margins - self owned	\$ 61,488	\$ 61,488	\$ -	\$ -
Bond investment	7,011,398	-	7,011,398	-
Financial Assets Measured at Fair Value Through Other Comprehensive Income				
Share investments	23,922,615	20,960,348	-	2,962,267
Bond investment	42,578,455	-	42,578,455	-
<u>Derivative financial products</u>				
Assets				
Financial Assets Measured at Fair Value Through Profit or Loss				
1,401,220	-	1,220,384		180,836
Liabilities				
Financial liabilities measured at fair value through profit or loss	279,812	-	99,480	180,332

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	September 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	\$ 1,516,905	\$ 1,493,782	\$ -	\$ 23,123
Funds and beneficiary certificates	1,866,666	1,271,394	-	595,272
Commercial paper	45,079,805	-	45,079,805	-
Asset-backed securities	16,920	-	16,920	-
Future exchange margins - self owned	63,728	63,728	-	-
Bond investment	4,321,706	-	4,321,706	-
Financial Assets Measured at Fair Value Through Other Comprehensive Income				
Share investments	20,519,904	15,222,646	-	5,297,258
Bond investment	41,665,007	-	41,665,007	-
<u>Derivative financial products</u>				
Assets				
Financial Assets Measured at Fair Value Through Profit or Loss				
385,148		-	275,919	109,229
Liabilities				
Financial liabilities measured at fair value through profit or loss	872,936	-	764,930	108,006

## (2) Valuation technique of measurement at fair value

A fair value refers to the amount for asset exchange or debt repayment between two parities 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:

- Ensure the consistency and integrity of market data.
- The source of market data should be transparent and easy to access and can be referred to by independent resources.
- Listed securities with tradable prices should be valued at closing prices.
- 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

A. 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 September 30, 2025 and 2024, there was no material transfer between Level 1 and Level 2.

(5) Reconciliation of Level 3 items of financial instruments

A. Changes in Level 3 financial assets at fair value

January 1 to September 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	\$ 41,255	\$ -	\$ 105,151	\$ -	(\$ 79,812)	\$ -	\$ 180,836
Funds and beneficiary certificates	624,008	5,941	-	-	-	-	-	629,949
Share investments	23,949	( 12,171)	-	-	-	-	-	11,778
Financial Assets Measured at Fair Value Through Other Comprehensive Income								
Share investments	2,759,825	-	( 84,818)	39,876	250,000	( 2,616)	-	2,962,267

January 1 to September 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	(\$ 8,739)	\$ -	\$ 74,260	\$ -	(\$ 77,558)	\$ -	\$ 109,229
Funds and beneficiary certificates	585,716	( 444)	-	10,000	-	-	-	595,272
Share investments	626,110	( 179,312)	-	-	-	( 423,675)	-	23,123
Financial Assets Measured at Fair Value Through Other Comprehensive Income								
Share investments	2,721,625	-	525,510	49,362	2,077,589	( 16,354)	( 60,474)	5,297,258

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 September 30, 2025 and 2024; with a profit of NT\$35,025 thousand and a loss of NT\$188,495 thousand, respectively.

B. Changes in Level 3 financial liabilities at fair value

January 1 to September 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	\$ 93,155	\$ -	\$ 79,447	\$ -	(\$ 106,538)	\$ -	\$ 180,332

January 1 to September 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	(\$ 16,878)	\$ -	\$ 79,359	\$ -	(\$ 76,045)	\$ -	\$ 108,006

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 September 30, 2025 and 2024, with a loss of NT\$93,155 thousand and a profit of NT\$16,878 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 September 30, 2025	Valuation Technique	Significant Unobservable Inputs	Interval (Weighted-average)	Relation Between Input and Fair Value
<u>Measured at fair value on a recurring basis</u> <u>Financial Assets Measured at Fair Value Through Profit or Loss</u>						
Derivative financial assets	Foreign exchange options	\$ 108,836	Option pricing model	Fluctuation	AUD/USD 7.47%~7.77% EUR/GBP 5.31%~5.32% GBP/AUD 6.39%~7.33% USD/JPY 9.34%~10.03% USD/TWD 5.97%~8.42% USD/ZAR 8.79%~12.14% -	The higher the fluctuation is, the higher the fair value
Non-derivative financial assets	Share investments Funds and beneficiary certificates	11,778 629,949	Assets value model Assets value model	Allowance of minor equity and liquidity Allowance of minor equity and liquidity	15%	The higher the allowance is, the lower the fair value 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	2,682,544	Assets value model	Allowance of minor equity and liquidity	5%~30%	The higher the allowance is, the lower the fair value
	Share investments	279,723	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	180,332	Option pricing model	Fluctuation	AUD/USD 7.47%~7.77% EUR/GBP 5.31%~5.32% GBP/AUD 6.39%~7.33% USD/JPY 9.34%~10.03% USD/TWD 5.97%~8.42% USD/ZAR 8.79%~12.14%	The higher the fluctuation is, the higher the fair value

Name	Products	Fair value on December 31, 2024	Valuation Technique	Significant Unobservable Inputs	Interval (Weighted-average)	Relation Between Input and Fair Value
<u>Measured at fair value on a recurring basis</u> <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	Share investments  Funds and beneficiary certificates	23,949  624,008	Assets value model  Assets value model	Allowance of minor equity and liquidity  Allowance of minor equity and liquidity	-  15%	The higher the allowance is, the lower the fair value  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  Share investments	2,299,751  460,074	Assets value model  Market method	Allowance of minor equity and liquidity  Liquidity allowance	5%~30%  20%	The higher the allowance is, the lower the fair value  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 September 30, 2024	Valuation Technique	Significant Unobservable Inputs	Interval (Weighted-average)	Relation Between Input and Fair Value
<u>Measured at fair value on a recurring basis</u> <u>Financial Assets Measured at Fair Value Through Profit or Loss</u>						
Derivative financial assets	Foreign exchange options	\$ 109,229	Option pricing model	Fluctuation	GBP/AUD 7.36%~7.49% GBP/USD 7.36% AUD/USD 9.81%~10.00% USD/TWD 7.95%~8.75% USD/ZAR 12.50%~14.50% EUR/GBP 4.44%	The higher the fluctuation is, the higher the fair value
Non-derivative financial assets	Share investments  Funds and beneficiary certificates	23,123  595,272	Assets value model  Assets value model	Allowance of minor equity and liquidity  Allowance of minor equity and liquidity	-  15%	The higher the allowance is, the lower the fair value  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  Share investments	4,837,694  459,564	Assets value model  Market method	Allowance of minor equity and liquidity  Liquidity allowance	5%~30%  20%	The higher the allowance is, the lower the fair value  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	108,006	Option pricing model	Fluctuation	GBP/AUD 7.36%~7.49% GBP/USD 7.36% AUD/USD 9.81%~10.00% USD/TWD 7.95%~8.75%	The higher the fluctuation is, the higher the fair value

					USD/ZAR 12.50%~14.50% EUR/GBP 4.44%	
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(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:

September 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	\$ 296,227	(\$ 296,227)

December 31 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	\$ 275,983	(\$ 275,983)

September 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	\$ 529,726	(\$ 529,726)

#### 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:

	September 30, 2025		December 31 2024		September 30, 2024	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
<u>Financial assets</u>						
Financial assets measured at amortized costs	\$ 77,772,733	\$ 75,581,046	\$ 81,725,126	\$ 75,538,170	\$ 80,557,817	\$ 76,518,198
<u>Financial liabilities</u>						
Bank debentures	6,000,000	5,958,468	5,000,000	4,944,576	5,000,000	4,941,896

##### (2) Information of the fair value hierarchies

Asset and liability items	September 30, 2025			
	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Financial assets measured at amortized costs	\$ 75,581,046	\$ -	\$ 75,581,046	\$ -
<u>Financial liabilities</u>				
Bank debentures	5,958,468	-	5,958,468	-

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	September 30, 2024			
	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Financial assets measured at amortized costs	\$ 76,518,198	\$ -	\$ 76,518,198	\$ -
<u>Financial liabilities</u>				
Bank debentures	4,941,896	-	4,941,896	-

### 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		
	September 30, 2025	December 31 2024	September 30, 2024
Irrevocable standby loan commitment	\$ 1,566,006	\$ 4,266,360	\$ 2,916,013
Unused letters of credit	1,593,632	2,585,787	1,937,835
Other guarantees	28,000,576	23,001,788	25,965,809
Unused credit card commitments	178,225,401	305,777,821	319,292,041

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.

September 30, 2025	Collaterals	Netting Arrangements	Other Credit Enhancement	Total
<u>In-balance sheet items</u>				
Discounts and loans	\$ 581,240,969	\$ -	\$ -	\$ 581,240,969
<u>December 31 2024</u>				
December 31 2024	Collaterals	Netting Arrangements	Other Credit Enhancement	Total
<u>In-balance sheet items</u>				
Discounts and loans	\$ 564,011,218	\$ -	\$ -	\$ 564,011,218
September 30, 2024	Collaterals	Netting Arrangements	Other Credit Enhancement	Total
<u>In-balance sheet items</u>				
Discounts and loans	\$ 556,626,168	\$ -	\$ -	\$ 556,626,168

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	September 30, 2025		December 31 2024		September 30, 2024	
	Amount	%	Amount	%	Amount	%
Private enterprises	\$ 213,079,068	32.34	\$ 196,901,686	30.94	\$ 198,577,315	31.41
Public enterprises	-	-	-	-	44,207	0.01
Government organizations	-	-	5,000,000	0.79	5,000,000	0.79
Nonprofit organizations	1,141,155	0.17	880,180	0.14	764,621	0.12
Private	441,816,268	67.06	430,214,452	67.61	424,328,373	67.13
Financial institutions	500,000	0.08	1,427,810	0.22	1,536,550	0.24
Overseas	2,289,446	0.35	1,892,731	0.30	1,879,864	0.30
Total	658,825,937	100.00	\$ 636,316,859	100.00	632,130,930	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	September 30, 2025		December 31 2024		September 30, 2024	
	Amount	%	Amount	%	Amount	%
Unsecured	\$ 64,918,924	9.86	\$ 59,928,545	9.42	\$ 63,872,487	10.10
Secured						
- Financial collaterals	15,926,086	2.42	15,059,537	2.36	12,926,877	2.04
- Share collaterals	27,749,876	4.21	25,956,598	4.08	25,040,159	3.96
- Property collaterals	504,808,420	76.62	489,840,638	76.98	485,518,408	76.81
- Movable collaterals	27,755,215	4.21	26,398,944	4.15	25,836,833	4.09
- Guarantee	12,203,402	1.85	13,211,203	2.08	13,795,949	2.18
- Others	5,464,014	0.83	5,921,394	0.93	5,140,217	0.82
Total	658,825,937	100.00	\$ 636,316,859	100.00	632,130,930	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:

	September 30, 2025	Total carrying amount	Allowance for Impairment Loss	Exposure Amount		Fair Value of Collateral				
				(Amortized Cost)						
<b>Credit-impaired Financial Assets:</b>										
Accounts receivable										
- Credit Card	\$ 836,242	\$ 132,968	\$ 703,274	\$	-					
- Others	48,642	8,703	39,939		28,190					
Discounts and loans	<u>2,266,770</u>	<u>664,976</u>	<u>1,601,794</u>		<u>3,549,599</u>					
Total impaired financial assets	<u>\$ 3,151,654</u>	<u>\$ 806,647</u>	<u>\$ 2,345,007</u>		<u>\$ 3,577,789</u>					

December 31 2024	Total carrying amount	Allowance for Impairment Loss	Exposure Amount (Amortized Cost)	Fair Value of Collateral
<b>Credit-impaired Financial Assets:</b>				
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>
 <b>September 30, 2024</b>				
<b>Credit-impaired Financial Assets:</b>				
Accounts receivable				
- Credit Card	\$ 849,688	\$ 132,538	\$ 717,150	\$ -
- Others	7,986	3,265	4,721	28,804
Discounts and loans	<u>2,244,688</u>	<u>424,647</u>	<u>1,820,041</u>	<u>3,677,015</u>
Total impaired financial assets	<u>\$ 3,102,362</u>	<u>\$ 560,450</u>	<u>\$ 2,541,912</u>	<u>\$ 3,705,819</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:

- 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).
- Debt instruments whose prices on the reporting date have fallen more than 40% from the original price since the acquisition date.
- 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:

- The borrower's check bounced due to insufficient funds in the Company's checking account, or announced as a rejected account.
- The borrower's collateral was seized.
- The borrower's debt has been recognized as a non-accrual loan or transferred to bad debt by other financial institutions.
- The borrower has requested restructuring and ruled for the restructuring.

- 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
	Mortgages	Mortgages business
Consumer banking	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 September 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
Total carrying amount	\$ 48,527,653	\$ 195,499	\$ 884,884	\$ -	\$ 49,608,036
Less: Allowance for impairment	153,948	22,375	141,671	-	317,994
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	56,603	56,603
Total	\$ 48,373,705	\$ 173,124	\$ 743,213	\$ 56,603	\$ 49,233,439

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"	
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					
September 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"	
12-month expected credit losses		Lifetime ECL	Lifetime ECL		
Total carrying amount	\$ 45,388,905	\$ 182,679	\$ 857,674	\$ -	\$ 46,429,258
Less: Allowance for impairment	150,320	20,849	135,803	-	306,972
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	48,467	48,467
Total	\$ 45,238,585	\$ 161,830	\$ 721,871	\$ 48,467	\$ 46,073,819

Discounts and loans					
September 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"	
12-month expected credit losses		Lifetime ECL	Lifetime ECL		
Total carrying amount	\$ 623,146,361	\$ 5,290,168	\$ 2,266,770	\$ -	\$ 630,703,299
Less: Allowance for impairment	599,331	626,976	664,976	-	1,891,283
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	5,643,656	5,643,656
Total	\$ 622,547,030	\$ 4,663,192	\$ 1,601,794	\$ 5,643,656	\$ 623,168,360

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"	
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				
	September 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
Total carrying amount	\$ 600,841,645	\$ 2,955,454	\$ 2,244,688	\$ -	\$ 606,041,787
Less: Allowance for impairment	479,542	152,087	424,647	-	1,056,276
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	6,109,434	6,109,434
<b>Total</b>	<b>\$ 600,362,103</b>	<b>\$ 2,803,367</b>	<b>\$ 1,820,041</b>	<b>\$ 6,109,434</b>	<b>\$ 598,876,077</b>

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

	September 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	\$ 3,690,851	\$ 5,015,000	\$ 1,039,680	\$ 2,160,000	\$ 371,032	\$ 12,276,563
DUE TO THE CENTRAL BANK AND OTHER BANKS	263,941	213,518	20,365	41,053	991,323	1,530,200
Notes and bonds sold under agreements to repurchase	60,060,791	17,030,600	89,318	211,943	-	77,392,652
Accounts payable	6,819,713	2,322,056	1,100,233	1,111,295	146,690	11,499,987
Deposits and remittances	66,639,839	102,074,482	124,484,289	215,855,175	318,707,966	827,761,751
Bank debentures	-	-	-	500,000	5,500,000	6,000,000
PREFERENTIAL SHARE LIABILITIES	-	-	-	-	375,000	375,000
Corporate bonds payable	61,728	-	-	-	805,861	867,589
Other liabilities	8,582,960	5,200,111	2,337,783	-	127,059	16,247,913

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

	Less than One Year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	More than 20 years	Total
Lease liabilities	\$ 485,629	\$ 1,211,687	\$ 368,332	\$ 187,716	\$ 43,470	\$ -	\$ 2,296,834

	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	\$ 7,097,587	\$ 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
PREFERENTIAL SHARE 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:

	Less than One Year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	More than 20 years	Total
							\$ 1,888,547
Lease liabilities	\$ 441,224	\$ 905,070	\$ 309,561	\$ 162,916	\$ 69,776	\$ -	

	September 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	\$ 6,081,627	\$ 3,595,000	\$ 729,680	\$ 1,580,000	\$ 396,395	\$ 12,382,702
DUE TO THE CENTRAL BANK AND OTHER BANKS	284,377	163,237	19,943	40,200	993,019	1,500,776
Notes and bonds sold under agreements to repurchase	49,024,641	15,586,465	-	-	-	64,611,106
Accounts payable	6,909,805	2,021,795	1,449,798	804,961	142,742	11,329,101
Deposits and remittances	57,108,246	95,469,860	128,086,329	215,690,259	289,188,154	785,542,848
Bank debentures	-	-	-	-	5,000,000	5,000,000
PREFERENTIAL SHARE LIABILITIES	-	-	-	-	375,000	375,000
Corporate bonds payable	-	-	-	940,661	-	940,661
Other liabilities	11,551,821	3,460,332	-	-	124,303	15,136,456

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

	Less than One Year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	More than 20 years	Total
							\$ 2,000,287
Lease liabilities	\$ 477,533	\$ 914,627	\$ 355,384	\$ 182,850	\$ 69,893	\$ -	

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

	September 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	\$ 11,074,633	\$ 5,850,474	\$ 214,640	\$ 301,401	\$ -	\$ 17,441,148
Outflow	(11,011,059)	(5,829,143)	(209,636)	(294,216)	-	(17,344,054)
Subtotal	63,574	21,331	5,004	7,185	-	97,094
Derived liabilities without delivery						
Non-deliverable forward						
Total	\$ 63,574	\$ 21,331	\$ 5,004	\$ 7,185	\$ -	\$ 97,094

	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

September 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	\$ 17,255,081	\$ 33,229,010	\$ 21,871,245	\$ 95,249	\$ -	\$ 72,450,585
Outflow	<u>17,003,542</u>	<u>32,957,419</u>	<u>21,630,818</u>	<u>93,876</u>	<u>-</u>	<u>71,685,655</u>
Subtotal	251,539	271,591	240,427	1,373	-	764,930
Derived liabilities without delivery						
Non-deliverable forward						
Total	<u>\$ 251,539</u>	<u>\$ 271,591</u>	<u>\$ 240,427</u>	<u>\$ 1,373</u>	<u>\$ -</u>	<u>\$ 764,930</u>

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

	September 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
Without delivery	\$ 9,228	\$ 11,420	\$ 14,961	\$ 43,371	\$ -
<b>September 30, 2024</b>					
Without delivery	\$ 6,874	\$ 8,667	\$ 5,227	\$ 14,219	\$ -
<b>September 30, 2024</b>					
Without delivery	\$ 4,611	\$ 11,668	\$ 8,672	\$ 11,349	\$ -

## (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 September 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\$632,988 thousand and NT\$593,187 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:

Financial assets	Foreign currency	September 30, 2025	
		Exchange rate	TWD
USD	\$ 4,329,488	30.4690	\$ 131,915,175
JPY	47,422,414	0.2058	9,757,636
GBP	6,982	40.9717	286,077
AUD	87,029	20.1156	1,750,651
HKD	76,835	3.9162	300,898
CAD	14,483	21.8949	317,115
CNY	629,734	4.2743	2,691,642
SGD	2,871	23.6230	67,827
ZAR	888,008	1.7651	1,567,460
CHF	1,592	38.2728	60,916
NZD	19,595	17.6720	346,284
EUR	34,930	35.7828	1,249,879

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(Cont')

Financial liabilities	September 30, 2025		
	Foreign currency	Exchange rate	TWD
USD	\$ 3,944,624	30.4690	\$ 120,188,754
JPY	41,308,913	0.2058	8,499,722
GBP	7,001	40.9717	286,842
AUD	87,051	20.1156	1,751,089
HKD	77,033	3.9162	301,674
CAD	14,523	21.8949	317,975
CNY	626,794	4.2743	2,679,077
SGD	2,818	23.6230	66,568
ZAR	900,625	1.7651	1,589,731
CHF	1,576	38.2728	60,321
NZD	19,522	17.6720	344,996
EUR	34,950	35.7828	1,250,604

Financial assets	December 31 2024		
	Foreign currency	Exchange rate	TWD
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

Financial liabilities			
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

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(Cont')

	December 31 2024		
	Foreign currency	Exchange rate	TWD
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

	September 30, 2024		
	Foreign currency	Exchange rate	TWD
<b>Financial assets</b>			
USD	\$ 4,279,831	31.6510	\$ 135,460,934
JPY	49,213,794	0.2222	10,936,338
GBP	6,716	42.4123	284,825
AUD	76,196	21.9405	1,671,779
HKD	87,748	4.0752	357,588
CAD	12,387	23.4174	290,063
CNY	611,600	4.5237	2,766,696
SGD	2,861	24.7100	70,688
ZAR	870,569	1.8516	1,611,980
CHF	1,460	37.5501	54,808
NZD	17,086	20.1364	344,045
EUR	33,753	35.3668	1,193,741
<b>Financial liabilities</b>			
USD	3,929,110	31.6510	124,360,262
JPY	44,787,341	0.2222	9,952,688
GBP	6,705	42.4123	284,359
AUD	76,393	21.9405	1,676,092
HKD	87,738	4.0752	357,546
CAD	12,396	23.4174	290,285
CNY	611,521	4.5237	2,766,338
SGD	2,819	24.7100	69,654
ZAR	870,565	1.8516	1,611,974
CHF	1,484	37.5501	55,707
NZD	17,076	20.1364	343,842
EUR	33,758	35.3668	1,193,901

(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:

September 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	\$ 45,009,836	\$ 45,073,141	\$ 45,009,836	\$ 45,073,141	(\$ 63,305)
Financial Assets Measured at Fair Value Through Other Comprehensive Income					
Repurchase agreements	17,616,203	16,413,378	17,616,203	16,413,378	1,202,825
Investment of debt instrument measured at amortized costs					
Repurchase agreements	29,284,731	15,541,029	24,905,630	15,541,029	9,364,601

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

September 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	\$ 28,629,558	\$ 28,634,257	\$ 28,629,558	\$ 28,634,257	(\$ 4,699)	
Financial Assets Measured at Fair Value Through Other Comprehensive Income						
Repurchase agreements	20,391,419	18,864,505	20,391,419	18,864,505	1,526,914	
Investment of debt instrument measured at amortized costs						
Repurchase agreements	26,678,354	16,632,662	23,381,074	16,632,662	6,748,412	

(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

September 30, 2025						
Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements.						
Explain	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	\$ 1,401,220	\$ -	\$ 1,401,220	\$ 9,422	\$ -	\$ 1,391,798

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

September 30, 2025						
Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements.						
Explain	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	\$ 279,812	\$ -	\$ 279,812	\$ 9,422	\$ 42,280	\$ 228,110

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.						
Explain	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.						
Explain	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.

September 30, 2024						
Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements.						
Explain	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	\$ 385,148	\$ -	\$ 385,148	\$ 5,845	\$ -	\$ 379,303

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

September 30, 2024						
Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements.						
Explain	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	\$ 872,936	\$ -	\$ 872,936	\$ 5,845	\$ -	\$ 867,091

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.

#### 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

(In Thousands of New Taiwan Dollars, %)

September 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	5,489,000	6.49
2	Company I - Manufacture of Man-made Fibers	3,277,600	3.88
3	Group B- Financial leasing	2,699,333	3.19
4	Company U - Other Financial Services Not Elsewhere Classified	2,600,000	3.07
5	Company N - Securities Dealer	2,132,830	2.52
6	Group P - Iron and Steel Refining	1,988,237	2.35
7	Group V - Food Industry	1,756,356	2.08
8	Company L - Wholesale of Building Materials	1,665,590	1.97
9	Company T - Manufacture of Grain Mill Products	1,540,000	1.82
10	Company B- Financial leasing	1,511,032	1.79

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

September 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	4,780,000	6.17
2	Group G - Other Financial Services Not Elsewhere Classified	3,348,000	4.32
3	Company I - Manufacture of Man-made Fibers	3,277,600	4.23
4	Company U - Other Financial Services Not Elsewhere Classified	3,077,320	3.98
5	Group A - Real Estate Development Activities	1,705,825	2.20
6	Company L - Wholesale of Building Materials	1,617,232	2.09
7	Company T - Manufacture of Grain Mill Products	1,455,000	1.88
8	Company B - Financial leasing	1,446,395	1.87
9	Group P - Iron and Steel Refining	1,376,373	1.78
10	Company D - Air Transport	1,064,264	1.37

(II) Market risks

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

September 30, 2025

(In Thousands of New Taiwan 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	755,440,200	6,566,457	16,788,330	67,372,100	846,167,087
Interest rate-sensitive liabilities	409,923,932	309,085,422	96,151,725	23,766,070	838,927,149
Interest rate-sensitive gap	345,516,268	( 302,518,965 )	( 79,363,395 )	43,606,030	7,239,938
Net value					79,247,043
Ratio of interest rate-sensitive assets to liabilities					100.86%
Ratio of interest rate sensitivity gap to net worth					9.14%

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

December 31 2024

(In Thousands of New Taiwan 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	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\$)

September 30, 2024

(In Thousands of New Taiwan 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	708,864,757	6,582,652	13,456,052	64,941,256	793,844,717
Interest rate-sensitive liabilities	385,829,036	309,219,064	78,815,486	19,854,124	793,717,710
Interest rate-sensitive gap	323,035,721	( 302,636,412 )	( 65,359,434 )	45,087,132	127,007
Net value					73,014,331
Ratio of interest rate-sensitive assets to liabilities					100.02%
Ratio of interest rate sensitivity gap to net worth					0.17%

- 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)

September 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	1,834,714	145,427	261,484	2,339,106	4,580,731
Interest rate-sensitive liabilities	2,541,059	512,055	246,705	539,982	3,839,801
Interest rate-sensitive gap	( 706,345 )	( 366,628 )	14,779	1,799,124	740,930
Net value					136,444
Ratio of interest rate-sensitive assets to liabilities					119.30%
Ratio of interest rate sensitivity gap to net worth					543.03%

### 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)**  
**September 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	1,826,027	711,884	143,971	2,080,689	4,762,571
Interest rate-sensitive liabilities	2,216,919	720,550	410,761	474,774	3,823,004
Interest rate-sensitive gap	( 390,892 )	( 8,666 )	( 266,790 )	1,605,915	939,567
Net value					101,489
Ratio of interest rate-sensitive assets to liabilities					124.58%
Ratio of interest rate sensitivity gap to net worth					925.78%

- 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 September 30, 2025		January 1 to September 30, 2024	
	Before tax	After tax	Before tax	After tax
Return on total assets	0.52	0.44	0.52	0.45
	6.66	5.47	7.01	5.93
Return on common share net worth	29.21	28.03		
Net income ratio				

- 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 September 30

2. Maturity analysis of assets and liabilities

**Maturity Analysis of New Taiwan Dollar**

September 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	944,777,702	238,794,419	44,305,831	59,244,249	142,320,486	460,112,717
Main capital outflow on maturity	1,087,534,555	128,877,062	135,538,548	141,133,591	260,053,604	421,931,750
Gap	( 142,756,853 )	109,917,357	( 91,232,717 )	( 81,889,342 )	( 117,733,118 )	38,180,967

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

September 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	892,006,140	211,929,919	39,520,222	58,773,264	133,383,271	448,399,464
Main capital outflow on maturity	1,031,434,979	112,567,140	125,964,521	159,075,479	254,230,224	379,597,615
Gap	( 139,428,839 )	99,362,779	( 86,444,299 )	( 100,302,215 )	( 120,846,953 )	68,801,849

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

September 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	4,890,823	862,575	1,302,879	150,148	261,754	2,313,467
Main capital outflow on maturity	4,881,894	1,540,356	1,479,240	602,716	257,055	1,002,527
Gap	8,929	( 677,781 )	( 176,361 )	( 452,568 )	4,699	1,310,940

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

September 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	4,922,152	791,019	1,100,116	732,024	171,818	2,127,175
Main capital outflow on maturity	4,918,813	1,440,650	1,407,813	745,062	422,183	903,105
Gap	3,339	( 649,631 )	( 307,697 )	( 13,038 )	( 250,365 )	1,224,070

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: exempted for quarterly report.
  13. Derivative transactions: Note VIII.
- (III) Investment in Mainland China: None.
- (IV) Business Relationships Among Parent and Subsidiaries, and Key Transactions: See Table 6 for the details of business relationships between the parent and subsidiaries and key transactions.
- (V) Information of major shareholders which hold ownership of 5% or greater: Table 7.

## 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 September 30, 2025						
	Corporate Finance	Consumer banking unit	Wealth management and trust unit	Investing unit	Leasing unit	Others	Total
Net interest (Note)	\$ 1,868,602	\$ 3,800,425	(\$ 71 )	\$ 171,470	(\$ 2,763 )	\$ 2,147,981	\$ 7,985,644
COMMISSION AND FEE INCOME, NET	251,168	770,340	1,514,208	211,996	47,071	240,453	3,035,236
Net revenues other than interest	169,440	( 10,940 )	4,651	925,472	1,820,540	1,344,095	4,253,258
Net income	2,289,210	4,559,825	1,518,788	1,308,938	1,864,848	3,732,529	15,274,138
Provisions for doubtful accounts (reversal)	224,632	356,310	-	31,110	6,921	( 1,866 )	617,107
Operating expenses	832,743	2,780,930	661,394	183,504	1,694,261	3,182,195	9,335,027
Net profit before tax	<u>\$ 1,231,835</u>	<u>\$ 1,422,585</u>	<u>\$ 857,394</u>	<u>\$ 1,094,324</u>	<u>\$ 163,666</u>	<u>\$ 552,200</u>	<u>\$ 5,322,004</u>

	January 1 to September 30, 2024						
	Corporate Finance	Consumer banking unit	Wealth management and trust unit	Investing unit	Leasing unit	Others	Total
Net interest (Note)	\$ 1,864,171	\$ 3,753,113	\$ 55	\$ 50,372	( \$ 5,822 )	\$ 1,126,825	\$ 6,788,714
COMMISSION AND FEE INCOME, NET	290,129	677,771	1,472,040	196,294	56,194	210,325	2,902,753
Net revenues other than interest	237,260	( 5,270 )	2,627	837,637	1,812,358	2,806,034	5,690,646
Net income	2,391,560	4,425,614	1,474,722	1,084,303	1,862,730	4,143,184	15,382,113
Provisions for doubtful accounts (reversal)	97,142	209,252	-	( 58,469 )	29,270	445,044	722,239
Operating expenses	758,714	2,899,186	631,849	181,964	1,713,306	3,473,544	9,658,563
Net profit before tax	\$ 1,535,704	\$ 1,317,176	\$ 842,873	\$ 960,808	\$ 120,154	\$ 224,596	\$ 5,001,311

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 September 30, 2025

Annex 1

In NTD thousand (Foreign Currency)

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		
1	UFLIC	Union Capital (Singapore) Holding PTE. PTE.LTD.	Accounts receivable from affiliates	\$ 761,312 (JPY 3,700,000)	\$ 761,312 (JPY 3,700,000)	\$ 540,578 (JPY 2,627,225)	2.017%~ 2.169%	Business transaction	\$ 761,312 (JPY 3,700,000)	—	\$ —	—	\$ —	\$ 3,444,310	\$ 3,444,310
		Uflc Capital (Singapore) Holding PTE. PTE.LTD.	Accounts receivable from affiliates	(JPY 1,234,560 6,000,000)	(JPY 1,234,560 6,000,000)	(JPY 1,136,579 5,523,808)	2.017%~ 2.169%	Business transaction	(JPY 1,234,560 6,000,000)	—	\$ —	—	\$ —	3,444,310	3,444,310
		Junwei Development and Construction Co., Ltd.	Accounts receivable	9,269	9,269	9,269	5%~8%	Short-term financing	—	Operating turnover	185	Real estates	12,447	344,431	1,377,724
		Qiaoda Social Enterprise Co., Ltd.	Accounts receivable	128,647	—	—	3%~6%	Short-term financing	—	Investment in equity of affiliates	—	Real estates	150,380	344,431	1,377,724
		Sing Hong Yang Construction Co., Ltd.	Accounts receivable	21,682	—	—	3%~6%	Short-term financing	—	Operating turnover	—	Real estates	29,593	344,431	1,377,724
		NFC I Renewable Power Co., Ltd.	Accounts receivable	100,000	100,000	100,000	3%~6%	Short-term financing	—	Operating turnover	1,000	—	—	344,431	1,377,724
		NFC II Renewable Power Co., Ltd.	Accounts receivable	100,000	100,000	100,000	3%~6%	Short-term financing	—	Operating turnover	1,000	—	—	344,431	1,377,724
		NFC III Renewable Power Co., Ltd.	Accounts receivable	250,000	250,000	250,000	3%~6%	Short-term financing	—	Operating turnover	2,500	—	—	344,431	1,377,724
		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	344,431	1,377,724
		He Hua Cultural and Creative Enterprise Co., Ltd.	Accounts receivable	98,370	95,860	95,860	4%~7%	Short-term financing	—	Operating turnover	959	Real estates	182,343	344,431	1,377,724
		Sing Hong Yang Construction Co., Ltd.	Accounts receivable	20,800	20,089	20,089	3%~6%	Short-term financing	—	Operating turnover	201	Real estates	34,429	344,431	1,377,724
2	Union Capital (Singapore) Holding PTE. PTE.LTD.	You YU Company Limited	Accounts receivable	107,000	104,181	104,181	3%~6%	Business transaction	107,000	—	—	—	—	344,431	1,377,724
		You YU Company Limited	Accounts receivable	100,000	94,723	94,723	3%~6%	Short-term financing	—	Operating turnover	947	Machinery and equipment	336,764	344,431	1,377,724
3	Uflc Capital (Singapore) Holding PTE. PTE.LTD.	You YU Company Limited	Accounts receivable	62,000	58,728	58,728	3%~6%	Short-term financing	—	Operating turnover	587	Machinery and equipment	336,764	344,431	1,377,724
		Kabushiki Kaisha UCJ1	Accounts receivable from affiliates	(JPY 390,944 1,900,000)	(JPY 390,944 1,900,000)	(JPY 301,616 1,465,865)	2.75%	Business transaction	(JPY 390,944 1,900,000)	—	—	—	—	3,444,310	3,444,310
4	Union Venture Capital Co., Ltd.	Bei Chen Yi Hau Electric Power Inc.	Accounts receivable	112,000	112,000	112,000	3%	Short-term financing	—	Operating turnover	—	—	—	588,136	1,470,340
		Hao Tian Electric Power Inc.	Accounts receivable	136,000	136,000	136,000	3%	Short-term financing	—	Operating turnover	—	—	—	588,136	1,470,340

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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		
		Feng Tai Electric Power	Accounts receivable	\$ 134,000	\$ 134,000	\$ 134,000	3%	Short-term financing	\$ -	Operating turnover	\$ -	—	\$ -	\$ 588,136	\$ 1,470,340
		Na He Yi Hau Electric Power Inc.	Accounts receivable	160,000	160,000	160,000	3%	Short-term financing	-	Operating turnover	-	—	—	588,136	1,470,340
		Ting Jie Electric Power Inc.	Accounts receivable	700,000	350,000	310,000	3%	Short-term financing	-	Operating turnover	-	—	—	588,136	1,470,340
		Ting Syu Energy Co., Ltd.	Accounts receivable	3,000	3,000	3,000	3%	Short-term financing	-	Operating turnover	-	—	—	588,136	1,470,340

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 September 30, 2025

Unit: In NTD thousand, unless specified otherwise

Table 2

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)	Collateral by Setting up a Security Amount With Property	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	\$ 14,703,395	\$ 5,325,000	\$ 5,325,000	\$ 2,175,000	\$ -	6.46%	\$ 44,110,185	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 contractors 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 to a single company shall not exceed 10 times and 25 times of UVC'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 to others shall not exceed 30 times and 50 times of UVC's net worth.

Note 8: Ting Jie Electric Power signed a syndicate with 11 financial Institutions with the limit of NT\$7,500,000 thousand. The joint guarantor is the parent company, UVC.

Union Bank of Taiwan Co., Ltd. and Subsidiaries  
 Details of negotiable securities held at the end of the period  
 September 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	\$ 173,621	1.13%	\$ 173,621	
	<u>Funds and beneficiary certificates</u> 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	47,339	-	47,339	
	Union APEC Balanced Fund TWD A	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	1,102	27,774	-	27,774	
	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	39,170	-	39,170	
	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	13,967	-	13,967	
	Union Green Energy Private Equity Limited Partnership	—	Financial Assets Measured at Fair Value Through Profit or Loss	-	562,249	25.98%	562,249	
Union Information Technology Corporation (UIT)	<u>Shares</u> ELTA Technology Co., Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	3,537	283,684	13.33%	283,684	
Union Securities Investment Trust Corporation (USITC)	<u>Shares</u> Fundrish Securities Co., Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	653	9,524	0.94%	9,524	
	<u>Funds and beneficiary certificates</u> 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	15,855	-	15,855	
	Union Money Market Fund	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	1,380	19,214	-	19,214	
	Union Golden Balanced Fund	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	172	8,794	-	8,794	
	Union China Fund	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	98	7,356	-	7,356	

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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 Taiwan Best Selection Multi-Asset TWD A	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	143	\$ 1,741	-	\$ 1,741	
	Union APEC Balanced Fund TWD A	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	503	12,669	-	12,669	
	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	14,710	-	14,710	
	Union Technology Fund	Issued by Union Securities Investment Trust	Financial Assets Measured at Fair Value Through Profit or Loss	183	7,983	-	7,983	
	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	8,621	-	8,621	
	<u>Shares</u>							
	Greenway Environmental Technology Co., Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	1,100	234	1.96%	234	
	RFD Micro Electricity Co., Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	10,127	279,723	14.24%	279,723	
	Hope Vision Co., Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	529	2,150	2.55%	2,150	
	MaiCoin Technologies Limited	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	736	150,747	1.59%	150,747	
Corner Ventures DAG I-U, LLC (Delaware, US)	<u>Shares</u>							
	Get Fabric Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	1,536	USD 1,239	-	USD 1,239	
	Healthy.io Limited	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	14	USD 145	-	USD 145	
		—	Financial Assets Measured at Fair Value Through Profit or Loss	36	USD 387	-	USD 387	
	Prismo Systems , Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	39	USD 10	-	USD 10	
	Nexar Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	87	USD 336	-	USD 336	
	Latigo Biotherapeutics, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	223	USD 351	-	USD 351	

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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	
	Twin Health, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	159	USD 2,201	-	USD 2,201	
	Meilo Ltd.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	1,213	USD 680	-	USD 680	
	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	
	Garuda Labs, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	14	USD 343	-	USD 343	
	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	
	FINDEM, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	4	USD 36	-	USD 36	
	Solv Health, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	111	USD 483	-	USD 483	
	Underdog Sports, Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	8	USD 83	-	USD 83	
	Halcyon Tech. Inc.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	5,530	USD 3,261	-	USD 3,261	
	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 228	-	USD 228	
	Folius Digital Opportunities Offshore, LTD	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	USD 34	-	USD 34	
	Travelier(fka Bookaway Ltd.)	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	53	USD 615	-	USD 615	
	Corner Ventures (Cayman) I LP.	—	Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	USD 89	-	USD 89	

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(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	51,126	2.01%	51,126	
	Union Green Energy I Private Equity Limited Partnership	—	Financial Assets Measured at Fair Value Through Profit or Loss	1,488	16,562	3.05%	16,562	
	Union Green Energy II Private Equity Limited Partnership	—	Financial Assets Measured at Fair Value Through Profit or Loss	2	12	16.67%	12	

Note 1: The "securities" mentioned in this table refer to shares, bonds, beneficiary certificates and securities derived from the foregoing items, all of which fall within the scope of IFRS 9 "Financial Instruments".

Note 2: If the issuer of the securities is not an related party, this field is not required.

Note 3: For items measured at fair value, please fill in the fair value adjusted amount in the "book value" column; for items not measured at fair value, please fill in the original cost or the carrying amount after amortization, less any accumulated impairment, in the "book value" column.

Note 4: If any of the listed securities are used as collateral, pledged for borrowing, or otherwise restricted as per the agreement, the number of shares pledged or used as collateral, the collateral or pledge amount, and the nature of the restriction should be noted in the Remarks section.

Note 5: This table lists the securities the Company determines are material and should be disclosed.

Note 6: For information on investments in subsidiaries, associates and joint ventures, please refer to Tables 7, 8 and 9.

Union Bank of Taiwan Co., Ltd. and Subsidiaries  
 Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital  
 September 30, 2025

Annex 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	\$ 540,578 (JPY 2,627,225)	-	\$ -	-	\$ -	\$ -
UFLIC	Uflc Capital (Singapore) Holding PTE. Ltd.	Group subsidiary	1,136,579 (JPY 5,523,808)	-	-	-	-	-
UFLIC	Tianji Smart Energy Co., Ltd.	Group subsidiary	1,443,310	-	-	-	6,741	14,433
Union Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1 (Japan)	Group subsidiary	301,616 (JPY 1,465,865)	-	-	-	-	-
Uflc Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1 (Japan)	Group subsidiary	587,548 (JPY 2,855,504)	-	-	-	-	-

Note 1: Fill in separately for receivables from related parties, notes, and other receivables, etc.

Note 2: Paid-in capital refers to the parent company's paid-in capital. If the par value of the issued shares is not stated or is not NT\$10 per share, the transaction amount requirement of 20% of paid-in capital will be calculated based on 10% of the equity attributable to owners of the parent company as shown on the balance sheet.

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

Table 5. Unit: In NTD thousand, %

Year Month		September 30, 2025					September 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 (Note 1)	Total loans	Overdue ratio (Note 2)	Amount of allowance for doubtful accounts	Coverage ratio (Note 3)	
Corporate finance	Guarantee	\$ 446,256	\$ 211,202,257	0.21%	\$ 2,929,817	592.02%	\$ 735,319	\$ 194,889,478	0.38%	\$ 2,731,355	339.22%	
	Unsecured	48,629	42,732,641	0.11%			69,865	44,918,696	0.16%			
Consumer finance	Home mortgage (Note 4)	555,947	267,026,484	0.21%	3,372,575	606.64%	511,678	265,877,685	0.19%	3,334,592	651.70%	
	Cash card	1	1,613	0.06%	56	5,600.00%	66	2,693	2.45%	174	263.64%	
Small-scale credit loans (Note 5)	Others	Guarantee	311,256	86,103,430	0.36%	1,127,178	272.78%	191,260	79,389,539	0.24%	1,025,511	363.52%
	(Note 6)	Unsecured	101,962	24,256,818	0.42%			90,844	21,780,781	0.42%		
Total loan		1,485,150	632,214,332	0.23%	7,534,939	507.35%	1,619,720	607,488,182	0.27%	7,165,710	442.40%	
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		\$ 52,560	\$ 29,761,302	0.18%	\$ 213,559	406.31%	\$ 64,894	\$ 24,022,889	0.27%	\$ 207,941	320.43%	
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 FSC (V) 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%
Total loan		86,566	22,835,951	0.38%		
		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

	September 30, 2025		December 31 2024		September 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)	\$ 1,632	\$ 9,066	\$ 2,352	\$ 12,890	\$ 2,594	\$ 14,402
Amounts of discharged and executed contracts on clearance of consumer debts not reported as nonperforming loans and receivables (Note 2)	285,831	576,826	264,573	564,056	250,761	561,438
Total	287,463	585,892	266,925	576,946	253,355	575,840

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  
 Business Relationships among Parent and Subsidiaries, and Key Transactions  
 September 30, 2025

Table 6. Unit: In NTD thousand

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)
0	Union Bank of Taiwan	Union Finance and Leasing (Int'l) Corp and its subsidiaries	1	Deposits and remittance - Demand deposits	\$ 324,653	Note 4	0.03%
0	Union Bank of Taiwan	Union Finance and Leasing (Int'l) Corp and its subsidiaries	1	Deposits and remittance - Checking deposits	15,821	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	898,373	Note 4	0.09%
1	Union Finance and Leasing (Int'l) Corp and its subsidiaries	Union Bank of Taiwan	2	Due from banks	1,238,847	Note 4	0.12%
0	Union Bank of Taiwan	Union Finance and Leasing (Int'l) Corp and its subsidiaries	1	Deposits and remittance - Time deposits	51,471	Note 4	0.00%
1	Union Finance and Leasing (Int'l) Corp and its subsidiaries	Union Bank of Taiwan	2	Other financial assets	51,471	Note 4	0.00%
0	Union Bank of Taiwan	Union Finance and Leasing (Int'l) Corp and its subsidiaries	1	Discounts and loans	1,511,032	Note 4	0.14%
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	1,511,032	Note 4	0.14%
0	Union Bank of Taiwan	Union Finance and Leasing (Int'l) Corp and its subsidiaries	1	Other operating and management expenses	11,326	Note 4	0.12%
1	Union Finance and Leasing (Int'l) Corp and its subsidiaries	Union Bank of Taiwan	2	Lease income	11,326	Note 4	0.12%
0	Union Bank of Taiwan	Union Finance and Leasing (Int'l) Corp and its subsidiaries	1	Interest income	27,334	Note 4	0.28%
1	Union Finance and Leasing (Int'l) Corp and its subsidiaries	Union Bank of Taiwan	2	Interest expense	27,334	Note 4	0.28%
0	Union Bank of Taiwan	Union Information Technology Corporation	1	Deposits and remittance - Demand deposits	61,395	Note 4	0.01%
2	Union Information Technology Corporation	Union Bank of Taiwan	2	Due from banks	61,395	Note 4	0.01%
0	Union Bank of Taiwan	Union Information Technology Corporation	1	Accounts payable - expenses payable	9,688	Note 4	0.00%
2	Union Information Technology Corporation	Union Bank of Taiwan	2	Accounts receivable - accounts receivable	9,688	Note 4	0.00%
0	Union Bank of Taiwan	Union Information Technology Corporation	1	Other assets	40,675	Note 4	0.00%
2	Union Information Technology Corporation	Union Bank of Taiwan	2	Other liabilities	40,675	Note 4	0.00%
0	Union Bank of Taiwan	Union Information Technology Corporation	1	Other operating and management expenses	170,629	Note 4	1.77%
2	Union Information Technology Corporation	Union Bank of Taiwan	2	Net revenues other than interest	170,629	Note 4	1.77%
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	244,145	Note 4	0.02%
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	244,866	Note 4	0.02%
0	Union Bank of Taiwan	Union Venture Capital Co., Ltd. and its subsidiaries	1	Deposits and remittance - Time deposits	18,698	Note 4	0.00%

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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)
3	Union Venture Capital Co., Ltd. and its subsidiaries	Union Bank of Taiwan	2	Other financial assets	18,698	Note 4	0.00%
0	Union Bank of Taiwan	Union Securities Investment Trust Co., Ltd. and its subsidiaries	1	Deposits and remittance - Demand deposits	22,920	Note 4	0.00%
4	Union Securities Investment Trust Co., Ltd. and its subsidiaries	Union Bank of Taiwan	2	Due from banks	22,920	Note 4	0.00%
0	Union Bank of Taiwan	Union Securities Investment Trust Co., Ltd. and its subsidiaries	1	Deposits and remittance - Time deposits	154,560	Note 4	0.01%
4	Union Securities Investment Trust Co., Ltd. and its subsidiaries	Union Bank of Taiwan	2	Other financial assets	\$ 154,560	Note 4	0.01%
0	Union Bank of Taiwan	Union Securities Investment Trust Co., Ltd. and its subsidiaries	1	Fee income	30,140	Note 4	0.31%
4	Union Securities Investment Trust Co., Ltd. and its subsidiaries	Union Bank of Taiwan	2	Commission and fee expense	30,140	Note 4	0.31%
1	Union Finance and Leasing (Int'l) Corp and its subsidiaries	Union Venture Capital Co., Ltd. and its subsidiaries	3	Lease payment receivable	1,443,310	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	1,443,310	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	23,169	Note 4	0.24%
3	Union Venture Capital Co., Ltd. and its subsidiaries	Union Finance and Leasing (Int'l) Corp and its subsidiaries	3	Interest expense	23,169	Note 4	0.24%
10	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%
10	Union Finance and Leasing (Int'l) Corp	Union Capital (Singapore) Holding PTE. Ltd.	3	Interest income	8,728	Note 4	0.09%
11	Union Capital (Singapore) Holding PTE. Ltd.	Union Finance and Leasing (Int'l) Corp	3	Interest expense	8,728	Note 4	0.09%
10	Union Finance and Leasing (Int'l) Corp	Uflc Capital (Singapore) Holding PTE. Ltd.	3	Interest income	18,350	Note 4	0.19%
12	Uflc Capital (Singapore) Holding PTE. Ltd.	Union Finance and Leasing (Int'l) Corp	3	Interest expense	18,350	Note 4	0.19%
11	Union Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1	3	Account receivable - accounts receivable from affiliates	308,093	Note 4	0.03%
13	Kabushiki Kaisha UCJ1	Union Capital (Singapore) Holding PTE. Ltd.	3	Account payable - accounts payable to affiliates	308,093	Note 4	0.03%
12	Uflc Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1	3	Account receivable - accounts receivable from affiliates	593,126	Note 4	0.06%
13	Kabushiki Kaisha UCJ1	Uflc Capital (Singapore) Holding PTE. Ltd.	3	Account payable - accounts payable to affiliates	593,126	Note 4	0.06%
11	Union Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1	3	Interest income	6,380	Note 4	0.07%
13	Kabushiki Kaisha UCJ1	Union Capital (Singapore) Holding PTE. Ltd.	3	Interest expense	6,380	Note 4	0.07%
12	Uflc Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1	3	Interest income	12,429	Note 4	0.13%
13	Kabushiki Kaisha UCJ1	Uflc Capital (Singapore) Holding PTE. Ltd.	3	Interest expense	12,429	Note 4	0.13%
5	Union Venture Capital Co., Ltd.	Bei Chen Yi Hau	3	Accounts receivable - accounts receivable	112,000	Note 4	0.01%
14	Bei Chen Yi Hau	Union Venture Capital Co., Ltd.	3	Payables - accounts payable	112,000	Note 4	0.01%
5	Union Venture Capital Co., Ltd.	Feng Tai Electric Power	3	Accounts receivable - accounts receivable	134,000	Note 4	0.01%
15	Feng Tai Electric Power	Union Venture Capital Co., Ltd.	3	Payables - accounts payable	134,000	Note 4	0.01%

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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		
5	Union Venture Capital Co., Ltd.	Hao Tian Electric Power Inc.	3	Accounts receivable - accounts receivable	\$ 136,000	Note 4		0.01%
16	Hao Tian Electric Power Inc.	Union Venture Capital Co., Ltd.	3	Payables - accounts payable	136,000	Note 4		0.01%
5	Union Venture Capital Co., Ltd.	Na He Yi Hau Electric Power Inc.	3	Accounts receivable - accounts receivable	160,000	Note 4		0.02%
17	Na He Yi Hau Electric Power Inc.	Union Venture Capital Co., Ltd.	3	Payables - accounts payable	160,000	Note 4		0.02%
5	Union Venture Capital Co., Ltd.	Ting Jie Electric Power Inc.	3	Accounts receivable - accounts receivable	310,000	Note 4		0.03%
8	Ting Jie Electric Power Inc.	Union Venture Capital Co., Ltd.	3	Payables - accounts payable	310,000	Note 4		0.03%
5	Union Venture Capital Co., Ltd.	Ting Jie Electric Power Inc.	3	Accounts receivable - interest receivable	5,525	Note 4		0.00%
8	Ting Jie Electric Power Inc.	Union Venture Capital Co., Ltd.	3	Payables - interest payable	5,525	Note 4		0.00%

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 \$5,000 thousand.

Union Bank of Taiwan Co., Ltd. and Subsidiaries  
 Information of Major Shareholders  
 September 30, 2025

Annex 7

Unit: Shares

Name of Major Shareholder	Shares			Shareholding ratio	
	Number of shares		Total shares		
	Common shares	Preferential shares			
Tsong-Li Investment Co., Ltd.	342,424,845	—	342,424,845	7.54%	

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.