

United Taiwan Bank S.A.

Pillar III Disclosures for the year ending 31 December 2025

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1. Background

The Pillar III disclosure of United Taiwan Bank S.A. (hereinafter “UTB”) is set out below according to the NBB circular NBB_2017_25 regarding the Pillar III disclosure requirements under Part Eight of the EU regulation No. 575/2013 (CRR, Capital Requirement Regulation), as amended, the applicable EBA Pillar III disclosure framework, and the requirements of the National Bank of Belgium (NBB).

2. Risk Management Framework

a. Risk Management Charter and Risk Management Policy

In accordance with Article 4:164 of the Governance Manual for the Banking Sector dated October 11 2022, and the EBA Guidelines on internal governance (EBA/GL/2021/05), the Risk Management Charter and Risk Management Policy have been established on 04.11.2024. These documents:

- i. Define the scope and objectives of the Risk Management Function (RMF).
- ii. Clarify the roles and responsibilities of key actors: Board of Directors, Audit and Risk Committee (ARC), Management Committee, Risk Manager, and each business unit.
- iii. Establish a formal process for identifying, assessing, monitoring, and reporting risks.
- iv. Specify that all major risk management reports (e.g. Risk Appetite, ICAAP, ILAAP) must be submitted regularly to the Board of Directors.

b. Plan of Risk Management

The risk assessment methodology is outlined as follows:

- i. Rating of inherent risk (based on likelihood and impact).
- ii. Evaluation of existing mitigation measures using quality indicators.
- iii. Calculation of residual risk.
- iv. Development of action plans with timelines, resources, and responsibilities.

c. Organization

i. Board of Directors

The Board of Directors puts in place the decision-making procedures and internal controls mechanism and defines the acceptable risk tolerance for UTB.

ii. Audit and Risk Committee

The Audit and Risk Committee monitors the effectiveness of the internal controls mechanism and of the risk management systems. The Audit and Risk Committee advises the Board of Directors for aspects of the strategy, level of tolerance for risk, both current and future.

iii. Management Committee

- Manages the risks under the supervision of the Board of Directors and within the risk tolerance defined by the Board of Directors.
- Make proposals and advises the Board to define risk policy/ strategy and provide sufficient data to allow the Board to take documented decisions.
- Organizes, implements and evaluates all the internal control mechanisms and procedures to monitor and control the risks.

iv. Risk Manager

The Deputy Managing Director acts as the Risk Manager, bearing responsibility for risk management within UTB. The Risk Manager controls each risk and verifies the adequacy of the risk assessment methods and risk management. The Risk Manager should also improve or develop such methods if necessary.

In accordance with Articles 4:184 to 4:186 of the Governance Manual for the Banking Sector dated October 11, 2022, the Risk Manager's Activity Report is updated annually. The report outlines the key tasks performed and resources allocated for the year under review.

v. Internal Audit

Due to the small size of UTB, the internal audit function is executed by an external audit company, which is Luc Callaert BV. The internal auditor audits every year the risk management function as well as the credit exposures. UTB is also inspected by the Parent Bank's internal auditor.

For the risk management approach required by Table EU OVA and OVB, the contents are covered by UTB's "Plan of Risk Management" and "Corporate Governance Memorandum".

3. Scope of Application

UTB is a directly owned subsidiary of Taiwan Cooperative Bank, which holds 90.02% of UTB's shares. UTB has no subsidiary or affiliated company.

4. Capital Requirement

According to the CRR/CRD capital adequacy rules, the Common Equity Tier 1 ratio has to be at least 4.5%, the Tier 1 ratio at least 6% and the total capital ratio at least 8% of all risk-weighted assets. As of 31/12/2025, the key metrics about capital requirement are as follows:

EU KM1 - Key metrics

	2025	2024
Available own funds (amounts)		
Common Equity Tier 1 (CET1) capital	72,182	71,913

Tier 1 capital	72,182	71,913
Total capital	76,362	76,167
Risk-weighted exposure amounts		
Total risk-weighted exposure amount	428,532	453,485
Capital ratios (as a percentage of risk-weighted exposure amount)		
Common Equity Tier 1 ratio (%)	16.84	15.86
Tier 1 ratio (%)	16.84	15.86
Total capital ratio (%)	17.82	16.80
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)		
Additional CET1 SREP requirements (%)	1.16	0.67
Additional AT1 SREP requirements (%)	0.39	0.22
Additional T2 SREP requirements (%)	0.52	0.30
Total SREP own funds requirements (%)	10.07	9.19
Combined buffer requirement (as a percentage of risk-weighted exposure amount)		
Capital conservation buffer (%)	2.50	2.50
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0	0
Institution specific countercyclical capital buffer (%)	0.89	0.90
Systemic risk buffer (%)	0.00	0.00
Global Systemically Important Institution buffer (%)	0.00	0.00
Other Systemically Important Institution buffer	0.00	0.00
Combined buffer requirement (%)	3.39	3.40
Overall capital requirements (%)	13.46	12.59
CET1 available after meeting the total SREP own funds requirements (%)	33,209	34,492
Leverage ratio		
Leverage ratio total exposure measure	502,306	531,523
Leverage ratio	14.37	13.53
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)		
Additional CET1 leverage ratio requirements (%)	0.00	0.00
Additional AT1 leverage ratio requirements (%)	0.00	0.00
Additional T2 leverage ratio requirements (%)	0.00	0.00
Total SREP leverage ratio requirements (%)	3.00	3.00
Applicable leverage buffer	-	-
Overall leverage ratio requirements (%)	3.00	3.00
Liquidity Coverage Ratio		
Total high-quality liquid assets (HQLA) (Weighted value -average)	68,971	96,042
Cash outflows - Total weighted value	50,247	74,890
Cash inflows - Total weighted value	3,394	3,580
Total net cash outflows (adjusted value)	46,853	71,310
Liquidity coverage ratio (%)	147.21	134.68

Net Stable Funding Ratio		
Total available stable funding	362,065	375,643
Total required stable funding	346,930	362,267
NSFR ratio (%)	104.36	103.69

5. Capital Adequacy

The rules for required Regulatory Capital or Capital adequacy are defined by the European Union Regulations and Directives.

The rules express the regulators and legislators' opinion on how much capital a bank and other regulated institutions must retain in relation to the size and the type of risks it is taking, expressed in the form of Risk-Weighted Assets. The most significant component of the capital base is the shareholders' equity. The legal minimum requirement (excluding buffers) stipulates that the capital base must correspond to at least 8% of the Risk-Weighted Assets (RWA).

Measurement methodologies of capital requirements for each risk type are as follows:

- Credit Risk- Standardized Approach
- Market Risk- Standardized Approach
- Operational Risk- Standardized Approach

The table below presents an overview of the minimum capital requirements and the RWA at year-end 2025 per risk type and method of calculation. The largest part of the RWA is related to Credit Risk (excluding counterparty credit risk).

EU OV1 – Overview of risk weighted exposure amounts

	RWA amounts		Total own funds requirements	
	2025	2024	2025	2024
Credit risk (excluding CCR)				
Of which the standardized approach	415,846	440,734	33,268	35,259
Of which the foundation IRB (FIRB) approach	-	-	-	-
Of which slotting approach	-	-	-	-
Of which equities under the simple risk weighted approach	-	-	-	-
Of which the advanced IRB (AIRB) approach	-	-	-	-
Counterparty credit risk - CCR				
Of which the standardized approach	-	-	-	-
Of which internal model method (IMM)	-	-	-	-
Of which exposures to a CCP	-	-	-	-

Of which credit valuation adjustment - CVA	-	-	-	-
Of which other CCR	-	-	-	-
Settlement risk	-	-	-	-
Securitization exposures in the non-trading book (after the cap)				
Of which SEC-IRBA approach	-	-	-	-
Of which SEC-ERBA (including IAA)	-	-	-	-
Of which SEC-SA approach	-	-	-	-
Of which 1250%/ deduction	-	-	-	-
Position, foreign exchange and commodities risks (Market risk)				
Of which the standardized approach	273	284	22	23
Of which IMA	-	-	-	-
Large exposures	-	-	-	-
Operational risk				
Of which standardized approach	12,414	12,466	993	997
Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-	-
Total	428,532	453,485	34,283	36,279

6. Own Funds

EU CC1 - Composition of regulatory own funds

	Amounts	Source based on reference numbers of the balance sheet
Common Equity Tier 1 (CET1) capital: instruments and reserves		
Capital instruments and the related share premium accounts	56,254	
of which: Ordinary Shares	56,254	
Retained earnings	14,793	
Accumulated other comprehensive income (and other reserves)	1,135	
Funds for general banking risk		
Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1		
Minority interests (amount allowed in consolidated CET1)		
Independently reviewed interim profits net of any foreseeable charge or dividend		

Common Equity Tier 1 (CET1) capital before regulatory adjustments	72,183	
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
Additional value adjustments (negative amount)		
Intangible assets (net of related tax liability) (negative amount)		
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)		
Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value		
Negative amounts resulting from the calculation of expected loss amounts		
Any increase in equity that results from securitised assets (negative amount)		
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		
Defined-benefit pension fund assets (negative amount)		
Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)		
Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
Exposure amount of the following items which qualify for a RW of 125%, where the institution opts for the deduction alternative		
of which: qualifying holdings outside the financial sector (negative amount)		
of which: securitisation positions (negative amount)		

of which: free deliveries (negative amount)		
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)		
Amount exceeding the 17,65% threshold (negative amount)		
of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		
of which: deferred tax assets arising from temporary differences		
Losses for the current financial year (negative amount)		
Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)		
Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)		
Other regulatory adjustments to CET1 capital (<i>including IFRS 9 transitional adjustments when relevant</i>)		
Total regulatory adjustments to Common Equity Tier 1 (CET1)		
Common Equity Tier 1 (CET1) capital	72,183	
Additional Tier 1 (AT1) capital: instruments		
Capital instruments and the related share premium accounts		
of which: classified as equity under applicable accounting standards		
of which: classified as liabilities under applicable accounting standards		
Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) CRR		
Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1		
Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1		
Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		
of which: instruments issued by subsidiaries subject to phase out		
Additional Tier 1 (AT1) capital before regulatory adjustments		
Additional Tier 1 (AT1) capital: regulatory adjustments		
Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)		

Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)		
Other regulatory adjustments to AT1 capital		
Total regulatory adjustments to Additional Tier 1 (AT1) capital		
Additional Tier 1 (AT1) capital		
Tier 1 capital (T1 = CET1 + AT1)	72,183	
Tier 2 (T2) capital: instruments		
Capital instruments and the related share premium accounts		
Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR		
Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2		
Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2		
Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		
of which: instruments issued by subsidiaries subject to phase out		
Credit risk adjustments	4,180	
Tier 2 (T2) capital before regulatory adjustments	4,180	
Tier 2 (T2) capital: regulatory adjustments		
Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)		
Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution		

(negative amount)		
Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)		
Other regulatory adjustments to T2 capital		
Total regulatory adjustments to Tier 2 (T2) capital		
Tier 2 (T2) capital	4,180	
Total capital (TC = T1 + T2)	76,362	
Total Risk exposure amount	428,532	
Capital ratios and buffers		
Common Equity Tier 1 (as a percentage of total risk exposure amount)	16.84	
Tier 1 (as a percentage of total risk exposure amount)	16.84	
Total capital (as a percentage of total risk exposure amount)	17.82	
Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	9.05	
of which: capital conservation buffer requirement	2.50	
of which: countercyclical buffer requirement	0.89	
of which: systemic risk buffer requirement	0.00	
of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.00	
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	7.75	
Amounts below the thresholds for deduction (before risk weighting)		

Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		
Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)		
Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)		
Applicable caps on the inclusion of provisions in Tier 2		
Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		
Cap on inclusion of credit risk adjustments in T2 under standardised approach		
Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)		
Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)		
Current cap on CET1 instruments subject to phase out arrangements		
Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
Current cap on AT1 instruments subject to phase out arrangements		
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
Current cap on T2 instruments subject to phase out arrangements		
Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements

	Balance sheet as in published financial statements	Reference
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		As at period end 2025	
Assets - Breakdown by asset classes according to the balance sheet in the published financial statements			
1	Cash in hand, balances with central banks	69,500	
2	Loans and advances to credit institutions	3,448	
3	Loans and advances to customers	418,998	
4	Debt securities	0	
5	Financial fixed assets	2	
6	Shares and other variable-yield securities	2,386	
7	Tangible fixed assets	691	
8	Other assets	68	
9	Deferred charges and accrued income	3,224	
	Total assets	498,317	
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements			
1	Amounts owed to credit institutions	416,749	
2	Amounts owed to customers	4,068	
3	Other liabilities	1,482	
4	Accrued charges and deferred income	570	
	Total liabilities	422,869	
Shareholders' Equity			
1	Capital	56,254	
2	Legal reserves	1,350	
3	Accumulated profit	17,844	
	Total Shareholders' Equity	75,448	

7. General Information about Credit Risk

7.1 Credit Risk Management Objectives and Policies

The main business of UTB is focused on participation in syndicated loans and in securities investment. The credit risk of the borrower or the issuer of the securities is therefore an important issue in the risk management of UTB, as it could cause an unexpected loss in case the credit risk is not well assessed or monitored.

UTB's core lending business is commercial loans. The targeted clients include profit-oriented enterprises/ legal entities and government agencies. To broaden the product lines and to suit the financial needs of potential customers, UTB has decided to include direct lending into the loan business.

UTB develops the direct lending business gradually by only selecting credit-worthy customers and by processing carefully all the matters that would otherwise be taken care of by the agent banks in the case of syndicated loans. Belgium is our target market for developing the direct lending business. In 2025, UTB visited several well-known local clients. In the same year, the Parent Bank approved UTB’s first direct lending case: a three-year term loan credit line of EUR 5 million to a Belgian corporate, which was drawn down by the Borrower in December 2025. This process aligns with our direct lending strategy, which targets familiar markets, creditworthy customers, and straightforward loan products.

All credit proposals are required to be discussed in a loan meeting and be approved by the Managing Director, the Management Committee or the Chairman.

If the credit line exceeds the authorization level of the Managing Director, UTB should obtain approval from the Parent Bank, Taiwan Cooperative Bank (hereunder “TCB”), prior to the Chairman’s approval. When the Chairman is absent, the Board of Directors authorizes the management committee to approve the loan after obtaining TCB’s approval. The Board of Directors have to acknowledge all the loans being approved.

Prior to loan approval, loan officers should obtain all relevant documents and information from the borrowers. It is prudent to analyze the risk factors by considering borrower’s credit profile, financial condition, management capability, industry, as well as the economic environment. To minimize UTB’s credit risk, “People”, “Purpose”, “Payment”, “Protection” and “Perspective” (“5P”) are the five fundamental principles of commercial lending.

7.2 Internal Credit Risk Grading Systems

To control and monitor the quality of the loan portfolio, UTB sets up a credit risk grading system consisting of six grades to properly rate the borrowers. The final risk grades result from the overall risk perceived of the borrower and of the credit facility. In case the conditions of the credit facility and the borrowers change, it may be necessary to adjust the credit risk grading once the supporting information has been collected.

UTB’s internal credit grading is described below. UTB may take three external credit rating agencies, Standard & Poor’s, Moody’s, and Fitch for reference in determining the credit risk grading.

Grade		Description
1	Highest	Largely Risk Free. Generally, obligor or facility’s grade is A/A2/A or above.

2	Good	Minimal Risk. Generally, obligor or facility's grade is BBB-/Baa3/BBB- or above, but lower than A/A2/A.
3	Average	Borrowers have the ability to meet debt obligations without adverse situation.
4	Watch	No default but credit carries potential adverse situations.
5	Doubtful	Default. Debt Collection is highly questionable.
6	Loss	Default. Loan is considered uncollectible.

As of 31/12/2025, UTB's loan portfolio is composed of the following grades:

Grade	Counts	Amount in EUR
1	1	10,000,000.00
2	11	78,586,206.90
3	47	329,380,348.26
4	1	6,000,000.00
5	0	-
6	0	-
Total	60	423,966,555.16

7.3 Credit Risk Profile

The risk appetite reflects the view of the Board and the top management on risk taking in general and on the acceptable level and composition of risks in coherence with the desired return. The risk appetite indicators are directly linked to the corporate strategy and provide a qualitative description of the playing field of UTB. The risk appetite objectives for 2026 were approved by the Board of Directors.

The risk appetite objectives related to credit risk are as follows:

Principles	Rationale/Measures
Performance Targets	<ul style="list-style-type: none"> Loan Net Interest Margin: 1.64%
Growth Targets	<ul style="list-style-type: none"> Loan portfolio: 5%~20%
Credit Risk Management	<ul style="list-style-type: none"> The sum of exposure values to an entity or to a group of connected entities must not exceed 25% of UTB's own funds, except for the

Principles	Rationale/Measures
	<p>purpose of High-Quality Liquid Asset and meet the requirement under Basel Accord.</p> <ul style="list-style-type: none"> • UTB’s business activities are subject to country limits set by UTB and Parent Bank (i.e. Taiwan Cooperative Bank). If the country limits set by UTB and Parent Bank are different, the lower limits will be applied. • From the perspective of loan portfolio composition by country, the following exposure limits, expressed as a percentage of the total loan portfolio, are established based on sovereign credit ratings: <ul style="list-style-type: none"> <u>AAA: 35%</u> <u>AA+/AA/AA- : 20%</u> <u>A+ / A / A- : 10%</u> <u>BBB+ / BBB / BBB- : 5%</u> <u>BB+ and below : 2%</u> <p>In cases where a country has an investment-grade rating and ranks among the top three EU economies by GDP, the higher level of economic activity may justify greater lending potential. Accordingly, the country exposure limit may be increased by an additional 5%.</p> <p>Since Belgium is UTB’s home market, which may offer additional lending potential, its limit has also been increased by 5%.</p> <ul style="list-style-type: none"> • Manage major concentration risks through prudential limits held for all major industries at a Group level, including UTB and Parent Bank. UTB will be informed of concentration levels on various industries by means of a monthly statement from Parent Bank. Parent Bank will also indicate whether UTB stops increasing its exposures on a specific industry. • In general, total exposure to a security issued or guaranteed by bank at a Group level may not exceed USD 30 million. • Except for the special loan approved by the Parent Bank, UTB can only purchase secondary loans meeting the following criteria: <ul style="list-style-type: none"> - The rating of borrower should be at least Ba1, BB+ or BB+, issued by Moody’s, S&P or Fitch; or - The facility agreement was signed within one year. • Ongoing portfolio risk management to ensure credit quality outcomes. • The loan or security investment to the middle east region is limited to <ul style="list-style-type: none"> - Government - Government owned enterprise - Business of infrastructure - Banks with the rank within World Top 1000

Principles	Rationale/Measures
	<ul style="list-style-type: none"> • ESG loans should account for at least 10% of total loan portfolio. • To be in line with the Recovery Plan, the thresholds about non-performing loan are as follows: <ul style="list-style-type: none"> - Non-Performing Loan Ratio < 5% - Coverage Ratio of Non- Performing Loan > 50% • In accordance with the Valuation Rules, Coverage Ratio of Loan \geq 1.00%
Internal Security Fund and Impairment	<ul style="list-style-type: none"> • The minimum loan loss provision and guarantee reserve shall be at least 1% of the outstanding balance of performing loan. • UTB may recognize impairment on securities investment if the market price is lower than 70%.

7.4 Credit Risk Limit

7.4.1 Single Counterparty Exposure Limit

The Belgian Banking Law of 24 April 2014 stipulates that the overall credit risk on one debtor may not exceed 25% of tier one capital of UTB. UTB always obeys this rule.

7.4.2 Industry Risk Limit

For risk exposures to one industry sector, UTB shall report monthly statements to TCB. The limits to individual industry sectors are set by the TCB guidelines. Currently, the exposure to one single industry should not exceed 30% of UTB's total loan balance.

7.4.3 Country Risk Limit

UTB's business activities are subject to country limits set by itself and Parent Bank. In case the country limits set by UTB and Parent Bank are different, the lower limit will be applied.

From the perspective of loan portfolio composition by country, the following exposure limits, expressed as a percentage of the total loan portfolio, are established based on sovereign credit ratings:

AAA: 35%

AA+/AA/AA- : 20%

A+ / A / A- : 10%

BBB+ / BBB / BBB- : 5%

BB+ and below : 2%

In cases where a country has an investment-grade rating and ranks among the top three EU economies by GDP, the higher level of economic activity may justify greater lending potential. Accordingly, the country

exposure limit may be increased by an additional 5%.

Since Belgium is UTB's home market, which may offer additional lending potential, its limit has also been increased by 5%.

7.5 Credit risk approach/ Mitigation/ Impairment

7.5.1 Credit risk approach

UTB uses the Standardized Approach to measure credit risk. The Standardized Approach applies a fixed risk weight to each asset as dictated by the CRR and is based on the exposure class to which the exposure is assigned.

The External Credit Assessment Institutions (ECAI) used by UTB are Moody's, S&P and Fitch. Where more than one ECAI rating exists and the ratings differ, UTB uses the most conservative rating. The ratings are used to assess the credit quality of all exposure classes. For those exposures without rating, they are assigned a rating of BB with asset risk weight of 100%. This method complies with the BASEL regulation.

7.5.2 Credit Risk Mitigation

UTB does not have any exposure covered by eligible financial collateral and guarantees such that there is no credit risk mitigation for the total credit exposure.

Nonetheless, the following measures are taken to reduce the credit risk:

- The risk manager participates in the loan meetings to make sure the credit risk of the borrower is acceptable.
- Monitoring of the credit risk of the borrower after the loan is drawdown.
- The Loan Review Officer will conduct an annual credit review for every credit facility. Comments from these reviews will be presented to the Managing Director. If any discrepancies are found, the Managing Director will need to instruct the loan department to take further action.
- In addition to Loan Review, the Loan Officer shall also complete the first Credit Review Report within 6 months after initial disbursement, and conduct a Credit Review Report for every credit facility at least once a year after the first Credit Review. If any credit facility requires the borrower to provide compliance certificate, the Loan Officer shall complete the Credit Review Report within 2 months after receiving corresponding compliance certificate. Comments from these reviews will be presented to the Managing Director and the Risk Manager.
- The loan officer has to pay more attention on the loan business because the EU economy

continues to face multiple challenges, including ongoing geopolitical tensions, NATO's evolving role, uncertainty surrounding Ukraine, and inflation and potential stagnating economic growth caused by recent escalations in the Middle East. UTB will avoid increasing exposure to industries that are highly impacted by trade conflicts or those that rely on Europe as a production base for exports. Furthermore, UTB will carefully select credit clients with strong market positions and sound financial performance.

7.5.3 Impairment of Credit Risk

- An exposure is classified as past due when repayment remains unpaid for more than 3 months after the due date.
- An exposure is classified as impairment when management does not expect full repayment of the exposure.
- UTB makes General Reserve and Specific Provisions based on the "Valuation Rules" drawn up and approved by UTB's Board of directors. For each problem loan, including Non-Performing loan, UTB will consult and discuss with the Statutory Auditor to set aside an appropriate Specific Provision.

7.6 Current Status:

- As of year-end 2024, UTB had one non-performing loan (NPL), following the increase of the provision rate for an Austrian borrower to 70% and the reclassification of the exposure from "Average" to "Doubtful." The NPL balance amounted to EUR 5.03 million (comprising EUR 5.00 million in principal and EUR 0.03 million in accrued interest receivable), representing 1.17% of the total loan portfolio. The borrower experienced financial distress and filed for restructuring proceedings on 29 November 2024. Under the approved restructuring plan, creditors are entitled to a cash distribution equivalent to 30% of their claims, which UTB received in June 2025. Following the write-off of the remaining exposure in August 2025, the NPL balance was reduced to zero as of that date.
- In early 2025, one of UTB's borrowers, a German company, experienced a temporary liquidity shortage due to an unexpected delay in the execution of its real estate disposal plan. Consequently, the company entered into a restructuring process, under which all relevant creditors, including UTB, agreed to extend the maturity of their claims until the end of September 2027. In light of this development, UTB increased the provision rate for the exposure from 1% to 13% on 25 March 2025. Since then, the borrower has progressively restored its financial position and has achieved the key targets set out in its restructuring plan. Reflecting this improvement, Scope upgraded the company's issuer rating from C/Stable to CCC/Stable and its unsecured debt rating from CC to B- on 23 February 2026. Taking into account the borrower's improved repayment capacity, strengthened financial structure, and the positive rating actions, UTB has decided to reduce the provision rate for the exposure from 13% to 3%, based on the updated Probability of Default (PD) and Loss Given Default (LGD) parameters derived from the

revised credit rating.

- Credit Exposure by Business

Unit: EUR thousands

Exposure Class	Loans	Securities	Derivatives	Others	Total
Central governments or central banks	0	0	0	70,291	70,291
Financial institutions	0	0	0	2,665	2,665
Corporate	428,659	0	0	0	428,659
Multilateral development banks	0	0	0	0	0
Total	428,659	0	0	72,956	501,615

- Exposure by Geographic Distribution

Unit: EUR thousands

Exposure Class	Belgium	Other EEC countries	Others	Total
Central governments or central banks	70,291	0	0	70,291
Financial institutions	40	7	2,618	2,665
Corporate	45,212	375,817	7,630	428,659
Multilateral development banks	0	0	0	0
Equity exposures	0	2,498		2,498
Total	115,543	378,322	10,248	504,113

8. General Information about market risk

The security investment strategy of UTB is to find the right security investment and to hold it to maturity. The main reason for the security investment is to receive the interest from the issuer instead of the capital gain. UTB does not have any trading position to avoid the impact on the Profit/ Loss from the price movements of the underlying assets.

As UTB did not conclude any derivative transactions with any counterparty. All the securities are held to maturity and most of them are HQLA, resulting in a minimal market risk.

The only market risk UTB is exposed to is the foreign exchange risk. However, we set up a maximum foreign exchange position of EUR 400 thousand for each currency, which is monitored on a daily basis. This way, the fluctuations of the foreign exchange rates will not have much impact on the foreign exchange positions.

The risk appetite objectives related to market risk are as follows:

Principles	Rationale/Measures
Market Risk	<ul style="list-style-type: none"> • According to TCB's regulation, the position of derivatives held should be less than 10% of total assets as of the previous year. Additionally, UTB shall only trade derivatives for hedging purposes.

Principles	Rationale/Measures
	<ul style="list-style-type: none"> • UTB will make most of its securities investment in UTB’s banking book. • The securities portfolio maintained will be principally composed of floating-rate notes to mitigate the interest rate risk. • According to NBB’s regulation on IRRBB, the thresholds are as follows: <ul style="list-style-type: none"> - The impact of 200bps parallel increase or decrease on Economic Value \leq 20% of Own funds. - The impact of six shock scenario in EBA’s guideline on Economic Value \leq 15% of Tier 1 capital.

9. General Information on Operational Risk

Due to the nature of the operations and the limited transactions executed daily, UTB did not set up an integrated IT system to assist the monitoring of the operational risk. Every transaction and every voucher prepared is checked by at least 3 staff members, namely the Manager, the accountant, and another staff.

Due to our limited business scope and the cross-checking of all processes, the operational risk is limited. There was no major operational risk incident during 2025.

The risk appetite objective related to operation risk is as follows:

Principles	Rationale/Measures
Operation Risk	<ul style="list-style-type: none"> • For the severe major operational risk incident, the tolerance level is “0” cases. • According to the Procedure for Handling Customer Complaints, 3 reported cases are considered a precautionary level, while 5 reported cases are considered a critical level.

10. Internal Capital Adequacy Assessment Process (ICAAP) Information

10.1 Legal Basis

The objective of ICAAP is to address the capital requirements and the methodology on the calculation of exposures of different risk types and own funds. Also, UTB performs stress tests to evaluate capital buffers in relation to UTB’s business and is reporting the result to the management in order for them to take the necessary measures if needed.

For the capital adequacy assessment, UTB follows the Basel Regulation to perform risk assessment and capital adequacy, implementing the “Guidelines on ICAAP and ILAAP information collected for SREP purposes” on February 10, 2017 and the “NBB_2017_05 circular letter”, which describes NBB's expectations regarding the regulatory requirements for equity and liquidity for less-important credit institutions.

UTB performs an Internal Capital Adequacy Assessment Process (ICAAP) based on its small size, limited activities, low risk profile, and straight forward business model.

10.2 Approach to assessing the adequacy of the internal capital

10.2.1 Internal Capital Adequacy Assessment Process

UTB assesses the capital needs by taking the following steps:

- Step 1. Identify all risk types relevant to UTB’s business activities.
- Step 2. Calculate the regulatory capital requirements (Pillar I) in accordance with the Basel regulatory framework. The detailed calculation methodology is described in the following sections.
- Step 3. Identify other risk types related to UTB’s business activities and determine the additional capital required (Pillar II) to cover such risks through internal assessment.
- Step 4. Perform credit risk stress testing and scenario analysis to assess whether UTB meets the capital requirements. If the results indicate insufficient capital to meet the requirements, further analysis will be conducted to determine whether additional capital is required.
- Step 5. Take environmental risk factors into account. If any material environmental event adversely affects UTB’s business, the Bank will further assess whether additional capital should be allocated.
- Step 6. Assess overall capital adequacy by calculating the Tier 1 ratio and the BIS ratio based on the results of the previous steps.

10.2.2 Risk Types and the Methodology

UTB initially identifies risk types to calculate capital requirements by following EU Capital Requirements Regulations announced on Jun 19, 2024. UTB classifies risk types into three categories: “Pillar 1”, “Pillar 2”, and “Environment”.

- Pillar 1 refers to the capital requirement regulated by EU.
- Pillar 2 is the umbrella term for the rules governing UTB's ICAAP, which refers to UTB’s internal requirement.

- Environment includes UTB’s business, strategic, capital and model risk.

The below chart illustrates all risk types and scope of each risk type in relation to UTB’s business.

Categories	Risk Types	Materiality	Explanations
Pillar I	Credit	Material	UTB measures three risk types by adopting the Standardized Approach for calculating the capital requirements.
	Operational	Material	
	Market	Material	
Pillar II	Concentration	Material	UTB follows the recommendation from the European Banking Authority and chooses the model used by Swedish Financial Supervisory Authority to evaluate the concentration risk, including three dimensions: counterparty, industry, and country (or region).
	Remaining Risk after application of Risk lowering techniques	Not Material	UTB does not use any risk lowering technique to mitigate its exposure.
	Intra day	Not Material	There is no intra-day risk as all transactions are valued (settled) on a different date than the trading date.
	Securitization	Not Material	There is no securitization in UTB.
Other Pillar II	Reputation	Not Material	UTB has no event of default, negative news or legal issues since it was established.
	Interest Risk in Banking Book	Not Material	Most of UTB’s assets and liabilities on the banking book are floating rate linked to benchmark. Therefore, UTB believes its Interest rate risk is not material. Further explanation can be found in IRRBB.
	Credit Spread Risk in Banking Book	Not Material	Due to UTB’s limited size and activities, after the identification of credit spread sensitive items and calculation, UTB believes its credit spread risk is not material. Further explanation can be found in CSRBB.
	Settlement	Not Material	There is no settlement risk for securities investment for UTB. All of them are settled through a Clearing house such as Clearstream. For the loan transactions, there could be a limited settlement risk. To lower such risk, UTB only participates in syndicated loans arranged by large international financial institutions.
	Pensions	Not Material	UTB subcontracts HRM matters to Partena ASBL, so there is no pension risk. Also, UTB has a small number of employees, so the impact of pensions is considered minimal. Furthermore, UTB does not have a private pension fund for its employees.
	Insurance	Not Material	There is no insurance risk for UTB.
	Liquidity	Material	With the full support of shareholder banks and other financial institutions, the liquidity of UTB is ready to meet its obligations as they fall due. Also, as of 31.12.2025, the LCR is at 147.21%, which is higher than 100% stipulated by the authority. Further explanation can be found in ILAAP report.

	Climate	Material	<p>UTB has conducted an assessment exercise on climate-related and environmental risk. It is concluded that credit risk is the most relevant risk, being directly affected by borrower default and financial stability during climate events, while market, liquidity, operational, and strategic risks are relatively less affected.</p> <p>UTB has developed a plan for stress testing on climate-related and environmental risks. Under all scenarios, the capital ratios are all above the minimum regulatory requirements, indicating that the climate risk embedded in the credit portfolio is well under control.</p>
Environment	Business	Not Material	Compared with other commercial banks, the business risk of UTB is low. This is because its daily activities are less complicated and are only concentrated on deposit, syndicated loans and securities investments.
	Strategic	Not Material	Given UTB's small size, few business lines, and simple operations, the strategic, capital, and model risks in UTB are minimal.
	Capital	Not Material	
	Model	Not Material	UTB does not use complicated or in-house models to perform ICAAP and ILAAP.

Because of UTB's small banking size and low volume of activities, UTB assumes there is no diversification impact among all of the risks.

For Pillar I, UTB measures three risk types by adopting the Standardized Approach for calculating the capital requirements. Furthermore, for Pillar II and other risks, UTB considers concentration risk in relation to credit risk to be more material compared to other risks, so it will be further assessed when conducting ICAAP.

10.2.3 Credit Risk

Credit risk is measured in a Standardized Approach, supported by external credit assessments. UTB's scope of credit risk consists of exposures to three categories: loan business, securities investment, and due from bank and NBB accounts.

- Loan business:

This is the main credit risk since UTB's core business comes from loan activities. UTB's loan business has the following features:

- UTB has no retail lending business. Corporate lending mainly consists of two types of loans: syndicated loans and Schuldscheindarlehen loans. As of 31 December 2025, only one direct lending loan has been granted.
- Loans are primarily senior unsecured term loans with tenors ranging from three to seven years.
- All of UTB's borrowers are EU-based corporates. Some of them do not have external credit ratings but still maintain satisfactory credit profiles.

At the end of 2025, UTB has no non-performing loan and has followed "the Guidelines on the application of the definition of default under Article 178 of Regulation (EU) No 575/2013" stipulated by EBA on 28/09/2016, to evaluate the credit risk.

- **Securities investment:**
UTB focuses on medium-term bonds issued by financial institutions with external ratings above A- for liquidity purposes. As of 31 December 2025, UTB does not hold any bond securities. During a prior restructuring event, a loan exposure was converted into equity instruments in accordance with the borrower’s restructuring plan. As a result, equity securities are now recorded on UTB’s balance sheet as of 31 December 2025. To manage the associated risks, the Treasury Manager monitors developments on a bi-weekly basis, and reports are submitted to the parent bank. The Management Committee reviews the developments on a quarterly basis and reports to the Audit and Risk Committee and the Board of Directors on a semi-annual basis.
- **Due from banks and NBB accounts:**
UTB’s due from banks and NBB accounts are also at a low level. UTB currently has two currencies with four counterparties, all of which are of above A- external ratings.

10. 2.4 Operational Risk

For operational risk, UTB has no inadequate or failed internal processes, including system failures, employee errors, bank losses due to external events. Furthermore, UTB has not been involved in any legal issue ever since it was established.

UTB’s major business activities, compared with other commercial banks, are relatively simple and straightforward. For loan activities, UTB acts as participating bank in syndicated and *Schuldscheindarlehen* loans. Post-closing management is primarily conducted by the agent bank, substantially reducing UTB’s administrative costs and errors. For deposit activities, most of the customers are staff of UTB and of the Taipei Representative Office (“TRO”) in Brussels, vostro correspondent bank accounts from the parent company TCB and its overseas branches and from one corporate customer.

All administrative and operational personnel are well-trained and have banking experience for more than 10 years. Since UTB has fairly stable operating activities, a small number of employees, simple transactions as well as reliable counterparties, UTB measures operating risk by adopting the Standardized Approach.

To enhance operational efficiency, UTB launched a project in October 2025 to implement a new core banking system, which is scheduled to go live before the fourth quarter of 2026. Upon implementation, the new system will integrate all core business functions, replacing the existing standalone systems. The implementation is expected to enhance process automation and operational controls, thereby reducing operational risk arising from manual processing and human error.

10.2.5 Market Risk

UTB’s has no complicated activities or businesses related to future contracts, options, or any

other derivative or commodity products. Besides, the securities investments are classified as held to maturity, without being valued at fair value through profit or loss. Thus, for market risk, UTB only takes foreign exchange risk into consideration.

10.2.6 Concentration Risk

The capital requirement for credit risk in Pillar I has been designed based on an assumption that UTB’s credit portfolio is fully diversified in all dimensions. However, credit-related concentration risk arises when individual exposures, whose risk of default demonstrates a significant level of co-variation, are so great that the risk weights do not fully capture the risk of these exposures.

UTB follows the recommendation of the European Banking Authority and chooses the model used by Swedish Financial Supervisory Authority (FI hereunder) recommended by the European Banking Authority (Report on the peer review of the EBA guidelines on the management of concentration risk under the supervisory review process), to evaluate the concentration risk embedded in our assets portfolio. The concentration risk includes three dimensions: counterparty, industry, and country (or region).

UTB uses FI’s model by adopting Standardized Approach to calculate the capital requirement for these three dimensions of concentration risk. The additional capital requirement for concentration risk, also regarded as Pillar II, is the aggregation of capital requirements in each dimension.

10.3 The Result of ICAAP

Categories	Type of Risks	Own Funds required by Pillar I	Own Funds required by ICAAP	Diversification Impact
Pillar I	Credit	33,267,656	33,267,656	0
	Operational	993,084	993,084	
	Market	21,822	21,822	0
Total Required Capital in Pillar I		34,282,562		
Pillar II	Concentration		2,320,121	0
	Remaining Risk after application of Risk lowering techniques		0	0
	Intra day		0	0
	Securitization		0	0
	Total		0	0
Other Pillar II	Reputation		0	0
	Interest Risk in Banking Book		0	0

	Credit Spread Risk in Banking Book		0	0
	Settlement		0	0
	Pensions		0	0
	Insurance		0	0
	Liquidity		0	0
	Climate-related		0	0
	Total		0	0
Environment	Business		0	0
	Strategic		0	0
	Capital		0	0
	Model		0	0
	Total		0	0
			0	0
	Adaptation should UTB try to diversify the risks mutually		0	
	Supplementary Capital for stress covering		0	
	Total ICAAP capital		36,602,683	
	Total Own Funds at the end of the year	76,362,499	76,362,499	
	Available capital (following internal definition)		76,362,499	
	Remainder	42,079,937	39,759,816	

As of the end of 2025, UTB's Own Funds were EUR 76.4million, an excess of EUR 42.1 million of the required capital in Pillar I, and also an excess of EUR 39.8million of the required capital in ICAAP.

As a result, UTB's capital is substantially adequate to cover all types of risks.

11. Liquidity Risk Management

11.1 Introduction

Reference is made to NBB_2018_11 circular letter. Based on its small size, limited activities, low risk profile, and straight forward business model, UTB has performed an Internal Liquidity Adequacy Assessment Process (ILAAP) to meet the needs in the next 30 days in different scenarios.

UTB's ILAAP is performed on a quarterly basis. The result is submitted to the management committee for approval.

The ILAAP report contains UTB's business model, liquidity management, financing plan, and

stress test.

11.2 Risk Appetite Framework

Reference is made to point 10 under NBB_2018_11 circular letter. The Risk Appetite Framework (RAF) dashboard contains the risk appetite, the risk indicators, the associated limits, and the level of the indicators on the reference date.

UTB's risk appetite framework regarding the liquidity contains the following:

11.2.1 Major Risk Management Indices

As of Dec. 31 2025, all of the indicators are above the determined value.

Risk Management Index	Evaluation Index	Value	Status*	Memo
Liquidity Risk				
Liquidity Coverage Ratio (LCR)	$\geq 100\%$	147.21%	○	NBB Regulation
<u>Net Stable Funding Ratio (NSFR)</u>	$\geq 100\%$	<u>104.36%</u>	○	EU Capital requirements regulation

11.2.2 Recovery Plan

As of Dec. 31 2025, The LCR is above the determined value in the recovery plan.

Indicators	Minimum Requirement by regulations	Recovery Plan Threshold	Early Warning Threshold	As of 31.12.2025	Compliance
LCR	100%	<102%	<104%	147.21%	All Complied
NSFR Surplus	0	2 million	4 million	15.1 million	All Complied

11.3 Financing Plan

11.3.1 Funding Source

UTB mainly relies on the following financing sources to support its business.

- Call loan from money market as of the reference date.

Counterparty	CCY	Line of Credit	Balance (31/12/2025)	Tenor
Bank A	All	USD 480 million	EQ USD 65.8 million	Within 6 months
Bank B	EUR USD	USD 15 million	USD 0 million	Within 6 months
Bank C	EUR USD	EQ USD 110 million	EQ USD 50.5 million	Within 6 months
Bank D	EUR USD	EQ USD 70 million	EQ USD 28.2 million	Within 6 months
Bank E	EUR	EUR 13.8 million	EUR 3 million	Within 6 months

- Long-term Funding

Since the implementation of NSFR in June 2021, UTB has consistently secured long-term funding from various financial institutions to support its NSFR position. As of 31.12.2025, the total credit lines reached an equivalent of EUR 550 million. These credit lines are sufficient to support UTB's long-term funding needs and comply with the NSFR ratio given its current asset size. In the meantime, UTB keeps looking for more long-term funding from other financial institutions to diversify its funding source and minimize the funding risk.

High funding Cost: The higher funding cost will have negative impact on net interest income. Rounding differences may exist in the table below.

Currency	Money Market	Loan Facility	Difference (B) - (A)
	All-in-rate (A) (Average)	All-in-rate (B) (Average)	
EUR	2.5902%	2.9618%	+0.3716%

Note :1. Adopt the average rate of December 2025.

2. Due to the fact that UTB's business currently mainly operates in EUR, only EUR is listed on the table above.

The Facility as of the reference date as below.

Counterparty	CCY	Line of Credit	Balance (31/12/2025)	Tenor
Bank A	All	EUR 300 million	EUR 25 million	5 years
	EUR	EUR 70 million	EUR 70 million	3 years
Bank F	EUR	EUR 70 million	EUR 70 million	3 years
Bank E	EUR	EUR 30 million	EUR 30 million	3 years
Bank G	EUR	EUR 30 million	EUR 30 million	3 years
Bank H	EUR USD	EUR 50 million	EUR 50 million	3 years

11.3.2 Funding Strategy

The implementation of the NSFR has required UTB to obtain longer-term funding at higher interest rates, which has had an ongoing impact on its profitability. However, UTB has adopted various funding strategies to mitigate this impact.

- Starting from the end of January 2021, prior to the implementation of the NSFR, UTB drew down the loan facilities and gradually repaid call loans on a monthly basis in order to achieve an NSFR level above 100%.
- Based on the NSFR requirement, there remains capacity for UTB to obtain funding from the call loan market. This allows UTB to reduce the interest burden associated with the loan facilities.
- To maintain a diversified funding base, UTB obtains call loans from the Central Bank of Taiwan, Land Bank of Taiwan, Bank of Taiwan, and Mega International Commercial Bank. UTB has also sought to broaden its counterparty base, including establishing relationships with the Frankfurt Branch of First Commercial Bank in 2023 and its London Branch in 2025.
- To enhance NSFR, UTB has taken corporate customers into consideration. As of December 31, 2025, we have three corporate depository customers. One of UTB's strategies is to absorb more corporate customers of time deposits for longer periods.
- In addition, to optimize funding costs, UTB has sought alternative sources of long-term funding through various channels. In 2023, UTB obtained four additional three-year long-term credit facilities from financial institutions, including First Commercial Bank ("FCB"), Chang Hwa Commercial Bank ("CHB"), Yuanta Commercial Bank, and TCB. As of 31 December 2025, the total unused credit lines, including both short-term and long-term interbank facilities, amounted to EUR 743 million. At the same time, UTB continues to explore additional long-term funding opportunities with other financial institutions in order to diversify its funding sources and mitigate funding risks.

11.3.3 Funding strategies and the crisis team in extreme scenarios

Considering the financing sources detailed in Section 11.3.1 and the support available from TCB, UTB's funding risk is assessed as minimal. Nevertheless, in the unlikely event of a funding crisis, UTB's contingency strategies include:

- **Asset disposal:** Selling available assets to generate liquidity.
- **Emergency borrowing from shareholder banks:** Drawing on available funds from TCB and other shareholder banks.
- **Utilization of emergency reserves at the Parent Bank:** Requesting the Parent Bank

to access emergency fund reserves held with the Central Bank of the Republic of China (Taiwan).

- **Early redemption of loans:** Redeeming outstanding loans before maturity, where it is in the strategic interest of the Bank and permitted under the relevant loan agreements.
- **Subordinated advances from shareholders:** Utilizing a subordinated advance of USD 10,000,000 from shareholders.

In the event of a funding crisis, a temporary crisis team shall be established. The Managing Director will lead the crisis team, which will include the Deputy Managing Director, department managers, the accountant, and senior banking officers. The team will convene on a weekly basis, or daily if required, to assess the evolving situation, determine appropriate courses of action, implement necessary measures, and take corrective actions as needed.

- The Managing Director will provide regular updates to TCB on the status of the crisis and the measures undertaken by UTB. The Deputy Managing Director will act as the primary point of contact with regulators, customers, and the public.

11.4 Stress Test Methodology

11.4.1 Scope and Considerations

1. All significant cash-related items from the financial statements have been included.
2. Non-cash items, such as the Internal Security Fund, are excluded.
3. Clients are divided into two categories: individual and wholesale.
4. All currencies presented in the balance sheet are included.
5. Accrued interest receivable is included only up to the reference date. For simplicity and prudence, the cash inflow from accrued interest receivable is placed in the 6-month time bucket, regardless of whether it is expected to be received within the next 3 or 6 months.
6. Accrued interest payable (for call loans and time deposits) is calculated up to the maturity date in order to capture the maximum potential cash outflow. Interest payments for long-term funding are assumed to follow their respective repricing frequencies and to be rolled over each time at the same interest rate as of the end of 2025. At maturity, the principal amounts are assumed to be repaid.
7. Accounts payable for VAT are placed in the 1-month time bucket, as it is UTB's practice to remit VAT collected from customers in the following month.
8. Regarding equity, as of the end of 2025, UTB has not historically distributed dividends since its establishment in 1992. A dividend of approximately EUR 1.02

million is expected to be distributed in June 2026, subject to approval by the General Shareholders' Meeting. After deducting this planned distribution, the remaining equity balance as of the end of 2025 is allocated to the time bucket of over five years. At present, there are no plans for regular dividend distributions in the short term.

9. ECB's closing FX rate has been used for calculating EUR equivalent. For the reference date of this report, the FX rate is as follows:

CCY	USD
FX rate	1.1750

11.4.2 The Process and Steps

To identify whether current liquidity management is sufficient, the following steps are used:

- Identifying of all the risk factors for liquidity.
- Building up a maturity profile based on contractual facts. The template UTB uses is from the National Bank of the Netherlands.
- Setting up behavioral scenarios. Three scenarios: Base, Medium, Severe, are set to simulate possible market conditions. The assumptions used in the Base scenario are the same as those when calculating the LCR.
- Checking cumulative differences between inflow and outflow. UTB must pass for first 30 days regardless of the different scenarios.

11.4.3 Risk Factors for Liquidity

UTB considers funding from TCB to be generally stable. The assessment is based on the following observations:

- TCB has consistently supported UTB's development since its establishment.
- The key risk is whether TCB would be able to provide liquidity under severe stress. According to the S&P credit rating report dated 10 January 2025, TCB holds an issuer credit rating of A+/Stable/A-1. S&P highlights TCB's high systemic importance to the Taiwan banking system and the implicit support from the Taiwan government as key factors.
- TCB maintains strong links with the Taiwan government, which influences the appointment of the bank's senior management. In addition, TCB performs central banking functions for community-level financial institutions and credit cooperatives in Taiwan.

Based on these factors, UTB's access to liquidity from TCB is considered reliable under severe market conditions. The scenarios described below assume that UTB can reasonably obtain funding from TCB, while liquidity is also assessed under stressed market conditions to ensure prudence.

11.4.4 Risk Factors Summarized Table

The table below presents the percentages applied to specific items to determine cash inflows and outflows over the first 30 days from the reference date. Three different scenarios are included for comparison.

Unit: %

No.	Inflow Items	Base	Medium	Severe	Memo
1	Cash	100%	100%	100%	Cash in other banks is assumed to be accessed immediately.
2	Reserve in NBB (minus minimum reserve)	100%	100%	100%	Cash in NBB is assumed to be accessed immediately.
3	Security (qualified for HQLA)	100%	99%	98%	HQLA security is assumed to be put into liquidity in T+2 period.
4	Undrawn committed credit facilities	100%	99%	98%	Unused committed credit facilities is assumed to be put into liquidity T+2 period.

Unit: %

No.	Outflow Items	Base	Medium	Severe	Memo
5	Retail - Current Account EUR	5%	10.00%	25%	For retail deposit, majority of UTB's customers are its own staff and TRO staff. Most of them are in Belgium for 2 to 6 years assignment. Their accounts are used mainly for receiving reimbursements from UTB or receiving salary from Taiwan government. They all realize that UTB receives strong support from its parent bank. So, based on the historical data below, the fluctuation is between 5% and 25% on yearly basis. Therefore, we set the Medium and Severe as described on the left to gradually reflect the impact on the outflow from customer's deposit.
6	Retail - Time Deposit EUR	5%	10.00%	25%	
7	Retail - Current Account USD	10%	12.50%	25%	
8	Retail – Time Deposit USD	10%	12.50%	25%	
9	Wholesale – Current Account EUR	25%	30.00%	35%	UTB is the only operational subsidiary of the TCB Group. Since Nov 2015, TCB has established the operational relationship with us for the purpose of its EUR clearing transactions. Based on the historical data from 2021 to 2025, the deposit was maintained at an average balance between EUR13 and 18.2 million with the fluctuation rate ranging from -28% to 16%. Refer to the cash movement of operational deposit for the past 5 years, we increase 5% and 10% of outflow rate respectively in Medium and Severe scenarios.

10	Wholesale Non-operational – Current Account EUR	40%	80.0%	100%	Based on the historical data concerning this outflow item, the corporate account balances have exhibited significant volatility over the past three years, with fluctuation rates ranging from 471.89% to -99%. In the Medium and Severe scenarios, we have adjusted the outflow rates to 80% and 100%, respectively. Considering that the total deposit balance of corporate customers is only EUR 942,197.93 at the end of year 2025, the expected outflow is deemed manageable.
11	Undrawn committed credit facilities	10%	15.00%	20%	So far, UTB does not have any client with revolving credit line.

Unit: Euro Million

No.	Other Items	Amount	Memo
12	Minimum Reserve required by NBB	1.32	This amount cannot be used while considering reserve at NBB as HQLA in 30 days.
13	Off B/L: committed credit line	0	So far, UTB does not have any client with a revolving credit line.

11.5 Result of Stress Test

11.5.1 The Base

The result of this scenario shows UTB has sufficient liquidity on hand to survive for at least 30 calendar days.

United Taiwan Bank - ILAAP														Ref. Date: 2025/12/31									
Table: Maturity Profile Table - The Base Scenario																							
Note: Behaviour and scenario BASE which is the same while deriving LCR																							
Units: Amounts in Euro million																							
Time bucket	Total Inflows								Total	Time bucket	Total Outflows								Diff.	Cumulative Difference	Pass		
	Split to currency				Split to client type						Split to currency				Split to client type								
	EUR	USD	GBP	AUD	wholesale	HOLA	retail	Off-balance			EUR	USD	GBP	AUD	wholesale	retail	Off-balance	Total					
no fixed mat.	72.82	0.49	-	-	3.03	70.28	-	-	73.31	no fixed mat.	4.33	0.07	-	-	4.31	0.08	-	4.39	68.91	68.91	Yes		
overnight	-	-	-	-	-	-	-	-	-	overnight	-	-	-	-	-	-	-	0.00	284.57	-	68.91	Yes	
max 2 days	-	-	-	-	-	-	-	284.57	284.57	max 2 days	-	0.00	-	-	-	0.00	-	-	-	-	353.49	Yes	
max 3 days	-	-	-	-	-	-	-	-	-	max 3 days	-	-	-	-	-	-	-	-	-	-	353.49	Yes	
max 4 days	-	-	-	-	-	-	-	-	-	max 4 days	-	-	-	-	-	-	-	-	-	-	353.49	Yes	
max 5 days	-	-	-	-	-	-	-	-	-	max 5 days	0.11	0.00	-	-	0.11	0.00	-	0.11	0.11	-	353.38	Yes	
max 6 days	-	-	-	-	-	-	-	-	-	max 6 days	-	0.00	-	-	-	0.00	-	0.00	-	0.00	353.38	Yes	
max 7 days	-	-	-	-	-	-	-	-	-	max 7 days	5.03	-	-	-	5.03	-	-	5.03	5.03	-	348.35	Yes	
max 8 days	-	-	-	-	-	-	-	-	-	max 8 days	-	0.01	-	-	-	0.01	-	0.01	0.01	-	348.34	Yes	
max 9 days	-	-	-	-	-	-	-	-	-	max 9 days	-	-	-	-	-	-	-	-	-	-	348.34	Yes	
max 10 days	-	-	-	-	-	-	-	-	-	max 10 days	-	-	-	-	-	-	-	-	-	-	348.34	Yes	
max 11 days	-	-	-	-	-	-	-	-	-	max 11 days	-	-	-	-	-	-	-	-	-	-	348.34	Yes	
max 12 days	-	2.13	-	-	2.13	-	-	-	2.13	max 12 days	-	0.00	-	-	-	0.00	-	0.00	2.13	2.13	350.47	Yes	
max 13 days	-	-	-	-	-	-	-	-	-	max 13 days	-	0.00	-	-	-	0.00	-	0.00	0.00	-	350.47	Yes	
max 14 days	-	-	-	-	-	-	-	-	-	max 14 days	20.11	0.00	-	-	20.11	0.00	-	20.11	20.11	-	330.36	Yes	
max 15 days	-	-	-	-	-	-	-	-	-	max 15 days	-	-	-	-	-	-	-	-	-	-	330.36	Yes	
max 16 days	-	-	-	-	-	-	-	-	-	max 16 days	-	-	-	-	-	-	-	-	-	-	330.36	Yes	
max 17 days	-	-	-	-	-	-	-	-	-	max 17 days	-	-	-	-	-	-	-	-	-	-	330.36	Yes	
max 18 days	-	-	-	-	-	-	-	-	-	max 18 days	-	-	-	-	-	-	-	-	-	-	330.36	Yes	
max 19 days	-	-	-	-	-	-	-	-	-	max 19 days	0.00	-	-	-	-	0.00	-	0.00	0.00	-	330.36	Yes	
max 20 days	-	-	-	-	-	-	-	-	-	max 20 days	5.03	0.00	-	-	5.03	0.00	-	5.03	5.03	-	325.33	Yes	
max 21 days	-	-	-	-	-	-	-	-	-	max 21 days	-	-	-	-	-	-	-	-	-	-	325.33	Yes	
max 22 days	-	-	-	-	-	-	-	-	-	max 22 days	10.12	0.02	-	-	10.12	0.02	-	10.14	10.14	-	315.19	Yes	
max 23 days	-	-	-	-	-	-	-	-	-	max 23 days	0.23	0.00	-	-	0.23	0.00	-	0.23	0.23	-	314.95	Yes	
max 24 days	-	-	-	-	-	-	-	-	-	max 24 days	-	-	-	-	-	-	-	-	-	-	314.95	Yes	
max 25 days	-	-	-	-	-	-	-	-	-	max 25 days	-	-	-	-	-	-	-	-	-	-	314.95	Yes	
max 26 days	-	-	-	-	-	-	-	-	-	max 26 days	-	-	-	-	-	-	-	-	-	-	314.95	Yes	
max 27 days	-	-	-	-	-	-	-	-	-	max 27 days	-	0.00	-	-	-	0.00	-	0.00	0.00	-	314.95	Yes	
max 28 days	-	-	-	-	-	-	-	-	-	max 28 days	0.20	0.00	-	-	0.20	0.00	-	0.21	0.21	-	314.75	Yes	
max 29 days	-	-	-	-	-	-	-	-	-	max 29 days	-	0.00	-	-	-	0.00	-	0.00	0.00	-	314.75	Yes	
max 1 month	-	-	-	-	-	-	-	-	-	max 1 month	5.03	-	-	-	5.03	-	-	5.03	5.03	-	309.72	Yes	
max 2 months	-	-	-	-	-	-	-	-	-	max 2 months	33.19	0.26	-	-	32.80	0.65	-	33.45	33.45	-	276.27	Yes	
max 3 months	2.50	-	-	-	2.50	-	-	-	2.50	max 3 months	50.14	0.20	-	-	50.08	0.26	-	50.34	47.84	-	228.43	Yes	
max 4 months	11.00	-	-	-	11.00	-	-	-	11.00	max 4 months	0.70	0.04	-	-	0.61	0.12	-	0.73	10.27	-	238.69	Yes	
max 5 months	5.00	-	-	-	5.00	-	-	-	5.00	max 5 months	0.61	0.10	-	-	0.61	0.10	-	0.72	4.28	-	242.98	Yes	
max 6 months	8.10	-	-	-	8.10	-	-	-	8.10	max 6 months	13.67	1.04	-	-	13.44	1.26	-	14.71	6.60	-	236.37	Yes	
max 7 months	19.50	-	-	-	19.50	-	-	-	19.50	max 7 months	0.61	0.15	-	-	0.61	0.15	-	0.77	18.73	-	255.11	Yes	
max 8 months	-	-	-	-	-	-	-	-	-	max 8 months	0.61	0.03	-	-	0.61	0.03	-	0.65	0.65	-	254.46	Yes	
max 9 months	5.00	-	-	-	5.00	-	-	-	5.00	max 9 months	0.63	0.07	-	-	0.61	0.09	-	0.70	4.30	-	258.76	Yes	
max 10 months	5.00	-	-	-	5.00	-	-	-	5.00	max 10 months	0.61	0.12	-	-	0.61	0.12	-	0.74	4.26	-	263.03	Yes	
max 11 months	-	-	-	-	-	-	-	-	-	max 11 months	0.61	0.03	-	-	0.61	0.03	-	0.64	0.64	-	262.39	Yes	
max 12 months	10.02	-	-	-	10.02	-	-	-	10.02	max 12 months	0.61	0.09	-	-	0.61	0.09	-	0.70	9.32	-	271.71	Yes	
max 2 years	92.40	-	-	-	92.40	-	-	-	92.40	max 2 years	75.62	-	-	-	75.62	-	-	75.62	16.78	-	288.49	Yes	
max 3 years	61.00	-	-	-	61.00	-	-	-	61.00	max 3 years	181.08	-	-	-	181.08	-	-	181.08	120.08	-	168.41	Yes	
max 4 years	127.06	-	-	-	127.06	-	-	-	127.06	max 4 years	25.74	-	-	-	25.74	-	-	25.74	101.32	-	269.73	Yes	
max 5 years	50.00	-	-	-	50.00	-	-	-	50.00	max 5 years	-	-	-	-	-	-	-	-	50.00	-	319.73	Yes	
> 5 years	32.01	-	-	-	32.01	-	-	-	32.01	> 5 years	75.44	-	-	-	75.44	-	-	75.44	43.44	-	276.30	Yes	

11.5.2 The Medium

The result of this scenario shows UTB has sufficient liquidity on hand to survive for at least 30 calendar days.

United Taiwan Bank - ILAAP																													
Table: Maturity Profile Table - The Medium Scenario																													
Note: Behaviour and scenario Medium																													
Units: Amounts in Euro million																													
Ref. Date: 2025/12/31																													
Time bucket	Total Inflows								Total	Time bucket	Total Outflows								Diff.	Cumulative Difference	Pass								
	Split to currency				Split to client type						Split to currency				Split to client type														
	EUR	USD	GBP	AUD	wholesale	HOLA	retail	Off-balance			EUR	USD	GBP	AUD	wholesale	retail	Off-balance	Total											
no fixed mat.	72.82	0.49	-	-	3.03	70.28	-	-	73.31	no fixed mat.	5.50	0.08	-	-	5.48	0.11	-	5.59	67.72	67.72	Yes								
overnight	-	-	-	-	-	-	-	-	-	overnight	-	-	-	-	-	-	-	0.00	281.73	349.45	Yes								
max 2 days	-	-	-	-	-	-	-	-	281.73	max 2 days	-	0.00	-	-	-	0.00	-	-	-	349.45	Yes								
max 3 days	-	-	-	-	-	-	-	-	-	max 3 days	-	-	-	-	-	-	-	-	-	349.45	Yes								
max 4 days	-	-	-	-	-	-	-	-	-	max 4 days	-	-	-	-	-	-	-	-	-	349.34	Yes								
max 5 days	-	-	-	-	-	-	-	-	-	max 5 days	0.11	0.00	-	-	0.11	0.00	-	0.11	0.11	349.34	Yes								
max 6 days	-	-	-	-	-	-	-	-	-	max 6 days	-	0.00	-	-	-	0.00	-	0.00	-	349.34	Yes								
max 7 days	-	-	-	-	-	-	-	-	-	max 7 days	5.03	-	-	-	5.03	-	-	5.03	5.03	344.31	Yes								
max 8 days	-	-	-	-	-	-	-	-	-	max 8 days	-	0.01	-	-	-	0.01	-	0.01	0.01	344.30	Yes								
max 9 days	-	-	-	-	-	-	-	-	-	max 9 days	-	-	-	-	-	-	-	-	-	344.30	Yes								
max 10 days	-	-	-	-	-	-	-	-	-	max 10 days	-	-	-	-	-	-	-	-	-	344.30	Yes								
max 11 days	-	-	-	-	-	-	-	-	-	max 11 days	-	-	-	-	-	-	-	-	-	344.30	Yes								
max 12 days	-	2.13	-	-	2.13	-	-	-	2.13	max 12 days	-	0.00	-	-	-	0.00	-	0.00	2.13	346.43	Yes								
max 13 days	-	-	-	-	-	-	-	-	-	max 13 days	-	0.00	-	-	-	0.00	-	0.00	-	346.43	Yes								
max 14 days	-	-	-	-	-	-	-	-	-	max 14 days	20.11	0.00	-	-	20.11	0.00	-	20.11	20.11	326.32	Yes								
max 15 days	-	-	-	-	-	-	-	-	-	max 15 days	-	-	-	-	-	-	-	-	-	326.32	Yes								
max 16 days	-	-	-	-	-	-	-	-	-	max 16 days	-	-	-	-	-	-	-	-	-	326.32	Yes								
max 17 days	-	-	-	-	-	-	-	-	-	max 17 days	-	-	-	-	-	-	-	-	-	326.32	Yes								
max 18 days	-	-	-	-	-	-	-	-	-	max 18 days	-	-	-	-	-	-	-	-	-	326.32	Yes								
max 19 days	-	-	-	-	-	-	-	-	-	max 19 days	0.00	-	-	-	-	0.00	-	0.00	0.00	326.32	Yes								
max 20 days	-	-	-	-	-	-	-	-	-	max 20 days	5.03	0.00	-	-	5.03	0.00	-	5.03	5.03	321.29	Yes								
max 21 days	-	-	-	-	-	-	-	-	-	max 21 days	-	-	-	-	-	-	-	-	-	321.29	Yes								
max 22 days	-	-	-	-	-	-	-	-	-	max 22 days	10.12	0.02	-	-	10.12	0.02	-	10.15	10.15	311.14	Yes								
max 23 days	-	-	-	-	-	-	-	-	-	max 23 days	0.23	0.00	-	-	0.23	0.00	-	0.23	0.23	310.91	Yes								
max 24 days	-	-	-	-	-	-	-	-	-	max 24 days	-	-	-	-	-	-	-	-	-	310.91	Yes								
max 25 days	-	-	-	-	-	-	-	-	-	max 25 days	-	-	-	-	-	-	-	-	-	310.91	Yes								
max 26 days	-	-	-	-	-	-	-	-	-	max 26 days	-	-	-	-	-	-	-	-	-	310.91	Yes								
max 27 days	-	-	-	-	-	-	-	-	-	max 27 days	-	0.00	-	-	-	0.00	-	0.00	0.00	310.91	Yes								
max 28 days	-	-	-	-	-	-	-	-	-	max 28 days	0.20	0.00	-	-	0.20	0.00	-	0.21	0.21	310.70	Yes								
max 29 days	-	-	-	-	-	-	-	-	-	max 29 days	-	0.00	-	-	-	0.00	-	0.00	0.00	310.70	Yes								
max 1 month	-	-	-	-	-	-	-	-	-	max 1 month	5.03	-	-	-	5.03	-	-	5.03	5.03	305.67	Yes								
max 2 months	-	-	-	-	-	-	-	-	-	max 2 months	33.19	0.26	-	-	32.80	0.65	-	33.45	33.45	272.22	Yes								
max 3 months	2.50	-	-	-	2.50	-	-	-	2.50	max 3 months	50.14	0.20	-	-	50.08	0.26	-	50.34	47.84	224.38	Yes								
max 4 months	11.00	-	-	-	11.00	-	-	-	11.00	max 4 months	0.70	0.04	-	-	0.61	0.12	-	0.73	10.27	234.65	Yes								
max 5 months	5.00	-	-	-	5.00	-	-	-	5.00	max 5 months	0.61	0.10	-	-	0.61	0.10	-	0.72	4.28	238.93	Yes								
max 6 months	8.10	-	-	-	8.10	-	-	-	8.10	max 6 months	12.87	1.01	-	-	12.96	1.22	-	13.88	5.78	233.15	Yes								
max 7 months	19.50	-	-	-	19.50	-	-	-	19.50	max 7 months	0.61	0.15	-	-	0.61	0.15	-	0.77	18.73	251.89	Yes								
max 8 months	-	-	-	-	-	-	-	-	-	max 8 months	0.61	0.03	-	-	0.61	0.03	-	0.65	0.65	251.24	Yes								
max 9 months	5.00	-	-	-	5.00	-	-	-	5.00	max 9 months	0.63	0.07	-	-	0.61	0.09	-	0.70	4.30	255.54	Yes								
max 10 months	5.00	-	-	-	5.00	-	-	-	5.00	max 10 months	0.61	0.12	-	-	0.61	0.12	-	0.74	4.26	259.80	Yes								
max 11 months	-	-	-	-	-	-	-	-	-	max 11 months	0.61	0.03	-	-	0.61	0.03	-	0.64	0.64	259.17	Yes								
max 12 months	10.02	-	-	-	10.02	-	-	-	10.02	max 12 months	0.61	0.09	-	-	0.61	0.09	-	0.70	9.32	268.49	Yes								
max 2 years	92.40	-	-	-	92.40	-	-	-	92.40	max 2 years	75.62	-	-	-	75.62	-	-	75.62	16.78	285.27	Yes								
max 3 years	61.00	-	-	-	61.00	-	-	-	61.00	max 3 years	181.08	-	-	-	181.08	-	-	181.08	120.08	165.19	Yes								
max 4 years	127.06	-	-	-	127.06	-	-	-	127.06	max 4 years	25.74	-	-	-	25.74	-	-	25.74	101.32	266.51	Yes								
max 5 years	50.00	-	-	-	50.00	-	-	-	50.00	max 5 years	-	-	-	-	-	-	-	-	50.00	316.51	Yes								
> 5 years	32.01	-	-	-	32.01	-	-	-	32.01	> 5 years	75.44	-	-	-	75.44	-	-	75.44	43.44	273.07	Yes								

11.5.3 The Severe

The result of this scenario shows UTB has sufficient liquidity on hand to survive for at least 30 calendar days.

United Taiwan Bank - ILAAP																																	
Table: Maturity Profile Table - Severe																																	
Note: Behaviour and scenario Severe																																	
Units: Amounts in Euro million																																	
Ref. Date: 2025/12/31																																	
Total Inflows														Total Outflows																			
Time bucket	Split to currency				Split to client type				Total	Time bucket	Split to currency				Split to client type				Total	Diff.	Cumulative Difference	Pass											
	EUR	USD	GBP	AUD	wholesale	HOLA	retail	Off-balance			EUR	USD	GBP	AUD	wholesale	retail	Off-balance																
no fixed mat.	72.82	0.49	-	-	3.03	70.28	-	-	73.31	no fixed mat.	6.51	0.17	-	-	6.45	0.23	-	-	6.68	66.63	66.63	Yes											
overnight	-	-	-	-	-	-	-	-	-	overnight	-	-	-	-	-	-	-	-	0.00	278.88	-	66.63	Yes										
max 2 days	-	-	-	-	-	-	-	-	278.88	max 2 days	-	0.00	-	-	-	0.00	-	-	0.00	-	-	345.51	Yes										
max 3 days	-	-	-	-	-	-	-	-	-	max 3 days	-	-	-	-	-	-	-	-	-	-	-	345.51	Yes										
max 4 days	-	-	-	-	-	-	-	-	-	max 4 days	-	-	-	-	-	-	-	-	-	-	-	345.51	Yes										
max 5 days	-	-	-	-	-	-	-	-	-	max 5 days	0.11	0.00	-	-	0.11	0.00	-	-	0.11	0.11	0.11	345.40	Yes										
max 6 days	-	-	-	-	-	-	-	-	-	max 6 days	-	0.00	-	-	-	0.00	-	-	0.00	-	-	345.40	Yes										
max 7 days	-	-	-	-	-	-	-	-	-	max 7 days	5.03	-	-	-	5.03	-	-	-	5.03	5.03	5.03	340.37	Yes										
max 8 days	-	-	-	-	-	-	-	-	-	max 8 days	-	0.02	-	-	-	0.02	-	-	0.02	0.02	0.02	340.35	Yes										
max 9 days	-	-	-	-	-	-	-	-	-	max 9 days	-	-	-	-	-	-	-	-	-	-	-	340.35	Yes										
max 10 days	-	-	-	-	-	-	-	-	-	max 10 days	-	-	-	-	-	-	-	-	-	-	-	340.35	Yes										
max 11 days	-	-	-	-	-	-	-	-	-	max 11 days	-	-	-	-	-	-	-	-	-	-	-	340.35	Yes										
max 12 days	-	2.13	-	-	2.13	-	-	-	2.13	max 12 days	-	0.00	-	-	-	0.00	-	-	0.00	2.13	2.13	342.48	Yes										
max 13 days	-	-	-	-	-	-	-	-	-	max 13 days	-	0.00	-	-	-	0.00	-	-	0.00	-	-	342.47	Yes										
max 14 days	-	-	-	-	-	-	-	-	-	max 14 days	20.11	0.00	-	-	20.11	0.00	-	-	20.12	20.12	20.12	322.36	Yes										
max 15 days	-	-	-	-	-	-	-	-	-	max 15 days	-	-	-	-	-	-	-	-	-	-	-	322.36	Yes										
max 16 days	-	-	-	-	-	-	-	-	-	max 16 days	-	-	-	-	-	-	-	-	-	-	-	322.36	Yes										
max 17 days	-	-	-	-	-	-	-	-	-	max 17 days	-	-	-	-	-	-	-	-	-	-	-	322.36	Yes										
max 18 days	-	-	-	-	-	-	-	-	-	max 18 days	-	-	-	-	-	-	-	-	-	-	-	322.36	Yes										
max 19 days	-	-	-	-	-	-	-	-	-	max 19 days	0.00	-	-	-	-	0.00	-	-	0.00	0.00	0.00	322.36	Yes										
max 20 days	-	-	-	-	-	-	-	-	-	max 20 days	5.03	0.00	-	-	5.03	0.00	-	-	5.03	5.03	5.03	317.33	Yes										
max 21 days	-	-	-	-	-	-	-	-	-	max 21 days	-	-	-	-	-	-	-	-	-	-	-	317.33	Yes										
max 22 days	-	-	-	-	-	-	-	-	-	max 22 days	10.12	0.05	-	-	10.12	0.05	-	-	10.17	10.17	10.17	307.16	Yes										
max 23 days	-	-	-	-	-	-	-	-	-	max 23 days	0.23	0.00	-	-	0.23	0.00	-	-	0.23	0.23	0.23	306.92	Yes										
max 24 days	-	-	-	-	-	-	-	-	-	max 24 days	-	-	-	-	-	-	-	-	-	-	-	306.92	Yes										
max 25 days	-	-	-	-	-	-	-	-	-	max 25 days	-	-	-	-	-	-	-	-	-	-	-	306.92	Yes										
max 26 days	-	-	-	-	-	-	-	-	-	max 26 days	-	-	-	-	-	-	-	-	-	-	-	306.92	Yes										
max 27 days	-	-	-	-	-	-	-	-	-	max 27 days	-	0.00	-	-	-	0.00	-	-	0.00	0.00	0.00	306.92	Yes										
max 28 days	-	-	-	-	-	-	-	-	-	max 28 days	0.20	0.00	-	-	0.20	0.00	-	-	0.21	0.21	0.21	306.71	Yes										
max 29 days	-	-	-	-	-	-	-	-	-	max 29 days	-	0.00	-	-	-	0.00	-	-	0.00	0.00	0.00	306.71	Yes										
max 1 month	-	-	-	-	-	-	-	-	-	max 1 month	5.03	-	-	-	5.03	-	-	-	5.03	5.03	5.03	301.68	Yes										
max 2 months	-	-	-	-	-	-	-	-	-	max 2 months	33.19	0.26	-	-	32.80	0.65	-	-	33.45	33.45	33.45	268.23	Yes										
max 3 months	2.50	-	-	-	2.50	-	-	-	2.50	max 3 months	50.14	0.20	-	-	50.08	0.26	-	-	50.34	47.84	47.84	220.39	Yes										
max 4 months	11.00	-	-	-	11.00	-	-	-	11.00	max 4 months	0.70	0.04	-	-	0.61	0.12	-	-	0.73	10.27	10.27	230.66	Yes										
max 5 months	5.00	-	-	-	5.00	-	-	-	5.00	max 5 months	0.61	0.10	-	-	0.61	0.10	-	-	0.72	4.28	4.28	234.94	Yes										
max 6 months	8.10	-	-	-	8.10	-	-	-	8.10	max 6 months	12.04	0.88	-	-	11.87	1.06	-	-	12.93	4.82	230.12	Yes											
max 7 months	19.50	-	-	-	19.50	-	-	-	19.50	max 7 months	0.61	0.15	-	-	0.61	0.15	-	-	0.77	18.73	18.73	248.85	Yes										
max 8 months	-	-	-	-	-	-	-	-	-	max 8 months	0.61	0.03	-	-	0.61	0.03	-	-	0.65	0.65	0.65	248.21	Yes										
max 9 months	5.00	-	-	-	5.00	-	-	-	5.00	max 9 months	0.63	0.07	-	-	0.61	0.09	-	-	0.70	4.30	252.51	Yes											
max 10 months	5.00	-	-	-	5.00	-	-	-	5.00	max 10 months	0.61	0.12	-	-	0.61	0.12	-	-	0.74	4.26	256.77	Yes											
max 11 months	-	-	-	-	-	-	-	-	-	max 11 months	0.61	0.03	-	-	0.61	0.03	-	-	0.64	0.64	0.64	256.13	Yes										
max 12 months	10.02	-	-	-	10.02	-	-	-	10.02	max 12 months	0.61	0.09	-	-	0.61	0.09	-	-	0.70	9.32	265.45	Yes											
max 2 years	92.40	-	-	-	92.40	-	-	-	92.40	max 2 years	75.62	-	-	-	75.62	-	-	-	75.62	16.78	282.24	Yes											
max 3 years	61.00	-	-	-	61.00	-	-	-	61.00	max 3 years	181.08	-	-	-	181.08	-	-	-	181.08	120.08	162.15	Yes											
max 4 years	127.06	-	-	-	127.06	-	-	-	127.06	max 4 years	25.74	-	-	-	25.74	-	-	-	25.74	101.32	263.48	Yes											
max 5 years	50.00	-	-	-	50.00	-	-	-	50.00	max 5 years	-	-	-	-	-	-	-	-	-	50.00	313.48	Yes											
> 5 years	32.01	-	-	-	32.01	-	-	-	32.01	> 5 years	75.44	-	-	-	75.44	-	-	-	75.44	43.44	270.04	Yes											

11.6 Finding and Recommendation

Based on the overall assessment of the results presented above, UTB is able to maintain liquidity for at least 30 calendar days under the various scenarios. The Management Committee considers the current liquidity management process to be adequate. No further recommendations are provided in this report.

12. Remuneration Policy

UTB's remuneration policy is approved by the Board of Directors. As a general rule, the office of all Directors is performed on a gratuitous basis, except for (i) the executive Directors, i.e., the Managing Director and the Deputy Managing Director, who receive a salary for the execution of their executive function, and (ii) the local non-affiliated independent director, who receives a remuneration in line with the content of his/her mandate/ directorship and market practice. The remuneration policy does not stimulate to take excessive risks as it is not based on given turnover figures, nor on a risk-taking policy.

In accordance with the Article 1 of Annex II of the Belgian Banking Law of 24 April 2014, the

variable remuneration has to be limited to the highest of the 2 following amounts:

1. 50 % of the fixed remuneration
2. Euro 50,000. under the condition that this amount cannot be higher than the fixed salary.

There is a possible exemption with regard to deferred payments and financial instruments as long as the Euro 50,000 does not represent more than 1/3 of their annual remuneration.

Below is the disclosure of the remuneration to the management function.

EU REM1 - Remuneration awarded for the financial year

unit: EUR Thousands

		MB Supervisory function	MB Management function	Other senior management	Other identified staff
Fixed remuneration	Number of identified staff		2		
	Total fixed remuneration		164		
	Of which: cash-based				
	Of which: shares or equivalent ownership interests				
	Of which: share-linked instruments or equivalent non-cash instruments				
	Of which: other instruments				
	Of which: other forms				
Variable remuneration	Number of identified staff		2		
	Total variable remuneration		33		
	Of which: cash-based				
	Of which: deferred				
	Of which: shares or equivalent ownership interests				
	Of which: deferred				
	Of which: share-linked instruments or equivalent non-cash instruments				
	Of which: deferred				
	Of which: other instruments				
	Of which: deferred				
	Of which: other forms				
	Of which: deferred				

Total remuneration (2 + 10)		196		
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Since there is no “Special payments to staff whose professional activities have a material impact on institutions’ risk profile”, “deferred remuneration” and “remuneration of 1 million EUR or more per year”, we do not provide table REM2, REM3 and REM4.

13. Corporate Governance

13.1 Policy related to the structure and the working of the

management entities

It is a longstanding and continuing policy of the 3 shareholders to appoint at UTB's management entities (Board of Directors and Management Committee) officers with a long track record and experience in the international sphere. They are appointed every 3 years by the General Shareholders’ Meeting.

The Chairman of the Board will be proposed by the Taiwan Cooperative Bank given their major involvement in UTB. His selection will always be based on his general and international experience and be in line with his responsibilities at TCB. This latter (TCB) will decide on this point taking into account the need for the Board to preserve the continuity and the efficiency that is necessary to exercise their monitoring function efficiently.

A number of non-executive Directors are appointed by each shareholder, taking into account their international experience and their actual responsibilities that will be in line with their directorship. Every shareholder will decide with the same objectives as for the Chairman of the Board.

Independent Directors: The 2 non-executive Directors appointed by the 2 minority shareholders can be considered as independent, pursuant to Article 3, 83° of Banking Law. This was confirmed by our external lawyer and was communicated to the NBB.

During the annual meeting with the NBB on 28.05.2024, the NBB shared its view that the addition of a locally based independent director to the UTB Board would be beneficial. The suggested profile includes independence from all three shareholders and familiarity with the European regulatory and business context. Such an appointment would serve to further enhance the robustness of UTB’s governance structure and contribute to broader Board diversity. In May 2025, the Board formally approved the appointment of the new independent director, Mrs. Danielle Vermaelen, recognizing her potential contribution to

business development and regulatory compliance. The appointment was subsequently approved by the NBB through the Fit and Proper assessment in August 2025. The inclusion of the new director was officially confirmed by the shareholder's meeting on 01.10.2025.

The two executive Directors in the Management Committee having a proven successful business track record are given a mandate that will normally be of at least 3 years. Their selection is under the responsibility of the Taiwan Cooperative Bank., who monitors and evaluates their past performance in the domestic and on the international front. The appointment of the chosen officers will then be proposed to and discussed with the 2 other minority shareholders. Their appointment will be done taking into account the same objectives as for the Chairman of the Board.

13.2 Management Structure and Organization

Board of Directors: The Board of Directors is a collegial body and has the power to perform all actions that are necessary or useful for the achievement of UTB's corporate purpose with the exception of those actions that are by law or by UTB's articles of association explicitly reserved for the General Shareholders' Meeting.

Directors are appointed for renewal periods of 3 years by the General Shareholders' Meeting whereby every shareholder is represented in the following way:

- Taiwan Cooperative Bank: 2 non-executive and 2 executive Directors
- Bank of Taiwan: 1 non-executive Director
- Land Bank of Taiwan: 1 non-executive Director
- One local non-executive Director acting as an independent Director

The Board of Directors shall be composed of members from complementary horizons and having the required knowledge and experience considering the activity of UTB.

Working of the Board:

- The Board meets at least twice a year under the chairmanship of its Chairman, being a non-executive Director, representative of the Taiwan Cooperative Bank, who decides after consultation of the Management Committee and the other Directors what items will be submitted to the Board. He conducts the deliberations of the Board.
- Decisions can only be taken by simple majority if at least half of the members of the Board are present or represented. When votes are equally divided, the vote of the Chairman will be decisive.
- Each member of the Board will be provided at least 1 business day before the scheduled meeting with the meeting's agenda and useful documentation to effectively prepare for the meeting.

- No Director may vote or take part on a deliberation if he is directly concerned by a decision or has a conflict of interest.

The Board will conform itself to what is said in articles 8 to 17 of the Articles of Association of UTB. Besides, in order to comply with the Banking Law of 25.04.2014 (art. 33 § 1) and the Article 3, 83° of the Banking Law, the Audit and Risk Committee was established by the Board of Directors held on 11.11.2015. The Committee is dedicated to evaluate all the matters of audit and risk management.

The Belgium Banking Law of 25.04.2014 has been amended on 07.12.2016 and now stipulates that the majority of the Audit and Risk Committee members should be independent. Article 3 of our Audit and Risk Committee Charter has been amended accordingly.

The non-executive members of the Board will evaluate once a year the interaction with the executive members and the efficiency of the management structure inclusive the qualification of management.

In accordance with Communication NBB_2018_05 dated 08.02.2018, the Board of Directors is obliged to submit an annual report to the supervisory authority on the assessment of the proper functioning of the compliance function. In addition to determining and verifying the integrity policy, the Board of Directors has to ensure that the compliance risks are adequately recognized and controlled.

Management Committee: two Executive Directors (the Managing Director and the Deputy Managing Director) acting together form the Management Committee. They are appointed by the Board of Directors and dispose of all the powers mentioned in Art. 522 of the Companies Code, except the general policy of UTB and the other matters specifically reserved by that code to the Board of Directors and to the General Shareholders' Meeting.

The Management Committee meets as much as necessary to permit an effective and efficient management of UTB.

The responsibilities of the Management Committee are defined as follows:

- Management of activities/establishment of the management structure.
- Monitoring of line management, of observation of responsibilities and of reporting.
- Make proposals/advise Board to define policy/strategy and provide sufficient data to allow Board to take documented decisions.
- Organize, implement and evaluate all the internal control mechanisms and procedures.
- Organize a system of internal control providing sufficient certainty on reliability of internal reporting and financial reporting, so that accounts correspond/comply to the actual accountancy regulations.

- Report the financial situation to the Board in all necessary aspects with a balanced and comprehensive assessment of UTBs' financial situation.
- Report to the NBB and the FSMA/ external auditor on financials, organization, internal control, management structure, independent control functions etc.

The Managing Director is in charge of all the operations functions.

The Deputy Managing Director is acting as the Risk Manager, AML Supervisor and is also in charge of the compliance function, the physical safety, guarding, security, and HR.