

CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CASH AND CASH EQUIVALENTS (Notes 4, 6 and 44)	\$ 87,345,041	2	\$ 119,616,535	3	\$ 55,774,915	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS (Notes 4, 7, 44 and 45)	367,448,806	9	266,322,216	7	262,487,522	7
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8, 44 and 49)	292,329,268	7	234,300,043	6	298,948,272	8
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 9, 11, 44, 45 and 49)	432,369,849	11	480,180,321	12	319,116,183	9
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTISED COST (Notes 4, 10, 11, 45 and 49)	496,691,130	12	516,862,982	13	582,392,745	16
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Notes 4 and 12)	20,262,845	1	22,766,209	1	48,554,580	1
RECEIVABLES, NET (Notes 4, 13, 15 and 44)	108,768,008	3	119,638,809	3	88,462,508	3
CURRENT INCOME TAX ASSETS	-	-	9,243	-	7,483	-
ASSETS HELD FOR SALE, NET (Notes 4 and 18)	-	-	-	-	271,823	-
DISCOUNTS AND LOANS, NET (Notes 4, 5, 14 and 44)	2,117,904,635	53	2,045,082,457	53	1,870,624,221	52
INVESTMENTS MEASURED BY EQUITY METHOD, NET (Notes 4 and 17)	1,629,414	-	1,622,125	-	1,827,304	-
OTHER FINANCIAL ASSETS, NET	152,808	-	-	-	-	-
PROPERTY AND EQUIPMENT, NET (Notes 4 and 18)	24,217,852	1	24,261,902	1	24,440,330	1
RIGHT-OF-USE ASSETS, NET (Notes 4, 19 and 44)	3,750,633	-	3,613,004	-	4,314,458	-
INVESTMENT PROPERTIES, NET (Notes 4 and 20)	2,209,212	-	2,220,443	-	622,940	-
INTANGIBLE ASSETS, NET (Notes 4 and 21)	8,332,755	-	8,378,349	-	8,226,540	-
DEFERRED TAX ASSETS (Note 4)	4,339,563	-	4,139,231	-	4,119,441	-
OTHER ASSETS, NET (Notes 22 and 44)	<u>34,887,333</u>	<u>1</u>	<u>38,017,257</u>	<u>1</u>	<u>28,247,582</u>	<u>1</u>
TOTAL	<u>\$ 4,002,639,152</u>	<u>100</u>	<u>\$ 3,887,031,126</u>	<u>100</u>	<u>\$ 3,598,438,847</u>	<u>100</u>
LIABILITIES AND EQUITY						
DEPOSITS FROM THE CENTRAL BANK AND BANKS (Notes 23 and 44)	\$ 150,581,874	4	\$ 97,309,239	3	\$ 112,784,410	3
DUE TO THE CENTRAL BANK AND BANKS	-	-	-	-	1,076,000	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8, 44 and 49)	102,103,208	3	121,052,878	3	88,231,832	3
NOTES AND BONDS ISSUED UNDER REPURCHASE AGREEMENTS (Notes 4 and 24)	38,730,911	1	30,731,806	1	35,244,841	1
PAYABLES (Notes 25 and 44)	43,040,809	1	34,397,688	1	23,334,875	1
CURRENT TAX LIABILITIES	491,471	-	324,437	-	175,588	-
DEPOSITS AND REMITTANCES (Notes 26 and 44)	3,293,675,178	82	3,246,161,847	84	2,987,059,268	83
FINANCIAL DEBENTURES PAYABLE (Note 27)	37,146,179	1	37,147,398	1	47,360,991	1
OTHER FINANCIAL LIABILITIES (Note 28)	61,414,197	2	56,019,197	1	34,265,474	1
PROVISIONS (Notes 4, 15 and 29)	3,256,302	-	3,942,660	-	3,567,051	-
LEASE LIABILITIES (Notes 4, 19 and 44)	3,819,212	-	3,636,660	-	4,372,043	-
DEFERRED TAX LIABILITIES (Note 4)	1,894,011	-	1,633,989	-	1,951,403	-
OTHER LIABILITIES (Notes 4, 31 and 44)	<u>11,443,639</u>	<u>-</u>	<u>12,949,241</u>	<u>-</u>	<u>8,180,499</u>	<u>-</u>
Total liabilities	<u>3,747,596,991</u>	<u>94</u>	<u>3,645,307,040</u>	<u>94</u>	<u>3,347,604,275</u>	<u>93</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE BANK (Note 32)						
Capital stock						
Common stock	<u>108,598,655</u>	<u>3</u>	<u>108,598,655</u>	<u>3</u>	<u>106,985,830</u>	<u>3</u>
Capital surplus	<u>38,869,080</u>	<u>1</u>	<u>38,858,661</u>	<u>1</u>	<u>38,687,276</u>	<u>1</u>
Retained earnings						
Legal reserve	78,748,709	2	78,748,709	2	71,182,447	2
Special reserve	2,077,665	-	2,077,665	-	2,083,756	-
Unappropriated earnings	<u>33,148,561</u>	<u>1</u>	<u>24,025,533</u>	<u>1</u>	<u>31,914,094</u>	<u>1</u>
Total retained earnings	<u>113,974,935</u>	<u>3</u>	<u>104,851,907</u>	<u>3</u>	<u>105,180,297</u>	<u>3</u>
Other equity	<u>(10,534,620)</u>	<u>(1)</u>	<u>(14,574,995)</u>	<u>(1)</u>	<u>(4,488,470)</u>	<u>-</u>
Total equity attributable to owners of the Bank	250,908,050	6	237,734,228	6	246,364,933	7
NON-CONTROLLING INTERESTS (Note 32)	<u>4,134,111</u>	<u>-</u>	<u>3,989,858</u>	<u>-</u>	<u>4,469,639</u>	<u>-</u>
Total equity	<u>255,042,161</u>	<u>6</u>	<u>241,724,086</u>	<u>6</u>	<u>250,834,572</u>	<u>7</u>
TOTAL	<u>\$ 4,002,639,152</u>	<u>100</u>	<u>\$ 3,887,031,126</u>	<u>100</u>	<u>\$ 3,598,438,847</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			
	2023		2022	
	Amount	%	Amount	%
NET INTEREST REVENUE (Notes 4, 33 and 44)				
Interest income	\$ 24,382,381	115	\$ 12,759,464	76
Interest expense	<u>(11,612,950)</u>	<u>(55)</u>	<u>(2,599,719)</u>	<u>(16)</u>
Total net interest revenue	<u>12,769,431</u>	<u>60</u>	<u>10,159,745</u>	<u>60</u>
NET REVENUE OTHER THAN INTEREST				
Net service fee revenue (Notes 4, 34 and 44)	5,383,914	25	5,283,496	31
Gain on financial assets or liabilities at fair value through profit or loss (Notes 4, 35 and 44)	2,726,441	13	313,464	2
Realized (loss) gain on financial assets at fair value through other comprehensive income (Notes 4, 9 and 36)	(163,453)	(1)	823,498	5
Gain (loss) arising from derecognition of financial assets measured at amortised cost (Notes 4 and 14)	195	-	(210,119)	(1)
Foreign exchange gain (Notes 4 and 50)	418,548	2	339,736	2
Impairment loss on assets (Notes 4 and 37)	(56,069)	-	(24,874)	-
Share of profit of associates and joint ventures accounted for using equity method (Notes 4 and 17)	8,124	-	13,462	-
Net other revenue other than interest income (Notes 4 and 44)	<u>152,778</u>	<u>1</u>	<u>133,885</u>	<u>1</u>
Total net revenue other than interest	<u>8,470,478</u>	<u>40</u>	<u>6,672,548</u>	<u>40</u>
NET REVENUE	<u>21,239,909</u>	<u>100</u>	<u>16,832,293</u>	<u>100</u>
BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE LIABILITY REVERSAL (PROVISION) (Notes 4, 5, 13, 14, 15 and 38)	<u>98,897</u>	<u>-</u>	<u>(296,328)</u>	<u>(2)</u>
TOTAL OPERATING EXPENSES				
Employee benefits expenses (Notes 4, 39 and 44)	(5,207,776)	(25)	(4,684,360)	(28)
Depreciation and amortization expense (Notes 4, 18, 19, 21 and 40)	(948,257)	(4)	(890,991)	(5)
Other general and administrative expense (Notes 4, 41 and 44)	<u>(4,088,877)</u>	<u>(19)</u>	<u>(2,656,008)</u>	<u>(16)</u>
Total operating expenses	<u>(10,244,910)</u>	<u>(48)</u>	<u>(8,231,359)</u>	<u>(49)</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			
	2023		2022	
	Amount	%	Amount	%
PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	\$ 11,093,896	52	\$ 8,304,606	49
INCOME TAX EXPENSE (Notes 4 and 42)	<u>(1,924,276)</u>	<u>(9)</u>	<u>(1,432,402)</u>	<u>(8)</u>
INCOME FROM CONTINUING OPERATIONS, NET OF TAX	<u>9,169,620</u>	<u>43</u>	<u>6,872,204</u>	<u>41</u>
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX (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	(2,723)	-	(826)	-
Revaluation gains on investments in equity instruments measured at fair value through other comprehensive income	663,700	3	120,136	1
Change in fair value of financial liability attributable to change in credit risk of liability	175,608	1	333,517	2
Share of other comprehensive income of associates and joint ventures accounted for using equity method	2,197	-	1,829	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Notes 4 and 42)	(102,840)	-	(58,411)	(1)
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	(48,040)	-	1,310,631	8
Share of other comprehensive loss of associates and joint ventures accounted for using equity method	(3,017)	-	(20,253)	-
Gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	3,566,294	17	(8,583,837)	(51)
Income tax related to components of other comprehensive (income) loss that will be reclassified to profit or loss (Notes 4 and 42)	<u>(113,128)</u>	<u>(1)</u>	<u>132,379</u>	<u>1</u>
Other comprehensive income (loss), net of tax	<u>4,138,051</u>	<u>20</u>	<u>(6,764,835)</u>	<u>(40)</u>
TOTAL COMPREHENSIVE INCOME, NET OF TAX	<u>\$ 13,307,671</u>	<u>63</u>	<u>\$ 107,369</u>	<u>1</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			
	2023		2022	
	Amount	%	Amount	%
PROFIT ATTRIBUTABLE TO:				
Owners of the Bank	\$ 9,113,422	43	\$ 6,732,568	40
Non-controlling interests	<u>56,198</u>	<u>-</u>	<u>139,636</u>	<u>1</u>
	<u>\$ 9,169,620</u>	<u>43</u>	<u>\$ 6,872,204</u>	<u>41</u>
COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Bank	\$ 13,163,418	62	\$ 13,821	-
Non-controlling interests	<u>144,253</u>	<u>1</u>	<u>93,548</u>	<u>1</u>
	<u>\$ 13,307,671</u>	<u>63</u>	<u>\$ 107,369</u>	<u>1</u>
EARNINGS PER SHARE (Note 43)				
Basic	<u>\$ 0.84</u>		<u>\$ 0.62</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	Retained Earnings			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	Other Equity				
			Legal Reserve	Special Reserve	Reserve				Changes in the Fair Value of Financial Liabilities Attributable to Changes in the Credit Risk	Gains (Losses) on Remeasurements of Defined Benefit Plans		Gain on Property Revaluation	Total
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)	2,668,813	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)	2,668,813	521	(6,718,747)	(46,088)	139,636	107,569
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(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
BALANCE AT JANUARY 1, 2023	\$ 108,598,655	\$ 38,858,661	\$ 78,748,709	\$ 2,077,665	\$ 24,025,553	\$ (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 (loss) income for the three months ended March 31, 2023, net of income tax	-	-	(14,202)	-	-	3,925,173	(1,462)	140,487	(1,462)	4,049,996	88,055	-	4,138,051
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	(14,202)	-	9,113,422	3,925,173	(1,462)	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

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	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 11,093,896	\$ 8,304,606
Adjustments:		
Depreciation expense	788,844	759,417
Amortization expense	159,413	131,574
Expected credit loss (reversal)	(98,897)	296,328
Net gains on financial assets and liabilities at fair value through profit or loss	(2,726,441)	(313,464)
Interest expense	11,612,950	2,599,719
Net losses (gains) arising from derecognition of financial assets measured at amortised cost	(195)	210,119
Interest income	(24,382,381)	(12,759,464)
Dividend income	(7,365)	(11,252)
Compensation costs of share-based payments	10,419	-
Share of profit of associates and joint ventures accounted for using equity method	(8,124)	(13,462)
Losses on disposal of property and equipment	2,699	1,669
Gains on disposal of investment properties	-	(2,300)
Gains on disposal of assets held for sale	-	(12,436)
Losses (gains) on disposal of investments	170,818	(812,246)
Impairment loss on financial assets	56,069	24,874
Changes in operating assets and liabilities		
Due from the Central Bank and call loans to banks	(1,505,209)	(1,266,024)
Financial assets at fair value through profit or loss	(72,201,271)	16,091,165
Financial assets at fair value through other comprehensive income	51,845,693	(13,418,052)
Investments in debt instruments at amortised cost	20,139,933	(10,707,044)
Receivables	12,051,202	14,745,518
Discounts and loans	(72,589,587)	(63,883,468)
Other financial assets	(152,813)	4,346,973
Other assets	(3,948,298)	1,009,637
Deposits from the Central Bank and banks	53,272,635	38,179,236
Financial liabilities at fair value through profit or loss	(2,343,884)	(16,897,615)
Notes and bonds issued under repurchase agreement	7,999,105	(1,916,811)
Payables	2,686,822	(5,312,722)
Deposits and remittances	47,513,331	51,365,301
Other financial liabilities	5,395,000	2,762,745
Provisions	(711,522)	(219,089)
Other liabilities	444,304	(121,184)
Cash generated from operations	44,567,146	13,162,248
Interest received	23,901,498	14,018,536
Dividends received	16,237	23,869

(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	
	2023	2022
Interest paid	\$ (7,648,407)	\$ (2,631,599)
Income tax paid	<u>(267,876)</u>	<u>(393,741)</u>
Net cash generated from operating activities	<u>60,568,598</u>	<u>24,179,313</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of assets held for sale	-	23,700
Acquisition of property and equipment	(334,293)	(266,259)
Proceeds from disposal of property and equipment	2	331
Acquisition of intangible assets	(27,529)	(47,097)
Proceeds from disposal of investment properties	-	36,800
Other assets	<u>6,981,854</u>	<u>(1,689,310)</u>
Net cash generated from (used in) investing activities	<u>6,620,034</u>	<u>(1,941,835)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of financial debentures	-	545,684
Payments of the principal portion of lease liabilities	(367,926)	(367,234)
Other liabilities	<u>(1,935,723)</u>	<u>(86,346)</u>
Net cash (used in) generated from financing activities	<u>(2,303,649)</u>	<u>92,104</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(38,872)</u>	<u>1,284,164</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	64,846,111	23,613,746
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>312,895,760</u>	<u>254,581,778</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 377,741,871</u>	<u>\$ 278,195,524</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>2023</u>	<u>2022</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, 2023 AND 2022		
Cash and cash equivalents reported in the consolidated balance sheets	\$ 87,345,041	\$ 55,774,915
Due from the Central Bank and call loans to banks qualifying for cash		
and cash equivalents under the definition of IAS 7	270,133,985	173,866,029
Securities purchased under resell agreements qualifying for cash and		
cash equivalents under the definition of IAS 7	<u>20,262,845</u>	<u>48,554,580</u>
Cash and cash equivalents at the end of the period	<u>\$ 377,741,871</u>	<u>\$ 278,195,524</u>

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

(Concluded)