Union Bank of Taiwan and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2024 and 2023 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The Bank and its subsidiaries required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2024 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

UNION BANK OF TAIWAN

By:

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March 12, 2025

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Union Bank of Taiwan

Opinion

We have audited the accompanying consolidated financial statements of Union Bank of Taiwan (the "Bank") and its subsidiaries (collectively referred to as the "Company"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Assessment of the Impairment of Discounts and Loans

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

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

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

1. We obtained an understanding and performed tests of the relevant internal controls in respect of the Company's loan impairment assessment.

2. We acquired the loan evaluation form used by management of the Company and assessed the allowance for possible losses on credit assets; we tested the completeness of the loan assets.

3. We assessed that the loans of the Company were classified in accordance with the definition of the Regulations.

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

Other Matter

We have also audited the parent company only financial statements of Union Bank of Taiwan as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Kuan-Hao Lee and Jiun-Hung Shih.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 12, 2025

<u>*Notice to Readers*</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

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 AND SUBSIDIARIES

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

	2024		2023	
ASSETS	**Amount**	**%**	**Amount**	**%**
CASH AND CASH EQUIVALENTS (Notes 4 and 6)	$ 10,828,862	1	$ 11,526,796	1
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Notes 7 and 48)	41,848,692	4	31,773,751	3
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4 and 8)	56,021,935	6	52,855,566	6
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 5, 9 and 11)	62,897,886	6	58,459,080	6
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST (Notes 4, 5, 10 and 11)	81,725,126	8	81,648,341	9
SECURITIES PURCHASED UNDER RESALE AGREEMENTS (Notes 4 and 12)	59,118,321	6	62,727,638	7
RECEIVABLES, NET (Notes 4, 5 and 13)	40,464,033	4	37,808,389	4
CURRENT TAX ASSETS (Note 4)	8,019	-	15,608	-
DISCOUNTS AND LOANS, NET (Notes 4, 5, 14 and 47)	606,021,210	61	564,107,624	60
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET (Notes 4 and 17)	360,711	-	1,942,531	-
OTHER FINANCIAL ASSETS, NET (Notes 4, 18 and 48)	1,562,805	-	1,841,988	-
PROPERTY AND EQUIPMENT, NET (Notes 4 and 19)	16,106,731	2	15,351,294	2
RIGHT-OF-USE ASSETS (Notes 4 and 20)	1,745,478	-	1,819,034	-
INVESTMENT PROPERTIES, NET (Notes 4, 21, 31 and 48)	4,563,187	1	4,669,256	1
GOODWILL (Notes 4 and 22)	1,985,307	-	1,985,307	-
COMPUTER SOFTWARE (Note 4)	214,722	-	176,105	-
DEFERRED TAX ASSETS (Notes 4 and 45)	759,038	-	943,965	-
OTHER ASSETS, NET (Notes 4, 23, 34, 47 and 49)	9,225,403	1	9,494,772	1
TOTAL	$ 995,457,466	100	$ 939,147,045	100
LIABILITIES AND EQUITY				
DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS (Note 24)	$ 15,232,374	2	$ 12,844,229	1
DUE TO THE CENTRAL BANK AND OTHER BANKS (Notes 25, 31 and 48)	1,405,281	-	1,403,184	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4 and 8)	468,953	-	1,824,034	-
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Note 26)	58,563,701	6	61,079,195	7
PAYABLES (Note 27)	8,504,262	1	9,166,930	1
CURRENT TAX LIABILITIES (Note 4)	209,587	-	226,334	-
DEPOSITS AND REMITTANCES (Notes 28 and 47)	803,449,537	81	756,162,659	81
BANK DEBENTURES (Notes 4 and 29)	5,000,000	1	5,000,000	1
BONDS PAYABLE (Notes 21 and 30)	885,881	-	927,202	-
PREFERRED STOCK LIABILITY (Note 31)	375,000	-	375,000	-
OTHER FINANCIAL LIABILITIES (Note 32)	13,244,765	1	11,414,307	1
PROVISIONS (Notes 4, 5, 33 and 34)	510,926	-	361,129	-
LEASE LIABILITIES (Notes 4, 20 and 47)	1,747,230	-	1,812,408	-
DEFERRED TAX LIABILITIES (Notes 4 and 45)	2,749,178	-	2,284,362	-
OTHER LIABILITIES (Notes 21, 35 and 49)	3,658,193	-	3,623,617	-
Total liabilities	916,004,868	92	868,504,590	92
EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK				
Share capital				
Ordinary shares	40,500,729	4	37,789,525	4
Preference shares	2,000,000	-	2,000,000	-
Total share capital	42,500,729	4	39,789,525	4
Capital surplus	8,168,291	1	8,125,732	1
Retained earnings				
Legal reserve	12,972,292	1	11,518,843	1
Special reserve	627,440	-	757,036	-
Unappropriated earnings	7,108,802	1	5,623,241	1
Total retained earnings	20,708,534	2	17,899,120	2
Other equity	5,857,262	1	2,619,575	1
Total equity attributable to owners of the Bank	77,234,816	8	68,433,952	8
NON-CONTROLLING INTERESTS	2,217,782	-	2,208,503	-
Total equity	79,452,598	8	70,642,455	8
TOTAL	$ 995,457,466	100	$ 939,147,045	100

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

UNION BANK OF TAIWAN AND SUBSIDIARIES

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

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
NET INTEREST (Notes 4, 37 and 47)					
Interest revenue	$ 22,198,305	112	$ 19,970,042	112	11
Interest expense	13,920,486	70	11,618,055	65	20
Net interest	8,277,819	42	8,351,987	47	(1)
NET REVENUES OTHER THAN INTEREST					
Service fee income, net (Notes 4, 38 and 47)	3,904,501	20	3,310,311	18	18
Gains (losses) gain on financial assets and liabilities at fair value through profit or loss (Notes 4 and 39)	5,537,143	28	2,077,262	12	167
Realized gains on financial assets at fair value through other comprehensive income (Notes 4 and 40)	405,894	2	219,071	1	85
Share of gain (loss) of associates (Notes 4 and 17)	484,200	2	(20,228)	-	2,494
Foreign exchange (losses) gains (Note 4)	(1,890,992)	(10)	1,224,309	7	(254)
Impairment losses on assets (Notes 4, 5 and 41)	(71,616)	-	(77,139)	(1)	(7)
Securities brokerage fee revenue, net (Note 4)	389,247	2	317,435	2	23
Rental revenue (Note 4)	2,208,908	11	2,228,937	12	(1)
Other noninterest gains, net	581,765	3	302,682	2	92
TOTAL NET REVENUE	19,826,869	100	17,934,627	100	11
BAD-DEBT EXPENSE AND PROVISION FOR LOSSES ON COMMITMENTS AND GUARANTEES (Notes 4, 5, 15 and 33)	1,107,084	6	628,393	4	76

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UNION BANK OF TAIWAN AND SUBSIDIARIES

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

	2024		2023		Percentage Increase (Decrease)
	Amount	**%**	**Amount**	**%**	**%**
OPERATING EXPENSES					
Employee benefit (Notes 34 and 42)	$ 5,220,579	26	$ 4,682,035	26	12
Depreciation and amortization (Notes 4 and 43)	2,766,241	14	2,666,665	15	4
General and administrative (Notes 44 and 47)	4,565,861	23	4,722,137	26	(3)
Total operating expenses	12,552,681	63	12,070,837	67	4
INCOME BEFORE INCOME TAX	6,167,104	31	5,235,397	29	18
INCOME TAX EXPENSE (Notes 4 and 45)	944,591	5	914,717	5	3
CONSOLIDATED NET INCOME	5,222,513	26	4,320,680	24	21
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	62,392	-	(57,490)	-	209
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	4,702,791	24	3,067,341	17	53
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 45)	(455,033)	(2)	(291,386)	(2)	56
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of the financial statements of foreign operations	940,536	5	(125,642)	(1)	849

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UNION BANK OF TAIWAN AND SUBSIDIARIES

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

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
Unrealized loss on investments in debt instruments at fair value through other comprehensive income	$ (317,847)	(2)	$ 1,166,753	7	(127)
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 45)	(188,107)	(1)	25,129	-	(849)
Other comprehensive income for the year, net of income tax	4,744,732	24	3,784,705	21	25
TOTAL COMPREHENSIVE INCOME (LOSS)	$ 9,967,245	50	$ 8,105,385	45	23
NET INCOME ATTRIBUTABLE TO:					
Owners of the Bank	$ 5,215,277	26	$ 4,317,286	24	21
Non-controlling interests	7,236	-	3,394	-	113
	$ 5,222,513	26	$ 4,320,680	24	21
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
Owners of the Bank	$ 9,960,003	50	$ 8,101,987	45	23
Non-controlling interests	7,242	-	3,398	-	113
	$ 9,967,245	50	$ 8,105,385	45	23
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 46)					
Basic	$1.16		$0.95		
Diluted	$1.16		$0.95		

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

UNION BANK OF TAIWAN AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Equity Attributable Owners of the Company													
	Share Capital (Notes 36 and 42)				Retained Earnings (Notes 4, 36 and 56)				Other Equity (Notes 4 and 36)					
	Ordinary Shares	Preference Shares	Total	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total	Non-controlling Interests (Notes 30 and 36)	Total Equity
BALANCE AT JANUARY 1, 2023	$ 35,940,460	$ 2,000,000	$ 37,940,460	$ 8,076,826	$ 10,589,878	$ 627,440	$ 4,473,399	$ 15,690,717	$ (508,759)	$ (128,822)	$ (637,581)	$ 61,070,422	$ 2,046,500	$ 63,116,922
Appropriation of the 2022 earnings														
Legal reserve	-	-	-	-	928,965	-	(928,965)	-	-	-	-	-	-	-
Capital reserve	-	-	-	-	-	129,596	(129,596)	-	-	-	-	-	-	-
Cash dividends on common shares	-	-	-	-	-	-	(359,405)	(359,405)	-	-	-	(359,405)	-	(359,405)
Cash dividends on preference shares	-	-	-	-	-	-	(480,000)	(480,000)	-	-	-	(480,000)	-	(480,000)
Stock dividends on common shares	1,797,023	-	1,797,023	-	-	-	(1,797,023)	(1,797,023)	-	-	-	-	-	-
Other changes in capital surplus changes in capital surplus from investment in associates and joint ventures accounted for using the equity method	-	-	-	16,640	-	-	-	-	-	-	-	16,640	-	16,640
Net income for the year ended December 31, 2023	-	-	-	-	-	-	4,317,286	4,317,286	-	-	-	4,317,286	3,394	4,320,680
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	(45,595)	(45,595)	(100,513)	3,930,809	3,830,296	3,784,701	4	3,784,705
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	158,605	158,605
Share-based payment	52,042	-	52,042	32,266	-	-	-	-	-	-	-	84,308	-	84,308
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	573,140	573,140	-	(573,140)	(573,140)	-	-	-
BALANCE AT DECEMBER 31, 2023	37,789,525	2,000,000	39,789,525	8,125,732	11,518,843	757,036	5,623,241	17,899,120	(609,272)	3,228,847	2,619,575	68,433,952	2,208,503	70,642,455
Appropriation of the 2023 earnings														
Legal reserve	-	-	-	-	1,453,449	-	(1,453,449)	-	-	-	-	-	-	-
Capital reserve	-	-	-	-	-	(129,596)	129,596	-	-	-	-	-	-	-
Cash dividends on common shares	-	-	-	-	-	-	(755,790)	(755,790)	-	-	-	(755,790)	-	(755,790)
Cash dividends on preference shares	-	-	-	-	-	-	(511,845)	(511,845)	-	-	-	(511,845)	-	(511,845)
Stock dividends on common shares	2,645,267	-	2,645,267	-	-	-	(2,645,267)	(2,645,267)	-	-	-	-	-	-
Other changes in capital surplus changes in capital surplus from investment in associates and joint ventures accounted for using the equity method	-	-	-	11,569	-	-	-	-	-	-	-	11,569	-	11,569
Net income for the year ended December 31, 2024	-	-	-	-	-	-	5,215,277	5,215,277	-	-	-	5,215,277	7,236	5,222,513
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	-	-	49,912	49,912	752,429	3,942,385	4,694,814	4,744,726	6	4,744,732
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	2,037	2,037
Share-based payment	65,937	-	65,937	30,990	-	-	-	-	-	-	-	96,927	-	96,927
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	1,457,127	1,457,127	-	(1,457,127)	(1,457,127)	-	-	-
BALANCE AT DECEMBER 31, 2024	$ 40,500,729	$ 2,000,000	$ 42,500,729	$ 8,168,291	$ 12,972,292	$ 627,440	$ 7,108,802	$ 20,708,534	$ 143,157	$ 5,714,105	$ 5,857,262	$ 77,234,816	$ 2,217,782	$ 79,452,598

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

UNION BANK OF TAIWAN AND SUBSIDIARIES

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

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

(Continued)

UNION BANK OF TAIWAN AND SUBSIDIARIES

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

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of associates	$ -	$ (10,000)
Net cash outflow on acquisition of subsidiary	-	420,434
Payments for property and equipment	(1,382,900)	(3,588,525)
Proceeds from disposal of property and equipment	10,191	15
Payments for investment properties	(8,134)	(49,086)
Decrease in settlement fund	1,754	872
Decrease in refundable deposits	333,953	690,628
Payments for intangible assets	(135,830)	(73,863)
Proceeds from disposal of collaterals	-	949
Increase in other assets	(1,629,744)	(1,230,108)
Decrease in other assets	176,732	-
Net cash used in investing activities	(2,633,978)	(3,838,684)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in due to Central Bank and other banks	13,169	914,233
Increase in commercial paper	1,838,492	897,311
Repayment of bonds payable	(9,232)	(9,564)
Proceeds from guarantee deposits received	-	5,016
Refund of guarantee deposits received	(13,769)	-
Repayment of the principal portion of lease liabilities	(503,592)	(489,595)
Increase in other liabilities	-	161,120
Decrease in other liabilities	(8,344)	-
Cash dividends paid	(1,267,635)	(839,405)
Dividend of payment	(7,963)	(7,434)
Changes in non-controlling interests	10,000	(227,500)
Net cash generated from (used in) financing activities	51,126	404,182
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	39,438	(92,073)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,307,251)	17,913,792
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	74,254,434	56,340,642
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 69,947,183	$ 74,254,434

(Continued)

UNION BANK OF TAIWAN AND SUBSIDIARIES

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

Reconciliation of the cash and cash equivalents reported in the consolidated statements of cash flows with those reported in the consolidated balance sheets as of December 31, 2024 and 2023:

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

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

UNION BANK OF TAIWAN AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

The Union Bank of Taiwan (the "Bank") was incorporated on December 31, 1991 after obtaining approval from the Ministry of Finance (MOF) on August 1, 1991 and started operations on January 21, 1992.

The Bank is mainly engaged in activities allowed under the Banking Law, which cover deposits, loans, discounts, remittances, acceptances, issuance of guarantees and letters of credit, short-term bills transactions, investments, foreign exchange transactions, savings, trust, etc.

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

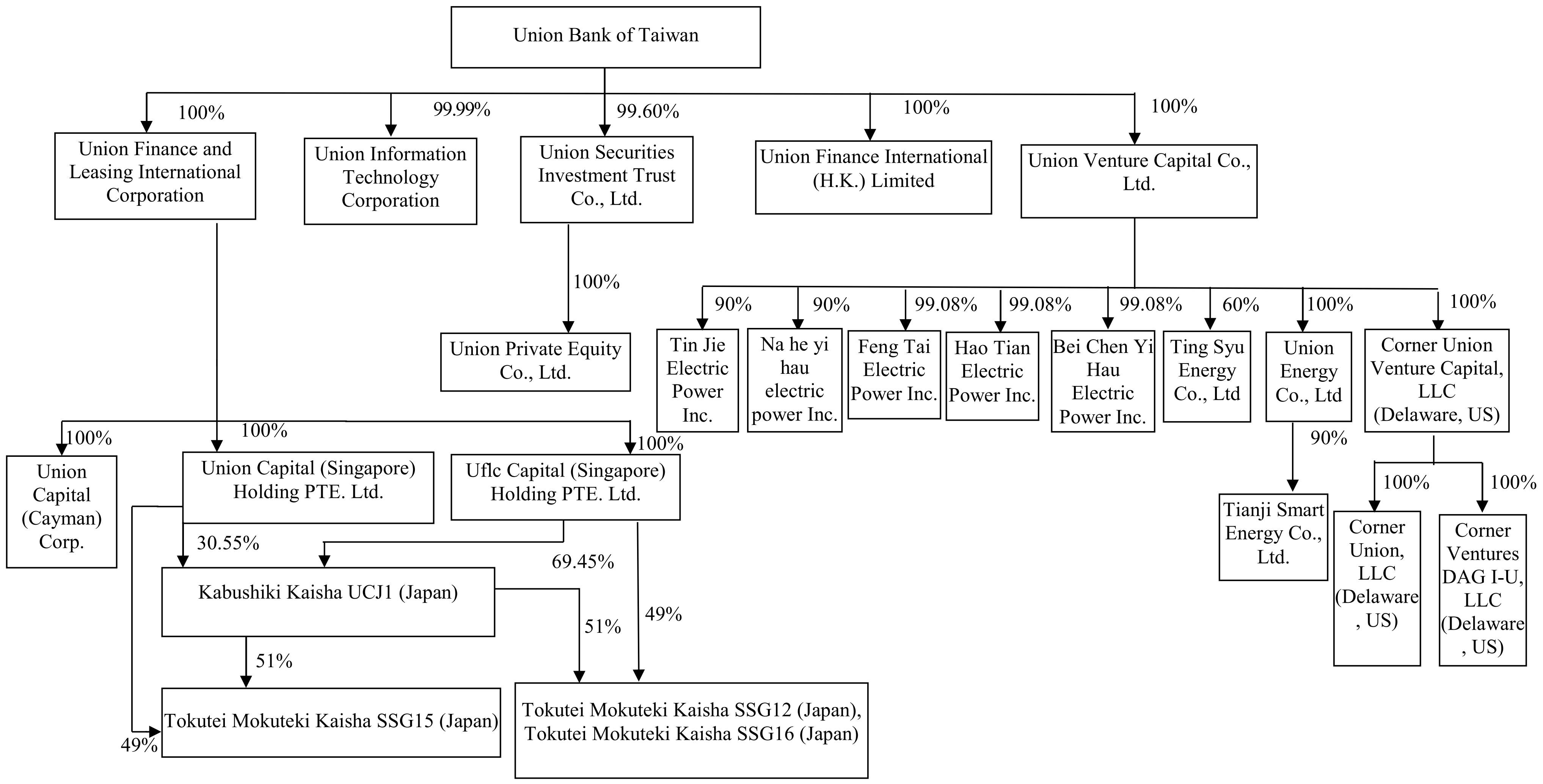
The Bank merged with Union Bills Finance Corporation (UBF) on August 16, 2010, with the Bank as the surviving entity.

On August 26, 2015, the board of directors of the Company 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. The effective date of this merger was August 1, 2016.

As of December 31, 2024, the Bank's operating units included Banking, Trust, Wealth Management, Security Finance, Bills Finance, International Banking Department of the Head Office, Insurance Agency Department, an Offshore Banking Unit (OBU), three overseas representative offices in Hong Kong, Ho Chi Minh City and Hanoi, Vietnam, and 90 domestic branches (including the business department).

In response to the division of labor within the Bank and changes in the financial environment and to achieve the goal of comprehensive cross-industry operating efficiency and thereby improve competitiveness and operating performance, the Bank's board of directors passed 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., to form a new 100%-owned securities subsidiary, TBA Securities Co., Ltd. (TBA). Through the formation of TBA, the securities brokerage business and futures introducing brokerage business were separated from the Bank's securities business, which now engages only in the proprietary bond trading business. TBA issued shares to the Company, and the Company became the only shareholder of the subsidiary. Although the newly established securities subsidiary is an entity separate from the Company, this separation is still subject to the approval of the competent authority. If supplemental information is required aside from the base date of the separation, business scope, amount (including assets and liabilities), and the separation proposal, or if the competent authority requires adjustments according to law, the board of directors has the full authority to handle these matters. The base date of the separation is tentatively set for November 1, 2025.

The following chart presents the relationship between the Bank and its subsidiaries (collectively referred to as the "Company") and percentage of ownership as of December 31, 2024:



The Company's consolidated financial statements are presented in the New Taiwan dollar.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors and authorized for issue on March 10, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Statements by Public Banks and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and enforced by the Financial Supervisory Commission (FSC)

   The initial application of the amendments to the Regulations Governing the Preparation of Financial Statements by Public Banks and the IFRS Accounting Standards endorsed and enforced by the FSC did not have a material impact on the Company's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025.

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Bank shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

1) Amendments to IAS 21 “Lack of Exchangeability”

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Company shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

2) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

a) How to assess if the contractual cash flows of a financial asset are consistent with a basic lending arrangement, i.e., the cash flows are solely payments of principal and interest (SPPI) on outstanding principal by a borrower to a lender.

   If a financial asset contains a contingent feature (a clause in a contract that specifies a condition that should be met for a contract to be completed) that could change the timing or amount of contractual cash flows, and the contingent event itself is not directly tied to changes in basic lending risks and costs, the Group needs to assess if the contractual cash flows are solely SPPI on the principal amount outstanding. This assessment involves determining if the contractual cash flows in all possible scenarios are significantly different from those of a similar instrument without the contingent feature. This assessment involves comparing the cash flows with and without the contingent feature. If the differences are not significant, the asset can still be considered SPPI.

b) To clarify that a financial asset has non-recourse features if an entity’s ultimate right to receive cash flows is contractually limited to the cash flows generated by the asset itself.

c) To clarify that the characteristics of contractually linked instruments (CLIs) include a prioritization of payments to the holders of financial assets, particularly within a waterfall structure. This prioritization, which is achieved through multiple contractually linked instruments (tranches), can result in a disproportionate allocation of cash shortfalls from underlying assets among the tranches of the CLIs, creating a concentration of credit risk, particularly for subordinated tranches, with senior tranches potentially absorbing less of any loss.

c. The IFRS Accounting Standards in issue but not yet endorsed and enforced by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
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 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments stipulate that, when the Company sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Company loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Company sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company's share of the gain or loss is eliminated. Also, when the Company loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company's share of the gain or loss is eliminated.

2) IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements". The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be placed in the operating, investing, financing, income taxes and discontinued operations categories, as appropriate.

- The consolidated statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- To enhance its compliance with the requirements for aggregation and disaggregation, the Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as "other" only if it cannot find a more descriptive label.

- Disclosures on Management-defined Performance Measures (MPMs): When the Company uses in public communications outside the financial statements management-defined performance measures (MPMs, consisting of subtotals of income and expenses not listed in IFRS accounting standards) to convey management's view of an aspect of its financial performance, the Company should disclose the income tax and non-controlling interest effects related to the MPMs when reconciling these MPMs to the most directly comparable IFRS totals/subtotals. These effects-including the description of the MPMs, calculations, and reconciliations to IFRS-required totals/subtotals-have to be disclosed in a single note to the consolidated financial statements and are subject to audit.

3) Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities

The amendments mainly stipulate that, when settling a financial liability in cash using an electronic payment system, the Bank can choose to derecognize the financial liability before the settlement date if, and only if, the Bank has initiated a payment instruction that resulted in:

- The Bank's having no practical ability to withdraw, stop or cancel the payment instruction;

- The Bank's having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

- The settlement risk associated with the electronic payment system is insignificant.

The Company shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application.

4) Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

Contracts referencing nature-dependent electricity are contracts that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions. These contracts include both contracts to buy or sell nature-dependent electricity and financial instruments that reference such electricity. When the Company enters into contracts to buy nature-dependent electricity, the Company is exposed to the risk that it would be required to buy electricity during a delivery interval in which the Company cannot use the electricity, and that the design and operation of the electricity market require any amounts of unused electricity to be sold within a specified time frame. The amendments stipulate that these sales are not necessarily inconsistent with the contract being held in accordance with the Company's expected usage requirements if the Company's initial intention was to use the electricity for its own purposes, and the sales are a consequence of the market's operation and not a deliberate strategy to avoid meeting the contract. If the contracts are not held in accordance with the Company's own-use requirements, e.g., held for hedging purposes instead, the contracts will be accounted for as financial instruments. However, the Company entered into and continues to hold such a contract in accordance with its expected electricity usage requirements, and the Company has bought, and expects to buy, sufficient electricity to offset the sales of any unused electricity in the same market in which it sold the electricity over a reasonable amount of time.

The amendments also stipulate that, if contracts referencing nature-dependent electricity are designated as hedging instruments for forecast transactions, i.e., to hedge forecast electricity purchases or sales, the nominal amount of the forecast electricity transactions is aligned with the variable amount of nature-dependent electricity expected to be delivered by a generation facility as referenced in the hedging instrument.

For the amendments related to contracts referencing nature-dependent electricity that are entered into in accordance with expected electricity usage requirements, the Company shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the beginning retained earnings at the date of initial application. For the amendments related to hedge accounting, the Company shall apply the changes prospectively.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Company was continuing to assess the other impacts of the above amended standards and interpretations on the Company's consolidated financial position and financial performance and will disclose the impacts when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Public Companies, Regulations Governing the Preparation of Financial Reports by Securities Firms and the IFRS Accounting Standards as endorsed and enforced by the FSC.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Basis of Consolidation

a. Principles for preparing consolidated financial statements

   Since the operating cycle cannot be reasonably identified in the banking industry and the Bank accounted for a significant percentage of the consolidated accounts, the accounts included in the consolidated financial statements were not classified as current or non-current. Nevertheless, accounts were properly categorized in accordance with the nature of each account and sequenced by their liquidity.

   The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries, including special purpose entities).

   Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

   When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-Company transactions, balances, income and expenses are eliminated in full upon consolidation.

Non-controlling interests are presented in the consolidated balance sheets within equity, separately from the equity of the owners of the Bank.

Attribution of total comprehensive income to non-controlling interests

Total comprehensive income of subsidiaries is attributed to the owners of the Bank and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interests in existing subsidiaries

Changes in the Company's ownership interests in subsidiaries that do not result in the Company's losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their respective interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

b. The investees included in the consolidated financial statements are as follows:

Detail of subsidiaries, percentage of ownership and operating item, refer to the Note 16.

Foreign Currencies

In preparing the financial statements of each entity, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise except for: Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investments.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Company's foreign operations (including subsidiaries, associates, joint ventures and branches in other countries that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

Investments in Associate

The Company uses the equity method to account for its investments in associates.

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. The Company uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates attributable to the Company.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate or a joint venture at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Company's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method and does not remeasure the retained interest.

When an entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's consolidated financial statements only to the extent that interests in the associate are not related to the Company.

Financial Instruments

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

a. Financial assets

   All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

   1) Measurement categories

      Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost, investments in debt instruments at FVTOCI and investments in equity instruments at FVTOCI.

      a) Financial assets at FVTPL

         Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments that are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

         A financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.

         Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 52.

      b) Financial assets at amortized cost

         Financial assets that meet the following conditions are subsequently measured at amortized cost:

         i. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

         ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents and trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii. Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

c) Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

i. The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and

ii. The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

d) Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2) Impairment of financial assets

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

For financial instruments and contract assets, 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. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 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.

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%.

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.

3) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and any associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

b. Equity instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

c. Financial liabilities

Subsequent measurement

A financial liability may be designated as at FVTPL upon initial recognition when doing so results in more relevant information and if:

1) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

2) The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and has performance evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

3) The contract contains one or more embedded derivatives so that the entire combined contract (asset or liability) can be designated as at FVTPL.

For a financial liability designated as at FVTPL, the amount of changes in fair value attributable to changes in the credit risk of the liability is presented in other comprehensive income and will not be subsequently reclassified to profit or loss. The remaining amount of changes in the fair value of that liability which incorporates any interest or dividends paid on such financial liability is presented in profit or loss. The gain or loss accumulated in other comprehensive income will be transferred to retained earnings when the financial liability is derecognized. If this accounting treatment related to credit risk would create or enlarge an accounting mismatch, all changes in the fair value of the liability are presented in profit or loss.

Fair value is determined in the manner described in Note 52.

Financial guarantee contracts

Financial guarantee contracts issued by the Company, if not designated as at FVTPL, are subsequently measured at the higher of:

1) The amount of the loss allowance reflecting expected credit losses; and

2) The amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the revenue recognition policies.

d. Derivative financial instruments

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

Nonperforming Loans

Under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Nonaccrual Loans" issued by the authorities, loans and other credits (including the accrued interests) that remain unpaid on their maturity are transferred immediately to nonperforming loans if the transfer is approved by the board of directors.

Nonperforming loans transferred from loans are recognized as discounts and loans, and those transferred from other credits are recognized as other financial assets.

Repurchase and Resale Transactions

Securities purchased under resale agreements and securities sold under repurchase agreements are generally treated as collateralized financing transactions. Interest earned on reverse repurchase agreements or interest incurred on repurchase agreements is recognized as interest income or interest expense over the life of each agreement.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Freehold land is not depreciated.

Depreciation of property and equipment is recognized using the straight-line method. Each significant part is depreciated separately. If the lease term of an item of property and equipment is shorter than its useful life, such asset is depreciated over its lease term. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

For a contract where an owner of land provides land for construction of buildings by a property developer in exchange for a certain percentage of the buildings, any exchange gain or loss is recognized when the exchange transaction occurs, if the buildings acquired are classified as property, plant and equipment and the exchange transaction has commercial substance.

On derecognition of an item of property and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

Investment Properties

Investment properties are properties owned specifically to generate profit through rental income and/or capital gains. Land for which the future purpose of use has not been decided is also classified under investment properties.

Investment properties are initially recognized at cost (including transaction cost) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. The Company calculates depreciation by the straight-line method.

Gain or loss recognized on derecognition of an investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is included in profit or loss in the period in which the investment property is derecognized.

Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized on goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Intangible Assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

Derecognition

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

Foreclosed Collaterals

Collaterals assumed (included in other assets) are recorded at cost, which includes the assumed prices and any necessary repairs to make the collaterals saleable, and evaluated at the lower of cost or net realizable value as of the balance sheet date.

Impairment of Tangible and Intangible Assets (Excluding Goodwill)

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

For a contract that contains a lease component and non-lease components, the Company allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

a. The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Company subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Company, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Company's net investment outstanding in respect of leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

When a lease includes both land and building elements, the Company assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

b. The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

Provisions

Provisions, including those arising from levies imposed by governments are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

<u>Onerous Contract</u>

A levy imposed by a government is accrued as a provision when the transaction or activity that triggers the payment of the levy occurs. If the obligating event occurs over a period of time, the provision is recognized progressively. If an obligation to pay a levy is triggered upon reaching a minimum threshold, the provision is recognized when that minimum threshold is reached.

Pursuant to the lease agreement, the Company has an obligation, at the end of the respective lease terms, to restore the leased plant assets to their original condition at the time of the lease. Provisions are recognized based on the present value of the best estimate of future outflows of economic benefits that will be required for fulfillment of the restoration obligation.

Employee Benefits

a. Short-term employee benefits

   Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

b. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

c. Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for a defined benefit plan except that remeasurement is recognized in profit or loss.

d. Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Company recognizes any related restructuring costs.

Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary difference and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to use the benefits of the temporary differences and these differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the amounts expected to be paid to (recovered from) taxation authorities, using the rates or laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets should reflect the tax consequences of how the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Company has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Company neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

c. Current and deferred taxes for the period

For transactions recognized in profit or loss, current and deferred taxes are also recognized in profit or loss; for transactions recognized outside profit or loss, i.e., in other comprehensive income or directly in equity, the current and deferred taxes are also recognized in other comprehensive income or directly in equity. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Interest Revenue and Service Fees

Interest revenue on loans is recorded by the accrual method. No interest revenue is recognized in the accompanying financial statements on loans and other credits extended by the Company that are classified as nonperforming loans. The interest revenue on these loans/credits is recognized upon collection. Under the regulations of the Ministry of Finance, the interest revenue on credits covered by agreements that extend their repayment periods is recorded as deferred revenue and recognized as revenue upon collection.

Service fees are recognized when a major part of the earnings process is completed and cash is collected.

Dividend income from investments is recognized when the stockholder’s right to receive payment has been established and provided that it is probable that the economic benefits will flow to the Company and that the amount of income can be measured reliably.

The points earned by customers under loyalty program are treated as multiple-element arrangements, in which consideration is allocated to the goods or services and the award credits based on fair value through the eyes of the customer. The consideration is not recognized in earnings at the original sales transactions but at the time when the points are redeemed and the Company’s obligation is fulfilled.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

When developing material accounting estimates, the Company considers the economic environment implications of the military conflict between Russia and Ukraine and related international sanctions when making its material accounting estimates on cash flows, growth rates, discount rates, profitabilities, etc. The estimates and underlying assumptions are reviewed on an ongoing basis.

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 53. Where the actual future cash inflows are less than expected, a material impairment loss may arise. In addition, there is a high degree of uncertainty in the estimation of the default rate due to the impact of the military conflict between Russia and Ukraine and related international sanctions on the credit risk of financial assets.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand	$ 7,057,827	$ 6,626,423
Checks for clearing	1,316,427	3,309,721
Due from banks	2,454,608	1,590,652
	$ 10,828,862	$ 11,526,796

7. DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS

	December 31	
	2024	2023
Reserve of deposit - account B	$ 25,551,582	$ 22,650,882
Reserve of deposit - account A	16,175,820	9,009,149
Reserve of deposit - foreign-currency deposits	121,290	113,720
	$ 41,848,692	$ 31,773,751

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.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31 2024	December 31 2023
Financial assets designated as at fair value through profit or loss		
Commercial paper	$ 44,253,476	$ 47,158,569
Overseas government bonds	6,884,346	1,369,226
Fund and beneficiary certificates	2,037,132	1,221,325
Domestic listed stocks	1,242,068	1,887,638
Overseas unlisted preferred stocks	23,949	22,913
Domestic unlisted preferred stocks	-	603,197
Futures exchange margins	66,095	61,390
Asset-backed securities	15,892	20,258
	54,522,958	52,344,516
Derivative financial instrument		
Foreign currency swap contracts	1,325,915	317,450
Foreign currency option contracts	114,242	121,266
Forward foreign exchange contracts	58,820	72,334
	1,498,977	511,050
	$ 56,021,935	$ 52,855,566
Held for trading financial liabilities		
Derivative instrument		
Foreign currency swap contracts	$ 333,155	$ 1,702,205
Foreign currency option contracts	114,268	121,570
Forward foreign exchange contracts	21,530	259
	$ 468,953	$ 1,824,034

The Company enters into derivative transactions mainly to accommodate its customers and to manage its exposure to adverse changes in exchange rates and interest rates. The Company's strategy for hedging against risk is to reduce most of the market price risk or cash flow risk.

As of December 31, 2024 and 2023, the contract (notional) amounts of derivative transactions of the Company were as follows:

	December 31 2024	December 31 2023
Currency swap contracts	$ 85,854,435	$ 83,063,520
Forward foreign exchange contracts	1,029,327	1,564,057
Foreign currency option contracts		
Buy	5,697,638	4,245,623
Sell	5,697,638	4,245,623

As of December 31, 2024 and 2023, financial assets at fair value through profit and loss in the amounts of $23,480,327 thousand and $28,966,602 thousand, respectively, were sold under repurchase agreements.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2024	2023
Investments in equity instruments at FVTOCI		
Overseas listed shares	$ 9,709,474	$ 7,518,132
Domestic listed shares and entering market shares	7,084,331	5,277,995
Domestic and overseas unlisted shares	2,759,825	2,721,625
	19,553,630	15,517,752
Investments in debt instruments at FVTOCI		
Overseas corporate bonds	16,140,375	15,864,132
Overseas government bonds	17,659,018	14,423,773
Corporate bonds	4,065,252	6,583,328
Government bonds	2,890,073	2,915,262
Overseas bond debentures	2,289,785	3,154,833
Domestic bond debentures	299,753	-
	43,344,256	42,941,328
	$ 62,897,886	$ 58,459,080

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

	December 31	
	2024	2023
Line Bank Taiwan Limited	$ 510,815	$ 550,511
Taiwan Futures Exchange	640,752	582,305
RFD Micro Electricity Co., Ltd.	391,443	593,368
Financial Information Service Co., Ltd.	502,047	445,568
Taiwan Depository & Clearing Corporation	103,762	90,591
Others	611,006	459,282
	$ 2,759,825	$ 2,721,625

a. Investments in equity instruments at FVTOCI

These investments in equity instruments are not held for trading. Instead, they are held for long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI.

Due to the consideration of the investment strategy, the Company sold the equity instrument investment measured at fair value through other comprehensive income in 2024 and 2023. The fair value of the sale was $5,155,275 thousand and $2,917,495 thousand, respectively. Meanwhile, the unrealized valuation gain of $1,457,127 thousand and gain of $573,140 thousand accumulated during the disposal were transferred from other equity to retained earnings.

In 2024 and 2023, the dividend revenue recognized by the Company as investments in equity instruments measured at fair value through other comprehensive income were $405,893 thousand and $467,911 thousand, respectively, and those still held on December 31, 2024 and 2023, amounted to $377,888 thousand and $379,615 thousand, respectively.

b. Investments in debt instruments at FVTOCI

For further information regarding credit risk management and impairment assessment of financial assets at FVTOCI, refer to Note 11.

The disposal of financial asset for $19,831,849 thousand and $19,314,950 thousand under repurchase agreements as of December 31, 2024 and 2023, respectively.

10. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST

	December 31	
	2024	2023
Negotiable certificates of deposit in the Central Bank	$ 42,900,000	$ 42,900,000
Debt instruments		
Overseas asset-backed securities	32,393,357	29,875,049
Government bonds	6,431,769	8,873,292
	38,825,126	38,748,341
	$ 81,725,126	$ 81,648,341

For further information regarding credit risk management and impairment assessment on financial assets at amortized cost, refer to Note 11.

The Company sold financial assets at amortized cost under repurchase agreements in the amounts of $28,866,742 thousand and $28,481,320 thousand in 2024 and 2023, respectively.

11. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments classified as at FVTOCI and as at amortized cost were as follows:

	December 31, 2024		
	Financial Assets at FVTOCI	Financial Assets at Amortized Cost	Total
Gross carrying amount	$ 50,660,895	$ 39,087,754	$ 89,748,649
Loss: Allowance for impairment loss	(1,624,442)	(262,628)	(1,887,070)
Adjustment to fair value	(5,692,197)	-	(5,692,197)
	$ 43,344,256	$ 38,825,126	$ 82,169,382

	December 31, 2023		
	Financial Assets at FVTOCI	Financial Assets at Amortized Cost	Total
Gross carrying amount	$ 49,606,306	$ 38,990,586	$ 88,596,892
Loss: Allowance for impairment loss	(1,457,535)	(242,245)	(1,699,780)
Adjustment to fair value	(5,207,443)	-	(5,207,443)
	$ 42,941,328	$ 38,748,341	$ 81,689,669

The Company's exposure and the external credit ratings are continuously monitored. The Company reviews changes in bond yields and other publicly available information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

In determining the expected credit losses for debt instrument investments, the Company considers the historical probability of default and loss given default of each credit rating supplied by external rating agencies, the current financial condition of debtors, and the future prospects of the industries.

The carrying values of financial assets at FVTOCI and at amortized cost sorted by credit rating are as follows:

Credit Ratings	Definition	ECL Recognition Basis	Expected Credit Loss Rate	Carrying Value (Including Premiums and Discounts) on December 31, 2024
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	0.40%-0.45%	445,298
Default	Objective evidence of impairment at the reporting date	Lifetime expected credit losses	40.33%-50.00%	471,395

Credit Ratings	Definition	ECL Recognition Basis	Expected Credit Loss Rate	Carrying Value (Including Premiums and Discounts) on December 31, 2023
Low credit risk	Low credit risk at the reporting date	12-month expected credit losses	0.00%-0.21%	$ 80,806,421
Significant increase in credit risk	Credit risk has increased significantly since initial recognition	Lifetime expected credit losses	0.35%-0.37%	296,095
Default	Objective evidence of impairment at the reporting date	Lifetime expected credit losses	31.56%-51.06%	587,153

Note: Credit rating of investment in debt instruments was normal, it did not apply.

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 resulting from the application of IFRS 9:

	Credit Risk Ratings		
	Performing (12-month ECLs)	Doubtful (Lifetime ECLs - Not Credit Impaired)	In Default (Lifetime ECLs - Credit Impaired)
Balance as of January 1, 2024	$ 271,378	$ 1,779	$ 1,426,623
Changes in credit risk ratings			
Low credit risk to significant increase in credit risk	(1,186)	1,186	-
Significant increase in credit risk to low credit risk	-	-	-
Significant increase in credit risk to default	-	-	-
New debt instruments purchased	169	-	-
Derecognition	(12,835)	-	-
Changes in risk or model parameters	(118)	450	83,950
Change in exchange rates	20,587	118	94,969
Loss allowance on December 31, 2024	$ 277,995	$ 3,533	$ 1,605,542
Balance as of January 1, 2023	$ 263,895	$ 192,013	$ 1,167,794
Changes in credit risk ratings			
Low credit risk to significant increase in credit risk	(1,070)	1,070	-
Significant increase in credit risk to low credit risk	-	-	-
Significant increase in credit risk to default	-	(206,022)	206,022
New debt instruments purchased	236	-	-
Derecognition	(11,830)	-	-
Changes in risk or model parameters	20,758	14,717	51,612
Change in exchange rates	(611)	1	1,195
Loss allowance on December 31, 2023	$ 271,378	$ 1,779	$ 1,426,623

12. SECURITIES PURCHASED UNDER RESALE AGREEMENTS

	December 31	
	2024	2023
Commercial paper	$ 31,312,980	$ 32,207,796
Corporate bonds	23,800,079	28,709,205
Negotiable certificates of deposit	4,005,262	1,810,637
	$ 59,118,321	$ 62,727,638
Maturity date	2025.01	2024.01
Resale price	$ 59,159,820	$ 62,761,789

The securities purchased under resell agreements had not been sold under repurchase agreements.

13. RECEIVABLES, NET

	December 31 2024	December 31 2023
Credit card receivables	$ 24,999,598	$ 25,712,166
Notes and accounts receivable	8,340,979	4,852,902
Interbank clearing fund receivable	3,021,822	3,679,334
Interest receivable	1,932,514	1,785,684
Collections receivable	1,205,517	1,360,655
Acceptances receivable	113,667	129,455
Non-interbank collections receivable	199,780	114,452
Reimbursements for settlement	309,991	135,567
Others	706,739	320,022
	40,830,607	38,090,237
Less: Allowance for doubtful accounts	366,574	281,848
	$ 40,464,033	$ 37,808,389

Refer to Note 53 for the impairment loss analysis of receivables.

The changes in gross carrying amounts of receivables for the years ended December 31, 2024 and 2023 were as follows:

	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)	Total
Balance at January 1, 2024	$ 37,097,858	$ 177,426	$ 814,953	$ 38,090,237
Receivables assessed collectively	(156,206)	(58,160)	214,366	-
Receivables purchased or originated	13,881,826	148,907	385,273	14,416,006
Write-offs	-	-	(357,492)	(357,492)
Derecognition	(11,046,043)	(106,765)	(165,336)	(11,318,144)
Balance at December 31, 2024	$ 39,777,435	$ 161,408	$ 891,764	$ 40,830,607
Balance at January 1, 2023	$ 28,366,326	$ 142,768	$ 884,505	$ 29,393,599
Receivables assessed collectively	(76,990)	(30,412)	107,402	-
Receivables purchased or originated	15,786,511	150,775	229,059	16,166,345
Write-offs	-	-	(202,638)	(202,638)
Derecognition	(6,977,989)	(85,705)	(203,375)	(7,267,069)
Balance at December 31, 2023	$ 37,097,858	$ 177,426	$ 814,953	$ 38,090,237

The Company has accrued an allowance for doubtful accounts receivable, the changes in allowance for doubtful accounts receivable for the years ended December 31, 2024 and 2023 were as follows:

	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference from Impairment Charged in Accordance with Applicable Laws and Regulations	Total
Balance at January 1, 2024	$ 124,800	$ 16,986	$ 100,799	$ 242,585	$ 39,263	$ 281,848
Changes from financial instruments recognized at the beginning of the current reporting period						
Transfers to						
Lifetime ECL	(512)	695	(183)	-	-	-
Credit-impaired financial assets	(155,674)	(62,330)	218,004	-	-	-
12-month ECL	540	(443)	(97)	-	-	-
Derecognition of financial assets in the current reporting period	(16,982)	(4,440)	(24,724)	(46,146)	-	(46,146)
New financial assets purchased or originated	205,688	68,000	166,463	440,151	-	440,151
Difference of impairment loss under regulations	-	-	-	-	22,171	22,171
Write-offs	-	-	(357,492)	(357,492)	-	(357,492)
Recovery of written-off receivables	-	-	322,661	322,661	-	322,661
Change in risk parameters and others	(7,587)	(31)	(289,233)	(296,851)	-	(296,851)
Change in exchange rate	232	-	-	232	-	232
Balance at December 31, 2024	$ 150,505	$ 18,437	$ 136,198	$ 305,140	$ 61,434	$ 366,574
Balance at January 1, 2023	$ 129,372	$ 12,241	$ 47,143	$ 188,756	$ 23,860	$ 212,616
Changes from financial instruments recognized at the beginning of the current reporting period						
Transfers to						
Lifetime ECL	(338)	469	(131)	-	-	-
Credit-impaired financial assets	(76,242)	(32,885)	109,127	-	-	-
12-month ECL	507	(333)	(174)	-	-	-
Derecognition of financial assets in the current reporting period	(13,190)	(3,477)	(17,184)	(33,851)	-	(33,851)
New financial assets purchased or originated	84,565	40,998	147,194	272,757	-	272,757
Difference of impairment loss under regulations	-	-	-	-	15,403	15,403
Write-offs	-	-	(202,638)	(202,638)	-	(202,638)
Recovery of written-off receivables	-	-	204,162	204,162	-	204,162
Change in risk parameters and others	123	(27)	(186,700)	(186,604)	-	(186,604)
Change in exchange rate	3	-	-	3	-	3
Balance at December 31, 2023	$ 124,800	$ 16,986	$ 100,799	$ 242,585	$ 39,263	$ 281,848

14. DISCOUNTS AND LOANS, NET

	December 31	
	2024	2023
Discounts and overdraft	$ 64,654	$ 54,623
Accounts receivable - financing	23,270	64,180
Short-term unsecured loans	25,371,894	21,019,125
Short-term secured loans	135,738,368	121,253,507
Medium-term unsecured loans	41,345,714	41,735,147
Medium-term secured loans	147,764,500	135,112,873
Long-term unsecured loans	7,096,380	7,849,312
Long-term secured loans	254,910,977	242,657,100
Import and export negotiations	20,929	12,676
Overdue loans	864,718	1,222,626
	613,201,404	570,981,169
Less: Allowance for doubtful accounts	7,180,194	6,873,545
	$ 606,021,210	$ 564,107,624

As of December 31, 2024 and 2023, the balances of nonaccrual loans were $864,718 thousand and $1,222,626 thousand, respectively. The unrecognized interest revenues on nonperforming loans were $25,057 thousand and $38,062 thousand in 2024 and 2023. As of December 31, 2024 and 2023, the Company only had written off certain credits after completing the required legal procedures.

The changes in gross carrying amounts on receivables for the years ended December 31, 2024 and 2023 were as follows:

	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)	Total
Balance at January 1, 2024	$ 566,033,237	$ 2,711,467	$ 2,236,465	$ 570,981,169
Discount and loans assessed collectively	(1,516,607)	483,911	1,032,696	-
Discount and loans purchased or originated	302,440,651	782,177	226,658	303,449,486
Write-offs	-	-	(863,683)	(863,683)
Derecognition	(258,902,249)	(947,834)	(515,485)	(260,365,568)
Balance at December 31, 2024	$ 608,055,032	$ 3,029,721	$ 2,116,651	$ 613,201,404
Balance at January 1, 2023	$ 529,977,755	$ 2,423,258	$ 1,941,707	$ 534,342,720
Discount and loans assessed collectively	(1,374,960)	580,119	794,841	-
Discount and loans purchased or originated	286,962,900	482,920	287,094	287,732,914
Write-offs	-	-	(90,762)	(90,762)
Derecognition	(249,532,458)	(774,830)	(696,415)	(251,003,703)
Balance at December 31, 2023	$ 566,033,237	$ 2,711,467	$ 2,236,465	$ 570,981,169

Refer to Note 53 for the impairment loss analysis of discounts and loans.

The Company has accrued an allowance for doubtful accounts on discount and loans; the changes in allowance for doubtful accounts on discount and loans for the years ended December 31, 2024 and 2023 were as follows:

	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference from Impairment Charged in Accordance with Applicable Laws and Regulations	Total
Balance at January 1, 2024	$ 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						
Transfers to						
Lifetime ECL	(528)	9,230	(8,702)	-	-	-
Credit-impaired financial assets	(505)	(17,972)	18,477	-	-	-
12-month ECL	34,355	(20,866)	(13,489)	-	-	-
Derecognition of financial assets in the current reporting period	(429,134)	(65,611)	(145,609)	(640,354)	-	(640,354)
New financial assets purchased or originated	353,171	96,555	98,766	548,492	-	548,492
Difference of impairment loss under regulations	-	-	-	-	304,635	304,635
Write-offs	-	-	(863,683)	(863,683)	-	(863,683)

(Continued)

	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference from Impairment Charged in Accordance with Applicable Laws and Regulations	Total
Recovery of written-off receivables	$ -	$ -	$ 231,779	$ 231,779	$ -	$ 231,779
Change in risk parameters and others	(162,334)	(12,741)	888,599	713,524	-	713,524
Change in exchange rate	12,256	-	-	12,256	-	12,256
Balance at December 31, 2024	$ 504,970	$ 147,094	$ 471,908	$ 1,123,972	$ 6,056,222	$ 7,180,194
Balance at January 1, 2023	$ 690,741	$ 202,615	$ 351,831	$ 1,245,187	$ 4,978,932	$ 6,224,119
Changes of financial instruments recognized at the beginning of the current reporting period						
Transfers to						
Lifetime ECL	(456)	936	(480)	-	-	-
Credit-impaired financial assets	(296)	(37,553)	37,849	-	-	-
12-month ECL	33,810	(29,255)	(4,555)	-	-	-
Derecognition of financial assets in the current reporting period	(461,028)	(67,489)	(237,658)	(766,175)	-	(766,175)
New financial assets purchased or originated	452,483	111,736	149,105	713,324	-	713,324
Difference of impairment loss under regulations	-	-	-	-	772,655	772,655
Write-offs	-	-	(90,762)	(90,762)	-	(90,762)
Recovery of written-off receivables	-	-	199,687	199,687	-	199,687
Change in risk parameters and others	(15,378)	(22,491)	(139,247)	(177,116)	-	(177,116)
Change in exchange rate	(2,187)	-	-	(2,187)	-	(2,187)
Balance at December 31, 2023	$ 697,689	$ 158,499	$ 265,770	$ 1,121,958	$ 5,751,587	$ 6,873,545

(Concluded)

15. BAD-DEBT EXPENSE AND PROVISION FOR LOSSES ON COMMITMENTS AND GUARANTEES

	For the Year Ended December 31	
	2024	2023
Provision for possible losses on receivables	$ 119,325	$ 67,705
Provision for possible losses on discounts and loans	926,297	542,688
Provision (reversal of provision) for possible losses on guarantees	61,462	18,000
	$ 1,107,084	$ 628,393

16. SUBSIDIARIES

The investees included in the consolidated financial statements are as follows:

Investor	Investee	Main Businesses	Percentage of Ownership December 31 2024	Percentage of Ownership December 31 2023	
Union Bank of Taiwan Co., Ltd.	Union Finance and Leasing International Corporation (UFLIC)	Installment, leasing and accounts receivable factoring.	100.00%	100.00%	Note 1
	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%	Note 2
	Union Finance International (HK) Limited	Import and export financing.	100.00%	100.00%	Note 3

(Continued)

Investor	Investee	Main Businesses	Percentage of Ownership December 31 2024	Percentage of Ownership December 31 2023	
	Union Securities Investment Trust Corporation (USITC)	Securities investment trust.	99.60%	99.60%	Note 4
	Union Venture Capital Co., Ltd.	General Business investment	100.00%	100.00%	Note 5
UFLIC	Union Capital (Cayman) Corp. (Cayman)	Installment and leasing receivable factoring.	100.00%	100.00%	Note 6
	Union Capital (Singapore) Holding Pte. Ltd. (Union)	Investment, overseas financing, equipment leasing, installment selling, acquisition of accounts receivable, etc.	100.00%	100.00%	Notes 6 and 8
	Uflc Capital (Singapore) Holding PTE. Ltd. (Uflc)	Investment, overseas financing, equipment leasing, installment selling, acquisition of accounts receivable, etc.	100.00%	100.00%	Notes 6 and 8
	Kabushiki Kaisha UCJ1 (Japan) (KK)	Sale, purchasing and leasing of real estates, etc.	30.55%	30.55%	Notes 7 and 8
Union Capital (Singapore) Holding PTE. Ltd.	Tokutei Mokuteki Kaisha SSG15 (Japan) (SSG15)	A real estate securitized special purpose company.	49.00%	49.00%	Notes 7 and 8
	Kabushiki Kaisha UCJ1 (Japan) (KK)	Sale, purchasing and leasing of real estates, etc.	69.45%	69.45%	Notes 7 and 8
Uflc Capital (Singapore) Holding PTE. Ltd.	Tokutei Mokuteki Kaisha SSG12 (Japan) (SSG12)	A real estate securitized special purpose company.	49.00%	49.00%	Notes 7 and 8
	Tokutei Mokuteki Kaisha SSG16 (Japan) (SSG16)	A real estate securitized special purpose company.	49.00%	49.00%	Notes 7 and 8
Kabushiki Kaisha UCJ1 (Japan)	Tokutei Mokuteki Kaisha SSG15 Japan) (SSG15)	A real estate securitized special purpose company.	51.00%	51.00%	Notes 7 and 8
	Tokutei Mokuteki Kaisha SSG12 (Japan) (SSG12)	A real estate securitized special purpose company.	51.00%	51.00%	Notes 7 and 8
	Tokutei Mokuteki Kaisha SSG16 (Japan) (SSG16)	A real estate securitized special purpose company.	51.00%	51.00%	Notes 7 and 8
Union Venture Capital Co., Ltd.	Corner Union Venture Capital, LLC (Delaware)	General business investment	100.00%	100.00%	Note 9
	Na He Yi Hau Electric Power Inc.	Energy development and technology service	90.00%	89.70%	Note 10
	Ting Jie Electric Power Inc.	Energy development and technology service	90.00%	-	Note 11
	Union Energy Co., Ltd	General business investment	100.00%	100.00%	Note 12
	Ting Syu Energy Co., Ltd	Energy development and technology service	60.00%	60.00%	Note 15
	Bei Chen Yi Hau Electric Power Inc.	Energy development and technology service	99.08%	99.08%	Note 16
	Hao Tian Electric Power Inc.	Energy development and technology service	99.08%	99.08%	Note 17
	Feng Tai Electric Power	Energy development and technology service	99.08%	99.08%	Note 17
Union Energy Co., Ltd.	Na He Yi Hau Electric Power Inc.	Energy development and technology service	-	0.30%	Note 10
	Ting Jie Electric Power Inc.	Energy development and technology service	-	90.00%	Note 11
	Tianji Smart Energy Co., Ltd.	Energy development and technology service	90.00%	90.00%	Note 14
Corner Union Venture Capital, LLC (Delaware)	Corner Ventures DAG I-U, LLC (Delaware)	General business investment	100.00%	100.00%	Note 9
	Corner Union, LLC (Delaware)	General business investment	100.00%	100.00%	Note 9
Union Securities Investment Trust Corporation (USITC)	Union Private Equity Co., Ltd.	General business investment	100.00%	100.00%	Note 13

(Concluded)

Note 1: Union Finance and Leasing International Corporation (collectively, the "UFLIC") was established under the Company Law on November 11, 1996. UFLIC trades and leases real estates, motor vehicles and machinery and equipment and does accounts receivable factoring.

On January 12, 2023, the board of directors resolved to increase the capital of UFLIC through the issuance of 40,000 thousand shares amounting to $400,000 thousand in order to expand its investment capital. UFLIC's capital increase was approved by the FSC under Rule No. 1120232287 on October 18, 2023, and the base date of the capital increase was December 12, 2023.

Note 2: Union Information Technology Corporation (collectively, the "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.

Note 3: Union Finance International (HK) Limited (UFI (HK)) was incorporated in Hong Kong on April 23, 1996. UFI (HK) mainly engages in financial services and financial investments. On November 13, 2023, the Company considered an overseas professional layout plan, and the board of directors approved to close the UFI (HK), has been approved by the Hong Kong Registrar of Companies for deregistration on January 17, 2025.

Note 4: 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.

Note 5: 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, which was approved by the board of directors. The investment was approved by the FSC under Rule No. 10802042270 on March 28, 2019. Union Venture Capital was incorporated on November 21, 2019; it mainly engages in general business investment.

Note 6: Union Capital (Cayman) Corp., which was established in the British West Indies and in the British Virgin Islands in July 1997, mainly engages in financial investment.

Union and Uflc were established in September 2014 and March 2016 by Cayman in Singapore. The capital was both US$1. The companies mainly engage in investments, overseas financing, equipment leasing, installment selling, acquisition of accounts receivable, etc.

The board of directors of Union Capital (Cayman) Corp., a subsidiary of UFLIC, resolved to restructure the investment in order to comply with the local economic substance law on February 25, 2020. On July 1 and 23, 2020, Union Capital (Cayman) Corp. transferred all the debts (the transaction price was offset against the debt payable of UFLIC) and shares of Uflc Capital (Singapore) Holding PTE. Ltd. and Union Capital (Singapore) Holding PTE. Ltd. to the UFLIC at carrying value on June 30, 2020, respectively.

Note 7: Kabushiki Kaisha UCJ1, Tokutei Mokuteki Kaisha SSG15, SSG12 and SSG16 are established to acquire real estate for Union Capital (Singapore) Holding Pte. Ltd. and Uflc Capital (Singapore) Holding Pte. Ltd. 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.

Note 8: Union Capital (Singapore) Holding Pte. Ltd., Uflc Capital (Singapore) Holding Pte. Ltd., Kabushiki Kaisha UCJ1, Tokutei Mokuteki Kaisha SSG15, SSG12 and SSG16 have fiscal year end. The Company applied equity method based on December 31, 2024 balances, adjusted for significant changes.

Note 9: In order to manage Union Venture Corporation's (UVC) investment, the Bank's board agreed to sign an investment advisory contract with Corner Venture Partners, LLC. Under this contract, a subsidiary, Corner Union Venture Capital, LLC, and sub-subsidiaries Corner Ventures DAG I-U, LLC and Corner Union, LLC, were established in Delaware, USA, with the approval of the Delaware state government in April 2020 and July 2020, respectively. UVC held 100% equity in the subsidiaries; it engages in general business investment.

Note 10: To actively support the FSC's goals toward the nation's overall industry development, Union Venture Capital Co., Ltd and Union Energy invested capital of $148,900 thousand and $500 thousand respectively, acquiring 89.7% and 0.3%, respectively, of the common stock of Na He Yi Hau Electric Power Inc ("Na He Yi Hau"). The investee's main business activities include energy production and technical services. To improve its financial structure, Union Energy's Board of Directors resolved on November 25, 2024 to transfer 0.3% of its common stock in Na He Yi Hau at a price of NT$10 per share to UVC.

Note 11: To actively support the FSC's goals toward the nation's overall industry development, on November 24, 2020, the board approved UVC's investment to acquire 90% equity of Ting Jie Electric Power Inc ("Ting Jie Electric Power") for $900 thousand. In accordance with an investment development strategy and investment restructuring plan, on July 28, 2021, the board of UVC approved the sale of 90 thousand shares at NT$10 per share to Union Energy Co., Ltd. (UECL). On July 30, 2021, the board of UECL approved UECL's participation in the capital increase in cash of Ting Jie Electric Power in proportion to its shareholding percentage for a total of $18,000 thousand. As a result, UECL has invested a total of $18,900 thousand and held 90% of equity. To improve UECL's financial structure, its board of directors resolved to transfer a total of 1,890 thousand shares of Ting Jie Electric Power to UVC at NT$10 per share on November 25, 2024. Ting Jie Electric Power mainly engages in energy development and technology service.

Note 12: In order to manage Union Venture Corporation's investment, it established Union Energy Co., Ltd (the "Union Energy") and held 100% equity on December 17, 2020. It mainly engages in general business investment management.

Note 13: USITC actively supports the FSC's needs to adapt to the nation's overall industry development. On January 14, 2020, the board approved to establish Union Private Equity Co., Ltd. (the "UPECL"). It mainly engages in general business investment and investment management advisory.

Note 14: Union Energy Co., Ltd. actively supports FSC's financial strategy, investment in green energy technology industry and efficiency of fund application. In June 2020, the board of Union Energy Co., Ltd. approved the acquisition of Tianji Smart Energy Co., Ltd. (the "Tianji Smart"). It mainly engages in energy development and technology service.

Note 15: On May 31, 2022, UVC's board passed a resolution to develop startup industries, which was actively supported by the FSC. Ting Syu Energy Co., Ltd. (the "Ting Syu Energy") was incorporated on July 7, 2022. Ting Syu Energy is mainly engaged in energy development and technology services.

Note 16: On March 13, 2023, UVC's board passed a resolution to develop startup industries, which was actively supported by the FSC. In May 2023, UVC acquired 99.08% equity in Bei Chen Yi Hau Electric Power Inc. (the "Bei Chen Yi Hau"). The total invested capital was $108,000 thousand. Bei Chen Yi Hau mainly engages in energy development and technology services.

Note 17: On March 13, 2023, UVC's board passed a resolution to develop startup industries, which was actively supported by the FSC. In July 2023, UVC acquired 99.08% equity in Hao Tian Electric Power Inc. (the "Hao Tian Electric Power") and Feng Tai Electric Power Inc. (the "Feng Tai Electric Power") at the cost of $108,000 thousand. Hao Tian Electric Power and Feng Tai Electric Power mainly engage in energy development and technology services.

17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET

	December 31	
	2024	2023
Not individually material		
Line Pay Taiwan Limited	$ -	$ 1,550,935
iPass Corporation	197,768	224,384
Blue Borders Medical and Health Management Consulting Co., Ltd.	111,004	115,310
Union Real-Estate Management Corporation	51,939	51,902
	$ 360,711	$ 1,942,531

The summarized financial information in respect of the Company's associate is set out below:

	For the Year Ended December 31	
	2024	2023
Net profit (loss)	$ 484,200	$ (20,228)

To promote innovative financial technology services and popularize mobile payment endorsed by the government, the board of directors of the Bank approved the investment of Line Pay Taiwan Limited on July 25, 2018 and later acquired 5,471 thousand of their ordinary shares with a price of $1,579,977 thousand on September 21, 2018 resulting in a 10% shareholding and a seat on the board. The Company has significant influence over Line Pay Taiwan Limited and thus uses the equity method to account for the investment. Acquired Line Pay Taiwan Limited has generated $977,235 thousand of goodwill and was included in the investment's cost. In April 2023, Line Pay Taiwan Limited exercised employee share options, resulting in the decrease in the Company's shareholding ratio to 9.76%. In addition, on January 2, 2024, the Company resigned the directors of Line Pay Taiwan Limited and lost influence. In January 2024, the Company considered investment purposes and stopped using the equity method and converted the investment to the financial assets at fair value through other comprehensive income were considered for investment purposes (Note 9), and a gain of $526,654 thousand was recognized.

The Company's share of profits and other comprehensive income on investments accounted for 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 auditors, therefore there is no material effect.

18. OTHER FINANCIAL ASSETS, NET

	December 31	
	2024	2023
Pledged assets (Note 48)	$ 1,543,325	$ 1,542,385
Call loans from security companies	-	215,145
Due from banks - certificate of deposit	19,480	77,879
Others	-	6,579
	$ 1,562,805	$ 1,841,988

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

19. PROPERTY AND EQUIPMENT, NET

	Land	Buildings	Machinery and Computer Equipment	Transportation Equipment	Lease Improvements	Prepayments for Equipment Land and Building	Total
Cost							
Balance at January 1, 2023	$ 3,972,484	$ 5,275,760	$ 3,708,563	$ 349,478	$ 609,251	$ 2,805,601	$ 16,721,137
Additions	461,319	65,480	71,839	15,120	39,418	2,935,349	3,588,525
Disposals	-	-	(72,764)	(5,376)	(3,860)	-	(82,000)
Reclassification	-	126,434	8,614	-	-	(504,545)	(369,497)
Balance at December 31, 2023	4,433,803	5,467,674	3,716,252	359,222	644,809	5,236,405	19,858,165
Accumulated depreciation							
Balance at January 1, 2023	-	2,148,514	1,353,992	295,948	403,908	-	4,202,362
Depreciation	-	128,667	193,688	14,816	45,399	-	382,570
Disposals	-	-	(69,686)	(5,170)	(3,205)	-	(78,061)
Balance at December 31, 2023	-	2,277,181	1,477,994	305,594	446,102	-	4,506,871
Balance at December 31, 2023, net	$ 4,433,803	$ 3,190,493	$ 2,238,258	$ 53,628	$ 198,707	$ 5,236,405	$ 15,351,294
Cost							
Balance at January 1, 2024	$ 4,433,803	$ 5,467,674	$ 3,716,252	$ 359,222	$ 644,809	$ 5,236,405	$ 19,858,165
Additions	17,991	63,111	198,785	16,686	40,374	1,045,953	1,382,900
Disposals	-	(580)	(90,038)	(28,184)	(15,233)	-	(134,035)
Reclassification	-	2,658	3,014,635	-	-	(3,171,420)	(154,127)
Balance at December 31, 2024	4,451,794	5,532,863	6,839,634	347,724	669,950	3,110,938	20,952,903
Accumulated depreciation							
Balance at January 1, 2024	-	2,277,181	1,477,994	305,594	446,102	-	4,506,871
Depreciation	-	136,034	286,057	14,867	47,374	-	484,332
Disposals	-	(375)	(101,119)	(27,400)	(16,137)	-	(145,031)
Balance at December 31, 2024	-	2,412,840	1,662,932	293,061	477,339	-	4,846,172
Balance at December 31, 2024, net	$ 4,451,794	$ 3,120,023	$ 5,176,702	$ 54,663	$ 192,611	$ 3,110,938	$ 16,106,731

The above items of 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	1-5 years
Transportation equipment	1-8 years
Lease improvements	2-5 years

20. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
Carrying amount		
Land and buildings	$ 1,745,478	$ 1,819,034

	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	$ 497,605	$ 614,340
Depreciation charge for right-of-use assets		
Land and buildings	$ 511,970	$ 495,062

b. Lease liabilities

	December 31	
	2024	2023
Carrying amounts	$ 1,747,230	$ 1,812,408

Range of discount rate for lease liabilities was as follows:

	December 31	
	2024	2023
Land and buildings	0.72%-2.87%	0.72%-2.30%

c. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term leases	$ 146,842	$ 190,663
Total cash outflow for leases	$ (650,434)	$ (680,258)

The Company's leases of certain assets qualify as short-term leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

21. INVESTMENT PROPERTIES, NET

	Land	Buildings	Total
Cost			
Balance at January 1, 2024	$ 4,092,454	$ 954,238	$ 5,046,692
Additions	-	8,134	8,134
Net exchange difference	(52,533)	(24,992)	(77,525)
Balance at December 31, 2024	4,039,921	937,380	4,977,301
Accumulated depreciation and impairment			
Balance at January 1, 2024	-	(377,436)	(377,436)
Depreciation	-	(44,030)	(44,030)
Net exchange differences	-	7,352	7,352
Balance at December 31, 2024	-	(414,114)	(414,114)
Carrying amount at December 31, 2024	$ 4,039,921	$ 523,266	$ 4,563,187

(Continued)

	Land	Buildings	Total
Cost			
Balance at January 1, 2023	$ 4,197,388	$ 951,679	$ 5,149,067
Additions	-	49,086	49,086
Net exchange difference	(104,934)	(46,527)	(151,461)
Balance at December 31, 2023	4,092,454	954,238	5,046,692
Accumulated depreciation and impairment			
Balance at January 1, 2023	-	(346,008)	(346,008)
Depreciation	-	(43,928)	(43,928)
Net exchange differences	-	12,500	12,500
Balance at December 31, 2023	-	(377,436)	(377,436)
Carrying amount at December 31, 2023	$ 4,092,454	$ 576,802	$ 4,669,256

(Concluded)

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 $6,018,451 thousand and $6,040,367 thousand as of December 31, 2024 and 2023, 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 30 for information relating to investment properties pledged as guarantee.

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

As of December 31, 2024 and 2023, refundable deposits paid under operating leases were $65,986 thousand and $64,462 thousand (included in other assets - refundable deposits), respectively.

The maturity analysis of lease payments receivable under operating leases of investment properties as of December 31, 2024 and 2023 was as follows:

	December 31	
	2024	2023
Year 1	$ 95,994	$ 111,700
Year 2	63,594	78,318
Year 3	51,608	54,754
Year 4	51,193	53,066
Year 5	48,233	53,066
Year 5 onwards	387,287	453,056
	$ 697,909	$ 803,960

22. GOODWILL

The Company acquired Chung Shing Bank (Chung Shing) on March 19, 2005 and recognized goodwill of $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 Company merged with Union Bills Finance Corporation on August 16, 2010, with the Company as the survivor entity, and recognized goodwill amounting to $130,498 thousand.

For the impairment test on Chung Shing, the Company 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 was calculated at the present values of the cash flow forecast for the next five years based on the going-concern assumption. Future cash flows were estimated on the basis of Chung Shing's present operations and will be adjusted depending on the business outlook and economic trends.

As of December 31, 2024 and 2023, the balances of accumulated impairment were both $902,691 thousand. As a result of the Company's evaluation, there was no impairment for the years ended December 31, 2024 and 2023.

23. OTHER ASSETS, NET

	December 31	
	2024	2023
Assets for leasing, net	$ 5,936,413	$ 5,882,902
Refundable deposits	2,493,002	2,828,709
Prepaid expense	400,514	462,981
Prepaid pension (Note 34)	111,759	55,618
Others	283,715	264,562
	$ 9,225,403	$ 9,494,772

24. DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS

	December 31	
	2024	2023
Deposits from Chunghwa Post Co., Ltd.	$ 5,574,680	$ 3,574,680
Call loans from banks	9,330,000	9,033,675
Deposits from the Central Bank and other banks	133,059	83,373
Overdraft	194,635	152,501
	$ 15,232,374	$ 12,844,229

25. DUE TO THE CENTRAL BANK AND OTHER BANKS

	December 31	
	2024	2023
Due to other banks (Note 30)	$ 1,405,281	$ 1,403,184

26. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

	December 31	
	2024	2023
Asset-based securities	$ 16,925,265	$ 14,321,243
Commercial paper	23,495,917	28,993,136
Corporate bonds	6,870,062	7,884,499
Government bonds	10,220,295	8,967,881
Financial bonds	1,052,162	912,436
	$ 58,563,701	$ 61,079,195
Maturity date	2025.01-2024.09	2024.01-2024.03
Repurchase price	$ 58,921,888	$ 61,503,776

27. PAYABLES

	December 31	
	2024	2023
Checks for clearing	$ 1,316,426	$ 3,309,721
Accrued expenses	1,488,924	1,344,415
Accrued payable	1,585,847	1,502,105
Investment payable	1,307,077	1,379,985
Accounts payable	420,164	31,394
Collections payable	205,608	207,839
Tax payable	266,444	209,341
Remittance payable	219,344	135,466
Reimbursement for settlement	203,996	108,723
Acceptances	113,667	129,643
Interbank transaction payables	336,367	129
Others	1,040,398	808,169
	$ 8,504,262	$ 9,166,930

28. DEPOSITS AND REMITTANCES

	December 31	
	2024	2023
Savings deposits	$ 456,634,884	$ 438,815,060
Demand deposits	161,390,857	145,802,986
Time deposits	178,001,094	163,760,528
Checking deposits	7,059,281	7,438,026
Negotiable certificates of deposit	230,000	227,200
Inward and outward remittances	133,421	118,859
	$ 803,449,537	$ 756,162,659

29. BANK DEBENTURES

	December 31	
	2024	2023
First issue of subordinated bank debentures in 2019; fixed rate at 1.10%; maturity: September 2026	$ 500,000	$ 500,000
First issue of subordinated bank debentures in 2019; fixed rate at 1.23%; maturity: September 2029	1,500,000	1,500,000
First issue of subordinated bank debentures in 2021; no maturity date and non-cumulative; redeemable at face value plus interest accrued under the approval of the authorities when the issue term is above 5.5 years; fixed rate at 1.92% (the benchmark interest rate is +1.1183%)	3,000,000	3,000,000
	$ 5,000,000	$ 5,000,000

30. BONDS PAYABLE

	December 31	
	2024	2023
Overseas corporate bonds - secured	$ 885,881	$ 927,202

TMK SSG15

In order to comply with the regulations governing the special purpose association of Japan, for overseas secured corporate bonds to be issued by TMK SSG15, the subsidiary UNION CAPITAL (SINGAPORE) HOLDING PTE. LTD. must transfer more than half of the common stock of TMK SSG15 to the legal entity Ippam Shadan Hojin UCJ1 (ISH UCJ1) established due to its donation, in order to establish a bankruptcy isolation mechanism. TMK SSG15 also provided an investment property of JPY3,787,112 thousand (equivalent to $823,117 thousand) as the collateral to issue the five-year secured corporate bond with an issuance amount of JPY2,200,000 thousand (NT$478,163 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's book value was JPY2,002,000 thousand ($420,070 thousand) as of December 31, 2024. The issuance interest rates of the corporate bonds are as follows:

a. 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.

b. 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.

TMK 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 ($402,864 thousand) in September 2021. According to the contract, the issuance can be extended by one year. The interest rates are as follows:

a. 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.

b. 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.

TMK 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 $62,947 thousand) and borrowed with collateral for JPY1,250,000 thousand (equivalent to $271,684 thousand), both recognized as due from banks (Note 25). The issuing interest rate of the corporate bonds and secured borrowings is the benchmark interest rate + 0.850%. (benchmark interest rate: 4-year swap rate of the Tokyo swap reference rate)

31. PREFERRED STOCK LIABILITIES

	December 31	
	2024	2023
Preferred stock liabilities	$ 375,000	$ 375,000

Due to business needs, with the consent of the directors on November 2, 2023, Union Energy redeemed 37,500 thousand class B preference shares at the original issuing price plus compensation.

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 $10 per share, and the amount issued totaled NT$375,000 thousand. The main terms and conditions of the class C class A preference shares the following:

a. Maturity: 20 years from the date of issuance for Class C preference shares.

b. Dividend: Annual rate of interest of 5.8% of the issue price per share.

c. 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.

d. 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.

e. 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 during the year for which such shares have been issued; 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.

f. Preference Shares Reverse Repurchase: The repurchase of class C preference shares cannot be reversed by the preferred shareholders.

g. Liquidation priority: Holders of class C preference shares are entitled to a higher priority than holders of common stock in the distribution of Union Energy'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.

h. Voting and election rights: Holders of class C 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.

i. Conversion of Ordinary Shares: Holders of class C preference shares must not be converted into ordinary shares.

j. When Union Energy 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 Private Equity Limited Partnership acquired all I of the Union Energy issued preferred stock.

The aforesaid privately placed preference shares D, according to International Accounting Standards 32 "Financial Instruments: Presentation," are the liability preference shares, and have been classified as preference shares liability under the financial liabilities.

32. OTHER FINANCIAL LIABILITIES

	December 31 2024	December 31 2023
Commercial paper	$ 13,244,765	$ 11,406,274
Principal amounts of structured products	-	8,033
	$ 13,244,765	$ 11,414,307

33. PROVISIONS

	December 31 2024	December 31 2023
Reserve for losses on guarantees and loan commitment	$ 378,164	$ 316,538
Decommissioning of electric factory provisions	130,549	35,497
Provisions for employee benefits	784	7,665
Others	1,429	1,429
	$ 510,926	$ 361,129

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

	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 (Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans)	Total
Balance at January 1, 2024						
Changes of financial instruments recognized at the beginning of the current reporting period	$ 113,007	$ 3,146	$ 309	$ 116,462	$ 200,076	$ 316,538
Transfers to						
Lifetime ECL	(99)	99	-	-	-	-
Credit-impaired financial assets	(136)	(12)	148	-	-	-
12-month ECL	517	(514)	(3)	-	-	-
Derecognition of financial assets in the current reporting period	(84,935)	(2,103)	(315)	(87,353)	-	(87,353)
New financial assets purchased or originated	55,525	4,456	52	60,033	-	60,033
Difference of impairment loss under regulations	-	-	-	-	88,782	88,782
Change in risk parameters and others	-	-	-	-	-	-
Change in exchange rates	164	-	-	164	-	164
Balance at December 31, 2024	$ 84,043	$ 5,072	$ 191	$ 89,306	$ 288,858	$ 378,164

	2023					
	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 (Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans)	Total
Balance at January 1, 2023						
Changes of financial instruments recognized at the beginning of the current reporting period	$ 77,447	$ 3,647	$ 321	$ 81,415	$ 217,122	$ 298,537
Transfers to						
Lifetime ECL	(67)	67	-	-	-	-
Credit-impaired financial assets	(65)	(2)	67	-	-	-
12-month ECL	510	(509)	(1)	-	-	-
Derecognition of financial assets in the current reporting period	(49,752)	(2,748)	(127)	(52,627)	-	(52,627)
New financial assets purchased or originated	84,933	2,691	49	87,673	-	87,673
Difference of impairment loss under regulations	-	-	-	-	(17,046)	(17,046)
Change in risk parameters and others	-	-	-	-	-	-
Change in exchange rates	1	-	-	1	-	1
Balance at December 31, 2023	$ 113,007	$ 3,146	$ 309	$ 116,462	$ 200,076	$ 316,538

34. RETIREMENT BENEFIT PLANS

a. 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 profit or loss for 2024 and 2023 of $207,193 thousand and $179,187 thousand, respectively, were contributions payable to these plans by the Company at rates specified in the pension plan rules.

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contribute amounts equal to certain rate 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 in the committee's name and the employee pension account (opened at Union Bank Of Taiwan Business Dept.). The Company of Taiwan's pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company 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 amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2024	2023
Present value of defined benefit obligation	$ (1,623,951)	$ (1,536,128)
Fair value of plan assets	1,734,926	1,584,081
Surplus (deficit)	110,975	47,953
Net defined benefit assets (liabilities)	$ 110,975	$ 47,953
Provisions - accrued retirement liabilities	$ (784)	$ (7,665)
Other assets - prepaid retirement	$ 111,759	$ 55,618

Movements in net defined benefit (liabilities) assets were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Total
Balance at January 1, 2023	$ (1,534,396)	$ 1,636,342	$ 101,946
Current service cost	(7,759)	-	(7,759)
Net interest (expense)	(20,322)	21,633	1,311
Recognized in profit or loss	(28,081)	21,633	(6,448)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	17,626	17,626
Actuarial gain (loss) - changes in financial assumptions	(17,634)	-	(17,634)
Actuarial gain (loss) - experience adjustments	(57,482)	-	(57,482)
Recognized in other comprehensive income	(75,116)	17,626	(57,490)
Liabilities extinguished on settlement	1,772	(4,674)	(2,902)
Contributions from the employer	-	7,240	7,240
Benefits paid	99,693	(94,086)	5,607
Balance at December 31, 2023	$ (1,536,128)	$ 1,584,081	$ 47,953
Balance at January 1, 2024	$ (1,536,128)	$ 1,584,081	$ 47,953
Current service cost	(6,416)	-	(6,416)
Net interest (expense)	(18,585)	19,172	587
Recognized in profit or loss	(25,001)	19,172	(5,829)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	259,219	259,219
Actuarial gain (loss) - changes in financial assumptions	(94,047)	-	(94,047)
Actuarial gain (loss) - experience adjustments	(102,780)	-	(102,780)
Recognized in other comprehensive income	(196,827)	259,219	62,392
Contributions from the employer	-	6,459	6,459
Benefits paid	134,005	(134,005)	-
Balance at December 31, 2024	$ (1,623,951)	$ 1,734,926	$ 110,975

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic/and foreign/equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds, Ministry of Labor or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2024	**2023**
Discount rate	1.4900%-1.4961%	1.209%-1.241%
Expected rates of future salary increase	3.000%-4.000%	2.250%-3.000%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2024	**2023**
Discount rate(s)		
0.25% increase	$ (35,734)	$ (34,892)
0.25% decrease	$ 36,877	$ 36,054
Expected rate(s) of salary increase		
0.25% increase	$ 35,819	$ 35,369
0.25% decrease	$ (34,878)	$ (34,389)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2024	**2023**
The expected contributions to the plan for the next year	$ 6,712	$ 6,987
The average duration of the defined benefit obligation	7.83-10.41 years	7.06-10.23 years

35. OTHER LIABILITIES

	December 31	
	2024	2023
Guarantee deposits received	$ 2,447,962	$ 2,461,731
Advance receipts	1,054,253	1,030,648
Others	155,978	131,238
	$ 3,658,193	$ 3,623,617

36. EQUITY

a. Capital stock

Common stock

	December 31	
	2024	2023
Number of shares authorized (in thousands)	4,500,000	4,500,000
Amount of shares authorized	$ 45,000,000	$ 45,000,000
Number of shares issued and fully paid (in thousands)	4,050,073	3,778,953
Amount of shares issued	$ 40,500,729	$ 37,789,525

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

Preferred stock

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

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

The rights and other important conditions of issuance of the preferred stock - A are as follows:

1) Tenor: Perpetual.

2) Dividend yield: An annual dividend yield is set at 4.8% (5-year IRS 0.89125%+3.90875%) per annum of the issue price at the pricing day. The 5-year IRS will be reset on the next business day after each fifth and half anniversary day after issuance thereafter. The pricing date for reset is the second business day of financial industry in Taipei immediately preceding each reset date. The 5-year IRS rate is the arithmetic mean of 5-year IRS rates appearing on Reuters pages "PYTWDFIX" and "COSMOS3" at 11:00 a.m. (Taipei time) on the relevant pricing date for reset. As the price of "PYTWDFIX" at the five-year IRS rate at 11:00 a.m. was not available, the Company decided to adopt the arithmetic mean of 5-year IRS rates of "TAIFXIRS" and "COSMOS3" appearing on Reuters pages at 11:00 a.m. dated April 20, 2023 as the 5-year IRS rate based on the integrity principle and reasonable market conditions. The dividend yield (annual rate) reset for the Company's Class A preference shares from April 24, 2023 is 5.26125%.

3) Dividend payment: Whereas the Company makes profit in a fiscal year, the profit shall be first utilized for paying taxes, offset losses of previous years, and from the remaining profit set aside amount as legal reserve, and set aside or reverse special reserve in accordance with the laws and regulations, and distribute dividends to the preferred shareholders. The Company has the sole discretion on the distribution of dividends of preferred stocks - A, which includes but not limited to the Company's discretion to resolve not to distribute dividends to the preferred 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 preferred stocks, or if the distribution of dividends of preferred stocks may cause Total Capital Adequacy Ratio to be less than the authority's minimum requirement, or if the Company has other essential considerations. If the Company resolves not to distribute dividends to the preferred shareholders, the shareholders of preferred stock - A shall raise no objection. The unpaid dividend will not be carried forward to years with earnings. The stock dividends of preferred stocks - A are distributed by cash in one payment annually. After the shareholders, in their meeting, approved the appropriation of the earnings of the fiscal year as proposed by the board of directors and resolved to distribute from the earnings cash dividends, the board of directors sets the record date of preferred stock - A for payment of dividends. Dividend is calculated based on the proportion of the number of days that the stocks are issued in a fiscal year, starting from the date of issuance to the record date (or redemption date) of dividend.

4) Restrictions on payment of dividends to common shares: Except for the dividends prescribed in the preceding subparagraphs herein, the shareholders of preferred stock - A are not entitled to participate in the distribution of cash or stock dividends with regard to the ordinary shares derived from earnings or capital reserves.

5) Redemption: After 5.5 years from the issue date, the Company may, subject to the competent authority's approval, redeem a portion or all of the outstanding shares of preferred stock - A at any time at the issue price. The rights and obligations associated with any remaining outstanding shares of preferred stock - A shall continue as specified herein. If the stockholders' meeting approves the distribution of dividends in the year the Company redeems the outstanding shares of preferred stock - A, the dividends payable shall be calculated at the ratio of the number of days outstanding from beginning of year to the redemption date to total days in a fiscal year.

6) Liquidation preference: In the event of liquidation, except when the competent authority assigned officials to take receivership over the Company, order the Company to suspend and wind up business, or liquidate the Company, 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 preferred stock - A is the same as that of a common stockholder, the shareholders of preferred stock - A shall be given priority to claim on the Company's remaining assets over the shareholders of common stocks, and equal to shareholders of other preferred stock issued by the Company, 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 preferred stock - A.

7) Voting rights or election rights: The shareholders of preferred stock - A are not entitled to any voting rights or election rights in shareholders' meeting. However, they may vote in preferred stock - A shareholders' meetings and in general shareholder meetings with regard to agenda items concerning rights and obligations of the shareholders of preferred stock - A.

8) Preferred stock - A shall not be converted into common stocks. The shareholders of the preferred stocks shall not require the Company to redeem the rights of the preferred stocks - A.

9) When the Company issues new shares in cash, the shareholders of preferred stock - A and the common stock shall be entitled to equivalent preemptive rights on the new shares.

b. Capital surplus

	December 31	
	2024	**2023**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of preference shares	$ 8,000,000	$ 8,000,000
Treasury stock transactions	32,413	32,413
Issuance of ordinary shares	101,379	70,389
May only be used to offset a deficit		
Changes in percentage of ownership interests in subsidiaries (2)	659	659
Share of changes in capital surplus of associates or joint ventures	33,840	22,271
	$ 8,168,291	$ 8,125,732

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 capital surplus are generated from the effects of equity transactions recognized due to changes of the subsidiaries' equities, and not due to actual acquisition or disposal of the subsidiaries' equities.

c. 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, based on 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.

d. Special reserve

	December 31	
	2024	2023
Balance at January 1	$ 757,036	$ 627,440
Special reserves (reversed) appropriated	(129,596)	129,596
Balance at December 31	$ 627,440	$ 757,036

Items referred to under Rule No. 109015022 issued by the FSC 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 Company in March 31, 2021.

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 Order No. 10510001510 issued by the FSC on May 25, 2016, 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.

e. Retained earnings and dividend policy

If the Company has made a profit at the end of the fiscal year, in addition to paying income tax in accordance with the law, losses from prior years should first be compensated, then 30% shall be provided as legal reserve. Special reserve may also be provided in accordance with the law or as required for business. The remaining amount together with the accumulated undistributed profit from the previous year shall be subject to a profit distribution proposal prepared by the board of directors and shall be submitted to the shareholders' meeting for a resolution on the distribution of shareholders' dividends and bonuses.

The dividends and bonuses under the first paragraph shall be distributed in cash or stock, as determined by the board of directors based on the financial status at the time, future profitability status and capital budget planning of the Company. In principle, if the ratio between the Company's own capital and risky assets after distribution will be lower than the ratio stipulated by the competent authority by 1%, issuance of stock dividend may be given priority; before the level of capital reserve reaches the amount of total capital, profit distribution in cash shall not exceed 15% of the total capital.

The appropriations from the earnings of 2023 and 2022 were approved in stockholders' meetings on June 14, 2024 and June 9, 2023, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	2023	**2022**	**2023**	**2022**
Legal reserve	$ 1,453,449	$ 928,965		
Reversal of special reserve	(129,596)	-		
Special reserve	-	129,596		
Stock dividends on ordinary shares	2,645,267	1,797,023	$ 0.700	$ 0.500
Cash dividends on ordinary shares	755,790	359,405	0.200	0.100
Cash dividends on preference shares	511,845	480,000	2.559	2.400

The appropriations from the 2024 earnings were proposed by the board of directors on March 10, 2025. The appropriations, including the dividends per share, were as follows. The appropriation of earnings for 2024 will be approved in stockholders' meeting to be held on June 13, 2025.

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 2,016,695	
Dividends on ordinary shares	2,835,051	$ 0.700
Cash dividends on ordinary shares	1,417,526	0.350
Cash dividends on preference shares	526,125	2.631

f. Other equity items

1) Exchange differences on translating foreign operations

	For the Year Ended December 31	
	2024	**2023**
Balance at January 1	$ (609,272)	$ (508,759)
Exchange differences arising on translation the foreign operations	940,536	(125,642)
Income tax on exchange differences on translation of the net assets of foreign operations	(188,107)	25,129
Balance at December 31	$ 143,157	$ (609,272)

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2024	**2023**
Balance at January 1	$ 3,228,847	$ (128,822)
Generated this year		
Unrealized gain (loss)		
Debt instruments	(484,754)	887,451
Equity instruments	4,260,232	2,764,055
Adjustments to loss allowance for debt instruments	166,907	30,463
Disposal of debt instruments	-	248,840
Other comprehensive income for the year	3,942,385	3,930,809
Accumulated loss transferred to retained earnings from disposal of equity instruments at FVTOCI	(1,457,127)	(573,140)
Balance at December 31	$ 5,714,105	$ 3,228,847

g. Non-controlling interests

	For the Year Ended December 31	
	2024	**2023**
Balance at January 1	$ 2,208,503	$ 2,046,500
Attributed to non-controlling interests		
Share of profit for the year	7,236	3,394
Unrealized gains (losses) on investments in equity instruments at fair value through gains or losses	6	4
Subsidiaries' cash dividends	(7,963)	(7,434)
Preferential shares issued (redeemed) by subsidiaries	10,000	(227,500)
Acquisition of part of subsidiaries' equities	-	393,539
Balance at December 31	$ 2,217,782	$ 2,208,503

In 2021, the shareholders of Ting Jie Electric Power resolved in their meeting to amend the issuance conditions of preferential shares A in the Articles of Incorporation. There was a total of 40,000 thousand shares with a face value of $10 per share, for a total of $400,000 thousand.

On April 11, 2022, the board of Ting Jie Electric Power approved the issuance of 120,000 thousand of preferential B shares with a face value of NT$10, for a total of $1,200,000 thousand. As of December 31, 2024, a total of $1,600,000 thousand had been issued. The main terms and conditions of these preferential shares are the following:

1) Maturity: There is no maturity date for the Class A preference shares.

2) Interest: The annual interest rate is 6% per annum for the preference shares, based on the price per share.

3) 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 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: 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 preference shares: After 3 years from the issue date, Ting Jie Electric Power may redeem a portion or all of the outstanding shares of class A preference shares any time at the issue price. The rights and obligations of all types of issuance conditions of unrecovered preference shares will continue. Should the board meeting resolution of Ting Jie Electric Power determine to issue dividends for 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) Preference shares repurchase: Preference shares cannot be sold by the holders of preference shares.

7) Liquidation priority: Holders of class A preference shares 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.

8) Voting and election rights: Holders of class A preference shares 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.

9) Convertibility to common stock: Under no circumstances shall the conversion from preference shares into common stock be allowed, nor shall holders of preference shares be entitled to request Ting Jie Electric Power to recover their preference shares held.

10) When Ting Jie Electric Power 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.

In 2021, the shareholders’ meeting of Na He Yi Hau Electric Power Inc. resolved to amend the issuance conditions of class A preference shares in the Articles of Incorporation. Such preference shares are 12,400 thousand shares in total with the face value of $10 per share. As of December 31, 2024, a total amount of $124,000 thousand was issued. The amended key issuance conditions are as below:

1) Maturity: Perpetual for the class A preference shares.

2) Interest: The annual interest rate is 6.5% per annum for the class A preference shares, based on the price per share.

3) 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 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 years from the issue date, Na He Yi Hau may redeem a portion or all of the outstanding shares of preference shares at any time at the issue price. The rights and obligations of all types of issuance conditions of unrecovered preference shares will continue. Should the board meeting resolution of Na He Yi Hau determine to issue dividends for class A preference shares in the recovery year, the dividends to be distributed shall be calculated by the day of recovery based on the actual number of days issued in the year.

6) Preference shares repurchase: Preference shares cannot be sold by the holders of preference shares.

7) Liquidation priority: Holders of 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.

8) 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.

9) 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.

10) When Na He 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.

Union Green Energy Private Equity Limited Partnership acquired all of the preference shares issued by Ting Jie Electric Power and Na He Yi Hau. For the needs of business, and under the directors' approval in December 2021, Tian Ji Smart issued class A preference shares, at a premium of NT$50 per share. The actual number of shares issued for the capital increase was 5,280 thousand shares for a total $264,000 thousand. Tian Ji Smart redeemed 3,000 thousand class A preference shares at the original issuance price plus compensation based on the consent of the board in March 2023. As of December 31, 2024, shares amounting to $114,000 thousand had been issued, and the conditions for the issuance of preference shares were as follows:

1) Maturity: Perpetual for the class A preference shares.

2) Interest: The annual interest rate is 5% per annum for the class A preference shares, based on the price per share.

3) Dividend payment: Whereas the Company makes profit in a fiscal year, apart from paying the income tax by law, it shall first compensate for the deficits in previous years, appropriate the legal reserve, and appropriate or reverse the special reserve with respect to these Articles of Incorporation before distributing dividends deserved for preference shares of the year. The Company 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 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.

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 years from the issue date, the Company may redeem a portion or all of the outstanding shares of preference shares at any time at the issue price. The rights and obligations of all types of issuance conditions of unrecovered preference shares will continue. Should the board meeting resolution of the Company 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) Preference shares repurchase: Preference shares cannot be sold by the holders of preference shares during the issuance period.

7) Liquidation priority: Holders of class A preference shares 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 the Company, but the right to claim shall be limited to the issuance amount only.

8) 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.

9) 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 Company to recover their class A preference shares held.

In May 2023, the Company participated in the cash capital increase of Bei Chen Yi Hau (BCYH) and acquired 99.08% equity. In 2022, BCYH's board approved the issuance of 18,750 thousand class A preference shares according to the issuance conditions stipulated in the Company's Articles of Incorporation, with a par value of NT$10 per share, for a total of $187,500 thousand. On April 28, 2023 and April 25, 2024, due to business needs and upon the consent of the board, Bei Chen Yi Hau redeemed 7,750 thousand and 11,000 thousand, respectively, of class A preference shares at the original issue price plus compensation.

On April 15, 2024, BCYH's board of directors approved the issuance of 12,000 thousand class B preference shares, with a par value of NT$10 per share, for a total of $120,000 thousand. The main terms and conditions of the class B preference shares are as follows:

1) Maturity: No maturity date for class B preference shares.

2) Interest: The annual interest rate is 6% per annum for class B preference shares, calculated based on the issue price per share.

3) 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 preference shares B 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: For class B preference shares, other than the dividends received as dividend rate prescribed in the preceding paragraph, under no circumstances shall the holders be entitled to receiving the distribution of earnings for ordinary shares or legal reserve in cash or capital surplus.

5) Redemption of class B preference shares: From the following day of 3 years after the issue date, a portion or all of the preference shares of Bei Chen Yi Hau may be redeemed at the issue price at any time. The rights and obligations of all types of issuance conditions of unrecovered preference shares will continue. Should the board of Bei Chen Yi Hau resolve to issue dividends for class B preference shares in the redemption year, the dividends to be distributed shall be calculated till the day of redemption based on the actual number of days issued in the year. 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 shall obtain the approval of more than half of the preferential shareholders, and calculate the redemption price at the actual price of issuance, plus compensation at an annual rate of interest of 7.5%, 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.

6) Preference shares repurchase: Preference shares cannot be sold by the holders of preference shares.

7) Distribution of residual property: Holders of class B 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.

8) Voting and election rights: Holders of preference shares B 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.

9) Conversion to common stock: Under no circumstances shall class B preference shares be converted into common stock, nor shall holders of preference shares be entitled to request Bei Chen Yi Hau to redeem the preference shares they hold.

10) When Bei Chen Yi Hau issues new shares in cash, the shareholders of class B preference shares and the common stock shall be entitled to equivalent preemptive rights on the new shares.

The preference shares issued by Bei Chen Yi Hau were fully subscribed by Union Green Energy Private Equity Limited Partnership.

The Company participated in Hao Tian Electric Power Inc.'s cash capital increase and acquired 99.08% equity in July 2023. 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 preference shares are 10,150 thousand shares in total with the face value of $10 per share. As of December 31, 2024, shares with a total amount of $101,500 thousand had been issued. The main terms and conditions of the class A preference shares are as follows:

1) Maturity: Perpetual for the class A preference shares.

2) Interest: The annual interest rate is 6% per annum for the class A preference shares, based on the price per share.

3) Dividend payment: Whereas Hao Tian 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. 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 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 3 years from the issue date, Hao Tian Electric Power may redeem a portion or all of the outstanding shares of preference shares at any time at the issue price. The rights and obligations of all types of issuance conditions of unrecovered preference shares will continue. Should the board meeting resolution of Hao Tian Electric Power 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.

   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.

6) Preference shares repurchase: Preference shares cannot be sold by the holders of preference shares.

7) Liquidation priority: Holders of 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.

8) 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.

9) 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.

10) When Hao Tian Electric Power 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.

The preference shares issued by Hao Tian Electric Power were fully subscribed by Union Green Energy Private Equity Limited Partnership.

The Company participated in the cash capital increase of Feng Tai Electric Power and acquired 99.08% equity in July 2023. In 2022, the shareholders' meeting of Hao Tian Electric Power resolved the issuance conditions for class A preference shares in the Articles of Incorporation. Such preference shares totaled 10,150 thousand shares with the face value of NT$10 per share. As of December 31, 2024, shares amounting to $101,500 thousand had been issued. The main terms and conditions of class A preference shares are as follows:

1) Maturity: Perpetual for the class A preference shares.

2) Interest: The annual interest rate is 6% per annum for the class A preference shares, based on the price per share.

3) Dividend payment: Whereas Feng Tai 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. 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, 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 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 3 years from the issue date, Feng Tai Electric Power may redeem a portion or all of the outstanding shares of preference shares at any time at the issue price. The rights and obligations of all types of issuance conditions of unrecovered preference shares will continue. Should the board meeting resolution of Feng Tai Electric Power 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.

   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.

6) Preference shares repurchase: Preference shares cannot be sold by the holders of preference shares.

7) Liquidation priority: Holders of 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.

8) 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.

9) 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 Feng Tai Electric Power to recover their class A preference shares held.

10) When Feng Tai Electric Power 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.

The preference shares issued by Feng Tai Electric Power were fully subscribed by Union Green Energy Private Equity Limited Partnership.

37. NET INTEREST

	For the Year Ended December 31	
	2024	2023
Interest revenue		
Discounts and loans	$ 16,761,290	$ 15,008,525
Financial assets at fair value through other comprehensive income	1,214,136	1,341,220
Investments in debt instruments at amortized cost	1,714,016	1,618,761
Credit card	991,081	864,984
Securities purchased under resell agreements	870,390	596,263
Due from the Central Bank and call loans to other banks	291,983	263,905
Others	355,409	276,384
	22,198,305	19,970,042
Interest expense		
Deposits	10,961,827	9,107,560
Bank debentures	2,270,767	1,983,583
Securities sold under repurchase agreements	81,550	81,550
Due to Chunghwa Post Co., Ltd.	64,092	59,884
Others	542,250	385,478
	13,920,486	11,618,055
	$ 8,277,819	$ 8,351,987

38. COMMISSION AND FEE REVENUE, NET

	For the Year Ended December 31	
	2024	2023
Commission and fee revenue		
Credit cards and debit cards	$ 3,555,606	$ 3,131,484
Insurance commission	1,197,341	984,300
Trust business	990,174	673,848
Loan business	619,461	511,208
Underwriting business	183,312	175,374
Guarantee business	155,795	145,554
Interbank service fee	54,620	66,614
Others	362,959	364,867
	7,119,268	6,053,249
Commission and fee expense		
Acquiring liquidation deal	1,550,086	1,298,038
Credit card	1,469,673	1,211,303
Verification of credit	35,630	50,714
Interbank service fee	18,238	36,839
Others	141,140	146,044
	3,214,767	2,742,938
	$ 3,904,501	$ 3,310,311

39. GAIN ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	For the Year Ended December 31	
	2024	2023
Realized gain or loss on financial assets at fair value through profit or loss		
Currency swap contracts	$ 1,931,708	$ 1,814,340
Interest revenue	990,852	715,878
Beneficiary securities and shares	243,940	168,971
Dividend revenue	54,427	74,978
Commercial papers	18,618	18,924
Option contracts	7,714	6,446
Principal guaranteed notes	1,536	16,693
Futures exchange margins	420	(947)
Government bonds	-	20,582
Foreign funds	(7,883)	-
Foreign exchange forward contracts	(28,289)	(63,255)
	3,213,043	2,772,610
Unrealized gain or loss on financial assets at fair value through profit or loss		
Derivative financial assets and liabilities	2,343,638	(983,949)
Beneficiary securities and shares	158,379	280,292
Commercial paper	14,461	(9,906)
Government bonds and corporate bonds	(192,378)	18,421
Futures exchange margins	-	(206)
	2,324,100	(695,348)
	$ 5,537,143	$ 2,077,262

40. REALIZED GAIN ON FINANCIAL ASSETS AT FVTOCI

	For the Year Ended December 31	
	2024	2023
Dividend revenue	$ 405,894	$ 467,911
Net income on disposal - debt instruments	-	(248,840)
	$ 405,894	$ 219,071

41. IMPAIRMENT LOSS (REVERSAL OF LOSS)

	For the Year Ended December 31	
	2024	2023
Debt instruments at FVTOCI	$ (68,217)	$ (29,553)
Financial assets at amortized cost	(3,399)	(45,939)
Foreclosed collateral	-	1,434
Investments accounted for using the equity method	-	(3,081)
	$ (71,616)	$ (77,139)

42. SALARY AND BENEFITS OF EMPLOYEES

	For the Year Ended December 31	
	2024	2023
Salaries and wages	$ 2,999,658	$ 2,717,033
Bonus	1,472,299	1,271,397
Pension		
Defined contribution plans	207,193	179,187
Defined benefit plans	5,829	6,448
Labor insurance and national health insurance	407,083	382,026
Others	128,517	125,944
	$ 5,220,579	$ 4,682,035

The Company accrued compensation of employees and remuneration of directors at the rates of between 1% and 5% and no higher than 0.1%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors.

The compensation of employees and remuneration of directors for the years ended December 31, 2024 and 2023, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2024	2023
Compensation of employees	1.84%	1.84%
Remuneration of directors	0.09%	0.09%

Amount

	For the Year Ended December 31			
	2024		2023	
	Cash	Share	Cash	Share
Compensation of employees	$ -	$ 114,719	$ -	$ 96,927
Remuneration of directors and supervisors	5,611	-	4,741	-

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 number of shares of the compensation of employees, which was determined by dividing the amount of the compensation of employees resolved for 2024 and 2023 by $16.45 and $14.70, respectively, which is the closing price per share on the day immediately preceding the meeting of the Company's board of directors was 6,974 thousand shares and 6,594 thousand shares for 2024 and 2023, respectively.

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for 2024 and 2023.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors in 2024 and 2023 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

43. DEPRECIATION AND AMORTIZATION

	For the Year Ended December 31	
	2024	2023
Assets leased	$ 1,628,696	$ 1,648,244
Right-of-use assets	511,970	495,062
Property and equipment	484,332	382,570
Intangible assets	97,213	96,861
Investment properties	44,030	43,928
	$ 2,766,241	$ 2,666,665

44. OTHER OPERATING EXPENSES

	For the Year Ended December 31	
	2024	2023
Taxation and government fee	$ 1,235,629	$ 1,111,738
Advertisement	806,290	1,184,321
Outsourcing service	417,117	393,399
Computer operating	303,602	247,153
Postage/cable charge	283,869	283,453
Maintenance charge	193,888	199,667
Deposit insurance	191,724	180,639
Marketing	187,660	156,688
Rental	162,036	190,663
Others	784,046	774,416
	$ 4,565,861	$ 4,722,137

45. INCOME TAX

a. Income tax recognized in profit or loss

The main components of income tax expense were as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
Current year	$ 925,717	$ 939,684
Income tax on unappropriated earnings	20	42
Prior year's adjustments	11,850	(13,289)
	937,587	926,437
Deferred tax		
Current year	7,004	(11,720)
Income tax expense recognized in profit or loss	$ 944,591	$ 914,717

A reconciliation of accounting profit and current income tax expense for the years ended December 31, 2024 and 2023 is as follows:

	For the Year Ended December 31	
	2024	2023
Income before tax	$ 6,167,104	$ 5,235,397
Income tax expense at the 20% statutory rate	$ 1,274,014	$ 1,051,407
Tax-exempt income	(357,583)	(207,769)
Nondeductible expenses in determining taxable income	(32,354)	34,367
Additional income tax under the Alternative Minimum Tax Act	10,368	14,059
Unrecognized deductible temporary differences	41,226	32,872
Other permanent differences	(5,071)	696
Income tax on unappropriated earnings	20	42
Income from controlled foreign enterprises recognized by profit-making enterprises	1,496	2,332
Adjustments for prior year's tax	12,475	(13,289)
Income tax expense recognized in profit or loss	$ 944,591	$ 914,717

For the subsidiaries, the income tax rate in Hong Kong is 16.5%; in Japan 30%, and in Singapore 17%.

UFLIC repatriates investment income in accordance with the "Repatriated off share funds Act". According to the rules, UFLIC should pay income tax.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2024	2023
Deferred tax		
Recognized in other comprehensive income (loss):		
Translation of foreign operations	$ (188,107)	$ 25,129
Unrealized gain or loss on financial assets at fair value through other comprehensive income	(442,555)	(303,282)
Remeasurement on defined benefit plans	(12,478)	11,896
Total income tax expenses recognized in other comprehensive loss	$ (643,140)	$ (266,257)

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Exchange difference on translation of foreign operations	$ 152,494	$ -	(32,895)	$	$ 119,599
Employee benefit plan	177,851	(81)	(1,295)		176,475
Allowance for possible losses and reserve for losses on guarantees	204,332	5,735	-		210,067
Investment properties	129,605	(1,928)	-		127,677
Others	279,683	(154,682)	-	219	125,220
	$ 943,965	$ (150,956)	$ (34,190)	$ 219	$ 759,038
Deferred tax liabilities					
Temporary differences					
Financial assets at fair value through other comprehensive income	$ (1,437,358)	$ -	$ (442,555)	$ -	$ (1,879,913)
Amortization of goodwill impairment loss	(397,061)	-		-	(397,061)
Others	(449,943)	143,952	(166,395)	182	(472,204)
	$ (2,284,362)	$ 143,952	$ (608,950)	$ 182	$ (2,749,178)

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Exchange difference on translation of foreign operations	$ 127,299	$ -	$ 25,195	$ -	$ 152,494
Employee benefit plan	178,969	(1,157)	39	-	177,851
Allowance for possible losses and reserve for losses on guarantees	163,265	41,067	-	-	204,332
Investment properties	131,533	(1,928)	-	-	129,605
Others	131,900	147,783	-	-	279,683
	$ 732,966	$ 185,765	$ 25,234	$ -	$ 943,965
Deferred tax liabilities					
Temporary differences					
Financial assets at fair value through other comprehensive income	$ (1,134,076)	$ -	$ (303,282)	$ -	$ (1,437,358)
Amortization of goodwill impairment loss	(397,061)	-	-	-	(397,061)
Others	(288,124)	(174,045)	11,791	435	(449,943)
	$ (1,819,261)	$ (174,045)	$ (291,491)	$ 435	$ (2,284,362)

d. Information on loss carryforwards

Loss carryforwards as of December 31, 2024 comprised:

	Unused Amount	Expiry Year
Union Information Technology	$ 8,058	2034
Na He Yi Hau Electric Power Inc.	$ 15,585	2034
Tin Jie Electric Power	$ 57,023	2034
Union Energy	$ 56,229	2034
Bei Chen Yi Hau Electric Power Inc.	$ 22,317	2034
Hao Tian Electric Power Inc.	$ 1,609	2034
Feng Tai Electric Power Inc.	$ 908	2034

e. Income tax assessments

	Examined and Cleared
Union Bank of Taiwan	Through 2020
Union Finance and Leasing International	Through 2022
Union Information Technology	Through 2022
Union Securities Investment Trust Co., Ltd	Through 2022
Union Private Equity Co., Ltd.	Through 2022
Union Venture Capital Co., Ltd.	Through 2022
Union Energy	Through 2022
Tianji Smart Energy Co., Ltd.	Through 2022
Tin Jie Electric Power Inc.	Through 2022
Na He Yi Hau Electric Power Inc.	Through 2022
Bei Chen Yi Hau Electric Power Inc.	Through 2022
Feng Tai Electric Power Inc.	Through 2022
Hao Tian Electric Power Inc.	Through 2022

46. EARNINGS PER SHARE

	For the Year Ended December 31	
	2024	2023
Basic earnings per share	$ 1.16	$ 0.95
Diluted earnings per share	$ 1.16	$ 0.95

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net Profit for the Period

	For the Year Ended December 31	
	2024	**2023**
Net profit	$ 5,215,277	$ 4,317,286
Less: Dividends on preference shares	(511,845)	(480,000)
Earnings used in the computation of basic earnings per share	$ 4,703,432	$ 3,837,286
Earnings used in the computation of diluted earnings per share	$ 4,703,432	$ 3,837,286

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

	For the Year Ended December 31	
	2024	**2023**
Weighted average number of ordinary shares used in the computation of basic earnings per share	4,048,812	4,042,467
Effect of potentially dilutive ordinary shares		
Compensation or bonuses of employees	8,773	7,743
Weighted average number of ordinary shares used in the computation of diluted earnings per share	4,057,585	4,050,210

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 24, 2024. Due to the retrospective adjustment, the basic and diluted earnings per share for the year ended December 31, 2023 decreased from $1.02 to $0.95 and $1.01 to $0.95 respectively.

47. RELATED-PARTY TRANSACTIONS

In addition to those disclosed in other footnotes, significant transactions between the Company and related parties are summarized as follows:

a. Related parties and their relationships with the Company

Related Party	Relationship with the Company
Union Real-Estate Management Corporation (Union Real-Estate Management)	Associate
LINE Pay Taiwan, Ltd. (LINE PAY)	Related party in substance (ceased to be an associate after January 2, 2024)
iPASS Corporation	Associate
Blue Borders Medical and Health Management Consulting Co., Ltd. (Blue Borders)	Associate
Horng Gow Construction Inc., Ltd. (Hung-Gow)	Related party in substance
The Liberty Times Co., Ltd. (Liberty Times)	Related party in substance
Long Shan Lin Corporation (Long Shan Lin)	Related party in substance
Yung Hsuan Co., Ltd (Yung Hsuan)	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 Co., Ltd. (Union Optronics)	Related party in substance
Hi-Life International Co., Ltd. (Hi-Life International)	Related party in substance
RFD Micro Electricity Co., Ltd. (RFD Micro Electricity)	Related party in substance (nonrelated party after June 28, 2023, and has no significant influence because the Company does not serve as a director)
Xinrong Energy Technology Co., Ltd. (Xinrong Energy)	Related party in substance
Hope Vision Co., Ltd. (Hope Vision)	Related party in substance
Securities Investment Trust Funds	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 I)	Subsidiary, Union Private Equity Co., Ltd. is general partner
Union Green Energy II Private Equity Limited Partnership (Union II)	Subsidiary, Union Private Equity Co., Ltd. is general partner
Others	Directors, managers, and their relatives and affiliates

b. Significant transactions with related parties:

1) Loans

December 31, 2024

Type	Account Volume or Name	Highest Balance in the Year Ended December 31, 2024	Ending Balance	Loan Classification: Normal Loans	Loan Classification: Nonperforming Loans	Collaterals	Differences in Terms of Transaction with Those for Unrelated Parties
Consumer loans	19	$ 27,552	$ 21,512	$ 21,512	$ -	Land, buildings and securities	None
Self-used housing mortgage loans	38	182,588	147,830	147,830	-	Real estate	None
Others	15	48,525	31,719	31,719	-	Land, buildings and securities	None
Others	Hope Vision	22,208	16,250	16,250	-	Small and medium enterprise credit guarantee fund of Taiwan	None

December 31, 2023

Type	Account Volume or Name	Highest Balance in the Year Ended December 31, 2023	Ending Balance	Loan Classification: Normal Loans	Loan Classification: Nonperforming Loans	Collaterals	Differences in Terms of Transaction with Those for Unrelated Parties
Consumer loans	25	$ 30,243	$ 11,647	$ 11,647	$ -	Land, buildings and securities	None
Self-used housing mortgage loans	38	203,730	95,818	95,818	-	Real estate	None
Others	14	50,666	36,403	36,403	-	Land, buildings and securities	None
Others	Hope Vision	26,000	22,750	22,750	-	Small and medium enterprise credit guarantee fund of Taiwan	None

	December 31		Interest Revenue		
	Amount	%	Rate	Amount	%
2024	$ 217,311	0.04	0.50%-3.07%	$ 4,320	0.02
2023	166,618	0.03	1.44%-3.20%	4,142	0.02

2) Deposits

	December 31		Interest Expense		
	Amount	%	Rate (Note)	Amount	%
2024	$ 6,127,683	0.76	0%-8.00%	$ 71,441	0.51
2023	6,140,755	0.81	0%-5.00%	29,555	0.25

3) Guarantees and letters of credit

December 31, 2024

Name	Highest Balance in the Year Ended December 31, 2024	Ending Balance	Balance of Guarantees and Letters of Credit (Note)	Rate	Collateral
Union Recreation Enterprise Corporation	$ 7,265	$ 7,265	$ -	1.00%	Time deposits
The Liberty Times Co., Ltd.	2,890	-	-	0.05%	Time deposits
Long Shan Lin Corporation	71,040	71,040	-	0.50%	Time deposits
Hi-Life International Co., Ltd.	37,395	37,395	-	0.40%	Time deposits
iPASS Corporation	43,378	-	-	0.50%	Time deposits

December 31, 2023

Name	Highest Balance in the Year Ended December 31, 2023	Ending Balance	Balance of Guarantees and Letters of Credit (Note)	Rate	Collateral
Union Recreation Enterprise Corporation	$ 7,265	$ 7,265	$ -	1.00%	Time deposits
The Liberty Times Co., Ltd.	2,766	-	-	0.05%	Time deposits
Long Shan Lin Corporation	71,040	71,040	-	0.50%	Time deposits
Hi-Life International Co., Ltd.	26,022	26,022	-	0.40%	Time deposits
iPASS Corporation	25,378	25,378	-	0.50%	Time deposits

Note: Reserve for guarantee loss is provided on the basis of the estimated unrecoverable amount.

4) Leases arrangement

a) The Company is lessee

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:

	Lease Deposit (Part of Other Assets)		Lease Liabilities	
	Amount	%	Amount	%
2024				
Yu-Pang	$ 461,140	18.50	$ 45,607	2.61
Horng Gow	219,464	8.80	57,204	3.27
Yong-Xuan	21,118	0.85	286,381	16.39
UECC	5,701	0.23	15,343	0.88
2023				
Yu-Pang	461,140	16.30	67,573	3.75
Horng Gow	219,464	7.76	154,090	8.56
Yong-Xuan	21,228	0.75	366,511	20.36
UECC	5,286	0.19	29,116	1.62

The Company rented space to install an ATM of Hi-life International Corporation, the rent expense was $3,962 thousand in 2024 and $772 thousand in 2023.

b) The Company is lessor

The Company has leased the properties at Zhongxiao Rd., Taichung City to Hi-Life from March 2020 to April 2030. For the years ended December 31, 2024 and 2023, the rental income was both $914 thousand, and the rentals were received on a monthly basis. In addition, the deposits received for both years were $80 thousand (accounted for as other liabilities - guarantee deposits received).

The Company has leased the properties at Dunhua South Road, Taipei City to Blue Border from January 2022 to January 2032. For the years ended December 31, 2024 and 2023, the rental income was $13,694 thousand and NT$13,669 thousand, respectively. In addition, the deposits received was both $5,980 thousand (accounted for as other liabilities - guarantee deposits 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 December 31, 2024 and 2023 were $1,850 thousand and NT$953 thousand, respectively. The rent is collected on a monthly basis.

5) Financial assets at fair value through profit or loss

The Company wants to applied the fund more efficiency and participate in the investment of green energy development. Therefore, Union Private Equity Co., Ltd. has established Union Green Energy Private Equity Limited Partnership on December 2020, and invested $20 thousand as a general partner and the other general partner is UFLIC. The total investment is $556,334 thousand on December 31, 2024.

In June 2021, as general partner, Union Private Equity Co., Ltd. raised Union Green Energy I Private Equity Limited Partnership; the total investment was $14,878 thousand as of December 31, 2024.

In October 2021, as general partner, Union Private Equity Co., Ltd. raised Union Green Energy II Private Equity Limited Partnership; the total investment was $20 thousand as of December 31, 2024.

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 December 31, 2024 and 2023, the amount was $13,333 thousand and $13,221 thousand, respectively.

Union Private Equity Co., Ltd. charged Union Green Energy I Private Equity Limited Partnership management fees pursuant to the limited partnership agreement; from January 1 to December 31, 2024 and 2023, the amount was $0 thousand and $3,037 thousand, respectively.

As of December 31, 2024 and 2023, the UFLIC had purchased 10,287 thousand and 8,804 thousand units of beneficiary certificates issued by USITC, which amounted to $128,693 thousand and $118,730 thousand, respectively.

6) Since July 2019, LINE PAY provided the use of its consumer platform to the Company. The maintenance fees of the platform were $32,311 thousand and $54,648 thousand, respectively in 2024 and 2023.

7) LINE PAY provided the credit card bonus points and cooperative marketing activities to the Company. The advertising fees were $544,992 thousand and $853,403 thousand, respectively in 2024 and 2023.

8) Hi-Life provided the commodity bonus exchange and marketing activities to the Company. The advertising fees were $18,058 thousand and $9,016 thousand in 2024 and 2023, respectively.

9) Ting Jie Electric Power 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 megawatts, and the expected total price before tax is $8,936,000 thousand. The final total capacity shall comply with the total approved capacity stated in the permission letter for the construction. This project was in the stage of being connected to the grid of the Taipower system, which has about 32 MW. The connection process was still in progress. To facilitate the process, Ting Jie Electric Power signed a syndicated loan with a limit of $7,500,000 thousand with 11 financial institutions. The joint guarantors are the parent company, UVC, Union Energy, and RFD Micro Electricity. Union Energy also pledged 1,890 thousand shares of Ting Jie Electric Power as collateral for the loan.

   To build a solar power station and for turnover for operations, Nan He Yi Hau issued a 5-year fixed interest rate commercial paper with a line of $1,130,000 thousand under a commitment agreement in December 2020, with International Bills Finance Co., Ltd. as the guarantor. It is jointly endorsed and guaranteed by Union Venture Capital and RFD Micro Electricity. The commercial promissory notes payable on December 31 and September 30, 2023 were both NT$242,100 thousand each, with interest rates of 1.8340% and 1.6947%, respectively.

10) Installment payment

   The subsidiary, Union Finance and Leasing (Int’l) Corp., undertakes the installment payment for Blue Frontier, with machinery and equipment as collateral. It is repaid in one instalment each month from July 2023 to July 2030, with the Chairman of Blue Frontier as the joint guarantor; for the years ended December 31, 2024 and 2023, the interest incomes were $2,073 thousand and $720 thousand, respectively, and the installment receivables as of December 31, 2024 and 2023 were $63,918 thousand and $74,007 thousand, respectively.

11) Financial leases

   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 installment each month, and the Chairman of Hi-Life serves as the joint guarantor. The interest income for the years ended December 31, 2024 and 2023, was $440 thousand and $538 thousand, respectively, and the lease receivables as of December 31, 2024 and 2023 were $17,664 thousand and $22,134 thousand, respectively.

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

c. Compensation of directors, supervisors and management personnel:

	For the Year Ended December 31	
	2024	2023
Short-term employment benefits		
Salaries	$ 51,589	$ 49,960
Transportation expenses	1,272	1,266
Other	529	516
	53,390	51,742
Post-employment benefits	6,886	6,632
	$ 60,276	$ 58,374

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

48. PLEDGED ASSETS

a. The Company

As of December 31, 2024 and 2023, government bonds and bank debentures, which amounted to $390,805 thousand and $394,005 thousand (accounted for other financial assets), respectively, had been provided to the courts and the Company 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 December 31, 2024 and 2023, the Company pledged a time deposit of both $1,100,000 thousand (accounted for other financial assets) to Mega International Commercial Bank and Mizuho Bank to be part of the latter's online bank-to-bank payment system.

b. 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:

	December 31	
	2024	2023
Other financial assets		
Pledge assets	$ 93,240	$ 147,661
Investment property	$ 2,170,685	$ 2,240,077

As of December 31, 2024 and 2023, notes receivable (not expired) amounting to $600,863 thousand and $628,474 thousand had been used as collaterals to apply for loans and issue commercial papers, respectively.

c. Under a syndicated loan agreement starting on January 30, 2024 (Note 19), Tingjie Power obtained a syndicated loan in 2022 for the construction of a power station, and provided personal property for photovoltaic equipment operation worth $3,093,671 thousand. The registration of the mortgage right is valid until March 28, 2047.

49. CONTINGENCIES AND COMMITMENTS

a. As of December 31, 2024 and 2023, the Company's commitments consisted of the following:

	December 31	
	2024	2023
Irrevocable standby loan commitment	$ 155,746,503	$ 163,321,584
Unused credit card commitment	305,777,821	334,521,816
Unused letters of credit	2,585,787	1,386,725
Other guarantees	23,001,788	20,087,873
Collections for customers	17,255,571	17,362,381
Guarantee notes payable	1,394,800	1,359,800
Trust assets	118,104,838	105,006,846
Marketable securities under custody	3,251,534	3,996,782

b. The duration of leasing cars (included in other assets) is about 1 to 3 years.

Minimum future annual rentals are as follows:

	December 31	
	2024	2023
Within 1 year	$ 1,864,298	$ 1,877,467
Over 1 year to 5 years	2,110,632	1,996,747
	$ 3,974,930	$ 3,874,214

c. Computer equipment purchase contracts

As of December 31, 2024 and 2023, the Company had contracts to buy computer equipment and software for $901,515 thousand and $887,647 thousand, respectively, of which $560,809 thousand and $443,959 thousand had been paid as of December 31, 2024 and 2023, respectively.

d. Power plant contract

The amount of the solar photovoltaic system construction contract signed by the Company with Micropower Energy is $14,892,150 thousand. As of December 31, 2024 and 2023, $4,997,191 thousand and $4,649,340 thousand have been paid respectively.

e. Union Securities Investment Trust Corporation (USITC)

The private equity funds managed by USITC, a subsidiary of the Company, were mainly invested in the Fairfield Sentry Funds (F Funds) of the Madoff Investment Securities' (Madoff Company) Fairfield Company (Fairfield). On January 10, 2011, the liquidator of the F Funds sued USITC, the private equity funds managed by USITC and the beneficiaries who bought USITC's private equity funds to demand the return of the redemption proceeds of US$17,206 thousand received by USITC's private equity funds from the F Funds. This case remained pending before the Bankruptcy Court for the Southern District of New York.

Madoff Company's liquidation trustee claimed that F Funds' redemption proceeds from Madoff Company constituted unjust enrichment and thus sued USITC and F Funds on March 23, 2012 to demand the return of the redemption proceeds of US$17,206 thousand received by USITC's private equity funds from F Funds. This case remained pending before the Bankruptcy Court for the Southern District of New York.

The plaintiff has asked the US court to deliver the complaint to the Taiwan Taipei District Court through mutual legal assistance. In accordance with the provisions of Article 402, paragraph 1, paragraph 2 of the Code of Civil Procedure and the relevant practical opinions of the court, the legal documents have been legally delivered to USITC. In order to avoid the unfavorable judgment of the court, USITC appointed American lawyers to deal with the litigation. The defendant in the case (that is, the non-US foreign investor who was a party in the Fairfield series of funds) disputed the application of the US bankruptcy law and the jurisdiction of the US court. The US Court recognized the law does not apply to such defendants, therefore, rejected the plaintiff's request for the reason of international comity. The plaintiff has appealed to the Federal Second Circuit Court of Appeal. In August 2019, the plaintiff has appealed to the Supreme court of the US. 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 reported by the U.S. attorneys engaged by the Company, there are legal deficiencies in the claim recorded in the plaintiff's complaint. The U.S. attorneys requested the court to reject the plaintiff's complaint on April 4, 2022. However, the US bankruptcy court rejected our claim on August 19 of the same year, and we have agreed to file our defense by November 1 of the same year. On February 22, 2023, the Company's lawyers and the plaintiff's attorneys completed the signing of the trial plan and submitted it to the US bankruptcy court. On April 10, 2023, both parties submitted the relevant information for the initial disclosure, and the Company began to collect and discover relevant evidence. The Company served a response to the plaintiff's discovery briefs to the US bankruptcy court on November 27, 2023, and on May 31, 2024, the Company delivered a discovery briefing in response to the plaintiff's inquiry to the U.S. Bankruptcy Court and responded to the plaintiff's inquiry. The three private equity funds analysis report, investment decision, investment execution form, and monthly investment review report have been provided to the plaintiff.

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 May 6, 2016, for a hearing on the fairness of the settlement and the granting of permission; 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.

50. OTHER

Since the start of the 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 impact, please refer to Notes 11 and 41.

51. TRUST BUSINESS UNDER THE TRUST LAW

Balance Sheet of Trust Accounts
December 31, 2024

Trust Assets	Amount	Trust Liabilities and Capital	Amount
Bank deposits	$ 19,551,180	Management fee payable	$ -
Investments		Income tax payable	6,493
Mutual funds	76,781,609	Marketable securities payable	12,012,184
Bond	9,123	Trust capital	105,714,288
Common stock	518,992	Reserve and deficit	371,873
Accounts receivable	67,983		
Stock in custody	12,012,184		
Real estate - land and building	9,163,767		
Total	$ 118,104,838	Total	$ 118,104,838

Balance Sheet of Trust Accounts
December 31, 2023

Trust Assets	Amount	Trust Liabilities and Capital	Amount
Bank deposits	$ 16,642,391	Management fee payable	$ -
Investments		Income tax payable	3,472
Mutual funds	62,632,574	Marketable securities payable	15,105,961
Bond	9,216	Trust capital	89,643,432
Common stock	427,477	Reserve and deficit	253,981
Accounts receivable	36,940		
Stock in custody	15,105,961		
Real estate - land and building	10,152,287		
Total	$ 105,006,846	Total	$ 105,006,846

Income Statement of Trust Accounts
Year Ended December 31, 2024

	Amount
Trust income	
Interest revenue - demand accounts	$ 35,758
Interest revenue - time deposits	97,572
Interest revenue - bond	503
Income from beneficiary certificates	636
Cash dividends - common stock	7,363
Realized capital gain - fund	-
Unrealized capital gain - fund	818
Unrealized capital gain - bond	-
Unrealized capital gain - common stock at stock exchange market	148,694
Total trust income	291,344
Trust expense	
Management expense	8,727
Realized capital loss - common stock	1,147
Unrealized capital loss - common stock at stock exchange market	60
Unrealized capital loss - bond	3,586
Realized capital loss - fund	-
Unrealized capital loss - fund	91
Other expenses	756
Total trust expense	14,367
Gain before tax	276,977
Income tax expense	(12,384)
Net gain	$ 264,593

Note: The above trust income statements were not included in the Company's income statements.

Income Statement of Trust Accounts
Year Ended December 31, 2023

	Amount
Trust income	
Interest revenue - demand accounts	$ 25,156
Interest revenue - time deposits	61,083
Interest revenue - bond	470
Income from beneficiary certificates	586
Cash dividends - common stock	3,418
Realized capital gain - fund	18
Unrealized capital gain - fund	75
Unrealized capital gain - bond	4
Unrealized capital gain - common stock at stock exchange market	120,250
Total trust income	211,060
Trust expense	
Management expense	13,721
Unrealized capital loss - common stock at stock exchange market	524
Unrealized capital loss - bond	2,704
Realized capital loss - fund	1,248
Unrealized capital loss - fund	501
Others	901
Total trust expense	19,599
Gain before tax	191,461
Income tax expense	(7,813)
Net gain	$ 183,648

Note: The above trust income statements were not included in the Company's income statements.

Trust Property and Equipment Accounts
December 31, 2024

Investment Portfolio	Amount
Bank deposits	$ 19,551,180
Investments	
Mutual funds	76,781,609
Bond	9,123
Common stock	518,992
Accounts receivable	67,983
Stock in custody	12,012,184
Real estate - land and buildings	9,163,767
	$ 118,104,838

Trust Property and Equipment Accounts
December 31, 2023

Investment Portfolio	Amount
Bank deposits	$ 16,642,391
Investments	
Mutual funds	62,632,574
Bond	9,216
Common stock	427,477
Accounts receivable	36,940
Stock in custody	15,105,961
Real estate - land and buildings	10,152,287
	$ 105,006,846

52. FINANCIAL INSTRUMENTS

a. Fair value information

1) Overview

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 that are measured at amortized cost, the subsequent measurements are at fair values. The best estimations 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 when measuring the fair values of the financial instruments.

2) The definitions of each level of the fair value hierarchy are shown below:

   a) Level 1

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

      i. All financial instruments in the market are homogeneous.

      ii. There are willing buyers and sellers in the market all the time.

      iii. The public can access the price information easily.

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

   b) Level 2

      The products in this level 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:

      i. 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, interested parties' prices, and the correlation of price between itself and the similar goods;

      ii. Quoted prices for identical or similar financial instruments in inactive markets;

      iii. For the marking-to-model method, the inputs to this model should be observable (such as interest rates, yield curves and volatilities). The observable inputs mean that they can be obtained from the market and can reflect the expectation of market participants;

      iv. 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.

   c) Level 3

      The fair values of the products in this level 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 complex foreign exchange options.

3) Measured at fair value on a recurring basis

a) 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:

(In Thousands of New Taiwan Dollars)

	December 31, 2024			
	Total	**Level 1**	**Level 2**	**Level 3**
Measured at fair value on a recurring basis				
Nonderivative financial instruments				
Assets				
Financial assets at fair value through profit or loss (FVTPL)				
Financial assets mandatorily classified as at FVTPL				
Stock	$ 1,266,017	$ 1,242,068	$ -	$ 23,949
Beneficiary certificates and fund	2,037,132	1,413,124	-	624,008
Commercial paper	44,253,476	-	44,253,476	-
Asset-based securities	15,892	-	15,892	-
Futures exchange margins	66,095	66,095	-	-
Debt instruments	6,884,346	-	6,884,346	-
Financial assets at fair value through other comprehensive income				
Stock	19,553,629	16,793,804	-	2,759,825
Debt instruments	43,344,256	-	43,344,256	-
Derivative financial instruments				
Assets				
Financial assets at FVTPL	1,498,977	-	1,384,735	114,242
Liabilities				
Financial liabilities at FVTPL	468,953	-	354,685	114,268

	December 31, 2023			
	Total	**Level 1**	**Level 2**	**Level 3**
Measured at fair value on a recurring basis				
Nonderivative financial instruments				
Assets				
Financial assets at fair value through profit or loss (FVTPL)				
Financial assets mandatorily classified as at FVTPL				
Stock	$ 2,513,748	$ 1,887,638	$ -	$ 626,110
Beneficiary certificates and fund	1,221,325	635,609	-	585,716
Commercial paper	47,158,569	-	47,158,569	-
Asset-based securities	20,258	-	20,258	-
Futures exchange margins	61,390	61,390	-	-
Debt instruments	1,369,226	-	1,369,226	-
Financial assets at fair value through other comprehensive income				
Stock	15,517,752	12,796,127	-	2,721,625
Debt instruments	42,941,330	-	42,941,330	-
Derivative financial instruments				
Assets				
Financial assets at FVTPL	511,050	-	389,784	121,266
Liabilities				
Financial liabilities at FVTPL	1,824,034	-	1,702,464	121,570

b) The financial instruments measured at fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between willing market participants with full understanding of the sale or transfer 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.

i. Marking to market

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

i) Ensure the consistency and integrity of market data.

ii) The source of market data should be transparent and easy to access and can be referred to by independent resources.

iii) Listed securities with tradable prices should be valued at closing prices.

iv) Evaluating unlisted securities that lack tradable closing prices should use quoted prices from independent brokers.

ii. 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., the Black-Scholes model) to calculate the fair value of the contracts.

For debt instruments with no active market, the Company estimates fair values based on prices quoted by counterparties and adjusted in accordance with the results of the evaluation of a debtor’s credit.

c) Fair value 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”:

i. 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.

ii. 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 loss given default (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.

d) Transfers between Level 1 and Level 2

There was no material transfer between Level 1 and Level 2 for 2024 and 2023.

e) Reconciliation of Level 3 items of financial instruments

i. Reconciliation of Level 3 items of financial assets

<u>For the year ended December 31, 2024</u>

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gains (Losses)		Amount of Increase		Amount of Decrease		Ending Balance
		In Net Income	In Other Comprehensive Income	Purchase or Change in Fair Value	Transfer to Level 3	Sale or Change in Fair Value	Transfer from Level 3	
Financial assets at fair value through profit or loss								
Derivative financial assets	$ 121,266	$ (8,750)	$ -	$ 107,562	$ -	$ (105,836)	$ -	$ 114,242
Beneficiary certificates	585,716	8,398	-	29,894	-	-	-	624,008
Equity instruments	626,110	(178,486)	-	-	-	(423,675)	-	23,949
Financial assets at fair value through other comprehensive income								
Equity instruments	2,721,625	-	581,316	49,362	2,077,589	(2,609,593)	(60,474)	2,759,825

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gains (Losses) In Net Income	Valuation Gains (Losses) In Other Comprehensive Income	Amount of Increase Purchase or Change in Fair Value	Amount of Increase Transfer to Level 3	Amount of Decrease Sale or Change in Fair Value	Amount of Decrease Transfer from Level 3	Ending Balance
Financial assets at fair value through profit or loss								
Derivative financial assets	$ 162,274	$ (15,329)	$ -	$ 94,957	$ -	$ (120,636)	$ -	$ 121,266
Beneficiary certificates	566,889	18,827	-	-	-	-	-	585,716
Equity instruments	878,518	41,592	-	-	-	(294,000)	-	626,110
Financial assets at fair value through other comprehensive income								
Equity instruments	2,475,730	-	234,849	14,676	-	(3,630)	-	2,721,625

The valuation profit and loss above are listed under current profit and loss, and attributed to the amount of profit and loss of the assets held in the accounts as of December 31, 2024 and 2023; the losses are $178,838 thousand and the profits are $45,090 thousand, respectively.

ii. Reconciliation of Level 3 items of financial liabilities

For the year ended December 31, 2024

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gains (Losses) In Net Income	Valuation Gains (Losses) In Other Comprehensive Income	Amount of Increase Purchase or Change in Fair Value	Amount of Increase Transfer to Level 3	Amount of Decrease Sale or Change in Fair Value	Amount of Decrease Transfer from Level 3	Ending Balance
Financial liabilities at fair value through profit or loss								
Derivative financial liabilities	$ 121,570	$ (5,306)	$ -	$ 107,736	$ -	$ (109,732)	$ -	$ 114,268

For the year ended December 31, 2023

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gains (Losses) In Net Income	Valuation Gains (Losses) In Other Comprehensive Income	Amount of Increase Purchase or Change in Fair Value	Amount of Increase Transfer to Level 3	Amount of Decrease Sale or Change in Fair Value	Amount of Decrease Transfer from Level 3	Ending Balance
Financial liabilities at fair value through profit or loss								
Derivative financial liabilities	$ 162,265	$ (60,550)	$ -	$ 121,532	$ -	$ (101,677)	$ -	$ 121,570

The valuation profit and loss above are listed under current profit and loss, and attributed to the amount of profit and loss of the assets held in the accounts as of December 31, 2024 and 2023; the profits are $5,306 thousand and profits are $60,550 thousand, respectively.

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

Item	Product	2024/12/31 Fair Value	Valuation Technique	Significant Unobservable Inputs	Interval (Weighted-average)	Relation Between Input and Fair Value
Financial assets at fair value through profit or loss						
Derivative financial instruments	Foreign exchange options	$ 114,242	Option pricing model	Ratio	GBP/AUD 6.93%-8.35% USD/TWD 4.41%-7.68% USD/ZAR 11.78%-14.56% EUR/GBP 5.43% GBP/USD 8.22%	The higher the ratio is, the higher the fair value
Non-derivative financial instruments	Stock	23,949	Assets value model	Allowance of minority interest	-	The higher the equity dispersion is, the lower the fair value
	Beneficiary certificates	624,008	Assets value model	Allowance of minority interest	15%	The higher the equity dispersion is, the lower the fair value
Financial assets at fair value through other comprehensive income						
Non-derivative financial instruments	Stock	2,329,169	Assets value model	Allowance of minority interest	5%-30%	The higher the equity dispersion is, the lower the fair value
	Stock	430,656	Market method	Allowance of minority interest	20%	The higher the equity dispersion is, the lower the fair value
Financial liabilities at fair value through profit or loss						
Derivative financial instruments	Foreign exchange options	114,268	Option pricing model	Ratio	GBP/AUD 6.93%-8.35% USD/TWD 4.41%-7.68% USD/ZAR 11.78%-14.56% EUR/GBP 5.43% GBP/USD 8.22%	The higher the ratio is, the higher the fair value

Item	Product	2023/12/31 Fair Value	Valuation Technique	Significant Unobservable Inputs	Interval (Weighted-average)	Relation Between Input and Fair Value
Financial assets at fair value through profit or loss						
Derivative financial instruments	Foreign exchange options	$ 121,266	Option pricing model	Ratio	GBP/AUD 7.17%-7.67% AUD/USD 9.51%-9.60% USD/TWD 7.42%-8.36% USD/ZAR 14.71%-15.26% USD/JPY 10.51% EUR/GBP 4.95%-5.79%	The higher the ratio is, the higher the fair value
Non-derivative financial instruments	Stock	626,110	Assets value model	Allowance of minority interest	10%	The higher the equity dispersion is, the lower the fair value
	Beneficiary certificates	585,716	Assets value model	Allowance of minority interest	15%	The higher the equity dispersion is, the lower the fair value
Financial assets at fair value through other comprehensive income						
Non-derivative financial instruments	Stock	2,194,187	Assets value model	Allowance of minority interest	5%-30%	The higher the equity dispersion is, the lower the fair value
	Stock	527,438	Market method	Allowance of minority interest	20%	The higher the equity dispersion is, the lower the fair value
Financial liabilities at fair value through profit or loss						
Derivative financial instruments	Foreign exchange options	121,570	Option pricing model	Ratio	GBP/AUD 7.17%-7.67% AUD/USD 9.51%-9.60% USD/TWD 7.42%-8.36% USD/ZAR 14.71%-15.26% USD/JPY 10.51% EUR/GBP 4.95%-5.79%	The higher the ratio is, the higher the fair value

g) The assessment 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 Company is responsible for the verification of the independent fair value. For products assessed by the model, before daily assessment, the information required for the assessment 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 assessment model. In addition to regular checking of the accuracy of the assessment model, the reasonableness of the prices provided by third parties will also be checked.

h) 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 financial instrument is reasonable although 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:

December 31, 2024

	Changes in Fair Value Are Reflected in Other Comprehensive Income for the Current Period	
	Favorable Changes	**Unfavorable Changes**
Financial assets at fair value through other comprehensive income		
Investments in equity instruments	$ 275,983	$ (275,983)

December 31, 2023

	Changes in Fair Value Are Reflected in Other Comprehensive Income for the Current Period	
	Favorable Changes	**Unfavorable Changes**
Financial assets at fair value through other comprehensive income		
Investments in equity instruments	$ 272,163	$ (272,163)

b. Fair value of financial instruments that are not measured at fair value

1) Information of fair value

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

	December 31			
	2024		2023	
	Carrying Amount	**Estimated Fair Value**	**Carrying Amount**	**Estimated Fair Value**
Financial assets				
Financial assets measured at amortized cost	$ 81,725,126	$ 75,538,170	$ 81,648,341	$ 77,918,378
Financial liabilities				
Bank debentures	5,000,000	4,944,576	5,000,000	4,948,379

2) Fair value hierarchy

Items	**December 31, 2024**			
	Total	**Level 1**	**Level 2**	**Level 3**
Financial assets				
Financial assets measured at amortized cost	$ 75,538,170	$ -	$ 75,538,170	$ -
Financial liabilities				
Bank debentures	4,944,576	-	4,944,576	-

Items	**December 31, 2023**			
	Total	**Level 1**	**Level 2**	**Level 3**
Financial assets				
Financial assets measured at amortized cost	$ 77,918,378	$ -	$ 77,918,378	$ -
Financial liabilities				
Bank debentures	4,948,379	-	4,948,379	-

53. FINANCIAL RISK MANAGEMENT

a. 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.

b. 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 Asset/Liability 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.

c. Credit risk

1) Credit risk definitions and sources

Credit risk refers to the risk of losses caused by borrowers, debtors, or counterparties' failure to fulfill their contractual obligations due to deteriorating financial position or other factors. It arises principally from transactions involving discounts, loans, credit cards, due from or call loans to banks, debt investments and derivatives etc., and also from off-balance sheet products such as guarantees, acceptance, letters of credit and commitments.

2) Strategy/objectives/policies and processes

a) 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.

b) 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.

c) 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.

d) 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 framework

a) 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.

b) Asset/Liability Management Committee: This committee inspects management reports or information provided by business units and the Risk Management Division.

c) Risk Management Division: The Risk Management Division is an independent unit that is in charge of the 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.

d) 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.

e) 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) Credit risk measurement, control and reporting

a) The range of credit risk reporting:

i. Each business unit will regularly report the promotion of the business and the allocation of risk assets to the Assets/Liability Management Committee (ALMC).

ii. The Company's risk management department regularly monitors the credit limit control situations and reports to the ALMC the credit 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.

b) 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) Mitigation of risks or hedging of credit risk

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. These off-balance sheet maximum credit exposures (excluding collaterals and other credit enhancement instruments) are shown as follows:

Off-Balance Sheet Items	The Maximum Credit Exposure	
	December 31, 2024	December 31, 2023
Irrevocable standby loan commitment	$ 4,266,360	$ 9,083,323
Unused letters of credit	2,585,787	1,386,725
Other guarantees	23,001,788	20,087,873
Unused credit card commitments	305,777,821	334,521,816

December 31, 2024	Collateral	Netting Arrangements	Other Credit Enhancement	Total
In-balance sheet items				
Discount and loans	$ 564,011,218	$ -	$ -	$ 564,011,218

December 31, 2023	Collateral	Netting Arrangements	Other Credit Enhancement	Total
In-balance sheet items				
Discount and loans	$ 524,288,591	$ -	$ -	$ 524,288,591

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. To minimize its credit risk, the Company maintains a diversified portfolio; limits its exposure to any one geographic region, country or individual creditor; and closely monitors its exposures. The Company's most significant concentrations of credit risk are summarized as follows:

a) By industry

	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
Private enterprises	$ 196,901,686	30.94	$ 182,848,424	30.93
Public enterprises	-	0.00	313,497	0.05
Government organizations	5,000,000	0.79	4,620,881	0.78
Nonprofit organizations	880,180	0.14	654,493	0.11
Private organizations	430,214,452	67.61	400,688,946	67.79
Financial institutions	1,427,810	0.22	757,510	0.12
Foreign enterprises	1,892,731	0.30	1,324,012	0.22
Total	$ 636,316,859	100.00	$ 591,207,763	100.00

b) By geographical area

The Company's operations are mainly in Taiwan.

c) By collaterals

	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
Unsecured	$ 59,928,545	9.42	$ 55,205,544	9.34
Secured				
Financial instruments	15,059,537	2.36	14,544,341	2.46
Stocks	25,956,598	4.08	19,409,196	3.28
Properties	489,840,638	76.98	459,054,811	77.65
Movables	26,398,944	4.15	24,823,293	4.20
Guarantees	13,211,203	2.08	15,185,214	2.57
Others	5,921,394	0.93	2,985,364	0.50
Total	$ 636,316,859	100.00	$ 591,207,763	100.00

8) Analysis of impairment for financial assets

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:

a) Real estate
b) Other property
c) Securities/stock
d) Deposits/certificates of deposits
e) 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:

December 31, 2024

Credit-impaired Financial Assets	Carrying Amount	Allowance for Impairment Loss	Exposure Amount (Amortized Cost)	Fair Value of Collateral
Receivables				
Credit cards	$ 846,159	$ 134,753	$ 711,406	$ -
Other	45,605	1,445	44,160	22,298
Discounts and loans	2,116,651	471,908	1,644,743	2,911,287
	$ 3,008,415	$ 608,106	$ 2,400,309	$ 2,933,585

December 31, 2023

Credit-impaired Financial Assets	Carrying Amount	Allowance for Impairment Loss	Exposure Amount (Amortized Cost)	Fair Value of Collateral
Receivables				
Credit cards	$ 800,018	$ 96,329	$ 703,689	$ -
Other	14,935	4,470	10,465	23,105
Discounts and loans	2,236,465	265,770	1,970,695	3,351,341
	$ 3,051,418	$ 366,569	$ 2,684,849	$ 3,374,446

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

On each reporting date, the Company 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. The main considerations include:

Quantitative indicators

a) The borrower pays the amount for contracts overdue for at least one month (more than or equal to 30 days for the credit card business), or the amounts for other contracts that are overdue for at least one month (more than or equal to 30 days for the credit card business).

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

c) Debt instruments that have non-investment grades based on the debt (priority), issuer, and guarantor's credit rating and that have fallen by more than two grades and whose prices have fallen by more than 15% on the reporting date.

Qualitative indicators

a) The borrower's check bounced due to insufficient funds in the Company's checking account, or announced as a rejected account.

b) The borrower's collateral was seized.

c) The borrower's debt has been recognized as a non-accrual loan or transferred to bad debt by other financial institutions.

d) The borrower has been reorganized.

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 repayment ability.

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. The main considerations include:

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) Reversal 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:

a) Recourse activities have stopped.

b) 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:

a) Risk of default on the reporting date (based on modified contract terms).

b) 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	Definition
Corporate banking	Corporate banking	Corporate banking business
Consumer banking	Mortgages	Mortgage business
	Financial loans	Financial loan business
	Credit card	Credit card business
	Others	Other business

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

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

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

	Account Receivable				
	December 31, 2024				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL (Credit-impaired Financial Assets)	Additional Impairment Loss Required under Regulations	Total
Gross carrying amount	$ 39,777,435	$ 161,408	$ 891,764	$ -	$ 40,830,607
Less: Allowance for impairment loss	150,505	18,437	136,198	-	305,140
Less: Additional impairment loss required under regulations	-	-	-	61,434	61,434
	$ 39,626,930	$ 142,971	$ 755,566	$ 61,434	$ 40,464,033

	Account Receivable				
	December 31, 2023				
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL (Credit-impaired Financial Assets)**	**Additional Impairment Loss Required under Regulations**	**Total**
Gross carrying amount	$ 37,097,858	$ 177,426	$ 814,953	$ -	$ 38,090,237
Less: Allowance for impairment loss	124,800	16,986	100,799	-	242,585
Less: Additional impairment loss required under regulations	-	-	-	39,263	39,263
	$ 36,973,058	$ 160,440	$ 714,154	$ 39,263	$ 37,808,389

	Discounts and Loans				
	December 31, 2024				
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL (Credit-impaired Financial Assets)**	**Additional Impairment Loss Required under Regulations**	**Total**
Gross carrying amount	$ 608,055,032	$ 3,029,721	$ 2,116,651	$ -	$ 613,201,404
Less: Allowance for impairment loss	504,970	147,094	471,908	-	1,123,972
Less: Additional impairment loss required under regulations	-	-	-	6,056,222	6,056,222
	$ 607,550,062	$ 2,882,627	$ 1,644,743	$ 6,056,222	$ 606,021,210

	Discounts and Loans				
	December 31, 2023				
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL (Credit-impaired Financial Assets)**	**Additional Impairment Loss Required under Regulations**	**Total**
Gross carrying amount	$ 566,033,237	$ 2,711,467	$ 2,236,465	$ -	$ 570,981,169
Less: Allowance for impairment loss	697,689	158,499	265,770	-	1,121,958
Less: Additional impairment loss required under regulations	-	-	-	5,751,587	5,751,587
	$ 565,335,548	$ 2,552,968	$ 1,970,695	$ 5,751,587	$ 564,107,624

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.

d. Liquidity risk

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

a) 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.

b) 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.

c) The fund procurement department implements funding strategies in accordance with the conservatism principle to diversify the funding sources and negotiate reasonable repayment periods to ensure continuing participation in the lending market, and maintains a close relationship with fund providers to strengthen financing channels and ensure the stability and reliability of fund sources.

d) To strengthen liquidity risk management, the Company has regulations requiring the daily execution of risk management procedures and the monitoring of implementation to maintain sufficient liquidity.

e) 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 liquidity risk analysis of the cash inflow and outflow of assets and liabilities held for liquidity risk refers to the amounts of the obligations for the remaining maturity periods, i.e., from the reporting date to the contract maturity dates. The maturity analysis of financial assets and financial liabilities:

a) For maintaining solvency and meeting the needs of emergency assistance arrangements, the Company holds cash and high-quality, liquid interest-bearing assets. The assets held for liquidity risk management include cash and cash equivalents, due from Central Bank and call loans to other banks, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, investments in debt instruments at amortized cost, and discounts and loans, etc.

b) The Company disclosed the analysis of cash outflows from nonderivative financial liabilities by the residual maturities as of the balance sheet dates. 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.

i. The maturity analysis of financial liabilities

	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 other banks	$ 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
Securities sold under agreements to repurchase	39,359,281	19,352,529	-	210,078	-	58,921,888
Accounts payables	5,059,682	1,671,735	1,388,570	283,677	100,598	8,504,262
Deposits and remittance	62,397,946	110,884,938	111,253,238	224,500,726	294,448,541	803,485,389
Bank debentures	-	-	-	-	5,000,000	5,000,000
Preferred stock liabilities	-	-	-	-	375,000	375,000
Bonds payable	-	-	-	885,881	-	885,881
Other liabilities	10,348,701	5,216,230	-	-	127,796	15,692,727

	December 31, 2023					
	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 other banks	$ 7,473,747	$ 780,303	$ 1,520,000	$ 2,655,000	$ 415,179	$ 12,844,229
Due to the Central Bank and other banks	1,403,184	-	-	-	-	1,403,184
Securities sold under agreements to repurchase	42,104,182	19,399,594	-	-	-	61,503,776
Accounts payables	6,090,266	1,210,449	1,498,217	293,611	74,387	9,166,930
Deposits and remittance	53,777,514	87,099,936	118,238,216	223,763,868	273,283,125	756,162,659
Bank debentures	-	-	-	-	5,000,000	5,000,000
Preferred stock liabilities	-	-	-	-	375,000	375,000
Bonds payable	-	-	-	-	927,202	927,202
Other liabilities	11,545,876	114,275	180,435	334,195	1,701,257	13,876,038

Further information on the maturity analysis of lease liabilities is as follows:

	December 31, 2024						
	Due in One Year	Due Between after One Year and Five Years	Due Between after Five Years and Ten Years	Due Between after Ten Years and Fifteen Years	Due Between after Fifteen Years and Twenty Years	Due after Twenty Years	Total
Lease liability	$ 441,224	$ 905,070	$ 309,561	$ 162,916	$ 69,776	$ -	$ 1,888,547

	December 31, 2023						
	Due in One Year	Due Between after One Year and Five Years	Due Between after Five Years and Ten Years	Due Between after Ten Years and Fifteen Years	Due Between after Fifteen Years and Twenty Years	Due after Twenty Years	Total
Lease liability	$ 482,004	$ 1,002,563	$ 249,330	$ 103,443	$ 19,206	$ -	$ 1,856,546

ii. The maturity analysis of derivatives financial liabilities - forward exchange contracts and currency swap contracts

	December 31, 2024					
	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial liabilities to be settled at gross amounts						
Cash outflow	$ 11,385,108	$ 3,060,000	$ 1,268,660	$ 541,514	$ -	$ 16,255,282
Cash inflow	11,129,397	3,004,613	1,236,844	529,743	-	15,900,597
	255,711	55,387	31,816	11,771	-	354,685
Derivative financial liabilities to be settled at net amounts						
Forward exchange contracts	-	-	-	-	-	-
	$ 255,711	$ 55,387	$ 31,816	$ 11,771	$ -	$ 354,685

	December 31, 2023					
	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial liabilities to be settled at gross amounts						
Cash outflow	$ 17,918,857	$ 41,067,318	$ 5,598,382	$ 3,409,953	$ 30,735	$ 68,025,245
Cash inflow	17,437,895	39,944,906	5,520,076	3,389,211	30,693	66,322,781
	480,962	1,122,412	78,306	20,742	42	1,702,464
Derivative financial liabilities to be settled at net amounts						
Forward exchange contracts	-	-	-	-	-	-
	$ 480,962	$ 1,122,412	$ 78,306	$ 20,742	$ 42	$ 1,702,464

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

	December 31, 2024					
	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial liabilities to be settled at net amounts	$ 6,874	$ 8,667	$ 5,227	$ 14,219	$ -	$ 34,987

	December 31, 2023					
	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial liabilities to be settled at net amounts	$ 7,621	$ 12,584	$ 11,079	$ 17,500	$ -	$ 48,784

e. Market risk

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 on or off the balance sheet items.

2) Market risk management strategy and processes

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.

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 framework

a) The board of directors: The board of directors, the Company's top market risk supervisor, reviews risk management policies, operational risk limits and the design and change of the credit risk management framework.

b) Asset/Liability Management Committee: The Asset/Liability Management Committee inspects management reports or information provided by business units and the Risk Management Division.

c) 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.

d) 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) Market risk measurement, control and reporting

a) 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.

b) The business units and the risk management division prepares management reports periodically and report to the appropriate level.

c) 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

a) Interest rate risk

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, are measured from the viewpoint of earnings because there is a risk of decrease in earnings due to adverse changes in interest rates for loans and deposits.

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, are assessed as a result of interest rate changes on the Company's earnings assuming that other factors of change remain unchanged. For 2024 and 2023, 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 $557,251 thousand and $450,642 thousand, respectively.

b) 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) Foreign currency rate risk information

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

Unit: Each Foreign Currency (In Thousands)/NT$(In Thousands)

	December 31, 2024		
	Foreign Currencies	**Exchange Rate**	**New Taiwan Dollars**
Financial assets			
USD	$ 4,184,966	32.7810	$ 137,187,366
JPY	51,917,774	0.2098	10,893,647
GBP	7,369	41.1762	303,439
AUD	84,956	20.3931	1,732,513
HKD	87,091	4.2221	367,710
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

(Continued)

	December 31, 2024		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial liabilities			
USD	$ 3,850,261	32.7810	$ 126,215,410
JPY	47,944,299	0.2098	10,059,912
GBP	7,393	41.1762	304,433
AUD	84,970	20.3931	1,732,791
HKD	86,689	4.2221	366,013
CAD	12,914	22.8121	294,589
CNY	576,154	4.4778	2,579,894
SGD	3,295	24.1179	79,467
ZAR	861,066	1.7507	1,507,493
CHF	553	36.2782	20,074
NZD	19,664	18.4655	363,108
EUR	43,310	34.1316	1,478,253

(Concluded)

	December 31, 2023		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets			
USD	$ 4,023,190	30.7350	$ 123,468,792
JPY	36,443,602	0.2173	7,920,864
GBP	7,308	39.1779	286,318
AUD	79,117	21.0043	1,663,065
HKD	100,994	3.9339	397,298
CAD	12,473	23.2155	289,561
CNY	609,334	4.3310	2,639,032
SGD	4,690	23.3088	109,313
ZAR	904,451	1.6594	1,500,826
CHF	616	36.5327	22,511
NZD	17,110	19.4952	333,558
EUR	35,899	34.0083	1,220,852
Financial liabilities			
USD	3,704,062	30.7350	113,844,358
JPY	36,483,733	0.2173	7,919,849
GBP	7,307	39.1779	286,278
AUD	79,123	21.0043	1,661,933
HKD	101,172	3.9339	397,999
CAD	12,441	23.2155	288,815
CNY	609,347	4.3310	2,639,088
SGD	4,755	23.3088	110,829
ZAR	904,908	1.6594	1,501,584
CHF	644	36.5327	23,513
NZD	17,088	19.4952	333,143
EUR	35,937	34.0083	1,222,150

f. Transfers of financial assets

Most of the transferred financial assets of the Company that are not derecognized in their entirety are securities sold under repurchase agreements. 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 would be recognized. 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:

December 31, 2024					
Category of Financial Assets	**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 instruments at fair value through profit or loss Securities sold under repurchase agreements	$ 23,480,327	$ 23,495,917	$ 23,480,327	$ 23,495,917	$ (15,590)
Financial assets at fair value through other comprehensive income Securities sold under repurchase agreements	19,831,849	18,142,519	19,831,849	18,142,519	1,689,330
Financial assets at amortized cost Securities sold under repurchase agreements	28,866,742	16,925,265	23,356,904	16,925,265	6,431,639

December 31, 2023					
Category of Financial Assets	**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 instruments at fair value through profit or loss Securities sold under repurchase agreements	$ 28,966,602	$ 28,993,136	$ 28,966,602	$ 28,993,136	$ (26,534)
Financial assets at fair value through other comprehensive income Securities sold under repurchase agreements	19,314,950	17,764,816	19,314,950	17,764,815	1,550,134
Financial assets at amortized cost Securities sold under repurchase agreements	28,481,320	14,321,243	24,788,398	14,321,243	10,467,155

g. Offsetting financial assets and financial liabilities.

The Company is eligible to present certain derivative assets and derivative liabilities on a net basis on the balance sheets since the offsetting criteria are met. Cash collateral has also been paid by part of counterparties for the net amount of the derivative assets and derivative liabilities. The cash collateral does not meet the offsetting criteria, but it can be set off against the net amount of the derivative assets and derivative liabilities in the case of default and insolvency or bankruptcy, in accordance with an associated collateral arrangement.

The tables below present the quantitative information on financial assets and financial liabilities that have been offset in the balance sheets or that are covered by enforceable master netting arrangements or similar agreements.

December 31, 2024						
Financial Assets	**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 Instrument	**Cash Collateral Pledged**	
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	**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 instrument	**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.

December 31, 2023						
Financial Assets	**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 Instrument	**Cash Collateral Pledged**	
Derivatives	$ 511,050	$ -	$ 511,050	$ 745	$ -	$ 510,305

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

December 31, 2023						
Financial Liabilities	**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 instrument	**Cash Collateral Pledged**	
Derivatives	$ 1,824,034	$ -	$ 1,824,034	$ 745	$ -	$ 1,823,289

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

54. CAPITAL MANAGEMENT

a. Strategies to maintain capital adequacy

Under the regulations set by the authorities, the Company complies with the requirements set each year for the minimum consolidated capital adequacy ratios, 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.

b. Capital assessment program

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.

c. Capital adequacy

(Unit: In Thousands of New Taiwan Dollars, %)

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

Items (Note 2)		Year	December 31, 2023	
			Own Capital Adequacy Ratio	**Capital Adequacy Ratio**
Eligible capital	Common equity Tier 1 Ratio		$ 50,089,913	$ 48,657,138
	Other Tier 1 capital		13,000,000	13,000,000
	Tier 2 capital		10,138,005	11,563,209
	Eligible capital		73,227,918	73,220,347
Risk-weighted assets	Credit risk	Standard	438,463,100	443,214,728
		Internal rating-based approach	-	-
		Asset securitization	290,776	290,776
	Operational risk	Basic indicator approach	27,562,984	32,615,448
		Standard/alternative standardized approach	-	-
		Advanced measurement approach	-	-
	Market risk	Standard	30,773,144	32,740,790
		Internal model approach	-	-
	Total risk-weighted assets		497,090,004	508,861,742
Capital adequacy rate			14.73%	14.39%
Ratio of common stockholders' equity to risk-weighted assets			10.08%	9.56%
Ratio of Tier 1 capital to risk-weighted assets			12.69%	12.12%
Leverage ratio			6.32%	6.05%

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

Note 2: Formulas used were as follows:

1) Eligible capital = Common equity Tier 1 capital + Other Tier 1 capital + Tier 2 capital.

2) Risk-weighted assets = Risk-weighted asset for credit risk + Capital requirements for operational risk and market risk x 12.5.

3) Capital adequacy ratio = Eligible capital ÷ Risk-weighted assets.

4) Ratio of Common equity Tier 1 capital to risk-weighted assets = Common equity Tier 1 capital ÷ Risk-weighted assets.

5) Ratio of Tier 1 capital to risk-weighted assets = (Common equity Tier 1 capital + Other Tier 1 capital) ÷ Risk-weighted assets.

6) Leverage ratio = Tier 1 capital ÷ Exposure Measurement.

The Banking Law and related regulations require that the Company maintains its unconsolidated and consolidated CARs at a minimum of 10.5%, the Tier 1 Capital Ratio at a minimum of 8.5% and the Common Equity Tier 1 Ratio at a minimum of 7.0%. In addition, if the Company's CAR falls below the minimum requirement, the authorities may impose certain restrictions on the amount of cash dividends that the Company can declare or, in certain conditions, totally prohibit the Company from declaring cash dividends.

55. ASSET QUALITY, CONCENTRATION OF CREDIT EXTENSIONS, INTEREST RATE SENSITIVITY, PROFITABILITY AND MATURITY ANALYSIS OF ASSETS AND LIABILITIES

Union Bank of Taiwan

a. Credit risk

1) Asset quality

See Note 53 and Table 6.

2) Concentration of credit extensions

(In Thousands of New Taiwan Dollars, %)

December 31, 2024			
Rank (Note 1)	**Company Name**	**Credit Extension Balance**	**% to Net Asset Value**
1	Company H - retail sale of other food, beverages and tobacco in specialized stores	$ 5,119,000	6.44
2	Group G - other financial service activities	3,348,000	4.21
3	Company I - manufacture of man-made fibers	3,277,600	4.12
4	Company U - other financial service activities not classified elsewhere	3,077,320	3.87
5	Company B - financial leasing	2,299,333	2.89
6	Company P - smelting and reining of iron and steel	2,015,888	2.54
7	Company L - metal building materials wholesale industry	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

(In Thousands of New Taiwan Dollars, %)

December 31, 2023			
Rank (Note 1)	**Company Name**	**Credit Extension Balance**	**% to Net Asset Value**
1	Company H - retail sale of other food, beverages and tobacco in specialized stores	$ 4,723,000	6.89
2	Group G - other financial service activities	3,348,000	4.89
3	Company I - manufacture of man-made fibers	2,702,000	3.94
4	Company A - real estate development	1,810,347	2.64
5	Company L - metal building materials wholesale industry	1,627,581	2.38
6	Company T - manufacture of grain mill products	1,470,000	2.15
7	Company P - smelting and refining of iron and steel	1,340,166	1.96
8	Company B - financial leasing industry	1,275,179	1.86
9	Company M - real estate development	1,158,600	1.69
10	Company Z - Printing	1,034,215	1.51

b. Market risk

Interest Rate Sensitivity
December 31, 2024

(In Thousands of New Taiwan Dollars, %)

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over 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 worth					76,218,363
Ratio of interest rate-sensitive assets to liabilities					100.46%
Ratio of interest rate sensitivity gap to net worth					4.83%

December 31, 2023

(In Thousands of New Taiwan Dollars, %)

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	$ 688,763,184	$ 12,053,357	$ 12,270,931	$ 68,811,480	$ 781,898,952
Interest rate-sensitive liabilities	404,024,791	272,511,306	73,508,133	16,181,980	766,226,210
Interest rate-sensitive gap	284,738,393	(260,457,949)	(61,237,202)	52,629,500	15,672,742
Net worth					67,421,055
Ratio of interest rate-sensitive assets to liabilities					102.05%
Ratio of interest rate sensitivity gap to net worth					23.25%

Note 1: The above amounts included only the New Taiwan dollar held by the Company's head office and branches (i.e., excluding foreign currency).

Note 2: 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.

Note 3: Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities (in New Taiwan dollars).

Interest Rate Sensitivity
December 31, 2024

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

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over 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 worth					78,004
Ratio of interest rate-sensitive assets to liabilities					123.67%
Ratio of interest rate sensitivity gap to net worth					1,144.68%

December 31, 2023

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

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	$ 1,924,617	$ 316,216	$ 140,726	$ 2,161,765	$ 4,543,324
Interest rate-sensitive liabilities	1,943,217	643,377	592,760	415,450	3,594,804
Interest rate-sensitive gap	(18,600)	(327,161)	(452,034)	1,746,315	948,520
Net worth					70,265
Ratio of interest rate-sensitive assets to liabilities					126.39%
Ratio of interest rate sensitivity gap to net worth					1,349.92%

Note 1: The above amounts included only U.S. dollar amounts held by the Company's head office, domestic branches, OBU and overseas branches and excluded contingent assets and contingent liabilities.

Note 2: 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.

Note 3: Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities (in U.S. dollars).

c. Liquidity risk

1) Profitability

(%)

Items		Year Ended December 31, 2024	Year Ended December 31, 2023
Return on total assets	Before income tax	0.64	0.57
	After income tax	0.54	0.47
Return on common equity	Before income tax	8.68	8.36
	After income tax	7.23	6.75
Net income ratio		26.30	24.09

Note 1: Return on total assets = Income before (after) income tax ÷ Average total assets.

Note 2: Return on equity = [Income before (after) income tax - Preferred stock dividend] ÷ Average equity.

Note 3: Net income ratio = Income after income tax ÷ Total net revenues.

Note 4: Income before (after) income tax represents income for the years ended December 31, 2024 and 2023.

2) Maturity analysis of assets and liabilities

Maturity Analysis of Assets and Liabilities
December 31, 2024

(In Thousands of New Taiwan 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	$ 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

December 31, 2023

(In Thousands of New Taiwan 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	$ 858,746,536	$ 207,587,239	$ 44,854,960	$ 68,863,110	$ 114,052,180	$ 423,389,047
Main capital outflow on maturity	1,002,749,566	112,987,732	132,689,955	140,151,712	270,378,110	346,542,057
Gap	(144,003,030)	94,599,507	(87,834,995)	(71,288,602)	(156,325,930)	76,846,990

Note: The above amounts are book value held by the onshore branches and offshore banking unit of the Company in U.S. dollars, without off-balance sheet amounts (for example, the issuance of negotiable certificate of deposits, bonds or stocks).

Maturity Analysis of Assets and Liabilities
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

December 31, 2023

(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	$ 4,703,941	$ 653,921	$ 1,316,215	$ 208,641	$ 269,500	$ 2,255,664
Main capital outflow on maturity	4,691,874	1,268,324	1,315,891	674,352	619,216	814,091
Gap	12,067	(614,403)	324	(465,711)	(349,716)	1,441,573

Note: The above amounts are book value of the assets and liabilities held by the onshore branches and offshore banking unit of the Company in U.S. dollars, without off-balance amounts (for example, the issuance of negotiable certificate of deposits, bonds or stocks).

56. ADDITIONAL DISCLOSURES

Following are the additional disclosures required by the Securities and Futures Bureau for the Company and its investees:

a. Related information of significant transactions and investees and b. proportionate share in investees:

1) Financing provided: The Company - not applicable; investee - Table 1 (attached)

2) Endorsement/guarantee provided: Table 2 (attached)

3) Marketable securities held: The Company - not applicable; other investee - Table 3 (attached)

4) Marketable securities acquired or disposed of at costs or prices of at least $300 million or 10% of the paid-in capital: Table 4 (attached)

5) Acquisition of individual real estate at costs of at least $300 million or 10% of the paid-in capital: None

6) Disposal of individual real estate at costs of at least $300 million or 10% of the paid-in capital: None

7) Allowance of service fees to related parties amounting to at least $5 million: None

8) Receivables from related parties amounting to at least $300 million or 10% of the paid-in capital: Table 5 (attached)

9) Sale of nonperforming loans: None

10) Asset securitization under the "Regulations for Financial Asset Securitization": None

11) Other significant transactions which may affect the decisions of users of financial reports: Table 6 (attached)

12) Names, locations and other information of investees on which the Company exercises significant influence: Table 7 (attached)

13) Derivative transactions: Note 8

c. Investment in Mainland China: None

d. Intercompany relationships and significant intercompany transactions.

The detailed information of intercompany relationships and significant intercompany transactions are referred to Table 8 (attached).

e. Information of major shareholders which hold ownership of 5% or greater: Table 9 (attached)

57. OPERATING SEGMENTS

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:

a. Corporate banking unit: Corporate banking, foreign exchange business, debt management and public treasury business, etc.

b. Consumer banking unit: Consumer banking, financial management and loan business, credit card business and car-loan business, etc.

c. Wealth management and trust unit: Wealth management and trust business, etc.

d. Investing unit: Investing business in the financial market, etc.

e. Leasing unit: Leasing of vehicles, buildings, etc.

The analysis of the Company's operating revenue and results by reportable segment was as follows:

	For the Year Ended December 31, 2024						
	Corporate Banking	Consumer Banking	Wealth Management	Investing	Leasing	Others	Total
Net interest (Note)	$ 2,481,326	$ 4,979,141	$ 6	$ 60,198	$ (17,433)	$ 1,765,433	$ 9,268,671
Net commissions and fees revenues	363,649	961,830	1,920,538	257,241	76,764	324,480	3,904,502
Net revenues other than interest	319,601	(7,429)	6,600	992,308	2,413,053	2,929,670	6,653,803
Total net revenues	3,164,576	5,933,542	1,927,144	1,309,747	2,472,384	5,019,583	19,826,976
Provisions (reversal)	421,668	281,377	-	(58,287)	40,523	421,803	1,107,084
Operating expenses	1,041,159	3,842,533	838,632	242,226	2,289,510	4,298,728	12,552,788
Income before income tax	$ 1,701,749	$ 1,809,632	$ 1,088,512	$ 1,125,808	$ 142,351	$ 299,052	$ 6,167,104

	For the Year Ended December 31, 2023						
	Corporate Banking	Consumer Banking	Wealth Management	Investing	Leasing	Others	Total
Net interest (Note)	$ 2,635,544	$ 4,923,575	$ (527)	$ (1,001,646)	$ (65,939)	$ 2,576,858	$ 9,067,865
Net commissions and fees revenues	284,067	1,012,955	1,428,522	239,837	40,031	304,899	3,310,311
Net revenues other than interest	339,042	(5,290)	2,343	925,438	2,423,319	1,871,599	5,556,451
Total net revenues	3,258,653	5,931,240	1,430,338	163,629	2,397,411	4,753,356	17,934,627
Provisions (reversal)	93,830	154,705	-	65,325	21,995	292,538	628,393
Operating expenses	1,065,251	3,890,223	727,799	201,863	2,267,723	3,917,978	12,070,837
Income before income tax	$ 2,099,572	$ 1,886,312	$ 702,539	$ (103,559)	$ 107,693	$ 542,840	$ 5,235,397

Note: Include interest revenue of financial assets at fair value through profit or loss.

UNION BANK OF TAIWAN AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Highest Balance for the Period (Note 1)	Ending Balance (Note 2)	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount (Note 3)	Reason for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 4)	Aggregate Financing Limit (Note 5)
												Item	Value		
1	Union Finance and Leasing International Corporation	Union Capital (Singapore) Holding PTE. LTD.	Receivables of affiliates	$ 776,353 (JPY 3,700,000)	$ 776,353 (JPY 3,700,000)	$ 551,257 (JPY 2,627,225)	1.94-2.16	Business transaction	$ 776,353	-	$ -	-	$ -	$ 3,336,598	$ 3,336,598
		Uflc Capital (Singapore) Holding PTE. LTD.	Receivables of affiliates	1,258,950 (JPY 6,000,000)	1,258,950 (JPY 6,000,000)	1,159,033 (JPY 5,523,808)	1.94-2.16	Business transaction	1,258,950	-	-	-	-	3,336,598	3,336,598
		Junwei Development and Construction Co., Ltd.	Account receivable	9,269	9,269	9,269	5-8	Short-term financing	-	Business financing	185	Real estate	12,447	333,660	1,334,639
		Lihua Interior Decoration Ltd.	Account receivable	44,458	-	-	5-8	Short-term financing	-	Borrowing repayment and business financing	-	Real estate	165,218	333,660	1,334,639
		JOTTA ENTERPRISE CO., LTD.	Account receivable	139,109	128,647	128,647	3-6	Short-term financing	-	Equity of investment relationship enterprises	1,286	Real estate	150,380	333,660	1,334,639
		Sing Hong Yang Construction Co., Ltd.	Account receivable	24,435	21,682	21,682	3-6	Short-term financing	-	Business financing	217	Real estate	29,593	333,660	1,334,639
		Shanyue Development Co., Ltd.	Account receivable	98,004	-	-	5-8	Short-term financing	-	Purchase of real estate	-	Real estate	366,933	333,660	1,334,639
		NFC I Renewable Power Co., Ltd.	Account receivable	100,000	100,000	100,000	3-6	Short-term financing	-	Business financing	1,000	-	-	333,660	1,334,639
		NFC II Renewable Power Co., Ltd.	Account receivable	100,000	100,000	100,000	3-6	Short-term financing	-	Business financing	1,000	-	-	333,660	1,334,639
		NFC III Renewable Power Co., Ltd.	Account receivable	250,000	250,000	250,000	3-6	Short-term financing	-	Business financing	2,500	-	-	333,660	1,334,639
		De Ken Construction Co., Ltd.	Account receivable	120,000	120,000	120,000	3-6	Short-term financing	-	Borrowing repayment	1,200	Real estate	152,136	333,660	1,334,639
		He Hua Culture and Creativity Enterprise Co., Ltd.	Account receivable	100,000	98,370	98,370	4-7	Short-term financing	-	Business financing	984	Real estate	182,343	333,660	1,334,639
2	Union Capital (Singapore) Holding PTE. LTD.	Kabushiki Kaisha UCJ1 (Japan)	Receivables of affiliates	398,668 (JPY 1,900,000)	398,668 (JPY 1,900,000)	307,575 (JPY 1,465,865)	2.75	Business transaction	398,668	-	-	-	-	3,336,598	3,336,598
3	Uflc Capital (Singapore) Holding PTE. LTD.	Kabushiki Kaisha UCJ1 (Japan)	Receivables of affiliates	692,423 (JPY 3,300,000)	692,423 (JPY 3,300,000)	599,156 (JPY 2,855,504)	2.75	Business transaction	692,423	-	-	-	-	3,336,598	3,336,598
4	Union Venture Capital Co., LTD.	Bei Chen Yi Hau Electric Power Inc.	Account receivable	150,000	150,000	109,000	3.00	Short-term financing	-	Business financing	-	-	-	724,440	1,811,099
		Hao Tian Electric Power Inc.	Account receivable	150,000	150,000	136,000	3.00	Short-term financing	-	Business financing	-	-	-	724,440	1,811,099
		Feng Tai Electric Power Inc.	Account receivable	150,000	150,000	134,000	3.00	Short-term financing	-	Business financing	-	-	-	724,440	1,811,099
		Na He Yi Hau Electric Power Inc	Account receivable	160,000	160,000	160,000	3.00	Short-term financing	-	Business financing	-	-	-	724,440	1,811,099
		Ting Jie Electric Power Inc	Account receivable	200,000	200,000	200,000	3.00	Short-term financing	-	Business financing	-	-	-	724,440	1,811,099
		Ting Syu Energy Co., Ltd.	Account receivable	3,000	3,000	3,000	3.00	Short-term financing	-	Business financing	-	-	-	724,440	1,811,099

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

Note 2: Where the public companies submit the loaning of funds individually 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 loaning of funds is in the nature of business transactions, the amount of such transaction shall be disclosed; the business transaction amounts within a year between the lender and the borrower.

Note 4: For the transactions with the subsidiaries where 100% of the voting rights are held directly and indirectly by the lender, 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 the net worth of UFLIC. For intercompany transactions with firms and short-term financing needs, the amount is limited to 40% of the net worth of Union Venture Capital Co., Ltd.

Note 5: For the transactions with the subsidiaries where 100% of the voting rights are held directly and indirectly by the lender, 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 40% of the net worth of UFLIC. For intercompany transactions with firms and short-term financing needs, the amount is limited to 100% of the net worth of Union Venture Capital Co., Ltd.

Note 6: All the “balance” and “amount” mentioned in the statement, other than the actual amount borrowed, business transaction amount, and amount of allowance for doubtful accounts provided, are the limits or amounts loaned to others on the date of occurrence (the earliest of the 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 AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars and Foreign Currency, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee Receiver		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 5)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 3)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 4)	Actual Amount Borrowed (Note 6)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 7)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 2)										
1	Union Venture Capital Co., Ltd.	Na He Yi Hau Electric Power Inc.	d.	$ 18,110,989	$ 1,113,000	$ -	$ -	$ -	1.40	$ 54,332,966	Yes	No	No
		Ting Jie Electric Power Inc.	d.	18,110,989	7,500,000	7,500,000	2,175,000	-	9.71	54,332,966	Yes	No	No
2	Union Energy Co., Ltd.	Ting Jie Electric Power Inc.	d.	10,347,987	7,500,000	7,500,000	2,175,000	-	9.71	20,695,974	Yes	No	No

Note 1: The number column indicates the following:

a. Issuer: 0.
b. The investees are numbered starting from 1.

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

a. Companies with business relationships with each other.
b. Companies in which the Company holds more than 50% of the voting rights, directly or indirectly.
c. Companies that hold more than 50% of the voting rights, directly or indirectly.
d. Group of companies in which the Company holds more than 90% of the voting rights, directly or indirectly.
e. Companies guarantee each other as peers or joint constructors under contracts based on the requirements of construction contracts.
f. All the shareholders to the companies they endorse and guarantee due to the joint investment in proportion to their shareholdings.

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

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

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

Note 6: The actual amount drafted within the balance of endorsement/guarantee by the endorsee/guarantee.

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

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

TABLE 3

UNION BANK OF TAIWAN AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars and Foreign Currency, Unless Stated Otherwise)

Holding Company	Type and Issuer/Name of Marketable Security	Issuer's Relationship with Holding Company	Financial Statement Account	December 31, 2024				Note
				Shares/Piece/ Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Union Finance and Leasing International Corporation	Stock							
	Hey-Song Corporation	-	Financial assets at fair value through other comprehensive income	4,551	$ 187,046	1.13	$ 187,046	
	Beneficiary certificates							
	Union Golden Balanced Fund	-		-	-	-	-	
	U.S. Investment Grade Bond Fund A	-		4,000	39,661	-	39,661	
	Union APEC Balanced Fund A	-		1,102	24,358	-	24,358	
	Union Utilities and Infrastructure Equity Income Fund A	Securities investment trust issued by USITC	Financial assets at fair value through profit or loss	1,292	18,931	-	18,931	
	Union Taiwan Select Income Multi-asset Fund A	Securities investment trust issued by USITC	Financial assets at fair value through profit or loss	3,893	45,743	-	45,743	
	Union Green Energy Private Equity Limited Partnership	Securities investment trust issued by USITC	Financial assets at fair value through profit or loss	-	552,671	25.98	552,671	
Union Information Technology Corporation	Stock							
	ELTA Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income	3,537	74,725	13.33	74,725	
Union Securities Investment Trust (USITC)	Stock							
	FundRich Securities Co., Ltd.	-	Financial assets at fair value through other comprehensive income	594	8,666	0.94	8,666	
	Beneficiary certificates							
	Union Money Market Fund	Securities investment trust issued by USITC	Financial assets at fair value through profit or loss	1,380	19,000	-	19,000	
	Union Advantage Global Fixed Income Portfolio Fund	Securities investment trust issued by USITC	Financial assets at fair value through profit or loss	1,068	15,907	-	15,907	
	Union APEC Balanced Fund A	Securities investment trust issued by USITC	Financial assets at fair value through profit or loss	503	11,110	-	11,110	
	Union Asia Non Investment Grade Bond Fund A	Securities investment trust issued by USITC	Financial assets at fair value through profit or loss	1,983	14,768	-	14,768	
	Union Technology Fund	Securities investment trust issued by USITC	Financial assets at fair value through profit or loss	159	5,570	-	5,570	
	Union China Fund	Securities investment trust issued by USITC	Financial assets at fair value through profit or loss	98	6,147	-	6,147	

(Continued)

Holding Company	Type and Issuer/Name of Marketable Security	Issuer's Relationship with Holding Company	Financial Statement Account	December 31, 2024				Note
				Shares/Piece/ Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Union Golden Balanced Fund	Securities investment trust issued by USITC	Financial assets at fair value through profit or loss	172	$ 7,840	-	$ 7,840	
	Union Taiwan Select Income Multi-asset Fund A	Securities investment trust issued by USITC	Financial assets at fair value through profit or loss	143	1,682	-	1,682	
	U.S. Investment Grade Bond Fund - Type A	Securities investment trust issued by USITC	Financial assets at fair value through profit or loss	1,181	11,710	-	11,710	
Union Venture Capital Co., Ltd.	Stock							
	Greenway Environmental Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income	1,100	234	1.96	234	
	Hope Vision Co., Ltd.	-	Financial assets at fair value through other comprehensive income	2,348	2,566	2.55	2,566	
	RFD Micro Electricity Co., Ltd.	-	Financial assets at fair value through other comprehensive income	10,127	391,443	14.24	391,443	
	MaiCoin	-	Financial assets at fair value through other comprehensive income	429	68,631	0.93	68,631	
	Thermolysis Co., Ltd.	-	Financial assets at fair value through other comprehensive income	1,000	22,000	1.88	22,000	
Corner Ventures DAG I-U, LLC (Delaware, US)	Stock							
	AnyRoad Inc.	-	Financial assets at fair value through other comprehensive income	7	US$ 37	-	US$ 37	
	Assemble Stream, Inc	-	Financial assets at fair value through other comprehensive income	32	US$ 89	-	US$ 89	
	Adanate, Inc	-	Financial assets at fair value through other comprehensive income	5	US$ 12	-	US$ 12	
	Boldend, Inc.	-	Financial assets at fair value through profit or loss	-	US$ -	-	US$ -	
	Bookaway Ltd.	-	Financial assets at fair value through other comprehensive income	53	US$ 615	-	US$ 615	
	Cargomatic, Inc	-	Financial assets at fair value through other comprehensive income	19	US$ 142	-	US$ 142	
	Engageli, Inc.	-	Financial assets at fair value through other comprehensive income	170	US$ 369	-	US$ 369	
	FINDEM, Inc.	-	Financial assets at fair value through other comprehensive income	4	US$ 37	-	US$ 37	
	Garuda Labs, Inc.	-	Financial assets at fair value through other comprehensive income	14	US$ 343	-	US$ 343	
	Get Fabric Ltd.	-	Financial assets at fair value through other comprehensive income	1,536	US$ 1,239	-	US$ 1,239	
	Halcyon Tech, Inc	-	Financial assets at fair value through other comprehensive income	5,530	US$ 3,302	-	US$ 3,302	
	Healthy.io Limited	-	Financial assets at fair value through other comprehensive income	11	US$ 334	-	US$ 334	
	-	-	Financial assets at fair value through other comprehensive income	26	US$ 731	-	US$ 731	
	Latigo Biotherapeutics, Inc.	-	Financial assets at fair value through other comprehensive income	223	US$ 201	-	US$ 201	

(Continued)

Holding Company	Type and Issuer/Name of Marketable Security	Issuer's Relationship with Holding Company	Financial Statement Account	December 31, 2024				Note
				Shares/Piece/ Units (In Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Meilo Ltd	-	Financial assets at fair value through other comprehensive income	1,213	US$ 480	-	US$ 480	
	Nexar Ltd.	-	Financial assets at fair value through other comprehensive income	83	US$ 336	-	US$ 336	
	Prismo Systems Inc.	-	Financial assets at fair value through other comprehensive income	39	US$ 7	-	US$ 7	
	Solv Health, Inc.	-	Financial assets at fair value through other comprehensive income	111	US$ 483	-	US$ 483	
	Twin Health, Inc.	-	Financial assets at fair value through other comprehensive income	159	US$ 1,281	-	US$ 1,281	
	Underdog Sports, Inc.	-	Financial assets at fair value through other comprehensive income	1	US$ 40	-	US$ 40	
	Corner Ventures (Cayman) I LP**	-	Financial assets at fair value through other comprehensive income	-	US$ 128	-	US$ 128	
	Folius Digital Opportunities Offshore, LTD*	-	Financial assets at fair value through other comprehensive income	-	US$ 143	-	US$ 143	
	ParaFi Digital Opportunities International LP*	-	Financial assets at fair value through other comprehensive income	-	US$ 57	-	US$ 57	
	ParaFi Private Opportunities LLC	-	Financial assets at fair value through other comprehensive income	-	US$ 31	-	US$ 31	
	Sybil Capital Fund I-B Feeder, LP**	-	Financial assets at fair value through other comprehensive income	-	US$ 240	-	US$ 240	
Corner Union LLC (Delaware, US)	Stock							
	Healthy.io Limited	-	Financial assets at fair value through other comprehensive income	30	US$ 917	-	US$ 917	
Union Private Equity Co., Ltd.	Beneficiary certificates							
	Union Green Energy Private Equity Limited Partnership	-	Financial assets at fair value through profit or loss	4,300	50,626	2.01	50,626	
	Union Green Energy I Private Equity Limited Partnership	-	Financial assets at fair value through profit or loss	1,488	16,617	3.05	16,617	
	Union Green Energy I Private Equity Limited Partnership	-	Financial assets at fair value through profit or loss	2	14	16.67	14	

(Concluded)

UNION BANK OF TAIWAN AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF PROPORTION SHARE INVESTMENT OF AT LEAST NT$300 MILLION OR 10% OF THE PAID-IN CAPITAL
FOR THE YEARS END DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Number of Shares	Amount
Union Venture Capital Co., Ltd.	Stock Xinrong Energy Technology Co., Ltd.	Financial assets measured at fair value through profit or loss	Ark International Co., Ltd.	Related party in substance	42,368	$ 603,197	-	$ -	42,368	$ 687,464	$ 423,675	$ 263,789	-	$ -

Note 1: The securities mentioned in this table refer to stocks, bonds, beneficiary certificates and securities derived from the above items.

Note 2: Investors who use the equity method in their securities accounts must fill in these two columns, the rest are not.

Note 3: The accumulated buying and selling amount should be calculated separately at market price whether it reaches $300 million or 10% of the paid-in capital.

UNION BANK OF TAIWAN AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$300 MILLION OR 10% OF THE PAID-IN CAPITAL
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Union Finance and Leasing International Corporation	Union Capital (Singapore) Holding Pte. Ltd.	Subsidiary	$ 551,257 (JPY 2,627,225)	-	$ -	-	$ -	$ -
	Uflc Capital (Singapore) Holding Pte. Ltd.	Subsidiary	1,159,033 (JPY 5,523,808)	-	-	-	-	-
	Tianji Smart Energy Co., Ltd.	Subsidiary	1,503,453	-	-	-	19,943	15,035
Union Capital (Singapore) Holding Pte. Ltd.	Kabushiki Kaisha UCJ1 (Japan)	Subsidiary	307,575 (JPY 1,465,865)	-	-	-	-	-
Uflc Capital (Singapore) Holding Pte. Ltd.	Kabushiki Kaisha UCJ1 (Japan)	Subsidiary	599,156 (JPY 2,855,504)	-	-	-	-	-

UNION BANK OF TAIWAN AND SUBSIDIARIES

ASSET QUALITY - NONPERFORMING LOANS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, %)

Period			December 31, 2024					December 31, 2023				
Items			Nonperforming Loan (Note 1)	Loan	Ratio of Nonperforming Loan (Note 2)	Allowance for Possible Losses	Coverage Ratio (Note 3)	Nonperforming Loans (Note 1)	Loans	Ratio of Nonperforming Loans (Note 2)	Allowance for Credit Losses	Coverage Ratio (Note 3)
Corporate banking	Secured		$ 426,597	$ 197,849,485	0.22%	$ 2,678,619	559.06%	$ 796,275	$ 179,148,117	0.44%	$ 2,648,696	271.31%
	Unsecured		52,534	44,280,181	0.12%			179,990	42,033,142	0.43%		
Consumer banking	Housing mortgage (Note 4)		554,683	267,280,472	0.21%	3,356,661	605.15%	368,916	255,524,530	0.14%	3,198,238	866.93%
	Cash card		62	2,396	2.59%	134	216.13%	40	3,827	1.05%	79	197.50%
	Small-scale credit loans (Note 5)		18,048	714,625	2.53%	82,816	458.87%	15,645	491,103	3.19%	60,300	385.42%
	Other (Note 6)	Secured	198,568	81,718,401	0.24%	1,061,964	372.44%	133,843	73,872,243	0.18%	966,232	479.78%
		Unsecured	86,566	22,835,951	0.38%			67,548	21,183,386	0.32%		
Loan			1,337,058	614,681,511	0.22%	7,180,194	537.01%	1,562,257	572,256,348	0.27%	6,873,545	439.98%
			Nonperforming Receivables (Note 1)	Receivables	Ratio of Nonperforming Receivables (Note 2)	Allowance for Credit Losses	Coverage Ratio (Note 3)	Nonperforming Receivables (Note 1)	Receivables	Ratio of Nonperforming Receivables (Note 2)	Allowance for Credit Losses	Coverage Ratio (Note 3)
Credit cards			$ 60,797	$ 24,297,069	0.25%	$ 211,536	347.94%	$ 35,251	$ 25,216,533	0.14%	$ 165,651	469.92%
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 Banking Bureau's letter 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 Banking Bureau's letter dated December 19, 2005 (Ref. No. 09440010950), small-scale credit loans are unsecured, in small amounts and exclude credit cards and cash cards.

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

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

(Continued)

Not reported as nonperforming loans or nonperforming receivables

Types \ Items	December 31, 2024		December 31, 2023	
	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)	$ 2,352	$ 12,890	$ 4,083	$ 21,673
Amounts of discharged and executed contracts on clearance of consumer debts not reported as nonperforming loans and receivables (Note 2)	264,573	564,056	247,359	580,815
Total	266,925	576,946	251,442	602,488

Note 1: Amounts of executed contracts on negotiated debts that are not reported as nonperforming loans or receivables are reported in accordance with the Banking Bureau's letter 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 are reported in accordance with the Banking Bureau's letter dated September 15, 2008 (Ref. No. 09700318940).

(Concluded)

TABLE 7

UNION BANK OF TAIWAN AND SUBSIDIARIES

INFORMATION ON AND PROPORTIONATE SHARE IN INVESTEES
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Business and Product	Percentage of Ownership (%)	Carrying Value	Investment Gain (Loss)	Proportionate Share of the Bank and Its Subsidiaries in Investees				Note
							Shares (Thousands)	Pro Forma Shares (Note 2)	Total		
									Shares (Thousands)	Percentage of Ownership (%)	
Union Bank of Taiwan	Financial - related										
	Union Finance and Leasing International Corporation	Taipei	Installment, leasing and accounts receivable factoring	100.00	$ 3,336,598	$ 101,811	217,000	-	217,000	100.00	
	Union Finance International (HK) Limited	Hong Kong	Import and export accommodation	100.00	172,291	(4,077)	30,000	-	30,000	100.00	
	Union Securities Investment Trust Corporation	Taipei	Securities investment trust	99.60	416,652	10,142	31,014	-	31,014	99.60	
	Union Information Technology Corporation	Taipei	Software and hardware product retail and distribution, system programming development, system development outsourcing, website design, e-commerce, etc.	99.99	152,891	10,033	9,999	-	9,999	99.99	
	Union Venture Capital Corporation	Taipei	Venture investment	100.00	1,811,099	63,353	140,000	-	140,000	100.00	
	Ipass Corporation	Kaohsiung	IC card	33.94	197,768	(26,616)	38,697	-	38,697	33.94	Note 3
	Taiwan Asset Management Corporation	Taipei	Purchase, sale and management of nonperforming loans from financial institutions	0.57	82,823	-	6,000	-	6,000	0.57	
	Taiwan Financial Asset Service Corporation	Taipei	Property auction	2.94	49,052	-	5,000	-	5,000	2.94	
	Sunshine Asset Management Corporation Limited	Taipei	Purchase, sell and manage nonperforming loans from financial institution	6.44	4,351	-	386	-	386	6.44	
	Taipei Forex Inc.	Taipei	Foreign exchange brokering	0.81	7,658	-	160	-	160	0.81	
	Financial Information Service Co., Ltd.	Taipei	Information service	2.61	502,047	-	17,679	-	17,679	2.61	
	Taiwan Depository & Clearing Corporation	Taipei	Financial service	0.25	103,762	-	1,937	-	1,937	0.25	
	Taiwan Futures Exchange Co., Ltd.	Taipei	Futures clearing	2.04	640,752	-	12,674	-	12,674	2.04	
	Taiwan Mobile Payment Corporation	Taipei	International trade, data processing service and digital information supply	1.00	3,443	-	600	-	600	1.00	
	LINE Bank Taiwan Limited	Taipei	Banking	5.00	510,815	-	75,000	-	75,000	5.00	
	Nonfinancial - related										
	Union Construction Management Corporation	Taipei	Construction plan review and consulting	40.00	51,939	38	2,000	-	2,000	40.00	
	Li Yu Venture Corporation	Taipei	Venture investment	4.76	2,658	-	391	-	391	4.76	
	Lan An Co., Ltd.	Taipei	Security service	5.00	1,600	-	125	-	125	5.00	
	Taiwan Power Corporation	Taipei	Electricity - related business	-	1,222	-	395	-	395	-	
Union Finance and Leasing International Corporation	Nonfinancial - related										
	Union Capital (Cayman) Corp.	Cayman	Investments, overseas financing, equipment leasing, installment selling, acquisition of account receivable	100.00	61,084	2,986	50	-	50	100.00	
					(JPY 291,116)	(JPY 14,079)					
	Union Capital (Singapore) Holding PTE. Ltd.	Singapore	Investments, overseas financing, equipment leasing, installment selling, acquisition of account receivable	100.00	99,801	6,418	-	-	-	100.00	Note 4
					(JPY 475,639)	(JPY 30,263)					
	Uflc Capital (Singapore) Holding PTE. Ltd.	Singapore	Investments, overseas financing, equipment leasing, installment selling, acquisition of account receivable	100.00	78,575	(6,390)	-	-	-	100.00	Note 4
					(JPY 374,478)	(JPY 30,132)					
Union Capital (Singapore) Holding PTE. Ltd.	Nonfinancial - related										
	Kabushiki Kaisha UCJ1	Japan	Buy, sell and lease real estate	30.55	93,943	(2,366)	9	-	9	30.55	Note 4
					(JPY 447,719)	(JPY 11,156)					
	Tokutei Mokuteki Kaisha SSG15	Japan	Real estate securitization	49.00	161,360	14,480	Note 6	-	Note 6	49.00	Note 4
					(JPY 769,024)	(JPY 68,274)					

(Continued)

Investor Company	Investee Company	Location	Main Business and Product	Percentage of Ownership (%)	Carrying Value	Investment Gain (Loss)	Proportionate Share of the Bank and Its Subsidiaries in Investees: Shares (Thousands)	Pro Forma Shares (Note 2)	Total: Shares (Thousands)	Total: Percentage of Ownership (%)	Note
Kabushiki Kaisha UCJ1	<u>Nonfinancial - related</u>										
	Tokutei Mokuteki Kaisha SSG15	Japan	Real estate securitization	51.00	$ 167,936 (JPY 800,360)	$ 15,071 (JPY 71,060)	Preferred stock 15	-	Preferred stock 15	51.00	Note 4
	Tokutei Mokuteki Kaisha SSG12	Japan	Real estate securitization	51.00	217,589 (JPY 1,037,004)	11,178 (JPY 52,704)	Preferred stock 20	-	Preferred stock 20	51.00	Note 4
	Tokutei Mokuteki Kaisha SSG16	Japan	Real estate securitization	51.00	126,605 (JPY 603,382)	(174) (JPY 818)	Preferred stock 13	-	Preferred stock 13	51.00	Note 4
Uflc Capital (Singapore) Holding Pte. Ltd.	<u>Nonfinancial - related</u>										
	Kabushiki Kaisha UCJ1	Japan	Buy, sell and lease real estate	69.45	213,575 (JPY 1,017,874)	(5,379) (JPY 25,362)	21	-	21	69.45	Note 4
	Tokutei Mokuteki Kaisha SSG12	Japan	Real estate securitization	49.00	209,067 (JPY 996,387)	10,739 (JPY 50,637)	Note 7	-	Note 7	49.00	Note 4
	Tokutei Mokuteki Kaisha SSG16	Japan	Real estate securitization	49.00	121,650 (JPY 579,770)	(167) (JPY 786)	Note 5	-	Note 5	49.00	Note 4
Union Securities Investment Trust Co., Ltd.	<u>Financial - related</u>										
	Union Private Equity Co., Ltd.	Taiwan	Investment services	100.00	64,631	13,757	3,000	-	3,000	100.00	
Union Venture Capital Co., Ltd.	<u>Nonfinancial - related</u>										
	Na He Yi Hau Electric Power Inc.	Taiwan	Electricity - related business	90.00	135,443	(1,176)	14,940	-	14,940	90.00	
	Corner Union Venture Capital, LLC.	United States of America	Investment	100.00	395,329 (US$ 12,060)	(9,960) (US$ 310)	1,178	-	1,178	100.00	
	Union Energy Co., Ltd.	Taiwan	Investment advisory services and energy related business	100.00	(4,977)	2,743	1,674	-	1,674	100.00	
	Blue Borders Medical and Heal Management Consulting Co., Ltd.	Taiwan	Biotechnology services	33.56	111,004	(15,876)	14,500	-	14,500	33.56	Note 3
	Ting Syu Energy Co., Ltd.	Taiwan	Electricity - related business	60.00	603	7	60	-	60	60.00	
	Bei Chen Yi Hau Electric Power Inc.	Taiwan	Electricity - related business	99.08	85,860	(16,480)	10,800	-	10,800	99.08	
	Hao Tian Electric Power Inc.	Taiwan	Electricity - related business	99.08	106,381	(386)	10,800	-	10,800	99.08	
	Feng Tai Electric Power Inc.	Taiwan	Electricity - related business	99.08	107,076	(158)	10,800	-	10,800	99.08	
	Ting Jie Electric Power Inc.	Taiwan	Electricity - related business	90.00	11,428	(7,472)	1,890	-	1,890	90.00	
Union Energy Co., Ltd.	<u>Nonfinancial - related</u>										
	Tianji Smart Energy Co., Ltd.	Taiwan	Electricity - related business	90.00	364,185	14,947	33,904	-	33,904	90.00	
	Ting Jie Electric Power Inc.	Taiwan	Electricity - related business	-	-	(12,119)	-	-	-	-	
Corner Union Venture Capital, LLC.	<u>Nonfinancial - related</u>										
	Corner Ventures DAG I-U, LLC.	United States of America	Venture investment	100.00	364,528 (US$ 11,120)	(7,833) (US$ 244)	-	-	-	100.00	
	Corner Union, LLC.	United States of America	Venture investment	100.00	30,629 (US$ 934)	(1,621) (US$ 50)	-	-	-	100.00	

Note 1: Except for LINE BIZ+ Taiwan., Ltd., the investees' information shown above is based on audited financial reports as of December 31, 2024.

Note 2: Pro forma shares are considered if equity securities - convertible bonds, warrants, etc. - or derivative contracts such as stock options, are converted to shares.

Note 3: Except for UFLIC's recognition of profit and loss on investments based on the financial statements reviewed by CPAs on September 30, 2024, other equity investments using the equity method are recognized for the investments based on the self-settled financial statements on September 30, 2024.

Note 4: Union Capital (Singapore) Holding PTE. Ltd., Uflc Capital (Singapore) Holding PTE. Ltd., Kabushiki Kaisha UCJ1, Tokutei Mokuteki Kaisha SSG15, SSG12, and SSG16 recognized the profit and loss of investments based on the self-settled financial statement on September 30, 2024.

Note 5: Refers to 1 share of common stock and 13 thousand shares of preferred stock.

Note 6: Refers to 1 share of common stock and 14 thousand shares of preferred stock.

Note 7: Refers to 1 share of common stock and 19 thousand shares of preferred stock.

Note 8: UECL pledged 1,890 thousand shares of Ting Jie Electric Power Inc. as collateral for the syndicated loan.

(Concluded)

UNION BANK OF TAIWAN AND SUBSIDIARIES

BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS AMONG THE BANK AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Transacting Corporation	Counterparty	Flow of Transaction (Note 2)	Description of Transaction			
				Financial Statement Account	Amount	Trading Terms	Percentage to Total Revenue or Total Assets (Note 3)
0	Union Bank of Taiwan (“Parent company”)	UFLIC and its subsidiaries	a	Deposits and remittances - demand deposits	$ 220,110	Note 4	0.02
0	Parent company	UFLIC and its subsidiaries	a	Deposits and remittances - checking deposits	16,269	Note 4	0.00
0	Parent company	UFLIC and its subsidiaries	a	Deposits and remittances - time deposits	629,500	Note 4	0.06
1	UFLIC and its subsidiaries	Parent company	b	Call loans and due to other banks - call loans from banks	865,880	Note 4	0.09
0	Parent company	UFLIC and its subsidiaries	a	Deposits and remittances - time deposits	55,136	Note 4	0.01
1	UFLIC and its subsidiaries	Parent company	b	Other financial assets	55,136	Note 4	0.01
0	Parent company	UFLIC and its subsidiaries	a	Discounts and loans	1,480,107	Note 4	0.15
1	UFLIC and its subsidiaries	Parent company	b	Due from banks	1,480,107	Note 4	0.15
0	Parent company	UFLIC and its subsidiaries	a	Other operating expenses	15,006	Note 4	0.08
1	UFLIC and its subsidiaries	The Bank	b	Rental revenue	15,006	Note 4	0.08
0	Parent company	UFLIC and its subsidiaries	a	Interest revenue	30,976	Note 4	0.16
1	UFLIC and its subsidiaries	Parent company	b	Interest expense	30,976	Note 4	0.16
0	Parent company	Union Finance International (HK) Limited	a	Deposits and remittances - demand deposits	172,290	Note 4	0.02
2	Union Finance International (HK) Limited	The Bank	b	Call loans and due to other banks - call loans from banks	172,290	Note 4	0.02
0	Parent company	UIT	a	Deposits and remittances - demand deposits	56,449	Note 4	0.01
3	UIT	Parent company	b	Call loans and due to other banks - call loans from banks	56,449	Note 4	0.01
0	Parent company	UIT	a	Deposits and remittances - time deposits	27,000	Note 4	0.00
3	UIT	Parent company	b	Other financial assets	27,000	Note 4	0.00
0	Parent company	UIT	a	Other assets	39,310	Note 4	0.00
3	UIT	Parent company	b	Other liabilities	39,310	Note 4	0.00
0	Parent company	UIT	a	Other operating expenses	226,407	Note 4	1.14
3	UIT	Parent company	b	Other non-interest net gains and losses	226,407	Note 4	1.14
0	Parent company	UIT	a	Deposits and remittances - time deposits	31,500	Note 4	0.00
3	UIT	Parent company	b	Other financial assets	31,500	Note 4	0.00
0	Parent company	UVC and its subsidiaries	a	Deposits and remittances - demand deposits	302,908	Note 4	0.03
0	Parent company	UVC and its subsidiaries	a	Deposits and remittances - checking deposits	722	Note 4	0.00
4	UVC and its subsidiaries	Parent company	b	Call loans and due to other banks - call loans from banks	303,630	Note 4	0.03
0	Parent company	UVC and its subsidiaries	a	Deposits and remittances - time deposits	18,624	Note 4	0.00
4	UVC and its subsidiaries	Parent company	b	Other financial assets	18,624	Note 4	0.00
0	Parent company	USITC and its subsidiaries	a	Deposits and remittances - demand deposits	10,306	Note 4	0.00
5	USITC and its subsidiaries	Parent company	b	Call loans and due to other banks - call loans from banks	10,306	Note 4	0.00
0	Parent company	USITC and its subsidiaries	a	Deposits and remittances - time deposits	49,500	Note 4	0.00
5	USITC and its subsidiaries	Parent company	b	Other financial assets	49,500	Note 4	0.00
0	Parent company	USITC and its subsidiaries	a	Handling fee revenue	44,026	Note 4	0.22
5	USITC and its subsidiaries	Parent company	b	Handling fee expense	44,026	Note 4	0.22
1	UFLIC and its subsidiaries	Tianji Smart Energy Co., Ltd.	c	Lease receivables	$ 1,503,453	Note 4	0.15
4	UVC and its subsidiaries	UFLIC	c	Lease receivables	1,503,453	Note 4	0.15
1	UFLIC and its subsidiaries	UVC and its subsidiaries	c	Interest revenue	32,427	Note 4	0.16

(Continued)

No. (Note 1)	Transacting Corporation	Counterparty	Flow of Transaction (Note 2)	Description of Transaction			
				Financial Statement Account	Amount	Trading Terms	Percentage to Total Revenue or Total Assets (Note 3)
4	UVC and its subsidiaries	UFLIC and its subsidiaries	c	Interest expense	$ 32,427	Note 4	0.16
6	UFLIC	Tianji Smart Energy Co., Ltd.	c	Temporary credits	27,801	Note 4	0.00
7	Tianji Smart Energy Co., Ltd.	UFLIC	c	Refundable deposits	27,801	Note 4	0.00
6	UFLIC	Uflc Capital (Singapore) Holding Pte. Ltd.	c	Interest revenue	11,927	Note 4	0.06
8	Union Capital (Singapore) Holding PTE. Ltd.	UFLIC	c	Interest expense	11,927	Note 4	0.06
6	UFLIC	Uflc Capital (Singapore) Holding PTE. Ltd.	c	Interest revenue	25,077	Note 4	0.13
9	Uflc Capital (Singapore) Holding PTE. Ltd.	Union Finance and Leasing International Corporation	c	Interest expense	25,077	Note 4	0.13
8	Union Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1	c	Receivables - receivables from related parties	326,040	Note 4	0.03
10	Kabushiki Kaisha UCJ1	Union Capital (Singapore) Holding PTE. Ltd.	c	Payables - payables to related parties	326,040	Note 4	0.03
9	Uflc Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1	c	Receivables - receivables from related parties	644,975	Note 4	0.06
10	Kabushiki Kaisha UCJ1	Uflc Capital (Singapore) Holding PTE. Ltd.	c	Payables - payables to related parties	644,975	Note 4	0.06
8	Union Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1	c	Interest revenue	8,555	Note 4	0.04
10	Kabushiki Kaisha UCJ1	Union Capital (Singapore) Holding PTE. Ltd.	c	Interest expense	8,555	Note 4	0.04
9	Uflc Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1	c	Interest revenue	16,665	Note 4	0.08
10	Kabushiki Kaisha UCJ1	Uflc Capital (Singapore) Holding PTE. Ltd.	c	Interest expense	16,665	Note 4	0.08
11	UVC	Bei Chen Yi Hau	c	Receivables - accounts receivables	109,000	Note 4	0.01
12	Bei Chen Yi Hau	UVC	c	Payables - accounts payables	109,000	Note 4	0.01
11	UVC	Feng Tai Electric Power	c	Receivables - accounts receivables	134,000	Note 4	0.01
13	Feng Tai Electric Power	UVC	c	Payables - accounts payables	134,000	Note 4	0.01
11	UVC	Hao Tian Electric Power	c	Receivables - accounts receivables	136,000	Note 4	0.01
14	Hao Tian Electric Power	UVC	c	Payables - accounts payables	136,000	Note 4	0.01
11	UVC	Na He Yi Hau Electric Power Inc.	c	Receivables - accounts receivables	160,000	Note 4	0.02
15	Na He Yi Hau Electric Power Inc.	Union Venture Capital Co., Ltd.	c	Payables - accounts payables	160,000	Note 4	0.02
11	UVC	Tianji Smart Energy Co., Ltd.	c	Receivables - accounts receivables	20,000	Note 4	0.00
16	Tianji Smart Energy Co., Ltd.	Union Venture Capital Co., Ltd.	c	Payables - accounts payables	20,000	Note 4	0.00

Note 1: The transacting corporation is identified in the No. column as follows:

a. 0 for parent company.
b. Sequentially from 1 for subsidiaries.

Note 2: The flow of transactions is as follows:

a. From parent company to subsidiary.
b. From subsidiary to parent company.
c. Between subsidiaries.

Note 3: The percentage is calculated as follows:

a. Assets and liabilities: Ending balance divided by total consolidated assets.
b. Income and expenses: The amount at the end of the year divided by consolidated net income.

Note 4: The terms of the transactions between the Bank and related parties were similar to those for unrelated parties.

Note 5: Referring to transactions exceeding $5,000 thousand.

(Concluded)

TABLE 9

UNION BANK OF TAIWAN AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of Shares)

Name of Major Shareholder	Shares			
	Number of Shares			Percentage of Ownership (%)
	Ordinary Shares	Preferred Shares	Total	
Tsong-Li Investment Co., Ltd.	320,023	-	320,023	7.52

Note 1: The information of the major shareholders presented in this table pertains to the shareholders with individual ownerships of 5% or greater of the Bank's shares, 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 a difference in the preparation bases for the number of issued shares and for the number of outstanding shares.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with individual ownerships greater than 10% in accordance with the Security and Exchange Act, the shareholdings include both the shares held by shareholders themselves and shares held on their behalf by a trust, and the shareholders have the authority to direct the use of the trust's property, including voting rights associated with those shares. For information relating to insider shareholding declaration, refer to the Market Observation Post System.