Stock Code: 2838

Union Bank of Taiwan Co., Ltd. and Subsidiaries

Consolidated Financial Statements and the Independent Auditors' Review Report

The Third Quarter, 2022 and 2021

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INDEPENDENT AUDITORS' REVIEW REPORT

To: Union Bank of Taiwan Co., Ltd.

Foreword

We have reviewed the accompanying consolidated financial statements of Union Bank of Taiwan (the "Bank") and its subsidiaries (collectively, the "Company"), which comprise the consolidated balance sheets as of September 30th, 2022 and 2021, as well as the consolidated statements of comprehensive income, changes in equity and cash flows for and July 1st to September 30th, 2022 and 2021 and January 1st to September 30th, 2022 and 2021, and the notes to the consolidated financial statements, including a summary of significant accounting policies. Pursuant to the "Regulations Governing the Preparation of Financial Statements by Public Banks" and the International Accounting Standards ("IAS") No. 34 "Interim Financial Statementing," recognized, released and effected by the Financial Supervisory Committee, preparing the Consolidated Financial Statements fairly presented is the responsibility of the management; our responsibility is to conclude the Consolidated Financial Statements based on the review results.

Scope

We implemented the review pursuant to Statement of Auditing Standards No. 65 "Reviewing Financial Statements." The procedures implemented during the review of financial statements include inquiry (mainly inquire the personnel in charge of finance and accounting affairs), analytical procedures, and other review procedures. The scope of work for review is obviously less than the scope of work for audit; therefore, we may not detect all material matters may be identified through audit, and thus no audit opinion may be expressed.

Conclusion

In our opinion, we have not found any incompliance with the "Regulations Governing the Preparation of Financial Statements by Public Banks" and the International Accounting Standards ("IAS") No. 34 "Interim Financial Statementing" when preparing the aforesaid Consolidated Financial Statements in all material aspect that may cause the Bank and the Company to fairly present the consolidated financial status as of September 30th, 2022 and 2021, July 1st to September 30th, 2022 and 2021, as well as the consolidated financial performance and consolidated cash flows during January 1st to September 30th, 2022 and 2021.

Deloitte & Touche

Li, Guang-Hou, CPA

Yang, Cheng-Hsiu, CPA

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

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November 7, 2022

Union Bank of Taiwan Co., Ltd. and Subsidiaries

Consolidated Balance Sheet

September 30th, 2022, December 31st and September 30th, 2021

Unit: Thousand NTD

Code	Asset	September 30th, 2022 (Reviewed) Amount	%	December 31, 2021 (Audited) Amount	%	September 30th, 2021 (Reviewed) Amount	%
11000	Cash and cash equivalents (Note VI)	$ 8,645,471	1	$ 13,767,806	2	$ 8,453,489	1
11500	DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Note VII and XLVIII)	27,397,750	3	29,553,111	4	24,627,075	3
12000	FINANCIAL ASSETS MEASURED AT FVTPL (Note VIII)	40,350,200	5	46,643,053	6	63,594,162	8
12100	FINANCIAL ASSETS MEASURED AT FVTOCI (Note V, IX, and XI)	63,426,319	8	61,748,943	7	68,206,375	8
12200	INVESTMENT OF DEBT INSTRUMENT MEASURED AT AMORTIZED COSTS (Note V, X, and XI)	83,951,512	10	77,431,542	9	80,746,474	10
12500	INVESTMENT OF NOTES UNDER REVERSE REPURCHASE AGREEMENT AND BONDS (Note XII)	26,242,934	3	57,721,456	7	61,381,022	8
13000	RECEIVABLES, NET (Notes V, XIII and XV)	28,360,918	3	27,476,621	3	27,539,275	4
13200	CURRENT TAX ASSETS	314,444	-	5,133	-	278,475	-
13500	DISCOUNTS AND LOANS, NET (Notes V, XIV, XV and XLVII)	536,367,754	63	493,232,510	59	452,352,270	55
15000	INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET (Note XVII)	1,965,811	-	1,993,160	-	1,521,434	-
15500	OTHER FINANCIAL ASSETS, NET (Notes XVIII, XLVII and XLVIII)	1,599,290	-	1,681,562	-	1,827,082	-
18500	PROPERTY AND EQUIPMENT, NET (Note XIX and XLVII)	12,163,603	2	9,967,221	1	7,918,918	1
18600	RIGHT-OF-USE ASSETS, NET (Note XX)	1,755,860	-	1,908,089	-	1,626,537	-
18700	INVESTMENT PROPERTIES, NET (Notes XXI, XXX, XLVII and XLVIII)	4,693,109	1	4,911,521	1	4,997,559	1
19007	GOODQWILL (Note XXII)	1,985,307	-	1,985,307	-	1,985,307	-
19009	Computer software	200,059	-	193,019	-	184,569	-
19300	DEFERRED TAX ASSETS (Notes IV)	861,818	-	925,832	-	944,009	-
19500	OTHER ASSETS, NET (Notes XXIII and XLVII)	10,060,887	1	10,443,260	1	10,875,602	1
10000	TOTAL	$ 850,343,046	100	$ 841,589,146	100	$ 819,059,634	100

Code	LIABILITIES AND EQUITY	September 30th, 2022 Amount	%	December 31, 2021 Amount	%	September 30th, 2021 Amount	%
	LIABILITIES						
21000	DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS (Note XXIV)	$ 12,219,294	2	$ 10,000,142	1	$ 14,281,493	2
21500	DUE TO THE CENTRAL BANK AND OTHER BANKS (Note XXV)	474,936	-	7,142,055	1	6,254,950	1
22000	FINANCIAL LIABILITIES MEASURED AT FVTPL (Note VIII)	1,192,116	-	495,421	-	445,546	-
22500	LIABILITIES OF NOTES UNDER REPURCHASED AGREEMENT AND BONDS (Note XXVI)	56,103,501	7	51,279,756	6	56,019,270	7
23000	PAYABLES (Note XXVII)	7,145,326	1	8,519,964	1	6,545,343	1
23200	CURRENT TAX LIABILITIES	719,592	-	451,475	-	529,995	-
23500	DEPOSITS AND REMITTANCES (Notes XXVIII and XLVII)	688,351,264	81	671,382,858	80	644,278,342	79
24000	FINANCIAL BONDS PAYABLE (Note XXIX)	5,000,000	1	7,700,000	1	7,700,000	1
24100	CORPORATE BONDS PAYABLE (Notes XXXI)	950,400	-	1,047,276	-	1,311,354	-
24500	PREFERENTIAL SHARE LIABILITIES (Note XXX)	367,000	-	371,500	-	371,500	-
25500	OTHER FINANCIAL LIABILITIES (Note XXXII)	9,643,952	1	9,784,240	1	9,653,565	1
25600	LIABILITY PROVISIONS (Notes V and XXXIII)	376,984	-	382,688	-	367,421	-
26000	LEASE LIABILITIES (Notes XX and XLVII)	1,739,289	-	1,894,074	-	1,609,172	-
29300	DEFERRED TAX LIABILITIES (Notes IV)	1,928,781	-	1,675,426	-	1,721,926	-
29500	OTHER LIABILITIES (Notes XXI and XXXV)	3,386,233	-	3,597,202	1	3,529,248	-
20000	Total liabilities	789,598,668	93	775,724,077	92	754,619,125	92
	EQUITY ATTRIBUTABLE TO OWNERS OF PARENT						
	Share capital						
31101	Share capital of common shares	35,940,460	4	32,952,187	4	32,952,187	4
31103	Share capital of preferential shares	2,000,000	-	2,000,000	-	2,000,000	-
31100	Total share capital	37,940,460	4	34,952,187	4	34,952,187	4
31500	Capital reserve	8,076,826	1	8,051,984	1	8,046,354	1
	Retained earnings						
32001	Legal reserve	10,589,878	1	8,924,700	1	8,924,700	1
32003	Special surplus reserve	627,440	-	627,440	-	627,440	-
32011	Undistributed earnings	3,717,444	1	6,932,579	1	5,549,690	1
32000	Total retained earnings	14,934,762	2	16,484,719	2	15,101,830	2
32500	Other equity	(2,254,558)	-	5,646,421	1	5,796,774	1
31000	Total equity attributable to owners of the parent	58,697,490	7	65,135,311	8	63,897,145	8
38000	Non-controlling interests	2,046,888	-	729,758	-	543,364	-
30000	Total equity	60,744,378	7	65,865,069	8	64,440,509	8
	TOTAL	$ 850,343,046	100	$ 841,589,146	100	$ 819,059,634	100

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

Chairman: Lin Hung-Lian Managerial Officer: Hsu Wei-Wen Chief Accounting Officer: Lu Wen-Chuan

Union Bank of Taiwan Co., Ltd. and Subsidiaries

Consolidated Statement of Comprehensive Income

July 1st to September 30th, 2022 and 2021; January 1st to September 30th, 2022 and 2021

(Only being reviewed but not audited pursuant to the generally accepted audit standards)

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

Code		July 1st to September 30th, 2022		July 1st to September 30th, 2021		January 1st to September 30th, 2022		January 1st to September 30th, 2021	
		Amount	%	Amount	%	Amount	%	Amount	%
	NET INTEREST INCOME (Notes XXXVII and XLVII)								
41000	Interest income	$ 3,987,799	88	$ 2,900,422	68	$ 10,573,804	91	$ 8,675,892	70
51000	Interest expense	1,431,454	32	729,364	17	3,144,745	27	2,239,915	18
49010	Total net interest income	2,556,345	56	2,171,058	51	7,429,059	64	6,435,977	52
	Net income other than interest								
49100	Commissions and fee revenue, net (Notes XXXVIII and XLVII)	821,808	18	729,159	17	2,445,712	21	2,189,948	17
49200	Gain on financial assets and liabilities at FVTPL (Note XXXIX)	1,831,294	40	67,762	1	1,618,501	14	252,843	2
49310	Realized gain on financial assets at FVTOCI (Note XL)	163,232	4	635,624	15	725,706	6	806,587	6
49750	Share of gain/loss of affiliates adopted the equity method (Notes XVII)	(15,214)	-	(1,289)	-	(27,349)	-	(15,555)	-
49600	Foreign exchange gain (loss), net	(1,537,559)	(34)	(47,038)	(1)	(1,682,830)	(14)	583,156	5
49700	Asset impairment loss (Note XLI)	(27,277)	(1)	(15,687)	(1)	(1,256,577)	(11)	(22,984)	-
49831	Securities brokerage fee revenue, net	81,700	2	119,720	3	245,784	2	354,516	3
49851	Lease income	573,402	13	588,168	14	1,756,974	15	1,742,758	14
49899	Other non-interest gains/losses, net	106,096	2	33,374	1	296,206	3	82,681	1
4xxxx	Net income	4,553,827	100	4,280,851	100	11,551,186	100	12,409,927	100
58200	Allowance for doubtful accounts - provision for losses on commitments and guarantees (Note V and XV)	211,461	4	218,245	5	443,008	4	609,522	5
	Operating expenses								
58500	Employee benefit expense (Notes XXXIV and XLII)	1,235,746	27	1,036,850	24	3,186,464	27	3,107,833	25
59000	Depreciation and amortization(Notes XX and XLIII)	684,224	15	681,602	16	2,047,433	18	1,960,592	16
59500	Other operating and management expenses (Notes XLIV and XLVII)	936,325	21	862,729	20	2,762,913	24	2,658,920	21
58400	Total operating expenses	2,856,295	63	2,581,181	60	7,996,810	69	7,727,345	62
61001	Net profit before tax	1,486,071	33	1,481,425	35	3,111,368	27	4,073,060	33
61003	INCOME TAX EXPENSE (Note XLV)	260,237	6	173,802	4	737,643	6	502,694	4
64000	CONSOLIDATED NET INCOME	1,225,834	27	1,307,623	31	2,373,725	21	3,570,366	29

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Code		July 1st to September 30th, 2022 Amount	%	July 1st to September 30th, 2021 Amount	%	January 1st to September 30th, 2022 Amount	%	January 1st to September 30th, 2021 Amount	%
	Other comprehensive income								
65200	Items that will not be reclassified subsequently to profit or loss:								
65204	Valuation gain/loss of the equity instruments measured at fair value through other comprehensive income	($ 994,269)	(22)	($ 794,393)	(19)	($ 2,741,292)	(24)	$ 1,422,429	11
65220	Income tax relating to items that will not be reclassified subsequently to profit or loss (Note XLV)	40,335	1	48,709	1	61,150	1	(17,220)	-
65300	Items that may be reclassified subsequently to profit or loss:								
65301	Exchange difference from translating the financial statements of overseas operations	988,538	22	(30,440)	(1)	1,790,280	15	(518,377)	(4)
65308	Gain/loss of the debt instruments measured at fair value through other comprehensive income	(1,596,917)	(35)	(197,062)	(4)	(6,683,336)	(58)	(447,429)	(4)
65320	Income tax relating to items that may be reclassified subsequently to profit or loss (Note XLV)	(197,708)	(5)	6,087	-	(358,056)	(3)	103,675	1
65000	Other comprehensive income for the period (net of tax)	(1,760,021)	(39)	(967,099)	(23)	(7,931,254)	(69)	543,078	4
66000	TOTAL COMPREHENSIVE GAINS	($ 534,187)	(12)	$ 340,524	8	($ 5,557,529)	(48)	$ 4,113,444	33
	NET INCOME ATTRIBUTABLE TO:								
67101	Owners of the parent	$ 1,224,631	27	$ 1,307,686	31	$ 2,370,872	21	$ 3,570,333	29
67111	Non-controlling interests	1,203	-	(63)	-	2,853	-	33	-
67100		$ 1,225,834	27	$ 1,307,623	31	$ 2,373,725	21	$ 3,570,366	29
	COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
67301	Owners of the parent	($ 535,391)	(12)	$ 340,586	8	($ 5,560,385)	(48)	$ 4,113,408	33
67311	Non-controlling interests	1,204	-	(62)	-	2,856	-	36	-
67300		($ 534,187)	(12)	$ 340,524	8	($ 5,557,529)	(48)	$ 4,113,444	33
	EARNINGS PER SHARE (Note XLVI)								
67500	Basic earnings per share	$ 0.34		$ 0.23		$ 0.53		$ 0.86	
67700	Diluted earnings per share	$ 0.34		$ 0.23		$ 0.53		$ 0.86	

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

Chairman: Lin Hung-Lian　　Managerial Officer: Hsu Wei-Wen　　Chief Accounting Officer: Lu Wen-Chuan

Union Bank of Taiwan Co., Ltd. and Subsidiaries

Consolidated Statement of Changes in Equity

January 1st to September 30th, 2022 and 2021

(Only being reviewed but not audited pursuant to the generally accepted audit standards)

Unit: Thousand NTD

		Equity Attributable Owners of the Company													
		Share capital (Note XXXVI and XLII)			Capital reserve	Retained earnings (Note XXXVI)				Other Equity (Notes XXXVI)					
Code		Share capital of common shares	Share capital of preferential shares	Total	(Note XXXVI)	Legal reserve	Special surplus reserve	Undistributed earnings	Total	Exchange difference from translating the financial statements of overseas operations	Unrealized gain (loss) on financial assets at FVTOCI	Total	Total	Non-controlling interests (Note XXX and XXXVI)	Total Equity
A1	Balance at January 1st, 2021	$ 30,933,688	$ 2,000,000	$ 32,933,688	$ 8,040,035	$ 7,883,630	$ 627,440	$ 4,854,972	$ 13,366,042	($ 1,091,223)	$ 6,942,293	$ 5,851,070	$ 60,190,835	$ 1,577	$ 60,192,412
	2020 Earning appropriation and distribution														
B1	Legal reserve provision	-	-	-	-	1,041,070	-	(1,041,070)	-	-	-	-	-	-	-
B9	Share dividends of common shares	1,951,916	-	1,951,916	-	-	-	(1,951,916)	(1,951,916)	-	-	-	-	-	-
B7	Cash dividends of preferential shares	-	-	-	-	-	-	(480,000)	(480,000)	-	-	-	(480,000)	-	(480,000)
D1	Net profit, January 1st to September 30th, 2021	-	-	-	-	-	-	3,570,333	3,570,333	-	-	-	3,570,333	33	3,570,366
D3	Other comprehensive income after tax, January 1st to September 30th, 2021	-	-	-	-	-	-	-	-	(414,702)	957,777	543,075	543,075	3	543,078
N1	Share-based payment transaction	66,583	-	66,583	5,660	-	-	-	-	-	-	-	72,243	-	72,243
M7	Changes in percentage of ownership interests in subsidiaries	-	-	-	659	-	-	-	-	-	-	-	659	(659)	-
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	18,410	18,410
T1	Liabilities of preferential shares converted to preferential shares	-	-	-	-	-	-	-	-	-	-	-	-	524,000	524,000
Q1	Disposal of the equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	597,371	597,371	-	(597,371)	(597,371)	-	-	-
Z1	Balance at September 30th, 2021	$ 32,952,187	$ 2,000,000	$ 34,952,187	$ 8,046,354	$ 8,924,700	$ 627,440	$ 5,549,690	$ 15,101,830	($ 1,505,925)	$ 7,302,699	$ 5,796,774	$ 63,897,145	$ 543,364	$ 64,440,509
A1	Balance at January 1st, 2022	$ 32,952,187	$ 2,000,000	$ 34,952,187	$ 8,051,984	$ 8,924,700	$ 627,440	$ 6,932,579	$ 16,484,719	($ 1,636,613)	$ 7,283,034	$ 5,646,421	$ 65,135,311	$ 729,758	$ 65,865,069
	2021 Earning appropriation and distribution														
B1	Legal reserve provision	-	-	-	-	1,665,178	-	(1,665,178)	-	-	-	-	-	-	-
B5	Cash dividends of common shares	-	-	-	-	-	-	(494,282)	(494,282)	-	-	-	(494,282)	-	(494,282)
B9	Share dividends of common shares	2,916,269	-	2,916,269	-	-	-	(2,916,269)	(2,916,269)	-	-	-	-	-	-
B7	Cash dividends of preferential shares	-	-	-	-	-	-	(480,000)	(480,000)	-	-	-	(480,000)	-	(480,000)
D1	Net profit, January 1st to September 30th, 2022	-	-	-	-	-	-	2,370,872	2,370,872	-	-	-	2,370,872	2,853	2,373,725
D3	Other comprehensive income after tax, January 1st to September 30th 30th, 2022	-	-	-	-	-	-	-	-	1,432,224	(9,363,481)	(7,931,257)	(7,931,257)	3	(7,931,254)
O1	Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	1,314,274	1,314,274
N1	Share-based payment transaction	72,004	-	72,004	24,842	-	-	-	-	-	-	-	96,846	-	96,846
Q1	Disposal of the equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	(30,278)	(30,278)	-	30,278	30,278	-	-	-
Z1	Balance at September 30th, 2022	$ 35,940,460	$ 2,000,000	$ 37,940,460	$ 8,076,826	$ 10,589,878	$ 627,440	$ 3,717,444	$ 14,934,762	($ 204,389)	($ 2,050,169)	($ 2,254,558)	$ 58,697,490	$ 2,046,888	$ 60,744,378

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

Chairman: Lin Hung-Lian

Managerial Officer: Hsu Wei-Wen

Chief Accounting Officer: Lu Wen-Chuan

Union Bank of Taiwan Co., Ltd. and Subsidiaries

Consolidated Statement of Cash Flow

January 1st to September 30th, 2022 and 2021

(Only being reviewed but not audited pursuant to the generally accepted audit standards)

Unit: Thousand NTD

Code		January 1st to September 30th, 2022	January 1st to September 30th, 2021
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Current net income before income tax	$ 3,111,368	$ 4,073,060
	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	1,978,537	1,890,810
A20200	Amortization expense	68,896	69,782
A20300	Expected credit losses/provision of allowance for doubtful accounts	443,008	609,522
A20400	Net profit on disposal of financial assets at FVTPL	(1,575,514)	(252,843)
A20900	Interest expense	3,144,745	2,239,915
A21200	Interest income	(10,573,804)	(8,675,892)
A21300	Dividend incomes	(729,377)	(494,301)
A22300	Share of loss of affiliates recognized with the equity method	27,349	15,555
A22500	Gain on disposal and scrape of properties and equipment	(44,312)	(34,868)
A23100	Gain on disposal of investments	(39,316)	(302,886)
A23500	Impairment loss on financial assets	1,267,005	22,984
A23600	Reversal of impairment loss on financial assets	(8,320)	-
A23800	Reversal of impairment loss on financial assets	(2,108)	-
A24400	Loss (gain) on disposal of collaterals	1,008	-
	Changes in operating assets and liabilities, net		
A41110	Due from the Central Bank and call loans to banks	2,155,361	(301,277)
A41120	Financial assets measured at fair value through profit or loss	9,334,291	(27,598,526)
A41123	Financial assets measured at fair value through other comprehensive income	(12,407,022)	(13,526,750)
A41125	Investment of debt instrument measured at amortized costs	(6,584,922)	9,805,320
A41150	Accounts receivable	(369,199)	(2,407,655)
A41160	Discounts and loans	(43,651,956)	(30,023,317)

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Code		January 1st to September 30th, 2022	January 1st to September 30th, 2021
A41190	Other financial assets	$ 79,672	$ 2,780,716
A42110	Deposits from the Central Bank and peers	2,219,152	1,800,379
A42120	Financial liabilities measured at fair value through profit or loss	(769,228)	(673,592)
A42140	Liabilities of notes under repurchase agreement and bonds	4,823,745	11,591,094
A42150	Accounts payable	(1,584,263)	1,145,550
A42160	Deposits and remittances	16,968,406	37,417,843
A42170	Other financial liabilities	(6,445)	(100,245)
A42180	Reserve for the liability of employees' benefit	(224)	(231)
A42990	Other liability reserves	(804)	(1,071)
A33000	Cash outflow generated from operations	(32,724,271)	(10,930,924)
A33100	Interest received	10,225,507	8,585,661
A33200	Dividends received	702,287	527,929
A33300	Interest paid	(2,807,090)	(2,335,595)
A33500	Income tax paid	(798,709)	(362,741)
AAAA	Cash outflow from operating activities, net	(25,402,276)	(4,515,670)
	CASH FLOWS FROM INVESTING ACTIVITIES		
B02700	Acquisition of properties and equipment	(1,561,296)	(252,099)
B02800	Disposal of properties and equipment	9	30
B05400	Acquisition of investment properties	(28,211)	(15,787)
B03500	Increase in settlement fund	(324)	(3,387)
B03700	Increase in refundable deposits	(782,200)	(257,953)
B04500	Acquisition of intangible assets	(75,936)	(32,216)
B04700	Disposal of collaterals	1,100	-
B06700	Increase in other assets	(1,008,737)	(2,314,828)
BBBB	Cash outflow from investment activities, net	(3,455,595)	(2,876,240)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00400	Decrease in due to Central Bank and other banks	(6,648,050)	-
C00300	Increase in due to Central Bank and other banks	-	2,468,230
C00700	Increase in commercial paper payable	-	2,333,649
C00800	Decrease in commercial paper payable	(133,843)	-
C01300	Repayment of corporate bonds payable	(7,257)	(2,834)
C01400	Proceeds from issuance of financial bonds	-	3,000,000
C01500	Repayment of financial bonds	(2,700,000)	(2,500,000)
C02900	Repayment of preferential share liabilities	(4,500)	-
C03000	Increase in guarantee deposits	-	207,079

(continued at next page)

(Cont')

Code		January 1st to September 30th, 2022	January 1st to September 30th, 2021
C03100	Decrease in guarantee deposits	($ 108,862)	$ -
C04020	Repayment of lease liability principals	(366,134)	(359,143)
C04400	Decrease in other liabilities	(133,291)	(293,840)
C04500	Cash dividends payable	(974,282)	(480,000)
C05200	Preferential shares issued by subsidiaries	1,314,000	371,500
C05800	Change in non-controlling interests	274	18,410
CCCC	Cash inflow (outflow) from financing activities, net	(9,761,945)	4,763,051
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	2,018,959	(409,541)
EEEE	DECREASE IN CASH AND CASH EQUIVALENTS OF THE PERIOD	(36,600,857)	(3,038,400)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	71,489,262	72,872,911
E00200	Balance of cash and cash equivalents at the end of the period	$ 34,888,405	$ 69,834,511

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

Code		September 30th, 2022	September 30th, 2021
E00210	Cash and cash equivalents in the consolidated balance sheets	$ 8,645,471	$ 8,453,489
E00220	that meet the definition of cash and cash equivalents in IAS 7 "Cash Flow Statements"	-	-
E00230	Investments of notes under reverse repurchase agreement and bonds that meet the definition of cash and cash equivalents in IAS 7 "Cash Flow Statements"	26,242,934	61,381,022
E00200	Balance of cash and cash equivalents at the end of the period	$ 34,888,405	$ 69,834,511

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

Chairman: Lin Hung-Lian Managerial Officer: Hsu Wei-Wen Chief Accounting Officer: Lu Wen-Chuan

Union Bank of Taiwan Co., Ltd. and Subsidiaries

Notes of Consolidated Financial Statements

January 1st to September 30th, 2022 and 2021

(Only being reviewed but not audited pursuant to the generally accepted audit standards)

(In Thousand NTD unless specified otherwise)

I. Company History

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

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

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

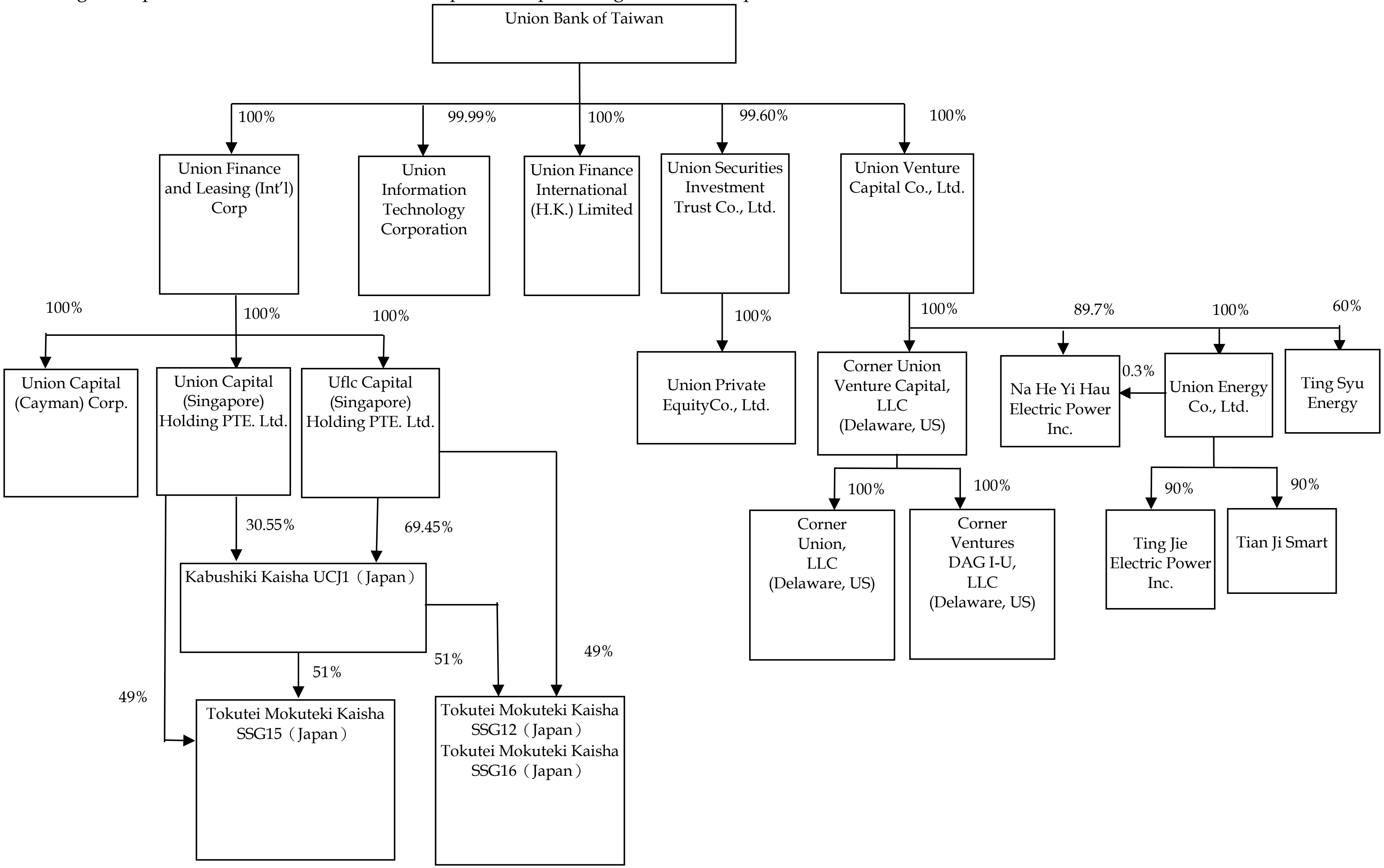
On August 26, 2015, the board of directors of the Bank resolved to merge UIB in order to integrate the resources, strengthen management and business synergy. The merger was approved by the Financial Supervisory Commission (FSC) under Rule No. 10502022990 dated March 21, 2016. The effective date of this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

As of September 30th, 2022, the Bank's operating units included Trust, Wealth Management, Security Finance, Bills Finance, International Banking, Insurance Agency, Offshore Banking Units (OBU), overseas representative offices in Hong Kong, Ho Chi Minh City and Hanoi, Vietnam, and 90 domestic branches (including the business department).

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

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

Please refer to Note XVI for the businesses of the Bank and its subsidiaries (collectively referred to as the "Company") as of September 30th, 2022; the following chart presents the investment relationship and the percentage of ownership :



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

II. Date and Procedures Passing the Financial Statements

The consolidated financial statements were approved by the Company's board of directors on November 7, 2022

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

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

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies:

1. Annual Improvements to IFRS Standards 2018-2020

The Annual Improvements to IFRS Standards 2018-2020 have amended some standards; of which, the Company adopts the amendment applicable to IFRS 9 "Financial Instruments" on term modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendment when assessing whether the term modifications and exchanges of financial liabilities are material difference by comparing the discounted value of the cash flows from the original and new contractual terms (including signing a new contract or modifying the net amount of payment/received payment under the contract) for 10% difference, the said payment/received payment shall only include the payment/received payment between the lender and the borrower.

2. Amendments to IFRS 3 "Reference to the Conceptual Framework"

The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period beginning on or after January 1, 2022. The amendment updates the references to the Conceptual Framework and specifies that the acquirer shall apply IFRIC 21 "Levies" to determine whether the event that gives rise to a liability for a levy has occurred at the acquisition date.

(II) IFRSs endorsed by the FSC applicable since 2023

Standards Recently Published /Amended/Applications of the Interpretations	Effective dates issued by IASB
Amendment to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendment to IAS 8 "Definition of Accounting Estimates	January 1, 2023 (Note 2)
Amendment to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising From a Single Transaction"	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

1. Amendment to IAS 1 "Disclosure of Accounting Policies"

The amendment specifies that the Company should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendment also clarifies that:

˙Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;

˙The Company may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and

˙Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

(1) The Company changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;
(2) The Company chose the accounting policy from options permitted by the standards;
(3) The accounting policy was developed in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" in the absence of an IFRS that specifically applies;
(4) The accounting policy relates to an area for which the Company is required to make significant judgments or assumptions in applying an accounting policy, and the Company discloses those judgments or assumptions; or
(5) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

2. Amendment to IAS 8 "Definition of Accounting Estimates

The amendment defines that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Company may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Company uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

3. Amendment to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising From a Single Transaction"

The amendment clarifies that the initial recognition exemption under IAS 12 does not apply to transactions in which equal taxable and deductible temporary differences arise on initial recognition. The Company will recognize a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations on January 1, 2022, and recognize the cumulative effect of initial application in retained earnings at that date. The Company will apply the amendments prospectively to transactions other than leases and decommissioning obligations that occur on or after January 1, 2022.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Company has assessed that the aforesaid amendments to standards and interpretations will not have any material impact on the Company's financial position and financial performance.

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

Standards Recently Published / Amended/ Applications of the Interpretations	Effective dates issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16, "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1st, 2023
Amendments to IFRS 17	January 1st, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1st, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1st, 2024
Amendments to IAS 1, "Non-current Liabilities with Covenants"	January 1st, 2024

Note 1: Unless noted otherwise, the above said standards recently released/amended/amended standards or interpretations take effects from the year of reporting period after the dates of release or amendment.

Note 2: the seller concurrently the lessee shall retrospectively apply the amendment to IFRS 16 to the sale and leaseback transactions entered after the initial application date of IFRS 16.

As of the date the consolidated financial statements were authorized for issue, the Company has assessed that the aforesaid amendments to standards and interpretations will not have any material impact on the Company's financial position and financial performance; provided, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

IV. Summaries of the Material Accounting Policies

(I) Statement of Compliance

The Consolidated Financial Statements are prepared pursuant to the "Regulations Governing the Preparation of Financial Statements by Public Banks" and IAS 34 "Interim Financial Statementing." The Consolidated Financial Statements do not include all the IFRSs disclosure information required for the full-year Financial Statements.

(II) Basis of Consolidation

Please refer to the 2021 Consolidated Financial Statements for the principles for preparing Consolidated Financial Statements.

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

(III) Other material accounting policies

Except for the following explanation, please refer to the summery of the material accounting policies in the 2021 Consolidated Financial Statements

1. Defined benefits and post-employment benefits

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

2. Income taxes

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

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Estimated Impairment of Financial Assets

The provision for impairment of loan, receivables, investments in debt instruments, and financial guarantee contracts is based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note LIII. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

VI. Cash and cash equivalents

	September 30th, 2022	December 31, 2021	September 30th, 2021
Cash on hand	$ 4,566,330	$ 6,901,414	$ 4,965,304
Checks for clearing	1,036,507	3,339,499	990,772
Due from banks	3,042,634	3,526,893	2,497,413
	$ 8,645,471	$ 13,767,806	$ 8,453,489

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

	September 30th, 2022	December 31, 2021	September 30th, 2021
Deposit reserve - checking account	$ 7,098,575	$ 11,484,835	$ 7,046,673
Required deposit reserve	20,188,075	17,971,361	17,482,871
Deposit reserve - foreign-currency deposits	111,100	96,915	97,531
	$ 27,397,750	$ 29,553,111	$ 24,627,075

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

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

VIII. Financial products measured at fair value through profit or loss

	September 30th, 2022	December 31, 2021	September 30th, 2021
Financial assets mandatorily measured at fair value			
Commercial paper	$ 34,121,501	$ 42,918,771	$ 55,962,010
Negotiable certificates of deposits	-	999,902	3,098,436
Domestic listed shares	877,491	829,450	1,470,843
Overseas listed shares	74,685	1,390	53,901
Domestic unlisted preferential shares	750,000	-	-
Overseas unlisted preferential shares	40,148	35,022	35,244
Funds and beneficiary certificates	1,310,392	1,455,853	2,553,854
Asset-backed securities	29,565	40,877	45,285
Future exchange margins - self owned	64,505	58,090	57,034
Subtotal	37,268,287	46,339,355	63,276,607
Derivative financial products			
Foreign exchange forward contracts	106,189	50,521	49,643
Currency swap contracts	2,779,462	159,113	177,336
Option contracts	196,262	94,064	90,576
Subtotal	3,081,913	303,698	317,555
	$ 40,350,200	$ 46,643,053	$ 63,594,162
Financial liabilities held for trading			
Derivative financial products			
Option contracts	$ 191,642	$ 94,042	$ 90,540
Foreign exchange forward contracts	892,635	6,041	6,306
Currency swap contracts	107,839	395,338	348,700
	$ 1,192,116	$ 495,421	$ 445,546

To take the advantage as the investment pioneer and assist the domestic green energy development, the Board of UVC resolved to invest the preferential shares of Hsing Rong Energy Co. Ltd on July 19, 2022, for total 75,000 thousand shares as par value NT$10; the amount is NT$750,000 thousand.

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

The contract amounts (notional amounts) of the derivative transactions for accommodating customers' needs and managing its exposure positions as of September 30th, 2022, December 31st and September 30th, 2021 are as follows:

	Contract amount		
	September 30th, 2022	December 31, 2021	September 30th, 2021
Currency swap contracts	$ 90,584,470	$ 88,513,566	$ 81,098,014
Foreign exchange forward contracts	3,450,180	2,011,356	2,206,371
Future	-	27,690	27,866
Option contracts			
Call options	5,557,721	2,552,388	2,151,581
Put options	5,557,721	2,552,388	2,151,581

As of September 30th, 2022, December 31st and September 30th, 2021, financial assets at fair value through profit and loss in the amounts of NT$15,426,405 thousand, NT$29,064,605 thousand and NT$31,830,802 thousand, respectively, were sold under repurchase agreements.

The open positions of futures transactions of the Company were as follows:

December 31, 2021

		Open Position			
Item	Products	Buy/Sell	Number of Contracts	Contract amount	Fair value
Futures Contract	US 10-year treasury 2023	Sell	10	$ 27,690	$ 27,766

September 30th, 2021

		Open Position			
Item	Products	Buy/Sell	Number of Contracts	Contract amount	Fair value
Futures Contract	US 10-year treasury 2023	Buyer	10	$ 27,866	$ 27,748

There was no opening future contract as of September 30th, 2022

The Company's futures trading margins receivable are as follows:

	September 30th, 2022	December 31, 2021	September 30th, 2021
Account balance	$ 64,505	$ 58,014	$ 57,152
Gains (losses) from opening future contracts	-	76	(118)
Account net worth	$ 64,505	$ 58,090	$ 57,034

IX. Financial assets measured at fair value through other comprehensive income

	September 30th, 2022	December 31, 2021	September 30th, 2021
Investments of the equity instruments measured at fair value through other comprehensive income			
Domestic listed shares	$ 5,419,931	$ 8,159,160	$ 9,781,226
Overseas listed shares	5,371,896	5,677,002	5,935,756
Unlisted shares, domestic and overseas	2,666,642	2,369,241	1,918,112
Subtotal	13,458,469	16,205,403	17,635,094
Investments of the debt instruments measured at fair value through other comprehensive income			
Overseas corporate bonds	15,799,904	17,945,996	18,280,672
Overseas financial bonds	3,320,991	5,310,605	5,462,002
Domestic corporate bonds	8,789,904	9,417,590	9,189,236
Overseas government bonds	14,927,969	5,810,431	10,742,015
Domestic government bonds	7,129,082	7,058,918	6,897,356
Subtotal	49,967,850	45,543,540	50,571,281
	$ 63,426,319	$ 61,748,943	$ 68,206,375

Details of the Company's investments in foreign and domestic unlisted shares as of September 30th, 2022 are as follows:

	September 30th, 2022	December 31, 2021	September 30th, 2021
Taiwan Futures Exchange	$ 532,759	$ 510,842	$ 498,092
LINE Bank Taiwan Limited	621,926	357,789	383,940
RFD Micro Electricity Co., Ltd.	468,966	529,648	105,809
Financial Information Service Co., Ltd.	375,549	356,843	329,160
iPass Corporation	-	-	45,254
Taiwan Asset Management Corporation	78,549	79,477	77,217
Taiwan Depository & Clearing Corporation	79,431	75,252	72,227
Healthy Io Limited	57,542	50,195	50,514
Taiwan Financial Asset Service Corporation	48,639	48,291	48,723
Others	403,281	360,904	307,176
	$ 2,666,642	$ 2,369,241	$ 1,918,112

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

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

For long-term strategic purpose, with the board approval on July 23, 2021, the Company invested the cash capital increase of iPass Corporation, and purchased all the iPass shares held by LINE Pay Taiwan Limited, for total 35,788 thousand shares. Therefore, the Company has increased the equity share from 11.4% to 33.94% and become materially influential to iPass since July 28, 2021; hence the equity method was adopted to recognize the investment.

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

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

The Company had sold NT$23,358,737 thousand, NT$8,789,959 and NT$10,108,739 thousand of its financial assets at FVTOCI under a repurchase agreement on September 30th, 2022, December 31st and September 30th, 2021, respectively.

X. Financial assets measured at amortized costs

	September 30th, 2022	December 31, 2021	September 30th, 2021
Negotiable certificates of deposit	$ 42,900,000	$ 48,100,000	$ 48,300,000
Debt instruments			
Domestic government bonds	9,773,202	9,920,610	9,940,590
Asset-backed securities	31,278,310	19,410,932	22,505,884
Subtotal	41,051,512	29,331,542	32,446,474
	$ 83,951,512	$ 77,431,542	$ 80,746,474

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

The Company sold financial assets at amortized cost under repurchase agreements in the amounts of NT$28,125,615 thousand, NT$17,353,068 thousand and NT$17,144,742 thousand on September 30th, 2022, December 31st and September 30th, 2021, respectively.

XI. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

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

	September 30th, 2022		
	At fair value through other comprehensive income	At amortized costs	Total
Total carrying amount	$ 58,723,507	$ 41,254,761	$ 99,978,268
Loss allowance	(1,462,240)	(203,249)	(1,665,489)
Fair value adjustment	(7,293,417)	-	(7,293,417)
	$ 49,967,850	$ 41,051,512	$ 91,019,362

	December 31, 2021		
	At fair value through other comprehensive income	At amortized costs	Total
Total carrying amount	$ 44,834,401	$ 29,517,065	$ 74,351,466
Loss allowance	(71,510)	(185,523)	(257,033)
Fair value adjustment	780,649	-	780,649
	$ 45,543,540	$ 29,331,542	$ 74,875,082

	September 30th, 2021		
	At fair value through other comprehensive income	At amortized costs	Total
Total carrying amount	$ 49,392,841	$ 32,633,176	$ 82,026,017
Loss allowance	(72,448)	(186,702)	(259,150)
Fair value adjustment	1,250,888	-	1,250,888
	$ 50,571,281	$ 32,446,474	$ 83,017,755

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

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

Credit Risk Ratings	Terms and definitions	ECL Recognition Basis	Expected Credit Loss Rate	September 30th, 2022 Carrying amount (Including Premiums and Discounts)
Low credit risk	Low credit risk at the reporting date	12-month expected credit losses	0%~3.6518%	$ 90,355,725
Significant increase in credit risk	Credit risk has increased significantly since initial recognition	Lifetime expected credit losses (no credit impairment)	0.3872%~ 30.4296%	397,299
Default	Evidence of impairment at the reporting date	Lifetime expected credit losses (with credit impairment)	50%	266,338

Credit Risk Ratings	Terms and definitions	ECL Recognition Basis	Expected Credit Loss Rate	December 31, 2021 Carrying amount (Including Premiums and Discounts)
Low credit risk	Low credit risk at the reporting date	12-month expected credit losses	0%~1.9406%	$ 74,875,082
Significant increase in credit risk	Credit risk has increased significantly since initial recognition	Lifetime expected credit losses (no credit impairment)	(Note)	-
Default	Evidence of impairment at the reporting date	Lifetime expected credit losses (with credit impairment)	100%	-

Credit Risk Ratings	Terms and definitions	ECL Recognition Basis	Expected Credit Loss Rate	September 30th, 2021 Carrying amount (Including Premiums and Discounts)
Low credit risk	Low credit risk at the reporting date	12-month expected credit losses	0%~1.9406%	$ 83,017,755
Significant increase in credit risk	Credit risk has increased significantly since initial recognition	Lifetime expected credit losses (no credit impairment)	(Note)	-
Default	Evidence of impairment at the reporting date	Lifetime expected credit losses (with credit impairment)	100%	-

Note: Not applicable as the credit rating of investment in debt instruments was normal.

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

	Credit Rating		
	Low credit risk (12-month expected credit losses)	Significant increase in credit risk (lifetime expected credit losses without credit impairment)	Objective evidence of impairment at the reporting date (lifetime expected credit losses with credit impairment)
Balance at January 1st, 2022	$ 257,033	$ -	$ -
Changes in credit risk ratings			
- Low credit risk to significant increase in credit risk	(714)	714	-
- Significant increase in credit risk to low credit risk	-	-	-
- Significant increase in credit risk to default	(2,985)	-	2,985
New debt instruments purchased	45,693	-	-
Derecognition	(17,115)	-	-
Changes in risk or model parameters	(157,225)	197,961	1,189,371
Exchange rate and other changes	149,229	105	437
Loss allowance on September 30th, 2022	$ 273,916	$ 198,780	$ 1,192,793

	Credit Rating		
	Low credit risk (12-month expected credit losses)	Significant increase in credit risk (lifetime expected credit losses without credit impairment)	Objective evidence of impairment at the reporting date (lifetime expected credit losses with credit impairment)
Balance at January 1st, 2021	$ 241,699	$ -	$ -
Changes in credit risk ratings			
- Low credit risk to significant increase in credit risk	-	-	-
- Significant increase in credit risk to low credit risk	-	-	-
- Significant increase in credit risk to default	-	-	-
New debt instruments purchased	35,054	-	-
Derecognition	(23,237)	-	-
Changes in risk or model parameters	11,167	-	-
Exchange rate and other changes	(5,533)	-	-
Loss allowance on September 30th, 2021	$ 259,150	$ -	$ -

XII. Investment of notes under reverse repurchase agreement and bonds

	September 30th, 2022	December 31, 2021	September 30th, 2021
Commercial paper	$ 16,332,943	$ 30,079,407	$ 29,612,458
Corporate bonds	8,699,952	26,608,330	28,834,220
Financial bonds	-	33,021	33,010
Government bonds	10,002	-	-
Negotiable certificates of deposits	1,200,037	1,000,698	2,901,334
	$ 26,242,934	$ 57,721,456	$ 61,381,022
Maturity date	October 2022	January - February, 2022	October 2021
Proceeds agreed for resale	$ 26,254,062	$ 57,728,728	$ 61,386,673

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

XIII. RECEIVABLES, NET

	September 30th, 2022	December 31, 2021	September 30th, 2021
Notes and accounts receivable	$ 21,480,618	$ 20,430,647	$ 21,125,060
Interest receivable	1,378,789	999,308	1,031,435
Interbank clearing fund receivable	3,112,540	3,500,374	3,000,708
Accounts receivable factoring without recourse	799,996	319,884	613,299
Collections receivable	903,844	1,075,587	1,449,555
Proceed of delivery	211,281	186,554	62,756
Acceptances receivable	195,865	220,120	114,654
Receipts under custody for non-peers receivable	81,200	92,036	95,133
Entrusted exchanges	35,292	556,415	118,082
Others	389,293	349,772	175,140
	28,588,718	27,730,697	27,785,822
Less: Allowance for doubtful accounts	227,800	254,076	246,547
Net	$ 28,360,918	$ 27,476,621	$ 27,539,275

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

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

September 30th, 2022

	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses (Credit-impaired Financial Assets)	Total
Balance at the beginning of the period	$ 26,562,872	$ 115,944	$ 1,051,881	$ 27,730,697
Receivables assessed collectively	(204,406)	26,668	177,738	-
Receivables purchased or originated	9,234,228	25,222	30,374	9,289,824
Write-offs	-	-	(112,760)	(112,760)
Derecognition	(8,049,283)	(42,359)	(227,401)	(8,319,043)
Balance at the end of the period	$ 27,543,411	$ 125,475	$ 919,832	$ 28,588,718

December 31, 2021

	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses (Credit-impaired Financial Assets)	Total
Balance at the beginning of the year	$ 23,952,958	$ 109,148	$ 1,093,153	$ 25,155,259
Receivables assessed collectively	(269,421)	25,276	244,145	-
Receivables purchased or originated	13,004,039	29,376	113,855	13,147,270
Write-offs	-	-	(163,758)	(163,758)
Derecognition	(10,124,704)	(47,856)	(235,514)	(10,408,074)
End of year balance	$ 26,562,872	$ 115,944	$ 1,051,881	$ 27,730,697

September 30th, 2021

	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses (Credit-impaired Financial Assets)	Total
Balance at the beginning of the period	$ 23,952,958	$ 109,148	$ 1,093,153	$ 25,155,259
Receivables assessed collectively	(216,434)	12,368	204,066	-
Receivables purchased or originated	10,208,932	30,022	42,221	10,281,175
Write-offs	-	-	(121,747)	(121,747)
Derecognition	(7,280,918)	(39,092)	(208,855)	(7,528,865)
Balance at the end of the period	$ 26,664,538	$ 112,446	$ 1,008,838	$ 27,785,822

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

September 30th, 2022

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected- credit Losses (Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	Total
Accounts receivable						
Balance at the beginning of the period	$ 75,695	$ 10,976	$ 86,908	$ 173,579	$ 80,497	$ 254,076
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(251)	495	(244)	-	-	-
- Transferred to credit-impaired financial assets	(30,712)	(22,741)	53,453	-	-	-
- Transferred to 12-month ECL	284	(225)	(59)	-	-	-
- Derecognition of financial assets in the current reporting period	(11,086)	(3,331)	(15,537)	(29,954)	-	(29,954)
New financial assets purchased or originated	60,089	24,919	73,407	158,415	-	158,415
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	(42,929)	(42,929)
Write-offs	-	-	(112,760)	(112,760)	-	(112,760)
Recovery of written-off receivables	-	-	155,107	155,107	-	155,107
Other changes	(48)	121	(154,632)	(154,559)	-	(154,559)
Change in exchange rates	404	-	-	404	-	404
Balance at the end of the period	$ 94,375	$ 10,214	$ 85,643	$ 190,232	$ 37,568	$ 227,800

December 31, 2021

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected- credit Losses (Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	Total
Accounts receivable						
Balance at the beginning of the year	$ 56,939	$ 16,678	$ 88,442	$ 162,059	$ 56,624	$ 218,683
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(357)	427	(70)	-	-	-
- Transferred to credit-impaired financial assets	(60,708)	(27,135)	87,843	-	-	-
- Transferred to 12-month ECL	606	(428)	(178)	-	-	-
- Derecognition of financial assets in the current reporting period	(17,665)	(5,629)	(14,989)	(38,283)	-	(38,283)
New financial assets purchased or originated	97,014	26,927	89,119	213,060	-	213,060
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	23,873	23,873
Write-offs	-	-	(163,758)	(163,758)	-	(163,758)
Recovery of written-off receivables	-	-	213,826	213,826	-	213,826
Change in risk parameters and others	(52)	136	(213,327)	(213,243)		(213,243)
Change in exchange rate	(82)	-	-	(82)	-	(82)
End of year balance	$ 75,695	$ 10,976	$ 86,908	$ 173,579	$ 80,497	$ 254,076

September 30th, 2021

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected- credit Losses (Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	Total
Accounts receivable						
Balance at the beginning of the period	$ 56,939	$ 16,678	$ 88,442	$ 162,059	$ 56,624	$ 218,683
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(301)	356	(55)	-	-	-
- Transferred to credit-impaired financial assets	(36,624)	(26,427)	63,051	-	-	-
- Transferred to 12-month ECL	594	(401)	(193)	-	-	-
- Derecognition of financial assets in the current reporting period	(17,434)	(5,516)	(13,807)	(36,757)	-	(36,757)
New financial assets purchased or originated	55,850	25,690	72,885	154,425	-	154,425
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	29,482	29,482
Write-offs	-	-	(121,747)	(121,747)	-	(121,747)
Recovery of written-off receivables	-	-	156,512	156,512	-	156,512
Other changes	(48)	115	(154,054)	(153,987)	-	(153,987)
Change in exchange rates	(64)	-	-	(64)	-	(64)
Balance at the end of the period	$ 58,912	$ 10,495	$ 91,034	$ 160,441	$ 86,106	$ 246,547

XIV. DISCOUNTS AND LOANS, NET

	September 30th, 2022	December 31, 2021	September 30th, 2021
Discounts and overdraft	$ 53,582	$ 56,480	$ 54,698
Accounts receivable - financing	24,350	31,820	36,360
Short-term loans	56,087,530	59,802,132	40,737,100
Secured short-term borrowing	100,412,323	85,411,913	79,705,879
Medium-term loans	41,226,228	36,584,765	36,078,107
secured mid-term borrowing	113,876,064	100,683,842	94,642,310
Long-term loans	8,816,263	9,914,334	10,223,212
Secured long-term borrowing	221,366,144	205,468,200	195,532,975
Import and export negotiations	183,128	355,235	218,707
Non-accrual loans from loans	408,631	319,748	473,888
Subtotal	542,454,243	498,628,469	457,703,236
Less: Allowance for doubtful accounts	6,086,489	5,395,959	5,350,966
	$ 536,367,754	$ 493,232,510	$ 452,352,270

As of September 30th, 2022, December 31st September 30th, 2021, the balances of nonaccrual loans were NT$408,631 thousand, NT$319,748 thousand and NT$473,888 thousand, respectively. The unrecognized interest revenues on nonperforming loans were NT$8,884 thousand and NT$10,631 thousand during January 1st to September 30th, 2022 and 2021. The Company has no credit re-sold without collection during January 1st to September 30th, 2022 and 2021.

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

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

September 30th, 2022

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected-credit Losses (Credit- impaired Financial Assets)	Total
Balance at the beginning of the period	$ 495,317,823	$ 1,972,968	$ 1,337,678	$ 498,628,469
Discount and loans assessed collectively	(1,175,484)	588,366	587,118	-
Discount and loans purchased or originated	226,183,535	502,879	88,888	226,775,302
Write-offs	-	-	(48,130)	(48,130)
Derecognition	(181,803,143)	(718,855)	(379,400)	(182,901,398)
Balance at the end of the period	$ 538,522,731	$ 2,345,358	$ 1,586,154	$ 542,454,243

December 31, 2021

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected-credit Losses (Credit- impaired Financial Assets)	Total
Balance at the beginning of the year	$ 424,210,714	$ 1,874,264	$ 1,538,618	$ 427,623,596
Discount and loans assessed collectively	(831,975)	376,508	455,467	-
Discount and loans purchased or originated	280,892,810	519,789	144,846	281,557,445
Write-offs	-	-	(349,574)	(349,574)
Derecognition	(208,953,726)	(797,593)	(451,679)	(210,202,998)
End of year balance	$ 495,317,823	$ 1,972,968	$ 1,337,678	$ 498,628,469

September 30th, 2021

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected-credit Losses (Credit- impaired Financial Assets)	Total
Balance at the beginning of the period	$ 424,210,714	$ 1,874,264	$ 1,538,618	$ 427,623,596
Discount and loans assessed collectively	(685,745)	180,820	504,925	-
Discount and loans purchased or originated	203,906,651	432,965	140,279	204,479,895
Write-offs	-	-	(133,920)	(133,920)
Derecognition	(173,207,309)	(587,032)	(471,994)	(174,266,335)
Balance at the end of the period	$ 454,224,311	$ 1,901,017	$ 1,577,908	$ 457,703,236

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

September 30th, 2022

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected-credit Losses (Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	Total
Discounts and loans						
Balance at the beginning of the period	$ 429,117	$ 110,659	$ 373,914	$ 913,690	$ 4,482,269	$ 5,395,959
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(345)	2,303	(1,958)	-	-	-
- Transferred to credit-impaired financial assets	(252)	(10,649)	10,901	-	-	-
- Transferred to 12-month ECL	19,625	(13,035)	(6,590)	-	-	-
- Derecognition of financial assets in the current reporting period	(256,644)	(38,057)	(15,384)	(310,085)	-	(310,085)
New financial assets purchased or originated	386,837	70,652	44,629	502,118	-	502,118
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	303,661	303,661
Write-offs	-	-	(48,130)	(48,130)	-	(48,130)
Recovery of written-off receivables	-	-	206,029	206,029	-	206,029
Other changes	64,227	56,209	(99,095)	21,341	-	21,341
Change in exchange rate	15,596	-	-	15,596	-	15,596
Balance at the end of the period	$ 658,161	$ 178,082	$ 464,316	$ 1,300,559	$ 4,785,930	$ 6,086,489

December 31, 2021

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected-credit Losses (Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	Total
Discounts and loans						
Balance at the beginning of the year	$ 245,586	$ 106,506	$ 433,757	$ 785,849	$ 3,992,384	$ 4,778,233
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(240)	2,723	(2,483)	-	-	-
- Transferred to credit-impaired financial assets	(165)	(14,115)	14,280	-	-	-
- Transferred to 12-month ECL	15,821	(8,287)	(7,534)	-	-	-
- Derecognition of financial assets in the current reporting period	(35,215)	(349)	(40,763)	(76,327)	-	(76,327)
New financial assets purchased or originated	368,755	40,640	50,121	459,516	-	459,516
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	489,885	489,885
Write-offs	(146,938)	(53,551)	(149,085)	(349,574)	-	(349,574)
Recovery of written-off receivables	-	-	266,608	266,608	-	266,608
Change in risk parameters and others	(15,762)	37,092	(190,987)	(169,657)	-	(169,657)
Change in exchange rate	(2,725)	-	-	(2,725)	-	(2,725)
End of year balance	$ 429,117	$ 110,659	$ 373,914	$ 913,690	$ 4,482,269	$ 5,395,959

September 30th, 2021

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected-credit Losses (Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	Total
Discounts and loans						
Balance at the beginning of the period	$ 245,587	$ 106,506	$ 433,757	$ 785,850	$ 3,992,384	$ 4,778,234
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(223)	3,161	(2,938)	-	-	-
- Transferred to credit-impaired financial assets	(152)	(20,549)	20,701	-	-	-
- Transferred to 12-month ECL	13,953	(7,177)	(6,776)	-	-	-
- Derecognition of financial assets in the current reporting period	(143,377)	(38,462)	(24,707)	(206,546)	-	(206,546)
New financial assets purchased or originated	260,287	34,313	45,453	340,053	-	340,053
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	469,708	469,708
Write-offs	-	-	(133,920)	(133,920)	-	(133,920)
Recovery of written-off receivables	-	-	192,413	192,413	-	192,413
Other changes	(13,891)	35,606	(108,571)	(86,856)	-	(86,856)
Change in exchange rate	(2,120)	-	-	(2,120)	-	(2,120)
Balance at the end of the period	$ 360,064	$ 113,398	$ 415,412	$ 888,874	$ 4,462,092	$ 5,350,966

XV. ALLOWANCE FOR DOUBTFUL ACCOUNTS, PROVISION FOR LOSSES ON COMMITMENTS AND GUARANTEES

	July 1st to September 30th, 2022	July 1st to September 30th, 2021	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Reversal of allowance for doubtful accounts on accounts receivable	($ 23,488)	($ 13,500)	($ 69,027)	($ 6,837)
Provision for doubtful accounts on discounts and loans	229,949	208,745	517,035	516,359
Provision for doubtful accounts on guarantees	5,000	23,000	(5,000)	100,000
	$ 211,461	$ 218,245	$ 443,008	$ 609,522

XVI. SUBSIDIARIES

The investees included in the consolidated financial statements

The entities of preparing the Consolidated Financial Statements are as follows:

Investor	Investee	Main Businesses	Percentage of Ownership September 30th, 2022	December 31, 2021	September 30th, 2021	Explain
Union Bank of Taiwan Co., Ltd.	UFLIC	Installment, leasing and accounts receivable factoring	100.00%	100.00%	100.00%	(I)
	Union Information Technology Corporation (UIT)	Software and hardware product retail and distribution, system programming development, system development outsourcing, website design, e-commerce, etc.	99.99%	99.99%	99.99%	(II)
	Union Finance International (HK) Limited	Import and export financing	100.00%	100.00%	99.99%	(III)
	Union Securities Investment Trust Corporation (USITC)	Securities investment trust	99.60%	99.60%	99.60%	(IV)
	Union Venture Capital Co., Ltd.	Venture Investment	100.00%	100.00%	100.00%	(V)
UFLIC	Union Capital (Cayman) Corp.	Investment, overseas financing, equipment leasing, installment selling, acquisition of accounts receivable, etc.	100.00%	100.00%	100.00%	(VI)
	New Asian Ventures Ltd.	Investment, overseas financing, equipment leasing, installment selling, acquisition of accounts receivable, etc.	-	-	-	(VI)
	Union Captial (Singapore) Holding PTE. Ltd.	Investment, overseas financing, equipment leasing, installment selling, acquisition of accounts receivable, etc.	100.00%	100.00%	100.00%	(VI) and (VIII)
	Uflc Capital (Singapore) Holding PTE. Ltd.	Investment, overseas financing, equipment leasing, installment selling, acquisition of accounts receivable, etc.	100.00%	100.00%	100.00%	(VI) and (VIII)
Union Captial (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1 (Japan)	Sale, purchasing and leasing of real estates, etc.	30.55%	30.55%	30.55%	(VII) and (VIII)
	Tokutei Mokuteki Kaisha SSG15 (Japan)	A real estate securitized special purpose company	49.00%	49.00%	49.00%	(VII) and (VIII)
Uflc Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1 (Japan)	Sale, purchasing and leasing of real estates, etc.	69.45%	69.45%	69.45%	(VII) and (VIII)
	Tokutei Mokuteki Kaisha SSG12 (Japan)	A real estate securitized special purpose company	49.00%	49.00%	49.00%	(VII) and (VIII)
	Tokutei Mokuteki Kaisha SSG16 (Japan)	A real estate securitized special purpose company	49.00%	49.00%	49.00%	(VII) and (VIII)
Kabushiki Kaisha UCJ1 (Japan)	Tokutei Mokuteki Kaisha SSG15 (Japan)	A real estate securitized special purpose company	51.00%	51.00%	51.00%	(VII) and (VIII)
	Tokutei Mokuteki Kaisha SSG12 (Japan)	A real estate securitized special purpose company	51.00%	51.00%	51.00%	(VII) and (VIII)
	Tokutei Mokuteki Kaisha SSG16 (Japan)	A real estate securitized special purpose company	51.00%	51.00%	51.00%	(VII) and (VIII)
Union Venture Capital Co., Ltd.	Corner Union Venture Capital, LLC (Delaware)	Venture Investment	100.00%	100.00%	100.00%	(IX)
	Na He Yi Hau Electric Power Inc.	Energy development and technology service	89.70%	89.70%	89.70%	(X)
	Union Energy Co., Ltd.	Venture Investment	100.00%	100.00%	100.00%	(XII)
	Ting Syu Energy Co., Ltd.	Energy development and technology service	60.00%	-	-	(XV)

(continued at next page)

(Cont’)

Investor	Investee	Main Businesses	Percentage of Ownership September 30th, 2022	December 31, 2021	September 30th, 2021	Explain
Union Energy Co., Ltd.	Na He Yi Hau Electric Power Inc.	Energy development and technology service	0.30%	0.30%	0.30%	(X)
	Ting Jie Electric Power Inc.	Energy development and technology service	90.00%	90.00%	90.00%	(XI)
	Tianji Smart Energy Co., Ltd.	Energy development and technology service	90.00%	90.00%	-	(XIV)
Corner Union Venture Capital, LLC (Delaware)	Corner Ventures DAG I-U, LLC (Delaware)	Venture Investment	100.00%	100.00%	100.00%	(IX)
	Corner Union, LLC (Delaware)	Venture Investment	100.00%	100.00%	100.00%	(IX)
Union Securities Investment Trust Corporation (USITC)	Union Private Equity Co., Ltd.	Venture Investment	100.00%	100.00%	100.00%	(XIII)

(I) Union Finance and Leasing International Corporation (UFLIC) was established under the Company Act on November 11, 1996. UFLIC trades and leases real estates, motor vehicles and machinery and equipment and does accounts receivable factoring, as well as the development and leasing of residences and buildings.

(II) Union Information Technology Corporation (UIT), which was incorporated on August 10, 1998, mainly renders software services, wholesale and retail of information software and telecommunications equipment, enterprise management consulting, etc.

(III) Union Finance International (HK) Limited was incorporated in Hong Kong on April 23, 1996. It mainly engages in financial services and financial investments.

(IV) Union Securities Investment Trust Corporation (USITC) was incorporated on November 20, 1998. It obtained a securities investment trust enterprise license and started operations on February 26, 1999; it mainly establishes securities investment trust funds by issuing beneficiary certificates, and apply the securities investment trust funds to invest securities and related products.

(V) In order to actively support the FSC’s needs to adapt to the nation’s overall industry development and to boost the diversification of the corporate banking business as well as improve the efficiency in the use of funds, the Bank established Union Venture Capital (“UVC”) in coordination with the nation’s financial policies, which was approved by the board of directors on September 26, 2018. The investment was approved by the FSC under Rule No. 10802042270 on March 28, 2019. Union Venture Capital was established by the Bank on November 21, 2019; it mainly engages in general business investment.

To extend the dynamic of investment capitals, on May 10th, 2022, the board of the Bank resolved to agree UVC to increase the capital for 60,000 thousand shares in cash for total NT$600,000 thousand. The base date of capital increase was July 13, 2022. As of the date of the Financial Statements, the total investment of the Bank is NT$1,400,000 thousand for shareholding of 100% .

(VI) UFLIC held 100% equity interest each in Union Capital (Cayman) Corp. and New Asian Ventures Ltd., which were incorporated in the British West Indies and the British Virgin Islands, in July 1997 and October 1997, respectively; these investees mainly engage in financial investment.

Uflc Capital (Singapore) Holding PTE. Ltd. and Union Captial (Singapore) Holding PTE. Ltd. were established in September 2014 and March 2016 by Cayman in Singapore. The capital was both US$1. The companies mainly engage in business of investments, overseas financing, equipment leasing, installment selling, acquisition of accounts receivable, etc. The subsidiary of UFLIC, Union Capital (Cayman) Corp., wants to comply with local economic regulations. Therefore, on February 25, 2020, the board approved to restructure the investment by transferring to Uflc Capital (Singapore) Holding PTE., Ltd. and Union Captial (Singapore) Holding PTE on July 1, and July 23. Ltd. the (the consideration was offset with the debt payable to UFLIC) and equity from Union Capital (Cayman) at the carrying value on June 30th, 2020 to UFLIC on July 1, 2020 and July 23, 2020, respectively. The prices were $485,420 thousand and $161,836 thousand.

In order to restructure the investment, in February 25, 2020, the board approved to liquidation the subsidiary of UFLIC, New Asian Ventures Ltd., the case was approved by British Virgin Island’s financial services commission on July 13, 2021 and the rest of asset was transfer back on July 23, 2021, New Asian Ventures Ltd. was official liquidated on July 29, 2021.

(VII) 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. in Japan as the entities of real estate securitization. Kabushiki Kaisha UCJ1 mainly buys, sells, and leases real estate. Tokutei Mokuteki Kaisha SSG15, SSG12 and SSG16 is a special purpose entity that securitizes real estate.

(VIII) Union Captial (Singapore) Holding PTE. Ltd., Uflc Capital (Singapore) Holding PTE. Ltd., Kabushiki Kaisha UCJ1, Tokutei Mokuteki Kaisha SSG15, SSG12 and SSG16 have fiscal years different from calendar years. To apply the equity method, the Company recognized the Consolidated Financial Statements of the said companies dated on June 30th, 2022, and properly adjusted for changes from significant transactions since the date up to September 30th, 2022.

(IX) In order to manage Union Venture Corporation's investment, the board agreed to sign investment advisory contract with Corner Venture Partners, LLC. With the 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 by Delaware state government in April and July 2020. Union Venture Corporation held 100% equity in the subsidiaries and engages in general business investment.

(X) In order to actively support the FSC's needs to adapt to the nation's overall industry development, on August 14, 2020, the board approved to make investment in green energy technology industry. The investment was in Na He Yi Hau Electric Power Inc. ("Na He Yi Hau"), with total investment of $900 thousand for 90% equity. To promote the subsequent green energy constructions and adjust the Company's investment structure, the capital increase of Na He Yi Hau was jointly participated with Union Energy Co., Ltd. As of September 30th, 2022, the Company invested NT$149,400 thousand for holding 90% equity of Na He Yi Hau.

(XI) In order to actively adapt to the development of the nation's startup industries, on November 24th, 2020, the board approved to acquire 90% equity of Ting Jie Electric Power Inc. with total invested capital of NT$900 thousand. For the investment development strategy and investment restructuring plan, on July 28th, 2021, the board of UVC resolved to sell a total of 90 thousand shares at NT$10 dollars per share to Union Energy. For promote the power plant construction in the future, Ting Jie Electric Power Inc. completed the capital increase in cash on July 30th, 2021. Union Energy invested NT$18,000 thousand proportionally to its shareholding. As of September 30th, 2022, Union Energy has invested a total of $18,900 thousand and held 90% of equity. Ting Jie Electric Power Inc. mainly engages in energy development and technology service.

(XII) In order to manage Union Venture Corporation's investments in startups in the future, it established Union Energy Co., Ltd ("Union Energy") and held 100% equity on December 17th, 2020. Union Venture Corporation has invested a total $90,000 thousand as of September 30th, 2022. It mainly engages in general business investment management.

(XIII) Union Securities Investment Trust Corporation actively supports the FSC's needs to adapt to the nation's overall industry development. On January 14th, 2020, the board approved to establish Union Private Equity Co., Ltd. on September 17th, 2020, with the total investment of $30,000 thousand and held 100% equity. The company mainly engages in general business investment and investment management advisory.

(XIV) 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. with the consideration of NT$394,413 thousand; as of September 30th, 2022, the shareholding is 90% of Tianji's stake. Tianjin Smart Energy Co., Ltd. mainly engages in energy development and technology service. (Note LVI)

(XV) In order to actively adapt to the development of the nation's startup industries, UVC's board resolved to set up Ting Xu Energy Co., Ltd. ("Ting Xu Energy") on May 31st, 2022. Ting Xu Energy was fully established on July 7th, 2022. As of September 30th, 2022, UVC has made share payment of NT$600 thousand in total with 60% of the stake. The major business engaged by Ting Xu Energy is energy development and technology service.

XVII. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30th, 2022	December 31, 2021	September 30th, 2021
Not individually material			
LINE Pay Taiwan Limited	$ 1,500,404	$ 1,480,143	$ 1,469,316
Union Construction Management Co., Ltd.	51,916	52,074	52,118
Blue Borders Medical and Health Management Consulting Co., Ltd.	124,777	139,141	-
iPass Corporation (Note IX)	288,714	321,802	-
	$ 1,965,811	$ 1,993,160	$ 1,521,434

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

	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Share attributed to the Company		
Current net loss	($ 27,349)	($ 15,555)

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

The investment accounted for using the equity methods, the Company's shares of profit and loss in such investments and other profit and loss, are calculated based on the unreviewed Financial Statements of the same period; provided, the management of the Company considers the Financial Statements of the investees are not reviewed by CPAs, with no material effect.

XVIII. OTHER FINANCIAL ASSETS, NET

	September 30th, 2022	December 31, 2021	September 30th, 2021
Assets Pledged (Note XLVIII)	$ 1,590,559	$ 1,608,573	$ 1,609,061
Due from banks - time deposit	-	70,385	215,398
Others	8,731	2,604	2,623
	$ 1,599,290	$ 1,681,562	$ 1,827,082

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

XIX. PROPERTY AND EQUIPMENT, NET

	September 30th, 2022	December 31, 2021	September 30th, 2021
Carrying amount of each category			
Land	$ 3,972,484	$ 3,972,480	$ 3,972,480
Buildings	3,150,533	3,215,960	3,236,986
Machinery and Computer Equipment	2,372,138	2,362,045	361,063
Transportation Equipment	53,404	55,094	54,740
Lease Improvements	199,231	192,184	190,761
Prepayment for equipment and property (Note XLVII)	2,415,813	169,458	102,888
	$ 12,163,603	$ 9,967,221	$ 7,918,918

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

Buildings	
Main buildings	50-55 years
Equipment installed in buildings	5 years
Machinery and Computer Equipment	3-20 years
Transportation Equipment	3-5 years
Lease Improvements	5 years

XX. LEASE ARRANGEMENTS

(I) Right-of-use assets

	September 30th, 2022	December 31, 2021	September 30th, 2021
Carrying amounts of right-of-use assets			
Land and buildings	$ 1,755,860	$ 1,908,089	$ 1,626,537

	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Increase in right-of-use assets	$ 153,786	$ 228,295
Depreciation expense of right-of-use assets		
Land	$ 11,884	$ 2,038
Buildings	351,694	358,379
	$ 363,578	$ 360,417

(II) Lease liabilities

	September 30th, 2022	December 31, 2021	September 30th, 2021
Carrying amounts of lease liabilities	$ 1,739,289	$ 1,894,074	$ 1,609,172

Range of discount rate for lease liabilities was as follows:

	September 30th, 2022	December 31, 2021	September 30th, 2021
Land and buildings	0.72%～1.78%	0.72%～1.78%	0.72%～1.78%

(III) Other lease information

	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Expenses relating to short-term leases	$ 124,833	$ 140,826
Total cash (outflow) for leases	($ 490,967)	($ 499,969)

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

XXI. INVESTMENT PROPERTIES, NET

	September 30th, 2022	December 31, 2021	September 30th, 2021
Land	$ 4,110,627	$ 4,254,377	$ 4,314,007
Buildings	582,482	657,144	683,552
	$ 4,693,109	$ 4,911,521	$ 4,997,559

The Company acquired investment properties amounting to $986,055 thousand, $1,026,015 thousand and $668,984 thousand via SSG15, SSG12 and SSG16 in Japan on September 2014, February 2016 and April 2016, respectively. The amount was based on the valuation by independent appraisers that were not the Company's related parties. Other than the aforesaid transactions and recognition of depreciation, the Company's investment properties have no material disposal or impairment as of January 1st and September 30th, 2022 and 2021.

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

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

The fair values of investment properties were NT$6,137,453 thousand, NT$6,337,383 thousand and NT$6,283,960 thousand as of September 30th, 2022, December 31st and September 30th, 2021, 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 XXXI 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 September 30th, 2022, December 31st and September 30th, 2021, refundable deposits paid under operating leases were NT$67,785 thousand, NT$68,840 thousand, and NT$71,049 thousand (included in other assets - refundable deposits), respectively.

The maturity analysis of lease payments receivable under operating leases of investment properties as of September 30th, 2022, December 31st and September 30th, 2021 is as follows:

	September 30th, 2022	December 31, 2021	September 30th, 2021
Year 1	$ 85,401	$ 144,300	$ 153,466
Year 2	29,666	56,671	70,053
Year 3	12,573	18,322	19,205
Year 4	11,437	13,033	14,150
Year 5	11,391	12,652	12,870
Year 6 onwards	62,265	80,564	86,077
	$ 212,733	$ 325,542	$ 355,821

XXII. GOODWILL

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

For the impairment test on Chung Shing, the Bank treated individual business units as cash-generating units (CGUs). Goodwill resulting from the merger was allocated to the relevant CGUs. The recoverable amount was determined by the value in use of each CGU, and the key assumptions adopted use the actual operations and business of CGUs or the objective information of the economic cycles as the basis of future cash flow estimation; based on the going-concern assumption, the net cash flows generated from the operations of each CGU in the next five years are forecasted. As of September 30th, 2022, the Bank has cumulatively recognized goodwill impairment loss for NT$902,691 thousand. As of September 30th, 2022, December 31st and September 30th, 2021, no impairment occurred based on the Company's assessment.

XXIII. OTHER ASSETS, NET

	September 30th, 2022	December 31, 2021	September 30th, 2021
Assets leased to others, net	$ 5,848,086	$ 6,176,559	$ 6,149,847
Refundable deposits	3,277,094	2,494,570	2,509,046
Prepaid expenses	604,950	1,449,378	1,406,708
Prepaid pension	239,777	185,368	166,989
Prepaid investment share payment	-	-	520,948
Others	90,980	137,385	122,064
	$ 10,060,887	$ 10,443,260	$ 10,875,602

XXIV. Deposits from the Central Bank and peers

	September 30th, 2022	December 31, 2021	September 30th, 2021
Call loans from banks	$ 7,328,349	$ 5,040,699	$ 8,870,002
Deposits from Chunghwa Post Co., Ltd.	4,574,680	4,599,730	5,099,730
Deposits from the Central Bank and peers	199,370	306,561	196,222
Overdraft from other banks	116,895	53,152	115,539
	$ 12,219,294	$ 10,000,142	$ 14,281,493

XXV. DUE TO THE CENTRAL BANK AND OTHER BANKS

	September 30th, 2022	December 31, 2021	September 30th, 2021
Due to the Central Bank (Note XLVIII)	$ -	$ 6,741,390	$ 6,254,950
Due to other banks (Note XXXI)	474,936	400,665	-
	$ 474,936	$ 7,142,055	$ 6,254,950

XXVI. Liabilities of notes under repurchase agreement and bonds

	September 30th, 2022	December 31, 2021	September 30th, 2021
Commercial paper	$ 15,460,370	$ 28,077,810	$ 29,357,303
Asset-backed securities	17,334,321	13,730,236	13,728,689
Corporate bonds	10,243,450	5,974,483	6,496,148
Government bonds	12,708,965	2,253,728	3,207,698
Financial bonds	356,395	242,325	248,276
Bank's negotiable certificates of deposits	-	1,001,174	2,981,156
	$ 56,103,501	$ 51,279,756	$ 56,019,270
Maturity date	October - December 2022	January - June 2022	October 2021 - March 2022
Agreed repurchase price	$ 56,337,328	$51,301,057	$ 56,035,985

XXVII. Accounts payable

	September 30th, 2022	December 31, 2021	September 30th, 2021
Accrued payable	$ 1,592,456	$ 252,265	$ 1,340,816
Exchange clearing payable	1,036,513	3,339,499	990,772
Collection payable	1,003,740	1,070,085	1,094,578
Interest payable	791,999	476,421	463,427
Expense payables	833,208	1,229,091	805,266
Agency business payable, not settled	368,675	5,457	129,980
Bank acceptance bill	195,866	220,120	114,654
Remittance payable	130,088	106,560	77,089
Share and fund payables	$ 116,170	$ 35,781	$ 157,259
Proceed of delivery	105,961	186,542	411,038
Tax payable	81,142	109,227	58,192
Entrusted exchanges	35,292	555,743	118,082
Others	854,216	933,173	784,190
	$ 7,145,326	$ 8,519,964	$ 6,545,343

XXVIII. Deposits and remittances

	September 30th, 2022	December 31, 2021	September 30th, 2021
Checking deposits	$ 5,038,752	$ 7,197,771	$ 7,440,329
Demand deposits	143,059,283	157,678,371	135,785,629
Savings deposits	398,592,694	390,486,917	384,682,443
Time deposits	139,429,316	115,506,519	115,864,380
Negotiable certificates of deposit	2,149,000	336,000	277,200
Inward and outward remittances	82,219	177,280	228,361
	$ 688,351,264	$ 671,382,858	$ 644,278,342

XXIX. BANK DEBENTURES

	September 30th, 2022	December 31, 2021	September 30th, 2021
First issue of subordinated bank debentures in 2015; fixed rate at 2.08%; maturity: April 2022	$ -	$ 2,200,000	$ 2,200,000
First issue of subordinated bank debentures in 2017; no maturity date and non-cumulative; redeemable at face value plus interest accrued under the approval of the authorities when the issue term is over 5.1 years; fixed rate at 4.20%	-	500,000	500,000
First issue of subordinated bank debentures in 2019; fixed rate at 1.10%; maturity: September 2026	500,000	500,000	500,000
First issue of subordinated bank debentures in 2019; fixed rate at 1.23%; maturity: September 2029	1,500,000	1,500,000	1,500,000
First issue of subordinated bank debentures in 2021; no maturity date and non-cumulative; redeemable at face value plus interest accrued under the approval of the authorities when the issue term is above 5.6 years; fixed rate at 1.92% (the benchmark interest rate is +1.1183%)	$ 3,000,000	$ 3,000,000	$ 3,000,000
	$ 5,000,000	$ 7,700,000	$ 7,700,000

XXX. PREFERENTIAL SHARE LIABILITIES

	September 30th, 2022	December 31, 2021	September 30th, 2021
PREFERENTIAL SHARE LIABILITIES	$ 367,000	$ 371,500	$ 371,500

On June 2nd, 2021, the board of directors of Union Energy Co., Ltd. approved to issue 37,150 thousand shares of preferred stock. The face value per share is NT$10, and the issuance amount is NT$371,500 thousand. The main terms and conditions of the preferred stock are the following:

(I) Maturity: Preferential shares A up to 20 years.

(II) Dividend: The annual interest rate is 5.0% per annum for the preferential shares A, based on the price per share.

(III) Dividend payment: Whereas Union Energy makes profit in a fiscal year, apart from paying the income tax by law, it shall first compensate for the deficits in previous years, appropriate the legal reserve, and appropriate or reverse the special reserve with respect to these Articles of Incorporation before distributing dividends deserved for preferential shares of the year. Union Energy has the sole discretion on the distribution of dividends of preferential 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 preferential shares, the preferential shareholders shall raise no objection if the resolution is not to distribute dividends of preferential 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. Dividends of preferential shares if distributed will be in cash and in one payment in a year. After the annual general meeting of shareholders ratifies the financial statements, the Board of Directors shall determine the base date to disburse the dividends for the previous year. The year of issuance and the recovery of the number of dividends issued of the year shall be calculated based on the actual number of days of issuance in the year. The amount of dividends distributed should be recognized on the dividend statements.

(IV) Exceeding dividend distribution: Preferential shares A, 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 shares from this Bank's earnings and legal reserves in cash or capital reserves.

(V) Redemption: Within 30 days from the first day of the 4th, 7th, 10th, 13th, 16th, and 19th years since the issuance date, Union Energy Co., Ltd. may, redeem a portion or all of the outstanding shares of preferential shares at any time at the issuance price plus the compensation at 5% annual interest rate for the actual issuance days of the same year. The rights and obligations of all types of issuance conditions of unrecovered preferential shares will continue. Should the board meeting resolution of Union Energy determine to issue dividends for preferential shares A in the recovery year, the dividends to be distributed shall be calculated by the day of recovery based on the actual number of days issued in the year.

(VI) Preferential shares repurchase: Preferential shares cannot be sold by the holders of preferential shares.

(VII) Liquidation priority: Holders of preferential shares A are entitled to a higher priority than holders of common shares 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 preferential shares issued by Union Energy, but the right to claim shall be limited to the issuance amount only.

(VIII) Voting and election rights: Holders of preferential shares A are not entitled to vote or elect, except for the meeting of holders of preferential shares or meeting of shareholders involving the rights and obligations of holders of preferential shares, both of which shall be entitled to the voting rights

(IX) Convertibility to common shares: Under no circumstances shall the conversion from preferential shares A into common shares be allowed, nor shall holders of preferential shares be entitled to request Union Energy to recover their preference shares held.

(X) When Union Energy issues new shares in cash, the shareholders of preferred stock and the common stock shall be entitled to equivalent preemptive rights on the new shares.

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

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

Due to the business demands, Union Energy recovered 450 thousand preferential shares A at the original issuance price plus compensation for NT$4,676 thousand with the consent of the board on March 28th, 2022.

On December 23rd, 2020, the boards of directors of Ting Jie Electric Power Inc. approved to issue 40,000 thousand shares, respectively, of preferential shares. The face value per share is NT$10. The amount of capital increase is NT$400,000 thousand.

On December 23rd, 2020, the boards of directors of Na He Yi Hau Electric Power Inc. approved to issue 12,400 thousand shares, respectively, of preferential shares. The face value per share is NT$10. The amount of capital increase is NT$124,000 thousand.

After the Articles of Incorporation was amended by the AGM in 2021, the said preferential share liabilities of Ting Jie Electric Power and Na He Yi Hau will be transferred to list under Equity pursuant to International Accounting Standards 32 "Financial Instruments: Presentation." Refer to Note XXXVI for the issuance terms after the amendment.

XXXI. CORPORATE BONDS PAYABLE

	September 30th, 2022	December 31, 2021	September 30th, 2021
Overseas corporate bonds - secured	$ 950,400	$ 1,047,276	$ 1,311,354

(I) TMK SSG15

To comply with the Specified Purpose Company Act in Japan, whenever TMK SSG15 issues overseas secured corporate bonds, the subsidiary UNION CAPITAL (SINGAPORE) HOLDING PTE. LTD ("UCSH") must transfer more than half of the common shares of SSG15 held by UCSH to the legal entity Ippam Shadan Hojin UCJ1 (ISH UCJ1) in order to establish bankruptcy isolation mechanism. TMK SSG15 provided an investment property of JPY3,787,112 thousand (equivalent to NT$832,971 thousand) as the collateral. TMK SSG15 issued five-year period secured corporate bonds with the issuance amount of JPY2,200,000 thousand (NT$483,888 thousand) in March 2020. According to the contract, the issuance can be extended by one year, every quarter will pay the interest and installment of JPY11,000 thousand. The overseas corporate bonds - secured has the book value of JPY2,101,000 thousand (NT$462,113 thousand) as of September 30th, 2022. The issuance interest rates of the corporate bonds are as follows:

1. The first to fifth years: Base interest rate + 0.41%

   Base rate: The Tokyo Swap Rate (TSR), six-month LIBOR-based 5-year JPY/JPY-interest swap rate displayed on page 17143 of the Telerate screen at 10:00 am (JST) on the day that is two business days before the issuance date.

2. The sixth year: Base interest rate + 1.41%

   Base rate: The 3-month TIBOR (based on 365 days) displayed as the Japanese yen TIBOR as published by the JBA TIBOR Administration on page 17097 of the Telerate screen at 11:00 am JST on the day that is two business days before the interest payment date.

(II) 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 shares 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 period secured corporate bonds with an issuance amount of JPY1,920,000 thousand (NT$422,302 thousand) in September 2021. According to the contract, the issuance can be extended by one year. The issuance interest rates of the corporate bonds are as follows:

1. The first to fifth years: Base interest rate + 0.5%

   Base rate: The five-year yen-yen swap rate displayed on Refinitiv Screen page 17143 as the index rate as of 10 a.m. Tokyo time two business days prior to the issue date.

2. The sixth year: Base interest rate + 0.5%

Base rate: The three-month yen TIBOR published by JBA TIBOR Administration as of 11 a.m., Tokyo time two business days prior to the first day of each interest calculation period during the tail period.

(III) 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 shares 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 period secured corporate bonds with a face value of JPY300,000 thousand (equivalent to NT$65,985 thousand) and borrowed with collateral for JPY1,250,000 thousand (equivalent to NT$274,936 thousand), both listed as financial with banks in September2021 (Note XXV). The issuance interest rates of the corporate bonds and borrowing with collateral is the base rate +0.850%. (Base rate: four-year exchange interest rate of the reference exchange interest rates in Tokyo). ）

XXXII. Other financial liabilities

	September 30th, 2022	December 31, 2021	September 30th, 2021
Commercial paper payable	$ 9,643,952	$ 9,777,795	$ 9,638,448
Principals of structured products	-	6,445	15,117
	$ 9,643,952	$ 9,784,240	$ 9,653,565

XXXIII. PROVISIONS

	September 30th, 2022	December 31, 2021	September 30th, 2021
Reserve for losses on guarantees and loan commitment	$ 328,619	$ 333,295	$ 316,309
Reserve for the liability of employees' benefit	10,906	11,130	12,533
Others	37,459	38,263	38,579
	$ 376,984	$ 382,688	$ 367,421

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

September 30th, 2022

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected-credit Losses (Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	Total
Reserve for losses on guarantees and loan commitment						
Balance at the beginning of the period	$ 60,190	$ 1,825	$ 271	$ 62,286	$ 271,009	$ 333,295
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(63)	63	-	-	-	-
- Transferred to credit-impaired financial assets	(47)	(6)	53	-	-	-
- Transferred to 12-month ECL	170	(169)	(1)	-	-	-
- Derecognition of financial assets in the current reporting period	(31,924)	(1,055)	(226)	(33,205)	-	(33,205)
New financial assets purchased or originated	56,806	3,227	55	60,088	-	60,088
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	(31,882)	(31,882)
Change in risk parameters and other changes	(1)	-	-	(1)	-	(1)
Change in exchange rate	324	-	-	324	-	324
Balance at the end of the period	$ 85,455	$ 3,885	$ 152	$ 89,492	$ 239,127	$ 328,619

December 31, 2021

	12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses Credit impaired financial assets)	Impairment provided pursuant to IFRS 9	Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	Total
Reserve for losses on guarantees and loan commitment						
Balance at the beginning of the year	$ 49,242	$ 1,666	$ 144	$ 51,052	$ 165,308	$ 216,360
Changes of financial instruments recognized at the beginning of the current reporting year						
- Transferred to lifetime ECL	(71)	72	(1)	-	-	-
- Transferred to credit-impaired financial assets	(93)	(5)	98	-	-	-
- Transferred to 12-month ECL	696	(677)	(19)	-	-	-
- Derecognition of financial assets in the current reporting period	(30,886)	(534)	(146)	(31,566)	-	(31,566)
New financial assets purchased or originated	41,367	1,303	195	42,865	-	42,865
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	105,701	105,701
Change in risk parameters and other changes	-	-	-	-	-	-
Change in exchange rate	(65)	-	-	(65)	-	(65)
End of year balance	$ 60,190	$ 1,825	$ 271	$ 62,286	$ 271,009	$ 333,295

September 30th, 2021

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected-credit Losses (Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	Total
Reserve for losses on guarantees and loan commitment						
Balance at the beginning of the period	$ 49,242	$ 1,666	$ 144	$ 51,052	$ 165,308	$ 216,360
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(60)	61	(1)	-	-	-
- Transferred to credit-impaired financial assets	(71)	(5)	76	-	-	-
- Transferred to 12-month ECL	689	(668)	(21)	-	-	-
- Derecognition of financial assets in the current reporting period	(30,775)	(511)	(123)	(31,409)	-	(31,409)
New financial assets purchased or originated	54,235	1,289	139	55,663	-	55,663
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	75,746	75,746
Change in exchange rate	(51)	-	-	(51)	-	(51)
Balance at the end of the period	$ 73,209	$ 1,832	$ 214	$ 75,255	$ 241,054	$ 316,309

XXXIV. Post-employment benefit plan

(I) Defined contribution plans

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

The total expenses recognized in consolidated statement of comprehensive income during January 1st to September 30th, 2022 and 2021, for NT$124,638 thousand and NT$117,437 thousand, respectively, as the contributions payable to these plans by the Company at proportion specified in the defined contribution plan.

(II) Defined benefit plans

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

The Company (except for Union Finance International (HK) Limited) recognized the pension expenses of NT$9,074 thousand and NT$9,135 thousand during January 1st to September 30th, 2022 and 2021, based on the pension cost rates determined by the actuarial calculation on December 31st, 2020 and 2019.

(III) Post-employment benefit plan of Union

Union Finance International (HK) Limited has a defined contribution plan under foreign standards and regulations and is thus not covered by the Labor Pension Act and the Labor Standards Act. Its pension costs were $59 thousand and $57 thousand during January 1st to September 30th, 2022 and 2021.

XXXV. Other liabilities

	September 30th, 2022	December 31, 2021	September 30th, 2021
Guarantee deposits	$ 2,459,829	$ 2,568,691	$ 2,645,376
Advance receipts	771,177	944,611	790,038
Others	155,227	83,900	93,834
	$ 3,386,233	$ 3,597,202	$ 3,529,248

XXXVI. EQUITY

(I) Share capital

Common shares

	September 30th, 2022	December 31, 2021	September 30th, 2021
Authorized number of shares (thousand shares)	4,500,000	4,500,000	4,500,000
Authorized share capital	$ 45,000,000	$ 45,000,000	$ 45,000,000
Number of shares issued and fully paid (thousand shares)	3,594,046	3,295,219	3,295,219
Issued share capital	$ 35,940,460	$ 32,952,187	$ 32,952,187

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

Preferential shares

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

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

The rights and other important conditions of issuance of the preferential shares - A are as follows:

1. Maturity: Perpetual for the preferential shares A of the Bank.
2. Dividend: The annual interest rate is 4.8% per annum (5-year IRS interest rate, 0.89125%+3.90875%) for the preferential shares A, based on the price per share. The 5-year IRS will be reset on the next business day after each fifth and half anniversary day after issuance thereafter. The pricing date for reset is the second business day of financial industry in Taipei immediately preceding each reset date. The 5-year IRS rate is the arithmetic mean of 5-year IRS rates appearing on Reuters pages "PYTWDFIX" and "COSMOS3" at 11:00 a.m. (Taipei time) on the relevant pricing date for reset. If such rate cannot be obtained, the Bank will determine the rate based on reasonable market price with good faith.
3. Dividend payment: Whereas Union Bank of Taiwan makes profit in a fiscal year, apart from paying the income tax by law, it shall first compensate for the deficits in previous years, appropriate the legal reserve, and appropriate or reverse the special reserve with respect to these Articles of Incorporation before distributing dividends deserved for preferential shares of the year. Union Bank of Taiwan shall enjoy the discretionary power over the distribution of dividends for preference shares, including but not limited to no earnings or earnings are insufficient for distribution of the dividend of preference shares after the annual account is closed; or should the distribution of the dividend for preference shares will cause this Bank's capital adequacy to become lower than the minimum requirements by law or as specified by competent authorities; or should there be other necessary considerations, this Bank may decide not to distribute the dividend for preference shares, and under no circumstances shall shareholders make objections thereof. In addition, the undistributed dividends or the shortfall in distributed dividends shall not be accumulated for compensation in future years with earnings. Dividends of preferential 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.

On May 31st, 2019, the Bank's AGM resolved to amend the Articles of Incorporation, specifying that the dividends of preferential shares may be distributed in cash every semi-fiscal year from the annual earnings, and the board of directors determines the base date to pay the dividends. 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: Preferential shares A, 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 shares from this Bank's earnings and legal reserves in cash or capital reserves.
5. Redemption of preferential shares A: After 5.5 years from the issue date, the Bank may redeem a portion or all of the outstanding shares of preferential shares at any time at the issue price. The rights and obligations of all types of issuance conditions of unrecovered preferential shares will continue. Should the board meeting resolution of the Bank determine to issue dividends for preferential shares A in the recovery year, the dividends to be distributed shall be calculated by the day of recovery based on the actual number of days issued in the year.
6. Liquidation preference: In the event of liquidation, when the competent authority assigned officials to take receivership over the Bank, order the Bank to suspend and wind up business, or liquidate the Bank, in accordance with the "Regulations Governing the Capital Adequacy and Capital Category of Banks", the order of priority for the distribution of the earnings and assets of the shareholders of preferential shares A is the same as that of a common shareholder, otherwise the shareholders of preferential shares shall be given priority to claim on the Bank's remaining assets over the shareholders of common shares, and equal to shareholders of other preferential shares issued by the Bank, but subordinate to the holders of Tier 2 capital, depositors, and other general creditors, and not more than the issuance amount of outstanding shares of preferential shares A.
7. Voting rights or election rights: The shareholders of preferential shares A are not entitled to any voting rights or election rights in shareholders' meeting. However, they may vote in preferential shares A shareholders' meetings and in general

shareholder meetings with regard to agenda items concerning rights and obligations of the shareholders of preferential shares A.

8. Convertibility to common shares: Under no circumstances shall the conversion from preferential shares A into common shares be allowed, nor shall holders of preferential shares be entitled to request the Bank to recover their preference shares held.

9. When the Bank issues new shares in cash to increase the capital, the shareholders of preferential shares A, and the common stock shall be entitled to equivalent rights on subscribing new shares.

(II) Capital reserve

	September 30th, 2022	December 31, 2021	September 30th, 2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Premium of issuing preferential shares	$ 8,000,000	$ 8,000,000	$ 8,000,000
Treasury share transactions	32,413	32,413	32,413
Premium of issuing common shares	38,123	13,281	13,282
May only be used to offset a deficit			
Changes in percentage of ownership interests in subsidiaries (2)	659	659	659
Changes in net values of equities of affiliates recognized with the equity method	5,631	5,631	-
	$ 8,076,826	$ 8,051,984	$ 8,046,354

1. The capital surplus from shares issued in excess of par (additional paid-in capital from issuance of ordinary shares and treasury stock transactions) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital limited to a certain percentage of the Company's capital surplus and to once a year.

2. The changes in ownership of subsidiaries under the capital reserve, are generated from the effects of equity transaction recognized due to changes of the subsidiaries' equities, but not actually acquiring or disposing the subsidiaries' equities.

(III) Legal reserve

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

(IV) Special surplus reserve

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

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

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

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

	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Balance at the beginning of the period	$ 627,440	$ 627,440
Special reserves appropriated of the period	-	-
Balance at the end of the period	$ 627,440	$ 627,440

(V) Retained earnings and dividend policy

Should there be net earnings after the account is closed, apart from paying the income tax by law, the Bank shall first compensate for the deficits in previous years and then appropriate thirty percent (30%) as the legal reserve. Next, the balance shall be appropriated or reversed as the special reserve by law or based on business needs. Then, the balance after that, if any, shall be combined to the accumulative unappropriated earnings of the previous year for BOD to draw up a proposal for earnings distribution and submit to AGM for adoption of the distribution of dividends and bonuses. When distributing the surplus of the preceding paragraph, the statutory surplus reserve and the capital reserve by way of issuing new shares, the shareholders' meeting will be held to make a special resolution; for the cash distribution, the board of directors is authorized to resolve the proposal with more than two-thirds of the directors attending and resolution of more than half of the attending directors, and a report of such distribution should be submitted in the shareholders' meeting.

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

The Bank's AGM resolved the earning distributions for 2021 and 2020 on May 27th, 2022 and July 20th, 2021 as below:

	Earning distribution		Dividends per share (NT$)	
	2021	2020	2021	2020
Legal reserve	$ 1,665,178	$ 1,041,070		
Cash dividends of common shares	494,282	-	$ 0.15	$ -
Share dividends of common shares	2,916,269	1,951,916	0.885	0.631
Cash dividends of preferential shares	480,000	480,000	2.4	2.4

The capital increase for 2020 has been approved on August 11th, 2021 by Securities and Futures Bureau, and on August 17th, 2021, the Board of Directors approved the base date of capital increase to be September 7th, 2021.

(VI) Other equity items

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

	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Balance at the beginning of the period	($ 1,636,613)	($ 1,091,223)
Exchange differences arising on translation the foreign operations	1,790,280	(518,377)
Income tax on exchange differences on translation of the net assets of foreign operations	(358,056)	103,675
Balance at the end of the period	($ 204,389)	($ 1,505,925)

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

	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Balance at the beginning of the period	$ 7,283,034	$ 6,942,293
Generated in the current period		
Unrealized gain (loss)		
Debt instruments	(8,034,750)	(154,892)
Equity instrument	(2,680,145)	1,405,206
Adjustments to loss allowance for debt instruments	1,390,730	10,349
Reclassification adjustment		
Disposal of debt instruments	(39,316)	(302,886)
Other comprehensive income for the period	(9,363,481)	957,777
Accumulated gain (loss) transferred to retained earnings from disposal of equity instruments	30,278	(597,371)
Balance at the end of the period	($ 2,050,169)	$ 7,302,699

(VII) Non-controlling interests

	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Balance at the beginning of the period	$ 729,758	$ 1,577
Current net profit	2,853	33
Other comprehensive income for the period		
Unrealized gain (loss) on financial assets at FVTOCI	3	3
Preferential shares issued by subsidiaries	1,314,000	-
Acquisition of part of subsidiaries' equities	407	18,500
Changes in percentage of ownership interests in subsidiaries (note)	-	(659)
Cash dividends from the subsidiaries	(133)	(90)
Preferential shares liabilities of subsidiaries converted to preferential shares	-	524,000
Balance at the end of the period	$ 2,046,888	$ 543,364

Note: The Company did not subscribe, proportionally to its shareholding, the equity from the cash capital increase of Na He Yi Hau Electric Power Inc. on August 10th, 2021, and hence the shareholding percentage was decreased to 90% from 99.93%. The transaction did not change the Company's control over Na He Yi Hau Electric Power Inc., and the Company treated as an equity transaction.

In 2021, the shareholders' meeting of Ting Jie Electric Power Inc. resolved to amend the issuance conditions of preferential shares A in the Articles of Incorporation. There are total 40,000 thousand shares with the face value of NT$10 per share, for total NT$400,000 thousand. The amended key issuance conditions of the preferential shares are as below:

1. Maturity: Perpetual for the preferential shares A
2. Interest: The annual interest rate is 6.5% per annum for the preferential shares A, 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 preferential shares of the year. Ting Jie Electric Power has the sole discretion on the distribution of dividends of preferential 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 preferential shares, the preferential shareholders shall raise no objection if the resolution is not to distribute dividends of preferential 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 preferential 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: Preferential shares A, 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 shares from this Bank's earnings and legal reserves in cash or capital reserves.
5. Redemption of preferential shares A: After 5 years from the issue date, Ting Jie Electric Power may redeem a portion or all of the outstanding shares of preferential shares at any time at the issue price. The rights and obligations of all types of issuance conditions of unrecovered preferential shares will continue. Should the board meeting resolution of Ting Jie Electric Power determine to issue dividends for preferential shares A in the recovery year, the dividends to be distributed shall be calculated by the day of recovery based on the actual number of days issued in the year.
6. Preferential shares repurchase: Preferential shares cannot be sold by the holders of preferential shares.

7. Liquidation priority: Holders of preferential shares A are entitled to a higher priority than holders of common shares 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 preferential 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 preferential shares A are not entitled to vote or elect, except for the meeting of holders of preferential shares or meeting of shareholders involving the rights and obligations of holders of preferential shares, both of which shall be entitled to the voting rights
9. Convertibility to common shares: Under no circumstances shall the conversion from preferential shares A into common shares be allowed, nor shall holders of preferential shares be entitled to request Ting Jie Electric Power to recover their preference shares held.
10. When Ting Jie Electric Power issues new shares in cash, the shareholders of preferred stock and the common stock shall be entitled to equivalent preemptive rights on the new shares.

On April 11th, 2022, the board of Ting Jie Electric Power approved to issue 120,000 thousand shares of preferential shares B with the face value of NT$10, for total NT$1,200,000 thousand. The key issuance conditions of the preferential shares are as below:

1. Maturity: Perpetual for the preferential shares B
2. Dividend: The annual interest rate is 6.5% per annum for the preferential shares B, 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 preferential shares of the year. Ting Jie Electric Power has the sole discretion on the distribution of dividends of preferential 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 preferential shares, the preferential shareholders shall raise no objection if the resolution is not to distribute dividends of preferential 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 preferential 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: Preferential shares B, 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 shares from this Bank’s earnings and legal reserves in cash or capital reserves.
5. Redemption of preferential shares B: After 3 years from the issue date, Ting Jie Electric Power may redeem a portion or all of the outstanding shares of preferential shares at any time at the issue price. The rights and obligations of all types of issuance conditions of unrecovered preferential shares will continue. Should the board meeting resolution of Ting Jie Electric Power determine to issue dividends for preferential shares B 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. Preferential shares repurchase: Preferential shares cannot be sold by the holders of preferential shares.

7. Liquidation priority: Holders of preferential shares B are entitled to a higher priority than holders of common shares 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 preferential 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 preferential shares B are not entitled to vote or elect, except for the meeting of holders of preferential shares or meeting of shareholders involving the rights and obligations of holders of preferential shares, both of which shall be entitled to the voting rights
9. Convertibility to common shares: Under no circumstances shall the conversion from preferential shares B into common shares be allowed, nor shall holders of preferential shares be entitled to request Ting Jie Electric Power to recover their preference shares B held.
10. When Ting Jie Electric Power issues new shares in cash, the shareholders of preferential shares B 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 preferential shares A in the Articles of Incorporation. There are 12,400 thousand shares in total with the face value of NT$10 per share, for total NT$124,000 thousand. The amended key issuance conditions are as below:

1. Maturity: Perpetual for the preferential shares A
2. Interest: The annual interest rate is 6.5% per annum for the preferential shares A, 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 preferential shares of the year. Na He Yi Hau has the sole discretion on the distribution of dividends of preferential 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 preferential shares, the preferential shareholders shall raise no objection if the resolution is not to distribute dividends of preferential 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 preferential 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: Preferential shares A, 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 shares from this Bank's earnings and legal reserves in cash or capital reserves.
5. Redemption of preferential shares A: After 5 years from the issue date, Na He Yi Hau may redeem a portion or all of the outstanding shares of preferential shares at any time at the issue price. The rights and obligations of all types of issuance conditions of unrecovered preferential shares will continue. Should the board meeting resolution of Na He Yi Hau determine to issue dividends for preferential shares A in the recovery year, the dividends to be distributed shall be calculated by the day of recovery based on the actual number of days issued in the year.
6. Preferential shares repurchase: Preferential shares cannot be sold by the holders of preferential shares.

7. Liquidation priority: Holders of preferential shares A are entitled to a higher priority than holders of common shares 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 preferential 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 preferential shares A are not entitled to vote or elect, except for the meeting of holders of preferential shares or meeting of shareholders involving the rights and obligations of holders of preferential shares, both of which shall be entitled to the voting rights
9. Convertibility to common shares: Under no circumstances shall the conversion from preferential shares A into common shares be allowed, nor shall holders of preferential shares be entitled to request Na He Yi Hau to recover their preference shares held.
10. When Na He Yi Hau issues new shares in cash, the shareholders of preferred stock and the common stock shall be entitled to equivalent preemptive rights on the new shares.

Union Green Energy Ⅰ Private Equity Limited Partnership acquired all of the preferential shares issued by Ting Jie Electric Power and Na He Yi Hau.

For the needs of business, and approved by the directors in December 2021, Tian Ji Smart issued preferential shares at the premium of NT$50 per share. The actual shares for the capital increase is 5,280 thousand shares for total NT$264,000 thousand. The issuance conditions of the preferential shares are as follows:

1. Maturity: Perpetual for the preferential shares A
2. Dividend: The annual interest rate is 5% per annum for the preferential shares A, 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 preferential shares of the year. The Company has the sole discretion on the distribution of dividends of preferential 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 preferential shares, the preferential shareholders shall raise no objection if the resolution is not to distribute dividends of preferential 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 preferential 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: Preferential shares A, 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 shares from this Bank's earnings and legal reserves in cash or capital reserves.
5. Redemption of preferential shares A: After 5 years from the issue date, the Company may redeem a portion or all of the outstanding shares of preferential shares at any time at the issue price. The rights and obligations of all types of issuance conditions of unrecovered preferential shares will continue. Should the board meeting resolution of the Company determine to issue dividends for preferential shares A in the recovery year, the dividends to be distributed shall be calculated by the day of recovery based on the actual number of days issued in the year.
6. Preferential shares repurchase: Preferential shares cannot be sold by the holders of preferential shares during the issuance period.
7. Liquidation priority: Holders of preferential shares A are entitled to a higher priority than holders of common shares 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 preferential 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 preferential shares A are not entitled to vote or elect, except for the meeting of holders of preferential shares or meeting of shareholders involving the rights and obligations of holders of preferential shares, both of which shall be entitled to the voting rights
9. Convertibility to common shares: Under no circumstances shall the conversion from preferential shares A into common shares be allowed, nor shall holders of preferential shares be entitled to request the Company to recover their preference shares held.

XXXVII. NET INTEREST INCOME

	July 1st to September 30th, 2022	July 1st to September 30th, 2021	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Interest income				
Discounts and loans	$ 2,959,626	$ 2,130,337	$ 7,847,857	$ 6,271,478
Interests from revolving credit	199,626	190,993	596,085	600,104
Due from the Central Bank and call loans to other banks	32,457	11,225	65,706	56,913
Investment of bonds under reverse repurchase agreement	54,071	31,494	119,662	81,024
Interests from debt instruments measured at amortized costs	367,810	201,741	898,505	711,213
Interests from financial assets measured at fair value through other comprehensive income	340,893	291,421	970,843	853,772
Other interest income	33,316	43,211	75,146	101,388
Subtotal	3,987,799	2,900,422	10,573,804	8,675,892
Interest expense				
Interests from deposits	1,087,249	600,896	2,479,467	1,841,741
Interests from financial bonds	20,387	37,059	80,536	133,713
Interests from notes under repurchase agreement and bonds	245,689	37,007	403,398	117,039
Due to Chunghwa Post Co., Ltd.	11,203	8,255	28,666	24,798
Other interest expense	66,926	46,147	152,678	122,624
Subtotal	1,431,454	729,364	3,144,745	2,239,915
Total	$ 2,556,345	$ 2,171,058	$ 7,429,059	$ 6,435,977

XXXVIII. COMMISSION AND FEE INCOME, NET

	July 1st to September 30th, 2022	July 1st to September 30th, 2021	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Fee income				
Fees from credit cards and debit cards	$ 692,533	$ 570,824	$ 1,899,215	$ 1,618,101
COMMISSION AND FEE REVENUE, NET	199,146	191,209	731,192	495,728
Fees from trust	150,980	150,820	394,667	494,769
Fees from loans	143,432	97,491	368,450	298,897
Incomes from interbank service	14,230	23,141	53,501	74,893
Fees from underwriting	39,218	35,299	112,845	95,070
Fees from guarantee	29,848	33,039	99,513	96,674
Others	112,713	53,891	269,931	156,743
Subtotal	1,382,100	1,155,714	3,929,314	3,330,875
Commission and fee expense				
Fees from credit cards	209,231	164,896	578,470	504,922
Fees from credit inquiry	13,257	11,015	28,160	26,126
Fees from interbank service	7,316	6,395	21,760	21,432
Fees from acquiring liquidation deal	286,150	222,328	758,783	514,310
Others	44,338	21,921	96,429	74,137
Subtotal	560,292	426,555	1,483,602	1,140,927
Total	$ 821,808	$ 729,159	$ 2,445,712	$ 2,189,948

XXXIX. Net income of financial assets or liabilities at FVTPL

	July 1st to September 30th, 2022	July 1st to September 30th, 2021	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Realized gain or loss on financial assets at fair value through profit or loss				
Currency swap contracts	$ 63,533	$ 48,504	$ 104,768	$ 116,065
Interest income	87,850	46,167	231,849	134,032
Corporate bonds	-	-	-	1,196
Foreign exchange forward contracts	(22,999)	9,148	(66,275)	22,335
Principal guaranteed notes	4,758	2,493	11,238	7,225
Government bonds	-	-	-	(2,293)
Commercial paper	2,668	3,331	7,207	12,743
Option contracts	1,036	489	2,314	852
Dividend incomes	21,184	39,601	42,987	52,192
Beneficiary securities and shares	(144,483)	244,876	(690,508)	495,099
Futures exchange margins	6,971	(228)	7,052	1,833
Subtotal	20,518	394,381	(349,368)	841,279
Profit or loss of financial assets or liabilities at FVTPL				
Derivative financial assets and liabilities	1,730,181	57,045	2,091,846	(562,565)
Government bonds and corporate bonds	(2,142)	(1,850)	(7,530)	(3,267)
Commercial paper	922	(3,102)	5,790	(11,872)
Beneficiary securities and shares	81,815	(378,712)	(122,237)	(10,732)
Subtotal	1,810,776	(326,619)	1,967,869	(588,436)
Total	$ 1,831,294	$ 67,762	$ 1,618,501	$ 252,843

XL. REALIZED GAIN ON FINANCIAL ASSETS AT FVTOCI

	July 1st to September 30th, 2022	July 1st to September 30th, 2021	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Income on disposal - debt instruments	($ 83,855)	$ 204,060	$ 39,316	$ 302,886
Dividend incomes	247,087	431,564	686,390	503,701
Total	$ 163,232	$ 635,624	$ 725,706	$ 806,587

XLI. REVERSAL OF LOSS (IMPAIRMENT LOSS)

	July 1st to September 30th, 2022	July 1st to September 30th, 2021	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Debt instruments measured at fair value through other comprehensive income	($ 27,185)	($ 15,687)	($ 1,267,005)	($ 11,627)
Financial assets measured at amortized costs	(92)	-	8,320	(11,357)
Collaterals	-	-	2,108	-
Total	($ 27,277)	($ 15,687)	($ 1,256,577)	($ 22,984)

XLII. Employee Benefits

	July 1st to September 30th, 2022	July 1st to September 30th, 2021	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Salaries and wages	$ 662,226	$ 647,455	$ 1,948,447	$ 1,950,739
Bonus	416,683	238,826	756,877	692,765
Post-employment benefits				
Defined contribution plans	37,940	38,126	124,697	117,494
Defined benefit plans	3,745	2,840	9,074	9,135
Labor insurance and national health insurance	86,571	83,519	270,448	261,053
Other employee benefits	27,581	26,084	76,921	76,647
Total	$ 1,235,746	$ 1,036,850	$ 3,186,464	$ 3,107,833

The Bank accrued remuneration of employees and directors at the rates of between 1% and 5% and no higher than 0.1%, respectively, of net profit before income tax (in case of accumulated losses, the amount to offset the losses shall be set aside in advance) The remuneration of employees and directors estimated for January 1st to September 30th, 2022 and 2021 are as follows:

Accrual rate

	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Remuneration of employees	1.84%	1.84%
Remuneration of directors	0.09%	0.09%

Amount

	July 1st to September 30th, 2022	July 1st to September 30th, 2021	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Remuneration of employees	$ 27,576	$ 28,150	$ 57,680	$ 76,510
Remuneration of directors	$ 1,349	$ 1,380	$ 2,821	$ 3,745

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

The Company held the board meetings on March 7th, 2022 and March 10, 2021, to resolve the remuneration of employees and directors for 2021 and 2020, respectively, as below:

	2021		2020	
	Cash	Shares	Cash	Shares
Remuneration of employees	$ -	$ 96,846	$ -	$ 72,242
Remuneration of directors	4,737	-	3,534	-

The remunerations of employees for 2021 and 2020 were 7,200 thousand shares and 6,658 shares, and the calculation were based on the closing prices, NT$13.45 and NT$10.85, of the day before the board's resolution date.

There was no difference remunerations of employees and directors paid and the amounts recognized in the financial statements for 2021 and 2020.

Information on the remunerations of employees and directors resolved by the Bank's board of directors in 2021 and 2020 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

XLIII. DEPRECIATION AND AMORTIZATION

	July 1st to September 30th, 2022	July 1st to September 30th, 2021	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Depreciation of assets leased	$ 432,246	$ 437,927	$ 1,293,557	$ 1,279,497
Depreciation of properties and equipment	96,439	71,874	289,305	216,632
Depreciation of investment properties	10,499	11,283	32,097	34,264
Depreciation of right-of-use assets	121,212	137,015	363,578	360,417
Amortization of intangible assets	23,828	23,503	68,896	69,782
Total	$ 684,224	$ 681,602	$ 2,047,433	$ 1,960,592

XLIV. OTHER OPERATING AND MANAGEMENT EXPENSES

	July 1st to September 30th, 2022	July 1st to September 30th, 2021	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Advertisement fee	$ 210,156	$ 208,570	$ 625,117	$ 665,478
Taxation and levies	229,680	177,888	636,529	540,048
Outsourcing service	90,337	76,771	276,499	257,619
Postage/cable charge	23,798	18,525	141,544	137,854
Computer operating	51,322	47,167	146,536	142,159
Maintenance charge	43,348	31,608	121,622	107,297
Rents	40,503	48,930	124,833	140,862
Deposit insurance	42,461	40,796	126,511	120,269
Others	204,720	212,474	563,722	547,334
Total	$ 936,325	$ 862,729	$ 2,762,913	$ 2,658,920

XLV. Income tax

(I) Income tax recognized in profit or loss

The main components of income tax expense were as follows:

	July 1st to September 30th, 2022	July 1st to September 30th, 2021	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Current income tax				
Incurred in the current year	$ 266,392	$ 208,024	$ 712,107	$ 538,096
Adjustment for prior year	8,283	-	5,509	1,841
Deferred tax				
Incurred in the current year	(14,438)	(34,222)	20,027	(37,243)
Income tax expense recognized in profit or loss	$ 260,237	$ 173,802	$ 737,643	$ 502,694

(II) Income tax recognized in other comprehensive income

	July 1st to September 30th, 2022	July 1st to September 30th, 2021	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Deferred tax				
Recognized in other comprehensive income:				
- Exchange differences on the translation of financial statements of foreign operations	($ 197,708)	6,087	($ 358,056)	$ 103,675
- Unrealized gain or loss on financial assets at fair value through other comprehensive income	40,335	48,709	61,150	(17,220)
Total income tax gains (expenses) recognized in other comprehensive income	($ 157,373)	$ 54,796	($ 296,906)	$ 86,455

(III) Income tax assessments

	Assessments
Union Bank of Taiwan	Assessed to 2020
Union Finance and Leasing (Int'l) Corp	Assessed to 2020
Union Information Technology Corporation	Assessed to 2020
Union Securities Investment Trust Co., Ltd.	Assessed to 2020
Union Venture Capital Co., Ltd.	Through 2019
Union Energy Co., Ltd.	Assessed to 2020
Tian Ji Smart	Assessed to 2020

XLVI. EARNINGS PER SHARE

	July 1st to September 30th, 2022	July 1st to September 30th, 2021	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Basic earnings per share	$ 0.34	$ 0.23	$ 0.53	$ 0.86
Diluted earnings per share	$ 0.34	$ 0.23	$ 0.53	$ 0.86

Net profit of the year

	July 1st to September 30th, 2022	July 1st to September 30th, 2021	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Earnings used in the computation of basic earnings per share	$ 1,224,631	$ 1,307,686	$ 2,370,872	$ 3,570,333
Less: Dividends on preferential shares announced (Note)	-	(480,000)	(480,000)	(480,000)
Earnings used in the computation of diluted earnings per share	$ 1,224,631	$ 827,686	$ 1,890,872	$ 3,090,333

Note: The dividends on preferential shares of 2020 were resolved by the shareholders' meeting on July 20th, 2021, and the base date of payment was August 15th, 2021.

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

Number of shares

Unit: thousand shares

	July 1st to September 30th, 2022	July 1st to September 30th, 2021	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Weighted average number of ordinary shares used in the computation of basic earnings per share	3,594,046	3,586,845	3,592,331	3,585,187
Effect of potentially dilutive ordinary shares				
Remuneration of employees	1,815	2,376	5,550	8,115
Weighted average number of ordinary shares used in the computation of diluted earnings per share	3,595,861	3,589,221	3,597,881	3,593,302

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.

XLVII. Transactions with Related Parties

The transactions, account balance, incomes and expenses between the Company and subsidiaries (as the related parties of the Company) are all cancelled when consolidating, and thus not disclosed in the Note. Other than the material transactions of the Company with other related parties disclosed in notes, others are indicated below:

(I) Related parties and their relationships with the Company

Related Party	Relationship with the Company
Union Construction Management Co., Ltd. (Union Construction Management)	Affiliate
LINE Pay Taiwan Limited (LINE Pay Taiwan)	Affiliate
iPASS Corporation	Affiliate
Blue Borders Medical and Health Management Consulting Co., Ltd. (Blue Borders)	Affiliate
Horng Gow Construction Co., Ltd. (Horng Gow)	Related party in substance
The Liberty Times Co., Ltd. (the Liberty Times)	Related party in substance
Long Shan Lin Corporation (Long Shan Lin)	Related party in substance
Yung Hsuan Co., Ltd	Related party in substance
Union Enterprise Construction Co., Ltd. (Union Enterprise Construction before October 2021)	Related party in substance
Yu-Bon Limited Co. (Yu-Bon)	Related party in substance
Lianhe Investment Co., Ltd. (Lianhe Investment)	Related party in substance
Union Recreation Enterprise Corporation (Union Recreation Enterprise)	Related party in substance
Union Optronics Corp. (Union Optronics)	Related party in substance
Hi-Life International Co., Ltd. (Hi-Life International)	Related party in substance
RFD Micro Electricity Co., Ltd. (RFD Micro)	Related party in substance
Hsinrong Energy Technology Co., Ltd. (Hsinrong Energy)	Related party in substance
Issued by Union Securities Investment Trust	Issued by Union Securities Investment Trust
Union Green Energy Private Equity Limited Partnership	Union Private Equity Co., Ltd. and UFLIC are general partner and limited partner, respectively
Union Green Energy Ⅰ Private Equity Limited Partnership	Subsidiary, Union Private Equity Co., Ltd. is general partner
Union Green Energy ⅠI Private Equity Limited Partnership	Subsidiary, Union Private Equity Co., Ltd. is general partner
Others	Directors, managerial officers, and their relatives and affiliates, as well as related parties in substance

(II) Material transactions with related parties

1. Loans

September 30th, 2022

Type	Number of Account or Related Parties	Highest Balance in the period	Balance at the end of the period	Fulfillment Status		Collaterals	Differences in Terms of Transaction with Those for Unrelated Parties
				Normal Loans	Overdue loan		
Consumer loans	22 households	$ 16,239	$ 9,691	$ 9,691	$ -	Lands, buildings and vehicles	None
Self-used housing mortgage loans	47 households	120,199	87,327	87,327	-	Real estates	None
Other loans	10 households	35,922	34,423	34,423	-	Lands and buildings	None

December 31st, 2021

Type	Number of Account or Related Parties	Highest Balance in the period	Balance at the end of the period	Fulfillment Status		Collaterals	Differences in Terms of Transaction with Those for Unrelated Parties
				Normal Loans	Overdue loan		
Consumer loans	20	$ 14,471	$ 8,817	$ 8,817	$ -	Lands, buildings and vehicles	None
Residence used by owner Mortgage lending	56	139,132	91,391	91,391	-	Real estates	None
Other loans	11	22,257	13,841	13,841	-	Lands and buildings	None

September 30th, 2021

Type	Number of Account or Related Parties	Highest Balance in the period	Balance at the end of the period	Fulfillment Status		Collaterals	Differences in Terms of Transaction with Those for Unrelated Parties
				Normal Loans	Overdue loan		
Consumer loans	17	$ 13,319	$ 8,029	$ 8,029	$ -	Lands, buildings and vehicles	None
Self-used housing mortgage loans	56	130,013	82,937	82,937	-	Real estates	None
Other loans	Nine	19,457	11,306	11,306	-	Lands and buildings	None

Year	Balance at September 30th	%	Annual interest rate	Interest income from January 1st to September 30th	%
2022	$ 131,441	0.02%	1.11%-2.99%	$ 1,597	0.02%
2021	102,272	0.02%	1.09%-2.99%	1,405	0.02%

2. Deposit

Year	Balance at September 30th	% in the account	Annual interest rate	Interest expenses from January 1st to September 30th	%
2022	$ 8,114,630	1.18%	0%-3.68%	$ 18,472	0.59%
2021	11,245,162	1.74%	0%-3.22%	12,629	0.58%

3. Guarantees and letters of credit

September 30th, 2022

Related Party	Highest Balance in the period	Balance at the end of the period	Balance of Guarantees and Letters of Credit (Note)	Rate Range	Collaterals
Union Recreation Enterprise Corporation	$ 14,530	$ 14,530	$ -	1%	Time Deposit
The Liberty Times Co., Ltd.	2,793	2,793	-	0.05%	Time Deposit
Long Shan Lin Corporation	71,040	71,040	-	0.5%	Time Deposit
Hi-Life International Co., Ltd.	16,300	10,800	-	0.4%	Time Deposit

December 31, 2021

Related Party	Highest Balance in the period	Balance at the end of the period	Balance of Guarantees and Letters of Credit (Note)	Rate Range	Collaterals
Union Recreation Enterprise Corporation	$ 33,846	$ 14,530	$ -	0.5%-1%	Time Deposit
The Liberty Times Co., Ltd.	2,337	2,437	-	0.05%	Time Deposit
Long Shan Lin Corporation	71,040	71,040	-	0.5%	Time Deposit
Hi-Life International Co., Ltd.	20,300	19,800	-	0.4%	Time Deposit

September 30th, 2021

Related Party	Highest Balance in the period	Balance at the end of the period	Balance of Guarantees and Letters of Credit (Note)	Rate Range	Collaterals
Union Recreation Enterprise Corporation	$ 19,316	$ 19,316	$ -	0.5%	Time Deposit
The Liberty Times Co., Ltd.	2,337	-	-	0.05%	Time Deposit
Long Shan Lin Corporation	71,040	71,040	-	0.5%	Time Deposit
Hi-Life International Co., Ltd.	20,300	19,800	-	0.4%	Time Deposit

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

4. Lease agreement

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

(1) The Company as the lessee

Year	Lessor	Balance of Lease Deposit at September 30th (Other Assets - Refundable Deposits)		Lease liabilities on September 30th	
		Amount	%	Amount	%
2022	Yu-Bon	$ 460,715	14.06%	$ 69,294	3.98%
	Horng Gow	219,464	6.70%	260,491	14.98%
	Yung Hsuan	20,601	0.63%	120,672	6.94%
	Union Enterprise Construction Co., Ltd.	5,286	0.16%	35,135	2.02%

Year	Lessor	Balance of Lease Deposit at September 30th (Other Assets - Refundable Deposits)		Lease liabilities on September 30th	
		Amount	%	Amount	%
2021	Yu-Bon	$ 461,141	18.38%	$ 48,682	3.03%
	Horng Gow	219,464	8.75%	384,189	23.87%
	Yung Hsuan	17,626	0.70%	141,982	8.82%
	Union Enterprise Construction Co., Ltd.	4,651	0.19%	47,175	2.93%

The Bank rented space to install an ATM of Hi-life International Corporation, the rent expense was NT$40 thousand and NT$50 thousand January 1st to September 30th, 2022 and 2021.

(2) The Company as the lessee

The Company has leased the properties at Zhongxiao Rd., Taichung City and Dunhua S. Rd., Taipei City to Hi-Life and Blue Border from March 2020 to April 2030, and January 2021 to January 2032, respectively. From January 1st, 2022 to September 30th, 2022, the rent incomes were NT$686 thousand and NT$10,252 thousand; The rent incomes during January 1st to September 30th, 2022 were NT$686 thousand and NT$10,252 thousand, respectively; and the rent incomes during January 1st to September 30th, 2021 were NT$686 thousand and NT$0 thousand, respectively. The rent are received on the monthly basis. In addition, the deposits were received for NT$6,060 thousand and NT$80 thousand, respectively (accounted for Other liabilities - guarantee deposit received).

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 power generation development. Therefore, Union Private Equity Co., Ltd. has established the private equity fund, "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 was NT$550,883 thousand as of September 30th, 2022.

   In June 2021, as general partner, Union Private Equity Co., Ltd. raised the private equity fund, "Union Green Energy I Private Equity Limited Partnership;" the total investment was NT$4,948 thousand as of September 30th, 2022.

   In October 2021, as general partner, Union Private Equity Co., Ltd. raised the private equity fund, "Union Green Energy II Private Equity Limited Partnership;" the total investment was NT$20 thousand as of September 30th, 2022.

   Union Private Equity Co., Ltd. charged management fee from Union Green Energy Private Equity Limited Partnership pursuant to the limited partnership agreement; during January 1st to September 30th, 2022 and 2021, the amount was NT$4,754 thousand and NT$7,948 thousand, respectively.

   Union Private Equity Co., Ltd. charged management fee from Union Green Energy Private Equity Limited Partnership and Union Green Energy Ⅰ Private Equity Limited Partnership pursuant to the limited partnership agreement; during January 1st to June 30th, 2022 and 2021, the amount was NT$1,288 thousand and NT$1,899 thousand, respectively.

   As of September 30th, 2022, December 31st and September 30th, 2021, the Bank and the UFLIC have hold 8,082 thousand units, 7,663 thousand units, and 6,941 thousand units of beneficiary certificates issued by USITC, which amounted to NT$100,496 thousand, NT$123,295 thousand and NT$119,230 thousand, respectively.
6. LINE PAY provided the use of its consumer platform to the Company starting in July 2019. During January 1st to September 30th, 2022 and 2021, the maintenance fees of the platform was NT$22,900 thousand and NT$22,279 thousand, respectively
7. LINE PAY provided the credit card bonus points and cooperative marketing campaigns to the Company. The advertising fee was $501,833 thousand and $507,848 thousand, respectively, during January 1st to September 30th, 2022 and 2021.
8. Hi-Life provided the product bonus redemptions and marketing campaigns to the Company. The advertising fees were $412 thousand and $422 thousand, respectively, during January 1st to September 30th, 2022 and 2021.

9. RFD Micro Electricity Co., Ltd provided the Company with credit card marketing of sustainable development and eco-consumption; during January 1st to September 30th, 2022, the rebate incomes were NT$33,333 thousand.

10. Construction of solar power plant

    In July 2020, Ting Jie Electric Power and RFD Micro Electricity have entered a solar power generation system installation in the neighborhood of Madou District and Xuejia District in Tainan City, with the estimated total price of NT$1,843,050 thousand. The system is expected to be operated and start production upon the completion of the construction and the permit issued by the competent authorities of the power industry. The total planned capacity is 33 megawatts. In March 2022, Ting Jie Electric Power Inc., up the approval by the resolution of the Board, revise the solar power generation system construction contract with RFD Micro Electricity Co., Ltd. The total planned capacity was changed to 160 mega watts, and the expected total price before tax is NT$8,936,000 thousand. The final total capacity shall comply with the total approved capacity of the permission letter for the construction. The construction is in progress now Ting Jie Electric Power signed a syndicate with 11 financial Institutions with the limit of NT$7,500,000 thousand. The joint guarantors are the parent company, UVC, Union Energy, and RFD Micro Electricity.

    In July 2020, Na He Yi Hau Electric Power and RFD Micro Electricity have entered a solar power generation system installation in the neighborhood of Baihe District and Dongshan District in Tainan City, with an estimated total price of NT$1,325,000 thousand. The system is expected to be operated and start production upon the completion of the construction and the permit issued by the competent authorities of the power industry. The total planned capacity is 25 megawatts. The final total capacity depends on the total approved capacity in the construction approval. The construction is currently in progress.

    In order to build the solar power plant, Na He Yi Hau Electric Power Inc. has issued short-duration commercial paper with International Bills Finance Corporation as guarantor in December 2020. The total credit was $1,130,000 thousand with endorsement and guarantee from Union Venture Capital Co., Ltd and Union Energy Co., Ltd. As of September 30th, 2022, December 31st and September 30th, 2021, the commercial paper payable were NT$242,100 thousand, NT$242,100 thousand, and NT$242,100 thousand, with the interest rates of 1.1820%, 0.6920%, and 0.6920%, respectively.

RFD Micro Electricity Co., Ltd provided the Company with solar power plant construction and solar power plant maintenance service. As of September 30th, 2022, December 31st and September 30th, 2021, the prepayments for the construction were NT$1,978,787 thousand, NT$955,035 thousand, and NT$855,297 thousand, respectively (accounted under property, equipment, and plant); as of September 30th, 2022, December 31st and September 30th, 2021, the operation and maintenance expenses payable to the plant (accounted in under accounts payable) were NT$15,765 thousand.

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

(III) Rewards and compensations to major management

During January 1st to September 30th, 2022 and 2021, the rewards and compensations to directors and other major management are as follows:

	July 1st to September 30th, 2022	July 1st to September 30th, 2021	January 1st to September 30th, 2022	January 1st to September 30th, 2021
Short-term employment benefits				
Salaries	$ 15,832	$ 12,757	$ 44,761	$ 40,543
Transportation expenses	203	415	759	1,133
Others	124	57	315	184
	16,159	13,229	45,835	41,860
Post-employment benefits	303	258	945	2,979
	$ 16,462	$ 13,487	$ 46,780	$ 44,839

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

XLVIII. Assets Pledged

(I) Union Bank of Taiwan

As of December 31st and September 30th, 2021, the Bank deposit of NT$7,000,000 thousand and NT$7,000,000 thousand in Central Bank Reserve Account, for undertaking the loan facility to help small and medium sized enterprises (SME) hit by the COVID-19 pandemic. The aforesaid loan facility to the SMEs expired in June 2022; as of September 30th, 2022, the reserve provided by the Union Bank of Taiwan in the Central Bank has been released from the pledge and transferred out.

As of September 30th, 2022, December 31st and September 30th, 2021, government bonds and financial debentures, which amounted to NT$340,505 thousand, NT$343,105 thousand, and $341,405 thousand (all amounts included in other financial assets), respectively, had been provided to the courts and the Bank of Taiwan as guarantee deposits on provisional seizures against the debtors' properties, as reserve for credit card receivables, as guarantee deposits on bills finance operations, brokering life insurance, property and casualty insurance, and as trust reserve.

As of September 30th, 2022, December 31st and September 30th, 2021, the Bank pledged a time deposit of both $1,100,000 thousand (listed under other financial assets) to Mega International Commercial Bank and Mizuho Bank to be part of the latter's online bank-to-bank payment system.

(II) The following assets of the Company had been used as collaterals to apply for loans, issue commercial papers and apply for provisional seizure of certain assets:

	September 30th, 2022	December 31, 2021	September 30th, 2021
Other financial assets			
Assets Pledged	$ 85,510	$ 94,711	$ 96,304
Investment properties	$ 2,212,033	$ 2,413,101	$ 2,493,687

As of September 30th, 2022, December 31st and September 30th, 2021, notes receivable (not expired) amounting to NT$595,032 thousand, $574,800 thousand and $499,670 thousand had been used as collaterals to apply for loans and issue commercial papers, respectively.

XLIX. Material Contingent Liabilities and the Contractual Commitments not Recognized

(I) As of September 30th, 2022, December 31st and September 30th, 2021, the Company's commitments consisted of the following:

	September 30th, 2022	December 31, 2021	September 30th, 2021
Unused standby loan commitment	$ 138,503,534	$ 135,636,198	$ 129,221,409
Unused credit card commitment	296,926,501	288,563,204	285,092,041
Unused letters of credit	1,734,305	1,874,481	1,906,532
Other guarantees	23,429,328	18,796,924	24,394,074
Collections for customers	20,728,686	19,990,165	21,352,832
Guarantee notes payable	1,354,500	1,417,100	1,365,400
Trust assets	104,569,589	93,973,952	87,924,982
Marketable securities under custody	5,146,556	5,274,541	5,181,043

(II) The duration of leasing cars (included in other assets) is about 1 to 3 years. Minimum future annual rentals for the irrevocable operating leases are as follows:

	September 30th, 2022	December 31, 2021	September 30th, 2021
Within 1 year	$ 1,888,806	$ 1,994,779	$ 1,988,958
Over 1 year to 5 years	1,939,093	2,117,112	2,116,168
	$ 3,827,899	$ 4,111,891	$ 4,105,126

(III) Computer equipment purchase contracts

As of September 30th, 2022, December 31st and September 30th, 2021, the Company had contracts to purchase computer equipment and software for NT$836,534 thousand, NT$174,876 thousand and NT$173,169 thousand, respectively, of which NT$221,495 thousand, NT$104,871 thousand and NT$78,992 thousand had been paid as of September 30th, 2022, December 31st and September 30th, 2021.

(IV) Union Securities Investment Trust Co., Ltd.

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

Madoff Company's liquidation trustee claimed that F Funds' redemption proceeds from Madoff Company constituted unjust enrichment and thus sued USITC and F Funds on March 23, 2012 to demand the return of the redemption proceeds of US$17,206 thousand received by USITC's private equity funds from F Funds. This case remained pending before the Bankruptcy Court for the Southern District of New York. The plaintiff has asked the US court to deliver the complaint to the Taiwan Taipei District Court through mutual legal assistance. In accordance with the provisions of Article 402, paragraph 1, paragraph 2 of the Code of Civil Procedure and the relevant practical opinions of the court, the legal documents have been legally delivered to USITC. In order to avoid the unfavorable judgment of the court, USITC appointed American lawyers to deal with the litigation. The defendant in the case (that is, the non-US foreign investor who was a party in the Fairfield series of funds) disputed the application of the US bankruptcy law and the jurisdiction of the US court. The US Court recognized the law does not apply to such defendants, therefore, rejected the plaintiff's request for the reason of international comity. The 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 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 asked the court to reject the plaintiff's complaint on April 4th, 2022. Provided the US bankruptcy court reject our claim on August 19th of the same year, and we are required to defense by November 1st of the same year.

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. As the last defendant, PwC, had settled with the plaintiff's attorneys, the case would be closed upon the completion of the distribution. In addition, the indemnity claimed to Madoff Victim Fund was applied under the name of each fund investor with the assistance of the Company, and would be reviewed by the Fund.

L. Other Matters

Since January 2020, the COVID-19 pandemic has influenced the global economy; it is causing uncertainty in the economic growth. The Company increased the level of risk advisory, pressure test, loan management and continuously tracking different financial risks data. After critical analysis, the Company concluded that the effect of the COVID-19 pandemic will not materially influence the Company's ability to continue operating, asset impairment, or financing risks.

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

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

Balance Sheet of Trust Accounts

September 30th, 2022

	Amount		Amount
Trust assets		Trust Liabilities and Capital	
Bank deposits	$ 13,167,234	Management fees payable	$ 73
Investment		Income tax payable	625
Fund investments	63,668,120	Marketable securities under custody payable	15,050,282
Bond investment	8,260	Trust capital	89,334,681
Investments in common shares	356,896	Reserves and cumulative deficit	183,928
Accounts receivable	11,291		
Marketable securities under custody	15,050,282		
Real estate - land and building	12,307,506		
Total trust assets	$ 104,569,589	Total trust liabilities and capital	$ 104,569,589

Balance Sheet of Trust Accounts

December 31, 2021

	Amount		Amount
Trust assets		Trust Liabilities and Capital	
Bank deposits	$ 11,636,622	Management fees payable	$ 19
Investment		Income tax payable	822
Fund investments	54,232,156	Marketable securities under custody payable	15,785,785
Bond investment	3,791	Trust capital	78,038,890
Investments in common shares	275,286	Reserves and cumulative profit/deficit	148,436
Accounts receivable	87,387		
Marketable securities under custody	15,785,785		
Real estate - land and building	11,952,925		
Total trust assets	$ 93,973,952	Total trust liabilities and capital	$ 93,973,952

Balance Sheet of Trust Accounts

September 30th, 2021

Trust assets	Amount	Trust Liabilities and Capital	Amount
Bank deposits	$ 9,194,070	Management fees payable	$ 7
Investment		Income tax payable	791
Fund investments	49,550,258	Marketable securities under custody payable	16,092,052
Investments in common shares	399,548	Trust capital	71,724,419
Bond investment	3,870	Reserves and cumulative deficit	107,713
Accounts receivable	11,068		
Marketable securities under custody	16,092,052		
Real estate - land and building	12,674,116		
Total trust assets	$ 87,924,982	Total trust liabilities and capital	$ 87,924,982

Income Statement of Trust Accounts

January 1st to September 30th, 2022

	Amount
Trust Income	
Interest revenue - demand account	$ 645
Interest revenue - time deposit	21,935
Interest revenue - bond	323
Income distributed from beneficiary certificate	909
Income from cash dividends of common shares	3,741
Realized capital gain - fund	1
Unrealized capital gain - unlisted common share	114,401
Unrealized capital gain - fund	5
Total trust income	141,960
Trust expenses	
Management fee	13,338
Unrealized capital loss - listed common share	491
Unrealized capital loss - bond	3,458
Unrealized capital loss - fund	4,063
Other expenses	641
Total trust expense	21,991
Net profit before tax	119,969
Income tax expense	(1,632)
Net profit after tax	$ 118,337

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

Income Statement of Trust Accounts

January 1st to September 30th, 2021

	Amount
Trust Income	
Interest revenue - demand account	$ 571
Interest revenue - time deposit	14,867
Interest revenue - bond	2022
Income distributed from beneficiary certificate	208
Income from cash dividends of common shares	7,495
Realized capital gain - fund	406
Unrealized capital gain - unlisted common share	60,960
Unrealized capital gain - fund	123
Total trust income	84,741
Trust expenses	
Management fee	11,145
Tax and levy expenditures	5
Agency fees	218
Realized capital loss - fund	279
Unrealized capital loss - listed common share	379
Unrealized capital loss - bond	56
Unrealized capital loss - fund	557
Other expenses	699
Total trust expense	13,338
Net profit before tax	71,403
Income tax expense	(1,250)
Net profit after tax	$ 70,153

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

Trust Property and Equipment Accounts

September 30th, 2022

Investment Portfolio	Amount
Bank deposits	$ 13,167,234
Investment	
Fund investments	63,668,120
Investments in common shares	356,896
Bond investment	8,260
Accounts receivable	11,291
Marketable securities under custody	15,050,282
Real estate - land and building	12,307,506
Total	$ 104,569,589

Trust Property and Equipment Accounts

December 31, 2021

Investment Portfolio	Amount
Bank deposits	$ 11,636,622
Investment	
Fund investments	54,232,156
Bond investment	3,791
Investments in common shares	275,286
Accounts receivable	87,387
Marketable securities under custody	15,785,785
Real estate - land and building	11,952,925
Total	$ 93,973,952

Trust Property and Equipment Accounts

September 30th, 2021

Investment Portfolio	Amount
Bank deposits	$ 9,194,070
Investment	
Fund investments	49,550,258
Investments in common shares	399,548
Bond investment	3,870
Accounts receivable	11,068
Marketable securities under custody	16,092,052
Real estate - land and building	12,674,116
Total	$ 87,924,982

LII. Financial instruments

(I) Information on fair value

1. Overview

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

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

2. Definitions of fair value hierarchy

(1) Level 1

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

A. All financial instruments in the market are homogeneous.

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

C. The public can access the price information easily.

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

(2) Level 2

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

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

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

C. For the valuation model method, the inputs to this model (such as interest rates, yield curves and volatilities) should be data available in the market (the observable inputs mean that they can be obtained from the market and can reflect the expectation of market participants);

D. Inputs that are derived from observable market data through correlation or other means.

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

(3) Level 3

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

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

3. Measured at fair value on a recurring basis

(1) Information of the fair value hierarchies

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

Unit: Thousand NTD

Asset and liability items	September 30th, 2022			
	Total	Level 1	Level 2	Level 3
Measured at fair value on a recurring basis				
Nonderivative financial instruments				
Assets				
Financial assets measured at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL				
Share investments	$ 1,742,324	$ 952,176	$ -	$ 790,148
Funds and beneficiary certificates	1,310,392	748,738	-	561,654
Commercial paper	34,121,501	-	34,121,501	-
Asset-backed securities	29,565	-	29,565	-
Future exchange margins - self owned	64,505	64,505	-	-
Financial assets measured at fair value through other comprehensive income				
Share investments	13,458,469	10,791,827	-	2,666,642
Bond investment	49,967,850	-	49,967,850	-
Derivative financial products				
Assets				
Financial assets measured at fair value through profit or loss	3,081,913	-	2,885,651	196,262
Liabilities				
Financial liabilities measured at fair value through profit or loss	1,192,116	-	1,000,474	191,642

Unit: Thousand NTD

Asset and liability items	December 31, 2021			
	Total	Level 1	Level 2	Level 3
Measured at fair value on a recurring basis				
Nonderivative financial instruments				
Assets				
Financial assets measured at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL				
Share investments	$ 865,862	$ 830,840	$ -	$ 35,022
Funds and beneficiary certificates	1,455,853	908,903	-	546,950
Commercial paper	42,918,771	-	42,918,771	-
Asset-backed securities	40,877	-	40,877	-
Negotiable certificates of deposits	999,902	-	999,902	-
Future exchange margins - self owned	58,090	58,090	-	-
Financial assets measured at fair value through other comprehensive income				
Share investments	16,205,403	13,836,162	-	2,369,241
Bond investment	45,543,540	-	45,543,540	-
Derivative financial products				
Assets				
Financial assets measured at fair value through profit or loss	303,698	-	209,634	94,064
Liabilities				
Financial liabilities measured at fair value through profit or loss	495,421	-	401,379	94,042

Unit: Thousand NTD

Asset and liability items	September 30th, 2021			
	Total	Level 1	Level 2	Level 3
Measured at fair value on a recurring basis				
Nonderivative financial instruments				
Assets				
Financial assets measured at fair value through profit or loss				
Financial assets mandatorily classified as at FVTPL				
Share investments	$ 1,559,988	$ 1,524,744	$ -	$ 35,244
Fund beneficiary certificates	2,553,854	1,996,540	-	557,314
Commercial paper	55,962,010	-	55,962,010	-
Asset-backed securities	45,285	-	45,285	-
Negotiable certificates of deposits	3,098,436	-	3,098,436	-
Future exchange margins - self owned	57,034	57,034	-	-
Financial assets measured at fair value through other comprehensive income				
Share investments	17,635,094	15,716,982	-	1,918,112
Bond investment	50,571,281	-	50,571,281	-
Derivative financial products				
Assets				
Financial assets measured at fair value through profit or loss	317,555	-	226,979	90,576
Liabilities				
Financial liabilities measured at fair value through profit or loss	445,546	-	355,006	90,540

(2) Valuation technique of measurement at fair value

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

A Marking to market

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

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

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

B. Marking to model

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

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

(3) Fair value adjustment

A. Credit risk assessment adjustment

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

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

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

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

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

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

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

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

(4) Transfers between Level 1 and Level 2

During January 1st to September 30th, 2022 and 2021, there was no material transfer between Level 1 and Level 2

(5) Reconciliation of Level 3 items of financial instruments

Changes in Level 3 financial assets at fair value

January 1st to September 30th, 2022

Unit: Thousand NTD

Name	Balance at the beginning of the period	Valuation Gains (Losses)		Increase for the period		Decrease for the period		Balance at the end of the period
		In Net Income	In Other Comprehensive Income	Purchased or issued	Transfer to Level 3	Sale, disposal, or delivery	Transfer from Level 3	
Financial assets measured at fair value through profit or loss								
Derivative financial products	$ 94,064	$ 67,706	$ -	$ 95,775	$ -	($ 61,283)	$ -	$ 196,262
Fund beneficiary certificates	546,950	14,704	-	-	-	-	-	561,654
Share investments	35,022	5,126	-	750,000	-	-	-	790,148
Financial assets measured at fair value through other comprehensive income								
Share investments	2,369,241	-	(77,703)	375,645	-	(541)	-	2,666,642

January 1st to September 30th, 2021

Unit: Thousand NTD

Name	Balance at the beginning of the period	Valuation Gains (Losses)		Increase for the period		Decrease for the period		Balance at the end of the period
		In Net Income	In Other Comprehensive Income	Purchased or issued	Transfer to Level 3	Sale, disposal, or delivery	Transfer from Level 3	
Financial assets measured at fair value through profit or loss								
Derivative financial products	$ 55,718	$ 15,539	$ -	$ 58,198	$ -	($ 38,879)	$ -	$ 90,576
Fund beneficiary certificates	556,354	(9,583)	-	10,543	-	-	-	557,314
Share investments	44,441	(1,719)	-	-	-	(7,478)	-	35,244
Financial assets measured at fair value through other comprehensive income								
Share investments	1,913,887	-	(112,639)	217,425	-	(100,561)	-	1,918,112

The valuation profit and loss above are listed in the current profit and loss, and attributed to the amount of profit and loss of the assets held in the accounts as of September 30th, 2022 and 2021; the profits are NT$87,536 thousand and NT$4,237 thousand, respectively.

B. Changes in Level 3 financial liabilities at fair value

January 1st to September 30th, 2022

Unit: Thousand NTD

Name	Balance at the beginning of the period	Valuation Gains (Losses)		Increase for the period		Decrease for the period		Balance at the end of the period
		In Net Income	In Other Comprehensive Income	Purchased or issued	Transfer to Level 3	Sale, disposal, or delivery	Transfer from Level 3	
Financial liabilities measured at fair value through profit or loss								
Derivative financial products	$ 94,042	$ 134,069	$ -	$ 62,681	$ -	($ 99,150)	$ -	$ 191,642

January 1st to September 30th, 2021

Unit: Thousand NTD

Name	Balance at the beginning of the period	Valuation Gains (Losses)		Increase for the period		Decrease for the period		Balance at the end of the period
		In Net Income	In Other Comprehensive Income	Purchased or issued	Transfer to Level 3	Sale, disposal, or delivery	Transfer from Level 3	
Financial liabilities measured at fair value through profit or loss								
Derivative financial products	$ 55,694	$47,613	$ -	$ 35,293	$ -	($ 48,060)	$ -	$ 90,540

The valuation profit and loss above are listed in the current profit and loss, and attributed to the amount of profit and loss of the liabilities held in the accounts as of September 30th, 2022 and 2021; the loss are NT$134,069 thousand and NT$47,613 thousand, respectively.

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

The Company's Level three fair value measurements are mainly the derivatives.

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

Name	Products	Fair value on September 30th, 2022	Valuation Technique	Significant Unobservable Inputs	Interval (Weighted-average)	Relation Between Input and Fair Value
Measured at fair value on a recurring basis						
Derivative financial assets						
Financial assets measured at fair value through profit or loss	Foreign exchange options	$ 196,262	Option pricing model	Fluctuation	AUD/JPY 14.94%~15.85% AUD/USD 13.94%~14.13% EUR/GBP 10.61%~12.23% EUR/USD 12.14% USD/TWD 8.02%~8.39% USD/ZAR 16.53%~16.56%	The higher the fluctuation is, the higher the fair value
Nonderivative financial instruments						
Financial assets measured at fair value through profit or loss	Beneficiary certificates	561,654	Asset method	Allowance of minor equity and liquidity	5%~20%	The higher the allowance is, the lower the fair value
	Share investments	790,148	Asset method	Allowance of minor equity and liquidity	5%~20%	The higher the allowance is, the lower the fair value
Financial assets measured at fair value through other comprehensive income	Share investments	2,197,676	Asset method	Allowance of minor equity and liquidity	5%~20%	The higher the allowance is, the lower the fair value
	Share investments	468,966	Market method	Liquidity allowance	10%	The higher the allowance is, the lower the fair value
Derivative financial liabilities						
Financial liabilities measured at fair value through profit or loss	Foreign exchange options	191,642	Option pricing model	Fluctuation	AUD/JPY 9.74%~10.12% AUD/USD 9.14%~9.60% NZD/ USD 9.70%~11.29% USD/TWD 3.30%~5.60% USD/ZAR 15.78%~15.80%	The higher the fluctuation is, the higher the fair value

Name	Products	Fair value on December 31st, 2021	Valuation Technique	Significant Unobservable Inputs	Interval (Weighted-average)	Relation Between Input and Fair Value
Measured at fair value on a recurring basis						
Derivative financial assets						
Financial assets measured at fair value through profit or loss	Foreign exchange options	$ 94,064	Option pricing model	Fluctuation	AUD/JPY 9.51%~10.18%AUD/USD 9.72% EUR/USD 6.87%~8.15% NZD/USD 10.16%~10.68% USD/CNH 6.10% USD/TWD 4.3%~5.95% USD/ZAR 15.80%~16.22%	The higher the fluctuation is, the higher the fair value
	Share investments	35,022	Asset method	Allowance of minor equity and liquidity	5%~20%	The higher the allowance is, the lower the fair value
	Funds and beneficiary certificates	546,950	Asset method	Allowance of minor equity and liquidity	5%~20%	The higher the allowance is, the lower the fair value
Nonderivative financial instruments						
Financial assets measured at fair value through other comprehensive income	Share investments	1,839,593	Asset method	Allowance of minor equity and liquidity	5%~20%	The higher the allowance is, the lower the fair value
	Share investments	529,648	Market method	Liquidity allowance	10%	The higher the allowance is, the lower the fair value
Derivative financial liabilities						
Financial liabilities measured at fair value through profit or loss	Foreign exchange options	94,042	Option pricing model	Fluctuation	AUD/JPY 9.51%~10.18% AUD/USD 9.72% EUR/USD 6.87%~8.15% NZD/USD 10.16%~10.68% USD/CNH 6.10% USD/TWD 4.3%~5.95% USD/ZAR 15.80%~16.22%	The higher the fluctuation is, the higher the fair value

Name	Products	Fair value on September 30th, 2021	Valuation Technique	Significant Unobservable Inputs	Interval (Weighted-average)	Relation Between Input and Fair Value
Measured at fair value on a recurring basis						
Derivative financial assets						
Financial assets measured at fair value through profit or loss	Foreign exchange options	$ 90,576	Option pricing model	Fluctuation	AUD/JPY 9.74%~10.12% AUD/USD 9.14%~9.60% NZD/ USD 9.70%~11.29% USD/TWD 3.30%~5.60% USD/ZAR 15.78%~15.80%	The higher the fluctuation is, the higher the fair value
Nonderivative financial instruments						
Financial assets measured at fair value through profit or loss	Beneficiary certificates	557,314	Asset method	Allowance of minor equity and liquidity	5%~20%	The higher the allowance is, the lower the fair value
Financial assets measured at fair value through other comprehensive income	Share investments	1,521,186	Asset method	Allowance of minor equity and liquidity	5%~20%	The higher the allowance is, the lower the fair value
	Share investments	396,926	Proceed method	Allowance of minor equity and liquidity	10%~20%	The higher the allowance is, the lower the fair value
Derivative financial liabilities						
Financial liabilities measured at fair value through profit or loss	Foreign exchange options	90,540	Option pricing model	Fluctuation	AUD/JPY 9.74%~10.12% AUD/USD 9.14%~9.60% NZD/ USD 9.70%~11.29% USD/TWD 3.30%~5.60% USD/ZAR 15.78%~15.80%	The higher the fluctuation is, the higher the fair value

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

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

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

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

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

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

September 30th, 2022

	Changes in Fair Value Are Reflected in Other Comprehensive Income for the Current Period	
	Favorable Changes	Unfavorable Changes
Equity instruments under financial assets measured at fair value through other comprehensive income	$ 266,664	($ 266,664)

December 31, 2021

	Changes in Fair Value Are Reflected in Other Comprehensive Income for the Current Period	
	Favorable Changes	Unfavorable Changes
Equity instruments under financial assets measured at fair value through other comprehensive income	$ 236,924	($ 236,924)

September 30th, 2021

	Changes in Fair Value Are Reflected in Other Comprehensive Income for the Current Period	
	Favorable Changes	Unfavorable Changes
Equity instruments under financial assets measured at fair value through other comprehensive income	$ 191,811	($ 191,811)

3. Not measured at fair value

(1) Information on fair value

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

	September 30th, 2022		December 31, 2021		September 30th, 2021	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial assets						
Financial assets measured at amortized costs	$ 83,951,512	$ 79,049,471	$ 77,431,542	$ 79,021,276	$ 80,746,474	$ 82,624,086
Financial liabilities						
BANK DEBENTURES	5,000,000	4,938,038	7,700,000	7,760,694	7,700,000	7,762,407

(2) Information of the fair value hierarchies

Asset and liability items	September 30th, 2022			
	Total	Level 1	Level 2	Level 3
Financial assets				
Financial assets measured at amortized costs	$ 79,049,471	$ -	$ 79,049,471	$ -
Financial liabilities				
BANK DEBENTURES	4,938,038	-	4,938,038	-

Asset and liability items	December 31, 2021			
	Total	Level 1	Level 2	Level 3
Financial assets				
Financial assets measured at amortized costs	$ 79,021,276	$ -	$ 79,021,276	$ -
Financial liabilities				
BANK DEBENTURES	7,760,694	-	7,760,694	-

Asset and liability items	September 30th, 2021			
	Total	Level 1	Level 2	Level 3
Financial assets				
Financial assets measured at amortized costs	$ 82,624,086	$ -	$ 82,624,086	$ -
Financial liabilities				
BANK DEBENTURES	7,762,407	-	7,762,407	-

LIII. FINANCIAL RISK MANAGEMENT

(I) Overview

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

(II) Risk management framework

The board of directors, which occupies the highest level in the Company's risk management framework, reviews risk management policies, the overall risk management framework and organization structure for carrying out responsibilities and exercising accountability. The 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.

(III) Credit risk

1. Definitions and sources of credit risks

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

2. Strategy/objectives/policies and processes

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

   (2) Credit risk management objective: The objectives are to establish and implement an effective credit risk management mechanism to mitigate credit risk, archive operational and management goals, and balance business development and risk control.

   (3) Credit risk management policy: The policies are meant to ensure that credit risk falls within an acceptable range and that adequate capital is maintained to meet credit risk management objectives and create maximum risk-adjusted returns.

   (4) Credit risk management process: The Company carries out credit risk identification, credit risk measurement, credit risk mitigation, credit risk monitoring and control and credit risk reporting process as part of its credit risk management mechanism.

3. Credit risk management organization and framework

   (1) The board of directors: The board of directors, the top risk supervisor of the Company, reviews risk management policies, operational risk limits and the design and change of credit risk management framework.

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

   (3) 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.

   (4) 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.

   (5) Operation units: Under the risk management regulations and procedures set by business units, operation units perform daily risk management work and internal controls and prepares reports on these tasks.

4. Scope and features of credit risk report and the measurement system

(1) Scope of credit risk report

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

B. 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.

(2) Measurement system: The Company's credit risk management adopts the use of the standardized approach to calculate capital charge and regularly submits related reports to the government. The risk management division and business units implement the Company's management system and monitors the credit exposure of the business, industry, and countries as well as the concentration of credit and collateral to effectively measure and manage investment portfolio.

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

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

6. Maximum exposure to credit risk

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

Off-balance sheet items	Maximum exposure to credit risk		
	September 30th, 2022	December 31, 2021	September 30th, 2021
Irrevocable standby loan commitment	$ 6,966,421	$ 9,993,572	$ 12,709,108
Unused letters of credit	1,734,305	1,874,481	1,906,532
Other guarantees	23,429,328	18,796,924	24,394,074
Unused credit card commitments	296,926,501	288,563,204	285,092,041

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

September 30th, 2022	Collaterals	Netting Arrangements	Other Credit Enhancement	Total
In-balance sheet items				
Discounts and loans	$ 460,303,260	$ -	$ -	$ 460,303,260

December 31, 2021	Collaterals	Netting Arrangements	Other Credit Enhancement	Total
In-balance sheet items				
Discounts and loans	$ 416,806,457	$ -	$ -	$ 416,806,457

September 30th, 2021	Collaterals	Netting Arrangements	Other Credit Enhancement	Total
In-balance sheet items				
Discounts and loans	$ 395,563,607	$ -	$ -	$ 395,563,607

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

7. Concentrations of credit risk exposure

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

There can be credit risk concentrations in a bank's assets, liabilities, or off-balance sheet items through the execution or processing of transactions (either product or service), or through a combination of exposures across these broad categories. These exposures can cover credits, loans and deposits, call loans to banks, investments, receivables and derivatives. The Company does not concentrate transactions with a single client or counterparty, nor any total transaction amount of a single client or counterparty accounts for a significant share in the Company's discounts and loans (including non-accrual loan), accounts receivable factoring without recourse, acceptances receivable, and balance of guarantee deposit receivable. The Company's most significant concentrations of credit risk by industry, by geographical area, and by collaterals are summarized as follows:

(1) By industry

By industry	September 30th, 2022		December 31, 2021		September 30th, 2021	
	Amount	%	Amount	%	Amount	%
Private enterprises	$ 164,133,081	28.95	$ 139,104,736	26.86	$ 141,048,847	29.21
Public enterprises	431,704	0.08	470,729	0.09	473,721	0.10
Government organizations	38,179,565	6.74	45,743,005	8.83	25,611,689	5.30
Nonprofit organizations	649,023	0.12	647,279	0.13	683,213	0.14
Private	360,093,757	63.52	330,120,793	63.73	313,495,218	64.94
Financial institutions	365,347	0.06	467	-	507	-
Overseas	3,028,486	0.53	1,879,655	0.36	1,512,069	0.31
Total	566,880,963	100.00	$ 517,966,664	100.00	$ 482,825,264	100.00

(2) By geographical area

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

(3) By collaterals

By collaterals	September 30th, 2022		December 31, 2021		September 30th, 2021	
	Amount	%	Amount	%	Amount	%
Unsecured	$ 96,292,481	16.99	$ 90,026,405	17.38	$ 76,982,124	15.94
Secured						
- Financial collaterals	11,460,764	2.02	12,304,039	2.38	11,935,521	2.47
- Share collaterals	16,945,334	2.99	15,165,456	2.93	15,131,009	3.13
- Property collaterals	404,702,489	71.52	362,284,901	69.94	340,839,066	70.59
- Movable collaterals	21,842,880	3.85	22,001,530	4.25	21,709,678	4.50
- Guarantee	13,246,351	2.34	14,824,514	2.86	14,877,704	3.08
- Others	2,390,664	0.29	1,359,819	0.26	1,350,162	0.29
Total	566,880,963	100.00	$ 517,966,664	100.00	$ 482,825,264	100.00

8. Description of the collaterals and other credit enhancement

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

(1) Real estates
(2) Movables
(3) Negotiable securities/shares
(4) Deposits/certificates of deposits
(5) Credit guarantee fund or government guarantee

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

September 30th, 2022	Total carrying amount	Allowance for Impairment Loss	Exposure Amount (Amortized Cost)	Fair Value of Collateral
Credit-impaired Financial Assets:				
Accounts receivable				
- Credit Card	$ 864,841	$ 65,310	$ 799,531	$ -
- Others	54,991	20,333	34,658	31,999
Discounts and loans	1,586,154	464,316	1,121,838	4,272,696
Total impaired financial assets	$ 2,505,986	$ 549,959	$ 1,956,027	$ 4,304,695

December 31, 2021	Total carrying amount	Allowance for Impairment Loss	Exposure Amount (Amortized Cost)	Fair Value of Collateral
Credit-impaired Financial Assets:				
Accounts receivable				
- Credit Card	$ 938,024	$ 60,590	$ 877,434	$ -
- Others	113,857	26,318	87,539	29,630
Discounts and loans	1,337,678	373,914	963,764	3,628,220
Total impaired financial assets	$ 2,389,559	$ 460,822	$ 1,928,737	$ 3,657,850

September 30th, 2021	Total carrying amount	Allowance for Impairment Loss	Exposure Amount (Amortized Cost)	Fair Value of Collateral
Credit-impaired Financial Assets:				
Accounts receivable				
- Credit Card	$ 962,269	$ 57,162	$ 905,107	$ -
- Others	46,569	33,872	12,697	12,560
Discounts and loans	1,577,908	415,412	1,162,496	3,789,623
Total impaired financial assets	$ 2,586,746	$ 506,446	$ 2,080,300	$ 3,802,183

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

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

Quantitative indicators:

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

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

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

Qualitative indicators:

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

B. The borrower's collateral was seized.

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

The borrower has request restructured and ruled for the restructure.

E. An auditors' report on the borrower has been released where it was stated that a material uncertainty exists that may cast significant doubt on the borrower's ability to continue as a going concern.

F. The borrower has other bad debts that indicate that the borrower's ability to perform its debt obligations is weak or has signs of impairment, which has been assessed to affect its operations or solvency.

10. Definition of default and credit impaired financial assets

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

The borrower pays the amount for contracts overdue for at least 3 months (90 days and above for the credit card business).

B. The debtor has significant financial difficulties (e.g., the debtor has ceased operations, is bankrupt, or has liquidated).

C. Economic or legal considerations, concessions to borrowers with financial difficulties (such as debt negotiations).

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

11. Write-off policy

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

(1) Recourse activities have stopped.

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

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

12. Contractual cash flow modification of financial assets

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

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

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

(2) The risk of default at the time of original recognition (based on the original unmodified contract terms).

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

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

13. Measurement of expected credit losses

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

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

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

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

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

	Accounts receivable				
	September 30th, 2022				
	Stage 1	Stage 2	Stage 3	Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	
	12-month expected credit losses	Lifetime ECL	Lifetime ECL		Total
Total carrying amount	$ 27,543,411	$ 125,475	$ 919,832	$ -	$ 28,588,718
Less: Allowance for impairment	94,375	10,214	85,643	-	190,232
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	37,568	37,568
Total	$ 27,449,036	$ 115,261	$ 834,189	$ 37,568	$ 28,360,918

	Accounts receivable				
	December 31, 2021				
	Stage 1	Stage 2	Stage 3	Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	
	12-month expected credit losses	Lifetime ECL	Lifetime ECL		Total
Total carrying amount	$ 26,562,872	$ 115,944	$ 1,051,881	$ -	$ 27,730,697
Less: Allowance for impairment	75,695	10,976	86,908	-	173,579
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	86,497	86,497
Total	$ 26,487,177	$ 104,968	$ 964,973	$ 86,497	$ 27,470,621

	Accounts receivable				
	September 30th, 2021				
	Stage 1	Stage 2	Stage 3	Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	
	12-month expected credit losses	Lifetime ECL	Lifetime ECL		Total
Total carrying amount	$ 26,664,538	$ 112,446	$ 1,008,838	$ -	$ 27,785,822
Less: Allowance for impairment	58,912	10,495	91,034	-	160,441
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	86,106	86,106
Total	$ 26,605,626	$ 101,951	$ 917,804	$ 86,106	$ 27,539,275

	Discounts and loans				
	September 30th, 2022				
	Stage 1	Stage 2	Stage 3	Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	
	12-month expected credit losses	Lifetime ECL	Lifetime ECL		Total
Total carrying amount	$ 538,522,731	$ 2,345,358	$ 1,586,154	$ -	$ 542,454,243
Less: Allowance for impairment	658,161	178,082	464,316	-	1,300,559
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	4,785,930	4,785,930
Total	$ 537,864,570	$ 2,167,276	$ 1,121,838	$ 4,785,930	$ 536,367,754

	Discounts and loans				
	December 31, 2021				
	Stage 1	Stage 2	Stage 3	Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	
	12-month expected credit losses	Lifetime ECL	Lifetime ECL		Total
Total carrying amount	$ 495,317,823	$ 1,972,968	$ 1,337,678	$ -	$ 498,628,469
Less: Allowance for impairment	429,117	110,659	373,914	-	913,690
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	4,482,269	4,482,269
Total	$ 494,888,706	$ 1,862,309	$ 963,764	$ 4,482,269	$ 493,232,510

	Discounts and loans				
	September 30th, 2021				
	Stage 1	Stage 2	Stage 3	Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	
	12-month expected credit losses	Lifetime ECL	Lifetime ECL		Total
Total carrying amount	$ 454,224,311	$ 1,901,017	$ 1,577,908	$ -	$ 457,703,236
Less: Allowance for impairment	360,063	113,398	415,413	-	888,874
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	4,462,092	4,462,092
Total	$ 453,864,248	$ 1,787,619	$ 1,162,495	$ 4,462,092	$ 452,352,270

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

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

14. Consideration of forward-looking information

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

(IV) Liquidity Risks

1. Source and definition of liquidity risk

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

2. Liquidity risk management strategy and principles

(1) The board of directors, the top risk supervisor of the Company, regularly reviews liquidity risk management policies. The Asset/Liability Management Committee, the top liquidity risk executive of the Company, supervises the implementation of liquidity risk monitoring and control procedures and is responsible for taking any needed remedial measures. The Asset/Liability Management Committee shall be the top implementation unit of liquidity risk management to establish appropriate monitoring processes and take necessary actions.

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

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

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

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

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

(1) Financial assets held for managing the liquidity risks

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

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

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

A. The maturity analysis of financial liabilities

	September 30th, 2022					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Deposits from the Central Bank and peers	$ 6,765,550	$ 2,794,349	$ 409,680	$ 2,000,000	$ 249,715	$ 12,219,294
DUE TO THE CENTRAL BANK AND OTHER BANKS	-	-	-	-	474,936	474,936
Notes and bonds sold under agreements to repurchase	34,701,984	21,401,517	-	-	-	56,103,501
Accounts payable	4,229,859	1,385,280	662,016	792,088	76,083	7,145,326
Deposits and remittances	53,581,895	82,009,600	97,238,833	195,799,092	259,721,844	688,351,264
BANK DEBENTURES	-	-	-	-	5,000,000	5,000,000
PREFERENTIAL SHARE LIABILITIES	-	-	-	-	367,000	367,000
CORPORATE BONDS PAYABLE	-	-	-	-	950,400	950,400
Other liabilities	6,226,926	2,300,000	-	3,450,000	126,855	12,103,781

	December 31, 2021					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Deposits from the Central Bank and peers	$ 4,283,393	$ 508,474	$ 3,025,050	$ 1,715,000	$ 468,225	$ 10,000,142
DUE TO THE CENTRAL BANK AND OTHER BANKS	781,485	47,540	91,060	472,900	5,749,070	7,142,055
Notes and bonds sold under agreements to repurchase	32,435,362	18,844,394	-	-	-	51,279,756
Accounts payable	6,284,226	945,934	1,112,929	128,692	48,183	8,519,964
Deposits and remittances	45,284,473	80,144,406	91,380,213	183,802,395	270,771,371	671,382,858
PREFERENTIAL SHARE LIABILITIES	-	-	-	-	371,500	371,500
BANK DEBENTURES	-	500,000	2,200,000	-	5,000,000	7,700,000
CORPORATE BONDS PAYABLE	-	-	-	-	1,047,276	1,047,276
Other liabilities	4,178,987	2,377,019	193,529	3,827,261	1,776,136	12,352,932

	September 30th, 2021					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Deposits from the Central Bank and peers	$ 6,401,721	$ 3,920,413	$ 1,709,009	$ 1,775,050	$ 475,300	$ 14,281,493
DUE TO THE CENTRAL BANK AND OTHER BANKS	380,820	47,540	91,060	410,490	5,325,040	6,254,950
Notes and bonds sold under agreements to repurchase	43,131,403	12,738,113	149,754	-	-	56,019,270
Accounts payable	4,325,211	949,238	618,445	607,827	44,622	6,545,343
Deposits and remittances	39,973,212	67,691,705	100,979,049	183,190,094	252,444,282	644,278,342
BANK DEBENTURES	-	-	-	2,700,000	5,000,000	7,700,000
PREFERENTIAL SHARE LIABILITIES	-	-	-	-	371,500	371,500
CORPORATE BONDS PAYABLE	777,099	-	-	-	534,255	1,311,354
Other liabilities	6,880,474	3,086,782	150,053	385,394	1,796,238	12,298,941

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

September 30th, 2022

	Less than One Year	Over 1 year to 5 years	5-10 years	10-15 years	15-20 years	More than 20 years	Total
Lease liabilities	$ 459,130	$ 836,384	$ 264,519	$ 143,166	$ 50,110	$ -	$1,753,309

December 31, 2021

	Less than One Year	Over 1 year to 5 years	5-10 years	10-15 years	15-20 years	More than 20 years	Total
Lease liabilities	$ 470,627	$ 1,029,372	$ 260,652	$ 158,857	$ 65,735	$ -	$ 1,985,243

September 30th, 2021

	Less than One Year	Over 1 year to 5 years	5-10 years	10-15 years	15-20 years	More than 20 years	Total
Lease liabilities	$ 437,032	$1,005,642	$ 143,034	$ 50,514	$ 2,764	$ -	$1,638,986

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

	September 30th, 2022					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Derived liabilities with delivery						
Inflow	$ 11,748,051	$ 9,139,809	$ 2,607,764	$ 5,599,692	$ -	$ 29,095,316
Outflow	11,401,808	8,906,493	2,433,191	5,345,524	-	28,087,016
Subtotal	346,243	233,316	174,573	254,168	-	1,008,300
Derived liabilities without delivery						
Non-deliverable forward	121	-	-	-	-	121
Total	$ 346,364	$ 233,316	$ 174,573	$ 254,168	$ -	$ 1,008,421

	December 31, 2021					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Derived liabilities with delivery						
Inflow	$ 27,246,729	$ 43,370,414	$ 475,555	$ 181,806	$ -	$ 71,274,504
Outflow	27,001,959	43,217,057	474,191	180,016	-	70,873,223
Subtotal	244,770	153,357	1,364	1,790	-	401,281
Derived liabilities without delivery						
Non-deliverable forward	-	-	-	-	-	-
Total	$ 244,770	$ 153,357	$ 1,364	$ 1,790	$ -	$ 401,281

	September 30th, 2021					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Derived liabilities with delivery						
Inflow	$ 38,314,928	$ 8,702,375	$ 473,550	$ 2,251,813	$ -	$ 49,742,666
Outflow	37,993,639	8,684,746	469,679	2,240,331	-	49,388,395
Subtotal	321,289	17,629	3,871	11,482	-	354,271
Derived liabilities without delivery						
Non-deliverable forward	1,008	-	-	-	-	1,008
Future	118	-	-	-	-	118
Total	$ 322,415	$ 17,629	$ 3,871	$ 11,482	$ -	$ 355,397

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

	September 30th, 2022					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Without delivery	$ 8,404	$ 15,407	$ 21,300	$ 40,114	$ -	$ 85,225

	December 31, 2021					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Without delivery	$ 5,882	$ 6,431	$ 10,490	$ 12,793	$ -	$ 35,596

	September 30th, 2021					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Without delivery	$ 5,477	$ 8,519	$ 10,055	$ 12,857	$ -	$ 36,908

(V) Market risks

1. Source and definition of market risk

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

2. Market risk management strategy and processes

(1) The Company implements the “Market Risk Management Standards of Union Bank of Taiwan”, which had been approved by the board of directors, as the basis of market risk management.

(2) The market risk management processes are risk identification, risk measurement, risk monitoring and control, risk reporting and risk mitigation.

A. Risk identification: For balance sheet and off-balance sheet items, the Company identifies and assesses market risk factors of products and the investment business and subjects them to risk management, monitoring and control procedures.

B. Risk measurement: In principle, each investment or transaction has at least one risk measurement tool - such as sensitivity analysis, value at risk and stress testing, which can be applied to variables, such as fair market value and notional amounts, to quantify market risk.

C. Risk monitoring and control: Each operation unit observes the risk limit regulation stated in its operating manual and regularly monitors risk control. The department of risk management is responsible for summarizing and reporting the Company's overall market risk monitoring.

D. Risk reporting: The risk management reports are classified as regular report, over-limit report and exception report. Regular reports are the management statements sent to the appropriate level in accordance with certain requirements. Over-limit reports are about situations in which risk limits are exceeded. Exception reports contain operation units' recommendations on how to meet temporary business needs.

E. Risk mitigation: An operation unit may take certain action to reduce risk, such as hedging, investment combination adjustment, position adjustment, setting a break-even point, halting new transactions, etc.

3. Market risk management organization and framework

(1) The board of directors: The board of directors, the top market risk supervisor of the Company, reviews market risk management policies, operational risk limits and the design and change of market risk management framework.

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

(3) 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.

(4) Operation units: Operation units perform daily market risk management work and report the market risk of investment positions and related information to the authorities.

4. Scope and features of market risk report and the measurement system

(1) The market risk of the trading book financial instruments is measured in accordance with the fair market value or evaluation model and the profit and loss situation is evaluated regularly.

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

(3) The market risk management system combines the evaluation of the front and middle offices to generate information that will assist management in risk monitoring. Moreover, the system supports the capital accrual method being used by the Company through generating internal and external reports for management's decision making.

5. Market risk measurement of trading book

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

6. Banking book market risk

(1) Interest rate risk

The deposit and lending positions in the balance sheet of Union Bank of Taiwan and other positions related to interest rates, including the interest rate sensitive assets and the interest rate sensitive liabilities, may be measured as the earning perspective for the risks of earning decrease for Union Bank of Taiwan due to the movement of interest rates of deposit and lending.

The earning perspective analysis emphasize the impacts of the interest rate changes on the accrual or accounted earnings of a bank; the focus is on the measurement of impact on the near-term profit of the bank when interest rates change. Union Bank of Taiwan assumes other changing factors to stay the same, if the interest rate is increased or decreased by 100 bps, the impacts on the net profit before tax during January 1st to September 30th, 2022 and 2021 would be increased or decreased by NT$340,304 thousand and NT$594,397 thousand.

(2) Exchange rate risk

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

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

7. Exchange rate risk concentration information

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

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

	September 30th, 2022		
	Foreign currency	Exchange rate	TWD
Financial assets			
USD	$ 3,845,371	31.7430	$ 122,063,623
JPY	24,264,041	0.2199	5,336,845
GBP	13,099	35.4950	464,939
AUD	104,386	20.6488	2,155,449
HKD	177,558	4.0438	718,009
CAD	14,525	23.2192	337,267
CNY	622,652	4.4739	2,785,703
SGD	13,805	22.1886	306,317
ZAR	882,709	1.7742	1,566,133
CHF	1,105	32.4969	35,893
NZD	21,131	18.1729	384,002
EUR	58,034	31.2256	1,812,159

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	September 30th, 2022		
Financial liabilities	Foreign currency	Exchange rate	TWD
USD	$ 3,596,987	31.7430	$ 114,179,150
JPY	28,179,850	0.2199	6,198,122
GBP	13,075	35.4950	464,109
AUD	104,345	20.6488	2,154,610
HKD	139,138	4.0438	562,646
CAD	14,632	23.2192	339,753
CNY	617,466	4.4739	2,762,502
SGD	13,844	22.1886	307,170
ZAR	880,807	1.7742	1,562,757
CHF	1,058	32.4969	34,385
NZD	21,119	18.1729	383,787
EUR	58,061	31.2256	1,812,993

	December 31, 2021		
Financial assets	Foreign currency	Exchange rate	TWD
USD	$ 3,837,220	27.6900	$ 106,252,618
JPY	28,515,333	0.2405	6,858,850
GBP	12,336	37.3040	460,174
AUD	128,353	20.0919	2,578,859
HKD	367,310	3.5506	1,304,183
CAD	19,449	21.6277	420,643
CNY	647,355	4.3465	2,813,703
SGD	30,437	20.4626	622,829
ZAR	909,166	1.7337	1,576,212
CHF	1,169	30.1930	35,310
NZD	21,736	18.8901	410,603
EUR	58,390	31.3312	1,829,440

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	December 31, 2021		
	Foreign currency	Exchange rate	TWD
Financial liabilities			
USD	$ 3,296,491	27.6900	$ 91,279,830
JPY	21,964,095	0.2405	5,283,068
GBP	12,295	37.3040	458,643
AUD	128,370	20.0919	2,579,189
HKD	323,142	3.5506	1,147,358
CAD	19,505	21.6277	421,842
CNY	647,594	4.3465	2,814,744
SGD	30,370	20.4626	621,442
ZAR	909,666	1.7337	1,577,079
CHF	1,168	30.1930	35,259
NZD	21,755	18.8901	410,957
EUR	58,366	31.3312	1,828,684

	September 30th, 2021		
	Foreign currency	Exchange rate	TWD
Financial assets			
USD	$ 3,971,937	27.8660	$ 110,682,009
JPY	23,231,325	0.2491	5,786,226
GBP	9,220	37.4603	345,371
AUD	130,370	20.0886	2,618,944
HKD	333,973	3.5783	1,195,039
CAD	18,068	21.9141	395,934
CNY	690,669	4.3080	2,975,368
SGD	11,334	21.4762	232,072
ZAR	920,534	1.8440	1,697,433
CHF	2,111	29.8415	62,990
NZD	21,710	19.1857	416,523
EUR	51,419	32.3357	1,662,661

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	September 30th, 2021		
	Foreign currency	Exchange rate	TWD
Financial liabilities			
USD	$ 3,437,370	27.8660	$ 95,785,765
JPY	16,847,276	0.2491	4,196,151
GBP	9,149	37.4603	342,728
AUD	130,258	20.0886	2,616,699
HKD	294,302	3.5783	1,053,087
CAD	18,047	21.9141	395,482
CNY	688,455	4.3080	2,965,834
SGD	11,278	21.4762	230,933
ZAR	920,452	1.8440	1,697,282
CHF	2,088	29.8415	62,305
NZD	21,680	19.1857	415,950
EUR	51,229	32.3357	1,656,521

8. Effect of interest rate benchmark reform

The Company' financial instruments subject to interest rate benchmark reform include the derivative instruments and non-derivative financial assets and liabilities. The type of linked rate benchmark is USD London Interbank Offered Rates (LIBOR). SOFR (Secured Overnight Financing Rate) is expected to replace USD LIBOR, but the two are different in their nature. USD LIBOR is "forward looking", which implies market expectation over future interest rates, and includes a credit spread over the risk-free rate. SOFR is currently a "backward-looking" rate, based on interest rates from actual transactions, and excludes a credit spread. Therefore, when existing contracts and agreements that reference USD LIBOR transfer to SOFR, adjustments for these differences might need to be applied to SOFR to enable the two benchmark rates to be economically equivalent.

Risks arising from the transition relate principally to the potential impact of interest rate basis risk. If the bilateral negotiations with the Company's counterparties are not successfully concluded before the cessation of USD LIBOR, the case will bring significant uncertainties to the future interest rate basis applied to financial instruments, and give rise to additional interest rate risk that was not anticipated when the contracts were entered into. If a hedged financial instrument and the related hedging derivative instruments are transited to alternative benchmark rates at different times, it could result in hedge ineffectiveness.

As of September 30th, 2022, the non-derivative financial instruments held by the Company subject to the reform and have not transitioned to an alternative benchmark interest rate nor the contingent terms added are summarized as follows:

	Book amount
Non-derivative financial assets which are subject to the reform of interest benchmark	
Financial assets linked to USD LIBOR	
Financial assets measured at fair value through profit or loss	$ 30,154
Financial assets measured at fair value through other comprehensive income	1,555,407
Discounts and loans	8,144,093
	$ 9,729,654

(VI) Transfers of financial assets

Transferred financial assets not entirely derecognized

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

September 30th, 2022					
Financial asset classes	Carrying Amount of Transferred Financial Asset	Carrying Amount of Associated Financial Liability	Fair Value of Transferred Financial Asset	Fair Value of Associated Financial Liability	Fair Value of Net Position
Financial assets measured at fair value through profit or loss Repurchase agreements	$ 15,426,405	$ 15,460,370	$ 15,426,405	$ 15,460,370	($ 33,965)
Financial assets measured at fair value through other comprehensive income Repurchase agreements	23,358,737	23,308,810	23,358,737	23,308,810	49,927
Investment of debt instrument measured at amortized costs Repurchase agreements	28,125,615	17,334,321	23,748,463	17,334,321	6,414,142

December 31, 2021					
Financial asset classes	Carrying Amount of Transferred Financial Asset	Carrying Amount of Associated Financial Liability	Fair Value of Transferred Financial Asset	Fair Value of Associated Financial Liability	Fair Value of Net Position
Offsetting financial assets and financial liabilities Financial assets Repurchase agreements	$ 29,064,605	$ 29,078,984	$ 29,064,605	$ 29,078,984	($ 14,379)
Financial assets measured at fair value through other comprehensive income Repurchase agreements	8,789,959	8,470,536	8,789,959	8,470,536	319,423
Investment of debt instrument measured at amortized costs Repurchase agreements	17,353,068	13,730,236	18,602,659	13,730,236	4,872,423

September 30th, 2021					
Financial asset classes	Carrying Amount of Transferred Financial Asset	Carrying Amount of Associated Financial Liability	Fair Value of Transferred Financial Asset	Fair Value of Associated Financial Liability	Fair Value of Net Position
Financial assets measured at fair value through profit or loss Repurchase agreements	$ 31,830,802	$ 32,338,459	$ 31,830,802	$ 32,338,459	($ 507,657)
Financial assets measured at fair value through other comprehensive income Repurchase agreements	10,108,739	9,952,122	10,108,739	9,952,122	156,617
Investment of debt instrument measured at amortized costs Repurchase agreements	17,144,742	13,728,689	18,589,480	13,728,689	4,860,791

(VII) measured at FVTPL

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

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

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

September 30th, 2022						
Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements.						
Explain	Gross Amount of Recognized Financial Assets (a)	Gross Amount of Recognized Financial Liabilities Offset in the Balance Sheets (b)	Net Amount of Financial Assets Presented in the Balance Sheets (c)=(a)-(b)	Related Amount Not Offset in the Balance Sheets (d)		Net Amount (e)=(c)-(d)
				Financial instruments (Note)	Cash Collateral Received	
Derivatives	$3,081,913	$ -	$3,081,913	$ 124,491	$ -	$2,957,422

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

September 30th, 2022						
Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements.						
Explain	Gross Amount of Recognized Financial Liabilities (a)	Gross Amount of Recognized Financial Assets Offset in the Balance Sheets (b)	Net Amount of Financial Liabilities Presented in the Balance Sheets (c)=(a)-(b)	Related Amount Not Offset in the Balance Sheets (d)		Net Amount (e)=(c)-(d)
				Financial instruments (Note)	Cash Collateral Pledged	
Derivatives	$1,192,116	$ -	$1,192,116	$ 59,403	$ -	$1,132,713

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

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

December 31, 2021						
Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements.						
Explain	Gross Amount of Recognized Financial Assets (a)	Gross Amount of Recognized Financial Liabilities Offset in the Balance Sheets (b)	Net Amount of Financial Assets Presented in the Balance Sheets (c)=(a)-(b)	Related Amount Not Offset in the Balance Sheets (d)		Net Amount (e)=(c)-(d)
				Financial instruments (Note)	Cash Collateral Received	
Derivatives	$ 303,698	$ -	$ 303,698	$ 40,264	$ -	$ 263,434

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

December 31, 2021						
Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements.						
Explain	Gross Amount of Recognized Financial Liabilities (a)	Gross Amount of Recognized Financial Assets Offset in the Balance Sheets (b)	Net Amount of Financial Liabilities Presented in the Balance Sheets (c)=(a)-(b)	Related Amount Not Offset in the Balance Sheets (d)		Net Amount (e)=(c)-(d)
				Financial instruments (Note)	Cash Collateral Pledged	
Derivatives	$ 495,421	$ -	$ 495,421	$ 73,498	$ -	$ 421,923

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

September 30th, 2021						
Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements.						
Explain	Gross Amount of Recognized Financial Assets (a)	Gross Amount of Recognized Financial Liabilities Offset in the Balance Sheets (b)	Net Amount of Financial Assets Presented in the Balance Sheets (c)=(a)-(b)	Related Amount Not Offset in the Balance Sheets (d)		Net Amount (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral received	
Derivatives	$ 317,555	$ -	$ 317,555	$ 126,101	$ -	$ 191,454

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

September 30th, 2021						
Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements.						
Explain	Gross Amount of Recognized Financial Liabilities (a)	Gross Amount of Recognized Financial Assets Offset in the Balance Sheets (b)	Net Amount of Financial Liabilities Presented in the Balance Sheets (c)=(a)-(b)	Related Amount Not Offset in the Balance Sheets (d)		Net Amount (e)=(c)-(d)
				Financial instruments (Note)	Cash Collateral Pledged	
Derivatives	$ 445,546	$ -	$ 445,546	$ 2,600	$ -	$ 442,946

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

LIV. CAPITAL MANAGEMENT

(I) Strategies to maintain capital adequacy

Under the regulations set by the authorities, the Company complies with the requirements set 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.

(II) Capital assessment procedure

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

LV. LOAN ASSET QUALITY, CONCENTRATION OF CREDIT CONCENTRATRAION, INTEREST RATE SENSITIVITY, PROFITABILITY AND MATURITY ANALYSIS

Union Bank of Taiwan

(I) Credit risk

1. Loan asset quality: See Note LIII and Table VI.
2. Concentration of credit extensions

(In Thousands of New Taiwan Dollars, %)

September 30th, 2022				
Rank	Sector to Which the Company or Group Belongs		Credit Extension Balance	% to Net Asset Value
1	H	Group - Retail Sale of Other Food, Beverages and Tobacco in Specialized Stores	3,751,000	6.39
2	G	Group - Other Financial Services Not Elsewhere Classified	3,299,000	5.62
3	J	Group - Real Estate Development Activities	2,565,000	4.37
4	I	Company - Manufacture of Man-made Fibers	2,102,000	3.58
5	T	Company - Manufacture of Grain Mill Products	1,485,000	2.53
6	A	Group - Real Estate Development Activities	1,423,114	2.42
7	P	Group - Iron and Steel Refining	1,371,196	2.34
8	S	Company - Manufacture of Motor Vehicles	1,349,078	2.30
9	Q	Company - Other Telecommunication	1,324,996	2.26
10	L	Company - Wholesale of Building Materials	1,267,820	2.16

December 31, 2021				
Rank		Sector to Which the Company or Group Belongs	Credit Extension Balance	% to Net Asset Value
1	H	Group - Retail Sale of Other Food, Beverages and Tobacco in Specialized Stores	2,855,000	4.38
2	G	Group - Other Financial Services Not Elsewhere Classified	2,611,000	4.01
3	I	Company - Manufacture of Man-made Fibers	1,842,608	2.83
4	T	Company - Manufacture of Grain Mill Products	1,500,000	2.30
5	S	Company - Manufacture of Motor Vehicles	1,280,663	1.97
6	A	Group - Real Estate Development Activities	1,143,267	1.76
7	J	Group - Real Estate Development Activities	1,060,000	1.63
8	N	Company - Securities Dealer	969,150	1.49
9	Q	Company - Other Telecommunication	919,884	1,41
10	C	Company - Manufacture of Other Food Products Not Elsewhere Classified	903,821	1.39

September 30th, 2021				
Rank		Sector to Which the Company or Group Belongs	Credit Extension Balance	% to Net Asset Value
1	H	Group - Retail Sale of Other Food, Beverages and Tobacco in Specialized Stores	2,617,000	4.10
2	G	Group - Other Financial Services Not Elsewhere Classified	2,611,000	4.09
3	I	Company - Manufacture of Man-made Fibers	1,842,000	2.88
4	T	Company - Manufacture of Grain Mill Products	1,500,000	2.35
5	S	Company - Manufacture of Motor Vehicles	1,393,300	2.18
6	A	Group - Real Estate Development Activities	1,285,449	2.01
7	P	Group - Iron and Steel Refining	1,051,672	1.65
8	Q	Company - Other Telecommunication	1,008,299	1.58
9	N	Company - Securities Dealer	975,310	1.53
10	C	Company - Manufacture of Other Food Products Not Elsewhere Classified	888,631	1.39

(II) Market risks

Interest Rate Sensitive Asset/Liability Analysis (NT$)

September 30th, 2022

(In Thousands of New Taiwan Dollars, %)

Item	1-90 days (inclusive)	91-180 days (inclusive)	181 days to one year (inclusive)	More than one year	Total
Interest rate-sensitive assets	610,334,942	8,373,578	14,874,692	67,047,786	700,630,998
Interest rate-sensitive liabilities	377,754,478	248,751,570	49,933,369	16,256,403	692,695,820
Interest rate-sensitive gap	232,580,464	(240,377,992)	(35,058,677)	50,791,383	7,935,178
Net value					59,613,001
Ratio of interest rate-sensitive assets to liabilities					101.15%
Ratio of interest rate sensitivity gap to net worth					13.31%

Interest Rate Sensitive Asset/Liability Analysis (NT$)

December 31, 2021

(In Thousands of New Taiwan Dollars, %)

Item	1-90 days (inclusive)	91-180 days (inclusive)	181 days to one year (inclusive)	More than one year	Total
Interest rate-sensitive assets	608,137,527	8,477,742	12,038,976	74,307,462	702,961,707
Interest rate-sensitive liabilities	355,262,684	258,426,150	70,276,867	15,557,848	699,523,549
Interest rate-sensitive gap	252,874,843	(249,948,408)	(58,237,891)	58,749,614	3,438,158
Net value					59,685,996
Ratio of interest rate-sensitive assets to liabilities					100.49%
Ratio of interest rate sensitivity gap to net worth					5.76%

Interest Rate Sensitive Asset/Liability Analysis (NT$)

September 30th, 2021

(In Thousands of New Taiwan Dollars, %)

Item	1-90 days (inclusive)	91-180 days (inclusive)	181 days to one year (inclusive)	More than one year	Total
Interest rate-sensitive assets	581,911,426	9,994,042	13,359,778	74,567,648	679,832,894
Interest rate-sensitive liabilities	331,239,206	250,163,993	75,612,852	16,001,873	673,017,924
Interest rate-sensitive gap	250,672,220	(240,169,951)	(62,253,074)	58,565,775	6,814,970
Net value					58,763,753
Ratio of interest rate-sensitive assets to liabilities					101.01%
Ratio of interest rate sensitivity gap to net worth					11.60%

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

II. Interest rate-sensitive assets and liabilities mean the revenues or costs of interest-earning assets and interest-bearing liabilities are affected by interest rate changes.

III. Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.

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

Interest Rate Sensitive Asset/Liability Analysis (USD)

September 30th, 2022

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

Item	1-90 days (inclusive)	91-180 days (inclusive)	181 days to one year (inclusive)	More than one year	Total
Interest rate-sensitive assets	2,149,365	84,810	41,356	2,243,899	4,519,430
Interest rate-sensitive liabilities	2,064,973	279,388	575,201	569,760	3,489,322
Interest rate-sensitive gap	84,392	(194,578)	(533,845)	1,674,139	1,030,108
Net value					10,985
Ratio of interest rate-sensitive assets to liabilities					129.52%
Ratio of interest rate sensitivity gap to net worth					9,377.41%

December 31st, 2021

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

Item	1-90 days (inclusive)	91-180 days (inclusive)	181 days to one year (inclusive)	More than one year	Total
Interest rate-sensitive assets	2,663,524	79,113	130,558	1,663,124	4,536,319
Interest rate-sensitive liabilities	1,531,322	461,239	703,351	587,150	3,283,062
Interest rate-sensitive gap	1,132,202	(382,126)	(572,793)	1,075,974	1,253,257
Net value					219,042
Ratio of interest rate-sensitive assets to liabilities					138.17%
Ratio of interest rate sensitivity gap to net worth					572.15%

September 30th, 2021

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

Item	1-90 days (inclusive)	91-180 days (inclusive)	181 days to one year (inclusive)	More than one year	Total
Interest rate-sensitive assets	2,519,699	129,602	150,815	1,805,679	4,605,795
Interest rate-sensitive liabilities	1,595,612	565,355	705,783	553,037	3,419,787
Interest rate-sensitive gap	924,087	(435,753)	(554,968)	1,252,642	1,186,008
Net value					215,002
Ratio of interest rate-sensitive assets to liabilities					134.68%
Ratio of interest rate sensitivity gap to net worth					551.63%

Note: I. The above amounts included only U.S. dollar amounts held by the Bank's headquarter, domestic branches, OBU and overseas branches and excluded contingent assets and contingent liabilities.

II. Interest rate-sensitive assets and liabilities mean the revenues or costs of interest-earning assets and interest-bearing liabilities are affected by interest rate changes.

III. Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities

IV. Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets ÷ Interest rate-sensitive liabilities (in USD).

(III) Liquidity Risks

1. Profitability

Unit: %

Item		January 1st to September 30th, 2022	January 1st to September 30th, 2021
Return on total assets	Before tax	0.37	0.52
	After tax	0.28	0.45
Return on common share net worth	Before tax	4.94	6.87
	After tax	3.55	5.91
Net income ratio		20.55	28.77

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

II. Return on common share net worth = Income before (after) income tax ÷ Average common share net worth

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

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

2. Maturity analysis of assets and liabilities

Maturity Analysis of New Taiwan Dollar

September 30th, 2022

Unit: Thousand NTD

	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	771,703,965	151,402,766	55,738,682	60,140,735	109,910,579	394,511,203
Main capital outflow on maturity	891,758,028	93,593,627	134,136,876	119,510,655	229,144,917	315,371,953
Gap	(120,054,063)	57,809,139	(78,398,194)	(59,369,920)	(119,234,338)	79,139,250

December 31, 2021

Unit: Thousand NTD

	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	781,838,385	211,347,601	29,497,818	51,348,617	121,443,362	368,200,987
Main capital outflow on maturity	901,429,650	104,191,958	135,689,420	116,697,294	226,310,665	318,540,313
Gap	(119,591,265)	107,155,643	(106,191,602)	(65,348,677)	(104,867,303)	49,660,674

September 30th, 2021

Unit: Thousand NTD

	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	752,253,388	214,263,104	31,711,893	53,389,965	100,036,993	352,851,433
Main capital outflow on maturity	861,988,864	114,598,948	106,447,683	121,706,328	218,500,856	300,735,049
Gap	(109,735,476)	99,664,156	(74,735,790)	(68,316,363)	(118,463,863)	52,116,384

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

Maturity Analysis of USD

September 30th, 2022

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	4,770,759	628,882	1,644,278	91,179	46,603	2,359,817
Main capital outflow on maturity	4,755,454	1,335,100	1,403,988	341,357	751,453	923,556
Gap	15,305	(706,218)	240,290	(250,178)	(704,850)	1,436,261

December 31, 2021

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	4,733,246	977,463	1,760,741	89,075	135,791	1,770,176
Main capital outflow on maturity	4,727,275	1,173,371	996,018	521,864	895,419	1,140,603
Gap	(5,971)	(195,908)	764,723	(432,789)	(759,628)	629,573

September 30th, 2021

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	4,781,394	1,149,351	1,425,923	135,496	156,621	1,914,003
Main capital outflow on maturity	4,778,886	1,120,917	1,093,309	618,851	843,638	1,102,171
Gap	2,508	28,434	332,614	(483,355)	(687,017)	811,832

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

LVI. BUSINESS COMBINATIONS

(I) Subsidiaries acquired

	Principal Activity	Date of Acquisition	Ownership equity with voting rights/ proportion acquired (%)
Tianji Smart Energy Co., Ltd.	Energy development and technology service	November 2nd, 2021	90

The Company invested Tianji Smart Energy Co., Ltd., which mainly engages in energy development and technology service.

(II) Assets acquired and liabilities assumed at the date of acquisition

	Amount
Assets	
Cash and cash equivalents	$ 67,467
Accounts receivable	191,502
Property, plant and equipment	2,129,384
Right-of-use assets	243,762
Prepaid expenses	120,753
Other assets	1,716
Asset subtotal	2,754,584
Liabilities	(2,386,633)
Identifiable net assets acquired	$ 367,951

(III) Non-controlling interests

Tianji Smart Energy Co., Ltd.'s non-controlling interest (a 10% ownership interest) recognized at the acquisition date was measured by reference to the fair value of non-controlling interest and amounted to $36,795 thousand.

(IV) Goodwill generated from acquisition

	Amount
Consideration transferred (Note)	$ 394,413
Plus: Non-controlling interests	36,795
Less: Fair value of identifiable net assets acquired	(367,951)
Goodwill generated from acquisition	$ 63,257

The goodwill recognized in the acquisitions of Tianji Smart Energy Co., Ltd. mainly represent the control premium included in the cost of the combinations. In addition, the consideration paid for the combinations effectively included amounts attributed to the benefits of expected synergies, revenue growth and future market development. Provided, these benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Note: Included the prepaid stock $81,506 thousand in 2020.

(V) Net cash outflow on the acquisition of subsidiary

	Tianji Smart Energy Co., Ltd.
Consideration paid in cash	$ 312,907
Less: Cash and cash equivalent balances acquired	(67,467)
	$ 245,440

LVII. Disclosed Matters in Notes

(I) Information Related to Material Transactions and (II) Information of the Re-investees

1. Loan provided: not applicable to the Bank, and please see Annex 1 for other re-investees.
2. Endorsement/guarantee provided: Annex 2
3. Negotiable securities held at the end of the period, and please see Annex 3 for other re-investees.
4. Trading shares of the same investee for NT$300 million, or 10% of the paid-in capital or more cumulatively: Annex 4.
5. Acquisition of individual real estate at costs of NT$300 million or 10% of the paid-in capital or more: none
6. Disposal of individual real estate at costs of NT$300 million or 10% of the paid-in capital or more: none
7. Allowance of service fees to related parties amounting to at least $5 million: None
8. Receivables from related parties amounting to at least $300 million or 10% of the paid-in capital: Annex 5
9. Sale of nonperforming loans: None.
10. Asset securitization under the "Financial Asset Securitization Act" or the "Clauses of the Real Estate Securitization Act": None
11. Other significant transactions which may affect the decisions of users of Financial Statements: Annex 6.
12. Names, locations and other information of investees on which the Bank exercises significant influence: exempted for quarterly report.
13. Derivative transactions: Note VIII.

(III) Investment in Mainland China: None

(IV) Business Relationships among Parent and Subsidiaries, and Key Transactions

The detailed information of intercompany relationships and significant intercompany transactions are referred to Annex 7.

(V) Information of major shareholders which hold ownership of 5% or greater: Annex 8.

LVIII. Department Information

The information reported to the Company's chief operating decision makers for the assessment of segment performance focuses mainly on operation and profitability. The Company's reportable segments are as follows:

(I) Corporate banking unit: Corporate banking, foreign exchange business, debt management and public treasury business, etc.

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

(III) Wealth management and trust unit: Wealth management and trust business, etc.

(IV) Investing unit: Investing business in the financial market, etc.

(V) Leasing unit: Leasing of vehicles, buildings, etc.

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

	January 1st to September 30th, 2022						
	Corporate Finance	Consumer banking unit	Wealth management and trust unit	Investing unit	Leasing unit	Others	Total
Net interest (Note)	$ 1,536,064	$ 3,240,791	($ 222)	$ 751,612	($ 21,773)	$ 2,154,436	$ 7,660,908
COMMISSION AND FEE INCOME, NET	208,189	880,673	894,312	161,466	303	300,769	2,445,712
Net revenues other than interest	254,938	(3,148)	4,175	(943,244)	1,864,541	267,304	1,444,566
Net income	1,999,191	4,118,316	898,265	(30,166)	1,843,071	2,722,509	11,551,186
Provisions for doubtful accounts (reversal)	(43,758)	12,949	-	17,932	15,729	440,156	443,008
Operating expenses	714,499	2,345,727	552,746	148,388	1,724,376	2,511,074	7,996,810
Net Income (loss) before tax	$ 1,328,450	$ 1,759,640	$ 345,519	($ 196,486)	$ 102,966	($ 228,721)	$ 3,111,368

	January 1st to September 30th, 2021						
	Corporate Finance	Consumer banking unit	Wealth management and trust unit	Investing unit	Leasing unit	Others	Total
Net interest (Note)	$ 1,211,598	$ 2,757,326	($ 4,035)	$ 1,133,096	($ 6,221)	$ 1,478,246	$ 6,570,010
COMMISSION AND FEE INCOME, NET	156,095	974,156	742,766	135,786	(532)	181,677	2,189,948
Net revenues other than interest	204,153	(4,348)	4,786	1,518,611	1,821,317	105,450	3,649,969
Net income	1,571,846	3,727,134	743,517	2,787,493	1,814,564	1,765,373	12,409,927
Provisions for doubtful accounts (reversal)	(49,360)	39,266	-	15,374	13,275	590,967	609,522
Operating expenses	655,083	2,338,299	416,048	136,308	1,694,436	2,487,171	7,727,345
Net Income (loss) before tax	$ 966,123	$ 1,349,569	$ 327,469	$ 2,635,811	$ 106,853	($ 1,312,765)	$ 4,073,060

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

Union Bank of Taiwan Co., Ltd. and Subsidiaries

LOAN PROVIDED TO OTHERS

January 1st to September 30th, 2022

Annex 1

In Thousand NTD (Foreign Currency)

No.	Lender	Borrower	Financial Statement Account	Highest Balance for the Period (Note 1)	Ending Balance(Note 2)	Actual Drafted Amount	Interest Rate Range (%)	Nature of loan	Business Transaction Amount(Note 3)	Reason for Short-term Financing	Amount of allowance for doubtful accounts provided	Collaterals		Financing Limit for Each Borrower (Note 4)	Aggregate Financing Limit(Note 5)
												Name	Value		
1	UFLIC	Union Capital (Singapore) Holding PTE. Ltd.	Accounts receivable from affiliates	$ 813,811 (JPY 3,700,000)	$ 813,811 (JPY 3,700,000)	$ 577,855 (JPY 2,627,225)	1.25%	Business transaction	$ 813,811 (JPY 3,700,000)	—	$ -	—	$ -	$ 2,772,705	$ 2,772,705
		Uflc Capital (Singapore) Holding PTE. Ltd.	Accounts receivable from affiliates	1,429,669 (JPY 6,500,000)	1,429,669 (JPY 6,500,000)	1,214,956 (JPY 5,523,808)	1.25%	Business transaction	1,429,669 (JPY 6,500,000)	—	-	—	-	2,772,705	2,772,705
		Junwei Development and Construction Co., Ltd.	Accounts receivable	9,969	9,768	9,768	5%-8%	Short-term financing	-	Business turnover	97	Real estates	12,447	277,270	1,109,082
		Lihua Interior Decoration Ltd.	Accounts receivable	50,000	48,658	48,658	5%-8%	Short-term financing	-	Borrowing repayment and business turnover	487	Real estates	165,218	277,270	1,109,082
		Pingcheng Energy Development Co., Ltd.	Accounts receivable	84,000	-	-	4%-7%	Short-term financing	-	Business turnover	-	Shares	416	277,270	1,109,082
2	Union Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1 (Japan)	Accounts receivable from affiliates	417,903 (JPY 1,900,000)	417,903 (JPY 1,900,000)	322,415 (JPY 1,465,865)	2.75%	Business transaction	417,903 (JPY 1,900,000)	—	-	—	-	2,772,705	2,772,705
3	Uflc Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1 (Japan)	Accounts receivable from affiliates	725,832 (JPY 3,300,000)	725,832 (JPY 3,300,000)	628,065 (JPY 2,855,504)	2.75%	Business transaction	725,832 (JPY 3,300,000)	—	-	—	-	2,772,705	2,772,705
4	Union Venture Capital Co., Ltd.	Ting Jie Electric Power Inc.	Accounts receivable	200,000	200,000	200,000	3%	Short-term financing	-	Business turnover	-	—	-	716,386	1,790,966
		Tianji Smart Energy Co., Ltd.	Accounts receivable	60,000	-	-	3%	Short-term financing	-	Business turnover	-	—	-	716,386	1,790,966
5	Union Energy Co., Ltd.	Tianji Smart Energy Co., Ltd.	Accounts receivable	30,000	-	-	3%	Short-term financing	-	Business turnover	-	—	-	20,227	50,567

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

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

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

Note 4: For the transactions with the subsidiaries 100% voting rights held directly and indirectly, and the loaning of funds for short-term financing, the limit is the net worth of UFLIC; in terms of loaning of funds for short-term financing to the non-subsidiaries, the limit is 10% of UFLIC; for these who have business transactions, and in demand of loaning of funds for short-term financing, the limit is 40% of UVC and Union Energy's net worth.

Note 5: For the transactions with the subsidiaries 100% voting rights held directly and indirectly, and the loaning of funds for short-term financing, the limit is the net worth of UFLIC; in terms of loaning of funds for short-term financing to the non-subsidiaries, the limit is 40% of UFLIC; for the inter-company and firms having business transactions, and in demand of loaning of funds for short-term financing, the limit is 100% of UVC and Union Energy's net worth.

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

Union Bank of Taiwan Co., Ltd. and Subsidiaries

Endorsement/guarantee provided

January 1st to September 30th, 2022

Annex 2

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

No. (Note 1)	Endorser/ Guarantor	Endorsee/ Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party(Note 5)	Maximum Amount Endorsed/ Guaranteed During the Period(Note 3)	Outstanding Endorsement/ Guarantee at the End of the Period(Note 4)	Actual Amount Drafted (Note 6)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 7)	Endorsement / Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement / Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement / Guarantee Given on Behalf of Companies in Mainland China
		Company name	Relationship (Note 2)										
1	Union Venture Capital Co., Ltd.	Na He Yi Hau Electric Power Inc.	3	$ 17,909,659	$ 1,113,000	$ 1,113,000	$ 242,100	$ -	62.1%	$ 53,728,976	Yes	No	No
		Ting Jie Electric Power Inc.	3	17,909,659	7,500,000	7,500,000	-	-	418.8%	53,728,976	Yes	No	No

Note 1: Description of number column

(1) Issuer: 0

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

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

(1) Company with business relationships

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

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

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

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

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

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

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

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

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

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

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

Union Bank of Taiwan Co., Ltd. and Subsidiaries

Details of negotiable securities held at the end of the period

September 30th, 2022

Annex 3

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

Held by	Types and names of negotiable securities	Relationship with the negotiable securities issuers	Account	At the end of the period				Remark
				Shares/units	Book amount	Shareholding ratio	Fair value	
UFLIC	Shares							
	Hey-Song Corporation	—	Financial assets measured at fair value through other comprehensive income	4,551	$ 150,866	1.13%	$ 150,866	
	Funds and beneficiary certificates							
	Union Golden Balanced Fund	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	517	15,630	-	15,630	
	Union Global High Dividend Strategic Investment Fund B	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	3,171	36,387	-	36,387	
	Union APEC Balanced A	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	1,102	18,118	-	18,118	
	Union Low Carbon Target Multiple Asset Fund A	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	2,000	17,639	-	17,639	
	Union Utilities and Infrastructure Equity Income Fund	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	1,292	12,723	-	12,723	
	Union Green Energy Private Equity Limited Partnership	—	Financial assets measured at fair value through profit or loss	-	533,373	25.98%	533,373	
Union Information Technology Corporation (UIT)	Shares							
	ELTA Technology Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income	3,170	32,617	14.38%	32,617	
Union Securities Investment Corporation	Shares							
	Fundrish Securities Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income	566	6,897	0.94%	6,897	
	Funds and beneficiary certificates							
	Union Advantage Global Fixed Income Portfolio Fund	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	1,068	15,148	-	15,148	
	Union Money Market	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	1,230	16,466	-	16,466	
	Union Golden Balanced Fund	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	113	3,427	-	3,427	
	Union China Fund	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	107	4,179	-	4,179	
	Union Technology Fund	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	297	5,710	-	5,710	

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(Cont')

Held by	Types and names of negotiable securities	Relationship with the negotiable securities issuers	Account	At the end of the period				Remark
				Shares/units	Book amount	Shareholding ratio	Fair value	
	Union APEC Balanced A	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	1,358	$ 22,313	-	$ 22,313	
	Union Asian High Yield Bond A	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	2,300	14,219	-	14,219	
	Union Global High Dividend Strategic Investment Fund B	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	438	5,030	-	5,030	
Union Finance International (HK) Limited	Shares							
	Obsidian	—	Financial assets measured at fair value through other comprehensive income	17	USD 122	-	USD 122	
	Mr.Cooper Group Inc	—	Financial assets measured at fair value through other comprehensive income	1	USD 60	-	USD 60	
	Catcrpillar Inc.	—	Financial assets measured at fair value through other comprehensive income	5	USD 820	-	USD 820	
	UnitedHealth Group Inc.	—	Financial assets measured at fair value through other comprehensive income	2	USD 1,010	-	USD 1,010	
	Paypal Holding Inc.	—	Financial assets measured at fair value through profit or loss	5	USD 430	-	USD 430	
Union Venture Capital Co., Ltd.	Shares							
	Greenway Environmental Technology Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income	110	2,269	2.82%	2,269	
	RFD Micro Electricity Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income	10,377	468,966	14.59%	468,966	
	Hope Vision Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income	2,134	6,282	2.44%	6,282	
Corner Ventures DAG I-U, LLC (Delaware, US)	Shares							
	Dantari Pharmaceuticals, LLC	—	Financial assets measured at fair value through other comprehensive income	Preferential shares 357	USD 510	-	USD 510	
	Get Fabric Ltd.	—	Financial assets measured at fair value through other comprehensive income	Preferential shares 148	USD 2,022	-	USD 2,022	
	Healthy.io Limited	—	Financial assets measured at fair value through other comprehensive income	Preferential shares 6	USD 313	-	USD 313	
		—	Financial assets measured at fair value through profit or loss	Preferential shares 25	USD 1,265	-	USD 1,265	
	Prismo Systems Inc.	—	Financial assets measured at fair value through other comprehensive income	Preferential shares 40	USD 127	-	USD 127	
	Nexar Ltd.	—	Financial assets measured at fair value through other comprehensive income	Preferential shares 70	USD 879		USD 879	
	Latigo Biotherapeutics, Inc.	—	Financial assets measured at fair value through other comprehensive income	Preferential shares 180	USD 125	-	USD 125	

(continued at next page)

(Cont')

Held by	Types and names of negotiable securities	Relationship with the negotiable securities issuers	Account	At the end of the period				Remark
				Shares/units	Book amount	Shareholding ratio	Fair value	
	Oncovalent Therapeutics Inc.	–	Financial assets measured at fair value through other comprehensive income	-	USD -	-	USD -	
	Twin Health, Inc.	–	Financial assets measured at fair value through other comprehensive income	Preferential shares165	USD 2,360	-	USD 2,360	
	Meilo Ltd.	–	Financial assets measured at fair value through other comprehensive income	Preferential shares12	USD 1,200	-	USD 1,200	
	Boldend Inc.	–	Financial assets measured at fair value through other comprehensive income	Preferential shares327	USD 486	-	USD 486	
	Bookaway Ltd.	–	Financial assets measured at fair value through other comprehensive income	Preferential shares51	USD 592	-	USD 592	
	Cargomatic Inc.	–	Financial assets measured at fair value through other comprehensive income	Preferential shares20	USD 148	-	USD 148	
	Engageli Inc.	–	Financial assets measured at fair value through other comprehensive income	Preferential shares176	USD 383	-	USD 383	
	Garuda Labs Inc.	–	Financial assets measured at fair value through other comprehensive income	Preferential shares14	USD 306	-	USD 306	
	AnyRoad Inc.	–	Financial assets measured at fair value through other comprehensive income	Preferential shares7	USD 38	-	USD 38	
	Assemble Stream Inc.	–	Financial assets measured at fair value through other comprehensive income	Preferential shares33	USD 115	-	USD 115	
	FINDEM Inc	–	Financial assets measured at fair value through other comprehensive income	Preferential shares5	USD 38	-	USD 38	
	Solv Health Inc.	–	Financial assets measured at fair value through other comprehensive income	Preferential shares115	USD 501	-	USD 501	
	Underdog Sport	–	Financial assets measured at fair value through other comprehensive income	Preferential shares1	USD 40	-	USD 40	
	Pivalent Therapeutics Inc.	–	Financial assets measured at fair value through other comprehensive income	Preferential shares33	USD 33		USD 33	
	Suvalent Therapeutics Inc.	–	Financial assets measured at fair value through other comprehensive income	Preferential shares99	USD 102		USD 102	
Corner Union LLC (Delaware, US)	Shares							
	Healthy.io Limited	–	Financial assets measured at fair value through other comprehensive income	Preferential shares30	USD 1,500	-	USD 1,500	
Union Private Equity Co., Ltd.	Beneficiary certificates							
	Union Green Energy Private Equity Limited Partnership	–	Financial assets measured at fair value through profit or loss	-	23,313	1.07%	23,313	
	Union Green Energy Ⅰ Private Equity Limited Partnership	–	Financial assets measured at fair value through profit or loss	-	4,948	1.34%	4,948	
	Union Green Energy Ⅱ Private Equity Limited Partnership		Financial assets measured at fair value through other comprehensive income	-	20	16.67%	20	

Union Bank of Taiwan Co., Ltd. and Subsidiaries

Trading shares of the same investee for NT$300 million, or 10% of the paid-in capital or more cumulatively

January 1st to September 30th, 2022

Annex 4

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

Company engaging in trading	Types and names of negotiable securities (Note 1)	Account	Counterparty (Note 2)	Relationship (Note 2)	Beginning of the period		Buy (Note 3)		Sell (Note 3 and 4)				At the end of the period	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Carrying cost	Profit/loss of disposal	Number of shares	Amount
Union Bank of Taiwan	Shares													
	LINE Bank Taiwan Limited	Financial assets measured at fair value through other comprehensive income	LINE Bank Taiwan Limited	-	50,000	$ 357,789	37,500	$ 375,000	12,500	$ -	$ -	$ -	75,000	$ 621,926
Union Venture Capital Co., Ltd.	Shares													
	Hsinrong Energy Techonology Co., Ltd.	Financial assets measured at fair value through profit or loss	Hsinrong Energy Techonology Co., Ltd.	-	-	-	75,000	750,000	-	-	-	-	75,000	750,000

Note 1: The securities mentioned in this table refer to shares, 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.

Note 4: The investee decreased the capital to offset losses during the period.

Union Bank of Taiwan Co., Ltd. and Subsidiaries

Receivables from related parties amounting to at least $300 million or 10% of the paid-in capital

September 30th, 2022

Annex 5

In Thousand NTD (Foreign Currency)

Company accounted for accounts receivable	Counterparty	Relationship	Balance of receivable from related party	Turnover Rate	Overdue receivables from related party		Amounts received in subsequent period	Amount of allowance for doubtful accounts provided
					Amount	Actions Taken		
UFLIC	Union Capital (Singapore) Holding PTE. Ltd.	Group subsidiary	$ 577,855 (JPY 2,627,225)	-	$ -	-	$ -	$ -
	Uflc Capital (Singapore) Holding PTE. Ltd.	Group subsidiary	1,214,956 (JPY 5,523,808)	-	-	-	-	-
	Tianji Smart Energy Co., Ltd.	Group subsidiary	1,678,306	-	-	-	-	16,783
Union Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1 (Japan)	Group subsidiary	322,415 (JPY 1,465,865)	-	-	-	-	-
Uflc Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1 (Japan)	Group subsidiary	628,065 (JPY 2,855,504)	-	-	-	-	-
Union Venture Capital Co., Ltd.	Ting Jie Electric Power Inc.	Group subsidiary	200,000	-	-	-	-	-

Union Bank of Taiwan Co., Ltd. and Subsidiaries

Overdue loans and accounts

September 30th, 2022, December 31st and September 30th, 2021

Annex 6

(In Thousands of New Taiwan Dollars, %)

Year Month			September 30th, 2022					September 30th, 2021				
Business\item			Amount of overdue loan	Total loans	Overdue ratio (Note 2)	Amount of allowance for doubtful accounts	Coverage ratio (Note 3)	Amount of nonperforming loans (Note 1)	Total loans	Overdue ratio (Note 2)	Amount of allowance for doubtful accounts	Coverage ratio (Note 3)
Corporate finance	Guarantee		$ 365,404	$ 152,770,142	0.24%	$ 2,306,737	594.95%	$ 261,266	$ 125,063,736	0.21%	$ 2,038,533	638.29%
	Unsecured		22,317	79,622,193	0.03%			58,109	60,231,730	0.10%		
Consumer finance	Home mortgage (Note 4)		274,613	232,546,329	0.12%	2,932,678	1,067.93%	236,307	208,789,702	0.11%	2,625,738	1111.16%
	Cash card		107	7,533	1.42%	249	232.71%	172	11,722	1.47%	2,340	1360.47%
	Small-scale credit loans (Note 5)		146,579	55,377,782	0.26%	606,609	413.84%	130,204	41,829,161	0.31%	450,739	346.18%
	Others (Note 6)	Guarantee	19,902	20,657,209	0.10%	240,216	1,204.39%	16,667	20,194,788	0.08%	233,616	1390.99%
		Unsecured	43	1,972,769	0.00%			128	2,107,697	0.01%		
Total loan			828,965	542,953,957	0.15%	6,086,489	734.23%	702,853	458,228,536	0.15%	5,350,966	761.32%
Business\item			Nonperforming Loan	Balance of Account Receivables	Ratio of Nonperforming Loan	Amount of allowance for doubtful accounts	Coverage ratio	Nonperforming Loan	Balance of Account Receivables	Ratio of Nonperforming Loan	Amount of allowance for doubtful accounts	Coverage ratio
Credit card business			$ 21,691	$ 18,575,094	0.12%	$ 120,794	556.89%	$ 23,850	$ 17,333,411	0.14%	$ 134,880	565.53%
Accounts receivable factored without recourse			-	799,996	-	8,000	-	-	613,299	-	6,133	-

Note 1: Nonperforming loans are reported to the authorities and disclosed to the public, as required by the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Non-accrued Loans."Nonperforming credit card receivables are reported to the authorities and disclosed to the public, as required by the FSC (IV) dated July 6, 2005 (Ref. No. 0944000378).

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

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

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

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

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

Note 7: As required by the FSC (V) dated July 19, 2005 (Ref. No. 094000494), accounts receivable factored without recourse are reported as nonperforming receivables within three months after the factors or insurance companies refuse to indemnify banks for any liabilities on these accounts.

Year Month		December 31, 2021				
Business\item		Amount of overdue loan	Total loans	Overdue ratio (Note 2)	Amount of allowance for doubtful accounts	Coverage ratio (Note 3)
Corporate finance	Guarantee	$ 181,780	$ 133,123,735	0.14%	$ 1,924,635	961.40%
	Unsecured	18,411	79,397,115	0.02%		
Consumer finance	Home mortgage (Note 4)	168,617	218,124,120	0.08%	2,747,950	1629.70%
	Cash card	36	10,544	0.34%	2,028	5633.64%
	Small-scale credit loans (Note 5)	113,465	45,681,211	0.25%	484,016	426.58%
	Others (Note 6) Guarantee	16,472	20,859,171	0.08%	237,330	1419.95%
	Others (Note 6) Unsecured	242	1,950,798	0.01%		
Total loan		499,023	499,146,694	0.10%	5,395,959	1081.30%
		Nonperforming Loan	Balance of Account Receivables	Ratio of Nonperforming Loan	Amount of allowance for doubtful accounts	Coverage ratio
Credit card business		$ 21,866	$ 17,896,657	0.12%	$ 138,614	633.92%
Accounts receivable factored without recourse		-	319,884	-	3,199	-

Not reported as nonperforming loans or nonperforming receivables

	September 30th, 2022		December 31, 2021		September 30th, 2021	
	Not Reported as Nonperforming Loan	Not Reported as Nonperforming Receivable	Not Reported as Nonperforming Loan	Not Reported as Nonperforming Receivable	Not Reported as Nonperforming Loan	Not Reported as Nonperforming Receivable
Amounts of executed contracts on negotiated debts not reported as nonperforming loans and receivables (Note 1)	$ 7,343	$ 36,884	$ 10,097	$ 48,994	$ 11,059	$ 53,296
Amounts of discharged and executed contracts on clearance of consumer debts not reported as nonperforming loans and receivables (Note 2)	250,739	660,398	227,678	700,898	218,939	715,785
Total	258,082	697,282	237,775	749,892	229,998	769,081

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

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

Union Bank of Taiwan Co., Ltd. and Subsidiaries

Business Relationships among Parent and Subsidiaries, and Key Transactions

September 30th, 2022

Annex 7

Unit: Thousand NTD

No. (Note 1)	Names of Transaction Parties	Counterparty of the Transaction	Relationship with the counterparty (Note 2)	Status of transaction			
				Account	Amount	Transaction terms	Ratio to the consolidated net income or total assets (Note 3)
0	Union Bank of Taiwan	Union Finance and Leasing (Int'l) Corp and its subsidiaries	1	Deposits and remittance - Demand deposits	$ 265,991	Note 4	0.03%
0	Union Bank of Taiwan	Union Finance and Leasing (Int'l) Corp and its subsidiaries	1	Deposits and remittance - Checking deposits	31,886	Note 4	0.00%
0	Union Bank of Taiwan	Union Finance and Leasing (Int'l) Corp and its subsidiaries	1	Deposits and remittance - Time deposits	701,161	Note 4	0.08%
1	Union Finance and Leasing (Int'l) Corp and its subsidiaries	Union Bank of Taiwan	2	Due from banks	999,038	Note 4	0.12%
0	Union Bank of Taiwan	Union Finance and Leasing (Int'l) Corp and its subsidiaries	1	Deposits and remittance - Time deposits	52,189	Note 4	0.01%
1	Union Finance and Leasing (Int'l) Corp and its subsidiaries	Union Bank of Taiwan	2	Other financial assets	52,189	Note 4	0.01%
0	Union Bank of Taiwan	Union Finance and Leasing (Int'l) Corp and its subsidiaries	1	Discounts and loans	499,715	Note 4	0.06%
1	Union Finance and Leasing (Int'l) Corp and its subsidiaries	Union Bank of Taiwan	2	DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS - CALL LOANS TO OTHER BANKS	499,715	Note 4	0.06%
0	Union Bank of Taiwan	Union Finance and Leasing (Int'l) Corp and its subsidiaries	1	OTHER OPERATING AND MANAGEMENT EXPENSES	9,834	Note 4	0.09%
1	Union Finance and Leasing (Int'l) Corp and its subsidiaries	Union Bank of Taiwan	2	Lease income	9,834	Note 4	0.09%
0	Union Bank of Taiwan	Union Finance and Leasing (Int'l) Corp and its subsidiaries	1	Interest income	6,720	Note 4	0.06%
1	Union Finance and Leasing (Int'l) Corp and its subsidiaries	Union Bank of Taiwan	2	Interest expense	6,720	Note 4	0.06%
0	Union Bank of Taiwan	Union Finance International(H.K.) Limited	1	Deposits and remittance - Demand deposits	1,118	Note 4	0.00%
2	Union Finance International(H.K.) Limited	Union Bank of Taiwan	2	Due from banks	1,118	Note 4	0.00%
0	Union Bank of Taiwan	Union Information Technology Corporation	1	Deposits and remittance - Demand deposits	78,043	Note 4	0.01%
3	Union Information Technology Corporation	Union Bank of Taiwan	2	Due from banks	78,043	Note 4	0.01%
0	Union Bank of Taiwan	Union Information Technology Corporation	1	Accounts payable - expenses payable	13,800	Note 4	0.00%
3	Union Information Technology Corporation	Union Bank of Taiwan	2	Accounts receivable - accounts receivable	13,800	Note 4	0.00%
0	Union Bank of Taiwan	Union Information Technology Corporation	1	Other assets	38,935	Note 4	0.00%
3	Union Information Technology Corporation	Union Bank of Taiwan	2	Other liabilities	38,935	Note 4	0.00%
0	Union Bank of Taiwan	Union Information Technology Corporation	1	OTHER OPERATING AND MANAGEMENT EXPENSES	121,767	Note 4	1.05%
3	Union Information Technology Corporation	Union Bank of Taiwan	2	Net revenues other than interest	121,767	Note 4	1.05%
0	Union Bank of Taiwan	Union Venture Capital Co., Ltd.	1	Deposits and remittance - Demand deposits	44,985	Note 4	0.01%
4	Union Venture Capital Co., Ltd.	Union Bank of Taiwan	2	Due from banks	44,985	Note 4	0.01%
0	Union Bank of Taiwan	Ting Jie Electric Power Inc.	1	Deposits and remittance - Demand deposits	149,244	Note 4	0.02%
5	Ting Jie Electric Power Inc.	Union Bank of Taiwan	2	Due from banks	149,244	Note 4	0.02%
0	Union Bank of Taiwan	Na He Yi Hau Electric Power Inc.	1	Deposits and remittance - Demand deposits	20,936	Note 4	0.00%
6	Na He Yi Hau Electric Power Inc.	Union Bank of Taiwan	2	Due from banks	20,936	Note 4	0.00%
0	Union Bank of Taiwan	Union Energy Co., Ltd.	1	Deposits and remittance - Demand deposits	42,901	Note 4	0.01%
7	Union Energy Co., Ltd.	Union Bank of Taiwan	2	Due from banks	42,901	Note 4	0.01%

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No. (Note 1)	Names of Transaction Parties	Counterparty of the Transaction	Relationship with the counterparty (Note 2)	Status of transaction			
				Account	Amount	Transaction terms	Ratio to the consolidated net income or total assets (Note 3)
0	Union Bank of Taiwan	Tian Ji Smart	1	Deposits and remittance - Demand deposits	$ 209,389	Note 4	0.02%
0	Union Bank of Taiwan	Tian Ji Smart	1	Deposits and remittance - Checking deposits	721	Note 4	0.00%
8	Tian Ji Smart	Union Bank of Taiwan	2	Due from banks	210,110	Note 4	0.02%
0	Union Bank of Taiwan	Union Venture Capital Co., Ltd. and its subsidiaries	1	Deposits and remittance - Time deposits	18,662	Note 4	0.00%
9	Union Venture Capital Co., Ltd. and its subsidiaries	Union Bank of Taiwan	2	Other financial assets	18,662	Note 4	0.00%
0	Union Bank of Taiwan	Union Securities Investment Trust Co., Ltd. and its subsidiaries	1	Deposits and remittance - Demand deposits	23,222	Note 4	0.00%
0	Union Bank of Taiwan	Union Securities Investment Trust Co., Ltd. and its subsidiaries	1	Deposits and remittance - Checking deposits	15	Note 4	0.00%
10	Union Securities Investment Trust Co., Ltd. and its subsidiaries	Union Bank of Taiwan	2	Due from banks	23,237	Note 4	0.00%
0	Union Bank of Taiwan	Union Securities Investment Trust Co., Ltd. and its subsidiaries	1	Deposits and remittance - Time deposits	198,300	Note 4	0.02%
10	Union Securities Investment Trust Co., Ltd. and its subsidiaries	Union Bank of Taiwan	2	Other financial assets	198,300	Note 4	0.02%
0	Union Bank of Taiwan	Union Securities Investment Trust Co., Ltd. and its subsidiaries	1	Fee income	15,117	Note 4	0.13%
10	Union Securities Investment Trust Co., Ltd. and its subsidiaries	Union Bank of Taiwan	2	Commission and fee expense	15,117	Note 4	0.13%
1	Union Finance and Leasing (Int'l) Corp and its subsidiaries	Tian Ji Smart	3	Lease payment receivable	1,678,306	Note 4	0.20%
8	Tian Ji Smart	Union Finance and Leasing (Int'l) Corp and its subsidiaries	3	Lease payment payable	1,678,306	Note 4	0.20%
1	Union Finance and Leasing (Int'l) Corp and its subsidiaries	Tian Ji Smart	3	Interest income	27,061	Note 4	0.23%
8	Tian Ji Smart	Union Finance and Leasing (Int'l) Corp and its subsidiaries	3	Interest expense	27,061	Note 4	0.23%
4	Union Venture Capital Co., Ltd.	Ting Jie Electric Power Inc.	3	Accounts receivable	200,000	Note 4	0.02%
5	Ting Jie Electric Power Inc.	Union Venture Capital Co., Ltd.	3	Accounts payable	200,000	Note 4	0.02%
11	Union Finance and Leasing (Int'l) Corp	Union Capital (Singapore) Holding PTE. Ltd.	3	Account receivable - accounts receivable from affiliates	581,437	Note 4	0.07%
12	Union Capital (Singapore) Holding PTE. Ltd.	Union Finance and Leasing (Int'l) Corp	3	Account payable - accounts payable to affiliates	581,437	Note 4	0.07%
11	Union Finance and Leasing (Int'l) Corp	Union Capital (Singapore) Holding PTE. Ltd.	3	Interest income	5,565	Note 4	0.05%
12	Union Capital (Singapore) Holding PTE. Ltd.	Union Finance and Leasing (Int'l) Corp	3	Interest expense	5,565	Note 4	0.05%
11	Union Finance and Leasing (Int'l) Corp	Uflc Capital (Singapore) Holding PTE. Ltd.	3	Account receivable - accounts receivable from affiliates	1,222,487	Note 4	0.14%
13	Uflc Capital (Singapore) Holding PTE. Ltd.	Union Finance and Leasing (Int'l) Corp	3	Account payable - accounts payable to affiliates	1,222,487	Note 4	0.14%
11	Union Finance and Leasing (Int'l) Corp	Uflc Capital (Singapore) Holding PTE. Ltd.	3	Interest income	11,701	Note 4	0.10%
13	Uflc Capital (Singapore) Holding PTE. Ltd.	Union Finance and Leasing (Int'l) Corp	3	Interest expense	11,701	Note 4	0.10%
12	Union Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1	3	Account receivable - accounts receivable from affiliates	329,339	Note 4	0.04%

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No. (Note 1)	Names of Transaction Parties	Counterparty of the Transaction	Relationship with the counterparty (Note 2)	Status of transaction			
				Account	Amount	Transaction terms	Ratio to the consolidated net income or total assets (Note 3)
14	Kabushiki Kaisha UCJ1	Union Capital (Singapore) Holding PTE. Ltd.	3	Account payable - accounts payable to affiliates	$ 329,339	Note 4	0.04%
13	Uflc Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1	3	Account receivable - accounts receivable from affiliates	634,028	Note 4	0.07%
14	Kabushiki Kaisha UCJ1	Uflc Capital (Singapore) Holding PTE. Ltd.	3	Account payable - accounts payable to affiliates	634,028	Note 4	0.07%
12	Union Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1	3	Interest income	6,889	Note 4	0.06%
14	Kabushiki Kaisha UCJ1	Union Capital (Singapore) Holding PTE. Ltd.	3	Interest expense	6,889	Note 4	0.06%
13	Uflc Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1	3	Interest income	13,408	Note 4	0.12%
14	Kabushiki Kaisha UCJ1	Uflc Capital (Singapore) Holding PTE. Ltd.	3	Interest expense	13,408	Note 4	0.12%

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

1. 0 for parent company.
2. Sequentially from 1 for subsidiaries.

Note 2: Three types of the relationships with the counter parties, indicate the type:

1. From parent company to subsidiary.
2. From subsidiary to parent company.
3. Between subsidiaries

Note 3: for the calculation of the ratio transaction amounts to the consolidated net income or total assets, in case of the asset/liablitity account, the calculation is the ratio of the ending balance to the consolidated total assets; for the profit and loss, the calculation is the ratio of the interim accumulated amount to the consolidated net income.

Note 4: Equivalent to the unrelated parties

Referring to transactions exceeding $5,000 thousand.

Union Bank of Taiwan Co., Ltd. and Subsidiaries

Information of Major Shareholders

September 30th, 2022

Annex 8

Unit: thousand shares

Name of Major Shareholder	Shares			
	Number of shares			Shareholding ratio
	Common shares	Preferential shares	Total shares	
Tsong-Li Investment Co., Ltd.	284,845	-	284,845	7.50%

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

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