

CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2022 (Reviewed)		December 31, 2021 (Audited)		March 31, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS (Notes 4, 6 and 44)	\$ 55,774,915	2	\$ 65,389,093	2	\$ 86,468,445	3
DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS (Notes 4, 7, 44 and 45)	262,487,522	7	234,546,475	7	152,315,784	5
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8, 44 and 49)	298,948,272	8	285,354,534	8	293,230,167	9
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 9, 11, 45 and 49)	319,116,183	9	313,368,538	9	283,890,800	9
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTISED COST (Notes 4, 10, 11, 45 and 49)	582,392,745	16	571,901,742	16	530,356,559	16
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Notes 4 and 12)	48,554,580	1	42,029,115	1	17,300,062	-
RECEIVABLES, NET (Notes 4, 13, 15 and 44)	88,462,508	3	103,894,679	3	91,642,636	3
CURRENT INCOME TAX ASSETS	7,483	-	2,740	-	4,099	-
ASSETS HELD FOR SALE, NET (Notes 4 and 18)	271,823	-	283,087	-	-	-
DISCOUNTS AND LOANS, NET (Notes 4, 5, 14 and 44)	1,870,624,221	52	1,807,076,659	52	1,743,600,748	53
INVESTMENTS MEASURED BY EQUITY METHOD, NET (Notes 4 and 17)	1,827,304	-	1,832,266	-	1,892,845	-
OTHER FINANCIAL ASSETS, NET (Note 6)	-	-	4,346,973	-	-	-
PROPERTY AND EQUIPMENT, NET (Notes 4 and 18)	24,440,330	1	24,504,088	1	25,249,027	1
RIGHT-OF-USE ASSETS, NET (Notes 4, 19 and 44)	4,314,458	-	3,660,366	-	4,044,672	-
INVESTMENT PROPERTIES, NET (Notes 4 and 20)	622,940	-	657,440	-	646,445	-
INTANGIBLE ASSETS, NET (Notes 4 and 21)	8,226,540	-	8,250,600	-	8,133,457	-
DEFERRED TAX ASSETS (Note 4)	4,119,441	-	4,612,273	-	4,300,178	-
OTHER ASSETS, NET (Notes 22 and 44)	<u>28,247,582</u>	<u>1</u>	<u>27,612,414</u>	<u>1</u>	<u>30,899,595</u>	<u>1</u>
TOTAL	<u>\$ 3,598,438,847</u>	<u>100</u>	<u>\$ 3,499,323,082</u>	<u>100</u>	<u>\$ 3,273,975,519</u>	<u>100</u>
LIABILITIES AND EQUITY						
DEPOSITS FROM THE CENTRAL BANK AND BANKS (Notes 23 and 44)	\$ 112,784,410	3	\$ 74,605,174	2	\$ 80,305,732	2
DUE TO THE CENTRAL BANK AND BANKS	1,076,000	-	1,076,000	-	1,076,000	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8, 44 and 49)	88,231,832	3	75,884,932	2	94,975,430	3
NOTES AND BONDS ISSUED UNDER REPURCHASE AGREEMENTS (Notes 4 and 24)	35,244,841	1	37,161,652	1	14,987,334	1
PAYABLES (Notes 25 and 44)	23,334,875	1	27,055,843	1	23,724,007	1
CURRENT TAX LIABILITIES (Note 4)	175,588	-	71,994	-	393,161	-
DEPOSITS AND REMITTANCES (Notes 26 and 44)	2,987,059,268	83	2,935,693,967	84	2,696,406,936	82
FINANCIAL DEBENTURES PAYABLE (Note 27)	47,360,991	1	46,800,000	2	52,300,000	2
OTHER FINANCIAL LIABILITIES (Note 28)	34,265,474	1	31,502,729	1	37,172,339	1
PROVISIONS (Notes 4, 15 and 29)	3,567,051	-	3,810,166	-	3,738,244	-
LEASE LIABILITIES (Notes 4, 19 and 44)	4,372,043	-	3,679,114	-	4,116,186	-
DEFERRED TAX LIABILITIES (Note 4)	1,951,403	-	2,872,121	-	3,091,626	-
OTHER LIABILITIES (Notes 4, 31 and 44)	<u>8,180,499</u>	<u>-</u>	<u>8,382,187</u>	<u>-</u>	<u>9,241,456</u>	<u>-</u>
Total liabilities	<u>3,347,604,275</u>	<u>93</u>	<u>3,248,595,879</u>	<u>93</u>	<u>3,021,528,451</u>	<u>92</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK (Note 32)						
Capital stock						
Common stock	<u>106,985,830</u>	<u>3</u>	<u>106,985,830</u>	<u>3</u>	<u>106,985,830</u>	<u>4</u>
Capital surplus	<u>38,687,276</u>	<u>1</u>	<u>38,687,276</u>	<u>1</u>	<u>38,687,276</u>	<u>1</u>
Retained earnings						
Legal reserve	71,182,447	2	71,182,447	2	64,526,043	2
Special reserve	2,083,756	-	2,083,756	-	2,084,653	-
Unappropriated earnings	<u>31,914,094</u>	<u>1</u>	<u>25,236,235</u>	<u>1</u>	<u>29,177,218</u>	<u>1</u>
Total retained earnings	<u>105,180,297</u>	<u>3</u>	<u>98,502,438</u>	<u>3</u>	<u>95,787,914</u>	<u>3</u>
Other equity	<u>(4,488,470)</u>	<u>-</u>	<u>(2,175,368)</u>	<u>-</u>	<u>(6,992,125)</u>	<u>-</u>
Total equity attributable to owners of the Bank	246,364,933	7	246,351,112	7	248,453,145	8
NON-CONTROLLING INTERESTS (Note 32)	<u>4,469,639</u>	<u>-</u>	<u>4,376,091</u>	<u>-</u>	<u>3,993,923</u>	<u>-</u>
Total equity	<u>250,834,572</u>	<u>7</u>	<u>250,727,203</u>	<u>7</u>	<u>252,447,068</u>	<u>8</u>
TOTAL	<u>\$ 3,598,438,847</u>	<u>100</u>	<u>\$ 3,499,323,082</u>	<u>100</u>	<u>\$ 3,273,975,519</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 (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2022		2021	
	Amount	%	Amount	%
NET INTEREST REVENUE (Notes 4, 33 and 44)				
Interest income	\$ 12,759,464	76	\$ 11,917,618	73
Interest expense	<u>(2,599,719)</u>	<u>(16)</u>	<u>(2,705,361)</u>	<u>(17)</u>
Total net interest revenue	<u>10,159,745</u>	<u>60</u>	<u>9,212,257</u>	<u>56</u>
NET REVENUE OTHER THAN INTEREST				
Net service fee revenue (Notes 4, 34 and 44)	5,283,496	31	4,617,257	28
Gain on financial assets or liabilities at fair value through profit or loss (Notes 4, 35 and 44)	313,464	2	779,192	5
Realized gain on financial assets at fair value through other comprehensive income (Notes 4, 9 and 36)	823,498	5	1,268,953	8
Loss arising from derecognition of financial assets measured at amortised cost (Notes 4 and 14)	(210,119)	(1)	-	-
Foreign exchange gain (Notes 4 and 50)	339,736	2	233,222	2
Impairment reversal (loss) on assets (Notes 4 and 37)	(24,874)	-	47,428	-
Share of profit of associates and joint ventures accounted for using equity method (Notes 4 and 17)	13,462	-	35,441	-
Net other revenue other than interest income (Notes 4 and 44)	<u>133,885</u>	<u>1</u>	<u>110,937</u>	<u>1</u>
Total net revenue other than interest	<u>6,672,548</u>	<u>40</u>	<u>7,092,430</u>	<u>44</u>
NET REVENUE	<u>16,832,293</u>	<u>100</u>	<u>16,304,687</u>	<u>100</u>
BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE LIABILITY PROVISION (Notes 4, 5, 13, 14, 15 and 38)	<u>(296,328)</u>	<u>(2)</u>	<u>(1,244,699)</u>	<u>(8)</u>
TOTAL OPERATING EXPENSES				
Employee benefits expenses (Notes 4, 39 and 44)	(4,684,360)	(28)	(4,259,772)	(26)
Depreciation and amortization expense (Notes 4, 18, 19, 21 and 40)	(890,991)	(5)	(852,457)	(5)
Other general and administrative expense (Notes 4, 41 and 44)	<u>(2,656,008)</u>	<u>(16)</u>	<u>(2,644,242)</u>	<u>(16)</u>
Total operating expenses	<u>(8,231,359)</u>	<u>(49)</u>	<u>(7,756,471)</u>	<u>(47)</u>

(Continued)

CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2022		2021	
	Amount	%	Amount	%
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	\$ 8,304,606	49	\$ 7,303,517	45
INCOME TAX EXPENSE (Notes 4 and 42)	<u>(1,432,402)</u>	<u>(8)</u>	<u>(899,995)</u>	<u>(6)</u>
INCOME FROM CONTINUING OPERATIONS, NET OF TAX	<u>6,872,204</u>	<u>41</u>	<u>6,403,522</u>	<u>39</u>
OTHER COMPREHENSIVE LOSS, NET OF TAX (Notes 4 and 32)				
Components of other comprehensive income that will not be reclassified to profit or loss, net of tax				
Remeasurement of defined benefit plans	(826)	-	(655)	-
Revaluation gains on investments in equity instruments measured at fair value through other comprehensive income	120,136	1	4,288,414	26
Change in fair value of financial liability attributable to change in credit risk of liability	333,517	2	456,692	3
Share of other comprehensive income of associates and joint ventures accounted for using equity method	1,829	-	5,219	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Notes 4 and 42)	(58,411)	(1)	(317,863)	(2)
Components of other comprehensive income that will be reclassified to profit or loss, net of tax				
Exchange differences on translating the financial statements of foreign operations	1,310,631	8	(133,322)	(1)
Share of other comprehensive loss of associates and joint ventures accounted for using equity method	(20,253)	-	(10,984)	-
Losses from investments in debt instruments measured at fair value through other comprehensive income	(8,583,837)	(51)	(4,529,968)	(28)
Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Notes 4 and 42)	<u>132,379</u>	<u>1</u>	<u>101,500</u>	<u>1</u>
Other comprehensive loss, net of tax	<u>(6,764,835)</u>	<u>(40)</u>	<u>(140,967)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME, NET OF TAX	<u>\$ 107,369</u>	<u>1</u>	<u>\$ 6,262,555</u>	<u>38</u>

(Continued)

CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2022		2021	
	Amount	%	Amount	%
PROFIT ATTRIBUTABLE TO:				
Owners of the Bank	\$ 6,732,568	40	\$ 6,365,631	39
Non-controlling interests	<u>139,636</u>	<u>1</u>	<u>37,891</u>	<u>-</u>
	<u>\$ 6,872,204</u>	<u>41</u>	<u>\$ 6,403,522</u>	<u>39</u>
COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Bank	\$ 13,821	-	\$ 6,156,273	38
Non-controlling interests	<u>93,548</u>	<u>1</u>	<u>106,282</u>	<u>-</u>
	<u>\$ 107,369</u>	<u>1</u>	<u>\$ 6,262,555</u>	<u>38</u>
EARNINGS PER SHARE (Note 43)				
Basic	<u>\$ 0.63</u>		<u>\$ 0.59</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
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Bank										Total Equity		
	Capital Stock Common Stock	Capital Surplus	Legal Reserve	Retained Earnings Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of 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	Gains (Losses) on Remeasurements of Defined Benefit Plans	Property Revaluation Surplus		Non-controlling Interests	
BALANCE AT JANUARY 1, 2021	\$ 106,985,830	\$ 38,687,276	\$ 64,526,043	\$ 2,084,653	\$ 22,122,582	\$ (2,034,967)	\$ 12,999,487	\$ (1,478,705)	\$ (1,910,070)	\$ 314,743	\$ 7,890,488	\$ 4,358,749	\$ 246,655,621
Net income for the three months ended March 31, 2021	-	-	-	-	6,365,631	-	-	-	-	-	-	37,891	6,403,522
Other comprehensive income (loss) for the three months ended March 31, 2021, net of income tax	-	-	-	-	-	(109,767)	(465,282)	365,354	337	-	(209,358)	68,391	(140,967)
Total comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	6,365,631	(109,767)	(465,282)	365,354	337	-	(209,358)	106,282	6,262,555
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(471,108)	(471,108)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	689,005	-	(689,005)	-	-	-	(689,005)	-	-
BALANCE AT MARCH 31, 2021	\$ 106,985,830	\$ 38,687,276	\$ 64,526,043	\$ 2,084,653	\$ 29,177,218	\$ (2,144,734)	\$ 11,845,200	\$ (1,113,351)	\$ (1,909,732)	\$ 314,743	\$ 6,992,125	\$ 3,993,923	\$ 252,447,068
BALANCE AT JANUARY 1, 2022	\$ 106,985,830	\$ 38,687,276	\$ 71,182,447	\$ 2,083,756	\$ 25,236,235	\$ (2,766,438)	\$ 7,527,083	\$ (889,397)	\$ (1,980,688)	\$ 285,008	\$ 2,175,568	\$ 4,376,091	\$ 250,727,203
Net income for the three months ended March 31, 2022	-	-	-	-	6,732,568	-	-	-	-	-	-	139,636	6,872,204
Other comprehensive income (loss) for the three months ended March 31, 2022, net of income tax	-	-	-	-	-	948,173	(7,934,254)	266,813	521	-	(6,718,747)	(46,088)	(6,764,835)
Total comprehensive income (loss) for the three months ended March 31, 2022	-	-	-	-	6,732,568	948,173	(7,934,254)	266,813	521	-	(6,718,747)	93,548	107,369
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(54,709)	-	54,709	-	-	-	54,709	-	-
BALANCE AT MARCH 31, 2022	\$ 106,985,830	\$ 38,687,276	\$ 71,182,447	\$ 2,083,756	\$ 31,914,094	\$ (1,818,265)	\$ (352,462)	\$ (622,584)	\$ (1,980,167)	\$ 285,008	\$ (4,488,470)	\$ 4,469,639	\$ 250,834,572

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)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 8,304,606	\$ 7,303,517
Adjustments:		
Depreciation expense	759,417	735,980
Amortization expense	131,574	116,477
Expected credit loss/bad debt expense	296,328	1,244,699
Net gains on financial assets and liabilities at fair value through profit or loss	(313,464)	(779,192)
Interest expense	2,599,719	2,705,361
Net losses arising from derecognition of financial assets measured at amortised cost	210,119	-
Interest income	(12,759,464)	(11,917,618)
Dividend income	(11,252)	(20,591)
Share of profit of associates and joint ventures accounted for using equity method	(13,462)	(35,441)
Losses on disposal of property and equipment	1,669	2,549
Gains on disposal of investment properties	(2,300)	-
Gains on disposal of assets held for sale	(12,436)	-
Gains on disposal of investments	(812,246)	(1,248,362)
Impairment loss (reversal of impairment loss) on financial assets	24,874	(47,428)
Changes in operating assets and liabilities		
Due from the Central Bank and call loans to banks	(1,266,024)	(4,150,312)
Financial assets at fair value through profit or loss	16,091,165	12,331,338
Financial assets at fair value through other comprehensive income	(13,418,052)	53,251,142
Investments in debt instruments at amortised cost	(10,707,044)	(28,618,306)
Receivables	14,745,518	7,668,866
Discounts and loans	(63,883,468)	(83,620,862)
Other financial assets	4,346,973	368
Other assets	1,009,637	3,995,690
Deposits from the Central Bank and banks	38,179,236	14,174,673
Financial liabilities at fair value through profit or loss	(16,897,615)	(989,969)
Notes and bonds issued under repurchase agreement	(1,916,811)	4,895,276
Payables	(5,312,722)	(2,048,513)
Deposits and remittances	51,365,301	47,411,912
Other financial liabilities	2,762,745	(2,575,985)
Provisions	(219,089)	(16,825)
Other liabilities	(121,184)	571,189
Cash generated from operations	13,162,248	20,339,633
Interest received	14,018,536	12,820,797
Dividends received	23,869	25,526

(Continued)

CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three Months Ended March 31	
	2022	2021
Interest paid	\$ (2,631,599)	\$ (2,899,573)
Income tax paid	<u>(393,741)</u>	<u>(201,206)</u>
Net cash generated from operating activities	<u>24,179,313</u>	<u>30,085,177</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of assets held for sale	23,700	-
Acquisition of property and equipment	(266,259)	(307,450)
Proceeds from disposal of property and equipment	331	51
Acquisition of intangible assets	(47,097)	(45,181)
Proceeds from disposal of investment properties	36,800	-
Other assets	<u>(1,689,310)</u>	<u>(780,077)</u>
Net cash used in investing activities	<u>(1,941,835)</u>	<u>(1,132,657)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of financial debentures	545,684	-
Repayments of financial debentures payable	-	(1,500,000)
Repayments of the principal portion of lease liabilities	(367,234)	(367,069)
Other liabilities	(86,346)	(2,170,866)
Cash dividends paid	<u>-</u>	<u>(471,108)</u>
Net cash generated from (used in) financing activities	<u>92,104</u>	<u>(4,509,043)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>1,284,164</u>	<u>(127,879)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	23,613,746	24,315,598
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>254,581,778</u>	<u>151,993,849</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 278,195,524</u>	<u>\$ 176,309,447</u>

(Continued)

CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	<u>March 31</u>	
	<u>2022</u>	<u>2021</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 MARCH 31, 2022 AND 2021		
Cash and cash equivalents reported in the consolidated balance sheets	\$ 55,774,915	\$ 86,468,445
Due from the Central Bank and call loans to banks qualifying for cash		
and cash equivalents under the definition of IAS 7	173,866,029	72,540,940
Securities purchased under resell agreements qualifying for cash and		
cash equivalents under the definition of IAS 7	<u>48,554,580</u>	<u>17,300,062</u>
Cash and cash equivalents at the end of the period	<u>\$ 278,195,524</u>	<u>\$ 176,309,447</u>

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

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