

**Taiwan Cooperative Financial Holding
Co., Ltd. and Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2024 and 2023 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders
Taiwan Cooperative Financial Holding Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Taiwan Cooperative Financial Holding Co., Ltd. (TCFHC) and its subsidiaries (collectively, the “Company”), as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, consolidated statements of changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as of March 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Yin-Chou Chen and Wang-Shen Lin.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 27, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS (Note 6)	\$ 79,013,075	2	\$ 89,231,286	2	\$ 64,181,231	1
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Notes 7, 41 and 42)	376,333,305	8	364,419,141	7	362,231,355	8
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 8, 41 and 42)	149,427,008	3	126,108,496	3	94,907,461	2
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 9 and 42)	539,570,195	11	509,252,116	11	482,724,826	11
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST (Notes 10 and 42)	714,281,885	14	705,008,604	15	701,710,087	15
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Note 11)	692,790	-	1,250,689	-	1,812,480	-
RECEIVABLES, NET (Notes 12 and 41)	56,490,006	1	55,770,102	1	43,730,601	1
CURRENT TAX ASSETS	2,655,775	-	2,293,065	-	2,235,685	-
DISCOUNTS AND LOANS, NET (Notes 13, 41 and 42)	2,843,990,720	58	2,800,346,569	58	2,724,002,776	59
REINSURANCE ASSETS, NET	255,338	-	244,817	-	292,402	-
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Note 14)	150,359	-	146,836	-	148,138	-
OTHER FINANCIAL ASSETS, NET (Notes 15, 30 and 42)	98,892,435	2	94,546,321	2	97,237,010	2
INVESTMENT PROPERTIES, NET (Note 16)	11,252,727	-	11,150,124	-	11,022,467	-
PROPERTIES AND EQUIPMENT, NET (Note 17)	32,419,010	1	32,448,391	1	32,899,928	1
RIGHT-OF-USE ASSETS, NET (Note 18)	1,704,903	-	1,585,057	-	1,554,239	-
INTANGIBLE ASSETS (Note 19)	4,514,620	-	4,427,379	-	4,165,587	-
DEFERRED TAX ASSETS (Note 38)	2,891,239	-	2,274,199	-	1,859,529	-
OTHER ASSETS, NET (Notes 18 and 20)	<u>4,361,391</u>	<u>-</u>	<u>3,199,764</u>	<u>-</u>	<u>3,444,187</u>	<u>-</u>
TOTAL	<u>\$ 4,918,896,781</u>	<u>100</u>	<u>\$ 4,803,702,956</u>	<u>100</u>	<u>\$ 4,630,159,989</u>	<u>100</u>
LIABILITIES AND EQUITY						
DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS (Notes 21 and 41)	\$ 319,235,733	7	\$ 301,705,360	6	\$ 304,483,262	7
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 8, 26 and 41)	4,472,665	-	9,261,978	-	3,036,160	-
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 8, 9, 22 and 41)	71,513,136	1	71,210,419	2	65,955,296	1
COMMERCIAL PAPER ISSUED, NET (Note 23)	36,794,830	1	33,651,757	1	27,223,431	1
PAYABLES (Notes 24 and 41)	61,526,590	1	60,137,161	1	58,346,854	1
CURRENT TAX LIABILITIES	3,300,378	-	3,158,232	-	1,807,883	-
DEPOSITS AND REMITTANCES (Notes 25 and 41)	3,945,573,370	80	3,862,095,191	80	3,715,446,384	80
BONDS PAYABLE (Note 26)	77,240,000	2	77,240,000	2	82,790,000	2
OTHER BORROWINGS (Notes 23 and 27)	13,442,782	-	11,266,712	-	9,283,261	-
PROVISIONS (Notes 28 and 29)	35,052,117	1	34,391,765	1	32,988,981	1
OTHER FINANCIAL LIABILITIES (Notes 16, 30 and 41)	89,607,472	2	87,530,330	2	89,530,457	2
LEASE LIABILITIES (Note 18)	1,683,979	-	1,545,153	-	1,537,426	-
DEFERRED TAX LIABILITIES (Notes 17 and 38)	5,497,682	-	3,594,884	-	3,652,420	-
OTHER LIABILITIES (Note 31)	<u>1,107,585</u>	<u>-</u>	<u>1,135,355</u>	<u>-</u>	<u>1,826,228</u>	<u>-</u>
Total liabilities	<u>4,666,048,319</u>	<u>95</u>	<u>4,557,924,297</u>	<u>95</u>	<u>4,397,908,043</u>	<u>95</u>
EQUITY ATTRIBUTABLE TO OWNERS OF TCFHC						
Capital stock						
Common stock	<u>147,093,822</u>	<u>3</u>	<u>147,093,822</u>	<u>3</u>	<u>140,089,354</u>	<u>3</u>
Capital surplus	<u>45,650,280</u>	<u>1</u>	<u>45,650,280</u>	<u>1</u>	<u>57,977,016</u>	<u>1</u>
Retained earnings						
Legal reserve	15,582,312	-	15,582,312	-	13,432,536	-
Special reserve	21,509,719	-	21,509,719	1	985,539	-
Unappropriated earnings	<u>25,385,078</u>	<u>1</u>	<u>17,181,771</u>	<u>-</u>	<u>29,507,936</u>	<u>1</u>
Total retained earnings	<u>62,477,109</u>	<u>1</u>	<u>54,273,802</u>	<u>1</u>	<u>43,926,011</u>	<u>1</u>
Other equity	<u>(8,381,837)</u>	<u>-</u>	<u>(7,127,656)</u>	<u>-</u>	<u>(15,333,767)</u>	<u>-</u>
Total equity attributable to owners of TCFHC	246,839,374	5	239,890,248	5	226,658,614	5
NON-CONTROLLING INTERESTS	<u>6,009,088</u>	<u>-</u>	<u>5,888,411</u>	<u>-</u>	<u>5,593,332</u>	<u>-</u>
Total equity	<u>252,848,462</u>	<u>5</u>	<u>245,778,659</u>	<u>5</u>	<u>232,251,946</u>	<u>5</u>
TOTAL	<u>\$ 4,918,896,781</u>	<u>100</u>	<u>\$ 4,803,702,956</u>	<u>100</u>	<u>\$ 4,630,159,989</u>	<u>100</u>

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

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
INTEREST REVENUE (Notes 32 and 41)	\$ 25,157,136	159	\$ 21,439,906	145
INTEREST EXPENSE (Notes 32 and 41)	<u>(17,998,276)</u>	<u>(114)</u>	<u>(12,852,720)</u>	<u>(87)</u>
NET INTEREST	<u>7,158,860</u>	<u>45</u>	<u>8,587,186</u>	<u>58</u>
NET REVENUES AND GAINS OTHER THAN INTEREST				
Service fee and commission income, net (Notes 33 and 41)	3,697,458	24	1,895,345	13
Premium income, net (Notes 30 and 34)	897,072	6	974,266	7
Gains on financial assets and liabilities at fair value through profit or loss (Notes 35 and 41)	15,383,891	97	1,101,898	7
Gains on disposal of investment properties, net	6,687	-	43,665	-
Realized gains on financial assets at fair value through other comprehensive income (Note 36)	310,420	2	106,686	1
Foreign exchange (losses) gains	(11,472,158)	(73)	2,009,339	14
Gain on reversal of impairment loss (Notes 9 and 10)	3,898	-	2,746	-
Share of gains of associates and joint ventures accounted for using the equity method (Note 14)	3,523	-	5,501	-
(Losses) gains on reclassification of overlay approach (Note 8)	(243,183)	(1)	(38,530)	-
Other noninterest gains, net (Notes 16 and 41)	<u>53,825</u>	<u>-</u>	<u>59,292</u>	<u>-</u>
Total net revenues and gains other than interest	<u>8,641,433</u>	<u>55</u>	<u>6,160,208</u>	<u>42</u>
TOTAL NET REVENUES	<u>15,800,293</u>	<u>100</u>	<u>14,747,394</u>	<u>100</u>
BAD-DEBT EXPENSES AND PROVISION FOR LOSSES ON COMMITMENTS AND GUARANTEES (Note 13)	<u>(1,177,011)</u>	<u>(8)</u>	<u>(1,054,408)</u>	<u>(7)</u>
NET CHANGE IN RESERVES FOR INSURANCE LIABILITIES (Note 28)	<u>(544,031)</u>	<u>(3)</u>	<u>(652,753)</u>	<u>(5)</u>
OPERATING EXPENSES (Notes 4, 16, 17, 18, 19, 29 and 37)				
Employee benefits	(4,594,147)	(29)	(4,472,920)	(30)
Depreciation and amortization	(706,028)	(5)	(646,136)	(5)
General and administrative	<u>(2,232,554)</u>	<u>(14)</u>	<u>(1,962,112)</u>	<u>(13)</u>
Total operating expenses	<u>(7,532,729)</u>	<u>(48)</u>	<u>(7,081,168)</u>	<u>(48)</u>

(Continued)

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 6,546,522	41	\$ 5,959,065	40
INCOME TAX EXPENSE (Notes 4 and 38)	<u>(1,163,293)</u>	<u>(7)</u>	<u>(922,430)</u>	<u>(6)</u>
NET INCOME	<u>5,383,229</u>	<u>34</u>	<u>5,036,635</u>	<u>34</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Change in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss	756	-	(321)	-
Unrealized gains on investments in equity instruments at fair value through other comprehensive income	<u>3,549,324</u>	<u>23</u>	<u>3,672,241</u>	<u>25</u>
Items that will not be reclassified subsequently to profit or loss, net of income tax	<u>3,550,080</u>	<u>23</u>	<u>3,671,920</u>	<u>25</u>
Items that may be reclassified subsequently to profit or loss (Notes 8, 9 and 38)				
Exchange differences on the translation of financial statements of foreign operations	1,872,050	12	(507,922)	(3)
Unrealized (losses) gains on investments in debt instruments at fair value through other comprehensive income	(3,685,042)	(23)	3,175,482	22
Other comprehensive income on reclassification of overlay approach	243,183	1	38,530	-
Income tax attributable to other comprehensive income	<u>(293,697)</u>	<u>(2)</u>	<u>74,124</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss, net of income tax	<u>(1,863,506)</u>	<u>(12)</u>	<u>2,780,214</u>	<u>19</u>
Other comprehensive income, net of income tax	<u>1,686,574</u>	<u>11</u>	<u>6,452,134</u>	<u>44</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 7,069,803</u>	<u>45</u>	<u>\$ 11,488,769</u>	<u>78</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of TCFHC	\$ 5,237,347	33	\$ 4,886,540	33
Non-controlling interests	<u>145,882</u>	<u>1</u>	<u>150,095</u>	<u>1</u>
	<u>\$ 5,383,229</u>	<u>34</u>	<u>\$ 5,036,635</u>	<u>34</u>

(Continued)

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owners of TCFHC	\$ 6,949,126	44	\$ 11,211,838	76
Non-controlling interests	<u>120,677</u>	<u>1</u>	<u>276,931</u>	<u>2</u>
	<u>\$ 7,069,803</u>	<u>45</u>	<u>\$ 11,488,769</u>	<u>78</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 39)				
Basic	<u>\$ 0.36</u>		<u>\$ 0.33</u>	
Diluted	<u>\$ 0.36</u>		<u>\$ 0.33</u>	

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

(Concluded)

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of TCFHC											
							Other Equity					
	Capital Stock (Note 40)		Capital Surplus	Retained Earnings (Notes 9 and 40)			Exchange Differences on the Translation of Financial Statements of Foreign Operations	Unrealized Valuation Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income (Note 9)	Change in the Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities Designated as at Fair Value Through Profit or Loss	Other Comprehensive Income on Reclassification of Overlay Approach	Non-controlling Interests (Note 40)	Total Equity
Shares (In Thousands)	Common Stock	Legal Reserve		Special Reserve	Unappropriated Earnings							
BALANCE AT JANUARY 1, 2024	14,709,382	\$ 147,093,822	\$ 45,650,280	\$ 15,582,312	\$ 21,509,719	\$ 17,181,771	\$ (578,527)	\$ (6,593,434)	\$ (13,014)	\$ 57,319	\$ 5,888,411	\$ 245,778,659
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	2,965,960	-	(2,965,960)	-	-	-	-
Total comprehensive income												
Net income for the three months ended March 31, 2024	-	-	-	-	-	5,237,347	-	-	-	-	145,882	5,383,229
Other comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	-	1,494,932	91,152	756	124,939	(25,205)	1,686,574
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	5,237,347	1,494,932	91,152	756	124,939	120,677	7,069,803
BALANCE AT MARCH 31, 2024	14,709,382	\$ 147,093,822	\$ 45,650,280	\$ 15,582,312	\$ 21,509,719	\$ 25,385,078	\$ 916,405	\$ (9,468,242)	\$ (12,258)	\$ 182,258	\$ 6,009,088	\$ 252,848,462
BALANCE AT JANUARY 1, 2023	14,008,935	\$ 140,089,354	\$ 57,977,016	\$ 13,432,536	\$ 985,539	\$ 24,472,050	\$ (452,462)	\$ (21,227,000)	\$ -	\$ 169,743	\$ 5,316,401	\$ 220,763,177
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	149,346	-	(149,346)	-	-	-	-
Total comprehensive income												
Net income for the three months ended March 31, 2023	-	-	-	-	-	4,886,540	-	-	-	-	150,095	5,036,635
Other comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	-	-	(409,035)	6,715,405	(321)	19,249	126,836	6,452,134
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	-	4,886,540	(409,035)	6,715,405	(321)	19,249	276,931	11,488,769
BALANCE AT MARCH 31, 2023	14,008,935	\$ 140,089,354	\$ 57,977,016	\$ 13,432,536	\$ 985,539	\$ 29,507,936	\$ (861,497)	\$ (14,660,941)	\$ (321)	\$ 188,992	\$ 5,593,332	\$ 232,251,946

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

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 6,546,522	\$ 5,959,065
Adjustments for:		
Depreciation expense	593,189	558,291
Amortization expense	112,839	87,845
Expected credit losses/bad-debt expenses	1,197,229	912,487
Gains on financial assets and liabilities at fair value through profit or loss	(15,383,891)	(1,101,898)
Interest expense	17,998,276	12,852,720
Interest revenue	(25,157,136)	(21,439,906)
Dividend income	(310,206)	(99,915)
Net changes in reserves for insurance liabilities	544,031	652,753
Net changes in provision for possible losses on guarantees	(50,725)	78,445
Net changes in reserves for other liabilities	30,507	63,476
Share of gains of associates and joint ventures accounted for using equity method	(3,523)	(5,501)
Losses on reclassification of overlay approach	243,183	38,530
Losses on disposal of properties and equipment	28	160
Gains on disposal of investment properties	(6,687)	(43,665)
Gains on disposal of investments	(214)	(6,771)
Impairment losses on financial assets	2,477	1,010
Reversal of impairment losses on financial assets	(6,375)	(3,756)
Unrealized (gains) losses on foreign exchange	(700,520)	104,011
Others	(231)	-
Net changes in operating assets and liabilities		
Increase in due from the Central Bank and call loans to other banks	(14,538,090)	(16,615,673)
Increase in financial assets at fair value through profit or loss	(12,464,583)	(17,213,129)
Increase in financial assets at fair value through other comprehensive income	(24,590,781)	(2,436,335)
(Increase) decrease in investments in debt instruments at amortized cost	(7,322,905)	17,550,451
Increase in receivables	(1,114,801)	(976,309)
Increase in discounts and loans	(44,859,581)	(135,133,770)
Decrease (increase) in reinsurance assets	10,526	(90,073)
(Increase) decrease in other financial assets	(2,463,010)	224,134
Increase in other assets	(1,204,522)	(432,308)
Increase in deposits from the Central Bank and other banks	17,530,373	16,629,627
Decrease in financial liabilities at fair value through profit or loss	(897,252)	(2,895,681)
Increase (decrease) in securities sold under repurchase agreements	129,605	(1,671,884)
(Decrease) increase in payables	(2,440,095)	2,184,387
Increase in deposits and remittances	83,478,181	117,023,470
Decrease in provision for employee benefits	(12,952)	(66,395)
		(Continued)

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	2023
Decrease in other financial liabilities	\$ (4,163)	\$ (10,161)
Increase in other liabilities	12,230	606,033
Cash used in operations	(25,103,047)	(24,716,235)
Interest received	26,630,656	21,662,643
Dividends received	206,022	71,016
Interest paid	(14,178,547)	(8,821,269)
Income tax paid	(395,478)	(271,771)
Net cash used in operating activities	(12,840,394)	(12,075,616)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of properties and equipment	(325,969)	(296,486)
Proceeds from disposal of properties and equipment	28	-
Increase in refundable deposits	(383,907)	(536,305)
Decrease in refundable deposits	409,680	434,833
Acquisition of intangible assets	(143,204)	(97,175)
Acquisition of investment properties	(282,487)	(174,881)
Proceeds from disposal of investment properties	71,908	281,961
Increase in other assets	(350)	(6,367)
Decrease in other assets	4,260	1,745
Net cash used in investing activities	(650,041)	(392,675)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in commercial paper issued	13,000,000	7,850,000
Decrease in commercial paper issued	(9,880,000)	(5,140,000)
Proceeds from the issuance of bank debentures	-	2,500,000
Increase in other borrowings	9,315,468	2,105,904
Decrease in other borrowings	(7,276,168)	(2,175,266)
Increase in financial liabilities designated at fair value through profit or loss	-	1,445,557
Increase in guarantee deposits received	250,944	45,067
Decrease in guarantee deposits received	(44,078)	(295,046)
Repayments of the principal portion of lease liabilities	(156,160)	(162,748)
Decrease in other liabilities	(50,191)	(13,053)
Net cash generated from financing activities	5,159,815	6,160,415
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(5,053,815)	1,016,142
		(Continued)

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	2023
NET DECREASE IN CASH AND CASH EQUIVALENTS	\$ (13,384,435)	\$ (5,291,734)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	<u>144,214,094</u>	<u>140,044,317</u>
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	<u>\$ 130,829,659</u>	<u>\$ 134,752,583</u>
Cash and cash equivalent reconciliations:		
	March 31	
	2024	2023
Cash and cash equivalents in the consolidated balance sheets	\$ 79,013,075	\$ 64,181,231
Due from the Central Bank and call loans to other banks in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	50,739,734	68,393,592
Securities purchased under resell agreements in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	692,790	1,812,480
Other items in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	<u>384,060</u>	<u>365,280</u>
Cash and cash equivalents, end of period	<u>\$ 130,829,659</u>	<u>\$ 134,752,583</u>

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

(Concluded)

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

Taiwan Cooperative Financial Holding Co., Ltd. (TCFHC) was established by Taiwan Cooperative Bank, Ltd. (TCB), Taiwan Cooperative Bills Finance Corporation Ltd. (TCBF) and Co-operative Assets Management Co., Ltd. (CAM) through a share swap on December 1, 2011 under the Financial Holding Companies Act and related regulations in the Republic of China (ROC). TCFHC's shares have been listed on the Taiwan Stock Exchange (TWSE) since December 1, 2011. After the share swap, TCB, TCBF and CAM became wholly owned subsidiaries of TCFHC.

TCFHC invests in and manages financial institutions.

TCB engages in (a) all commercial banking operations allowed under the Banking Law; (b) international banking operations; (c) overseas branch operations as authorized by the respective foreign governments; and (d) other operations as authorized by the central authority-in-charge. TCB has its Head Office in Taipei. It had a Business, International Banking, Finance, Credit Card, Trust and Insurance Agent Departments as well as 269 domestic branches, 1 offshore banking unit (OBU), 14 overseas branches, 8 overseas sub-branches and 3 representative offices as of March 31, 2024.

The operations of TCB's Trust Department are (1) planning, managing and operating the trust business and (2) custodianship of nondiscretionary trust funds in domestic and overseas securities and mutual funds. These operations are regulated under the Banking Law and Trust Law of the ROC.

TCB merged with the Farmers Bank of China (FBC) on May 1, 2006, with TCB as the survivor entity.

On December 2, 2011, TCB spun off its Security Department for the establishment of Taiwan Cooperative Securities Co., Ltd. (TCS). TCS issued new common shares to TCFHC and became its 100% subsidiary. TCS primarily (a) brokers securities; (b) deals securities; (c) underwrites securities; (d) provides pecuniary and securities financing facilities for the trading of listed securities; (e) trading of futures introducing broker business; (f) futures proprietary trading business; (g) does other business as approved by the authorities.

TCBF, established on May 13, 1998, has a head office in Taipei and a branch in Kaohsiung. TCBF engages in (a) brokering and dealing short-term bills; (b) underwriting commercial paper; (c) acting as registrar of commercial paper; (d) providing guarantees on or endorsements of commercial paper and bank acceptance; (e) brokering call loans between financial institutions; (f) providing consulting services on corporate financial matters; (g) brokering and dealing government bonds; (h) underwriting, brokering and dealing bank debentures; (i) dealing corporate bonds; (j) investment related equity instruments; (k) other operations approved by the authorities.

CAM was established on October 18, 2005; its main businesses are the purchase, appraisal, auction and management of financial institutions' creditors' rights as well as the purchase of accounts receivable and management of overdue receivables. To enhance capital allocation and increase the benefits of capital use, the board of directors of CAM decided to merge CAM and its subsidiary, Cooperative I Asset Management Co., Ltd. The effective date of the merger was December 1, 2014. In this merger, CAM was the survivor entity.

Cooperative Insurance Brokers Co., Ltd. (CIB) was established on November 25, 2005; it is engaged in life and property insurance brokering. In order to integrate resources and enhance operating effectiveness, the board of directors of TCB and CIB decided to merge TCB with CIB. The effective date of the merger was June 24, 2016. In this merger, TCB was the survivor entity.

TCB set up United Taiwan Bank S.A. (UTB) in Belgium through raising funds with Bank of Taiwan, Land Bank of Taiwan and Taiwan Business Bank. UTB started its operation on December 23, 1992; it is TCB's subsidiary and its main business is in general deposits and loans.

For organizational restructuring purpose, TCB's board of directors resolved to reduce TCB's capital of \$1,524,390 thousand and transferred TCB's long-term equity investments in BNP Paribas Cardif TCB Life Insurance Co., Ltd. (BPCTLI) and Taiwan Cooperative Securities Investment Trust Co., Ltd. (TCSIT) to TCFHC on December 1, 2011. The effective date of the capital reduction was set on April 3, 2012. After this capital reduction, BPCTLI and TCSIT both became 51% subsidiaries of TCFHC. On April 21, 2014, TCFHC acquired 49% of long-term equity investments in TCSIT for \$151,704 thousand. After this acquisition, TCSIT became a 100% subsidiary of TCFHC.

The business of BPCTLI was approved in March 2010. BPCTLI provides insurance: Life, personal injury, health, annuity and investment-linked products.

The business of TCSIT was approved in April 2011. TCSIT engages in the (a) securities investment trust business; (b) discretionary investment business; (c) securities investment consulting business and (d) other businesses as approved by the authorities.

Taiwan Cooperative Venture Capital Co., Ltd. (TCVC) was established on October 1, 2015. TCVC engages in (a) venture capital investments; (b) consulting; and (c) investment consulting.

As of March 31, 2024 and 2023, TCFHC and its subsidiaries (collectively, the Company) had 9,659 and 9,625 employees, respectively.

The operating units of the Company maintain their accounts in their respective functional currencies. The consolidated financial statements are presented in New Taiwan dollars.

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by TCFHC's board of directors on May 27, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the FSC

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Company's accounting policies.

- b. Impact of the new IFRS Accounting Standards announced by IASB but not yet endorsed and issued into effect by the FSC and not yet applied by the Company

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosures in Financial Statements”	January 1, 2027
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

1) IFRS 17 “Insurance Contracts” and related amendments

IFRS 17 sets out the accounting standards for insurance contracts. It will supersede IFRS 4. The main standards of IFRS 17 and related amendments are as follows:

Level of aggregation

IFRS 17 requires the Company to identify portfolios of insurance contracts, which comprises contracts that are subject to similar risks and managed together. Contracts within a product line would be expected to have similar risks and hence would be expected to be in the same portfolio if they are managed together. Each portfolio of insurance contracts issued shall be divided into a minimum of:

- a) A group of contracts that are onerous at initial recognition;
- b) A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently;
- c) A group of the remaining contracts in the portfolio.

The Company is not permitted to include contracts issued more than one year apart in the same group, and a group of contracts to be issued should apply the recognition and measurement of IFRS 17.

Recognition

The Company shall recognize a group of insurance contracts it issues from the earliest of the following:

- a) The beginning of the coverage period of the group of contracts;

- b) The date when the first payment from a policyholder in the group becomes due; and
- c) For a group of onerous contracts, when the group becomes onerous.

Measurement

The Company shall include all the future cash flows within the boundary of each contract in the group. The fulfilment cash flows comprises estimates of future cash flows, an adjustment to reflect the time value of money, and a risk adjustment for non-financial risk. The contractual service margin represents the unearned profit of the group of insurance contracts that the Company will recognize as it provides services in the future. This is measured on initial recognition of a group of insurance contracts at an amount that, unless the group of contracts is onerous, results in no income or expenses arising from:

- a) The initial recognition of an amount for the fulfillment cash flows;
- b) All cash flows arising from the contracts in the group at that date;
- c) The derecognition of the following at initial recognition date
 - i. Insurance acquisition cash flow assets; and
 - ii. Any other assets and liabilities related the cash flows in the group of contracts were previously recognized.

Subsequent measurement

On subsequent measurement, the carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises the fulfilment cash flows related to future services and the contractual service margin of the group at that date, and liabilities for incurred claims include fulfilment cash flows related to past services. On subsequent measurement, if a group of insurance contracts becomes onerous or more onerous, that excess shall be recognized in profit or loss.

Onerous contracts

An insurance contract is onerous at initial recognition if the total of the fulfilment cash flows allocated to insurance contracts, any previously recognized acquisition cash flows and all cash flows arising from the contract at that date is a net outflow. The Company shall recognize a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows and the contractual service margin of the group being zero. The contractual service margin cannot increase and no revenue can be recognized, until the onerous amount previously recognized has been reversed in profit or loss as part of a service expense.

Premium allocation approach

The Company may simplify the measurement of the liability for remaining coverage of a group of insurance contracts using the Premium Allocation Approach (PAA) on the condition that, at the inception of the group:

- a) The Company reasonably expects that this will be a reasonable approximation of the general model, or
- b) The coverage period of each contract in the group is one year or less.

At the inception of the group, if the Company expects significant variances in the fulfilment cash flows during the period before a claim is incurred, such contracts are not eligible to apply the PAA.

When using the PAA, the liability for remaining coverage shall be initially recognized as the following:

- a) The premium received at the initial recognition;
- b) The premium minus all insurance acquisition cash flows at that date; and
- c) Plus or minus the following items derecognition at the initial recognition date.
 - i. Insurance acquisition cash flow assets; and
 - ii. Any other assets and liabilities related to the cash flows in the group of contracts were previously recognized.

Subsequently the carrying amount of the liability is the carrying amount at the start of the reporting period plus the premiums received in the period, minus insurance acquisition cash flows, plus amortization of acquisition cash flows, minus the amount recognized as insurance revenue for coverage provided in that period, and minus any investment component paid or transferred to the liability for incurred claims.

Investment contracts with discretionary participation features

An investment contract with discretionary participation features is a financial instrument and it does not include a transfer of significant insurance risk. It is in the scope of the standard only if the issuer also issues insurance contracts. The requirements of the Standard are modified for such investment contracts.

Modification and derecognition

If the terms of an insurance contract are modified, the Company shall derecognize the original contract and recognize the modified contract as a new contract if there is a substantive modification, based on meeting any of the specified criteria.

The Company shall derecognize an insurance contract when it is extinguished, or if any of the conditions of a substantive modification of an insurance contract are met.

Transition

The Company shall apply the standard retrospectively unless impracticable, in which case entities have the option of using either the modified retrospective approach or the fair value approach.

Under the modified retrospective approach, an entity shall utilize reasonable and supportable information and maximize the use of information that would have been used to apply a full retrospective approach, but need only use information available without undue cost or effort. The Company shall apply the fair value approach if reasonable and supportable information is unavailable.

Under the fair value approach, the Company determines the contractual service margin at the transition date as the difference between the fair value of a group of insurance contracts at that date and the fulfilment cash flows measured at that date.

Redesignation of financial assets

On the date of initial application of IFRS 17, a company that has applied IFRS 9 may redesignate and reclassify financial assets that meet the requirements of paragraph C29 of IFRS 17. The Company is not required to restate comparative information to reflect changes in the reclassification of these assets, so the difference between the previous carrying amount of these financial assets and their carrying amount at the date of initial application is recognized in the initial retained earnings (or other equity as appropriate). If the Company restates the comparative information, the restatement must reflect the requirements of IFRS 9 for these affected financial assets.

In addition, for a company that has applied IFRS 9 before the initial application of IFRS 17 and has, for financial assets that have been derecognized during the comparative period on the date of initial application of IFRS 17, the Company may choose to apply the classification overlay approach on the basis of individual financial assets, as if those financial assets had been reclassified in the comparative period in accordance with the redesignation requirements in paragraph C29 of IFRS 17.

2) IFRS 18 “Presentation and Disclosures in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- a) Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.
- b) The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- c) Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- d) Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of other standards and interpretations on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined benefit liabilities (assets) which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- c. Level 3 inputs are unobservable inputs for the asset or liability.

Basis of Consolidation

TCFHC’s consolidated financial statements incorporate the financial statements of Taiwan Cooperative Financial Holding Co., Ltd. (TCFHC), and the entities controlled by TCFHC, including Taiwan Cooperative Bank, Ltd. (TCB) and its subsidiary, Co-operative Assets Management Co., Ltd. (CAM) and its subsidiary, Taiwan Cooperative Bills Finance Co., Ltd. (TCBF), Taiwan Cooperative Securities Co., Ltd. (TCS) and its subsidiary, BNP Paribas Cardif TCB Life Insurance Co., Ltd. (BPCTLI), Taiwan Cooperative Securities Investment Trust Co., Ltd. (TCSIT) and Taiwan Cooperative Venture Capital Co., Ltd. (TCVC).

The accounting policies of TCFHC and its subsidiaries are consistent.

All significant intercompany transactions and balances have been eliminated for consolidation purposes. The accompanying consolidated financial statements also include accounts of TCB’s Head Office, OBU, and all branches. All interoffice account balances and transactions have been eliminated.

Total comprehensive income of subsidiaries is attributed to the owners of the TCFHC and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

For more information on the consolidated entities, please see Table 1 (attached).

Other Material Accounting Policies

In addition to the following, refer to the summary of material accounting policies of the consolidated financial statements for the year ended December 31, 2023.

a. Employee benefits

Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

b. Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 4, the Company's management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Company considers the possible impact of climate change and related government policies and regulations on the other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

If the Level 1 input value cannot be obtained when the fair value of a financial instrument is estimated, the Company will periodically update each input value according to market conditions to measure its fair value. For the description of fair value evaluation method and input value, please refer to Note 44.

Unless stated in other notes, the following are the critical judgments, assumptions and estimation uncertainty estimations that the Company's management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

a. Impairment losses on loans

Estimated impairment losses on the Company's loans are based on certain assumptions about the percentage of default and default losses. The Company makes assumptions and selects the input values for the impairment assessment based on prior experience, the current market situation and forward-looking information.

The assessment of impairment loss also takes into consideration the classification of credit assets and the possible impairment losses based on the length of time the loans have become overdue and the status of collection of the collateral. The Company evaluates the amount of impairment losses based on whether the customer's repayments of principal and interest are overdue and the length of time the payments are overdue, the estimate of value of the collateral and the debtor's financial status. If future actual cash flows are lesser than expected, a material impairment loss may arise.

b. Insurance liability and liability adequacy test

An independent actuary estimated the insurance liability and tested liability adequacy using certain actuarial principles and assumptions, which included the characteristics of each type of insurance, historical information, loss development factors, expected loss ratio and estimation of future cash flows. The management may adjust the differences between actual results and estimates, if it is necessary.

6. CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	\$ 25,458,330	\$ 29,086,413	\$ 24,836,463
Notes and checks in clearing	17,596,659	17,108,734	9,567,173
Due from banks	<u>35,976,996</u>	<u>43,052,913</u>	<u>29,799,324</u>
	79,031,985	89,248,060	64,202,960
Less: Allowance for possible losses	<u>18,910</u>	<u>16,774</u>	<u>21,729</u>
	<u>\$ 79,013,075</u>	<u>\$ 89,231,286</u>	<u>\$ 64,181,231</u>

Reconciliations of cash and cash equivalents between the consolidated statements of cash flows and the consolidated balance sheets as of March 31, 2024 and 2023 are shown in the consolidated statements of cash flows. The reconciliation as of December 31, 2023 are stated below:

	December 31, 2023
Cash and cash equivalent in the consolidated balance sheet	\$ 89,231,286
Due from the Central Bank and call loans to other banks in accordance with the definition of cash and cash equivalents under IAS 7 "Statement of Cash Flows"	53,363,659
Securities purchased under resell agreements in accordance with the definition of cash and cash equivalents under IAS 7 "Statement of Cash Flows"	1,250,689
Other in accordance with the definition of cash and cash equivalents under IAS 7 "Statement of Cash Flows"	<u>368,460</u>
Cash and cash equivalents, end of the year	<u>\$ 144,214,094</u>

7. DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS

	March 31, 2024	December 31, 2023	March 31, 2023
Reserves for deposits - account A	\$ 39,035,437	\$ 47,271,228	\$ 36,235,237
Reserves for deposits - account B	109,673,835	105,871,392	105,638,250
Reserves for deposits - community financial institutions	82,410,372	81,514,688	80,500,929
Reserves for deposits - foreign-currency deposits	670,768	538,112	574,994
Deposits in the Central Bank	39,200,000	39,200,000	39,200,000
Due from the Central Bank - others	33,390,528	30,157,434	31,851,903

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
Due from the Central Bank - central government agencies' deposits	\$ 2,540,248	\$ 2,263,866	\$ 2,818,612
Call loans to banks	<u>69,412,117</u>	<u>57,602,421</u>	<u>65,411,430</u>
	<u>\$ 376,333,305</u>	<u>\$ 364,419,141</u>	<u>\$ 362,231,355</u> (Concluded)

The deposit reserves are determined monthly at prescribed rates based on the average balances of various types of deposit accounts held by the Company. The deposit reserves are subject to withdrawal restrictions, but deposit reserve - account B and foreign-currency deposit reserves may be withdrawn anytime.

Under the guideline issued by the Central Bank of the Republic of China (CBC), Taiwan Cooperative Bank Ltd. should deposit 60 percent of the deposits of central government agencies in the CBC, and the deposits are subject to withdrawal restrictions.

8. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets mandatorily classified as at <u>fair value through profit or loss</u>			
Commercial paper	\$ 124,437,420	\$ 108,621,838	\$ 80,904,991
Negotiable certificates of deposit	2,997,168	4,396,316	1,698,294
Beneficial certificates	6,531,719	5,090,862	4,484,465
Investment in equity instruments	3,277,721	2,398,480	2,976,497
Corporate bonds	1,491,057	1,290,733	1,343,699
Convertible bonds	499,862	633,874	474,160
Bank debentures	16,328	15,773	-
Government bonds	505,905	305,905	446,999
Acquired loans	-	-	581
Commercial paper contracts with reference rate	11,316	11,109	14,023
Currency swap contracts	8,367,059	2,258,273	1,842,023
Futures exchange margins	414,449	403,651	399,788
Forward contracts	59,649	59,437	100,383
Convertible bond asset swap contracts	651,028	491,306	122,892
Currency option contracts - buy	19,865	29,844	17,173
Cross-currency swap contracts	-	5,741	5,530
Interest rate swap contracts	130,488	70,095	70,249
Option contracts - TAIEX	-	-	600
Foreign-currency margin contracts	-	-	615
Interest rate swap contracts	<u>15,974</u>	<u>25,259</u>	<u>4,499</u>
Financial assets at fair value through profit or loss	<u>\$ 149,427,008</u>	<u>\$ 126,108,496</u>	<u>\$ 94,907,461</u> (Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Held-for-trading financial liabilities</u>			
Payable - security borrowing	\$ 478,020	\$ 317,616	\$ 477,374
Currency swap contracts	800,529	5,863,445	1,029,133
Cross-currency swap contracts	29,498	10,125	2,016
Currency option contracts - sell	19,942	29,888	17,187
Forward contracts	34,618	100,022	11,332
Asset swap options contracts	65,852	75,757	22,980
Interest rate swap contracts	179,115	90,587	76,656
Options contracts	78	-	60
Foreign-currency margin contracts	-	-	643
	<u>1,607,652</u>	<u>6,487,440</u>	<u>1,637,381</u>
<u>Financial liabilities designated to be measured at fair value through profit or loss</u>			
Bank debentures (Note 26)	<u>2,865,013</u>	<u>2,774,538</u>	<u>1,398,779</u>
Financial liabilities at fair value through profit or loss	<u>\$ 4,472,665</u>	<u>\$ 9,261,978</u>	<u>\$ 3,036,160</u>
			(Concluded)

As of March 31, 2024, December 31, 2023 and March 31, 2023, financial assets at fair value through profit or loss amounting to \$35,875,658 thousand, \$37,863,176 thousand and \$32,540,672 thousand, respectively, had been sold under repurchase agreements.

TCB enters into derivative transactions mainly to accommodate customers' needs and to manage its exposure to adverse changes in exchange rates and interest rates. TCB's strategy for hedging against risk is to reduce most of the market price risk or cash flow risk.

As of March 31, 2024, December 31, 2023 and March 31, 2023, the contract (notional) amounts of derivative transactions of TCB were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Currency swap contracts	\$ 376,235,553	\$ 341,781,419	\$ 288,373,089
Interest rate swap contracts	8,611,782	7,517,843	4,558,648
Forward contracts	5,925,611	6,236,748	9,910,048
Currency option contracts - sell	3,305,194	2,492,252	2,644,616
Currency option contracts - buy	3,305,194	2,492,252	2,644,616
Cross-currency swap contracts	246,678	391,826	591,884
Foreign-currency margin contracts	-	-	81,880

As of March 31, 2024, December 31, 2023 and March 31, 2023, the open position of futures transactions of TCB were as follows:

		March 31, 2024			
Items	Products	Open Position		Contract Amounts or Premium Paid (Charged)	Fair Values
		Buy/Sell	Number of Contracts		
Futures contracts	Interest rate futures	Buy	50	\$ 176,938	\$ 177,303
		March 31, 2023			
Items	Products	Open Position		Contract Amounts or Premium Paid (Charged)	Fair Values
		Buy/Sell	Number of Contracts		
Futures contracts	Interest rate futures	Buy	20	\$ 70,114	\$ 69,755

As of March 31, 2024, December 31, 2023 and March 31, 2023, the open position of futures and option transactions of Taiwan Cooperative Securities Co., Ltd. (TCS) were as follows:

		March 31, 2024			
Items	Products	Open Position		Contract Amounts or Premium Paid (Charged)	Fair Values
		Buy/Sell	Number of Contracts		
Futures contracts	Interest rate futures	Buy	125	\$ 507,035	\$ 513,088
	Stock index futures	Buy	35	51,903	52,069
	Single-stock futures	Buy	264	111,961	109,150
	Commodity futures	Buy	22	57,549	58,551
	Stock index futures	Sell	595	1,217,678	1,223,168
	Single-stock futures	Sell	2,111	668,885	674,361
	Commodity futures	Sell	57	148,865	153,673
	Foreign exchange futures	Sell	16	42,801	42,787
Option contracts	Stock index options	Sell	80	137	78
		December 31, 2023			
Items	Products	Open Position		Contract Amounts or Premium Paid (Charged)	Fair Values
		Buy/Sell	Number of Contracts		
Futures contracts	Interest rate futures	Buy	61	\$ 250,141	\$ 250,222
	Stock index futures	Buy	2	14,532	14,800
	Single-stock futures	Buy	24	27,791	28,530
	Commodity futures	Buy	44	95,014	96,801
	Stock index futures	Sell	176	368,737	369,287
	Single-stock futures	Sell	1,661	529,405	540,198
	Commodity futures	Sell	55	150,332	148,592

		March 31, 2023			
Items	Products	Open Position		Contract	Fair Values
		Buy/Sell	Number of Contracts	Amounts or	
				Premium Paid (Charged)	
Futures contracts	Stock index futures	Buy	188	\$ 296,311	\$ 300,050
	Single-stock futures	Buy	180	53,073	53,253
	Commodity futures	Buy	41	86,744	94,848
	Foreign exchange futures	Sell	14	39,780	40,619
	Interest rate futures	Sell	20	85,329	85,945
	Stock index futures	Sell	328	499,936	512,252
	Single-stock futures	Sell	114	96,366	97,768
	Commodity futures	Sell	60	136,045	138,894
Option contracts	Stock index options	Buy	60	464	600
	Stock index options	Sell	60	140	60

As of March 31, 2024, December 31, 2023 and March 31, 2023, the contract (notional) amounts of asset swap contracts of TCS were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Asset swap contracts	\$ 350,000	\$ 450,000	\$ 243,000

As of March 31, 2024, December 31, 2023 and March 31, 2023, the contract (notional) amounts of the currency swap contracts of TCS were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Currency swap contracts	\$ -	\$ -	\$ 313,532

As of March 31, 2024, the open position of futures transactions of TCBF were as follows:

		March 31, 2024			
Items	Products	Open Position		Contract	Fair Values
		Buy/Sell	Number of Contracts	Amounts or	
				Premium Paid (Charged)	
Futures contracts	U.S. Bond Futures	Buy	3	\$ 19,197	\$ 19,627
	U.S. Bond Futures	Sell	4	12,798	14,180

As of March 31, 2024, December 31, 2023 and March 31, 2023, the contract (notional) amounts of the currency swap contracts of TCBF were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Currency swap contracts	\$ 221,145	\$ 437,637	\$ 305,748
Convertible Bond Asset SWAP (CBAS)	637,300	479,400	-

BNP Paribas Cardif TCB Life Insurance Co., Ltd. (BPCTLI) engages in currency swap contracts and cross-currency swap contracts to reduce risks due to exchange rate and interest rate fluctuations. The objective of financial risk management of BPCTLI is to manage substantial risks due to changes in fair value or cash flow.

As of March 31, 2024, December 31, 2023 and March 31, 2023, the contract (notional) amounts of derivative transactions of BPCTLI were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Currency swap contracts	\$ 10,335,683	\$ 9,660,970	\$ 10,297,348
Cross-currency swap contracts	416,065	399,165	395,720

BPCTLI has applied IFRS 9 since 2018, and at the same time choose to use the overlay approach of IFRS 4 “Insurance Contracts” to present the profit or loss of designated financial assets. The financial assets designated for the overlay approach were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Financial assets at FVTPL</u>			
Beneficial certificates	\$ 4,344,351	\$ 3,572,056	\$ 3,264,704
Stock	-	-	504,686

For the three months ended March 31, 2024 and 2023, for the financial assets designated for the overlay approach, the amount reclassified between profit or loss and other comprehensive income were as follows:

	For the Three Months Ended March 31	
	2024	2023
Profit or loss on application of IFRS 9	\$ 330,540	\$ 197,719
Less: Profit or loss from application of IAS 39	<u>(87,357)</u>	<u>(159,189)</u>
Gain or loss on reclassification of overlay approach	<u>\$ 243,183</u>	<u>\$ 38,530</u>

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Investments in equity instruments at FVTOCI</u>			
Listed shares and emerging market shares	\$ 46,978,667	\$ 40,112,612	\$ 34,131,280
Unlisted shares	<u>7,101,560</u>	<u>7,207,614</u>	<u>6,671,510</u>
	<u>54,080,227</u>	<u>47,320,226</u>	<u>40,802,790</u>

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Investments in debt instruments at FVTOCI</u>			
Government bonds	\$ 278,145,719	\$ 270,341,804	\$ 250,839,545
Corporate bonds	105,634,874	105,719,081	111,149,557
Bank debentures	91,933,935	78,353,091	77,652,171
Negotiable certificates of deposit	<u>9,775,440</u>	<u>7,517,914</u>	<u>2,280,763</u>
	<u>485,489,968</u>	<u>461,931,890</u>	<u>441,922,036</u>
	<u>\$ 539,570,195</u>	<u>\$ 509,252,116</u>	<u>\$ 482,724,826</u>
			(Concluded)

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes or for receiving dividends. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

For the purpose of risk diversification and profit strategy, the Company adjusted the investment position to sell part of equity instruments in the amounts of \$15,364,272 thousand and \$2,046,676 thousand for the three months ended March 31, 2024 and 2023, respectively. The accumulated unrealized valuation gain or loss of financial assets at FVTOCI under other equity in the amount of \$2,965,960 thousand gains and \$149,346 thousand gains have been transferred to retained earnings, respectively.

For the three months ended March 31, 2024 and 2023, the Company recognized unrealized gains on investments in equity instruments at FVTOCI of \$3,549,324 thousand and \$3,672,241 thousand, respectively.

For the three months ended March 31, 2024 and 2023, the Company recognized unrealized gains or losses on investments in debt instruments at FVTOCI of \$3,685,042 thousand losses and \$3,175,482 thousand gains, respectively.

As of March 31, 2024, December 31, 2023 and March 31, 2023, the allowance for possible losses of investment in debt instruments at FVTOCI recognized was \$297,397 thousand, \$284,994 thousand and \$287,369 thousand, respectively, through expected credit loss. Impairment loss recognized in profit or loss for the three months ended March 31, 2024 and 2023 were \$2,212 thousand losses and \$12,110 thousand reverse gains, respectively.

As of March 31, 2024, December 31, 2023 and March 31, 2023, financial assets at fair value through other comprehensive income amounting to \$32,355,351 thousand, \$33,178,420 thousand and \$32,753,269 thousand, respectively, had been sold under repurchase agreements.

10. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST

	March 31, 2024	December 31, 2023	March 31, 2023
Negotiable certificates of deposit in the Central Bank	\$ 446,415,000	\$ 446,295,000	\$ 489,790,000
Government bonds	158,202,153	156,857,661	142,585,069
Corporate bonds	79,364,162	73,899,876	46,918,862
Bank debentures	29,461,921	26,959,048	19,012,141
Certificates of deposit	528,083	1,030,921	964,035
Treasury bills	<u>339,009</u>	<u>-</u>	<u>2,472,028</u>
	714,310,328	705,042,506	701,742,135
Less: Allowance for possible loss	<u>28,443</u>	<u>33,902</u>	<u>32,048</u>
	<u>\$ 714,281,885</u>	<u>\$ 705,008,604</u>	<u>\$ 701,710,087</u>

Reversal of impairment loss recognized in profit or loss for the three months ended March 31, 2024 and 2023 were \$6,110 thousand gains and \$9,364 thousand losses, respectively.

11. SECURITIES PURCHASED UNDER RESELL AGREEMENTS

Securities acquired for \$692,790 thousand, \$1,250,689 thousand and \$1,812,480 thousand under resell agreements as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively, will subsequently be sold for \$693,383 thousand, \$1,251,786 thousand and \$1,814,071 thousand, respectively.

12. RECEIVABLES, NET

	March 31, 2024	December 31, 2023	March 31, 2023
Accrued interest	\$ 14,581,679	\$ 15,285,310	\$ 10,633,488
Settlement consideration	1,888,485	6,601,549	5,089,583
Settlement receivable	8,057,204	6,120,557	4,139,660
Margin loans receivable	6,290,704	5,722,631	4,298,689
Credit cards	4,310,006	4,907,452	4,421,491
Acceptances	2,357,527	3,445,629	2,073,770
Lease payment receivable	2,012,148	1,872,570	2,116,037
Receivables on financing provided	833,880	876,403	781,301
Receivables on merchant accounts in the credit card business	991,625	1,149,941	855,461
Accounts receivable	415,938	274,131	427,979
Receivable on securities	3,812,262	834,101	318,066
Receivable - separated account	504,272	437,261	631,946
Accounts receivable factored without recourse	12,267	114,381	46,490
Refundable deposits receivable in leasehold agreements	129,585	132,585	136,585
Urban regeneration advance payment	8,935,739	7,121,524	7,469,601
Securities loan receivable	863,292	814,608	134,542

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
Dividends receivable	\$ 186,915	\$ 27,172	\$ 89,520
Others	<u>1,040,810</u>	<u>743,982</u>	<u>816,540</u>
	57,224,338	56,481,787	44,480,749
Less: Allowance for possible losses	637,422	623,900	651,751
Less: Unrealized interest revenue	<u>96,910</u>	<u>87,785</u>	<u>98,397</u>
	<u>\$ 56,490,006</u>	<u>\$ 55,770,102</u>	<u>\$ 43,730,601</u>
			(Concluded)

The changes in the impairment assessment of receivables and allowance for possible losses of credits, credit cards, and accrued interest from debt instruments are summarized below:

Gross Carrying Amount	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)	Total
Balance on January 1, 2024	\$ 27,115,105	\$ 65,565	\$ 274,481	\$ 27,455,151
Transfers to				
Lifetime ECL	(25,422)	25,449	(27)	-
Credit-impaired financial assets	(23,982)	(1,919)	25,901	-
12-month ECL	13,171	(13,034)	(137)	-
New financial assets purchased or originated	30,372,448	9,877	52,775	30,435,100
Write-offs	-	-	(30,701)	(30,701)
Derecognition of financial assets in the current reporting period	(32,205,816)	(29,963)	(40,912)	(32,276,691)
Changes in exchange rates and other changes	<u>(805,708)</u>	<u>683</u>	<u>3,205</u>	<u>(801,820)</u>
Balance on March 31, 2024	<u>\$ 24,439,796</u>	<u>\$ 56,658</u>	<u>\$ 284,585</u>	<u>\$ 24,781,039</u>
Balance on January 1, 2023	\$ 21,463,662	\$ 57,165	\$ 204,286	\$ 21,725,113
Transfers to				
Lifetime ECL	(41,202)	41,222	(20)	-
Credit-impaired financial assets	(85,472)	(1,811)	87,283	-
12-month ECL	9,053	(8,913)	(140)	-
New financial assets purchased or originated	23,762,984	32,337	59,015	23,854,336
Write-offs	-	-	(4,353)	(4,353)
Derecognition of financial assets in the current reporting period	(24,836,843)	(38,535)	(41,904)	(24,917,282)
Changes in exchange rates and other changes	<u>(958,205)</u>	<u>816</u>	<u>(51)</u>	<u>(957,440)</u>
Balance on March 31, 2023	<u>\$ 19,313,977</u>	<u>\$ 82,281</u>	<u>\$ 304,116</u>	<u>\$ 19,700,374</u>

Allowance for Possible Losses	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under Regulations	Total
Balance on January 1, 2024	\$ 44,659	\$ 12,230	\$ 116,334	\$ 173,223	\$ 169,173	\$ 342,396
Changes from financial instruments recognized at the beginning of the current reporting period						
Transfers to						
Lifetime ECL	(243)	244	(1)	-	-	-
Credit-impaired financial assets	(1,402)	(249)	1,651	-	-	-
12-month ECL	3,263	(3,219)	(44)	-	-	-
Derecognition of financial assets in the current reporting period	(32,116)	(3,423)	(12,955)	(48,494)	-	(48,494)
Reversal from financial instruments recognized at the beginning of the current reporting period	7	3,506	2,658	6,171	-	6,171
New financial assets purchased or originated	21,476	1,623	29,651	52,750	-	52,750
Difference of impairment loss under regulations	-	-	-	-	7,527	7,527
Write-offs	-	-	(30,701)	(30,701)	-	(30,701)
Recovery of written-off receivables	-	-	6,104	6,104	-	6,104
Changes in exchange rates and other changes	590	17	331	938	-	938
Balance on March 31, 2024	<u>\$ 36,234</u>	<u>\$ 10,729</u>	<u>\$ 113,028</u>	<u>\$ 159,991</u>	<u>\$ 176,700</u>	<u>\$ 336,691</u>
Balance on January 1, 2023	\$ 42,139	\$ 11,186	\$ 95,979	\$ 149,304	\$ 165,702	\$ 315,006
Changes from financial instruments recognized at the beginning of the current reporting period						
Transfers to						
Lifetime ECL	(575)	578	(3)	-	-	-
Credit-impaired financial assets	(1,892)	(249)	2,141	-	-	-
12-month ECL	1,897	(1,889)	(8)	-	-	-
Derecognition of financial assets in the current reporting period	(21,234)	(9,161)	(5,406)	(35,801)	-	(35,801)
Reversal from financial instruments recognized at the beginning of the current reporting period	(8,523)	3,776	8,745	3,998	-	3,998
New financial assets purchased or originated	15,351	7,749	5,916	29,016	-	29,016
Difference of impairment loss under regulations	-	-	-	-	17,982	17,982
Write-offs	-	-	(4,353)	(4,353)	-	(4,353)
Recovery of written-off receivables	-	-	651	651	-	651
Changes in exchange rates and other changes	(116)	7	(144)	(253)	-	(253)
Balance on March 31, 2023	<u>\$ 27,047</u>	<u>\$ 11,997</u>	<u>\$ 103,518</u>	<u>\$ 142,562</u>	<u>\$ 183,684</u>	<u>\$ 326,246</u>

Impairment assessment, except the above receivables were based on the expected credit losses model at the beginning of the current reporting period by the simplified method. On March 31, 2024, December 31, 2023 and March 31, 2023, the amounts assessment to impairment of receivables were assessed as \$32,443,299 thousand, \$29,026,636 thousand and \$24,780,375 thousands, respectively, and the amounts of allowance for possible losses were \$300,731 thousand, \$281,504 thousand and \$325,505 thousand, respectively.

The changes in allowance for possible losses by using the simplified method are summarized below:

	For the Three Months Ended March 31	
	2024	2023
Balance on January 1	\$ 281,504	\$ 306,979
Provision for possible losses	35,600	20,195
Write-offs	(22,433)	-
Recovery of written-off receivables	5,440	690
Effects of exchange rate changes and other changes	<u>620</u>	<u>(2,359)</u>
Balance on March 31	<u>\$ 300,731</u>	<u>\$ 325,505</u>

13. DISCOUNTS AND LOANS, NET

	March 31, 2024	December 31, 2023	March 31, 2023
Bills discounted	\$ 1,484,257	\$ 831,674	\$ 1,496,259
Overdraft			
Unsecured	4,033	857	693
Secured	16,900	18,915	22,849
Import and export negotiations	431,779	366,814	687,089
Short-term loans			
Unsecured	438,872,270	440,762,831	431,751,425
Accounts receivable financing	416,439	523,386	334,074
Secured	202,982,004	205,670,875	207,986,778
Medium-term loans			
Unsecured	577,332,802	534,993,825	511,444,422
Secured	413,854,138	427,436,837	430,321,958
Long-term loans			
Unsecured	52,796,246	52,174,385	49,966,986
Secured	1,183,896,980	1,166,005,220	1,116,128,182
Overdue loans	4,737,789	4,512,989	5,164,440
Life insurance loan	452,560	411,161	367,871
Temporary insurance paid	<u>94,768</u>	<u>90,741</u>	<u>83,804</u>
	2,877,372,965	2,833,800,510	2,755,756,830
Less: Allowance for possible losses	32,818,858	32,881,748	31,118,047
Less: Adjustment of discount	<u>563,387</u>	<u>572,193</u>	<u>636,007</u>
	<u>\$ 2,843,990,720</u>	<u>\$ 2,800,346,569</u>	<u>\$ 2,724,002,776</u>

The changes in gross carrying amount and allowance for possible losses of discounts and loans are summarized below:

Gross Carrying Amount	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)	Total
Balance on January 1, 2024	\$ 2,798,701,812	\$ 3,278,847	\$ 31,819,851	\$ 2,833,800,510
Transfers to				
Lifetime ECL	(2,162,057)	2,188,314	(26,257)	-
Credit-impaired financial assets	(1,976,226)	(560,348)	2,536,574	-
12-month ECL	594,481	(391,151)	(203,330)	-
New financial assets purchased or originated	499,208,843	64,449	55,551	499,328,843
Write-offs	-	-	(1,484,053)	(1,484,053)
Derecognition of financial assets in the current reporting period	(460,289,373)	(526,842)	(681,667)	(461,497,882)
Changes in exchange rates and other changes	<u>7,028,621</u>	<u>85,765</u>	<u>111,161</u>	<u>7,225,547</u>
Balance on March 31, 2024	<u>\$ 2,841,106,101</u>	<u>\$ 4,139,034</u>	<u>\$ 32,127,830</u>	<u>\$ 2,877,372,965</u>
Balance on January 1, 2023	\$ 2,580,402,892	\$ 5,893,927	\$ 34,838,082	\$ 2,621,134,901
Transfers to				
Lifetime ECL	(1,012,960)	1,020,203	(7,243)	-
Credit-impaired financial assets	(1,342,802)	(984,007)	2,326,809	-
12-month ECL	717,627	(600,512)	(117,115)	-
New financial assets purchased or originated	503,321,662	26,996	85,697	503,434,355
Write-offs	-	-	(765,438)	(765,438)
Derecognition of financial assets in the current reporting period	(363,041,458)	(205,768)	(1,249,440)	(364,496,666)
Changes in exchange rates and other changes	<u>(3,514,058)</u>	<u>(34,148)</u>	<u>(2,116)</u>	<u>(3,550,322)</u>
Balance on March 31, 2023	<u>\$ 2,715,530,903</u>	<u>\$ 5,116,691</u>	<u>\$ 35,109,236</u>	<u>\$ 2,755,756,830</u>

Allowance for Possible Losses	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under Regulations	Total
Balance on January 1, 2024	\$ 4,558,964	\$ 55,889	\$ 4,160,724	\$ 8,775,577	\$ 24,106,171	\$ 32,881,748
Changes from financial instruments recognized at the beginning of the current reporting period						
Transfers to						
Lifetime ECL	(8,355)	10,715	(2,360)	-	-	-
Credit-impaired financial assets	(23,781)	(9,502)	33,283	-	-	-
12-month ECL	28,623	(1,493)	(27,130)	-	-	-
Derecognition of financial assets in the current reporting period	(732,479)	(10,749)	(332,754)	(1,075,982)	-	(1,075,982)
Reversal from financial instruments recognized at the beginning of the current reporting period	(403,988)	56,362	1,348,729	1,001,103	-	1,001,103
New financial assets purchased or originated	789,923	27	3,809	793,759	-	793,759
Difference of impairment loss under regulations	-	-	-	-	418,821	418,821
Write-offs	-	-	(1,484,053)	(1,484,053)	-	(1,484,053)
Recovery of write-off credits	-	-	167,285	167,285	-	167,285
Changes in exchange rates and other changes	<u>70,582</u>	<u>1,857</u>	<u>43,738</u>	<u>116,177</u>	<u>-</u>	<u>116,177</u>
Balance on March 31, 2024	<u>\$ 4,279,489</u>	<u>\$ 103,106</u>	<u>\$ 3,911,271</u>	<u>\$ 8,293,866</u>	<u>\$ 24,524,992</u>	<u>\$ 32,818,858</u>

(Continued)

Allowance for Possible Losses	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under Regulations	Total
Balance on January 1, 2023	\$ 4,125,312	\$ 100,144	\$ 4,034,715	\$ 8,260,171	\$ 22,636,872	\$ 30,897,043
Changes from financial instruments recognized at the beginning of the current reporting period						
Transfers to						
Lifetime ECL	(883)	1,731	(848)	-	-	-
Credit-impaired financial assets	(13,130)	(44,472)	57,602	-	-	-
12-month ECL	8,229	(1,961)	(6,268)	-	-	-
Derecognition of financial assets in the current reporting period	(657,217)	(948)	(109,416)	(767,581)	-	(767,581)
Reversal from financial instruments recognized at the beginning of the current reporting period	138,970	13,036	1,247,606	1,399,612	-	1,399,612
New financial assets purchased or originated	872,684	34	863	873,581	-	873,581
Difference of impairment loss under regulations	-	-	-	-	(717,120)	(717,120)
Write-offs	-	-	(765,438)	(765,438)	-	(765,438)
Recovery of write-off credits	-	-	216,244	216,244	-	216,244
Changes in exchange rates and other changes	(14,350)	(503)	(3,441)	(18,294)	-	(18,294)
Balance on March 31, 2023	<u>\$ 4,459,615</u>	<u>\$ 67,061</u>	<u>\$ 4,671,619</u>	<u>\$ 9,198,295</u>	<u>\$ 21,919,752</u>	<u>\$ 31,118,047</u>

(Concluded)

The bad-debt expenses and provision (reversal of provision) for losses on guarantees for the three months ended March 31, 2024 and 2023 were as follows:

	For the Three Months Ended March 31	
	2024	2023
Provision for possible losses on discounts and loans	\$ 1,137,701	\$ 788,492
Provision for possible losses on receivables	53,554	35,390
Provision for possible losses on overdue receivables	5,974	88,605
(Reversal of provision) provision for possible losses on guarantees	(50,725)	78,445
Provision for possible losses on loan commitment	6	51,936
Provision for other possible losses	<u>30,501</u>	<u>11,540</u>
	<u>\$ 1,177,011</u>	<u>\$ 1,054,408</u>

As of March 31, 2024, December 31, 2023 and March 31, 2023, TCB was in compliance with the FSC-required provision for credit assets.

As of March 31, 2024, December 31, 2023 and March 31, 2023, accrual of interest on the above overdue loans had been stopped. Thus, the unrecognized interest revenue was \$29,594 thousand and \$29,026 thousand for the three months ended March 31, 2024 and 2023, respectively, based on the average loan interest rate for the year.

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	Percentage of Ownership	Amount	Percentage of Ownership	Amount	Percentage of Ownership
<u>Investment in associate</u>						
United Real Estate Management Co., Ltd.	\$ 146,050	30.00	\$ 142,192	30.00	\$ 142,963	30.00
Mesh Cooperative Ventures, Inc.	-	-	-	-	3,017	22.00
JC Capital Taiwan Co., Ltd.	<u>4,309</u>	35.00	<u>4,644</u>	35.00	<u>2,158</u>	35.00
	<u>\$ 150,359</u>		<u>\$ 146,836</u>		<u>\$ 148,138</u>	

Aggregate information of associate that is not individually material:

	For the Three Months Ended March 31	
	2024	2023
The Company's share of:		
Net income	\$ 3,523	\$ 5,501
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>\$ 3,523</u>	<u>\$ 5,501</u>

The investments accounted for by equity method and the share of profit or loss and other comprehensive income of the investments for the three months ended March 31, 2024 and 2023 were based on the associate's financial statements for the same period which have not been reviewed by the auditors. Management believes there is no material impact on the equity method accounting or the calculation of the share of profit or loss and other comprehensive income, from the financial statements of the associate that have not been reviewed.

15. OTHER FINANCIAL ASSETS, NET

	March 31, 2024	December 31, 2023	March 31, 2023
Overdue receivables	\$ 189,220	\$ 212,978	\$ 1,772,216
Less: Allowance for possible losses	<u>133,814</u>	<u>157,644</u>	<u>316,972</u>
Overdue receivables, net	55,406	55,334	1,455,244
Due from banks	10,266,011	8,151,364	7,277,122
Security borrowing margin	720,666	378,350	680,853
Call loans to securities firms	384,060	368,460	365,280
Separate-account assets (Note 30)	<u>87,466,292</u>	<u>85,592,813</u>	<u>87,458,511</u>
	<u>\$ 98,892,435</u>	<u>\$ 94,546,321</u>	<u>\$ 97,237,010</u>

Due from banks (part of other financial assets, net) held by the Company were demand deposits and time deposits that could not be withdrawn and time deposits that had maturity periods of more than three months and could not be used before maturity.

16. INVESTMENT PROPERTIES, NET

	March 31, 2024	December 31, 2023	March 31, 2023
Land	\$ 8,741,751	\$ 8,893,903	\$ 8,709,050
Buildings	2,229,216	2,256,221	2,313,417
Prepayments for land and buildings	<u>281,760</u>	<u>-</u>	<u>-</u>
	<u>\$ 11,252,727</u>	<u>\$ 11,150,124</u>	<u>\$ 11,022,467</u>

	Land	Buildings	Prepayments for Land and Buildings	Total
<u>Cost</u>				
Balance on January 1, 2024	\$ 8,893,903	\$ 3,616,631	\$ -	\$ 12,510,534
Additions	215	512	281,760	282,487
Disposals	(52,610)	(12,668)	-	(65,278)
Reclassification	<u>(99,757)</u>	<u>(49,233)</u>	<u>-</u>	<u>(148,990)</u>
Balance on March 31, 2024	<u>\$ 8,741,751</u>	<u>\$ 3,555,242</u>	<u>\$ 281,760</u>	<u>\$ 12,578,753</u>
Balance on January 1, 2023	\$ 8,654,548	\$ 3,486,996	\$ -	\$ 12,141,544
Additions	109,339	65,542	-	174,881
Disposals	(166,552)	(80,225)	-	(246,777)
Reclassification	<u>111,715</u>	<u>95,399</u>	<u>-</u>	<u>207,114</u>
Balance on March 31, 2023	<u>\$ 8,709,050</u>	<u>\$ 3,567,712</u>	<u>\$ -</u>	<u>\$ 12,276,762</u>
<u>Accumulated depreciation and impairment</u>				
Balance on January 1, 2024	\$ -	\$ 1,360,410	\$ -	\$ 1,360,410
Disposals	-	(57)	-	(57)
Depreciation expenses	-	23,268	-	23,268
Reclassification	<u>-</u>	<u>(57,595)</u>	<u>-</u>	<u>(57,595)</u>
Balance on March 31, 2024	<u>\$ -</u>	<u>\$ 1,326,026</u>	<u>\$ -</u>	<u>\$ 1,326,026</u>
Balance on January 1, 2023	\$ -	\$ 1,205,289	\$ -	\$ 1,205,289
Disposals	-	(8,481)	-	(8,481)
Depreciation expenses	-	22,012	-	22,012
Reclassification	<u>-</u>	<u>35,475</u>	<u>-</u>	<u>35,475</u>
Balance on March 31, 2023	<u>\$ -</u>	<u>\$ 1,254,295</u>	<u>\$ -</u>	<u>\$ 1,254,295</u>

Investment properties (except for land) are depreciated using the straight-line method over their estimated useful lives as follows:

Main buildings	50 years
Equipment installed in buildings	5 to 15 years

The land in Serial No. 1045, 1045-2, Youshi Sec., Yangmei Dist., Taoyuan City, held by CAM, was polluted after testing. The concentrations of heavy metals, copper and zinc were over the Soil Pollution Control Standards, and CAM had taken the necessary measures. Because the land was prohibited from construction, additions, alterations, and demolition, CAM is restricted from using the land. Taoyuan City Government issued a preliminary document on January 4, 2024, confirming that CAM was not the polluter, so CAM did not take responsibility for remediation and asked the polluter to provide the improvement plan. Then the limit of time for using restricted land depends on the result of remediation. CAM is the owner of the land and has no responsibility for remediation. Therefore, there was no impairment loss on the land as of March 31, 2024.

As of December 31, 2023 and 2022, the fair value of investment properties were \$26,116,696 thousand and \$27,333,335 thousand, respectively. The fair value belongs to Level 3, which is the amount evaluated by internal appraisal personnel according to market data comparison and in accordance with the Company's internal procedures, related regulations, and evaluation by external independent evaluators. The management of the Company had assessed and determined that there was no significant changes in the fair value of investment properties for the three months ended March 31, 2024 and 2023.

The revenues generated from the investment properties are summarized as follows:

	For the Three Months Ended March 31	
	2024	2023
Rental income from investment properties (part of other noninterest gains, net)	\$ 132,577	\$ 116,210
Direct operating expenses for investment properties that generate rental income	<u>(45,376)</u>	<u>(44,753)</u>
	<u>\$ 87,201</u>	<u>\$ 71,457</u>

Lease agreements on investment properties owned by the Company and rented to others are operating lease. Rentals are calculated on the basis of the leased areas and are receivable monthly, quarterly or semiannually. The lessees have no preemptive rights to buy properties at the end of the lease agreements. As of March 31, 2024, December 31, 2023 and March 31, 2023, guarantee deposits on these leases totaled \$114,224 thousand, \$113,750 thousand and \$111,919 thousand, respectively.

Minimum future annual rentals are as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Year 1	\$ 375,995	\$ 382,432	\$ 358,372
Year 2	227,255	228,210	273,588
Year 3	180,940	185,798	144,423
Year 4	172,826	164,420	116,217
Year 5	123,716	110,492	89,242
Over five years	<u>121,142</u>	<u>130,897</u>	<u>54,488</u>
	<u>\$ 1,201,874</u>	<u>\$ 1,202,249</u>	<u>\$ 1,036,330</u>

17. PROPERTIES AND EQUIPMENT, NET

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Assets used by the Company</u>			
Land	\$ 20,551,739	\$ 20,451,869	\$ 20,439,999
Buildings	9,477,483	9,513,137	9,932,829
Machinery and equipment	1,476,448	1,436,833	1,415,047
Transportation equipment	168,379	170,097	170,203
Other equipment	219,473	216,963	239,121
Leasehold improvements	224,018	214,180	220,568
Prepayments for equipment, land and buildings and construction in progress	<u>289,352</u>	<u>431,020</u>	<u>461,152</u>
	<u>\$ 32,406,892</u>	<u>\$ 32,434,099</u>	<u>\$ 32,878,919</u>
<u>Assets leased under operating leases</u>			
Machinery and equipment	\$ 3,445	\$ 3,957	\$ 5,608
Other equipment	<u>8,673</u>	<u>10,335</u>	<u>15,401</u>
	<u>\$ 12,118</u>	<u>\$ 14,292</u>	<u>\$ 21,009</u>

a. Assets used by the Company

							Prepayments for Equipment, Land and Buildings and Construction in Progress	
	Land	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements		Total
<u>Cost</u>								
Balance on January 1, 2024	\$ 20,467,046	\$ 20,003,811	\$ 5,801,690	\$ 729,138	\$ 1,615,798	\$ 1,282,715	\$ 431,020	\$ 50,331,218
Additions	-	63,683	156,869	7,755	23,054	15,847	58,761	325,969
Disposals	-	-	(30,603)	(11,049)	(9,611)	(719)	-	(51,982)
Reclassification	99,759	141,079	37,859	1,401	1,358	14,633	(200,431)	95,658
Effects of exchange rate changes	<u>111</u>	<u>235</u>	<u>6,289</u>	<u>1,278</u>	<u>1,892</u>	<u>5,844</u>	<u>2</u>	<u>15,651</u>
Balance on March 31, 2024	<u>\$ 20,566,916</u>	<u>\$ 20,208,808</u>	<u>\$ 5,972,104</u>	<u>\$ 728,523</u>	<u>\$ 1,632,491</u>	<u>\$ 1,318,320</u>	<u>\$ 289,352</u>	<u>\$ 50,716,514</u>
<u>Cost</u>								
Balance on January 1, 2023	\$ 20,566,915	\$ 19,890,849	\$ 5,432,846	\$ 707,942	\$ 1,573,874	\$ 1,236,534	\$ 478,261	\$ 49,887,221
Additions	-	31,325	109,881	2,051	24,926	1,640	126,663	296,486
Disposals	-	-	(25,590)	(3,787)	(14,587)	(480)	-	(44,444)
Reclassification	(111,715)	(3,925)	38,542	1,646	4,945	5,611	(143,759)	(208,655)
Effects of exchange rate changes	<u>(24)</u>	<u>(52)</u>	<u>(1,255)</u>	<u>(287)</u>	<u>(488)</u>	<u>(1,237)</u>	<u>(13)</u>	<u>(3,356)</u>
Balance on March 31, 2023	<u>\$ 20,455,176</u>	<u>\$ 19,918,197</u>	<u>\$ 5,554,424</u>	<u>\$ 707,565</u>	<u>\$ 1,588,670</u>	<u>\$ 1,242,068</u>	<u>\$ 461,152</u>	<u>\$ 49,927,252</u>
	Land	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements		Total
<u>Accumulated depreciation and impairment</u>								
Balance on January 1, 2024	\$ 15,177	\$ 10,490,674	\$ 4,364,857	\$ 559,041	\$ 1,398,835	\$ 1,068,535		\$ 17,897,119
Disposals	-	-	(30,547)	(11,049)	(9,611)	(719)		(51,926)
Depreciation expenses	-	182,821	156,556	11,311	22,106	21,907		394,701
Reclassification	-	57,595	-	-	-	(17)		57,578
Effects of exchange rate changes	<u>-</u>	<u>235</u>	<u>4,790</u>	<u>841</u>	<u>1,688</u>	<u>4,596</u>		<u>12,150</u>
Balance on March 31, 2024	<u>\$ 15,177</u>	<u>\$ 10,731,325</u>	<u>\$ 4,495,656</u>	<u>\$ 560,144</u>	<u>\$ 1,413,018</u>	<u>\$ 1,094,302</u>		<u>\$ 18,309,622</u>
Balance on January 1, 2023	\$ 15,177	\$ 9,840,718	\$ 4,032,938	\$ 530,714	\$ 1,341,938	\$ 1,001,543		\$ 16,763,028
Disposals	-	-	(25,554)	(3,714)	(14,564)	(452)		(44,284)
Depreciation expenses	-	180,176	132,874	10,589	22,587	21,475		367,701
Reclassification	-	(35,475)	-	-	-	-		(35,475)
Effects of exchange rate changes	<u>-</u>	<u>(51)</u>	<u>(881)</u>	<u>(227)</u>	<u>(412)</u>	<u>(1,066)</u>		<u>(2,637)</u>
Balance on March 31, 2023	<u>\$ 15,177</u>	<u>\$ 9,985,368</u>	<u>\$ 4,139,377</u>	<u>\$ 537,362</u>	<u>\$ 1,349,549</u>	<u>\$ 1,021,500</u>		<u>\$ 17,048,333</u>

Taiwan Cooperative Bank, Ltd. (TCB) revalued its properties five times in 1979, 1998, 2007, 2011 and 2012. As March 31, 2024, the reserve for land revaluation increment tax (part of deferred tax liabilities) was \$2,541,779 thousand.

Properties and equipment are depreciated using the straight-line method over their estimated useful lives as follows:

Buildings	
Main buildings	37 to 50 years
Equipment installed in buildings	5 to 15 years
Machinery and equipment	3 to 10 years
Transportation equipment	4 to 10 years
Other equipment	2 to 20 years
Leasehold improvements	2 to 10 years

b. Assets leased under operating leases

	Machinery and Equipment	Other Equipment	Total
<u>Cost</u>			
Balance on January 1, 2024	\$ 11,798	\$ 34,532	\$ 46,330
Additions	<u>-</u>	<u>-</u>	<u>-</u>
Balance on March 31, 2024	<u>\$ 11,798</u>	<u>\$ 34,532</u>	<u>\$ 46,330</u>
Balance on January 1, 2023	\$ 11,798	\$ 34,532	\$ 46,330
Additions	<u>-</u>	<u>-</u>	<u>-</u>
Balance on March 31, 2023	<u>\$ 11,798</u>	<u>\$ 34,532</u>	<u>\$ 46,330</u>
<u>Accumulated depreciation and impairment</u>			
Balance on January 1, 2024	\$ 7,841	\$ 24,197	\$ 32,038
Depreciation expenses	<u>512</u>	<u>1,662</u>	<u>2,174</u>
Balance on March 31, 2024	<u>\$ 8,353</u>	<u>\$ 25,859</u>	<u>\$ 34,212</u>
Balance on January 1, 2023	\$ 5,661	\$ 17,455	\$ 23,116
Depreciation expenses	<u>529</u>	<u>1,676</u>	<u>2,205</u>
Balance on March 31, 2023	<u>\$ 6,190</u>	<u>\$ 19,131</u>	<u>\$ 25,321</u>

The Company leases machinery and equipment and other equipment under operating leases with lease terms of 2020 to 2029. All operating lease contracts contain market review clauses in the event that the lessees exercise their options to extend. The lessees do not have bargain purchase options to acquire the assets at the expiry of the lease periods.

Please refer to Note 16 for the minimum future annual rentals.

Depreciation expenses of operating leases equipment are depreciated on the straight-line method over their useful lives estimated as follows:

Machinery and equipment	1 to 7 years
Other equipment	1 to 7 years

18. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Carrying amounts</u>			
Land	\$ 13,650	\$ 11,890	\$ 10,242
Buildings	1,575,364	1,501,661	1,451,078
Transportation equipment	109,321	64,347	83,013
Other equipment	<u>6,568</u>	<u>7,159</u>	<u>9,906</u>
	<u>\$ 1,704,903</u>	<u>\$ 1,585,057</u>	<u>\$ 1,554,239</u>
		For the Three Months Ended March 31	
		2024	2023
Depreciation charge for right-of-use assets			
Land		\$ 1,389	\$ 1,803
Buildings		158,668	152,120
Transportation equipment		12,399	11,475
Other equipment		<u>590</u>	<u>975</u>
		<u>\$ 173,046</u>	<u>\$ 166,373</u>

For the three months ended March 31, 2024 and 2023, the additions to right-of-use assets of the Company were \$284,881 thousand and \$168,341 thousand, respectively.

Except for the above listed additions and recognized depreciation expenses, there was no significant sublease or impairment of the Company's right-of-use assets for the three months ended March 31, 2024 and 2023.

b. Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amounts	<u>\$ 1,683,979</u>	<u>\$ 1,545,153</u>	<u>\$ 1,537,426</u>

Range of discount rates for lease liabilities was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Land	1.346%-1.985%	1.346%-1.985%	1.346%-1.627%
Buildings	1.346%-9.800%	1.346%-9.800%	1.346%-9.800%
Transportation equipment	0.780%-9.700%	0.780%-9.700%	0.788%-9.700%
Other equipment	2.445%-4.000%	2.445%-4.000%	2.445%-4.000%

c. Material lease-in activities

The Company signed lease agreements on office premises due to operating activities. Rentals are calculated on the basis of leased areas and are receivable monthly, quarterly or semiannually. As of March 31, 2024, December 31, 2023 and March 31, 2023, refundable deposits on these leases totaled \$146,404 thousand, \$146,304 thousand and \$139,394 thousand, respectively.

d. Other lease information

	For the Three Months Ended March 31	
	2024	2023
Expenses relating to short-term leases	<u>\$ 1,379</u>	<u>\$ 1,055</u>
Expenses relating to low-value asset leases	<u>\$ 1,062</u>	<u>\$ 104</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 1,004</u>	<u>\$ 1,667</u>

For the three months ended March 31, 2024 and 2023, the total cash outflow for leases of the Company was \$178,318 thousand and \$175,988 thousand, respectively.

The Company leases certain land, buildings, transportation equipment and other equipment which qualify as short-term leases or low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

19. INTANGIBLE ASSETS

	March 31, 2024	December 31, 2023	March 31, 2023
Goodwill	\$ 3,170,005	\$ 3,170,005	\$ 3,170,005
Computer software	1,344,473	1,257,232	995,582
Carbon Credits	<u>142</u>	<u>142</u>	<u>-</u>
	<u>\$ 4,514,620</u>	<u>\$ 4,427,379</u>	<u>\$ 4,165,587</u>

	Goodwill	Computer Software	Carbon Credits	Total
Balance on January 1, 2024	\$ 3,170,005	\$ 1,257,232	\$ 142	\$ 4,427,379
Separate acquisition	-	143,204	-	143,204
Amortization expenses	-	(112,552)	-	(112,552)
Reclassification	-	53,269	-	53,269
Effects of exchange rate changes	<u>-</u>	<u>3,320</u>	<u>-</u>	<u>3,320</u>
Balance on March 31, 2024	<u>\$ 3,170,005</u>	<u>\$ 1,344,473</u>	<u>\$ 142</u>	<u>\$ 4,514,620</u>

(Continued)

	Goodwill	Computer Software	Carbon Credits	Total
Balance on January 1, 2023	\$ 3,170,005	\$ 986,021	\$ -	\$ 4,156,026
Separate acquisition	-	97,175	-	97,175
Amortization expenses	-	(87,561)	-	(87,561)
Reclassification	-	775	-	775
Effects of exchange rate changes	-	(828)	-	(828)
Balance on March 31, 2023	<u>\$ 3,170,005</u>	<u>\$ 995,582</u>	<u>\$ -</u>	<u>\$ 4,165,587</u>

(Concluded)

The computer software with limited useful lives is amortized on a straight-line basis over their useful lives of 3 to 10 years.

The carbon credits of the Company were purchased from Taiwan Carbon Solution Exchange to cooperate with the government's policy about climate change and meet the global goal of net zero emissions in 2050. The Company considers carbon credits that generate net cash inflows with indefinite useful lives as intangible assets with indefinite useful lives.

20. OTHER ASSETS, NET

	March 31, 2024	December 31, 2023	March 31, 2023
Refundable deposits	\$ 1,920,862	\$ 1,960,317	\$ 1,825,300
Operating deposits and settlement funds	712,989	717,372	711,386
Prepaid expenses	1,217,306	330,360	691,923
Prepaid pensions	98,236	42,176	119,181
Settlement payments	158,856	100,688	-
Receipts under custody for securities underwriting	218,105	14,708	85
Others	<u>35,037</u>	<u>34,143</u>	<u>96,312</u>
	<u>\$ 4,361,391</u>	<u>\$ 3,199,764</u>	<u>\$ 3,444,187</u>

21. DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS

	March 31, 2024	December 31, 2023	March 31, 2023
Deposits from banks	\$ 162,789,734	\$ 173,467,665	\$ 152,949,325
Call loans from banks	117,641,027	89,326,719	87,786,495
Overdrafts from other banks	1,410,372	1,478,785	830,033
Transfer deposits from Chunghwa Post Co., Ltd.	37,095,665	37,095,665	62,595,665
Deposits from the Central Bank	<u>298,935</u>	<u>336,526</u>	<u>321,744</u>
	<u>\$ 319,235,733</u>	<u>\$ 301,705,360</u>	<u>\$ 304,483,262</u>

22. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Securities sold for \$71,513,136 thousand, \$71,210,419 thousand and \$65,955,296 thousand under repurchase agreements as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively, would subsequently be purchased for \$71,598,885 thousand, \$71,295,211 thousand and \$66,027,775 thousand respectively.

23. COMMERCIAL PAPER ISSUED, NET

The face values of commercial paper issued were \$36,840,000 thousand, \$33,720,000 thousand and \$27,270,000 thousand and the annual discount rates were from 1.478% to 1.921%, from 1.508% to 1.809% and from 1.288% to 2.000% as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively, and the commercial paper will mature by June 19, 2024, March 28, 2024 and March 2, 2023, respectively. The foregoing commercial paper was accepted and guaranteed by financial institutions. As of March 31, 2024, the Company had not used the amount of \$90,676,428 thousand, the sum of the amount of the commercial paper issued and the credit.

24. PAYABLES

	March 31, 2024	December 31, 2023	March 31, 2023
Settlement payable	\$ 8,687,753	\$ 6,166,790	\$ 4,926,934
Settlement consideration	12,656	6,698,820	4,429,208
Accrued expenses	7,205,888	6,772,635	7,097,323
Collections payable	6,161,428	5,851,666	8,452,857
Checks for clearing	17,596,659	17,108,734	9,567,173
Collections of notes and checks for various financial institutions in other cities	483,342	596,608	4,582,796
Acceptances	2,387,918	3,519,099	2,082,926
Accrued interest	12,043,044	8,203,720	8,719,703
Payables on notes and checks collected for others	246,330	290,589	1,478,856
Payables for short-sale transactions	250,766	405,781	250,820
Deposits on short-sale transactions	232,554	358,869	248,454
Tax payable	559,521	762,836	527,166
Payables on securities	2,383,421	86,828	2,943,186
Dividends payable	486,269	486,290	464,566
Factored accounts payable	12,267	84,597	46,490
Insurance claims and benefits payable	127,073	181,418	87,853
Others	<u>2,649,701</u>	<u>2,561,881</u>	<u>2,440,543</u>
	<u>\$ 61,526,590</u>	<u>\$ 60,137,161</u>	<u>\$ 58,346,854</u>

25. DEPOSITS AND REMITTANCES

	March 31, 2024	December 31, 2023	March 31, 2023
Deposits			
Checking	\$ 57,338,502	\$ 70,523,741	\$ 59,645,435
Demand	788,935,298	783,562,770	750,063,264
Savings - demand	1,198,034,728	1,199,358,033	1,147,991,806
Time	1,035,322,489	960,679,439	936,874,696
Negotiable certificates of deposit	43,670,992	34,181,070	33,430,464
Savings - time	685,462,049	676,348,161	650,072,844
Treasury	136,718,454	137,199,303	137,217,299
Remittances	<u>90,858</u>	<u>242,674</u>	<u>150,576</u>
	<u>\$ 3,945,573,370</u>	<u>\$ 3,862,095,191</u>	<u>\$ 3,715,446,384</u>

26. BONDS PAYABLE

	March 31, 2024	December 31, 2023	March 31, 2023
Bank debentures	\$ 57,240,000	\$ 57,240,000	\$ 62,790,000
First unsecured corporate bond of TCFHC in 2020: Fixed rate of 0.68%; maturity - May 26, 2027	5,700,000	5,700,000	5,700,000
Second unsecured corporate bond of TCFHC in 2020, Type A: Fixed rate of 0.61%; maturity - October 7, 2025	2,100,000	2,100,000	2,100,000
Second unsecured corporate bond of TCFHC in 2020, Type B: Fixed rate of 0.66%; maturity - October 7, 2027	2,200,000	2,200,000	2,200,000
First unsecured corporate bond of TCFHC in 2021, Type A: Fixed rate of 0.49%; maturity - July 12, 2026	3,400,000	3,400,000	3,400,000
First unsecured corporate bond of TCFHC in 2021, Type B: Fixed rate of 0.55%; maturity - July 12, 2028	<u>6,600,000</u>	<u>6,600,000</u>	<u>6,600,000</u>
	<u>\$ 77,240,000</u>	<u>\$ 77,240,000</u>	<u>\$ 82,790,000</u>

Details of bank debentures issued by Taiwan Cooperative Bank, Ltd. (TCB) are as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Second subordinated bonds in 2013, Type B: Reuters' fixing rate for 90 day's New Taiwan dollar commercial paper refers to the TAIBOR plus 0.45%; maturity - December 25, 2023	\$ -	\$ -	\$ 4,600,000
First subordinated bonds in 2014, Type B: Fixed rate of 1.85%; maturity - May 26, 2024	2,700,000	2,700,000	2,700,000
First subordinated bonds in 2014, Type C: Fixing rate for 90 day's New Taiwan dollar commercial paper refers to the Taiwan Bills Index Rate 02 plus 0.43%; maturity - May 26, 2024	5,800,000	5,800,000	5,800,000
First subordinated bonds in 2016, Type A: Fixed rate of 1.09%; maturity - September 26, 2023	-	-	950,000
First subordinated bonds in 2016, Type B: Fixed rate of 1.20%; maturity - September 26, 2026	4,050,000	4,050,000	4,050,000
First subordinated bonds in 2017, Type A: Fixed rate of 1.32%; maturity - September 26, 2024	600,000	600,000	600,000
First subordinated bonds in 2017, Type B: Fixed rate of 1.56%; maturity - September 26, 2027	1,400,000	1,400,000	1,400,000
First non-cumulative perpetual subordinated bonds in 2018: Fixed rated of 2.28%; TCB may exercise its redemption rights after 5 years and 2 months	5,000,000	5,000,000	5,000,000
First non-cumulative perpetual subordinated bonds in 2019: Fixed rated of 1.90%; TCB may exercise its redemption rights after 5 years and 1 months	5,000,000	5,000,000	5,000,000
Third non-cumulative perpetual subordinated bonds in 2019: Fixed rate of 1.45%; TCB may exercise its redemption rights after 5 years and 1 month	5,000,000	5,000,000	5,000,000
First non-cumulative perpetual subordinated bonds in 2020: Fixed rate of 1.50%; TCB may exercise its redemption rights after 5 years and 1 month	5,000,000	5,000,000	5,000,000
First unsecured bank debentures in 2021: Fixed rate of 0.40%; maturity - May 31, 2026	1,000,000	1,000,000	1,000,000
Second unsecured bank debentures in 2021: Fixed rate of 0.42%; maturity - October 29, 2026	1,000,000	1,000,000	1,000,000
First non-cumulative perpetual subordinated bonds (perpetual development) in 2022: Fixed rated of 2.50%; TCB may exercise its redemption rights after 5 years and 2 months	1,350,000	1,350,000	1,350,000
Second non-cumulative perpetual subordinated bonds (perpetual development) in 2022: Fixed rated of 3.00%; TCB may exercise its redemption rights after 5 years and 1 months	8,650,000	8,650,000	8,650,000

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
Third unsecured bank debentures (perpetual development) in 2022: Fixed rate of 1.50%; maturity - September 28, 2027	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Fourth non-cumulative perpetual subordinated bonds in 2022: Fixed rate of 3.40%; TCB may exercise its redemption rights after 5 years and 1 months	5,690,000	5,690,000	5,690,000
Second unsecured bank debentures (sustainable development) in 2023: Fixed rate of 1.40%; maturity - March 20, 2028	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
	<u>\$ 57,240,000</u>	<u>\$ 57,240,000</u>	<u>\$ 62,790,000</u>
			(Concluded)

In order to establish an international financial management platform and expand the depth and breadth of wealth management and private banking businesses for high-asset clients, TCB issued first unsecured bank debentures amounted to US\$46,850 thousand on March 10, 2023, and TCB issued third unsecured bank debentures amounted to US\$45,850 thousand on October 5, 2023. The debentures are divided into Type A and Type B for US\$32,800 thousand and US\$14,050 thousand, Type A and Type B for US\$29,250 thousand and US\$16,600 thousand, respectively, with a combination of fixed interest rate and structured interest rate (range accrual). TCB may make an early redemption on any interest payment from the date of issue. If TCB does not make redemption before maturity, the principal of the debentures is repaid in one lump sum upon maturity, of which Type A is March 10, 2025, and Type B is March 10, 2028, and Type A is October 5, 2025, and Type B is October 5, 2028. To reduce its interest rate risk, TCB entered into interest rate swap contracts, which are measured at FVTPL. Furthermore, in order to eliminate accounting inconsistencies, TCB designated these debentures as financial liabilities at FVTPL, and the details were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
First unsecured bank debentures bonds issued in 2023			
Type A	\$ 1,021,416	\$ 985,158	\$ 982,834
Type B	<u>425,325</u>	<u>414,456</u>	<u>415,945</u>
	<u>1,446,741</u>	<u>1,399,614</u>	<u>1,398,779</u>
Third unsecured bank debentures bonds issued in 2023			
Type A	913,356	881,525	-
Type B	<u>504,916</u>	<u>493,399</u>	<u>-</u>
	<u>1,418,272</u>	<u>1,374,924</u>	<u>-</u>
	<u>\$ 2,865,013</u>	<u>\$ 2,774,538</u>	<u>\$ 1,398,779</u>

On November 18, 2019, TCB has obtained approval from the FSC to issue unsecured bank debentures amounting to US\$1,000,000 thousand. As of March 31, 2024, the amount of unissued unsecured bank debentures of TCB was US\$1,000,000 thousand.

On February 8, 2023, TCB has obtained approval from the FSC to issue unsecured bank debentures amounting to US\$50,000 thousand. As of March 31, 2024, the amount of unissued unsecured bank debentures of TCB was US\$3,400 thousand.

On August 7, 2023, TCB has obtained approval from the FSC to issue unsecured bank debentures amounting to US\$300,000 thousand. As of March 31, 2024, the amount of unissued unsecured bank debentures of TCB was US\$254,300 thousand.

On February 2, 2024, TCB has obtained approval from the FSC to issue sustainable development bank debentures amounting to \$10,000,000 thousand. As of March 31, 2024, the amount of unissued bank debentures of TCB was \$10,000,000 thousand.

27. OTHER BORROWINGS

	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	Rate (%)	Amount	Rate (%)	Amount	Rate (%)
Borrowings (Note 23)	<u>\$ 13,442,782</u>	1.580-6.025	<u>\$ 11,266,712</u>	1.580-5.900	<u>\$ 9,283,261</u>	1.313-5.630

28. PROVISIONS

	March 31, 2024	December 31, 2023	March 31, 2023
Reserve for life insurance liabilities	\$ 28,563,914	\$ 27,906,508	\$ 26,095,612
Reserve for insurance contracts with financial instrument features	8,819	7,637	4,653
Provision for employee benefits	4,014,971	4,027,923	4,195,550
Provision for losses on guarantees	1,392,336	1,441,977	1,437,310
Provision for losses on loan commitment	328,450	325,497	290,943
Provision for others	56,747	25,779	45,846
Other provision for insurance	<u>686,880</u>	<u>656,444</u>	<u>919,067</u>
	<u>\$ 35,052,117</u>	<u>\$ 34,391,765</u>	<u>\$ 32,988,981</u>

a. Details of reserve for life insurance liabilities were as follows:

	March 31, 2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Life insurance	\$ 16,636,756	\$ 4,502,409	\$ 21,139,165
Health insurance	1,210,025	-	1,210,025
Annuity insurance	-	6,191,955	6,191,955
Investment insurance	<u>17,682</u>	<u>-</u>	<u>17,682</u>
	17,864,463	10,694,364	28,558,827
Less: Ceded life insurance liability reserve	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 17,864,463</u>	<u>\$ 10,694,364</u>	<u>\$ 28,558,827</u>

	December 31, 2023		
	Financial Instruments with Discretionary Participation Features		
	Insurance Contracts	Insurance Contracts	Total
Life insurance	\$ 15,820,830	\$ 4,554,027	\$ 20,374,857
Health insurance	1,168,466	-	1,168,466
Annuity insurance	-	6,340,825	6,340,825
Investment insurance	17,887	-	17,887
	<u>17,007,183</u>	<u>10,894,852</u>	<u>27,902,035</u>
Less: Ceded life insurance liability reserve	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 17,007,183</u>	<u>\$ 10,894,852</u>	<u>\$ 27,902,035</u>
	March 31, 2023		
	Financial Instruments with Discretionary Participation Features		
	Insurance Contracts	Insurance Contracts	Total
Life insurance	\$ 12,887,838	\$ 4,846,392	\$ 17,734,230
Health insurance	1,070,179	-	1,070,179
Annuity insurance	-	7,259,751	7,259,751
Investment insurance	27,616	-	27,616
	<u>13,985,633</u>	<u>12,106,143</u>	<u>26,091,776</u>
Less: Ceded life insurance liability reserve	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 13,985,633</u>	<u>\$ 12,106,143</u>	<u>\$ 26,091,776</u>

The changes in the reserve for life insurance liabilities are summarized below:

	For the Three Months Ended March 31					
	2024			2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Balance on January 1	\$ 17,007,183	\$ 10,894,852	\$ 27,902,035	\$ 13,039,350	\$ 12,383,677	\$ 25,423,027
Provision	897,094	32,414	929,508	1,076,994	46,418	1,123,412
Recovery	(161,198)	(232,902)	(394,100)	(130,711)	(323,952)	(454,663)
Effects of exchange rate changes	121,384	-	121,384	-	-	-
Ending balance	<u>17,864,463</u>	<u>10,694,364</u>	<u>28,558,827</u>	<u>13,985,633</u>	<u>12,106,143</u>	<u>26,091,776</u>
Less: Ceded life insurance liability reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance on March 31	<u>\$ 17,864,463</u>	<u>\$ 10,694,364</u>	<u>\$ 28,558,827</u>	<u>\$ 13,985,633</u>	<u>\$ 12,106,143</u>	<u>\$ 26,091,776</u>

- b. As of March 31, 2024, December 31, 2023 and March 31, 2023, total life policy reserve carrying amounts (including reserve of policyholders payables) were \$28,563,914 thousand, \$27,906,508 thousand and \$26,095,612 thousand, respectively.

- c. Details of liability adequacy reserves are as follows:

	Insurance Contracts and Financial Instruments with Discretionary Participation Features		
	March 31, 2024	December 31, 2023	March 31, 2023
Life insurance liability reserve	\$ 28,558,827	\$ 27,902,035	\$ 26,091,776
Unearned premium reserve	450,863	459,834	446,887
Claims reserve	117,525	59,879	76,543
Premium deficiency reserve	<u>55,034</u>	<u>42,491</u>	<u>1,346</u>
Book value of insurance reserve	<u>\$ 29,182,249</u>	<u>\$ 28,464,239</u>	<u>\$ 26,616,552</u>
Present value of discounted cash flows	<u>\$ 25,091,726</u>	<u>\$ 24,779,537</u>	<u>\$ 23,749,766</u>
Balance of liability adequacy reserve	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

As of March 31, 2024, December 31, 2023 and March 31, 2023, the Company's reserves for insurance contracts satisfied the liability adequacy tests.

The liability adequacy test method, scope and assumptions were as follows:

	March 31, 2024, December 31, 2023 and March 31, 2023
Test method	Total premium measurement method
Tested group	All insurance contracts as a whole
Assumptions	The discount rate assumption for every year was based on the best estimate scenario as well as the rate of return on investment with current information

- d. Reserve for insurance contracts with financial instrument features were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Life insurance	<u>\$ 8,819</u>	<u>\$ 7,637</u>	<u>\$ 4,653</u>
	For the Three Months Ended March 31		
		2024	2023
Balance on January 1		\$ 7,637	\$ 3,651
Reserve for insurance contracts with financial instrument features		<u>1,182</u>	<u>1,002</u>
Balance on March 31		<u>\$ 8,819</u>	<u>\$ 4,653</u>

- e. Explanations for the reserve of foreign exchange variation are as follows:

1) Hedging strategy and foreign exchange exposure

To ensure the effectiveness and appropriateness of hedge for overseas investment, BNP Paribas Cardif TCB Life Insurance Co., Ltd. (BPCTLI) uses cross-currency swaps and currency swap to hedge exchange rate risks. BPCTLI maintains the hedging ratio at over 95%.

2) Reconciliation of the reserve of foreign exchange variation

	For the Three Months Ended March 31	
	2024	2023
Balance on January 1	\$ 94,240	\$ 440,333
Provisions		
Compulsory provisions	-	-
Additional provisions	-	15,652
	-	15,652
Recovery	(30,782)	(61,694)
Balance on March 31	<u>\$ 63,458</u>	<u>\$ 394,291</u>

3) Impact of the reserve of foreign exchange variation

For the three months ended March 31, 2024

Items	Amount Without Reserve	Amount With Reserve	Effect
Net income	\$ 5,358,603	\$ 5,383,229	\$ 24,626
Basic earnings per share (NT\$)	0.36	0.36	-
Reserve of foreign exchange variation	-	63,458	63,458
Equity	252,928,531	252,848,462	(80,069)

For the three months ended March 31, 2023

Items	Amount Without Reserve	Amount With Reserve	Effect
Net income	\$ 4,999,801	\$ 5,036,635	\$ 36,834
Basic earnings per share (NT\$)	0.33	0.33	-
Reserve of foreign exchange variation	-	394,291	394,291
Equity	232,596,682	232,251,946	(344,736)

f. Net changes in reserves for insurance liabilities are summarized below:

	For the Three Months Ended March 31	
	2024	2023
Reserve for life insurance liabilities, net	\$ 535,408	\$ 668,749
Reserve for insurance contract with financial instrument features, net	1,182	1,002
Others, net	<u>7,441</u>	<u>(16,998)</u>
	<u>\$ 544,031</u>	<u>\$ 652,753</u>

g. Provisions for employee benefits are summarized below:

	March 31, 2024	December 31, 2023	March 31, 2023
Present value of retired employees' preferential interest deposit obligation	<u>\$ 4,014,971</u>	<u>\$ 4,027,923</u>	<u>\$ 4,195,550</u>

h. The changes in the provision for losses on guarantees and provision for losses on loan commitment are summarized below:

	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Instruments)	Impairment Loss under IFRS 9	Difference of Impairment Loss under Regulations	Total
Balance on January 1, 2024	\$ 1,046,878	\$ 847	\$ 10,148	\$ 1,057,873	\$ 735,380	\$ 1,793,253
Changes from financial instruments recognized at the beginning of the current reporting period						
Transfers to						
Lifetime ECL	(417)	417	-	-	-	-
Credit-impaired financial instruments	(1)	-	1	-	-	-
12-month ECL	-	-	-	-	-	-
Derecognition of financial instruments in the current reporting period	(115,925)	(105)	(751)	(116,781)	-	(116,781)
Reversal from financial instruments recognized at the beginning of the current reporting period	(68,920)	(48)	253	(68,715)	-	(68,715)
New financial instruments purchased or originated	153,359	-	-	153,359	-	153,359
Difference of impairment loss under regulations	-	-	-	-	11,919	11,919
Change in exchange rates and other changes	<u>4,389</u>	<u>16</u>	<u>93</u>	<u>4,498</u>	<u>-</u>	<u>4,498</u>
Balance on March 31, 2024	<u>\$ 1,019,363</u>	<u>\$ 1,127</u>	<u>\$ 9,744</u>	<u>\$ 1,030,234</u>	<u>\$ 747,299</u>	<u>\$ 1,777,533</u>
Balance on January 1, 2023	\$ 897,746	\$ -	\$ 35,847	\$ 933,593	\$ 699,485	\$ 1,633,078
Changes from financial instruments recognized at the beginning of the current reporting period						
Transfers to						
Lifetime ECL	(20)	20	-	-	-	-
Credit-impaired financial instruments	(500)	-	500	-	-	-
12-month ECL	-	-	-	-	-	-
Derecognition of financial instruments in the current reporting period	(67,864)	-	(2,519)	(70,383)	-	(70,383)
Reversal from financial instruments recognized at the beginning of the current reporting period	5,502	(12)	(3,953)	1,537	-	1,537
New financial instruments purchased or originated	182,665	-	-	182,665	-	182,665
Difference of impairment loss under regulations	-	-	-	-	28,102	28,102
Change in exchange rates and other changes	<u>(879)</u>	<u>-</u>	<u>(21)</u>	<u>(900)</u>	<u>-</u>	<u>(900)</u>
Balance on March 31, 2023	<u>\$ 1,016,650</u>	<u>\$ 8</u>	<u>\$ 29,854</u>	<u>\$ 1,046,512</u>	<u>\$ 727,587</u>	<u>\$ 1,774,099</u>

29. EMPLOYEE BENEFITS PLAN

a. Defined contribution plan

The pension plan under the Labor Pension Act (the “Act”) is a defined contribution plan. Based on the Act, the Company’s monthly contributions to individual pension accounts of employees covered by the defined contribution plan is at 6% of monthly salaries and wages. The funds are deposited in individual labor pension accounts at the Bureau of Labor Insurance.

The Company recognized expense of \$70,910 thousand and \$66,591 thousand in the consolidated statement of comprehensive income for the three months ended March 31, 2024 and 2023, respectively, in accordance with the defined contribution plan.

b. Defined benefit plan

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. Since March 2023, TCB has adjusted 2% of the total monthly salaries and wages of employees (originally 15%) to a pension fund administered by the pension fund monitoring committee. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the Bureau); TCB has no right to influence the investment policy and strategy. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, TCB assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, TCB is required to fund the difference in one appropriation that should be made before the end of March of the next year.

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic/and foreign/equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan’s debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

For the three months ended March 31, 2024 and 2023, the pension expenses under defined benefit plan recognized in the consolidated statements of comprehensive income amounted to \$86,620 thousand and \$90,722 thousand, respectively. For more information about the defined benefit plan, refer to Note 29 of the consolidated financial statements for the year ended December 31, 2023.

c. Employees’ preferential deposit plan

TCB’s payment obligations on fixed-amount preferential interest deposits for retired employees and current employees after retirement are in compliance with TCB’s internal rules. Under the Guidelines Governing the Preparation of Financial Reports by Public Banks, TCB should determine the excess interest from the preferential interest deposits of employees by applying an actuarial valuation method when the employees retire.

For the three months ended March 31, 2024 and 2023, the employee preferential deposit expense under employee's preferential deposit plan recognized in the consolidated statements of comprehensive income amounted to \$191,546 thousand and \$173,759 thousand, respectively. For more information about the employee preferential deposit plan, refer to Note 29 of the consolidated financial statements for the year ended December 31, 2023.

30. OTHER FINANCIAL LIABILITIES

	March 31, 2024	December 31, 2023	March 31, 2023
Guarantee deposits received	\$ 2,129,176	\$ 1,921,350	\$ 2,044,519
Appropriation for loans	12,004	16,167	27,427
Separate-account liabilities	<u>87,466,292</u>	<u>85,592,813</u>	<u>87,458,511</u>
	<u>\$ 89,607,472</u>	<u>\$ 87,530,330</u>	<u>\$ 89,530,457</u>

The status of the Company's investment-linked products - separate account as of March 31, 2024, December 31, 2023 and March 31, 2023, are summarized as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Separate-account assets (part of other financial assets)			
Cash in bank	\$ 789,251	\$ 658,122	\$ 1,116,792
Financial assets at FVTPL	86,531,946	84,767,992	86,208,327
Other receivables			
Investment settlement receivables	<u>145,095</u>	<u>166,699</u>	<u>133,392</u>
	<u>\$ 87,466,292</u>	<u>\$ 85,592,813</u>	<u>\$ 87,458,511</u>
Separate-account liabilities (part of other financial liabilities)			
Reserve for separate account - insurance contract	\$ 55,915,177	\$ 54,788,061	\$ 55,914,473
Reserve for separate account - investment contract	31,046,843	30,367,491	30,912,092
Other payables			
General accounts payables	<u>504,272</u>	<u>437,261</u>	<u>631,946</u>
	<u>\$ 87,466,292</u>	<u>\$ 85,592,813</u>	<u>\$ 87,458,511</u>

	For the Three Months Ended March 31	
	2024	2023
Separate-account revenue		
Premium income	\$ 261,283	\$ 487,195
Gain (loss) on financial assets at FVTPL	1,628,723	979,175
Gain (loss) on foreign exchange	1,243,073	(1,189,191)
Interest revenue	<u>1,033</u>	<u>1,070</u>
	<u>\$ 3,134,112</u>	<u>\$ 278,824</u>
Separate-account expense		
Insurance claims and benefits	\$ 1,187,553	\$ 984,691
Reserves for separate accounts, net of releases - insurance contract	1,620,871	(1,049,510)
Administrative expenses	<u>325,688</u>	<u>343,643</u>
	<u>\$ 3,134,112</u>	<u>\$ 278,824</u>

Separate account revenue and expense were recognized under premium income, net.

31. OTHER LIABILITIES

	March 31, 2024	December 31, 2023	March 31, 2023
Advance receipts	\$ 1,032,383	\$ 1,031,785	\$ 1,767,307
Others	<u>75,202</u>	<u>103,570</u>	<u>58,921</u>
	<u>\$ 1,107,585</u>	<u>\$ 1,135,355</u>	<u>\$ 1,826,228</u>

32. NET INTEREST

	For the Three Months Ended March 31	
	2024	2023
Interest revenue		
From discounts and loans	\$ 18,399,648	\$ 16,418,088
From investments	4,759,457	3,662,400
From due from banks and call loans to other banks	1,671,388	1,088,788
Others	<u>326,643</u>	<u>270,630</u>
	<u>25,157,136</u>	<u>21,439,906</u>
Interest expense		
From deposits	(15,313,173)	(10,940,111)
From due to the Central Bank and other banks	(1,708,596)	(963,461)
From issuing bonds payable	(320,891)	(330,198)
From deposits from the Central Bank and other banks	(257,895)	(311,173)
From securities sold under repurchase agreements	(309,817)	(238,544)
Others	<u>(87,904)</u>	<u>(69,233)</u>
	<u>(17,998,276)</u>	<u>(12,852,720)</u>
	<u>\$ 7,158,860</u>	<u>\$ 8,587,186</u>

33. SERVICE FEE AND COMMISSION INCOME, NET

	For the Three Months Ended March 31	
	2024	2023
Service fee and commission revenues		
From trust business	\$ 726,585	\$ 538,724
From guarantee	248,516	243,135
From loans	1,241,113	284,301
From insurance service	804,776	238,758
From brokerage service	300,287	180,820
From investment-linked products	120,989	124,141
From credit cards	440,744	393,811
From management fees of investment-linked products	40,121	42,600
From management fees	74,499	83,768
From remittance	72,054	67,126
From cross-bank transactions	74,303	73,219
From underwriting	25,301	18,597
From import/export service	22,302	25,250
Others	<u>171,477</u>	<u>139,877</u>
	<u>4,363,067</u>	<u>2,454,127</u>
Service charge and commission expenses		
From cross-bank transactions	(87,308)	(81,370)
From insurance business	(74,736)	(37,070)
From credit cards	(91,350)	(72,151)
From credit cards acquiring	(307,606)	(278,840)
From custody	(21,628)	(19,010)
Others	<u>(82,981)</u>	<u>(70,341)</u>
	<u>(665,609)</u>	<u>(558,782)</u>
	<u>\$ 3,697,458</u>	<u>\$ 1,895,345</u>

34. PREMIUM INCOME, NET

	For the Three Months Ended March 31	
	2024	2023
Premium income		
Separate-account revenue (Note 30)	\$ 3,134,112	\$ 278,824
Premium income	<u>1,642,081</u>	<u>1,739,565</u>
	<u>4,776,193</u>	<u>2,018,389</u>
Premium losses		
Separate-account expense (Note 30)	(3,134,112)	(278,824)
Insurance claims and benefits	(636,745)	(656,746)
Reinsurance premium ceded	(96,712)	(93,248)
Others	<u>(11,552)</u>	<u>(15,305)</u>
	<u>(3,879,121)</u>	<u>(1,044,123)</u>
	<u>\$ 897,072</u>	<u>\$ 974,266</u>

35. GAINS (LOSSES) ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

For the Three Months Ended March 31, 2024					
	Interest Revenue (Expense)	Gain (Loss) on Disposal	Gain (Loss) on Valuation	Dividend Income	Total
Financial assets mandatorily classified as at fair value through profit or loss	\$ 504,564	\$ 4,597,896	\$ 6,052,847	\$ 55,558	\$11,210,865
Held-for-trading financial liabilities	-	(1,036,545)	5,219,150	-	4,182,605
Financial liabilities designated as at fair value through profit or loss	<u>(38,337)</u>	<u>-</u>	<u>28,758</u>	<u>-</u>	<u>(9,579)</u>
	<u>\$ 466,227</u>	<u>\$ 3,561,351</u>	<u>\$11,300,755</u>	<u>\$ 55,558</u>	<u>\$15,383,891</u>
For the Three Months Ended March 31, 2023					
	Interest Revenue (Expense)	Gain (Loss) on Disposal	Gain (Loss) on Valuation	Dividend Income	Total
Financial assets mandatorily classified as at fair value through profit or loss	\$ 281,726	\$ 4,521,216	\$ (2,734,273)	\$ 56,706	\$ 2,125,375
Held-for-trading financial liabilities	-	(2,870,107)	1,823,227	-	(1,046,880)
Financial liabilities designated as at fair value through profit or loss	<u>(4,253)</u>	<u>-</u>	<u>27,656</u>	<u>-</u>	<u>23,403</u>
	<u>\$ 277,473</u>	<u>\$ 1,651,109</u>	<u>\$ (883,390)</u>	<u>\$ 56,706</u>	<u>\$ 1,101,898</u>

36. REALISED GAIN ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	For the Three Months Ended March 31	
	2024	2023
Dividends revenue on investments in equity instruments at FVTOCI	\$ 310,206	\$ 99,915
Derecognition of unrealized gains on investments in debt instruments at FVTOCI	<u>214</u>	<u>6,771</u>
	<u>\$ 310,420</u>	<u>\$ 106,686</u>

For the three months ended March 31, 2024 and 2023, dividend revenue related to derecognized investments was \$145,640 thousand and \$11,501 thousand, respectively, and dividend revenue related to investments held on March 31, 2024 and 2023 was \$164,566 thousand and \$88,414 thousand, respectively.

37. EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES

a. Employee benefits expenses

	For the Three Months Ended March 31	
	2024	2023
Salaries	\$ 2,504,340	\$ 2,399,851
Incentives	894,356	949,022
Excessive interest from preferential interest deposits	290,562	274,041
Post-employment benefits, termination benefits and compensation	167,561	166,054
Overtime	108,522	102,144
Others	<u>628,806</u>	<u>581,808</u>
	<u>\$ 4,594,147</u>	<u>\$ 4,472,920</u>

Under the amended Articles, TCFHC will make distributions at percentages from 0.01% to 0.08% and up to 1% of its annual profit (pretax income which exclude compensations of employees and remuneration to directors) for the employees' compensation and directors' remuneration, respectively. However, the actual appropriation of the compensation and remuneration should be made only from the annual net income less any accumulated deficit. For the three months ended March 31, 2024 and 2023, compensations of employees were estimated at \$797 thousand and \$841 thousand and the remuneration of directors were estimated at \$28,823 thousand and \$26,902 thousand, respectively, based on the Articles and past experiences.

Material differences between such estimated amounts and the amounts approved by the board of directors on or before the annual consolidated financial statements are authorized for issue are adjusted in the year the compensation and remuneration were recognized. If there is a change in the approved amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate.

The appropriations of employees' compensation and remuneration of directors for 2023 and 2022 approved by the board of directors on March 13, 2024 and March 13, 2023, respectively, were as follows:

	For the Year Ended December 31	
	2023	2022
Employees' compensation - cash	\$ 2,588	\$ 3,093
Remuneration of directors - cash	94,901	111,910

There was no difference between the amounts of the employees' compensation and remuneration of directors approved by the board of directors and the amounts recognized in the consolidated financial statements.

Information on the employees' compensation and remuneration of directors approved by the TCFHC's board of directors is available on the Market Observation Post System website of the Taiwan Stock Exchange (<https://emops.twse.com.tw>).

b. Depreciation and amortization expenses

	For the Three Months Ended March 31	
	2024	2023
Depreciation expenses	\$ 593,189	\$ 558,291
Amortization expenses	<u>112,839</u>	<u>87,845</u>
	<u>\$ 706,028</u>	<u>\$ 646,136</u>

38. INCOME TAX

a. Income tax expense (benefit) recognized in profit or loss

Main components of income tax expense were as follows:

	For the Three Months Ended March 31	
	2024	2023
Current tax		
Current period	\$ 170,023	\$ 1,256,131
Land revaluation increment tax	378	1,606
Prior year's adjustments	<u>831</u>	<u>56</u>
	171,232	1,257,793
Deferred tax		
Current period	<u>992,061</u>	<u>(335,363)</u>
Income tax expense recognized in profit or loss	<u>\$ 1,163,293</u>	<u>\$ 922,430</u>

b. Income tax expense (benefit) recognized in other comprehensive income

	For the Three Months Ended March 31	
	2024	2023
<u>Deferred tax</u>		
Recognized in other comprehensive income - items that may be reclassified subsequently to profit or loss		
Exchange differences on the translation of financial statements of foreign operations	\$ 373,733	\$ (102,260)
Unrealized valuation gain or loss on financial assets at fair value through other comprehensive income	(78,242)	27,348
Other comprehensive income on reclassification of overlay approach	<u>(1,794)</u>	<u>788</u>
Income tax expense (benefit) recognized in other comprehensive income	<u>\$ 293,697</u>	<u>\$ (74,124)</u>

c. Deferred tax assets and liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
<u>Deferred tax assets</u>			
Temporary differences			
Financial instruments at fair value through other comprehensive income	\$ 370,372	\$ 292,130	\$ 431,181
Properties and equipment	6,445	6,606	7,089
Payable for annual leave	130,639	103,650	128,605
Employee's preferential interest deposit obligation	753,437	756,027	789,553
Other liabilities	5,783	5,783	5,783
Exchange differences on foreign operations	30,080	130,151	200,892
Allowance for possible losses	41,638	44,740	4,922
Financial instruments at fair value through profit or loss	3,035	740,358	-
Pension liabilities	585	567	526
Accrued expense	2,979	3,721	-
Unrealized foreign exchange losses	-	746	56,227
Loss carryforwards	1,356,526	-	-
Revenue from disposal of acquired loans	<u>189,720</u>	<u>189,720</u>	<u>234,751</u>
	<u>\$ 2,891,239</u>	<u>\$ 2,274,199</u>	<u>\$ 1,859,529</u>
<u>Deferred tax liabilities</u>			
Temporary differences			
Financial instruments at fair value through profit or loss	\$ 1,565,557	\$ 743	\$ 232,700
Overlay approach	-	1,794	227
Intangible assets	428,614	428,614	428,614
The reserve for land revaluation increment tax	2,541,779	2,541,779	2,541,779
Defined benefit obligation	408,504	408,504	274,329
Investments accounted for using equity method	177,924	177,987	172,281
Lease incentive	2,185	2,271	2,490
Exchange differences on foreign operations	273,662	-	-
Unrealized foreign exchange losses	<u>99,457</u>	<u>33,192</u>	<u>-</u>
	<u>\$ 5,497,682</u>	<u>\$ 3,594,884</u>	<u>\$ 3,652,420</u>

d. The years for which TCFHC and other subsidiaries' income tax returns had been examined by the tax authorities were as follows:

TCFHC	TCB	CAM	TCBF	TCS	BPCTLI	TCSIT	TCVC
2018	2018	2018	2018	2018	2021	2018	2018

e. Pillar Two income tax legislation

In March 2024, the government of Belgium, where TCB's subsidiary is incorporated, enacted the Pillar Two income tax legislation effective January 1, 2024. Because not all adjustments that would have been required by the legislation were made, TCB is continuing to assess the impact of the Pillar Two income tax legislation on its future financial performance.

In March 2024, the government of Australia and Hong Kong, where TCB is incorporated, initiated the Pillar Two income tax legislation. Since the Pillar Two income tax legislation was not effective at the reporting date, TCB has not related current tax exposure.

Under the legislation, the Company will be required to pay, in Belgium, Australia and Hong Kong, a top-up tax on the profits of the group entities that are taxed at an effective tax rate of less than 15 percent. As of March 31, 2024, the Company assessed that it did not have a material impact.

39. EARNINGS PER SHARE

	Net Income (Numerator)	Shares (Denominator in Thousands)	Earnings Per Share (NT\$)
<u>For the three months ended March 31, 2024</u>			
Basic earnings per share (EPS)	\$ 5,237,347	14,709,382	<u>\$ 0.36</u>
Effect of dilutive common stock:			
Employees' compensation	<u>-</u>	<u>109</u>	
Diluted EPS	<u>\$ 5,237,347</u>	<u>14,709,491</u>	<u>\$ 0.36</u>
<u>For the three months ended March 31, 2023</u>			
Basic earnings per share (EPS)	\$ 4,886,540	14,709,382	<u>\$ 0.33</u>
Effect of dilutive common stock:			
Employees' compensation	<u>-</u>	<u>125</u>	
Diluted EPS	<u>\$ 4,886,540</u>	<u>14,709,507</u>	<u>\$ 0.33</u>

The weighted-average number of shares outstanding for EPS calculation has been retroactively adjusted to reflect the effects of the stock dividends distributed in the year following earning appropriation.

	For the Three Months Ended March 31, 2023	
	Before Adjusted Retrospectively	After Adjusted Retrospectively
Basic EPS (NT\$)	<u>\$ 0.35</u>	<u>\$ 0.33</u>

The Company can select to distribute employees' compensation by stock or by cash. If the compensation is in the form of shares, the Company should presume that the entire amount of the compensation will be settled in shares, and the resulting potential shares should be included in the weighted average number of shares outstanding to be used in calculating diluted earnings per share (EPS) if the shares have a dilutive effect. The dilutive effects of the potential shares needs to be included in the calculation of diluted EPS until the stockholders resolve the number of shares to be distributed to employees in the following year.

40. EQUITY

a. Capital stock

Common stocks

	March 31, 2024	December 31, 2023	March 31, 2023
Number of shares authorized (in thousands)	<u>20,000,000</u>	<u>20,000,000</u>	<u>15,000,000</u>
Authorized capital	<u>\$ 200,000,000</u>	<u>\$ 200,000,000</u>	<u>\$ 150,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>14,709,382</u>	<u>14,709,382</u>	<u>14,008,935</u>
Common stocks issued	<u>\$ 147,093,822</u>	<u>\$ 147,093,822</u>	<u>\$ 140,089,354</u>

Fully paid common stocks, which have a par value of \$10, carry one vote per share and carry a right to dividends.

On June 16, 2023, the stockholders of TCFHC resolved to issue 700,447 thousand shares, which included the shares distributed by capital surplus to \$7,004,468 thousand. This issuance was approved by the FSC and MOEA.

b. Capital surplus

Under related regulations, capital surplus may only be used to offset a deficit. But capital surplus from the issuance of shares in excess of par value (including additional paid-in capital from the issuance of common shares and capital surplus from mergers and treasury stock transactions) and donations to the Company may be distributed as cash dividends or transferred to common stock on the basis of the percentage of shares held by the stockholders. Any capital surplus transferred to common stock should be within a certain percentage prescribed by law.

Under the Financial Holding Company Law and related directives issued by the Securities and Futures Bureau (SFB), the distribution of the ex-conversion unappropriated earnings that are generated by financial institutions (the subsidiaries) and become part of capital surplus of the financial holding company through a share swap is exempted from the appropriation restriction of the Securities and Exchange Law. These unappropriated earnings should be net of the appropriation of legal reserve or special reserve.

The capital surplus as of March 31, 2024 came from the issuance of shares in excess of par value and treasury stock transactions. Capital surplus sources and uses were as follows:

Sources

From subsidiaries

Capital surplus (mainly additional paid-in capital from share issuance in excess of par value)	\$ 27,783,766
Legal reserve	15,799,245
Special reserve	195,968
Unappropriated earnings	<u>10,410,804</u>
	54,189,783
Additional paid-in capital from TCFHC's share issuance in excess of par value	3,861,434
Cash dividends from TCFHC received by subsidiary	148,857
Additional paid-in capital from TCFHC's share issuance in excess of par value	12,642,000

(Continued)

Share-based payment for the subscription for TCFHC's new shares by the employees of TCFHC and its subsidiaries	\$ 618,750
Unclaimed dividends	<u>13,801</u>
	71,474,625

Uses

Issuance of TCFHC's stock and cash dividends in 2012	(6,360,660)
Issuance of TCFHC's stock dividends in 2013	(1,625,333)
Subsidiaries' disposal of the shares of TCFHC regarded as reissuance of treasury stock	(148,857)
Issuance of TCFHC's stock dividends in 2014	(4,307,133)
Issuance of TCFHC's stock dividends in 2015	(1,054,498)
Issuance of TCFHC's stock and cash dividends in 2023	<u>(12,327,864)</u>
	\$ <u>45,650,280</u>
	(Concluded)

c. Special reserve

For the first-time adoption of IFRS Accounting Standards, TCFHC should appropriate to a special reserve an amount that was the same as those of unrealized revaluation increment and cumulative translation differences (gains) transferred to retained earnings as a result of the Company's use of exemptions under IFRS 1. However, on the date of transitions to IFRS Accounting Standards, if the increase in retained earnings that resulted from all IFRS Accounting Standards adjustments is not enough for this appropriation, only the increase in retained earnings that resulted from all IFRS Accounting Standards adjustments will be appropriated to special reserve. The special reserve appropriated as above may be reversed in proportion to the usage, disposal or reclassification of the related assets and thereafter distributed. The special reserve appropriated for the first-time adoption of IFRS Accounting Standards may be used to offset deficits in subsequent years. No appropriation of earnings shall be made until any shortage of the aforementioned special reserve is appropriated in subsequent years if the Company has earnings and the original need to appropriate a special reserve is not eliminated.

The increase in retained earnings that resulted from all IFRS Accounting Standards adjustments was not enough for this appropriation; therefore, TCFHC appropriated to the special reserve an amount of \$1,086,876 thousand on January 1, 2013, an increase in retained earnings that resulted from all IFRS Accounting Standards adjustments on transitions to IFRS Accounting Standards.

Information regarding the above special reserve appropriated or reversed on elimination of the original need to appropriate a special reserve was as follows:

	For the Three Months Ended March 31	
	2024	2023
Balance on January 1	\$ 985,539	\$ 985,539
Reversed on elimination of the original need to appropriate a special reserve:		
Disposal of properties and equipment	<u>-</u>	<u>-</u>
Balance on March 31	<u>\$ 985,539</u>	<u>\$ 985,539</u>

According to the provisions of the Order No. 1090150022 Order of the Financial Supervisory Commission R.O.C. TCFHC appropriated to the special surplus reserve of the same amount, which occurred from the net deduction of other equity items recorded in the current period. The information provided by the parent company in accordance with the letter is as follows:

	For the Three Months Ended March 31, 2024
Balance on January 1	\$ 20,524,180
Provision	<u>-</u>
Balance on March 31	<u>\$ 20,524,180</u>

d. Appropriation of earnings

For expanding the business scale and enhancing the profitability, TCFHC adopts the surplus dividend policy under the related law.

When TCFHC appropriated its earnings, legal reserve is appropriated from the annual net income less any accumulated deficit. A special reserve was then appropriated depending on regulation requirement and operation needs. Any remainder together with any undistributed retained earnings shall be used for proposing a distribution plan, which should be resolved in the stockholders' meeting for distribution of dividends.

Unless otherwise restricted by related regulations, TCFHC's policy indicates that cash dividends must be 10% or above of the total dividends and bonuses distributed. If the cash dividend per share is less than NT\$0.1, the cash dividend will not be distributed unless the distribution is resolved in the stockholders' meetings.

Under the Company Law, legal reserve should be appropriated until the reserve equals TCFHC's paid-in capital. This reserve should only be used to offset a deficit. When the reserve exceeds 25% of TCFHC's paid-in capital, the excess may be used to issue new shares or distribute as cash dividends.

Under related regulations, a special reserve is appropriated from the balance of the retained earnings at an amount from the net income and unappropriated earnings that is equal to the debit balance of accounts in the stockholders' equity section. The special reserve should be appropriated from the prior years' unappropriated earnings to the extent of the debit balance accumulated from prior years, and such special reserve should not be appropriated.

If there is difference between the appropriation of special reserve and net amount of deduction in other stockholder's equity, the Company should appropriate on additional amount of special reserve in the first-time adoption of IFRS Accounting Standards. Afterwards, if there is any reversal in of the deduction in other stockholder's equity, the Company is allowed to appropriate retained earnings from the reversal amount.

The appropriations from the earnings of 2023 and 2022 were approved in the board of directors' meeting on March 25, 2024 and in the stockholders' meeting on June 16, 2023, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	2023	2022	2023	2022
Legal reserve	\$ 1,706,475	\$ 2,149,776		
Special reserve	-	20,524,180		
Cash dividends	9,561,098	1,681,072	\$0.65	\$0.12
Stock dividends	5,148,284	-	0.35	-

The appropriation of earnings for 2022 was proposed by the stockholders' meeting on June 16, 2023. The effects of stock dividends transferred from capital surplus to common stock and dividends per share were as follows:

	Issuance of Stock Dividends and Cash Dividends from Capital Surplus	Dividends Per Share (NT\$)
Cash dividends	5,323,396	\$ 0.38
Stock dividends	7,004,468	0.50

Information on the appropriation of earnings is available at the Market Observation Post System website of the Taiwan Stock Exchange (<https://emops.twse.com.tw>).

e. Non-controlling interests

	For the Three Months Ended March 31	
	2024	2023
Balance on January 1	\$ 5,888,411	\$ 5,316,401
Attributable to non-controlling interests		
Net income	145,882	150,095
Exchange differences on the translation of financial statements of foreign operations	3,385	3,373
Unrealized gains (losses) on financial assets at FVTOCI	(148,628)	104,970
Other comprehensive income reclassification of overlay approach	<u>120,038</u>	<u>18,493</u>
Balance on March 31	<u>\$ 6,009,088</u>	<u>\$ 5,593,332</u>

41. RELATED-PARTY TRANSACTIONS

Taiwan Cooperative Financial Holding Co., Ltd. is the ultimate parent of the Company, and the Ministry of Finance is the major government stockholder. Based on IAS 24 "Related Party Disclosures", the Company's transactions with government-related parties are exempt from disclosure requirements. All transactions, account balances, earnings, expenses and gains (losses) on transactions between the Company and subsidiaries have all been excluded from consolidation and are not disclosed in this note.

In addition to those mentioned in other notes, the related-party transactions are summarized as follows:

a. Related parties

Related Party	Relationship with the Company
United Real Estate Management Co., Ltd.	Associated enterprise
Mesh Cooperative Ventures Inc.	Associated enterprise (disposal on October 30, 2023)
JC Capital Taiwan Co., Ltd.	Associated enterprise
TCB Fund of Emerging Markets Bond Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
TCB 6 Year Emerging Market Bond Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
TCB 6 Year Senior Emerging Market Bond Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
TCB 2025 Maturity Emerging Market Bond Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
TCB 2026 Maturity Senior Emerging Market Corporate Bond Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
TCB 2023 Maturity Selective Emerging Market Bond Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
TCB US Short Duration High Yield Bond Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
TCB Global Healthcare Multi-Asset Income Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
TCB Environment & Socially Responsible Multi-Asset Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
TCB Global High Yield Bond Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
TCB Global Core Infrastructure Income Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
TCB 2032 Target Date Multi-Asset Income Fund	Fund managed by Taiwan Cooperative Securities Investment Trust Co., Ltd.
Tamshui First Credit Bank	The director of Tamshui First Credit Bank is also the Company's director.
The Fifth Credit Cooperation of Taipei	The director of the fifth credit cooperation of Taipei is also the supervisor of TCB
Taiwan Asset Management Corporation	The director of Taiwan Assets Management Corporation is the main management of the Company.
Financial Information Service Co., Ltd.	The director of Financial Information Service Co., Ltd. is also the director of the Company.
Agricultural Bank of Taiwan	The director of TCB is also the Company's director.
The Credit Cooperative of Ilan	The director of TCB is also the Company's director.
Sun Ba Power Corporation	The director of Sun Ba Power Corporation is main management's spouse
Krom Electronics Co., Ltd.	The director of Krom Electronics Co., Ltd. is second-degree kin
Others	Main management of the parent company and other related parties

b. Significant transactions between the Company and related parties:

1) Call loans to banks

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
For the three months ended <u>March 31, 2024</u>				
Others	<u>\$ 617,540</u>	<u>\$ 617,260</u>	<u>\$ 4,161</u>	2.920-5.850
For the three months ended <u>March 31, 2023</u>				
Others	<u>\$ 609,420</u>	<u>\$ 608,800</u>	<u>\$ 259</u>	5.110

2) Deposits from banks

	For the Three Months Ended March 31			
	2024		2023	
	Ending Balance	Interest Expense	Ending Balance	Interest Expense
Main management	\$ 114,330	\$ 207	\$ 108,509	\$ 385
Others				
Tamshui First Credit Bank	27,073,180	82,710	27,801,308	80,231
The Fifth Credit Cooperation of Taipei	-	-	6,449,861	19,203
The Credit Cooperative of Ilan	2,330,992	6,907	-	-
Others	<u>30,364</u>	<u>-</u>	<u>15,618</u>	<u>-</u>
	<u>\$ 29,548,866</u>	<u>\$ 89,824</u>	<u>\$ 34,375,296</u>	<u>\$ 99,819</u>

3) Loans

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
For the three months ended <u>March 31, 2024</u>				
Main management	\$ 285,737	\$ 249,992	\$ 1,243	1.670-2.303
Others	<u>738,805</u>	<u>721,761</u>	<u>3,306</u>	1.370-3.245
	<u>\$ 1,024,542</u>	<u>\$ 971,753</u>	<u>\$ 4,549</u>	
For the three months ended <u>March 31, 2023</u>				
Main management	\$ 295,432	\$ 254,045	\$ 1,112	1.571-2.176
Others	<u>198,692</u>	<u>186,331</u>	<u>918</u>	1.370-2.651
	<u>\$ 494,124</u>	<u>\$ 440,376</u>	<u>\$ 2,030</u>	

Under the Banking Law, except for customer loans and government loans, credits extended by TCB to any related party should be 100% secured, and the terms of credits extended to related parties should be similar to those for third parties.

4) Deposits

	Ending Balance	Interest Expense	Interest Rate (%)
For the three months ended <u>March 31, 2024</u>			
Associates	\$ 106,513	\$ 203	0.000-4.950
Main management	950,844	3,995	0.000-13.000
Others			
Financial Information Service Co., Ltd.	16,350,055	10,083	0.000-5.250
Others	<u>5,397,521</u>	<u>22,933</u>	0.000-13.000
	<u>\$ 22,804,933</u>	<u>\$ 37,214</u>	
For the three months ended <u>March 31, 2023</u>			
Associates	\$ 102,190	\$ 96	0.000-4.470
Main management	691,431	2,944	0.000-13.000
Others			
Financial Information Service Co., Ltd.	38,247,964	3,923	0.000-4.600
Others	<u>3,420,244</u>	<u>6,718</u>	0.000-13.000
	<u>\$ 42,461,829</u>	<u>\$ 13,681</u>	
	March 31, 2024	December 31, 2023	March 31, 2023
5) Accrued income (part of receivables)			
Others	<u>\$ 25,040</u>	<u>\$ 25,473</u>	<u>\$ 27,846</u>
6) Accrued interest (part of receivables)			
Others	<u>\$ -</u>	<u>\$ 1,048</u>	<u>\$ -</u>
7) Receivable on securities (part of receivables)			
Others	<u>\$ 1,390</u>	<u>\$ -</u>	<u>\$ -</u>
8) Payable on securities (part of payables)			
Others	<u>\$ -</u>	<u>\$ 2,065</u>	<u>\$ 2,052</u>

	March 31, 2024	December 31, 2023	March 31, 2023
9) Guarantee deposits received (part of other financial liabilities)			
Taiwan Asset Management Corporation	\$ 4,300	\$ 3,249	\$ 3,249
Agricultural Bank of Taiwan	<u>10,700</u>	<u>10,700</u>	<u>-</u>
	<u>\$ 15,000</u>	<u>\$ 13,949</u>	<u>\$ 3,249</u>
		For the Three Months Ended March 31	
		2024	2023
10) Service fee income (part of service fee and commission income, net)			
Main management		\$ 56	\$ 51
Others		<u>81,363</u>	<u>91,576</u>
		<u>\$ 81,419</u>	<u>\$ 91,627</u>
11) Service charge (part of service fee and commission income, net)			
Main management		<u>\$ 31</u>	<u>\$ 35</u>

Terms of other transactions with related parties were similar to those for third parties, except for the more favorable interest rate for managers' savings within a prescribed limit.

12) Derivatives

For the Three Months Ended March 31, 2024						
Related Party	Type of Derivatives	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Amounts on the Consolidated Balance Sheet	
					Account	Amounts
Other - TCB 6 Year Senior Emerging Market Bond Fund	Currency swap	2024.01.31-2024.04.30	US\$ 4,200	\$ 673	Financial assets at fair value through profit or loss	\$ 673
Other - TCB 6 Year Emerging Market Bond Fund	Currency swap	2024.03.11-2024.07.15	US\$ 11,630	3,332	Financial assets at fair value through profit or loss	3,332
Other - TCB 2025 Maturity Emerging Market Corporate Bond Fund	Currency swap	2024.03.19-2024.07.31	US\$ 21,150	3,851	Financial assets at fair value through profit or loss	3,851
Other - TCB 2026 Maturity Senior Emerging Market Corporate Bond Fund	Currency swap	2024.03.08-2024.05.08	US\$ 800	247	Financial assets at fair value through profit or loss	247
Other - TCB Global Healthcare Multi-Asset Income Fund	Currency swap	2024.03.26-2024.06.28	US\$ 13,000	842	Financial assets at fair value through profit or loss	842
Other - TCB Global High Yield Bond Fund	Currency swap	2024.01.04-2024.07.18	US\$ 4,500	4,502	Financial assets at fair value through profit or loss	4,502
Other - TCB US Short Duration High Yield Bond Fund	Currency swap	2024.03.18-2024.05.21	US\$ 4,800	1,830	Financial assets at fair value through profit or loss	1,830
Other - TCB Environment & Socially Responsible Multi-Asset Fund	Currency swap	2024.01.08-2024.06.28	US\$ 7,200	3,070	Financial assets at fair value through profit or loss	3,070
Other - TCB Global Core Infrastructure Income Fund	Currency swap	2024.01.16-2024.04.16	US\$ 700	422	Financial assets at fair value through profit or loss	422
Other - TCB 2032 Target Date Multi-Asset Income Fund	Currency swap	2024.03.18-2024.06.18	US\$ 3,000	1,618	Financial assets at fair value through profit or loss	1,618
For the Three Months Ended March 31, 2023						
Related Party	Type of Derivatives	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Amounts on the Consolidated Balance Sheet	
					Account	Amounts
Other - TCB 6 Year Senior Emerging Market Bond Fund	Currency swap	2022.12.29-2023.08.28	US\$ 4,500	\$ (1,135)	Financial liabilities at fair value through profit or loss	\$ (1,108)
Other - TCB 6 Year Emerging Market Bond Fund	Currency swap	2023.01.11-2023.05.08	US\$ 8,900	3,247	Financial assets at fair value through profit or loss	3,247
Other - TCB 2025 Maturity Emerging Market Corporate Bond Fund	Currency swap	2022.12.29-2023.08.23	US\$ 36,500	(8,276)	Financial liabilities at fair value through profit or loss	(8,052)
Other - TCB 2026 Maturity Senior Emerging Market Corporate Bond Fund	Currency swap	2023.03.08-2023.06.08	US\$ 800	(185)	Financial liabilities at fair value through profit or loss	(185)
Other - TCB 2023 Maturity Selective Emerging Market Bond Fund	Currency swap	2023.02.08-2023.05.08	US\$ 4,050	1,368	Financial assets at fair value through profit or loss	1,368

(Continued)

For the Three Months Ended March 31, 2023						
Related Party	Type of Derivatives	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Amounts on the Consolidated Balance Sheet	
					Account	Amounts
Other - TCB Global Healthcare Multi-Asset Income Fund	Currency swap	2023.03.22-2023.06.26	US\$ 7,000	\$ (429)	Financial liabilities at fair value through profit or loss	\$ (429)
	Currency swap	2023.03.31-2023.06.30	US\$ 6,000	509	Financial assets at fair value through profit or loss	509
Other - TCB Global High Yield Bond Fund	Currency swap	2023.02.09-2023.05.09	US\$ 2,000	1,137	Financial assets at fair value through profit or loss	1,137
	Currency swap	2023.03.20-2023.04.20	US\$ 1,000	(143)	Financial liabilities at fair value through profit or loss	(143)
Other - TCB US Short Duration High Yield Bond Fund	Currency swap	2022.12.12-2023.06.12	US\$ 2,500	46	Financial assets at fair value through profit or loss	364
	Currency swap	2023.03.21-2024.03.21	US\$ 3,200	(174)	Financial liabilities at fair value through profit or loss	(174)
Other - TCB Environment & Socially Responsible Multi-Asset Fund	Currency swap	2023.01.06-2023.06.30	US\$ 4,700	242	Financial assets at fair value through profit or loss	242
	Currency swap	2023.03.21-2023.06.21	US\$ 2,500	(204)	Financial liabilities at fair value through profit or loss	(204)
Other - TCB Global Core Infrastructure Income Fund	Currency swap	2023.02.13-2023.04.13	US\$ 1,600	554	Financial assets at fair value through profit or loss	554
Other - TCB 2032 Target Date Multi-Asset Income Fund	Currency swap	2023.03.16-2023.06.16	US\$ 3,000	(324)	Financial liabilities at fair value through profit or loss	(324)

(Concluded)

The realized profit or loss that resulted from the currency swap transactions with related parties was as follows:

For the Three Months Ended March 31		
	2024	2023
Financial assets and liabilities at fair value through profit or loss		
Others	\$ 44,798	\$ (4,933)

13) Loans

March 31, 2024

Type	Account Volume or Name	Highest Balance in the Three Months Ended March 31, 2024 (Note 1)	Ending Balance	Loan Classification		Collaterals	Differences in Terms of Transaction Compared with Those for Unrelated Parties
				Normal Loans	Nonperforming Loans		
Consumer loans	61	\$ 216,196	\$ 194,354	\$ 194,354	\$ -	Note 2	None
Self-used housing mortgage loans	60	279,046	248,099	248,099	-	Land and buildings	None
Other loans	Krom Electronics Co., Ltd.	50,000	50,000	50,000	-	None	None
	Sun Ba Power Corporation	479,300	479,300	479,300	-	None	None

March 31, 2023

Type	Account Volume or Name	Highest Balance in the Three Months Ended March 31, 2024 (Note 1)	Ending Balance	Loan Classification		Collaterals	Differences in Terms of Transaction Compared with Those for Unrelated Parties
				Normal Loans	Nonperforming Loans		
Consumer loans	71	\$ 222,220	\$ 206,051	\$ 206,051	\$ -	Note 2	None
Self-used housing mortgage loans	46	271,904	234,325	234,325	-	Land and buildings	None

Note 1: The highest balance is the largest sum in the period of all daily accounts for each type.

Note 2: A portion of consumer loans was real estate guaranteed.

- c. Subsidiaries' related-party transactions and balances that each amounted to more than \$100,000 thousand

1) Taiwan Cooperative Bank, Ltd.

a) Due from banks

	March 31, 2024	December 31, 2023	March 31, 2023
Subsidiary	<u>\$ 520,442</u>	<u>\$ 443,832</u>	<u>\$ 564,048</u>

b) Call loans to banks

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
For the three months ended March 31, 2024				
Subsidiary	\$ 2,069,400	\$ 2,069,400	\$ 22,415	4.150-4.400
Sister companies				
TCBF	1,789,840	1,420,000	6,102	1.360-6.080
Others	<u>617,540</u>	<u>617,260</u>	<u>4,161</u>	2.920-5.850
	<u>\$ 4,476,780</u>	<u>\$ 4,106,660</u>	<u>\$ 32,678</u>	
For the three months ended March 31, 2023				
Subsidiary	\$ 3,056,240	\$ 3,056,240	\$ 18,638	1.750-5.200
Sister companies				
TCBF	1,268,432	1,267,420	3,738	1.200-5.100
Others	<u>609,420</u>	<u>608,800</u>	<u>259</u>	5.110
	<u>\$ 4,934,092</u>	<u>\$ 4,932,460</u>	<u>\$ 22,635</u>	

c) Call loans to securities firms (part of other financial assets, net)

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
For the three months ended March 31, 2024				
Sister company TCS	\$ 320,130	\$ -	\$ 4,329	5.670-5.720
For the three months ended March 31, 2023				
Sister company TCS	\$ 308,550	\$ 304,400	\$ 3,638	4.650-5.230

d) Deposits from banks

	For the Three Months Ended March 31			
	2024		2023	
	Ending Balance	Interest Expense	Ending Balance	Interest Expense
Subsidiary	\$ 24	\$ -	\$ 23	\$ -
Main management	114,330	207	108,509	385
Others				
Tamshui First Credit Bank	27,073,180	82,710	27,801,308	80,231
The Fifth Credit Cooperation of Taipei	-	-	6,449,861	19,203
The Credit Cooperative of Ilan	2,330,992	6,907	-	-
Others	30,364	-	15,618	-
	<u>\$ 29,548,890</u>	<u>\$ 89,824</u>	<u>\$ 34,375,319</u>	<u>\$ 99,819</u>

e) Loans

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
For the three months ended March 31, 2024				
Subsidiary	\$ 5,305,155	\$ 5,104,519	\$ 60,336	4.512-4.785
Sister companies	20,000	-	5	2.768
Main management	285,737	249,992	1,243	1.670-2.303
Others	738,805	721,761	3,306	1.370-3.245
	<u>\$ 6,349,697</u>	<u>\$ 6,076,272</u>	<u>\$ 64,890</u>	

(Continued)

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
For the three months ended March 31, 2023				
Subsidiary	\$ 6,511,119	\$ 6,511,119	\$ 37,845	2.947-5.958
Sister companies	1,000,000	-	-	-
Main management	295,432	254,045	1,112	1.571-2.176
Others	<u>198,692</u>	<u>186,331</u>	<u>918</u>	1.370-2.651
	<u>\$ 8,005,243</u>	<u>\$ 6,951,495</u>	<u>\$ 39,875</u>	

(Concluded)

Under the Banking Law, except for customer loans and government loans, credits extended by TCB to any related party should be 100% secured, and the terms of credits extended to related parties should be similar to those to third parties.

f) Deposits

	Ending Balance	Interest Expense	Interest Rate (%)
For the three months ended March 31, 2024			
Parent company	\$ 30,337	\$ -	-
Sister companies	2,656,996	642	0.000-2.200
Associates	106,513	203	0.000-4.950
Main management	950,844	3,995	0.000-13.000
Others			
Financial Information Service Co., Ltd.	16,350,055	10,083	0.000-5.250
Others	<u>5,397,521</u>	<u>22,933</u>	0.000-13.000
	<u>\$ 25,492,266</u>	<u>\$ 37,856</u>	

For the three months ended March 31, 2023			
Parent company	\$ 61,417	\$ -	0.000-0.455
Sister companies	3,303,224	502	0.000-4.450
Associates	102,190	96	0.000-4.470
Main management	691,431	2,944	0.000-13.000
Others			
Financial Information Service Co., Ltd.	38,247,964	3,923	0.000-4.600
Others	<u>3,420,244</u>	<u>6,718</u>	0.000-13.000
	<u>\$ 45,826,470</u>	<u>\$ 14,183</u>	

g) Accrued income (part of receivables)

	March 31, 2024	December 31, 2023	March 31, 2023
BPCTLI	\$ 298,794	\$ 215,104	\$ 201,462
TCSIT	3,214	3,264	3,205
TCS	<u>6,741</u>	<u>7,021</u>	<u>4,481</u>
	<u>\$ 308,749</u>	<u>\$ 225,389</u>	<u>\$ 209,148</u>

h) Receivable on securities (part of receivables)

	March 31, 2024	December 31, 2023	March 31, 2023
Sister company			
TCS	<u>\$ 1,149,272</u>	<u>\$ -</u>	<u>\$ -</u>

i) Tax receivable - consolidated tax return (part of current tax assets)

	March 31, 2024	December 31, 2023	March 31, 2023
Parent company	<u>\$ 2,392,846</u>	<u>\$ 2,110,779</u>	<u>\$ 2,084,831</u>

j) Tax payable - consolidated tax return (part of current tax liabilities)

	March 31, 2024	December 31, 2023	March 31, 2023
Parent company	<u>\$ 2,775,295</u>	<u>\$ 2,775,295</u>	<u>\$ 1,145,409</u>

k) Service fee income (part of service fee income, net)

	For the Three Months Ended March 31	
	2024	2023
Sister companies		
BPCTLI	\$ 293,050	\$ 112,151
Others	30,929	10,085
Main management	56	51
Others	<u>6,623</u>	<u>7,734</u>
	<u>\$ 330,658</u>	<u>\$ 130,021</u>

l) Lease agreements - TCB is lessor

The Company leases out investment properties to its parent company and sister companies under operating leases with lease terms of 2 to 10 years. Rentals which are determined based on the prices of nearby properties are calculated on the basis of the leased areas and are payable monthly.

i. Future lease payment receivable was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Parent company	\$ 99,151	\$ 106,511	\$ 126,058
Sister companies			
TCS	95,547	112,348	81,772
BPCTLI	85,136	92,533	10,766
TCBF	35,212	37,413	44,015
Others	<u>16,046</u>	<u>19,688</u>	<u>25,617</u>
	<u>\$ 331,092</u>	<u>\$ 368,493</u>	<u>\$ 288,228</u>

ii. Lease income (part of other non-interest gains, net):

	For the Three Months Ended March 31	
	2024	2023
Parent company	\$ 7,359	\$ 7,214
Sister companies		
BPCTLI	4,945	3,765
TCS	13,211	11,330
Others	<u>6,137</u>	<u>6,292</u>
	<u>\$ 31,652</u>	<u>\$ 28,601</u>

m) Derivatives

For the Three Months Ended March 31, 2024							
Related Party	Type of Derivatives	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Amounts on the Consolidated Balance Sheet		
					Account	Amounts	
Sister company - BPCTLI	Currency swap	2024.01.24-2024.04.24	EUR 3,000	\$ 1,769	Financial assets at fair value through profit or loss	\$	1,769
	Currency swap	2024.01.31-2024.05.31	US\$ 4,844	3,788	Financial assets at fair value through profit or loss		3,788
	Currency swap	2024.01.31-2024.05.31	US\$ 105,245	37,110	Financial assets at fair value through profit or loss		37,110
Sister company - TCBF	Currency swap	2024.03.20-2024.04.30	US\$ 2,000	604	Financial assets at fair value through profit or loss		604
Other - TCB 6 Year Senior Emerging Market Bond Fund	Currency swap	2024.01.31-2024.04.30	US\$ 4,200	673	Financial assets at fair value through profit or loss		673
Other - TCB 6 Year Emerging Market Bond Fund	Currency swap	2024.03.11-2024.07.15	US\$ 11,630	3,332	Financial assets at fair value through profit or loss		3,332

(Continued)

For the Three Months Ended March 31, 2024						
Related Party	Type of Derivatives	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Amounts on the Consolidated Balance Sheet	
					Account	Amounts
Other - TCB 2025 Maturity Emerging Market Corporate Bond Fund	Currency swap	2024.03.19-2024.07.31	US\$ 21,150	\$ 3,851	Financial assets at fair value through profit or loss	\$ 3,851
Other - TCB 2026 Maturity Senior Emerging Market Corporate Bond Fund	Currency swap	2024.03.08-2024.05.08	US\$ 800	247	Financial assets at fair value through profit or loss	247
Other - TCB Global Healthcare Multi-Asset Income Fund	Currency swap	2024.03.08-2024.05.08	US\$ 13,000	842	Financial assets at fair value through profit or loss	842
Other - TCB Global High Yield Bond Fund	Currency swap	2024.01.04-2024.07.18	US\$ 4,500	4,502	Financial assets at fair value through profit or loss	4,502
Other - TCB US Short Duration High Yield Bond Fund	Currency swap	2024.03.18-2024.05.21	US\$ 4,800	1,830	Financial assets at fair value through profit or loss	1,830
Other - TCB Environment & Socially Responsible Multi-Asset Fund	Currency swap	2024.01.08-2024.06.28	US\$ 7,200	3,070	Financial assets at fair value through profit or loss	3,070
Other - TCB Global Core Infrastructure Income Fund	Currency swap	2024.01.16-2024.04.16	US\$ 700	422	Financial assets at fair value through profit or loss	422
Other - TCB 2032 Target Date Multi-Asset Income Fund	Currency swap	2024.03.18-2024.06.18	US\$ 3,000	1,618	Financial assets at fair value through profit or loss	1,618

(Concluded)

For the Three Months Ended March 31, 2023						
Related Party	Type of Derivatives	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Amounts on the Consolidated Balance Sheet	
					Account	Amounts
Sister company - BPCTLI	Currency swap	2023.01.31-2024.01.31	EUR 7,856	\$ 3,679	Financial assets at fair value through profit or loss	\$ 3,679
	Currency swap	2022.12.30-2023.08.31	US\$ 109,307	17,192	Financial assets at fair value through profit or loss	18,175
	Currency swap	2023.03.13-2023.07.13	US\$ 10,000	(2,611)	Financial liabilities at fair value through profit or loss	(2,611)
Sister company - TCBF	Currency swap	2023.03.07-2023.04.10	US\$ 2,000	(281)	Financial liabilities at fair value through profit or loss	(281)
Other - TCB 6 Year Senior Emerging Market Bond Fund	Currency swap	2022.12.29-2023.08.28	US\$ 4,500	(1,135)	Financial liabilities at fair value through profit or loss	(1,108)
Other - TCB 6 Year Emerging Market Bond Fund	Currency swap	2023.01.11-2023.05.08	US\$ 8,900	3,247	Financial assets at fair value through profit or loss	3,247
Other - TCB 2025 Maturity Emerging Market Corporate Bond Fund	Currency swap	2022.12.29-2023.08.23	US\$ 36,500	(8,276)	Financial liabilities at fair value through profit or loss	(8,052)
Other - TCB 2026 Maturity Senior Emerging Market Corporate Bond Fund	Currency swap	2023.03.08-2023.06.08	US\$ 800	(185)	Financial liabilities at fair value through profit or loss	(185)
Other - TCB 2023 Maturity Selective Emerging Market Bond Fund	Currency swap	2023.02.08-2023.05.08	US\$ 4,050	1,368	Financial assets at fair value through profit or loss	1,368
Other - TCB Global Healthcare Multi-Asset Income Fund	Currency swap	2023.03.22-2023.06.26	US\$ 7,000	(429)	Financial liabilities at fair value through profit or loss	(429)
	Currency swap	2023.03.31-2023.06.30	US\$ 6,000	509	Financial assets at fair value through profit or loss	509

(Continued)

For the Three Months Ended March 31, 2023						
Related Party	Type of Derivatives	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Amounts on the Consolidated Balance Sheet	
					Account	Amounts
Other - TCB Global High Yield Bond Fund	Currency swap	2023.02.09-2023.05.09	US\$ 2,000	\$ 1,137	Financial assets at fair value through profit or loss	\$ 1,137
	Currency swap	2023.03.20-2023.04.20	US\$ 1,000	(143)	Financial liabilities at fair value through profit or loss	(143)
Other - TCB US Short Duration High Yield Bond Fund	Currency swap	2022.12.12-2023.06.12	US\$ 2,500	46	Financial assets at fair value through profit or loss	364
	Currency swap	2023.03.21-2024.03.21	US\$ 3,200	(174)	Financial liabilities at fair value through profit or loss	(174)
Other - TCB Environment & Socially Responsible Multi-Asset Fund	Currency swap	2023.01.06-2023.06.30	US\$ 4,700	242	Financial assets at fair value through profit or loss	242
	Currency swap	2023.03.21-2023.06.21	US\$ 2,500	(204)	Financial liabilities at fair value through profit or loss	(204)
Other - TCB Global Core Infrastructure Income Fund	Currency swap	2023.02.13-2023.04.13	US\$ 1,600	554	Financial assets at fair value through profit or loss	554
Other - TCB 2032 Target Date Multi-Asset Income Fund	Currency swap	2023.03.16-2023.06.16	US\$ 3,000	(324)	Financial liabilities at fair value through profit or loss	(324)

(Concluded)

The realized gain or loss resulted from the currency swap transactions of TCB with related parties was as follows:

For the Three Months Ended March 31		
	2024	2023
Financial assets and liabilities at fair value through profit or loss		
Sister companies		
BPCTLI	\$ 85,043	\$ 107,468
Others	1,467	(348)
Others	<u>44,798</u>	<u>(4,933)</u>
	<u>\$ 131,308</u>	<u>\$ 102,187</u>

n) Loans

March 31, 2024

Type	Account Volume or Name	Highest Balance in the Period Ended March 31, 2024 (Note 1)	Ending Balance	Loan Classification		Collaterals	Differences in Terms of Transaction Compared with Those for Unrelated Parties
				Normal Loans	Nonperforming Loans		
Consumer loans	61	\$ 216,196	\$ 194,354	\$ 194,354	\$ -	Note 2	None
Self-used housing mortgage loans	60	279,046	248,099	248,099	-	Land and buildings	None
Other loans	TCS	20,000	-	-	-	Bonds	None
	UTB	5,305,155	5,104,519	5,104,519	-	None	None
	Krom Electronics Co., Ltd.	50,000	50,000	50,000	-	None	None
	Sun Ba Power Corporation	479,300	479,300	479,300	-	None	None

March 31, 2023

Type	Account Volume or Name	Highest Balance in the Period Ended March 31, 2023 (Note 1)	Ending Balance	Loan Classification		Collaterals	Differences in Terms of Transaction Compared with Those for Unrelated Parties
				Normal Loans	Nonperforming Loans		
Consumer loans	71	\$ 222,220	\$ 206,051	\$ 206,051	\$ -	Note 2	None
Self-used housing mortgage loans	46	271,904	234,325	234,325	-	Land and buildings	None
Other loans	TCS	1,000,000	-	-	-	Bonds	None
	UTB	6,511,119	6,511,119	6,511,119	-	None	None

Note 1: The highest balance is the largest sum in the year of all daily accounts for each type.

Note 2: A portion of consumer loans was guaranteed by real estate.

2) Taiwan Cooperative Securities Co., Ltd. (TCS)

a) Cash in bank (part of cash and cash equivalents)

	March 31, 2024	December 31, 2023	March 31, 2023
Sister companies	<u>\$ 61,177</u>	<u>\$ 131,678</u>	<u>\$ 132,161</u>

b) Receipts under custody for securities underwriting (part of other current assets)

	March 31, 2024	December 31, 2023	March 31, 2023
Sister companies	<u>\$ 218,105</u>	<u>\$ 14,708</u>	<u>\$ 85</u>

c) Settlement payable (part of payables)

	March 31, 2024	December 31, 2023	March 31, 2023
Sister companies	\$ 1,222,767	\$ 31,084	\$ 5,555
Others	<u>-</u>	<u>2,065</u>	<u>-</u>
	<u>\$ 1,222,767</u>	<u>\$ 33,149</u>	<u>\$ 5,555</u>

d) TCS applied to TCB for call loans

For the Three Months Ended March 31, 2024				
Related Party	Highest Balance	Ending Balance	Interest Expense	Interest Rate (%)
Sister companies				
TCB	<u>\$ 316,850</u>	<u>\$ -</u>	<u>\$ 4,358</u>	5.670-5.720
For the Three Months Ended March 31, 2023				
Related Party	Highest Balance	Ending Balance	Interest Expense	Interest Rate (%)
Sister companies				
TCB	<u>\$ 307,230</u>	<u>\$ 304,400</u>	<u>\$ 3,624</u>	4.650-5.230

- e) To settle security transactions, TCS applied to TCB for a guarantee of \$1,500,000 thousand for short-term loan and overdraft. As of March 31, 2024, December 31, 2023 and March 31, 2023, TCS had no borrowing and overdraft. The overdraft for the three months ended March 31, 2024 and 2023 were as follows:

	For the Three Months Ended March 31, 2024			
	Highest Balance	Ending Balance	Interest Expense	Interest Rate (%)
Sister companies	\$ 1,000,000	\$ -	\$ 5	-

	For the Three Months Ended March 31, 2023			
	Highest Balance	Ending Balance	Interest Expense	Interest Rate (%)
Sister companies	\$ 1,000,000	\$ -	\$ -	-

- f) Lease agreements - TCS is lessee

- i. Right-of-use assets, net

	March 31, 2024	December 31, 2023	March 31, 2023
Sister companies			
TCB	<u>\$ 95,883</u>	<u>\$ 107,422</u>	<u>\$ 70,947</u>

- ii. Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Sister companies	<u>\$ 97,254</u>	<u>\$ 108,289</u>	<u>\$ 72,880</u>

- iii. Interest expense

For the Three Months Ended March 31	
2024	2023
Sister companies	<u>\$ 747</u> <u>\$ 331</u>

- iv. Depreciation expense

For the Three Months Ended March 31	
2024	2023
Sister companies	<u>\$ 12,962</u> <u>\$ 10,861</u>

3) Taiwan Cooperative Bills Finance Corporation Ltd.

a) Cash in bank

	Highest Balance	Ending Balance	Interest Expense	Interest Rate (%)
For the three months ended <u>March 31, 2024</u>				
Sister companies	<u>\$ 555,462</u>	<u>\$ 59,488</u>	<u>\$ 4</u>	0.000-1.565
For the three months ended <u>March 31, 2023</u>				
Sister companies	<u>\$ 121,861</u>	<u>\$ 56,471</u>	<u>\$ 1</u>	0.010-1.565

b) Call loans from banks

	Highest Balance	Ending Balance	Interest Expense	Interest Rate (%)
For the three months ended <u>March 31, 2024</u>				
Sister companies TCB	<u>\$ 1,789,840</u>	<u>\$ 1,420,000</u>	<u>\$ 6,102</u>	1.360-6.080
For the three months ended <u>March 31, 2023</u>				
Sister companies TCB	<u>\$ 1,268,432</u>	<u>\$ 1,267,420</u>	<u>\$ 3,739</u>	1.200-5.100

c) Securities sold under repurchase agreement

	Ending Balance	Interest Expense	Interest Rate (%)
For the three months ended <u>March 31, 2024</u>			
Sister companies	<u>\$ 638,826</u>	<u>\$ 1,738</u>	0.000-1.400
For the three months ended <u>March 31, 2023</u>			
Sister companies	<u>\$ 45,955</u>	<u>\$ 23</u>	1.150

4) BNP Paribas Cardif TCB Life Insurance Co., Ltd.

a) Cash in bank (part of cash and cash equivalents and separate account assets)

	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%
Sister company TCB	<u>\$ 1,705,334</u>	<u>55</u>	<u>\$ 1,486,896</u>	<u>45</u>	<u>\$ 2,330,179</u>	<u>51</u>

b) Securities purchased under resell agreements (part of cash and cash equivalents)

	For the Three Months Ended March 31, 2024		
	Securities Purchase Under Resell Agreements		
	Amount (Note)	Ending Balance	Rate (%)
Sister company TCBF	\$ 638,826	\$ 2,625,680	0.000-1.400

Note: The amount includes securities purchased under resell agreements.

c) Derivatives

For the three months ended March 31, 2024

Type of Derivatives	Related Party	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Amounts on the Balance Sheet	
					Account	Amounts
Currency swap	Sister company - TCB	2024.01.31-2024.05.31	US\$ 105,245	\$ (36,154)	Financial liabilities at fair value through profit or loss	\$ (36,154)
		2024.01.24-2024.05.31	EUR 7,844	(5,498)	Financial liabilities at fair value through profit or loss	(5,498)
	Associates - Banque Nationale De Paris, Taipei Branch	2024.03.25-2024.07.25	EUR 4,827	1,245	Financial assets at fair value through profit or loss	1,245
		2021.06.11-2024.08.19	US\$ 85,042	(60,127)	Financial liabilities at fair value through profit or loss	(143,752)
		2024.02.02-2024.06.03	EUR 6,000	(4,767)	Financial liabilities at fair value through profit or loss	(4,767)

For the three months ended March 31, 2023

Type of Derivatives	Related Party	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Amounts on the Balance Sheet	
					Account	Amounts
Currency swap	Sister company - TCB	2023.03.31-2023.07.13	US\$ 10,000	\$ 3,090	Financial assets at fair value through profit or loss	\$ 3,090
		2022.12.30-2023.08.31	US\$ 109,307	(12,736)	Financial liabilities at fair value through profit or loss	(13,152)
		2023.01.31-2024.01.31	EUR 7,856	(3,002)	Financial liabilities at fair value through profit or loss	(3,002)
	Associates - Banque Nationale De Paris, Taipei Branch (Note)	2023.03.24-2023.12.16	US\$ 15,063	1,126	Financial assets at fair value through profit or loss	1,126
		2021.06.11-2024.08.19	US\$ 71,629	(2,079)	Financial liabilities at fair value through profit or loss	(105,714)
		2023.02.02-2024.02.02	EUR 10,933	(7,018)	Financial liabilities at fair value through profit or loss	(7,018)

Note: Paris Management Consultant Co., Ltd. is an associate of BPCTLI, but not a related party to the Company.

For the three months ended March 31, 2024 and 2023, the realized gains or losses on currency swaps with sister companies were \$85,043 thousand losses and \$103,192 thousand losses, respectively. Besides, the realized gains or losses on currency swaps with affiliates were \$65,589 thousand losses and \$17,749 thousand gains, respectively.

The BPCTLI engaged in foreign exchange swaps with associates. Under these contracts, both parties should receive deposits (part of other assets - refundable deposits other liabilities) depending on the value of the swaps. As of March 31, 2024, December 31, 2023 and March 31, 2023, the BPCTLI had refunded deposits of \$145,316 thousand, refunded deposits of \$85,155 thousand and refunded deposits of \$113,174 thousand, respectively.

d) Payables

	March 31, 2024	December 31, 2023	March 31, 2023
Sister company			
TCB	\$ 306,079	\$ 281,125	\$ 202,208
Associates	<u>3,436</u>	<u>3,436</u>	<u>-</u>
	<u>\$ 309,515</u>	<u>\$ 284,561</u>	<u>\$ 202,208</u>

e) Operating cost - insurance contract expenses

	For the Three Months Ended March 31	
	2024	2023
Sister company		
TCB	<u>\$ 224,317</u>	<u>\$ 109,963</u>

The above insurance contract expenses were recorded as operating cost - commission expenses and were deducted from the reserve for insurance contracts with financial instrument features.

5) Taiwan Cooperative Venture Capital Co., Ltd.

	March 31, 2024	December 31, 2023	March 31, 2023
Cash in banks (part of cash and cash equivalents)			
Sister company			
TCB	<u>\$ 91,911</u>	<u>\$ 44,041</u>	<u>\$ 210,656</u>

6) Taiwan Cooperative International Leasing Co., Ltd.

	March 31, 2024	December 31, 2023	March 31, 2023
Cash in banks (part of cash and cash equivalents)			
Sister company			
TCB	<u>\$ 87,251</u>	<u>\$ 203,999</u>	<u>\$ 4,620</u>

d. Salaries, bonuses and remunerations to main management

The salaries, bonuses and remunerations of the directors and main management for the three months ended March 31, 2024 and 2023, are summarized as follows:

	For the Three Months Ended March 31	
	2024	2023
Salaries and other short-term employment benefits	\$ 53,370	\$ 44,683
Post-employment benefits	1,267	3,437
Interest arising from the employees' preferential rate in excess of normal rates	<u>380</u>	<u>704</u>
	<u>\$ 55,017</u>	<u>\$ 48,824</u>

42. PLEDGED ASSETS

- a. In addition to those mentioned in other notes, the face values of the pledged bonds and certificates of deposit are summarized as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets mandatorily classified as at fair value through profit or loss - negotiable certificates of deposit	\$ 500,000	\$ 400,000	\$ 300,000
Financial assets at fair value through other comprehensive income - debt instrument investments	352,055	184,230	121,760
Investments in debt instruments at amortized cost	84,372,442	84,294,516	84,490,932
Other financial assets - due from banks	<u>240,000</u>	<u>397,701</u>	<u>384,164</u>
	<u>\$ 85,464,497</u>	<u>\$ 85,276,447</u>	<u>\$ 85,296,856</u>

To comply with the Central Bank of the Republic of China's (CBC) Interbank Funds Transfer and Settlement System for real-time gross settlement (RTGS), the pledged time deposits are mainly to provide the Central Bank of the Republic of China's (CBC) foreign currency fund lending warranty as of March 31, 2024, December 31, 2023 and March 31, 2023. The pledged amount may be adjusted anytime, and the unused overdraft amount at the end of a day can also be treated as TCB's liquidity reserve. The remaining bonds and time deposits are used as preparation and collateral for various businesses.

- b. To expand their capital sourcing and enhance their liquidity position, TCB's Seattle Branch, Los Angeles Branch, and New York Branch obtained access privileges at the Discount Window Account of the Federal Reserve Bank. For this access, the three branches pledged the following assets:

(In Thousands of U.S. Dollars)

Date	Outstanding Loan Balance	Collateral Value
March 31, 2024	<u>\$ 467,108</u>	<u>\$ 395,653</u>
December 31, 2023	<u>\$ 488,219</u>	<u>\$ 411,019</u>
March 31, 2023	<u>\$ 416,926</u>	<u>\$ 347,929</u>

- c. As of March 31, 2024, December 31, 2023 and March 31, 2023 due to the KHR loans borrowed from the National Bank of Cambodia, up to US\$8,075 thousand, US\$25,525 thousand and US\$34,089 thousand in TCB's Phnom Penh Branch's due from the Central Bank were provided as collateral to the National Bank of Cambodia in accordance with the relevant regulations.

43. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those mentioned in other notes, the significant commitments and contingencies were as follows:

- a. Taiwan Cooperative Financial Holding Co., Ltd.

As of March 31, 2024, TCFHC's outstanding major construction and procurement contracts amounted to \$192,314 thousand, of which \$131,491 thousand was still unpaid.

- b. Taiwan Cooperative Bank, Ltd.

1) As of March 31, 2024, TCB's outstanding major construction and procurement contracts amounted to \$629,286 thousand, of which \$393,688 thousand was still unpaid.

2) According to the joint venture contract signed with BNP Paribas Assurance (BNPPA), TCB signed the tri-party agreement with BNP Paribas Cardif TCB Life Insurance Co., Ltd. (BPCTLI) and Cooperative Insurance Broker Co., Ltd. (CIB) on April 13, 2010, which identified BPCTLI as the sole supplier of life insurance products for TCB and CIB, also applying TCB's marketing channels to sell life insurance products. Since TCB merged with the CIB on June 24, 2016, TCB signed a two-party agreement with BPCTLI on March 30, 2018 to replace the original tri-party agreement, the rights and obligations of the CIB were assumed by TCB.

- c. Taiwan Cooperative Bills Finance Cooperation Ltd.

As of March 31, 2024, the commitments or contingencies that arose from business were as follows:

March 31, 2024

Guarantees of commercial paper	<u>\$ 33,739,500</u>
Purchase of reference-rate commercial paper	<u>\$ 5,750,000</u>

- d. Taiwan Cooperative Securities Co., Ltd. (TCS)

As of March 31, 2024, TCS's agreements on the acquisition equipment and house decoration project amounted to \$32,511 thousand, of which \$18,406 thousand was still unpaid.

44. FINANCIAL INSTRUMENTS

- a. Fair values of financial instruments that are not measured at fair value

	March 31, 2024		December 31, 2023		March 31, 2023	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
<u>Financial assets</u>						
Investments in debt instruments at amortized cost	\$ 714,281,885	\$ 709,214,579	\$ 705,008,604	\$ 702,298,543	\$ 701,710,087	\$ 697,982,880
<u>Financial liabilities</u>						
Bonds payable	77,240,000	77,208,544	77,240,000	77,398,413	82,790,000	83,145,741

Fair value hierarchy as at March 31, 2024, December 31, 2023 and March 31, 2023:

March 31, 2024

	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Investments in debt instruments at amortized cost	\$ 709,214,579	\$ 2,118,486	\$ 706,936,068	\$ 160,025
<u>Financial liabilities</u>				
Bonds payable	77,208,544	-	77,208,544	-

December 31, 2023

	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Investments in debt instruments at amortized cost	\$ 702,298,543	\$ 465,362	\$ 701,679,656	\$ 153,525
<u>Financial liabilities</u>				
Bonds payable	77,398,413	-	77,398,413	-

March 31, 2023

	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Investments in debt instruments at amortized cost	\$ 697,982,880	\$ 861,326	\$ 697,121,554	\$ -
<u>Financial liabilities</u>				
Bonds payable	83,145,741	-	83,145,741	-

In addition to those listed above, the management considered other financial instruments which are not measured at fair value closed to their fair value.

- b. The valuation techniques and assumptions the Company uses for determining fair values are as follows:

The fair values of financial instruments traded on active markets are based on quoted market prices. However, in many instances where there are no quoted market prices for the Company's various financial instruments, fair values are based on estimates using other financial data and appropriate valuation methodologies. The financial data obtained by the Company for making estimations and assumptions for financial instrument valuation is consistent with those used by other market participants to price financial instruments. Fair values of forward contracts, currency swap contracts, foreign-currency margin contracts, cross-currency swap contracts and interest rate swap contracts are calculated using the discounted cash flow method, unless the fair values are provided by counter-parties. Fair values of option contracts are based on estimates using the Black Scholes pricing model.

The Company estimates the fair value of each forward contract on the basis of the swap points quoted by Refinitiv on each settlement date. Fair values of interest rate swap contracts and cross-currency swap contracts are calculated using the Bloomberg information system, unless the fair values are provided by counterparties. The calculation of the fair value of each option contract is based on the mid-price (the average of bid and ask prices) quoted by Refinitiv and applied consistently.

For debt instruments with no active market, if there are theoretical prices from Taipei Exchange (TPEX, an over-the-counter securities exchange) on the balance sheet date, they are used as the basis for evaluating the fair value of debt instruments with no active market. Otherwise, the latest trade prices and quoted prices by major markets are used. The fair values of bank debentures are recorded as follows: (a) debentures with no maturity dates - at book values; (b) debentures with floating interest rates - at theoretical prices quoted by the GTSM; and (c) debentures with fixed interest rates - at estimates reached using the discounted cash flow method. The discount rates used were between 1.1894% and 1.6876%, between 1.0889% and 1.6705%, between 1.2515% and 1.6551% as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively, and were comparable with interest rates for loans with similar terms and characteristics.

Evaluation technique and input of fair value measurement at Level 3

The Company adopts the market approach, adjusted net asset method, and income approach for domestic unlisted equity investment. Under the market approach, the Company selects similar industries with the target company. The main business model is similar and the products and scales are close to the comparable listed companies. The fair value estimation is based on the information of the listed company, or the price-book ratio (P/B) of the industry to which the target is evaluated is estimated as the multiplier of the fair value estimate. Under the adjusted net asset method, the overall value of a company or business is evaluated by the total market value of individual assets and individual

liabilities of the target company with the consideration of the discount for lack of marketability and for minority interest. Acquired loans are evaluated by the income approach. The estimated income was estimated by discounting future cash flows. The significant unobservable input used is discount for lack of marketability and discount for minority interest. A decrease in discount for lack of marketability and for minority interest used in isolation would result in increases in fair value. The Company adopts the discount for lack of marketability at 10% to 45% and for minority interest at 10% on March 31, 2024, December 31, 2023 and March 31, 2023. With other input values remaining and a change in discount for lack of marketability or for minority interest input value to reflect reasonable assumptions, the amount of fair value of investment in equity instruments will increase (decrease) as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Discount for lack of marketability			
Increase 10%	\$ (1,199,777)	\$ (1,197,120)	\$ (1,103,436)
Decrease 10%	\$ 1,199,777	\$ 1,197,120	\$ 1,103,436
Discount for minority interest			
Increase 10%	\$ (37,115)	\$ (37,334)	\$ (38,068)
Decrease 10%	\$ 37,115	\$ 37,334	\$ 38,068

- c. The fair value hierarchy of the Company's financial instruments measured at fair value on a recurring basis as of March 31, 2024, December 31, 2023 and March 31, 2023 were as follows:

1) Fair value hierarchy

Financial Instruments Measured at Fair Value	March 31, 2024			
	Total	Level 1	Level 2	Level 3
<u>Non-derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at FVTPL				
Equity instruments	\$ 3,277,721	\$ 1,777,831	\$ 26,446	\$ 1,473,444
Debt instruments	2,513,152	848,247	1,664,905	-
Others	133,977,623	6,531,719	127,445,904	-
Financial assets at FVTOCI				
Equity instruments	54,080,227	46,978,667	-	7,101,560
Debt instruments	475,714,528	23,392,697	452,321,831	-
Others	9,775,440	2,255,420	7,520,020	-
<u>Liabilities</u>				
Financial liabilities at FVTPL	(3,343,033)	(478,020)	(2,865,013)	-
<u>Derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at FVTPL	9,658,512	414,449	9,244,063	-
<u>Liabilities</u>				
Financial liabilities at FVTPL	(1,129,632)	(78)	(1,129,554)	-

Financial Instruments Measured at Fair Value	December 31, 2023			
	Total	Level 1	Level 2	Level 3
<u>Non-derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at FVTPL				
Equity instruments	\$ 2,398,480	\$ 1,043,980	\$ 14,424	\$ 1,340,076
Debt instruments	2,246,285	833,193	1,413,092	-
Others	118,120,125	5,090,862	113,029,263	-
Financial assets at FVTOCI				
Equity instruments	47,320,226	40,112,612	-	7,207,614
Debt instruments	454,413,976	22,265,016	432,148,960	-
Others	7,517,914	-	7,517,914	-
<u>Liabilities</u>				
Financial liabilities at FVTPL	(3,092,154)	(317,616)	(2,774,538)	-
<u>Derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at FVTPL	3,343,606	403,651	2,939,955	-
<u>Liabilities</u>				
Financial liabilities at FVTPL	(6,169,824)	-	(6,169,824)	-
Financial Instruments Measured at Fair Value	March 31, 2023			
	Total	Level 1	Level 2	Level 3
<u>Non-derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at FVTPL				
Equity instruments	\$ 2,976,497	\$ 1,732,577	\$ 33,627	\$ 1,210,293
Debt instruments	2,264,858	623,089	1,641,769	-
Others	87,102,354	4,484,464	82,617,309	581
Financial assets at FVTOCI				
Equity instruments	40,802,790	34,131,280	-	6,671,510
Debt instruments	439,641,273	21,382,673	418,258,600	-
Others	2,280,763	-	2,280,763	-
<u>Liabilities</u>				
Financial liabilities at FVTPL	(1,876,153)	(477,374)	(1,398,779)	-
<u>Derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at FVTPL	2,563,752	400,388	2,163,364	-
<u>Liabilities</u>				
Financial liabilities at FVTPL	(1,160,007)	(60)	(1,159,947)	-

2) Reconciliation for financial assets based on the fair value measurement of Level 3

Financial Assets	Financial Assets at FVTPL	Investment in Equity Instruments at FVTOCI	Total
Balance on January 1, 2024	\$ 1,340,076	\$ 7,207,614	\$ 8,547,690
Recognized in profit	95,087	-	95,087
Recognized in OCI (investment in equity instruments at FVTOCI)	-	(106,054)	(106,054)
Purchases	169,160	-	169,160
Disposals	<u>(130,879)</u>	<u>-</u>	<u>(130,879)</u>
Balance on March 31, 2024	<u>\$ 1,473,444</u>	<u>\$ 7,101,560</u>	<u>\$ 8,575,004</u>
Balance on January 1, 2023	\$ 1,318,493	\$ 6,227,077	\$ 7,545,570
Recognized in profit	44,119	-	44,119
Recognized in OCI (investment in equity instruments at FVTOCI)	-	444,433	444,433
Disposals	(106,738)	-	(106,738)
Transferred out of Level 3	<u>(45,000)</u>	<u>-</u>	<u>(45,000)</u>
Balance on March 31, 2023	<u>\$ 1,210,874</u>	<u>\$ 6,671,510</u>	<u>\$ 7,882,384</u>

The emerging stocks that did not reach the active standards were transferred out of Level 3 due to subsequently reached the active standards for the three months ended March 31, 2023.

The change in unrealized gains or losses for the three months ended March 31, 2024 and 2023 included in profit or loss for assets held at the March 31, 2024 and 2023, was \$16,193 thousand gains and \$9,889 thousand gains, respectively.

d. Information of financial liabilities designated as at FVTPL as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Difference between carrying amount and contractual amount at maturity			
Fair value	\$ 2,865,013	\$ 2,774,538	\$ 1,398,779
Amount payable at maturity	<u>2,954,062</u>	<u>2,834,072</u>	<u>1,426,114</u>
	<u>\$ (89,049)</u>	<u>\$ (59,534)</u>	<u>\$ (27,335)</u>

	Changes in Fair Value Attributable to Changes in Credit Risk
Change in amount during the period	
As of March 31, 2024	\$ 756
As of March 31, 2023	<u>\$ (321)</u>
Accumulated amount of change	
As of March 31, 2024	\$ (12,258)
As of December 31, 2023	<u>\$ (13,014)</u>
As of March 31, 2023	<u>\$ (321)</u>

The change in fair value attributable to changes in credit risk recognized as other comprehensive income was calculated as the difference between the total change in fair value of bank debentures and the change in fair value due to changes in market risk factors. The change in fair value due to market risk factors was calculated using benchmark interest yield curves as at the end of the reporting period holding the credit risk margin constant. The fair value of bank debentures was estimated by discounting future cash flows using quoted benchmark and TCFHC's interest yield curves as at the end of the reporting period and by obtaining lender quotes for borrowings with similar maturities to estimate the credit risk margin.

e. Information on financial risk management

Taiwan Cooperative Financial Holding Co., Ltd.

1) Risk management

TCFHC and its subsidiaries' risk management goals are to develop a sound risk management mechanism under the principles of customer service, business continuity management, risk appetite, and compliance with related laws and regulations and expected-return standards and to enhance stockholder's equity. Major risks faced by TCFHC and its subsidiaries include on-balance-sheet and off-balance-sheet credit risks, market risks (including interest rate, exchange rate, equity security and financial product risks), and liquidity risks.

To effectively identify, measure, manage, and monitor various types of risks and to achieve profit objectives under a reasonable risk, both TCFHC and its subsidiaries have developed risk management policies, regulations and procedures, which have been approved by the board of directors.

The board of directors is the highest decision-making unit of TCFHC's risk management system and takes the ultimate overall responsibility for risk management. The risk management committee is in charge of setting risk management policies and indicators, monitoring TCFHC and its subsidiaries' various risk situations and operating procedures, and coordinating and supervising the execution of risk management. The risk management division is in charge of TCFHC's risk management policy planning, capital adequacy calculating and assessing, emergency contingency plan making, and periodically monitoring and reporting TCFHC and its subsidiaries' risk control and management execution as required by regulations.

Each subsidiary' board of directors is the highest decision-making unit of each subsidiaries' risk management system and takes the ultimate overall responsibility for risk management. Each subsidiary has also established a risk management committee or independent risk management unit, which is in charge of the execution of risk management procedures.

2) Credit risk

Credit risk refers to the deterioration of the borrowers, issuers or counterparties' repayment capacity or other factors (dispute between a borrower and its counterparty, for instance), which leads to borrowers, issuers or counterparties' breach of contracts, resulting in default losses. Credit risk comes from both on-balance-sheet and off-balance-sheet transactions. TCFHC and its subsidiaries' on-balance-sheet credit-risk exposure come from loans, due from and call loans to other banks, security investments and derivatives. The off-balance-sheet credit risk exposure comes from guarantees, letters of acceptance, letters of credit and loan contracts.

TCFHC and its subsidiaries must closely analyze every on-balance-sheet and off-balance-sheet transaction to recognize existing and potential credit risk. On the basis of the Company's operating conditions and the principle of sound risk distribution, every risk factor should be managed, risk situations should be analyzed and assessed, limits on concentration of credit risk should be set, and a risk monitoring and warning mechanism should be established.

3) Market risk

Market risk refers to unfavorable market price fluctuations, which affect the on-balance-sheet and off-balance-sheet positions. Market price refers to interest rate, foreign-exchange rate, equity security price and financial product prices. TCFHC and its subsidiaries' market risk management procedures include risk identification, measurement, and assessment as well as risk monitoring and reporting.

TCFHC and its subsidiaries' risk management staff analyze and assess market risk position data, monitor market risks position and gains or losses, and periodically make reports to the risk management committee and board of directors for managements' decision making. Each subsidiary has various authorized investment amounts and stop loss regulations based on the overall risk management target and product attributes and periodically prepare management reports on the control and management of each market risk.

Effect of interest rate benchmark reform

The Company's non-derivative financial assets are exposed to LIBOR which is subject to interest rate benchmark reform. The Company established a LIBOR transition project plan, and this transition project was accomplished risk management policy adjustment, internal procedures modification, information system update, financial instrument valuation model adjustment and related issues of accounting and taxation.

The following table contains details of non-derivative financial instruments held by the Company at March 31, 2024 which are subject to the reform and have not transitioned to an alternative benchmark interest rate:

March 31, 2024

Financial assets that reference USD LIBOR

Financial assets at FVTOCI

\$ 2,887,152

Debt investments are mainly due to the consideration of some bond issuers by the ICE Benchmark Administration which continues to provide synthetic LIBOR in U.S. dollars for the corresponding date until September 2024, so the announcement of the target interest rate conversion date is postponed.

4) Liquidity risk

Liquidity risk refers to the possible financial losses that may arise because of the inability to liquidate assets or to pay financial liabilities when they become due. Examples of liquidity risk-related situations are the early withdrawal of deposits, transaction terms becoming more stringent, increase in borrowers' defaults, a financial instrument becoming illiquid, and the early cancellation of a floating rate insurance product policy. These situations may deplete TCFHC and its subsidiaries' capital resources, requiring them to seek loans, and do fund-raising and investment activities. In extreme situations, lack of liquidity may cause the potential risk of the inability to enter into lending transactions. For the reduction of liquidity strains on the bank funding market, there is a bank liquidity risk channel.

TCFHC and its subsidiaries separately execute their respective liquidity management procedures, and this execution is monitored by an independent risk management division, which periodically prepares related reports for submission to TCFHC and its subsidiaries' risk management committees and the board of directors.

Taiwan Cooperative Bank Ltd. and subsidiary

1) Risk management

The objective of risk management is to develop a sound risk management mechanism, and on the basis of the risk tolerance level and the expected return level, pursue the maximum value of stockholders' investments. The main risks faced by TCB include the business credit risk on- and off- balance-sheet, market risks (including interest, exchange, equity security, and commodity risks) and liquidity risk.

TCB has risk management policies and risk monitoring procedures, which have been reviewed and approved by the Board and are used to effectively identify, measure, monitor and control credit, market, and operating and liquidity risks.

The Board, the highest decision-making unit for the risk management, takes charge of approving the risk management policy and system and building the risk management culture. It also takes ultimate responsibility for overall risk management.

Under the risk management decision approved by the Board, the risk management committee takes charge of and reviews all TCB's risk management implementation, capital adequacy assessment, and risk exposure management. It also communicates and the inter-departmental risk management issues and coordinates issue handling and continually monitors the execution of risk management procedures.

The risk management department is responsible for planning and designing the risk management system, deliberating capital allocation, setting up the instruments for risk measurement and capital provision, and monitoring risk control. This department also regularly prepares reports for submission to senior management, the risk management committee and the Board.

Under the business management regulation and risk policy, the business supervising unit manages and oversees each business unit toward proper risk management and carries out risk review and control. In addition, the audit department determines the annual audit plan based on the risk assessment results of TCB's risk-based internal audit system, conducts audits according to the types and frequency of audits specified in the annual audit plan and provides timely recommendations for improvement.

2) Credit risk

a) Credit risk management policy

Credit risk refers to a borrower, a financial instrument issuer or a transaction counterparty undergoing financial difficulty or other adverse situations (such as a dispute between the borrower and its business partner), which could result in loss due to breach of contract. Credit risk can come from on- and off-balance-sheet items. On-balance sheet items are mainly lending, due from bank and call loans to other banks, security investment and derivatives. Off-balance sheet items are mainly guarantees, acceptance, letters of credit and loan commitments.

The risk management policy, which is founded on the basic principles of safety, liquidity, profitability, welfare and growth, is implemented by the credit risk management division toward the cultivation of a risk management culture. All on- and off- balance sheet transactions are should be detailed analyzed in detail to identify existing and potential credit risk. Based on TCB's business characteristics and the principle of risk diversification, risk status is analyzed and evaluated, centralized limits are set, and a risk monitoring and alert mechanism has been developed and operated. For a more effective credit risk evaluation, an internal rating system has been created to enhance the ability to quantify risk.

TCB's main business items that are measured and managed for credit risks are as follows:

i. Loans business (including loan commitment and guarantees)

Credit assets are classified into five categories. In addition to normal credit assets that are classified as sound assets, the unsound assets are classified, on the basis of the valuation of collaterals and the length of time the payments become overdue, as special mention, substandard, with collectability high doubtful and uncollectable. TCB and its subsidiary also set up policies for the management of doubtful credits and the collection of overdue debts to deal with collection problems.

TCB and its subsidiary apply to its credit business the so-called "5Ps of credit analysis" as the basis for lending approval and evaluation of its counterparties. These 5Ps are: People (know customers' background and their credit status well); purpose (what will the fund be used for); payment (the borrower's ability to repay an obligation when it falls due); protection (TCB and its subsidiary's recourse on repayment defaults); and perspective (how the credit is seen in light of rewards and risks). After a loan is granted, the transaction is reviewed and monitored to ensure TCB and its subsidiary's creditor's rights.

To quantify credit risk, TCB and its subsidiary apply statistical methods using with customers' qualitative data and lending history to develop a rating module for corporate finance and consumer finance. This module is used to create an internal credit rating system for risk evaluation, in which 12 is the base grade of the credit quality of corporate customers, and 9 or 10 on the business segment consumer customers.

The 5P credit analysis and the module rating specifically apply to corporate customers. Micro credits and residential mortgages are assessed by using the credit rating model, and consumer loans are assessed individually for default risks.

ii. Due from and call loans to other banks

TCB and its subsidiary evaluate the credit status of counterparties before closing deals. TCB and its subsidiary grant different limits to the counterparties on the basis of their respective credit ratings as suggested by domestic and foreign credit rating agencies.

iii. Investments in debt instruments and derivatives

TCB and its subsidiary identify and manage credit risks from debt instruments through the use of external credit ratings of the debt instruments along with the evaluation of credit qualities of bonds, regional conditions and counterparty risks.

TCB and its subsidiary conduct derivative transactions with other banks and set the credit limits (including lending limits) at their credit rating and the ranking given by the Banker magazine. The credits extended to general customers are monitored in accordance with the related contract terms and conditions and the credit limits for derivatives established through normal credit granting processes.

b) Measurement of expected credit losses

i. The determination of significantly increased credit risk after initial recognition

In order to determine whether the credit risks has increased significantly after initial recognition, TCB and its subsidiary assessed changes in default risks of financial assets over the duration at the balance sheet date. To evaluate changes in default risks, Taiwan Cooperative Bank, Ltd. and its subsidiary considered reasonable and verifiable information (including forward-looking information). The major considerations include:

Loans business

i) Quantitative benchmark

Overdue loans: Loans and other credits (including accrued interest) are overdue for at least 30 days but less than 90 days.

ii) Qualitative benchmark

- Borrower or its representative suffered from dishonored check due to insufficient funds.
- Borrower or its representative suffered from credit card suspension.
- Owners of credit card have been denied by Taiwan Clearing House (TCH).
- Objective evidence shows that the borrower's ability to fulfill obligation has been affected.

Bonds and bills business

i) Quantitative benchmark

Credit rating of bond issuers are not classified as investment grade and downgraded by over two grades, or classified as CCC.

Credit risks are deemed low, if the credit rating of the issuer was classified as investment grade at the issue date and did not increase significantly after initial recognition.

ii) Qualitative benchmark

Credit rating of bond issuers are not classified as investment grade and downgraded by no more than two grades, but credit risk increases significantly.

ii. Definition of default and credit loss on financial assets

TCB and its subsidiary define financial asset default in the same manner as financial asset impairment. If one or more of the following conditions occur, TCB and its subsidiary can conclude that the financial asset has defaulted, and the credit is impaired:

Loans business

- i) Loans and other credits (including accrued interest) are overdue for at least 90 days.
- ii) Borrower filed for bankruptcy or reorganization.
- iii) Borrower defaulted on other financial instruments.
- iv) The lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulties, has granted the borrower concession that the lender would not otherwise consider.
- v) Borrower has been denied by TCH.

Bonds and bills business

- i) Interest or principal of bonds without payment are overdue for at least 90 days.
- ii) Borrower has indication of impairment such as overdue receivables, doubtful debts, financial crisis, contract condition change due to financial crisis and bankruptcy or reorganization.

The above definition of default is applicable to financial assets that are held by TCB and its subsidiary and is in line with the definition of internal-management intention. Therefore, it is applied to related impairment evaluation models.

If the conditions that define default and credit loss of financial assets have been corrected and the financial assets have returned to the original state of compliance, the financial assets are no longer recognized as impaired.

iii. Reversal policy

When TCB and its subsidiary are unable to recover financial assets to expectations, they are entirely or partly written off against the allowance amount. Indicators of uncollectible financial assets are as follows:

- i) The debtor's inability to recover all or part of the debts due to dissolution, escape, settlement, bankruptcy or other reasons.
- ii) After collaterals assumed and assets of principal and subordinate debtors have been priced low or after deductions for first-order mortgage have been made, the remaining value of the assets is not enough to pay any obligation; also, if execution cost nears or exceeds the debtor's liability, no gain will be realized.
- iii) TCB is not responsible for the collaterals assumed and assets of principal and subordinate debtors experiencing low priced auctions with no bidders.
- iv) Overdue loans or collections were made after two years from the settlement date.

- v) Overdue credit card loans and overdue receivables were aged over nine months after the settlement date.

Financial assets that have been written off by TCB and its subsidiary may continue activities in progress, while complying with procedures according to relevant policies.

iv. Measurement of expected credit losses

Loans business

In order to assess the expected credit loss, TCB and its subsidiary will categorize credit assets according to credit risk and industry assessments of borrower, as well as credit risk of the types of collateral.

A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected losses is required for a financial asset if its credit risk has increased significantly since initial recognition.

TCB and its subsidiary measures expected credit loss by calculating the product of loss given default and exposure at default, while taking into account the probability of default of a 12-month period and duration, as well as the effect of changes in currency values.

Probability of default refers to a possibility that a borrower would default to the contract (please refer to the introduction to “The definition of default and credit loss on financial assets”). Loss given default refers to the ratio of default loss caused by borrower. Probability of default and loss given default for loan business of TCB and its subsidiary are calculated by the adjustment of historical default rate, which is based on historical internal information (e.g. credit loss experience), current observable information and prospective macroeconomics statistics (e.g. monitoring indicator from National Development Association and unemployment rate from Directorate General of Budget, Accounting and Statistics, Executive Yuan).

TCB and its subsidiary estimate the exposure at default according to the aggregate book value. In addition, the estimations of expected credit loss for the 12-month loan period and duration of loan commitment made by the Bank and its subsidiaries are based on the credit conversion factor, using the portion of the loan commitment that is expected to be used within 12 months of reporting date and expected duration to calculate expected credit loss and determine the exposure at default.

There is no significant change in the estimation method and assumptions used to calculate expected credit loss as of March 31, 2024.

Bonds and bills business

A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected losses is required for a financial asset if its credit risk has increased significantly since initial recognition.

TCB and its subsidiary measures expected credit loss by calculating the product of loss given default and exposure at default, while taking into account the probability of default of a 12-month period and duration, as well as the effect of changes in currency values.

There is no significant change in the estimation method and assumptions used to calculate expected credit loss as of March 31, 2024.

v. Forward-looking information considerations

Loans business

TCB and its subsidiary have taken into account previous forward-looking information when assessing asset default probability. The Bank and its subsidiaries analyze past archives to identify relevant economic factors affecting personal and company asset default probabilities.

According to TCB and its subsidiary's previous forward-looking information, estimations are calculated at the end of the year per year on average. The influence of relevant economic factors and expected credit loss identified by the Bank and its subsidiaries on December 31, 2023 and 2022 is as follows:

Relevant economic factors	Probability of Default
	Monitoring indicator/unemployment rate

In addition, in order to respond in a timely manner to the obvious changes in trend of the various overall economic indicators as a result of the impact of the COVID-19 pandemic, a new mid-term evaluation mechanism for forward-looking factors has been added to reflect the impact of changes in the economic indicators on the default rate.

Bonds and bills business

The assessment of the increase/decrease in the credit risk is based on TCB and its subsidiary's amortization costs and other comprehensive income measured by fair value, referring to changes in external credit ratings according to the international credit ratings service (Moody's) as a quantitative indicator. Also, the expected credit loss uses external credit ratings and Moody's periodic calculations of default probability and loss given default as references. As international credit ratings services have taken into account forward-looking information in assessing credit ratings, it is also appropriate for TCB and its subsidiary to consider forward-looking information when assessing relevant expected credit loss.

c) Credit risk avoidance or mitigation policy

i. Strengthen collaterals and other credits

TCB and its subsidiary have a series of measures for credit granting to reduce credit risks. One of the measures is to require collaterals from the borrowers. To secure a debt, TCB and its subsidiary manage and assess the collaterals following the procedures that determine the scope of collateralization and valuation of collaterals and the process of disposition. In credit contracts, TCB and its subsidiary stipulate the security mechanism for debts; the conditions and terms for collaterals; and the terms and conditions of offsetting to state clearly that TCB and its subsidiary reserve the right to reduce the granted quota, to shorten the repayment period, to demand immediate settlement or to offset the debts of the borrowers with their deposits in TCB and its subsidiary in order to reduce the credit risks.

There was no major change in the collateral policy of TCB and its subsidiary on the balance sheet date, and there was no significant change in the overall collateral quality.

TCB and its subsidiary closely monitor the value of collaterals of financial instruments and consider impairment on credit-impaired financial assets. Credit-impaired financial assets and collateral to mitigate potential loss were as follows:

March 31, 2024

	Gross Carrying Amount	Allowance for Possible Losses	Total Exposure Amount (Amortized Cost)	Fair Value of Collateral
<u>Impaired financial assets</u>				
Receivables	\$ 284,585	\$ 113,028	\$ 171,557	\$ -
Discount and loans	32,127,830	3,911,271	28,216,559	75,656,906

December 31, 2023

	Gross Carrying Amount	Allowance for Possible Losses	Total Exposure Amount (Amortized Cost)	Fair Value of Collateral
<u>Impaired financial assets</u>				
Receivables	\$ 274,481	\$ 116,334	\$ 158,147	\$ -
Discount and loans	31,819,851	4,160,724	27,659,127	67,435,934

March 31, 2023

	Gross Carrying Amount	Allowance for Possible Losses	Total Exposure Amount (Amortized Cost)	Fair Value of Collateral
<u>Impaired financial assets</u>				
Receivables	\$ 304,116	\$ 103,518	\$ 200,598	\$ -
Discount and loans	35,109,236	4,671,619	30,437,617	64,028,259

The total amount of financial assets that have been written off but have recourse action by TCB and its subsidiary in March 31, 2024, December 31, 2023 and March 31, 2023 were \$11,955,753 thousand, \$11,983,222 thousand and \$8,148,695 thousand, respectively.

ii. Credit limit and the control of concentration of credit risk

To avoid the concentration of credit risks, TCB and its subsidiary set up centralized credit limits for business segments, countries, collaterals, groups, and construction financing. Monthly, or more frequently, as needed, TCB and its subsidiary review credit limits, monitor the actual risk-exposure condition and whether the usage rate of limits meets relevant regulations and reports the review results to superior management, risk management committee and the Board periodically. If there is a possibility of breach of the credit limits, the related department or division will apply appropriate procedures to ensure that the credit limits are followed.

Concentration of credit risk exists when counterparties to financial transactions are individuals or groups engaged in similar activities or activities in the same region, which would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The profile by group or industry, regions and collaterals of obligations that were 10% or more of total outstanding loans is as follows:

Credit Risk Profile by Group or Industry	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	%	Amount	%	Amount	%
Natural person	\$ 1,034,631,471	36	\$ 1,020,504,283	36	\$ 982,563,228	36
Manufacturing	529,434,612	19	505,293,926	18	477,619,847	17
Government agencies	347,705,599	12	327,347,260	12	334,092,392	12

iii. Master netting arrangement

TCB and its subsidiary settle most of its transactions at gross amounts. For further reduction of credit risks, settlement netting is used for some counterparties or in some circumstances where the transactions are terminated because of a counterparty's default.

d) Maximum exposures to credit risks

The maximum exposures to credit risks of assets on the consolidated balance sheets without consideration of guarantees or other credit enforcement instruments approximate the assets' carrying amounts.

The maximum exposures of financial instrument to credit risks which was not applicable to impairment is as follow:

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets at fair value through profit or loss - debt instrument	\$ 842,814	\$ 792,255	\$ 1,136,534

The maximum exposures of off-balance sheet items to credit risks without consideration of guarantees or other credit enforcement instrument are stated as follows:

March 31, 2024					
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired Financial Instruments)	Different of Impairment Loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	Total
Maximum exposures to credit risk	\$ 361,794,931	\$ 93,569	\$ 166,575	\$ -	\$ 362,055,075
Allowance for possible losses	(816,842)	(385)	(9,744)	-	(826,971)
Difference of impairment loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	(532,530)	(532,530)
	<u>\$ 360,978,089</u>	<u>\$ 93,184</u>	<u>\$ 156,831</u>	<u>\$ (532,530)</u>	<u>\$ 360,695,574</u>
December 31, 2023					
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired Financial Instruments)	Different of Impairment Loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	Total
Maximum exposures to credit risk	\$ 334,512,929	\$ 54,080	\$ 157,879	\$ -	\$ 334,724,888
Allowance for possible losses	(859,719)	(105)	(10,148)	-	(869,972)
Difference of impairment loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	(506,676)	(506,676)
	<u>\$ 333,653,210</u>	<u>\$ 53,975</u>	<u>\$ 147,731</u>	<u>\$ (506,676)</u>	<u>\$ 333,348,240</u>

March 31, 2023					
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired Financial Instruments)	Different of Impairment Loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	Total
Maximum exposures to credit risk	\$ 318,223,375	\$ 12,500	\$ 211,491	\$ -	\$ 318,447,366
Allowance for possible losses	(826,079)	(8)	(17,754)	-	(843,841)
Difference of impairment loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	(526,831)	(526,831)
	<u>\$ 317,397,296</u>	<u>\$ 12,492</u>	<u>\$ 193,737</u>	<u>\$ (526,831)</u>	<u>\$ 317,076,694</u>

TCB and its subsidiary’s management believes its ability to minimize credit risk exposures on off-balance sheet items is mainly due to its rigorous evaluation of credit extended and the periodic reviews of these credits.

Some financial assets held by TCB and its subsidiary, such as cash and cash equivalents, due from the Central Bank and call loans to other banks, call loans to security firms, financial assets at fair value through profit or loss, securities purchased under resell agreements and refundable deposits, are exposed to low credit risks because the counterparties have high credit ratings.

In addition to the above assets, credit quality analysis of other financial assets are as follows:

a) Credit quality analysis of discounts and loans

March 31, 2024					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Different of Impairment Loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	Total
Discounts and loans	\$ 2,840,558,773	\$ 4,139,034	\$ 32,127,830	\$ -	\$ 2,876,825,637
Allowance for possible losses	(4,279,489)	(103,106)	(3,911,271)	-	(8,293,866)
Impairment recognized under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	(24,524,992)	(24,524,992)
	<u>\$ 2,836,279,284</u>	<u>\$ 4,035,928</u>	<u>\$ 28,216,559</u>	<u>\$ (24,524,992)</u>	<u>\$ 2,844,006,779</u>

December 31, 2023					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Different of Impairment Loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	Total
Discounts and loans	\$ 2,798,199,910	\$ 3,278,847	\$ 31,819,851	\$ -	\$ 2,833,298,608
Allowance for possible losses	(4,558,964)	(55,889)	(4,160,724)	-	(8,775,577)
Impairment recognized under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	(24,106,171)	(24,106,171)
	<u>\$ 2,793,640,946</u>	<u>\$ 3,222,958</u>	<u>\$ 27,659,127</u>	<u>\$ (24,106,171)</u>	<u>\$ 2,800,416,860</u>
March 31, 2023					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Different of Impairment Loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	Total
Discounts and loans	\$ 2,715,079,228	\$ 5,116,691	\$ 35,109,236	\$ -	\$ 2,755,305,155
Allowance for possible losses	(4,459,615)	(67,061)	(4,671,619)	-	(9,198,295)
Impairment recognized under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	(21,919,752)	(21,919,752)
	<u>\$ 2,710,619,613</u>	<u>\$ 5,049,630</u>	<u>\$ 30,437,617</u>	<u>\$ (21,919,752)</u>	<u>\$ 2,724,187,108</u>

b) Credit quality analysis of receivables

	March 31, 2024					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Credit Impairment by Using Simplified Method	Different of Impairment Loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	Total
Receivables	\$ 17,478,341	\$ 56,658	\$ 284,585	\$ 6,413,472	\$ -	\$ 24,233,056
Allowance for possible losses	(34,146)	(10,729)	(113,028)	(183,533)	-	(341,436)
Impairment recognized under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	-	(176,700)	(176,700)
	\$ 17,444,195	\$ 45,929	\$ 171,557	\$ 6,229,939	\$ (176,700)	\$ 23,714,920

December 31, 2023						
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Credit Impairment by Using Simplified Method	Different of Impairment Loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	Total
Receivables	\$ 20,774,850	\$ 65,565	\$ 274,481	\$ 4,123,579	\$ -	\$ 25,238,475
Allowance for possible losses	(42,585)	(12,230)	(116,334)	(184,502)	-	(355,651)
Impairment recognized under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	-	(169,173)	(169,173)
	<u>\$ 20,732,265</u>	<u>\$ 53,335</u>	<u>\$ 158,147</u>	<u>\$ 3,939,077</u>	<u>\$ (169,173)</u>	<u>\$ 24,713,651</u>
March 31, 2023						
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Credit Impairment by Using Simplified Method	Different of Impairment Loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	Total
Receivables	\$ 14,477,419	\$ 82,281	\$ 304,116	\$ 3,579,384	\$ -	\$ 18,443,200
Allowance for possible losses	(24,980)	(11,997)	(103,518)	(181,268)	-	(321,763)
Impairment recognized under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	-	(183,684)	(183,684)
	<u>\$ 14,452,439</u>	<u>\$ 70,284</u>	<u>\$ 200,598</u>	<u>\$ 3,398,116</u>	<u>\$ (183,684)</u>	<u>\$ 17,937,753</u>

c) Credit quality analysis of securities

March 31, 2024				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Investments in debt instruments at FVTOCI				
Gross carrying amount	\$ 436,749,451	\$ -	\$ 347,216	\$ 437,096,667
Allowance for possible losses	(58,179)	-	(216,663)	(274,842)
Amortized cost	436,691,272	-	130,553	436,821,825
Fair value adjustments	(18,113,643)	-	130,703	(17,982,940)
	<u>\$ 418,577,629</u>	<u>\$ -</u>	<u>\$ 261,256</u>	<u>\$ 418,838,885</u>
Investments in debt instruments at amortized cost	\$ 711,893,045	\$ -	\$ -	\$ 711,893,045
Allowance for possible losses	(28,105)	-	-	(28,105)
	<u>\$ 711,864,940</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 711,864,940</u>

December 31, 2023				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Investments in debt instruments at FVTOCI				
Gross carrying amount	\$ 412,039,168	\$ -	\$ 338,273	\$ 412,377,441
Allowance for possible losses	(52,572)	-	(210,853)	(263,425)
Amortized cost	411,986,596	-	127,420	412,114,016
Fair value adjustments	(14,814,200)	-	107,540	(14,706,660)
	<u>\$ 397,172,396</u>	<u>\$ -</u>	<u>\$ 234,960</u>	<u>\$ 397,407,356</u>
Investments in debt instruments at amortized cost	\$ 702,635,947	\$ -	\$ -	\$ 702,635,947
Allowance for possible losses	(33,530)	-	-	(33,530)
	<u>\$ 702,602,417</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 702,602,417</u>
March 31, 2023				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Investments in debt instruments at FVTOCI				
Gross carrying amount	\$ 399,818,480	\$ -	\$ 350,702	\$ 400,169,182
Allowance for possible losses	(49,801)	-	(218,488)	(268,289)
Amortized cost	399,768,679	-	132,214	399,900,893
Fair value adjustments	(16,377,471)	-	70,517	(16,306,954)
	<u>\$ 383,391,208</u>	<u>\$ -</u>	<u>\$ 202,731</u>	<u>\$ 383,593,939</u>
Investments in debt instruments at amortized cost	\$ 699,343,305	\$ -	\$ -	\$ 699,343,305
Allowance for possible losses	(31,746)	-	-	(31,746)
	<u>\$ 699,311,559</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 699,311,559</u>

- d) The changes in allowance for possible losses of investments in debt instruments at FVTOCI are summarized below:

	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)	Total
Balance on January 1, 2024	\$ 52,572	\$ -	\$ 210,853	\$ 263,425
New financial assets purchased	6,469	-	-	6,469
Derecognition of financial assets in the current reporting period	(262)	-	-	(262)
Change in model or risk parameters	(1,945)	-	(3,117)	(5,062)
Changes in exchange rates and other changes	1,345	-	8,927	10,272
Balance on March 31, 2024	<u>\$ 58,179</u>	<u>\$ -</u>	<u>\$ 216,663</u>	<u>\$ 274,842</u>
Balance on January 1, 2023	\$ 60,665	\$ -	\$ 222,673	\$ 283,338
New financial assets purchased	796	-	-	796
Derecognition of financial assets in the current reporting period	(387)	-	-	(387)
Change in model or risk parameters	(5,789)	-	(2,120)	(7,909)
Changes in exchange rates and other changes	(5,484)	-	(2,065)	(7,549)
Balance on March 31, 2023	<u>\$ 49,801</u>	<u>\$ -</u>	<u>\$ 218,488</u>	<u>\$ 268,289</u>

- e) The changes in allowance for possible losses of investments in debt instruments at amortized cost are summarized below:

	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)	Total
Balance on January 1, 2024	\$ 33,530	\$ -	\$ -	\$ 33,530
New financial assets purchased	630	-	-	630
Derecognition of financial assets in the current reporting period	(3,883)	-	-	(3,883)
Change in model or risk parameters	531	-	-	531
Changes in exchange rates and other changes	<u>(2,703)</u>	<u>-</u>	<u>-</u>	<u>(2,703)</u>
Balance on March 31, 2024	<u>\$ 28,105</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,105</u>
Balance on January 1, 2023	\$ 22,243	\$ -	\$ -	\$ 22,243
New financial assets purchased	9,018	-	-	9,018
Derecognition of financial assets in the current reporting period	(749)	-	-	(749)
Change in model or risk parameters	1,278	-	-	1,278
Changes in exchange rates and other changes	<u>(44)</u>	<u>-</u>	<u>-</u>	<u>(44)</u>
Balance on March 31, 2023	<u>\$ 31,746</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,746</u>

3) Market risks

Market risk refers to the risk of losses in positions arising from adverse movements of market prices. It refers to interest rates, exchange rates, equity security prices, commodity prices, etc.

The main market risks that TCB and its subsidiary face are equity security, interest rates, and exchange rate risks. The market risk position of equity security mainly includes domestic listed and OTC stocks, domestic stock index options and stock market index futures; the position of interest rate mainly includes short-term bills, bonds and interest rate derivative instruments; and the instruments exposed to exchange rate risk mainly include spot contracts and forward contracts and derivatives denominated in foreign currency.

Under the market risk management policies approved by the board of directors, the new Basel Capital Accord and regulations implemented by relevant authorities and in consideration of the Bank's own market risk management system and its overall risk management goals and product features, TCB and its subsidiary have set all types of investment authorization limits and stop-loss rules, regularly reviews the customers' credit status and compiles management information reports to control all types of market risks effectively.

TCB and its subsidiary's market risk management procedures include risk identification, evaluation, and measurement as well as risk monitoring, and reporting. Every units' risk management personnel analyze data on market risk position and evaluate measurement methods, including the statistical basic measurement method, sensitivity analysis, and situational analysis. Monitoring content includes trading processes, collective and individual, of all transaction units and all financial instruments, such as change of position, change of profit and loss, trading pattern, and if trading objects are transacted within the authorized scope and limits.

TCB and its subsidiary's business units and risk management unit have established market risk factors for identifying risk exposure positions and use these factors to measure market risks. The market risk factors refer to the components of financial instruments' position, such as profit and loss and sensitivity to risk, which might be affected by interest rates, exchange rates and equity security market prices.

TCB and its subsidiary's risk management unit reports to management periodically the execution status of measures on market risk management, investment positions, and profit and loss control so that management can fully understand the status of market risk management. TCB and its subsidiary's also have cleared reporting procedures and rules for all types of transaction limits and the stop-loss order. If any transaction amount reaches the limit, the stop-loss order is executed immediately; if the stop-loss order is not executed, the transaction unit is required to explain the reasons for non-execution and prepare a response plan for management's approval.

TCB applies market risk sensitivity as a risk control instrument. Market risk sensitivity position refers to the change in the value of a position due to a change in a certain market risk factor. Market risk factors include interest rates, exchange rates, and equity security prices. TCB's position sensitivity exposure trading book contains all types of positions exposed to market risk and the range of change to which sensitivity analysis applied under various pressure scenarios for all types of risk factors.

Assuming all other factors are held constant, the effects of risks within defined change scenarios are shown below:

Main Risk	Change Scenario	March 31, 2024	December 31, 2023	March 31, 2023
Interest rate risk	Interest rate curve increased 100 basis points	\$ (337,607)	\$ (304,819)	\$ (150,185)
	Interest rate curve fell 100 basis points	342,677	309,717	153,685
Exchange rate risk	USD/NT\$, EUR/NT\$ increased 3%	(475,808)	(451,387)	(374,875)
	USD/NT\$, EUR/NT\$ fell 3%	475,808	451,387	374,875
	Others (RMB, AUD etc.)/ NT\$ increased 5%	46,603	65,393	86,340
	Others (RMB, AUD etc.)/ NT\$ fell 5%	(46,603)	(65,393)	(86,340)
Equity security price risk	Equity security price increased by 15%	51,148	47,221	70,192
	Equity security price fell by 15%	(51,148)	(47,221)	(70,192)

The exchange rate risk of TCB and its subsidiary is as follows:

(In Thousands)

March 31, 2024			
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
USD	\$ 15,660,465	32.0050	\$ 501,213,174
RMB	9,617,597	4.4090	42,403,984
AUD	1,536,676	20.8500	32,039,695
JPY	131,277,843	0.2115	27,765,264
EUR	680,482	34.4900	23,469,820
<u>Financial liabilities</u>			
USD	23,940,706	32.0050	766,222,287
RMB	7,226,392	4.4090	31,861,164
JPY	126,511,477	0.2115	26,757,177
AUD	1,032,208	20.8500	21,521,529
EUR	473,718	34.4900	16,338,550
December 31, 2023			
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
USD	\$ 13,863,507	30.7050	\$ 425,678,976
RMB	10,170,508	4.3280	44,017,959
AUD	1,457,310	21.0000	30,603,519
JPY	119,053,480	0.2171	25,846,511
EUR	702,050	34.0200	23,883,750
<u>Financial liabilities</u>			
USD	22,549,643	30.7050	692,386,802
RMB	7,690,808	4.3280	33,285,815
JPY	115,186,173	0.2171	25,006,918
AUD	988,399	21.0000	20,756,373
EUR	414,737	34.0200	14,109,359

	March 31, 2023		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
USD	\$ 13,488,187	30.4400	\$ 410,580,408
RMB	10,497,507	4.4420	46,629,928
AUD	1,403,288	20.4700	28,725,300
JPY	83,134,578	0.2287	19,012,878
EUR	666,944	33.2200	22,155,890
<u>Financial liabilities</u>			
USD	19,849,862	30.4400	604,229,804
RMB	7,840,452	4.4420	34,827,286
AUD	1,014,714	20.4700	20,771,203
JPY	78,966,902	0.2287	18,059,730
EUR	3,768,623	1.7080	6,436,807

4) Liquidity risk

Liquidity risk is inherent in all bank operations and might be affected by specific or general industry and environmental events. These events include credit-related events, mergers or acquisitions, systemic changes and natural disasters. TCB and its subsidiary define liquidity risk as the inability to realize assets or to obtain financing for meeting obligations when they fall due, resulting in loss.

The liquidity risk management strategy is based on the overall risk management objectives and involves liquidity risk, identification, measurement, monitoring and control to maintain TCB's appropriate liquidity and ensure adequate funding for meeting liability obligations or for capital growth.

The liquidity risk management procedures involve identification, measurement, monitoring and report of risk. Each business unit should identify the existing liquidity risk in business activities and financing products.

For adequate liquidity for all types of deposits, TCB follows the relevant regulations issued by the Central Bank to estimate the liquidity reserves and calculates and controls daily the liquidity reserve ratios.

For TCB's operating liquidity, the fund disbursement unit performs daily cash flow management and monitoring of the payments schedule on the basis of detailed reports by different departments and relevant rules.

The risk management department regularly generates risk reports, which include the liquidity reserve ratios and the maturity analysis of instruments and transactions denominated in major foreign currencies, and submits them to the Asset and Liability Management Committee and the Board as reference for decision making.

TCB stipulates liquidity risk limits, which are regularly monitored and reviewed by the risk management department. If a liquidity risk limit is exceeded or other exception situations occur, the business supervising unit immediately develops appropriate contingency measures and submits them to the Asset and Liability Management Committee for approval and implementation.

TCB contingency measures for business emergency or sudden liquidity crisis are aimed at quick crisis resolution and resumption of normal operations.

TCB's liquidity reserve ratios were 30.02% in March 2024, 28.71% in December 2023 and 29.34% in March 2023.

TCB and its subsidiary disclosed the analysis of cash outflows on non-derivative financial liabilities by their residual maturities as of the balance sheet dates. The amounts of cash outflows are based on contractual cash flows, so some amounts may not correspond to those shown in the consolidated balance sheets.

March 31, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Deposits from the Central Bank and other banks	\$ 197,520,405	\$ 60,230,722	\$ 41,864,443	\$ 12,640,100	\$ -	\$ 312,255,670
Financial liabilities at fair value through profit or loss	-	-	-	1,043,363	1,910,699	2,954,062
Securities sold under repurchase agreements	6,931,797	876,883	1,004,192	105,211	-	8,918,083
Payables	32,604,090	5,509,117	3,072,989	2,885,871	4,555,767	48,627,834
Deposits and remittances	486,783,020	548,869,797	567,546,643	837,112,109	1,506,735,118	3,947,046,687
Bank debentures	-	8,500,000	600,000	-	48,140,000	57,240,000
Lease liabilities	70,890	168,723	154,479	256,566	1,231,680	1,882,338
Other items of cash outflow on maturity	920,755	17	25	1,010,013	5,012,954	6,943,764

December 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Deposits from the Central Bank and other banks	\$ 173,903,180	\$ 71,191,333	\$ 18,588,027	\$ 30,500,000	\$ -	\$ 294,182,540
Financial liabilities at fair value through profit or loss	-	-	-	-	2,834,072	2,834,072
Securities sold under repurchase agreements	6,779,938	1,869,256	819,559	44,000	-	9,512,753
Payables	27,097,388	3,535,297	6,572,250	2,532,446	3,662,991	43,400,372
Deposits and remittances	369,179,167	601,820,685	585,290,784	792,421,737	1,514,894,405	3,863,606,778
Bank debentures	-	-	8,500,000	600,000	48,140,000	57,240,000
Lease liabilities	70,243	178,472	157,418	286,552	1,576,819	2,269,504
Other items of cash outflow on maturity	709,000	28	37	1,016,985	4,948,916	6,674,966

March 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Deposits from the Central Bank and other banks	\$ 165,143,994	\$ 54,751,636	\$ 44,940,857	\$ 32,762,815	\$ -	\$ 297,599,302
Financial liabilities at fair value through profit or loss	-	-	-	-	1,426,114	1,426,114
Securities sold under repurchase agreements	7,541,879	1,308,864	1,145,592	398,050	-	10,394,385
Payables	33,411,695	4,136,119	2,679,573	2,665,017	2,385,321	45,277,725
Deposits and remittances	413,320,752	551,687,599	544,156,955	763,542,296	1,444,839,292	3,717,546,894
Bank debentures	-	-	950,000	4,600,000	57,240,000	62,790,000
Lease liabilities	70,108	160,902	140,689	243,770	1,137,427	1,752,896
Other items of cash outflow on maturity	843,739	71	86	1,049,158	2,352,471	4,245,525

In the above table, the maturity analysis of deposits and remittances by residual-maturity period was based on TCB and its subsidiary's historical experience. Assuming that all demand deposits as of March 31, 2024, December 31, 2023 and March 31, 2023 must be repaid soon, the capital expenditure will be increased by \$2,044,867,019 thousand, \$2,055,012,823 thousand and \$1,955,823,307 thousand, respectively, within 30 days these balance sheet dates.

TCB and its subsidiary assess the maturity dates of contracts to understand the basic elements of all derivative financial instruments shown in the balance sheets. The amounts used in the maturity analyses of derivative financial liabilities are based on contractual cash flows, so some of these amounts may not correspond to the amounts shown in the consolidated balance sheets. The maturity analysis of derivative financial liabilities is as follows:

a) Derivative financial liabilities to be settled at net amounts

March 31, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Currency	\$ 79	\$ 96	\$ 324	\$ 2,195	\$ -	\$ 2,694
Interest	(1,979)	3,288	7,261	21,499	161,597	191,666

December 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Currency	\$ 693	\$ 4,699	\$ 1,877	\$ 5,148	\$ -	\$ 12,417
Interest	984	3,682	568	3,666	93,286	102,186

March 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Currency	\$ 703	\$ 165	\$ 88	\$ 258	\$ -	\$ 1,214
Interest	1,160	(935)	2,422	8,360	70,443	81,450

b) Derivative financial liabilities to be settled at gross amounts

March 31, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Currency derivatives						
Cash outflow	\$ 33,354,720	\$ 8,564,010	\$ 1,884,875	\$ 846,179	\$ -	\$ 44,649,784
Cash inflow	33,602,826	8,563,931	1,890,351	861,409	-	44,918,517
Interest derivatives						
Cash outflow	205,691	43,068	-	97,841	-	346,600
Cash inflow	201,004	42,712	-	95,670	-	339,386
Total cash outflow	33,560,411	8,607,078	1,884,875	944,020	-	44,996,384
Total cash inflow	33,803,830	8,606,643	1,890,351	957,079	-	45,257,903
Net cash flow	243,419	(435)	5,476	13,059	-	261,519

December 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Currency derivatives						
Cash outflow	\$ 56,193,677	\$ 75,046,790	\$ 73,055,230	\$ 21,252,136	\$ -	\$ 225,547,833
Cash inflow	57,184,404	77,072,859	75,370,484	22,066,800	-	231,694,547
Interest derivatives						
Cash outflow	93,951	-	75,887	-	-	169,838
Cash inflow	93,270	-	74,604	-	-	167,874
Total cash outflow	56,287,628	75,046,790	73,131,117	21,252,136	-	225,717,671
Total cash inflow	57,277,674	77,072,859	75,445,088	22,066,800	-	231,862,421
Net cash flow	990,046	2,026,069	2,313,971	814,664	-	6,144,750

March 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Derivative financial liabilities at fair value through profit or loss						
Currency derivatives						
Cash outflow	\$ 45,843,498	\$ 27,404,827	\$ 20,800,502	\$ 8,258,950	\$ 87,735	\$ 102,395,512
Cash inflow	45,954,674	27,704,761	21,008,556	8,467,805	87,948	103,223,744
Interest derivatives						
Cash outflow	159,993	61,377	-	-	-	221,370
Cash inflow	158,952	60,540	-	-	-	219,492
Total cash outflow	46,003,491	27,466,204	20,800,502	8,258,950	87,735	102,616,882
Total cash inflow	46,113,626	27,765,301	21,008,556	8,467,805	87,948	103,443,236
Net cash flow	110,135	299,097	208,054	208,855	213	826,354

TCB and its subsidiary conducted maturity analysis of off-balance sheet items based on the residual maturities as of the balance sheet dates. For the financial guarantee contracts issued, the maximum amounts of the guarantees are included in the earliest periods that the guarantee obligation might have been required to be fulfilled. The amounts used in the maturity analysis of off-balance sheet items are based on contractual cash flows, so some of these amounts may not correspond to those shown in the balance sheets.

March 31, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Irrevocable loan commitments issued	\$ 8,112,621	\$ 12,152,671	\$ 8,463,630	\$ 30,558,578	\$ 114,630,699	\$ 173,918,199
Irrevocable credit card commitments	238,140	672,312	2,151,039	4,341,333	56,819,721	64,222,545
Letters of credit issued yet unused	5,344,547	14,509,128	2,078,899	1,160,398	5,869,953	28,962,925
Other guarantees	10,086,551	10,353,761	13,444,645	12,545,676	48,520,773	94,951,406

December 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Irrevocable loan commitments issued	\$ 1,176,290	\$ 6,272,271	\$ 20,835,544	\$ 20,894,044	\$ 102,297,510	\$ 151,475,659
Irrevocable credit card commitments	471,466	345,690	1,759,451	4,683,799	56,772,773	64,033,179
Letters of credit issued yet unused	5,656,161	9,812,422	2,559,007	628,457	5,358,318	24,014,365
Other guarantees	14,851,146	8,139,913	7,206,470	18,777,773	45,632,161	94,607,463

March 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Irrevocable loan commitments issued	\$ 2,045,282	\$ 10,446,945	\$ 5,867,007	\$ 12,413,365	\$ 96,960,549	\$ 127,733,148
Irrevocable credit card commitments	523,735	521,275	1,099,985	2,332,777	57,531,321	62,009,093
Letters of credit issued yet unused	5,452,834	13,605,386	3,599,593	1,231,730	4,885,602	28,775,145
Other guarantees	10,506,599	10,713,743	6,391,743	15,871,894	56,446,001	99,929,980

BNP Paribas Cardif TCB Life Insurance Co., Ltd. (BPCTLI)

Financial risk arises when future cash flows generated from financial assets are insufficient to pay insurance and investment contracts. BPCTLI has already set up a risk management mechanism and control system that can effectively identify, measure, respond to, and monitor the level of risk BPCTLI is exposed to, including market risk, credit risk, liquidity risk, etc.

The strategies adopted by management to supervise and control different financial risks as well as consider competition and changes in the economic environment were as follows:

1) Market risk

a) Market risk source and market risk factors

Market risk results from the fluctuation in the fair values of financial instruments or future cash. The risk factors causing market price changes include interest rates, exchange rates, stock prices and commodity prices, which may cause a gain or loss on net revenues and affect BPCTLI's investment portfolio.

b) Market risk strategy and procedures

BPCTLI has established management policies and market risk limits to monitor the market risk and tolerable losses.

BPCTLI monitors the limit management of financial instruments and the implementation of sensitivity analysis, stress testing and risk calculation. For management's decision making, the risk management department periodically reports to the board of directors and the Risk Management Committee.

In line with hedging against interest rate risk, the investment selection includes an assessment of the financial instrument issuers' credit and financial condition, the investing countries' risk condition and interest rate movements. If a foreign currency risk pertains to overseas investments, BPCTLI uses foreign exchange swaps for each overseas investment and periodically measures the efficiency of these swaps. BPCTLI has investment limits and stop-loss order to control equity risk.

c) Market risk management framework

To quantify the possible loss resulting from the price fluctuations of BPCTLI assets, BPCTLI control market risk through calculating value-at-risk (VaR) regularly, combining with back testing, sensitivity analysis method and stress testing.

d) Market risk information

i. VaR (value at risk)

VaR measures "the worst expected loss over a target horizon with a given level of confidence and normal market environment." BPCTLI's worst expected losses for two weeks with a 99% confidence level were \$535,961 thousand, \$484,711 thousand and \$504,507 thousand as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

ii. Sensitivity analysis

i) Interest rate risk

Interest rate risk refers to the impact of interest rate changes on an investment portfolio value or investment gain or loss. The investment instruments exposed to interest rate risk are mainly bonds and derivative financial assets.

Assuming all other indicators had been held constant and had the interest rate increased by 0.01% as of March 31, 2024, December 31, 2023 and March 31, 2023 the fair values of financial assets would have decreased by \$20,347 thousand, \$20,194 thousand and \$19,155 thousand, respectively.

ii) Equity risk

The equity risk includes the individual risk from the movement of individual investments and the market risk from the movement of the market as a whole.

Assuming all other indicators had been held constant and based on the asset condition of BPCTLI on March 31, 2024, December 31, 2023 and March 31, 2023, had the TAIEX fallen 1%, the fair value of the equity assets would have decreased by \$17,150 thousand, \$15,686 thousand and \$14,745 thousand, respectively.

iii) Foreign currency risk

Foreign currency risk arises when a financial asset or liability is denominated in a currency different from the BPCTLI's base currency. This risk mainly refers to nonmonetary financial assets and liabilities.

BPCTLI's overseas financial instruments were primarily exposed to the U.S. dollar. Assuming all other factors had been held constant, no hedging had been involved, and had the U.S. dollar decreased 1% for the three months ended March 31, 2024, the whole year ended December 31, 2023 and the three months ended March 31, 2023, the income before income tax would have decreased by \$160,728 thousand, \$151,469 thousand and \$135,611 thousand, respectively.

The table below shows the carrying value of financial assets and liabilities denominated in foreign currency as of March 31, 2024, December 31, 2023 and March 31, 2023.

March 31, 2024

	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Savings accounts			
USD	\$ 6,694	32.008	\$ 214,271
ZAR	71,461	1.690	120,741
AUD	3,768	20.850	78,567
Receivables			
USD	5,832	32.008	186,685
EUR	749	34.490	25,820
RMB	863	4.408	3,806
Financial assets at FVTOCI			
USD	479,110	32.008	15,335,368
EUR	50,802	34.490	1,752,167
RMB	75,665	4.408	333,532
Financial assets at amortized cost			
EUR	9,805	34.490	338,187
USD	5,411	32.008	173,199
Refundable deposits			
USD	5,100	32.008	163,241

December 31, 2023

	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Savings accounts			
USD	\$ 9,535	30.742	\$ 293,112
ZAR	40,484	1.658	67,135
AUD	2,771	21.010	58,227
Receivables			
USD	4,657	30.742	143,165
EUR	393	34.020	13,385
RMB	91	4.330	395
Financial assets at FVTPL			
USD	1,806	30.742	55,526
Financial assets at FVTOCI			
USD	468,533	30.742	14,403,647
EUR	50,873	34.020	1,730,712
RMB	75,412	4.330	326,536
Financial assets at amortized cost			
EUR	9,784	34.020	332,847
USD	5,411	30.742	166,332
Refundable deposits			
USD	2,770	30.742	85,155

March 31, 2023

	Foreign Currency	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Savings accounts			
USD	\$ 32,095	30.423	\$ 976,435
ZAR	52,290	1.707	89,279
AUD	3,104	20.445	63,462
Receivables			
USD	4,796	30.423	145,918
EUR	784	33.170	25,993
RMB	858	4.435	3,806
Financial assets at FVTPL			
USD	2,272	30.423	69,125
Financial assets at FVTOCI			
USD	396,602	30.423	12,065,829
EUR	52,636	33.170	1,745,927
RMB	75,273	4.435	333,836
Financial assets at amortized cost			
EUR	9,760	33.170	323,736
USD	5,415	30.423	164,745
Refundable deposits			
USD	4,570	30.423	139,033

iii. Stress testing

If an extreme event or systematic risk occurs, stress testing is done to measure the potential impact of a negative development on trading book portfolio during an abnormal market period.

BPCTLI does stress testing by analyzing market risk stress testing and different stress testing scenarios from Bloomberg.

Assuming the U.S. 10-year Treasury yield increased 1% as of March 31, 2024, December 31, 2023 and March 31, 2023, the losses on financial assets of the BPCTLI would have been \$868,453 thousand, \$852,347 thousand and \$693,792 thousand, respectively.

2) Credit risk

a) Credit risk definition and classifications

Credit risk refers to the risks that debtors' credit is downgraded or the counterparty cannot make payments or refuses to perform contractual obligations. The credit exposure primarily refers to investments in debt and derivative instruments.

b) Credit risk strategy and procedures

BPCTLI controls credit risk as follows:

i. Investment credit limit and the control of concentration of credit risk

The investment department complies with insurance laws and applicable regulations, follows company credit limits and investment management policies for every type of investment product, and reviews the appropriateness of investment transactions to lower the concentration of risks. After the completion of each transaction, the risk management department regularly monitors the credit risk and reports the exposure to various credit limits in each committee meeting.

ii. Stress testing

Using the scenario from the Insurance Bureau, BPCTLI periodically tests the impact on financial asset income and loss of the concentration of credit risk and credit default ratio.

iii. Credit risk reduction policy

If a bond is downgraded below the authorized minimum rating, the investment department will assess the impact caused and decide whether or not to dispose of the assets. When a decision is reached not to dispose of the assets, the investment department should provide the investment withdrawal committee a sufficient reason for its decision. If approval by the investment withdrawal committee is not given within two months of the proposed asset disposal, the assets are disposed of immediately by the investment department.

Some financial assets such as cash and cash equivalents, financial assets at fair value through profit or loss and refundable deposits are regarded as having very low credit risk because of the good credit ratings of counterparties. The credit analysis of other financial assets is as follows:

iv. Credit analysis for bonds

	March 31, 2024		
	Carrying Amount	Fair Value	%
Domestic investment - government bonds (Note 1)	\$ 11,471,710	\$ 11,453,792	34
Domestic investment - corporate bonds (twAAA - twAA-)	4,271,599	4,271,599	13
Overseas investment - government bonds	3,806,419	3,778,374	11
Overseas investment - corporate bonds and bank debentures (A1 - A3)	11,829,861	11,829,771	35
Overseas investment - corporate bonds and bank debentures (Baa1 - Baa2)	<u>2,295,836</u>	<u>2,295,836</u>	<u>7</u>
	<u>\$ 33,675,425</u>	<u>\$ 33,629,372</u>	<u>100</u>
	December 31, 2023		
	Carrying Amount	Fair Value	%
Domestic investment - government bonds (Note 1)	\$ 11,918,334	\$ 11,909,567	36
Domestic investment - corporate bonds (twAAA - twAA-)	4,087,401	4,087,401	13
Overseas investment - government bonds	3,438,804	3,418,559	10
Overseas investment - corporate bonds and bank debentures (A1 - A3)	11,301,453	11,301,415	34
Overseas investment - corporate bonds and bank debentures (Baa1 - Baa2)	<u>2,219,816</u>	<u>2,219,816</u>	<u>7</u>
	<u>\$ 32,965,808</u>	<u>\$ 32,936,758</u>	<u>100</u>
	March 31, 2023		
	Carrying Amount	Fair Value	%
Domestic investment - government bonds (Note 1)	\$ 12,242,741	\$ 12,230,172	40
Domestic investment - corporate bonds (twAAA - twAA-)	3,479,583	3,479,583	11
Overseas investment - government bonds	3,207,745	3,178,065	11
Overseas investment - corporate bonds and bank debentures (Aa2 - A3)	10,223,029	10,222,849	34
Overseas investment - corporate bonds and bank debentures (Baa1 - Ba1)	<u>1,202,997</u>	<u>1,202,997</u>	<u>4</u>
	<u>\$ 30,356,095</u>	<u>\$ 30,313,666</u>	<u>100</u>

Note 1: The above domestic government bonds include other assets - operating deposits.

Note 2: The sources of credit ratings are Taiwan Ratings Corp. or Moody's Investors Service, Inc.

3) Liquidity risk

a) Source and definition of liquidity risk

Liquidity risk means BPCTLI cannot provide sufficient funding for asset size growth and for meeting obligations on matured liabilities.

b) Liquidity risk management strategy and principles

BPCTLI does annual and monthly cash flow analysis based on its budgets, makes daily cash estimates, and reviews the flow of funds to ensure the accuracy and timeliness of liquidity risk management. BPCTLI's liquidity risk is reviewed by the Asset Liability Committee quarterly and by the Investment Committee, monthly.

c) Maturity analysis

i. For the liquidity risk management of financial assets' and non-derivative financial liabilities' maturity analysis

To ensure that it has sufficient cash on hand for liability payments and asset purchases (BPCTLI has no bank loans and financial guarantees, and all the non-derivative liabilities will expire in less than one year), BPCTLI can use unrestricted cash, consisting of financial institution deposits, certificate deposits (including conditional bonds), quasi-foreign currency mutual funds, etc.

ii. Maturity analysis of derivatives

The following table shows BPCTLI's liquidity analysis of its derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by yield curves at the end of the reporting period.

	March 31, 2024			
	Within One Year	1 Year to 3 Years	3 Years to 5 Years	Over Five Years
<u>Net settled</u>				
Currency swap contracts	\$ (372,626)	\$ -	\$ -	\$ -
Cross-currency swap contracts	-	(20,742)	(3,616)	-
	<u>\$ (372,626)</u>	<u>\$ (20,742)</u>	<u>\$ (3,616)</u>	<u>\$ -</u>

December 31, 2023				
	Within One Year	1 Year to 3 Years	3 Years to 5 Years	Over Five Years
<u>Net settled</u>				
Currency swap contracts	\$ (33,868)	\$ -	\$ -	\$ -
Cross-currency swap contracts	-	(7,066)	(2,043)	-
	<u>\$ (33,868)</u>	<u>\$ (7,066)</u>	<u>\$ (2,043)</u>	<u>\$ -</u>
March 31, 2023				
	Within One Year	1 Year to 3 Years	3 Years to 5 Years	Over Five Years
<u>Net settled</u>				
Currency swap contracts	\$ (250,139)	\$ (85,835)	\$ -	\$ -
Cross-currency swap contracts	-	567	(130)	-
	<u>\$ (250,139)</u>	<u>\$ (85,268)</u>	<u>\$ (130)</u>	<u>\$ -</u>

f. Insurance contracts

To pursue a sustainable development, to protect the interests of the policyholders and to ensure that capital is adequate for fulfilling its repayment obligations, BPCTLI has formed risk management policies, set up a risk management committee under the board of directors and a risk management department, which is independent from its operation departments, in accordance with the Risk Management Practice Manual for Insurance Industry issued by the Taiwan Financial Supervisory Commission.

The risk management program and procedure are summarized as follows:

1) Insurance risk management and measurement

Insurance risk refers to the possibility of BPCTLI's not having sufficient assets to meet future obligations on an insured event. The risk on an insurance contract is random and is thus unpredictable.

BPCTLI's risk exposures involve mortality, morbidity, withdrawal rates, interest rates and fee rates, as well as the uncertainty of the returns on insurance premium investments. Based on the nature of an insurance contract, the occurrence of a covered event, the uncertainty of the amount and the timing are the inherent risks. For life, injury or health insurance, underwriting risks include mortality, accident or morbidity. The significant insurance liability risks are the frequency and severity of the accident covered by the insurance and the actual liability payment exceeding the expected liability payment. BPCTLI is also exposed to loss from natural and man-made disasters, and the frequency and severity of and loss on these disasters are unpredictable. The risks on annuity insurance contracts pertain to the constantly improving health care in society, which helps extend people's life span.

The exposure to insurance risk is influenced by the policyholders' behavior, such as reducing insurance coverage in the future, stopping paying insurance premium or terminating the insurance contract.

BPCTLI spreads out its insurance risk by developing appropriate policy pricing and underwriting strategies and acquiring a sufficient number of policyholders in each risk range so that the variances in the average amounts of claim payments decrease as the number of claims increases. For added safety, BPCTLI manages its insurance risks through issuing a large number of mixed policies and obtaining reinsurance against natural disasters with reinsurance companies to avoid large claims.

2) Concentration of insurance risk and the development of claims

BPCTLI sells its products all over Taiwan and has no concentration of credit risk in a particular geographic region, clientele, age, or profession. To prevent the accumulated risk from going beyond what BPCTLI can tolerate, BPCTLI has evaluated the insurance risk associated with each product and obtained reinsurance against natural disasters with reinsurance companies to avoid the risk of large claims.

The following table shows the development of claims (the cases within one year are not included), and it explains how BPCTLI evaluates claims through development ages. The circumstance and development of reserve claims may change in the future. Thus, actual future claims cannot be determined just by using the following tables.

a) Development of direct business loss

Accident Year	Development Ages															Claim Reserve
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
2010	\$ 3	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ -
2011	4,170	7,263	7,786	7,854	7,854	8,034	8,034	8,034	7,854	7,854	7,854	7,854	7,854	7,854	7,854	-
2012	12,366	17,155	21,177	21,070	21,111	21,112	21,112	21,112	21,113	21,113	21,121	21,121	21,121	21,121	21,121	-
2013	19,586	27,531	27,762	28,666	28,555	28,551	28,553	28,553	28,553	28,553	28,553	28,553	28,553	28,553	28,553	-
2014	25,862	28,357	28,976	31,011	31,016	31,018	31,018	31,018	31,018	31,018	31,018	31,018	31,018	31,018	31,018	-
2015	35,899	42,080	42,346	42,353	42,361	42,381	42,382	42,372	42,372	42,372	42,379	42,379	42,379	42,379	42,379	7
2016	26,485	31,219	31,407	31,432	31,444	31,445	31,450	31,450	31,450	31,450	31,456	31,456	31,456	31,456	31,456	6
2017	53,250	63,055	58,484	58,652	58,738	58,915	58,903	59,159	59,159	59,159	59,169	59,169	59,169	59,169	59,169	10
2018	36,190	45,800	46,223	46,232	46,243	46,303	46,303	46,303	46,304	46,304	46,312	46,312	46,312	46,312	46,312	9
2019	53,544	70,676	66,009	68,136	66,149	69,137	69,267	69,267	69,268	69,268	69,278	69,278	69,278	69,278	69,278	141
2020	49,582	52,716	53,606	54,024	54,212	54,273	54,338	54,338	54,338	54,338	54,348	54,348	54,348	54,348	54,348	136
2021	35,460	45,959	45,025	46,900	47,101	47,181	47,269	47,269	47,269	47,269	47,276	47,276	47,276	47,276	47,276	376
2022	57,578	64,054	66,599	68,195	68,424	68,516	68,614	68,614	68,615	68,615	68,626	68,626	68,626	68,626	68,626	2,027
2023	51,719	66,667	67,261	68,585	68,775	68,852	68,934	68,934	68,934	68,934	68,946	68,946	68,946	68,946	68,946	2,279
2024	72,329	89,380	90,053	93,512	94,005	94,200	94,416	94,416	94,417	94,417	94,430	94,430	94,430	94,430	94,430	22,101
																Incurd but not reported
																27,092
																Reported but not paid
																90,433
																Balance of claim reserve
																\$ 117,525

b) Development of retained business

Accident Year	Development Ages															Claim Reserve
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
2010	\$ 3	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ 35	\$ -
2011	4,170	7,263	7,786	7,854	7,854	8,034	8,034	8,034	7,854	7,854	7,854	7,854	7,854	7,854	7,854	-
2012	10,307	15,108	19,129	19,023	19,063	19,065	19,065	19,065	19,066	19,066	19,074	19,074	19,074	19,074	19,074	-
2013	19,497	26,841	27,071	27,975	27,864	27,860	27,861	27,861	27,861	27,861	27,861	27,861	27,861	27,861	27,861	-
2014	25,174	27,659	28,278	30,313	30,318	30,319	30,319	30,319	30,320	30,320	30,320	30,320	30,320	30,320	30,320	-
2015	31,538	37,711	37,977	37,985	37,992	38,012	38,014	38,003	38,003	38,003	38,010	38,010	38,010	38,010	38,010	7
2016	25,930	30,590	30,778	30,802	30,815	30,816	30,821	30,821	30,821	30,826	30,826	30,826	30,826	30,826	30,826	5
2017	51,121	58,887	56,315	56,484	56,570	56,739	56,719	56,974	56,975	56,975	56,985	56,985	56,985	56,985	56,985	11
2018	35,432	44,832	45,226	45,235	45,246	45,306	45,306	45,306	45,306	45,306	45,315	45,315	45,315	45,315	45,315	9
2019	47,722	62,824	58,707	61,453	59,486	62,195	62,274	62,274	62,274	62,274	62,284	62,284	62,284	62,284	62,284	89
2020	46,367	49,193	49,937	50,208	50,395	50,431	50,468	50,468	50,468	50,468	50,478	50,478	50,478	50,478	50,478	83
2021	33,233	42,857	41,782	43,658	43,804	43,863	43,927	43,927	43,927	43,927	43,934	43,934	43,934	43,934	43,934	276
2022	55,504	62,664	65,207	66,740	66,960	67,048	67,143	67,143	67,143	67,143	67,154	67,154	67,154	67,154	67,154	1,947
2023	49,286	60,633	61,165	62,478	62,666	62,743	62,823	62,823	62,824	62,824	62,835	62,835	62,835	62,835	62,835	2,202
2024	65,420	79,871	80,532	82,802	83,126	83,256	83,397	83,397	83,397	83,397	83,411	83,411	83,411	83,411	83,411	17,991
																Incurd but not reported
																22,620
																Reported but not paid
																62,133
																Balance of claim reserve
																\$ 84,753

3) Sensitivity analysis of insurance risk

Based on relevant insurance laws and regulations, when calculating the liability reserve, assumptions used at the time of purchase are locked in, but such assumptions may change as time passes. According to IFRS 4 “Insurance Contracts,” a liability adequacy test is needed to determine whether BPCTLI has sufficient insurance liability. BPCTLI performed a sensitivity analysis with changes in the assumptions on death rate, illness rate, withdrawal rate and discount rate. The results are as follows:

Insurance contracts and investment contracts with a discretionary participation feature.

March 31, 2024			
	Changes in the Assumptions	Impact on Income Before Income Tax	Impact on Equity
Discount rate	0.25%	\$ 17,355	\$ 13,884
Discount rate	(0.25%)	(17,393)	(13,915)
Mortality rate	10.00%	(9,389)	(7,511)
Mortality rate	(10.00%)	9,388	7,511
Withdrawal rate	30.00%	3,801	3,041
Withdrawal rate	(30.00%)	(3,802)	(3,041)
Illness rate/loss rate	15.00%	(6,603)	(5,283)
Expense rate	10.00%	(18,570)	(14,856)
December 31, 2023			
	Changes in the Assumptions	Impact on Income Before Income Tax	Impact on Equity
Discount rate	0.25%	\$ 66,114	\$ 52,891
Discount rate	(0.25%)	(66,261)	(53,009)
Mortality rate	10.00%	(36,599)	(29,279)
Mortality rate	(10.00%)	36,599	29,279
Withdrawal rate	30.00%	14,621	11,697
Withdrawal rate	(30.00%)	(14,801)	(11,841)
Illness rate/loss rate	15.00%	(26,271)	(21,017)
Expense rate	10.00%	(85,301)	(68,241)
March 31, 2023			
	Changes in the Assumptions	Impact on Income Before Income Tax	Impact on Equity
Discount rate	0.25%	\$ 15,404	\$ 12,324
Discount rate	(0.25%)	(15,439)	(12,351)
Mortality rate	10.00%	(8,290)	(6,632)
Mortality rate	(10.00%)	8,290	6,632
Withdrawal rate	30.00%	3,905	3,124
Withdrawal rate	(30.00%)	(3,914)	(3,131)
Illness rate/loss rate	15.00%	(6,261)	(5,009)
Expense rate	10.00%	(18,407)	(14,726)

Note 1: After-tax balances were used to calculate the equity.

Note 2: The result is non-linear and is limited to changes in the assumptions presented above.

Note 3: Changes in the assumptions presented above are scenarios and the range of change may be interrelated.

Note 4: The sensitivity analysis does not consider market changes that have an impact on the operation (e.g., buy/sell asset positions, changes in the allocation of assets, adjustments in the declared interest rate of the policy, etc.).

4) Credit risk, liquidity risk, and market risk

a) Market risk

Under the Regulations Governing the Reserves by Insurance Enterprises and relevant laws and regulations, BPCTLI calculates reserves at the assumed interest rate and risk occurrence rate set by the supervisory authorities. The expected rates are tied to the policy before sale. These rates are not affected by market rate changes since the long-term trend rate set by the authorities has taken into consideration the assumed interest and the related timing, amount and direction.

Based on IFRS 4, if the liability adequacy test is insufficient, BPCTLI should accrue the shortage as reserve for liability adequacy. The reserve for liability adequacy is not affected by market rate changes.

BPCTLI believes that the supervisory authorities would not soon change the calculation of life policy reserve from the fixed interest rate to float interest rate and that market risks would not significantly affect profit and loss.

b) Credit risk

BPCTLI has ceded reinsurance and assessed the credit of a reinsurance company to ensure the assets and claims recovered from reinsurances are not impaired. The biggest credit risk amount is equal to the book value of the reinsurance assets.

c) Liquidity risk

BPCTLI predicts the future cash flows of assets and liabilities through an asset-liability matching model to ensure there are enough cash flows to cover a predicted liability obligation. The measure is used as a long-term control mechanism for liquidity risk.

Under related laws and regulations, the individual face values of BPCTLI's insurance policies are all greater than their surrender value. Thus, the liquidity risks on agreement cancellations would not be significant. In addition, under the materiality principle, if a policyholder cancels its coverage, BPCTLI will not disclose the cash flow maturity analysis in its financial statements if the coverage amount is not significant.

g. Transfers of financial assets

Under the Company operations, most of derecognized financial assets are securities sold under repurchase agreements, and the contractual cash flows have been transferred to others. The Company has the responsibility to repurchase transferred financial assets at fixed prices, and cannot use, sell and pledge transferred financial assets. However, the Company is still in the risk exposure of interest rate and credit, so the transferred financial assets cannot be removed entirely. The information on derecognized financial assets and liabilities is as follows:

March 31, 2024					
Financial Assets	Carrying Amount of Transferred Financial Assets	Carrying Amount of Related Financial Liabilities	Fair Value of Transferred Financial Assets	Fair Value of Related Financial Liabilities	Net Position of Fair Value
Financial assets at FVTPL - securities sold under repurchase agreements	\$ 35,875,658	\$ 35,859,374	\$ 35,875,658	\$ 35,859,374	\$ 16,284
Financial assets at FVTOCI - securities sold under repurchase agreements	32,355,351	35,653,762	32,355,351	35,653,762	(3,298,411)

December 31, 2023					
Financial Assets	Carrying Amount of Transferred Financial Assets	Carrying Amount of Related Financial Liabilities	Fair Value of Transferred Financial Assets	Fair Value of Related Financial Liabilities	Net Position of Fair Value
Financial assets at FVTPL - securities sold under repurchase agreements	\$ 37,863,176	\$ 37,826,422	\$ 37,863,176	\$ 37,826,422	\$ 36,754
Financial assets at FVTOCI - securities sold under repurchase agreements	33,178,420	33,383,997	33,178,420	33,383,997	(205,577)

March 31, 2023					
Financial Assets	Carrying Amount of Transferred Financial Assets	Carrying Amount of Related Financial Liabilities	Fair Value of Transferred Financial Assets	Fair Value of Related Financial Liabilities	Net Position of Fair Value
Financial assets at FVTPL - securities sold under repurchase agreements	\$ 32,540,672	\$ 32,552,197	\$ 32,540,672	\$ 31,522,197	\$ (11,525)
Financial assets at FVTOCI - securities sold under repurchase agreements	32,753,269	33,403,099	32,753,269	33,403,099	(649,830)

h. Offsetting financial assets and financial liabilities

The Company is eligible to present in the balance sheet on a net basis certain derivative assets and derivative liabilities pertaining to transactions with counterparties under enforceable master netting arrangements or similar agreements and there is an intention either to make settlements on a net basis or to realize the asset and settle the liability simultaneously. A master netting agreement provides for a single net settlement of all financial instruments covered by the agreement if the counterparty defaults on any contract. Parties may also settle transactions at gross amounts if a single settlement results in cash flows being equivalent to a single net amount.

The tables below present the quantitative information on financial assets and financial liabilities that have been offset in the balance sheet or that are covered by enforceable master netting arrangements or similar agreements.

March 31, 2024

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet	Net Amounts of Financial Assets Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Received	
Resell agreements	\$ 692,790	\$ -	\$ 692,790	\$ (692,790)	\$ -	\$ -

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet	Net Amounts of Financial Liabilities Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Pledged	
Repurchase agreements	\$ 71,513,136	\$ -	\$ 71,513,136	\$ (67,700,830)	\$ -	\$ 3,812,306

December 31, 2023

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet	Net Amounts of Financial Assets Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Received	
Resell agreements	\$ 1,250,689	\$ -	\$ 1,250,689	\$ (1,250,689)	\$ -	\$ -

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet	Net Amounts of Financial Liabilities Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Pledged	
Repurchase agreements	\$ 71,210,419	\$ -	\$ 71,210,419	\$ (70,175,342)	\$ -	\$ 1,035,077

March 31, 2023

Financial Assets	Gross Amounts of Recognized Financial Assets	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet	Net Amounts of Financial Assets Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Received	
Resell agreements	\$ 1,812,480	\$ -	\$ 1,812,480	\$ (1,812,480)	\$ -	\$ -

Financial Liabilities	Gross Amounts of Recognized Financial Liabilities	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet	Net Amounts of Financial Liabilities Presented in the Balance Sheet	Related Amounts Not Offset in the Balance Sheet		Net Amount
				Financial Instruments	Cash Collateral Pledged	
Repurchase agreements	\$ 65,955,296	\$ -	\$ 65,955,296	\$ (64,840,853)	\$ -	\$ 1,114,443

45. CAPITAL MANAGEMENT

To monitor capital adequacy, the risk management department regularly reports capital adequacy ratios every month and also quarterly reviews the execution status of and actual operation data variation on the Company's capital adequacy evaluation plan. When the actual capital adequacy ratio might go lower than the target, the Company immediately reviews the causes, prepares a report and proposes a response strategy to maintain the appropriate capital adequacy levels.

Under the Financial Holding Company Act and related regulations, TCFHC should maintain a consolidated capital adequacy ratio (CAR) of at least 100%. If the ratio falls below 100%, the appropriation of earnings as cash dividends or other assets will be restricted and the authorities may discipline TCFHC, depending on the situation.

The Banking Law and related regulations require that the Bank maintain the minimum requirement for unconsolidated and consolidated capital adequacy ratios (CAR), including the common equity Tier 1 ratio, Tier 1 capital ratio, and total capital adequacy ratio.

The Act Governing Bills Finance Business and related regulations require that the bills finance business maintain CARs at a minimum of 8%.

Under the rules governing securities firms and related regulations, the CAR of a securities firm should be at least 150% to ensure its stability as well as maintain the health of the security markets. If the ratio is below 150%, the authority may impose certain restrictions on a firm's operations.

The Law of Insurance and related regulations require that the insurance business maintain CARs at a minimum of 200%.

46. TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES' ASSET QUALITY, CONCENTRATION OF CREDIT EXTENSIONS, INTEREST RATE SENSITIVITY, PROFITABILITY AND MATURITY ANALYSIS OF ASSETS AND LIABILITIES

a. Asset quality of Taiwan Cooperative Bank, Ltd.: Table 2 (attached).

b. Concentration of credit extensions

1) Taiwan Cooperative Bank, Ltd. (TCB)

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	March 31, 2024		
	Industry of Group Enterprise (Note 2)	Total Amount of Credit Endorsement or Other Transactions (Note 3)	Percentage of TCB's Equity
1	Group A Real estate development	\$ 31,970,558	11.93
2	Group B Railway transportation	30,443,193	11.36
3	Group C Financial leasing	21,183,778	7.90
4	Group D Petroleum and coal products manufacturing	20,381,007	7.61
5	Group E Iron and steel smelting	14,434,930	5.39
6	Group F LCD panel and its component manufacturing	13,067,402	4.88
7	Group G Wiring and cable system manufacturing	12,918,798	4.82
8	Group H Computers and computing peripheral equipment manufacturing	12,701,030	4.74
9	Group I Cotton and textile	12,522,000	4.67
10	Group J Cotton and textile	12,284,965	4.58

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	March 31, 2023		
	Industry of Group Enterprise (Note 2)	Total Amount of Credit Endorsement or Other Transactions (Note 3)	Percentage of TCB's Equity
1	Group A Real estate development	\$ 35,583,878	14.58
2	Group B Railway transportation	31,909,193	13.08
3	Group C Financial leasing	22,265,876	9.12
4	Group D Petroleum and coal products manufacturing	18,031,935	7.39
5	Group K Computers manufacturing	13,734,172	5.63
6	Group E Iron and steel smelting	13,438,985	5.51
7	Group H Computers and computing peripheral equipment manufacturing	13,306,139	5.45
8	Group L Wholesale of electronic and communication equipment and parts	11,952,784	4.90
9	Group F LCD panel and its component manufacturing	11,863,694	4.86
10	Group I Cotton and textile	11,857,000	4.86

2) Taiwan Cooperative Bills Finance Corporation Ltd. (TCBF)

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	March 31, 2024		
	Industry of Group Enterprise (Note 2)	Total Amount of Credit Endorsement or Other Transactions (Note 3)	Percentage of TCBF's Equity
1	Group A Real estate development	\$ 1,373,000	21.50
2	Group B Real estate development	1,214,500	19.02
3	Group C Iron and steel rolls over extends and crowding	1,113,000	17.43
4	Group D Iron and steel rolls over extends and crowding	1,080,000	16.91
5	Group E Real estate development	1,019,000	15.96
6	Group F Real estate development	948,800	14.86
7	Group G Chemical materials industry	850,000	13.31
8	Group H Construction of buildings	800,000	12.53
9	Group I Real estate development	795,000	12.45
10	Group J Financial leasing	751,800	11.77

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	March 31, 2023		
	Industry of Group Enterprise (Note 2)	Total Amount of Credit Endorsement or Other Transactions (Note 3)	Percentage of TCBF's Equity
1	Group A Real estate development	\$ 1,403,000	21.35
2	Group B Real estate development	1,137,000	17.30
3	Group C Iron and steel rolls over extends and crowding	1,123,000	17.09
4	Group D Iron and steel rolls over extends and crowding	1,100,000	16.74
5	Group K Other retail sale in nonspecialized stores	1,100,000	16.74
6	Group F Real estate development	1,065,000	16.21
7	Group I Real estate development	1,065,000	16.21
8	Group H Construction of buildings	960,000	14.61
9	Group L Real estate development	800,000	12.17
10	Group M Real estate development	689,100	10.49

Note 1: The list shows rankings by total amount of credit, endorsement or other transactions but excludes government-owned or state-run enterprises. If the borrower is a member of a group enterprise, the total amount of credit, endorsement or other transactions of the entire group enterprise must be listed and disclosed by code and line of industry. The industry of the group enterprise should be presented as the industry of the member firm with the highest risk exposure. The lines of industry should be described in accordance with the Standard Industrial Classification System of the Republic of China published by the Directorate-General of Budget, Accounting and Statistics under the Executive Yuan.

Note 2: Group enterprise refers to a group of corporate entities as defined by Article 6 of "Supplementary Provisions to the Taiwan Stock Exchange Corporation Rules for Review of Securities Listings."

Note 3: Total amount of credit, endorsement or other transactions is the sum of various loans (including import and export negotiations, discounts, overdrafts, unsecured and secured short-term loans, margin loans receivable, unsecured and secured medium-term loans, unsecured and secured long-term loans and overdue loans), exchange bills negotiated, accounts receivable factored without recourse, acceptances and guarantees.

c. Interest rate sensitivity information - Taiwan Cooperative Bank, Ltd.

Interest Rate Sensitivity
March 31, 2024

(In Thousands of New Taiwan Dollars, %)

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	\$ 3,009,973,235	\$ 214,514,659	\$ 67,405,866	\$ 452,594,796	\$ 3,744,488,556
Interest rate-sensitive liabilities	1,139,018,397	1,978,703,690	128,473,145	59,567,103	3,305,762,335
Interest rate sensitivity gap	1,870,954,838	(1,764,189,031)	(61,067,279)	393,027,693	438,726,221
Net worth					234,236,592
Ratio of interest rate-sensitive assets to liabilities					113.27
Ratio of interest rate sensitivity gap to net worth					187.30

Interest Rate Sensitivity
March 31, 2023

(In Thousands of New Taiwan Dollars, %)

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	\$ 2,986,241,091	\$ 160,771,085	\$ 41,346,376	\$ 417,110,311	\$ 3,605,468,863
Interest rate-sensitive liabilities	1,200,379,711	1,878,541,290	98,705,709	58,686,687	3,236,313,397
Interest rate sensitivity gap	1,785,861,380	(1,717,770,205)	(57,359,333)	358,423,624	369,155,466
Net worth					210,210,809
Ratio of interest rate-sensitive assets to liabilities					111.41
Ratio of interest rate sensitivity gap to net worth					175.61

Note 1: The above amounts included only New Taiwan dollar amounts held by the head office and branches of the Bank (i.e., excluding foreign currency).

Note 2: Interest rate-sensitive assets and liabilities refer to interest-earning assets and interest-bearing liabilities with revenues or costs that are affected by interest rate changes.

Note 3: Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets/Interest rate-sensitive liabilities (in New Taiwan dollars).

Interest Rate Sensitivity
March 31, 2024

(In Thousands of U.S. Dollars, %)

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	\$ 13,430,003	\$ 1,088,841	\$ 1,171,429	\$ 3,243,238	\$ 18,933,511
Interest rate-sensitive liabilities	21,556,129	2,703,682	3,004,078	-	27,263,889
Interest rate sensitivity gap	(8,126,126)	(1,614,841)	(1,832,649)	3,243,238	(8,330,378)
Net worth					1,054,467
Ratio of interest rate-sensitive assets to liabilities					69.45
Ratio of interest rate sensitivity gap to net worth					(790.01)

Interest Rate Sensitivity
March 31, 2023

(In Thousands of U.S. Dollars, %)

Items	1 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year	Total
Interest rate-sensitive assets	\$ 12,880,048	\$ 995,424	\$ 536,859	\$ 2,838,656	\$ 17,250,987
Interest rate-sensitive liabilities	18,929,557	2,828,855	1,964,345	14,160	23,736,917
Interest rate sensitivity gap	(6,049,509)	(1,833,431)	(1,427,486)	2,824,496	(6,485,930)
Net worth					1,111,560
Ratio of interest rate-sensitive assets to liabilities					72.68
Ratio of interest rate sensitivity gap to net worth					(583.50)

Note 1: The above amounts included only U.S. dollar amounts held by the head office, domestic branches, OBU and overseas branches of the Bank and excluded contingent assets and contingent liabilities.

Note 2: Interest rate-sensitive assets and liabilities refer to interest-earning assets and interest-bearing liabilities with revenues or costs that are affected by interest rate changes.

Note 3: Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets/Interest rate-sensitive liabilities (in U.S. dollars).

d. Profitability

1) Taiwan Cooperative Financial Holding Co., Ltd. and its subsidiaries

(%)

Items		March 31, 2024	March 31, 2023
Return on total assets	Before income tax	0.54	0.52
	After income tax	0.44	0.44
Return on equity	Before income tax	10.50	10.52
	After income tax	8.64	8.89
Net income ratio		34.07	34.15

2) Taiwan Cooperative Financial Holding Co., Ltd.

(%)

Items		March 31, 2024	March 31, 2023
Return on total assets	Before income tax	7.10	7.38
	After income tax	7.13	7.41
Return on equity	Before income tax	8.57	8.81
	After income tax	8.61	8.84
Net income ratio		99.22	99.19

3) Taiwan Cooperative Bank, Ltd.

(%)

Items		March 31, 2024	March 31, 2023
Return on total assets	Before income tax	0.52	0.51
	After income tax	0.43	0.43
Return on equity	Before income tax	9.05	9.20
	After income tax	7.48	7.80
Net income ratio		35.43	36.18

4) Taiwan Cooperative Bills Finance Corporation Ltd.

(%)

Items		March 31, 2024	March 31, 2023
Return on total assets	Before income tax	0.37	(0.33)
	After income tax	0.30	(0.39)
Return on equity	Before income tax	3.41	(3.03)
	After income tax	2.74	(3.63)
Net income ratio		50.62	(57.17)

5) Taiwan Cooperative Securities Co., Ltd.

(%)

Items		March 31, 2024	March 31, 2023
Return on total assets	Before income tax	1.84	0.65
	After income tax	1.57	0.55
Return on equity	Before income tax	11.39	3.37
	After income tax	9.73	2.86
Net income ratio		32.81	15.21

6) BNP Paribas Cardif TCB Life Insurance Co., Ltd.

(%)

Items		March 31, 2024	March 31, 2023
Return on total assets	Before income tax	1.14	1.06
	After income tax	0.92	0.94
Return on equity	Before income tax	12.61	12.70
	After income tax	10.24	11.28
Net income ratio		53.89	57.48

Note 1: Return on total assets = Income before (after) income tax/Average total assets.

Note 2: Return on equity = Income before (after) income tax/Average equity.

Note 3: Net income ratio = Income after income tax/Total net revenues.

Note 4: Income before (after) income tax represents income for each period-end date.

Note 5: The above profitability ratios are calculated on the basis of annualized figures.

e. Maturity analysis of assets and liabilities - Taiwan Cooperative Bank, Ltd.

Maturity Analysis of Assets and Liabilities
March 31, 2024

(In Thousands of New Taiwan Dollars)

	Total	Remaining Period to Maturity					
		0 to 10 Days	11 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year
Main capital inflow on maturity	\$ 4,128,586,634	\$ 493,595,441	\$ 380,361,152	\$ 208,838,886	\$ 264,576,086	\$ 580,405,377	\$ 2,200,809,692
Main capital outflow on maturity	4,888,864,541	270,240,112	229,927,078	585,082,308	681,302,279	989,321,488	2,132,991,276
Gap	(760,277,907)	223,355,329	150,434,074	(376,243,422)	(416,726,193)	(408,916,111)	67,818,416

Maturity Analysis of Assets and Liabilities
March 31, 2023

(In Thousands of New Taiwan Dollars)

	Total	Remaining Period to Maturity					
		0 to 10 Days	11 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year
Main capital inflow on maturity	\$ 3,950,490,012	\$ 421,220,516	\$ 415,091,294	\$ 184,638,775	\$ 219,958,523	\$ 585,775,162	\$ 2,123,805,742
Main capital outflow on maturity	4,719,582,661	239,562,236	250,943,942	570,525,217	630,876,268	971,348,732	2,056,326,266
Gap	(769,092,649)	181,658,280	164,147,352	(385,886,442)	(410,917,745)	(385,573,570)	67,479,476

Note: The above amounts included only New Taiwan dollar amounts held by TCB.

Maturity Analysis of Assets and Liabilities
March 31, 2024

(In Thousands of U.S. Dollars)

	Total	Remaining Period to Maturity				
		0 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year
Main capital inflow on maturity	\$ 30,439,193	\$ 8,549,097	\$ 5,130,838	\$ 4,322,147	\$ 2,898,747	\$ 9,538,364
Main capital outflow on maturity	34,498,952	14,629,378	6,827,913	4,767,427	4,951,107	3,323,127
Gap	(4,059,759)	(6,080,281)	(1,697,075)	(445,280)	(2,052,360)	6,215,237

Maturity Analysis of Assets and Liabilities
March 31, 2023

(In Thousands of U.S. Dollars)

	Total	Remaining Period to Maturity				
		0 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year
Main capital inflow on maturity	\$ 26,534,783	\$ 8,145,023	\$ 4,376,965	\$ 3,401,181	\$ 2,063,109	\$ 8,548,505
Main capital outflow on maturity	30,024,550	11,387,563	6,802,472	4,955,266	3,856,253	3,022,996
Gap	(3,489,767)	(3,242,540)	(2,425,507)	(1,554,085)	(1,793,144)	5,525,509

Note: The above amounts included only U.S. dollar amounts held by TCB.

- f. The statement of use/source funds of Taiwan Cooperative Bills Finance Corporation Ltd.

March 31, 2024

Period		1 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year
Items						
Use of funds	Bills	\$ 19,983,179	\$ 16,926,477	\$ 604,017	\$ 403,078	\$ -
	Bonds	100,000	828,020	460,025	1,402,055	23,198,525
	Cash in bank	282,727	120,200	-	-	-
	Total	20,365,906	17,874,697	1,064,042	1,805,133	23,198,525
Source of funds	Borrowings	8,400,063	-	-	-	-
	Securities sold under repurchase agreements	45,795,648	3,610,119	73,255	-	-
	Equity fund	-	-	-	-	-
	Total	54,195,711	3,610,119	73,255	-	-
Net flows		(33,829,805)	14,264,578	990,787	1,805,133	23,198,525
Accumulated capital net flows		(33,829,805)	(19,565,227)	(18,574,440)	(16,769,307)	6,429,218

March 31, 2023

Period		1 to 30 Days	31 to 90 Days	91 to 180 Days	181 Days to One Year	Over One Year
Items						
Use of funds	Bills	\$ 21,280,079	\$ 15,638,255	\$ 911,639	\$ 404,434	\$ -
	Bonds	44,200	150,000	150,000	700,000	19,948,720
	Cash in bank	266,235	120,200	-	-	-
	Total	21,590,514	15,908,455	1,061,639	1,104,434	19,948,720
Source of funds	Borrowings	8,151,380	-	-	-	-
	Securities sold under repurchase agreements	42,485,704	2,737,451	9,048	-	-
	Equity fund	-	-	-	-	-
	Total	50,637,084	2,737,451	9,048	-	-
Net flows		(29,046,570)	13,171,004	1,052,591	1,104,434	19,948,720
Accumulated capital net flows		(29,046,570)	(15,875,566)	(14,822,975)	(13,718,541)	6,230,179

47. TAIWAN COOPERATIVE BANK, LTD.'S TRUST BUSINESS UNDER THE TRUST LAW

- a. Trust-related items are those shown in the following balance sheets, statements of income and trust property list

These items were managed by TCB's Trust Department. However, these items were not included in the consolidated financial statements.

Balance Sheets of Trust Accounts							
Trust Assets	March 31, 2024	December 31, 2023	March 31, 2023	Trust Liabilities	March 31, 2024	December 31, 2023	March 31, 2023
Cash in banks	\$ 14,819,476	\$ 14,758,722	\$ 10,084,293	Payables			
Short-term investments				Accrued expense	\$ 1,771	\$ 1,579	\$ 1,443
Mutual funds	235,776,928	225,841,606	215,154,086	Others	333	237	21
Stocks	5,628,062	5,235,099	3,716,115	Payables on the purchase of securities	272	76	-
Debt instruments	347,750	314,053	87,072	Other liabilities	-	10	64
	241,752,740	231,390,758	218,957,273		2,376	1,902	1,528
Securities lending	200,803	71,729	240,185	Accounts payable on securities under custody	219,791,060	205,025,956	197,753,170
Receivables	31,058	29,510	16,995	Trust capital	362,807,650	350,284,448	320,194,962
Real estate				Reserves and retained earnings			
Land	61,053,574	61,437,434	56,919,389	Net income	1,521,500	1,526,224	772,036
Buildings	12,832	9,581	7,569	Retained earnings	281,087	(19,462)	14,745
Construction in process	46,660,024	44,013,376	34,331,845		1,802,587	1,506,762	786,781
	107,726,430	105,460,391	91,258,803				
Intangible assets							
Superficies	82,002	82,002	82,002				
Other assets	104	-	343,720				
Securities under custody	219,791,060	205,025,956	197,753,170				
Total	\$ 584,403,673	\$ 556,819,068	\$ 518,736,441	Total	\$ 584,403,673	\$ 556,819,068	\$ 518,736,441

Note: As of March 31, 2024, December 31, 2023 and March 31, 2023, total trust-related assets included OBU funds and bonds investments in the amount of \$1,868,216 thousand, \$1,746,320 thousand and \$2,519,662 thousand, respectively.

Trust Property List

Investment Items	March 31, 2024	December 31, 2023	March 31, 2023
Cash in banks	\$ 14,819,476	\$ 14,758,722	\$ 10,084,293
Short-term investments			
Mutual funds	235,776,928	225,841,606	215,154,086
Stocks	5,628,062	5,235,099	3,716,115
Debt instruments	347,750	314,053	87,072
Securities lending	200,803	71,729	240,185
Receivables			
Accrued interest	9,933	8,475	5,888
Mutual funds	7,067	11,264	64
Cash dividends	9,375	9,095	9,851
Receivable on the sale of securities	3,706	-	-
Others	977	676	1,192
Real estate			
Land	61,053,574	61,437,434	56,919,389
Buildings	12,832	9,581	7,569
Construction in process	46,660,024	44,013,376	34,331,845
Intangible assets			
Superficies	82,002	82,002	82,002
Other assets	104	-	343,720
Securities under custody	<u>219,791,060</u>	<u>205,025,956</u>	<u>197,753,170</u>
Total	<u>\$ 584,403,673</u>	<u>\$ 556,819,068</u>	<u>\$ 518,736,441</u>

Statements of Income on Trust Accounts
For the Three Months Ended March 31, 2024 and 2023

	2024	2023
Revenues		
Interest revenue	\$ 13,082	\$ 6,304
Lending stock	582	909
Cash dividends	5,718	580
Realized gain on investment - stocks	15,316	6,461
Unrealized gain on investment - stocks	1,489,188	786,362
Unrealized gain on investment - lending stock	73,569	89,073
Realized gain on investment - mutual funds	3,286	3,326
Unrealized gain on investment - mutual funds	84,597	40,615
Beneficial certificate appropriation	3,474	2,790
Others	74	53
Total revenues	<u>1,688,886</u>	<u>936,473</u>
Expenses		
Management fees	2,973	2,782
Monitoring fees	258	330
Taxes	80	18
Service charge	20	23
Postage	80	64
Unrealized loss on investment - stocks	44,811	63,713
Unrealized loss on investment - lending stock	62,322	38,641
Unrealized loss on investment - mutual funds	19,081	58,512
Realized loss on investment - mutual funds	7,619	297
Realized loss on investment - stocks	30,117	31
Others	25	26
Total expenses	<u>167,386</u>	<u>164,437</u>
Income before income tax	1,521,500	772,036
Income tax expense	<u>-</u>	<u>-</u>
Net income	<u>\$ 1,521,500</u>	<u>\$ 772,036</u>

b. Nature of trust business operations under the Trust Law: Note 1.

48. ALLOCATION OF REVENUE, COST AND EXPENSE THAT RESULTED FROM THE SHARING OF RESOURCES BETWEEN TAIWAN COOPERATIVE FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

Under cooperation arrangements, Taiwan Cooperative Bank, Ltd. (TCB) and Taiwan Cooperative Securities (TCS) promoted securities brokerage business together; thus, related revenues received by TCB were calculated as follows: (a) revenue based on 20% of the net revenue derived from security transactions for three years; (b) related revenues from utilizing some operating sites and equipment by the TCS; and (c) receiving cross-selling service fees of \$2,000 thousand annually.

To promote the credit card business and corporate banking business together, TCB and TCS signed cooperation arrangements, and marketing expenses paid by TCB were based on the arrangements.

As of March 31, 2024, December 31, 2023 and March 31, 2023, TCB's accrued receivables were \$13,465 thousand, \$5,494 thousand and \$7,361 thousand, respectively. TCB's revenues from cross-selling transactions were \$8,268 thousand and \$6,037 thousand for the three months ended March 31, 2024 and 2023, respectively.

To promote the insurance business together, TCB and TCS signed cooperation arrangements, and marketing expenses paid by TCB were based on the arrangements.

As of March 31, 2024, December 31, 2023 and March 31, 2023, TCB's accrued payables were \$2 thousand, \$5 thousand and \$4 thousand, respectively. TCB's revenues from cross-selling transactions were \$15 thousand and \$16 thousand for the three months ended March 31, 2024 and 2023, respectively.

To promote the insurance business together, TCB and BNP Paribas Cardif TCB Life Insurance Co., Ltd. signed cooperation arrangements. The service fees earned by TCB were based on the agreed percentage of the premiums from the insurance companies' products sold by TCB.

As of March 31, 2024, December 31, 2023 and March 31, 2023, TCB's accrued receivables were \$2,689 thousand, \$3,844 thousand and \$3,239 thousand, respectively. TCB's revenues from cross-selling transactions were \$5,898 thousand and \$6,329 thousand for the three months ended March 31, 2024 and 2023, respectively.

49. TCFHC'S FINANCIAL STATEMENTS AND CONDENSED BALANCE SHEETS AND STATEMENTS OF COMPREHENSIVE INCOME OF SUBSIDIARIES

Table 3 (attached).

50. BUSINESS SEGMENT FINANCIAL INFORMATION

Table 4 (attached).

51. CASH FLOW INFORMATION

a. Non-cash financing activities

Undistributed cash dividends approved by stockholders' meetings are \$486,269 thousand, \$486,290 thousand and \$464,566 thousand as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

b. Changes in liabilities arising from financing activities

For the three months ended March 31, 2024

				Non-cash Changes		
	Opening Balance	Cash Inflows (Outflows)	New Leases	Fair Value Adjustments (Including Changes in the Fair Value Attributable to Changes in the Credit Risk)	Others	Closing Balance
Commercial paper issued	\$ 33,651,757	\$ 3,120,000	\$ -	\$ -	\$ 23,073	\$ 36,794,830
Bonds payable	77,240,000	-	-	-	-	77,240,000
Other borrowings	11,266,712	2,039,300	-	-	136,770	13,442,782
Financial liabilities designated as at fair value through profit or loss - bank debentures	2,774,538	-	-	(756)	91,231	2,865,013
Guarantee deposits received	1,921,350	206,866	-	-	960	2,129,176
Lease liabilities	1,545,153	(156,160)	285	-	294,701	1,683,979
Other liabilities - other	103,570	(50,191)	-	-	21,823	75,202
	<u>\$ 128,503,080</u>	<u>\$ 5,159,815</u>	<u>\$ 285</u>	<u>\$ (756)</u>	<u>\$ 568,558</u>	<u>\$ 134,230,982</u>

For the three months ended March 31, 2023

				Non-cash Changes		
	Opening Balance	Cash Inflows (Outflows)	New Leases	Fair Value Adjustments (Including Changes in the Fair Value Attributable to Changes in the Credit Risk)	Others	Closing Balance
Commercial paper issued	\$ 24,539,978	\$ 2,710,000	\$ -	\$ -	\$ (26,547)	\$ 27,223,431
Bonds payable	80,290,000	2,500,000	-	-	-	82,790,000
Other borrowings	9,352,346	(69,362)	-	-	277	9,283,261
Financial liabilities designated as at fair value through profit or loss - bank debentures	-	1,445,557	-	321	(47,099)	1,398,779
Guarantee deposits received	2,293,868	(249,979)	-	-	630	2,044,519
Lease liabilities	1,538,102	(162,748)	168,098	-	(6,026)	1,537,426
Other liabilities - other	72,762	(13,053)	-	-	(788)	58,921
	<u>\$ 118,087,056</u>	<u>\$ 6,160,415</u>	<u>\$ 168,098</u>	<u>\$ 321</u>	<u>\$ (79,553)</u>	<u>\$ 124,336,337</u>

52. ADDITIONAL DISCLOSURES

a. Related information of significant transactions and b. investees:

- 1) Financing provided: TCFHC - none; TCB, UTB, TCBF, and BPCTLI - not applicable; investee company: Table 5 (attached).
- 2) Endorsement/guarantee provided: TCFHC - none; TCB, UTB, TCBF, and BPCTLI - not applicable; investee company: None.
- 3) Marketable securities held: TCFHC, TCB, UTB, TCBF, TCS and BPCTLI - not applicable; investee company: Table 6 (attached).
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 10% of the paid-in capital (TCFHC, TCB and UTB disclosed its investments acquired or disposed of): TCS and BPCTLI - not applicable; TCFHC and investee company: None.
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 10% of the paid-in capital: None.
- 6) Disposal of individual real estates at costs of at least NT\$300 million or 10% of the paid-in capital: None.
- 7) Financial asset securitization by subsidiaries: None.
- 8) Allowance of service fees to related parties amounting to at least NT\$5 million: Table 7 (attached).
- 9) Sale of nonperforming loans by subsidiaries: None.
- 10) Receivables from related parties amounting to at least NT\$300 million or 10% of the paid-in capital: Table 8 (attached).
- 11) Percentage share in investees and related information: Not applicable.
- 12) Derivative transactions: Notes 8, 41 and 44 to the consolidated financial statements
- 13) Other significant transactions which may affect the decisions of users of financial reports: None.

c. Investments in Mainland China:

Based on “Regulations Governing Approvals of Banks to Engage, Ltd. in Financial Activities between the Taiwan Area and the Mainland Area,” Taiwan Cooperative Bank, Ltd. set up the Suzhou Branch, Tianjin Branch, Fuzhou Branch and Changsha Branch; Co-operative Assets Management Co., Ltd. set up Taiwan Cooperative International Leasing Co., Ltd. in Mainland China. This investment had been approved by the Financial Supervisory Commission. The information - major operating items, capital stock, the way of investment, investment inflows and outflows, the holding percentage, the investment income or loss, the carrying amount at period-end, the remitted investment profits and the limit on the amount of investment in Mainland China - can be seen in Table 9 (attached).

d. Business relationships and significant transactions among the parent company and subsidiaries: Table 10 (attached).

e. Information on major shareholders: Table 11 (attached).

53. OPERATING SEGMENTS

The information reported to the Company’s chief operating decision makers for the assessment of segment performance focuses mainly on business and profit or loss. The Company’s reportable segments are as follows:

- a. TCB business, including deposits, loans, capital, trust, insurance and other businesses;
- b. Other noncore businesses.

The accounting policies of the reportable segments are the same as the Company’s accounting policies described in Note 4. Segment profit is measured at income before income tax, and this measure is reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance. The terms of transactions between segments are similar to those for third parties.

The revenue, expenses and related information of the Company’s reportable segments for the three months ended March 31, 2024 and 2023 are as follows:

	For the Three Months Ended March 31, 2024				
	TCB Business	Others	Total	Adjustment and Elimination	Total
Net interest	\$ 7,136,490	\$ 20,277	\$ 7,156,767	\$ 2,093	\$ 7,158,860
Net revenues and gains other than interest	<u>6,831,426</u>	<u>7,299,194</u>	<u>14,130,620</u>	<u>(5,489,187)</u>	<u>8,641,433</u>
Net revenues	13,967,916	7,319,471	21,287,387	(5,487,094)	15,800,293
Bad-debt expenses and provision for losses on commitment and guarantees	(1,142,115)	(34,896)	(1,177,011)	-	(1,177,011)
Net change in reserves for insurance liabilities	-	(544,031)	(544,031)	-	(544,031)
Operating expenses	<u>(6,837,120)</u>	<u>(774,282)</u>	<u>(7,611,402)</u>	<u>78,673</u>	<u>(7,532,729)</u>
Income before income tax	<u>\$ 5,988,681</u>	<u>\$ 5,966,262</u>	<u>\$ 11,954,943</u>	<u>\$ (5,408,421)</u>	<u>\$ 6,546,522</u>

For the Three Months Ended March 31, 2023					
	TCB Business	Others	Total	Adjustment and Elimination	Total
Net interest	\$ 8,538,763	\$ 47,458	\$ 8,586,221	\$ 965	\$ 8,587,186
Net revenues and gains other than interest	<u>4,333,714</u>	<u>6,961,446</u>	<u>11,295,160</u>	<u>(5,134,952)</u>	<u>6,160,208</u>
Net revenues	12,872,477	7,008,904	19,881,381	(5,133,987)	14,747,394
Bad-debt expenses and provision for losses on commitment and guarantees	(930,842)	(123,566)	(1,054,408)	-	(1,054,408)
Net change in reserves for insurance liabilities	-	(652,753)	(652,753)	-	(652,753)
Operating expenses	<u>(6,449,717)</u>	<u>(696,605)</u>	<u>(7,146,322)</u>	<u>65,154</u>	<u>(7,081,168)</u>
Income before income tax	<u>\$ 5,491,918</u>	<u>\$ 5,535,980</u>	<u>\$ 11,027,898</u>	<u>\$ (5,068,833)</u>	<u>\$ 5,959,065</u>

TABLE 1

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED ENTITIES
MARCH 31, 2024, DECEMBER 31, 2023 AND MARCH 31, 2023

Subsidiaries included in the consolidated financial statements

Investor Company	Investee Company	Location	Main Business and Products	Percentage of Ownership (%)			Note
				March 31, 2024	December 31, 2023	March 31, 2023	
Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	Taipei City	Banking	100.00	100.00	100.00	Note
	Co-operative Assets Management Co., Ltd.	Taipei City	Acquisition of delinquent loans	100.00	100.00	100.00	
	Taiwan Cooperative Bills Finance Co., Ltd.	Taipei City	Bills finance dealer	100.00	100.00	100.00	
	Taiwan Cooperative Securities Co., Ltd.	Taipei City	Securities dealer	100.00	100.00	100.00	Note
	Taiwan Cooperative Securities Investment Trust Co., Ltd.	Taipei City	Securities investment trust	100.00	100.00	100.00	
	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taipei City	Life insurance	51.00	51.00	51.00	Note
	Taiwan Cooperative Venture Capital Co., Ltd.	Taipei City	Venture capital	100.00	100.00	100.00	
Taiwan Cooperative Bank, Ltd.	United Taiwan Bank S.A.	Belgium	Banking	90.02	90.02	90.02	
Co-operative Assets Management Co., Ltd.	Taiwan Cooperative International Leasing Co., Ltd.	Suzhou, China	Leasing	100.00	100.00	100.00	Note
Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Securities Investment Consultant Co., Ltd.	Taipei City	Securities investment consulting business	100.00	-	-	Note

Subsidiaries not included in the consolidated financial statements

Investor Company	Investee Company	Location	Main Business and Products	Percentage of Ownership (%)			Note
				March 31, 2024	December 31, 2023	March 31, 2023	
None	-	-	-	-	-	-	

Note: Non-major subsidiary, which financial reports for the three months ended March 31, 2024 and 2023 are not reviewed.

TABLE 2

TAIWAN COOPERATIVE BANK, LTD.

ASSET QUALITY - NONPERFORMING LOANS AND RECEIVABLES
MARCH 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, %)

Period			March 31, 2024					March 31, 2023				
Items			Nonperforming Loans (Note 1)	Loans	Ratio of Nonperforming Loans (Note 2)	Allowance for Credit Losses	Coverage Ratio (Note 3)	Nonperforming Loans (Note 1)	Loans	Ratio of Nonperforming Loans (Note 2)	Allowance for Credit Losses	Coverage Ratio (Note 3)
Corporate banking	Secured		\$ 2,775,509	\$ 825,388,546	0.34	\$ 9,232,988	332.66	\$ 2,978,337	\$ 837,513,038	0.36	\$ 9,361,621	314.32
	Unsecured		576,275	1,035,837,433	0.06	9,124,076	1,583.29	421,206	962,002,189	0.04	7,539,120	1,789.89
Consumer banking	Housing mortgage (Note 4)		659,761	702,683,937	0.09	10,576,925	1,603.14	577,160	636,711,643	0.09	9,595,117	1,662.47
	Cash card		-	-	-	-	-	-	-	-	-	-
	Small-scale credit loans (Note 5)		10,407	12,273,331	0.08	178,472	1,714.92	27,300	12,002,951	0.23	174,773	640.19
	Other (Note 6)	Secured	1,257,308	278,777,383	0.45	3,372,910	268.26	1,508,273	287,191,461	0.53	4,067,700	269.69
		Unsecured	39,249	11,656,305	0.34	170,008	433.15	30,855	12,352,479	0.25	173,156	561.19
Loan			5,318,509	2,866,616,935	0.19	32,655,379	613.99	5,543,131	2,747,773,761	0.20	30,911,487	557.65
			Nonperforming Receivables (Note 1)	Receivables	Ratio of Nonperforming Receivables (Note 2)	Allowance for Credit Losses	Coverage Ratio (Note 3)	Nonperforming Receivables (Note 1)	Receivables	Ratio of Nonperforming Receivables (Note 2)	Allowance for Credit Losses	Coverage Ratio (Note 3)
Credit cards			8,028	4,319,330	0.19	60,503	753.65	8,263	4,431,929	0.19	63,748	771.49
Accounts receivable factored without recourse (Note 7)			-	12,267	-	7,195	-	-	46,490	-	7,483	-
Amounts of executed contracts on negotiated debts not reported as nonperforming loans (Note 8)			94					199				
Amounts of executed contracts on negotiated debts not reported as nonperforming receivables (Note 8)			1,047					1,578				
Amounts of executed debt-restructuring projects not reported as nonperforming loans (Note 9)			11,138					10,202				
Amounts of executed debt-restructuring projects not reported as nonperforming receivables (Note 9)			45,838					49,398				

Note 1: Nonperforming loans are reported to the authorities and disclosed to the public, as required by the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Nonaccrual Loans.” Nonperforming credit card receivables are reported to the authorities and disclosed to the public, as required by the Banking Bureau’s letter dated July 6, 2005 (Ref. No. 0944000378).

Note 2: Ratio of nonperforming loans: Nonperforming loans ÷ Outstanding loan balance.
Ratio of nonperforming receivables: Nonperforming receivables ÷ Outstanding receivable balance.

Note 3: Coverage ratio of loans: Allowance for credit losses for loans ÷ Nonperforming loans.
Coverage ratio of receivables: Allowance for credit losses for receivables ÷ Nonperforming receivables.

Note 4: The mortgage loan is for house purchase or renovation and is fully secured by housing that is purchased (owned) by the borrower, the spouse or minor children of the borrowers.

Note 5: Based on the Banking Bureau’s letter dated December 19, 2005 (Ref. No. 09440010950), small-scale credit loans are unsecured, involve small amounts and exclude credit cards and cash cards.

Note 6: Other consumers banking loans refer to secured or unsecured loans that exclude housing mortgage, cash and credit cards, and small-scale credit loans.

Note 7: As required by the Banking Bureau in its letter dated July 19, 2005 (Ref. No. 0945000494), accounts receivable factored without recourse are reported as nonperforming receivables within three months after the factors or insurance companies refuse to indemnify banks for any liabilities on these accounts.

Note 8: Amounts of executed contracts on negotiated debts that are not reported as nonperforming loans or receivables are disclosed to the public in accordance with the Banking Bureau’s letter dated April 25, 2006 (Ref. No. 09510001270).

Note 9: Amounts of executed debt-restructuring projects not reported as nonperforming loans or receivables are disclosed to the public in accordance with the Banking Bureau’s letter dated September 15, 2008 (Ref. No. 09700318940) and letter dated September 20, 2016 (Ref. No. 10500134790).

TABLE 3**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES****TCFHC'S FINANCIAL STATEMENTS AND CONDENSED BALANCE SHEETS AND STATEMENTS OF COMPREHENSIVE INCOME OF SUBSIDIARIES
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023**

1. TCFHC's financial statements

Taiwan Cooperative Financial Holding Co., Ltd.**Balance Sheets
(In Thousands of New Taiwan Dollars)**

Assets	March 31, 2024	December 31, 2023	March 31, 2023	Liabilities and Equity	March 31, 2024	December 31, 2023	March 31, 2023
Cash and cash equivalents	\$ 30,132	\$ 51,618	\$ 61,203	<u>Liabilities</u>			
Financial assets at fair value through other comprehensive income	16,000	15,000	12,700	Commercial paper issued, net	\$ 19,599,296	\$ 19,493,481	\$ 14,170,020
Receivables	357	361	362	Payables	553,435	493,241	538,508
Current tax assets	5,219,681	4,854,541	3,273,829	Current tax liabilities	5,196,319	4,897,880	3,363,498
Investments accounted for using equity method	292,245,009	285,131,988	266,504,548	Bonds payable	20,000,000	20,000,000	20,000,000
Properties and equipment, net	12,330	11,849	12,138	Other borrowings	5,300,000	5,300,000	5,140,000
Right-of-use assets, net	101,126	104,148	126,709	Other financial liabilities	3,910	3,542	4,736
Intangible assets	12,984	13,778	10,764	Lease liabilities	103,824	106,587	128,106
Deferred tax assets	402	394	317	Deferred tax liabilities	43,471	-	-
Other assets	<u>10,144</u>	<u>9,576</u>	<u>9,310</u>	Other liabilities	<u>8,536</u>	<u>8,274</u>	<u>8,398</u>
				Total liabilities	<u>50,808,791</u>	<u>50,303,005</u>	<u>43,353,266</u>
				<u>Equity</u>			
				Capital stock	147,093,822	147,093,822	140,089,354
				Capital surplus	45,650,280	45,650,280	57,977,016
				Retained earnings	62,477,109	54,273,802	43,926,011
				Other equity	<u>(8,381,837)</u>	<u>(7,127,656)</u>	<u>(15,333,767)</u>
				Total equity	<u>246,839,374</u>	<u>239,890,248</u>	<u>226,658,614</u>
Total	<u>\$ 297,648,165</u>	<u>\$ 290,193,253</u>	<u>\$ 270,011,880</u>	Total	<u>\$ 297,648,165</u>	<u>\$ 290,193,253</u>	<u>\$ 270,011,880</u>

(Continued)

Taiwan Cooperative Financial Holding Co., Ltd.

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

	For the Three Months Ended March 31	
	2024	2023
Revenues and gains		
Share of gains of subsidiaries, associates and joint ventures accounted for using equity method	\$ 5,402,242	\$ 5,078,685
Other revenues and gains	<u>89</u>	<u>209</u>
Total revenues and gains	<u>5,402,331</u>	<u>5,078,894</u>
Expenses and losses		
Operating expenses	(64,213)	(58,907)
Share of losses of subsidiaries, associates and joint ventures accounted for using equity method	-	(59,345)
Other expenses and losses	<u>(124,009)</u>	<u>(93,109)</u>
Total expenses and losses	<u>(188,222)</u>	<u>(211,361)</u>
Income before income tax	5,214,109	4,867,533
Income tax benefit	<u>23,238</u>	<u>19,007</u>
Net income	5,237,347	4,886,540
Other comprehensive income	<u>1,711,779</u>	<u>6,325,298</u>
Total comprehensive income	<u>\$ 6,949,126</u>	<u>\$ 11,211,838</u>
Earnings per share (New Taiwan dollars)		
Basic	<u>\$0.36</u>	<u>\$0.33</u>
Diluted	<u>\$0.36</u>	<u>\$0.33</u>

(Continued)

Taiwan Cooperative Financial Holding Co., Ltd.

Statements of Changes in Equity
(In Thousands of New Taiwan Dollars)

	Capital Stock			Retained Earnings			Other Equity				Total Equity
	Shares (In Thousands)	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on the Translation of Financial Statements of Foreign Operations	Unrealized Valuation Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Change in the Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities Designated as at Fair Value through Profit or Loss	Other Comprehensive Income on Reclassification of Overlay Approach	
BALANCE ON JANUARY 1, 2024	14,709,382	\$ 147,093,822	\$ 45,650,280	\$ 15,582,312	\$ 21,509,719	\$ 17,181,771	\$ (578,527)	\$ (6,593,434)	\$ (13,014)	\$ 57,319	\$ 239,890,248
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	2,965,960	-	(2,965,960)	-	-	-
Total comprehensive income											
Net income for the three months ended March 31, 2024	-	-	-	-	-	5,237,347	-	-	-	-	5,237,347
Other comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	-	1,494,932	91,152	756	124,939	1,711,779
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	5,237,347	1,494,932	91,152	756	124,939	6,949,126
BALANCE ON MARCH 31, 2024	14,709,382	\$ 147,093,822	\$ 45,650,280	\$ 15,582,312	\$ 21,509,719	\$ 25,385,078	\$ 916,405	\$ (9,468,242)	\$ (12,258)	\$ 182,258	\$ 246,839,374
BALANCE ON JANUARY 1, 2023	14,008,935	\$ 140,089,354	\$ 57,977,016	\$ 13,432,536	\$ 985,539	\$ 24,472,050	\$ (452,462)	\$ (21,227,000)	\$ -	\$ 169,743	\$ 215,446,776
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	149,346	-	(149,346)	-	-	-
Total comprehensive income											
Net income for the three months ended March 31, 2023	-	-	-	-	-	4,886,540	-	-	-	-	4,886,540
Other comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	-	-	(409,035)	6,715,405	(321)	19,249	6,325,298
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	-	4,886,540	(409,035)	6,715,405	(321)	19,249	11,211,838
BALANCE ON MARCH 31, 2023	14,008,935	\$ 140,089,354	\$ 57,977,016	\$ 13,432,536	\$ 985,539	\$ 29,507,936	\$ (861,497)	\$ (14,660,941)	\$ (321)	\$ 188,992	\$ 226,658,614

(Continued)

Taiwan Cooperative Financial Holding Co., Ltd.

Statements of Cash Flows
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	2023
Cash flows from operating activities		
Income before income tax	\$ 5,214,109	\$ 4,867,533
Adjustments for:		
Share of gains of subsidiaries, associates and joint ventures accounted for using equity method	(5,402,242)	(5,019,340)
Depreciation and amortization expenses	9,952	9,441
Interest expense	124,009	93,109
Net changes in operating assets and liabilities		
Decrease in receivables	4	1
Increase in other assets	(568)	(180)
Increase in payables	30,155	28,992
Increase in other liabilities	<u>262</u>	<u>181</u>
Cash used in operations	(24,319)	(20,263)
Interest paid	<u>(67,772)</u>	<u>(105,539)</u>
Net cash used in operating activities	<u>(92,091)</u>	<u>(125,802)</u>
Cash flows from investing activities		
Acquisition of properties and equipment	(1,861)	(592)
Acquisition of intangible assets	<u>(238)</u>	<u>-</u>
Net cash used in investing activities	<u>(2,099)</u>	<u>(592)</u>
Cash flows from financing activities		
Increase in commercial paper issued	80,000	450,000
Decrease in other borrowings	-	(360,000)
Increase in guarantee deposits received	368	-
Decrease in guarantee deposits received	-	(238)
Repayments of the principal portion of lease liabilities	<u>(7,664)</u>	<u>(7,497)</u>
Net cash generated from financing activities	<u>72,704</u>	<u>82,265</u>
Net decrease in cash and cash equivalents	(21,486)	(44,129)
Cash and cash equivalents, beginning of the period	<u>51,618</u>	<u>105,332</u>
Cash and cash equivalents, end of the period	<u>\$ 30,132</u>	<u>\$ 61,203</u>

(Continued)

2. Subsidiaries' condensed balance sheets

Taiwan Cooperative Bank, Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	March 31, 2024	December 31, 2023	March 31, 2023	Liabilities and Equity	March 31, 2024	December 31, 2023	March 31, 2023
Cash and cash equivalents	\$ 78,722,460	\$ 88,992,455	\$ 61,336,883	<u>Liabilities</u>			
Due from the Central Bank and call loans to other banks	378,351,130	365,130,256	366,555,015				
Financial assets at fair value through profit or loss							
comprehensive income	99,776,466	75,649,177	48,366,262	Deposits from the Central Bank and other banks	\$ 310,634,446	\$ 292,447,330	\$ 296,358,138
Financial assets at fair value through other							
comprehensive income	472,403,276	444,193,029	423,637,062	Financial liabilities at fair value through profit or loss	3,567,007	8,671,843	2,208,527
Investments in debt instruments at amortized cost	711,864,940	702,602,417	699,311,559	Securities sold under repurchase agreements	8,918,083	9,512,753	10,394,385
Receivables, net	23,489,701	24,582,638	17,802,932	Payables	49,103,375	44,076,172	45,738,251
Current tax assets	2,636,697	2,311,837	2,205,790	Current tax liabilities	3,248,151	3,117,258	1,674,613
Discounts and loans, net	2,833,399,681	2,790,306,038	2,716,228,960	Deposits and remittances	3,946,956,363	3,863,506,229	3,717,334,053
Investments accounted for using equity method	2,387,620	2,353,530	2,330,526	Bank debentures	57,240,000	57,240,000	62,790,000
Other financial assets, net	10,172,378	8,350,535	8,037,503	Other financial liabilities	1,942,713	1,742,066	1,920,124
Properties and equipment, net	31,782,836	31,762,528	32,528,675	Provisions	5,374,472	5,404,571	5,566,222
Right-of-use assets, net	1,668,991	1,552,571	1,533,368	Lease liabilities	1,647,687	1,512,364	1,516,322
Investment properties, net	7,677,822	7,882,587	7,622,643	Deferred tax liabilities	5,311,215	3,472,248	3,573,488
Intangible assets	4,428,399	4,334,735	4,076,706	Other liabilities	<u>861,823</u>	<u>911,245</u>	<u>973,715</u>
Deferred tax assets	2,555,737	1,921,288	1,401,939	Total liabilities	<u>4,394,805,335</u>	<u>4,291,614,079</u>	<u>4,150,047,838</u>
Other assets	<u>1,472,009</u>	<u>942,689</u>	<u>1,118,710</u>				
				<u>Equity</u>			
				Capital stock	110,075,300	110,075,300	110,075,300
				Capital surplus	58,767,245	58,767,245	58,767,245
				Retained earnings	106,552,171	98,650,713	89,178,907
				Other equity	<u>(7,409,908)</u>	<u>(6,239,027)</u>	<u>(13,974,757)</u>
				Total equity	<u>267,984,808</u>	<u>261,254,231</u>	<u>244,046,695</u>
Total	<u>\$ 4,662,790,143</u>	<u>\$ 4,552,868,310</u>	<u>\$ 4,394,094,533</u>	Total	<u>\$ 4,662,790,143</u>	<u>\$ 4,552,868,310</u>	<u>\$ 4,394,094,533</u>

(Continued)

Taiwan Cooperative Bills Finance Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	March 31, 2024	December 31, 2023	March 31, 2023	Liabilities and Equity	March 31, 2024	December 31, 2023	March 31, 2023
Cash and cash equivalents	\$ 162,727	\$ 224,641	\$ 146,235	<u>Liabilities</u>			
Financial assets at fair value through profit or loss	38,739,099	41,677,220	38,407,261				
Financial assets at fair value through other comprehensive income	24,402,793	23,198,532	19,302,724	Call loans from banks	\$ 8,400,063	\$ 8,126,345	\$ 8,151,380
Investments in debt instruments at amortized cost	1,432,047	1,432,879	1,435,379	Financial liabilities at fair value through profit or loss	2,899	-	-
Receivables, net	342,088	261,381	381,647	Securities sold under repurchase agreements	49,418,332	51,477,700	45,187,117
Current Tax assets	56,747	40,389	34,987	Payables	221,183	125,135	594,032
Other financial assets, net	294,200	292,773	913,580	Provisions	418,032	416,605	403,427
Properties and equipment, net	17,495	17,985	12,805	Lease liabilities	37,254	39,081	41,685
Right-of-use assets, net	36,782	38,706	41,665	Other liabilities	<u>22,490</u>	<u>72,579</u>	<u>27,213</u>
Intangible assets, net	4,657	5,590	8,189	Total liabilities	<u>58,520,253</u>	<u>60,257,445</u>	<u>54,404,854</u>
Deferred tax assets	576	5,127	-	<u>Equity</u>			
Other assets, net	<u>286,431</u>	<u>286,731</u>	<u>291,368</u>				
				Capital stock	4,877,740	4,877,740	4,877,740
				Capital surplus	312,633	312,633	312,633
				Retained earnings	2,279,242	2,216,941	1,948,426
				Other equity	<u>(214,226)</u>	<u>(182,805)</u>	<u>(567,813)</u>
				Total equity	<u>7,255,389</u>	<u>7,224,509</u>	<u>6,570,986</u>
Total	<u>\$ 65,775,642</u>	<u>\$ 67,481,954</u>	<u>\$ 60,975,840</u>	Total	<u>\$ 65,775,642</u>	<u>\$ 67,481,954</u>	<u>\$ 60,975,840</u>

Taiwan Cooperative Securities Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	March 31, 2024	December 31, 2023	March 31, 2023	Liabilities and Equity	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 39,193,476	\$ 35,238,775	\$ 30,213,866	<u>Liabilities</u>			
Financial assets at fair value through other comprehensive income - non-current	40,526	41,943	35,798	Current liabilities	\$ 33,692,330	\$ 29,840,981	\$ 24,966,690
Investments accounted for using equity method	51,431	49,123	-	Lease liabilities	97,254	109,049	73,922
Properties and equipment, net	92,614	94,729	74,096	Deferred tax liabilities	985	743	2,826
Right-of-use assets, net	95,883	108,205	71,978	Other liabilities	<u>6,368</u>	<u>5,720</u>	<u>6,995</u>
Intangible assets	57,956	61,522	60,483	Total liabilities	<u>33,796,937</u>	<u>29,956,493</u>	<u>25,050,433</u>
Deferred tax assets	18,233	10,621	8,242	<u>Equity</u>			
Other non-current assets	<u>423,974</u>	<u>422,270</u>	<u>418,724</u>				
				Capital stock	5,206,131	5,206,131	5,206,131
				Capital surplus	294,440	294,440	294,440
				Retained earnings	1,189,026	1,040,127	907,648
				Other equity	<u>(512,441)</u>	<u>(470,003)</u>	<u>(575,465)</u>
				Total equity	<u>6,177,156</u>	<u>6,070,695</u>	<u>5,832,754</u>
Total	<u>\$ 39,974,093</u>	<u>\$ 36,027,188</u>	<u>\$ 30,883,187</u>	Total	<u>\$ 39,974,093</u>	<u>\$ 36,027,188</u>	<u>\$ 30,883,187</u>

(Continued)

Co-operative Assets Management Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	March 31, 2024	December 31, 2023	March 31, 2023	Liabilities and Equity	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 68,809	\$ 88,439	\$ 402,503	<u>Liabilities</u>			
Financial assets at fair value through profit or loss	-	-	581				
Financial assets at fair value through other comprehensive income	16,000	15,000	12,700	Current liabilities	\$ 10,697,296	\$ 9,845,201	\$ 8,809,636
Receivable, net	5,378,653	3,832,190	2,236,835	Lease liabilities	7,625	9,968	16,911
Investments accounted for using the equity method	1,241,905	1,213,820	1,211,290	Deferred tax liabilities	86,821	86,908	75,879
Properties and equipment, net	16,064	19,271	26,375	Other liabilities	<u>2,157,175</u>	<u>1,157,753</u>	<u>2,790,168</u>
Investment properties, net	4,833,755	4,625,362	4,452,257	Total liabilities	<u>12,948,917</u>	<u>11,099,830</u>	<u>11,692,594</u>
Right-of-use assets, net	7,435	9,745	16,673				
Intangible assets	2,495	2,643	3,206	<u>Equity</u>			
Deferred tax assets	214,828	219,382	219,138	Capital stock	3,140,875	3,140,875	2,825,280
Long-term lease payments receivable	165,134	194,436	204,708	Capital surplus	2,553	2,553	2,553
Long-term urban regeneration advance payment	4,938,332	4,693,050	6,519,496	Retained earnings	890,950	812,130	870,523
Other assets	<u>13,764</u>	<u>36,714</u>	<u>2,643</u>	Other equity	<u>(86,121)</u>	<u>(105,336)</u>	<u>(82,545)</u>
				Total equity	<u>3,948,257</u>	<u>3,850,222</u>	<u>3,615,811</u>
Total	<u>\$ 16,897,174</u>	<u>\$ 14,950,052</u>	<u>\$ 15,308,405</u>	Total	<u>\$ 16,897,174</u>	<u>\$ 14,950,052</u>	<u>\$ 15,308,405</u>

(Continued)

BNP Paribas Cardif TCB Life Insurance Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	March 31, 2024	December 31, 2023	March 31, 2023	Liabilities and Equity	March 31, 2024	December 31, 2023	March 31, 2023
Cash and cash equivalents	\$ 2,316,543	\$ 2,619,042	\$ 3,421,351	<u>Liabilities</u>			
Receivables	992,054	1,303,254	1,081,756				
Current tax assets	128,254	121,791	116,649	Payables	\$ 1,195,257	\$ 1,358,481	\$ 1,095,627
Investments	37,535,398	36,198,341	33,551,966	Current tax liabilities	69,641	69,641	27,765
Reinsurance assets	255,338	244,817	292,402	Financial liabilities at fair value through profit or loss	401,065	242,041	351,684
Equipment, net	161,119	108,998	128,549	Lease liabilities	81,969	82,648	4,493
Right-of-use assets	76,712	77,731	4,434	Insurance liabilities	29,187,336	28,468,712	26,620,388
Deferred tax assets	106,392	79,552	191,467	Reserve for insurance contracts with financial			
Other assets	1,498,344	1,307,798	1,431,320	instruments features	8,819	7,637	4,653
Separate-account assets	<u>87,466,292</u>	<u>85,592,813</u>	<u>87,458,511</u>	Reserve of foreign exchange variation	63,458	94,240	394,291
				Deferred tax liabilities	98,662	34,986	227
				Other liabilities	207,418	185,851	800,505
				Separate-account liabilities	<u>87,466,292</u>	<u>85,592,813</u>	<u>87,458,511</u>
				Total liabilities	<u>118,779,917</u>	<u>116,137,050</u>	<u>116,758,144</u>
				<u>Equity</u>			
				Capital stock	6,881,166	6,881,166	6,881,166
				Capital surplus	9,310	9,310	9,310
				Retained earnings	5,162,179	4,864,390	4,268,136
				Other equity	<u>(296,126)</u>	<u>(237,779)</u>	<u>(238,351)</u>
				Total equity	<u>11,756,529</u>	<u>11,517,087</u>	<u>10,920,261</u>
Total	<u>\$ 130,536,446</u>	<u>\$ 127,654,137</u>	<u>\$ 127,678,405</u>	Total	<u>\$ 130,536,446</u>	<u>\$ 127,654,137</u>	<u>\$ 127,678,405</u>

(Continued)

Taiwan Cooperative Securities Investment Trust Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	March 31, 2024	December 31, 2023	March 31, 2023	Liabilities and Equity	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 411,347	\$ 400,764	\$ 422,013	<u>Liabilities</u>			
Financial assets at fair value through profit or loss - non-current	3,158	3,057	2,945	Current liabilities	\$ 61,671	\$ 57,090	\$ 75,288
Properties and equipment, net	4,200	4,735	5,307	Lease liabilities	9,640	10,967	12,786
Right-of-use assets	9,329	10,639	12,451	Other liabilities	<u>300</u>	<u>300</u>	<u>600</u>
Intangible assets	2,298	2,918	3,738	Total liabilities	<u>71,611</u>	<u>68,357</u>	<u>88,674</u>
Prepaid equipment	-	49	85	<u>Equity</u>			
Other assets	<u>56,215</u>	<u>56,215</u>	<u>56,215</u>	Capital stock	303,000	303,000	303,000
				Capital surplus	72,860	72,860	72,860
				Retained earnings	38,192	33,377	37,549
				Other equity	<u>884</u>	<u>783</u>	<u>671</u>
				Total equity	<u>414,936</u>	<u>410,020</u>	<u>414,080</u>
Total	<u>\$ 486,547</u>	<u>\$ 478,377</u>	<u>\$ 502,754</u>	Total	<u>\$ 486,547</u>	<u>\$ 478,377</u>	<u>\$ 502,754</u>

Taiwan Cooperative Venture Capital Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	March 31, 2024	December 31, 2023	March 31, 2023	Liabilities and Equity	March 31, 2024	December 31, 2023	March 31, 2023
Current assets	\$ 1,432,088	\$ 813,790	\$ 1,421,879	<u>Liabilities</u>			
Financial assets at fair value through profit or loss - non-current	-	592,858	-	Current liabilities	\$ 25,942	\$ 19,172	\$ 23,662
Investments accounted for using equity method	4,308	4,644	5,175	Lease liabilities	11,846	11,378	-
Properties and equipment, net	3,542	2,229	1,212	Other liabilities	<u>2,015</u>	<u>1,305</u>	<u>314</u>
Right-of-use assets	11,741	11,294	152	Total liabilities	<u>39,803</u>	<u>31,855</u>	<u>23,976</u>
Intangible assets	12	19	44	<u>Equity</u>			
Other assets	<u>498</u>	<u>499</u>	<u>498</u>	Capital stock	1,235,023	1,235,023	1,144,207
				Capital surplus	-	-	714
				Retained earnings	<u>177,363</u>	<u>158,455</u>	<u>260,063</u>
				Total equity	<u>1,412,386</u>	<u>1,393,478</u>	<u>1,404,984</u>
Total	<u>\$ 1,452,189</u>	<u>\$ 1,425,333</u>	<u>\$ 1,428,960</u>	Total	<u>\$ 1,452,189</u>	<u>\$ 1,425,333</u>	<u>\$ 1,428,960</u>

(Continued)

3. Subsidiaries' condensed statements of comprehensive income

Taiwan Cooperative Bank, Ltd.

Condensed Statements of Comprehensive Income
For the Three Months Ended March 31, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2024	2023
Interest revenues	\$ 24,538,613	\$ 20,967,628
Less: Interest expenses	<u>(17,402,123)</u>	<u>(12,428,865)</u>
Net interest	7,136,490	8,538,763
Net revenues and gains other than interest	<u>6,831,426</u>	<u>4,333,714</u>
Total net revenues	13,967,916	12,872,477
Bad-debt expenses and provision for losses on commitment and guarantees	(1,142,115)	(930,842)
Operating expenses	<u>(6,837,120)</u>	<u>(6,449,717)</u>
Income before income tax	5,988,681	5,491,918
Income tax expense	<u>(1,040,498)</u>	<u>(834,042)</u>
Net income	4,948,183	4,657,876
Other comprehensive income	<u>1,782,394</u>	<u>5,857,557</u>
Total comprehensive income	<u>\$ 6,730,577</u>	<u>\$ 10,515,433</u>
Earnings per share (NT\$)		
Basic	<u>\$0.45</u>	<u>\$0.42</u>

Taiwan Cooperative Bills Finance Co., Ltd.

Condensed Statements of Comprehensive Income
For the Three Months Ended March 31, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2024	2023
Net interest	\$ 34,147	\$ 42,002
Net revenues and gains other than interest	<u>63,865</u>	<u>61,614</u>
Total net revenues	98,012	103,616
Reversal of allowance (impairment losses) for credit losses and provision	6,104	(110,767)
Operating expenses	<u>(42,400)</u>	<u>(42,383)</u>
Income (Loss) before income tax	61,716	(49,534)
Income tax expense	<u>(12,100)</u>	<u>(9,700)</u>
Net income (loss)	49,616	(59,234)
Other comprehensive income (loss)	<u>(18,736)</u>	<u>142,744</u>
Total comprehensive income	<u>\$ 30,880</u>	<u>\$ 83,510</u>
Earnings (Loss) per share (NT\$)		
Basic	<u>\$0.10</u>	<u>\$(0.12)</u>

(Continued)

Taiwan Cooperative Securities Co., Ltd.

Condensed Statements of Comprehensive Income
For the Three Months Ended March 31, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2024	2023
Revenues	\$ 620,242	\$ 388,075
Service charge	(28,172)	(16,956)
Other operating costs	(153,969)	(105,708)
Employee benefits	(157,020)	(124,776)
Other operating expenses	(122,376)	(95,317)
Other gains	<u>15,708</u>	<u>2,896</u>
Income before income tax	174,413	48,214
Income tax expense	<u>(25,514)</u>	<u>(7,395)</u>
Net income	148,899	40,819
Other comprehensive income (loss)	<u>(42,438)</u>	<u>191,088</u>
Total comprehensive income	<u>\$ 106,461</u>	<u>\$ 231,907</u>
Earnings per share (NT\$)		
Basic	<u>\$0.29</u>	<u>\$0.08</u>

Co-operative Assets Management Co., Ltd.

Condensed Statements of Comprehensive Income
For the Three Months Ended March 31, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2024	2023
Operating revenues	\$ 231,363	\$ 206,795
Operating expenses	<u>(91,914)</u>	<u>(87,063)</u>
Operating benefits	139,449	119,732
Non-operating gains and losses	<u>(38,516)</u>	<u>(4,153)</u>
Income before income tax	100,933	115,579
Income tax expenses	<u>(22,113)</u>	<u>(29,949)</u>
Net income	78,820	85,630
Other comprehensive income	<u>19,215</u>	<u>5,981</u>
Total comprehensive income	<u>\$ 98,035</u>	<u>\$ 91,611</u>
Earnings per share (NT\$)		
Basic	<u>\$0.25</u>	<u>\$0.27</u>

(Continued)

BNP Paribas Cardif TCB Life Insurance Co., Ltd.

**Condensed Statements of Comprehensive Income
For the Three Months Ended March 31, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)**

	2024	2023
Operating revenues	\$ 5,278,689	\$ 2,340,374
Operating costs	(4,726,068)	(1,818,252)
Operating expenses	<u>(185,699)</u>	<u>(184,074)</u>
Income before income tax	366,922	338,048
Income tax expenses	<u>(69,133)</u>	<u>(37,931)</u>
Net income	297,789	300,117
Other comprehensive income (loss)	<u>(58,347)</u>	<u>251,968</u>
Total comprehensive income	<u>\$ 239,442</u>	<u>\$ 552,085</u>
Earnings per share (NT\$)		
Basic	<u>\$0.43</u>	<u>\$0.44</u>

Taiwan Cooperative Securities Investment Trust Co., Ltd.

**Condensed Statements of Comprehensive Income
For the Three Months Ended March 31, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)**

	2024	2023
Operating revenues	\$ 74,499	\$ 83,933
Operating expenses	<u>(70,945)</u>	<u>(81,581)</u>
Operating gain	3,554	2,352
Non-operating gains and losses	<u>1,261</u>	<u>851</u>
Income before income tax	4,815	3,203
Income tax expenses	<u>-</u>	<u>-</u>
Net income	4,815	3,203
Other comprehensive income	<u>101</u>	<u>99</u>
Total comprehensive income	<u>\$ 4,916</u>	<u>\$ 3,302</u>
Earnings per share (NT\$)		
Basic	<u>\$0.16</u>	<u>\$0.11</u>

(Continued)

Taiwan Cooperative Venture Capital Co., Ltd.

Condensed Statements of Comprehensive Income
For the Three Months Ended March 31, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2024	2023
Operating revenues	\$ 35,754	\$ 156,764
Operating expenses	<u>(12,786)</u>	<u>(11,268)</u>
Operating gain	22,968	145,496
Non-operating gains and losses	<u>196</u>	<u>14</u>
Income before income tax	23,164	145,510
Income tax expenses	<u>(4,256)</u>	<u>(7,778)</u>
Net income	18,908	137,732
Other comprehensive income (loss)	<u>-</u>	<u>-</u>
Total comprehensive income	<u>\$ 18,908</u>	<u>\$ 137,732</u>
Earnings per share (NT\$)		
Basic	<u>\$0.15</u>	<u>\$1.12</u>

(Concluded)

TABLE 4**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES**
BUSINESS SEGMENT FINANCIAL INFORMATION
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

Business Segment Items	For the Three Months Ended March 31, 2024					
	Banking	Bill Finance	Security	Insurance	Others	Consolidated
Net interest gain (loss)	\$ 7,201,165	\$ (136,692)	\$ (3,172)	\$ 237,988	\$ (140,429)	\$ 7,158,860
Net revenues and gains other than interest	6,547,799	241,334	458,208	1,046,761	347,331	8,641,433
Total net revenues	13,748,964	104,642	455,036	1,284,749	206,902	15,800,293
Bad-debt expenses and provision for losses on commitment and guarantees	(1,146,546)	6,104	-	-	(36,569)	(1,177,011)
Net change in reserves for insurance liabilities	-	-	-	(544,031)	-	(544,031)
Operating expenses	(6,855,765)	(40,229)	(247,105)	(187,686)	(201,944)	(7,532,729)
Income (loss) before income tax	5,746,653	70,517	207,931	553,032	(31,611)	6,546,522
Income tax expenses	(1,051,643)	(12,100)	(25,514)	(69,133)	(4,903)	(1,163,293)
Net income (loss)	4,695,010	58,417	182,417	483,899	(36,514)	5,383,229

Business Segment Items	For the Three Months Ended March 31, 2023					
	Banking	Bill Finance	Security	Insurance	Others	Consolidated
Net interest gain (loss)	\$ 8,589,196	\$ (115,647)	\$ 9,536	\$ 192,186	\$ (88,085)	\$ 8,587,186
Net revenues and gains other than interest	4,269,295	223,161	261,558	959,037	447,157	6,160,208
Total net revenues	12,858,491	107,514	271,094	1,151,223	359,072	14,747,394
Bad-debt expenses and provision for losses on commitment and guarantees	(934,195)	(110,767)	-	-	(9,446)	(1,054,408)
Net change in reserves for insurance liabilities	-	-	-	(652,753)	-	(652,753)
Operating expenses	(6,466,210)	(40,205)	(201,444)	(176,989)	(196,320)	(7,081,168)
Income (loss) before income tax	5,458,086	(43,458)	69,650	321,481	153,306	5,959,065
Income tax expenses	(841,238)	(9,700)	(7,395)	(37,931)	(26,166)	(922,430)
Net income (loss)	4,616,848	(53,158)	62,255	283,550	127,140	5,036,635

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Financier	Counterparty	Financial Statement Account	Related Parties	Maximum Balance for the Period	Ending Balance (Note 2)	Amount Actually Drawn	Interest Rate (%)	Financing Type	Transaction Amount	Financing Reasons	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Financing Amount Limit
													Item	Value		
1	Co-operative Assets Management Co., Ltd.	I-Hwa Industrial Co., Ltd.	Receivables on lending funds	No	\$ 88,000	\$ 88,000	\$ 88,000	3-8	Short-term financing	\$ -	Operating use	\$ 880	Real estate	\$ 162,179	\$ 385,022 (Note 3)	\$ 1,540,089 (Note 3)
		Xiang Xing Trading Co., Ltd	Receivables on lending funds	No	100,000	91,726	91,726	3-8	Short-term financing	-	Operating use	917	Stocks	30,000	385,022 (Note 3)	1,540,089 (Note 3)
		Tai-Hwei Trade Co., Ltd.	Receivables on lending funds	No	160,000	160,000	160,000	3-8	Short-term financing	-	Operating use	1,600	Real estate	392,979	385,022 (Note 3)	1,540,089 (Note 3)
		Tsuru Chikusan Co., Ltd.	Receivables on lending funds	No	217,500	198,750	198,750	3-8	Short-term financing	-	Operating use	1,988	Real estate	272,983	385,022 (Note 3)	1,540,089 (Note 3)
		Grandsun Engineering Co., Ltd.	Receivables on lending funds	No	50,000	47,500	47,500	3-8	Short-term financing	-	Operating use	475	Real estate	5,250	385,022 (Note 3)	1,540,089 (Note 3)
		Yieh Hong Enterprise Co., Ltd.	Receivables on lending funds	No	212,930	175,575	175,575	3-8	Short-term financing	-	Operating use	1,756	Stocks	181,150	385,022 (Note 3)	1,540,089 (Note 3)
		ET New Media Holding Co., Ltd.	Receivables on lending funds	No	50,437	25,329	25,329	3-8	Short-term financing	-	Operating use	253	None	-	385,022 (Note 3)	1,540,089 (Note 3)
		Tai Wan Asset Management Co.	Receivables on lending funds	No	50,000	47,000	47,000	3-8	Short-term financing	-	Operating use	470	None	-	385,022 (Note 3)	1,540,089 (Note 3)

Note 1: The parent company and investee companies are numbered as follows:

a. Parent company is denoted as 0.

b. Investee companies are numbered sequentially from 1.

Note 2: Each lending of funds is resolved by the board of directors. The Company should disclose the monetary limit resolved by the board of directors even if the funds are not yet disbursed. When the funds are repaid, the Company should disclose the lending balance of funds after the repayments.

Note 3: Each financing limit for the borrowing company and the total financing amount limit of Co-operative Assets Management Co., Ltd. (CAM) are 10% and 40% of CAM’s equity of the latest financial report, respectively. The equity of CAM on December 31, 2023 was \$3,850,222 thousand.

TABLE 6

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				Note
				Shares (In Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
Co-operative Assets Management Co., Ltd.	<u>Stock</u> Cooperative Financial International Lease Co., Ltd.	Subsidiary	Investments accounted for using equity method	-	\$ 1,241,905	100.00	\$ 1,241,905	Note
	Taiwan Urban Regeneration & Financial Services Co., Ltd.	-	Financial assets at fair value through other comprehensive income	2,500	16,000	5.00	16,000	
Taiwan Cooperative Securities Investment Trust Co., Ltd.	Fund Rich Securities Co., Ltd.	-	Financial assets at fair value through other comprehensive income	227	3,158	0.38	3,158	
Taiwan Cooperative Venture Capital Co., Ltd.	Starlux Airlines Co., Ltd.	-	Financial assets at fair value through profit or loss	5,970	136,761	0.24	136,761	
	Cho Pharma Inc.	-	Financial assets at fair value through profit or loss	620	36,413	0.29	36,413	
	Tigerair Taiwan Co., Ltd.	-	Financial assets at fair value through profit or loss	1,625	54,437	0.36	54,437	
	SR Suntour Inc.	-	Financial assets at fair value through profit or loss	1,700	106,080	2.82	106,080	
	Tachyon Intelligence Robot Company	-	Financial assets at fair value through profit or loss	125	667	2.83	667	
	Phu Vinh Industrial Construction, Llc	-	Financial assets at fair value through profit or loss	4,249	131,895	17.86	131,895	
	ULSee Cayman Co., Ltd.	-	Financial assets at fair value through profit or loss	651	24,825	0.43	24,825	
	Cloud Mile Inc.	-	Financial assets at fair value through profit or loss	838	42,951	2.83	42,951	
	Hoytek Precision Company	-	Financial assets at fair value through profit or loss	1,168	18,499	16.51	18,499	
	CDIB Capital Healthcare Ventures II Limited Partnership	-	Financial assets at fair value through profit or loss	-	55,543	-	55,543	
	APMTD Global Limited	-	Financial assets at fair value through profit or loss	752	23,089	1.56	23,089	
	Free Bionics Inc.	-	Financial assets at fair value through profit or loss	2,068	24,502	8.22	24,502	
	Revlis Biotech Co., Ltd.	-	Financial assets at fair value through profit or loss	2,813	11,869	4.31	11,869	
	Mesh Cooperative Ventures Fund LP	-	Financial assets at fair value through profit or loss	-	19,174	-	19,174	

(Continued)

Holding Company Name	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	March 31, 2024				Note
				Shares (In Thousands)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Annji Pharmaceutical Co., Ltd.	-	Financial assets at fair value through profit or loss	3,750	\$ 80,250	4.08	\$ 80,250	
	Knowledge Creation Innovation Co., Ltd.	-	Financial assets at fair value through profit or loss	530	8,197	17.56	8,197	
	Long Diann Marine Biotechnology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,500	14,900	12.53	14,900	
	JD-SPF Biotech Co., Ltd.	-	Financial assets at fair value through profit or loss	1,365	8,094	19.50	8,094	
	Gamamobi Taiwan Co., Ltd.	-	Financial assets at fair value through profit or loss	400	-	1.99	-	
	YAYATECH CO., LTD.	-	Financial assets at fair value through profit or loss	2,200	159,786	13.20	159,786	
	P-Waver Inc.	-	Financial assets at fair value through profit or loss	1,765	24,247	11.55	24,247	
	WIN COAT CO.	-	Financial assets at fair value through profit or loss	1,000	38,240	2.57	38,240	
	GeNopsys Technologies INC.	-	Financial assets at fair value through profit or loss	3,432	106,805	19.14	106,805	
	APACECORE PTE. LTD.	-	Financial assets at fair value through profit or loss	8,000	31,155	19.51	31,155	
	Giga Solar Green Power Co., Ltd.	-	Financial assets at fair value through profit or loss	2,000	36,000	4.55	36,000	
	TRON FUTURE TECH INC.	-	Financial assets at fair value through profit or loss	852	32,360	0.56	32,360	
	JC Capital Taiwan Co., Ltd.	Associate	Investments accounted for using equity method	350	4,309	35.00	4,309	

Note: When Taiwan Cooperative Financial Holding Co., Ltd. prepared the consolidated financial statements, the related account and security transaction were eliminated.

(Concluded)

TABLE 7

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

**ALLOWANCE OF SERVICE FEES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$5 MILLION
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)**

Securities Firms	Counterparty	Nature of Relationship	Total Amounts of Brokerage Service Revenue	Total Allowance of Brokerage Service Revenue	Service Revenue from Related Party	Allowance of Service Revenue for Related Party	Percentage of Service Revenue from Related Party to Total Amounts	Percentage of Allowance of Service Revenue for Related Party to Total Allowance
Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	Same parent company	\$ 671,164	\$ 370,695	\$ 68,291	\$ 54,774	10.18	14.78

TABLE 8

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$300 MILLION OR 10% OF THE PAID-IN CAPITAL
MARCH 31, 2024
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Financial Holding Company, Ltd.	Parent company	\$ 2,392,846	-	\$ -	-	\$ -	\$ -
Taiwan Cooperative Financial Holding Company, Ltd.	Taiwan Cooperative Bank, Ltd.	Subsidiary	2,775,295	-	-	-	-	-

Note: The receivables related to consolidated tax returns. When preparing the consolidated financial statements, the receivables have been eliminated.

TABLE 9

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Taiwan Cooperative Bank, Ltd.

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2024	Investee Net Income	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Value as of March 31, 2024	Accumulated Inward Remittance of Earnings as of March 31, 2024
					Outflow	Inflow						
Taiwan Cooperative Bank Suzhou Branch	Deposits, loans, import and export, exchange and foreign exchange business	\$ 4,547,235 (US\$ 154,395) (Note 1)	Direct	\$ 4,547,235 (US\$ 154,395) (Note 1)	\$ -	\$ -	\$ 4,547,235 (US\$ 154,395) (Note 1)	\$ 55,767	100	\$ 55,767	\$ 7,191,369	\$ -
Taiwan Cooperative Bank Tianjin Branch	Deposits, loans, import and export, exchange and foreign exchange business	2,947,314 (US\$ 97,387) (Note 1)	Direct	2,947,314 (US\$ 97,387) (Note 1)	-	-	2,947,314 (US\$ 97,387) (Note 1)	(193,459)	100	(193,459)	2,624,142	-
Taiwan Cooperative Bank Fuzhou Branch	Deposits, loans, import and export, exchange and foreign exchange business	2,950,882 (US\$ 97,549) (Note 1)	Direct	2,950,882 (US\$ 97,549) (Note 1)	-	-	2,950,882 (US\$ 97,549) (Note 1)	23,915	100	23,915	3,653,599	-
Taiwan Cooperative Bank Changsha Branch	Deposits, loans, import and export, exchange and foreign exchange business	2,630,485 (US\$ 87,232) (Note 1)	Direct	2,630,485 (US\$ 87,232) (Note 1)	-	-	2,630,485 (US\$ 87,232) (Note 1)	11,996	100	11,996	2,507,044	-

Accumulated Investment in Mainland China as of March 31, 2024	Investment Amount Approved by the Investment Commission, MOEA	Maximum Investment Allowable (Note 2)
\$ 13,075,916 (US\$ 436,563) (Note 1)	\$ 13,075,916 (US\$ 436,563) (Note 1)	\$ 160,939,917

Co-operative Assets Management Co., Ltd.

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2024	Investee Net Income	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Value as of March 31, 2024	Accumulated Inward Remittance of Earnings as of March 31, 2024
					Outflow	Inflow						
Taiwan Cooperative International Leasing Co., Ltd.	Financial leasing	\$ 910,980 (RMB 185,460) (Note 1)	Direct	\$ 910,980 (RMB 185,460) (Note 1)	\$ -	\$ -	\$ 910,980 (RMB 185,460) (Note 1)	\$ 5,316	100	\$ 5,316	\$ 1,241,905	\$ -

Accumulated Investment in Mainland China as of March 31, 2024	Investment Amount Approved by the Investment Commission, MOEA	Maximum Investment Allowable (Note 3)
\$ 910,980 (RMB 185,460) (Note 1)	\$ 910,980 (RMB 185,460) (Note 1)	\$ 2,368,954

(Continued)

Note 1: The currency was translated into New Taiwan dollars at the exchange rates on the date of each outflow of investment.

Note 2: Based on the Investment Commission’s “Regulation on the Examination of Investment or Technical Cooperation in Mainland China,” investments are limited to the higher of 60 % of TCB’s net asset value or 60% of TCB’s consolidated net asset value.

Note 3: Based on the Investment Commission’s “Regulation on the Examination of Investment or Technical Cooperation in Mainland China,” investments are limited to the higher of 60 % of CAM’s net asset value or 60% of CAM’s consolidated net asset value.

(Concluded)

TABLE 10

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

**BUSINESS RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS AMONG THE PARENT COMPANY AND SUBSIDIARIES
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Transacting Company	Counter-party	Transaction Flow (Note 2)	Description of Transactions (Notes 3 and 5)			
				Financial Statement Account	Amounts	Trading Terms	Transaction Amount/Total Consolidated Net Revenue or Total Consolidated Assets (%)
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	a	Tax payables - consolidated tax return	\$ 2,392,846	Note 4	0.05
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Financial Holding Co., Ltd.	b	Tax receivables - consolidated tax return	2,392,846	Note 4	0.05
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	a	Tax receivables - consolidated tax return	2,775,295	Note 4	0.06
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Financial Holding Co., Ltd.	b	Tax payables - consolidated tax return	2,775,295	Note 4	0.06
1	Taiwan Cooperative Bank, Ltd.	United Taiwan Bank S.A.	a	Due from banks	520,442	Note 4	0.01
2	United Taiwan Bank S.A.	Taiwan Cooperative Bank, Ltd.	b	Deposits from banks	520,442	Note 4	0.01
1	Taiwan Cooperative Bank, Ltd.	United Taiwan Bank S.A.	a	Call loans to banks	2,069,400	Note 4	0.04
2	United Taiwan Bank S.A.	Taiwan Cooperative Bank, Ltd.	b	Call loans from banks	2,069,400	Note 4	0.04
1	Taiwan Cooperative Bank, Ltd.	United Taiwan Bank S.A.	a	Medium-term unsecured loans	5,104,519	Note 4	0.10
2	United Taiwan Bank S.A.	Taiwan Cooperative Bank, Ltd.	b	Long-term borrowings	5,104,519	Note 4	0.10
1	Taiwan Cooperative Bank, Ltd.	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	c	Deposits and remittances	916,083	Note 4	0.02
3	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Cash and cash equivalents	916,083	Note 4	0.02
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Bills Finance Co., Ltd.	c	Call loans to banks	1,420,000	Note 4	0.03
4	Taiwan Cooperative Bills Finance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Call loans from banks	1,420,000	Note 4	0.03
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Right-of-use assets, net	94,457	Note 4	-
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Lease liabilities	95,824	Note 4	-
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Interest expense	747	Note 4	-
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Depreciation expense	12,962	Note 4	0.08

(Continued)

No. (Note 1)	Transacting Company	Counter-party	Transaction Flow (Note 2)	Description of Transactions (Notes 3 and 5)			
				Financial Statement Account	Amounts	Trading Terms	Transaction Amount/Total Consolidated Net Revenue or Total Consolidated Assets (%)
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Securities Co., Ltd.	c	Lease income	\$ 13,211	Note 4	0.08
1	Taiwan Cooperative Bank, Ltd.	Co-operative Assets Management Co., Ltd.	c	Properties and equipment, net and deferred revenue	383,282	Note 4	0.01
1	Taiwan Cooperative Bank, Ltd.	Co-operative Assets Management Co., Ltd.	c	Gains on disposal of properties and equipment, accumulated earnings	580,423	Note 4	0.01
5	Co-operative Assets Management Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Investment properties, net	963,705	Note 4	0.02
1	Taiwan Cooperative Bank, Ltd.	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	c	Service fee and commission income	218,419	Note 4	1.38
3	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Service charge and commission expense	218,419	Note 4	1.38
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Right-of-use assets, net	96,758	Note 4	-
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Lease liabilities	99,437	Note 4	-
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Interest expense	350	Note 4	-
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Depreciation expense	7,257	Note 4	0.05
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Financial Holding Co., Ltd.	c	Lease income	7,359	Note 4	0.05
4	Taiwan Cooperative Bills Finance Co., Ltd.	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	c	Securities purchased under resell agreements	638,826	Note 4	0.01
3	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Cooperative Bills Finance Co., Ltd.	c	Securities sold under repurchase agreements	638,826	Note 4	0.01
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Securities Co., Ltd.	c	Receivables on securities	1,149,272	Note 4	0.02
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Payable on securities	1,149,272	Note 4	0.02

Note 1: The parent company and subsidiaries are numbered as follows:

- Parent company is dented as 0.
- Subsidiaries are numbered sequentially from 1.

Note 2: Transaction flows are as follows:

- From parent company to subsidiary.
- From subsidiary to parent company.
- Between subsidiaries.

(Continued)

Note 3: For calculating the percentages, the asset or liability account is divided by the consolidated total assets, and the revenue or expense account is divided by the total consolidated net revenue of the same period.

Note 4: The terms for the transactions between the transacting company and related parties are similar to those for unrelated parties.

Note 5: Referring to transactions exceeding NT\$100 million.

(Concluded)

TABLE 11**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD.****INFORMATION ON MAJOR SHAREHOLDERS****MARCH 31, 2024**

Name of Major Shareholder	Shareholding	
	Number of Shares	Percentage of Ownership (%)
Ministry of Finance, Taiwan	3,833,889,460	26.06

The above table of major shareholders are based on the information from Taiwan Depository & Clearing Corporation which calculated the registration and delivery of non-physical (including treasury stock) common stocks and preferred stocks at least 5% as of the last business day of each quarter. There may be differences between the number of shares recorded in the consolidated financial statements and the registration number of non-physical shares due to different basis of preparation.