

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

### CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023		2022	
	Amount	%	Amount	%
<b>ASSETS</b>				
CASH AND CASH EQUIVALENTS (Notes 4, 6 and 44)	\$ 105,837,938	2	\$ 119,616,535	3
DUE FROM THE CENTRAL BANK AND CALL LOANS TO BANKS (Notes 4, 7, 44 and 45)	336,768,960	8	266,322,216	7
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8, 44 and 49)	322,291,636	8	234,300,043	6
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 9, 11, 44, 45 and 49)	296,069,646	7	480,180,321	12
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTISED COST (Notes 4, 10, 11, 45 and 49)	677,745,166	16	516,862,982	13
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Notes 4 and 12)	24,166,326	-	22,766,209	1
RECEIVABLES, NET (Notes 4, 13, 15 and 44)	116,540,618	3	119,638,809	3
CURRENT INCOME TAX ASSETS (Note 4)	60,174	-	9,243	-
DISCOUNTS AND LOANS, NET (Notes 4, 5, 14 and 44)	2,280,571,067	54	2,045,082,457	53
INVESTMENTS MEASURED BY EQUITY METHOD, NET (Notes 4 and 17)	1,792,673	-	1,622,125	-
OTHER FINANCIAL ASSETS, NET	153,713	-	-	-
PROPERTY AND EQUIPMENT, NET (Notes 4 and 18)	24,373,269	1	24,261,902	1
RIGHT-OF-USE ASSETS, NET (Notes 4, 19 and 44)	3,640,704	-	3,613,004	-
INVESTMENT PROPERTIES, NET (Notes 4 and 20)	2,287,293	-	2,220,443	-
INTANGIBLE ASSETS, NET (Notes 4 and 21)	8,302,654	-	8,378,349	-
DEFERRED TAX ASSETS (Notes 4 and 42)	4,195,335	-	4,139,231	-
OTHER ASSETS, NET (Notes 22 and 44)	<u>28,903,636</u>	<u>1</u>	<u>38,017,257</u>	<u>1</u>
TOTAL	<u>\$ 4,233,700,808</u>	<u>100</u>	<u>\$ 3,887,031,126</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
DEPOSITS FROM THE CENTRAL BANK AND BANKS (Notes 23 and 44)	\$ 117,130,854	3	\$ 97,309,239	3
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8, 44 and 49)	123,125,951	3	121,052,878	3
NOTES AND BONDS ISSUED UNDER REPURCHASE AGREEMENTS (Notes 4 and 24)	18,318,492	-	30,731,806	1
PAYABLES (Notes 25 and 44)	41,715,928	1	34,397,688	1
CURRENT TAX LIABILITIES (Notes 4 and 42)	323,344	-	324,437	-
DEPOSITS AND REMITTANCES (Notes 26 and 44)	3,543,557,812	84	3,246,161,847	84
FINANCIAL DEBENTURES PAYABLE (Note 27)	27,100,000	1	37,147,398	1
OTHER FINANCIAL LIABILITIES (Note 28)	64,668,563	1	56,019,197	1
PROVISIONS (Notes 4, 15 and 29)	3,827,230	-	3,942,660	-
LEASE LIABILITIES (Notes 4, 19 and 44)	3,673,568	-	3,636,660	-
DEFERRED TAX LIABILITIES (Notes 4 and 42)	2,210,371	-	1,633,989	-
OTHER LIABILITIES (Notes 4, 31 and 44)	<u>12,183,020</u>	<u>-</u>	<u>12,949,241</u>	<u>-</u>
Total liabilities	<u>3,957,835,133</u>	<u>93</u>	<u>3,645,307,040</u>	<u>94</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>
Capital surplus	<u>38,869,080</u>	<u>1</u>	<u>38,858,661</u>	<u>1</u>
Retained earnings				
Legal reserve	85,964,149	2	78,748,709	2
Special reserve	16,832,170	-	2,077,665	-
Unappropriated earnings	<u>27,823,633</u>	<u>1</u>	<u>24,025,533</u>	<u>1</u>
Total retained earnings	<u>130,619,952</u>	<u>3</u>	<u>104,851,907</u>	<u>3</u>
Other equity	<u>(6,156,444)</u>	<u>-</u>	<u>(14,574,995)</u>	<u>(1)</u>
Total equity attributable to owners of the Bank	271,931,243	7	237,734,228	6
NON-CONTROLLING INTERESTS (Note 32)	<u>3,934,432</u>	<u>-</u>	<u>3,989,858</u>	<u>-</u>
Total equity	<u>275,865,675</u>	<u>7</u>	<u>241,724,086</u>	<u>6</u>
TOTAL	<u>\$ 4,233,700,808</u>	<u>100</u>	<u>\$ 3,887,031,126</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, 2023 AND 2022

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

	2023		2022		Changes (%)
	Amount	%	Amount	%	
NET INTEREST REVENUE (Notes 4, 32 and 44)					
Interest income	\$ 109,474,073	126	\$ 70,173,678	94	56
Interest expense	<u>(57,730,783)</u>	<u>(66)</u>	<u>(21,469,188)</u>	<u>(29)</u>	169
Total net interest revenue	<u>51,743,290</u>	<u>60</u>	<u>48,704,490</u>	<u>65</u>	6
NET REVENUE OTHER THAN INTEREST					
Net service fee revenue (Notes 4, 34 and 44)	20,843,725	24	18,245,515	24	14
Gain on financial assets or liabilities at fair value through profit or loss (Notes 4, 35 and 44)	14,324,548	16	5,204,765	7	175
Realized loss on financial assets at fair value through other comprehensive income (Notes 4, 9 and 36)	(2,466,912)	(3)	(484,378)	(1)	409
Loss arising from derecognition of financial assets measured at amortised cost (Notes 4, 10 and 14)	(107,531)	-	(128,826)	-	(17)
Foreign exchange gain (Notes 4 and 50)	1,814,170	2	2,180,645	3	(17)
Impairment loss on assets (Notes 4 and 37)	(127,675)	-	(90,202)	-	42
Share of profit of associates and joint ventures accounted for using equity method (Notes 4 and 17)	38,927	-	29,074	-	34
Net other revenue other than interest income (Notes 4 and 44)	<u>835,288</u>	<u>1</u>	<u>1,180,365</u>	<u>2</u>	(29)
Total net revenue other than interest	<u>35,154,540</u>	<u>40</u>	<u>26,136,958</u>	<u>35</u>	35
NET REVENUE	<u>86,897,830</u>	<u>100</u>	<u>74,841,448</u>	<u>100</u>	16
BAD DEBTS EXPENSE, COMMITMENT AND GUARANTEE LIABILITY PROVISION (Notes 4, 5, 13, 14, 15 and 38)	<u>(5,076,962)</u>	<u>(6)</u>	<u>(5,523,994)</u>	<u>(8)</u>	(8)

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# CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022		Changes (%)
	Amount	%	Amount	%	
TOTAL OPERATING EXPENSES					
Employee benefits expenses (Notes 4, 39 and 44)	\$ (21,966,481)	(25)	\$ (19,304,586)	(26)	14
Depreciation and amortization expense (Notes 4, 18, 19, 21 and 40)	(3,834,527)	(5)	(3,635,350)	(5)	5
Other general and administrative expense (Notes 4, 41 and 44)	<u>(19,950,667)</u>	<u>(23)</u>	<u>(15,367,198)</u>	<u>(20)</u>	30
Total operating expenses	<u>(45,751,675)</u>	<u>(53)</u>	<u>(38,307,134)</u>	<u>(51)</u>	19
PROFIT BEFORE TAX	36,069,193	41	31,010,320	41	16
INCOME TAX EXPENSE (Notes 4 and 42)	<u>(7,102,387)</u>	<u>(8)</u>	<u>(5,298,617)</u>	<u>(7)</u>	34
NET INCOME	<u>28,966,806</u>	<u>33</u>	<u>25,711,703</u>	<u>34</u>	13
OTHER COMPREHENSIVE INCOME (LOSS) (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	(320,076)	-	(418,071)	(1)	(23)
Gain on property revaluation	-	-	1,322,404	2	(100)
Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	991,102	1	(4,133,074)	(5)	124
Change in fair value of financial liability attributable to change in credit risk of liability	(506,248)	-	575,753	1	(188)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	3,552	-	(5,073)	-	170
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Notes 4 and 42)	201,371	-	103,523	-	95

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# CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022		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	\$ (285,523)	-	\$ 2,225,364	3	(113)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	128,084	-	(170,735)	-	175
Gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	7,897,238	9	(18,289,400)	(24)	143
Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Notes 4 and 42)	<u>(419,132)</u>	<u>(1)</u>	<u>368,985</u>	<u>-</u>	(214)
Other comprehensive income (loss), net of tax	<u>7,690,368</u>	<u>9</u>	<u>(18,420,324)</u>	<u>(24)</u>	142
TOTAL COMPREHENSIVE INCOME	<u>\$ 36,657,174</u>	<u>42</u>	<u>\$ 7,291,379</u>	<u>10</u>	403
PROFIT ATTRIBUTABLE TO:					
Owners of the Bank	\$ 28,805,499	33	\$ 25,590,195	34	13
Non-controlling interests	<u>161,307</u>	<u>-</u>	<u>121,508</u>	<u>-</u>	33
	<u>\$ 28,966,806</u>	<u>33</u>	<u>\$ 25,711,703</u>	<u>34</u>	13
COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Bank	\$ 36,242,199	42	\$ 7,259,606	10	399
Non-controlling interests	<u>414,975</u>	<u>-</u>	<u>31,773</u>	<u>-</u>	1206
	<u>\$ 36,657,174</u>	<u>42</u>	<u>\$ 7,291,379</u>	<u>10</u>	403
EARNINGS PER SHARE (Note 43)					
Basic	<u>\$ 2.65</u>		<u>\$ 2.36</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, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Bank										Total Equity		
	Capital Stock Common Stock	Capital Surplus	Legal Reserve	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	Changes in the Fair Value of Financial Liabilities Attributable to Changes in the Credit Risk	Other Equity		Total	Non-controlling Interests
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
Appropriation of 2021 earnings	-	-	7,566,262	-	(7,566,262)	-	-	-	-	-	-	-	-
Legal reserve	-	-	7,566,262	-	(7,566,262)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(16,047,875)	-	-	-	-	-	-	-	(16,047,875)
Stock dividends	1,612,825	-	-	-	(1,612,825)	-	-	-	-	-	-	-	-
Net income for the year ended December 31, 2022	-	-	-	-	25,590,195	-	-	-	-	-	-	121,508	25,711,703
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	1,474,468	(21,245,202)	460,602	(332,184)	1,311,727	(18,330,589)	(89,735)	(18,420,324)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	25,590,195	1,474,468	(21,245,202)	460,602	(332,184)	1,311,727	(18,330,589)	31,773	7,291,379
Recognition of share-based payments granted by the parent company	-	171,385	-	-	-	-	-	-	-	-	-	-	171,385
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(418,006)	(418,006)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(1,564,662)	-	1,564,662	-	-	-	1,564,662	-	-
Others	-	-	-	(6,091)	(9,273)	-	-	-	-	15,364	15,364	-	-
BALANCE AT DECEMBER 31, 2022	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)
Appropriation of 2022 earnings	-	-	7,215,440	-	(7,215,440)	-	-	-	-	-	-	-	-
Legal reserve	-	-	7,215,440	-	(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, net of income tax	-	-	-	-	-	(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	-	-	-	-	(981,851)	-	981,851	-	-	-	981,851	-	-
Others	-	-	-	(29,325)	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

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, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 36,069,193	\$ 31,010,320
Adjustments:		
Depreciation expense	3,185,448	3,061,162
Amortization expense	649,079	574,188
Expected credit loss/bad debt expense	5,076,962	5,523,994
Net gains on financial assets and liabilities at fair value through profit or loss	(14,324,548)	(5,204,765)
Interest expense	57,730,783	21,469,188
Net losses arising from derecognition of financial assets measured at amortised cost	107,531	128,826
Interest income	(109,474,073)	(70,173,678)
Dividend income	(1,582,814)	(1,452,773)
Compensation costs of share-based payments	10,419	171,385
Share of profit of associates and joint ventures accounted for using equity method	(38,927)	(29,074)
(Gains) losses on disposal of property and equipment	(153,308)	26,692
Gains on disposal of investment properties	-	(2,300)
Gains on disposal of assets held for sale	-	(440,613)
Losses on disposal of investments	4,049,726	1,937,151
Impairment loss on financial assets	127,675	90,202
Gains on fair value adjustment of investment property	(111,774)	(208,109)
Changes in operating assets and liabilities		
Due from the Central Bank and call loans to banks	(2,648,951)	(8,406,645)
Financial assets at fair value through profit or loss	4,227,486	182,416,550
Financial assets at fair value through other comprehensive income	188,830,511	(191,248,975)
Investments in debt instruments at amortised cost	(160,998,612)	54,897,299
Receivables	7,358,792	(12,348,330)
Discounts and loans	(239,732,485)	(243,452,897)
Other financial assets	(153,713)	4,346,973
Other assets	(160,381)	(852,568)
Deposits from the Central Bank and banks	19,821,615	22,704,065
Financial liabilities at fair value through profit or loss	(80,405,426)	(81,213,178)
Notes and bonds issued under repurchase agreement	(12,413,314)	(6,429,846)
Payables	1,398,069	1,710,451
Deposits and remittances	297,395,965	310,467,880
Other financial liabilities	8,649,366	24,516,468
Provisions	(799,051)	(326,584)
Other liabilities	(136,129)	511,333
Cash generated from operations	11,555,114	43,773,792
Interest received	110,244,130	69,112,725
Dividends received	1,632,065	1,493,044

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# CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Interest paid	\$ (54,611,491)	\$ (19,819,761)
Income tax paid	<u>(5,509,919)</u>	<u>(2,765,287)</u>
Net cash generated from operating activities	<u>63,309,899</u>	<u>91,794,513</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of assets held for sale	-	723,700
Acquisition of property and equipment	(1,468,930)	(1,400,606)
Proceeds from disposal of property and equipment	10,696	2,115
Acquisition of intangible assets	(265,580)	(325,823)
Proceeds from disposal of investment properties	-	36,800
Other assets	8,957,312	(9,873,814)
Dividends received	<u>-</u>	<u>63,407</u>
Net cash generated from (used in) investing activities	<u>7,233,498</u>	<u>(10,774,221)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in due to the Central Bank and banks	-	(1,076,000)
Proceeds from issuance of financial debentures	-	693,116
Repayments of financial debentures payable	(10,048,944)	(10,384,260)
Payments of the principal portion of lease liabilities	(1,666,792)	(1,561,131)
Other liabilities	(601,867)	4,019,118
Cash dividends paid	<u>(2,525,989)</u>	<u>(16,465,881)</u>
Net cash used in financing activities	<u>(14,843,592)</u>	<u>(24,775,038)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		
	<u>(296,365)</u>	<u>2,068,728</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	55,403,440	58,313,982
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		
	<u>312,895,760</u>	<u>254,581,778</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 368,299,200</u>	<u>\$ 312,895,760</u>

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# CATHAY UNITED BANK CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

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	<u>December 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 DECEMBER 31, 2023 AND 2022		
Cash and cash equivalents reported in the consolidated balance sheets	\$ 105,837,938	\$ 119,616,535
Due from the Central Bank and call loans to banks qualifying for cash and cash equivalents under the definition of IAS 7	238,294,936	170,513,016
Securities purchased under resell agreements qualifying for cash and cash equivalents under the definition of IAS 7	<u>24,166,326</u>	<u>22,766,209</u>
Cash and cash equivalents at the end of the year	<u>\$ 368,299,200</u>	<u>\$ 312,895,760</u>

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

(Concluded)