

CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

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

	2024		2023	
	Amount	%	Amount	%
ASSETS				
CASH AND CASH EQUIVALENTS (Notes 4, 6 and 44)	\$ 163,215,658	4	\$ 105,837,938	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS (Notes 4 and 7)	304,995,700	7	336,768,960	8
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8, 44 and 49)	272,034,013	6	322,291,636	8
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 9, 11, 44, 45 and 49)	369,175,121	8	296,069,646	7
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTISED COST (Notes 4, 10, 11, 45 and 49)	577,014,981	12	677,745,166	16
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Notes 4 and 12)	21,574,616	-	24,166,326	-
RECEIVABLES, NET (Notes 4, 13, 15 and 44)	138,165,611	3	116,540,618	3
CURRENT INCOME TAX ASSETS (Notes 4 and 42)	494	-	60,174	-
DISCOUNTS AND LOANS, NET (Notes 4, 5, 14 and 44)	2,679,232,675	58	2,280,571,067	54
INVESTMENTS MEASURED BY EQUITY METHOD, NET (Notes 4 and 17)	1,820,873	-	1,792,673	-
OTHER FINANCIAL ASSETS, NET	36,710	-	153,713	-
PROPERTY AND EQUIPMENT, NET (Notes 4, 18 and 44)	24,858,921	1	24,373,269	1
RIGHT-OF-USE ASSETS, NET (Notes 4, 19 and 44)	6,147,818	-	3,640,704	-
INVESTMENT PROPERTIES, NET (Notes 4 and 20)	2,301,344	-	2,287,293	-
INTANGIBLE ASSETS, NET (Notes 4 and 21)	8,442,228	-	8,302,654	-
DEFERRED TAX ASSETS (Notes 4 and 42)	3,880,532	-	4,195,335	-
OTHER ASSETS, NET (Notes 22 and 44)	<u>33,387,737</u>	<u>1</u>	<u>28,903,636</u>	<u>1</u>
TOTAL	<u>\$ 4,606,285,032</u>	<u>100</u>	<u>\$ 4,233,700,808</u>	<u>100</u>
LIABILITIES AND EQUITY				
DEPOSITS FROM THE CENTRAL BANK AND BANKS (Notes 23 and 44)	\$ 184,682,667	4	\$ 117,130,854	3
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8, 44 and 49)	132,772,775	3	123,125,951	3
NOTES AND BONDS ISSUED UNDER REPURCHASE AGREEMENTS (Notes 4 and 24)	10,942,366	-	18,318,492	-
PAYABLES (Notes 25 and 44)	44,107,624	1	41,715,928	1
CURRENT TAX LIABILITIES (Notes 4 and 42)	359,129	-	323,344	-
DEPOSITS AND REMITTANCES (Notes 26 and 44)	3,848,586,425	84	3,543,557,812	84
FINANCIAL DEBENTURES PAYABLE (Note 27)	12,700,000	-	27,100,000	1
OTHER FINANCIAL LIABILITIES (Note 28)	46,198,699	1	64,668,563	1
PROVISIONS (Notes 4, 15 and 29)	3,771,032	-	3,827,230	-
LEASE LIABILITIES (Notes 4, 19 and 44)	6,198,477	-	3,673,568	-
DEFERRED TAX LIABILITIES (Notes 4 and 42)	2,693,938	-	2,210,371	-
OTHER LIABILITIES (Notes 4, 31 and 44)	<u>13,223,870</u>	<u>-</u>	<u>12,183,020</u>	<u>-</u>
Total liabilities	<u>4,306,237,002</u>	<u>93</u>	<u>3,957,835,133</u>	<u>93</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK (Note 32)				
Capital stock				
Common stock	<u>120,113,139</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>
Retained earnings				
Legal reserve	94,311,239	2	85,964,149	2
Special reserve	8,504,431	-	16,832,170	-
Unappropriated earnings	<u>37,320,398</u>	<u>1</u>	<u>27,823,633</u>	<u>1</u>
Total retained earnings	<u>140,136,068</u>	<u>3</u>	<u>130,619,952</u>	<u>3</u>
Other equity	<u>(3,728,683)</u>	<u>-</u>	<u>(6,156,444)</u>	<u>-</u>
Total equity attributable to owners of the Bank	295,389,604	7	271,931,243	7
NON-CONTROLLING INTERESTS (Note 32)	<u>4,658,426</u>	<u>-</u>	<u>3,934,432</u>	<u>-</u>
Total equity	<u>300,048,030</u>	<u>7</u>	<u>275,865,675</u>	<u>7</u>
TOTAL	<u>\$ 4,606,285,032</u>	<u>100</u>	<u>\$ 4,233,700,808</u>	<u>100</u>

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

CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

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

	2024		2023		Changes (%)
	Amount	%	Amount	%	
NET INTEREST REVENUE (Notes 4, 33 and 44)					
Interest income	\$ 120,185,797	111	\$ 109,474,073	126	10
Interest expense	<u>(59,272,974)</u>	<u>(55)</u>	<u>(57,730,783)</u>	<u>(66)</u>	3
Total net interest revenue	<u>60,912,823</u>	<u>56</u>	<u>51,743,290</u>	<u>60</u>	18
NET REVENUE OTHER THAN INTEREST					
Net service fee revenue (Notes 4, 34 and 44)	27,973,260	26	20,843,725	24	34
Gain on financial assets or liabilities at fair value through profit or loss (Notes 4, 35 and 44)	14,941,158	14	14,324,548	16	4
Realized gain (loss) on financial assets at fair value through other comprehensive income (Notes 4, 9 and 36)	1,136,832	1	(2,466,912)	(3)	146
Loss arising from derecognition of financial assets measured at amortised cost (Notes 4 and 10)	(12,538)	-	(107,531)	-	(88)
Foreign exchange gain (Notes 4 and 50)	2,322,734	2	1,814,170	2	28
Impairment loss on assets (Notes 4 and 37)	(116,431)	-	(127,675)	-	(9)
Share of profit of associates and joint ventures accounted for using equity method (Notes 4 and 17)	62,110	-	38,927	-	60
Net other revenue other than interest income (Notes 4 and 44)	<u>602,157</u>	<u>1</u>	<u>835,288</u>	<u>1</u>	(28)
Total net revenue other than interest	<u>46,909,282</u>	<u>44</u>	<u>35,154,540</u>	<u>40</u>	33
NET REVENUE	<u>107,822,105</u>	<u>100</u>	<u>86,897,830</u>	<u>100</u>	24
BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE LIABILITY PROVISION (Notes 4, 5, 13, 14, 15 and 38)	<u>(9,211,440)</u>	<u>(8)</u>	<u>(5,076,962)</u>	<u>(6)</u>	81

(Continued)

CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

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

	2024		2023		Changes (%)
	Amount	%	Amount	%	
TOTAL OPERATING EXPENSES					
Employee benefits expenses (Notes 4, 39 and 44)	\$ (25,676,709)	(24)	\$ (21,966,481)	(25)	17
Depreciation and amortization expense (Notes 4, 18, 19, 21 and 40)	(3,943,798)	(4)	(3,834,527)	(5)	3
Other general and administrative expense (Notes 4, 41 and 44)	<u>(22,219,754)</u>	<u>(20)</u>	<u>(19,950,667)</u>	<u>(23)</u>	11
Total operating expenses	<u>(51,840,261)</u>	<u>(48)</u>	<u>(45,751,675)</u>	<u>(53)</u>	13
PROFIT BEFORE TAX	46,770,404	44	36,069,193	41	30
INCOME TAX EXPENSE (Notes 4 and 42)	<u>(8,429,626)</u>	<u>(8)</u>	<u>(7,102,387)</u>	<u>(8)</u>	19
NET INCOME	<u>38,340,778</u>	<u>36</u>	<u>28,966,806</u>	<u>33</u>	32
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	(224,164)	-	(320,076)	-	(30)
Revaluation gains on investments in equity instruments measured at fair value through other comprehensive income	3,604,960	3	991,102	1	264
Change in fair value of financial liability attributable to change in credit risk of liability	517,113	-	(506,248)	-	202
Share of other comprehensive income of associates and joint ventures accounted for using equity method (Note 17)	16,796	-	3,552	-	373
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Notes 4 and 42)	(361,903)	-	201,371	-	(280)

(Continued)

CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

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

	2024		2023		Changes (%)
	Amount	%	Amount	%	
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	\$ 2,587,733	2	\$ (285,523)	-	1006
Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method (Note 17)	(25,343)	-	128,084	-	(120)
(Losses) gains from investments in debt instruments measured at fair value through other comprehensive income	(3,153,776)	(3)	7,897,238	9	(140)
Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Notes 4 and 42)	<u>(449,322)</u>	<u>-</u>	<u>(419,132)</u>	<u>(1)</u>	7
Other comprehensive income, net of tax	<u>2,512,094</u>	<u>2</u>	<u>7,690,368</u>	<u>9</u>	(67)
TOTAL COMPREHENSIVE INCOME	<u>\$ 40,852,872</u>	<u>38</u>	<u>\$ 36,657,174</u>	<u>42</u>	11
PROFIT ATTRIBUTABLE TO:					
Owners of the Bank	\$ 37,780,421	35	\$ 28,805,499	33	31
Non-controlling interests	<u>560,357</u>	<u>1</u>	<u>161,307</u>	<u>-</u>	247
	<u>\$ 38,340,778</u>	<u>36</u>	<u>\$ 28,966,806</u>	<u>33</u>	32
COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Bank	\$ 40,128,878	37	\$ 36,242,199	42	11
Non-controlling interests	<u>723,994</u>	<u>1</u>	<u>414,975</u>	<u>-</u>	74
	<u>\$ 40,852,872</u>	<u>38</u>	<u>\$ 36,657,174</u>	<u>42</u>	11
EARNINGS PER SHARE (Note 43)					
Basic	<u>\$ 3.15</u>		<u>\$ 2.40</u>		

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

(Concluded)

CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Bank										Total	Non-controlling Interests	Total Equity
	Capital Stock Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Retained Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Changes in the Fair Value of Financial Liabilities Attributable to Changes in the 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	\$ 12,291,970	\$ (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)
Appropriation of 2022 earnings	-	-	-	-	(7,215,440)	-	-	-	-	-	-	-	-
Legal reserve	-	-	7,215,440	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	14,783,830	(14,783,830)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,055,588)	-	-	-	-	-	-	-	(2,055,588)
Net income for the year ended December 31, 2023	-	-	-	-	28,805,499	-	-	-	-	-	-	161,307	28,966,806
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(228,490)	8,324,353	(404,998)	(254,165)	-	7,436,700	253,668	7,690,368
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	28,805,499	(228,490)	8,324,353	(404,998)	(254,165)	-	7,436,700	414,975	36,657,174
Recognition of share-based payments granted by the parent company	-	-	10,419	-	-	-	-	-	-	-	-	-	10,419
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(470,401)	(470,401)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	(29,325)	(981,851)	-	981,851	-	-	-	-	-	-
Others	-	-	-	-	29,325	-	-	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2023	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
Effects of initial application of IAS 29 "Financial Reporting in Hyperinflationary Economies"	-	-	-	-	(380,719)	-	-	-	-	-	-	-	(380,719)
IMPACT ON THE REMAINING BALANCE AT JANUARY 1, 2024	108,598,655	38,869,080	85,964,149	16,832,170	27,442,914	(1,520,460)	(2,847,253)	(833,793)	(2,567,037)	1,612,099	(6,156,444)	3,934,432	275,484,956
Appropriation of 2023 earnings	-	-	-	-	(8,347,090)	-	-	-	-	-	-	-	-
Legal reserve	-	-	8,347,090	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	(8,327,739)	8,327,739	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(16,289,798)	-	-	-	-	-	-	-	(16,289,798)
Stock dividends	11,514,484	-	-	-	(11,514,484)	-	-	-	-	-	-	-	-
Net income for the year ended December 31, 2024	-	-	-	-	37,780,421	-	-	-	-	-	-	560,357	38,340,778
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	1,880,055	236,609	413,691	(181,898)	-	2,348,457	163,637	2,512,094
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	37,780,421	1,880,055	236,609	413,691	(181,898)	-	2,348,457	723,994	40,852,872
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(79,304)	-	79,304	-	-	-	-	-	-
BALANCE AT DECEMBER 31, 2024	\$ 120,113,139	\$ 38,869,080	\$ 94,311,239	\$ 8,504,431	\$ 37,320,398	\$ 359,595	\$ (2,531,340)	\$ (420,102)	\$ (2,748,935)	\$ 1,612,099	\$ (3,728,683)	\$ 4,658,426	\$ 300,048,030

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

CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

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

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 46,770,404	\$ 36,069,193
Adjustments:		
Depreciation expense	3,243,922	3,185,448
Amortization expense	699,876	649,079
Expected credit loss	9,211,440	5,076,962
Net gains on financial assets and liabilities at fair value through profit or loss	(14,941,158)	(14,324,548)
Interest expense	59,272,974	57,730,783
Net losses arising from derecognition of financial assets measured at amortised cost	12,538	107,531
Interest income	(120,185,797)	(109,474,073)
Dividend income	(1,099,476)	(1,582,814)
Compensation costs of share-based payments	-	10,419
Share of profit of associates and joint ventures accounted for using equity method	(62,110)	(38,927)
Gains on disposal of property and equipment	(62,562)	(153,308)
Gains on disposal of investment properties	(1,740)	-
(Gains) losses on disposal of investments	(37,356)	4,049,726
Impairment loss on financial assets	116,431	127,675
Gains on sale of nonperforming loans	(11,797)	-
Gains on fair value adjustment of investment property	(70,755)	(111,774)
Other adjustments to reconcile profit (loss)	135,650	-
Changes in operating assets and liabilities		
Due from the Central Bank and call loans to banks	(20,148,956)	(2,648,951)
Financial assets at fair value through profit or loss	188,607,848	4,227,486
Financial assets at fair value through other comprehensive income	(72,622,880)	188,830,511
Investments in debt instruments at amortised cost	100,607,161	(160,998,612)
Receivables	(22,871,875)	7,358,792
Discounts and loans	(406,760,283)	(239,732,485)
Other financial assets	117,003	(153,713)
Other assets	825,160	(160,381)
Deposits from the Central Bank and banks	67,551,813	19,821,615
Financial liabilities at fair value through profit or loss	(116,848,283)	(80,405,426)
Notes and bonds issued under repurchase agreement	(7,376,126)	(12,413,314)
Payables	2,116,721	1,398,069
Deposits and remittances	305,028,613	297,395,965
Other financial liabilities	(18,469,864)	8,649,366
Provisions	(235,764)	(799,051)
Other liabilities	406,487	(136,129)
Cash (used in) generated from operations	(17,082,741)	11,555,114
Interest received	125,404,465	110,244,130
Dividends received	1,118,290	1,632,065

(Continued)

CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

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

	2024	2023
Interest paid	\$ (61,994,219)	\$ (54,611,491)
Income tax paid	<u>(6,860,153)</u>	<u>(5,509,919)</u>
Net cash generated from operating activities	<u>40,585,642</u>	<u>63,309,899</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(1,928,120)	(1,468,930)
Proceeds from disposal of property and equipment	156,812	10,696
Acquisition of intangible assets	(539,546)	(265,580)
Proceeds from disposal of investment properties	13,520	-
Cash received of sale of nonperforming loans	38,790	-
Other assets	(5,581,559)	8,957,312
Dividends received	<u>25,363</u>	<u>-</u>
Net cash (used in) generated from investing activities	<u>(7,814,740)</u>	<u>7,233,498</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of financial debentures payable	(14,400,000)	(10,048,944)
Payments of the principal portion of lease liabilities	(1,757,539)	(1,666,792)
Other liabilities	622,615	(601,867)
Cash dividends paid	<u>(16,289,798)</u>	<u>(2,525,989)</u>
Net cash used in financing activities	<u>(31,824,722)</u>	<u>(14,843,592)</u>
EFFECTS OF PURCHASING POWER AND EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	<u>1,922,907</u>	<u>(296,365)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,869,087	55,403,440
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	<u>368,299,200</u>	<u>312,895,760</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 371,168,287</u>	<u>\$ 368,299,200</u>

(Continued)

CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

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

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
RECONCILIATIONS OF CASH AND CASH EQUIVALENTS REPORTED IN THE CONSOLIDATED STATEMENTS OF CASH FLOWS WITH THOSE REPORTED IN THE CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2024 AND 2023		
Cash and cash equivalents reported in the consolidated balance sheets	\$ 163,215,658	\$ 105,837,938
Due from the Central Bank and call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7	186,378,013	238,294,936
Securities purchased under resell agreements qualifying for cash and cash equivalents under the definition of IAS 7	<u>21,574,616</u>	<u>24,166,326</u>
Cash and cash equivalents at the end of the year	<u>\$ 371,168,287</u>	<u>\$ 368,299,200</u>

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

(Concluded)