

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

**Consolidated Financial Statements for the
Six Months Ended June 30, 2024 and 2023 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Taiwan Cooperative Financial Holding Co., Ltd. (TCFHC) and its subsidiaries (collectively, the Company), which comprise the consolidated balance sheets as of June 30, 2024, December 31, 2023 and June 30, 2023, and the related consolidated statements of comprehensive income for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of June 30, 2024, December 31, 2023 and June 30, 2023, and its consolidated financial performance for the three months ended June 30, 2024 and 2023 and its consolidated financial performance and consolidated cash flows for the six months ended June 30, 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 (FSC) of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Company for the six months ended June 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in our audit of the consolidated financial statements of Taiwan Cooperative Financial Holding Co., Ltd. and its subsidiaries for the six months ended June 30, 2024 were as follows:

Impairment Assessment on Loans

The net discounts and loans of the Company as of June 30, 2024 are accounted for 59% of the consolidated total assets. Therefore, the assessment of the impairment loss of discounts and loans may have significant impacts on the consolidated financial statements. Besides assessing the expected credit losses of loans in accordance with IFRS 9 “Financial Instruments”, the management of Taiwan Cooperative Bank, Ltd. (TCB) complies with the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans” related regulations (collectively, the Regulations) when assessing the classification of credit assets and recognizing the allowance for possible losses.

For the accounting policies and material accounting judgments and estimations of TCB’s impairment assessment of loans, refer to Notes 4 and 5 to the consolidated financial statements; for the relevant information on the impairment assessment of loans, refer to Note 13 to the consolidated financial statements.

When assessing whether to recognize impairment loss on loans in accordance with the Regulations, the main judgment of the management of TCB is the assessment of possible loss of the credit assets, including whether the credit assets are classified based on the length of time the loans have been overdue and the value of the collateral when assessing the impairment loss. As the amount of impairment assessed under the Regulation is much greater than the amount estimated under IFRS 9 “Financial Instruments” and the assessment involves many significant judgments and estimates, the amount is material to the consolidated financial statements, therefore, impairment of loans was identified as a key audit matter.

With respect to the critical judgments, estimations, and assumptions used in the assessment for impairment loss, the main audit procedures we performed were as follows:

1. We obtained an understanding of the design of the TCB’s relevant internal controls on impairment assessment of loans.
2. We tested and confirmed that TCB’s credit assets were classified and evaluated for impairment in accordance with the Regulations. The length of time the loans have been overdue and the value of the collateral were considered in calculating the provision for impairment loss.

Quoting the Correctness of Insurance Information from the Life Policy Reserve

The reserve for life insurance policy contracts and financial instruments with discretionary participation features of the Company were recognized in compliance with the Regulations Governing the Recognition of Reserves by Insurance Enterprises.

The management of BNP Paribas Cardif TCB Life Insurance Co., Ltd. (BPCTLI) measures the life insurance liability reserve liabilities of each valid long-term insurance policy with reference to the deposit logic of the commodity calculation instructions submitted to the competent authority at the time of insurance pricing. The changes to the deposit logic must be approved by the competent authority in advance. Except for approved deposit logics, the Company shall not arbitrarily change the formulas and parameters used in the product calculation instructions submitted to the competent authority at the time of pricing of insurance types because the quote unchanged withdrawal logic and the correct policy information are crucial to the allocation of insurance liabilities and are identified as a key audit matter. For the relevant accounting policies and material accounting judgments and estimations, refer to Notes 4 and 5 to the consolidated financial statements. For the relevant information about the assessment of the insurance liabilities, refer to Note 28 to the consolidated financial statements.

With respect to the abovementioned key audit matter, the procedures we performed were as follows:

1. We obtained an understanding of the process and related internal operations of the assessment of the insurance liabilities of BPCTLI, and we assessed the compliance with related internal operations by performing the tests.
2. We obtained the actuarial information summary evaluated by the management of BPCTLI, and we sampled and tested that the information of policyholders was consistent with the information of life policy reserves.
3. We utilized our actuarial experts and performed the following audit procedures with respect to life policy reserves:
 - a. We sampled the insurance products and tested the actuarial memorandum, which was approved by the Insurance Bureau before the insurance products were introduced to the market, and the reserves in the memorandum were calculated in accordance with the regulations and were applicable to the insurance products.
 - b. We sampled the insurance policies and recalculated the insurance liabilities and confirmed that the calculation of BPCTLI was in accordance with the Regulations Governing the Recognition of Reserves by Insurance Enterprises and was consistent with the formula and parameters submitted to the regulatory authority.

Responsibilities of Management and Those Charged with Governance for 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, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the financial reporting process of Taiwan Cooperative Financial Holding Co., Ltd. and its subsidiaries.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence of the financial information of the components of the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of the most significance in the audit of the consolidated financial statements of Taiwan Cooperative Financial Holding Co., Ltd. and its subsidiaries, for the six months ended June 30, 2024 and are therefore deemed to be the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 26, 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 audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' 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' 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	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS (Note 6)	\$ 75,474,543	2	\$ 89,231,286	2	\$ 57,648,453	1
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Notes 7 and 41)	354,525,858	7	364,419,141	7	338,716,478	7
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 8, 41 and 42)	156,203,579	3	126,108,496	3	120,297,373	3
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 9 and 42)	543,017,599	11	509,252,116	11	494,681,706	11
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST (Notes 10 and 42)	672,854,182	14	705,008,604	15	724,475,702	16
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Note 11)	1,794,256	-	1,250,689	-	1,198,879	-
RECEIVABLES, NET (Notes 12 and 41)	61,329,720	1	49,273,343	1	49,153,831	1
CURRENT TAX ASSETS	2,530,278	-	2,293,065	-	2,564,586	-
DISCOUNTS AND LOANS, NET (Notes 13, 41 and 42)	2,894,391,646	59	2,800,346,569	58	2,685,873,497	58
REINSURANCE ASSETS, NET	300,190	-	244,817	-	282,466	-
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Note 14)	147,066	-	146,836	-	145,963	-
OTHER FINANCIAL ASSETS, NET (Notes 15, 30 and 42)	95,662,895	2	94,546,321	2	99,903,506	2
INVESTMENT PROPERTIES, NET (Note 16)	11,173,880	-	11,150,124	-	10,945,270	-
PROPERTIES AND EQUIPMENT, NET (Note 17)	32,222,194	1	32,448,391	1	32,731,369	1
RIGHT-OF-USE ASSETS, NET (Note 18)	1,656,004	-	1,585,057	-	1,712,049	-
INTANGIBLE ASSETS (Note 19)	4,635,128	-	4,427,379	-	4,185,161	-
DEFERRED TAX ASSETS (Note 38)	1,897,708	-	2,274,199	-	1,750,156	-
OTHER ASSETS, NET (Notes 18 and 20)	<u>3,397,208</u>	<u>-</u>	<u>3,199,764</u>	<u>-</u>	<u>3,235,253</u>	<u>-</u>
TOTAL	<u>\$ 4,913,213,934</u>	<u>100</u>	<u>\$ 4,797,206,197</u>	<u>100</u>	<u>\$ 4,629,501,698</u>	<u>100</u>
LIABILITIES AND EQUITY						
DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS (Notes 21 and 41)	\$ 336,246,769	7	\$ 301,705,360	6	\$ 337,770,736	7
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 8, 26 and 41)	6,409,983	-	9,261,978	-	3,084,163	-
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 8, 9, 22 and 41)	68,895,723	1	71,210,419	1	67,343,941	1
COMMERCIAL PAPER ISSUED, NET (Note 23)	28,306,399	1	33,651,757	1	26,189,913	1
PAYABLES (Notes 24 and 41)	64,976,727	1	53,640,402	1	50,388,547	1
CURRENT TAX LIABILITIES	669,162	-	3,158,232	-	876,397	-
DEPOSITS AND REMITTANCES (Notes 25 and 41)	3,935,102,226	80	3,862,095,191	81	3,684,918,764	80
BONDS PAYABLE (Note 26)	76,240,000	2	77,240,000	2	82,790,000	2
OTHER BORROWINGS (Notes 23 and 27)	13,486,897	-	11,266,712	-	10,103,100	-
PROVISIONS (Notes 4, 28 and 29)	35,825,138	1	34,391,765	1	34,101,196	1
OTHER FINANCIAL LIABILITIES (Notes 16, 30 and 41)	88,330,733	2	87,530,330	2	90,777,234	2
LEASE LIABILITIES (Note 18)	1,616,936	-	1,545,153	-	1,669,106	-
DEFERRED TAX LIABILITIES (Notes 17 and 38)	6,008,083	-	3,594,884	-	4,909,299	-
OTHER LIABILITIES (Note 31)	<u>1,054,882</u>	<u>-</u>	<u>1,135,355</u>	<u>-</u>	<u>2,214,334</u>	<u>-</u>
Total liabilities	<u>4,663,169,658</u>	<u>95</u>	<u>4,551,427,538</u>	<u>95</u>	<u>4,397,136,730</u>	<u>95</u>
EQUITY ATTRIBUTABLE TO OWNERS OF TCFHC						
Capital stock						
Common stock	147,093,822	3	147,093,822	3	140,089,354	3
Reserve for capitalization	<u>5,148,284</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,004,468</u>	<u>-</u>
Total capital stock	<u>152,242,106</u>	<u>3</u>	<u>147,093,822</u>	<u>3</u>	<u>147,093,822</u>	<u>3</u>
Capital surplus	<u>45,650,280</u>	<u>1</u>	<u>45,650,280</u>	<u>1</u>	<u>45,650,994</u>	<u>1</u>
Retained earnings						
Legal reserve	17,288,787	-	15,582,312	-	15,582,312	-
Special reserve	7,127,657	-	21,509,719	1	21,509,719	1
Unappropriated earnings	<u>28,660,581</u>	<u>1</u>	<u>17,181,771</u>	<u>-</u>	<u>10,269,237</u>	<u>-</u>
Total retained earnings	<u>53,077,025</u>	<u>1</u>	<u>54,273,802</u>	<u>1</u>	<u>47,361,268</u>	<u>1</u>
Other equity	<u>(6,466,601)</u>	<u>-</u>	<u>(7,127,656)</u>	<u>-</u>	<u>(13,343,363)</u>	<u>-</u>
Total equity attributable to owners of TCFHC	244,502,810	5	239,890,248	5	226,762,721	5
NON-CONTROLLING INTERESTS	<u>5,541,466</u>	<u>-</u>	<u>5,888,411</u>	<u>-</u>	<u>5,602,247</u>	<u>-</u>
Total equity	<u>250,044,276</u>	<u>5</u>	<u>245,778,659</u>	<u>5</u>	<u>232,364,968</u>	<u>5</u>
TOTAL	<u>\$ 4,913,213,934</u>	<u>100</u>	<u>\$ 4,797,206,197</u>	<u>100</u>	<u>\$ 4,629,501,698</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 June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
INTEREST REVENUE (Notes 32 and 41)	\$ 26,415,019	162	\$ 23,263,787	149	\$ 51,572,155	161	\$ 44,703,693	147
INTEREST EXPENSE (Notes 32 and 41)	<u>(19,260,578)</u>	<u>(118)</u>	<u>(15,244,334)</u>	<u>(98)</u>	<u>(37,258,854)</u>	<u>(116)</u>	<u>(28,097,054)</u>	<u>(92)</u>
NET INTEREST	<u>7,154,441</u>	<u>44</u>	<u>8,019,453</u>	<u>51</u>	<u>14,313,301</u>	<u>45</u>	<u>16,606,639</u>	<u>55</u>
NET REVENUES AND GAINS OTHER THAN INTEREST								
Service fee and commission income, net (Notes 33 and 41)	2,505,988	15	2,043,759	13	6,203,446	19	3,939,104	13
Premium income, net (Notes 30 and 34)	1,224,609	8	1,494,048	10	2,121,681	7	2,468,314	8
Gains on financial assets and liabilities at fair value through profit or loss (Notes 35 and 41)	8,903,935	55	8,417,935	54	24,287,826	76	9,519,833	32
Gains on disposal investment properties, net	33,108	-	10,629	-	39,795	-	54,294	-
Realized gains on financial assets at fair value through other comprehensive income (Note 36)	660,934	4	1,478,543	9	971,354	3	1,585,229	5
Foreign exchange losses	(4,393,968)	(27)	(5,846,691)	(37)	(15,866,126)	(50)	(3,837,352)	(13)
Gain (loss) on reversal of Impairment loss (Notes 9 and 10)	2,192	-	(750)	-	6,090	-	1,996	-
Share of gains of associates and joint ventures accounted for using the equity method (Note 14)	3,788	-	4,906	-	7,311	-	10,407	-
(Losses) gains on reclassification of overlay approach (Note 8)	(37,295)	-	(59,511)	-	(280,478)	(1)	(98,041)	-
Other noninterest gains, net (Notes 16 and 41)	<u>202,086</u>	<u>1</u>	<u>33,948</u>	<u>-</u>	<u>255,911</u>	<u>1</u>	<u>93,240</u>	<u>-</u>
Total net revenues and gains other than interest	<u>9,105,377</u>	<u>56</u>	<u>7,576,816</u>	<u>49</u>	<u>17,746,810</u>	<u>55</u>	<u>13,737,024</u>	<u>45</u>
TOTAL NET REVENUES	<u>16,259,818</u>	<u>100</u>	<u>15,596,269</u>	<u>100</u>	<u>32,060,111</u>	<u>100</u>	<u>30,343,663</u>	<u>100</u>
BAD-DEBT EXPENSES AND PROVISION FOR LOSSES ON COMMITMENT AND GUARANTEES (Notes 4 and 13)	<u>(305,122)</u>	<u>(2)</u>	<u>(1,024,210)</u>	<u>(6)</u>	<u>(1,482,133)</u>	<u>(4)</u>	<u>(2,078,618)</u>	<u>(7)</u>
NET CHANGE IN RESERVES FOR INSURANCE LIABILITIES (Notes 4 and 28)	<u>(690,521)</u>	<u>(4)</u>	<u>(1,101,194)</u>	<u>(7)</u>	<u>(1,234,552)</u>	<u>(4)</u>	<u>(1,753,947)</u>	<u>(6)</u>
OPERATING EXPENSES (Notes 4, 16, 17, 18, 19, 29 and 37)								
Employee benefits	(4,737,272)	(29)	(4,414,437)	(28)	(9,331,419)	(29)	(8,887,357)	(29)
Depreciation and amortization	(716,414)	(4)	(657,160)	(4)	(1,422,442)	(4)	(1,303,296)	(4)
General and administrative	<u>(2,422,026)</u>	<u>(15)</u>	<u>(2,240,355)</u>	<u>(15)</u>	<u>(4,654,580)</u>	<u>(15)</u>	<u>(4,202,467)</u>	<u>(14)</u>
Total operating expenses	<u>(7,875,712)</u>	<u>(48)</u>	<u>(7,311,952)</u>	<u>(47)</u>	<u>(15,408,441)</u>	<u>(48)</u>	<u>(14,393,120)</u>	<u>(47)</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 June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 7,388,463	46	\$ 6,158,913	40	\$ 13,934,985	44	\$ 12,117,978	40
INCOME TAX EXPENSE (Notes 4 and 38)	<u>(2,381,189)</u>	<u>(15)</u>	<u>(1,358,924)</u>	<u>(9)</u>	<u>(3,544,482)</u>	<u>(11)</u>	<u>(2,281,354)</u>	<u>(8)</u>
NET INCOME	<u>5,007,274</u>	<u>31</u>	<u>4,799,989</u>	<u>31</u>	<u>10,390,503</u>	<u>33</u>	<u>9,836,624</u>	<u>32</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	(3,965)	-	(643)	-	(3,209)	-	(964)	-
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income (Note 9)	<u>5,450,957</u>	<u>33</u>	<u>1,712,121</u>	<u>11</u>	<u>9,000,281</u>	<u>28</u>	<u>5,384,362</u>	<u>18</u>
	<u>5,446,992</u>	<u>33</u>	<u>1,711,478</u>	<u>11</u>	<u>8,997,072</u>	<u>28</u>	<u>5,383,398</u>	<u>18</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	881,658	5	958,368	6	2,753,708	8	450,446	2
Unrealized (losses) gains on investments in debt instruments at fair value through other comprehensive income	(3,991,262)	(24)	(106,636)	(1)	(7,676,304)	(24)	3,068,846	10
Other comprehensive income (losses) on reclassification of overlay approach	37,295	-	59,511	1	280,478	1	98,041	-
Income tax attributable to other comprehensive income	<u>(152,997)</u>	<u>(1)</u>	<u>(131,730)</u>	<u>(1)</u>	<u>(446,694)</u>	<u>(1)</u>	<u>(57,606)</u>	<u>-</u>
	<u>(3,225,306)</u>	<u>(20)</u>	<u>779,513</u>	<u>5</u>	<u>(5,088,812)</u>	<u>(16)</u>	<u>3,559,727</u>	<u>12</u>
	<u>2,221,686</u>	<u>13</u>	<u>2,490,991</u>	<u>16</u>	<u>3,908,260</u>	<u>12</u>	<u>8,943,125</u>	<u>30</u>
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ 7,228,960</u>	<u>44</u>	<u>\$ 7,290,980</u>	<u>47</u>	<u>\$ 14,298,763</u>	<u>45</u>	<u>\$ 18,779,749</u>	<u>62</u>
NET INCOME ATTRIBUTABLE TO:								
Owners of TCFHC	\$ 4,858,817	30	\$ 4,638,898	30	\$ 10,096,164	31	\$ 9,525,438	31
Non-controlling interests	<u>148,457</u>	<u>1</u>	<u>161,091</u>	<u>1</u>	<u>294,339</u>	<u>1</u>	<u>311,186</u>	<u>1</u>
	<u>\$ 5,007,274</u>	<u>31</u>	<u>\$ 4,799,989</u>	<u>31</u>	<u>\$ 10,390,503</u>	<u>32</u>	<u>\$ 9,836,624</u>	<u>32</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 June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of TCFHC	\$ 7,224,534	44	\$ 7,106,733	46	\$ 14,173,660	44	\$ 18,318,571	60
Non-controlling interests	<u>4,426</u>	<u>-</u>	<u>184,247</u>	<u>1</u>	<u>125,103</u>	<u>1</u>	<u>461,178</u>	<u>2</u>
	<u>\$ 7,228,960</u>	<u>44</u>	<u>\$ 7,290,980</u>	<u>47</u>	<u>\$ 14,298,763</u>	<u>45</u>	<u>\$ 18,779,749</u>	<u>62</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 39)								
Basic	<u>\$ 0.32</u>		<u>\$ 0.30</u>		<u>\$ 0.66</u>		<u>\$ 0.63</u>	
Diluted	<u>\$ 0.32</u>		<u>\$ 0.30</u>		<u>\$ 0.66</u>		<u>\$ 0.63</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					Total Equity
	Capital Stock (Note 40)			Capital Surplus (Note 40)	Retained Earnings (Notes 9 and 40)		Exchange Differences on the Translation of Financial Statements of Foreign Operations	Unrealized 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)		
	Shares (In Thousands)	Common Stock	Reserve for Capitalization		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
Appropriation of the 2023 earnings													
Legal reserve	-	-	-	-	1,706,475	-	(1,706,475)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(9,561,098)	-	-	-	-	-	(9,561,098)
Stock dividends	-	-	5,148,284	-	-	-	(5,148,284)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	-	(14,382,062)	14,382,062	-	-	-	-	-	-
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	3,416,428	-	(3,416,428)	-	-	-	-
Transfer of changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss upon derecognition	-	-	-	-	-	-	13	-	-	(13)	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(472,048)	(472,048)
Net income for the six months ended June 30, 2024	-	-	-	-	-	-	10,096,164	-	-	-	-	294,339	10,390,503
Other comprehensive income (losses) for the six months ended June 30, 2024	-	-	-	-	-	-	-	2,198,259	1,738,357	(3,209)	144,089	(169,236)	3,908,260
Total comprehensive income (losses) for the six months ended June 30, 2024	-	-	-	-	-	-	10,096,164	2,198,259	1,738,357	(3,209)	144,089	125,103	14,298,763
BALANCE AT JUNE 30, 2024	14,709,382	\$ 147,093,822	\$ 5,148,284	\$ 45,650,280	\$ 17,288,787	\$ 7,127,657	\$ 28,660,581	\$ 1,619,732	\$ (8,271,505)	\$ (16,236)	\$ 201,408	\$ 5,541,466	\$ 250,044,276
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
Share dividends distributed from capital surplus	-	-	7,004,468	(7,004,468)	-	-	-	-	-	-	-	-	-
Cash dividends distributed from capital surplus	-	-	-	(5,323,396)	-	-	-	-	-	-	-	-	(5,323,396)
Unclaimed dividends	-	-	-	1,842	-	-	-	-	-	-	-	-	1,842
Appropriation of the 2022 earnings													
Legal reserve	-	-	-	-	2,149,776	-	(2,149,776)	-	-	-	-	-	-
Special reserve	-	-	-	-	-	20,524,180	(20,524,180)	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(1,681,072)	-	-	-	-	-	(1,681,072)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	626,777	-	(626,777)	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(175,332)	(175,332)
Net income for the six months ended June 30, 2023	-	-	-	-	-	-	9,525,438	-	-	-	-	311,186	9,836,624
Other comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	-	-	354,368	8,390,890	(964)	48,839	149,992	8,943,125
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	-	9,525,438	354,368	8,390,890	(964)	48,839	461,178	18,779,749
BALANCE AT JUNE 30, 2023	14,008,935	\$ 140,089,354	\$ 7,004,468	\$ 45,650,994	\$ 15,582,312	\$ 21,509,719	\$ 10,269,237	\$ (98,094)	\$ (13,462,887)	\$ (964)	\$ 218,582	\$ 5,602,247	\$ 232,364,968

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 Six Months Ended June 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 13,934,985	\$ 12,117,978
Adjustments for:		
Depreciation expenses	1,193,042	1,123,518
Amortization expenses	229,400	179,778
Expected credit losses/bad-debt expenses	1,497,755	1,963,443
Gains on financial assets and liabilities at fair value through profit or loss	(24,287,826)	(9,519,833)
Interest expense	37,258,854	28,097,054
Interest revenue	(51,572,155)	(44,703,693)
Dividend income	(974,713)	(1,578,080)
Net changes in reserves for insurance liabilities	1,234,552	1,753,947
Net changes in provision for possible losses on guarantees	(51,298)	48,355
Net changes in reserves for other liabilities	35,676	66,820
Share of gains of associates and joint ventures accounted for using equity method	(7,311)	(10,407)
Losses on reclassification of overlay approach	280,478	98,041
Losses on disposal of properties and equipment	109	166
Gains on disposal of investment properties	(39,795)	(54,294)
Losses (gains) on disposal of investments	3,359	(7,149)
Impairment losses on financial assets	1,303	3,137
Reversal of impairment losses on financial assets	(7,393)	(5,133)
Unrealized gains on foreign exchange	(853,098)	(310,135)
Others	(344)	-
Net changes in operating assets and liabilities		
Increase in due from the Central Bank and call loans to other banks	(8,428,149)	(29,648,871)
Increase in financial assets at fair value through profit or loss	(10,333,176)	(34,078,235)
Increase in financial assets at fair value through other comprehensive income	(23,874,973)	(10,531,871)
Decrease (increase) in investments in debt instruments at amortized cost	35,080,076	(4,402,329)
Increase in receivables	(9,894,258)	(9,095,866)
Increase in discounts and loans	(95,328,633)	(98,087,666)
Decrease (increase) in reinsurance assets	3,096	(38,491)
Increase in other financial assets	(551,709)	(1,847,692)
Increase in other assets	(374,679)	(188,072)
Increase in deposits from the Central Bank and other banks	34,541,409	49,917,101
Decrease in financial liabilities at fair value through profit or loss	(1,384,978)	(3,394,114)
Decrease in securities sold under repurchase agreements	(2,562,412)	(346,001)
Increase (decrease) in payables	159,899	(5,823,640)
Increase in deposits and remittances	73,007,035	86,495,850
Decrease in provision for employee benefits	(25,904)	(96,868)
		(Continued)

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2024	2023
(Decrease) increase in other financial liabilities	\$ (15,625)	\$ 140,944
(Decrease) increase in other liabilities	(78,872)	742,355
Cash used in operations	(32,186,273)	(71,019,953)
Interest received	51,807,130	43,840,742
Dividends received	672,408	557,882
Interest paid	(36,634,815)	(25,498,103)
Income tax paid	(3,949,076)	(1,662,489)
Net cash used in operating activities	(20,290,626)	(53,781,921)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of properties and equipment	(606,645)	(533,647)
Proceeds from disposal of properties and equipment	27	-
Increase in refundable deposits	(1,079,474)	(826,097)
Decrease in refundable deposits	1,213,929	706,106
Acquisition of intangible assets	(375,204)	(178,278)
Acquisition of investment properties	(458,249)	(205,114)
Proceeds from disposal of investment properties	328,631	376,633
Increase in other assets	(1,791)	(11,366)
Decrease in other assets	5,701	1,744
Net cash used in investing activities	(973,075)	(670,019)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in commercial paper issued	34,340,000	18,450,000
Decrease in commercial paper issued	(39,720,000)	(16,800,000)
Proceeds from the issuance of bank debentures	7,500,000	2,500,000
Repayments of bank debentures	(8,500,000)	-
Increase in other borrowings	22,010,851	4,521,091
Decrease in other borrowings	(20,026,962)	(3,769,417)
Increase in financial liabilities designated at fair value through profit or loss	1,804,378	1,445,557
Decrease in financial liabilities designated at fair value through profit or loss	(6,514)	-
Increase in guarantee deposits received	311,485	209,793
Decrease in guarantee deposits received	(58,113)	(139,502)
Repayments of the principal portion of lease liabilities	(348,047)	(347,810)
Increase in other liabilities	-	270,795
Decrease in other liabilities	(13,222)	-
Net cash (used in) generated from financing activities	(2,706,144)	6,340,507

(Continued)

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2024	2023
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	\$ (7,542,383)	\$ (866,355)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(31,512,228)	(48,977,788)
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>\$ 112,701,866</u>	<u>\$ 91,066,529</u>
Cash and cash equivalents reconciliations:		
	June 30	
	2024	2023
Cash and cash equivalents in the consolidated balance sheets	\$ 75,474,543	\$ 57,648,453
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”	35,042,227	31,845,517
Securities purchased under resell agreements in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	1,794,256	1,198,879
Other items in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	<u>390,840</u>	<u>373,680</u>
Cash and cash equivalents, end of period	<u>\$ 112,701,866</u>	<u>\$ 91,066,529</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 SIX MONTHS ENDED JUNE 30, 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 266 domestic branches, an offshore banking unit (OBU), 14 overseas branches, 8 overseas sub-branches and 3 representative offices as of June 30, 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 June 30, 2024 and 2023, TCFHC and its subsidiaries (the Company) had 9,587 and 9,553 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 August 26, 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 IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note)

Note: 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.

As of the date the consolidated financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

- c. The 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)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
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 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosures in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

1) IFRS 17 "Insurance Contracts" and related amendments

IFRS 17 sets out the accounting standards for insurance contracts that will supersede IFRS 4. The main standards of IFRS 17 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 group of contracts that are onerous at initial recognition;
- A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently;
- 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 fulfilment 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 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.

3) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

- a) The amendments mainly amend the requirements for the classification of financial assets, including if a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,
 - i. In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
 - ii. In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.
- b) The amendments also stipulate that, when settling a financial liability in cash using an electronic payment system, an entity can choose to derecognize the financial liability before the settlement date if, and only if, the entity has initiated a payment instruction that resulted in:
 - i. The entity having no practical ability to withdraw, stop or cancel the payment instruction;
 - ii. The entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
 - iii. The settlement risk associated with the electronic payment system being insignificant.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Company is continuously assessing other impacts of the above amended 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. Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including loans and receivables), investments in debt instruments that are measured at FVTOCI, lease receivables, as well as contract assets.

The Company always recognizes lifetime expected credit loss (i.e. ECL) for receivables (excluding receivables of credits and credit cards and accrued interest from debt instruments), and lease receivables. For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Company determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

- 1) Internal or external information show that the debtor is unlikely to pay its creditors.
- 2) When a financial asset is overdue for at least 90 days unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

Under FSC guidelines, TCB should classify credit assets as sound credit assets or unsound credit assets, with the unsound assets further categorized as special mention, substandard, with collectability highly doubtful and uncollectable, on the basis of the customers' financial position, valuation of collaterals and the length of time of the principal repayments or interest payments that have become overdue.

TCB made 100%, 50%, 10%, 2% and 1% provisions for credits deemed uncollectable, with collectability highly doubtful, substandard, special mention and sound credit assets (excluding assets that represent claims against an ROC government agency), respectively, as minimum provisions. In addition, TCB was required to make provisions of at least 1.5% each for the sound credit assets on loans granted to clients from mainland China (including short-term trading financing) and for mortgage loans granted for housing acquisition, renovation and construction.

Under "The Regulations Governing the Procedures for Bills Finance Companies to Evaluate Assets, Set Aside Loss Reserves, and Handle Nonperforming Credits, Nonaccrual Loans, and Bad Debts" issued by the FSC, TCBF makes the following minimum provisions for losses on credits for these categories: Uncollectable - 100%; with doubtful collectability - 50%; substandard - 10%; "special mention" - 2%; and collectable (excluding assets that represent claims against an ROC government agency) - 1%.

Under the "Regulations Governing the Procedures for Insurance Institutions to Evaluate Assets and Deal with Nonperforming/Nonaccrual Loans" issued by the FSC, BPCTLI should make sufficient provisions for credit assets.

Credits deemed uncollectable may be written off if the write-off is approved by the board of directors.

b. Provisions

Provisions are the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties on the obligation. A provision is measured using the cash flows estimated to settle the present obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The reserves of insurance contracts are recognized in accordance with Regulations Governing the Reserves by Insurance Enterprises and attested by actuary with accreditation from Financial Supervisory Commission. A portion of certain insurance contracts offered by the Company has the discretion participation feature and guarantee nature. However, the Company does not distinguish the value of such discretionary feature and guarantee from the insurance component of the subject insurance contracts, and recognizes such insurance contracts as insurance related liability as a whole. According to the letter No. 11004925801 announced by the Insurance Bureau, except the Company's insurance with a term of less than one year, the insurance liabilities should be calculated based on the higher amount of its revenue or revenue calculated according to the regulation. Otherwise, the provision basis are summarized as follows:

1) Unearned premium reserve

Unearned premiums of effective policies with a term of less than one year and the term of injury insurance exceeding one year are computed, by the policy types, according to the respective actual risk.

2) Claim reserve

Reserve for claim payments is for claims which are reported but not yet paid and incurred but not yet reported (IBNR). Reserve for claim payments which is reported but not yet paid is provided according to a case by case basis based on actual data. Reserve for claim payments which is incurred but not yet reported is provided based on the following rules:

a) Life insurance and health insurance with a term of less than one year

Life insurance and health insurance with a term of less than one year is provided based on historical information and actuarial principles for each type of insurance.

b) Injury insurance

Injury insurance is provided based on historical information and actuarial principles for each type of insurance.

3) Life policy reserve

Reserve of life policy is calculated according to the Regulations Governing the Reserves by Insurance Enterprises and other rulings promulgated by regulators. Calculation is based on a mortality table and projected interest rate at the time of approval of the insurance product granted by the Insurance Bureau of the Republic of China.

4) Deficiency reserve

For life, health and annuity insurance contracts, whereas insurance term is over one year and insurance premium is lower than the required reserve liability, a further reserve for deficient premiums will be required in addition to the normal insurance reserve.

In addition, for effective insurance contracts with a term less than one year, if the estimated claims and expenses are in excess of the relevant reserve for unearned premium and the expected premium to be received, the excess amount shall be provided as an addition to the deficiency reserve account.

5) Reserve for liability adequacy

According to IFRS 4 “Insurance Contracts”, additional reserve for liability adequacy shall be made pursuant to the results of the Company’s annual insurance liability adequacy tests.

The Company’s liability adequacy test is based on the whole insurance contracts, and is in accordance with Actuarial Standards of Practice of IFRS 4 - “Classification of Contracts and Liability Adequacy Test” issued by the Actuarial Institute of the Republic of China. The adequacy of insurance liabilities must be tested at each balance sheet date. The liability adequacy test is based on the difference between the net carrying amount of insurance liabilities minus deferred acquisition costs and related intangible assets and current estimates of future cash flows from insurance policies. If the net carrying amount is insufficient, the deficiency will be recognized in profit or loss.

6) Insurance contract with financial instrument features

The service fees the Company charges from investment contracts, which do not belong to investment-linked products and are with no discretionary participation features, are recognized as reserve for insurance contracts with financial instrument features. The related acquisition cost will be charged against reserve for insurance contracts with financial instrument features when the relevant insurance contracts become effective. The Company provided the reserve in accordance with the Regulations Governing the Reserves by Insurance Enterprises.

7) Reserve for foreign exchange valuation

For the life insurance enterprises manage its exposure to foreign exchange risks, reduce the cost and strengthen liquidation, in accordance with Regulations Governing the Reserves by Insurance Enterprises and the Company based on its foreign investment asset to provide the foreign exchange valuation.

Under the Guidelines on Life Insurance Reserve for Foreign Exchange Valuation and related amendments, the reserve to be provided and the terms for write-offs against the reserve are as follows:

- a) Special reserve is reclassified to reserve for foreign exchange valuation for three years from the reclassification date. For the first year, the amount cannot be less than one third of the initial amount of net income. For the first two years, the cumulative amounts cannot less than two thirds of the initial amount of net income. In this reclassification, the recovered amount should be calculated in accordance with Regulations Governing the Reserves by Insurance Enterprises.
- b) Provisions: The amounts of foreign investments multiplied by the position of net exposures and the ratio of 0.05%. 50% of the amount of the gain on foreign exchange of the assets and liabilities without hedging should be set aside as a reserve. Moreover, if the average hedging cost rate for the one-year New Taiwan Dollar to US Dollar currency swap transaction in the month is lower than the historical average hedging cost rate, a reserve fund should be set aside by multiplying the traditional hedging principal amount in the month by the difference in hedging cost rates, dividing it by 12, and then multiplying it by 25%.
- c) Write-off amounts: The loss on foreign exchange of the assets and liabilities without hedging should be set aside as a reserve, written off by fifty percent of the amount. Moreover, if the average hedging cost rate for the one-year New Taiwan Dollar to US Dollar currency swap transaction in the month is higher than the historical average hedging cost rate, a reserve fund should be set aside by multiplying the traditional hedging principal amount in the month by the difference in hedging cost rates, dividing it by 12, and then multiplying it by 25%. The balance of the reserve at the end of a month shall not be less than six times the average monthly fixed deposit amount in the previous five years.

- d) The maximum cumulative reserve is the foreign exchange risk value of the average position of net exposed foreign investment in the prior year.
 - e) If the Company has savings on hedging cost, it should appropriate from the current year's net profit an amount the same as that of these savings. However, if the net profit is not enough for this appropriation, the appropriation should be made in the year a profit is made. This reserve should be used for capital increase or for offsetting the deficit at least once in three years.
 - f) Ten percent of net profit should be provided as special reserve. However, exemption from this requirement may be obtained under the authorities' approval.
- c. 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.

- d. 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 is 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

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	\$ 24,331,824	\$ 29,086,413	\$ 23,882,561
Notes and checks in clearing	17,288,010	17,108,734	4,971,375
Due from banks	<u>33,874,090</u>	<u>43,052,913</u>	<u>28,816,746</u>
	75,493,924	89,248,060	57,670,682
Less: Allowance for possible losses	<u>19,381</u>	<u>16,774</u>	<u>22,229</u>
	<u>\$ 75,474,543</u>	<u>\$ 89,231,286</u>	<u>\$ 57,648,453</u>

Reconciliations of cash and cash equivalents between the consolidated statements of cash flows and the consolidated balance sheets as of June 30, 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

	June 30, 2024	December 31, 2023	June 30, 2023
Reserves for deposits - account A	\$ 33,540,540	\$ 47,271,228	\$ 47,695,087
Reserves for deposits - account B	110,598,791	105,871,392	106,916,524
Reserves for deposits - community financial institutions	82,943,935	81,514,688	80,366,296
Reserves for deposits - foreign-currency deposits	659,290	538,112	585,467
Deposits in the Central Bank	39,200,000	39,200,000	39,200,000
Due from the Central Bank - others	28,819,201	30,157,434	16,597,346
Due from the Central Bank - central government agencies' deposits	2,585,904	2,263,866	3,718,408
Call loans to banks	<u>56,178,197</u>	<u>57,602,421</u>	<u>43,637,350</u>
	<u>\$ 354,525,858</u>	<u>\$ 364,419,141</u>	<u>\$ 338,716,478</u>

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 reserves - 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

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets mandatorily classified as at fair value through profit or loss</u>			
Commercial paper	\$ 129,970,155	\$ 108,621,838	\$ 100,228,601
Negotiable certificates of deposit	2,699,005	4,396,316	1,599,288
Beneficial certificates	6,067,817	5,090,862	4,863,150
Investment in equity instruments	3,224,427	2,398,480	3,377,480
Corporate bonds	1,283,093	1,290,733	1,091,065
Convertible bonds	365,808	633,874	356,994
Bank debentures	297,966	15,773	15,306
Government bonds	201,180	305,905	706,061
Acquired loans	-	-	99
Commercial paper contracts with reference rate	11,348	11,109	13,440
Currency swap contracts	9,502,178	2,258,273	7,134,154
Futures exchange margins	1,474,150	403,651	437,249
Forward contracts	43,433	59,437	105,851
Convertible bonds assets swap contracts	851,741	491,306	270,669
Currency option contracts - buy	52,394	29,844	8,687
Cross-currency swap contracts	64	5,741	1,132
Interest rate swap contracts	148,779	70,095	85,080
Futures option contract - buy	-	-	510
Asset swap IRS contracts value	<u>10,041</u>	<u>25,259</u>	<u>2,557</u>
Financial assets at fair value through profit or loss	<u>\$ 156,203,579</u>	<u>\$ 126,108,496</u>	<u>\$ 120,297,373</u>

(Continued)

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Held-for-trading financial liabilities</u>			
Payable - security borrowing	\$ 486,744	\$ 317,616	\$ 662,605
Securities purchased under resell agreements	329,141	-	-
Currency swap contracts	511,728	5,863,445	819,244
Cross-currency swap contracts	42,108	10,125	17,267
Currency option contract - sell	52,506	29,888	8,702
Forward contracts	32,781	100,022	38,541
Asset swap options contracts	61,891	75,757	15,138
Interest rate swap contracts	218,321	90,587	104,723
Futures option contract - sell	39	-	371
	<u>1,735,259</u>	<u>6,487,440</u>	<u>1,666,591</u>
<u>Financial liabilities designated to be measured at fair value through profit or loss</u>			
Bank debentures (Note 26)	<u>4,674,724</u>	<u>2,774,538</u>	<u>1,417,572</u>
Financial liabilities at fair value through profit or loss	<u>\$ 6,409,983</u>	<u>\$ 9,261,978</u>	<u>\$ 3,084,163</u>
			(Concluded)

As of June 30, 2024, December 31, 2023 and June 30, 2023, financial assets at fair value through profit or loss amounting to \$34,062,840 thousand, \$37,863,176 thousand and \$35,045,112 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 June 30, 2024, December 31, 2023 and June 30, 2023, the contract (notional) amounts of derivative transactions of TCB were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Currency swap contracts	\$ 326,362,748	\$ 341,781,419	\$ 312,679,973
Interest rate swap contracts	11,222,034	7,517,843	4,965,744
Forward contracts	5,682,251	6,236,748	8,797,978
Currency option contracts - sell	4,589,319	2,492,252	2,632,823
Currency option contracts - buy	4,589,319	2,492,252	2,632,823
Cross-currency swap contracts	522,576	391,826	610,496

As of June 30, 2024 and 2023, the open position of futures transactions of TCB were as follows:

		June 30, 2024			
Items	Products	Open Position		Contract Amounts or Premium Paid (Charged)	Fair Values
		Buy/Sell	Number of Contracts		
Futures contracts	Taiwan stock futures	Sell	25,603	\$ 6,350,810	\$ 6,473,295
		June 30, 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	\$ 70,007	\$ 69,831

As of June 30, 2024, December 31, 2023 and June 30, 2023, the open position of future and option transactions of Taiwan Cooperative Securities Co., Ltd. (TCS) were as follows:

		June 30, 2024			
Items	Products	Open Position		Contract Amounts or Premium Paid (Charged)	Fair Values
		Buy/Sell	Number of Contracts		
Futures contracts	Interest rate futures	Buy	86	\$ 347,726	\$ 347,305
	Stock index futures	Buy	24	48,842	49,141
	Single-stock futures	Buy	74	40,403	40,641
	Commodity futures	Buy	19	60,189	60,166
	Foreign exchange futures	Buy	10	25,897	25,524
	Stock index futures	Sell	288	588,352	588,507
	Single-stock futures	Sell	2,132	663,351	672,934
	Commodity futures	Sell	62	173,463	175,552
Option contracts	Stock index options	Sell put	40	55	40
		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

		June 30, 2023			
Items	Products	Open Position		Contract	Fair Values
		Buy/Sell	Number of Contracts	Amounts or	
				Premium Paid (Charged)	
Futures contracts	Interest rate futures	Buy	40	\$ 163,025	\$ 163,707
	Stock index futures	Buy	127	175,527	175,439
	Single-stock futures	Buy	12	4,425	4,460
	Commodity futures	Buy	76	166,917	171,001
	Foreign exchange futures	Buy	4	10,889	10,918
	Stock index futures	Sell	407	705,697	706,745
	Single-stock futures	Sell	483	166,390	166,063
	Commodity futures	Sell	117	275,825	279,115
Option contracts	Stock index options	Buy put	100	681	510
	Stock index options	Sell call	190	232	88
	Stock index options	Sell put	220	294	282

As of June 30, 2024, December 31, 2023 and June 30, 2023, the contract (notional) amounts of asset swap contracts of TCS were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Asset swap contracts	\$ 211,500	\$ 450,000	\$ 173,000

As of June 30, 2024, December 31, 2023 and June 30, 2023, the contract (notional) amounts of currency swap contracts of TCS were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Currency swap contracts	\$ -	\$ -	\$ 314,514

As of June 30, 2024 and 2023, the open position of futures transactions of TCBF was as follows:

		June 30, 2024			
Items	Products	Open Position		Contract	Fair Values
		Buy/Sell	Number of Contracts	Amounts or	
				Premium Paid (Charged)	
Futures contracts	U.S. Treasury Bond Futures	Sell	20	\$ 65,080	\$ 71,751

Items	Products	June 30, 2023			
		Open Position		Contract Amounts or Premium Paid (Charged)	Fair Values
		Buy/Sell	Number of Contracts		
Futures contracts	U.S. Treasury Bond Futures	Sell	5	\$ 15,536	\$ 17,419

As of June 30, 2024, December 31, 2023 and June 30, 2023, the contract (notional) amounts of derivative transactions of TCBF were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Currency swap contracts	\$ 451,544	\$ 437,637	\$ 489,938
Convertible (exchangeable) bond asset swap contracts	831,300	479,400	263,800

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 June 30, 2024, December 31, 2023 and June 30, 2023, the contract (notional) amounts of derivative transactions of BPCTLI were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Currency swap contracts	\$ 9,547,287	\$ 9,660,970	\$ 10,329,782
Cross-currency swap contracts	423,410	399,165	404,820

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:

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets at FVTPL</u>			
Beneficial certificates	\$ 4,396,535	\$ 3,572,056	\$ 3,447,056
Stock	-	-	411,346

For the six months ended June 30, 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 Six Months Ended June 30	
	2024	2023
Profit or loss on application of IFRS 9	\$ 604,870	\$ 350,790
Less: Profit or loss from application of IAS 39	<u>(324,392)</u>	<u>(252,749)</u>
Gain or loss on reclassification of overlay approach	<u>\$ 280,478</u>	<u>\$ 98,041</u>

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Investments in equity instruments at FVTOCI</u>			
Listed shares and emerging market shares	\$ 57,620,907	\$ 40,112,612	\$ 36,935,956
Unlisted shares	<u>7,122,508</u>	<u>7,207,614</u>	<u>7,201,332</u>
	<u>64,743,415</u>	<u>47,320,226</u>	<u>44,137,288</u>
<u>Investments in debt instruments at FVTOCI</u>			
Government bonds	276,124,089	270,341,804	259,995,134
Corporate bonds	106,022,004	105,719,081	110,011,783
Bank debentures	92,355,551	78,353,091	71,664,532
Negotiable certificates of deposit	<u>3,772,540</u>	<u>7,517,914</u>	<u>8,872,969</u>
	<u>478,274,184</u>	<u>461,931,890</u>	<u>450,544,418</u>
	<u>\$ 543,017,599</u>	<u>\$ 509,252,116</u>	<u>\$ 494,681,706</u>

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 \$24,258,326 thousand and \$5,393,832 thousand for the six months ended June 30, 2024 and 2023, respectively. The accumulated unrealized valuation gain or loss of financial assets at FVTOCI under other equity in the amount of \$3,416,428 thousand and \$626,777 thousand gains have been transferred to retained earnings, respectively.

For the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the Company recognized unrealized gains on investments in equity instruments at FVTOCI of \$5,450,956 thousand and \$1,712,121 thousand gains, \$9,000,280 thousand and \$5,384,362 thousand gains, respectively.

For the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the Company recognized unrealized gains or losses on investments in debt instruments at FVOCI of \$3,991,261 thousand and \$106,636 thousand losses, \$7,676,303 thousand losses and \$3,068,846 thousand gains, respectively.

As of June 30, 2024, December 31, 2023 and June 30, 2023, the allowance for possible losses of investment in debt instruments at FVTOCI recognized was \$298,358 thousand, \$284,994 thousand and \$297,866 thousand, respectively, through expected credit loss. Impairment loss recognized in profit or loss for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023 was \$3,422 thousand gains and \$4,982 thousand losses, \$1,210 thousand and \$7,128 thousand gains, respectively.

As of June 30, 2024, December 31, 2023 and June 30, 2023, financial assets at fair value through other comprehensive income amounting to \$34,476,070 thousand, \$33,178,420 thousand and \$31,685,164 thousand, respectively, had been sold under repurchase agreements.

10. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST

	June 30, 2024	December 31, 2023	June 30, 2023
Negotiable certificates of deposit in the Central Bank	\$ 392,397,901	\$ 446,295,000	\$ 473,810,000
Government bonds	165,503,409	156,857,661	156,236,625
Corporate bonds	82,942,940	73,899,876	66,462,471
Bank debentures	31,772,951	26,959,048	26,681,292
Certificates of deposit	266,970	1,030,921	893,625
Treasury bills	-	-	419,790
	<u>672,884,171</u>	<u>705,042,506</u>	<u>724,503,803</u>
Less: Allowance for impairment loss	<u>29,989</u>	<u>33,902</u>	<u>28,101</u>
	<u>\$ 672,854,182</u>	<u>\$ 705,008,604</u>	<u>\$ 724,475,702</u>

Impairment loss recognized in profit or loss for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023 was \$1,230 thousand losses and \$4,232 thousand gains, \$4,880 thousand gains and \$5,132 thousand losses, respectively.

11. SECURITIES PURCHASED UNDER RESELL AGREEMENTS

Securities acquired for \$1,794,256 thousand, \$1,250,689 thousand and \$1,198,879 thousand under resell agreements as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively, will subsequently be sold for \$1,795,961 thousand, \$1,251,786 thousand and \$1,200,073 thousand, respectively.

12. RECEIVABLES, NET

	June 30, 2024	December 31, 2023	June 30, 2023
Accrued interest	\$ 16,492,452	\$ 15,285,310	\$ 12,296,098
Settlement consideration	1,534,680	104,790	228,344
Settlement receivable	8,795,513	6,120,557	5,624,589
Margin loans receivable	7,419,681	5,722,631	4,819,256
Credit cards	9,231,459	4,907,452	8,953,290
Acceptances	2,525,718	3,445,629	2,608,934
Lease payment receivable	2,241,067	1,872,570	1,997,619
Receivable on securities	1,080,126	834,101	516,388

(Continued)

	June 30, 2024	December 31, 2023	June 30, 2023
Receivables on merchant accounts in the credit card business	\$ 906,504	\$ 1,149,941	\$ 849,850
Receivables on financing provided	805,706	876,403	895,883
Accounts receivable	409,626	274,131	417,096
Receivable - separated account	447,448	437,261	652,632
Refundable deposits receivable in leasehold agreements	129,585	132,585	132,585
Accounts receivable factored without recourse	26,480	114,381	29,647
Urban regeneration advance payment	7,629,649	7,121,524	7,778,560
Securities loan receivable	1,385,585	814,608	166,406
Dividends receivable	460,946	27,172	1,254,377
Others	<u>742,935</u>	<u>743,982</u>	<u>698,105</u>
	62,265,160	49,985,028	49,919,659
Less: Allowance for possible losses	824,440	623,900	680,016
Less: Unrealized interest revenue	<u>111,000</u>	<u>87,785</u>	<u>85,812</u>
	<u>\$ 61,329,720</u>	<u>\$ 49,273,343</u>	<u>\$ 49,153,831</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	(22,897)	22,988	(91)	-
Credit-impaired financial assets	(36,206)	(5,941)	42,147	-
12-month ECL	18,928	(18,544)	(384)	-
New financial assets purchased or originated	68,564,352	26,542	75,111	68,666,005
Write-offs	-	-	(46,692)	(46,692)
Derecognition of financial assets in the current reporting period	(62,812,397)	(36,078)	(51,032)	(62,899,507)
Changes in exchange rates and other changes	<u>(125,935)</u>	<u>979</u>	<u>4,600</u>	<u>(120,356)</u>
Balance on June 30, 2024	<u>\$ 32,700,950</u>	<u>\$ 55,511</u>	<u>\$ 298,140</u>	<u>\$ 33,054,601</u>
Balance on January 1, 2023	\$ 21,463,662	\$ 57,165	\$ 204,286	\$ 21,725,113
Transfers to				
Lifetime ECL	(38,215)	38,271	(56)	-
Credit-impaired financial assets	(87,840)	(20,120)	107,960	-
12-month ECL	9,086	(8,926)	(160)	-
New financial assets purchased or originated	52,810,760	72,246	126,070	53,009,076
Write-offs	-	-	(16,093)	(16,093)
Derecognition of financial assets in the current reporting period	(47,484,768)	(79,832)	(105,535)	(47,670,135)
Changes in exchange rates and other changes	<u>(182,001)</u>	<u>7,549</u>	<u>655</u>	<u>(173,797)</u>
Balance on June 30, 2023	<u>\$ 26,490,684</u>	<u>\$ 66,353</u>	<u>\$ 317,127</u>	<u>\$ 26,874,164</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	(121)	136	(15)	-	-	-
Credit-impaired financial assets	(1,499)	(366)	1,865	-	-	-
12-month ECL	4,870	(4,814)	(56)	-	-	-
Derecognition of financial assets in the current reporting period	(35,161)	(8,402)	(18,513)	(62,076)	-	(62,076)
Reversal from financial instruments recognized at the beginning of the current reporting period	(2,825)	4,033	18,228	19,436	-	19,436
New financial assets purchased or originated	213,710	6,260	34,580	254,550	-	254,550
Difference of impairment loss under regulations	-	-	-	-	12,635	12,635
Write-offs	-	-	(46,692)	(46,692)	-	(46,692)
Recovery of written-off receivables	-	-	12,175	12,175	-	12,175
Changes in exchange rates and other changes	862	24	2,626	3,512	-	3,512
Balance on June 30, 2024	<u>\$ 224,495</u>	<u>\$ 9,101</u>	<u>\$ 120,532</u>	<u>\$ 354,128</u>	<u>\$ 181,808</u>	<u>\$ 535,936</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	(425)	435	(10)	-	-	-
Credit-impaired financial assets	(18,886)	(511)	19,397	-	-	-
12-month ECL	1,959	(1,950)	(9)	-	-	-
Derecognition of financial assets in the current reporting period	(24,482)	(19,605)	(12,211)	(56,298)	-	(56,298)
Reversal from financial instruments recognized at the beginning of the current reporting period	11,608	4,424	7,497	23,529	-	23,529
New financial assets purchased or originated	24,163	18,699	48,324	91,186	-	91,186
Difference of impairment loss under regulations	-	-	-	-	3,307	3,307
Write-offs	-	-	(16,093)	(16,093)	-	(16,093)
Recovery of written-off receivables	-	-	662	662	-	662
Changes in exchange rates and other changes	239	5	1,066	1,310	-	1,310
Balance on June 30, 2023	<u>\$ 36,315</u>	<u>\$ 12,683</u>	<u>\$ 144,602</u>	<u>\$ 193,600</u>	<u>\$ 169,009</u>	<u>\$ 362,609</u>

Impairment assessment except the above receivables were based on expected credit losses model at the beginning of the current reporting period by the simplified method. On June 30, 2024, December 31, 2023 and June 30, 2023, the amounts assessment to impairment of receivables were assessed as \$29,210,559 thousand, \$22,529,877 thousand and \$23,045,495 thousand, respectively, and the amounts of allowance for possible losses were \$288,504 thousand, \$281,504 thousand and \$317,407 thousand, respectively.

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

	For the Six Months Ended June 30	
	2024	2023
Balance on January 1	\$ 281,504	\$ 306,979
Provision for possible losses	51,810	6,770
Write-offs	(40,341)	(3,174)
Recovery of written-off receivables	5,615	3,396
Effects of exchange rate changes and other changes	(10,084)	3,436
Balance on June 30	<u>\$ 288,504</u>	<u>\$ 317,407</u>

13. DISCOUNTS AND LOANS, NET

	June 30, 2024	December 31, 2023	June 30, 2023
Bills discounted	\$ 1,561,105	\$ 831,674	\$ 1,053,512
Overdraft			
Unsecured	155	857	6,202
Secured	14,077	18,915	26,393
Import and export negotiations	218,580	366,814	326,234
Short-term loans			
Unsecured	440,764,911	440,762,831	388,245,914
Accounts receivable financing	526,671	523,386	371,645
Secured	208,433,897	205,670,875	205,519,483
Medium-term loans			
Unsecured	600,223,899	534,993,825	509,220,642
Secured	406,804,079	427,436,837	427,015,686
Long-term loans			
Unsecured	53,894,985	52,174,385	49,574,232
Secured	1,209,166,682	1,166,005,220	1,130,235,430
Overdue loans	4,714,946	4,512,989	5,475,953
Life insurance loan	452,379	411,161	371,577
Temporary insurance paid	96,789	90,741	85,144
	<u>2,926,873,155</u>	<u>2,833,800,510</u>	<u>2,717,528,047</u>
Less: Allowance for possible losses	31,913,957	32,881,748	31,019,468
Less: Adjustment of discount	<u>567,552</u>	<u>572,193</u>	<u>635,082</u>
	<u>\$ 2,894,391,646</u>	<u>\$ 2,800,346,569</u>	<u>\$ 2,685,873,497</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	(2,967,783)	3,010,470	(42,687)	-
Credit-impaired financial assets	(4,295,384)	(2,011,387)	6,306,771	-
12-month ECL	695,044	(402,682)	(292,362)	-
New financial assets purchased or originated	784,794,509	187,686	96,739	785,078,934
Write-offs	-	-	(2,655,979)	(2,655,979)
Derecognition of financial assets in the current reporting period	(698,929,275)	(350,678)	(3,365,002)	(702,644,955)
Changes in exchange rates and other changes	<u>13,062,421</u>	<u>110,026</u>	<u>122,198</u>	<u>13,294,645</u>
Balance on June 30, 2024	<u>\$ 2,891,061,344</u>	<u>\$ 3,822,282</u>	<u>\$ 31,989,529</u>	<u>\$ 2,926,873,155</u>

(Continued)

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, 2023	\$ 2,580,402,892	\$ 5,893,927	\$ 34,838,082	\$ 2,621,134,901
Transfers to				
Lifetime ECL	(2,668,404)	2,687,775	(19,371)	-
Credit-impaired financial assets	(2,797,383)	(2,069,558)	4,866,941	-
12-month ECL	1,171,142	(1,042,350)	(128,792)	-
New financial assets purchased or originated	693,509,846	362,086	308,098	694,180,030
Write-offs	-	-	(2,149,077)	(2,149,077)
Derecognition of financial assets in the current reporting period	(594,889,775)	(644,579)	(3,202,230)	(598,736,584)
Changes in exchange rates and other changes	<u>2,967,707</u>	<u>64,751</u>	<u>66,319</u>	<u>3,098,777</u>
Balance on June 30, 2023	<u>\$ 2,677,696,025</u>	<u>\$ 5,252,052</u>	<u>\$ 34,579,970</u>	<u>\$ 2,717,528,047</u>

(Concluded)

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	(9,579)	16,152	(6,573)	-	-	-
Credit-impaired financial assets	(42,693)	(13,488)	56,181	-	-	-
12-month ECL	30,937	(2,478)	(28,459)	-	-	-
Derecognition of financial assets in the current reporting period	(1,199,983)	(12,147)	(448,579)	(1,660,709)	-	(1,660,709)
Reversal from financial instruments recognized at the beginning of the current reporting period	(413,777)	349,542	2,452,357	2,388,122	-	2,388,122
New financial assets purchased or originated	1,354,280	375	9,346	1,364,001	-	1,364,001
Difference of impairment loss under regulations	-	-	-	-	(895,121)	(895,121)
Write-offs	-	-	(2,655,979)	(2,655,979)	-	(2,655,979)
Recovery of write-off credits	-	-	309,657	309,657	-	309,657
Changes in exchange rates and other changes	<u>98,931</u>	<u>2,718</u>	<u>80,589</u>	<u>182,238</u>	<u>-</u>	<u>182,238</u>
Balance on June 30, 2024	<u>\$ 4,377,080</u>	<u>\$ 396,563</u>	<u>\$ 3,929,264</u>	<u>\$ 8,702,907</u>	<u>\$ 23,211,050</u>	<u>\$ 31,913,957</u>
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	(5,214)	8,395	(3,181)	-	-	-
Credit-impaired financial assets	(46,510)	(59,607)	106,117	-	-	-
12-month ECL	16,716	(9,961)	(6,755)	-	-	-
Derecognition of financial assets in the current reporting period	(1,003,702)	(1,826)	(222,179)	(1,227,707)	-	(1,227,707)
Reversal from financial instruments recognized at the beginning of the current reporting period	87,274	23,353	3,166,598	3,277,225	-	3,277,225
New financial assets purchased or originated	1,240,797	9,492	31,060	1,281,349	-	1,281,349
Difference of impairment loss under regulations	-	-	-	-	(1,479,377)	(1,479,377)
Write-offs	-	-	(2,149,077)	(2,149,077)	-	(2,149,077)
Recovery of write-off credits	-	-	362,660	362,660	-	362,660
Changes in exchange rates and other changes	<u>26,244</u>	<u>1,348</u>	<u>29,760</u>	<u>57,352</u>	<u>-</u>	<u>57,352</u>
Balance on June 30, 2023	<u>\$ 4,440,917</u>	<u>\$ 71,338</u>	<u>\$ 5,349,718</u>	<u>\$ 9,861,973</u>	<u>\$ 21,157,495</u>	<u>\$ 31,019,468</u>

The bad-debt expenses and provision for losses on guarantees for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023 were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Provision for possible losses on discounts and loans	\$ 58,592	\$ 1,062,998	\$ 1,196,293	\$ 1,851,490
Provision for possible losses on receivables	222,801	33,104	276,355	68,494
Provision for due from banks	1,541	-	1,541	-
Provision (reversal of provision) for possible losses on overdue receivables	17,592	(45,146)	23,566	43,459
Provision (reversal of provision) for possible losses on guarantees	(573)	(30,090)	(51,298)	48,355
Provision for possible losses on loan commitment	10,022	16,505	10,028	68,441
Provision (reversal of provision) for other possible losses	<u>(4,853)</u>	<u>(13,161)</u>	<u>25,648</u>	<u>(1,621)</u>
	<u>\$ 305,122</u>	<u>\$ 1,024,210</u>	<u>\$ 1,482,133</u>	<u>\$ 2,078,618</u>

As of June 30, 2024, December 31, 2023 and June 30, 2023, TCB was in compliance with the FSC-required provision for credit assets.

As of June 30, 2024, December 31, 2023 and June 30, 2023, accrual of interest on the above overdue loans had been stopped. Thus, the unrecognized interest revenue was \$60,427 thousand and \$67,455 thousand for the six months ended June 30, 2024 and 2023, respectively, based on the average loan interest rate for the year.

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	Percentage of Ownership (%)	Amount	Percentage of Ownership (%)	Amount	Percentage of Ownership (%)
<u>Investment in associate</u>						
United Real Estate Management Co., Ltd.	\$ 142,611	30.00	\$ 142,192	30.00	\$ 140,511	30.00
Mesh Cooperative Ventures, Inc.	-	-	-	-	3,149	22.00
JC Capital Taiwan Co., Ltd.	<u>4,455</u>	35.00	<u>4,644</u>	35.00	<u>2,303</u>	35.00
	<u>\$ 147,066</u>		<u>\$ 146,836</u>		<u>\$ 145,963</u>	

Aggregate information of associate that is not individually material:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
The Company's share of:				
Net income	\$ 3,788	\$ 4,906	\$ 7,311	\$ 10,407
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>\$ 3,788</u>	<u>\$ 4,906</u>	<u>\$ 7,311</u>	<u>\$ 10,407</u>

The Company should have received both \$7,081 thousand of dividends from United Real Estate Management Co., Ltd. for the six months ended June 30, 2024 and 2023. The dividends are recognized as a reduction of investments accounted for using the equity method.

Except for United Real Estate Management Co., Ltd., the Company's share of profit or loss and other comprehensive income of the associates accounted for using equity method for the six months ended June 30, 2024 and 2023 were based on the associates' financial statements that have not been audited by the auditors. Management believes there is no material impact on the equity method of accounting or the calculation of the share of profit or loss and other comprehensive income from the financial statements of the associates that have not been audited.

15. OTHER FINANCIAL ASSETS, NET

	June 30, 2024	December 31, 2023	June 30, 2023
Overdue receivables	\$ 208,526	\$ 212,978	\$ 1,551,454
Less: Allowance for possible losses	<u>150,737</u>	<u>157,644</u>	<u>281,325</u>
Overdue receivables, net	57,789	55,334	1,270,129
Due from banks	8,487,172	8,151,364	9,186,339
Security borrowing margin	573,805	378,350	836,940
Call loans to securities firms	390,840	368,460	373,680
Separate-account assets (Note 30)	<u>86,153,289</u>	<u>85,592,813</u>	<u>88,236,418</u>
	<u>\$ 95,662,895</u>	<u>\$ 94,546,321</u>	<u>\$ 99,903,506</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

	June 30, 2024	December 31, 2023	June 30, 2023
Land	\$ 8,954,751	\$ 8,893,903	\$ 8,750,425
Buildings	2,219,129	2,256,221	2,194,845
Prepayments for land and buildings	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 11,173,880</u>	<u>\$ 11,150,124</u>	<u>\$ 10,945,270</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	1,173	1,583	455,493	458,249
Disposals	(182,590)	(120,409)	-	(302,999)
Reclassification	315,854	58,893	(455,493)	(80,746)
Other	<u>(73,589)</u>	<u>-</u>	<u>-</u>	<u>(73,589)</u>
Balance on June 30, 2024	<u>\$ 8,954,751</u>	<u>\$ 3,556,698</u>	<u>\$ -</u>	<u>\$ 12,511,449</u>
Balance on January 1, 2023	\$ 8,654,548	\$ 3,486,996	\$ -	\$ 12,141,544
Additions	134,376	70,738	-	205,114
Disposals	(224,872)	(106,455)	-	(331,327)
Reclassification	<u>186,373</u>	<u>19,544</u>	<u>-</u>	<u>205,917</u>
Balance on June 30, 2023	<u>\$ 8,750,425</u>	<u>\$ 3,470,823</u>	<u>\$ -</u>	<u>\$ 12,221,248</u>
<u>Accumulated depreciation and impairment</u>				
Balance on January 1, 2024	\$ -	\$ 1,360,410	\$ -	\$ 1,360,410
Disposals	-	(14,163)	-	(14,163)
Depreciation expenses	-	48,917	-	48,917
Reclassification	<u>-</u>	<u>(57,595)</u>	<u>-</u>	<u>(57,595)</u>
Balance on June 30, 2024	<u>\$ -</u>	<u>\$ 1,337,569</u>	<u>\$ -</u>	<u>\$ 1,337,569</u>
Balance on January 1, 2023	\$ -	\$ 1,205,289	\$ -	\$ 1,205,289
Disposals	-	(8,988)	-	(8,988)
Depreciation expenses	-	44,202	-	44,202
Reclassification	<u>-</u>	<u>35,475</u>	<u>-</u>	<u>35,475</u>
Balance on June 30, 2023	<u>\$ -</u>	<u>\$ 1,275,978</u>	<u>\$ -</u>	<u>\$ 1,275,978</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 June 30, 2024.

As of December 31, 2023 and 2022, the fair value of investment properties was \$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 six months ended June 30, 2024 and 2023.

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Rental income from investment properties (part of other noninterest gains, net)	\$ 130,307	\$ 140,340	\$ 262,884	\$ 256,550
Direct operating expenses for investment properties that generate rental income	<u>(58,892)</u>	<u>(45,220)</u>	<u>(104,268)</u>	<u>(89,973)</u>
	<u>\$ 71,415</u>	<u>\$ 95,120</u>	<u>\$ 158,616</u>	<u>\$ 166,577</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 June 30, 2024, December 31, 2023 and June 30, 2023, guarantee deposits received on these leases totaled \$114,230 thousand, \$113,750 thousand and \$118,644 thousand, respectively.

Minimum future annual rentals are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Year 1	\$ 309,205	\$ 382,432	\$ 216,353
Year 2	212,811	228,210	188,984
Year 3	178,997	185,798	148,953
Year 4	151,635	164,420	134,991
Year 5	75,868	110,492	63,443
Over five years	<u>101,117</u>	<u>130,897</u>	<u>1,824</u>
	<u>\$ 1,029,633</u>	<u>\$ 1,202,249</u>	<u>\$ 754,548</u>

17. PROPERTIES AND EQUIPMENT, NET

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Assets used by the Company</u>			
Land	\$ 20,478,198	\$ 20,451,869	\$ 20,440,058
Buildings	9,330,018	9,513,137	9,798,927
Machinery and equipment	1,457,559	1,436,833	1,421,934
Transportation equipment	165,882	170,097	164,565
Other equipment	211,457	216,963	232,890
Leasehold improvements	210,532	214,180	236,451
Prepayments for equipment, land and buildings and construction in progress	<u>358,597</u>	<u>431,020</u>	<u>417,741</u>
	<u>\$ 32,212,243</u>	<u>\$ 32,434,099</u>	<u>\$ 32,712,566</u>
<u>Assets leased under operating leases</u>			
Machinery and equipment	\$ 2,939	\$ 3,957	\$ 5,078
Other equipment	<u>7,012</u>	<u>10,335</u>	<u>13,725</u>
	<u>\$ 9,951</u>	<u>\$ 14,292</u>	<u>\$ 18,803</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	-	99,194	296,658	15,794	36,868	23,708	134,423	606,645
Disposals	-	-	(207,268)	(22,275)	(19,529)	(8,164)	-	(257,236)
Reclassification	26,171	142,542	37,918	2,125	1,668	15,230	(206,848)	18,806
Effects of exchange rate changes and others	<u>158</u>	<u>337</u>	<u>9,433</u>	<u>2,014</u>	<u>2,871</u>	<u>8,602</u>	<u>2</u>	<u>23,417</u>
Balance on June 30, 2024	<u>\$ 20,493,375</u>	<u>\$ 20,245,884</u>	<u>\$ 5,938,431</u>	<u>\$ 726,796</u>	<u>\$ 1,637,676</u>	<u>\$ 1,322,091</u>	<u>\$ 358,597</u>	<u>\$ 50,722,850</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	-	70,207	221,690	6,147	39,509	19,794	176,300	533,647
Disposals	-	-	(159,675)	(8,052)	(17,291)	(520)	-	(185,538)
Reclassification	(111,715)	4,139	72,024	2,431	6,781	25,324	(236,812)	(237,828)
Effects of exchange rate changes and others	<u>35</u>	<u>75</u>	<u>746</u>	<u>210</u>	<u>562</u>	<u>431</u>	<u>(8)</u>	<u>2,051</u>
Balance on June 30, 2023	<u>\$ 20,455,235</u>	<u>\$ 19,965,270</u>	<u>\$ 5,567,631</u>	<u>\$ 708,678</u>	<u>\$ 1,603,435</u>	<u>\$ 1,281,563</u>	<u>\$ 417,741</u>	<u>\$ 49,999,553</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	-	-	(207,132)	(22,275)	(19,529)	(8,164)	(257,100)	
Depreciation expenses	-	367,260	315,895	22,734	44,361	44,134	794,384	
Reclassification	-	57,595	-	-	-	(34)	57,561	
Effects of exchange rate changes	<u>-</u>	<u>337</u>	<u>7,252</u>	<u>1,414</u>	<u>2,552</u>	<u>7,088</u>	<u>18,643</u>	
Balance on June 30, 2024	<u>\$ 15,177</u>	<u>\$ 10,915,866</u>	<u>\$ 4,480,872</u>	<u>\$ 560,914</u>	<u>\$ 1,426,219</u>	<u>\$ 1,111,559</u>	<u>\$ 18,510,607</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	-	-	(159,638)	(7,979)	(17,263)	(492)	(185,372)	
Depreciation expenses	-	361,025	271,903	21,183	45,348	43,400	742,859	
Reclassification	-	(35,475)	-	-	-	-	(35,475)	
Effects of exchange rate changes	<u>-</u>	<u>75</u>	<u>494</u>	<u>195</u>	<u>522</u>	<u>661</u>	<u>1,947</u>	
Balance on June 30, 2023	<u>\$ 15,177</u>	<u>\$ 10,166,343</u>	<u>\$ 4,145,697</u>	<u>\$ 544,113</u>	<u>\$ 1,370,545</u>	<u>\$ 1,045,112</u>	<u>\$ 17,286,987</u>	

Taiwan Cooperative Bank, Ltd. (TCB) revalued its properties five times in 1979, 1998, 2007, 2011 and 2012. As of June 30, 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 June 30, 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 June 30, 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>1,018</u>	<u>3,323</u>	<u>4,341</u>
Balance on June 30, 2024	<u>\$ 8,859</u>	<u>\$ 27,520</u>	<u>\$ 36,379</u>
Balance on January 1, 2023	\$ 5,661	\$ 17,455	\$ 23,116
Depreciation expenses	<u>1,059</u>	<u>3,352</u>	<u>4,411</u>
Balance on June 30, 2023	<u>\$ 6,720</u>	<u>\$ 20,807</u>	<u>\$ 27,527</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

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Carrying amounts</u>			
Land	\$ 12,199	\$ 11,890	\$ 8,439
Buildings	1,527,208	1,501,661	1,615,690
Transportation equipment	110,459	64,347	78,939
Other equipment	<u>6,138</u>	<u>7,159</u>	<u>8,981</u>
	<u>\$ 1,656,004</u>	<u>\$ 1,585,057</u>	<u>\$ 1,712,049</u>
	For the Three Months Ended June 30		For the Six Months Ended June 30
	2024	2023	2024
			2023
Depreciation charge for right-of-use assets			
Land	\$ 1,384	\$ 1,802	\$ 2,773
Buildings	157,364	151,662	316,032
Transportation equipment	13,176	11,284	25,575
Other equipment	<u>430</u>	<u>925</u>	<u>1,020</u>
	<u>\$ 172,354</u>	<u>\$ 165,673</u>	<u>\$ 345,400</u>
			<u>\$ 332,046</u>

As of June 30, 2024 and 2023, the additions to right-of-use assets of the Company was \$405,569 thousand and \$487,877 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 six months ended June 30, 2024 and 2023.

b. Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amounts	<u>\$ 1,616,936</u>	<u>\$ 1,545,153</u>	<u>\$ 1,669,106</u>

Range of discount rate for lease liabilities was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Land	1.593%-2.076%	1.346%-1.985%	1.346%-1.864%
Buildings	1.346%-9.800%	1.346%-9.800%	1.346%-9.800%
Transportation equipment	0.863%-9.890%	0.780%-9.700%	0.780%-9.700%
Other equipment	2.616%-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 June 30, 2024, December 31, 2023 and June 30, 2023, refundable deposits on these leases totaled \$147,128 thousand, \$146,304 thousand and \$143,488 thousand, respectively.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	<u>\$ 1,137</u>	<u>\$ 1,714</u>	<u>\$ 2,516</u>	<u>\$ 2,769</u>
Expenses relating to low-value asset leases	<u>\$ 1,035</u>	<u>\$ 992</u>	<u>\$ 2,097</u>	<u>\$ 1,096</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 1,379</u>	<u>\$ 1,116</u>	<u>\$ 2,383</u>	<u>\$ 2,783</u>

As of June 30, 2024 and 2023, the total cash outflow for leases of the Company was \$373,689 thousand and \$373,169 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

	June 30, 2024	December 31, 2023	June 30, 2023
Goodwill	\$ 3,170,005	\$ 3,170,005	\$ 3,170,005
Computer software	1,464,981	1,257,232	1,015,156
Carbon Credits	<u>142</u>	<u>142</u>	<u>-</u>
	<u>\$ 4,635,128</u>	<u>\$ 4,427,379</u>	<u>\$ 4,185,161</u>

	Goodwill	Computer Software	Carbon Credits	Total
Balance on January 1, 2024	\$ 3,170,005	\$ 1,257,232	\$ 142	\$ 4,427,379
Separate acquisition	-	375,204	-	375,204
Amortization expenses	-	(228,824)	-	(228,824)
Reclassification	-	56,442	-	56,442
Effect of exchange rate changes	<u>-</u>	<u>4,927</u>	<u>-</u>	<u>4,927</u>
Balance on June 30, 2024	<u>\$ 3,170,005</u>	<u>\$ 1,464,981</u>	<u>\$ 142</u>	<u>\$ 4,635,128</u>

(Continued)

(Continued)

	Goodwill	Computer Software	Carbon Credits	Total
Balance on January 1, 2023	\$ 3,170,005	\$ 986,021	\$ -	\$ 4,156,026
Separate acquisition	-	178,278	-	178,278
Amortization expenses	-	(179,210)	-	(179,210)
Reclassification	-	29,506	-	29,506
Effect of exchange rate changes	<u>-</u>	<u>561</u>	<u>-</u>	<u>561</u>
Balance on June 30, 2023	<u>\$ 3,170,005</u>	<u>\$ 1,015,156</u>	<u>\$ -</u>	<u>\$ 4,185,161</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

	June 30, 2024	December 31, 2023	June 30, 2023
Refundable deposits	\$ 1,792,476	\$ 1,960,317	\$ 1,850,669
Operating deposits and settlement funds	711,830	717,372	716,066
Prepaid expenses	592,357	330,360	401,248
Prepaid pensions	89,863	42,176	148,051
Settlement payments	174,664	100,688	88,893
Receipts under custody for securities under writing	1,176	14,708	85
Others	<u>34,842</u>	<u>34,143</u>	<u>30,241</u>
	<u>\$ 3,397,208</u>	<u>\$ 3,199,764</u>	<u>\$ 3,235,253</u>

21. DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS

	June 30, 2024	December 31, 2023	June 30, 2023
Deposits from banks	\$ 168,793,257	\$ 173,467,665	\$ 166,898,442
Call loans from banks	128,700,005	89,326,719	106,801,175
Overdrafts from other banks	1,374,031	1,478,785	1,167,667
Transfer deposits from Chunghwa Post Co., Ltd.	37,095,665	37,095,665	62,595,665
Deposits from the Central Bank	<u>283,811</u>	<u>336,526</u>	<u>307,787</u>
	<u>\$ 336,246,769</u>	<u>\$ 301,705,360</u>	<u>\$ 337,770,736</u>

22. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Securities sold for \$68,895,723 thousand, \$71,210,419 thousand and \$67,343,941 thousand under repurchase agreements as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively, would subsequently be purchased for \$68,985,978 thousand, \$71,295,211 thousand and \$67,411,032 thousand, respectively.

23. COMMERCIAL PAPER ISSUED, NET

The face values of commercial paper issued were \$28,340,000 thousand, \$33,720,000 thousand and \$26,210,000 thousand and the annual discount rates were from 1.678% to 2.038%, from 1.508% to 1.809% and from 1.330% to 2.007% as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively, and the commercial paper will mature by June 30, 2024, March 2, 2023 and June 30, 2023, respectively. The foregoing commercial paper was accepted and guaranteed by financial institutions. As of June 30, 2024, the Company had not used the amount of \$99,894,333 thousand, the sum of the amount of the commercial paper issued and the credit.

24. PAYABLES

	June 30, 2024	December 31, 2023	June 30, 2023
Settlement payable	\$ 7,840,240	\$ 6,166,790	\$ 5,928,074
Settlement consideration	19,377	202,061	170,237
Accrued expenses	5,161,838	6,772,635	4,794,617
Collections payable	6,429,300	5,851,666	6,182,909
Checks for clearing	17,288,010	17,108,734	4,971,375
Collections of notes and checks for various financial institutions in other cities	588,192	596,608	4,929,397
Acceptances	2,599,835	3,519,099	2,657,009
Accrued interest	8,886,738	8,203,720	7,152,932
Payables on notes and checks collected for others	325,052	290,589	1,659,258
Payables for short-sale transactions	436,174	405,781	414,138
Deposits on short-sale transactions	402,818	358,869	343,857
Tax payable	895,853	762,836	839,421
Payable on securities	1,076,549	86,828	306,837
Dividends payable	10,519,407	486,290	7,642,496
Factored accounts payable	26,480	84,597	29,647
Insurance claims and benefits payable	89,257	181,418	121,469
Others	<u>2,391,607</u>	<u>2,561,881</u>	<u>2,244,874</u>
	<u>\$ 64,976,727</u>	<u>\$ 53,640,402</u>	<u>\$ 50,388,547</u>

25. DEPOSITS AND REMITTANCES

	June 30, 2024	December 31, 2023	June 30, 2023
Deposits			
Checking	\$ 59,126,767	\$ 70,523,741	\$ 52,908,924
Demand	806,874,502	783,562,770	758,495,604
Savings - demand	1,188,325,670	1,199,358,033	1,166,560,720
Time	1,006,703,981	960,679,439	877,117,464
Negotiable certificates of deposit	47,883,912	34,181,070	31,353,807
Savings - time	692,823,877	676,348,161	658,970,034
Treasury	133,245,430	137,199,303	139,402,029
Remittances	<u>118,087</u>	<u>242,674</u>	<u>110,182</u>
	<u>\$ 3,935,102,226</u>	<u>\$ 3,862,095,191</u>	<u>\$ 3,684,918,764</u>

26. BONDS PAYABLE

	June 30, 2024	December 31, 2023	June 30, 2023
Bank debentures	\$ 56,240,000	\$ 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
Second 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>\$ 76,240,000</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:

	June 30, 2024	December 31, 2023	June 30, 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
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
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 (sustainable development) in 2021: Fixed rate of 0.40%; maturity - May 31, 2026	1,000,000	1,000,000	1,000,000
Second unsecured bank debentures (social responsibility) in 2021: Fixed rate of 0.69%; maturity - October 29, 2026	1,000,000	1,000,000	1,000,000
First non-cumulative perpetual subordinated bonds in 2022: Fixed rate of 2.50%; TCB may exercise its redemption right after 5 years and 2 months	1,350,000	1,350,000	1,350,000
Second non-cumulative perpetual subordinated bonds in 2022: Fixed rate of 3.00%; TCB may exercise its redemption rights after 5 years and 1 month	8,650,000	8,650,000	8,650,000

(Continued)

	June 30, 2024	December 31, 2023	June 30, 2023
Third unsecured bank debentures (sustainable 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 month	5,690,000	5,690,000	5,690,000
First unsecured bank debentures (sustainable development) in 2023: Fixed rate of 1.40%; maturity - March 20, 2028	2,500,000	2,500,000	2,500,000
Second subordinated bonds in 2024: Fixed rate of 2.10%; maturity - June 27, 2034	<u>7,500,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 56,240,000</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: TCB issued third unsecured bank debentures amounted to US\$45,850 thousand on October 5, 2023, and TCB issued first unsecured bank debentures amounted to US\$55,400 thousand on May 3, 2024. The debentures are divided into Type A and Type B for \$32,800 thousand and \$14,050 thousand, Type A and Type B for US\$29,250 thousand and US\$16,600 thousand, and Type A and Type B for US\$32,050 thousand and US\$23,350 thousand, respectively, with a combination of fixed interest rate and structured interest rate (range accrual). TCB may make 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, and Type A is May 3, 2026, and Type B is May 3, 2029. 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:

	June 30, 2024	December 31, 2023	June 30, 2023
First unsecured bank debentures bonds issued in 2023			
Type A	\$ 1,037,219	\$ 985,158	\$ 997,115
Type B	<u>431,535</u>	<u>414,456</u>	<u>420,457</u>
	<u>1,468,754</u>	<u>1,399,614</u>	<u>1,417,572</u>
Third unsecured bank debentures bonds issued in 2023			
Type A	929,439	881,525	-
Type B	<u>511,673</u>	<u>493,399</u>	<u>-</u>
	<u>1,441,112</u>	<u>1,374,924</u>	<u>-</u>
First unsecured bank debentures bonds issued in 2024			
Type A	1,028,696	-	-
Type B	<u>736,162</u>	<u>-</u>	<u>-</u>
	<u>1,764,858</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,674,724</u>	<u>\$ 2,774,538</u>	<u>\$ 1,417,572</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 June 30, 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 June 30, 2024, the amount of unissued unsecured bank debentures of TCB was US\$3,600 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 June 30, 2024, the amount of unissued unsecured bank debentures of TCB was US\$198,900 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 June 30, 2024, the amount of unissued bank debentures of TCB was \$10,000,000 thousand.

On April 17, 2024, TCB has obtained approval from the FSC to issued subordinated bank debentures amounting to \$10,000,000 thousand. As of June 30, 2024, the amount of unissued bank debentures of TCB was \$2,500,000 thousand.

27. OTHER BORROWINGS

	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	Rate (%)	Amount	Rate (%)	Amount	Rate (%)
Borrowings (Note 23)	<u>\$ 13,486,897</u>	1.700-5.850	<u>\$ 11,266,712</u>	1.580-5.900	<u>\$ 10,103,100</u>	1.520-4.251

28. PROVISIONS

	June 30, 2024	December 31, 2023	June 30, 2023
Reserve for life insurance liabilities	\$ 29,330,986	\$ 27,906,508	\$ 27,261,346
Reserve for insurance contracts with financial instrument features	9,495	7,637	5,503
Provision for employee benefits	4,002,019	4,027,923	4,165,077
Provision for losses on guarantees	1,392,189	1,441,977	1,407,819
Provision for losses on loan commitment	340,082	325,497	309,086
Provision for others	51,889	25,779	32,944
Other provision for insurance	<u>698,478</u>	<u>656,444</u>	<u>919,421</u>
	<u>\$ 35,825,138</u>	<u>\$ 34,391,765</u>	<u>\$ 34,101,196</u>

- a. Details of reserve for life insurance liabilities (not including reserve of policyholders payables) were as follows:

	June 30, 2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Life insurance	\$ 17,626,482	\$ 4,377,642	\$ 22,004,124
Health insurance	1,240,814	-	1,240,814
Annuity insurance	-	6,064,300	6,064,300
Investment insurance	<u>16,412</u>	<u>-</u>	<u>16,412</u>
	18,883,708	10,441,942	29,325,650
Less: Ceded life insurance liability reserve	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 18,883,708</u>	<u>\$ 10,441,942</u>	<u>\$ 29,325,650</u>
	December 31, 2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	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	<u>17,887</u>	<u>-</u>	<u>17,887</u>
	17,007,183	10,894,852	27,902,035
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>
	June 30, 2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Life insurance	\$ 14,347,148	\$ 4,794,336	\$ 19,141,484
Health insurance	1,101,348	-	1,101,348
Annuity insurance	-	6,994,038	6,994,038
Investment insurance	<u>20,524</u>	<u>-</u>	<u>20,524</u>
	15,469,020	11,788,374	27,257,394
Less: Ceded life insurance liability reserve	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 15,469,020</u>	<u>\$ 11,788,374</u>	<u>\$ 27,257,394</u>

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

	For the Six Months Ended June 30					
	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	2,023,155	73,985	2,097,140	2,684,976	126,096	2,811,072
Recovery	(318,336)	(526,895)	(845,231)	(279,288)	(721,399)	(1,000,687)
Effects of exchange rate changes	<u>171,706</u>	<u>-</u>	<u>171,706</u>	<u>23,982</u>	<u>-</u>	<u>23,982</u>
Ending balance	18,883,708	10,441,942	29,325,650	15,469,020	11,788,374	27,257,394
Less: Ceded life insurance liability reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance on June 30	<u>\$ 18,883,708</u>	<u>\$ 10,441,942</u>	<u>\$ 29,325,650</u>	<u>\$ 15,469,020</u>	<u>\$ 11,788,374</u>	<u>\$ 27,257,394</u>

- b. As of June 30, 2024, December 31, 2023 and June 30, 2023, total life policy reserve carrying amounts (including reserve of policyholders payables) were \$29,330,986 thousand, \$27,906,508 thousand and \$27,261,346 thousand, respectively.
- c. Details of liability adequacy reserves are as follows:

	Insurance Contracts and Financial Instruments with Discretionary Participation Features		
	June 30, 2024	December 31, 2023	June 30, 2023
Life insurance liability reserve	\$ 29,325,650	\$ 27,902,035	\$ 27,257,394
Unearned premium reserve	441,073	459,834	463,729
Claims reserve	161,981	59,879	104,426
Premium deficiency reserve	<u>60,940</u>	<u>42,491</u>	<u>729</u>
Book value of insurance reserve	<u>\$ 29,989,644</u>	<u>\$ 28,464,239</u>	<u>\$ 27,826,278</u>
Present value of discounted cash flows	<u>\$ 25,209,128</u>	<u>\$ 24,779,537</u>	<u>\$ 24,275,466</u>
Balance of liability adequacy reserve	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

As of June 30, 2024, December 31, 2023 and June 30, 2023, the Company's reserves for insurance contracts satisfied the liability adequacy tests.

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

	June 30, 2024, December 31, 2023 and June 30, 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:

	June 30, 2024	December 31, 2023	June 30, 2023
Life insurance	<u>\$ 9,495</u>	<u>\$ 7,637</u>	<u>\$ 5,503</u>

	For the Six Months Ended June 30	
	2024	2023
Balance on January 1	\$ 7,637	\$ 3,651
Reserve for insurance contracts with financial instrument features	<u>1,858</u>	<u>1,852</u>
Balance on June 30	<u>\$ 9,495</u>	<u>\$ 5,503</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 currency swap and cross-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 Six Months Ended June 30	
	2024	2023
Balance on January 1	\$ 94,240	\$ 440,333
Provisions		
Compulsory provisions	-	-
Additional provisions	<u>-</u>	<u>15,653</u>
	-	15,653
Recovery	<u>(59,756)</u>	<u>(105,449)</u>
Balance on June 30	<u>\$ 34,484</u>	<u>\$ 350,537</u>

3) Impact of the reserve of foreign exchange variation

For the six months ended June 30, 2024

Items	Amount Without Reserve	Amount With Reserve	Effect
Net income	\$ 10,342,698	\$ 10,390,503	\$ 47,805
Earnings per share (NT\$)	0.66	0.66	-
Reserve of foreign exchange variation	-	34,484	34,484
Equity	250,101,166	250,044,276	(56,890)

For the six months ended June 30, 2023

Items	Amount Without Reserve	Amount With Reserve	Effect
Net income	\$ 9,764,787	\$ 9,836,624	\$ 71,837
Earnings per share (NT\$)	0.62	0.63	0.01
Reserve of foreign exchange variation	-	350,537	350,537
Equity	232,674,701	232,364,968	(309,733)

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Reserve for life insurance liabilities, net	\$ 716,501	\$ 1,141,636	\$ 1,251,909	\$ 1,810,385
Reserve for insurance contract with financial instrument features, net	676	850	1,858	1,852
Others, net	<u>(26,656)</u>	<u>(41,292)</u>	<u>(19,215)</u>	<u>(58,290)</u>
	<u>\$ 690,521</u>	<u>\$ 1,101,194</u>	<u>\$ 1,234,552</u>	<u>\$ 1,753,947</u>

g. Provisions for employee benefits are summarized below:

	June 30, 2024	December 31, 2023	June 30, 2023
Present value of retired employees' preferential interest deposit obligation	<u>\$ 4,002,019</u>	<u>\$ 4,027,923</u>	<u>\$ 4,165,077</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	(808)	808	-	-	-	-
Credit-impaired financial instruments	(39)	-	39	-	-	-
12-month ECL	-	-	-	-	-	-
Derecognition of financial instruments in the current reporting period	(177,757)	(105)	(3,846)	(181,708)	-	(181,708)
Reversal from financial instruments recognized at the beginning of the current reporting period	(106,606)	(87)	314	(106,379)	-	(106,379)
New financial instruments purchased or originated	255,311	26	-	255,337	-	255,337
Difference of impairment loss under regulations	-	-	-	-	17,128	17,128
Change in exchange rates and other changes	<u>6,508</u>	<u>21</u>	<u>-</u>	<u>6,529</u>	<u>-</u>	<u>6,529</u>
Balance on June 30, 2024	<u>\$ 1,023,487</u>	<u>\$ 1,510</u>	<u>\$ 6,655</u>	<u>\$ 1,031,652</u>	<u>\$ 752,508</u>	<u>\$ 1,784,160</u>

(Continued)

	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, 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	(8)	8	-	-	-	-
Credit-impaired financial instruments	(504)	-	504	-	-	-
12-month ECL	-	-	-	-	-	-
Derecognition of financial instruments in the current reporting period	(112,028)	-	(14,843)	(126,871)	-	(126,871)
Reversal from financial instruments recognized at the beginning of the current reporting period	(52,527)	(7)	1,519	(51,015)	-	(51,015)
New financial instruments purchased or originated	236,227	-	-	236,227	-	236,227
Difference of impairment loss under regulations	-	-	-	-	56,834	56,834
Change in exchange rates and other changes	<u>1,566</u>	<u>-</u>	<u>30</u>	<u>1,596</u>	<u>-</u>	<u>1,596</u>
Balance on June 30, 2023	<u>\$ 970,472</u>	<u>\$ 1</u>	<u>\$ 23,057</u>	<u>\$ 993,530</u>	<u>\$ 756,319</u>	<u>\$ 1,749,849</u>

(Concluded)

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 \$145,766 thousand and \$139,940 thousand in the consolidated statement of comprehensive income for the six months ended June 30, 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 six months ended June 30, 2024 and 2023, the pension expenses under defined benefit plan recognized in the consolidated statements of comprehensive income amounted to \$173,239 thousand and \$181,445 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 six months ended June 30, 2024 and 2023, the employee preferential deposit expense under employee's preferential deposit plan recognized in the consolidated statements of comprehensive income amounted to \$381,940 thousand and \$348,219 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

	June 30, 2024	December 31, 2023	June 30, 2023
Structured products - host contracts	\$ -	\$ -	\$ 176,250
Guarantee deposits received	2,176,902	1,921,350	2,362,284
Appropriation for loans	542	16,167	2,282
Separate-account liabilities	<u>86,153,289</u>	<u>85,592,813</u>	<u>88,236,418</u>
	<u>\$ 88,330,733</u>	<u>\$ 87,530,330</u>	<u>\$ 90,777,234</u>

The status of the Company's investment-linked products - separate account as of June 30, 2024, December 31, 2023 and June 30, 2023, are summarized as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Separate-account assets (part of other financial assets)			
Cash and cash equivalents	\$ 768,350	\$ 658,122	\$ 923,510
Financial assets at FVTPL	85,261,474	84,767,992	87,163,403
Other receivables			
Investment settlement receivables	<u>123,465</u>	<u>166,699</u>	<u>149,505</u>
	<u>\$ 86,153,289</u>	<u>\$ 85,592,813</u>	<u>\$ 88,236,418</u>
Separate-account liabilities (part of other financial liabilities)			
Reserve for separate account-insurance contract	\$ 55,489,518	\$ 54,788,061	\$ 56,059,196
Reserve for separate account-investment contract	30,215,780	30,367,491	31,524,590
Other payables			
General accounts payables	<u>447,991</u>	<u>437,261</u>	<u>652,632</u>
	<u>\$ 86,153,289</u>	<u>\$ 85,592,813</u>	<u>\$ 88,236,418</u>
	For the Three Months Ended June 30		For the Six Months Ended June 30
	2024	2023	2024
			2023
Separate-account revenue			
Premium income	\$ 367,550	\$ 261,649	\$ 628,833
Gain (loss) on financial assets at FVTPL	(28,363)	1,864,685	1,600,360
Interest revenue	1,245	1,181	2,278
Loss on foreign exchange	<u>1,077,809</u>	<u>312,906</u>	<u>2,320,882</u>
	<u>\$ 1,418,241</u>	<u>\$ 2,440,421</u>	<u>\$ 4,552,353</u>
Separate-account expense			
Insurance claims and benefits	\$ 1,344,967	\$ 1,290,971	\$ 2,532,520
Reserves for separate accounts, net of releases - insurance contract	(246,431)	803,649	1,374,440
Administrative expenses	<u>319,705</u>	<u>345,801</u>	<u>645,393</u>
	<u>\$ 1,418,241</u>	<u>\$ 2,440,421</u>	<u>\$ 4,552,353</u>

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

31. OTHER LIABILITIES

	June 30, 2024	December 31, 2023	June 30, 2023
Advance receipts	\$ 942,786	\$ 1,031,785	\$ 1,872,337
Others	<u>112,096</u>	<u>103,570</u>	<u>341,997</u>
	<u>\$ 1,054,882</u>	<u>\$ 1,135,355</u>	<u>\$ 2,214,334</u>

32. NET INTEREST

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Interest revenue				
From discounts and loans	\$ 19,301,029	\$ 17,541,769	\$ 37,700,677	\$ 33,959,857
From investments	5,065,177	4,240,347	9,824,634	7,902,747
From due from banks and call loans to other banks	1,713,927	1,197,577	3,385,315	2,286,365
Others	<u>334,886</u>	<u>284,094</u>	<u>661,529</u>	<u>554,724</u>
	<u>26,415,019</u>	<u>23,263,787</u>	<u>51,572,155</u>	<u>44,703,693</u>
Interest expense				
From deposits	(16,248,087)	(12,840,807)	(31,561,260)	(23,780,918)
From due to the Central Bank and other banks	(1,975,004)	(1,353,993)	(3,683,600)	(2,317,454)
From issuing bonds payable	(305,821)	(343,522)	(626,712)	(673,720)
From deposits from the Central Bank and other banks	(285,731)	(363,227)	(543,626)	(674,400)
From securities sold under repurchase agreements	(343,377)	(262,755)	(653,194)	(501,299)
Others	<u>(102,558)</u>	<u>(80,030)</u>	<u>(190,462)</u>	<u>(149,263)</u>
	<u>(19,260,578)</u>	<u>(15,244,334)</u>	<u>(37,258,854)</u>	<u>(28,097,054)</u>
	<u>\$ 7,154,441</u>	<u>\$ 8,019,453</u>	<u>\$ 14,313,301</u>	<u>\$ 16,606,639</u>

33. SERVICE FEE AND COMMISSION INCOME, NET

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Service fee and commission revenues				
From trust business	\$ 693,449	\$ 486,464	\$ 1,420,034	\$ 1,025,188
From guarantee	254,015	247,471	502,531	490,606
From loans	380,741	396,563	1,621,854	680,864
From insurance service	429,627	299,985	1,234,403	538,743
From brokerage service	367,231	225,328	667,518	406,148
From investment-linked products	116,499	121,057	237,488	245,198
From credit cards	432,191	395,189	872,935	789,000

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
From management fees of investment-linked products	\$ 37,673	\$ 42,450	\$ 77,794	\$ 85,050
From management fees	71,913	85,185	146,412	168,953
From remittance	73,329	68,714	145,383	135,840
From cross-bank transactions	73,772	73,928	148,075	147,147
From underwriting	40,614	30,912	65,915	49,509
From import/export service	23,889	24,811	46,191	50,061
Others	<u>190,482</u>	<u>141,509</u>	<u>361,959</u>	<u>281,386</u>
	<u>3,185,425</u>	<u>2,639,566</u>	<u>7,548,492</u>	<u>5,093,693</u>
Service charge and commission expenses				
From cross-bank transactions	(83,015)	(84,012)	(170,323)	(165,382)
From insurance business	(103,364)	(42,422)	(178,100)	(79,492)
From credit cards	(83,018)	(71,570)	(174,368)	(143,721)
From credit cards acquiring	(297,900)	(280,072)	(605,506)	(558,912)
From custody	(23,601)	(16,785)	(45,229)	(35,795)
Others	<u>(88,539)</u>	<u>(100,946)</u>	<u>(171,520)</u>	<u>(171,287)</u>
	<u>(679,437)</u>	<u>(595,807)</u>	<u>(1,345,046)</u>	<u>(1,154,589)</u>
	<u>\$ 2,505,988</u>	<u>\$ 2,043,759</u>	<u>\$ 6,203,446</u>	<u>\$ 3,939,104</u>
				(Concluded)

34. PREMIUM INCOME, NET

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Account revenue (Note 30)	\$ 1,418,241	\$ 2,440,421	\$ 4,552,353	\$ 2,719,245
Premium income	<u>2,016,106</u>	<u>2,368,980</u>	<u>3,658,187</u>	<u>4,108,545</u>
	<u>3,434,347</u>	<u>4,809,401</u>	<u>8,210,540</u>	<u>6,827,790</u>
Separate-account expense (Note 30)	(1,418,241)	(2,440,421)	(4,552,353)	(2,719,245)
Insurance claims and benefits	(665,286)	(753,191)	(1,302,031)	(1,409,937)
Reinsurance premium ceded	(106,757)	(104,219)	(203,469)	(197,467)
Others	<u>(19,454)</u>	<u>(17,522)</u>	<u>(31,006)</u>	<u>(32,827)</u>
	<u>(2,209,738)</u>	<u>(3,315,353)</u>	<u>(6,088,859)</u>	<u>(4,359,476)</u>
	<u>\$ 1,224,609</u>	<u>\$ 1,494,048</u>	<u>\$ 2,121,681</u>	<u>\$ 2,468,314</u>

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

For the Three Months Ended June 30, 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	\$ 547,693	\$ 7,349,622	\$ 1,630,323	\$ 68,830	\$ 9,596,468
Held-for-trading financial liabilities	-	(840,386)	151,288	-	(689,098)
Financial liabilities designated as at fair value through profit or loss	<u>(47,969)</u>	<u>265</u>	<u>44,269</u>	<u>-</u>	<u>(3,435)</u>
	<u>\$ 499,724</u>	<u>\$ 6,509,501</u>	<u>\$ 1,825,880</u>	<u>\$ 68,830</u>	<u>\$ 8,903,935</u>
For the Three Months Ended June 30, 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	\$ 359,717	\$ 3,071,139	\$ 5,189,554	\$ 70,734	\$ 8,691,144
Held-for-trading financial liabilities	-	(613,928)	343,492	-	(270,436)
Financial liabilities designated as at fair value through profit or loss	<u>(17,419)</u>	<u>-</u>	<u>14,646</u>	<u>-</u>	<u>(2,773)</u>
	<u>\$ 342,298</u>	<u>\$ 2,457,211</u>	<u>\$ 5,547,692</u>	<u>\$ 70,734</u>	<u>\$ 8,417,935</u>
For the Six Months Ended June 30, 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	\$ 1,052,257	\$ 11,947,518	\$ 7,683,170	\$ 124,388	\$ 20,807,333
Held-for-trading financial liabilities	-	(1,876,931)	5,370,438	-	3,493,507
Financial liabilities designated as at fair value through profit or loss	<u>(86,306)</u>	<u>265</u>	<u>73,027</u>	<u>-</u>	<u>(13,014)</u>
	<u>\$ 965,951</u>	<u>\$ 10,070,852</u>	<u>\$ 13,126,635</u>	<u>\$ 124,388</u>	<u>\$ 24,287,826</u>
For the Six Months Ended June 30, 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	\$ 641,443	\$ 7,592,355	\$ 2,455,281	\$ 127,440	\$ 10,816,519
Held-for-trading financial liabilities	-	(3,484,035)	2,166,719	-	(1,317,316)
Financial liabilities designated as at fair value through profit or loss	<u>(21,672)</u>	<u>-</u>	<u>42,302</u>	<u>-</u>	<u>20,630</u>
	<u>\$ 619,771</u>	<u>\$ 4,108,320</u>	<u>\$ 4,664,302</u>	<u>\$ 127,440</u>	<u>\$ 9,519,833</u>

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Dividends revenue on investments in equity instruments at FVTOCI	\$ 664,507	\$ 1,478,165	\$ 974,713	\$ 1,578,080
Derecognition of unrealized gains on investments in debt instruments at FVTOCI	<u>(3,573)</u>	<u>378</u>	<u>(3,359)</u>	<u>7,149</u>
	<u>\$ 660,934</u>	<u>\$ 1,478,543</u>	<u>\$ 971,354</u>	<u>\$ 1,585,229</u>

For the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, dividends revenue related to derecognized investments were \$246,880 thousand, \$95,303 thousand, \$392,520 thousand and \$106,804 thousand, respectively, and dividends revenue related to investments held on June 30, 2024 and 2023 were \$582,193 thousand and \$1,471,276 thousand, respectively.

37. EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES

a. Employee benefits expenses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Salaries	\$ 2,517,767	\$ 2,397,530	\$ 5,022,107	\$ 4,797,381
Incentives	929,856	829,204	1,824,212	1,778,226
Excessive interest from preferential interest deposits	288,248	275,363	578,810	549,404
Post-employment benefits, termination benefits and compensation	190,967	161,902	358,528	327,956
Overtime	117,392	108,375	225,914	210,519
Others	<u>693,042</u>	<u>642,063</u>	<u>1,321,848</u>	<u>1,223,871</u>
	<u>\$ 4,737,272</u>	<u>\$ 4,414,437</u>	<u>\$ 9,331,419</u>	<u>\$ 8,887,357</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 compensation 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 six months ended June 30, 2024 and 2023, compensations of employees were estimated at \$1,626 thousand and \$1,447 thousand and the remuneration of directors were estimated at \$59,606 thousand and \$52,361 thousand, respectively, based on the amended 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 June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Depreciation expenses	\$ 599,853	\$ 565,227	\$ 1,193,042	\$ 1,123,518
Amortization expenses	<u>116,561</u>	<u>91,933</u>	<u>229,400</u>	<u>179,778</u>
	<u>\$ 716,414</u>	<u>\$ 657,160</u>	<u>\$ 1,422,442</u>	<u>\$ 1,303,296</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 June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Current tax				
Current period	\$ 216,687	\$ 88,023	\$ 386,710	\$ 1,344,154
Additional income tax on unappropriated earnings	697,874	-	697,874	-
Additional income tax under the Alternative Minimum Tax Act	156,943	-	156,943	-
Land revaluation increment tax	78	-	456	1,606
				(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
House and land transactions income tax	\$ 5,090	\$ 7,676	\$ 5,090	\$ 7,676
Prior year's adjustments	<u>(46,417)</u>	<u>28,704</u>	<u>(45,586)</u>	<u>28,760</u>
	1,030,255	124,403	1,201,487	1,382,196
Deferred tax				
Current period	<u>1,350,934</u>	<u>1,234,521</u>	<u>2,342,995</u>	<u>899,158</u>
Income tax expense recognized in profit or loss	<u>\$ 2,381,189</u>	<u>\$ 1,358,924</u>	<u>\$ 3,544,482</u>	<u>\$ 2,281,354</u>

(Concluded)

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	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	\$ 175,833	\$ 190,852	\$ 549,566	\$ 88,592
Unrealized valuation gains (loss) on financial assets at fair value through other comprehensive income	(22,580)	(60,613)	(100,822)	(33,265)
Other comprehensive income on reclassification of overlay approach	<u>(256)</u>	<u>1,491</u>	<u>(2,050)</u>	<u>2,279</u>
Total income tax expense				
Recognized in other comprehensive income	<u>\$ 152,997</u>	<u>\$ 131,730</u>	<u>\$ 446,694</u>	<u>\$ 57,606</u>

c. Deferred tax assets and liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Deferred tax assets</u>			
Temporary differences			
Financial instruments at fair value through other comprehensive income	\$ 392,952	\$ 292,130	\$ 491,792
Properties and equipment	6,284	6,606	6,928
Payable for annual leave	157,558	103,650	153,609
Employee's preferential interest deposit obligation	750,846	756,027	783,458
Other liabilities	5,783	5,783	5,783
Exchange differences on foreign operations	29,598	130,151	33,378
Allowance for possible losses	43,962	44,740	54,915
Financial instruments at fair value through profit or loss	6,355	740,358	-
Pension liabilities	603	567	540
Accrued expense	2,979	3,721	2,859
Unrealized foreign exchange gains and losses	-	746	18,756
Overlay approach	256	-	-
Revenue from disposal of acquired loans	189,720	189,720	198,138
Loss carryforwards	<u>310,812</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,897,708</u>	<u>\$ 2,274,199</u>	<u>\$ 1,750,156</u>
<u>Deferred tax liabilities</u>			
Temporary differences			
Financial instruments at fair value through profit or loss	\$ 1,852,519	\$ 743	\$ 1,365,271
Unrealized foreign exchange gains and losses	138,487	33,192	481
Overlay approach	-	1,794	1,718
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	408,503	408,504	394,974
Investments accounted for using equity method	187,071	177,987	150,697
Exchange differences on foreign operations	449,013	-	23,336
Lease incentive	<u>2,097</u>	<u>2,271</u>	<u>2,429</u>
	<u>\$ 6,008,083</u>	<u>\$ 3,594,884</u>	<u>\$ 4,909,299</u>

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

<u>TCFHC</u>	<u>TCB</u>	<u>CAM</u>	<u>TCBF</u>	<u>TCS</u>	<u>BPCTLI</u>	<u>TCSIT</u>	<u>TCVC</u>
2019	2019	2019	2019	2019	2021	2019	2019

e. Pillar Two income tax legislation

In June 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 June 2024, the government of Australia, 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 June 30, 2024, the Company assessed that it did not have a material impact.

39. EARNINGS PER SHARE

The numerators and denominators used in calculating earnings per share (EPS) were as follows:

	Net Income (Numerator)	Shares (Denominator in Thousands)	Earnings Per Share (NT\$)
<u>For the three months ended June 30, 2024</u>			
Basic EPS	\$ 4,858,817	15,224,210	<u>\$ 0.32</u>
Effect of dilutive common stock:			
Employees' compensation	<u>-</u>	<u>63</u>	
Diluted EPS	<u>\$ 4,858,817</u>	<u>15,224,273</u>	<u>\$ 0.32</u>
<u>For the three months ended June 30, 2023</u>			
Basic EPS	\$ 4,638,898	15,224,210	<u>\$ 0.30</u>
Effect of dilutive common stock:			
Employees' compensation	<u>-</u>	<u>52</u>	
Diluted EPS	<u>\$ 4,638,898</u>	<u>15,224,262</u>	<u>\$ 0.30</u>
<u>For the six months ended June 30, 2024</u>			
Basic EPS	\$ 10,096,164	15,224,210	<u>\$ 0.66</u>
Effect of dilutive common stock:			
Employees' compensation	<u>-</u>	<u>103</u>	
Diluted EPS	<u>\$ 10,096,164</u>	<u>15,224,313</u>	<u>\$ 0.66</u>
<u>For the six months ended June 30, 2023</u>			
Basic EPS	\$ 9,525,438	15,224,210	<u>\$ 0.63</u>
Effect of dilutive common stock:			
Employees' compensation	<u>-</u>	<u>98</u>	
Diluted EPS	<u>\$ 9,525,438</u>	<u>15,224,308</u>	<u>\$ 0.63</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.

	Before Adjusted Retrospectively		After Adjusted Retrospectively	
	For the Three Months Ended	For the Six Months Ended	For the Three Months Ended	For the Six Months Ended
	June 30, 2023	June 30, 2023	June 30, 2023	June 30, 2023
Basic EPS (NT\$)	<u>\$ 0.32</u>	<u>\$ 0.65</u>	<u>\$ 0.30</u>	<u>\$ 0.63</u>
Diluted EPS (NT\$)	<u>\$ 0.32</u>	<u>\$ 0.65</u>	<u>\$ 0.30</u>	<u>\$ 0.63</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

	June 30, 2024	December 31, 2023	June 30, 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.

On June 21, 2024, the stockholders of TCFHC resolved to issue 514,828 thousand shares, which included the 2023 earnings amounting to \$5,148,284 thousand. This issuance was approved by the FSC, and the change in registration is awaiting the MOEA to approve the change in registration.

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 June 30, 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
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>

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 Six Months Ended June 30	
	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 June 30	<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 Bank in accordance with the letter is as follows:

	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Balance on January 1	\$ 20,524,180	\$ -
Special (reversal) reserve	<u>(14,382,062)</u>	<u>20,524,180</u>
Balance on June 30	<u>\$ 6,142,118</u>	<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 stockholders' meeting on June 21, 2024 and 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:

	Appropriation of Earnings	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 Six Months Ended June 30	
	2024	2023
Balance on January 1	\$ 5,888,411	\$ 5,316,401
Attributable to non-controlling interests		
Net income	294,339	311,186
Exchange differences on the translation of financial statements of foreign operations	5,883	7,486
Unrealized valuations losses on financial assets at FVTOCI	(313,558)	95,583
Other comprehensive income reclassification of overlay approach	138,439	46,923
Cash dividends distributed by subsidiary	<u>(472,048)</u>	<u>(175,332)</u>
Balance on June 30	<u>\$ 5,541,466</u>	<u>\$ 5,602,247</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 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.
TCB Fund of Emerging Markets Bond 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 director of the Company.
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

(Continued)

Related Party	Relationship with the Company
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
	(Concluded)

b. Significant transactions between the Company and related parties:

1) Call loans to banks

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
For the six months ended <u>June 30, 2024</u>				
Others	\$ <u>630,140</u>	\$ <u>446,200</u>	\$ <u>7,826</u>	2.800-5.850
For the six months ended <u>June 30, 2023</u>				
Others	\$ <u>622,800</u>	\$ <u>-</u>	\$ <u>2,429</u>	5.110

2) Deposits from banks

	For the Six Months Ended June 30			
	2024		2023	
	Ending Balance	Interest Expense	Ending Balance	Interest Expense
Main management	\$ 121,159	\$ 556	\$ 112,920	\$ 686
Others				
Tamshui First Credit Bank	34,469,964	246,012	27,422,103	181,476
The Fifth Credit Cooperation of Taipei	-	-	6,493,770	43,673
The Credit Cooperative of Ilan	4,134,485	25,389	-	-
Others	<u>15,649</u>	<u>-</u>	<u>22,684</u>	<u>-</u>
	<u>\$ 38,741,257</u>	<u>\$ 271,957</u>	<u>\$ 34,051,477</u>	<u>\$ 225,835</u>

3) Call loans from banks

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
For the six months ended <u>June 30, 2023</u>				
Others	\$ <u>1,557,000</u>	\$ <u>-</u>	\$ <u>524</u>	5.140-5.170

4) Loans

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
<u>For the six months ended June 30, 2024</u>				
Main management	\$ 341,104	\$ 296,596	\$ 2,512	1.670-2.428
Others	<u>856,135</u>	<u>847,316</u>	<u>7,630</u>	1.370-2.389
	<u>\$ 1,197,239</u>	<u>\$ 1,143,912</u>	<u>\$ 10,142</u>	
<u>For the six months ended June 30, 2023</u>				
Main management	\$ 321,602	\$ 221,422	\$ 2,240	1.636-2.303
Others	<u>220,938</u>	<u>177,187</u>	<u>1,922</u>	1.370-2.778
	<u>\$ 542,540</u>	<u>\$ 398,609</u>	<u>\$ 4,162</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.

5) Deposits

	Ending Balance	Interest Expense	Interest Rate (%)
<u>For the six months ended June 30, 2024</u>			
Associates	\$ 92,813	\$ 399	0.000-4.950
Main management	961,959	8,752	0.000-13.000
Others			
Financial Information Service Co., Ltd.	17,874,005	13,452	0.000-5.250
Others	<u>6,538,248</u>	<u>68,461</u>	0.000-13.000
	<u>\$ 25,467,025</u>	<u>\$ 91,064</u>	
<u>For the six months ended June 30, 2023</u>			
Associates	\$ 83,073	\$ 423	0.000-4.730
Main management	754,819	7,596	0.000-13.000
Others			
Financial Information Service Co., Ltd.	17,325,584	4,696	0.000-4.600
Others	<u>4,171,756</u>	<u>22,179</u>	0.000-13.000
	<u>\$ 22,335,232</u>	<u>\$ 34,894</u>	

	June 30, 2024	December 31, 2023	June 30, 2023
6) Accrued income (part of receivables)			
Others	\$ <u>23,185</u>	\$ <u>25,473</u>	\$ <u>27,609</u>
7) Accrued interest (part of receivables)			
Others	\$ <u>451</u>	\$ <u>1,048</u>	\$ <u>-</u>
8) Receivable on securities (part of receivables)			
Others	\$ <u>1,321</u>	\$ <u>-</u>	\$ <u>8,026</u>
9) Payable on securities (part of payables)			
Others	\$ <u>-</u>	\$ <u>2,065</u>	\$ <u>2,197</u>
10) Guarantee deposits received (part of other financial liabilities)			
<u>Others</u>			
Taiwan Asset Management Corporation	\$ 4,300	\$ 3,249	\$ 3,249
Agricultural Bank of Taiwan	<u>10,700</u>	<u>10,700</u>	<u>10,661</u>
	\$ <u>15,000</u>	\$ <u>13,949</u>	\$ <u>13,910</u>
		For the Six Months Ended June 30	
		2024	2023
11) Service fee income (part of service fee and commission income, net)			
Main management		\$ 169	\$ 81
Others		<u>160,935</u>	<u>182,999</u>
		\$ <u>161,104</u>	\$ <u>183,080</u>
12) Service charge (part of service fee and commission income, net)			
Main management		\$ <u>60</u>	\$ <u>57</u>
13) Other income (part of other noninterest gain, net)			
Others		\$ <u>2,802</u>	\$ <u>1,972</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.

14) Lease agreements - the Company is lessor

The Company lease out investment properties 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.

a) Future lease payment receivable was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Others			
Agricultural Bank of Taiwan	\$ 169,187	\$ 248,668	\$ 289,440
Taiwan Asset Management Corporation	<u>43,347</u>	<u>49,845</u>	<u>56,342</u>
	<u>\$ 212,534</u>	<u>\$ 298,513</u>	<u>\$ 345,782</u>

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

	For the Six Months Ended June 30	
	2024	2023
Others		
Taiwan Asset Management Corporation	\$ 6,497	\$ 6,497
Agricultural Bank of Taiwan	<u>21,554</u>	<u>3,554</u>
	<u>\$ 28,051</u>	<u>\$ 10,051</u>

15) Derivatives

Related Party	Type of Derivatives	Contract Period	For the Six Months Ended June 30, 2024			
			Nominal Amounts	Valuation Gain (Loss)	Amounts on the Consolidated Balance Sheet Account	Amounts
Other - TCB 6 Year Senior Emerging Market Bond Fund	Currency swap	2024.06.28-2024.08.30	US\$ 3,000	\$ 179	Financial assets at fair value through profit or loss	\$ 179
Other - TCB 6 Year Emerging Market Bond Fund	Currency swap	2024.03.13-2024.09.24	US\$ 20,030	3,741	Financial assets at fair value through profit or loss	3,741
Other - TCB 2025 Maturity Emerging Market Bond Fund	Currency swap	2024.03.28-2024.10.31	US\$ 21,150	4,290	Financial assets at fair value through profit or loss	4,290
TCB Fund of Emerging Markets Bond Fund	Currency swap	2024.06.06-2024.09.06	US\$ 750	255	Financial assets at fair value through profit or loss	255
Other - TCB Global High Yield Bond Fund	Currency swap	2024.03.18-2024.08.21	US\$ 2,750	2,798	Financial assets at fair value through profit or loss	2,798
Other - TCB US Short Duration High Yield Bond Fund	Currency swap	2024.05.20-2024.07.22	US\$ 4,550	2,362	Financial assets at fair value through profit or loss	2,362
Other - TCB Environment & Socially Responsible Multi-Asset Fund	Currency swap	2024.04.08-2024.07.08	US\$ 300	240	Financial assets at fair value through profit or loss	240
Other - TCB 2032 Target Date Multi-Asset Income Fund	Currency swap	2024.06.18-2024.09.18	US\$ 3,000	657	Financial assets at fair value through profit or loss	657
Other - TCB Global Core Infrastructure Income Fund	Currency swap	2024.04.16-2024.07.16	US\$ 600	183	Financial assets at fair value through profit or loss	183

Related Party	Type of Derivatives	Contract Period	For the Six Months Ended June 30, 2023						
			Nominal Amounts	Valuation Gain (Loss)	Amounts on the Consolidated Balance Sheet				
					Account	Amounts			
Other - TCB 6 Year Senior Emerging Market Bond Fund	Currency swap	2023.02.24-2023.09.26	US\$	4,500	\$	2,512	Financial assets at fair value through profit or loss	\$	2,512
Other - TCB 6 Year Emerging Market Bond Fund	Currency swap	2023.04.11-2023.08.11	US\$	8,900		16,322	Financial assets at fair value through profit or loss		16,322
Other - TCB 2025 Maturity Emerging Market Bond Fund	Currency swap	2023.02.23-2023.08.23	US\$	28,650		19,656	Financial assets at fair value through profit or loss		19,656
Other - TCB 2026 Maturity Senior Emerging Market Corporate Bond Fund	Currency swap	2023.06.08-2023.09.08	US\$	800		565	Financial assets at fair value through profit or loss		565
Other - TCB 2023 Maturity Selective Emerging Market Bond Fund	Currency swap	2023.04.13-2023.07.13	US\$	3,550		5,318	Financial assets at fair value through profit or loss		5,318
Other - TCB Global Healthcare Multi-Asset Income Fund	Currency swap	2023.06.26-2023.09.28	US\$	13,000		2,999	Financial assets at fair value through profit or loss		2,999
Other - TCB Global High Yield Bond Fund	Currency swap	2023.04.14-2023.07.26	US\$	4,900		3,448	Financial assets at fair value through profit or loss		3,448
Other - TCB US Short Duration High Yield Bond Fund	Currency swap	2023.03.21-2024.03.21	US\$	5,700		3,633	Financial assets at fair value through profit or loss		3,633
Other - TCB Environment & Socially Responsible Multi-Asset Fund	Currency swap	2023.04.06-2023.09.28	US\$	7,200		3,256	Financial assets at fair value through profit or loss		3,256
Other - TCB Global Core Infrastructure Income Fund	Currency swap	2023.04.13-2023.07.13	US\$	1,400		2,533	Financial assets at fair value through profit or loss		2,533
Other - TCB 2032 Target Date Multi-Asset Income Fund	Currency swap	2023.06.16-2023.09.18	US\$	3,000		1,506	Financial assets at fair value through profit or loss		1,506

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

	For the Six Months Ended	
	June 30	
	2024	2023
Financial assets and liabilities at fair value through profit or loss		
Others	\$ 65,784	\$ 60,836

16) Loans

June 30, 2024

Type	Account Volume or Name	Highest Balance in the Six Months Ended	Ending Balance	Loan Classification			Differences in Terms of Transaction Compared with Those for Unrelated Parties
		June 30, 2024 (Note 1)		Normal Loans	Nonperforming Loans	Collaterals	
Consumer loans	65	\$ 257,818	\$ 245,895	\$ 245,895	\$ -	Note 2	None
Self-used housing mortgage loans	61	292,521	251,117	251,117	-	Land and buildings	None
	Krom Electronics Co., Ltd.	50,000	50,000	50,000	-	None	None
	Sun Ba Power Corporation	596,900	596,900	596,900	-	None	None

June 30, 2023

Type	Account Volume or Name	Highest Balance in the Six Months Ended June 30, 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	77	\$ 237,220	\$ 175,576	\$ 175,576	\$ -	Note 2	None
Self-used housing mortgage loans	51	305,320	223,034	223,034	-	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 the 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

	June 30, 2024	December 31, 2023	June 30, 2023
Subsidiary	\$ 521,391	\$ 443,832	\$ 585,939

b) Call loans to banks

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
For the six months ended June 30, 2024				
Subsidiary	\$ 2,623,375	\$ 452,790	\$ 34,571	4.050-4.400
Sister companies				
TCBF	2,045,906	1,522,850	11,410	1.360-6.080
Others	630,140	446,200	7,826	2.800-5.850
	<u>\$ 5,299,421</u>	<u>\$ 2,421,840</u>	<u>\$ 53,807</u>	
For the six months ended June 30, 2023				
Subsidiary	\$ 3,116,040	\$ 2,977,040	\$ 37,594	1.750-5.200
Sister companies				
TCBF	2,578,988	1,241,270	10,505	1.200-5.700
Others	622,800	-	2,429	5.110
	<u>\$ 6,317,828</u>	<u>\$ 4,218,310</u>	<u>\$ 50,528</u>	

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

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
For the six months ended <u>June 30, 2024</u>				
Sister company TCS	<u>\$ 326,510</u>	<u>\$ 325,700</u>	<u>\$ 8,988</u>	5.670-5.720
For the six months ended <u>June 30, 2023</u>				
Sister company TCS	<u>\$ 311,400</u>	<u>\$ 311,400</u>	<u>\$ 7,807</u>	4.650-5.700

d) Deposits from banks

	For the Six Months Ended June 30			
	2024		2023	
	Ending Balance	Interest Expense	Ending Balance	Interest Expense
Subsidiary	\$ 24	\$ -	\$ 23	\$ -
Main management	121,159	556	112,920	686
Others				
Tamshui First Credit Bank	34,469,964	246,012	27,422,103	181,476
The Fifth Credit Cooperation of Taipei	-	-	6,493,770	43,673
The Credit Cooperative of Ilan	4,134,485	25,389	-	-
Others	<u>15,649</u>	<u>-</u>	<u>22,684</u>	<u>-</u>
	<u>\$ 38,741,281</u>	<u>\$ 271,957</u>	<u>\$ 34,051,500</u>	<u>\$ 225,835</u>

e) Call loans from banks

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
For the six months ended <u>June 30, 2023</u>				
Subsidiary	\$ 6,766	\$ 6,766	\$ 2	4.150
Others	<u>1,557,000</u>	<u>-</u>	<u>524</u>	5.140-5.170
	<u>\$ 1,563,766</u>	<u>\$ 6,766</u>	<u>\$ 526</u>	

f) Loans

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
<u>For the six months ended June 30, 2024</u>				
Subsidiary	\$ 5,398,810	\$ 4,144,770	\$ 115,418	4.248-4.785
Sister companies	20,000	-	5	2.768-2.893
Main management	341,104	296,596	2,512	1.670-2.428
Others	<u>856,135</u>	<u>847,316</u>	<u>7,630</u>	1.370-2.389
	<u>\$ 6,616,049</u>	<u>\$ 5,288,682</u>	<u>\$ 125,565</u>	
<u>For the six months ended June 30, 2023</u>				
Subsidiary	\$ 7,006,226	\$ 6,529,190	\$ 88,211	2.947-5.958
Sister companies	1,000,000	-	-	-
Main management	321,602	221,422	2,240	1.636-2.303
Others	<u>220,938</u>	<u>177,187</u>	<u>1,922</u>	1.370-2.778
	<u>\$ 8,548,766</u>	<u>\$ 6,927,799</u>	<u>\$ 92,373</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 to third parties.

g) Deposits

	Ending Balance	Interest Expense	Interest Rate (%)
<u>For the six months ended June 30, 2024</u>			
Parent company	\$ 173,048	\$ 418	0.000-0.705
Sister companies	2,854,378	13,618	0.000-2.200
Associates	92,813	399	0.000-4.950
Main management	961,959	8,752	0.000-13.000
Others			
Financial Information Service Co., Ltd.	17,874,005	13,452	0.000-5.250
Others	<u>6,538,248</u>	<u>68,461</u>	0.000-13.000
	<u>\$ 28,494,451</u>	<u>\$ 105,100</u>	

(Continued)

	Ending Balance	Interest Expense	Interest Rate (%)
For the six months ended <u>June 30, 2023</u>			
Parent company	\$ 42,464	\$ 279	0.000-0.580
Sister companies	2,507,848	12,256	0.000-4.450
Associates	83,073	423	0.000-4.730
Main management	754,819	7,596	0.000-13.000
Others			
Financial Information Service Co., Ltd.	17,325,584	4,696	0.000-4.460
Others	<u>4,171,756</u>	<u>22,179</u>	0.000-13.000
	<u>\$ 24,885,544</u>	<u>\$ 47,429</u>	
			(Concluded)
h) Accrued income (part of receivables)			
	June 30, 2024	December 31, 2023	June 30, 2023
Sister companies			
BPCTLI	\$ 339,946	\$ 215,104	\$ 183,789
TCSIT	2,863	3,264	3,523
TCS	<u>6,721</u>	<u>7,021</u>	<u>2,822</u>
	<u>\$ 349,530</u>	<u>\$ 225,389</u>	<u>\$ 190,134</u>
i) Receivable on securities (part of receivables)			
	June 30, 2024	December 31, 2023	June 30, 2023
Sister companies			
TCS	<u>\$ 2,581,450</u>	<u>\$ -</u>	<u>\$ 99,873</u>
j) Tax receivable - consolidated tax return (part of current tax assets)			
	June 30, 2024	December 31, 2023	June 30, 2023
Parent company	<u>\$ 2,757,572</u>	<u>\$ 2,110,779</u>	<u>\$ 2,419,849</u>
k) Tax payable - consolidated tax return (part of current tax liabilities)			
	June 30, 2024	December 31, 2023	June 30, 2023
Parent company	<u>\$ -</u>	<u>\$ 2,775,295</u>	<u>\$ 403,355</u>

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

	For the Six Months Ended June 30	
	2024	2023
Sister companies		
BPCTLI	\$ 669,116	\$ 262,118
Others	56,733	20,935
Main management	169	81
Others	<u>14,123</u>	<u>13,479</u>
	<u>\$ 740,141</u>	<u>\$ 296,613</u>

m) 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 base on the prices of nearby properties are calculated on the basis of the leased areas and are payable monthly.

i. Future lease payment receivables was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Parent company	\$ 91,793	\$ 106,511	\$ 118,844
Sister companies			
TCS	85,954	112,348	68,897
BPCTLI	80,191	92,533	7,001
TCBF	33,012	37,413	41,815
Others	19,629	19,688	22,390
Others			
Agricultural Bank of Taiwan	169,187	248,668	289,440
Taiwan Asset Management Corporation	<u>43,347</u>	<u>49,845</u>	<u>56,342</u>
	<u>\$ 523,113</u>	<u>\$ 667,006</u>	<u>\$ 604,729</u>

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

	For the Six Months Ended June 30	
	2024	2023
Parent company	\$ 14,718	\$ 14,639
Sister companies		
TCS	26,423	23,137
BPCTLI	9,890	7,531
Others	12,281	11,913
Others		
Taiwan Asset Management Corporation	6,497	6,497
Agricultural Bank of Taiwan	<u>21,554</u>	<u>3,554</u>
	<u>\$ 91,363</u>	<u>\$ 67,271</u>

n) Derivatives

For the Six Months Ended June 30, 2024							
Related Party	Type of Derivatives	Contract Period	Nominal Amounts		Valuation Gain (Loss)	Amounts on the Balance Sheet	
						Account	Amounts
Sister company - BPCITLI	Currency swap	2024.04.24-2024.07.24	EUR	3,000	\$ 804	Financial liabilities at fair value through profit or loss	\$ 804
	Currency swap	2024.06.28-2024.09.30	EUR	4,844	134	Financial assets at fair value through profit or loss	134
	Currency swap	2024.04.30-2024.09.30	US\$	81,466	18,571	Financial assets at fair value through profit or loss	18,571
Sister company - TCBF	Currency swap	2024.06.14-2024.07.24	US\$	2,000	470	Financial liabilities at fair value through profit or loss	470
Other - TCB 6 Year Senior Emerging Market Bond Fund	Currency swap	2024.06.28-2024.08.30	US\$	3,000	179	Financial assets at fair value through profit or loss	179
Other - TCB 6 Year Emerging Market Bond Fund	Currency swap	2024.03.13-2024.09.24	US\$	20,030	3,741	Financial assets at fair value through profit or loss	3,741
Other - TCB 2025 Maturity Emerging Market Bond Fund	Currency swap	2024.03.28-2024.10.31	US\$	21,150	4,290	Financial assets at fair value through profit or loss	4,290
TCB Fund of Emerging Markets Bond Fund	Currency swap	2024.06.06-2024.09.06	US\$	750	255	Financial assets at fair value through profit or loss	255
Other - TCB Global High Yield Bond Fund	Currency swap	2024.03.18-2024.08.21	US\$	2,750	2,798	Financial liabilities at fair value through profit or loss	2,798
Other - TCB US Short Duration High Yield Bond Fund	Currency swap	2024.05.20-2024.07.22	US\$	4,550	2,362	Financial assets at fair value through profit or loss	2,362
Other - TCB Environment & Socially Responsible Multi-Asset Fund	Currency swap	2024.04.08-2024.07.08	US\$	300	240	Financial assets at fair value through profit or loss	240
Other - TCB 2032 Target Date Multi-Asset Income Fund	Currency swap	2024.06.18-2024.09.18	US\$	3,000	657	Financial assets at fair value through profit or loss	657
Other - TCB Global Core Infrastructure Income Fund	Currency swap	2024.04.16-2024.07.16	US\$	600	183	Financial assets at fair value through profit or loss	183

For the Six Months Ended June 30, 2023							
Related Party	Type of Derivatives	Contract Period	Nominal Amounts		Valuation Gain (Loss)	Amounts on the Balance Sheet	
						Account	Amounts
Sister company - BPCITLI	Currency swap	2023.01.31-2024.01.31	EUR	7,856	\$ 9,472	Financial assets at fair value through profit or loss	\$ 9,472
	Currency swap	2023.02.24-2023.09.28	US\$	118,116	77,209	Financial assets at fair value through profit or loss	77,209
Sister company - TCBF	Currency swap	2023.06.08-2023.07.12	US\$	4,000	2,114	Financial assets at fair value through profit or loss	2,114
Other - TCB 6 Year Senior Emerging Market Bond Fund	Currency swap	2023.02.24-2023.09.26	US\$	4,500	2,512	Financial assets at fair value through profit or loss	2,512
Other - TCB 6 Year Emerging Market Bond Fund	Currency swap	2023.04.11-2023.08.11	US\$	8,900	16,322	Financial assets at fair value through profit or loss	16,322
Other - TCB 2025 Maturity Emerging Market Bond Fund	Currency swap	2023.02.23-2023.08.23	US\$	28,650	19,656	Financial assets at fair value through profit or loss	19,656
Other - TCB 2026 Maturity Senior Emerging Market Corporate Bond Fund	Currency swap	2023.06.08-2023.09.08	US\$	800	565	Financial assets at fair value through profit or loss	565
Other - TCB 2023 Maturity Selective Emerging Market Bond Fund	Currency swap	2023.04.13-2023.07.13	US\$	3,550	5,318	Financial assets at fair value through profit or loss	5,318
Other - TCB Global Healthcare Multi-Asset Income Fund	Currency swap	2023.06.26-2023.09.28	US\$	13,000	2,999	Financial assets at fair value through profit or loss	2,999
Other - TCB Global High Yield Bond Fund	Currency swap	2023.04.14-2023.07.26	US\$	4,900	3,448	Financial assets at fair value through profit or loss	3,448
Other - TCB US Short Duration High Yield Bond Fund	Currency swap	2023.03.21-2024.03.21	US\$	5,700	3,633	Financial assets at fair value through profit or loss	3,633
Other - TCB Environment & Socially Responsible Multi-Asset Fund	Currency swap	2023.04.06-2023.09.28	US\$	7,200	3,256	Financial assets at fair value through profit or loss	3,256
Other - TCB Global Core Infrastructure Income Fund	Currency swap	2023.04.13-2023.07.13	US\$	1,400	2,533	Financial assets at fair value through profit or loss	2,533
Other - TCB 2032 Target Date Multi-Asset Income Fund	Currency swap	2023.06.16-2023.09.18	US\$	3,000	1,506	Financial assets at fair value through profit or loss	1,506

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

		For the Six Months Ended June 30	
		2024	2023
Financial assets and liabilities at fair value through profit or loss			
Sister companies			
BPCTLI		\$ 201,651	\$ 161,057
TCBF		3,415	857
Others		<u>65,784</u>	<u>60,836</u>
		<u>\$ 270,850</u>	<u>\$ 222,750</u>

o) Loans

June 30, 2024

Type	Account Volume or Name	Highest Balance in the Period Ended June 30, 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	65	\$ 257,818	\$ 245,895	\$ 245,895	\$ -	Note 2	None
Self-used housing mortgage loans	61	292,521	251,117	251,117	-	Land and buildings	None
Other	TCS	20,000	-	-	-	Bonds	None
	Krom Electronics Co., Ltd.	50,000	50,000	50,000	-	None	None
	Sun Ba Power Corporation	596,900	596,900	596,900	-	None	None
	United Taiwan Bank SA	5,398,810	4,144,770	4,144,770	-	None	None

June 30, 2023

Type	Account Volume or Name	Highest Balance in the Period Ended June 30, 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	77	\$ 237,220	\$ 175,576	\$ 175,576	\$ -	Note 2	None
Self-used housing mortgage loans	51	305,320	223,034	223,034	-	Land and buildings	None
Other	TCS	1,000,000	-	-	-	Bonds	None
	United Taiwan Bank SA	7,006,226	6,529,190	6,529,190	-	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 the consumer loans was real estate guaranteed.

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

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

	June 30, 2024	December 31, 2023	June 30, 2023
Sister companies	<u>\$ 72,150</u>	<u>\$ 131,678</u>	<u>\$ 59,221</u>

b) Settlement payable (part of payables)

	June 30, 2024	December 31, 2023	June 30, 2023
Sister companies			
TCB	\$ 2,584,336	\$ 23,730	\$ 99,873
Other	-	7,353	72,127
Others	<u>-</u>	<u>2,065</u>	<u>2,197</u>
	<u>\$ 2,584,336</u>	<u>\$ 33,148</u>	<u>\$ 174,197</u>

c) TCS applied to TCB for call loans

For the Six Months Ended June 30, 2024					
Related Party	Highest Balance	Ending Balance	Accrued Interest	Interest Expense	Interest Rate (%)
Sister companies					
TCB	<u>\$ 325,700</u>	<u>\$ 325,700</u>	<u>\$ 1,446</u>	<u>\$ 9,036</u>	5.670-5.720
For the Six Months Ended June 30, 2023					
Related Party	Highest Balance	Ending Balance	Accrued Interest	Interest Expense	Interest Rate (%)
Sister companies					
TCB	<u>\$ 311,400</u>	<u>\$ 311,400</u>	<u>\$ 247</u>	<u>\$ 7,817</u>	4.650-5.700

d) To settle security transactions, TCS applied to TCB for a guarantee of \$1,500,000 thousand for short-term loan and overdraft. As of June 30, 2024, December 31, 2023 and June 30, 2023, TCS had no borrowing and overdraft. The overdraft for the six months ended June 30, 2024 and 2023 were as follows:

For the Six Months Ended June 30, 2024				
	Highest Balance	Ending Balance	Interest Expense	Interest Rate (%)
Sister companies	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ 5</u>	2.768
For the Six Months Ended June 30, 2023				
	Highest Balance	Ending Balance	Interest Expense	Interest Rate (%)
Sister companies	<u>\$ 1,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	-

e) Lease agreements - TCS is lessee

i. Right-of-use assets, net

	June 30, 2024	December 31, 2023	June 30, 2023
Sister companies			
TCB	<u>\$ 81,845</u>	<u>\$ 107,422</u>	<u>\$ 64,820</u>

ii. Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Sister companies	\$ <u>83,268</u>	\$ <u>108,289</u>	\$ <u>66,572</u>

iii. Interest expense

	For the Six Months Ended June 30	
	2024	2023
Sister companies	\$ <u>1,402</u>	\$ <u>638</u>

iv. Depreciation expense

	For the Six Months Ended June 30	
	2024	2023
Sister companies	\$ <u>25,572</u>	\$ <u>22,176</u>

3) Taiwan Cooperative Bills Finance Corporation Ltd.

a) Cash in bank

	Highest Balance	Ending Balance	Interest Expense	Interest Rate (%)
For the six months ended June 30, 2024				
Sister companies	\$ <u>555,462</u>	\$ <u>68,215</u>	\$ <u>212</u>	0.010-1.690
For the six months ended June 30, 2023				
Sister companies	\$ <u>218,375</u>	\$ <u>98,590</u>	\$ <u>155</u>	0.010-1.565

b) Call loans from banks

	Highest Balance	Ending Balance	Interest Expense	Interest Rate (%)
For the six months ended June 30, 2024				
Sister companies	\$ <u>2,011,965</u>	\$ <u>1,522,850</u>	\$ <u>11,398</u>	1.360-6.080
For the six months ended June 30, 2023				
Sister companies	\$ <u>2,578,988</u>	\$ <u>1,241,270</u>	\$ <u>10,520</u>	1.200-5.700

c) Securities sold under repurchase agreement

	Ending Balance	Interest Expense	Interest Rate (%)
For the six months ended <u>June 30, 2024</u>			
Sister companies	<u>\$ 648,242</u>	<u>\$ 4,171</u>	1.310-1.470
For the six months ended <u>June 30, 2023</u>			
Sister companies	<u>\$ 239,415</u>	<u>\$ 317</u>	1.150-1.300

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

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

	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
Sister company TCB	<u>\$ 1,895,950</u>	<u>43</u>	<u>\$ 1,486,896</u>	<u>45</u>	<u>\$ 1,755,365</u>	<u>51</u>

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

	For the Six Months Ended June 30, 2024		
	Purchased Securities (Note)	Securities Purchase Under Resell Agreement	
		Amount	Rate (%)
Sister company TCBF	<u>\$ 5,647,769</u>	<u>\$ 648,242</u>	1.310-1.470
	For the Six Months Ended June 30, 2023		
	Purchased Securities (Note)	Securities Purchase Under Resell Agreement	
		Amount	Rate (%)
Sister company TCBF	<u>\$ 764,966</u>	<u>\$ 239,415</u>	1.150-1.300

Note: The amount includes securities purchased under resell agreements.

c) Payables

	June 30, 2024	December 31, 2023	June 30, 2023
Sister company TCB	<u>\$ 347,808</u>	<u>\$ 281,125</u>	<u>\$ 183,951</u>
Associates	<u>3,436</u>	<u>3,436</u>	<u>-</u>
	<u>\$ 351,244</u>	<u>\$ 284,561</u>	<u>\$ 183,951</u>

d) Dividends payable

	June 30, 2024	December 31, 2023	June 30, 2023
Parent company	\$ 491,315	\$ -	\$ 182,489
BNP Paribas	<u>472,048</u>	<u>-</u>	<u>175,332</u>
	<u>\$ 963,363</u>	<u>\$ -</u>	<u>\$ 357,821</u>

e) Derivatives

For the six months ended June 30, 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	2024.06.28- 2024.09.30	EUR 4,844	\$ 381	Financial liabilities at fair value through profit or loss	\$ 381
		2024.04.30- 2024.09.30	US\$ 81,465	(11,099)	Financial assets at fair value through profit or loss	(11,099)
		2024.04.24- 2024.07.24	EUR 3,000	(505)	Financial liabilities at fair value through profit or loss	(505)
	Associates - Banque Nationale De Paris, Taipei Branch	2024.06.03- 2024.09.03	EUR 6,000	(1,423)	Financial assets at fair value through profit or loss	(1,423)
		2021.08.19- 2024.10.31	US\$ 75,042	(70,326)	Financial assets at fair value through profit or loss	(125,764)
		2024.03.25- 2024.07.25	EUR 4,827	(1,071)	Financial assets at fair value through profit or loss	(1,071)

For the six months ended June 30, 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	2023.02.24- 2023.09.28	US\$ 118,116	\$ (73,874)	Financial liabilities at fair value through profit or loss	\$ (73,874)
		2023.01.31- 2024.01.31	EUR 7,856	(9,185)	Financial assets at fair value through profit or loss	(9,185)
	Associates - Banque Nationale De Paris, Taipei Branch	2021.06.11- 2024.08.19	US\$ 86,339	(58,000)	Financial liabilities at fair value through profit or loss	(109,242)
		2023.02.02- 2024.02.02	EUR 10,933	(10,712)	Financial assets at fair value through profit or loss	(10,712)

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

For the six months ended June 30, 2024 and 2023, the realized gains or losses on currency swaps with sister companies were \$204,495 thousand and \$158,521 thousand losses, respectively. Besides, the realized gains or losses on currency swaps with affiliates were \$154,535 thousand and \$60,360 thousand losses, respectively.

The BPCTLI engaged in foreign exchange swaps with associates. Under these contracts, both parties should receive deposits (reported as other assets - refundable deposits other liabilities) depending on the value of the swaps. As of June 30, 2024, December 31, 2023 and June 30, 2023, the BPCTLI had refundable deposits of \$153,386 thousand, and had received deposits of \$85,155 thousand and refundable deposits of \$113,936 thousand, respectively.

f) Operating expenses - insurance contract expenses

	For the Six Months Ended June 30	
	2024	2023
Sister company		
TCB	\$ <u>599,067</u>	\$ <u>259,017</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 Securities Investment Trust Co., Ltd.

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

	June 30, 2024	December 31, 2023	June 30, 2023
Sister company			
TCB	\$ <u>132,187</u>	\$ <u>119,800</u>	\$ <u>115,839</u>

b) Management fee income (recorded under net gain on service fee income)

	For the Six Months Ended June 30	
	2024	2023
Management fee income		
Sister company	\$ -	\$ 339
Others	<u>146,034</u>	<u>168,669</u>
	<u>\$ 146,034</u>	<u>\$ 169,008</u>

6) Taiwan Cooperative Venture Capital Co., Ltd.

	June 30, 2024	December 31, 2023	June 30, 2023
Cash in banks (part of cash and cash equivalents)			
TCB	\$ <u>188,704</u>	\$ <u>44,041</u>	\$ <u>66,364</u>

7) Taiwan Cooperative International Leasing Co., Ltd.

	June 30, 2024	December 31, 2023	June 30, 2023
Cash in banks (part of cash and cash equivalents)			
TCB	\$ <u>823</u>	\$ <u>203,999</u>	\$ <u>4</u>

d. Salaries, bonuses and remunerations to main management

The salaries, bonuses and remunerations of the directors and main management for the six months ended June 30, 2024 and 2023, are summarized as follows:

	For the Six Months Ended June 30	
	2024	2023
Salaries and other short-term employment benefits	\$ 73,220	\$ 97,318
Post-employment benefits	2,230	2,038
Interest arising from the employees' preferential rate in excess of normal rates	<u>742</u>	<u>740</u>
	<u>\$ 76,192</u>	<u>\$ 100,096</u>

42. PLEDGED ASSETS

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

	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets mandatorily classified as at fair value through profit or loss - negotiable certificates of deposit	\$ 707,324	\$ 400,000	\$ 300,000
Financial assets at fair value through other comprehensive income - debt instrument investments	374,685	184,230	182,016
Investments in debt instruments at amortized cost	84,425,755	84,294,516	84,351,448
Other financial assets - due from banks	<u>240,000</u>	<u>397,701</u>	<u>399,935</u>
	<u>\$ 85,747,764</u>	<u>\$ 85,276,447</u>	<u>\$ 85,233,399</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 June 30, 2024, December 31, 2023 and June 30, 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, New York Branch, and Houston 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
June 30, 2024	<u>\$ 502,915</u>	<u>\$ 419,154</u>
December 31, 2023	<u>\$ 488,219</u>	<u>\$ 411,019</u>
June 30, 2023	<u>\$ 469,291</u>	<u>\$ 396,466</u>

- c. As of June 30, 2024, December 31, 2023 and June 30, 2023, due to the KHR loans borrowed from the National Bank of Cambodia, up to US\$8,300 thousand, US\$25,525 thousand and US\$25,520 thousand in TCB's Phnom Penh Branch's due from the Central Bank, Negotiable certificates of deposit 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 June 30, 2024, TCFHC's outstanding major construction and procurement contracts amounted to \$194,619 thousand, of which \$122,106 thousand was still unpaid.

- b. Taiwan Cooperative Bank, Ltd.

1) As of June 30, 2024, TCB's outstanding major construction and procurement contracts amounted to \$887,526 thousand, of which \$621,036 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 June 30, 2024, the commitments or contingencies arose from business were as follows:

	June 30, 2024
Guarantees of commercial paper	<u>\$ 32,415,500</u>
Purchase of reference-rate commercial paper	<u>\$ 6,450,000</u>

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

As of June 30, 2024, TCS's agreements on the house decoration project and acquisition equipment amounted to \$30,781 thousand, of which \$18,588 thousand was still unpaid.

44. FINANCIAL INSTRUMENTS

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

	<u>June 30, 2024</u>		<u>December 31, 2023</u>		<u>June 30, 2023</u>	
	<u>Carrying Amount</u>	<u>Estimated Fair Value</u>	<u>Carrying Amount</u>	<u>Estimated Fair Value</u>	<u>Carrying Amount</u>	<u>Estimated Fair Value</u>
<u>Financial assets</u>						
Investments in debt instruments at amortized cost	\$ 672,854,182	\$ 664,891,320	\$ 705,008,604	\$ 702,298,543	\$ 724,475,702	\$ 721,044,075
<u>Financial liabilities</u>						
Bonds payable	76,240,000	76,057,163	77,240,000	77,398,413	82,790,000	83,016,900

Fair value hierarchy as at June 30, 2024, December 31, 2023 and June 30, 2023:

June 30, 2024

	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Investments in debt instruments at amortized cost	\$ 664,891,320	\$ 463,677	\$ 664,264,793	\$ 162,850
<u>Financial liabilities</u>				
Bonds payable	76,057,163	-	76,057,163	-

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	-

June 30, 2023

	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Investments in debt instruments at amortized cost	\$ 721,044,075	\$ 464,439	\$ 720,363,616	\$ 216,020
<u>Financial liabilities</u>				
Bonds payable	83,016,900	-	83,016,900	-

In addition to those listed above, the management level 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 1.3698% and 2.0403%, between 1.0889% and 1.6705%, between 1.1725% and 1.6384% as of June 30, 2024, December 31, 2023 and June 30, 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% to 16.7% and 10% on June 30, 2024, December 31, 2023 and June 30, 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:

	June 30, 2024	December 31, 2023	June 30, 2023
Discount for lack of marketability			
Increase 10%	<u>\$ (1,208,572)</u>	<u>\$ (1,197,120)</u>	<u>\$ (1,184,323)</u>
Decrease 10%	<u>\$ 1,208,572</u>	<u>\$ 1,197,120</u>	<u>\$ 1,184,323</u>
Discount for minority interest			
Increase 10%	<u>\$ (37,220)</u>	<u>\$ (37,334)</u>	<u>\$ (35,636)</u>
Decrease 10%	<u>\$ 37,220</u>	<u>\$ 37,334</u>	<u>\$ 35,636</u>

- c. The fair value hierarchy of the Company's financial instruments measured at fair value on a recurring basis as of June 30, 2024, December 31, 2023 and June 30, 2023 were as follows:

1) Fair Value Hierarchy

Financial Instruments Measured at Fair Value	June 30, 2024			
	Total	Level 1	Level 2	Level 3
<u>Non-derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at FVTPL				
Equity instruments	\$ 3,224,427	\$ 1,663,883	\$ 35,224	\$ 1,525,320
Debt instruments	2,148,047	661,705	1,486,342	-
Others	138,748,325	6,067,817	132,680,508	-
Financial assets at FVTOCI				
Equity instruments	64,743,415	57,620,907	-	7,122,508
Debt instruments	474,501,644	20,956,597	453,545,047	-
Others	3,772,540	-	3,772,540	-
<u>Liabilities</u>				
Financial liabilities at FVTPL	(5,490,609)	(815,885)	(4,674,724)	-
<u>Derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at FVTPL	12,082,780	1,474,150	10,608,630	-
<u>Liabilities</u>				
Financial liabilities at FVTPL	(919,374)	(39)	(919,335)	-

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	June 30, 2023			
	Total	Level 1	Level 2	Level 3
<u>Non-derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at FVTPL				
Equity instruments	\$ 3,377,480	\$ 2,087,618	\$ 25,229	\$ 1,264,633
Debt instruments	2,169,426	556,993	1,612,433	-
Others	106,704,578	4,863,150	101,841,329	99
Financial assets at FVTOCI				
Equity instruments	44,137,288	36,935,956	-	7,201,332
Debt instruments	441,671,449	21,585,227	420,086,222	-
Others	8,872,969	-	8,872,969	-
<u>Liabilities</u>				
Financial liabilities at FVTPL	(2,080,177)	(662,605)	(1,417,572)	-
<u>Derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at FVTPL	8,045,889	437,759	7,608,130	-
<u>Liabilities</u>				
Financial liabilities at FVTPL	(1,003,986)	(371)	(1,003,615)	-

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	279,050	-	279,050
Recognized in OCI (investment in equity instruments at FVTOCI)	-	(85,106)	(85,106)
Purchases	224,180	-	224,180
Disposals	(246,226)	-	(246,226)
Transferred out of Level 3	<u>(71,760)</u>	<u>-</u>	<u>(71,760)</u>
Balance on June 30, 2024	<u>\$ 1,525,320</u>	<u>\$ 7,122,508</u>	<u>\$ 8,647,828</u>
Balance on January 1, 2023	\$ 1,318,493	\$ 6,227,077	\$ 7,545,570
Recognized in profit	88,038	-	88,038
Recognized in OCI (investment in equity instruments at FVTOCI)	-	974,255	974,255
Purchases	121,496	-	121,496
Disposals	(186,237)	-	(186,237)
Transferred out of Level 3	<u>(77,058)</u>	<u>-</u>	<u>(77,058)</u>
Balance on June 30, 2023	<u>\$ 1,264,732</u>	<u>\$ 7,201,332</u>	<u>\$ 8,466,064</u>

The emerging stocks that did not reach the active standards were transferred out of Level 3 because their subsequent transactions were active or their non-publicly traded stocks were transferred for listing on the emerging market stock board for the six months ended June 30, 2024 and 2023.

The change in unrealized gains for the six months ended June 30, 2024 and 2023 included in profit or loss for assets held at the June 30, 2024 and 2023, respectively, was \$133,049 thousand and \$5,746 thousand.

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

	June 30, 2024	December 31, 2023	June 30, 2023
Difference between carrying amount and contractual amount at maturity			
Fair value	\$ 4,674,724	\$ 2,774,538	\$ 1,417,572
Amount payable at maturity	<u>4,804,075</u>	<u>2,834,072</u>	<u>1,458,909</u>
	<u>\$ (129,351)</u>	<u>\$ (59,534)</u>	<u>\$ (41,337)</u>

	Changes in Fair Value Attributable to Changes in Credit Risk
Change in amount during the period	
As of June 30, 2024	\$ (3,222)
As of June 30, 2023	<u>\$ (964)</u>
Accumulated amount of change	
As of June 30, 2024	\$ (16,236)
As of December 31, 2023	<u>\$ (13,014)</u>
As of June 30, 2023	<u>\$ (964)</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 TCB'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), operational risk 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.

The following table contains details of non-derivative financial instruments held by the Company at June 30, 2024 which are subject to the reform and have not transitioned to an alternative benchmark interest rate:

	Carrying Amount
Financial assets that reference USD LIBOR	
Financial assets at FVTOCI	<u>\$ 2,189,025</u>

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 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 commitments 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 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 and 1 default level 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 increase 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 June 30, 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 June 30, 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:

June 30, 2024

	Gross Carrying Amount	Allowance for Possible Losses	Total Exposure Amount (Amortized Cost)	Fair Value of Collateral
<u>Impaired financial assets</u>				
Receivables	\$ 298,140	\$ 120,532	\$ 177,608	\$ -
Discount and loans	31,989,529	3,929,264	28,060,265	74,062,851

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

June 30, 2023

	Gross Carrying Amount	Allowance for Possible Losses	Total Exposure Amount (Amortized Cost)	Fair Value of Collateral
<u>Impaired financial assets</u>				
Receivables	\$ 317,127	\$ 144,602	\$ 172,525	\$ -
Discount and loans	34,579,970	5,349,718	29,230,252	70,819,488

The total amount of financial assets that have been written off but have recourse action by TCB and its subsidiary on June 30, 2024, December 31, 2023 and June 30, 2023 were \$13,173,057 thousand, \$11,983,222 thousand and \$8,994,450 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	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
Natural person	\$ 1,059,568,285	36	\$ 1,020,504,283	36	\$ 987,972,551	37
Manufacturing	536,971,475	18	505,293,926	18	480,936,680	18
Government agencies	341,079,993	12	327,347,260	12	298,829,330	11

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:

	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets at fair value through profit or loss - debt instrument	\$ 591,887	\$ 792,255	\$ 1,039,455

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

June 30, 2024					
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired Financial Instruments)	Difference 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	\$ 361,588,471	\$ 121,870	\$ 49,156	\$ -	\$ 361,759,497
Allowance for possible losses	(821,724)	(771)	(6,655)	-	(829,150)
Difference of impairment loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	(536,978)	(536,978)
	<u>\$ 360,766,747</u>	<u>\$ 121,099</u>	<u>\$ 42,501</u>	<u>\$ (536,978)</u>	<u>\$ 360,393,369</u>
December 31, 2023					
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired Financial Instruments)	Difference 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>

June 30, 2023					
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired Financial Instruments)	Difference 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	\$ 322,348,621	\$ 2,189	\$ 169,946	\$ -	\$ 322,520,756
Allowance for possible losses	(816,751)	(1)	(10,957)	-	(827,709)
Difference of impairment loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	(518,713)	(518,713)
	<u>\$ 321,531,870</u>	<u>\$ 2,188</u>	<u>\$ 158,989</u>	<u>\$ (518,713)</u>	<u>\$ 321,174,334</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

June 30, 2024					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Difference 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	\$ 2,890,512,176	\$ 3,822,282	\$ 31,989,529	\$ -	\$ 2,926,323,987
Allowance for possible losses	(4,377,080)	(396,563)	(3,929,264)	-	(8,702,907)
Difference of impairment loss under “Regulations Governing the Procedure for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	(23,211,050)	(23,211,050)
	<u>\$ 2,886,135,096</u>	<u>\$ 3,425,719</u>	<u>\$ 28,060,265</u>	<u>\$ (23,211,050)</u>	<u>\$ 2,894,410,030</u>

December 31, 2023					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Difference 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)
Difference of impairment loss under “Regulations Governing the Procedure 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>
June 30, 2023					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Difference 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	\$ 2,677,239,304	\$ 5,252,052	\$ 34,579,970	\$ -	\$ 2,717,071,326
Allowance for possible losses	(4,440,917)	(71,338)	(5,349,718)	-	(9,861,973)
Difference of impairment loss under “Regulations Governing the Procedure for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	(21,157,495)	(21,157,495)
	<u>\$ 2,672,798,387</u>	<u>\$ 5,180,714</u>	<u>\$ 29,230,252</u>	<u>\$ (21,157,495)</u>	<u>\$ 2,686,051,858</u>

b) Credit quality analysis of receivables

	June 30, 2024					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Credit Impairment by Using Simplified Method	Difference of Impairment Loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	Total
Receivables	\$ 24,610,533	\$ 55,511	\$ 298,140	\$ 7,892,527	\$ -	\$ 32,856,711
Allowance for possible losses	(222,409)	(9,101)	(120,532)	(174,836)	-	(526,878)
Difference of impairment loss under “Regulations Governing the Procedure for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	-	(181,808)	(181,808)
	<u>\$ 24,388,124</u>	<u>\$ 46,410</u>	<u>\$ 177,608</u>	<u>\$ 7,717,691</u>	<u>\$ (181,808)</u>	<u>\$ 32,148,025</u>

December 31, 2023						
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Credit Impairment by Using Simplified Method	Difference 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)
Difference of impairment loss under “Regulations Governing the Procedure 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>
June 30, 2023						
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Credit Impairment by Using Simplified Method	Difference of Impairment Loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	Total
Receivables	\$ 21,116,469	\$ 66,353	\$ 317,127	\$ 4,985,171	\$ -	\$ 26,485,120
Allowance for possible losses	(34,239)	(12,683)	(144,602)	(184,698)	-	(376,222)
Difference of impairment loss under “Regulations Governing the Procedure for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	-	(169,009)	(169,009)
	<u>\$ 21,082,230</u>	<u>\$ 53,670</u>	<u>\$ 172,525</u>	<u>\$ 4,800,473</u>	<u>\$ (169,009)</u>	<u>\$ 25,939,889</u>

c) Credit quality analysis of securities

June 30, 2024				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Investments in debt instruments at FVTOCI				
Gross carrying amount	\$ 435,194,152	\$ -	\$ 347,872	\$ 435,542,024
Allowance for possible losses	(223,245)	-	(52,228)	(275,473)
Amortized cost	434,970,907	-	295,644	435,266,551
Fair value adjustments	(21,487,619)	-	(29,495)	(21,517,114)
	<u>\$ 413,483,288</u>	<u>\$ -</u>	<u>\$ 266,149</u>	<u>\$ 413,749,437</u>
Investments in debt instruments at amortized cost	\$ 670,430,092	\$ -	\$ -	\$ 670,430,092
Allowance for possible losses	(29,640)	-	-	(29,640)
	<u>\$ 670,400,452</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 670,400,452</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>
June 30, 2023				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
Investments in debt instruments at FVTOCI				
Gross carrying amount	\$ 404,962,707	\$ -	\$ 353,533	\$ 405,316,240
Allowance for possible losses	(56,228)	-	(220,364)	(276,592)
Amortized cost	404,906,479	-	133,169	405,039,648
Fair value adjustments	(16,404,545)	-	75,467	(16,329,078)
	<u>\$ 388,501,934</u>	<u>\$ -</u>	<u>\$ 208,636</u>	<u>\$ 388,710,570</u>
Investments in debt instruments at amortized cost	\$ 722,095,670	\$ -	\$ -	\$ 722,095,670
Allowance for possible losses	(27,731)	-	-	(27,731)
	<u>\$ 722,067,939</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 722,067,939</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	7,704	-	-	7,704
Derecognition of financial assets in the current reporting period	(2,038)	-	-	(2,038)
Change in model or risk parameters	163,109	-	(171,432)	(8,323)
Changes in exchange rates and other changes	<u>1,898</u>	<u>-</u>	<u>12,807</u>	<u>14,705</u>
Balance on June 30, 2024	<u>\$ 223,245</u>	<u>\$ -</u>	<u>\$ 52,228</u>	<u>\$ 275,473</u>

(Continued)

	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)	Total
Balance on January 1, 2023	\$ 60,665	\$ -	\$ 222,673	\$ 283,338
New financial assets purchased	2,661	-	-	2,661
Derecognition of financial assets in the current reporting period	(2,763)	-	-	(2,763)
Change in model or risk parameters	566	-	(5,316)	(4,750)
Changes in exchange rates and other changes	<u>(4,901)</u>	<u>-</u>	<u>3,007</u>	<u>(1,894)</u>
Balance on June 30, 2023	<u>\$ 56,228</u>	<u>\$ -</u>	<u>\$ 220,364</u>	<u>\$ 276,592</u>

(Concluded)

- 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	3,632	-	-	3,632
Derecognition of financial assets in the current reporting period	(6,121)	-	-	(6,121)
Change in model or risk parameters	(1,785)	-	-	(1,785)
Changes in exchange rates and other changes	<u>384</u>	<u>-</u>	<u>-</u>	<u>384</u>
Balance on June 30, 2024	<u>\$ 29,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,640</u>
Balance on January 1, 2023	\$ 22,243	\$ -	\$ -	\$ 22,243
New financial assets purchased	9,274	-	-	9,274
Derecognition of financial assets in the current reporting period	(1,597)	-	-	(1,597)
Change in model or risk parameters	(2,345)	-	-	(2,345)
Changes in exchange rates and other changes	<u>156</u>	<u>-</u>	<u>-</u>	<u>156</u>
Balance on June 30, 2023	<u>\$ 27,731</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,731</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	June 30, 2024	December 31, 2023	June 30, 2023
Interest rate risk	Interest rate curve increased 100 basis points	\$ (278,869)	\$ (304,819)	\$ (210,376)
	Interest rate curve fell 100 basis points	282,745	309,717	214,133
Exchange rate risk	USD/NT\$, EUR/NT\$ increased 3%	(379,186)	(451,387)	(378,506)
	USD/NT\$, EUR/NT\$ fell 3%	379,186	451,387	378,506
	Others (RMB, AUD etc.)/ NT\$ increased 5%	52,139	65,393	80,023
	Others (RMB, AUD etc.)/ NT\$ fell 5%	(52,139)	(65,393)	(80,023)
Equity security price risk	Equity security price increased by 15%	844,686	47,221	67,138
	Equity security price fell by 15%	(844,686)	(47,221)	(67,138)

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

(In Thousands)

June 30, 2024			
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
USD	\$ 15,090,452	32.5700	\$ 491,496,022
RMB	8,972,931	4.4620	40,037,216
AUD	1,626,865	21.5700	35,091,493
JPY	136,887,679	0.2023	27,692,377
EUR	588,775	34.8300	20,507,041
<u>Financial liabilities</u>			
USD	23,267,515	32.5700	757,822,944
RMB	7,031,494	4.4620	31,374,525
JPY	132,702,308	0.2023	26,845,677
AUD	1,088,783	21.5700	23,485,041
EUR	490,847	34.8300	17,096,174
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

	June 30, 2023		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
USD	\$ 13,205,571	31.1400	\$ 411,221,465
RMB	10,840,455	4.2850	46,451,350
AUD	1,301,214	20.5900	26,791,990
JPY	103,925,483	0.2150	22,343,979
EUR	644,210	33.8300	21,793,620
<u>Financial liabilities</u>			
USD	21,176,011	31.1400	659,420,976
RMB	8,181,213	4.2850	35,056,496
JPY	98,018,279	0.2150	21,073,930
AUD	953,228	20.5900	19,626,960
ZAR	3,842,656	1.6580	6,371,123

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 28.17% in June 2024, 28.71% in December 2023 and 30.61% in June 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.

June 30, 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	\$ 207,113,987	\$ 88,247,380	\$ 25,620,166	\$ 9,852,666	\$ -	\$ 330,834,199
Financial liabilities at fair value through profit or loss	-	-	-	1,055,268	3,748,807	4,804,075
Securities sold under repurchase agreements	7,502,808	694,154	940,498	20,909	-	9,158,369
Payables	28,157,010	2,691,536	3,440,522	5,186,621	3,810,806	43,286,495
Deposits and remittances	458,133,793	605,681,382	568,479,988	809,229,995	1,495,308,113	3,936,833,271
Bank debentures	-	600,000	-	-	55,640,000	56,240,000
Lease liabilities	71,144	184,089	158,693	262,176	1,326,137	2,002,239
Other items of cash outflow on maturity	981,146	13	19	982,293	5,050,815	7,014,286

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

June 30, 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	\$ 181,853,704	\$ 97,221,190	\$ 44,949,027	\$ 6,829,405	\$ -	\$ 330,853,326
Financial liabilities at fair value through profit or loss	-	-	-	-	1,458,909	1,458,909
Securities sold under repurchase agreements	7,999,628	1,094,431	916,095	386,577	-	10,396,731
Payables	20,815,857	2,158,779	2,808,519	5,240,627	2,609,784	33,633,566
Deposits and remittances	382,342,223	538,325,295	523,135,989	784,218,758	1,458,227,261	3,686,249,526
Bank debentures	-	950,000	4,600,000	8,500,000	48,740,000	62,790,000
Lease liabilities	70,376	178,814	151,629	270,937	1,392,255	2,064,011
Other items of cash outflow on maturity	1,311,749	56	67	1,024,716	2,370,103	4,706,691

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 June 30, 2024, December 31, 2023 and June 30, 2023 must be repaid soon, the capital expenditure will be increased by \$2,049,042,331 thousand, \$2,055,012,823 thousand and \$1,981,869,889 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

June 30, 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	\$ 772	\$ 523	\$ 964	\$ 4,148	\$ -	\$ 6,407
Interest	2,632	1,093	4,235	16,661	228,035	252,656

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

June 30, 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	\$ 82	\$ 304	\$ 175	\$ 301	\$ -	\$ 862
Interest	1,947	3,025	446	16,027	96,473	117,918

b) Derivative financial liabilities to be settled at gross amounts

June 30, 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	\$ 13,273,537	\$ 6,814,117	\$ 1,294,686	\$ 692,476	\$ -	\$ 22,074,816
Cash inflow	13,288,801	6,737,787	1,314,784	713,133	-	22,054,505
Interest derivatives						
Cash outflow	-	176,041	210,763	100,332	-	487,136
Cash inflow	-	173,386	204,243	96,750	-	474,379
Total cash outflow	13,273,537	6,990,158	1,505,449	792,808	-	22,561,952
Total cash inflow	13,288,801	6,911,173	1,519,027	809,883	-	22,528,884
Net cash flow	15,264	(78,985)	13,578	17,075	-	(33,068)

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

June 30, 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	\$ 13,727,239	\$ 8,933,367	\$ 2,738,114	\$ 1,125,923	\$ 7,454	\$ 26,532,097
Cash inflow	13,771,472	9,052,116	2,806,016	1,147,577	7,465	26,784,646
Interest derivatives						
Cash outflow	93,270	190,105	263,205	95,282	-	641,862
Cash inflow	93,420	183,300	253,086	93,270	-	623,076
Total cash outflow	13,820,509	9,123,472	3,001,319	1,221,205	7,454	27,173,959
Total cash inflow	13,864,892	9,235,416	3,059,102	1,240,847	7,465	27,407,722
Net cash flow	44,383	111,944	57,783	19,642	11	233,763

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.

June 30, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Irrevocable loan commitments issued	\$ 2,830,081	\$ 5,985,734	\$ 20,597,467	\$ 29,725,008	\$ 118,214,805	\$ 177,353,095
Irrevocable credit card commitments	142,167	1,011,706	2,465,621	3,967,780	55,916,066	63,503,340
Letters of credit issued yet unused	4,019,700	14,175,324	3,066,445	1,737,115	4,780,482	27,779,066
Other guarantees	12,286,262	13,837,818	5,443,156	11,618,861	49,937,899	93,123,996

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

June 30, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Irrevocable loan commitments issued	\$ 2,288,039	\$ 7,176,252	\$ 6,537,929	\$ 19,241,822	\$ 99,778,193	\$ 135,022,235
Irrevocable credit card commitments	512,918	373,938	961,416	3,199,927	57,732,803	62,781,002
Letters of credit issued yet unused	4,448,656	13,220,637	2,397,945	2,215,527	5,053,175	27,335,940
Other guarantees	8,769,085	11,853,124	8,332,131	14,584,905	53,842,334	97,381,579

5) Climate risk

In order to respond to global climate change and strengthen climate risk management, and to ensure the stable operation and sustainable development of TCB, in accordance with the Financial Supervisory Commission's "Guidelines for Financial Disclosure of Climate Risks by Banks in Taiwan" and TCB's "Climate Risk Management Guidelines", climate risk issues are incorporated into business operation considerations. In addition to the "High Pollution and Carbon-Ranking Industries" quota and the regular monitoring report, TCB is required to carry out industry-specific verification mechanisms prior to investment and financing operations. In addition to the "High Pollution and High Carbon Emission Industries" limit and regular monitoring and reporting, HBCL is required to conduct industry-specific checking mechanisms, and if it is a high-pollution and high-carbon emission industry, it should state the countermeasures as reference information for audits, and regularly disclose the implementation of climate risk management every year in order to enhance the quality and transparency of the information disclosure.

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 and cross currency 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 \$555,463 thousand, \$484,711 thousand and \$497,336 thousand as of June 30, 2024, December 31, 2023 and June 30, 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 June 30, 2024, December 31, 2023 and June 30, 2023 the fair values of financial assets would have decreased by \$20,158 thousand, \$20,194 thousand and \$20,172 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 June 30, 2024, December 31, 2023 and June 30, 2023, had the TAIEX fallen 1%, the fair value of the equity assets would have decreased by \$14,646 thousand, \$15,686 thousand and \$14,327 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 six months ended June 30, 2024, for the year ended December 31, 2023 and for the six months ended June 30, 2023, the income before income tax would have decreased \$154,687 thousand, \$151,469 thousand and \$144,305 thousand, respectively.

The table below shows the carrying value of financial assets and liabilities denominated in foreign currency as of June 30, 2024, December 31, 2023 and June 30, 2023.

June 30, 2024

	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Savings accounts			
USD	\$ 9,235	32.497	\$ 300,122
ZAR	57,681	1.757	101,334
AUD	2,801	21.550	60,358
Receivables			
USD	4,606	32.497	149,691
EUR	926	34.740	32,163
RMB	94	4.452	420
			(Continued)

	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets at FVTPL			
USD	\$ 4,854	32.497	\$ 157,730
Financial assets at FVTOCI			
USD	445,749	32.497	14,485,515
EUR	50,401	34.740	1,750,947
RMB	75,569	4.452	336,434
Financial assets at amortized cost			
EUR	9,807	34.740	340,688
USD	6,409	32.497	208,260
Refundable deposits			
USD	5,150	32.497	167,360
			(Concluded)

December 31, 2023

	Foreign Currencies	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

June 30, 2023

	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Savings accounts			
USD	\$ 11,533	31.130	\$ 359,019
AUD	2,742	20.605	56,494
ZAR	14,649	1.659	24,302
Receivables			
USD	4,178	31.130	130,070
EUR	982	33.810	33,195
RMB	89	4.286	383
Financial assets at FVTPL			
USD	2,460	31.130	76,586
Financial assets at FVTOCI			
USD	435,782	31.130	13,565,881
EUR	52,921	33.810	1,789,252
RMB	75,693	4.286	324,421
Financial assets at amortized cost			
EUR	9,763	33.810	330,091
USD	5,413	31.130	168,495
Refundable deposits			
USD	4,190	31.130	130,435

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 June 30, 2024, December 31, 2023 and June 30, 2023, the losses on financial assets of the BPCTLI would have been \$869,539 thousand, \$852,347 thousand and \$725,885 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

	June 30, 2024		
	Carrying Amount	Fair Value	%
Domestic investment - government bonds (Note 1)	\$ 11,430,069	\$ 11,387,720	35
Domestic investment - corporate bonds (twAAA - twAA)	4,425,269	4,425,269	13
Overseas investment - government bonds	4,033,527	4,002,039	12
Overseas investment - corporate bonds and bank debentures (A1 - A3)	11,355,996	11,355,883	35
Overseas investment - corporate bonds and bank debentures (Baa1 - Baa2)	<u>1,699,864</u>	<u>1,699,864</u>	<u>5</u>
	<u>\$ 32,944,725</u>	<u>\$ 32,870,775</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>
	June 30, 2023		
	Carrying Amount	Fair Value	%
Domestic investment - government bonds (Note 1)	\$ 12,274,617	\$ 12,264,365	38
Domestic investment - corporate bonds (twAAA - twAA)	3,988,185	3,988,185	12
Overseas investment - government bonds	3,401,746	3,369,933	10
Overseas investment - corporate bonds and bank debentures (Aa2 - A3)	11,564,226	11,564,019	36
Overseas investment - corporate bonds and bank debentures (Baa1 - Ba1)	<u>1,212,100</u>	<u>1,212,100</u>	<u>4</u>
	<u>\$ 32,440,874</u>	<u>\$ 32,398,602</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.

June 30, 2024				
	Within One Year	1 Year to 3 Years	3 Years to 5 Years	Over Five Years
<u>Net settled</u>				
Currency swap contracts	\$ (317,712)	\$ -	\$ -	\$ -
Cross-currency swap contracts	<u>(13,418)</u>	<u>(14,626)</u>	<u>(6,672)</u>	<u>-</u>
	<u>\$ (331,130)</u>	<u>\$ (14,626)</u>	<u>\$ (6,672)</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	<u>-</u>	<u>(7,066)</u>	<u>(2,043)</u>	<u>-</u>
	<u>\$ (33,868)</u>	<u>\$ (7,066)</u>	<u>\$ (2,043)</u>	<u>\$ -</u>
June 30, 2023				
	Within One Year	1 Year to 3 Years	3 Years to 5 Years	Over Five Years
<u>Net settled</u>				
Currency swap contracts	\$ (463,961)	\$ (75,501)	\$ -	\$ -
Cross-currency swap contracts	<u>-</u>	<u>(3,878)</u>	<u>(1,223)</u>	<u>-</u>
	<u>\$ (463,961)</u>	<u>\$ (79,379)</u>	<u>\$ (1,223)</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	59,158	59,158	59,159	59,159	59,169	59,169	59,169	59,169	59,169	11
2018	36,190	45,800	46,223	46,232	46,243	46,303	46,362	46,362	46,362	46,362	46,371	46,371	46,371	46,371	46,371	9
2019	53,544	70,676	66,009	68,136	69,137	69,237	69,367	69,367	69,368	69,368	69,378	69,378	69,378	69,378	69,378	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	46,890	47,103	47,307	47,389	47,478	47,478	47,478	47,478	47,485	47,485	47,485	47,485	47,485	382
2022	57,578	66,484	66,592	68,187	68,416	68,508	68,607	68,607	68,607	68,607	68,618	68,618	68,618	68,618	68,618	2,026
2023	54,563	63,805	64,389	65,438	65,590	65,652	65,716	65,716	65,717	65,717	65,728	65,728	65,728	65,728	65,728	1,923
2024	158,069	208,127	208,903	227,775	230,448	231,490	232,678	232,678	232,678	232,678	232,694	232,694	232,694	232,694	232,694	74,625
																Incurring but not reported
																Reported but not paid
																Balance of claim reserve

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	30,821	30,826	30,826	30,826	30,826	30,826	5
2017	51,121	58,887	56,315	56,484	56,570	56,739	56,974	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	45,364	45,364	45,365	45,365	45,373	45,373	45,373	45,373	45,373	9
2019	47,722	62,824	58,707	61,453	62,195	62,295	62,374	62,374	62,374	62,374	62,384	62,384	62,384	62,384	62,384	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	43,860	44,010	44,010	44,071	44,135	44,135	44,136	44,136	44,143	44,143	44,143	44,143	44,143	283
2022	55,504	65,094	66,733	66,952	66,952	67,041	67,135	67,135	67,136	67,136	67,147	67,147	67,147	67,147	67,147	1,946
2023	52,126	58,301	59,868	60,018	60,018	60,079	60,142	60,142	60,143	60,143	60,153	60,153	60,153	60,153	60,153	1,852
2024	82,562	102,054	102,820	106,794	107,361	107,585	107,832	107,832	107,833	107,833	107,849	107,849	107,849	107,849	107,849	25,287
																Incurring but not reported
																Reported but not paid
																Balance of claim reserve

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.

June 30, 2024			
	Changes in the Assumptions	Impact on Income Before Income Tax	Impact on Equity
Discount rate	0.25%	\$ 35,921	\$ 28,737
Discount rate	(0.25%)	(36,001)	(28,801)
Mortality rate	10.00%	(19,372)	(15,498)
Mortality rate	(10.00%)	19,369	15,496
Withdrawal rate	30.00%	8,656	6,925
Withdrawal rate	(30.00%)	(8,637)	(6,910)
Illness rate/loss rate	15.00%	(13,520)	(10,816)
Expense rate	10.00%	(39,123)	(31,298)
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)
June 30, 2023			
	Changes in the Assumptions	Impact on Income Before Income Tax	Impact on Equity
Discount rate	0.25%	\$ 32,674	\$ 26,139
Discount rate	(0.25%)	(32,747)	(26,197)
Mortality rate	10.00%	(16,947)	(13,558)
Mortality rate	(10.00%)	16,945	13,556
Withdrawal rate	30.00%	9,026	7,221
Withdrawal rate	(30.00%)	(8,962)	(7,169)
Illness rate/loss rate	15.00%	(12,878)	(10,303)
Expense rate	10.00%	(38,920)	(31,136)

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:

June 30, 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	\$ 34,062,840	\$ 34,020,597	\$ 34,062,840	\$ 34,020,597	\$ 42,243
Financial assets at FVTOCI - securities sold under repurchase agreements	34,476,070	34,875,126	34,476,070	34,875,126	(399,056)

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)

June 30, 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	\$ 35,045,112	\$ 35,050,660	\$ 35,045,112	\$ 35,050,660	\$ (5,548)
Financial assets at FVTOCI - securities sold under repurchase agreements	31,685,164	32,293,281	31,685,164	32,293,281	(608,117)

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.

June 30, 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	\$ 1,794,256	\$ -	\$ 1,794,256	\$ (1,794,256)	\$ -	\$ -

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	\$ 68,895,723	\$ -	\$ 68,895,723	\$ (67,897,577)	\$ -	\$ 998,146

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

June 30, 2023

		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		
	Gross Amounts of Recognized Financial Assets			Financial Instruments	Cash Collateral Received	Net Amount
Financial Assets						
Resell agreements	\$ 1,198,879	\$ -	\$ 1,198,879	\$ (1,198,879)	\$ -	\$ -
	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		
Financial Liabilities				Financial Instruments	Cash Collateral Pledged	Net Amount
Repurchase agreements	\$ 67,343,941	\$ -	\$ 67,343,941	\$ (66,295,000)	\$ -	\$ 1,048,941

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%. The CARs of TCBF were 13.63%, 13.89% and 13.45% as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

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 CAR of TCS was 331%, 364% and 323% as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

The Law of Insurance and related regulations require that the insurance business maintain CARs at a minimum of 200%. The CARs of BPCTLI were 1,373.48%, 1,575.93% and 1,563.19% as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

Please refer to related information in Table 2 (attached).

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 3 (attached).

b. Concentration of credit extensions

1) Taiwan Cooperative Bank, Ltd. (TCB)

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	June 30, 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	\$ 33,168,330	12.37
2	Group B Railway transportation	30,443,193	11.35
3	Group C Petroleum and coal products manufacturing	22,890,086	8.53
4	Group D Financial leasing	18,242,079	6.80
5	Group E Iron and steel smelting	14,350,162	5.35
6	Group F Wiring and cable system manufacturing	13,110,555	4.89
7	Group G LCD panel and its component manufacturing	13,101,249	4.88
8	Group H Computers and computing peripheral equipment manufacturing	12,759,391	4.76
9	Group I Wholesale of electronic and communication equipment and parts	12,314,938	4.59
10	Group J Cotton and textile	12,067,000	4.50

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	June 30, 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	\$ 35,561,161	14.28
2	Group B Railway transportation	30,443,193	12.23
3	Group D Financial leasing	23,212,371	9.32
4	Group C Petroleum and coal products manufacturing	15,866,189	6.37
5	Group E Iron and steel smelting	13,661,060	5.49
6	Group H Computers and computing peripheral equipment manufacturing	12,913,177	5.19
7	Group J Cotton and textile	12,132,000	4.87
8	Group F Wiring and cable system manufacturing	11,933,151	4.79
9	Group G LCD panel and its component manufacturing	11,779,088	4.73
10	Group I Wholesale of electronic and communication equipment and parts	10,031,316	4.03

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

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	June 30, 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 Unclassified other financial service	\$ 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 Unclassified other financial service	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 Unclassified other financial service	800,000	12.53
9	Group I Unclassified other financial service	795,000	12.45
10	Group J Financial leasing	751,800	11.77

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	June 30, 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	\$ 1,383,000	20.72
2	Group B Real estate development	1,233,500	18.48
3	Group D Unclassified other financial service	1,130,000	16.93
4	Group C Rolling and extruding of iron and steel	1,123,000	16.83
5	Group F Real estate development	1,065,000	15.96
6	Group H Construction of buildings	800,000	11.99
7	Group E Real estate development	790,000	11.84
8	Group K Real estate development	778,400	11.66
9	Group L Financial leasing	767,900	11.51
10	Group I Real estate development	740,000	11.09

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
June 30, 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	\$ 3,009,425,996	\$ 227,389,888	\$ 54,252,476	\$ 455,184,059	\$ 3,746,252,419
Interest rate-sensitive liabilities	1,160,011,775	1,958,304,501	126,290,193	67,522,656	3,312,129,125
Interest rate sensitivity gap	1,849,414,221	(1,730,914,613)	(72,037,717)	387,661,403	434,123,294
Net worth					233,788,095
Ratio of interest rate-sensitive assets to liabilities					113.11
Ratio of interest rate sensitivity gap to net worth					185.69

**Interest Rate Sensitivity
June 30, 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	\$ 2,945,237,537	\$ 153,705,505	\$ 47,849,379	\$ 440,926,003	\$ 3,587,718,424
Interest rate-sensitive liabilities	1,136,212,972	1,876,546,247	110,203,266	56,696,364	3,179,658,849
Interest rate sensitivity gap	1,809,024,565	(1,722,840,742)	(62,353,887)	384,229,639	408,059,575
Net worth					216,145,015
Ratio of interest rate-sensitive assets to liabilities					112.83
Ratio of interest rate sensitivity gap to net worth					188.79

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
June 30, 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	\$ 12,083,348	\$ 1,394,367	\$ 1,231,207	\$ 3,188,902	\$ 17,897,824
Interest rate-sensitive liabilities	20,843,596	2,880,834	2,324,555	32,050	26,081,035
Interest rate sensitivity gap	(8,760,248)	(1,486,467)	(1,093,348)	3,156,852	(8,183,211)
Net worth					1,057,333
Ratio of interest rate-sensitive assets to liabilities					68.62
Ratio of interest rate sensitivity gap to net worth					(773.95)

Interest Rate Sensitivity
June 30, 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	\$ 11,366,530	\$ 1,188,091	\$ 904,761	\$ 3,288,687	\$ 16,748,069
Interest rate-sensitive liabilities	19,399,757	2,870,834	2,365,429	15,253	24,651,273
Interest rate sensitivity gap	(8,033,227)	(1,682,743)	(1,460,668)	3,273,434	(7,903,204)
Net worth					1,055,535
Ratio of interest rate-sensitive assets to liabilities					67.94
Ratio of interest rate sensitivity gap to net worth					(748.74)

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		June 30, 2024	June 30, 2023
Return on total assets	Before income tax	0.57	0.53
	After income tax	0.43	0.43
Return on equity	Before income tax	11.24	10.70
	After income tax	8.38	8.68
Net income ratio		32.41	32.42

2) Taiwan Cooperative Financial Holding Co., Ltd.

(%)

Items		June 30, 2024	June 30, 2023
Return on total assets	Before income tax	7.37	7.12
	After income tax	6.90	7.15
Return on equity	Before income tax	8.90	8.58
	After income tax	8.34	8.62
Net income ratio		92.55	99.07

3) Taiwan Cooperative Bank, Ltd.

(%)

Items		June 30, 2024	June 30, 2023
Return on total assets	Before income tax	0.55	0.51
	After income tax	0.44	0.42
Return on equity	Before income tax	9.58	9.17
	After income tax	7.64	7.43
Net income ratio		36.01	34.47

4) Taiwan Cooperative Bills Finance Corporation Ltd.

(%)

Items		June 30, 2024	June 30, 2023
Return on total assets	Before income tax	0.40	0.17
	After income tax	0.34	0.13
Return on equity	Before income tax	3.73	1.55
	After income tax	3.12	1.23
Net income ratio		53.97	18.77

5) Taiwan Cooperative Securities Co., Ltd.

(%)

Items		June 30, 2024	June 30, 2023
Return on total assets	Before income tax	1.51	0.99
	After income tax	1.24	0.84
Return on equity	Before income tax	9.09	5.50
	After income tax	7.44	4.65
Net income ratio		26.17	21.78

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

(%)

Items		June 30, 2024	June 30, 2023
Return on total assets	Before income tax	1.12	1.17
	After income tax	0.92	1.02
Return on equity	Before income tax	12.93	14.18
	After income tax	10.59	12.26
Net income ratio		53.09	57.06

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
June 30, 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	\$ 4,115,928,950	\$ 519,831,266	\$ 318,253,517	\$ 193,954,766	\$ 304,683,595	\$ 559,229,071	\$ 2,219,976,735
Main capital outflow on maturity	4,829,931,172	281,151,050	228,309,879	651,067,595	596,345,424	964,235,932	2,108,821,292
Gap	(714,002,222)	238,680,216	89,943,638	(457,112,829)	(291,661,829)	(405,006,861)	111,155,443

Maturity Analysis of Assets and Liabilities
June 30, 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	\$ 3,926,318,151	\$ 457,722,143	\$ 371,657,950	\$ 145,335,002	\$ 265,109,206	\$ 537,725,557	\$ 2,148,768,293
Main capital outflow on maturity	4,708,006,849	225,933,600	240,539,081	570,765,440	610,569,116	987,131,565	2,073,068,047
Gap	(781,688,698)	231,788,543	131,118,869	(425,430,438)	(345,459,910)	(449,406,008)	75,700,246

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

Maturity Analysis of Assets and Liabilities
June 30, 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	\$ 28,449,908	\$ 7,351,916	\$ 5,205,162	\$ 3,134,649	\$ 3,116,726	\$ 9,641,455
Main capital outflow on maturity	32,663,181	12,280,519	7,354,228	5,126,339	4,460,712	3,441,383
Gap	(4,213,273)	(4,928,603)	(2,149,066)	(1,991,690)	(1,343,986)	6,200,072

Maturity Analysis of Assets and Liabilities
June 30, 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	\$ 27,106,989	\$ 6,556,755	\$ 4,731,451	\$ 3,478,799	\$ 3,135,699	\$ 9,204,285
Main capital outflow on maturity	30,795,876	10,799,849	7,489,079	5,088,913	4,340,480	3,077,555
Gap	(3,688,887)	(4,243,094)	(2,757,628)	(1,610,114)	(1,204,781)	6,126,730

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.

June 30, 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	\$ 25,591,565	\$ 11,356,228	\$ 403,080	\$ 299,693	\$ -
	Bonds	165,140	462,850	950,000	1,105,980	22,836,580
	Cash in bank	273,969	120,000	-	200	-
	Total	26,030,674	11,939,078	1,353,080	1,405,873	22,836,580
Source of funds	Borrowings	6,935,420	-	-	-	-
	Securities sold under repurchase agreements	47,297,112	2,843,798	402,130	-	-
	Total	54,232,532	2,843,798	402,130	-	-
Net flows		(28,201,858)	9,095,280	950,950	1,405,873	22,836,580
Accumulated capital net flows		(28,201,858)	(19,106,578)	(18,155,628)	(16,749,755)	6,086,825

June 30, 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	\$ 14,685,469	\$ 21,376,800	\$ 1,750,268	\$ 101,095	\$ -
	Bonds	100,000	-	600,000	1,262,280	20,516,720
	Cash in bank	329,348	120,000	-	200	-
	Total	15,114,817	21,496,800	2,350,268	1,363,575	20,516,720
Source of funds	Borrowings	8,158,680	-	-	-	-
	Securities sold under repurchase agreements	41,996,993	4,787,272	3,013	-	-
	Total	50,155,673	4,787,272	3,013	-	-
Net flows		(35,040,856)	16,709,528	2,347,255	1,363,575	20,516,720
Accumulated capital net flows		(35,040,856)	(18,331,328)	(15,984,073)	(14,620,498)	5,896,222

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	June 30, 2024	December 31, 2023	June 30, 2023	Trust Liabilities	June 30, 2024	December 31, 2023	June 30, 2023
Cash in banks	\$ 17,832,807	\$ 14,758,722	\$ 12,717,127	Payables			
Short-term investments				Accrued expense	\$ 1,804	\$ 1,579	\$ 1,552
Mutual funds	242,734,255	225,841,606	218,406,365	Others	284	237	105
Stocks	6,496,828	5,235,099	3,980,687	Payables on the purchase of securities	76	76	26,459
Debt instruments	354,374	314,053	279,428	Other liabilities	-	10	-
	249,585,457	231,390,758	222,666,480		2,164	1,902	28,116
Securities lending	64,671	71,729	80,708	Accounts payable on securities under custody	233,551,562	205,025,956	204,033,379
Receivables	24,869	29,510	21,261	Trust capital	377,330,332	350,284,448	333,638,399
Real estate				Reserves and retained earnings			
Land	63,417,891	61,437,434	60,895,565	Net income	1,682,369	1,526,224	967,213
Buildings	15,491	9,581	12,600	Retained earnings	258,456	(19,462)	(5,736)
Construction in process	48,250,133	44,013,376	38,148,102		1,940,825	1,506,762	961,477
	111,683,515	105,460,391	99,056,267				
Intangible assets							
Superficies	82,002	82,002	82,002				
Other assets	-	-	4,147				
Securities under custody	233,551,562	205,025,956	204,033,379				
Total	\$ 612,824,883	\$ 556,819,068	\$ 538,661,371	Total	\$ 612,824,883	\$ 556,819,068	\$ 538,661,371

Note: As of June 30, 2024, December 31, 2023 and June 30, 2023, total trust-related assets included OBU funds and bonds investment in the amount of \$1,930,439 thousand, \$1,746,320 thousand and \$2,632,388 thousand, respectively.

Trust Property List

Investment Items	June 30, 2024	December 31, 2023	June 30, 2023
Cash in banks	\$ 17,832,807	\$ 14,758,722	\$ 12,717,127
Short-term investments			
Mutual funds	242,734,255	225,841,606	218,406,365
Stocks	6,496,828	5,235,099	3,980,687
Debt instruments	354,374	314,053	279,428
Securities lending	64,671	71,729	80,708
Receivables			
Accrued interest	8,952	8,475	5,462
Cash dividends	846	11,264	12,714
Mutual funds	14,447	9,095	1,982
Others	624	676	1,103
Real estate			
Land	63,417,891	61,437,434	60,895,565
Buildings	15,491	9,581	12,600
Construction in process	48,250,133	44,013,376	38,148,102
Intangible assets			
Superficies	82,002	82,002	82,002
Other assets	-	-	4,147
Securities under custody	<u>233,551,562</u>	<u>205,025,956</u>	<u>204,033,379</u>
Total	<u>\$ 612,824,883</u>	<u>\$ 556,819,068</u>	<u>\$ 538,661,371</u>

Statements of Income on Trust Accounts
For the Six Months Ended June 30, 2024 and 2023

	2024	2023
Revenues		
Interest revenue	\$ 29,403	\$ 13,702
Lending stock	1,489	1,706
Cash dividends	21,502	17,845
Realized gain on investment - stocks	138,556	48,576
Unrealized gain on investment - stocks	1,681,433	969,571
Unrealized gain on investment - lending stock	31,048	35,656
Realized gain on investment - mutual funds	40,438	18,000
Unrealized gain on investment - mutual funds	61,401	35,356
Beneficial certificate appropriation	6,921	5,594
Others	<u>587</u>	<u>513</u>
Total revenues	<u>2,012,778</u>	<u>1,146,519</u>
Expenses		
Management fees	6,057	5,698
Monitoring fees	503	577
Taxes	143	89
Service charge	42	44
Postage	239	143
Unrealized loss on investment - stocks	222,422	125,843
Unrealized loss on investment - lending stock	29,100	6,223
Unrealized loss on investment - mutual funds	14,233	38,334
Realized loss on investment - mutual funds	13,891	1,694
Realized loss on investment - stocks	43,735	610
Others	<u>44</u>	<u>51</u>
Total expenses	<u>330,409</u>	<u>179,306</u>
Income before income tax	1,682,369	967,213
Income tax expense	<u>-</u>	<u>-</u>
Net income	<u>\$ 1,682,369</u>	<u>\$ 967,213</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 June 30, 2024, December 31, 2023 and June 30, 2023, TCB's accrued receivables were \$8,140 thousand, \$5,494 thousand and \$8,038 thousand, respectively. TCB's revenues from cross-selling transactions were \$13,367 thousand and \$11,709 thousand for the six months ended June 30, 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 June 30, 2024, December 31, 2023 and June 30, 2023, TCB's accrued payables were \$5 thousand, \$5 thousand and \$8 thousand (part of payables), respectively. TCB's expenses from cross-selling transactions were \$35 thousand and \$37 thousand (part of service revenue-net) for the six months ended June 30, 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 June 30, 2024, December 31, 2023, TCB's accrued receivables were \$1,620 thousand, \$3,844 thousand and \$3,239 thousand (part of receivables). TCB's revenues from cross-selling transactions were \$12,387 thousand and \$13,994 thousand (part of service revenue-net) for the six months ended June 30, 2024 and 2023, respectively.

To promote the venture capital business together, TCB and Taiwan Cooperative Venture Capital Co., Ltd. signed cooperation arrangements. The service fees earned by TCB were based on the agreed from the contract by TCB.

TCB's revenues from cross-selling transactions were \$20 thousand for the six months ended June 30, 2024.

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

Table 4 (attached).

50. BUSINESS SEGMENT FINANCIAL INFORMATION

Table 5 (attached).

51. FINANCIAL HOLDING COMPANY ACT NO. 46 ANNOUNCEMENT

Table 6 (attached).

52. CASH FLOW INFORMATION

a. Non-Cash financing activities

Undistributed cash dividends approved by stockholders' meetings are \$10,519,407 thousand, \$486,290 thousand and \$7,642,496 thousand as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

b. Changes in liabilities arising from financing activities

For the six months ended June 30, 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	\$ (5,380,000)	\$	\$ -	\$ 34,642	\$ 28,306,399
Bonds payable	77,240,000	(1,000,000)	-	-	-	76,240,000
Other borrowings	11,266,712	1,983,889	-	-	236,296	13,486,897
Financial liabilities at fair value through profit or loss - bank debentures	2,774,538	1,797,864	-	3,209	99,113	4,674,724
Guarantee deposits received	1,921,350	253,372	-	-	2,180	2,176,902
Lease liabilities	1,545,153	(348,047)	36	-	419,794	1,616,936
Other liabilities - other	103,570	(13,222)	-	-	21,748	112,096
	\$ 128,503,080	\$ (2,706,144)	\$ 36	\$ 3,209	\$ 813,773	\$ 126,613,954

For the six months ended June 30, 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	\$ 1,650,000	\$	\$ -	\$ 1,033,453	\$ 27,223,431
Bonds payable	80,290,000	2,500,000	-	-	-	82,790,000
Other borrowings	9,352,346	751,674	-	-	(820,759)	9,283,261
Financial liabilities at fair value through profit or loss - bank debentures	-	1,445,557	-	964	(28,949)	1,417,572
Guarantee deposits received	2,293,868	70,291	-	-	(319,640)	2,044,519
Lease liabilities	1,538,102	(347,810)	11	-	347,123	1,537,426
Other liabilities - other	72,762	270,795	-	-	(284,636)	58,921
	\$ 118,087,056	\$ 6,340,507	\$ 11	\$ 964	\$ (73,408)	\$ 124,355,130

53. 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 7 (attached).
- 2) Endorsements/guarantees 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 8 (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 9 (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 10 (attached).
- 11) Percentage share in investees and related information: Table 11 (attached).
- 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 has 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 12 (attached).

d. Business relationships and significant transactions among the parent company and subsidiaries: Table 13 (attached).

e. Information on major shareholders: Table 14 (attached).

54. 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 six months ended June 30, 2024 and 2023 are as follows:

	For the Six Months Ended June 30, 2024				
	TCB Business	Others	Total	Adjustment and Elimination	Total
Net interest	\$ 14,266,051	\$ 43,308	\$ 14,309,359	\$ 3,942	\$ 14,313,301
Net revenues and gains other than interest	<u>13,820,216</u>	<u>15,300,811</u>	<u>29,121,027</u>	<u>(11,374,217)</u>	<u>17,746,810</u>
Net revenues	28,086,267	15,344,119	43,430,386	(11,370,275)	32,060,111
Bad-debt expenses and provision for losses on commitment and guarantees	(1,442,298)	(39,835)	(1,482,133)	-	(1,482,133)
Net change in reserves for insurance liabilities	-	(1,234,552)	(1,234,552)	-	(1,234,552)
Operating expenses	<u>(13,957,699)</u>	<u>(1,605,800)</u>	<u>(15,563,499)</u>	<u>155,058</u>	<u>(15,408,441)</u>
Income before income tax	<u>\$ 12,686,270</u>	<u>\$ 12,463,932</u>	<u>\$ 25,150,202</u>	<u>\$ (11,215,217)</u>	<u>\$ 13,934,985</u>

	For the Six Months Ended June 30, 2023				
	TCB Business	Others	Total	Adjustment and Elimination	Total
Net interest	\$ 16,487,866	\$ 116,637	\$ 16,604,503	\$ 2,136	\$ 16,606,639
Net revenues and gains other than interest	<u>9,506,289</u>	<u>14,144,030</u>	<u>23,650,319</u>	<u>(9,913,295)</u>	<u>13,737,024</u>
Net revenues	25,994,155	14,260,667	40,254,822	(9,911,159)	30,343,663
Bad-debt expenses and provision for losses on commitment and guarantees	(1,847,978)	(230,640)	(2,078,618)	-	(2,078,618)
Net change in reserves for insurance liabilities	-	(1,753,947)	(1,753,947)	-	(1,753,947)
Operating expenses	<u>(13,083,646)</u>	<u>(1,440,369)</u>	<u>(14,524,015)</u>	<u>130,895</u>	<u>(14,393,120)</u>
Income before income tax	<u>\$ 11,062,531</u>	<u>\$ 10,835,711</u>	<u>\$ 21,898,242</u>	<u>\$ (9,780,264)</u>	<u>\$ 12,117,978</u>

TABLE 1

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED ENTITIES
JUNE 30, 2024, DECEMBER 31, 2023 AND JUNE 30, 2023

Subsidiaries included in the consolidated financial statements

Investor Company	Investee Company	Location	Main Business and Products	Percentage of Ownership			Note
				June 30, 2024	December 31, 2023	June 30, 2023	
Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	Taipei City	Banking	100.00	100.00	100.00	
	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	
	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	
	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	
Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Securities Investment Consultant Co., Ltd.	Taipei City	Securities investment consulting business	100.00	100.00	-	

Subsidiaries not included in the consolidated financial statements

Investor Company	Investee Company	Location	Main Business and Products	Percentage of Ownership			Note
				June 30, 2024	December 31, 2023	June 30, 2023	
None	-	-	-	-	-	-	

TABLE 2

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CAPITAL ADEQUACY RATIO
JUNE 30, 2024, DECEMBER 31, 2023 AND JUNE 30, 2023

1. Taiwan Cooperative Financial Holding Co., Ltd.’s capital adequacy ratio

Company	Items	June 30, 2024			December 31, 2023			June 30, 2023		
		Proportionate Share	Group’s Net Eligible Capital	Group’s Statutory Capital Requirement	Proportionate Share	Group’s Net Eligible Capital	Group’s Statutory Capital Requirement	Proportionate Share	Group’s Net Eligible Capital	Group’s Statutory Capital Requirement
Taiwan Cooperative Financial Holding Co., Ltd.			\$ 244,490,521	\$ 292,419,081		\$ 239,876,076	\$ 285,272,922		\$ 226,747,744	\$ 272,035,437
Taiwan Cooperative Bank, Ltd.		100	329,353,948	237,768,749	100	316,978,246	223,061,521	100	307,213,112	219,693,148
Taiwan Cooperative Bills Finance Co., Ltd.		100	6,933,373	4,068,378	100	7,091,072	4,084,119	100	6,577,289	3,913,427
Taiwan Cooperative Securities Co., Ltd.		100	5,551,784	2,515,742	100	5,553,402	2,291,324	100	5,383,223	2,499,791
Co-operative Assets Management Co., Ltd.		100	3,759,548	7,784,498	100	3,850,222	7,475,026	100	3,676,119	7,761,431
BNP Paribas Cardif TCB Life Insurance Co., Ltd.		51	5,836,981	849,954	51	6,028,303	765,045	51	6,036,509	772,330
Taiwan Cooperative Securities Investment Trust Co., Ltd.		100	418,905	242,537	100	410,020	239,152	100	401,847	241,443
Taiwan Cooperative Venture Capital Co., Ltd.		100	1,601,401	817,683	100	1,393,478	712,662	100	1,406,270	719,762
Deduction			(297,729,228)	(291,789,142)		(287,213,672)	(285,131,988)		(274,382,366)	(271,700,454)
Total			300,217,233	254,677,480		293,967,147	238,769,783		283,059,747	235,936,315
Group capital adequacy ratio			117.88%			123.12%			119.97%	

Note 1: The above amounts are calculated under the “Regulations Governing the Consolidated Capital Adequacy of Financial Holding Companies.”

Note 2: Group capital adequacy ratio = Group’s net eligible capital ÷ Group’s statutory capital requirement.

(Continued)

2. Taiwan Cooperative Financial Holding Co., Ltd.'s eligible capital

Unit: In Thousands of New Taiwan Dollars

Items	June 30, 2024
Common stock	\$ 152,242,106
Capital instruments, which conform to the terms of Bank's other Tier 1 capital	-
Other preferred stocks and subordinated debts	-
Capital collected in advance	-
Capital surplus	45,650,280
Legal reserve	17,288,787
Special reserve	7,127,657
Cumulative earnings	28,660,581
Equity adjustments	(6,466,600)
Less: Capital deduction	12,290
Total eligible capital	244,490,521

Items	December 31, 2023
Common stock	\$ 147,093,822
Capital instruments, which conform to the terms of Bank's other Tier 1 capital	-
Other preferred stocks and subordinated debts	-
Capital collected in advance	-
Capital surplus	45,650,280
Legal reserve	15,582,312
Special reserve	21,509,719
Cumulative earnings	17,181,771
Equity adjustments	(7,127,656)
Less: Capital deduction	14,172
Total eligible capital	239,876,076

Items	June 30, 2023
Common stock	\$ 147,093,822
Capital instruments, which conform to the terms of Bank's other Tier 1 capital	-
Other preferred stocks and subordinated debts	-
Capital collected in advance	-
Capital surplus	45,650,994
Legal reserve	15,582,312
Special reserve	21,509,719
Cumulative earnings	10,269,237
Equity adjustments	(13,343,363)
Less: Capital deduction	14,977
Total eligible capital	226,747,744

Note: The above amounts are calculated under the "Regulations Governing the Consolidated Capital Adequacy of Financial Holding Companies."

(Continued)

3. Taiwan Cooperative Bank, Ltd.'s capital adequacy ratio

(Unit: In Thousands of New Taiwan Dollars, %)

Items			Year	June 30, 2024	
				Standalone	Consolidated
Eligible capital	Common equity		\$ 247,582,751	\$ 247,698,035	
	Other Tier 1 capital		35,690,000	35,690,000	
	Tier 2 capital		46,081,197	46,136,535	
	Eligible capital		329,353,948	329,524,570	
Risk-weighted assets	Credit risk	Standardized approach	2,124,115,293	2,128,273,336	
		Internal ratings based approach	-	-	
		Securitization	6,242,207	6,242,207	
	Operational risk	Basic indicator approach	-	-	
		Standardized approach/alternative standardized approach	88,738,824	88,973,426	
		Advanced measurement approach	-	-	
	Market risk	Standardized approach	45,367,950	45,361,263	
		Internal model approach	-	-	
	Risk-weighted assets		2,264,464,274	2,268,850,232	
Capital adequacy ratio			14.54	14.52	
Ratio of the common equity to risk-weighted assets			10.93	10.92	
Ratio of Tier 1 capital to risk-weighted assets			12.51	12.49	
Ratio of leverage			5.77	5.76	

(Unit: In Thousands of New Taiwan Dollars, %)

Items			Year	December 31, 2023	
				Standalone	Consolidated
Eligible capital	Common equity		\$ 245,437,528	\$ 245,545,353	
	Other Tier 1 capital		35,690,000	35,690,000	
	Tier 2 capital		35,850,718	35,889,927	
	Eligible capital		316,978,246	317,125,280	
Risk-weighted assets	Credit risk	Standardized approach	1,998,478,916	2,001,615,583	
		Internal ratings based approach	-	-	
		Securitization	4,975,275	4,975,275	
	Operational risk	Basic indicator approach	-	-	
		Standardized approach/alternative standardized approach	88,738,824	88,973,426	
		Advanced measurement approach	-	-	
	Market risk	Standardized approach	32,202,425	32,190,700	
		Internal model approach	-	-	
	Risk-weighted assets		2,124,395,440	2,127,754,984	
Capital adequacy ratio			14.92	14.90	
Ratio of the common equity to risk-weighted assets			11.55	11.54	
Ratio of Tier 1 capital to risk-weighted assets			13.23	13.22	
Ratio of leverage			5.86	5.84	

(Continued)

(Unit: In Thousands of New Taiwan Dollars, %)

Items			Year	June 30, 2023	
				Standalone	Consolidated
Eligible capital	Common equity		\$	235,992,915	\$ 236,093,869
	Other Tier 1 capital			35,690,000	35,690,000
	Tier 2 capital			35,530,197	35,541,734
	Eligible capital			307,213,112	307,325,603
Risk-weighted assets	Credit risk	Standardized approach		1,967,973,100	1,968,896,077
		Internal ratings based approach		-	-
		Securitization		5,316,475	5,316,475
	Operational risk	Basic indicator approach		-	-
		Standardized approach/alternative standardized approach		82,818,809	82,944,946
		Advanced measurement approach		-	-
	Market risk	Standardized approach		36,207,313	36,198,625
		Internal model approach		-	-
	Risk-weighted assets			2,092,315,697	2,093,356,123
	Capital adequacy ratio				14.68
Ratio of the common equity to risk-weighted assets				11.28	11.28
Ratio of Tier 1 capital to risk-weighted assets				12.98	12.98
Ratio of leverage				5.86	5.86

Note 1: Eligible capital, risk-weighted assets and exposure measurement are calculated under the “Regulations Governing the Capital Adequacy Ratio of Banks” and the “Explanation of Methods for Calculating the Eligible Capital and Risk-weighted Assets of Banks.”

Note 2: Formulas used were as follows:

- 1) Eligible capital = Common equity + Other Tier 1 capital + Tier 2 capital
- 2) Risk-weighted assets = Risk-weighted assets for credit risk + Capital requirements for operational risk and market risk x 12.5.
- 3) Capital adequacy ratio = Eligible capital ÷ Risk-weighted assets.
- 4) Ratio of the common equity to risk-weighted assets = Common equity ÷ Risk-weighted assets.
- 5) Ratio of Tier 1 capital to risk-weighted assets = (Common equity + Other Tier 1 capital) ÷ Risk-weighted assets.
- 6) Ratio of leverage = Tier 1 capital ÷ Exposure measurement.

(Concluded)

TABLE 3

TAIWAN COOPERATIVE BANK, LTD.

ASSET QUALITY - NONPERFORMING LOANS AND RECEIVABLES
JUNE 30, 2024 AND 2023
(In Thousands of New Taiwan Dollars, %)

Period			June 30, 2024					June 30, 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		\$ 2,441,608	\$ 822,517,252	0.30	\$ 8,648,343	354.21	\$ 3,530,892	\$ 837,788,759	0.42	\$ 9,351,898	264.86
	Unsecured		692,089	1,062,433,156	0.07	8,746,227	1,263.74	1,230,627	916,775,211	0.13	7,497,171	609.22
Consumer banking	Housing mortgage (Note 4)		572,870	728,463,371	0.08	10,965,251	1,914.09	506,361	646,305,219	0.08	9,742,483	1,924.02
	Cash card		-	-	-	-	-	-	-	-	-	-
	Small-scale credit loans (Note 5)		12,658	12,525,810	0.10	168,490	1,331.09	16,170	11,776,069	0.14	174,139	1,076.93
	Other (Note 6)	Secured	1,582,826	279,309,029	0.57	3,080,510	194.62	1,105,297	284,852,621	0.39	3,699,518	334.71
		Unsecured	37,205	11,199,999	0.33	154,486	415.23	29,205	11,703,218	0.25	166,689	570.76
Loan			5,339,256	2,916,448,617	0.18	31,763,307	594.90	6,418,552	2,709,201,097	0.24	30,631,898	477.24
			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			14,361	9,244,318	0.16	63,832	444.48	6,187	8,961,531	0.07	59,565	962.74
Accounts receivable factored without recourse (Note 7)			-	26,480	-	7,317	-	-	29,647	-	7,369	-
Amounts of executed contracts on negotiated debts not reported as nonperforming loans (Note 8)			125					187				
Amounts of executed contracts on negotiated debts not reported as nonperforming receivables (Note 8)			6,095					1,402				
Amounts of executed debt-restructuring projects not reported as nonperforming loans (Note 9)			10,479					13,243				
Amounts of executed debt-restructuring projects not reported as nonperforming receivables (Note 9)			45,522					50,026				

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 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 4**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 SIX MONTHS ENDED JUNE 30, 2024 AND 2023**

1. TCFHC's financial statements

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

Assets	June 30, 2024	December 31, 2023	June 30, 2023	Liabilities and Equity	June 30, 2024	December 31, 2023	June 30, 2023
Cash and cash equivalents	\$ 85,899	\$ 51,618	\$ 14,196	<u>Liabilities</u>			
Financial assets at fair value through other comprehensive income	21,525	15,000	12,300	Commercial paper issued, net	\$ 12,108,936	\$ 19,493,481	\$ 12,115,701
Receivables	491,673	361	182,851	Payables	10,032,667	493,241	7,435,766
Current tax assets	2,225,326	4,854,541	2,802,142	Current tax liabilities	3,006,259	4,897,880	2,919,145
Investments accounted for using equity method	291,789,142	285,131,988	271,700,454	Bonds payable	20,000,000	20,000,000	20,000,000
Properties and equipment, net	13,235	11,849	11,331	Other financial liabilities	3,034	3,542	3,699
Right-of-use assets, net	93,586	104,148	119,187	Lease liabilities	96,518	106,587	121,036
Intangible assets	11,951	13,778	14,729	Deferred tax liabilities	83,570	-	-
Deferred tax assets	339	394	248	Other borrowings	4,900,000	5,300,000	5,500,000
Other assets	<u>9,920</u>	<u>9,576</u>	<u>9,314</u>	Other liabilities	<u>8,802</u>	<u>8,274</u>	<u>8,684</u>
				Total liabilities	<u>50,239,786</u>	<u>50,303,005</u>	<u>48,104,031</u>
				<u>Equity</u>			
				Capital stock	152,242,106	147,093,822	147,093,822
				Capital surplus	45,650,280	45,650,280	45,650,994
				Retained earnings	53,077,025	54,273,802	47,361,268
				Other equity	<u>(6,466,601)</u>	<u>(7,127,656)</u>	<u>(13,343,363)</u>
				Total equity	<u>244,502,810</u>	<u>239,890,248</u>	<u>226,762,721</u>
Total	<u>\$ 294,742,596</u>	<u>\$ 290,193,253</u>	<u>\$ 274,866,752</u>	Total	<u>\$ 294,742,596</u>	<u>\$ 290,193,253</u>	<u>\$ 274,866,752</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 June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Revenues and gains				
Share of gains of subsidiaries, associates and joint ventures accounted for using equity method	\$ 5,750,591	\$ 4,720,114	\$ 11,152,833	\$ 9,798,799
Other revenues and gains	<u>1,888</u>	<u>1,142</u>	<u>1,977</u>	<u>1,351</u>
Total revenues and gains	<u>5,752,479</u>	<u>4,721,256</u>	<u>11,154,810</u>	<u>9,800,150</u>
Expenses and losses				
Operating expenses	(66,256)	(71,037)	(130,469)	(129,944)
Share of losses of subsidiaries, associates and joint ventures accounted for using equity method	-	59,345	-	-
Other expenses and losses	<u>(121,338)</u>	<u>(92,066)</u>	<u>(245,347)</u>	<u>(185,175)</u>
Total expenses and losses	<u>(187,594)</u>	<u>(103,758)</u>	<u>(375,816)</u>	<u>(315,119)</u>
Income before income tax	5,564,885	4,617,498	10,778,994	9,485,031
Income tax benefit (expense)	<u>(706,068)</u>	<u>21,400</u>	<u>(682,830)</u>	<u>40,407</u>
Net income	4,858,817	4,638,898	10,096,164	9,525,438
Other comprehensive income	<u>2,365,717</u>	<u>2,467,835</u>	<u>4,077,496</u>	<u>8,793,133</u>
Total comprehensive income	<u>\$ 7,224,534</u>	<u>\$ 7,106,733</u>	<u>\$ 14,173,660</u>	<u>\$ 18,318,571</u>
Earnings per share (New Taiwan dollars)				
Basic	<u>\$0.32</u>	<u>\$0.30</u>	<u>\$0.66</u>	<u>\$0.63</u>
Diluted	<u>\$0.32</u>	<u>\$0.30</u>	<u>\$0.66</u>	<u>\$0.63</u>

(Continued)

Taiwan Cooperative Financial Holding Co., Ltd.

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

	Other Equity											Total Equity
	Capital Stock			Retained 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		
	Shares (In Thousands)	Common Stock	Reserve for Capitalization	Capital Surplus	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	\$ 239,890,248
Appropriation of the 2023 earnings												
Legal reserve	-	-	-	-	1,706,475	-	(1,706,475)	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(9,561,098)	-	-	-	-	(9,561,098)
Stock dividends	-	-	5,148,284	-	-	-	(5,148,284)	-	-	-	-	-
Reversal of special reserve	-	-	-	-	-	(14,382,062)	14,382,062	-	-	-	-	-
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	3,416,428	-	(3,416,428)	-	-	-
Transfer of changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss upon derecognition	-	-	-	-	-	-	13	-	-	(13)	-	-
Total comprehensive income												
Net income for the six months ended June 30, 2024	-	-	-	-	-	-	10,096,164	-	-	-	-	10,096,164
Other comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	-	-	2,198,259	1,738,357	(3,209)	144,089	4,077,496
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	-	10,096,164	2,198,259	1,738,357	(3,209)	144,089	14,173,660
BALANCE AT JUNE 30, 2024	14,709,382	\$ 147,093,822	\$ 5,148,284	\$ 45,650,280	\$ 17,288,787	\$ 7,127,657	\$ 28,660,581	\$ 1,619,732	\$ (8,271,505)	\$ (16,236)	\$ 201,408	\$ 244,502,810
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	\$ 215,446,776
Share dividends distributed from capital surplus	-	-	7,004,468	(7,004,468)	-	-	-	-	-	-	-	-
Cash dividends distributed from capital surplus	-	-	-	(5,323,396)	-	-	-	-	-	-	-	(5,323,396)
Unclaimed dividends	-	-	-	1,842	-	-	-	-	-	-	-	1,842
Appropriation of the 2022 earnings												
Legal reserve	-	-	-	-	2,149,776	-	(2,149,776)	-	-	-	-	-
Special reserve	-	-	-	-	-	20,524,180	(20,524,180)	-	-	-	-	-
Cash dividends	-	-	-	-	-	-	(1,681,072)	-	-	-	-	(1,681,072)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	626,777	-	(626,777)	-	-	-
Total comprehensive income												
Net income for the six months ended June 30, 2023	-	-	-	-	-	-	9,525,438	-	-	-	-	9,525,438
Other comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	-	-	354,368	8,390,890	(964)	48,839	8,793,133
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	-	9,525,438	354,368	8,390,890	(964)	48,839	18,318,571
BALANCE AT JUNE 30, 2023	14,008,935	\$ 140,089,354	\$ 7,004,468	\$ 45,650,994	\$ 15,582,312	\$ 21,509,719	\$ 10,269,237	\$ (98,094)	\$ (13,462,887)	\$ (964)	\$ 218,582	\$ 226,762,721

(Continued)

Taiwan Cooperative Financial Holding Co., Ltd.

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

	For the Six Months Ended June 30	
	2024	2023
Cash flows from operating activities		
Income before income tax	\$ 10,778,994	\$ 9,485,031
Adjustments for:		
Share of gains of subsidiaries, associates and joint ventures accounted for using equity method	(11,152,833)	(9,798,799)
Depreciation and amortization expenses	20,056	19,139
Interest expense	245,347	185,175
Interest revenue	(418)	(279)
Net changes in operating assets and liabilities		
Decrease (increase) in receivables	3	(182,489)
Increase in other assets	(344)	(93)
Decrease in payables	(43,038)	(67,563)
Increase in other liabilities	<u>528</u>	<u>467</u>
Cash used in operations	(151,705)	(359,411)
Interest received	418	279
Dividends received	8,075,335	2,051,789
Interest paid	(187,785)	(180,309)
Income tax refunded	<u>138,389</u>	<u>48,801</u>
Net cash generated from operating activities	<u>7,874,652</u>	<u>1,561,149</u>
Cash flows from investing activities		
Acquisition of properties and equipment	(4,296)	(976)
Increase in refundable deposits	-	(90)
Acquisition of intangible assets	<u>(239)</u>	<u>(4,950)</u>
Net cash used in investing activities	<u>(4,535)</u>	<u>(6,016)</u>
Cash flows from financing activities		
Decrease in commercial paper issued	(7,420,000)	(1,630,000)
Decrease in other borrowings	(400,000)	-
Decrease in guarantee deposits received	(508)	(1,275)
Repayments of the principal portion of lease liabilities	<u>(15,328)</u>	<u>(14,994)</u>
Net cash used in financing activities	<u>(7,835,836)</u>	<u>(1,646,269)</u>
Net increase (decrease) in cash and cash equivalents	34,281	(91,136)
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>\$ 85,899</u>	<u>\$ 14,196</u>

(Continued)

2. Subsidiaries' condensed balance sheets

Taiwan Cooperative Bank, Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	June 30, 2024	December 31, 2023	June 30, 2023	Liabilities and Equity	June 30, 2024	December 31, 2023	June 30, 2023
Cash and cash equivalents	\$ 75,212,898	\$ 88,992,455	\$ 54,105,429	<u>Liabilities</u>			
Due from the Central Bank and call loans to other banks	354,037,309	365,130,256	342,934,788	Deposits from the Central Bank and other banks	\$ 327,142,024	\$ 292,447,330	\$ 329,291,462
Financial assets at fair value through profit or loss	107,212,252	75,649,177	73,171,567	Financial liabilities at fair value through profit or loss	5,183,232	8,671,843	1,938,325
Financial assets at fair value through other comprehensive income	477,568,000	444,193,029	431,624,427	Securities sold under repurchase agreements	9,158,369	9,512,753	10,396,731
Investments in debt instruments at amortized cost	670,400,452	702,602,417	722,067,939	Payables	44,073,156	44,076,172	34,386,591
Receivables, net	32,015,627	24,582,638	25,834,982	Current tax liabilities	442,301	3,117,258	739,890
Current tax assets	3,051,782	2,311,837	2,562,323	Deposits and remittances	3,936,734,257	3,863,506,229	3,686,086,499
Discounts and loans, net	2,884,118,302	2,790,306,038	2,677,936,651	Bank debentures	56,240,000	57,240,000	62,790,000
Investments accounted for using equity method	2,452,457	2,353,530	2,257,280	Other financial liabilities	1,963,936	1,742,066	2,338,590
Other financial assets, net	8,723,502	8,350,535	9,964,769	Provisions	5,368,147	5,404,571	5,511,499
Properties and equipment, net	31,596,692	31,762,528	32,367,629	Lease liabilities	1,575,196	1,512,364	1,633,999
Right-of-use assets, net	1,614,329	1,552,571	1,677,164	Deferred tax liabilities	5,782,862	3,472,248	4,830,142
Investment properties, net	7,663,812	7,882,587	7,608,673	Other liabilities	839,195	911,245	1,311,472
Intangible assets	4,550,687	4,334,735	4,090,695	Total liabilities	<u>4,394,502,675</u>	<u>4,291,614,079</u>	<u>4,141,255,200</u>
Deferred tax assets	1,579,383	1,921,288	1,282,015	<u>Equity</u>			
Other assets, net	<u>930,622</u>	<u>942,689</u>	<u>783,244</u>	Capital stock	122,988,300	110,075,300	110,075,300
				Capital surplus	58,767,245	58,767,245	58,767,245
				Retained earnings	91,736,553	98,650,713	92,106,066
				Other equity	<u>(5,266,667)</u>	<u>(6,239,027)</u>	<u>(11,934,236)</u>
				Total equity	<u>268,225,431</u>	<u>261,254,231</u>	<u>249,014,375</u>
Total	<u>\$ 4,662,728,106</u>	<u>\$ 4,552,868,310</u>	<u>\$ 4,390,269,575</u>	Total	<u>\$ 4,662,728,106</u>	<u>\$ 4,552,868,310</u>	<u>\$ 4,390,269,575</u>

(Continued)

Taiwan Cooperative Bills Finance Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	June 30, 2024	December 31, 2023	June 30, 2023	Liabilities and Equity	June 30, 2024	December 31, 2023	June 30, 2023
Cash and cash equivalents	\$ 153,969	\$ 224,641	\$ 209,348	<u>Liabilities</u>			
Financial assets at fair value through profit or loss	38,460,480	41,677,220	38,300,139				
Financial assets at fair value through other comprehensive income	24,240,222	23,198,532	20,880,091	Call loans from banks	\$ 6,935,420	\$ 8,126,345	\$ 8,158,680
Investments in debt instruments at amortized cost	1,431,213	1,432,879	1,434,554	Financial liabilities at fair value through profit or loss	3,976	-	8,325
Receivables, net	298,848	261,381	319,666	Securities sold under repurchase agreements	50,479,599	51,477,700	46,742,697
Current tax assets	29,296	40,389	11,712	Payables	222,986	125,135	112,318
Other financial assets	294,200	292,773	937,879	Provisions	418,032	416,605	403,427
Properties and equipment, net	16,781	17,985	14,155	Lease liabilities	35,104	39,081	39,557
Right-of-use assets, net	34,547	38,706	39,423	Other liabilities	<u>59,258</u>	<u>72,579</u>	<u>310,878</u>
Intangible assets	3,832	5,590	7,314	Total liabilities	<u>58,154,375</u>	<u>60,257,445</u>	<u>55,775,882</u>
Deferred tax assets	576	5,127	18,128	<u>Equity</u>			
Other assets, net	<u>296,121</u>	<u>286,731</u>	<u>291,070</u>				
				Capital stock	4,877,740	4,877,740	4,877,740
				Capital surplus	312,633	312,633	312,633
				Retained earnings	2,212,647	2,216,941	2,050,875
				Other equity	<u>(297,310)</u>	<u>(182,805)</u>	<u>(553,651)</u>
				Total equity	<u>7,105,710</u>	<u>7,224,509</u>	<u>6,687,597</u>
Total	<u>\$ 65,260,085</u>	<u>\$ 67,481,954</u>	<u>\$ 62,463,479</u>	Total	<u>\$ 65,260,085</u>	<u>\$ 67,481,954</u>	<u>\$ 62,463,479</u>

(Continued)

Taiwan Cooperative Securities Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	June 30, 2024	December 31, 2023	June 30, 2023	Liabilities and Equity	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 36,486,750	\$ 28,742,016	\$ 28,763,157	<u>Liabilities</u>			
Financial assets at fair value through other comprehensive income - noncurrent	39,689	41,943	40,221	Current liabilities	\$ 31,044,590	\$ 23,344,222	\$ 23,486,438
Investments accounted for using equity method	53,900	49,123	-	Lease liabilities	84,572	109,049	67,422
Properties and equipment, net	92,049	94,729	73,535	Deferred tax liabilities	1,079	743	1,621
Right-of-use assets, net	83,141	108,205	65,661	Other liabilities	<u>5,899</u>	<u>5,720</u>	<u>6,945</u>
Intangible assets	59,118	61,522	64,333	Total liabilities	<u>31,136,140</u>	<u>23,459,734</u>	<u>23,562,426</u>
Deferred tax assets	24,831	10,621	11,530				
Other noncurrent assets	<u>416,968</u>	<u>422,270</u>	<u>421,147</u>	<u>Equity</u>			
				Capital stock	5,206,131	5,206,131	5,206,131
				Capital surplus	294,440	294,440	294,440
				Retained earnings	1,147,740	1,040,127	1,000,958
				Other equity	<u>(528,005)</u>	<u>(470,003)</u>	<u>(624,371)</u>
				Total equity	<u>6,120,306</u>	<u>6,070,695</u>	<u>5,877,158</u>
Total	<u>\$ 37,256,446</u>	<u>\$ 29,530,429</u>	<u>\$ 29,439,584</u>	Total	<u>\$ 37,256,446</u>	<u>\$ 29,530,429</u>	<u>\$ 29,439,584</u>

Co-operative Assets Management Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	June 30, 2024	December 31, 2023	June 30, 2023	Liabilities and Equity	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 121,246	\$ 88,439	\$ 215,804	<u>Liabilities</u>			
Financial assets at fair value through profit or loss	-	-	100	Current liabilities	\$ 10,548,236	\$ 9,845,201	\$ 8,900,192
Financial assets at fair value through other comprehensive income	21,525	15,000	12,300	Lease liabilities	5,269	9,968	14,610
Accounts receivable, net	5,286,593	3,832,190	4,269,892	Deferred tax liabilities	86,734	86,908	75,818
Investments accounted for using the equity method	1,265,213	1,213,820	1,186,650	Other liabilities	<u>1,170,655</u>	<u>1,157,753</u>	<u>2,857,462</u>
Properties and equipment, net	12,958	19,271	23,118	Total liabilities	<u>11,810,894</u>	<u>11,099,830</u>	<u>11,848,082</u>
Investment properties, net	4,768,458	4,625,362	4,389,030				
Right-of-use assets, net	5,126	9,745	14,364	<u>Equity</u>			
Intangible assets	2,253	2,643	2,972	Capital stock	3,140,875	3,140,875	3,140,875
Deferred tax assets	211,835	219,382	227,766	Capital surplus	2,553	2,553	2,553
Long-term lease payment receivable	155,132	194,436	227,349	Retained earnings	684,746	812,130	650,148
Long-term urban regeneration advance payment	3,717,459	4,693,050	4,952,213	Other equity	<u>(68,626)</u>	<u>(105,336)</u>	<u>(117,457)</u>
Other assets	<u>2,644</u>	<u>36,714</u>	<u>2,643</u>	Total equity	<u>3,759,548</u>	<u>3,850,222</u>	<u>3,676,119</u>
Total	<u>\$ 15,570,442</u>	<u>\$ 14,950,052</u>	<u>\$ 15,524,201</u>	Total	<u>\$ 15,570,442</u>	<u>\$ 14,950,052</u>	<u>\$ 15,524,201</u>

(Continued)

BNP Paribas Cardif TCB Life Insurance Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	June 30, 2024	December 31, 2023	June 30, 2023	Liabilities and Equity	June 30, 2024	December 31, 2023	June 30, 2023
Cash and cash equivalents	\$ 3,690,057	\$ 2,619,042	\$ 2,498,635	<u>Liabilities</u>			
Receivables	926,079	1,303,254	1,090,566				
Current tax assets	120,740	121,791	121,791	Payables	\$ 2,203,981	\$ 1,358,481	\$ 1,331,342
Investments	36,915,140	36,198,341	35,710,712	Current tax liabilities	7,527	69,641	52,331
Reinsurance assets	300,190	244,817	282,466	Financial liabilities at fair value through profit or loss	356,654	242,041	544,563
Equipment, net	156,460	108,998	125,217	Lease liabilities	78,401	82,648	3,900
Right-of-use assets	73,079	77,731	3,840	Insurance liabilities	29,994,980	28,468,712	27,830,230
Deferred tax assets	123,446	79,552	173,932	Reserve for insurance contracts with financial instruments features	9,495	7,637	5,503
Other assets	1,488,076	1,307,798	1,521,135	Reserve of foreign exchange variation	34,484	94,240	350,537
Separate-account assets	<u>86,153,289</u>	<u>85,592,813</u>	<u>88,236,418</u>	Deferred tax liabilities	137,408	34,986	1,718
				Other liabilities	183,578	185,851	453,705
				Separate-account liabilities	<u>86,153,289</u>	<u>85,592,813</u>	<u>88,236,418</u>
				Total liabilities	<u>119,159,797</u>	<u>116,137,050</u>	<u>118,810,247</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	4,491,448	4,864,390	4,263,478
				Other equity	<u>(595,165)</u>	<u>(237,779)</u>	<u>(199,489)</u>
				Total equity	<u>10,786,759</u>	<u>11,517,087</u>	<u>10,954,465</u>
Total	<u>\$ 129,946,556</u>	<u>\$ 127,654,137</u>	<u>\$ 129,764,712</u>	Total	<u>\$ 129,946,556</u>	<u>\$ 127,654,137</u>	<u>\$ 129,764,712</u>

(Continued)

Taiwan Cooperative Securities Investment Trust Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	June 30, 2024	December 31, 2023	June 30, 2023	Liabilities and Equity	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 411,229	\$ 400,764	\$ 403,111	<u>Liabilities</u>			
Financial assets at fair value through profit or loss - noncurrent	3,290	3,057	3,064	Current liabilities	\$ 57,445	\$ 57,090	\$ 66,799
Properties and equipment, net	4,546	4,735	4,778	Lease liabilities	8,304	10,967	13,406
Right-of-use assets	8,018	10,639	13,068	Other liabilities	<u>468</u>	<u>300</u>	<u>877</u>
Intangible assets	1,824	2,918	2,608	Total liabilities	<u>66,217</u>	<u>68,357</u>	<u>81,082</u>
Prepaid equipment	-	49	85				
Other assets	<u>56,215</u>	<u>56,215</u>	<u>56,215</u>	<u>Equity</u>			
				Capital stock	319,498	303,000	303,000
				Capital surplus	72,860	72,860	72,860
				Retained earnings	25,530	33,377	25,197
				Other equity	<u>1,017</u>	<u>783</u>	<u>790</u>
				Total equity	<u>418,905</u>	<u>410,020</u>	<u>401,847</u>
Total	<u>\$ 485,122</u>	<u>\$ 478,377</u>	<u>\$ 482,929</u>	Total	<u>\$ 485,122</u>	<u>\$ 478,377</u>	<u>\$ 482,929</u>

Taiwan Cooperative Venture Capital Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	June 30, 2024	December 31, 2023	June 30, 2023	Liabilities and Equity	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 1,614,350	\$ 813,790	\$ 1,419,830	<u>Liabilities</u>			
Financial assets at fair value through profit or loss - noncurrent	-	592,858	-	Current liabilities	\$ 19,110	\$ 19,172	\$ 20,449
Investments accounted for using equity method	4,455	4,644	5,451	Lease liabilities	12,899	11,378	12,654
Properties and equipment, net	3,289	2,229	1,103	Other liabilities	<u>1,964</u>	<u>1,305</u>	<u>160</u>
Right-of-use assets	12,773	11,294	12,623	Total liabilities	<u>33,973</u>	<u>31,855</u>	<u>33,263</u>
Intangible assets	9	19	27				
Other assets	<u>498</u>	<u>499</u>	<u>499</u>	<u>Equity</u>			
				Capital stock	1,349,269	1,235,023	1,235,023
				Capital surplus	-	-	714
				Retained earnings	<u>252,132</u>	<u>158,455</u>	<u>170,533</u>
				Total equity	<u>1,601,401</u>	<u>1,393,478</u>	<u>1,406,270</u>
Total	<u>\$ 1,635,374</u>	<u>\$ 1,425,333</u>	<u>\$ 1,439,533</u>	Total	<u>\$ 1,635,374</u>	<u>\$ 1,425,333</u>	<u>\$ 1,439,533</u>

(Continued)

3. Subsidiaries' condensed statements of comprehensive income

Taiwan Cooperative Bank, Ltd.

**Condensed Statements of Comprehensive Income
For the Six Months Ended June 30, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)**

	2024	2023
Interest revenues	\$ 50,290,386	\$ 43,702,977
Less: Interest expenses	<u>(36,024,335)</u>	<u>(27,215,111)</u>
Net interest	14,266,051	16,487,866
Net revenues and gains other than interest	<u>13,820,216</u>	<u>9,506,289</u>
Total net revenues	28,086,267	25,994,155
Bad-debt expenses and provision for losses on commitment and guarantees	(1,442,298)	(1,847,978)
Operating expenses	<u>(13,957,699)</u>	<u>(13,083,646)</u>
Income before income tax	12,686,270	11,062,531
Income tax expense	<u>(2,572,535)</u>	<u>(2,101,744)</u>
Net income	10,113,735	8,960,787
Other comprehensive income (loss)	<u>4,357,465</u>	<u>8,372,326</u>
Total comprehensive income (loss)	<u>\$ 14,471,200</u>	<u>\$ 17,333,113</u>
Earnings per share (NT\$)		
Basic	<u>\$0.82</u>	<u>\$0.73</u>

Taiwan Cooperative Bills Finance Co., Ltd.

**Condensed Statements of Comprehensive Income
For the Six Months Ended June 30, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)**

	2024	2023
Net interest	\$ 65,237	\$ 72,896
Net revenues and gains other than interest	<u>142,074</u>	<u>143,658</u>
Total net revenues	207,311	216,554
Reversal of allowance (impairment losses) for credit losses and provision	12,175	(78,274)
Operating expenses	<u>(85,682)</u>	<u>(87,345)</u>
Income before income tax	133,804	50,935
Income tax expense	<u>(21,911)</u>	<u>(10,295)</u>
Net income	111,893	40,640
Other comprehensive loss	<u>(83,404)</u>	<u>159,482</u>
Total comprehensive income (loss)	<u>\$ 28,489</u>	<u>\$ 200,122</u>
Earnings per share (NT\$)		
Basic	<u>\$0.23</u>	<u>\$0.08</u>

(Continued)

Taiwan Cooperative Securities Co., Ltd.

Condensed Statements of Comprehensive Income
For the Six Months Ended June 30, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2024	2023
Revenues	\$ 1,194,618	\$ 883,903
Service charge	(62,001)	(38,319)
Other operating costs	(310,065)	(253,693)
Employee benefits	(327,148)	(254,052)
Other operating expenses	(262,683)	(201,108)
Other gains and losses	<u>44,288</u>	<u>21,110</u>
Income before income tax	277,009	157,841
Income tax expense	<u>(50,134)</u>	<u>(24,319)</u>
Net income	226,875	133,522
Other comprehensive loss	<u>(57,767)</u>	<u>142,789</u>
Total comprehensive income (loss)	<u>\$ 169,108</u>	<u>\$ 276,311</u>
Earnings per share (NT\$)		
Basic	<u>\$0.44</u>	<u>\$0.26</u>

Co-operative Assets Management Co., Ltd.

Condensed Statements of Comprehensive Income
For the Six Months Ended June 30, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2024	2023
Operating revenues	\$ 485,286	\$ 382,809
Operating expenses	<u>(169,782)</u>	<u>(121,425)</u>
Operating benefits	315,504	261,384
Non-operating gains and losses	<u>(82,035)</u>	<u>(23,697)</u>
Income before income tax	233,469	237,687
Income tax expenses	<u>(52,304)</u>	<u>(56,837)</u>
Net income	181,165	180,850
Other comprehensive income (loss)	<u>36,710</u>	<u>(28,930)</u>
Total comprehensive income	<u>\$ 217,875</u>	<u>\$ 151,920</u>
Earnings per share (NT\$)		
Basic	<u>\$0.58</u>	<u>\$0.58</u>

(Continued)

BNP Paribas Cardif TCB Life Insurance Co., Ltd.

**Condensed Statements of Comprehensive Income
For the Six Months Ended June 30, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)**

	2024	2023
Operating revenues	\$ 9,218,944	\$ 7,547,482
Operating costs	(8,106,772)	(6,402,554)
Operating expenses	(391,226)	(389,198)
Income before income tax	720,946	755,730
Income tax expenses	<u>(130,525)</u>	<u>(102,450)</u>
Net income	590,421	653,280
Other comprehensive loss	<u>(357,386)</u>	<u>290,830</u>
Total comprehensive income (loss)	<u>\$ 233,035</u>	<u>\$ 944,110</u>
Earnings per share (NT\$)		
Basic	<u>\$0.86</u>	<u>\$0.95</u>

Taiwan Cooperative Securities Investment Trust Co., Ltd.

**Condensed Statements of Comprehensive Income
For the Six Months Ended June 30, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)**

	2024	2023
Operating revenues	\$ 146,412	\$ 169,292
Operating expenses	<u>(140,435)</u>	<u>(161,295)</u>
Operating gain	5,977	7,997
Non-operating gains and losses	<u>2,674</u>	<u>2,154</u>
Income before income tax	8,651	10,151
Income tax expenses	<u>-</u>	<u>-</u>
Net income	8,651	10,151
Other comprehensive income	<u>234</u>	<u>218</u>
Total comprehensive income	<u>\$ 8,885</u>	<u>\$ 10,369</u>
Earnings per share (NT\$)		
Basic	<u>\$0.27</u>	<u>\$0.32</u>

(Continued)

Taiwan Cooperative Venture Capital Co., Ltd.

Condensed Statements of Comprehensive Income
For the Six Months Ended June 30, 2024 and 2023
(In Thousands of New Taiwan Dollars, Except Per Share Amounts)

	2024	2023
Operating revenues	\$ 240,179	\$ 171,832
Operating expenses	<u>(26,305)</u>	<u>(21,359)</u>
Operating gain	213,874	150,473
Non-operating gains and losses	<u>668</u>	<u>969</u>
Income before income tax	214,542	151,442
Income tax expenses	<u>(6,620)</u>	<u>(12,425)</u>
Net income	207,922	139,017
Other comprehensive income (loss)	<u>-</u>	<u>-</u>
Total comprehensive income	<u>\$ 207,922</u>	<u>\$ 139,017</u>
Earnings per share (NT\$)		
Basic	<u>\$1.54</u>	<u>\$1.03</u>

(Concluded)

TABLE 5

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

BUSINESS SEGMENT FINANCIAL INFORMATION
FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

Business Segment Items	For the Six Months Ended June 30, 2024					
	Banking	Bill Finance	Security	Insurance	Others	Consolidated
Net interest	\$ 14,402,687	\$ (283,281)	\$ (5,759)	\$ 491,161	\$ (291,507)	\$ 14,313,301
Net revenues and gains other than interest	13,018,185	505,579	874,423	2,449,864	898,759	17,746,810
Total net revenues	27,420,872	222,298	868,664	2,941,025	607,252	32,060,111
Bad-debt expenses and provision (reversal of provision) for losses on commitment and guarantees	(1,432,470)	12,175	(976)	-	(60,862)	(1,482,133)
Net change in reserves for insurance liabilities	-	-	-	(1,234,552)	-	(1,234,552)
Operating expenses	(13,994,880)	(81,248)	(526,904)	(395,112)	(410,297)	(15,408,441)
Income before income tax	11,993,522	153,225	340,784	1,311,361	136,093	13,934,985
Income tax expenses	(2,594,643)	(21,911)	(50,134)	(130,525)	(747,269)	(3,544,482)
Net income	9,398,879	131,314	290,650	1,180,836	(611,176)	10,390,503

Business Segment Items	For the Six Months Ended June 30, 2023					
	Banking	Bill Finance	Security	Insurance	Others	Consolidated
Net interest	\$ 16,595,812	\$ (244,732)	\$ 6,662	\$ 414,276	\$ (165,379)	\$ 16,606,639
Net revenues and gains other than interest	9,464,844	472,658	608,957	2,492,959	697,606	13,737,024
Total net revenues	26,060,656	227,926	615,619	2,907,235	532,227	30,343,663
Bad-debt expenses and provision (reversal of provision) for losses on commitment and guarantees	(2,024,278)	(78,274)	-	-	23,934	(2,078,618)
Net change in reserves for insurance liabilities	-	-	-	(1,753,947)	-	(1,753,947)
Operating expenses	(13,117,020)	(82,832)	(415,791)	(381,364)	(396,113)	(14,393,120)
Income before income tax	10,919,358	66,820	199,828	771,924	160,048	12,117,978
Income tax expenses	(2,101,744)	(10,295)	(24,319)	(102,450)	(42,546)	(2,281,354)
Net income	8,817,614	56,525	175,509	669,474	117,502	9,836,624

TABLE 6

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

**DISCLOSURE REQUIRED UNDER ARTICLE 46 OF THE FINANCIAL HOLDING COMPANY ACT
JUNE 30, 2024 AND 2023
(In Thousands of New Taiwan Dollars, %)**

June 30, 2024

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
1. Same person		
Central Bank of the Republic of China (ROC)	\$ 392,794,040	160.65
National Treasury Administration, ROC	370,281,281	151.44
Tai Power Co., Ltd.	187,270,359	76.59
CPC Corporation, Taiwan	89,432,042	36.58
Taichung City Government	61,301,241	25.07
New Taipei City Government	45,902,389	18.77
Kaohsiung Rapid Transit Corp.	32,869,948	13.44
Financial Bureau, Kaohsiung City Government	32,350,487	13.23
Taiwan High Speed Rail Corp.	30,976,193	12.67
Taiwan Railways Administration	29,467,500	12.05
US TREASURY N/B	28,233,073	11.55
Department of Urban Development, Taipei City Government	26,300,000	10.76
National Housing and Urban Regeneration Center	20,447,679	8.36
Central Taiwan Science Park Bureau, NSTC	20,000,000	8.18
Hon Hai Precision Co., Ltd.	19,790,478	8.09
Land Administration Bureau, Kaohsiung City Government	19,526,283	7.99
Transportation Bureau of Kaohsiung City Government	19,320,784	7.90
Taiwan Semiconductor Manufacturing Co., Ltd.	17,361,590	7.10
Government National Mortgage Association	16,774,761	6.86
Taoyuan City Government	13,900,000	5.69
Chailease Finance Co., Ltd.	10,256,141	4.19
Yunlin County Government	9,457,860	3.87
Nan Ya Plastics Corporation	9,138,709	3.74
Fed Ntl Mortgage Assn (Fannie Mae)	8,977,640	3.67
AU Optronics Co., Ltd.	8,925,045	3.65
Powerchip Semiconductor Manufacturing Corp.	8,095,757	3.31
Clevo Corp.	8,054,222	3.29
Winbond Electronics Corp.	7,737,090	3.16
Federal Home Loan Mortgage Corp.	7,388,439	3.02
Quanta Computer Inc.	6,565,358	2.69
Tainan City Government	6,500,000	2.66

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Southern Science Park Bureau of Taiwan	\$ 6,300,000	2.58
Fubon Financial Holding Co, Ltd.	6,209,551	2.54
Wt Microelectronics Co., Ltd.	6,054,640	2.48
Compal Electronics, Inc.	5,887,163	2.41
Yageo Corporation	5,664,578	2.32
China Steel Corp.	5,644,897	2.31
Yien United Steel Corp.	5,632,618	2.30
Formosa Plastics Corp.	5,569,236	2.28
Macronix International Co., Ltd.	5,553,920	2.27
Uni-President Enterprises Corp.	5,299,581	2.17
Aerospace Industrial Development Corp.	5,188,163	2.12
Taiwan Cement Corporation	5,122,664	2.10
Silicon Application Corp.	5,095,593	2.08
Walsin Lihwa Corp.	5,082,000	2.08
Cathay Financial Holding Co., Ltd.	4,983,535	2.04
Radium Life Tech. Co., Ltd.	4,974,815	2.03
Johnson Health Tech. Co., Ltd.	4,964,679	2.03
Far Eastern New Century Corp.	4,859,824	1.99
Ruen Chen Investment Holding Co., Ltd.	4,807,000	1.97
Farglory Land Development Co., Ltd.	4,801,454	1.96
Chang Hwa Commercial Bank, Ltd.	4,791,820	1.96
Highwealth Construction Co., Ltd.	4,720,883	1.93
Citigroup Global Markets Holdings Inc.	4,666,195	1.91
Emirates Bank	4,604,972	1.88
Economic Development Bureau, Kaohsiung City Government	4,478,379	1.83
Evergreen Marine Corporation	4,419,700	1.81
Kookmin Bank Co., Ltd.	4,398,087	1.80
Formosa Petrochemical Corp.	4,305,928	1.76
CTBC Financial Holding Co., Ltd.	4,222,986	1.73
Kingdom Of Saudi Arabia	4,159,677	1.70
Chungwha Construction Corp.	4,152,259	1.70
Prosperity Tieh Enterprise Co., Ltd.	4,116,640	1.68
Chung Hsin Electric & Machinery Manufacturing Corp.	4,097,893	1.68
Da-Li Development Co, Ltd.	4,064,637	1.66
CSBC Corporation, Taiwan	4,013,142	1.64
National Chung-Shan Institute of Science & Technology	4,010,515	1.64
China Airlines	4,000,000	1.64
Department of Finance, Taipei City Government	3,957,849	1.62
ASE Technology Holding Co., Ltd.	3,927,942	1.61
Formosa Chemicals & Fibre Corp.	3,925,776	1.61
Standard Chartered Bank, Tokyo, Japan	3,889,053	1.59
Bumble Bee Foods, LLC	3,872,555	1.58
Cathay Life Insurance Co., Ltd.	3,869,436	1.58
Wistron Corp.	3,836,125	1.57
CREDIT AGRICOLE CIB, PARIS	3,829,770	1.57
Fubon Insurance Co., Ltd.	3,744,747	1.53

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Client A	\$ 3,627,000	1.48
Shin Ruenn development Co., Ltd.	3,608,862	1.48
Innolux Corp.	3,566,333	1.46
Fina Finance & Trading Co., Ltd.	3,557,097	1.45
Kai Tai Fung International Co., Ltd.	3,506,260	1.43
Nan Shan Life Insurance Company, Ltd.	3,453,156	1.41
United Microelectronics Corp.	3,439,456	1.41
Tang Eng Iron Works Co., Ltd.	3,402,284	1.39
STARLUX Airlines.	3,376,930	1.38
Reliance Industries	3,354,710	1.37
World Peace Industrial Co., Ltd.	3,291,563	1.35
BES ENGINEERING Corp.	3,281,720	1.34
China Steel Power Corp.	3,269,300	1.34
ChipMOS TECHNOLOGIES INC.	3,265,509	1.34
SOCIETE GENERALE, S.A.	3,259,480	1.33
Barclays Bank Plc., London	3,257,000	1.33
Commonwealth Bank Of Australia, Au	3,241,471	1.33
Run Long Construction Co., Ltd.	3,212,695	1.31
San Miguel Corporation	3,143,005	1.29
BPCE	3,130,490	1.28
BANK OF AMERICA, N.A. HONG KONG	3,074,049	1.26
China Man-Made Fiber Corp.	3,019,345	1.23
Yang Ming Marine Transport Corp.	3,000,188	1.23
Mercedes-Benz Financial Services Taiwan Ltd.	3,000,000	1.23
2. Same related parties		
Client B	11,554,531	4.73
Client C	7,793,634	3.19
Client D	6,121,000	2.50
Client E	5,572,144	2.28
Client F	5,196,163	2.13
Client G	5,057,000	2.07
Client H	5,057,000	2.07
Client I	4,691,000	1.92
Client J	4,154,505	1.70
Client K	4,005,237	1.64
Client L	3,753,132	1.54
Client M	3,753,132	1.54
Client N	3,753,132	1.54
Client O	3,488,212	1.43
Client P	3,319,300	1.36
Client Q	3,045,552	1.25

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
3. Same affiliate		
Tai Power Co., Ltd.	\$ 189,108,856	77.34
CPC Corporation, Taiwan	90,498,907	37.01
Yi Zhan Construction Co., Ltd.	35,715,182	14.61
Nan Ya Plastics Corporation	29,587,294	12.10
General Interface Solution (GIS) Holding Ltd.	28,883,973	11.81
General Interface Solution. Ltd.	28,883,973	11.81
Hon Hai Precision Co., Ltd.	28,785,519	11.77
Ingrasys Technology Inc.	28,536,499	11.67
Federal Government Of United	28,233,073	11.55
Formosa Plastics Resources (Australia) Company	26,261,789	10.74
Reco Biotek Co., Ltd.	24,658,734	10.09
Reco Technology Hong Kong	24,658,734	10.09
Formosa Ha Tinh (Cayman) Limited	24,444,301	10.00
Chailease Finance Co., Ltd.	23,717,999	9.70
Chailease Consumer Finance Co., Ltd.	23,327,504	9.54
Binghe Construction Co., Ltd.	23,183,440	9.48
Asia Pacific Development Corporation	23,139,649	9.46
Fina Finance & Trading Co., Ltd.	22,185,209	9.07
Yi-Shiang Construction Co., Ltd.	22,035,480	9.01
He Yao Construction Co., Ltd.	21,841,230	8.93
Chailease Resources Technology Co., Ltd.	21,807,187	8.92
Foxconn Interconnect Technology Limited Taiwan Branch (Cayman)	21,777,248	8.91
Chailease Rental Corp.	21,735,350	8.89
Chailease Holding Co., Ltd.	21,502,029	8.79
Far Eastern New Century Corp.	21,470,611	8.78
Taiwan Semiconductor Manufacturing Co., Ltd.	21,138,535	8.65
Chaileasemobilityservice Co., Ltd.	21,138,029	8.65
Chailease International Leasing Co., Ltd.	21,108,987	8.63
Chaileaseinternational	20,812,025	8.51
Tien Chu Energy Co., Ltd.	20,568,457	8.41
Tien Jen Energy Co., Ltd.	20,502,283	8.39
Hawkeye Tech, Co., Ltd.	20,412,468	8.35
Ennoconn Corporation	20,390,478	8.34
Foxconn (Far East) Limited	20,242,403	8.28
G-Tech Optoelectronics Corp.	20,235,278	8.28
Asia Sermkij Leasing	19,915,467	8.15
Chailease Berjaya Credit	19,851,070	8.12
Fitipower Integrated Technology Inc.	19,817,085	8.11
Yu Heng Intelligent Energy Co., Ltd.	19,379,400	7.93
Tien Chuan Intelligent Energy Co., Ltd.	19,379,400	7.93
Power Master Energy Co., Ltd.	19,379,400	7.93
Yao Kuang Intelligent Energy Co., Ltd.	19,379,400	7.93
Ruentex Development Co., Ltd.	19,223,110	7.86
Formosa Heavy Industries Corp.	19,132,413	7.83

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Tsmc Arizona Corporation	\$ 19,078,224	7.80
TSMC Global. Ltd.	18,918,698	7.74
Chaico Investment Corp.	18,550,467	7.59
Jhong-An Investment Co., Ltd.	18,291,167	7.48
CTBC Finance Co., Ltd.	17,908,604	7.32
China Steel Corp.	17,723,952	7.25
Huo Jiun Construction Co., Ltd.	17,501,089	7.16
Visera Technologies Company Ltd.	17,376,902	7.11
Chailease International Finance Corp.	16,782,813	6.86
Ren Ying Enterprise Co., Ltd.	16,758,633	6.85
Fubon Financial Holding Co, Ltd.	16,626,068	6.80
Fubon Securities Co., Ltd.	16,626,068	6.80
Chuangju Limited Partnership	16,587,618	6.78
Ruentex Industries Ltd.	16,578,633	6.78
Hui Hong Investment Management Co., Ltd.	16,428,777	6.72
Yi Tai Fund Corp.	16,428,777	6.72
Ruen Hua Dyeing & Weaving Co., Ltd.	16,253,461	6.65
Yieh Phui Enterprise Co., Ltd.	16,241,840	6.64
Far Eastern International Leasing Corp.	15,947,266	6.52
Eliter International Corp.	15,867,819	6.49
Yien United Steel Corp.	15,676,521	6.41
Tien Sin Intelligent Green Energy Co., Ltd.	15,240,571	6.23
Tien Sin Intelligent Green Energy Co., Ltd.	15,110,222	6.18
Tien Jui Energy Co., Ltd.	15,026,965	6.15
Asia Cement Corp.	15,021,461	6.14
Nan Shan Life Insurance Company, Ltd.	14,677,259	6.00
Kings Garden International Co., Ltd.	14,569,505	5.96
Great Emperor Hotel Co., Ltd.	14,569,505	5.96
Fubon Insurance Co., Ltd.	14,347,133	5.87
EDA Hua Yue Hotel Corp.	13,826,962	5.66
World Peace Industrial Co., Ltd.	13,716,445	5.61
Yosun Industrial Corp.	13,716,445	5.61
WPG Holdings Limited	13,711,445	5.61
Richpower Electronic Devices Co., Ltd.	13,709,894	5.61
Silicon Application Corp.	13,513,624	5.53
Asian Information Technology Inc.	13,330,967	5.45
Genuine Crop.	13,255,036	5.42
Sing Da Marine Structure Corporation	13,243,087	5.42
Frontek Technology Corporation	13,225,782	5.41
Yosun Hong Kong Co., Ltd.	12,941,354	5.29
China Steel Structure Co., Ltd.	12,801,566	5.24
Yieh Hsing Enterprise Co., Ltd.	12,794,478	5.23
VSELL ENTERPRISE CO., LTD	12,695,855	5.19
Shin Yang Steel Co., Ltd.	12,445,346	5.09
Nan Chung Petrochemical Corp.	12,315,054	5.04
AU Optronics Co., Ltd.	12,246,446	5.01

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Yuan Ding Investment Corp.	\$ 12,025,252	4.92
BenQ Materials Corp.	12,019,319	4.92
Visco Vision Inc.	12,019,319	4.92
Yieh Phui (Hong Kong) Holdings	11,987,520	4.90
Clevo Corp.	11,924,511	4.88
U-Ming Marine Transport Corp.	11,825,393	4.84
Trigold Holding Ltd.	11,780,323	4.82
Everwiner Enterprise Co., Ltd.	11,755,906	4.81
Chailease Royal Leasing Plc	11,673,820	4.77
Chailease Royal Leasing Plc	11,673,820	4.77
Nan Ya Plastics Corp., America	11,500,034	4.70
China Steel Power Corp.	11,448,189	4.68
Ruen Chen Investment Holding Co., Ltd.	11,298,095	4.62
Wpg Electronics Limited	10,624,930	4.35
Raydium Semiconductor Corporation	10,517,203	4.30
Yu Yuan Investment Co., Ltd.	10,428,719	4.27
Fubon Asset Management Co., Ltd.	10,359,856	4.24
Grand Pacific Financing Corporation	10,256,141	4.19
TPI Software Corp.	10,204,419	4.17
Daxin Materials Corporation	10,040,684	4.11
Highwealth Construction Co., Ltd.	9,998,002	4.09
Nan Ya Technology Corp.	9,937,987	4.06
Taiwan Mobile Corp.	9,884,779	4.04
Chung Hung Steel Corp.	9,783,787	4.00
C.S. Aluminium Corporation	9,683,787	3.96
China Steel Express Corporation	9,683,787	3.96
QiYu Construction Co., Ltd.	9,598,572	3.93
Farglory Free Trade Zone Co., Ltd.	9,567,847	3.91
Hexin Construction Company Limited	9,530,706	3.90
Asia Investment Corp.	9,488,956	3.88
PFG Fiber Glass Corp.	9,442,441	3.86
Taipei Twin Towers Limited	9,357,944	3.83
Mao Zheng Energy Co., Ltd.	9,284,196	3.80
Run Long Construction Co., Ltd.	9,228,272	3.77
Kaung Yang Company Ltd.	9,228,272	3.77
Mao Xin Energy Co., Ltd.	9,207,942	3.77
Buynow (Texas) Corp.	9,180,877	3.75
Nan Ya Printed Circuit Board Corp.	9,142,441	3.74
Cathay Financial Holding Co., Ltd.	9,098,712	3.72
Cathay Life Insurance Co., Ltd.	9,093,810	3.72
AUO Display Plus Corp.	8,931,425	3.65
Far EasTone Telecommunications Co., Ltd.	8,902,987	3.64
Chicony Industrial (Wuhan) Co., Ltd.	8,850,689	3.62
Fubon Life Insurance Co., Ltd.	8,577,112	3.51
XingRiSheng Investment Co., Ltd.	8,504,009	3.48
Henghao Technology Co., Ltd.	8,295,358	3.39

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Taipei Port Container Terminal Corp.	\$ 8,225,121	3.36
Farglory Land Development Co., Ltd.	8,140,347	3.33
China Man-Made Fiber Corp.	8,128,034	3.32
Citic Capital Holdings Ltd.	8,112,523	3.32
Powerchip Semiconductor Manufacturing Corp.	8,095,757	3.31
Liz Electronics (Nantong) Co., Ltd.	8,018,101	3.28
Formosa Sumco Technology Corporation	7,906,423	3.23
Wei Qiao Investment Development Co., Ltd.	7,790,019	3.19
Winbond Electronics Corp.	7,737,218	3.16
Dragon Steel Corp.	7,617,294	3.12
Capital Machinery Corp.	7,541,603	3.08
Bao Ding Reclaimed Water Co., Ltd.	7,394,538	3.02
Formosa Plastics Corp.	7,331,236	3.00
Hotai Motor Co., Ltd.	7,247,512	2.96
Chailease International Trade (Shanghai) Corp.	7,163,254	2.93
Uni-President Enterprises Corp.	7,155,859	2.93
EDA Hospital Corp.	7,126,566	2.91
President Securities Corporation	7,122,100	2.91
Farglory Dome Co., Ltd.	7,111,084	2.91
Hong-Ye Steel Co., Ltd.	7,086,557	2.90
Prosperity Tieh Enterprise Co., Ltd.	7,086,557	2.90
CTBC Securities	6,951,120	2.84
Hotai Finance Co., Ltd.	6,902,512	2.82
TTET Union Corporation	6,838,454	2.80
Quanta Computer Inc.	6,790,694	2.78
Quanta International Limited	6,790,694	2.78
CSRC China (Maanshan) Corp.	6,783,877	2.77
Morrihan International Corp.	6,780,060	2.77
Techmosa International Incorporation	6,780,060	2.77
Wt Microelectronics Co., Ltd.	6,780,060	2.77
Radium Life Tech. Co., Ltd.	6,698,824	2.74
Titan Development and Construction Co., Ltd.	6,698,824	2.74
Ebn Technology Corporation	6,634,358	2.71
Wuzi Development Co., Ltd.	6,621,001	2.71
Feng Shehg Enterprise Company	6,567,520	2.69
Ji Shun Life Tech. Co., Ltd.	6,522,699	2.67
FCF Co., Ltd.	6,443,407	2.64
Bumble Bee Foods, LLC	6,443,407	2.64
China Trust Investment Trust	6,422,446	2.63
CTBC Financial Holding Co., Ltd.	6,422,446	2.63
Oriental Petrochemical (Taiwan) Corp.	6,406,042	2.62
Chu Yuan Industrial Co., Ltd.	6,360,706	2.60
Taiwan Cement Corporation	6,326,483	2.59
Compal Electronics, Inc.	6,311,787	2.58
Taipei Fubon Comm Bk Co. (Fx Dept)	6,266,212	2.56
China Steel Chemical Corp.	6,254,203	2.56

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Taiwan Life Insurance Co., Ltd. Run Tai Construction Co., Ltd. Citibank, N.A. London Arcadyan Technology Corporation Formosa Chemicals & Fibre Corp. I-Hsin International Co., Ltd. Shinshin Credit Corporation Pau Cheng Energy Corp. Pan Asia Chemical Co. TCC International Ltd. Fortune Motors Co., Ltd. Carplus Auto Leasing Corporation Da-Li Development Co, Ltd. Fujian Lian Wei Logistics Co., Ltd. Yageo Corporation Sampan International Development Co., Ltd. Zhongping International Financial Leasing Co., Ltd. President Tokyo Corporation Mercuries & Associates Holding, Ltd. CHPC Resources Corporation Dali Miller Development Co., Ltd. Rih Ding Water Enterprise Co., Ltd. Taichung Bank Leasing Co., Ltd. Formosa Petrochemical Corp. Karton Formosa Polymers Corp. Pernas Electronics Co., Ltd. GlobalWafers Co., Ltd. Wanda Industrial Co., Ltd. China Steel Machinery Corp. HIMAG Magnetic Corporation Hong-Zhu - Construction Co., Ltd. Oriental Green Materials Limited Macronix International Co., Ltd. United Microelectronics Corp. Hung Ching Development & Construction Co., Ltd. ASE Technology Holding Co., Ltd. Lianghong Investment and Development Co., Ltd. Ho-Ping Power Company Shinkong Materials Technology Co., Ltd. TCC Energy Storage Technology Corporation Unimicron Technology Corp. Walsin Lihwa Corp. President Chain Store Corporation Ta-Ho Maritime Corp. Hotai Leasing Corporation Tong-Yen Enterprises Corp	\$ 6,249,827 6,243,478 6,240,590 6,218,607 6,152,085 6,120,136 6,048,929 6,047,659 6,031,923 6,002,054 5,951,589 5,949,032 5,915,242 5,892,775 5,886,755 5,886,255 5,882,243 5,879,581 5,862,804 5,844,897 5,825,419 5,795,695 5,794,951 5,743,557 5,743,457 5,722,341 5,705,361 5,701,818 5,657,746 5,654,897 5,647,710 5,559,847 5,553,920 5,520,416 5,512,958 5,512,958 5,474,716 5,430,255 5,428,650 5,422,664 5,419,675 5,414,843 5,402,417 5,394,864 5,362,931 5,344,581	2.56 2.55 2.55 2.54 2.52 2.50 2.47 2.47 2.47 2.45 2.43 2.43 2.42 2.41 2.41 2.41 2.41 2.40 2.40 2.39 2.38 2.37 2.37 2.35 2.35 2.34 2.33 2.33 2.31 2.31 2.31 2.27 2.27 2.26 2.25 2.25 2.24 2.22 2.22 2.22 2.22 2.21 2.21 2.21 2.19 2.19

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
JSL Construction & Development Co., Ltd.	\$ 5,338,737	2.18
Bluestone Slab Investment Co., Ltd.	5,332,630	2.18
Pacific China Holdings	5,323,872	2.18
Sino-American Silicon Products Inc.	5,304,861	2.17
Beijing Enterprise Co., Ltd.	5,277,119	2.16
Molie Quantum Energy Corporation	5,244,660	2.15
Credit Agricole Cub, Paris	5,232,303	2.14
Standard Chartered Bank, Tokyo, Japan	5,198,159	2.13
Standard Chartered Plc	5,198,159	2.13
Aerospace Industrial Development Corp.	5,188,163	2.12
Hoyun International Lease Co., Ltd.	5,163,058	2.11
Cathay Securities Investment Trust	5,141,769	2.10
Yu Rich Financial Services Co., Ltd.	5,141,742	2.10
Victory Motors CO., LTD	5,141,742	2.10
Chenlong Motor Co., Ltd.	5,141,742	2.10
Walton Advanced Engineering, Inc.	5,127,500	2.10
Da Li Miller Development Corp.	5,125,810	2.10
Wan Sheng Fa Investment Co., Ltd.	5,120,314	2.09
Walsin Energy Cable System Co., Ltd.	5,106,075	2.09
Kbprasac Bank Plc	5,102,659	2.09
Kookmin Bank Co., Ltd.	5,102,659	2.09
Credit Agricole Cib, London Branch	5,083,159	2.08
Cathay United Bank, Taipei	5,066,140	2.07
KGI Securities Co., Ltd.	5,056,907	2.07
Cathay Century Insurance Co., Ltd.	5,031,665	2.06
Chang Hwa Commercial Bank, Ltd.	4,990,257	2.04
Citigroup Global Markets Holdings Inc.	4,972,993	2.03
Johnson Health Tech. Co., Ltd.	4,964,679	2.03
Hung-You Copper Co., Ltd.	4,919,664	2.01
FanGlory Life Insurance Co., Ltd.	4,832,214	1.98
Bao-Shin Construction Co., Ltd.	4,824,157	1.97
Mai-Liao Power Corporation	4,773,457	1.95
Shinkong International Leasing Corp	4,727,565	1.93
Longwei Investment & Development Co., Ltd.	4,715,747	1.93
Chailease Power Technology Co., Ltd.	4,692,729	1.92
Evergreen Marine Corporation	4,687,657	1.92
Evergreen Aviation Technologies Corporation	4,687,657	1.92
EVA Air	4,687,657	1.92
Zhong Tai Hotel Co., Ltd.	4,536,290	1.86
Kai Tai Fung International Co., Ltd.	4,536,290	1.86
San Miguel Corporation	4,531,060	1.85
ASE Technology Holding Co., Ltd.	4,527,077	1.85
He Jun Energy Co., Ltd.	4,484,227	1.83
Yuanxin International Finance Co., Ltd.	4,394,820	1.80
CSBC Corporation, Taiwan	4,382,561	1.79
Chungwha Construction Corp.	4,381,603	1.79

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Xiamen Jinmeixin Consumer Finance Co., Ltd.	\$ 4,381,478	1.79
Jau Feng Sheng Investment Co., Ltd.	4,368,075	1.79
CSBC Coating Solutions Co., Ltd.	4,316,212	1.77
NKFG Corp.	4,306,028	1.76
China Airlines	4,303,300	1.76
Kaohsiung Opto-Electronics Inc.	4,301,855	1.76
Taoyuan International Airport Services Co., Ltd.	4,300,000	1.76
CSBC-DEME Wind Engineering Co., Ltd.	4,296,242	1.76
He Jing Co., Ltd.	4,284,354	1.75
Shinshunshin Investment Co., Ltd.	4,274,216	1.75
Sinopac Leasing Corp.	4,273,665	1.75
Advance Materials Corporation	4,272,228	1.75
Grand Hi-Lai Hotel	4,267,280	1.75
Hanshin Shopping Plaza Co., Ltd.	4,267,280	1.75
Chung Hwa Pulp Corporation	4,244,665	1.74
CTBC BANK CO., LTD	4,225,308	1.73
Macquarie Group Ltd.	4,202,484	1.72
Macquarie International	4,202,484	1.72
Rizal Commercial Banking	4,195,136	1.72
Wiwynn Corp.	4,187,519	1.71
Chung Hsin Electric & Machinery Manufacturing Corp.	4,164,445	1.70
Cheng-Hsin Engineering & Services Co., Ltd.	4,164,445	1.70
Core Asia Human Resources Management Co., Ltd.	4,139,596	1.69
Chung Kung Safeguarding and Security Corp.	4,139,596	1.69
Jaysanlyn Real Estate & Advertising Co., Ltd.	4,138,523	1.69
Li Shuo Investment Co., Ltd.	4,128,541	1.69
Chung Kung Management and Maintenance of Apartment Co., Ltd.	4,124,042	1.69
Petron Corporation	4,120,105	1.69
Hongda Land Construction Co., Ltd.	4,113,063	1.68
E Ink Holdings Incorporated	4,104,665	1.68
MasterLink Securities Corp	4,091,778	1.67
Yieh Mau Corp.	4,090,338	1.67
CSBC Power Technology Co., Ltd.	4,023,142	1.65
Yuanta Securities Co., Ltd.	4,022,558	1.65
Yuanta Financial Holding Co., Ltd.	4,022,558	1.65
Yuanta Securities Co., Ltd.	4,022,558	1.65
Reliance Jio Infocomm Limited	4,006,110	1.64
Reliance Industries Limited	4,006,110	1.64
Global Sky Express (Taiwan) Ltd.	4,003,300	1.64
Credit Agricole Cib, Taipei Branch	3,978,914	1.63
Wistron Corp.	3,971,621	1.62
Societe Generale, S.A.	3,943,450	1.61
Forest Water Environmental Engineering Ltd.	3,938,403	1.61
Formosa Taffeta Co., Ltd.	3,925,776	1.61
Macquarie Bank Limited	3,894,684	1.59
Cheng Uei Precision Industry Co., Ltd.	3,850,137	1.57

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Foxwell Energy Corporation Ltd.	\$ 3,850,137	1.57
Wistron Medical Technology Corporation	3,850,125	1.57
Hung Pan Development Co., Ltd.	3,848,950	1.57
Wan Xixing Construction Co., Ltd.	3,848,950	1.57
China Development Financial Holding Corporation	3,837,531	1.57
China Steel Global Trading Corporation	3,809,706	1.56
Fengyun Advertising Co., Ltd.	3,805,303	1.56
Jpmorgan Chase Bank N.A.	3,802,047	1.56
Jpmorgan Chase & Co.	3,802,047	1.56
WPI International (Hong Kong) Limited	3,740,686	1.53
Cdc Finance & Leasing Corp.	3,707,251	1.52
Finance Department of SinoPac Securities	3,690,426	1.51
Supreme Electronics Co., Ltd.	3,675,591	1.50
Cx Technology Corporation	3,668,842	1.50
Lealea Enterprise Co., Ltd.	3,649,819	1.49
Xinhong International Investment Co., Ltd.	3,620,137	1.48
YuanHan Materials Inc	3,619,625	1.48
Wavetek Microelectronics Corporation	3,619,114	1.48
Darfon Electronics Corp	3,609,807	1.48
He Fong Investment Co., Ltd.	3,582,300	1.47
Goldman Sachs Finance Corp	3,579,340	1.46
Innolux Corp.	3,566,333	1.46
Yuanta Funds	3,563,989	1.46
Seetek Development Co., Ltd.	3,563,959	1.46
Sun Plaza International Co., Ltd.	3,563,959	1.46
Qatar National Bank	3,558,849	1.46
Kinpo Electronics, Inc	3,511,577	1.44
Infinite Finance Co., Ltd.	3,506,343	1.43
San Miguel Global Power Holding	3,468,705	1.42
Faraday Technology	3,461,800	1.42
Novatek Microelectronics Corp	3,461,800	1.42
LY Group Investment Co., Ltd.	3,445,644	1.41
Risheng Quantaitong Passenger Car Leasing Co., Ltd.	3,427,867	1.40
Shinhan Bank, Singapore Branch	3,419,498	1.40
Bao Lu Development & Construction Co., Ltd.	3,407,544	1.39
Sun Jing Development Do., Ltd.	3,407,544	1.39
Tang Eng Iron Works Co., Ltd.	3,402,284	1.39
Shinkong Synthetic Fibers Corporation	3,393,061	1.39
Mercedes-Benz Taiwan Ltd.	3,389,344	1.39
Cgs International, Inc.	3,388,907	1.39
Yuantai Construction Co., Ltd.	3,381,131	1.38
Jaie Haour Industry Corporation	3,381,131	1.38
We&Win construction Ltd.	3,350,117	1.37
Formosa Resources Corporation	3,322,140	1.36
BES ENGINEERING Corp.	3,297,274	1.35
Yung Ching Construction Co., Ltd.	3,275,579	1.34

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Chipmos TECHNOLOGIES INC.	\$ 3,265,509	1.34
Hk Xzj Digital Co., Limited	3,263,905	1.33
Societe Generale, S.A.	3,259,480	1.33
Commonwealth Bank Of Australia, Au	3,241,471	1.33
Chiahui Power Corporation	3,240,576	1.33
CMP Development Limited	3,229,344	1.32
San Miguel Yamamura Australasia	3,228,260	1.32
Central Investment Company Limited	3,200,006	1.31
Fortuna Development Co.	3,154,317	1.29
Yang Ming Marine Transport Corp.	3,140,188	1.28
Kuang Ming Shipping Corp.	3,140,188	1.28
BPCE	3,130,490	1.28
Foxwell Power Co., Ltd.	3,120,426	1.28
Kuo-Kuang Motor Transportation Company Ltd.	3,119,179	1.28
Huiwen Investment Limited	3,089,504	1.26
Bank Of America, N.A. Hong Kong	3,074,049	1.26
General Resources Co.	3,063,257	1.25
Fu Chan High Pile Co., Ltd.	3,060,768	1.25
Xinrui Investment Co., Ltd.	3,050,245	1.25
Chieh Chih Construction Co., Ltd.	3,050,245	1.25
Mercedes-Benz Financial Services Taiwan Ltd.	3,000,000	1.23

- Note 1. The definition of the same person, the same related person and the same affiliated enterprise shall be in accordance with NO.4 of the Financial Holding Company Act.
2. The definition of credit, endorsement and other transactions, as well as the content of the transactions that should be disclosed, should be filled in in accordance with the relevant regulations of the Commission.
3. This format will be exempted from compilation in the first and third quarters.

(Continued)

June 30, 2023

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
1. Same person		
Central Bank of the Republic of China (ROC)	\$ 474,209,405	209.12
National Treasury Administration, ROC	352,127,721	155.28
Tai Power Co., Ltd.	140,113,627	61.79
New Taipei City Government	81,696,633	36.03
CPC Corporation, Taiwan	66,003,060	29.11
Taichung City Government	46,602,702	20.55
Kaohsiung Rapid Transit Corp.	37,561,789	16.56
Financial Bureau, Kaohsiung City Government	33,475,759	14.76
Taiwan High Speed Rail Corp.	31,020,174	13.68
Taiwan Railways Administration	29,283,936	12.91
US TREASURY N/B	21,049,803	9.28
Land Administration Bureau, Kaohsiung City Government	20,089,000	8.86
Central Taiwan Science Park Bureau, NSTC	20,000,000	8.82
Transportation Bureau of Kaohsiung City Government	17,444,095	7.69
Government National Mortgage Association	16,731,227	7.38
Department of Urban Development, Taipei City Government	15,371,000	6.78
Taiwan Semiconductor Manufacturing Co., Ltd.	12,877,260	5.68
Hon Hai Precision Co., Ltd.	12,667,956	5.59
Chailease Finance Co., Ltd.	12,603,520	5.56
Taoyuan City Government	9,670,540	4.26
AU Optronics Co., Ltd.	9,146,162	4.03
Yunlin County Government	8,400,430	3.70
Clevo Corp.	8,189,330	3.61
Federal Home Loan Mortgage Corp.	7,574,565	3.34
Da-Li Development Co, Ltd.	7,255,733	3.20
Winbond Electronics Corp.	7,193,613	3.17
Economic Development Bureau, Kaohsiung City Government	7,079,085	3.12
Innolux Corp.	6,820,949	3.01
Highwealth Construction Co., Ltd.	6,064,977	2.67
Walsin Lihwa Corp.	5,915,031	2.61
China Steel Corp.	5,778,254	2.55
Fina Finance & Trading Co., Ltd.	5,693,266	2.51
Aerospace Industrial Development Corp.	5,651,878	2.49
Nan Ya Plastics Corporation	5,256,793	2.32
Kindom Development Co., Ltd.	5,093,454	2.25
Yien United Steel Corp.	5,022,079	2.21
Tainan City Government	4,960,000	2.19
Johnson Health Tech. Co., Ltd.	4,948,931	2.18
Ruen Chen Investment Holding Co., Ltd.	4,807,000	2.12
Powerchip Semiconductor Manufacturing Corp.	4,760,794	2.10
Chang Hwa Commercial Bank, Ltd.	4,725,623	2.08
Macronix International Co., Ltd.	4,620,457	2.04
BPCE	4,598,261	2.03

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Yang Ming Marine Transport Corp.	\$ 4,512,258	1.99
Radium Life Tech. Co., Ltd.	4,508,152	1.99
Standard Chartered Bank, London	4,435,068	1.96
Formosa Petrochemical Corp.	4,421,537	1.95
Chungwha Construction Corp.	4,412,598	1.95
China Airlines	4,400,000	1.94
Taiwan Cement Corporation	4,205,491	1.85
Client A	4,176,000	1.84
Silicon Application Corp.	4,158,467	1.83
National Chung-Shan Institute of Science & Technology	4,153,899	1.83
ChipMOS TECHNOLOGIES INC.	4,103,830	1.81
Kingdom of Saudi Arabia	3,998,071	1.76
Chung Hsin Electric & Machinery Manufacturing Corp.	3,993,092	1.76
STARLUX Airlines.	3,974,904	1.75
Fu Chan High Pile Co., Ltd.	3,821,282	1.69
Wistron Corp.	3,755,768	1.66
Bumble Bee Foods, LLC	3,754,670	1.66
Federal National Mortgage Association (Fannie Mae)	3,670,915	1.62
Department of Finance, Taipei City Government	3,565,098	1.57
Kai Tai Fung International Co., Ltd.	3,506,260	1.55
Sanyang Motor Co., Ltd.	3,504,803	1.55
China Man-Made Fiber Corp.	3,460,458	1.53
Run Long Construction Co., Ltd.	3,388,601	1.49
Farglory Land Development Co., Ltd.	3,373,884	1.49
Fubon Insurance Co., Ltd.	3,319,399	1.46
Citigroup Global Markets Holdings Inc.	3,220,586	1.42
Reliance Industries Limited	3,207,420	1.41
ASE Technology Holding Co., Ltd.	3,193,606	1.41
Tang Eng Iron Works Co., Ltd.	3,106,150	1.37
BES ENGINEERING Corp.	3,104,425	1.37
BANK OF AMERICA, N.A.	3,081,301	1.36
National Housing and Urban Regeneration Center	3,038,846	1.34
CREDIT AGRICOLE CIB, PARIS	3,028,810	1.34
Fu Hong Co., Ltd.	3,000,000	1.32
2. Same related parties		
Client B	10,853,310	4.79
Client C	9,191,817	4.05
Client D	6,075,000	2.68
Client E	5,659,878	2.50
Client F	5,240,000	2.31
Client G	5,011,000	2.21
Client H	4,589,047	2.02
Client I	3,587,631	1.58
Client J	3,587,631	1.58
Client K	3,487,631	1.54

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
3. Same affiliate		
Tai Power Co., Ltd.	\$ 143,031,521	63.08
CPC Corporation, Taiwan	67,766,193	29.88
Chailease Finance Co., Ltd.	29,423,632	12.98
Fina Finance & Trading Co., Ltd.	26,811,291	11.82
Chailease Holding Co., Ltd.	26,442,702	11.66
Tien Hsing Integration Co., Ltd.	25,395,595	11.20
General Interface Solution (GIS) Holding Ltd.	25,083,213	11.06
General Interface Solution. Ltd.	25,083,213	11.06
Chailease International Leasing Co., Ltd.	25,046,338	11.05
Tien Chu Energy Co., Ltd.	24,119,951	10.64
Chailease International Leasing Co., Ltd.	24,119,453	10.64
Tien Jen Energy Co., Ltd.	24,115,505	10.63
Yi Zhan Construction Co., Ltd.	23,986,181	10.58
Chailease Berjaya Credit SDN. BHD.	23,913,316	10.55
Asia Sermkij Leasing Public Co., Ltd.	23,667,586	10.44
Chaico Investment Corp.	23,338,071	10.29
Chailease Energy Integration Co., Ltd.	23,298,967	10.27
Jhong-An Investment Co., Ltd.	23,122,471	10.20
Hon Hai Precision Co., Ltd.	22,354,090	9.86
Yi-Shiang Construction Co., Ltd.	22,041,381	9.72
Chailease International Finance Corp.	21,506,946	9.48
US TREASURY N/B	21,231,819	9.36
He Yao Construction Co., Ltd.	21,217,011	9.36
Reco Biotek Co., Ltd.	20,793,251	9.17
Huo Jiun Construction Co., Ltd.	19,898,321	8.77
Innolux Corp.	19,527,492	8.61
Foxconn Technology Co., Ltd.	19,527,492	8.61
Chuangju Limited Partnership	19,504,101	8.60
Ruentex Development Co., Ltd.	17,401,365	7.67
Formosa Resources Australia PTY. LTD.	17,394,633	7.67
Sunny Friend Environmental Technology Co., Ltd.	16,949,514	7.47
Nan Ya Plastics Corporation	16,747,278	7.39
Taiwan Semiconductor Manufacturing Co., Ltd.	16,744,641	7.38
Tien Sin Intelligent Green Energy Co., Ltd.	16,390,942	7.23
Tien Sin Intelligent Green Energy Co., Ltd.	16,266,641	7.17
Tien Jui Energy Co., Ltd.	16,187,384	7.14
Ruentex Industries Ltd.	15,629,115	6.89
Hui Hong Investment Management Co., Ltd.	15,406,325	6.79
Yi Tai Fund Corp.	15,406,325	6.79
Eliter International Corp.	15,114,751	6.67
Formosa Heavy Industries Corp.	15,049,561	6.64
Ruen Hua Dyeing & Weaving Co., Ltd.	14,746,712	6.50
TSMC Arizona Corporation	14,514,782	6.40
Asia Pacific Development Corporation	14,418,353	6.36

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
TSMC Global. Ltd.	\$ 14,348,674	6.33
Ren Ying Enterprise Co., Ltd.	14,158,513	6.24
Kings Garden International Co., Ltd.	13,908,982	6.13
Great Emperor Hotel Co., Ltd.	13,908,982	6.13
CTBC Financial Holding Co., Ltd.	13,763,662	6.07
Nan Shan Life Insurance Company, Ltd.	13,556,802	5.98
EDA Hua Yue Hotel Corp.	13,166,439	5.81
Hannstar Display Corporation	13,146,877	5.80
Foxconn (Far East) Limited	13,084,887	5.77
G-Tech Optoelectronics Corp.	12,958,597	5.71
Foxconn Interconnect Technology Limited Taiwan Branch (Cayman)	12,948,216	5.71
Visera Technologies Company Ltd.	12,918,237	5.70
Yien United Steel Corp.	12,809,812	5.65
Grand Pacific Financing Corp.	12,689,436	5.60
Yieh Hsing Enterprise Co., Ltd.	12,202,487	5.38
Clevo Corp.	11,978,434	5.28
Shin Yang Steel Co., Ltd.	11,814,249	5.21
BenQ Materials Corp.	11,511,408	5.08
Visco Vision Inc.	11,511,408	5.08
World Peace Industrial Co., Ltd.	11,290,384	4.98
WPG Holdings Limited	11,169,987	4.93
Far Eastern New Century Corp.	11,164,622	4.92
Yosun Industrial Corp.	11,163,118	4.92
Richpower Electronic Devices Co., Ltd.	11,163,118	4.92
Highwealth Construction Co., Ltd.	11,051,299	4.87
AU Optronics Co., Ltd.	10,976,404	4.84
Yieh Phui (Hong Kong) Holdings Ltd.	10,946,776	4.83
Genuine Crop.	10,905,297	4.81
Frontek Technology Corporation	10,848,242	4.78
Asian Information Technology Inc.	10,842,543	4.78
QiYu Construction Co., Ltd.	10,651,837	4.70
Yosun Hong Kong Co., Ltd.	10,542,485	4.65
Silicon Application Corp.	10,413,163	4.59
Run Long Construction Co., Ltd.	10,385,808	4.58
China Steel Corp.	10,350,849	4.56
Sing Da Marine Structure Corporation	10,350,549	4.56
Everwiner Enterprise Co., Ltd.	10,320,032	4.55
Ruen Chen Investment Holding Co., Ltd.	10,182,636	4.49
China Steel Structure Co., Ltd.	10,086,549	4.45
XingRiSheng Investment Co., Ltd.	10,024,040	4.42
Formosa Plastics Corp.	9,970,774	4.40
Trigold Holding Ltd.	9,839,921	4.34
Chailease International Trade (Shanghai) Corp.	9,667,241	4.26
Yieh Phui Enterprise Co., Ltd.	9,553,471	4.21
Mao Zheng Energy Co., Ltd.	9,423,722	4.16
Buynow (Texas) Corp.	9,410,555	4.15

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Mao Xin Energy Co., Ltd.	\$ 9,339,253	4.12
AUO Display Plus Corp.	9,149,298	4.03
Chicony Industrial (Wuhan) Co., Ltd.	9,057,780	3.99
Da-Li Development Co, Ltd.	8,984,038	3.96
Taipei Twin Towers Limited	8,957,014	3.95
Dali Miller Development Co., Ltd.	8,924,112	3.94
Der Ching Investment Corp.	8,918,836	3.93
Nan Chung Petrochemical Corp.	8,803,250	3.88
Chung Hung Steel Corp.	8,643,707	3.81
Buynow (Chengdu) Corp.	8,423,719	3.71
China Steel Power Corp.	8,414,573	3.71
China Steel Express Corporation	8,379,707	3.70
Da Li Miller Development Corp.	8,324,353	3.67
Asia Pacific Telecom Co., Ltd.	8,265,263	3.64
Farglory Free Trade Zone Co., Ltd.	8,227,829	3.63
Far Eastern General Contractor Inc.	8,028,765	3.54
Formosa Industries Corp.	7,970,288	3.51
Far EasTone Telecommunications Co., Ltd.	7,934,052	3.50
Titan Development and Construction Co., Ltd.	7,896,838	3.48
Bao-Shin Construction Co., Ltd.	7,855,492	3.46
Radium Life Tech. Co., Ltd.	7,846,838	3.46
Ji Shun Life Tech. Co., Ltd.	7,846,838	3.46
Fubon Financial Holding Co, Ltd.	7,819,652	3.45
Nanya Plastics Corporation. America	7,747,993	3.42
Nan Ya Technology Corp.	7,588,639	3.35
Jau Feng Sheng Investment Co., Ltd.	7,415,521	3.27
Asia Cement Corp.	7,389,132	3.26
Shinshunshin Investment Co., Ltd.	7,375,577	3.25
Li Shuo Investment Co., Ltd.	7,355,606	3.24
Winbond Electronics Corp.	7,193,613	3.17
Cathay Financial Holding Co., Ltd.	7,136,732	3.15
Dragon Steel Corp.	7,124,815	3.14
MasterLink Securities Corp	7,009,409	3.09
Farglory Land Development Co., Ltd.	6,989,429	3.08
Fubon Insurance Co., Ltd.	6,925,004	3.05
Bao Ding Reclaimed Water Co., Ltd.	6,782,700	2.99
China Man-Made Fiber Corp.	6,700,939	2.96
CSRC China (Maanshan) Corp.	6,685,188	2.95
EDA Hospital Corp.	6,649,891	2.93
Capital Machinery Corp.	6,581,537	2.90
Run Tai Construction Co., Ltd.	6,529,439	2.88
Wan Sheng Fa Investment Co., Ltd.	6,464,439	2.85
Li Jiang Development Co., Ltd.	6,407,232	2.83
Kuan-Ho Refractories Industry	6,396,388	2.82
Taipei Port Container Terminal Corp.	6,355,682	2.80
China Steel Chemical Corp.	6,352,076	2.80

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
FCF Co., Ltd.	\$ 6,216,659	2.74
Bumble Bee Foods, LLC	6,216,659	2.74
Farglory Dome Co., Ltd.	6,085,133	2.68
Yuan Ding Investment Corp.	6,034,140	2.66
Walsin Lihwa Corp.	5,988,424	2.64
Walsin Technology Corp.	5,985,031	2.64
Walton Advanced Engineering, Inc.	5,953,264	2.63
PFG Fiber Glass Corp.	5,865,927	2.59
Standard Chartered Bank, London	5,849,682	2.58
Standard Chartered PLC	5,849,682	2.58
Formosa Petrochemical Corp.	5,841,637	2.58
Karton Formosa Polymers Corp.	5,841,537	2.58
China Steel Machinery Corp.	5,801,244	2.56
HIMAG Magnetic Corporation	5,796,346	2.56
Wanda Tong Enterprise Co., Ltd.	5,741,388	2.53
U-Ming Marine Transport Corp.	5,734,140	2.53
Feng Shehg Enterprise Company	5,722,670	2.52
Taiwan Cement Corporation	5,690,546	2.51
Aerospace Industrial Development Corp.	5,651,878	2.49
Cathay Life Insurance Co., Ltd.	5,615,458	2.48
TPI Software Corp.	5,587,549	2.46
Wei Qiao Investment Development Co., Ltd.	5,570,779	2.46
Fujian Lian Wei Logistics Co., Ltd.	5,476,004	2.41
Chu Yuan Industrial Co., Ltd.	5,422,193	2.39
CREDIT AGRICOLE CIB, PARIS	5,388,904	2.38
JSL Construction & Development Co., Ltd.	5,376,343	2.37
Prasac Microfinance Institution Plc.	5,371,509	2.37
Kookmin Bank Co, Ltd.	5,371,509	2.37
Nan Ya Printed Circuit Board Corp.	5,365,927	2.37
Pan Asia Chemical Co.	5,359,959	2.36
Taichung Bank Leasing Co., Ltd.	5,339,197	2.35
Hong-Zhu - Construction Co., Ltd.	5,332,170	2.35
Rih Ding Water Enterprise Co., Ltd.	5,313,602	2.34
Hong-Ye Steel Co., Ltd.	5,265,650	2.32
Prosperity Tieh Enterprise Co., Ltd.	5,265,650	2.32
Asia Investment Corp.	5,173,513	2.28
Hotai Motor Co., Ltd.	5,148,072	2.27
Hotai Finance Co., Ltd.	5,148,072	2.27
Kindom Development Co., Ltd.	5,093,454	2.25
Pernas Electronics Co., Ltd.	5,058,768	2.23
TCC International Ltd.	5,046,271	2.23
Johnson Health Tech. Co., Ltd.	4,948,931	2.18
Pau Cheng Energy Corp.	4,948,074	2.18
Chang Hwa Commercial Bank, Ltd.	4,922,967	2.17
Hoyun International Lease Co., Ltd.	4,909,645	2.17
Ho-Ping Power Company	4,841,209	2.13

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Chungwha Construction Corp.	\$ 4,781,537	2.11
Powerchip Semiconductor Manufacturing Corp.	4,760,794	2.10
Yuanta Financial Holding Co., Ltd.	4,750,255	2.09
Yuanta Funds	4,750,255	2.09
Yuanta Securities Co., Ltd.	4,750,255	2.09
China Airlines	4,704,300	2.07
Chailease International Financial Services	4,701,125	2.07
Taoyuan International Airport Services Co., Ltd.	4,700,000	2.07
Fujian Fuxin Special Steel Co., Ltd.	4,696,279	2.07
Taiwan Mobile Corp.	4,663,702	2.06
Hanshin Shopping Plaza Co., Ltd.	4,651,555	2.05
Kuo-Kuang Motor Transportation Company Ltd.	4,650,653	2.05
Fu Chan High Pile Co., Ltd.	4,630,653	2.04
Macronix International Co., Ltd.	4,620,457	2.04
CITIBANK, N.A. LONDON	4,613,953	2.03
Yang Ming Marine Transport Corp.	4,612,258	2.03
Kuang Ming Shipping Corp.	4,612,258	2.03
Hung Ching Development & Construction Co., Ltd.	4,603,869	2.03
ASE Technology Holding Co., Ltd.	4,603,869	2.03
Jaysanlyn Real Estate & Advertising Co., Ltd.	4,599,668	2.03
Credit Agricole CIB, London Branch	4,591,165	2.02
Chung Hsin Electric & Machinery Manufacturing Corp.	4,549,848	2.01
Zhong Tai Hotel Co., Ltd.	4,542,944	2.00
Kai Tai Fung International Co., Ltd.	4,542,944	2.00
United Microelectronics Corp.	4,526,292	2.00
Shinshin Credit Corporation	4,517,658	1.99
Chailease International Financial Services	4,514,285	1.99
Ta-Ho Maritime Corp.	4,494,291	1.98
NKFG Corp.	4,421,637	1.95
Molie Quantum Energy Corporation	4,401,629	1.94
Chailease Power Technology Co., Ltd.	4,337,781	1.91
TCC Chemical Corporation	4,255,491	1.88
Unimicron Technology Corp.	4,190,958	1.85
Bao Lu Development & Construction Co., Ltd.	4,147,501	1.83
Sun Jing Development Do., Ltd.	4,147,501	1.83
ChipMOS TECHNOLOGIES INC.	4,103,830	1.81
Jun Sheng Development Corp.	4,066,165	1.79
Cheng-Hsin Engineering & Services Co., Ltd.	4,042,873	1.78
San Miguel Corporation	4,028,802	1.78
Kaohsiung Opto-Electronics Inc.	4,025,276	1.78
Mediatek Inc.	4,004,118	1.77
Chung Hwa Pulp Corporation	3,989,345	1.76
Chung Kung Safeguarding and Security Corp.	3,952,186	1.74
Chung Kung Management and Maintenance of Apartment Co., Ltd.	3,946,186	1.74
Core Asia Human Resources Management Co., Ltd.	3,934,425	1.74
Infinite Finance Co., Ltd.	3,904,322	1.72

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Formosa Chemicals & Fibre Corp.	\$ 3,890,587	1.72
Grand Hi-Lai Hotel Co., Ltd.	3,878,029	1.71
Wistron Corp.	3,875,758	1.71
Yu Rich Financial Services Co., Ltd.	3,836,289	1.69
Chenlong Motor Co., Ltd.	3,836,289	1.69
CREDIT AGRICOLE CIB, TAIPEI BRANCH	3,826,550	1.69
Wistron Medical Technology Corporation	3,785,768	1.67
Wiwynn Corp.	3,755,768	1.66
Nan Yang Industries Co., Ltd.	3,750,924	1.65
Yieh Mau Corp.	3,718,607	1.64
Citic Capital Holdings Ltd.	3,707,434	1.63
Sanyang Motor Co., Ltd.	3,650,988	1.61
Chao Yang Rental Corp.	3,650,988	1.61
LY Group Investment Co., Ltd.	3,643,001	1.61
We&Win construction Ltd.	3,633,490	1.60
Petron Corporation	3,616,871	1.60
Fubon Life Insurance Co., Ltd.	3,605,605	1.59
Yu Yuan Investment Co., Ltd.	3,600,720	1.59
He Fong Investment Co., Ltd.	3,538,720	1.56
Ever Ecove Corporation	3,476,409	1.53
WPI International (Hong Kong) Limited	3,456,821	1.52
FanGlory Life Insurance Co., Ltd.	3,378,979	1.49
Rizal Commercial Banking Corporation	3,277,738	1.45
Oriental Petrochemical (Taiwan) Corp.	3,277,000	1.45
Forest Water Environmental Engineering Ltd.	3,270,492	1.44
Lealea Enterprise Co., Ltd.	3,219,986	1.42
CTBC Finance Co., Ltd.	3,219,733	1.42
Cheng Uei Precision Industry Co., Ltd.	3,218,081	1.42
Foxwell Energy Corporation Ltd.	3,218,081	1.42
Reliance Industries Limited	3,207,420	1.41
Formosa Resources Corporation	3,176,280	1.40
Seetek Development Co., Ltd.	3,167,262	1.40
Hwa Ya Power Corporation	3,162,205	1.39
Hongda Land Construction Co., Ltd.	3,152,151	1.39
TTET Union Corporation	3,151,522	1.39
Uni-President Enterprises Corp.	3,143,923	1.39
Yehui (China) Technology Material Limited Company	3,117,875	1.37
BES Engineering Corporation	3,110,425	1.37
Tang Eng Iron Works Co., Ltd.	3,106,150	1.37
Cgs International, Inc.	3,104,937	1.37
Wan Xixing Construction Co., Ltd.	3,089,550	1.36
Formosa Plastics Marine Corp.	3,089,200	1.36
Hung-You Copper Co., Ltd.	3,088,497	1.36
BANK OF AMERICA N.A.	3,081,301	1.36
Carplus Auto Leasing Corporation	3,066,949	1.35
San Miguel Corporation	3,052,397	1.35

(Continued)

Name	Total Amounts of Credits, Endorsement or Other Transactions	Percentage of TCFHC's Equity
Bank Sinopac Company Limited	\$ 3,045,616	1.34
Xinhong International Investment Co., Ltd.	3,043,803	1.34
Taipei Financial Center Corporation	3,014,447	1.33
Fu Hong Co., Ltd.	3,000,000	1.32

(Concluded)

TABLE 7

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 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	86,487	86,487	3-8	Short-term financing	-	Operating use	865	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	174,000	174,000	3-8	Short-term financing	-	Operating use	1,918	Real estate	272,983	385,022 (Note 3)	1,540,089 (Note 3)
		Grandsun Engineering Co., Ltd.	Receivables on lending funds	No	50,000	40,000	40,000	3-8	Short-term financing	-	Operating use	400	Guarantee	5,250	385,022 (Note 3)	1,540,089 (Note 3)
		Yieh Hong Enterprise Co., Ltd.	Receivables on lending funds	No	212,930	113,219	113,219	3-8	Short-term financing	-	Operating use	1,132	Stocks	181,150	385,022 (Note 3)	1,540,089 (Note 3)
		ET New Media Holding Co., Ltd.	Receivables on lending funds	No	100,000	100,000	100,000	3-8	Short-term financing	-	Operating use	1,000	-	-	385,022 (Note 3)	1,540,089 (Note 3)
		Tai Wan Asset Management Co.	Receivables on lending funds	No	50,000	44,000	44,000	3-8	Short-term financing	-	Operating use	440	-	-	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 8

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 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	June 30, 2024				Note
				Shares (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	-	\$ 1,265,213	100.00	\$ 1,265,213	Note
	Taiwan Urban Regeneration & Financial Services Co., Ltd.	-	Financial assets at fair value through other comprehensive income	2,500	21,525	5.00	21,525	
Taiwan Cooperative Securities Investment Trust Co., Ltd.	Fund Rich Securities Co., Ltd.	-	Financial assets at fair value through other comprehensive income	227	3,290	0.38	3,290	
Taiwan Cooperative Venture Capital Co., Ltd.	STARLUX AIRLINES CO., LTD.	-	Financial assets at fair value through profit or loss	5,000	146,300	0.20	146,300	
	Cho Pharma, Inc.	-	Financial assets at fair value through profit or loss	620	42,092	0.29	42,092	
	Handa Pharmaceuticals, Inc.	-	Financial assets at fair value through profit or loss	50	5,223	0.04	5,223	
	AnnJi Pharmaceutical Co., Ltd.	-	Financial assets at fair value through profit or loss	2,990	124,802	3.20	124,802	
	SR Suntour Inc.	-	Financial assets at fair value through profit or loss	1,700	105,485	2.82	105,485	
	Tachyon Intelligence Robot Company	-	Financial assets at fair value through profit or loss	125	762	2.83	762	
	Phu Vinh Industrial Company	-	Financial assets at fair value through profit or loss	4,249	134,232	17.86	134,232	
	ULSee Cayman Co., Ltd.	-	Financial assets at fair value through profit or loss	651	26,986	0.43	26,986	
	Cloud Mile Inc.	-	Financial assets at fair value through profit or loss	838	48,718	2.83	48,718	
	Hoytek Precision Company	-	Financial assets at fair value through profit or loss	1,168	23,649	16.51	23,649	
	CDIB Capital Healthcare Ventures II Limited Partnership	-	Financial assets at fair value through profit or loss	-	49,439	-	49,439	
	APMTD Global Limited	-	Financial assets at fair value through profit or loss	752	22,179	1.53	22,179	
	Free Bionics Inc.	-	Financial assets at fair value through profit or loss	2,068	42,098	7.53	42,098	

(Continued)

Holding Company Name	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares (Thousands)	Carrying Value	Percentage of Ownership	Market Value or Net Asset Value	
	Revlis Biotech Co., Ltd.	-	Financial assets at fair value through profit or loss	2,813	\$ 9,675	4.31	\$ 9,675	
	Mesh Cooperative Ventures Fund LP	-	Financial assets at fair value through profit or loss	-	25,479	-	25,479	
	Knowledge Creation Innovation Co., Ltd.	-	Financial assets at fair value through profit or loss	530	5,714	17.56	5,714	
	Long Diann Marine Biotechnology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,500	22,500	12.53	22,500	
	JD-SPF Biotech Co., Ltd.	-	Financial assets at fair value through profit or loss	1,365	7,139	19.50	7,139	
	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	185,218	13.20	185,218	
	P-Waver Inc.	-	Financial assets at fair value through profit or loss	1,765	21,194	11.55	21,194	
	WIN COAT CO.	-	Financial assets at fair value through profit or loss	1,000	51,980	2.44	51,980	
	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	
	Shuo Ming Green Energy Co.	-	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	
	Anya Biopharm Inc.	-	Financial assets at fair value through profit or loss	645	49,020	3.42	49,020	
	JC Capital Taiwan Co., Ltd.	Associate	Investments accounted for using equity method	350	4,455	35.00	4,455	

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

(Concluded)

TABLE 9

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

**ALLOWANCE OF SERVICE FEES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$5 MILLION
FOR THE SIX MONTHS ENDED JUNE 30, 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	\$ 1,493,170	\$ 825,045	\$ 117,426	\$ 94,948	7.86	11.51

TABLE 10

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
JUNE 30, 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	\$ 2,757,572 (Note 1)	-	\$ -	-	\$ -	\$ -
Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Securities Co., Ltd.	Sister company	2,581,450 (Note 2)	-	-	-	-	-
Taiwan Cooperative Bank, Ltd.	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Sister company	341,566 (Note 3)	-	-	-	-	-
Taiwan Cooperative Financial Holding Co., Ltd.	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Subsidiary	491,315 (Note 4)	-	-	-	-	-

Note 1: The receivables related to consolidated tax returns. When preparing the consolidated financial statements, the receivables have been eliminated.

Note 2: The receivables on securities and the price of the transaction of the securities. When preparing the consolidated financial statements, the receivables have been eliminated.

Note 3: It is a receivable income such as commissions. When preparing the consolidated financial statements, the receivables have been eliminated.

Note 4: It is a dividend receivable of cash dividends. When preparing the consolidated financial statements, the receivables have been eliminated.

TABLE 11

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD.

PERCENTAGE SHARE IN INVESTEEES AND RELATED INFORMATION
JUNE 30, 2024
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Percentage of Ownership	Carrying Value	Investment Gain	Proportionate Share of the Company and Its Affiliates in Investees (Note 1)				Note
							Shares (Thousands)	Pro Forma Shares (Note 2)	Total		
									Shares (Thousands)	Percentage of Ownership	
Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	Taipei	Banking	100.00	\$ 267,274,411	\$ 10,114,206	11,007,530	-	11,007,530	100.00	Note 3
	Taiwan Cooperative Securities Co., Ltd.	Taipei	Securities dealer	100.00	6,121,722	227,439	520,613	-	520,613	100.00	Note 3
	Taiwan Cooperative Bills Finance Co., Ltd.	Taipei	Bills finance dealer	100.00	7,106,242	112,065	487,774	-	487,774	100.00	Note 3
	Co-operative Assets Management Co., Ltd.	Taipei	Acquisition of delinquent loans	100.00	3,759,683	181,085	314,088	-	314,088	100.00	Note 3
	Taiwan Cooperative Securities Investment Trust Co., Ltd.	Taipei	Securities investment trust	100.00	419,154	8,600	30,300	-	30,300	100.00	Note 3
	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taipei	Life insurance	51.00	5,506,529	301,516	350,939	-	350,939	51.00	Note 3
	Taiwan Cooperative Venture Capital Co., Ltd.	Taipei	Venture capital	100.00	1,601,401	207,922	123,502	-	123,502	100.00	Note 3

Note 1: Shares or proforma shares held by the Company, directors, supervisors, president, vice president and affiliates in accordance with the Company Law have been included.

Note 2: a. Proforma shares are shares that are assumed to have been obtained through buying equity-based securities or entering into equity-linked derivative contracts for purposes defined in Paragraph 2 of Article 36 and Article 37 of the Financial Holding Company Act.

b. Equity-based securities, such as convertible bonds and warrants, are covered by Article 11 of the “Securities and Exchange Law Enforcement Rules.”

c. Derivative instruments, such as stock options, are those conforming to the definition of IFRS 9 - “Financial Instruments”, such as stock options.

Note 3: When TCFHC prepares the consolidated financial statements, this investment has been eliminated.

TABLE 12

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 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 June 30, 2024	Investee Net Income	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Value as of June 30, 2024	Accumulated Inward Remittance of Earnings as of June 30, 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)	\$ 108,269	100	\$ 108,269	\$ 7,371,067	\$ -
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)	(191,471)	100	(191,471)	2,675,402	-
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)	43,888	100	43,888	3,738,124	-
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)	29,376	100	29,376	2,568,860	-

Accumulated Investment in Mainland China as of June 30, 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)	\$ 161,088,831

(Continued)

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 June 30, 2024	Investee Net Income	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Value as of June 30, 2024	Accumulated Inward Remittance of Earnings as of June 30, 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)	\$ 13,661	100	\$ 13,661	\$ 1,265,213	\$ -

Accumulated Investment in Mainland China as of June 30, 2024	Investment Amount Approved by the Investment Commission, MOEA	Maximum Investment Allowable
\$ 910,980 (CNY 185,460) (Note 1)	\$ 910,980 (CNY 185,460) (Note 1)	\$ 2,255,729 (Note 3)

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.

TABLE 13

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

BUSINESS RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS AMONG THE PARENT COMPANY AND SUBSIDIARIES
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Transacting Company	Counterparty	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	\$ 2,757,572	Note 4	0.06
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Financial Holding Co., Ltd.	b	Tax receivables - consolidated tax return	2,757,572	Note 4	0.06
1	Taiwan Cooperative Bank, Ltd.	United Taiwan Bank S.A.	a	Due from banks	521,391	Note 4	0.01
2	United Taiwan Bank S.A.	Taiwan Cooperative Bank, Ltd.	b	Deposits from banks	521,391	Note 4	0.01
1	Taiwan Cooperative Bank, Ltd.	United Taiwan Bank S.A.	a	Call loans to banks	452,790	Note 4	0.01
2	United Taiwan Bank S.A.	Taiwan Cooperative Bank, Ltd.	b	Call loans from banks	452,790	Note 4	0.01
1	Taiwan Cooperative Bank, Ltd.	United Taiwan Bank S.A.	a	Medium-term unsecured loans	4,144,770	Note 4	0.08
2	United Taiwan Bank S.A.	Taiwan Cooperative Bank, Ltd.	b	Long-term borrowings	4,144,770	Note 4	0.08
1	Taiwan Cooperative Bank, Ltd.	United Taiwan Bank S.A.	a	Interest revenue	115,418	Note 4	0.36
2	United Taiwan Bank S.A.	Taiwan Cooperative Bank, Ltd.	b	Interest expense	115,418	Note 4	0.36
1	Taiwan Cooperative Bank, Ltd.	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	c	Deposits and remittances	1,127,600	Note 4	0.02
3	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Cash and cash equivalents	1,127,600	Note 4	0.02
1	Taiwan Cooperative Bank, Ltd.	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	c	Gains (losses) on financial assets and liabilities at fair value through profit or loss	201,651	Note 4	0.63
3	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Gains (losses) on financial assets and liabilities at fair value through profit or loss	201,651	Note 4	0.63
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Bills Finance Co., Ltd.	c	Call loans to banks	1,522,850	Note 4	0.03

(Continued)

No. (Note 1)	Transacting Company	Counterparty	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 (%)
4	Taiwan Cooperative Bills Finance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Call loans from banks	\$ 1,522,850	Note 4	0.03
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Call loans from banks	325,700	Note 4	0.01
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Securities Co., Ltd.	c	Call loans to securities company	325,700	Note 4	0.01
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Right-of-use assets, net	81,845	Note 4	-
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Lease liabilities	83,268	Note 4	-
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Interest expense	1,402	Note 4	-
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Depreciation expense	25,572	Note 4	0.08
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Securities Co., Ltd.	c	Lease income	26,423	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	586,680	Note 4	1.83
3	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Service charge and commission expense	586,680	Note 4	1.83
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Right-of-use assets, net	89,501	Note 4	-
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Lease liabilities	92,403	Note 4	-
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Interest expense	676	Note 4	-
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Depreciation expense	14,514	Note 4	0.05
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Financial Holding Co., Ltd.	c	Lease income	14,718	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	648,242	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	648,242	Note 4	0.01
0	Taiwan Cooperative Financial Holding Co., Ltd.	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	a	Dividends receivable	491,315	Note 4	0.01

(Continued)

No. (Note 1)	Transacting Company	Counterparty	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 (%)
3	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Cooperative Financial Holding Co., Ltd.	b	Dividends payable	\$ 491,315	Note 4	0.01
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Settlement payable	2,581,450	Note 4	0.05
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Financial Holding Co., Ltd.	c	Receivables on securities	2,581,450	Note 4	0.05
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Financial Holding Co., Ltd.	c	Other receivables	341,566	Note 4	0.01
3	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Other payables	341,566	Note 4	0.01
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Financial Holding Co., Ltd.	c	Deposits and remittances	132,187	Note 4	-
7	Taiwan Cooperative Securities Investment Trust Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Cash and cash equivalents, other financial assets	132,187	Note 4	-
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Financial Holding Co., Ltd.	c	Deposits and remittances	188,704	Note 4	-
8	Taiwan Cooperative Venture Capital Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Cash and cash equivalents	188,704	Note 4	-

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

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

Note 2: Transaction flows are as follows:

- a. From parent company to subsidiary
- b. From subsidiary to parent company
- c. Between subsidiaries

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 14**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD.****INFORMATION ON MAJOR SHAREHOLDERS****JUNE 30, 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.