

# CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS (Notes 4, 6 and 44)	\$ 86,674,109	2	\$ 105,837,938	2	\$ 87,345,041	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS (Notes 4, 7 and 44)	297,753,006	7	336,768,960	8	367,448,806	9
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8, 44 and 49)	274,480,917	6	322,291,636	8	292,329,268	7
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 9, 11, 44, 45 and 49)	337,218,329	8	296,069,646	7	432,369,849	11
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTISED COST (Notes 4, 10, 11, 45 and 49)	601,529,718	14	677,745,166	16	496,691,130	12
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Notes 4 and 12)	29,661,135	1	24,166,326	-	20,262,845	1
RECEIVABLES, NET (Notes 4, 13, 15 and 44)	111,500,909	3	116,540,618	3	108,768,008	3
CURRENT INCOME TAX ASSETS (Note 4)	74,418	-	60,174	-	-	-
DISCOUNTS AND LOANS, NET (Notes 4, 5, 14 and 44)	2,399,689,025	57	2,280,571,067	54	2,117,904,635	53
INVESTMENTS MEASURED BY EQUITY METHOD, NET (Notes 4 and 17)	1,804,137	-	1,792,673	-	1,629,414	-
OTHER FINANCIAL ASSETS, NET	166,523	-	153,713	-	152,808	-
PROPERTY AND EQUIPMENT, NET (Notes 4, 18 and 44)	24,188,460	1	24,373,269	1	24,217,852	1
RIGHT-OF-USE ASSETS, NET (Notes 4, 19 and 44)	3,534,965	-	3,640,704	-	3,750,633	-
INVESTMENT PROPERTIES, NET (Notes 4 and 20)	2,264,282	-	2,287,293	-	2,209,212	-
INTANGIBLE ASSETS, NET (Notes 4 and 21)	8,318,463	-	8,302,654	-	8,332,755	-
DEFERRED TAX ASSETS (Note 4)	4,023,729	-	4,195,335	-	4,339,563	-
OTHER ASSETS, NET (Notes 22 and 44)	<u>33,865,676</u>	<u>1</u>	<u>28,903,636</u>	<u>1</u>	<u>34,887,333</u>	<u>1</u>
<b>TOTAL</b>	<b><u>\$ 4,216,747,801</u></b>	<b><u>100</u></b>	<b><u>\$ 4,233,700,808</u></b>	<b><u>100</u></b>	<b><u>\$ 4,002,639,152</u></b>	<b><u>100</u></b>
<b>LIABILITIES AND EQUITY</b>						
DEPOSITS FROM THE CENTRAL BANK AND BANKS (Notes 23 and 44)	\$ 124,403,847	3	\$ 117,130,854	3	\$ 150,581,874	4
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8, 44 and 49)	115,854,926	3	123,125,951	3	102,103,208	3
NOTES AND BONDS ISSUED UNDER REPURCHASE AGREEMENTS (Notes 4 and 24)	23,173,693	1	18,318,492	-	38,730,911	1
PAYABLES (Notes 25 and 44)	48,796,775	1	41,715,928	1	43,040,809	1
CURRENT TAX LIABILITIES (Note 4)	166,153	-	323,344	-	491,471	-
DEPOSITS AND REMITTANCES (Notes 26 and 44)	3,508,564,463	83	3,543,557,812	84	3,293,675,178	82
FINANCIAL DEBENTURES PAYABLE (Note 27)	27,100,000	1	27,100,000	1	37,146,179	1
OTHER FINANCIAL LIABILITIES (Note 28)	63,152,575	1	64,668,563	1	61,414,197	2
PROVISIONS (Notes 4, 15 and 29)	3,728,982	-	3,827,230	-	3,256,302	-
LEASE LIABILITIES (Notes 4, 19 and 44)	3,596,178	-	3,673,568	-	3,819,212	-
DEFERRED TAX LIABILITIES (Note 4)	2,372,257	-	2,210,371	-	1,894,011	-
OTHER LIABILITIES (Notes 4, 31 and 44)	<u>8,584,149</u>	<u>-</u>	<u>12,183,020</u>	<u>-</u>	<u>11,443,639</u>	<u>-</u>
Total liabilities	<u>3,929,493,998</u>	<u>93</u>	<u>3,957,835,133</u>	<u>93</u>	<u>3,747,596,991</u>	<u>94</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK (Note 32)</b>						
Capital stock						
Common stock	<u>108,598,655</u>	<u>3</u>	<u>108,598,655</u>	<u>3</u>	<u>108,598,655</u>	<u>3</u>
Capital surplus	<u>38,869,080</u>	<u>1</u>	<u>38,869,080</u>	<u>1</u>	<u>38,869,080</u>	<u>1</u>
Retained earnings						
Legal reserve	85,964,149	2	85,964,149	2	78,748,709	2
Special reserve	16,832,170	-	16,832,170	-	2,077,665	-
Unappropriated earnings	<u>38,448,049</u>	<u>1</u>	<u>27,823,633</u>	<u>1</u>	<u>33,148,561</u>	<u>1</u>
Total retained earnings	<u>141,244,368</u>	<u>3</u>	<u>130,619,952</u>	<u>3</u>	<u>113,974,935</u>	<u>3</u>
Other equity	<u>(5,601,898)</u>	<u>-</u>	<u>(6,156,444)</u>	<u>-</u>	<u>(10,534,620)</u>	<u>(1)</u>
Total equity attributable to owners of the Bank	<u>283,110,205</u>	<u>7</u>	<u>271,931,243</u>	<u>7</u>	<u>250,908,050</u>	<u>6</u>
NON-CONTROLLING INTERESTS (Note 32)	<u>4,143,598</u>	<u>-</u>	<u>3,934,432</u>	<u>-</u>	<u>4,134,111</u>	<u>-</u>
Total equity	<u>287,253,803</u>	<u>7</u>	<u>275,865,675</u>	<u>7</u>	<u>255,042,161</u>	<u>6</u>
<b>TOTAL</b>	<b><u>\$ 4,216,747,801</u></b>	<b><u>100</u></b>	<b><u>\$ 4,233,700,808</u></b>	<b><u>100</u></b>	<b><u>\$ 4,002,639,152</u></b>	<b><u>100</u></b>

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

# CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
NET INTEREST REVENUE (Notes 4, 33 and 44)				
Interest income	\$ 28,457,964	106	\$ 24,382,381	115
Interest expense	<u>(14,781,476)</u>	<u>(55)</u>	<u>(11,612,950)</u>	<u>(55)</u>
Total net interest revenue	<u>13,676,488</u>	<u>51</u>	<u>12,769,431</u>	<u>60</u>
NET REVENUE OTHER THAN INTEREST				
Net service fee revenue (Notes 4, 34 and 44)	7,700,399	28	5,383,914	25
Gain on financial assets or liabilities at fair value through profit or loss (Notes 4, 35 and 44)	4,738,928	17	2,726,441	13
Realized gain (loss) on financial assets at fair value through other comprehensive income (Notes 4, 9 and 36)	146,840	1	(163,453)	(1)
Gain arising from derecognition of financial assets measured at amortised cost (Notes 4 and 10)	-	-	195	-
Foreign exchange gain (Notes 4 and 50)	551,854	2	418,548	2
Impairment loss on assets (Notes 4 and 37)	(4,363)	-	(56,069)	-
Share of profit of associates and joint ventures accounted for using equity method (Notes 4 and 17)	12,268	-	8,124	-
Net other revenue other than interest income (Notes 4 and 44)	<u>201,494</u>	<u>1</u>	<u>152,778</u>	<u>1</u>
Total net revenue other than interest	<u>13,347,420</u>	<u>49</u>	<u>8,470,478</u>	<u>40</u>
NET REVENUE	<u>27,023,908</u>	<u>100</u>	<u>21,239,909</u>	<u>100</u>
BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE LIABILITY (PROVISION) REVERSAL (Notes 4, 5, 13, 14, 15 and 38)	<u>(2,382,958)</u>	<u>(9)</u>	<u>98,897</u>	<u>-</u>
TOTAL OPERATING EXPENSES				
Employee benefits expenses (Notes 4, 39 and 44)	(5,985,282)	(22)	(5,207,776)	(25)
Depreciation and amortization expense (Notes 4, 18, 19, 21 and 40)	(969,228)	(4)	(948,257)	(4)
Other general and administrative expense (Notes 4, 41 and 44)	<u>(4,806,507)</u>	<u>(18)</u>	<u>(4,088,877)</u>	<u>(19)</u>
Total operating expenses	<u>(11,761,017)</u>	<u>(44)</u>	<u>(10,244,910)</u>	<u>(48)</u>

(Continued)

# CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
PROFIT BEFORE TAX	\$ 12,879,933	47	\$ 11,093,896	52
INCOME TAX EXPENSE (Notes 4 and 42)	<u>(2,456,723)</u>	<u>(9)</u>	<u>(1,924,276)</u>	<u>(9)</u>
NET INCOME	<u>10,423,210</u>	<u>38</u>	<u>9,169,620</u>	<u>43</u>
OTHER COMPREHENSIVE INCOME (Notes 4 and 32)				
Components of other comprehensive income (loss) that will not be reclassified to profit or loss, net of tax				
Remeasurement of defined benefit plans	(2,330)	-	(2,723)	-
Revaluation gains on investments in equity instruments measured at fair value through other comprehensive income	1,796,130	7	663,700	3
Change in fair value of financial liability attributable to change in credit risk of liability	209,796	1	175,608	1
Share of other comprehensive income of associates and joint ventures accounted for using equity method	3,167	-	2,197	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Notes 4 and 42)	(159,712)	(1)	(102,840)	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss, net of tax				
Exchange differences on translating the financial statements of foreign operations	1,279,920	5	(48,040)	-
Share of other comprehensive loss of associates and joint ventures accounted for using equity method	(3,971)	-	(3,017)	-
(Losses) gains from investments in debt instruments measured at fair value through other comprehensive income	(1,956,120)	(7)	3,566,294	17
Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Notes 4 and 42)	<u>(201,962)</u>	<u>(1)</u>	<u>(113,128)</u>	<u>(1)</u>
Other comprehensive income, net of tax	<u>964,918</u>	<u>4</u>	<u>4,138,051</u>	<u>20</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 11,388,128</u>	<u>42</u>	<u>\$ 13,307,671</u>	<u>63</u>

(Continued)

# CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
PROFIT ATTRIBUTABLE TO:				
Owners of the Bank	\$ 10,353,848	38	\$ 9,113,422	43
Non-controlling interests	<u>69,362</u>	<u>-</u>	<u>56,198</u>	<u>-</u>
	<u>\$ 10,423,210</u>	<u>38</u>	<u>\$ 9,169,620</u>	<u>43</u>
COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Bank	\$ 11,178,962	41	\$ 13,163,418	62
Non-controlling interests	<u>209,166</u>	<u>1</u>	<u>144,253</u>	<u>1</u>
	<u>\$ 11,388,128</u>	<u>42</u>	<u>\$ 13,307,671</u>	<u>63</u>
EARNINGS PER SHARE (Note 43)				
Basic	<u>\$ 0.95</u>		<u>\$ 0.84</u>	

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

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**CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Bank										Total	Non-controlling Interests	Total Equity
	Retained Earnings			Other Equity			Changes in the Fair Value of Financial Liabilities Attributable to Credit Risk						
	Capital Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Changes in the Fair Value of Financial Liabilities Attributable to Credit Risk	Losses on Remeasurements of Defined Benefit Plans			
BALANCE AT JANUARY 1, 2023	\$ 108,598,655	\$ 38,858,661	\$ 78,748,709	\$ 2,077,665	\$ 24,025,533	\$ (1,291,970)	\$ (12,153,457)	\$ (428,795)	\$ (2,312,872)	\$ 1,612,099	\$ (14,574,995)	\$ 3,989,858	\$ 241,724,086
Changes in equity of associates accounted for using the equity method	-	-	-	-	(15)	-	-	-	-	-	-	-	(15)
Net income for the three months ended March 31, 2023	-	-	-	-	9,113,422	-	-	-	-	-	-	56,198	9,169,620
Other comprehensive income (loss) for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	(14,202)	3,925,173	140,487	(1,462)	-	4,049,996	88,055	4,138,051
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	9,113,422	(14,202)	3,925,173	140,487	(1,462)	-	4,049,996	144,253	13,307,671
Recognition of share-based payments granted by the parent company	-	10,419	-	-	-	-	-	-	-	-	-	-	10,419
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	9,621	-	(9,621)	-	-	-	(9,621)	-	-
BALANCE AT MARCH 31, 2023	\$ 108,598,655	\$ 38,869,080	\$ 78,748,709	\$ 2,077,665	\$ 33,148,561	\$ (1,306,172)	\$ (8,237,905)	\$ (288,308)	\$ (2,314,334)	\$ 1,612,099	\$ (10,534,620)	\$ 4,134,111	\$ 255,042,161
BALANCE AT JANUARY 1, 2024	\$ 108,598,655	\$ 38,869,080	\$ 85,964,149	\$ 16,832,170	\$ 27,823,633	\$ (1,520,460)	\$ (2,847,253)	\$ (833,793)	\$ (2,567,037)	\$ 1,612,099	\$ (6,156,444)	\$ 3,934,432	\$ 275,865,675
Net income for the three months ended March 31, 2024	-	-	-	-	10,353,848	-	-	-	-	-	-	69,362	10,423,210
Other comprehensive income (loss) for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	909,601	(248,876)	167,837	(3,448)	-	825,114	139,804	964,918
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	10,353,848	909,601	(248,876)	167,837	(3,448)	-	825,114	209,166	11,388,128
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	270,568	-	(270,568)	-	-	-	(270,568)	-	-
BALANCE AT MARCH 31, 2024	\$ 108,598,655	\$ 38,869,080	\$ 85,964,149	\$ 16,832,170	\$ 38,448,049	\$ (610,859)	\$ (3,366,697)	\$ (665,956)	\$ (2,570,485)	\$ 1,612,099	\$ (5,601,898)	\$ 4,143,598	\$ 287,253,803

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

# CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	\$ 12,879,933	\$ 11,093,896
Adjustments:		
Depreciation expense	796,068	788,844
Amortization expense	173,160	159,413
Expected credit loss (reversal)	2,382,958	(98,897)
Net gains on financial assets and liabilities at fair value through profit or loss	(4,738,928)	(2,726,441)
Interest expense	14,781,476	11,612,950
Net gains arising from derecognition of financial assets measured at amortised cost	-	(195)
Interest income	(28,457,964)	(24,382,381)
Dividend income	(56,348)	(7,365)
Compensation costs of share-based payments	-	10,419
Share of profit of associates and joint ventures accounted for using equity method	(12,268)	(8,124)
(Gains) losses on disposal of property and equipment	(66,310)	2,699
Gains on disposal of investment properties	(1,740)	-
(Gains) losses on disposal of investments	(90,492)	170,818
Impairment loss on financial assets	4,363	56,069
Changes in operating assets and liabilities		
Due from the Central Bank and call loans to banks	(1,013,153)	(1,505,209)
Financial assets at fair value through profit or loss	58,971,495	(72,201,271)
Financial assets at fair value through other comprehensive income	(41,226,425)	51,845,693
Investments in debt instruments at amortised cost	76,219,329	20,139,933
Receivables	4,606,720	12,051,202
Discounts and loans	(121,362,494)	(72,589,587)
Other financial assets	(12,810)	(152,813)
Other assets	706,016	(3,948,298)
Deposits from the Central Bank and banks	7,272,993	53,272,635
Financial liabilities at fair value through profit or loss	(14,683,188)	(2,343,884)
Notes and bonds issued under repurchase agreement	4,855,201	7,999,105
Payables	2,163,179	2,686,822
Deposits and remittances	(34,993,349)	47,513,331
Other financial liabilities	(1,515,988)	5,395,000
Provisions	(147,826)	(711,522)
Other liabilities	(321,877)	444,304
Cash (used in) generated from operations	(62,888,269)	44,567,146
Interest received	30,393,937	23,901,498
Dividends received	35,245	16,237
Interest paid	(12,473,323)	(7,648,407)
Income tax paid	(417,495)	(267,876)
Net cash (used in) generated from operating activities	<u>(45,349,905)</u>	<u>60,568,598</u>

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# CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	2023
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	\$ (243,864)	\$ (334,293)
Proceeds from disposal of property and equipment	153,282	2
Acquisition of intangible assets	(94,105)	(27,529)
Proceeds from disposal of investment properties	13,520	-
Other assets	<u>(5,716,700)</u>	<u>6,981,854</u>
Net cash (used in) generated from investing activities	<u>(5,887,867)</u>	<u>6,620,034</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of the principal portion of lease liabilities	(409,801)	(367,926)
Other liabilities	<u>(3,273,354)</u>	<u>(1,935,723)</u>
Net cash used in financing activities	<u>(3,683,155)</u>	<u>(2,303,649)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>1,217,056</u>	<u>(38,872)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(53,703,871)	64,846,111
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>368,299,200</u>	<u>312,895,760</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 314,595,329</u>	<u>\$ 377,741,871</u>
	<b>2024</b>	<b>2023</b>
<b>RECONCILIATIONS OF CASH AND CASH EQUIVALENTS REPORTED IN THE CONSOLIDATED STATEMENTS OF CASH FLOWS WITH THOSE REPORTED IN THE CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2024 AND 2023</b>		
Cash and cash equivalents reported in the consolidated balance sheets	\$ 86,674,109	\$ 87,345,041
Due from the Central Bank and call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7	198,260,085	270,133,985
Securities purchased under resell agreements qualifying for cash and cash equivalents under the definition of IAS 7	<u>29,661,135</u>	<u>20,262,845</u>
Cash and cash equivalents at the end of the period	<u>\$ 314,595,329</u>	<u>\$ 377,741,871</u>

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

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