Union Bank of Taiwan Co., Ltd.

Parent Company Only
Financial Statement and the
Independent Auditor's Report
First Half of 2024 and 2023

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

§Table of Content§

Audited Report

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

Auditor's Opinion

We have audited the accompanying consolidated financial statements of Union Bank of Taiwan (the "Bank"), which comprise the parent-only balance sheets as of June 30th, 2024, and December 31st and June 30th, 2023, as well as the consolidated statements of comprehensive income, changes in equity and cash flows for January 1st to June 30th, 2024and 2023, and the notes to the Parent Company Only Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the parent company only financial position of the Bank as of June 30th, 2024, and December 31st and June 30th, 2023, as well as the parent company only financial performance and the parent company only cash flows for January 1st to June 30th, 2024 and 2023.

Basis for Opinion

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

Key Audit Matters

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

For the Bank's Parent Company Only Financial Statements for the first half of 2024, the key audit matters are specified as follows:

Estimated impairment of discounts and loans

As of June 30, 2024, the net book value of discounts at Union Bank accounted for approximately 62% of total assets, which was material to the parent company only financial statements. The management of Union Bank not only evaluates the ECL pursuant to International Financial Report Standard 9, "Financial Instruments," but also evaluates the classification and provides allowance for bad debt pursuant to the "Handling Regulations Governing Banks for Evaluating Provisons of Loss Reservation and Collecting Bad Debt of Overdue Loans" ("the Handling Regulations"). Please refer to Note IV, V, and XIV for the accounting policies regarding evaluation for the impairment of lending and related information.

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

The major audit procedures implemented by us including:

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Statements by Public Banks and the Regulations Governing the Preparation of Financial Statements by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including (the audit committee), are responsible for overseeing the Bank's Financial Statementing process.

Auditors’ Responsibilities for the Audit of the Parent Company Only Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

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

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

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

Deloitte & Touche

Li, Guang-Hou, CPA

Shih, Chun-Hung, CPA

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

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

August 26, 2024

Union Bank of Taiwan Co., Ltd.

Parent-Only Balance Sheet

June 30, 2024, December 31 and June 30, 2023

Unit: Thousand NTD

Code	Asset	June 30, 2024 Amount	%	December 31, 2023 Amount	%	June 30, 2023 Amount	%
11000	CASH AND CASH EQUIVALENTS (Note VI)	$ 10,044,251	1	$ 10,867,826	1	$ 6,721,226	1
11500	DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Note VII)	40,386,203	4	31,773,751	4	30,747,073	4
12000	FINANCIAL ASSETS MEASURED AT FVTPL (Note VIII)	52,773,408	6	51,429,948	6	52,164,255	6
12100	FINANCIAL ASSETS MEASURED AT FVTOCI (Notes V, IX, and XI)	62,191,972	6	57,374,480	6	63,485,574	7
12200	INVESTMENT OF DEBT INSTRUMENT MEASURED AT AMORTIZED COSTS (Notes V, X, and XI)	82,094,413	9	81,648,341	9	82,840,985	9
12500	SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL (Note XII)	55,262,976	6	62,727,638	7	39,595,963	5
13000	RECEIVABLES, NET (Notes V, XIII and XV)	35,886,399	4	33,068,592	4	30,675,376	3
13200	CURRENT TAX ASSETS (Note IV)	134,313	-	-	-	105,746	-
13500	DISCOUNTS AND LOANS, NET (Notes V, XIV, and XLI)	581,924,362	62	565,382,803	61	551,173,468	63
15000	INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET (Note XVI)	6,174,632	1	7,705,722	1	7,180,663	1
15500	OTHER FINANCIAL ASSETS, NET (Notes XVII and XLII)	1,573,812	-	1,764,109	-	1,533,718	-
18500	PROPERTY AND EQUIPMENT, NET (Notes XVIII)	8,994,696	1	8,905,278	1	8,672,237	1
18600	RIGHT-OF-USE ASSETS, NET (Notes XIX)	1,359,654	-	1,461,416	-	1,225,294	-
19007	GOODWILL (Notes IV and XX)	1,985,307	-	1,985,307	-	1,985,307	-
19009	Computer software	198,585	-	164,355	-	168,090	-
19300	DEFERRED TAX ASSETS (Note IV)	330,985	-	692,339	-	435,433	-
19500	OTHER ASSETS, NET (Notes XXI, XLI, and XLIII)	2,534,124	-	3,067,465	-	2,442,060	-
10000	TOTAL	$ 943,850,092	100	$ 920,019,370	100	$ 881,152,468	100
Code	LIABILITIES AND EQUITY						
	LIABILITIES						
21000	Deposits from the central bank and other banks (Note XXII)	$ 12,356,053	1	$ 11,264,229	1	$ 11,087,351	1
22000	Financial liabilities measured at FVTPL (Note VIII)	389,311	-	1,824,034	-	675,348	-
22500	Securities sold under agreements to repurchase (Note XXIII)	61,092,610	7	61,079,195	7	57,947,165	7
23000	Payables (Note XXIV and XLI)	11,631,122	1	8,877,037	1	7,285,875	1
23200	Current tax liabilities (Notes IV)	384,655	-	199,453	-	467,716	-
23500	Deposits and remittances (Notes XXV and XLI)	775,495,145	82	758,260,020	83	729,540,263	83
24000	Financial bonds payable (Note XXVI)	5,000,000	1	5,000,000	1	5,000,000	1
25500	Other financial liabilities	34,072	-	8,033	-	-	-
25600	Provisions (Notes V, XXVII, and XLI)	416,216	-	344,617	-	395,149	-
26000	Lease liabilities (Notes XIX and XLI)	1,347,894	-	1,449,389	-	1,206,810	-
29300	Deferred tax liabilities (Note IV)	2,140,449	-	2,195,530	-	1,857,079	-
29500	Other liabilities (Notes XXIX, XLI and XLIII)	1,020,819	-	1,083,881	-	1,020,397	-
20000	TOTAL	871,308,346	92	851,585,418	93	816,483,153	93
	EQUITY						
	Share capital						
31101	Share capital of common shares	37,789,525	4	37,789,525	4	35,940,460	4
31103	Share capital of preferential shares	2,000,000	-	2,000,000	-	2,000,000	-
31121	Capital increase reserve	2,742,194	-	-	-	1,881,331	-
31100	Total share capital	42,531,719	4	39,789,525	4	39,821,791	4
31500	Capital reserve	8,137,301	1	8,125,732	1	8,093,466	1
	Retained earnings						
32001	Legal reserve	12,972,292	2	11,518,843	1	11,518,843	1
32003	Special surplus reserve	627,440	-	757,036	-	757,036	-
32011	Undistributed earnings	3,280,029	-	5,623,241	1	3,419,879	1
32000	Total retained earnings	16,879,761	2	17,899,120	2	15,695,758	2
32500	Other equity	4,992,965	1	2,619,575	-	1,058,300	-
30000	Total equity	72,541,746	8	68,433,952	7	64,669,315	7
	TOTAL LIABILITIES AND EQUITY	$ 943,850,092	100	$ 920,019,370	100	$ 881,152,468	100

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

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

Union Bank of Taiwan Co., Ltd.

Parent-Only Statement of Comprehensive Income

For the six months ended June 30, 2024 and 2023

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

		January 1 to June 30, 2024		January 1 to June 30, 2023	
Code		Amount	%	Amount	%
	NET INTEREST INCOME (Notes XXXI and XLI)				
41000	Interest income	$ 10,584,532	120	$ 9,566,619	122
51000	Interest expense	6,634,705	75	5,231,536	67
49010	Total net interest income	3,949,827	45	4,335,083	55
	NET INCOME OTHER THAN INTEREST				
49100	Commissions and fee revenue, net (Notes XXXII)	1,852,926	21	1,723,669	22
49200	Gain on financial assets and liabilities at FVTPL (Note XXXIII)	3,938,921	45	2,408,975	31
49310	Realized gain on financial assets at FVTOCI (Note XXXIV)	131,760	2	174,609	2
49750	Share of gain/loss of subsidiaries and affiliates adopted the equity method (Note XVI)	726,732	8	80,056	1
49600	Foreign exchange loss, net	(1,894,778)	(22)	(970,181)	(12)
49700	Asset impairment loss (Note XXXV)	(53,048)	(1)	(43,812)	-
49831	Securities brokerage fee revenue, net	145,779	2	90,868	1
49863	Net loss from property transactions	(4,102)	-	(1,361)	-
49899	Other noninterest gains, net	13,311	-	16,143	-
4xxxx	NET INCOME	8,807,328	100	7,814,049	100
58200	Allowance for doubtful accounts - provision for losses on commitments and guarantees (Note XV)	375,727	4	365,927	5

(continued at next page)

(Cont')

Code		January 1 to June 30, 2024 Amount	%	January 1 to June 30, 2023 Amount	%
	OPERATING EXPENSES				
58500	Employee benefit expense (Notes XXIX, XXXVII and XLII)	$ 2,748,693	31	$ 2,104,845	27
59000	Depreciation and amortization (Notes XIX and XXXVII)	382,868	5	391,276	5
59500	Other operating and management expenses (Notes XXXVIII and XLI)	2,112,872	24	2,030,176	26
58400	Total operating expenses	5,244,433	60	4,526,297	58
61001	NET PROFIT BEFORE TAX	3,187,168	36	2,921,825	37
61003	INCOME TAX EXPENSE (Note IV and XXXIX)	410,965	4	427,009	5
64000	Current net profit	2,776,203	32	2,494,816	32
	Other comprehensive income				
	Items that will not be reclassified subsequently to profit or loss:				
65204	Valuation gain/loss of the equity instruments measured at fair value through other comprehensive income	2,527,538	29	1,535,706	20
65207	Shares in other comprehensive income of the subsidiaries and affiliates recognized with the equity method - not reclassified subsequently to profit or loss	9,573	-	188,249	2
65220	Income tax expenses relating to items that will not be reclassified subsequently to profit or loss (Note XXXIX)	(121,639)	(2)	(170,297)	(2)
65200	Total items that will not be reclassified subsequently to profit or loss (after tax)	2,415,472	27	1,553,658	20

(continued at next page)

(Cont')

Code		January 1 to June 30, 2024 Amount	%	January 1 to June 30, 2023 Amount	%
65300	Items that may be reclassified subsequently to profit or loss:				
65301	Exchange difference from translating the financial statements of overseas operations	$ 824,214	9	$ 203,899	3
65307	Shares in other comprehensive income of the subsidiaries and affiliates recognized with the equity method - may be reclassified subsequently to profit or loss	(96,641)	(1)	(126,993)	(2)
65308	Gain/loss of the debt instruments measured at fair value through other comprehensive income	(487,472)	(5)	252,749	3
65320	Income tax expenses relating to items that may be reclassified subsequently to profit or loss (Note XXXIX)	(164,843)	(2)	(40,779)	-
	Items that may be reclassified subsequently to profit or loss (after tax)	75,258	1	288,876	4
65000	Other comprehensive income for the period (net of tax)	2,490,730	28	1,842,534	24
66000	TOTAL COMPREHENSIVE INCOME	$ 5,266,933	60	$ 4,337,350	56
	EARNINGS PER SHARE (Note XL)				
67500	Basic earnings per share	$ 0.56		$ 0.50	
67700	Diluted earnings per share	$ 0.56		$ 0.50	

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

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

Union Bank of Taiwan Co., Ltd.

Parent-Only Statement of Changes in Equity

For the six months ended June 30, 2024 and 2023

Unit: Thousand NTD

Code		Share capital (Notes XXX and XXXVI)				Capital reserve	Retained earnings (Note XXX)				Other Equity (Note XXX)			
		Share capital of common shares	Share capital of preferential shares	Capital increase reserve	Sub-Total	(Note XXX)	Legal reserve	Special surplus reserve	Undistributed earnings	Sub-Total	Exchange difference from translating the financial statements of overseas operations	Unrealized gain (loss) on financial assets at FVTOCI	Sub-Total	TOTAL
A1	Balance at January 1, 2023	$ 35,940,460	$ 2,000,000	$ -	$ 37,940,460	$ 8,076,826	$ 10,589,878	$ 627,440	$ 4,473,399	$ 15,690,717	($ 508,759)	($ 128,822)	($ 637,581)	$ 61,070,422
	2022 Earning appropriation and distribution													
B1	Legal reserve provision	-	-	-	-	-	928,965	-	(928,965)	-	-	-	-	-
B3	Provision of special surplus reserve	-	-	-	-	-	-	129,596	(129,596)	-	-	-	-	-
B5	Cash dividends of common shares	-	-	-	-	-	-	-	(359,405)	(359,405)	-	-	-	(359,405)
B7	Cash dividends of preferential shares	-	-	-	-	-	-	-	(480,000)	(480,000)	-	-	-	(480,000)
B9	Share dividends of common shares	-	-	1,797,023	1,797,023	-	-	-	(1,797,023)	(1,797,023)	-	-	-	-
C7	Changes in affiliates and joint ventures accounted for using the equity method	-	-	-	-	16,640	-	-	-	-	-	-	-	16,640
D1	Net profit, January 1 to June 30, 2023	-	-	-	-	-	-	-	2,494,816	2,494,816	-	-	-	2,494,816
D3	Other comprehensive income after tax, January 1 to June 30, 2023	-	-	-	-	-	-	-	-	-	36,127	1,806,407	1,842,534	1,842,534
N1	Share-based payment transaction	-	-	84,308	84,308	-	-	-	-	-	-	-	-	84,308
Q1	Disposal of the equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	146,653	146,653	-	(146,653)	(146,653)	-
Z1	Balance at June 30, 2023	$ 35,940,460	$ 2,000,000	$ 1,881,331	$ 39,821,791	$ 8,093,466	$ 11,518,843	$ 757,036	$ 3,419,879	$ 15,695,758	($ 472,632)	$ 1,530,932	$ 1,058,300	$ 64,669,315
A1	Balance at January 1, 2024	$ 37,789,525	$ 2,000,000	$ -	$ 39,789,525	$ 8,125,732	$ 11,518,843	$ 757,036	$ 5,623,241	$ 17,899,120	($ 609,272)	$ 3,228,847	$ 2,619,575	$ 68,433,952
	2023 Earning appropriation and distribution													
B1	Legal reserve provision	-	-	-	-	-	1,453,449	-	(1,453,449)	-	-	-	-	-
B3	Reversal of special reserve	-	-	-	-	-	-	(129,596)	129,596	-	-	-	-	-
B5	Cash dividends of common shares	-	-	-	-	-	-	-	(755,790)	(755,790)	-	-	-	(755,790)
B7	Cash dividends of preferential shares	-	-	-	-	-	-	-	(511,845)	(511,845)	-	-	-	(511,845)
B9	Share dividends of common shares	-	-	2,645,267	2,645,267	-	-	-	(2,645,267)	(2,645,267)	-	-	-	-
C7	Changes in affiliates and joint ventures accounted for using the equity method	-	-	-	-	11,569	-	-	-	-	-	-	-	11,569
D1	Net profit, January 1 to June 30, 2024	-	-	-	-	-	-	-	2,776,203	2,776,203	-	-	-	2,776,203
D3	Other comprehensive income after tax, January 1 to June 30, 2024	-	-	-	-	-	-	-	-	-	562,730	1,928,000	2,490,730	2,490,730
N1	Share-based payment transaction	-	-	96,927	96,927	-	-	-	-	-	-	-	-	96,927
Q1	Disposal of the equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	117,340	117,340	-	(117,340)	(117,340)	-
Z1	Balance at June 30, 2024	$ 37,789,525	$ 2,000,000	$ 2,742,194	$ 42,531,719	$ 8,137,301	$ 12,972,292	$ 627,440	$ 3,280,029	$ 16,879,761	($ 46,542)	$ 5,039,507	$ 4,992,965	$ 72,541,746

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

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

Union Bank of Taiwan Co., Ltd.

Parent-Only Statement of Cash Flow

For the six months ended June 30, 2024 and 2023

Unit: Thousand NTD

Code		January 1 to June 30, 2024	January 1 to June 30, 2023
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Current net income before income tax	$ 3,187,168	$ 2,921,825
	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	340,118	346,410
A20200	Amortization expense	42,750	44,866
A20300	Expected credit losses/provision of allowance for doubtful accounts	375,727	365,927
A20400	Net profit on disposal of financial assets at FVTPL	(3,915,664)	(2,374,513)
A20900	Interest expense	6,634,705	5,231,536
A21200	Interest income	(10,584,532)	(9,566,619)
A21300	Dividend incomes	(155,017)	(209,071)
A22300	Share of gain/loss of subsidiaries and affiliates adopted the equity method	(726,732)	(80,056)
A22500	Loss on disposal and scrape of properties and equipment	4,102	1,361
A23500	Impairment loss on financial assets	53,048	44,170
A23800	Reversal of impairment loss on financial assets	-	(358)
A24400	Loss (gain) on disposal of collaterals	-	121
	Changes in operating assets and liabilities, net		
A41110	Due from the Central Bank and call loans to banks	(8,612,452)	(6,122,757)
A41120	Financial assets measured at fair value through profit or loss	3,662,366	(21,132,468)
A41123	Financial assets measured at fair value through other comprehensive income	(832,120)	(3,077,427)
A41125	Investment of debt instrument measured at amortized costs	(508,790)	(397,372)
A41150	Accounts receivable	(2,601,050)	(3,771,347)
A41160	Discounts and loans	(16,836,579)	(22,705,694)
A41190	Other financial assets	221,797	1,794
A42110	Deposits from the Central Bank and peers	1,091,824	6,296,456
A42120	Financial liabilities measured at fair value through profit or loss	(2,524,885)	(1,597,246)
A42140	Securities sold under agreements to repurchase	13,415	23,648,558

(continued at next page)

(Cont’)

Code		January 1 to June 30, 2024	January 1 to June 30, 2023
A42150	Accounts payable	$ 1,365,457	($ 1,030,648)
A42160	Deposits and remittances	17,235,125	18,795,136
A42170	Other financial liabilities	26,039	-
A33000	Cash outflow generated from operations	(13,044,180)	(14,367,416)
A33100	Interest received	10,513,394	9,423,269
A33200	Dividends received	155,017	209,071
A33300	Interest paid	(6,416,785)	(4,703,922)
A33500	Income tax paid	(340,286)	(722,780)
AAAA	Cash outflow from operating activities, net	(9,132,840)	(10,161,778)
	CASH FLOWS FROM INVESTING ACTIVITIES		
B02700	Acquisition of properties and equipment	(284,341)	(653,768)
B02800	Disposal of properties and equipment	-	15
B03600	Decrease in settlement fund	1,754	872
B03800	Decrease in refundable deposits	550,173	1,315,702
B04500	Acquisition of intangible assets	(5,242)	(20,304)
B04700	Disposal of collaterals	-	237
B06700	Increase in other assets	(18,586)	-
B06800	Decrease in other assets	-	112,541
B07600	Dividends received	4,604	3,809
BBBB	Net cash inflow from investment activities, net	248,362	759,104
	CASH FLOWS FROM FINANCING ACTIVITIES		
C03000	Increase in guarantee deposits	-	4,055
C03100	Decrease in guarantee deposits	(23,612)	-
C04020	Repayment of lease liability principals	(220,769)	(219,833)
C04300	Increase in other liabilities	-	171,471
C04400	Decrease in other liabilities	(57,930)	-
CCCC	Cash outflow from financing activities, net	(302,311)	(44,307)
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	898,552	226,133
EEEE	DECREASE IN CASH AND CASH EQUIVALENTS	(8,288,237)	(9,220,848)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	73,595,464	55,538,037
E00200	Balance of cash and cash equivalents at the end of the period	$ 65,307,227	$ 46,317,189

(continued at next page)

(Cont')

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

Code		June 30, 2024	June 30, 2023
E00210	Cash and cash equivalents in the parent-only balance sheets	$ 10,044,251	$ 6,721,226
E00230	Securities purchased under agreements to resell that meet the definition of cash and cash equivalents in IAS 7 "Cash Flow Statements"	55,262,976	39,595,963
E00200	CASH AND CASH EQUIVALENTS	$ 65,307,227	$ 46,317,189

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

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

Union Bank of Taiwan Co., Ltd.
Notes to the Parent Company Only Financial Statement
For the six months ended June 30, 2024 and 2023
(In Thousand NTD unless specified otherwise)

I. Company History

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

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

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

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

As of June 30, 2024, 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.

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

II. Date and Procedures Passing the Financial Statements

The Parent Company Only Financial Statements were approved by the Company's board of directors on August 26, 2024

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

(I) Initial application of 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 "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The application of the IFRSs endorsed and issued into effect by the FSC will not have material impact on the Bank's accounting policies:

(II) IFRSs endorsed by the FSC applicable since 2025

Standards Recently Published /Amended/Applications of the Interpretations	Effective dates issued by IASB
Amendments to IAS 21 "Lack of Convertibility."	January 1, 2025 (Note 1)

Note 1: Applicable to annual reporting periods beginning on or after January 1, 2025. When the amendments are applied for the first time, the period of comparison shall not be re-stated, but the impact shall be recognized in the retained earnings on the date of initial application or the exchange differences of foreign operations under equity (as appropriate) and related assets and liabilities.

Amendments to IAS 21 "Lack of Convertibility."

The amendments clearly stipulate that if an enterprise is able to exchange a currency for another through an exchange transaction with enforceable rights and obligations established in the market or through the exchange mechanism within the normal time range of management delay, the currency is considered convertible. When the currency is not convertible on the measurement date, the Company shall estimate the spot exchange rate to reflect the exchange rate that would be used by market participants to conduct an orderly transaction on the measurement date by taking into account the prevailing economic conditions. Under such circumstances, the Company shall also disclose information that will enable users of financial statements to assess how the lack of convertibility of currencies has affected or is expected to affect its results of operations, financial position and cash flows.

The Bank has evaluated that the amendments to the above standards or interpretations will not have a significant impact on the financial position and financial performance.

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

Standards Recently Published /Amended/Applications of the Interpretations	Effective dates issued by IASB (Note 1)
"IFRS accounting standards Annual Improvements - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026

(continued at next page)

(Cont’)

Standards Recently Published /Amended/Applications of the Interpretations	Effective dates issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
IFRS 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

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

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

The amendments mainly modify the classification of financial assets, including where a financial asset contains a contingency that can change the timing or amount of the contractual cash flow, and the nature of the contingency is not directly related to changes in the basic lending risks and costs (such as whether the debtor achieve a certain decrease of carbon emission), the contractual cash flows of such financial assets are still entirely the payment of the principal and the interest on the outstanding principal if such financial assets meet the following two conditions:

- All contractual cash flows generated under all possible scenarios (before or after the contingency) are entirely the payment of the principal and interest on the outstanding principal; and
- There is no significant difference between the contractual cash flows generated under all possible scenarios and the cash flows of financial instruments with the same contractual terms but without contingent characteristics.

The amendments also stipulate that when an enterprise uses an electronic payment system to settle financial liabilities in cash, the enterprise may opt to derecognize the financial liabilities before the settlement date if the following conditions are met:

- The enterprise does not have the actual ability to withdraw, cease or cancel the payment instruction;
- Due to the payment instruction, the enterprise has no actual ability to access the cash to be used for the settlement; and

- The settlement risk associated with the electronic payment system is not significant.

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

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

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

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

IV. Summaries of the Material Accounting Policies

(I) Statement of Compliance

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

(II) Other material accounting policies

Except for the following explanation, please refer to the summary of the material accounting policies in the 2023 Consolidated Financial Statements

1. Financial instruments - Impairment of financial assets

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

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

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

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

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

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

2. Defined benefits and post-employment benefits

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

3. Income tax

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

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

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

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

Estimated Impairment of Financial Assets

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

VI. Cash and cash equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	$ 4,635,991	$ 6,626,221	$ 4,756,621
Checks for clearing	3,375,919	3,309,721	1,057,028
Due from banks	2,032,341	931,884	907,577
	$ 10,044,251	$ 10,867,826	$ 6,721,226

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

	June 30, 2024	December 31, 2023	June 30, 2023
Required deposit reserve	$ 23,318,401	$ 22,650,882	$ 21,500,598
Deposit reserve - checking account	16,947,737	9,009,149	9,131,276
Deposit reserve - foreign-currency deposits	120,065	113,720	115,199
	$ 40,386,203	$ 31,773,751	$ 30,747,073

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

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

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

	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets mandatorily measured at fair value			
Commercial paper	$ 46,295,724	$ 47,158,569	$ 48,297,889
Fund beneficiary certificates	834,658	421,817	297,028
Future exchange margins - self owned	65,336	61,390	64,593
Asset-backed securities	16,584	20,258	24,026
Domestic listed shares	1,588,450	1,887,638	1,517,641
Overseas government bonds	2,663,768	1,369,226	598,913
Subtotal	51,464,520	50,918,898	50,800,090
Derivative financial products			
Foreign exchange forward contracts	44,426	72,334	54,965
Option contracts	106,164	121,266	139,933
Currency swap contracts	1,158,298	317,450	1,169,267
Subtotal	1,308,888	511,050	1,364,165
	$ 52,773,408	$ 51,429,948	$ 52,164,255
Financial liabilities held for trading			
Derivative financial products			
Currency swap contracts	$ 275,705	$ 1,702,205	$ 505,813
Option contracts	105,665	121,570	138,741
Foreign exchange forward contracts	7,941	259	30,794
	$ 389,311	$ 1,824,034	$ 675,348

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

The contract amounts (notional amounts) of the derivative transactions for accommodating customers' needs and managing its exposure positions as of June 30th, 2024, December 31st and June 30th, 2023 are as follows:

	Contract amount		
	June 30, 2024	December 31, 2023	June 30, 2023
Currency swap contracts	$ 88,246,093	$ 83,063,520	$ 91,405,418
Foreign exchange forward contracts	936,650	1,564,057	2,455,426
Futures	-	-	15,568
Option contracts			
Call options	4,422,405	4,245,623	4,925,871
Put options	4,422,405	4,245,623	4,925,871

As of June 30th, 2024, December 31st and June 30th, 2023, financial assets at fair value through profit and loss in the amounts of NT$26,354,006 thousand, NT$28,966,602 thousand and NT$27,444,718 thousand, respectively, were sold under repurchase agreements.

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

June 30, 2023

Item	Products	Open Position Buy/Sell	Open Position Number of Contracts	Contract amount	Fair value
Futures Contract	US 10-year treasury 2309	Buyer	5	$ 15,568	$ 15,544

There were no open futures contracts as of June 30, 2024, December 31 and June 30, 2023.

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

	June 30, 2024	December 31, 2023	June 30, 2023
Account balance	$ 65,336	$ 61,390	$ 64,617
Loss from positions not squared	-	-	(24)
Account net worth	$ 65,336	$ 61,390	$ 64,593

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

	June 30, 2024	December 31, 2023	June 30, 2023
Investments of the equity instruments measured at fair value through other comprehensive income			
Overseas listed shares	$ 8,126,327	$ 7,518,132	$ 6,853,209
Domestic listed shares	7,133,086	5,093,679	4,801,119
Unlisted shares, domestic and overseas	4,388,639	1,821,341	1,772,950
Subtotal	19,648,052	14,433,152	13,427,278
Investments of the debt instruments measured at fair value through other comprehensive income			
Overseas corporate bonds	16,681,090	15,864,132	16,618,781
Overseas government bonds	14,912,007	14,423,773	15,100,435
Domestic corporate bonds	5,464,380	6,583,328	7,784,020
Domestic government bonds	2,880,376	2,915,262	7,416,961
Overseas financial bonds	2,606,067	3,154,833	3,138,099
Subtotal	42,543,920	42,941,328	50,058,296
	$ 62,191,972	$ 57,374,480	$ 63,485,574

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

	June 30, 2024	December 31, 2023	June 30, 2023
LINE Pay Taiwan Limited (Note XVI)	$ 2,557,580	$ -	$ -
LINE Bank Taiwan Limited	528,750	550,511	577,921
Taiwan Futures Exchange	599,088	582,305	550,805
Financial Information Service Co., Ltd.	455,952	445,568	410,634
Others	247,269	242,957	233,590
	$ 4,388,639	$ 1,821,341	$ 1,772,950

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

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

Due to the consideration of the investment strategy, the Company sold the equity instrument investment measured at fair value through other comprehensive income from January 1 to June 30, 2024 and 2023. The fair value of the sale was NT$1,241,436 thousand and NT$845,121 thousand, respectively. Meanwhile, the unrealized valuation gains of NT$117,340 thousand and gains of NT$146,653 thousand accumulated during the disposal were transferred from other equity to retained earnings.

For the six months ended June 30, 2024 and 2023, the dividend revenue recognized by the Company as investments in equity instruments measured at fair value through other comprehensive income were NT$131,760 thousand and NT$174,609 thousand, respectively, of which, these held as of June 30, 2024 and 2023, amounted to NT$123,560 thousand and NT$174,384 thousand, respectively.

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

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

The Bank had sold NT$19,816,148 thousand, NT$19,314,950 and NT$14,802,551 thousand of its financial assets at FVTOCI under a repurchase agreement on June 30th, 2024, December 31st and June 30th, 2023, respectively.

X. Financial assets measured at amortized costs

	June 30, 2024	December 31, 2023	June 30, 2023
Negotiable certificates of deposit	$ 42,900,000	$ 42,900,000	$ 42,900,000
Debt instruments			
Overseas asset-backed securities	31,883,997	29,875,049	30,294,207
Domestic government bonds	7,310,416	8,873,292	9,646,778
Subtotal	39,194,413	38,748,341	39,940,985
	$ 82,094,413	$ 81,648,341	$ 82,840,985

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

The Bank sold financial assets at amortized cost under repurchase agreements in the amounts of NT$29,138,193 thousand, NT$28,481,320 thousand and NT$25,400,394 thousand on June 30th, 2024, December 31st and June 30th, 2023, respectively.

XI. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

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

	June 30, 2024		
	At fair value through other comprehensive income	At amortized costs	Total
Total carrying amount	$ 49,955,703	$ 39,456,223	$ 89,411,926
Loss allowance	(1,587,201)	(261,810)	(1,849,011)
Fair value adjustment	(5,824,582)	-	(5,824,582)
	$ 42,543,920	$ 39,194,413	$ 81,738,333

	December 31, 2023		
	At fair value through other comprehensive income	At amortized costs	Total
Total carrying amount	$ 49,606,306	$ 38,990,586	$ 88,596,892
Loss allowance	(1,457,535)	(242,245)	(1,699,780)
Fair value adjustment	(5,207,443)	-	(5,207,443)
	$ 42,941,328	$ 38,748,341	$ 81,689,669

	June 30, 2023		
	At fair value through other comprehensive income	At amortized costs	Total
Total carrying amount	$ 57,661,630	$ 40,162,547	$ 97,824,177
Loss allowance	(1,469,711)	(221,562)	(1,691,273)
Fair value adjustment	(6,133,623)	-	(6,133,623)
	$ 50,058,296	$ 39,940,985	$ 89,999,281

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

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

Credit Risk Ratings	Terms and definitions	ECL Recognition Basis	Expected Credit Loss Rate	June 30, 2024 Carrying amount (Including Premiums and Discounts)
Low credit risk	Low credit risk at the reporting date	12-month expected credit losses	0%~0.2170%	$ 80,771,121
Significant increase in credit risk	Credit risk has increased significantly since initial recognition	Lifetime expected credit losses (no credit impairment)	0.4160%	428,182
Default	Evidence of impairment at the reporting date	Lifetime expected credit losses (with credit impairment)	37.37%~50%	539,030

Credit Risk Ratings	Terms and definitions	ECL Recognition Basis	Expected Credit Loss Rate	December 31, 2023 Carrying amount (Including Premiums and Discounts)
Low credit risk	Low credit risk at the reporting date	12-month expected credit losses	0%~0.2120%	$ 80,806,421
Significant increase in credit risk	Credit risk has increased significantly since initial recognition	Lifetime expected credit losses (no credit impairment)	0.3510%	296,095
Default	Evidence of impairment at the reporting date	Lifetime expected credit losses (with credit impairment)	31.56%~ 51.06%	587,153

Credit Risk Ratings	Terms and definitions	ECL Recognition Basis	Expected Credit Loss Rate	June 30, 2023 Carrying amount (Including Premiums and Discounts)
Low credit risk	Low credit risk at the reporting date	12-month expected credit losses	0%~0.201%	$ 89,232,662
Significant increase in credit risk	Credit risk has increased significantly since initial recognition	Lifetime expected credit losses (no credit impairment)	0.3530%	160,971
Default	Evidence of impairment at the reporting date	Lifetime expected credit losses (with credit impairment)	31.56%~50%	605,648

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

	Credit Rating		
	Low credit risk (12-month expected credit losses)	Significant increase in credit risk (lifetime expected credit losses without credit impairment)	With objective evidence of impairment Lifetime expected credit losses (with credit impairment)
Balance at January 1, 2024	$ 271,378	$ 1,779	$ 1,426,623
Changes in credit risk ratings			
- Low credit risk to significant increase in credit risk	(991)	991	-
- Significant increase in credit risk to low credit risk	-	-	-
- Significant increase in credit risk to default	-	-	-
New debt instruments purchased	168	-	-
Derecognition	(12,030)	-	-
Changes in risk or model parameters	3,414	405	61,091
Change in exchange rates	16,479	99	79,605
Loss allowance on June 30, 2024	$ 278,418	$ 3,274	$ 1,567,319
Balance at January 1, 2023	$ 263,895	$ 192,013	$ 1,167,794
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	-	(201,661)	201,661
New debt instruments purchased	258	-	-
Derecognition	(27)	(15)	-
Changes in risk or model parameters	8,079	10,363	25,512
Change in exchange rates	4,492	12	18,897
Loss allowance on June 30, 2023	$ 276,697	$ 712	$ 1,413,864

XII. Securities purchased under agreements to resell

	June 30, 2024	December 31, 2023	June 30, 2023
Commercial paper	$ 29,503,491	$ 32,207,796	$ 21,830,543
Corporate bonds	24,237,771	28,709,205	17,365,013
Negotiable certificates of deposits	1,521,714	1,810,637	400,407
	$ 55,262,976	$ 62,727,638	$ 39,595,963
Maturity date	July 2024	January 2024	July 2023
Proceeds agreed for resale	$ 55,297,171	$ 62,761,789	$ 39,617,442

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

XIII. RECEIVABLES, NET

	June 30, 2024	December 31, 2023	June 30, 2023
Credit card receivables	$ 27,523,969	$ 25,712,166	$ 23,147,796
Interbank clearing fund receivable	3,017,385	3,679,334	3,009,950
Interest receivable	1,868,799	1,779,181	1,688,940
Collections receivable	1,996,769	1,360,655	1,302,087
Acceptances receivable	134,004	129,455	209,814
Receipts under custody for non-peers receivable	121,308	114,452	100,089
Accounts receivable factoring without recourse	-	-	495,334
Proceed of delivery	167,840	135,567	352,128
Dividends receivable	110,362	-	19,515
Incomes from shares and beneficiary certificates receivable	45,938	10,445	134,101
Notes and accounts receivable	289,435	59,591	125,392
Receipts under custody for peers receivable	486,862	15,836	21,460
Others	388,802	291,521	254,297
	36,151,473	33,288,203	30,860,903
Less: Allowance for doubtful accounts	265,074	219,611	185,527
Net	$ 35,886,399	$ 33,068,592	$ 30,675,376

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

June 30, 2024

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

December 31, 2023

	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	$ 25,817,531	$ 137,013	$ 865,636	$ 26,820,180
Receivables assessed collectively	(76,990)	(30,412)	107,402	-
Receivables purchased or originated	14,807,523	150,775	229,059	15,187,357
Write-offs	-	-	(180,643)	(180,643)
Derecognition	(8,249,611)	(85,705)	(203,375)	(8,538,691)
End of year balance	$ 32,298,453	$ 171,671	$ 818,079	$ 33,288,203

June 30, 2023

	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	$ 25,817,531	$ 137,013	$ 865,636	$ 26,820,180
Receivables assessed collectively	(17,515)	(22,448)	39,963	-
Receivables purchased or originated	11,903,188	102,989	131,384	12,137,561
Write-offs	-	-	(79,607)	(79,607)
Derecognition	(7,845,309)	(61,498)	(110,424)	(8,017,231)
Balance at the end of the period	$ 29,857,895	$ 156,056	$ 846,952	$ 30,860,903

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

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

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

	2023					
	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected-credit Losses (Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under 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	$ 77,404	$ 12,129	$ 51,911	$ 141,444	$ 23,347	$ 164,791
Changes of financial instruments recognized at the beginning of the current reporting year						
- Transferred to lifetime ECL	(338)	469	(131)	-	-	-
- Transferred to credit-impaired financial assets	(76,242)	(32,885)	109,127	-	-	-
- Transferred to 12-month ECL	507	(333)	(174)	-	-	-
- Derecognition of financial assets in the current reporting period	(13,190)	(3,477)	(17,184)	(33,851)	-	(33,851)
New financial assets purchased or originated	62,570	40,998	147,194	250,762	-	250,762
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	15,403	15,403
Write-offs	-	-	(180,643)	(180,643)	-	(180,643)
Recovery of written-off receivables	-	-	189,750	189,750	-	189,750
Change in risk parameters and other changes	123	(27)	(186,700)	(186,604)	-	(186,604)
Change in exchange rate	3	-	-	3	-	3
End of year balance	$ 50,837	$ 16,874	$ 113,150	$ 180,861	$ 38,750	$ 219,611

	June 30, 2023					
	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected-credit Losses (Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under 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	$ 77,404	$ 12,129	$ 51,911	$ 141,444	$ 23,347	$ 164,791
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(250)	356	(106)	-	-	-
- Transferred to credit-impaired financial assets	(12,940)	(24,903)	37,843	-	-	-
- Transferred to 12-month ECL	594	(350)	(244)	-	-	-
- Derecognition of financial assets in the current reporting period	(12,138)	(2,763)	(14,827)	(29,728)	-	(29,728)
New financial assets purchased or originated	31,082	28,787	65,317	125,186	-	125,186
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	1,910	1,910
Write-offs	-	-	(79,607)	(79,607)	-	(79,607)
Recovery of written-off receivables	-	-	96,318	96,318	-	96,318
Change in risk parameters and others	170	(33)	(93,524)	(93,387)	-	(93,387)
Change in exchange rate	44	-	-	44	-	44
Balance at the end of the period	$ 83,966	$ 13,223	$ 63,081	$ 160,270	$ 25,257	$ 185,527

XIV. DISCOUNTS AND LOANS, NET

	June 30, 2024	December 31, 2023	June 30, 2023
Discounts and overdraft	$ 55,244	$ 54,623	$ 39,784
Accounts receivable - financing	45,230	64,180	18,870
Short-term loans	22,149,209	21,019,125	29,464,459
Secured short-term borrowing	125,171,623	122,113,507	115,141,747
Medium-term loans	41,774,343	41,735,147	42,188,556
secured mid-term borrowing	141,225,219	135,112,873	127,311,930
Long-term loans	7,846,874	7,849,312	8,171,981
Secured long-term borrowing	249,376,803	243,072,279	234,393,994
Import and export negotiations	9,048	12,676	2,695
Non-accrual loans from loans	1,324,580	1,222,626	1,007,514
Subtotal	588,978,173	572,256,348	557,741,530
Less: Allowance for doubtful accounts	7,053,811	6,873,545	6,568,062
	$ 581,924,362	$ 565,382,803	$ 551,173,468

As of June 30, 2024, December 31 and June 30, 2023, the balances of nonaccrual loans were NT$1,324,580 thousand, NT$1,222,626 thousand and NT$1,007,514 thousand, respectively. The unrecognized interest revenues on nonperforming loans were NT$22,403 thousand and NT$13,465 thousand during January 1st to June 30th, 2024 and 2023. The Bank has no credit re-sold without collection during January 1st to June 30th, 2024 and 2023.

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

June 30, 2024

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

December 31, 2023

	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	$ 530,620,874	$ 2,423,258	$ 1,941,707	$ 534,985,839
Discount and loans assessed collectively	(1,374,960)	580,119	794,841	-
Discount and loans purchased or originated	287,594,960	482,920	287,094	288,364,974
Write-offs	-	-	(90,762)	(90,762)
Derecognition	(249,532,458)	(774,830)	(696,415)	(251,003,703)
End of year balance	$ 567,308,416	$ 2,711,467	$ 2,236,465	$ 572,256,348

June 30, 2023

	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	$ 530,620,874	$ 2,423,258	$ 1,941,707	$ 534,985,839
Discount and loans assessed collectively	(960,627)	548,706	411,921	-
Discount and loans purchased or originated	178,375,432	235,882	175,244	178,786,558
Write-offs	-	-	(59,697)	(59,697)
Derecognition	(155,110,097)	(480,655)	(380,418)	(155,971,170)
Balance at the end of the period	$ 552,925,582	$ 2,727,191	$ 2,088,757	$ 557,741,530

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

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

June 30, 2024

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

December 31, 2023

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected-credit Losses (Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under 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	$ 690,741	$ 202,615	$ 351,831	$ 1,245,187	$ 4,978,932	$ 6,224,119
Changes of financial instruments recognized at the beginning of the current reporting year						
- Transferred to lifetime ECL	(456)	936	(480)	-	-	-
- Transferred to credit-impaired financial assets	(296)	(37,553)	37,849	-	-	-
- Transferred to 12-month ECL	33,810	(29,255)	(4,555)	-	-	-
- Derecognition of financial assets in the current reporting period	(461,028)	(67,489)	(237,658)	(766,175)	-	(766,175)
New financial assets purchased or originated	452,483	111,736	149,105	713,324	-	713,324
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	772,655	772,655
Write-offs	-	-	(90,762)	(90,762)	-	(90,762)
Recovery of written-off receivables	-	-	199,687	199,687	-	199,687
Change in risk parameters and other changes	(15,378)	(22,491)	(139,247)	(177,116)	-	(177,116)
Change in exchange rate	(2,187)	-	-	(2,187)	-	(2,187)
End of year balance	$ 697,689	$ 158,499	$ 265,770	$ 1,121,958	$ 5,751,587	$ 6,873,545

June 30, 2023

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected-credit Losses (Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under 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	$ 690,741	$ 202,615	$ 351,831	$ 1,245,187	$ 4,978,932	$ 6,224,119
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(458)	2,680	(2,222)	-	-	-
- Transferred to credit-impaired financial assets	(74)	(30,241)	30,315	-	-	-
- Transferred to 12-month ECL	21,925	(17,952)	(3,973)	-	-	-
- Derecognition of financial assets in the current reporting period	(336,460)	(46,555)	(86,598)	(469,613)	-	(469,613)
New financial assets purchased or originated	331,942	83,471	85,467	500,880	-	500,880
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	$ -	$ -	$ -	$ -	$ 362,109	$ 362,109
Write-offs	-	-	(59,697)	(59,697)	-	(59,697)
Recovery of written-off receivables	-	-	107,907	107,907	-	107,907
Change in risk parameters and others	(5,933)	(25,042)	(68,455)	(99,430)	-	(99,430)
Change in exchange rate	1,787	-	-	1,787	-	1,787
Balance at the end of the period	$ 703,470	$ 168,976	$ 354,575	$ 1,227,021	$ 5,341,041	$ 6,568,062

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

	January 1 to June 30, 2024	January 1 to June 30, 2023
Provision of allowance for doubtful accounts on accounts receivable	$ 9,245	$ 3,981
Provision for doubtful accounts on discounts and loans	295,020	293,946
Provision for doubtful accounts on guarantees	71,462	68,000
	$ 375,727	$ 365,927

XVI. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET

	June 30, 2024	December 31, 2023	June 30, 2023
Subsidiaries invested	$ 5,903,858	$ 5,878,501	$ 5,349,033
Affiliate	270,774	1,827,221	1,831,630
	$ 6,174,632	$ 7,705,722	$ 7,180,663

(I) Subsidiaries invested

	June 30, 2024	December 31, 2023	June 30, 2023
Union Finance & Leasing (Int'l) Corporation	$ 3,251,897	$ 3,289,158	$ 2,837,643
Union Securities Investment Trust Corporation (USITC)	427,652	433,457	425,048
Union Finance International (HK) Limited	167,739	164,418	161,829
Union Information Technology Corporation (UIT)	142,636	123,428	116,975
Union Venture Capital Co., Ltd.	1,913,934	1,868,040	1,807,538
	$ 5,903,858	$ 5,878,501	$ 5,349,033

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

Company name	June 30, 2024	December 31, 2023	June 30, 2023
Union Finance & Leasing (Int'l) Corporation	100%	100%	100%
Union Securities Investment Trust Corporation (USITC)	99.60%	99.60%	99.60%
Union Finance International (HK) Limited	100%	100%	100%
Union Information Technology Corporation (UIT)	99.99%	99.99%	99.99%
Union Venture Capital Co., Ltd.	100%	100%	100%

To expand the investment capital, on January 12, 2023, the Board of Directors of the Bank approved the issuance of 40,000 thousand shares for a total amount of NT$400,000 thousand. This has been approved by Financial Supervisory Commission, Letter Ref. Jin-Guan-Yin-Guo-Zi No. 1120232287, on October 18, 2023; the capital increase base date was December 12, 2023.

(II) Affiliate

	June 30, 2024	December 31, 2023	June 30, 2023
Not individually material			
LINE Pay Taiwan Limited	$ -	$ 1,550,935	$ 1,534,787
iPASS Corporation	218,996	224,384	245,011
Union Construction Management Co., Ltd.	51,778	51,902	51,832
	$ 270,774	$ 1,827,221	$ 1,831,630

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

	January 1 to June 30, 2024	January 1 to June 30, 2023
Share attributed to the Bank		
Current net profit (loss)	($ 5,511)	$ 5,793

To promote innovative financial technology services and popularize mobile payment endorsed by the government, the board of directors of the Bank approved the investment in LINE Pay Taiwan Limited (Line Pay) on July 25, 2018 and later acquired 5,471 thousand shares with a price of NT$1,579,977 thousand on September 21, 2018 resulting in a 10% shareholding. The Bank is a director of LINE Pay and with substantial influence, and thus the recognition is made by the equity method. Acquired Line BIZ+ Taiwan Limited has generated NT$977,235 thousand of goodwill and was included in the investment's cost. In April 2023, LINE Pay executed employee stock options, resulting in a decrease in the Bank's shareholding to 9.76%. On January 2, 2024, the Bank stepped down as a director of LINE Pay and lost its influence. In January 2024, the equity method was discontinued and the financial assets measured at fair value through other comprehensive gain or loss were considered for investment purposes (Note IX), and a gain of NT$526,654 thousand was recognized.

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

XVII. OTHER FINANCIAL ASSETS, NET

	June 30, 2024	December 31, 2023	June 30, 2023
Assets Pledged (Note XLII)	$ 1,543,812	$ 1,512,385	$ 1,524,997
Call loans by securities companies	-	215,145	-
Due from banks - time deposit	30,000	30,000	-
Others	-	6,579	8,721
	$ 1,573,812	$ 1,764,109	$ 1,533,718

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

XVIII. PROPERTY AND EQUIPMENT, NET

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amount of each category			
Land	$ 4,451,794	$ 4,433,803	$ 4,085,895
Buildings	3,146,864	3,189,641	3,083,825
Machinery and Computer Equipment	332,252	332,022	317,692
Transportation Equipment	58,888	53,628	52,470
Lease Improvements	170,139	172,312	171,406
Prepayment for equipment and property	834,759	723,872	960,949
	$ 8,994,696	$ 8,905,278	$ 8,672,237

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

Buildings	
Main buildings	33-55 years
Equipment installed in buildings	3-20 years
Machinery and Computer Equipment	1-5years
Transportation Equipment	1-8 years
Lease Improvements	5 years

XIX. Lease Arrangements

(I) Right-of-use assets

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amounts of right-of-use assets			
Buildings	$ 1,359,654	$ 1,461,416	$ 1,225,294

	January 1 to June 30, 2024	January 1 to June 30, 2023
Increase in right-of-use assets	$ 124,785	$ 109,683
Depreciation expense of right-of-use assets		
Buildings	$ 221,036	$ 216,894

(II) Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amounts of lease liabilities	$ 1,347,894	$ 1,449,389	$ 1,206,810

Range of discount rate for lease liabilities was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Buildings	0.72%~1.77%	0.72%~1.63%	0.72%~1.62%

(III) Other lease information

	January 1 to June 30, 2024	January 1 to June 30, 2023
Expenses relating to short-term leases	$ 83,294	$ 89,707
Total cash (outflow) for leases	($ 304,063)	($ 309,540)

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

XX. GOODWILL

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

For the impairment test on Chung Shing, the Bank treated individual business units as cash-generating units (CGUs). Goodwill resulting from the merger was allocated to the relevant CGUs. The recoverable amount was determined by the value in use of each CGU, and the key assumptions adopted use the actual operations and business of CGUs or the objective information of the economic cycles as the basis of future cash flow estimation; based on the going-concern assumption, the net cash flows generated from the operations of each CGU in the next five years are forecasted. As of June 30, 2024 and 2023, the Bank has cumulatively recognized goodwill impairment loss for NT$902,691 thousand. As of June 30, 2024, December 31 and June 30, 2023, no impairment occurred based on the Bank's assessment.

XXI. OTHER ASSETS, NET

	June 30, 2024	December 31, 2023	June 30, 2023
Refundable deposits	$ 2,267,686	$ 2,819,613	$ 2,137,743
Prepaid expenses	238,321	219,670	219,118
Prepaid pension	27,924	27,924	84,993
Others	193	258	206
	$ 2,534,124	$ 3,067,465	$ 2,442,060

XXII. Deposits from the Central Bank and peers

	June 30, 2024	December 31, 2023	June 30, 2023
Call loans from banks	$ 8,486,750	$ 7,453,675	$ 7,247,240
Deposits from Chunghwa Post Co., Ltd.	3,574,680	3,574,680	3,574,680
Overdraft from other banks	169,944	152,501	124,996
Deposits from the Central Bank and peers	124,679	83,373	140,435
	$ 12,356,053	$ 11,264,229	$ 11,087,351

XXIII. Securities sold under agreements to repurchase

	June 30, 2024	December 31, 2023	June 30, 2023
Commercial paper	$ 26,386,805	$ 28,993,136	$ 27,472,626
Asset-backed securities	15,898,285	14,321,243	15,283,327
Government bonds	10,147,373	8,967,881	11,129,015
Corporate bonds	7,643,700	7,884,499	3,702,121
Financial bonds	1,016,447	912,436	360,076
	$ 61,092,610	$ 61,079,195	$ 57,947,165
Maturity date	July to September 2024	January to March 2024	July to September 2023
Agreed repurchase price	$ 61,575,113	$ 61,503,776	$ 58,242,592

XXIV. Accounts payable

	June 30, 2024	December 31, 2023	June 30, 2023
Exchange clearing payable	$ 3,375,919	$ 3,309,721	$ 1,057,028
Interest payable	1,727,315	1,501,386	1,351,242
Collection payable	1,822,458	1,379,985	1,475,129
Expense payables	1,170,110	1,160,890	627,695
Tax payable	237,931	209,251	204,341
Accrued payable	313,411	205,320	238,751
Remittance	160,174	135,466	115,347
Bank acceptance bill	134,004	129,643	210,016
Dividend payable	1,267,636	-	839,405
Share and fund payables	177,687	48,986	197,527
Proceed of delivery	344,999	108,723	182,573
Others	899,478	687,666	786,821
	$ 11,631,122	$ 8,877,037	$ 7,285,875

XXV. Deposits and remittances

	June 30, 2024	December 31, 2023	June 30, 2023
Checking deposits	$ 5,526,936	$ 7,458,259	$ 5,063,171
Demand deposits	151,433,739	146,844,088	140,956,837
Savings deposits	450,566,733	438,815,060	420,807,743
Time deposits	167,639,651	164,796,554	161,958,250
Negotiable certificates of deposit	213,800	227,200	651,800
Inward and outward remittances	114,286	118,859	102,462
	$ 775,495,145	$ 758,260,020	$ 729,540,263

XXVI. BANK DEBENTURES

	June 30, 2024	December 31, 2023	June 30, 2023
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	$ 5,000,000	$ 5,000,000

XXVII. PROVISIONS

	June 30, 2024	December 31, 2023	June 30, 2023
Reserve for losses on guarantees and loan commitment	$ 388,138	$ 316,538	$ 366,571
Others	28,078	28,079	28,578
	$ 416,216	$ 344,617	$ 395,149

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

June 30, 2024

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

December 31, 2023

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected-credit Losses (Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under 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	$ 77,447	$ 3,647	$ 321	$ 81,415	$ 217,122	$ 298,537
Changes of financial instruments recognized at the beginning of the current reporting year						
- Transferred to lifetime ECL	(67)	67	-	-	-	-
- Transferred to credit-impaired financial assets	(65)	(2)	67	-	-	-
- Transferred to 12-month ECL	510	(509)	(1)	-	-	-
- Derecognition of financial assets in the current reporting period	(49,752)	(2,748)	(127)	(52,627)	-	(52,627)
New financial assets purchased or originated	84,933	2,691	49	87,673	-	87,673
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	(17,046)	(17,046)
Change in risk parameters and other changes	-	-	-	-	-	-
Change in exchange rate	1	-	-	1	-	1
End of year balance	$ 113,007	$ 3,146	$ 309	$ 116,462	$ 200,076	$ 316,538

June 30, 2023

	12-month expected credit losses	Lifetime expected credit losses	Lifetime Expected-credit Losses (Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under 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	$ 77,447	$ 3,647	$ 321	$ 81,415	$ 217,122	$ 298,537
Changes of financial instruments recognized at the beginning of the current reporting period						
- Transferred to lifetime ECL	(49)	49	-	-	-	-
- Transferred to credit-impaired financial assets	(26)	(1)	27	-	-	-
- Transferred to 12-month ECL	503	(501)	(2)	-	-	-
- Derecognition of financial assets in the current reporting period	(37,223)	(2,751)	(173)	(40,147)	-	(40,147)
New financial assets purchased or originated	73,898	1,766	69	75,733	-	75,733
Difference of Impairment Loss under the "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-accrual Loans"	-	-	-	-	32,414	32,414
Change in risk parameters and others	-	-	-	-	-	-
Change in exchange rate	34	-	-	34	-	34
Balance at the end of the period	$ 114,584	$ 2,209	$ 242	$ 117,035	$ 249,536	$ 366,571

XXVIII. Post-employment benefit plan

(I) Defined contribution plans

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

The total expenses recognized in consolidated statement of comprehensive income during January 1st to June 30th, 2024 and 2023, for NT$95,517 thousand and NT$86,091 thousand, respectively, as the contributions payable to these plans by the Bank at proportion specified in the defined contribution plan.

(II) Defined benefit plans

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

The Bank recognized the pension expenses of NT$3,649 thousand and NT$3,626 thousand during January 1st to June 30th, 2024 and 2023, based on the pension cost rates determined by the actuarial calculation on December 31st, 2023 and 2022.

XXIX. Other liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Advance receipts	$ 862,828	$ 901,924	$ 858,541
Guarantee deposits	89,370	112,982	96,698
Others	68,621	68,975	65,158
	$ 1,020,819	$ 1,083,881	$ 1,020,397

XXX. EQUITY

(I) Share capital

Common shares	June 30, 2024	December 31, 2023	June 30, 2023
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)	3,778,953	3,778,953	3,594,046
Issued share capital	$ 37,789,525	$ 37,789,525	$ 35,940,460

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 billion (inclusive) as the principle. The number of shares for issue shall not be more than 800,000,000 shares (inclusive) as the principle. On June 28th, 2017, the Banks's board of directors resolved to issue preferred stock - A totaling 200,000 thousand shares, with a par value of NT$10 per share, at NT$50 per share. The issuance of shares has been approved by the FSC under Order No. 1060033586 issued on September 1, 2017.

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

The rights and other important conditions of issuance of the 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. As the price of "PYTWDFIX" at the five-year IRS rate at 11:00 a.m. was not available, the Company decided to adopt the arithmetic mean of 5-year IRS rates of "TAIFXIRS" and "COSMOS3" appearing on Reuters pages at 11:00 a.m. dated April 20, 2023 as the 5-year IRS rate based on the integrity principle and reasonable market conditions. The dividend yield (annual rate) reset for the Company's Class A preference shares from April 24, 2023 is 5.26125%.
3. Dividend payment: Whereas the Bank makes profit in a fiscal year, apart from paying the income tax by law, it shall first compensate for the deficits in previous years, appropriate the legal reserve, and appropriate or reverse the special reserve with respect to these Articles of Incorporation before distributing dividends deserved for preferential shares of the year. The Bank shall enjoy the discretionary power over the distribution of dividends for preference shares, including but not limited to where no earnings or earnings are insufficient for distribution of the dividend of preference shares after the annual account is closed; or should the distribution of the dividend for preference shares will cause this Bank's capital adequacy to become lower than the minimum requirements by law or as specified by competent authorities; or should there be other necessary considerations, 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 June 9, 2023, before the Bank's AGM resolved to amend the Articles of Incorporation, it was specified 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. The shareholders' meeting of the Bank has on June 9, 2023 passed the resolution for the amendment to the Articles of Incorporation. 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 5.5 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 A held.
9. When the Bank issues new shares in cash to increase the capital, the shareholders of preferential shares A, and the common stock shall be entitled to equivalent rights on subscribing new shares.

Capital increase reserve

On June 14th, 2024, the AGM resolved to increase the capital from earnings for NT$2,645,267 thousands and from the employees' remuneration for NT$96,927 thousands by issuing new shares for 264,526 thousand shares and 6,594 thousand shares, respectively, totaling 271,120 thousand shares. The face value is NT$10 per share. The said capital increase has been reported to and approved by Securities and Futures Bureau, Financial Supervisory Commission on July 3rd, 2024, and the base date of capital increase was July 30th, 2024.

(II) Capital reserve

	June 30, 2024	December 31, 2023	June 30, 2023
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	70,389	70,389	38,123
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	33,840	22,271	22,271
	$ 8,137,301	$ 8,125,732	$ 8,093,466

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

(III) Legal reserve

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

(IV) Special surplus reserve

	January 1 to June 30, 2024	January 1 to June 30, 2023
Balance at the beginning of the period	$ 757,036	$ 627,440
Provision (reversal) for the period	(129,596)	129,596
Balance at the end of the period	$ 627,440	$ 757,036

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

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

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

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

(V) Retained earnings and dividend policy

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

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

The Bank's AGM resolved the earning distributions for 2023 and 2022 on June 14th, 2024 and June 9th, 2023 as below:

	Earning distribution		Dividends per share (NT$)	
	2023	2022	2023	2022
Legal reserve	$ 1,453,449	$ 928,965		
Reversal of special reserve	(129,596)	-		
Special surplus reserve	-	129,596		
Share dividends of common shares	2,645,267	1,797,023	$ 0.700	$ 0.500
Cash dividends of common shares	755,790	359,405	0.200	0.100
Cash dividends of preferential shares	511,845	480,000	2.559	2.400

(VI) Other equity items

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

	January 1 to June 30, 2024	January 1 to June 30, 2023
Balance at the beginning of the period	($ 609,272)	($ 508,759)
Exchange differences arising on translation the foreign operations	824,214	203,899
Income tax on exchange differences on translation of the net assets of foreign operations	(164,843)	(40,779)
Share in the translation difference from the subsidiaries with the equity method	(96,641)	(126,993)
Balance at the end of the period	($ 46,542)	($ 472,632)

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

	January 1 to June 30, 2024	January 1 to June 30, 2023
Balance at the beginning of the period	$ 3,228,847	($ 128,822)
Generated in the current period		
Unrealized gain (loss)		
Debt instruments	(617,138)	210,111
Equity instrument	2,405,899	1,365,409
Adjustments to loss allowance for debt instruments	129,666	42,638
Share in the subsidiaries with the equity method	9,573	188,249
Other comprehensive income for the period	1,928,000	1,806,407
Accumulated gain (loss) transferred to retained earnings from disposal of equity instruments	(117,340)	(146,653)
Balance at the end of the period	$ 5,039,507	$ 1,530,932

XXXI. NET INTEREST INCOME

	January 1 to June 30, 2024	January 1 to June 30, 2023
Interest income		
Discounts and loans	$ 8,054,094	$ 7,234,382
Interests from debt instruments measured at amortized costs	849,117	790,202
Interests from financial assets measured at fair value through other comprehensive income	610,073	664,536
Interests from revolving credit	477,098	416,233
Investment of bonds under reverse repurchase agreement	422,654	269,709
Due from the Central Bank and call loans to other banks	130,582	126,888
Other interest income	40,914	64,669
Subtotal	10,584,532	9,566,619
Interest expense		
Interests from deposits	5,331,882	4,259,407
Interests from notes under repurchase agreement and bonds	1,151,080	854,376
Interests from financial bonds	40,775	40,775
Due to Chunghwa Post Co., Ltd.	29,748	31,239
Other interest expense	81,220	45,739
Subtotal	6,634,705	5,231,536
Total	$ 3,949,827	$ 4,335,083

XXXII. COMMISSION AND FEE INCOME, NET

	January 1 to June 30, 2024	January 1 to June 30, 2023
Fee income		
Fees from credit cards and debit cards	$ 1,651,326	$ 1,527,102
COMMISSION AND FEE REVENUE, NET	672,177	502,887
Fees from trust	432,693	338,299
Fees from loans	322,689	244,989
Fees from underwriting	86,968	83,107
Fees from guarantee	72,040	73,990
Incomes from interbank service	28,371	33,504
Others	152,228	169,873
Subtotal	3,418,492	2,973,751
Commission and fee expense		
Fees from credit cards	739,798	504,633
Fees from acquiring liquidation deal	712,084	644,933
Fees from credit inquiry	19,855	20,049
Fees from interbank service	19,565	18,418
Agency service fee expense	7,355	6,131
Others	66,909	55,918
Subtotal	1,565,566	1,250,082
Total	$ 1,852,926	$ 1,723,669

XXXIII. Net profit of financial assets or liabilities at FVTPL

	January 1 to June 30, 2024	January 1 to June 30, 2023
Realized gain or loss on financial assets at fair value through profit or loss		
Currency swap contracts	$ 899,335	$ 817,010
Foreign exchange forward contracts	(14,713)	5,610
Commercial paper	11,539	11,794
Beneficiary securities and shares	189,288	131,216
Option contracts	3,624	2,979
Interest income	486,277	340,114
Dividend incomes	23,257	34,462
Principal guaranteed notes	-	12,316
Futures exchange margins	420	1,662
Subtotal	1,599,027	1,357,163
Profit or loss of financial assets or liabilities at FVTPL		
Beneficiary securities and shares	$ 141,958	$ 36,507
Government bonds and corporate bonds	(48,511)	(2,394)
Commercial paper	12,010	(1,586)
Derivative financial assets and liabilities	2,234,437	1,019,515
Futures exchange margins	-	(230)
Subtotal	2,339,894	1,051,812
Total	$ 3,938,921	$ 2,408,975

XXXIV. REALIZED GAIN ON FINANCIAL ASSETS AT FVTOCI

	January 1 to June 30, 2024	January 1 to June 30, 2023
Dividend incomes	$ 131,760	$ 174,609

XXXV. Impairment of Assets (Reversal Gain)

	January 1 to June 30, 2024	January 1 to June 30, 2023
Debt instruments measured at fair value through other comprehensive income	$ 47,852	$ 22,378
Financial assets measured at amortized costs	5,196	21,792
Collaterals	-	(358)
Total	$ 53,048	$ 43,812

XXXVI. Employee Benefits

	January 1 to June 30, 2024	January 1 to June 30, 2023
Salaries and wages	$ 1,331,435	$ 1,235,019
Bonus	1,052,588	534,517
Post-employment benefits		
Defined contribution plans	95,517	86,091
Defined benefit plans	3,649	3,626
Labor insurance and national health insurance	198,737	185,502
Other employee benefits	66,767	60,090
Total	$ 2,748,693	$ 2,104,845

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 the six months ended June 30, 2024 and 2023 are as follows:

Accrual rate

	January 1 to June 30, 2024	January 1 to June 30, 2023
Remuneration of employees	1.84%	1.84%
Remuneration of directors	0.09%	0.09%

Amount

	January 1 to June 30, 2024	January 1 to June 30, 2023
Remuneration of employees	$ 59,378	$ 54,820
Remuneration of directors	$ 2,904	$ 2,681

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

The Bank held the board meetings on March 11th, 2024 and March 13th, 2023, to resolve the remuneration of employees and directors for 2023 and 2022, respectively, as below:

	2023		2022	
	Cash	Shares	Cash	Shares
Remuneration of employees	$ -	$ 96,927	$ -	$ 84,308
Remuneration of directors	4,741	-	4,124	-

The remunerations of employees for 2023 and 2022 were 6,594 thousand shares and 5,204 shares, and the calculation were based on the closing prices, NT$14.70 and NT$16.20, of the day before the board's resolution date in 2023 and 2022.

There was no difference remunerations of employees and directors paid for 2023 and 2022 and the amounts recognized in the Parent Company Only Financial Statements for 2023 and 2022.

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

XXXVII. DEPRECIATION AND AMORTIZATION

	January 1 to June 30, 2024	January 1 to June 30, 2023
Depreciation of properties and equipment	$ 119,082	$ 129,516
Depreciation of right-of-use assets	221,036	216,894
Amortization of intangible assets	42,750	44,866
Total	$ 382,868	$ 391,276

XXXVIII. OTHER OPERATING AND MANAGEMENT EXPENSES

	January 1 to June 30, 2024	January 1 to June 30, 2023
Advertising expenses	$ 408,835	$ 553,048
Taxation and levies	547,272	487,633
Outsourcing service fee	200,664	186,862
Postage/cable charge	132,008	124,100
Computer information expense	137,577	110,938
Rent	83,294	89,707
Deposit insurance premium	95,038	88,383
Repair and maintenance expense	73,269	67,413
Business promotion expenses	123,579	30,755
Printing and binding	22,290	21,062
Others	289,046	270,275
Total	$ 2,112,872	$ 2,030,176

XXXIX. Income tax

(I) Income tax recognized in profit or loss

The main components of income tax expense were as follows:

	January 1 to June 30, 2024	January 1 to June 30, 2023
Current income tax		
Incurred in the current year	$ 632,958	$ 467,716
Adjustment for prior year	6,519	(20,385)
Deferred tax		
Incurred in the current year	(228,512)	(20,322)
Income tax expense recognized in profit or loss	$ 410,965	$ 427,009

(II) Income tax recognized in other comprehensive income

	January 1 to June 30, 2024	January 1 to June 30, 2023
Deferred tax		
Recognized in other comprehensive income:		
- Translating the financial statements of overseas operations	$ 164,843	$ 40,779
- Unrealized gain or loss on financial assets at fair value through other comprehensive income	121,639	170,297
Income tax expenses recognized in other comprehensive income	$ 286,482	$ 211,076

(III) Income tax assessments

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

XL. EARNINGS PER SHARE

	January 1 to June 30, 2024	January 1 to June 30, 2023
Basic earnings per share	$ 0.56	$ 0.50
Diluted earnings per share	$ 0.56	$ 0.50

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

Current net profit

	January 1 to June 30, 2024	January 1 to June 30, 2023
Net Profit	$ 2,776,203	$ 2,494,816
Less: Dividends on preferential shares announced	(511,845)	(480,000)
Earnings used in the computation of basic earnings per share	$ 2,264,358	$ 2,014,816
Earnings used in the computation of diluted earnings per share	$ 2,264,358	$ 2,014,816

Number of shares

Unit: thousand shares

	January 1 to June 30, 2024	January 1 to June 30, 2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	4,047,537	4,041,438
Effect of potentially dilutive ordinary shares		
Remuneration of employees	6,193	5,374
Weighted average number of ordinary shares used in the computation of diluted earnings per share	4,053,730	4,046,812

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

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retrospective for the issuance of bonus shares on July 30th, 2024. Due to the retrospective adjustment, the basic and diluted earnings per share for the six months ended June 30th, 2023both decreased from NT$0.53 to NT$0.50.

XLI. Transactions with Related Parties

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

(I) Related parties and their relationships with the Company

Related Party	Relationship with the Bank
Union Finance and Leasing (Int'l) Corp (UFLIC)	Subsidiary
Union Information Technology Corporation (UIT)	Subsidiary
Union Finance Co., Ltd. (Hong Kong) (Union Finance)	Subsidiary
Union Securities Investment Trust Corporation (USITC)	Subsidiary
Union Venture Capital Co., Ltd. (UVC)	Subsidiary
Union Capital (Cayman) Corp. (UCCC)	Subsidiary
Union Capital (Singapore) Holding Pte. Ltd (UCSH)	Subsidiary
Uflc Capital (Singapore) Holding Pte. Ltd (UFLC)	Subsidiary
Kabushiki Kaisha UCJ1 (KK)	Subsidiary
Tokutei Mokuteki Kaisha SSG15 (TMK SSG15)	Subsidiary
Tokutei Mokuteki Kaisha SSG12 (TMK SSG12)	Subsidiary
Tokutei Mokuteki Kaisha SSG16 (TMK SSG16)	Subsidiary

(continued at next page)

(Cont’)

Related Party	Relationship with the Bank
Corner Union Venture Capital, LLC (Delaware)	Subsidiary
Corner Union LLC DAG I-U, LLC	Subsidiary
Corner Union, LLC	Subsidiary
Na He Yi Hau Electric Power Inc. (Na He Yi Hau)	Subsidiary
Union Energy Co., Ltd. (Union Energy)	Subsidiary
Ting Jie Electric Power Inc. (Ting Jie Electric Power)	Subsidiary
Union Private Equity Co., Ltd. (Union Private Equity)	Subsidiary
Tian Ji Smart Energy Co., Ltd. (Tian Ji Smart)	Subsidiary
Union Construction Management Co., Ltd. (Union Construction Management)	Affiliate
LINE Pay Taiwan Limited (LINE Pay Taiwan)	Substantive related party (not an associate as of January 2, 2024)
iPass Corporation (iPass)	Affiliate
Blue Borders Medical and Health Management Consulting Co., Ltd. (Blue Borders)	Affiliate
Horng Gow Construction Co., Ltd. (Horng Gow)	Related party in substance
The Liberty Times Co., Ltd. (the Liberty Times)	Related party in substance
Long Shan Lin Corporation (Long Shan Lin)	Related party in substance
Yung Hsuan Co., Ltd	Related party in substance
Lianhe Investment Co., Ltd. (Lianhe Investment)	Related party in substance
Union Enterprise Construction Co., Ltd. (Union Enterprise Construction)	Related party in substance
Yu-Bon Limited Co. (Yu-Bon)	Related party in substance
Union Recreation Enterprise Corporation (Union Recreation Enterprise)	Related party in substance
Union Optronics Corp. (Union Optronics)	Related party in substance
Hi-Life International Co., Ltd. (Hi-Life International)	Related party in substance
RFD Micro Electricity Co., Ltd. (RFD Micro)	Substantive related party (non-related party who did not serve as a director after June 28, 2023)
Hsinrong Energy Technology Co., Ltd. (Hsinrong Energy)	Related party in substance
Hope Vision Co., Ltd. (Hope Vision)	Related party in substance
Issued by Union Securities Investment Trust	Issued by subsidiary Union Securities Investment Trust
Union Green Energy Private Equity Limited Partnership (Union Green Energy)	Union Private Equity Co., Ltd. and UFLIC are general partner and limited partner, respectively
Union Green Energy I Private Equity Limited Partnership (Union Green Energy I)	Subsidiary, Union Private Equity Co., Ltd. is general partner
Union Green Energy II Private Equity Limited Partnership (Union Green Energy II)	Subsidiary, Union Private Equity Co., Ltd. is general partner
Others	Directors, managerial officers, and their relatives and affiliates, as well as related parties in substance of the Bank

(II) Material transactions with related parties

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

1. Loans

June 30, 2024

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

December 31, 2023

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	25 households	$ 30,243	$ 11,647	$ 11,647	$ -	Lands, buildings and Marketable securities	None
Self-used housing mortgage loans	38 households	203,730	95,818	95,818	-	Real estates	None
Other loans	Union Finance and Leasing (Int'l) Corp	1,275,179	1,275,179	1,275,179	-	Lands and buildings	None
Other loans	Hope Vision	26,000	22,750	22,750	-	Small and Medium Enterprise Credit Guarantee Fund of Taiwan	None
Other loans	14 households	50,666	36,403	36,403	-	Lands, buildings and Marketable securities	None

June 30, 2023

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	$ 20,174	$ 16,818	$ 16,818	$ -	Land, buildings, securities (certificates of deposit, stocks), and vehicles	None
Self-used housing mortgage loans	43 households	173,075	124,727	124,727	-	Real estates	None
Other loans	Union Finance and Leasing (Int'l) Corp	1,097,592	1,097,592	1,097,592	-	Land, buildings and certificates of deposit of the Bank	None
Other loans	Hope Vision	26,000	26,000	26,000	-	Small and Medium Enterprise Credit Guarantee Fund of Taiwan	None
Other loans	12 households	40,490	27,672	27,672	-	Land, buildings, securities (certificates of deposit, stocks), and vehicles	None

Year	Balance at June 30	% in the account	Annual interest rate	Interest income from January 1 to June 30	%
2024	$ 1,616,150	0.28%	1.70%-2.98%	$ 17,007	0.16%
2023	1,292,809	0.23%	1.44%-2.99%	9,833	0.10%

2. Deposit

Year	Balance at June 30	%	Annual interest rate (Note)	Interest expenses from January 1 to June 30	%
2024	$ 7,814,602	1.01%	0%-5.80%	$ 36,070	0.54%
2023	8,698,791	1.19%	0%-5.00%	53,379	1.02%

Note: Interest rates of foreign currencies included.

3. Guarantees and letters of credit

June 30, 2024

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

December 31, 2023

Related Party	Highest Balance in the period	Balance at the end of the period	Balance of Guarantees and Letters of Credit (Note)	Rate Range	Collaterals
Union Recreation Enterprise Corporation	$ 7,265	$ 7,265	$ -	1.00%	Time Deposit
The Liberty Times Co., Ltd.	2,766	-	-	0.05%	Time Deposit
Long Shan Lin Corporation	71,040	71,040	-	0.50%	Time Deposit
Hi-Life International Co., Ltd.	26,022	26,022	-	0.40%	Time Deposit
iPASS Corporation	25,378	25,378	-	0.50%	Time Deposit

June 30, 2023

Related Party	Highest Balance in the period	Balance at the end of the period	Balance of Guarantees and Letters of Credit (Note)	Rate Range	Collaterals
Union Recreation Enterprise Corporation	$ 7,265	$ 7,265	$ -	1.00%	Time Deposit
The Liberty Times Co., Ltd.	2,740	2,740	-	0.05%	Time Deposit
Long Shan Lin Corporation	71,040	71,040	-	0.50%	Time Deposit
Hi-Life International Co., Ltd.	19,830	18,530	-	0.40%	Time Deposit

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

4. Lease agreement

(1) The Company as the lessee

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

		Balance of Lease Deposit at June 30th (Other Assets - Refundable Deposits)		June 30th Lease liabilities	
Year	Lessor	Amount	%	Amount	%
2024	Yu-Bon	$ 456,046	20.11%	$ 32,164	2.39%
	Horng Gow	219,464	9.68%	96,865	7.19%
	Yung Hsuan	16,694	0.74%	289,410	21.47%
	UECC	5,019	0.22%	20,738	1.54%
2023	Yu-Bon	456,046	21.33%	41,613	3.45%
	Horng Gow	219,464	10.27%	214,880	17.81%
	Yung Hsuan	16,156	0.76%	7,158	0.59%
	UECC	5,019	0.23%	21,384	1.77%

During January 1st to June 30th, 2024 and 2023, the Bank leased vehicles for operation from UFLIC with the rent expenses of NT$7,505 thousand and NT$6,844 thousand, respectively; the rents payable on June 30th, 2024, December 31 and June 30th, 2023 were NT$284 thousand, NT$54 thousand, and NT$307 thousand.

The Bank rented space to install ATMs from Hi-life International Corporation, the rent expense was NT$2,894 thousand and NT$220 thousand January 1st to June 30th, 2024 and 2023.

(2) The Company as the lessee

Some offices of the Bank's Taoying, Kaohsiung, Juru, Xingzhong, and Tunhua S. Road Branch, office of Zhongxiao Rd. Branch, Taichung, and some offices of Songjiang Branch, have been leased to UFLIC, Hi-Life, Blue Border, and UVC for December 2014 to August 2024, January 2021 to December 2025, May 2017 to April 2027, November 2017 to October 2027, January 2021 to January 2032, March 2020 to April 2030, and January 2022 to December 2026; during January 1st to June 30th 2024 and 2023, the rent incomes were NT$8,187 thousand and NT$8,109 thousand, respectively. The rents are received on the monthly basis. In addition, the lease deposits received are NT$6,541 thousand and NT$6,474 thousand, respectively (accounted in Other Liabilities - guarantee deposits).

5. Union Information Technology Corporation purchased the computer peripheral devices, information software and provided the network service to the Bank. For January 1st to June 30th, 2024 and 2023, the expenses related to the purchase and services were NT$97,171 thousand and NT$89,235 respectively.
6. LINE PAY provided the use of its consumer platform to the Bank starting in July 2019. During January 1st to June 30th, 2024 and 2023, the maintenance fees of the platform was NT$17,177 thousand and NT$18,245 thousand, respectively
7. LINE PAY provided the credit card bonus points and cooperative marketing campaigns to the Bank. The advertising fee was $307,798 thousand and $393,519 thousand, respectively, during January 1st to June 30th, 2024 and 2023.
8. Hi-Life provided the product bonus redemptions and marketing campaigns to the Bank. The advertising fees were $10,010 thousand and $4,527 thousand, respectively, during January 1 to June 30, 2024 and 2023.
9. RFD Micro Electricity Co., Ltd provided the Company with credit card marketing of sustainable development and eco-consumption. For the six months ended June 28, 2023, the rebate incomes were NT$7,977 thousand.

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

(III) Rewards and compensations to major management

For the six months ended June 30, 2024 and 2023, the remunerations to directors and other major management are as follows:

	January 1 to June 30, 2024	January 1 to June 30, 2023
Short-term employment benefits		
Salaries	$ 18,629	$ 18,499
Transportation expenses	660	646
	19,289	19,145
Post-employment benefits	381	414
	$ 19,670	$ 19,559

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

XLII. Assets Pledged or Mortgaged

As of June 30th, 2024, December 31st and June 30th, 2023, government bonds and bank debentures, which amounted to NT$417,305 thousand, NT$394,005 thousand, and $364,005 thousand (all amounts included in other financial assets), respectively, had been provided to the courts and the Bank of Taiwan as guarantee deposits on provisional seizures against the debtors' properties, as reserve for credit card receivables, as guarantee deposits on bills finance operations, brokering life insurance, property and casualty insurance, and as trust reserve.

As of June 30th, 2024, December 31st and June 30th, 2023, the Bank pledged a time deposit of both $1,100,000 thousand (listed under other financial assets) to Mega International Commercial Bank Co., Ltd. and Mizuho Bank to be part of the latter's online bank-to-bank payment system.

XLIII. Material Contingent Liabilities and the Contractual Commitments not Recognized

(I) As of June 30th, 2024, December 31st and June 30th, 2023, the Bank's commitments consisted of the following:

	June 30, 2024	December 31, 2023	June 30, 2023
Unused standby loan commitment	$ 154,201,305	$ 163,321,584	$ 155,601,249
Unused credit card commitment	331,242,136	334,521,816	318,501,547
Unused letters of credit	$ 1,031,417	$ 1,386,725	$ 1,400,533
Other guarantees	28,049,438	20,087,873	24,274,097
Collections for customers	17,760,998	17,362,381	18,936,536
Guarantee notes payable	1,391,300	1,359,800	1,368,000
Trust assets	114,742,402	105,006,846	101,568,406
Marketable securities under custody	3,993,899	3,996,782	4,107,281

(II) Computer equipment purchase contracts

As of June 30th, 2024, December 31st and June 30th, 2023, the Bank had contracts to purchase computer equipment and software for NT$936,900 thousand, NT$979,352 thousand and NT$906,594 thousand, respectively, of which NT$559,904 thousand, NT$499,705 thousand and NT$244,708 thousand had been paid as of June 30th, 2024, December 31st and June 30th, 2023.

XLIV. Other Matters

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

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

Balance Sheet of Trust Accounts

June 30, 2024

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

Balance Sheet of Trust Accounts

December 31, 2023

Trust assets	Amount	Trust Liabilities and Capital	Amount
Bank deposits	$ 16,642,391	Income tax payable	$ 3,472
Investment		Marketable securities under custody payable	15,105,961
Fund investments	62,632,574	Trust capital	89,643,432
Bond investment	9,216	Reserves and cumulative profit/deficit	253,981
Investments in common shares	427,477		
Accounts receivable	36,940		
Marketable securities under custody	15,105,961		
Real estate - land and building	10,152,287		
Total trust assets	$ 105,006,846	Total trust liabilities and capital	$ 105,006,846

Balance Sheet of Trust Accounts

June 30, 2023

		Amount			Amount
Trust assets			Trust Liabilities and Capital		
Bank deposits	$	14,246,288	Management fees payable	$	92
Investment			Income tax payable		1,536
Fund investments		62,639,338	Marketable securities under custody payable		11,933,198
Bond investment		9,079	Trust capital		89,393,243
Investments in common shares		415,216	Reserves and cumulative profit/deficit		240,337
Accounts receivable		19,385			
Marketable securities under custody		11,933,198			
Real estate - land and building		12,305,902			
Total trust assets	$	101,568,406	Total trust liabilities and capital	$	101,568,406

Income Statement of Trust Accounts

January 1 to June 30, 2024

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

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

Income Statement of Trust Accounts

January 1 to June 30, 2023

	Amount
Trust Income	
Interest revenue - demand account	$ 10,995
Interest revenue - time deposit	27,735
Interest revenue - bond	238
Income distributed from beneficiary certificate	294
Realized capital gain - fund	18
Unrealized capital gain - fund	26
Unrealized capital gain - unlisted common share	138,162
Total trust income	177,468
Trust expenses	
Management fee	$ 6,830
Unrealized capital loss - listed common share	470
Unrealized capital loss - bond	2,991
Realized capital loss - fund	231
Unrealized capital loss - fund	1,266
Other expenses	606
Total trust expense	12,394
Net profit before tax	165,074
Income tax expense	(3,464)
Gain after tax for the period	$ 161,610

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

Trust Property and Equipment Accounts

June 30, 2024

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

Trust Property and Equipment Accounts

December 31, 2023

Investment Portfolio	Amount
Bank deposits	$ 16,642,391
Investment	
Fund investments	62,632,574
Bond investment	9,216
Investments in common shares	427,477
Accounts receivable	36,940
Marketable securities under custody	15,105,961
Real estate - land and building	10,152,287
Total	$ 105,006,846

Trust Property and Equipment Accounts

June 30, 2023

Investment Portfolio	Amount
Bank deposits	$ 14,246,288
Investment	
Fund investments	62,639,338
Bond investment	9,079
Investments in common shares	415,216
Accounts receivable	19,385
Marketable securities under custody	11,933,198
Real estate - land and building	12,305,902
Total	$ 101,568,406

XLVI. Disclosure of Financial Instruments

(I) Information on fair value

1. Overview

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

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

2. Definitions of fair value hierarchy

(1) Level 1

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

A. All financial instruments in the market are homogeneous.

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

C. The public can access the price information easily.

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

(2) Level 2

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

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

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

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

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

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

(3) Level 3

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

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

3. Measured at fair value on a recurring basis

(1) Information of the fair value hierarchies

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

Unit: NTD thousand

Asset and liability items	June 30, 2024			
	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				
Fund beneficiary certificates	$ 834,658	$ 834,658	$ -	$ -
Commercial paper	46,295,724	-	46,295,724	-
Asset-backed securities	16,584	-	16,584	-
Share investments	1,558,450	1,558,450	-	-
Future exchange margins - self owned	65,336	65,336	-	-
Bond investment	2,663,768	-	2,663,768	-
Financial assets measured at fair value through other comprehensive income				
Share investments	$ 19,648,052	$ 15,259,413	$ -	$ 4,388,639
Bond investment	42,243,920	-	42,243,920	-
Derivative financial products				
Assets				
Financial assets measured at fair value through profit or loss	1,308,888	-	1,202,724	106,164
Liabilities				
Financial liabilities measured at fair value through profit or loss	389,311	-	283,646	105,665

Unit: Thousand NTD

Asset and liability items	December 31, 2023			
	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				
Fund beneficiary certificates	$ 421,817	$ 421,817	$ -	$ -
Commercial paper	47,158,569	-	47,158,569	-
Asset-backed securities	20,258	-	20,258	-
Share investments	1,887,638	1,887,638	-	-
Future exchange margins - self owned	61,390	61,390	-	-
Bond investment	1,369,226	-	1,369,226	-
Financial assets measured at fair value through other comprehensive income				
Share investments	14,433,152	12,611,811	-	1,821,341
Bond investment	42,941,328	-	42,941,328	-
Derivative financial products				
Assets				
Financial assets measured at fair value through profit or loss	511,050	-	389,784	121,266
Liabilities				
Financial liabilities measured at fair value through profit or loss	1,824,034	-	1,702,464	121,570

Unit: Thousand NTD

Asset and liability items	June 30, 2023			
	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				
Fund beneficiary certificates	$ 297,028	$ 297,028	$ -	$ -
Commercial paper	48,297,889	-	48,297,889	-
Asset-backed securities	24,026	-	24,026	-
Share investments	1,517,641	1,517,641	-	-
Future exchange margins - self owned	64,593	64,593	-	-
Bond investment	598,913	-	598,913	-
Financial assets measured at fair value through other comprehensive income				
Share investments	13,427,278	11,654,328	-	1,772,950
Bond investment	50,058,296	-	50,058,296	-
Derivative financial products				
Assets				
Financial assets measured at fair value through profit or loss	1,364,165	-	1,224,232	139,933
Liabilities				
Financial liabilities measured at fair value through profit or loss	675,348	-	536,607	138,741

(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 Bank uses the same estimations and assumptions as those used by market participants to determine the fair value.

The Bank uses the forward rates provided by Reuters to estimate the fair values of forward contracts, foreign exchange swap contracts, interest rate swap and cross-currency swap contracts and the discounted cash flow method to calculate the fair values of each contract. For foreign exchange option transactions, the Company uses the option pricing models which are generally used by other market participants (e.g., 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 Bank's loan and receivable impairment assessment and the average incidence of impairment is taken as the default probability.

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

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

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

(4) Transfers between Level 1 and Level 2

During January 1st to June 30th, 2024 and 2023, there was no material transfer between Level 1 and Level 2.

(5) Reconciliation of Level 3 items of financial instruments

Changes in Level 3 financial assets at fair value

January 1 to June 30, 2024

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	$ 121,266	($ 6,297)	$ -	$ 42,771	$ -	($ 51,576)	$ -	$ 106,164
Financial assets measured at fair value through other comprehensive income								
Share investments	1,821,341	-	493,339	-	2,077,589	($ 3,630)	-	4,388,639

January 1 to June 30, 2023

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	$ 162,274	($ 11,068)	$ -	$ 51,635	$ -	($ 62,908)	$ -	$ 139,933
Financial assets measured at fair value through other comprehensive income								
Share investments	1,779,550	-	($ 2,970)	-	-	($ 3,630)	-	1,772,950

The valuation profit and loss above are listed in the current profit and loss, and attributed to the amount of profit and loss of the assets held in the accounts as of June 30, 2024 and 2023; with a loss of NT$6,297 thousand and a profit of NT$11,068 thousand, respectively.

B. Changes in Level 3 financial liabilities at fair value

January 1 to June 30, 2024

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	$ 121,570	($ 24,801)	$ -	$ 53,968	$ -	($ 45,072)	$ -	$ 105,665

January 1 to June 30, 2023

Unit: NTD thousand

Name	Balance at the beginning of the period	Valuation Gains (Losses)		Increase for the period		Decrease for the period		Balance at the end of the period
		In Net Income	In Other Comprehensive Income	Purchased or issued	Transfer to Level 3	Sale, disposal, or delivery	Transfer from Level 3	
Financial liabilities measured at fair value through profit or loss Derivative financial products	$ 162,265	($ 34,499)	$ -	$ 62,098	$ -	($ 51,123)	$ -	$ 138,741

The valuation profit and loss above are listed in the current profit and loss, and attributed to the amount of profit and loss of the liabilities assumed in the accounts as of June 30, 2024 and 2023, with a profit of NT$24,801 thousand and a profit of NT$34,499 thousand, respectively.

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

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

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

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

Name	Products	Fair value on December 31, 2023	Valuation Technique	Significant Unobservable Inputs	Interval (Weighted-average)	Relation Between Input and Fair Value
Measured at fair value on a recurring basis						
Financial assets measured at fair value through profit or loss						
Derivative financial assets	Foreign exchange options	$ 121,266	Option pricing model	Fluctuation	GBP/AUD 7.17%~7.67% AUD/USD 9.51%~9.60% USD/TWD 7.42%~8.36% USD/ZAR 14.71%~15.26% USD/JPY 10.51% EUR/GBP 4.95%~5.79%	The higher the fluctuation is, the higher the fair value
Financial assets measured at fair value through other comprehensive income						
Nonderivative financial instruments	Share investments	1,821,341	Asset method	Allowance of minor equity and liquidity	5%~20%	The higher the allowance is, the lower the fair value
Financial liabilities measured at fair value through profit or loss						
Derivative financial liabilities	Foreign exchange options	121,570	Option pricing model	Fluctuation	GBP/AUD 7.17%~7.67% AUD/USD 9.51%~9.60% USD/TWD 7.42%~8.36% USD/ZAR 14.71%~15.26% USD/JPY 10.51% EUR/GBP 4.95%~5.79%	The higher the fluctuation is, the higher the fair value

Name	Products	Fair value on June 30, 2023	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	$ 139,933	Option pricing model	Fluctuation	GBP/AUD 8.62% AUD/USD 9.64%~10.74% EUR/GBP 6.01%~6.59% USD/TWD 5.07%~7.08% USD/ZAR 15.09%~15.18%	The higher the fluctuation is, the higher the fair value
Nonderivative financial instruments Financial assets measured at fair value through other comprehensive income	Share investments	1,772,950	Assets value model	Allowance of minor equity and liquidity	5%~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	138,741	Option pricing model	Fluctuation	GBP/AUD 8.62% AUD/USD 9.64%~10.74% EUR/GBP 6.01%~6.59% USD/TWD 5.07%~7.08% USD/ZAR 15.09%~15.18%	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 Bank's equity investment unlisted or without active market. By valuating the total value of the individual asset and liability covered by the valuation target, the overall value of the target is reflected.

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

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

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

June 30, 2024

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

December 31, 2023

	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	$ 182,134	($ 182,134)

June 30, 2023

	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	$ 177,295	($ 177,295)

4. Not measured at fair value

(1) Information on fair value

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

	June 30, 2024		December 31, 2023		June 30, 2023	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial assets						
Financial assets measured at amortized costs	$ 82,094,413	$ 76,301,118	$ 81,648,341	$ 77,918,378	$ 82,840,985	$ 79,082,347
Financial liabilities						
BANK DEBENTURES	5,000,000	4,937,822	5,000,000	4,948,379	5,000,000	4,945,158

(2) Information of the fair value hierarchies

Asset and liability items	June 30, 2024			
	Total	Level 1	Level 2	Level 3
Financial assets				
Financial assets measured at amortized costs	$ 76,301,118	$ -	$ 76,301,118	$ -
Financial liabilities				
BANK DEBENTURES	4,937,822	-	4,937,822	-

Asset and liability items	December 31, 2023			
	Total	Level 1	Level 2	Level 3
Financial assets				
Financial assets measured at amortized costs	$ 77,918,378	$ -	$ 77,918,378	$ -
Financial liabilities				
BANK DEBENTURES	4,948,379	-	4,948,379	-

Asset and liability items	June 30, 2023			
	Total	Level 1	Level 2	Level 3
Financial assets				
Financial assets measured at amortized costs	$ 79,082,347	$ -	$ 79,082,347	$ -
Financial liabilities				
BANK DEBENTURES	4,945,158	-	4,945,158	-

XLVII. Financial Risk Management

(I) Overview

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

(II) Risk management framework

The board of directors, which occupies the highest level in the Bank's risk management framework, reviews risk management policies, the overall risk management framework and the organizational 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, and manage and monitor the implementation of those controls in operation units. Operation units perform daily risk management work and internal controls to ensure the accuracy and completeness of the risk management information generated.

(III) Credit risk

1. Definitions and sources of credit risks

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

2. Strategy/objectives/policies and processes

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

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

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

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

3. Credit risk management organization and framework

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

(2) 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 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 Bank’s risk management department regularly monitors the credit limit control situations and reports to the ALMC the credit and investment concentration and the status of each business’ achieving BIS (Bank for International Settlements) goals. The department also presents the volume of business NPL situation, credit concentration and the execution of credit risk control to the board of directors.

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

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

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

6. Maximum exposure to credit risk of the Bank

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

Off-balance sheet items	Maximum exposure to credit risk		
	June 30, 2024	December 31, 2023	June 30, 2023
Irrevocable standby loan commitment	$ 3,418,528	$ 9,083,323	$ 10,225,457
Unused letters of credit	1,031,417	1,386,725	1,400,533
Other guarantees	28,049,438	20,087,873	24,274,097
Unused credit card commitments	331,242,136	334,521,816	318,501,547

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

June 30, 2024	Collaterals	Netting Arrangements	Other Credit Enhancement	Total
In-balance sheet items				
Discounts and loans	$ 542,189,268	$ -	$ -	$ 542,189,268

December 31, 2023	Collaterals	Netting Arrangements	Other Credit Enhancement	Total
In-balance sheet items				
Discounts and loans	$ 525,563,770	$ -	$ -	$ 525,563,770

June 30, 2023	Collaterals	Netting Arrangements	Other Credit Enhancement	Total
In-balance sheet items				
Discounts and loans	$ 503,190,816	$ -	$ -	$ 503,190,816

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

7. Concentrations of credit risk exposure

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

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

(1) By industry

By industry	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
Private enterprises	$ 194,099,558	31.45	$ 182,848,424	30.86	$ 181,920,958	31.22
Public enterprises	45,323	0.01	313,497	0.05	370,506	0.06
Government organizations	4,340,725	0.70	4,620,881	0.78	11,457,954	1.97
Nonprofit organizations	728,268	0.12	654,493	0.11	654,685	0.11
Private	415,678,840	67.35	401,964,125	67.85	387,096,769	66.43
Financial institutions	809,580	0.13	757,510	0.13	420,227	0.07
Overseas	1,459,320	0.24	1,324,012	0.22	808,397	0.14
Total	$ 617,161,614	100.00	$ 592,482,942	100.00	$ 582,729,496	100.00

(2) By geographic area

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

(3) By collaterals

By collaterals	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
Unsecured	$ 64,189,416	10.40	$ 55,205,544	9.32	$ 66,678,465	11.44
Secured						
- Financial collaterals	12,144,437	1.97	14,544,341	2.45	13,720,780	2.35
- Share collaterals	22,838,697	3.70	19,409,196	3.28	20,048,491	3.44
- Property collaterals	474,371,833	76.87	460,329,989	77.70	443,640,667	76.14
- Movable collaterals	25,453,150	4.12	24,823,293	4.19	23,786,426	4.08
- Guarantee	14,191,091	2.30	15,185,214	2.56	12,199,432	2.09
- Others	3,972,990	0.64	2,985,365	0.50	2,655,235	0.46
Total	$ 617,161,614	100.00	$ 592,482,942	100.00	$ 582,729,496	100.00

8. Description of the collaterals and other credit enhancement

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

(1) Real estates

(2) Movable

(3) Negotiable securities/shares

(4) Deposits/certificates of deposits

(5) Credit guarantee fund or government guarantee

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

June 30, 2024	Total carrying amount	Allowance for Impairment Loss	Exposure Amount (Amortized Cost)	Fair Value of Collateral
Credit-impaired Financial Assets:				
Accounts receivable				
- Credit Card	$ 836,623	$ 121,474	$ 715,149	$ -
- Others	48,255	15,499	32,756	35,603
Discounts and loans	2,389,002	403,389	1,985,613	3,668,094
Total impaired financial assets	$ 3,273,880	$ 540,362	$ 2,733,518	$ 3,703,697

December 31, 2023	Total carrying amount	Allowance for Impairment Loss	Exposure Amount (Amortized Cost)	Fair Value of Collateral
Credit-impaired Financial Assets:				
Accounts receivable				
- Credit Card	$ 800,018	$ 96,329	$ 703,689	$ -
- Others	18,061	16,821	1,240	23,105
Discounts and loans	2,236,465	265,770	1,970,695	3,351,341
Total impaired financial assets	$ 3,054,544	$ 378,920	$ 2,675,624	$ 3,374,446

June 30, 2023	Total carrying amount	Allowance for Impairment Loss	Exposure Amount (Amortized Cost)	Fair Value of Collateral
Credit-impaired Financial Assets:				
Accounts receivable				
- Credit Card	$ 820,572	$ 43,222	$ 777,350	$ -
- Others	26,380	19,859	6,521	40,557
Discounts and loans	2,088,757	354,575	1,734,182	2,994,947
Total impaired financial assets	$ 2,935,709	$ 417,656	$ 2,518,053	$ 3,035,504

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

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

Quantitative indicators:

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

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

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

Qualitative indicators

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

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

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

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

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

11. Write-off policy

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

(1) Recourse activities have stopped.

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

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

12. Contractual cash flow modification of financial assets

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

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

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

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

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

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

13. Measurement of expected credit losses

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

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

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

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

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

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

	Accounts receivable				
	December 31, 2023				
	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	$ 32,298,453	$ 171,671	$ 818,079	$ -	$ 33,288,203
Less: Allowance for impairment	50,837	16,874	113,150	-	180,861
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	38,750	38,750
Total	$ 32,247,616	$ 154,797	$ 704,929	$ 38,750	$ 33,068,592

	Accounts receivable				
	June 30, 2023				
	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	$ 29,857,895	$ 156,056	$ 846,952	$ -	$ 30,860,903
Less: Allowance for impairment	83,966	13,223	63,081	-	160,270
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	25,257	25,257
Total	$ 29,773,929	$ 142,833	$ 783,871	$ 25,257	$ 30,675,376

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

	Discounts and loans				
	December 31, 2023				
	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	$ 567,308,416	$ 2,711,467	$ 2,236,465	$ -	$ 572,256,348
Less: Allowance for impairment	697,689	158,499	265,770	-	1,121,958
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	5,751,587	5,751,587
Total	$ 566,610,727	$ 2,552,968	$ 1,970,695	$ 5,751,587	$ 565,382,803

	Discounts and loans				
	June 30, 2023				
	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	$ 552,925,582	$ 2,727,191	$ 2,088,757	$ -	$ 557,741,530
Less: Allowance for impairment	703,470	168,976	354,575	-	1,227,021
Less: Impairment required to be provided pursuant to the "Bank Assets Assessment Loss Provision and Overdue Loan Collections and Bad Debts"	-	-	-	5,341,041	5,341,041
Total	$ 552,222,112	$ 2,558,215	$ 1,734,182	$ 5,341,041	$ 551,173,468

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

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

14. Consideration of forward-looking information

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

(IV) Liquidity Risks

1. Source and definition of liquidity risk

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

2. Liquidity risk management strategy and principles

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

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

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

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

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

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

(1) Financial assets held for managing the liquidity risks

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

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

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

A. The maturity analysis of financial liabilities

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

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

	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	$ 420,602	$ 732,088	$ 202,401	$ 36,718	$ 39	$ -	$ 1,391,848

	December 31, 2023					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Deposits from the Central Bank and peers	$ 7,689,549	$ 59,680	$ 1,000,000	$ 2,515,000	$ -	$ 11,264,229
Notes and bonds sold under agreements to repurchase	42,104,182	19,399,594	-	-	-	61,503,776
Accounts payable	5,836,158	1,210,449	1,498,217	293,611	38,602	8,877,037
Deposits and remittances	55,874,875	87,099,936	118,238,216	223,763,868	273,283,125	758,260,020
BANK DEBENTURES	-	-	-	-	5,000,000	5,000,000
Other liabilities	33,901	-	-	-	87,114	121,015

Further information on the maturity analysis of lease liabilities on December 31, 2023 is as follows:

	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	$ 426,619	$ 868,602	$ 173,065	$ 27,177	$ 19	$ -	$ 1,495,482

	June 30, 2023					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Deposits from the Central Bank and peers	$ 7,512,671	$ -	$ 2,515,000	$ 1,059,680	$ -	$ 11,087,351
Notes and bonds sold under agreements to repurchase	44,497,962	13,744,630	-	-	-	58,242,592
Accounts payable	4,156,583	1,625,786	503,651	964,342	35,513	7,285,875
Deposits and remittances	59,516,521	86,876,956	117,618,739	200,552,712	264,975,335	729,540,263
BANK DEBENTURES	-	-	-	-	5,000,000	5,000,000
Other liabilities	9,595	-	-	-	87,103	96,698

Further information on the maturity analysis of lease liabilities on June 30, 2023 is as follows:

	Less than 1 Year	Over 1 year to 5 years	5-10 years	10-15 years	15-20 years	More than 20 years	Total
Lease liabilities	$ 371,029	$ 635,928	$ 175,477	$ 53,840	$ 1,641	$ -	$ 1,237,915

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

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

	December 31, 2023					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Derived liabilities with delivery						
Inflow	$ 17,918,857	$ 41,067,318	$ 5,598,382	$ 3,409,953	$ 30,735	$ 68,025,245
Outflow	17,437,895	39,944,906	5,520,076	3,389,211	30,693	66,322,781
Subtotal	480,962	1,122,412	78,306	20,742	42	1,702,464
Non-deliverable forward	-	-	-	-	-	-
Total	$ 480,962	$ 1,122,412	$ 78,306	$ 20,742	$ 42	$ 1,702,464

	June 30, 2023					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Derived liabilities with delivery						
Inflow	$ 11,364,809	$ 5,428,025	$ 1,822,797	$ 1,637,524	$ -	$ 20,253,155
Outflow	11,000,144	5,322,819	1,796,547	1,595,218	-	19,714,728
Subtotal	364,665	105,206	26,250	42,306	-	538,427
Derived liabilities without delivery						
Non-deliverable forward	1,178	-	-	-	-	1,178
Total	$ 365,843	$ 105,206	$ 26,250	$ 42,306	$ -	$ 539,605

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

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

	December 31, 2023					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Without delivery	$ 7,621	$ 12,584	$ 11,079	$ 17,500	$ -	$ 48,784

	June 30, 2023					
	Due in One Month	Due Between after One Month and Three Months	Due Between after Three Months and Six Months	Due Between after Six Months and One Year	Due after One Year	Total
Without delivery	$ 6,807	$ 17,107	$ 10,374	$ 16,634	$ -	$ 50,922

(V) Market risks

1. Source and definition of market risk

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

2. Market risk management strategy and processes

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

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

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

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

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

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

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

3. Market risk management organization and framework

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

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

6. Banking book market risk

(1) Interest rate risk

For the loans and deposits and other interest rate-related items in the Bank's balance sheet, including interest rate sensitive assets and interest rate sensitive liabilities; for the period of January 1st to June 30th, 2024 and 2023, assuming all market risk indicators, except interest rates, remained constant, an interest rate increase or decrease by 100bps would result in an increase or decrease in profit before tax by NT$553,592 thousand and NT$446,562 thousand, respectively.

(2) Exchange rate risk

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

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

7. Exchange rate risk concentration information

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

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

	June 30, 2024		
	Foreign currency	Exchange rate	TWD
Financial assets			
USD	$ 4,091,827	32.4500	$ 132,779,794
JPY	41,848,356	0.2016	8,436,754
GBP	6,671	41.0298	273,726
AUD	73,367	21.5273	1,579,390
HKD	91,739	4.1558	381,252
CAD	12,181	23.6689	288,305
CNY	635,261	4.4459	2,824,329
SGD	4,256	23.9130	101,778
ZAR	841,227	1.7815	1,498,620
CHF	843	36.0716	30,412
NZD	17,311	19.6907	340,867
EUR	32,938	34.7085	1,143,219
Financial liabilities			
USD	$ 3,765,195	32.4500	$ 122,180,582
JPY	45,389,213	0.2016	9,150,602
GBP	6,688	41.0298	274,423
AUD	73,478	21.5273	1,581,795
HKD	91,547	4.1558	380,454
CAD	12,214	23.6689	289,081
CNY	635,591	4.4459	2,825,797
SGD	4,241	23.9130	101,414
ZAR	842,737	1.7815	1,501,310
CHF	800	36.0716	28,865
NZD	17,262	19.6907	339,902
EUR	32,999	34.7085	1,145,348

	December 31, 2023		
	Foreign currency	Exchange rate	TWD
Financial assets			
USD	$ 4,023,190	30.7350	$ 123,652,729
JPY	36,443,402	0.2173	7,920,864
GBP	7,308	39.1779	286,318
AUD	79,177	21.0043	1,663,065
HKD	100,994	3.9339	397,298
CAD	12,473	23.2155	289,561
CNY	609,334	4.3310	2,639,032
SGD	4,690	23.3088	109,313
ZAR	904,451	1.6594	1,500,826
CHF	616	36.5327	22,511
NZD	17,110	19.4952	333,558
EUR	35,899	34.0083	1,220,852

(continued at next page)

(Cont')

	December 31, 2023		
	Foreign currency	Exchange rate	TWD
Financial liabilities			
USD	3,704,062	30.7350	113,844,358
JPY	36,438,733	0.2173	7,919,849
GBP	7,307	39.1779	286,278
AUD	79,123	21.0043	1,661,933
HKD	$ 101,172	3.9339	$ 397,999
CAD	12,441	23.2155	288,815
CNY	609,347	4.3310	2,639,088
SGD	4,755	23.3088	110,829
ZAR	904,908	1.6594	1,501,584
CHF	644	36.5327	23,513
NZD	17,088	19.4952	333,143
EUR	35,937	34.0083	1,222,150

	June 30, 2023		
	Foreign currency	Exchange rate	TWD
Financial assets			
USD	$ 3,973,278	31.1350	$ 123,708,000
JPY	33,999,897	0.2150	7,308,652
GBP	11,420	39.3545	449,419
AUD	91,427	20.6176	1,885,014
HKD	99,771	3.9737	396,460
CAD	13,525	23.4769	317,523
CNY	644,125	4.2823	2,758,310
SGD	4,560	22.9525	104,659
ZAR	888,794	1.6497	1,466,276
CHF	852	34.6098	29,480
NZD	18,129	18.9581	343,699
EUR	38,266	33.8002	1,293,398
Financial liabilities			
USD	3,665,060	31.1350	114,111,647
JPY	35,450,650	0.2150	7,620,507
GBP	11,403	39.3545	448,776
AUD	91,400	20.6176	1,884,444
HKD	99,715	3.9737	396,238
CAD	13,482	23.4769	316,510
CNY	643,405	4.2823	2,755,224
SGD	4,591	22.9525	105,379
ZAR	890,510	1.6497	1,469,107
CHF	809	34.6098	28,011
NZD	18,079	18.9581	342,745
EUR	38,365	33.8002	1,296,730

8. Effect of interest rate benchmark reform

The Bank’s 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 Bank’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 June 30, 2024, the non-derivative financial instruments held by the Bank 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	$ 1,102
Financial assets measured at fair value through other comprehensive income	567,875
	$ 568,977

(VI) Transfers of financial assets

Transferred financial assets not entirely derecognized

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

June 30, 2024					
Financial asset classes	Carrying Amount of Transferred Financial Asset	Carrying Amount of Associated Financial Liability	Fair Value of Transferred Financial Asset	Fair Value of Associated Financial Liability	Fair Value of Net Position
Financial assets measured at fair value through profit or loss Repurchase agreements	$ 26,354,006	$ 26,386,805	$ 26,354,006	$ 26,386,805	($ 32,799)
Financial assets measured at fair value through other comprehensive income Repurchase agreements	19,816,148	18,807,520	19,816,148	18,807,520	1,008,628
Investment of debt instrument measured at amortized costs Repurchase agreements	29,138,193	15,898,285	23,810,891	15,898,285	7,912,606

December 31, 2023					
Financial asset classes	Carrying Amount of Transferred Financial Asset	Carrying Amount of Associated Financial Liability	Fair Value of Transferred Financial Asset	Fair Value of Associated Financial Liability	Fair Value of Net Position
Financial assets measured at fair value through profit or loss Repurchase agreements	$ 28,966,602	$ 28,993,136	$ 28,966,602	$ 28,993,136	($ 26,534)
Financial assets measured at fair value through other comprehensive income Repurchase agreements	19,314,950	17,764,816	19,314,950	17,764,816	1,550,134
Investment of debt instrument measured at amortized costs Repurchase agreements	28,481,320	14,321,243	24,788,398	14,321,243	10,467,155

June 30, 2023					
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	$ 27,444,718	$ 27,472,626	$ 27,444,718	$ 27,472,626	($ 27,908)
Financial assets measured at fair value through other comprehensive income Repurchase agreements	14,802,551	15,191,212	14,802,551	15,191,212	(388,661)
Investment of debt instrument measured at amortized costs Repurchase agreements	25,400,394	15,283,327	22,189,256	15,283,327	6,905,929

(VII) measured at FVTPL

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

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

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

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

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

June 30, 2024						
Financial liabilities subject to offsetting, enforceable master netting arrangements or similar agreements.						
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	$ 389,311	$ -	$ 389,311	$ 3,521	$ 157,173	$ 228,617

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

December 31, 2023						
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	$ 511,050	$ -	$ 511,050	$ 745	$ -	$ 510,305

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

December 31, 2023						
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	$1,824,034	$ -	$1,824,034	$ 745	$ -	$1,823,289

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

June 30, 2023						
Financial assets subject to offsetting, enforceable master netting arrangements or similar agreements.						
Explain	Gross Amount of Recognized Financial Assets (a)	Gross Amount of Recognized Financial Liabilities Offset in the Balance Sheets (b)	Net Amount of Financial Assets Presented in the Balance Sheets (c)=(a)-(b)	Related Amount Not Offset in the Balance Sheets (d)		Net Amount (e)=(c)-(d)
				Financial instruments (Note)	Cash Collateral Received	
Derivatives	$1,364,165	$ -	$1,364,165	$ 13,676	$ -	$1,350,489

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

June 30, 2023						
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	$ 675,348	$ -	$ 675,348	$ 13,676	$ 233,629	$ 428,043

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

XLVIII. <u>CAPITAL MANAGEMENT</u>

(I) Strategies to maintain capital adequacy

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

(II) Capital assessment procedure

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

(III) Capital adequacy

(In Thousands of New Taiwan Dollars, %)

<table>
<tr><th colspan="3" rowspan="2">Year / Items</th><th colspan="2">June 30, 2024</th></tr>
<tr><th>Own Capital Adequacy Ratio</th><th>Consolidated Capital Adequacy Ratio</th></tr>
<tr><td rowspan="4">Own Capital</td><td colspan="2">Common share equity</td><td>52,515,304</td><td>51,064,632</td></tr>
<tr><td colspan="2">Other Tier 1 capital</td><td>13,000,000</td><td>13,000,000</td></tr>
<tr><td colspan="2">Tier 2 capital</td><td>11,216,597</td><td>12,675,964</td></tr>
<tr><td colspan="2">Own Capital</td><td>76,731,901</td><td>76,740,596</td></tr>
<tr><td rowspan="9">Risk-weighted assets</td><td rowspan="3">Credit risk</td><td>Standard</td><td>465,401,542</td><td>472,199,821</td></tr>
<tr><td>Internal rating-based approach</td><td>-</td><td>-</td></tr>
<tr><td>Asset securitization</td><td>305,432</td><td>305,432</td></tr>
<tr><td rowspan="3">Operational risk</td><td>Basic indicator approach</td><td>27,562,984</td><td>32,615,448</td></tr>
<tr><td>Standard/alternative standardized approach</td><td>-</td><td>-</td></tr>
<tr><td>Advanced measurement approach</td><td>-</td><td>-</td></tr>
<tr><td rowspan="2">Market risks</td><td>Standard</td><td>40,547,775</td><td>42,565,663</td></tr>
<tr><td>Internal model approach</td><td>-</td><td>-</td></tr>
<tr><td colspan="2">Total risk-weighted assets</td><td>533,817,733</td><td>547,686,364</td></tr>
<tr><td colspan="3">Capital Adequacy</td><td>14.37%</td><td>14.01%</td></tr>
<tr><td colspan="3">Ratio of common share equity to risk-weighted assets</td><td>9.84%</td><td>9.32%</td></tr>
<tr><td colspan="3">Ratio of Tier 1 capital to risk-weighted assets</td><td>12.27%</td><td>11.70%</td></tr>
<tr><td colspan="3">Leverage Ratio</td><td>6.38%</td><td>6.11%</td></tr>
</table>

Unit: NTD thousand, %

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

Unit: In NTD thousand, %

Items / Year			June 30, 2023	
			Own Capital Adequacy Ratio	Consolidated Capital Adequacy Ratio
Own Capital	Common share equity		46,858,607	45,419,850
	Other Tier 1 capital		13,000,000	13,000,000
	Tier 2 capital		9,848,762	11,278,462
	Own Capital		69,707,369	69,698,312
Risk-weighted assets	Credit risk	Standard	428,709,244	433,747,714
		Internal rating-based approach	-	-
		Asset securitization	294,024	294,024
	Operational risk	Basic indicator approach	25,243,857	30,213,797
		Standard/alternative standardized approach	-	-
		Advanced measurement approach	-	-
	Market risks	Standard	28,847,696	31,051,772
		Internal model approach	-	-
	Total risk-weighted assets		483,094,821	495,307,307
Capital Adequacy			14.43%	14.07%
Ratio of common share equity to risk-weighted assets			9.70%	9.17%
Ratio of Tier 1 capital to risk-weighted assets			12.39%	11.79%
Leverage Ratio			6.25%	5.98%

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

Note 2: Formulas used were as follows:

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

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

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

(I) Credit risk

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

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

December 31, 2023			
Rank	Sector to Which the Company or Group Belongs	Credit Extension Balance	% to Net Asset Value
1	Group H - Retail Sale of Other Food, Beverages and Tobacco in Specialized Stores	4,723,000	6.89
2	Group G - Other Financial Services Not Elsewhere Classified	3,348,000	4.89
3	Company I - Manufacture of Man-made Fibers	2,702,000	3.94
4	Group A - Real Estate Development Activities	1,810,347	2.64
5	Company L - Wholesale of Building Materials	1,627,581	2.38
6	Company T - Manufacture of Grain Mill Products	1,470,000	2.15
7	Group P - Iron and Steel Refining	1,340,166	1.96
8	Company B- Financial leasing	1,275,179	1.86
9	Company M - Real Estate Development Activities	1,158,600	1.69
10	Company Z - Printing	1,034,215	1.51

June 30, 2023			
Rank	Sector to Which the Company or Group Belongs	Credit Extension Balance	% to Net Asset Value
1	Group H - Retail Sale of Other Food, Beverages and Tobacco in Specialized Stores	4,788,000	7.40
2	Group G - Other Financial Services Not Elsewhere Classified	3,324,000	5.14
3	Group J - Real Estate Development Activities	3,103,376	4.80
4	Company I - Manufacture of Man-made Fibers	2,602,000	4.02
5	Group K - Others Not Elsewhere Classified	2,085,000	3.22
6	Group A - Real Estate Development Activities	1,679,919	2.60
7	Company L - Wholesale of Building Materials	1,552,769	2.40
8	Company T - Manufacture of Grain Mill Products	1,470,000	2.27
9	Company Q - Other Telecommunication	1,145,334	1.77
10	Company B- Financial leasing	1,097,592	1.70

(II) Market risks

Interest Rate Sensitive Asset/Liability Analysis (NT$)

June 30, 2024

Unit: In NTD thousand, %

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

Interest Rate Sensitive Asset/Liability Analysis (NT$)

December 31, 2023

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

Interest Rate Sensitive Asset/Liability Analysis (NT$)

June 30, 2023

Unit: In NTD thousand, %

Item	1-90 days (inclusive)	91-180 days (inclusive)	181 days to one year (inclusive)	More than one year	Total
Interest rate-sensitive assets	657,393,133	9,080,351	15,453,037	67,388,083	749,314,604
Interest rate-sensitive liabilities	404,768,380	257,101,676	57,302,897	18,691,981	737,864,934
Interest rate-sensitive gap	252,624,753	(248,021,325)	(41,849,860)	48,696,102	11,449,670
Net value					64,258,880
Ratio of interest rate-sensitive assets to liabilities					101.55%
Ratio of interest rate sensitivity gap to net worth					17.82%

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

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

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

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

Interest Rate Sensitive Asset/Liability Analysis (USD)

June 30, 2024

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

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

Interest Rate Sensitive Asset/Liability Analysis (USD)

December 31, 2023

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

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

Interest Rate Sensitive Asset/Liability Analysis (USD)

June 30, 2023

(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	2,257,446	76,956	41,274	2,264,585	4,640,261
Interest rate-sensitive liabilities	1,865,333	665,024	622,565	423,058	3,575,980
Interest rate-sensitive gap	392,113	(588,068)	(581,291)	1,841,527	1,064,281
Net value					49,255
Ratio of interest rate-sensitive assets to liabilities					129.76%
Ratio of interest rate sensitivity gap to net worth					2,160.76%

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

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

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

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

(III) Liquidity Risks

1. Profitability

Unit: %

Item		January 1 to June 30, 2024	January 1 to June 30, 2023
Return on total assets	Before tax	0.34	0.34
	After tax	0.30	0.29
Return on common share net worth	Before tax	4.42	4.62
	After tax	3.74	3.81
Net income ratio		31.60	31.93

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 June 30

2. Maturity analysis of assets and liabilities

Maturity Analysis of New Taiwan Dollar

June 30, 2024

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	877,999,137	205,451,147	48,868,890	56,523,588	128,058,648	439,096,864
Main capital outflow on maturity	1,012,769,070	117,073,448	138,337,673	144,864,289	242,697,904	369,795,756
Gap	(134,769,933)	88,377,699	(89,468,783)	(88,340,701)	(114,639,256)	69,301,108

Maturity Analysis of New Taiwan Dollar

December 31, 2023

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

Maturity Analysis of New Taiwan Dollar

June 30, 2023

Unit: NTD thousand

	Total	Remaining Period to Maturity				
		1-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	822,157,360	179,903,017	38,534,816	61,153,864	129,928,514	412,637,149
Main capital outflow on maturity	958,969,734	101,413,969	149,252,690	134,360,449	239,405,260	334,537,366
Gap	(136,812,374)	78,489,048	(110,717,874)	(73,206,585)	(109,476,746)	78,099,783

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

Maturity Analysis of USD

June 30, 2024

In Thousands of U.S. Dollars

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

Maturity Analysis of USD

December 31, 2023

In Thousands of U.S. Dollars

	Total	Remaining Period to Maturity				
		1-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	4,703,941	653,921	1,316,215	208,641	269,500	2,255,664
Main capital outflow on maturity	4,691,874	1,268,324	1,315,891	674,352	619,216	814,091
Gap	12,067	(614,403)	324	(465,711)	(349,716)	1,441,573

Maturity Analysis of USD

June 30, 2023

In Thousands of U.S. Dollars

	Total	Remaining Period to Maturity				
		1-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year
Main capital inflow on maturity	4,819,907	369,891	1,970,749	79,285	42,212	2,357,770
Main capital outflow on maturity	4,820,076	1,434,320	1,160,505	751,370	676,398	797,483
Gap	(169)	(1,064,429)	810,244	(672,085)	(634,186)	1,560,287

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

L. <u>Disclosed Matters in Notes</u>

(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 NT$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: Annex 7.
13. Derivative transactions: Note VIII.

(III) Investment in Mainland China: None

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

LI. Department Information

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

Union Bank of Taiwan Co., Ltd.

LOAN PROVIDED TO OTHERS

January 1 to June 30, 2024

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	$ 745,931 (JPY 3,700,000)	$ 745,931 (JPY 3,700,000)	$ 529,656 (JPY 2,627,225)	1.94%~ 1.99%	Business transaction	$ 745,931 (JPY 3,700,000)	—	$ -	—	$ -	$ 3,251,870	$ 3,251,870
		Uflc Capital (Singapore) Holding PTE. Ltd.	Accounts receivable from affiliates	1,209,618 (JPY 6,000,000)	1,209,618 (JPY 6,000,000)	1,113,616 (JPY 5,523,808)	1.94%~ 1.99%	Business transaction	1,209,618 (JPY 6,000,000)	—	-	—	-	3,251,870	3,251,870
		Junwei Development and Construction Co., Ltd.	Accounts receivable	9,269	9,269	9,269	5%~8%	Short-term financing	-	Business turnover	185	Real estates	12,447	325,187	1,300,748
		Lihua Interior Decoration Ltd.	Accounts receivable	44,458	-	-	5%~8%	Short-term financing	-	Borrowing repayment and business turnover	-	Real estates	165,218	325,187	1,300,748
		Qiaoda Social Enterprise Co., Ltd.	Accounts receivable	139,109	133,928	133,928	3%~6%	Short-term financing	-	Investment in equity of affiliates	1,339	Real estates	150,380	325,187	1,300,748
		Sing Hong Yang Construction Co., Ltd.	Accounts receivable	24,435	23,069	23,069	3%~6%	Short-term financing	-	Business turnover	231	Real estates	29,593	325,187	1,300,748
		Shan Yue Development and Construction Co., Ltd.	Accounts receivable	98,004	92,892	92,892	5%~8%	Short-term financing	-	Purchase of real estate	929	Real estates	366,933	325,187	1,300,748
		NFC I Renewable Power Co., Ltd.	Accounts receivable	100,000	100,000	100,000	3%~6%	Short-term financing	-	Business turnover	1,000	—	-	325,187	1,300,748
		NFC II Renewable Power Co., Ltd.	Accounts receivable	100,000	100,000	100,000	3%~6%	Short-term financing	-	Business turnover	1,000	—	-	325,187	1,300,748
		NFC III Renewable Power Co., Ltd.	Accounts receivable	250,000	250,000	250,000	3%~6%	Short-term financing	-	Business turnover	2,500	—	-	325,187	1,300,748
		De Ken Construction Co., Ltd.	Accounts receivable	120,000	120,000	120,000	3%~6%	Short-term financing	-	Repayment of borrowings	1,200	Real estates	152,136	325,187	1,300,748
		He Hua Culture and Creativity Enterprise Co., Ltd.	Accounts receivable	100,000	100,000	100,000	4%~7%	Short-term financing	-	Business turnover	1,000	Real estates	182,343	325,187	1,300,748
2	Union Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1 (Japan)	Accounts receivable from affiliates	383,046 (JPY 1,900,000)	383,046 (JPY 1,900,000)	295,523 (JPY 1,465,865)	2.75%	Business transaction	383,046 (JPY 1,900,000)	—	-	—	-	3,251,870	3,251,870
3	Uflc Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1 (Japan)	Accounts receivable from affiliates	665,290 (JPY 3,300,000)	665,290 (JPY 3,300,000)	575,678 (JPY 2,855,504)	2.75%	Business transaction	665,290 (JPY 3,300,000)	—	-	—	-	3,251,870	3,251,870
4	Union Venture Capital Co., Ltd.	Bei Chen Yi Hau Electric Power Inc.	Accounts receivable	150,000	150,000	109,000	3%	Short-term financing	-	Business turnover	-	—	-	765,618	1,914,046
		Hao Tian Electric Power Inc.	Accounts receivable	150,000	150,000	136,000	3%	Short-term financing	-	Business turnover	-	—	-	765,618	1,914,046
		Feng Tai Electric Power	Accounts receivable	150,000	150,000	134,000	3%	Short-term financing	-	Business turnover	-	—	-	765,618	1,914,046
		Ting Syu Energy Co., Ltd.	Accounts receivable	3,000	3,000	3,000	3%	Short-term financing	-	Business turnover	-	—	-	765,618	1,914,046

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: The limit of funds lending for business transactions and short-term financing to the subsidiaries, directly and indirectly, holding 100% of the voting shares is limited to the net worth of Union Finance & Leasing (Int'l) Corp.; for non-subsidiaries for short-term financing, the loan shall be limited to 10% of the net worth of Union Finance & Leasing (Int'l) Corp.; for those who have business transactions and short-term financing that are necessary, the limit shall be 100% of the net worth of Union Venture Capital Co., Ltd. and 40% of the net worth of Union Venture Capital Co., Ltd.., respectively.

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

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

Union Bank of Taiwan Co., Ltd.

Endorsement/guarantee provided

January 1 to June 30, 2024

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.	4	$ 19,140,456	$ 1,113,000	$ 1,113,000	$ 242,100	$ -	1.53%	$ 57,421,368	Yes	No	No
		Ting Jie Electric Power Inc.	4	19,140,456	7,500,000	7,500,000	2,175,000	-	10.34%	57,421,368	Yes	No	No
2	Union Energy Co., Ltd.	Ting Jie Electric Power Inc.	4	9,593,620	7,500,000	7,500,000	2,175,000	-	10.34%	19,187,239	Yes	No	No

Note 1: Description of number column

(1) Issuer: 0

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

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

(1) Company with business relationships

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

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

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

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

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

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

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

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

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

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

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

Union Bank of Taiwan Co., Ltd.

Details of negotiable securities held at the end of the period

June 30, 2024

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	$ 203,202	1.13%	$ 203,202	
	Funds and beneficiary certificates							
	Union Taiwan Select Income Multi-asset Fund A	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	3,893	47,222	-	47,222	
	Union APEC Balanced A	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	1,102	23,719	-	23,719	
	Selective U.S. Investment Grade Bond Fund - Type A	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	4,000	40,147	-	40,147	
	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	16,641	-	16,641	
	Union Green Energy Private Equity Limited Partnership	—	Financial assets measured at fair value through profit or loss	-	546,330	25.98%	546,330	
Union Information Technology Corporation (UIT)	Shares							
	ELTA Technology Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income	3,537	60,656	13.33%	60,656	
Union Securities Investment Corporation	Shares							
	Fundrish Securities Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income	566	7,857	0.94%	7,857	
	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	15,689	-	15,689	
	Union Money Market Fund	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	1,599	21,847	-	21,847	
	Union Golden Balanced Fund	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	172	8,110	-	8,110	
	Union China Fund	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	98	6,364	-	6,364	

(continued at next page)

(Cont')

Held by	Types and names of negotiable securities	Relationship with the negotiable securities issuers	Account	At the end of the period				Remark
				Shares/units	Book amount	Shareholding ratio	Fair value	
	Union Taiwan Select Income Multi-asset Fund - Type A	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	143	$ 1,736	-	$ 1,736	
	Union APEC Balanced Fund - Type A	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	503	10,819	-	10,819	
	Union Yong Teng Asia Non-Investment Grade Bond Fund - Type A	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	1,983	14,217	-	14,217	
	Union Technology Fund	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	159	5,635	-	5,635	
	Union Selective U.S. Investment Grade Bond Fund - Type A	Issued by Union Securities Investment Trust	Financial assets measured at fair value through profit or loss	399	4,000	-	4,000	
Union Venture Capital Co., Ltd.	<u>Shares</u>							
	Greenway Environmental Technology Co., Ltd.	–	Financial assets measured at fair value through other comprehensive income	1,100	13	2.39%	13	
	RFD Micro Electricity Co., Ltd.	–	Financial assets measured at fair value through other comprehensive income	10,377	500,707	14.59%	500,707	
	Hope Vision Co., Ltd.	–	Financial assets measured at fair value through other comprehensive income	2,348	3,392	2.55%	3,392	
	MaiCoin Technologies Limited		Financial assets measured at fair value through other comprehensive income	Preferential shares 429	47,202	0.96%	47,202	
Corner Ventures DAG I-U, LLC (Delaware, US)	<u>Shares</u>							
	Dantari Pharmaceuticals, LLC	–	Financial assets measured at fair value through other comprehensive income	344	USD 290	-	USD 290	
	Get Fabric Ltd.	–	Financial assets measured at fair value through other comprehensive income	1,536	USD 1,430	-	USD 1,430	
	Healthy.io Limited	–	Financial assets measured at fair value through other comprehensive income	11	USD 334	-	USD 334	
		–	Financial assets measured at fair value through profit or loss	26	USD 731	-	USD 731	
	Prismo Systems Inc.	–	Financial assets measured at fair value through other comprehensive income	39	USD 17	-	USD 17	
	Nexar Ltd.	–	Financial assets measured at fair value through other comprehensive income	83	USD 336	-	USD 336	
	Latigo Biotherapeutics, Inc.	–	Financial assets measured at fair value through other comprehensive income	223	USD 201	-	USD 201	
	Suvalent Therapeutics Inc.	–	Financial assets measured at fair value through other comprehensive income	80	USD 83	-	USD 83	

(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	15	USD	15	-	USD	15		
	Twin Health, Inc.	–	Financial assets measured at fair value through other comprehensive income	158	USD	1,281	-	USD	1,281		
	Meilo Ltd.	–	Financial assets measured at fair value through other comprehensive income	1,213	USD	806	-	USD	806		
	Pivalent Therapeutics, Inc.	–	Financial assets measured at fair value through other comprehensive income	32	USD	16	-	USD	16		
	Boldend, Inc.	–	Financial assets measured at fair value through other comprehensive income	315	USD	397	-	USD	397		
	Bookaway Ltd.	–	Financial assets measured at fair value through other comprehensive income	53	USD	615	-	USD	615		
	Cargomatic, Inc.	–	Financial assets measured at fair value through other comprehensive income	19	USD	142	-	USD	142		
	Engageli, Inc	–	Financial assets measured at fair value through other comprehensive income	170	USD	369	-	USD	369		
	Garuda Labs, Inc.	–	Financial assets measured at fair value through other comprehensive income	14	USD	343	-	USD	343		
	AnyRoad Inc.	–	Financial assets measured at fair value through other comprehensive income	7	USD	37	-	USD	37		
	Assemble Stream, Inc.	–	Financial assets measured at fair value through other comprehensive income	32	USD	89	-	USD	89		
	FINDEM, Inc.	–	Financial assets measured at fair value through other comprehensive income	4	USD	37	-	USD	37		
	Solv Health, Inc.	–	Financial assets measured at fair value through other comprehensive income	111	USD	483	-	USD	483		
	Underdog Sports, Inc.	–	Financial assets measured at fair value through other comprehensive income	1	USD	40	-	USD	40		
	Halcyon Tech. Inc.	–	Financial assets measured at fair value through other comprehensive income	4,868	USD	1,385	-	USD	1,385		
	ParaFi Digital Opportunities International LP	–	Financial assets measured at fair value through other comprehensive income	-	USD	63	-	USD	63		
	ParaFi Private Opportunities LLC	–	Financial assets measured at fair value through other comprehensive income	-	USD	31	-	USD	31		
	Sybil Capital Fund I-B Feeder, LP	–	Financial assets measured at fair value through other comprehensive income	-	USD	237	-	USD	237		
	Folius Digital Opportunities Offshore, LTD.	–	Financial assets measured at fair value through other comprehensive income	-	USD	151	-	USD	151		
	Triunfo Therapeutics, Inc.		Financial assets measured at fair value through other comprehensive income	386	USD	133	-	USD	133		

(continued at next page)

(Cont’)

Held by	Types and names of negotiable securities	Relationship with the negotiable securities issuers	Account	At the end of the period				Remark
				Shares/units	Book amount	Shareholding ratio	Fair value	
	Corner Ventures (Cayman) I LP.	–	Financial assets measured at fair value through other comprehensive income	-	USD 124	-	USD 124	
Corner Union LLC（Delaware, US）	Shares							
	Healthy.io Limited	–	Financial assets measured at fair value through other comprehensive income	30	USD 917	-	USD 917	
Union Private Equity Co., Ltd.	Beneficiary certificates							
	Union Green Energy Private Equity Limited Partnership	–	Financial assets measured at fair value through profit or loss	-	26,549	1.07%	26,549	
	Union Green Energy I Private Equity Limited Partnership	–	Financial assets measured at fair value through profit or loss	-	16,703	2.91%	16,703	
	Union Green Energy II Private Equity Limited Partnership	–	Financial assets measured at fair value through profit or loss	-	13	16.67%	13	

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 1 to June 30, 2024

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 period		Purchases (Note 3)		Sales (Note 3)				At the end of the period	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Carrying cost	Disposal gain or loss	Number of shares	Amount
Union Venture Capital Co., Ltd.	Shares													
	Hsinrong Energy Techonology Co., Ltd.	Financial assets measured at fair value through profit or loss	ARK International Development	-	42,368	$ 603,197	-	$ -	42,368	$ 687,464	$ 423,675	$ 263,789	-	$ -

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

Note 2: Investors whose securities are accounted using the equity method are required to complete these two columns, and the rest can be left blank.

Note 3: The cumulative amount of purchases and sales shall be calculated separately according to the market price to see if it reaches NT$300 million or 10% of the paid-in capital.

Union Bank of Taiwan Co., Ltd.

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

June 30, 2024

Annex 5

In NTD thousand (Foreign Currency)

Company accounted for accounts receivable	Counterparty	Relationship	Balance of receivable from related party	Turnover Rate	Overdue receivables from related party		Amounts received in subsequent period	Amount of allowance for doubtful accounts provided
					Amount	Actions Taken		
UFLIC	Union Capital (Singapore) Holding PTE. Ltd.	Group subsidiary	$ 529,656 (JPY 2,627,225)	-	$ -	-	$ -	$ -
UFLIC	Uflc Capital (Singapore) Holding PTE. Ltd.	Group subsidiary	1,113,616 (JPY 5,523,808)	-	-	-	-	-
UFLIC	Tian Ji Smart Energy Co., Ltd.	Group subsidiary	1,543,026	-	-	-	13,145	15,430
Union Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1 (Japan)	Group subsidiary	295,523 (JPY 1,465,865)	-	-	-	-	-
Uflc Capital (Singapore) Holding PTE. Ltd.	Kabushiki Kaisha UCJ1 (Japan)	Group subsidiary	575,678 (JPY 2,855,504)	-	-	-	-	-

Union Bank of Taiwan Co., Ltd.

Overdue loans and accounts

June 30, 2024, December 31 and June 30, 2023

Annex 6

Unit: In NTD thousand, %

Year Month			June 30, 2024					June 30, 2023				
Business\item			Amount of overdue loan	Total loans	Overdue ratio (Note 2)	Amount of allowance for doubtful accounts	Coverage ratio (Note 3)	Amount of nonperforming loans	Total loans	Overdue ratio	Amount of allowance for doubtful accounts	Coverage ratio
Corporate finance	Guarantee		$ 924,528	$ 185,245,402	0.50%	$ 2,717,806	267.14%	$ 785,359	$ 170,584,391	0.46%	$ 2,524,774	266.17%
	Unsecured		92,844	42,937,789	0.22%			163,199	50,877,918	0.32%		
Consumer finance	Home mortgage (Note 4)		469,663	261,664,701	0.18%	3,268,069	695.83%	291,815	246,469,230	0.12%	3,087,222	1,057.94%
	Cash card		74	3,029	2.44%	136	183.78%	45	5,185	0.87%	174	386.67%
	Small-scale credit loans (Note 5)		17,999	643,930	2.80%	70,977	394.34%	11,565	524,173	2.21%	56,337	487.13%
	Others (Note 6)	Guarantee	167,528	76,946,600	0.22%	996,823	403.37%	98,947	68,312,885	0.14%	899,555	582.96%
		Unsecured	79,598	21,536,722	0.37%			55,360	20,967,748	0.26%		
Total loan			1,752,234	588,978,173	0.30%	7,053,811	402.56%	1,406,290	557,741,530	0.25%	6,568,062	467.05%
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			$ 59,751	$ 26,917,821	0.22%	$ 208,610	349.13%	$ 28,521	$ 22,718,200	0.13%	$ 131,243	460.16%
Accounts receivable factored without recourse			-	-	-	-	-	-	495,334	-	4,953	-

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

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

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

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

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

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

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

Year Month				December 31, 2023				
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			$ 796,275	$ 179,148,117	0.44%	$ 2,648,696	271.31%
	Unsecured			179,990	42,033,142	0.43%		
Consumer finance	Home mortgage (Note 4)			368,916	255,524,530	0.14%	3,198,238	866.93%
	Cash card			40	3,827	1.05%	79	197.50%
	Small-scale credit loans (Note 5)			15,645	491,103	3.19%	60,300	385.42%
	Others (Note 6)	Guarantee		133,843	73,872,243	0.18%	966,232	479.78%
		Unsecured		67,548	21,183,386	0.32%		
Total loan				1,562,257	572,256,348	0.27%	6,873,545	439.98%
				Nonperforming Loan	Balance of Account Receivables	Ratio of Nonperforming Loan	Amount of allowance for doubtful accounts	Coverage ratio
Credit card business				$ 35,251	$ 25,216,533	0.14%	$ 165,651	469.92%
Accounts receivable factored without recourse				-	-	-	-	-

Not reported as nonperforming loans or nonperforming receivables

	June 30, 2024		December 31, 2023		June 30, 2023	
	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)	$ 3,040	$ 16,602	$ 4,083	$ 21,673	$ 5,243	$ 27,015
Amounts of discharged and executed contracts on clearance of consumer debts not reported as nonperforming loans and receivables (Note 2)	247,679	564,400	247,359	580,815	253,254	611,135
Total	250,719	581,002	251,442	602,488	258,497	638,150

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).

Annex 7

Unit: unless otherwise specified, the amount are in thousand NT$ (foreign currency), and the shares are in thousand shares

Investor	Investee Company (Note 1)	Location	Main Business and Product	Shareholding ratio at the end of the period	Book amount	Investment profit (loss) recognized in the year	Consolidated shareholding of the Bank and affiliates (Note 1)				Remark
							Number of existing shares	Number of shares for fiction shareholding (Note 2)	Total		
									Number of shares	Shareholding ratio	
Union Bank of Taiwan Co., Ltd.	Financial related business										
	UFLIC	Taipei City	Installment, leasing and accounts receivable factoring	100.00%	$ 3,251,897	$ 65,534	217,000	-	217,000	100.00%	
	Union Finance International (HK) Limited	Hong Kong	Import and export financing	100.00%	167,739	(5,874)	30,000	-	30,000	100.00%	
	Union Securities Investment Trust Corporation (USITC)	Taipei City	Securities investment trust	99.60%	427,652	21,947	31,014	-	31,014	99.60%	
	Union Information Technology Corporation (UIT)	Taipei City	Software and hardware product retail and distribution, system programming development, system development outsourcing, website design, e-commerce, etc.	99.99%	142,636	19,026	9,999	-	9,999	99.99%	
	Union Venture Capital Co., Ltd.	Taipei City	Venture Investment	100.00%	1,913,934	104,956	140,000	-	140,000	100.00%	
	iPASS Corporation	Kaohsiung City	Electronic Stored Value Cards	33.94%	218,996	(5,388)	38,697	-	38,697	33.94%	Note 3
	Taiwan Asset Management Corporation	Taipei City	Financial Institution Creditor's Right(Money) Purchase Business, Process Financial Institution Creditor's Right(Money) Appraisal and Auction Business, and Credit Management Service for Financial Institutions	0.57%	81,598	-	6,000	-	6,000	0.57%	
	Taiwan Financial Asset Service Corporation	Taipei City	Fair Third Party Asset Auction Business and Process Financial Institution Creditor's Right(Money) Appraisal and Auction Business	2.94%	49,470	-	5,000	-	5,000	2.94%	
	Sunshine Asset Management Corporation Limited	Taipei City	Financial Institution Creditor's Right(Money) Purchase Business, Industrial and Commercial Credit Checking Service, Investment Consulting, Information Software Services, Data Processing Services, Electronic Information Supply Services, and General Advertisement Service	6.44%	4,167	-	386	-	386	6.44%	
	Taipei Forex Inc.	Taipei City	Foreign exchange trading, foreign currency offering, exchange transactions	0.81%	6,952	-	160	-	160	0.81%	
	Financial Information Service Co., Ltd.	Taipei City	Type II Telecommunications Business, Information Software Services, Data Processing Services, and Electronic Information Supply Services	2.61%	455,952	-	13,599	-	13,599	2.61%	
	Taiwan Depository & Clearing Corporation	Taipei City	Centralized Securities Depository Enterprise, Short-term Bill Centralized Custody and Settlement Institution, and Type II Telecommunications Business	0.25%	95,132	-	1,628	-	1,628	0.25%	
	Taiwan Futures Exchange	Taipei City	Futures Exchange and Futures Clearing Houses	2.04%	599,088	-	11,118	-	11,118	2.04%	
	Taiwan Mobile Payment Corporation	Taipei City	International Trade, Data Processing Services, and Electronic Information Supply Services	1.00%	3,375	-	600	-	600	1.00%	
	LINE Pay Taiwan Limited	Taipei City	Data Processing Services, and Electronic Information Supply Services, and The Third Party Payment	9.76%	2,557,580	-	5,857	-	5,857	9.76%	
	LINE Bank Taiwan Limited	Taipei City	Commercial Banking	5.00%	528,750	-	75,000	-	75,000	5.00%	
	Li Yu Venture Corporation	Taipei City	Venture Investment	4.76%	3,963	-	558	-	558	4.76%	
	Non-financial related business										
	Union Construction Management Co., Ltd.	Taipei City	Review and consultancy for commissioned constructions and plans	40.00%	51,778	(123)	2,000	-	2,000	40.00%	Note 3

(continued at next page)

(Cont')

Investor	Investee Company (Note 1)	Location	Main Business and Product	Shareholding ratio at the end of the period	Book amount	Investment profit (loss) recognized in the year	Consolidated shareholding of the Bank and affiliates (Note 1)				Remark
							Number of existing shares	Number of shares for fiction shareholding (Note 2)	Total		
									Number of shares	Shareholding ratio	
	Lian An Service Corporation	Taipei City	Other Industrial and Commercial Services, Other Repair, Rental and Leasing, Wholesale of Precision Instruments, and Retail Sale of Precision Instruments	5.00%	1,529	-	125	-	125	5.00%	
	Taiwan Power Corporation	Taipei City	Electric Power Generation, Electric Power Transmission, Electric Power Distribution, Electric Appliance Construction, Manpower Dispatched, Cable Installation Engineering, and Automatic Control Equipment Engineering,	0.00%	1,083	-	395	-	395	0.00%	
UFLIC	Non-financial related business										
	Union Capital (Cayman) Corp.	Cayman Islands	Investment, overseas financing, equipment leasing, installment selling, acquisition of accounts receivable, etc.	100.00%	$ 62,569 (JPY 310,358)	$ 6,940 (JPY 33,321)	50	-	50	100.00%	
	Union Capital (Singapore) Holding PTE. Ltd.	Singapore	Investment, overseas financing, equipment leasing, installment selling, acquisition of accounts receivable, etc.	100.00%	94,982 (JPY 471,134)	5,365 (JPY 25,758)	-	-	-	100.00%	Note 4
	Uflc Capital (Singapore) Holding PTE. Ltd.	Singapore	Investment, overseas financing, equipment leasing, installment selling, acquisition of accounts receivable, etc.	100.00%	77,942 (JPY 386,611)	(3,749) (JPY 17,999)	-	-	-	100.00%	Note 4
Union Capital (Singapore) Holding PTE. Ltd.	Non-financial related business										
	Kabushiki Kaisha UCJ1	Japan	Sale, purchasing and leasing of real estates, etc.	30.55%	92,158 (JPY 457,124)	(365) (JPY 1,751)	9	-	9	30.55%	Note 4
	Tokutei Mokuteki Kaisha SSG15	Japan	A real estate securitized special purpose company	49.00%	149,309 (JPY 740,611)	8,302 (JPY 39,861)	Note 6	-	Note 6	49.00%	Note 4
Kabushiki Kaisha UCJ1	Non-financial related business										
	Tokutei Mokuteki Kaisha SSG15	Japan	A real estate securitized special purpose company	51.00%	155,393 (JPY 770,788)	8,641 (JPY 41,488)	Preferential shares 15	-	Preferential shares 15	51.00%	Note 4
	Tokutei Mokuteki Kaisha SSG12	Japan	A real estate securitized special purpose company	51.00%	204,011 (JPY 1,011,946)	5,758 (JPY 27,646)	Preferential shares 20	-	Preferential shares 20	51.00%	Note 4
	Tokutei Mokuteki Kaisha SSG16	Japan	A real estate securitized special purpose company	51.00%	118,904 (JPY 589,793)	(3,001) (JPY 14,407)	Preferential shares 13	-	Preferential shares 13	51.00%	Note 4
Uflc Capital (Singapore) Holding PTE. Ltd.	Non-financial related business										
	Kabushiki Kaisha UCJ1	Japan	Sale, purchasing and leasing of real estates, etc.	69.45%	209,517 (JPY 1,039,255)	(829) (JPY 3,981)	21	-	21	69.45%	Note 4
	Tokutei Mokuteki Kaisha SSG12	Japan	A real estate securitized special purpose company	49.00%	196,021 (JPY 972,312)	5,532 (JPY 26,562)	Note 7	-	Note 7	49.00%	Note 4
	Tokutei Mokuteki Kaisha SSG16	Japan	A real estate securitized special purpose company	49.00%	114,251 (JPY 566,714)	(2,883) (JPY 13,842)	Note 5	-	Note 5	49.00%	Note 4
Union Securities Investment Trust Corporation (USITC)	Financial related business										
	Union Private Equity Co., Ltd.	Taiwan	Investment and management of private equity	100.00%	59,425	8,551	3,000	-	3,000	100.00%	
Union Venture Capital Co., Ltd.	Non-financial related business										
	Na He Yi Hau Electric Power Inc.	Taiwan	Power Generation, Transmission and Distribution, and Energy Technical Services	89.70%	135,186	(933)	148,900	-	148,900	89.70%	
	Corner Union Venture Capital, LLC.	United States	Overseas Investment Management Consulting	100.00%	381,595 (USD 11,052)	(4,983) (USD 163)	1,100	-	1,100	100.00%	
	Union Energy Co., Ltd.	Taiwan	General investment advisory and energy management	100.00%	8,745	16,464	90,000	-	90,000	100.00%	
	Blue Borders Medical and Health Management Consulting Co., Ltd.	Taiwan	Healthcare service	33.56%	116,471	(10,409)	14,000	-	14,000	33.56%	Note 3
	Ting Syu Energy Co., Ltd.	Taiwan	Power Generation, Transmission and Distribution, and Energy Technical Services	60.00%	598	2	594	-	594	60.00%	
	Bei Chen Electric Power Inc.	Taiwan	Power Generation, Transmission and Distribution, and Energy Technical Services	99.08%	86,012	(16,328)	108,000	-	108,000	99.08%	

(continued at next page)

(Cont')

Investor	Investee Company (Note 1)	Location	Main Business and Product	Shareholding ratio at the end of the period	Book amount	Investment profit (loss) recognized in the year	Consolidated shareholding of the Bank and affiliates (Note 1)				Remark
							Number of existing shares	Number of shares for fiction shareholding (Note 2)	Total		
									Number of shares	Shareholding ratio	
	Hao Tian Electric Power Inc.	Taiwan	Power Generation, Transmission and Distribution, and Energy Technical Services	99.08%	106,516	(251)	108,000	-	108,000	99.08%	
	Feng Tai Electric Power	Taiwan	Power Generation, Transmission and Distribution, and Energy Technical Services	99.08%	107,209	(25)	108,000	-	108,000	99.08%	
Union Energy Co., Ltd.	Non-financial related business										
	Ting Jie Electric Power Inc.	Taiwan	Power Generation, Transmission and Distribution, and Energy Technical Services	90.00%	($ 12,311)	$ 519	1,890	-	1,890	90.00%	Note 8
	Na He Yi Hau Electric Power Inc.	Taiwan	Power Generation, Transmission and Distribution, and Energy Technical Services	0.30%	454	(3)	50	-	50	0.30%	
	Tian Ji Smart Energy Co., Ltd.	Taiwan	Power Generation, Transmission and Distribution, and Energy Technical Services	90.00%	365,155	15,916	33,904	-	33,904	90.00%	
Corner Union Venture Capital, LLC.	Non-financial related business										
	Corner Ventures DAG I-U, LLC.	United States	Venture Investment	100.00%	334,219 (USD 10,300)	(22,315) (USD 729)	-	-	-	100.00%	
	Corner Union, LLC.	United States	Venture Investment	100.00%	24,236 (USD 747)	(1,354) (USD 44)	-	-	-	100.00%	

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

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

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

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

Note 3: Except that UFLIC recognized the profit and loss of investments based on the financial statements reviewed by CPAs on June 30th, 2024, other equity investment adopting the equity method are recognized for the investments based on the self-settled financial statement on June 30th, 2023.

Note 4: The investment profits and losses are recognized from the self-settled financial statements as of March 31st, 2024 by Union Capital (Singapore) Holding PTE. Ltd., Uflc Capital (Singapore) Holding PTE. Ltd., Kabushiki Kaisha UCJ1, Tokutei Mokuteki Kaisha SSG15, SSG12, and SSG16

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

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

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

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

Union Bank of Taiwan Co., Ltd.

Information of Major Shareholders

June 30, 2024

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.	299,087	-	299,087	7.51%

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.

Union Bank of Taiwan Co., Ltd.

Disclosure of the Securities Department

First Half of 2024 and 2023

§Table of Content§

Union Bank of Taiwan Co., Ltd.

Balance Sheet of the Securities Department

June 30, 2024, December 31 and June 30, 2023

Unit: Thousand NTD

Code	Asset	June 30, 2024 Amount	%	December 31, 2023 Amount	%	June 30, 2023 Amount	%
	Current Assets						
111100	Cash and cash equivalents	$ 730,200	13	$ 30,200	1	$ 200	-
113200	Financial assets measured at fair value through other comprehensive income (Notes V and XV)	2,405,321	42	2,942,101	54	4,383,292	63
114130	Accounts receivable, net (Note VI)	2,172,724	38	1,514,763	28	1,672,076	24
114150	Prepaid expenses	7,341	-	5,175	-	3,120	-
119000	Other current assets	13,945	1	832	-	12,127	-
110000	Total current assets	5,329,531	94	4,493,071	83	6,070,815	87
	Non-current assets						
123300	Financial assets measured at amortized costs (Notes VII and XV)	600	-	700,824	13	703,283	10
129010	Operating bonds (Note VIII)	150,000	2	150,000	3	150,000	2
129020	Settlement and clearing fund (Note IX)	24,838	-	26,592	-	26,592	-
129030	Refundable deposits	36,225	1	36,225	1	36,225	1
129110	Internal Transactions (Note XIV)	152,794	3	-	-	-	-
120000	Total non-current asset	364,457	6	913,641	17	916,100	13
906001	TOTAL	$ 5,693,988	100	$ 5,406,712	100	$ 6,986,915	100

Code	LIABILITIES AND EQUITY	June 30, 2024 Amount	%	December 31, 2023 Amount	%	June 30, 2023 Amount	%
	Current Liabilities						
214010	Liabilities of bonds under repurchase agreement (Note X)	$ 2,648,586	47	$ 2,627,132	49	$ 4,089,288	59
214130	Accounts payable (Note XI)	2,169,168	38	1,490,876	27	1,659,597	24
214160	Collection for others	5,218	-	3,691	-	4,170	-
214170	Other accounts payable	52,581	1	47,264	1	32,289	-
210000	Total current liabilities	4,875,553	86	4,168,963	77	5,785,344	83
	Non-current liabilities						
229110	Internal Transactions (Note XIV)	-	-	421,587	8	462,221	6
220000	Toto non-current liabilities	-	-	421,587	8	462,221	6
906003	Total liabilities	4,875,553	86	4,590,550	85	6,247,565	89
	EQUITY						
301110	Appropriated operating capital	870,000	15	870,000	16	840,000	12
304000	Cumulative surplus	51,850	1	33,126	1	23,108	1
	Other equity						
305140	Net gains on financial assets at fair value through other comprehensive income	(103,415)	(2)	(86,964)	(2)	(123,758)	(2)
906004	TOTAL	818,435	14	816,162	15	739,350	11
906002	TOTAL LIABILITIES AND EQUITY	$ 5,693,988	100	$ 5,406,712	100	$ 6,986,915	100

The attached notes are the integral part the Financial Statement.

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

Union Bank of Taiwan Co., Ltd.

Statement of Comprehensive Income of the Securities Department

For the six months ended June 30, 2024 and 2023

Unit: Thousand NTD

Code		January 1 to June 30, 2024 Amount	%	January 1 to June 30, 2023 Amount	%
	Net income				
401000	Income from brokerage fees - net	$ 159,186	85	$ 99,617	77
404000	Income from underwriting business	311	-	368	-
421200	Interest income	9,726	5	17,145	13
424100	Income from commissions of futures	844	1	1,024	1
428000	Other operating income	16,733	9	11,300	9
425300	Expected reversal gains from credit impairment	120	-	152	-
400000	Total income	186,920	100	129,606	100
	Expenditures and expenses				
501000	Brokerage expense	12,855	7	7,938	6
521200	Financial cost	1,817	1	1,963	2
531000	Employee benefit expense (Notes XII)	73,009	39	57,241	44
532000	DEPRECIATION AND AMORTIZATION	6,385	3	5,561	4
533000	Other operation expenses (Note XIII)	48,435	26	50,670	39
500000	Total expenditures and expenses	142,501	76	123,373	95
602000	Other gain and loss	20,393	11	22,652	17
902001	Net profit before tax	64,812	35	28,885	22
701000	Income tax expense	12,962	7	5,777	4
902005	Current net profit	51,850	28	23,108	18
	Other comprehensive income				
805600	Items that may be reclassified subsequently to profit or loss				
805615	Net unrealized profit (loss) from investments of the debt instruments measured at fair value through other comprehensive income	(16,451)	(9)	35,504	27
805000	Sum of other comprehensive income	(16,451)	(9)	35,504	27
902006	TOTAL CURRENT COMPREHENSIVE INCOME	$ 35,399	19	$ 58,612	45

The attached notes are the integral part the Financial Statement.

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

Union Bank of Taiwan Co., Ltd.

Notes to the Financial Statement of the Securities Department

For the six months ended June 30, 2024 and 2023

(In Thousand NTD unless specified otherwise)

I. History and Business Scope of the Securities Department

The Securities Department of the Bank commence the business officially on July 27, 1994, and obtained the permit of securities dealer for proprietary trading business of various bonds and the permit for futures introducing broker business by Securities Firms on August 11, 2010 and August 9, 1999, respectively; the major businesses include: trading negotiable securities in the stock exchange or OTC, and proprietary trading of various bonds and securitized products OTC (limited to the fixed-income negotiable securities). As of June 30th, 2024and 2023, the appropriated operating capital were both NT$870,000 thousand.

To cope with the division of expertise and changes in the financial environment, in order to achieve the goal of cross-industry comprehensive operating efficiency, and thereby improve the competitiveness and operating performance, upon the resolution adopted in the board meeting on August 26, 2024, according to the Article 36-1 of Business Mergers and Acquisitions Act, the Company Act, and other relevant regulations, the Company approved to split the securities brokerage and futures introducing broker businesses and securities business, from the securities business other than the bond proprietary trading business, to established the wholly-owned securities subsidiary, "Union Securities Investment Trust Co., Ltd." which issues shares to the Company. The Company will become the only shareholder of the securities subsidiary. This split of the newly established securities subsidiary shall be approved by the competent authority in advance. If anything not mentioned in the base date of the split, business scope, amount (including assets and liabilities), and the proposal for the split, or the competent authority requires amendments pursuant to the related laws and regulations and the adjustments are necessary, the Board of Directors has the full authority to handle such adjustments. The base date of the split is tentatively set as November 1, 2025.

As of June 30th, 2024 and 2023, there were 137 and 129 employees of the Securities Department, respectively.

II. Date and Procedures Passing the Financial Statements

The Financial Statements of the Securities Department were submitted to, approved by the board of directors on August 26th, 2024 before releasing.

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

Please refer to Note III of the Bank's Parent Company Only Financial Statements for the first half of 2024.

IV. Summaries of the Material Accounting Policies

(I) Statement of Compliance

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

(II) Other material accounting policies

The accounting policies adopted by the Securities Department in are the same as the 2023 Financial Statements of the Securities Department.

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

	June 30, 2024	December 31, 2023	June 30, 2023
Domestic corporate bonds	$ 1,414,961	$ 1,934,440	$ 2,401,627
Domestic government bonds	990,360	1,007,661	1,981,665
	$ 2,405,321	$ 2,942,101	$ 4,383,292

The Securities Department had sold NT$2,405,321 thousand, NT$2,394,804 and NT$3,773,197 thousand of its financial assets at FVTOCI under a repurchase agreement on June 30, 2024, December 31 and June 30, 2023, respectively.

VI. Accounts receivable, net

	June 30, 2024	December 31, 2023	June 30, 2023
Delivery payment receivable - entrusted transactions	$ 1,996,769	$ 1,360,655	$ 1,302,087
Proceed of delivery	167,840	18,541	352,128
Interest receivable	8,115	135,567	17,861
	$ 2,172,724	$ 1,514,763	$ 1,672,076

VII. Financial assets measured at amortized costs

	June 30, 2024	December 31, 2023	June 30, 2023
Debt instruments			
Domestic government bonds	$ 600	$ 700,824	$ 703,283

The Securities Department has not offer to sell financial assets measured at amortized costs with repurchase agreement conditions as of June 30th 2024, December 31st and June 30th, 2023.

VIII. Operation Bonds

	June 30, 2024	December 31, 2023	June 30, 2023
Operation bonds from securities brokers	$ 90,000	$ 90,000	$ 90,000
Operation bonds from futures brokers	50,000	50,000	50,000
Operation bonds from securities dealers	10,000	10,000	10,000
	$ 150,000	$ 150,000	$ 150,000

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

IX. Settlement and Clearing Fund

	June 30, 2024	December 31, 2023	June 30, 2023
Settlement and clearing fund at TWSE	$ 13,298	$ 14,120	$ 14,120
TPEx settlement and clearing fund	11,540	12,472	12,472
	$ 24,838	$ 26,592	$ 26,592

The settlement and clearing fund deposited at TWSE and TPEx as required. The fund is deposited in a dedicate account for custody, and utilized and accrues interests as provided in the Securities and Exchange Act. The interests generated are settled every six months and paid at once after deducting the related expenses and taxes.

X. Liabilities of bonds under repurchase agreement

	June 30, 2024	December 31, 2023	June 30, 2023
Corporate bonds	$ 1,507,070	$ 2,094,382	$ 2,556,392
Government bonds	1,141,516	532,750	1,532,896
	$ 2,648,586	$ 2,627,132	$ 4,089,288
Maturity date	July - September 2024	January - March 2024	July - September 2023
Agreed repurchase price	$ 2,651,348	$ 2,630,216	$ 4,092,567

XI. Accounts payable

	June 30, 2024	December 31, 2023	June 30, 2023
Delivery payment payable - entrusted transactions	$ 1,822,458	$ 1,379,985	$ 1,475,130
Proceed of delivery	344,999	108,722	182,573
Others	1,711	2,169	1,894
	$ 2,169,168	$ 1,490,876	$ 1,659,597

XII. Employee Benefits

	January 1 to June 30, 2024	January 1 to June 30, 2023
Salaries and wages	$ 58,727	$ 45,333
Labor insurance and national health insurance	6,420	5,559
Pension expenses	3,721	3,091
Other employee benefits	4,141	3,258
	$ 73,009	$ 57,241

XIII. Other operation expenses

	January 1 to June 30, 2024	January 1 to June 30, 2023
Debt interest expenses of bonds under repurchase agreement	$ 17,586	$ 24,275
Computer information expense	6,144	5,103
Postage/cable charge	3,096	2,857
Repair and maintenance expense	4,057	3,835
Taxes and levies	3,628	2,406
Centralized custody service fee	3,506	2,180
Others	10,088	10,014
	$ 48,105	$ 50,670

XIV. Transactions with Related Parties

(I) Related parties and their relationships with the Company

Related Party	Relationship with the Company
Union Bank of Taiwan Co., Ltd. (Union Bank of Taiwan)	The head office and branches of the Company

(II) Material transactions with related parties

Related Party	Account	June 30, 2024	December 31, 2023	June 30, 2023
Union Bank of Taiwan	Balance of debit (credit) of internal transactions	$ 152,794	($ 421,587)	($ 462,221)

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

XV Disclosure of Financial Products

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

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

	June 30, 2024		December 31, 2023		June 30, 2023	
	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
Assets						
Financial assets measured at amortized costs	$ 600	$ -	$ 700,824	$ 700,482	$ 703,283	$ 702,263

The aforesaid fair values are measured as follows:

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

Assets	December 31, 2023			
	Total	Level 1	Level 2	Level 3
Financial assets				
Financial assets measured at amortized costs	$ 700,482	$ -	$ 700,482	$ -

Assets	June 30, 2023			
	Total	Level 1	Level 2	Level 3
Financial assets				
Financial assets measured at amortized costs	$ 702,263	$ -	$ 702,263	$ -

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

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

(III) As of June 30th, 2024, December 31st and June 30th, 2023, the financial instruments of the Bank's Securities Department measured at fair value on the recurring basis have the following fair value hierarchies:

Unit: Thousand NTD

Asset and liability items	June 30, 2024			
	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 other comprehensive income				
Bond investment	$ 2,405,321	$ -	$ 2,405,321	$ -

Asset and liability items	December 31, 2023			
	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 other comprehensive income				
Bond investment	$ 2,942,101	-	$ 2,942,101	-

Asset and liability items	June 30, 2023			
	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 other comprehensive income				
Bond investment	$ 4,383,292	$ -	$ 4,383,292	$ -

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

During January 1st to June 30th, 2024 and 2023, there was no material transfer between Level 1 and Level 2.

(IV) Information of Financial Risk

1. Market risks

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

2. Credit risk

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

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

June 30, 2024

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

December 31, 2023

	At fair value through other comprehensive income	At amortized costs	Total
Total carrying amount	$ 3,029,544	$ 700,824	$ 3,730,368
Loss allowance	(479)	-	(479)
Fair value adjustment	(86,964)	-	(86,964)
	$ 2,942,101	$ 700,824	$ 3,642,925

June 30, 2023

	At fair value through other comprehensive income	At amortized costs	Total
Total carrying amount	$ 4,507,705	$ 703,283	$ 5,210,988
Loss allowance	(655)	-	(655)
Fair value adjustment	(123,758)	-	(123,758)
	$ 4,383,292	$ 703,283	$ 5,086,575

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

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

Credit Risk Ratings	Terms and definitions	ECL Recognition Basis	Expected Credit Loss Rate	June 30, 2024 Carrying amount (Including Premiums and Discounts)
Low credit risk	Low credit risk at the reporting date	12-month expected credit losses	0%~0.2170%	$ 2,405,921
Significant increase in credit risk	Credit risk has increased significantly since initial recognition	Lifetime expected credit losses (no credit impairment)	(Note)	-
Default	Evidence of impairment at the reporting date	Lifetime expected credit losses (with credit impairment)	100%	-

Credit Risk Ratings	Terms and definitions	ECL Recognition Basis	Expected Credit Loss Rate	December 31, 2023 Carrying amount (Including Premiums and Discounts)
Low credit risk	Low credit risk at the reporting date	12-month expected credit losses	0%~0.2120%	$ 3,642,925
Significant increase in credit risk	Credit risk has increased significantly since initial recognition	Lifetime expected credit losses (no credit impairment)	(Note)	-
Default	Evidence of impairment at the reporting date	Lifetime expected credit losses (with credit impairment)	100%	-

Credit Risk Ratings	Terms and definitions	ECL Recognition Basis	Expected Credit Loss Rate	June 30, 2023 Carrying amount (Including Premiums and Discounts)
Low credit risk	Low credit risk at the reporting date	12-month expected credit losses	0%~0.2010%	$ 5,086,575
Significant increase in credit risk	Credit risk has increased significantly since initial recognition	Lifetime expected credit losses (no credit impairment)	(Note)	-
Default	Evidence of impairment at the reporting date	Lifetime expected credit losses (with credit impairment)	100%	-

Note: Not applicable as the credit rating of investment in debt instruments was normal as of June 30th, 2024, December 31st and June 30th, 2023

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

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

	Credit Rating		
	Low credit risk (12-month expected credit losses)	Significant increase in credit risk (lifetime expected credit losses without credit impairment)	With objective evidence of impairment Lifetime expected credit losses (with credit impairment)
Balance at January 1, 2023	$ 807	$ -	$ -
Changes in credit risk ratings			
— Low credit risk to significant increase in credit risk	-	-	-
— Significant increase in credit risk to default	-	-	-
New debt instruments purchased	-	-	-
Derecognition	-	-	-
Changes in risk or model parameters	(152)	-	-
Exchange rate and other changes	-	-	-
Loss allowance on June 30, 2023	$ 655	$ -	$ -

3. Liquidity Risks

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

XVI. <u>Information Related to Material Transactions</u>

(I) Loans provided for others: none

(II) Endorsement/guarantee provided: none

(III) Acquisition of individual real estate at costs of NT$100 million or 20% of the paid-in capital or more: none

(IV) Disposal of individual real estate at costs of NT$100 million or 20% of the paid-in capital or more: none

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

(VI) Accounts receivable from related parties for NT$100 million or 20% of the paid-in capital or more: none

XVII. <u>Information of the re-investees:</u> None.

XVIII. <u>Investment in Mainland China:</u> None.

Union Bank of Taiwan Co., Ltd.

The Securities Department's financial assets through other comprehensive income - liquidity details

June 30, 2024

Detail Table 1

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

Name of negotiable securities	Maturity date	Interest rate %	Face value	Accumulated impairment	Acquisition costs: Unit Price	Acquisition costs: Amount	Fair value: Unit price	Fair value: Amount
Government bonds								
2019 Central Bond A 9	2029/10/14	0.63%	$ 300,000	$ -	100.7701	$ 302,310	94.9577	$ 284,873
2020 Central Bond A 3	2030/02/21	0.50%	450,000	-	100.2995	451,348	93.9069	422,581
2020 Municipal Bond of Kaohsiung City4	2030/04/15	0.60%	200,000	-	99.9998	200,000	93.0278	186,056
Others (Note 2)			100,000	-		100,000		96,850
			1,050,000	-		1,053,658		990,360
Corporate bonds								
P09 TSMC 5B	2027/09/03	0.58%	300,000	38	100.0527	300,158	97.0656	291,197
P08 Taipower 4A	2024/12/16	0.75%	235,000	28	99.9993	234,998	99.6530	234,184
P09 Taipower 5B	2027/12/15	0.45%	500,000	125	100.0000	500,000	95.6501	478,251
Others (Note 2)			420,000	167		420,281		411,329
			1,455,000	358		1,455,437		1,414,961
			$ 2,505,000	$ 358		$ 2,509,095		$ 2,405,321

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

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

Union Bank of Taiwan Co., Ltd.

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

June 30, 2024

Detail Table 2 | Unit: Thousand NTD

Name of securities	Transaction terms: Starting day	Transaction terms: Maturity date	Transaction terms: Interest rate %	Face value	Concluded amount
Government bonds					
2019 Central Bond A 9	2024/05/20	2024/07/26	1.13%	$ 300,000	$ 323,379
2020 Central Bond A 3	2024/05/24	2024/08/20	1.13%	450,000	491,503
2020 Municipal Bond of Kaohsiung City4	2024/05/17	2024/08/20	1.12%	200,000	215,988
Others (Note)	2024/05/17	2024/08/20	0.86%	100,000	110,646
				1,050,000	1,141,516
Corporate bonds					
P09 TSMC 5B	2024/06/05	2024/07/25	1.55%	300,000	307,506
P08 Taipower 4A	2024/06/18	2024/09/16	1.55%	235,000	254,980
P09 Taipower 5B	2024/05/15	2024/07/26	1.55%	500,000	511,212
Others (Note)	2024/05/06	2024/07/25	1.55%	420,000	433,372
				1,455,000	1,507,070
Total				$ 2,505,000	$ 2,648,586

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

Union Bank of Taiwan Co., Ltd.

Detail Table of the Securities Department's Financial Assets Measured at Amortized Costs

June 30, 2024

Detail Table 3

Unit: In NTD thousand, unless specified otherwise

Name	Face value	Maturity date	Unamortized discount/premium	Interest rate	Accumulated impairment	Carrying Amount	Collateral or Pledge	Remarks
Government bonds								
2015 Central Bond A 5	-	2025/3/13	$ -	1.63%	$ -	$ 600	None	

Union Bank of Taiwan Co., Ltd.

Statement of Income by Business, the Securities Department

January 1 to June 30, 2024

Detail Table 4

Unit: NTD thousand

Item	Broker Amount	Broker %	Dealer Amount	Dealer %	Total	%
Profit (loss) directly attributable to the business						
Operating income						
Income from brokerage fees	$ 159,186	90	$ -	-	$ 159,186	85
Income from underwriting business	311	-	-	-	311	-
Interest income	-	-	9,726	100	9,726	5
Income from commissions of futures	844	1	-	-	844	1
Other operating income	16,733	9	-	-	16,733	9
Expected credit reversal gains	(210)	-	-	-	(210)	-
Total	176,864	100	9,726	100	186,590	100
Operating expenses						
Brokerage expense	12,855	7	-	-	12,855	7
Financial cost	1,817	1	-	-	1,817	1
Employee Benefits	73,009	41	-	-	73,009	39
DEPRECIATION AND AMORTIZATION	6,385	4	-	-	6,385	3
Other operation expenses	29,971	17	18,134	187	48,105	26
Total	124,037	70	18,134	187	142,171	76
Profit (loss) by business	52,827	30	(8,408)	(87)	44,419	24
Other gain and loss	20,393	11	-	-	20,393	11
Net profit before tax	73,220	41	(8,408)	(87)	64,812	35
Income tax expense	12,962	7	-	-	12,962	7
Current net profit	60,258	34	(8,408)	(87)	51,850	28
Other comprehensive income	-	-	(16,451)	(169)	(16,451)	(9)
Comprehensive gains for the period	$ 60,258	34	($ 24,859)	(256)	$ 35,399	19

Union Bank of Taiwan Co., Ltd.

Detail Table of Brokerage Fee Income of the Securities Department

January 1 to June 30, 2024

Detail Table 5

Unit: NTD thousand

Month	Brokerage Fee			
	Entrust transactions in centralized trading markets	Entrust transactions over the counter	Fees of securities lending	Subtotal
I	$ 34,721	$ 10,775	$ 86	$ 45,582
II	24,133	9,374	228	33,735
III	49,695	15,395	288	65,378
IV	46,309	12,782	62	59,153
V	52,395	13,648	60	66,103
VI	47,621	13,625	140	61,386
Total	$ 254,874	$ 75,599	$ 864	$ 331,337

Union Bank of Taiwan Co., Ltd.

Detail Table for Discounted Brokerage Fee of the Securities Department

January 1 to June 30, 2024

Detail Table 6 Unit: NTD thousand

Month	Centralized market	OTC	Subtotal
I	$ 18,106	$ 5,954	$ 24,060
II	12,181	5,031	17,212
III	25,621	8,265	33,886
IV	23,909	6,809	30,718
V	26,693	7,324	34,017
VI	24,799	7,459	32,258
Total	$ 131,309	$ 40,842	$ 172,151

Union Bank of Taiwan Co., Ltd.

Detail Table for Interest Income of the Securities Department

January 1 to June 30, 2024

Detail Table 7 Unit: NTD thousand

Item	Amount
Interest income from investments in bonds	
Interests from financial assets measured at fair value through other comprehensive income	$ 7,891
Interests from financial assets measured at amortized costs	1,835
	$ 9,726

Union Bank of Taiwan Co., Ltd.

Detail Table for Operating Expenses of the Securities Department

For the six months ended June 30, 2024 and 2023

Detail Table 8 | Unit: NTD thousand

Item	January 1 to June 30, 2024	January 1 to June 30, 2023
Employee Benefits		
Salaries and wages	$ 58,727	$ 45,333
Labor insurance and national health insurance	6,420	5,559
Pension expenses	3,721	3,091
Others (Note)	4,141	3,258
	73,009	57,241
Depreciation and amortization		
Depreciation expense	2,830	2,698
Amortization expense	3,555	2,863
	6,385	5,561
Other operation expenses		
Debt interest expenses of bonds under repurchase agreement	17,586	24,275
Computer information expense	6,144	5,103
Postage/cable charge	3,096	2,857
Repair and maintenance expense	4,057	3,835
Tax and levies	3,628	2,406
Centralized custody service fee	3,506	2,180
Others (Note)	10,088	10,014
	48,105	50,670
Total	$ 127,499	$ 113,472

Note 1: There were 137 and 129 employees of the Securities Department, respectively for the first half of this and the previous year.

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