

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

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2024 and 2023 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Taiwan Cooperative Financial Holding Co., Ltd. (TCFHC) and its subsidiaries (collectively, the “Company”), as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2024 and 2023, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company as of September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 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 of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 25, 2024

Notice to Readers

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

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

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS (Note 6)	\$ 67,096,920	2	\$ 89,231,286	2	\$ 69,666,722	1
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Notes 7 and 41)	397,989,484	8	364,419,141	7	320,953,697	7
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 8, 41 and 42)	151,044,001	3	126,108,496	3	133,252,809	3
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 9 and 42)	520,798,520	10	509,252,116	11	500,341,072	11
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST (Notes 10 and 42)	715,431,880	14	705,008,604	15	684,839,156	15
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Note 11)	1,490,831	-	1,250,689	-	593,055	-
RECEIVABLES, NET (Notes 12 and 41)	56,857,707	1	49,273,343	1	49,022,580	1
CURRENT TAX ASSETS	2,278,792	-	2,293,065	-	3,209,987	-
DISCOUNTS AND LOANS, NET (Notes 13, 41 and 42)	2,987,777,939	59	2,800,346,569	58	2,736,694,603	59
REINSURANCE ASSETS, NET	252,841	-	244,817	-	268,024	-
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Note 14)	144,748	-	146,836	-	150,227	-
OTHER FINANCIAL ASSETS, NET (Notes 15, 30 and 42)	94,265,031	2	94,546,321	2	98,016,352	2
INVESTMENT PROPERTIES, NET (Note 16)	11,477,179	-	11,150,124	-	10,403,141	-
PROPERTIES AND EQUIPMENT, NET (Note 17)	32,046,140	1	32,448,391	1	32,613,951	1
RIGHT-OF-USE ASSETS, NET (Note 18)	1,736,370	-	1,585,057	-	1,575,565	-
INTANGIBLE ASSETS (Note 19)	4,632,374	-	4,427,379	-	4,239,310	-
DEFERRED TAX ASSETS (Note 38)	1,663,247	-	2,274,199	-	1,868,926	-
OTHER ASSETS, NET (Notes 18 and 20)	<u>4,178,934</u>	<u>-</u>	<u>3,199,764</u>	<u>-</u>	<u>3,613,017</u>	<u>-</u>
TOTAL	<u>\$ 5,051,162,938</u>	<u>100</u>	<u>\$ 4,797,206,197</u>	<u>100</u>	<u>\$ 4,651,322,194</u>	<u>100</u>
LIABILITIES AND EQUITY						
DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS (Notes 21 and 41)	\$ 432,379,694	9	\$ 301,705,360	6	\$ 334,587,037	7
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 8, 26 and 41)	8,082,795	-	9,261,978	-	3,493,362	-
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 8, 9, 22 and 41)	72,099,691	1	71,210,419	1	68,725,341	2
COMMERCIAL PAPER ISSUED, NET (Note 23)	38,124,767	1	33,651,757	1	36,294,490	1
PAYABLES (Notes 24 and 41)	69,215,379	1	53,640,402	1	66,406,107	1
CURRENT TAX LIABILITIES	1,565,307	-	3,158,232	-	407,988	-
DEPOSITS AND REMITTANCES (Notes 25 and 41)	3,946,360,123	78	3,862,095,191	81	3,683,312,934	79
BONDS PAYABLE (Note 26)	79,140,000	2	77,240,000	2	81,840,000	2
OTHER BORROWINGS (Notes 23 and 27)	13,666,008	-	11,266,712	-	8,686,372	-
PROVISIONS (Notes 4, 28 and 29)	36,466,860	1	34,391,765	1	34,422,824	1
OTHER FINANCIAL LIABILITIES (Notes 16, 30 and 41)	87,215,338	2	87,530,330	2	89,430,524	2
LEASE LIABILITIES (Note 18)	1,716,037	-	1,545,153	-	1,556,066	-
DEFERRED TAX LIABILITIES (Notes 17 and 38)	3,897,842	-	3,594,884	-	6,499,443	-
OTHER LIABILITIES (Note 31)	<u>1,447,929</u>	<u>-</u>	<u>1,135,355</u>	<u>-</u>	<u>1,034,727</u>	<u>-</u>
Total liabilities	<u>4,791,377,770</u>	<u>95</u>	<u>4,551,427,538</u>	<u>95</u>	<u>4,416,697,215</u>	<u>95</u>
EQUITY ATTRIBUTABLE TO OWNERS OF TCFHC						
Capital stock						
Common 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>36,019,311</u>	<u>1</u>	<u>17,181,771</u>	<u>-</u>	<u>15,119,653</u>	<u>-</u>
Total retained earnings	<u>60,435,755</u>	<u>1</u>	<u>54,273,802</u>	<u>1</u>	<u>52,211,684</u>	<u>1</u>
Other equity	<u>(4,425,194)</u>	<u>-</u>	<u>(7,127,656)</u>	<u>-</u>	<u>(15,833,872)</u>	<u>-</u>
Total equity attributable to owners of TCFHC	253,902,947	5	239,890,248	5	229,122,628	5
NON-CONTROLLING INTERESTS	<u>5,882,221</u>	<u>-</u>	<u>5,888,411</u>	<u>-</u>	<u>5,502,351</u>	<u>-</u>
Total equity	<u>259,785,168</u>	<u>5</u>	<u>245,778,659</u>	<u>5</u>	<u>234,624,979</u>	<u>5</u>
TOTAL	<u>\$ 5,051,162,938</u>	<u>100</u>	<u>\$ 4,797,206,197</u>	<u>100</u>	<u>\$ 4,651,322,194</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 September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
INTEREST REVENUE (Notes 32 and 41)	\$ 27,223,421	145	\$ 24,115,448	154	\$ 78,795,576	155	\$ 68,819,141	149
INTEREST EXPENSE (Notes 32 and 41)	<u>(19,579,546)</u>	<u>(104)</u>	<u>(16,337,686)</u>	<u>(104)</u>	<u>(56,838,400)</u>	<u>(112)</u>	<u>(44,434,740)</u>	<u>(96)</u>
NET INTEREST	<u>7,643,875</u>	<u>41</u>	<u>7,777,762</u>	<u>50</u>	<u>21,957,176</u>	<u>43</u>	<u>24,384,401</u>	<u>53</u>
NET REVENUES AND GAINS OTHER THAN INTEREST								
Service fee and commission income, net (Notes 33 and 41)	2,524,030	13	2,531,722	16	8,727,476	17	6,470,826	14
Premium income, net (Notes 30 and 34)	1,353,086	7	537,536	3	3,474,767	7	3,005,850	7
(Losses) gains on financial assets and liabilities at fair value through profit or loss (Notes 35 and 41)	(4,107,215)	(22)	11,836,796	75	20,180,611	40	21,356,629	46
Gains on disposal investment properties, net	22,882	-	38,837	-	62,677	-	93,131	-
Realized gains on financial assets at fair value through other comprehensive income (Note 36)	2,202,169	12	1,402,394	9	3,173,523	6	2,987,623	7
Foreign exchange gains (losses)	8,784,349	47	(8,668,013)	(55)	(7,081,777)	(14)	(12,505,365)	(27)
Gain on reversal of impairment loss (Notes 9 and 10)	15,594	-	2,231	-	21,684	-	4,227	-
Share of gains of associates and joint ventures accounted for using the equity method (Note 14)	4,661	-	4,264	-	11,972	-	14,671	-
Gains (losses) on reclassification of overlay approach (Note 8)	227,708	1	123,681	1	(52,770)	-	25,640	-
Other noninterest gains, net (Notes 16 and 41)	<u>110,722</u>	<u>1</u>	<u>109,089</u>	<u>1</u>	<u>366,633</u>	<u>1</u>	<u>202,329</u>	<u>-</u>
Total net revenues and gains other than interest	<u>11,137,986</u>	<u>59</u>	<u>7,918,537</u>	<u>50</u>	<u>28,884,796</u>	<u>57</u>	<u>21,655,561</u>	<u>47</u>
TOTAL NET REVENUES	<u>18,781,861</u>	<u>100</u>	<u>15,696,299</u>	<u>100</u>	<u>50,841,972</u>	<u>100</u>	<u>46,039,962</u>	<u>100</u>
BAD-DEBT EXPENSES AND PROVISION FOR LOSSES ON COMMITMENT AND GUARANTEES (Notes 4 and 13)	<u>(2,460,465)</u>	<u>(13)</u>	<u>(1,465,282)</u>	<u>(9)</u>	<u>(3,942,598)</u>	<u>(8)</u>	<u>(3,543,900)</u>	<u>(8)</u>
NET CHANGE IN RESERVES FOR INSURANCE LIABILITIES (Notes 4 and 28)	<u>(798,194)</u>	<u>(4)</u>	<u>(241,394)</u>	<u>(2)</u>	<u>(2,032,746)</u>	<u>(4)</u>	<u>(1,995,341)</u>	<u>(4)</u>
OPERATING EXPENSES (Notes 4, 16, 17, 18, 19, 29 and 37)								
Employee benefits	(5,169,670)	(27)	(4,458,544)	(28)	(14,501,089)	(29)	(13,345,901)	(29)
Depreciation and amortization	(721,110)	(4)	(667,613)	(4)	(2,143,552)	(4)	(1,970,909)	(4)
General and administrative	<u>(2,550,844)</u>	<u>(14)</u>	<u>(2,467,050)</u>	<u>(16)</u>	<u>(7,205,424)</u>	<u>(14)</u>	<u>(6,669,517)</u>	<u>(15)</u>
Total operating expenses	<u>(8,441,624)</u>	<u>(45)</u>	<u>(7,593,207)</u>	<u>(48)</u>	<u>(23,850,065)</u>	<u>(47)</u>	<u>(21,986,327)</u>	<u>(48)</u>

(Continued)

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
INCOME BEFORE INCOME TAX	\$ 7,081,578	38	\$ 6,396,416	41	\$ 21,016,563	41	\$ 18,514,394	40
INCOME TAX EXPENSE (Notes 4 and 38)	<u>(1,244,844)</u>	<u>(7)</u>	<u>(1,243,423)</u>	<u>(8)</u>	<u>(4,789,326)</u>	<u>(9)</u>	<u>(3,524,777)</u>	<u>(7)</u>
NET INCOME	<u>5,836,734</u>	<u>31</u>	<u>5,152,993</u>	<u>33</u>	<u>16,227,237</u>	<u>32</u>	<u>14,989,617</u>	<u>33</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	(9,355)	-	1,415	-	(12,564)	-	451	-
Unrealized (losses) gains on investments in equity instruments at fair value through other comprehensive income (Note 9)	<u>(2,722,556)</u>	<u>(14)</u>	<u>(1,460,967)</u>	<u>(10)</u>	<u>6,277,725</u>	<u>12</u>	<u>3,923,395</u>	<u>8</u>
Items that will not be reclassified subsequently to profit or loss, net of income tax	<u>(2,731,911)</u>	<u>(14)</u>	<u>(1,459,552)</u>	<u>(10)</u>	<u>6,265,161</u>	<u>12</u>	<u>3,923,846</u>	<u>8</u>
Items that may be reclassified subsequently to profit or loss (Notes 8, 9 and 38)								
Exchange differences on the translation of financial statements of foreign operations	(1,293,724)	(7)	1,643,930	11	1,459,984	3	2,094,376	5
Unrealized gains (losses) on investments in debt instruments at fair value through other comprehensive income	8,115,346	43	(2,752,698)	(18)	439,042	1	316,148	1
Other comprehensive (losses) income on reclassification of overlay approach	(227,708)	(1)	(123,681)	(1)	52,770	-	(25,640)	-
Income tax attributable to other comprehensive income	<u>42,155</u>	<u>-</u>	<u>(200,981)</u>	<u>(1)</u>	<u>(404,539)</u>	<u>(1)</u>	<u>(258,587)</u>	<u>(1)</u>
Items that may be reclassified subsequently to profit or loss, net of income tax	<u>6,636,069</u>	<u>35</u>	<u>(1,433,430)</u>	<u>(9)</u>	<u>1,547,257</u>	<u>3</u>	<u>2,126,297</u>	<u>5</u>
Other comprehensive income (losses), net of income tax	<u>3,904,158</u>	<u>21</u>	<u>(2,892,982)</u>	<u>(19)</u>	<u>7,812,418</u>	<u>15</u>	<u>6,050,143</u>	<u>13</u>
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ 9,740,892</u>	<u>52</u>	<u>\$ 2,260,011</u>	<u>14</u>	<u>\$ 24,039,655</u>	<u>47</u>	<u>\$ 21,039,760</u>	<u>46</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 September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
NET INCOME								
ATTRIBUTABLE TO:								
Owners of TCFHC	\$ 5,727,977	30	\$ 4,988,920	32	\$ 15,824,141	31	\$ 14,514,358	32
Non-controlling interests	<u>108,757</u>	<u>1</u>	<u>164,073</u>	<u>1</u>	<u>403,096</u>	<u>1</u>	<u>475,259</u>	<u>1</u>
	<u>\$ 5,836,734</u>	<u>31</u>	<u>\$ 5,152,993</u>	<u>33</u>	<u>\$ 16,227,237</u>	<u>32</u>	<u>\$ 14,989,617</u>	<u>33</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of TCFHC	\$ 9,400,137	50	\$ 2,359,907	15	\$ 23,573,797	46	\$ 20,678,478	45
Non-controlling interests	<u>340,755</u>	<u>2</u>	<u>(99,896)</u>	<u>(1)</u>	<u>465,858</u>	<u>1</u>	<u>361,282</u>	<u>1</u>
	<u>\$ 9,740,892</u>	<u>52</u>	<u>\$ 2,260,011</u>	<u>14</u>	<u>\$ 24,039,655</u>	<u>47</u>	<u>\$ 21,039,760</u>	<u>46</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 39)								
Basic	<u>\$ 0.38</u>		<u>\$ 0.32</u>		<u>\$ 1.04</u>		<u>\$ 0.95</u>	
Diluted	<u>\$ 0.38</u>		<u>\$ 0.32</u>		<u>\$ 1.04</u>		<u>\$ 0.95</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		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	514,828	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	-	-	-	-	-	5,047,071	-	(5,047,071)	-	-	-	-	
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	-	-	-	-	-	123	-	-	(123)	-	-	-	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(472,048)	(472,048)	
Net income for the nine months ended September 30, 2024	-	-	-	-	-	15,824,141	-	-	-	-	403,096	16,227,237	
Other comprehensive income (losses) for the nine months ended September 30, 2024	-	-	-	-	-	-	1,160,678	6,573,415	(12,564)	28,127	62,762	7,812,418	
Total comprehensive income (losses) for the nine months ended September 30, 2024	-	-	-	-	-	15,824,141	1,160,678	6,573,415	(12,564)	28,127	465,858	24,039,655	
BALANCE AT SEPTEMBER 30, 2024	15,224,210	\$ 152,242,106	\$ 45,650,280	\$ 17,288,787	\$ 7,127,657	\$ 36,019,311	\$ 582,151	\$ (5,067,090)	\$ (25,701)	\$ 85,446	\$ 5,882,221	\$ 259,785,168	
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	700,447	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	-	-	-	-	-	488,273	-	(488,273)	-	-	-	-	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	(175,332)	(175,332)	
Net income for the nine months ended September 30, 2023	-	-	-	-	-	14,514,358	-	-	-	-	475,259	14,989,617	
Other comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	-	1,668,745	4,508,899	451	(13,975)	(113,977)	6,050,143	
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	14,514,358	1,668,745	4,508,899	451	(13,975)	361,282	21,039,760	
BALANCE AT SEPTEMBER 30, 2023	14,709,382	\$ 147,093,822	\$ 45,650,994	\$ 15,582,312	\$ 21,509,719	\$ 15,119,653	\$ 1,216,283	\$ (17,206,374)	\$ 451	\$ 155,768	\$ 5,502,351	\$ 234,624,979	

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 Nine Months Ended September 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 21,016,563	\$ 18,514,394
Adjustments for:		
Depreciation expenses	1,789,687	1,694,129
Amortization expenses	353,865	276,780
Expected credit losses/bad-debt expenses	3,970,284	3,368,546
Gains on financial assets and liabilities at fair value through profit or loss	(20,180,611)	(21,356,629)
Interest expense	56,838,400	44,434,740
Interest revenue	(78,795,576)	(68,819,141)
Dividend income	(3,252,721)	(2,989,029)
Net changes in reserves for insurance liabilities	2,032,746	1,995,341
Net changes in provision for possible losses on guarantees	(51,650)	50,927
Net changes in reserves for other liabilities	23,964	124,427
Share of gains of associates and joint ventures accounted for using equity method	(11,972)	(14,671)
Losses (gains) on reclassification of overlay approach	52,770	(25,640)
Losses on disposal of properties and equipment	110	169
Gains on disposal of investment properties	(62,677)	(93,131)
Losses on disposal of investments	79,198	1,406
Impairment losses on financial assets	1,163	12,489
Reversal of impairment losses on financial assets	(22,847)	(16,716)
Unrealized gains on foreign exchange	(427,437)	(952,140)
Others	(344)	-
Net changes in operating assets and liabilities		
Increase in due from the Central Bank and call loans to other banks	(49,753,055)	(14,393,359)
Increase in financial assets at fair value through profit or loss	(6,574,491)	(34,535,521)
Increase in financial assets at fair value through other comprehensive income	(552,703)	(15,498,482)
(Increase) decrease in investments in debt instruments at amortized cost	(9,314,809)	36,502,780
Increase in receivables	(99,877)	(2,065,938)
Increase in discounts and loans	(191,017,844)	(150,428,724)
Decrease (increase) in reinsurance assets	37,890	(61,812)
Increase in other financial assets	(848,064)	(1,989,307)
Increase in other assets	(1,386,446)	(346,555)
Increase in deposits from the Central Bank and other banks	130,674,334	46,733,402
Decrease in financial liabilities at fair value through profit or loss	(2,875,508)	(4,220,805)
Increase in securities sold under repurchase agreements	799,236	905,484
Increase in payables	4,650,310	7,633,995
Increase in deposits and remittances	84,264,932	84,890,020
Decrease in provision for employee benefits	(38,857)	(127,340)
		(Continued)

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
Increase in other financial liabilities	\$ 518,932	\$ 168,591
Increase (decrease) in other liabilities	<u>43,208</u>	<u>(171,052)</u>
Cash used in operations	(58,119,897)	(70,798,372)
Interest received	79,940,575	66,517,334
Dividends received	3,426,740	3,088,129
Interest paid	(52,539,506)	(37,816,100)
Income tax paid	<u>(5,847,512)</u>	<u>(2,762,840)</u>
Net cash used in operating activities	<u>(33,139,600)</u>	<u>(41,771,849)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investments accounted for using equity method	6,979	-
Acquisition of properties and equipment	(862,542)	(814,104)
Proceeds from disposal of properties and equipment	26	-
Increase in refundable deposits	(1,410,006)	(1,455,241)
Decrease in refundable deposits	1,840,303	1,127,953
Acquisition of intangible assets	(468,095)	(308,068)
Acquisition of investment properties	(974,894)	(206,244)
Proceeds from disposal of investment properties	540,135	935,513
Increase in other assets	(26,916)	(16,366)
Decrease in other assets	<u>29,993</u>	<u>1,744</u>
Net cash used in investing activities	<u>(1,325,017)</u>	<u>(734,813)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in commercial paper issued	51,280,000	40,005,000
Decrease in commercial paper issued	(46,820,000)	(28,240,000)
Proceeds from the issuance of bank debentures	11,000,000	2,500,000
Repayments of bank debentures	(9,100,000)	(950,000)
Increase in other borrowings	35,100,268	29,265,530
Decrease in other borrowings	(33,069,388)	(30,240,916)
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	(27,601)	-
Increase in guarantee deposits received	173,497	962,014
Decrease in guarantee deposits received	(124,824)	(171,527)
Repayments of the principal portion of lease liabilities	(499,768)	(494,833)
Increase in other liabilities	254,552	-
Decrease in other liabilities	-	(13,882)

(Continued)

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

	For the Nine Months Ended September 30	
	2024	2023
Dividends paid	\$ (9,561,098)	\$ (7,004,468)
Changes in non-controlling interests	<u>(472,048)</u>	<u>(175,332)</u>
Net cash (used in) generated from financing activities	<u>(62,032)</u>	<u>6,887,143</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(3,539,547)</u>	<u>(4,439,354)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(38,066,196)	(40,058,873)
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>\$ 106,147,898</u>	<u>\$ 99,985,444</u>
Cash and cash equivalents reconciliations:		
	September 30	
	2024	2023
Cash and cash equivalents in the consolidated balance sheets	\$ 67,096,920	\$ 69,666,722
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”	37,180,947	29,338,247
Securities purchased under resell agreements in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	1,490,831	593,055
Other items in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	<u>379,200</u>	<u>387,420</u>
Cash and cash equivalents, end of period	<u>\$ 106,147,898</u>	<u>\$ 99,985,444</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 NINE MONTHS ENDED SEPTEMBER 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 September 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 September 30, 2024 and 2023, TCFHC and its subsidiaries (the "Company") had 9,764 and 9,706 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 November 25, 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
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Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)
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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. Impact of 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)
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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 Disclosure 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;

- c) A group of the remaining contracts in the portfolio.

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

Recognition

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

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

Measurement

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

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

Subsequent measurement

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

Onerous contracts

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

Premium allocation approach

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

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

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

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

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

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

Investment contracts with discretionary participation features

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

Modification and derecognition

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

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

Transition

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

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

Retirement benefits

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

b. Income tax expense

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

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

a. Impairment losses on loans

Estimated impairment losses on the Company's loans 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. Provision of 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

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 23,323,800	\$ 29,086,413	\$ 23,738,950
Notes and checks in clearing	5,423,569	17,108,734	18,658,800
Due from banks	<u>38,367,519</u>	<u>43,052,913</u>	<u>27,293,965</u>
	67,114,888	89,248,060	69,691,715
Less: Allowance for possible losses	<u>17,968</u>	<u>16,774</u>	<u>24,993</u>
	<u>\$ 67,096,920</u>	<u>\$ 89,231,286</u>	<u>\$ 69,666,722</u>

Reconciliations of cash and cash equivalents between the consolidated statements of cash flows and the consolidated balance sheets as of September 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

	September 30, 2024	December 31, 2023	September 30, 2023
Reserves for deposits - account A	\$ 58,130,949	\$ 47,271,228	\$ 26,415,942
Reserves for deposits - account B	116,130,602	105,871,392	105,115,229
Reserves for deposits - community financial institutions	87,216,281	81,514,688	81,003,229
Reserves for deposits - foreign-currency deposits	644,760	538,112	606,007
Deposits in the Central Bank	39,200,000	39,200,000	39,200,000
Due from the Central Bank - others	38,367,896	30,157,434	32,767,706
Due from the Central Bank - central government agencies’ deposits	2,250,654	2,263,866	2,413,954
Call loans to banks	<u>56,048,342</u>	<u>57,602,421</u>	<u>33,431,630</u>
	<u>\$ 397,989,484</u>	<u>\$ 364,419,141</u>	<u>\$ 320,953,697</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

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets mandatorily classified as at <u>fair value through profit or loss</u>			
Commercial paper	\$ 132,628,874	\$ 108,621,838	\$ 104,666,405
Negotiable certificates of deposit	4,197,133	4,396,316	3,496,792
Beneficial certificates	5,174,477	5,090,862	4,832,088
Investment in equity instruments	3,302,717	2,398,480	2,978,352
Corporate bonds	1,286,444	1,290,733	1,392,328
Convertible bonds	618,114	633,874	640,112
Bank debentures	160,327	15,773	15,194
Government bonds	202,779	305,905	952,837
Commercial paper contracts with reference rate	8,881	11,109	12,511
Currency swap contracts	1,763,230	2,258,273	13,250,140
Futures exchange margins	354,825	403,651	378,912
Forward contracts	27,331	59,437	70,663
Convertible bonds assets swap contracts	1,143,938	491,306	404,921
Currency option contracts - buy	21,006	29,844	12,476
Cross-currency swap contracts	5,942	5,741	-
Interest rate swap contracts	136,698	70,095	126,569
Asset swap IRS contracts value	<u>11,285</u>	<u>25,259</u>	<u>22,509</u>
Financial assets at fair value through profit or loss	<u>\$ 151,044,001</u>	<u>\$ 126,108,496</u>	<u>\$ 133,252,809</u>
<u>Held-for-trading financial liabilities</u>			
Payable - security borrowing	\$ 81,320	\$ 317,616	\$ 569,864
Securities purchased under resell agreements	158,968	-	-
Currency swap contracts	2,938,154	5,863,445	1,091,344
Cross-currency swap contracts	30,332	10,125	45,881
Currency option contract - sell	21,112	29,888	12,567
Forward contracts	44,665	100,022	67,452
Foreign-currency margin contracts	1,471	-	-
Asset swap IRS contracts value	7	-	-
Asset swap options contracts	46,189	75,757	55,713
Interest rate swap contracts	<u>140,259</u>	<u>90,587</u>	<u>215,064</u>
	<u>3,462,477</u>	<u>6,487,440</u>	<u>2,057,885</u>
Financial liabilities designated to be measured <u>at fair value through profit or loss</u>			
Bank debentures (Note 26)	<u>4,620,318</u>	<u>2,774,538</u>	<u>1,435,477</u>
Financial liabilities at fair value through profit or loss	<u>\$ 8,082,795</u>	<u>\$ 9,261,978</u>	<u>\$ 3,493,362</u>

As of September 30, 2024, December 31, 2023 and September 30, 2023, financial assets at fair value through profit or loss amounting to \$38,226,042 thousand, \$37,863,176 thousand and \$34,129,343 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 September 30, 2024, December 31, 2023 and September 30, 2023, the contract (notional) amounts of derivative transactions of TCB were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Currency swap contracts	\$ 317,873,768	\$ 341,781,419	\$ 325,729,119
Interest rate swap contracts	12,909,017	7,517,843	6,496,426
Forward contracts	6,502,732	6,236,748	8,466,296
Currency option contracts - sell	4,491,040	2,492,252	3,128,390
Currency option contracts - buy	4,491,040	2,492,252	3,128,390
Cross-currency swap contracts	510,210	391,826	516,206
Foreign-currency margin contracts	21,870	-	-

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

		September 30, 2024			
Items	Products	Open Position		Contract	Fair Values
		Buy/Sell	Number of Contracts	Amounts or	
				Paid (Charged)	
Futures contracts	Taiwan stock futures	Sell	1,017	\$ 700,277	\$ 690,787

		September 30, 2023			
Items	Products	Open Position		Contract	Fair Values
		Buy/Sell	Number of Contracts	Amounts or	
				Paid (Charged)	
Futures contracts	Interest rate futures	Buy	10	\$ 35,075	\$ 34,732

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

		September 30, 2024			
Items	Products	Open Position		Contract	Fair Values
		Buy/Sell	Number of Contracts	Amounts or	
				Paid	
				(Charged)	
Futures contracts	Single-stock futures	Buy	36	\$ 16,774	\$ 17,063
	Stock index futures	Sell	25	109,913	111,657
	Single-stock futures	Sell	719	211,356	223,034

		December 31, 2023		
Items	Products	Open Position		Contract Amounts or Premium Paid
		Buy/Sell	Number of Contracts	(Charged)
Futures contracts	Interest rate futures	Buy	61	\$ 250,141
	Stock index futures	Buy	2	14,532
	Single-stock futures	Buy	24	27,791
	Commodity futures	Buy	44	95,014
	Stock index futures	Sell	176	368,737
	Single-stock futures	Sell	1,661	529,405
	Commodity futures	Sell	55	150,332
		Fair Values		
				\$ 250,222
				14,800
				28,530
				96,801
				369,287
				540,198
				148,592

		September 30, 2023		
Items	Products	Open Position		Contract Amounts or Premium Paid
		Buy/Sell	Number of Contracts	(Charged)
Futures contracts	Interest rate futures	Buy	54	\$ 224,134
	Stock index futures	Buy	80	99,574
	Single-stock futures	Buy	117	47,216
	Commodity futures	Buy	2	12,506
	Foreign exchange futures	Buy	1	2,765
	Interest rate futures	Sell	5	17,005
	Stock index futures	Sell	221	499,115
	Single-stock futures	Sell	363	137,130
	Commodity futures	Sell	139	407,557
		Fair Values		
				\$ 222,748
				97,523
				47,663
				12,044
				2,734
				17,000
				498,285
				136,360
				409,831

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

	September 30, 2024	December 31, 2023	September 30, 2023
Asset swap contracts	\$ 235,000	\$ 450,000	\$ 243,000

As of September 30, 2023, the open position of futures transactions of TCBF was as follows:

		September 30, 2023		
Items	Products	Open Position		Contract Amounts or Premium Paid
		Buy/Sell	Number of Contracts	(Charged)
Futures contracts	U.S. Treasury Bond Futures	Sell	5	\$ 16,124
		Fair Values		
				\$ 17,346

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

	September 30, 2024	December 31, 2023	September 30, 2023
Currency swap contracts	\$ 510,044	\$ 437,637	\$ 508,955
Convertible (exchangeable) bond asset swap contracts	1,114,500	479,400	391,200

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

	September 30, 2024	December 31, 2023	September 30, 2023
Currency swap contracts	\$ 8,908,785	\$ 9,660,970	\$ 10,615,113
Cross-currency swap contracts	410,800	399,165	419,705

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:

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets at FVTPL</u>			
Beneficial certificates	\$ 4,406,914	\$ 3,572,056	\$ 3,325,169
Stock	-	-	380,001

For the nine months ended September 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 Nine Months Ended September 30	
	2024	2023
Profit or loss on application of IFRS 9	\$ 567,150	\$ 291,722
Less: Profit or loss from application of IAS 39	<u>(514,380)</u>	<u>(317,362)</u>
Gain or loss on reclassification of overlay approach	<u>\$ 52,770</u>	<u>\$ (25,640)</u>

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Investments in equity instruments at FVTOCI</u>			
Listed shares and emerging market shares	\$ 45,746,587	\$ 40,112,612	\$ 36,442,777
Unlisted shares	<u>7,729,498</u>	<u>7,207,614</u>	<u>6,409,836</u>
	<u>53,476,085</u>	<u>47,320,226</u>	<u>42,852,613</u>
<u>Investments in debt instruments at FVTOCI</u>			
Government bonds	271,282,154	270,341,804	264,859,919
Corporate bonds	99,172,461	105,719,081	107,538,296
Bank debentures	93,659,340	78,353,091	76,071,246
Negotiable certificates of deposit	<u>3,208,480</u>	<u>7,517,914</u>	<u>9,018,998</u>
	<u>467,322,435</u>	<u>461,931,890</u>	<u>457,488,459</u>
	<u>\$ 520,798,520</u>	<u>\$ 509,252,116</u>	<u>\$ 500,341,072</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 \$51,994,411 thousand and \$11,790,509 thousand for the nine months ended September 30, 2024 and 2023, respectively. The accumulated unrealized valuation gain or loss of financial assets at FVTOCI under other equity in the amount of \$5,047,071 thousand and \$488,273 thousand gains have been transferred to retained earnings, respectively.

For the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the Company recognized unrealized gains on investments in equity instruments at FVTOCI of \$2,722,556 thousand and \$1,460,967 thousand losses, \$6,277,725 thousand and \$3,923,395 thousand gains, respectively.

For the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the Company recognized unrealized gains or losses on investments in debt instruments at FVOCI of \$8,115,346 thousand gains, \$2,752,698 thousand losses, \$439,042 thousand and \$316,148 thousand gains, respectively.

As of September 30, 2024, December 31, 2023 and September 30, 2023, the allowance for possible losses of investment in debt instruments at FVTOCI recognized was \$280,274 thousand, \$284,994 thousand and \$303,176 thousand, respectively, through expected credit loss. Impairment loss recognized in profit or loss for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 was \$10,652 thousand, \$3,876 thousand and \$11,862 thousand gains, \$11,004 thousand losses, respectively.

As of September 30, 2024, December 31, 2023 and September 30, 2023, financial assets at fair value through other comprehensive income amounting to \$33,657,229 thousand, \$33,178,420 thousand and \$34,291,910 thousand, respectively, had been sold under repurchase agreements.

10. INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST

	September 30, 2024	December 31, 2023	September 30, 2023
Negotiable certificates of deposit in the Central Bank	\$ 438,795,000	\$ 446,295,000	\$ 426,850,000
Government bonds	165,988,057	156,857,661	155,948,449
Corporate bonds	79,751,748	73,899,876	72,582,402
Bank debentures	30,289,663	26,959,048	28,274,233
Certificates of deposit	632,116	1,030,921	916,119
Treasury bills	-	-	298,156
	<u>715,456,584</u>	<u>705,042,506</u>	<u>684,869,359</u>
Less: Allowance for impairment loss	<u>24,704</u>	<u>33,902</u>	<u>30,203</u>
	<u>\$ 715,431,880</u>	<u>\$ 705,008,604</u>	<u>\$ 684,839,156</u>

Impairment loss recognized in profit or loss for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 was \$4,942 thousand gains, \$1,645 thousand losses, \$9,822 thousand gains and \$6,777 thousand losses, respectively.

11. SECURITIES PURCHASED UNDER RESELL AGREEMENTS

Securities acquired for \$1,490,831 thousand, \$1,250,689 thousand and \$593,055 thousand under resell agreements as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively, will subsequently be sold for \$1,492,254 thousand, \$1,251,786 thousand and \$593,547 thousand, respectively.

12. RECEIVABLES, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Accrued interest	\$ 16,273,389	\$ 15,285,310	\$ 14,372,746
Settlement consideration	919,786	104,790	4,461,954
Settlement receivable	7,946,247	6,120,557	4,544,141
Margin loans receivable	7,929,559	5,722,631	5,484,453
Credit cards	5,253,209	4,907,452	5,049,789
Acceptances	1,950,509	3,445,629	4,319,959
Lease payment receivable	2,354,891	1,872,570	1,777,344
Receivable on securities	567,059	834,101	836,119
Receivables on merchant accounts in the credit card business	1,773,030	1,149,941	828,025
Receivables on financing provided	743,016	876,403	981,733
Accounts receivable	903,210	274,131	920,742
Receivable - separated account	439,679	437,261	717,529
Refundable deposits receivable in leasehold agreements	129,585	132,585	132,585
Accounts receivable factored without recourse	98,650	114,381	130,799
Urban regeneration advance payment	7,549,812	7,121,524	7,122,763
Securities loan receivable	2,254,557	814,608	406,650
Dividends receivable	60,564	27,172	159,349
Others	<u>512,427</u>	<u>743,982</u>	<u>2,012,083</u>
	<u>57,659,179</u>	<u>49,985,028</u>	<u>54,258,763</u>

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
Less: Allowance for possible losses	\$ 674,980	\$ 623,900	\$ 714,638
Less: Unrealized interest revenue	<u>126,492</u>	<u>87,785</u>	<u>69,735</u>
	<u>\$ 56,857,707</u>	<u>\$ 49,273,343</u>	<u>\$ 53,474,390</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	(24,206)	24,284	(78)	-
Credit-impaired financial assets	(44,271)	(5,968)	50,239	-
12-month ECL	13,894	(13,546)	(348)	-
New financial assets purchased or originated	98,300,828	39,943	600,213	98,940,984
Write-offs	-	-	(47,385)	(47,385)
Derecognition of financial assets in the current reporting period	(97,250,248)	(64,929)	(63,728)	(97,378,905)
Changes in exchange rates and other changes	<u>(420,118)</u>	<u>470</u>	<u>2,207</u>	<u>(417,441)</u>
Balance on September 30, 2024	<u>\$ 27,690,984</u>	<u>\$ 45,819</u>	<u>\$ 815,601</u>	<u>\$ 28,552,404</u>
Balance on January 1, 2023	\$ 21,463,662	\$ 57,165	\$ 204,286	\$ 21,725,113
Transfers to				
Lifetime ECL	(43,529)	43,592	(63)	-
Credit-impaired financial assets	(93,438)	(8,364)	101,802	-
12-month ECL	12,074	(11,851)	(223)	-
New financial assets purchased or originated	82,167,904	133,128	662,311	82,963,343
Write-offs	-	-	(23,435)	(23,435)
Derecognition of financial assets in the current reporting period	(76,734,947)	(149,541)	(130,841)	(77,015,329)
Changes in exchange rates and other changes	<u>(99,607)</u>	<u>-</u>	<u>(5,704)</u>	<u>(105,311)</u>
Balance on September 30, 2023	<u>\$ 26,672,119</u>	<u>\$ 64,129</u>	<u>\$ 808,133</u>	<u>\$ 27,544,381</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	(131)	139	(8)	-	-	-
Credit-impaired financial assets	(1,263)	(366)	1,629	-	-	-
12-month ECL	3,397	(3,340)	(57)	-	-	-
Derecognition of financial assets in the current reporting period	(44,268)	(8,403)	(27,854)	(80,525)	-	(80,525)
Reversal from financial instruments recognized at the beginning of the current reporting period	(3,318)	(2,183)	28,378	22,877	-	22,877
New financial assets purchased or originated	38,746	10,479	37,295	86,520	-	86,520
Difference of impairment loss under regulations	-	-	-	-	820	820
Write-offs	-	-	(47,385)	(47,385)	-	(47,385)
Recovery of written-off receivables	-	-	20,131	20,131	-	20,131
Changes in exchange rates and other changes	397	12	11,116	11,525	-	11,525
Balance on September 30, 2024	<u>\$ 38,219</u>	<u>\$ 8,568</u>	<u>\$ 139,579</u>	<u>\$ 186,366</u>	<u>\$ 169,993</u>	<u>\$ 356,359</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	(550)	557	(7)	-	-	-
Credit-impaired financial assets	(19,917)	(512)	20,429	-	-	-
12-month ECL	2,770	(2,753)	(17)	-	-	-
Derecognition of financial assets in the current reporting period	(26,624)	(39,094)	(40,143)	(105,861)	-	(105,861)
Reversal from financial instruments recognized at the beginning of the current reporting period	14,539	6,750	12,991	34,280	-	34,280
New financial assets purchased or originated	40,161	35,686	62,242	138,089	-	138,089
Difference of impairment loss under regulations	-	-	-	-	3,208	3,208
Write-offs	-	-	(23,435)	(23,435)	-	(23,435)
Recovery of written-off receivables	-	-	23,623	23,623	-	23,623
Changes in exchange rates and other changes	877	-	828	1,705	-	1,705
Balance on September 30, 2023	<u>\$ 53,395</u>	<u>\$ 11,820</u>	<u>\$ 152,490</u>	<u>\$ 217,705</u>	<u>\$ 168,910</u>	<u>\$ 386,615</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 September 30, 2024, December 31, 2023 and September 30, 2023, the amounts assessment to impairment of receivables were assessed as \$29,106,775 thousand, \$22,529,877 thousand and \$26,714,382 thousand, respectively, and the amounts of allowance for possible losses were \$318,621 thousand, \$281,504 thousand and \$328,023 thousand, respectively.

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

	For the Nine Months Ended September 30	
	2024	2023
Balance on January 1	\$ 281,504	\$ 306,979
Provision for possible losses	67,524	5,886
Write-offs	(41,018)	(26,576)
Recovery of written-off receivables	16,760	6,830
Effects of exchange rate changes and other changes	<u>(6,149)</u>	<u>34,904</u>
Balance on September 30	<u>\$ 318,621</u>	<u>\$ 328,023</u>

13. DISCOUNTS AND LOANS, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Bills discounted	\$ 2,224,756	\$ 831,674	\$ 1,495,901
Overdraft			
Unsecured	16,108	857	530
Secured	12,651	18,915	16,287
Import and export negotiations	176,689	366,814	388,370
Short-term loans			
Unsecured	517,767,505	440,762,831	431,353,116
Accounts receivable financing	329,449	523,386	475,652
Secured	214,236,971	205,670,875	202,604,186
Medium-term loans			
Unsecured	564,177,166	534,993,825	505,087,634
Secured	404,537,944	427,436,837	428,630,495
Long-term loans			
Unsecured	55,459,215	52,174,385	51,185,991
Secured	1,258,002,010	1,166,005,220	1,141,483,392
Overdue loans	4,619,943	4,512,989	5,565,449
Life insurance loan	508,000	411,161	387,330
Temporary insurance paid	<u>97,682</u>	<u>90,741</u>	<u>88,357</u>
	3,022,166,089	2,833,800,510	2,768,762,690
Less: Allowance for possible losses	33,870,189	32,881,748	31,394,582
Less: Adjustment of discount	<u>517,961</u>	<u>572,193</u>	<u>673,505</u>
	<u>\$ 2,987,777,939</u>	<u>\$ 2,800,346,569</u>	<u>\$ 2,736,694,603</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	(2,490,866)	2,542,743	(51,877)	-
Credit-impaired financial assets	(7,594,861)	(878,406)	8,473,267	-
12-month ECL	876,801	(512,626)	(364,175)	-
New financial assets purchased or originated	1,090,023,804	165,003	142,040	1,090,330,847
Write-offs	-	-	(3,677,131)	(3,677,131)
Derecognition of financial assets in the current reporting period	(901,140,449)	(903,482)	(3,195,806)	(905,239,737)
Changes in exchange rates and other changes	<u>6,831,585</u>	<u>61,513</u>	<u>58,502</u>	<u>6,951,600</u>
Balance on September 30, 2024	<u>\$ 2,985,207,826</u>	<u>\$ 3,753,592</u>	<u>\$ 33,204,671</u>	<u>\$ 3,022,166,089</u>
Balance on January 1, 2023	\$ 2,580,402,892	\$ 5,893,927	\$ 34,838,082	\$ 2,621,134,901
Transfers to				
Lifetime ECL	(1,914,772)	1,925,193	(10,421)	-
Credit-impaired financial assets	(4,124,759)	(2,059,800)	6,184,559	-
12-month ECL	1,237,931	(1,073,584)	(164,347)	-
New financial assets purchased or originated	935,360,382	131,900	1,096,811	936,589,093
Write-offs	-	-	(3,585,089)	(3,585,089)
Derecognition of financial assets in the current reporting period	(790,429,007)	(1,811,190)	(4,456,036)	(796,696,233)
Changes in exchange rates and other changes	<u>10,954,123</u>	<u>203,177</u>	<u>162,718</u>	<u>11,320,018</u>
Balance on September 30, 2023	<u>\$ 2,731,486,790</u>	<u>\$ 3,209,623</u>	<u>\$ 34,066,277</u>	<u>\$ 2,768,762,690</u>

Allowance for Possible Losses	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under Regulations	Total
Balance on January 1, 2024	\$ 4,558,964	\$ 55,889	\$ 4,160,724	\$ 8,775,577	\$ 24,106,171	\$ 32,881,748
Changes from financial instruments recognized at the beginning of the current reporting period						
Transfers to						
Lifetime ECL	(9,136)	15,617	(6,481)	-	-	-
Credit-impaired financial assets	(105,737)	(9,380)	115,117	-	-	-
12-month ECL	45,924	(4,514)	(41,410)	-	-	-
Derecognition of financial assets in the current reporting period	(1,531,216)	(18,583)	(709,562)	(2,259,361)	-	(2,259,361)
Reversal from financial instruments recognized at the beginning of the current reporting period	(349,778)	510,333	3,147,587	3,308,142	-	3,308,142
New financial assets purchased or originated	1,855,423	376	17,553	1,873,352	-	1,873,352
Difference of impairment loss under regulations	-	-	-	-	731,759	731,759
Write-offs	-	-	(3,677,131)	(3,677,131)	-	(3,677,131)
Recovery of write-off credits	-	-	926,100	926,100	-	926,100
Changes in exchange rates and other changes	<u>53,529</u>	<u>1,653</u>	<u>30,398</u>	<u>85,580</u>	<u>-</u>	<u>85,580</u>
Balance on September 30, 2024	<u>\$ 4,517,973</u>	<u>\$ 551,391</u>	<u>\$ 3,962,895</u>	<u>\$ 9,032,259</u>	<u>\$ 24,837,930</u>	<u>\$ 33,870,189</u>

(Continued)

Allowance for Possible Losses	12-month ECL	Lifetime ECL (Collective Assessment)	Lifetime ECL (Non-purchased or Non-originated Credit-impaired Financial Assets)	Impairment Loss under IFRS 9	Difference of Impairment Loss under Regulations	Total
Balance at 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	(1,939)	3,019	(1,080)	-	-	-
Credit-impaired financial assets	(76,773)	(62,026)	138,799	-	-	-
12-month ECL	19,821	(10,049)	(9,772)	-	-	-
Derecognition of financial assets in the current reporting period	(1,474,599)	(19,741)	(743,876)	(2,238,216)	-	(2,238,216)
Reversal from financial instruments recognized at the beginning of the current reporting period	134,602	23,453	4,711,803	4,869,858	-	4,869,858
New financial assets purchased or originated	1,835,027	1,475	228,360	2,064,862	-	2,064,862
Difference of impairment loss under regulations	-	-	-	-	(1,416,159)	(1,416,159)
Write-offs	-	-	(3,585,089)	(3,585,089)	-	(3,585,089)
Recovery of write-off credits	-	-	588,143	588,143	-	588,143
Changes in exchange rates and other changes	70,133	4,663	139,344	214,140	-	214,140
Balance at September 30, 2023	<u>\$ 4,631,584</u>	<u>\$ 40,938</u>	<u>\$ 5,501,347</u>	<u>\$ 10,173,869</u>	<u>\$ 21,220,713</u>	<u>\$ 31,394,582</u>

(Concluded)

The bad-debt expenses and provision (reversal of provision) for losses on guarantees for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 were as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Provision for possible losses on discounts and loans	\$ 2,457,599	\$ 1,428,855	\$ 3,653,892	\$ 3,280,345
(Reversal of provision) provision for possible losses on receivables	(179,139)	39,081	97,216	107,575
(Reversal of provision) provision for due from banks	(841)	-	700	-
Provision (reversal of provision) for possible losses on overdue receivables	194,910	(62,833)	218,476	(19,374)
(Reversal of provision) provision for possible losses on guarantees	(352)	2,572	(51,650)	50,927
Provision for possible losses on loan commitment	5,143	45,145	15,171	113,586
(Reversal of provision) provision for other possible losses	<u>(16,855)</u>	<u>12,462</u>	<u>8,793</u>	<u>10,841</u>
	<u>\$ 2,460,465</u>	<u>\$ 1,465,282</u>	<u>\$ 3,942,598</u>	<u>\$ 3,543,900</u>

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

As of September 30, 2024, December 31, 2023 and September 30, 2023, accrual of interest on the above overdue loans had been stopped. Thus, the unrecognized interest revenue was \$91,112 thousand and \$102,917 thousand for the nine months ended September 30, 2024 and 2023, respectively, based on the average loan interest rate for the year.

14. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	September 30, 2024		December 31, 2023		September 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.	\$ 144,748	30.00	\$ 142,192	30.00	\$ 142,805	30.00
Mesh Cooperative Ventures Inc.	-	-	-	-	3,283	22.00
JC Capital Taiwan Co., Ltd.	-	-	4,644	35.00	4,139	35.00
	<u>\$ 144,748</u>		<u>\$ 146,836</u>		<u>\$ 150,227</u>	

Aggregate information of associate that is not individually material:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
The Company's share of:				
Net income	\$ 2,218	\$ 4,264	\$ 9,529	\$ 14,671
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>\$ 2,218</u>	<u>\$ 4,264</u>	<u>\$ 9,529</u>	<u>\$ 14,671</u>

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

The investments accounted for by equity method and the share of profit or loss and other comprehensive income of the investments for the nine months ended September 30, 2024 and 2023 were based on the associates' financial statements for the same period which have not been reviewed by the auditors. Management believes there is no material impact on the equity method 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 reviewed.

15. OTHER FINANCIAL ASSETS, NET

	September 30, 2024	December 31, 2023	September 30, 2023
Overdue receivables	\$ 345,185	\$ 212,978	\$ 950,843
Less: Allowance for possible losses	<u>332,165</u>	<u>157,644</u>	<u>223,397</u>
Overdue receivables, net	13,020	55,334	727,446
Due from banks	9,106,120	8,151,364	9,949,324
Security borrowing margin	102,276	378,350	812,601
Call loans to securities firms	379,200	368,460	387,420
Separate-account assets (Note 30)	<u>84,664,415</u>	<u>85,592,813</u>	<u>86,139,561</u>
	<u>\$ 94,265,031</u>	<u>\$ 94,546,321</u>	<u>\$ 98,016,352</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

		September 30, 2024	December 31, 2023	September 30, 2023
Land		\$ 8,815,901	\$ 8,893,903	\$ 8,231,388
Buildings		2,145,288	2,256,221	2,171,753
Prepayments for land and buildings		<u>515,990</u>	<u>-</u>	<u>-</u>
		<u>\$ 11,477,179</u>	<u>\$ 11,150,124</u>	<u>\$ 10,403,141</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	2,238	971,483	974,894
Disposals	(321,440)	(177,140)	-	(498,580)
Reclassification	<u>242,265</u>	<u>58,896</u>	<u>(455,493)</u>	<u>(154,332)</u>
Balance on September 30, 2024	<u>\$ 8,815,901</u>	<u>\$ 3,500,625</u>	<u>\$ 515,990</u>	<u>\$ 12,832,516</u>
Balance on January 1, 2023	\$ 8,654,548	\$ 3,486,996	\$ -	\$ 12,141,544
Additions	135,381	70,863	-	206,244
Disposals	(744,915)	(106,455)	-	(851,370)
Reclassification	<u>186,374</u>	<u>18,823</u>	<u>-</u>	<u>205,197</u>
Balance on September 30, 2023	<u>\$ 8,231,388</u>	<u>\$ 3,470,227</u>	<u>\$ -</u>	<u>\$ 11,701,615</u>
<u>Accumulated depreciation and impairment</u>				
Balance on September 1, 2024	\$ -	\$ 1,360,410	\$ -	\$ 1,360,410
Disposals	-	(21,122)	-	(21,122)
Depreciation expenses	-	73,643	-	73,643
Reclassification	<u>-</u>	<u>(57,594)</u>	<u>-</u>	<u>(57,594)</u>
Balance on September 30, 2024	<u>\$ -</u>	<u>\$ 1,355,337</u>	<u>\$ -</u>	<u>\$ 1,355,337</u>
Balance on January 1, 2023	\$ -	\$ 1,205,289	\$ -	\$ 1,205,289
Disposals	-	(8,988)	-	(8,988)
Depreciation expenses	-	66,698	-	66,698
Reclassification	<u>-</u>	<u>35,475</u>	<u>-</u>	<u>35,475</u>
Balance on September 30, 2023	<u>\$ -</u>	<u>\$ 1,298,474</u>	<u>\$ -</u>	<u>\$ 1,298,474</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 September 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 nine months ended September 30, 2024 and 2023.

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Rental income from investment properties (part of other noninterest gains, net)	\$ 128,952	\$ 85,224	\$ 391,836	\$ 341,774
Direct operating expenses for investment properties that generate rental income	<u>(51,074)</u>	<u>(45,449)</u>	<u>(155,342)</u>	<u>(135,422)</u>
	<u>\$ 77,878</u>	<u>\$ 39,775</u>	<u>\$ 236,494</u>	<u>\$ 206,352</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 September 30, 2024, December 31, 2023 and September 30, 2023, guarantee deposits received on these leases totaled \$111,960 thousand, \$113,750 thousand and \$110,479 thousand, respectively.

Minimum future annual rentals are as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Year 1	\$ 283,091	\$ 382,432	\$ 406,433
Year 2	210,599	228,210	277,611
Year 3	182,813	185,798	212,331
Year 4	139,793	164,420	191,714
Year 5	72,462	110,492	123,942
Over five years	<u>108,413</u>	<u>130,897</u>	<u>37,260</u>
	<u>\$ 997,171</u>	<u>\$ 1,202,249</u>	<u>\$ 1,249,291</u>

17. PROPERTIES AND EQUIPMENT, NET

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Assets used by the Company</u>			
Land	\$ 20,491,421	\$ 20,451,869	\$ 20,440,156
Buildings	9,155,093	9,513,137	9,660,779
Machinery and equipment	1,366,657	1,436,833	1,357,668
Transportation equipment	161,491	170,097	168,839
Other equipment	221,292	216,963	222,483
Leasehold improvements	252,237	214,180	222,179
Prepayments for equipment, land and buildings and construction in progress	<u>389,089</u>	<u>431,020</u>	<u>525,248</u>
	<u>\$ 32,037,280</u>	<u>\$ 32,434,099</u>	<u>\$ 32,597,352</u>

Assets leased under operating leases

Machinery and equipment	\$ 2,433	\$ 3,957	\$ 4,549
Other equipment	<u>6,427</u>	<u>10,335</u>	<u>12,050</u>
	<u>\$ 8,860</u>	<u>\$ 14,292</u>	<u>\$ 16,599</u>

a. Assets used by the Company

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements	Prepayments for Equipment, Land and Buildings and Construction in Progress	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	-	122,909	365,658	22,143	65,074	80,752	206,006	862,542
Disposals	-	(1,778)	(305,583)	(31,997)	(34,798)	(20,408)	-	(394,564)
Reclassification	99,760	143,285	29,800	3,000	10,090	23,973	(247,938)	61,970
Effects of exchange rate changes and others	<u>(60,208)</u>	<u>(84,577)</u>	<u>5,348</u>	<u>1,182</u>	<u>1,546</u>	<u>4,482</u>	<u>1</u>	<u>(132,219)</u>
Balance on September 30, 2024	<u>\$ 20,506,598</u>	<u>\$ 20,183,650</u>	<u>\$ 5,896,913</u>	<u>\$ 723,473</u>	<u>\$ 1,657,710</u>	<u>\$ 1,371,514</u>	<u>\$ 389,089</u>	<u>\$ 50,728,947</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	-	102,060	290,885	20,307	51,139	23,706	326,007	814,104
Disposals	-	-	(182,426)	(12,000)	(21,599)	(620)	-	(216,645)
Reclassification	(111,715)	15,454	80,072	3,101	7,111	28,574	(279,011)	(256,414)
Effects of exchange rate changes and others	<u>133</u>	<u>282</u>	<u>6,078</u>	<u>1,286</u>	<u>2,612</u>	<u>4,779</u>	<u>(9)</u>	<u>15,161</u>
Balance on September 30, 2023	<u>\$ 20,455,333</u>	<u>\$ 20,008,645</u>	<u>\$ 5,627,455</u>	<u>\$ 720,636</u>	<u>\$ 1,613,137</u>	<u>\$ 1,292,973</u>	<u>\$ 525,248</u>	<u>\$ 50,243,427</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	-	(1,778)	(305,448)	(31,997)	(34,797)	(20,408)	(394,428)
Depreciation expenses	-	551,669	466,951	34,165	71,016	67,506	1,191,307
Reclassification	-	57,594	-	-	-	(52)	57,542
Effects of exchange rate changes	-	(69,602)	3,896	773	1,364	3,696	(59,872)
Balance on September 30, 2024	<u>\$ 15,177</u>	<u>\$ 11,028,557</u>	<u>\$ 4,530,256</u>	<u>\$ 561,982</u>	<u>\$ 1,436,418</u>	<u>\$ 1,119,277</u>	<u>\$ 18,691,667</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	-	-	(182,389)	(11,926)	(21,569)	(592)	(216,476)
Depreciation expenses	-	542,341	414,718	32,041	67,961	65,509	1,122,570
Reclassification	-	(35,475)	-	-	-	-	(35,475)
Effects of exchange rate changes	-	282	4,520	968	2,324	4,334	12,428
Balance on September 30, 2023	<u>\$ 15,177</u>	<u>\$ 10,347,866</u>	<u>\$ 4,269,787</u>	<u>\$ 551,797</u>	<u>\$ 1,390,654</u>	<u>\$ 1,070,794</u>	<u>\$ 17,646,075</u>

Taiwan Cooperative Bank, Ltd. (TCB) revalued its properties five times in 1979, 1998, 2007, 2011 and 2012. As of September 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 September 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 September 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>1,524</u>	<u>3,908</u>	<u>5,432</u>
Balance on September 30, 2024	<u>\$ 9,365</u>	<u>\$ 28,105</u>	<u>\$ 37,470</u>
Balance on January 1, 2023	\$ 5,661	\$ 17,455	\$ 23,116
Depreciation expenses	<u>1,588</u>	<u>5,027</u>	<u>6,615</u>
Balance on September 30, 2023	<u>\$ 7,249</u>	<u>\$ 22,482</u>	<u>\$ 29,731</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

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Carrying amounts</u>			
Land	\$ 10,817	\$ 11,890	\$ 13,736
Buildings	1,620,854	1,501,661	1,484,085
Transportation equipment	98,992	64,347	69,678
Other equipment	<u>5,707</u>	<u>7,159</u>	<u>8,066</u>
	<u>\$ 1,736,370</u>	<u>\$ 1,585,057</u>	<u>\$ 1,575,565</u>
	For the Three Months Ended September 30		For the Nine Months Ended September 30
	2024	2023	2024
Depreciation charge for right-of-use assets			2023
Land	\$ 1,380	\$ 1,847	\$ 4,153
Buildings	158,901	151,936	474,933
Transportation equipment	13,192	11,502	38,767
Other equipment	<u>432</u>	<u>915</u>	<u>1,452</u>
	<u>\$ 173,905</u>	<u>\$ 166,200</u>	<u>\$ 519,305</u>
			<u>\$ 498,246</u>

As of September 30, 2024 and 2023, the additions to right-of-use assets of the Company was \$663,964 thousand and \$510,961 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 nine months ended September 30, 2024 and 2023.

b. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Carrying amounts	<u>\$ 1,716,037</u>	<u>\$ 1,545,153</u>	<u>\$ 1,556,066</u>

Range of discount rate for lease liabilities was as follows:

	September 30, 2024	December 31, 2023	September 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 September 30, 2024, December 31, 2023 and September 30, 2023, refundable deposits on these leases totaled \$146,335 thousand, \$146,304 thousand and \$145,269 thousand, respectively.

d. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	\$ 1,194	\$ 1,370	\$ 3,710	\$ 4,139
Expenses relating to low-value asset leases	\$ 1,096	\$ 792	\$ 3,193	\$ 1,888
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 897	\$ 991	\$ 3,280	\$ 3,774

As of September 30, 2024 and 2023, the total cash outflow for leases of the Company was \$539,540 thousand and \$494,833 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

	September 30, 2024	December 31, 2023	September 30, 2023
Goodwill	\$ 3,170,005	\$ 3,170,005	\$ 3,170,005
Computer software	1,462,227	1,257,232	1,069,305
Carbon credits	<u>142</u>	<u>142</u>	<u>-</u>
	<u>\$ 4,632,374</u>	<u>\$ 4,427,379</u>	<u>\$ 4,239,310</u>

	Goodwill	Computer Software	Carbon Credits	Total
Balance on January 1, 2024	\$ 3,170,005	\$ 1,257,232	\$ 142	\$ 4,427,379
Separate acquisition	-	468,095	-	468,095
Amortization expenses	-	(353,000)	-	(353,000)
Reclassification	-	86,848	-	86,848
Effect of exchange rate changes	<u>-</u>	<u>3,052</u>	<u>-</u>	<u>3,052</u>
Balance on September 30, 2024	<u>\$ 3,170,005</u>	<u>\$ 1,462,227</u>	<u>\$ 142</u>	<u>\$ 4,632,374</u>
Balance on January 1, 2023	\$ 3,170,005	\$ 986,021	\$ -	\$ 4,156,026
Separate acquisition	-	308,068	-	308,068
Amortization expenses	-	(275,929)	-	(275,929)
Reclassification	-	48,092	-	48,092
Effect of exchange rate changes	<u>-</u>	<u>3,053</u>	<u>-</u>	<u>3,053</u>
Balance on September 30, 2023	<u>\$ 3,170,005</u>	<u>\$ 1,069,305</u>	<u>\$ -</u>	<u>\$ 4,239,310</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Refundable deposits	\$ 1,564,096	\$ 1,960,317	\$ 2,063,867
Operating deposits and settlement funds	713,350	717,372	717,596
Prepaid expenses	672,271	330,360	544,724
Prepaid pensions	163,810	42,176	172,689
Settlement payments	223,210	100,688	79,303
Receipts under custody for securities under writing	810,528	14,708	85
Others	<u>31,669</u>	<u>34,143</u>	<u>34,753</u>
	<u>\$ 4,178,934</u>	<u>\$ 3,199,764</u>	<u>\$ 3,613,017</u>

21. DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS

	September 30, 2024	December 31, 2023	September 30, 2023
Deposits from banks	\$ 173,112,336	\$ 173,467,665	\$ 161,589,570
Call loans from banks	120,520,361	89,326,719	112,983,860
Overdrafts from other banks	1,394,336	1,478,785	2,083,470
Transfer deposits from Chunghwa Post Co., Ltd.	137,095,665	37,095,665	57,595,665
Deposits from the Central Bank	<u>256,996</u>	<u>336,526</u>	<u>334,472</u>
	<u>\$ 432,379,694</u>	<u>\$ 301,705,360</u>	<u>\$ 334,587,037</u>

22. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Securities sold for \$72,099,691 thousand, \$71,210,419 thousand and \$68,725,341 thousand under repurchase agreements as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively, would subsequently be purchased for \$72,185,694 thousand, \$71,295,211 thousand and \$68,798,760 thousand, respectively.

23. COMMERCIAL PAPER ISSUED, NET

The face values of commercial paper issued were \$38,180,000 thousand, \$33,720,000 thousand and \$36,325,000 thousand and the annual discount rates were from 1.708% to 2.018%, from 1.508% to 1.809% and from 1.468% to 2.008%, as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively, and the commercial paper will mature by December 6, 2024, March 28, 2024 and December 7, 2023, respectively. The foregoing commercial paper was accepted and guaranteed by financial institutions. As of September 30, 2024, the Company had not used the amount of \$95,922,632 thousand, the sum of the amount of the commercial paper issued and the credit.

24. PAYABLES

	September 30, 2024	December 31, 2023	September 30, 2023
Settlement payable	\$ 7,699,720	\$ 6,166,790	\$ 4,345,432
Settlement consideration	504,684	202,061	4,845,407
Accrued expenses	6,944,908	6,772,635	6,053,920
Collections payable	21,738,409	5,851,666	12,739,468
Checks for clearing	5,423,569	17,108,734	18,658,800
Collections of notes and checks for various financial institutions in other cities	4,908,687	596,608	515,278
Acceptances	1,994,720	3,519,099	4,379,208
Accrued interest	12,643,963	8,203,720	11,203,219
Payables on notes and checks collected for others	1,956,354	290,589	255,105
Payables for short-sale transactions	405,119	405,781	432,855
Deposits on short-sale transactions	356,910	358,869	366,130
Tax payable	693,752	762,836	647,236
Payable on securities	487,208	86,828	3,522,599
Dividends payable	521,075	486,290	486,290
Factored accounts payable	34,439	84,597	81,194

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
Insurance claims and benefits payable	\$ 98,505	\$ 181,418	\$ 73,535
Others	<u>2,803,357</u>	<u>2,561,881</u>	<u>2,252,241</u>
	<u>\$ 69,215,379</u>	<u>\$ 53,640,402</u>	<u>\$ 70,857,917</u> (Concluded)

25. DEPOSITS AND REMITTANCES

	September 30, 2024	December 31, 2023	September 30, 2023
Deposits			
Checking	\$ 56,368,699	\$ 70,523,741	\$ 57,076,958
Demand	823,744,945	783,562,770	748,274,464
Savings - demand	1,178,372,636	1,199,358,033	1,174,450,476
Time	1,007,532,523	960,679,439	877,771,018
Negotiable certificates of deposit	41,665,970	34,181,070	25,957,950
Savings - time	696,203,208	676,348,161	669,346,241
Treasury	142,325,401	137,199,303	130,347,473
Remittances	<u>146,741</u>	<u>242,674</u>	<u>88,354</u>
	<u>\$ 3,946,360,123</u>	<u>\$ 3,862,095,191</u>	<u>\$ 3,683,312,934</u>

26. BONDS PAYABLE

	September 30, 2024	December 31, 2023	September 30, 2023
Bank debentures	\$ 59,140,000	\$ 57,240,000	\$ 61,840,000
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>\$ 79,140,000</u>	<u>\$ 77,240,000</u>	<u>\$ 81,840,000</u>

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

	September 30, 2024	December 31, 2023	September 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 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
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 month	5,000,000	5,000,000	5,000,000
Third non-cumulative perpetual subordinated bonds in 2019: Fixed rate of 1.45%; TCB may exercise its redemption rights after 5 years and 1 month	5,000,000	5,000,000	5,000,000
First non-cumulative perpetual subordinated bonds in 2020: Fixed rate of 1.50%; TCB may exercise its redemption rights after 5 years and 1 month	5,000,000	5,000,000	5,000,000
First unsecured bank debentures in 2021: Fixed rate of 0.40%; maturity - May 31, 2026	1,000,000	1,000,000	1,000,000
Second unsecured bank debentures in 2021: Fixed rate of 0.69%; 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 rights 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
Third unsecured bank debentures in 2022: Fixed rate of 1.50%; maturity - September 28, 2027	2,500,000	2,500,000	2,500,000

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
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	7,500,000	-	-
Fourth subordinated bonds in 2024: Fixed rate of 2.05%; maturity - September 27, 2034	2,500,000	-	-
Fifth unsecured bank debentures (social responsibility) in 2024: Fixed rate of 1.60%; maturity - September 30, 2027	<u>1,000,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 59,140,000</u>	<u>\$ 57,240,000</u>	<u>\$ 61,840,000</u>
			(Concluded)

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 its first unsecured bank debentures, which amounted to US\$46,850 thousand on March 10, 2023, (Type A for \$32,800 thousand and Type B for \$14,050 thousand), third unsecured bank debentures, which amounted to US\$45,850 thousand on October 5, 2023, (Type A for \$29,250 thousand and Type B for \$16,600 thousand) and first unsecured bank debentures, which amounted to US\$55,400 thousand on May 3, 2024, (Type A for \$32,050 thousand and Type B for \$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 issuance. If TCB does not make redemption before maturity, the principal of the debentures is repaid in one lump sum upon maturity. To reduce its interest rate risk, TCB entered into interest rate swap contracts, which are measured at FVTPL. Furthermore, to eliminate accounting inconsistencies, TCB designated these debentures as financial liabilities at FVTPL, and the details were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
First unsecured bank debentures bonds issued in 2023			
Type A	\$ 1,016,990	\$ 985,158	\$ 1,016,764
Type B	<u>433,636</u>	<u>414,456</u>	<u>418,713</u>
	<u>1,450,626</u>	<u>1,399,614</u>	<u>1,435,477</u>
Third unsecured bank debentures bonds issued in 2023			
Type A	902,994	881,525	-
Type B	<u>517,886</u>	<u>493,399</u>	<u>-</u>
	<u>1,420,880</u>	<u>1,374,924</u>	<u>-</u>
First unsecured bank debentures bonds issued in 2024			
Type A	1,012,634	-	-
Type B	<u>736,178</u>	<u>-</u>	<u>-</u>
	<u>1,748,812</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,620,318</u>	<u>\$ 2,774,538</u>	<u>\$ 1,435,477</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 September 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 September 30, 2024, the amount of unissued unsecured bank debentures of TCB was US\$3,750 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 September 30, 2024, the amount of unissued unsecured bank debentures of TCB was US\$199,400 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 September 30, 2024, the amount of unissued bank debentures of TCB was \$9,000,000 thousand.

27. OTHER BORROWINGS

	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	Rate (%)	Amount	Rate (%)	Amount	Rate (%)
Borrowings (Note 23)	<u>\$ 13,666,008</u>	1.750-5.500	<u>\$ 11,266,712</u>	1.580-5.900	<u>\$ 8,686,372</u>	1.480-5.800

28. PROVISIONS

	September 30, 2024	December 31, 2023	September 30, 2023
Reserve for life insurance liabilities	\$ 30,050,508	\$ 27,906,508	\$ 27,572,338
Reserve for insurance contracts with financial instrument features	10,126	7,637	6,349
Provision for employee benefits	3,989,066	4,027,923	4,134,605
Provision for losses on guarantees	1,381,163	1,441,977	1,411,337
Provision for losses on loan commitment	343,070	325,497	357,111
Provision for others	34,614	25,779	46,227
Other provision for insurance	<u>658,313</u>	<u>656,444</u>	<u>894,857</u>
	<u>\$ 36,466,860</u>	<u>\$ 34,391,765</u>	<u>\$ 34,422,824</u>

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

September 30, 2024			
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Life insurance	\$ 18,593,684	\$ 4,281,875	\$ 22,875,559
Health insurance	1,272,048	-	1,272,048
Annuity insurance	-	5,881,431	5,881,431
Investment insurance	<u>16,068</u>	<u>-</u>	<u>16,068</u>
	19,881,800	10,163,306	30,045,106
Less: Ceded life insurance liability reserve	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 19,881,800</u>	<u>\$ 10,163,306</u>	<u>\$ 30,045,106</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>
September 30, 2023			
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Life insurance	\$ 15,054,371	\$ 4,722,743	\$ 19,777,114
Health insurance	1,131,548	-	1,131,548
Annuity insurance	-	6,641,555	6,641,555
Investment insurance	<u>17,910</u>	<u>-</u>	<u>17,910</u>
	16,203,829	11,364,298	27,568,127
Less: Ceded life insurance liability reserve	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 16,203,829</u>	<u>\$ 11,364,298</u>	<u>\$ 27,568,127</u>

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

	For the Nine Months Ended September 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	3,277,842	117,090	3,394,932	3,494,043	175,156	3,669,199
Recovery	(470,841)	(848,636)	(1,319,477)	(436,883)	(1,194,535)	(1,631,418)
Effects of exchange rate changes	67,616	-	67,616	107,319	-	107,319
Ending balance	19,881,800	10,163,306	30,045,106	16,203,829	11,364,298	27,568,127
Less: Ceded life insurance liability reserve	-	-	-	-	-	-
Balance on September 30	<u>\$ 19,881,800</u>	<u>\$ 10,163,306</u>	<u>\$ 30,045,106</u>	<u>\$ 16,203,829</u>	<u>\$ 11,364,298</u>	<u>\$ 27,568,127</u>

- b. As of September 30, 2024, December 31, 2023 and September 30, 2023, total life policy reserve carrying amounts (including reserve of policyholders payables) were \$30,050,508 thousand, \$27,906,508 thousand and \$27,572,338 thousand, respectively.
- c. Details of liability adequacy reserves are as follows:

	Insurance Contracts and Financial Instruments with Discretionary Participation Features		
	September 30, 2024	December 31, 2023	September 30, 2023
Life insurance liability reserve	\$ 30,045,106	\$ 27,902,035	\$ 27,568,127
Unearned premium reserve	433,093	459,834	466,086
Claims reserve	157,060	59,879	104,575
Premium deficiency reserve	<u>63,026</u>	<u>42,491</u>	<u>662</u>
Book value of insurance reserve	<u>\$ 30,698,285</u>	<u>\$ 28,464,239</u>	<u>\$ 28,139,450</u>
Present value of discounted cash flows	<u>\$ 24,989,547</u>	<u>\$ 24,779,537</u>	<u>\$ 25,018,338</u>
Balance of liability adequacy reserve	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

As of September 30, 2024, December 31, 2023 and September 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:

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

	September 30, 2024	December 31, 2023	September 30, 2023
Life insurance	<u>\$ 10,126</u>	<u>\$ 7,637</u>	<u>\$ 6,349</u>
	For the Nine Months Ended September 30		
	2024	2023	
Balance on January 1		\$ 7,637	\$ 3,651
Reserve for insurance contracts with financial instrument features		<u>2,489</u>	<u>2,698</u>
Balance on September 30		<u>\$ 10,126</u>	<u>\$ 6,349</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 Nine Months Ended September 30	
	2024	2023
Balance on January 1	\$ 94,240	\$ 440,333
Provisions		
Compulsory provisions	2,251	-
Additional provisions	<u>-</u>	<u>15,652</u>
	2,251	15,652
Recovery	<u>(91,357)</u>	<u>(132,451)</u>
Balance on September 30	<u>\$ 5,134</u>	<u>\$ 323,534</u>

3) Impact of the reserve of foreign exchange variation

For the nine months ended September 30, 2024

Items	Amount without Reserve	Amount with Reserve	Effect
Net income	\$ 16,155,952	\$ 16,227,237	\$ 71,285
Earnings per share (NT\$)	1.04	1.04	-
Reserve of foreign exchange variation	-	5,134	5,134
Equity	259,818,578	259,785,168	(33,410)

For the nine months ended September 30, 2023

Items	Amount without Reserve	Amount with Reserve	Effect
Net income	\$ 14,896,178	\$ 14,989,617	\$ 93,439
Earnings per share (NT\$)	0.95	0.95	-
Reserve of foreign exchange variation	-	323,534	323,534
Equity	234,913,109	234,624,979	(288,130)

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Reserve for life insurance liabilities, net	\$ 823,545	\$ 227,396	\$ 2,075,454	\$ 2,037,781
Reserve for insurance contract with financial instrument features, net	631	846	2,489	2,698
Others, net	(25,982)	13,152	(45,197)	(45,138)
	<u>\$ 798,194</u>	<u>\$ 241,394</u>	<u>\$ 2,032,746</u>	<u>\$ 1,995,341</u>

g. Provisions for employee benefits are summarized below:

	September 30, 2024	December 31, 2023	September 30, 2023
Present value of retired employees' preferential interest deposit obligation	<u>\$ 3,989,066</u>	<u>\$ 4,027,923</u>	<u>\$ 4,134,605</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	-	-	-	-	-	-
Credit-impaired financial instruments	(140)	-	140	-	-	-
12-month ECL	-	-	-	-	-	-
Derecognition of financial instruments in the current reporting period	(278,215)	(105)	(3,844)	(282,164)	-	(282,164)
Reversal from financial instruments recognized at the beginning of the current reporting period	(68,114)	(742)	48,660	(20,196)	-	(20,196)
New financial instruments purchased or originated	299,235	-	-	299,235	-	299,235

(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
Difference of impairment loss under regulations	\$ -	\$ -	\$ -	\$ -	\$ (24,561)	\$ (24,561)
Change in exchange rates and other changes	<u>3,232</u>	<u>-</u>	<u>(9,952)</u>	<u>(6,720)</u>	<u>-</u>	<u>(6,720)</u>
Balance on September 30, 2024	<u>\$ 1,002,876</u>	<u>\$ -</u>	<u>\$ 45,152</u>	<u>\$ 1,048,028</u>	<u>\$ 710,819</u>	<u>\$ 1,758,847</u>
Balance on January 1, 2023	\$ 897,746	\$ -	\$ 35,847	\$ 933,593	\$ 699,485	\$ 1,633,078
Changes from financial instruments recognized at the beginning of the current reporting period						
Transfers to						
Lifetime ECL	(3)	3	-	-	-	-
Credit-impaired financial instruments	(500)	-	500	-	-	-
12-month ECL	-	-	-	-	-	-
Derecognition of financial instruments in the current reporting period	(155,151)	-	(14,844)	(169,995)	-	(169,995)
Reversal from financial instruments recognized at the beginning of the current reporting period	(23,495)	(2)	(10,917)	(34,414)	-	(34,414)
New financial instruments purchased or originated	343,135	-	-	343,135	-	343,135
Difference of impairment loss under regulations	-	-	-	-	36,628	36,628
Change in exchange rates and other changes	<u>6,131</u>	<u>-</u>	<u>112</u>	<u>6,243</u>	<u>-</u>	<u>6,243</u>
Balance on September 30, 2023	<u>\$ 1,067,863</u>	<u>\$ 1</u>	<u>\$ 10,698</u>	<u>\$ 1,078,562</u>	<u>\$ 736,113</u>	<u>\$ 1,814,675</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 \$226,444 thousand and \$205,819 thousand in the consolidated statement of comprehensive income for the nine months ended September 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 nine months ended September 30, 2024 and 2023, the pension expenses under defined benefit plan recognized in the consolidated statements of comprehensive income amounted to \$259,859 thousand and \$272,167 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 nine months ended September 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 \$574,176 thousand and \$524,618 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

	September 30, 2024	December 31, 2023	September 30, 2023
Structured products - host contracts	\$ 534,720	\$ -	\$ 179,550
Guarantee deposits received	2,015,824	1,921,350	3,084,784
Appropriation for loans	379	16,167	26,629
Separate-account liabilities	<u>84,664,415</u>	<u>85,592,813</u>	<u>86,139,561</u>
	<u>\$ 87,215,338</u>	<u>\$ 87,530,330</u>	<u>\$ 89,430,524</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Separate-account assets (part of other financial assets)			
Cash and cash equivalents	\$ 692,593	\$ 658,122	\$ 870,119
Financial assets at FVTPL	83,803,265	84,767,992	85,160,904
Other receivables			
Investment settlement receivables	<u>168,557</u>	<u>166,699</u>	<u>108,538</u>
	<u>\$ 84,664,415</u>	<u>\$ 85,592,813</u>	<u>\$ 86,139,561</u>
Separate-account liabilities (part of other financial liabilities)			
Reserve for separate-account - insurance contract	\$ 54,999,914	\$ 54,788,061	\$ 54,624,216
Reserve for separate-account - investment contract	29,224,822	30,367,491	30,797,816
Other payables			
General accounts payables	<u>439,679</u>	<u>437,261</u>	<u>717,529</u>
	<u>\$ 84,664,415</u>	<u>\$ 85,592,813</u>	<u>\$ 86,139,561</u>
	For the Three Months Ended September 30	For the Nine Months Ended September 30	
	2024	2023	2024
			2023
Separate-account revenue			
Premium income	\$ 247,983	\$ 246,319	\$ 876,816
Gain (loss) on financial assets at FVTPL	1,447,630	(1,911,997)	3,047,990
Interest revenue	1,054	1,118	3,332
Gain on foreign exchange	<u>47,462</u>	<u>1,149,012</u>	<u>2,368,344</u>
	<u>\$ 1,744,129</u>	<u>\$ (515,548)</u>	<u>\$ 6,296,482</u>
			<u>\$ 2,203,697</u>
Separate-account expense			
Insurance claims and benefits	\$ 1,235,145	\$ 1,221,781	\$ 3,767,665
Reserves for separate accounts, net of releases - insurance contract	196,005	(2,075,108)	1,570,445
Administrative expenses	<u>312,979</u>	<u>337,779</u>	<u>958,372</u>
	<u>\$ 1,744,129</u>	<u>\$ (515,548)</u>	<u>\$ 6,296,482</u>
			<u>\$ 2,203,697</u>

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

31. OTHER LIABILITIES

	September 30, 2024	December 31, 2023	September 30, 2023
Advance receipts	\$ 1,068,650	\$ 1,031,785	\$ 978,526
Others	<u>379,279</u>	<u>103,570</u>	<u>56,201</u>
	<u>\$ 1,447,929</u>	<u>\$ 1,135,355</u>	<u>\$ 1,034,727</u>

32. NET INTEREST

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Interest revenue				
From discounts and loans	\$ 20,057,374	\$ 18,167,953	\$ 57,758,051	\$ 52,127,810
From investments	5,162,734	4,466,643	14,987,368	12,369,390
From due from banks and call loans to other banks	1,621,402	1,199,961	5,006,717	3,486,326
Others	<u>381,911</u>	<u>280,891</u>	<u>1,043,440</u>	<u>835,615</u>
	<u>27,223,421</u>	<u>24,115,448</u>	<u>78,795,576</u>	<u>68,819,141</u>
Interest expense				
From deposits	(16,070,967)	(13,403,634)	(47,632,227)	(37,184,552)
From due to the Central Bank and other banks	(2,113,336)	(1,842,680)	(5,796,936)	(4,160,134)
From issuing bonds payable	(322,237)	(349,291)	(948,949)	(1,023,011)
From deposits from the Central Bank and other banks	(532,041)	(359,722)	(1,075,667)	(1,034,122)
From securities sold under repurchase agreements	(420,700)	(293,216)	(1,073,894)	(794,515)
Others	<u>(120,265)</u>	<u>(89,143)</u>	<u>(310,727)</u>	<u>(238,406)</u>
	<u>(19,579,546)</u>	<u>(16,337,686)</u>	<u>(56,838,400)</u>	<u>(44,434,740)</u>
	<u>\$ 7,643,875</u>	<u>\$ 7,777,762</u>	<u>\$ 21,957,176</u>	<u>\$ 24,384,401</u>

33. SERVICE FEE AND COMMISSION INCOME, NET

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Service fee and commission revenues				
From trust business	\$ 779,722	\$ 531,063	\$ 2,199,756	\$ 1,556,251
From guarantee	247,884	256,782	750,415	747,388
From loans	403,992	364,319	2,025,846	1,045,183
From insurance service	390,228	713,152	1,624,631	1,251,895
From brokerage service	368,321	272,205	1,035,839	678,353
From investment-linked products	123,751	116,626	361,239	361,824
From credit cards	434,557	406,534	1,307,492	1,195,534

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
From management fees of investment-linked products	\$ 32,097	\$ 42,883	\$ 109,891	\$ 127,933
From management fees	76,770	83,709	223,182	252,662
From remittance	73,839	68,650	219,222	204,490
From cross-bank transactions	73,355	72,589	221,430	219,736
From underwriting	40,364	44,277	106,279	93,786
From import/export service	22,619	28,389	68,810	78,450
Others	<u>193,342</u>	<u>162,545</u>	<u>555,301</u>	<u>443,931</u>
	<u>3,260,841</u>	<u>3,163,723</u>	<u>10,809,333</u>	<u>8,257,416</u>
Service charge and commission expenses				
From cross-bank transactions	(84,755)	(84,062)	(255,078)	(249,444)
From insurance business	(130,978)	(89,587)	(309,078)	(169,079)
From credit cards	(77,571)	(78,526)	(251,939)	(222,247)
From credit cards acquiring	(311,743)	(285,852)	(917,249)	(844,764)
From custody	(23,326)	(21,224)	(68,555)	(57,019)
Others	<u>(108,438)</u>	<u>(72,750)</u>	<u>(279,958)</u>	<u>(244,037)</u>
	<u>(736,811)</u>	<u>(632,001)</u>	<u>(2,081,857)</u>	<u>(1,786,590)</u>
	<u>\$ 2,524,030</u>	<u>\$ 2,531,722</u>	<u>\$ 8,727,476</u>	<u>\$ 6,470,826</u>

(Concluded)

34. PREMIUM INCOME, NET

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Separate-account revenue (Note 30)	\$ 1,744,129	\$ (515,548)	\$ 6,296,482	\$ 2,203,697
Premium income	<u>2,105,512</u>	<u>1,450,295</u>	<u>5,763,699</u>	<u>5,558,840</u>
	<u>3,849,641</u>	<u>934,747</u>	<u>12,060,181</u>	<u>7,762,537</u>
Separate-account expense (Note 30)	(1,744,129)	515,548	(6,296,482)	(2,203,697)
Insurance claims and benefits	(628,646)	(797,112)	(1,930,677)	(2,207,049)
Reinsurance premium ceded	(103,867)	(100,023)	(307,336)	(297,490)
Others	<u>(19,913)</u>	<u>(15,624)</u>	<u>(50,919)</u>	<u>(48,451)</u>
	<u>(2,496,555)</u>	<u>(397,211)</u>	<u>(8,585,414)</u>	<u>(4,756,687)</u>
	<u>\$ 1,353,086</u>	<u>\$ 537,536</u>	<u>\$ 3,474,767</u>	<u>\$ 3,005,850</u>

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

For the Three Months Ended September 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	\$ 591,438	\$ 6,872,681	\$ (7,952,828)	\$ 76,606	\$ (412,103)
Held-for-trading financial liabilities	-	(913,121)	(2,617,757)	-	(3,530,878)
Financial liabilities designated as at fair value through profit or loss	<u>(65,114)</u>	<u>734</u>	<u>(99,854)</u>	<u>-</u>	<u>(164,234)</u>
	<u>\$ 526,324</u>	<u>\$ 5,960,294</u>	<u>\$ (10,670,439)</u>	<u>\$ 76,606</u>	<u>\$ (4,107,215)</u>
For the Three Months Ended September 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	\$ 421,669	\$ 6,648,098	\$ 5,833,331	\$ 120,822	\$ 13,023,920
Held-for-trading financial liabilities	-	(844,243)	(355,965)	-	(1,200,208)
Financial liabilities designated as at fair value through profit or loss	<u>(18,182)</u>	<u>171</u>	<u>31,095</u>	<u>-</u>	<u>13,084</u>
	<u>\$ 403,487</u>	<u>\$ 5,804,026</u>	<u>\$ 5,508,461</u>	<u>\$ 120,822</u>	<u>\$ 11,836,796</u>
For the Nine Months Ended September 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	\$ 1,643,695	\$ 18,820,199	\$ (269,658)	\$ 200,994	\$ 20,395,230
Held-for-trading financial liabilities	-	(2,790,052)	2,752,681	-	(37,371)
Financial liabilities designated as at fair value through profit or loss	<u>(151,420)</u>	<u>999</u>	<u>(26,827)</u>	<u>-</u>	<u>(177,248)</u>
	<u>\$ 1,492,275</u>	<u>\$ 16,031,146</u>	<u>\$ 2,456,196</u>	<u>\$ 200,994</u>	<u>\$ 20,180,611</u>
For the Nine Months Ended September 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	\$ 1,063,112	\$ 14,240,453	\$ 8,288,612	\$ 248,262	\$ 23,840,439
Held-for-trading financial liabilities	-	(4,328,278)	1,810,754	-	(2,517,524)
Financial liabilities designated as at fair value through profit or loss	<u>(39,854)</u>	<u>171</u>	<u>73,397</u>	<u>-</u>	<u>33,714</u>
	<u>\$ 1,023,258</u>	<u>\$ 9,912,346</u>	<u>\$ 10,172,763</u>	<u>\$ 248,262</u>	<u>\$ 21,356,629</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Dividends revenue on investments in equity instruments at FVTOCI	\$ 2,278,008	\$ 1,410,949	\$ 3,252,721	\$ 2,989,029
Derecognition of unrealized gains on investments in debt instruments at FVTOCI	<u>(75,839)</u>	<u>(8,555)</u>	<u>(79,198)</u>	<u>(1,406)</u>
	<u>\$ 2,202,169</u>	<u>\$ 1,402,394</u>	<u>\$ 3,173,523</u>	<u>\$ 2,987,623</u>

For the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, dividends revenue related to derecognized investments were \$1,051,865 thousand, \$820,233 thousand, \$1,444,385 thousand and \$927,037 thousand, respectively, and dividends revenue related to investments held on September 30, 2024 and 2023 were \$1,808,336 thousand and \$2,061,992 thousand, respectively.

37. EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES

a. Employee benefits expenses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Salaries	\$ 2,676,115	\$ 2,392,725	\$ 7,698,222	\$ 7,190,106
Incentives	1,227,423	850,640	3,051,635	2,628,866
Excessive interest from preferential interest deposits	290,740	277,988	869,550	827,392
Post-employment benefits, termination benefits and compensation	174,732	177,791	533,260	505,747
Overtime	116,346	112,098	342,260	322,617
Others	<u>684,314</u>	<u>647,302</u>	<u>2,006,162</u>	<u>1,871,173</u>
	<u>\$ 5,169,670</u>	<u>\$ 4,458,544</u>	<u>\$ 14,501,089</u>	<u>\$ 13,345,901</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 nine months ended September 30, 2024 and 2023, compensations of employees were estimated at \$2,465 thousand and \$2,208 thousand and the remuneration of directors were estimated at \$90,368 thousand and \$79,907 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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Depreciation expenses	\$ 596,645	\$ 570,611	\$ 1,789,687	\$ 1,694,129
Amortization expenses	<u>124,465</u>	<u>97,002</u>	<u>353,865</u>	<u>276,780</u>
	<u>\$ 721,110</u>	<u>\$ 667,613</u>	<u>\$ 2,143,552</u>	<u>\$ 1,970,909</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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Current tax				
Current period	\$ 3,126,344	\$ (35,710)	\$ 3,669,997	\$ 1,308,444
Additional income tax on unappropriated earnings	-	-	697,874	-
Land revaluation increment tax	119	-	575	1,606
House and land transactions income tax	2,344	8,450	7,434	16,126
Prior year's adjustments	<u>(50,339)</u>	<u>289</u>	<u>(95,925)</u>	<u>29,049</u>
	3,078,468	(26,971)	4,279,955	1,355,225
Deferred tax				
Current period	<u>(1,833,624)</u>	<u>1,270,394</u>	<u>509,371</u>	<u>2,169,552</u>
Income tax expense recognized in profit or loss	<u>\$ 1,244,844</u>	<u>\$ 1,243,423</u>	<u>\$ 4,789,326</u>	<u>\$ 3,524,777</u>

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

	For the Three Months Ended September 30		For the Nine Months Ended September 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	\$ (259,396)	\$ 328,594	\$ 290,170	\$ 417,186
Unrealized valuation gains (loss) on financial assets at fair value through other comprehensive income	217,572	(127,097)	116,750	(160,362)
Other comprehensive income on reclassification of overlay approach	<u>(331)</u>	<u>(516)</u>	<u>(2,381)</u>	<u>1,763</u>
Total income tax expense (benefit) recognized in other comprehensive income	<u>\$ (42,155)</u>	<u>\$ 200,981</u>	<u>\$ 404,539</u>	<u>\$ 258,587</u>

c. Deferred tax assets and liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Deferred tax assets</u>			
Temporary differences			
Financial instruments at fair value through other comprehensive income	\$ 175,380	\$ 292,130	\$ 618,889
Properties and equipment	6,123	6,606	6,767
Payable for annual leave	184,718	103,650	180,006
Employee's preferential interest deposit obligation	748,256	756,027	777,296
Other liabilities	5,783	5,783	5,783
Exchange differences on foreign operations	21,888	130,151	32,113
Allowance for possible losses	44,492	44,740	45,735
Financial instruments at fair value through profit or loss	282,222	740,358	1,323
Pension liabilities	622	567	553
			(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
Accrued expense	\$ 2,979	\$ 3,721	\$ -
Unrealized foreign exchange gains and losses	476	746	-
Overlay approach	587	-	-
Revenue from disposal of acquired loans	189,721	189,720	198,138
Unrealized interest expenses	<u>-</u>	<u>-</u>	<u>2,323</u>
	<u>\$ 1,663,247</u>	<u>\$ 2,274,199</u>	<u>\$ 1,868,926</u>

Deferred tax liabilities

Temporary differences

Financial instruments at fair value through profit or loss	\$ -	\$ 743	\$ 2,521,748
Overlay approach	-	1,794	1,202
Intangible assets	428,614	428,614	428,614
The reserve for land revaluation increment tax	2,541,779	2,541,779	2,541,779
Defined benefit obligation	408,504	408,504	399,901
Investments accounted for using equity method	186,654	177,987	158,629
Lease incentive	2,010	2,271	2,358
Exchange difference between foreign operating agencies	181,907	-	350,665
Unrealized foreign exchange gains and losses	148,374	33,192	1,228
Others	<u>-</u>	<u>-</u>	<u>93,319</u>
	<u>\$ 3,897,842</u>	<u>\$ 3,594,884</u>	<u>\$ 6,499,443</u>

(Concluded)

- 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 September 2024, the government of Belgium, where TCB's subsidiary is incorporated, enacted the Pillar Two income tax legislation effective January 1, 2024. The governments of Australia and Hong Kong, where TCB is incorporated, initiated the Pillar Two income tax legislation, but the legislation was not effective. As of September 30, 2024, the Company assessed that the current income tax related to Pillar Two did not have a material impact.

39. EARNINGS PER SHARE

	Net Income (Numerator)	Shares (Denominator in Thousands)	Earnings Per Share (NT\$)
<u>For the three months ended September 30, 2024</u>			
Basic EPS	\$ 5,727,977	15,224,210	<u>\$ 0.38</u>
Effect of dilutive common stock:			
Employees' compensation	<u>-</u>	<u>95</u>	
Diluted EPS	<u>\$ 5,727,977</u>	<u>15,224,305</u>	<u>\$ 0.38</u>
<u>For the three months ended September 30, 2023</u>			
Basic EPS	\$ 4,988,920	15,224,210	<u>\$ 0.32</u>
Effect of dilutive common stock:			
Employees' compensation	<u>-</u>	<u>86</u>	
Diluted EPS	<u>\$ 4,988,920</u>	<u>15,224,296</u>	<u>\$ 0.32</u>
<u>For the nine months ended September 30, 2024</u>			
Basic EPS	\$ 15,824,141	15,224,210	<u>\$ 1.04</u>
Effect of dilutive common stock:			
Employees' compensation	<u>-</u>	<u>121</u>	
Diluted EPS	<u>\$ 15,824,141</u>	<u>15,224,331</u>	<u>\$ 1.04</u>
<u>For the nine months ended September 30, 2023</u>			
Basic EPS	\$ 14,514,358	15,224,210	<u>\$ 0.95</u>
Effect of dilutive common stock:			
Employees' compensation	<u>-</u>	<u>117</u>	
Diluted EPS	<u>\$ 14,514,358</u>	<u>15,224,327</u>	<u>\$ 0.95</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 September 30, 2023	For the Nine Months Ended September 30, 2023	For the Three Months Ended September 30, 2023	For the Nine Months Ended September 30, 2023
Basic EPS (NT\$)	<u>\$ 0.34</u>	<u>\$ 0.99</u>	<u>\$ 0.32</u>	<u>\$ 0.95</u>
Diluted EPS (NT\$)	<u>\$ 0.34</u>	<u>\$ 0.99</u>	<u>\$ 0.32</u>	<u>\$ 0.95</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

	September 30, 2024	December 31, 2023	September 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>15,224,210</u>	<u>14,709,382</u>	<u>14,709,382</u>
Common stocks issued	<u>\$ 152,242,106</u>	<u>\$ 147,093,822</u>	<u>\$ 147,093,822</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 MOEA.

b. Capital surplus

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

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

The capital surplus as of September 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 Nine Months Ended September 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 September 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 Nine Months Ended September 30	
	2024	2023
Balance on January 1	\$ 20,524,180	\$ -
Special (reversal) reserve	<u>(14,382,062)</u>	<u>20,524,180</u>
Balance on September 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 Nine Months Ended September 30	
	2024	2023
Balance on January 1	\$ 5,888,411	\$ 5,316,401
Attributable to non-controlling interests		
Net income	403,096	475,259
Exchange differences on the translation of financial statements of foreign operations	9,136	8,445
Unrealized valuations losses on financial assets at FVTOCI	26,602	(108,994)
Other comprehensive income reclassification of overlay approach	27,024	(13,428)
Cash dividends distributed by subsidiary	<u>(472,048)</u>	<u>(175,332)</u>
Balance on September 30	<u>\$ 5,882,221</u>	<u>\$ 5,502,351</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 (disposal on August 28, 2024)
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.
TCB Diversified Income Multi-Asset Market 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 (retiring on September 7, 2023)
Taiwan Asset Management Corporation	The director of Taiwan Assets Management Corporation is the main management of the Company.

(Continued)

Related Party	Relationship with 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.
Sun Ba Power Corporation	The director of Sun Ba Power Corporation is main management's spouse
Krom Electronics Co., Ltd.	The director of Krom Electronics Co., Ltd. is second-degree kin
The Credit Cooperative of Ilan	The director of TCB is also the Company's director.
Financial eSolution Co., Ltd.	The director of Financial eSolution Co., Ltd. is also the management of the Company.
The Kaohsiung Third Credit Cooperative	The director of TCB is also the Company's director.
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 nine months ended <u>September 30, 2024</u>				
Others	<u>\$ 1,144,000</u>	<u>\$ 678,000</u>	<u>\$ 15,042</u>	2.800-5.850
For the nine months ended <u>September 30, 2023</u>				
Others	<u>\$ 613,580</u>	<u>\$ -</u>	<u>\$ 2,461</u>	5.110

2) Deposits from banks

	For the Nine Months Ended September 30			
	2024		2023	
	Ending Balance	Interest Expense	Ending Balance	Interest Expense
Main management	\$ 101,291	\$ 782	\$ 86,924	\$ 892
Others				
Tamshui First Credit Bank	27,204,677	297,480	26,463,424	276,695
The Fifth Credit Cooperation of Taipei	-	-	6,624,570	59,077
The Credit Cooperative of Ilan	2,585,250	22,109	-	-
The Kaohsiung Third Credit Cooperative	4,397,046	-	-	-
Others	<u>17,020</u>	<u>-</u>	<u>23,088</u>	<u>-</u>
	<u>\$ 34,305,284</u>	<u>\$ 320,371</u>	<u>\$ 33,198,006</u>	<u>\$ 336,664</u>

3) Call loans from banks

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
For the nine months ended <u>September 30, 2024</u>				
Others	<u>\$ 1,921,680</u>	<u>\$ -</u>	<u>\$ 288</u>	5.390
For the nine months ended <u>September 30, 2023</u>				
Others	<u>\$ 921,600</u>	<u>\$ -</u>	<u>\$ 797</u>	5.140-5.170

4) Loans

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
For the nine months ended <u>September 30, 2024</u>				
Main management	\$ 422,225	\$ 246,153	\$ 3,979	1.670-2.428
Others	<u>2,762,621</u>	<u>1,692,130</u>	<u>13,132</u>	0.405-3.245
	<u>\$ 3,184,846</u>	<u>\$ 1,938,283</u>	<u>\$ 17,111</u>	
For the nine months ended <u>September 30, 2023</u>				
Main management	\$ 462,810	\$ 298,160	\$ 3,286	1.636-2.303
Others	<u>1,162,857</u>	<u>163,948</u>	<u>3,247</u>	1.370-2.778
	<u>\$ 1,625,667</u>	<u>\$ 462,108</u>	<u>\$ 6,533</u>	

a) Loans

September 30, 2024

Type	Account Volume or Name	Highest Balance in the Nine Months Ended September 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	76	\$ 329,440	\$ 158,820	\$ 158,820	\$ -	Note 2	None
Self-used housing mortgage loans	63	346,631	270,919	270,919	-	Land and buildings	None
Other loans	Krom Electronics Co., Ltd.	50,000	50,000	50,000	-	None	None
	Sun Ba Power Corporation	660,200	660,200	660,200	-	None	None
	Tamshui First Credit Bank	1,000,000	-	-	-	Certificates of deposit	None

September 30, 2023

Type	Account Volume or Name	Highest Balance in the Nine Months Ended September 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	91	\$ 332,142	\$ 192,653	\$ 192,653	\$ -	Note 2	None
Self-used housing mortgage loans	70	393,525	269,455	269,455	-	Land and buildings	None
	Tamshui First Credit Bank	900,000	-	-	-	Certificates of deposit	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.

b) Guarantees

September 30, 2024

Related Party	Highest Balance in the Nine Months Ended September 30, 2024	Ending Balance	Guarantee Liability Reserve Balance	Rate (%)	Collaterals
Others					
Sun Ba Power Corporation	\$ 798,344	\$ 798,344	\$ 2,654	0.405-0.500	None
Financial eSolution Co., Ltd.	231	-	-	0.750	Land and buildings

September 30, 2023

Related Party	Highest Balance in the Nine Months Ended September 30, 2023	Ending Balance	Guarantee Liability Reserve Balance	Rate (%)	Collaterals
Others					
Financial eSolution Co., Ltd.	\$ 398	\$ 231	\$ 1	0.750	Land and buildings

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 (%)
For the nine months ended <u>September 30, 2024</u>			
Associates	\$ 104,759	\$ 455	0.000-4.950
Main management	1,005,909	12,654	0.000-13.000
Others			
Financial Information Service Co., Ltd.	19,413,789	19,630	0.000-5.250
The Kaohsiung Third Credit Cooperative	13,522,000	18,394	0.000-1.715
Others	<u>12,034,740</u>	<u>79,756</u>	0.000-13.000
	<u>\$ 46,081,197</u>	<u>\$ 130,889</u>	
For the nine months ended <u>September 30, 2023</u>			
Associates	\$ 75,156	\$ 524	0.000-4.730
Main management	868,735	11,542	0.000-13.000
Others			
Financial Information Service Co., Ltd.	17,364,599	14,175	0.000-5.250
Others	<u>5,172,327</u>	<u>21,821</u>	0.000-13.000
	<u>\$ 23,480,817</u>	<u>\$ 48,062</u>	
	September 30, 2024	December 31, 2023	September 30, 2023
6) Accrued income (part of receivables)			
Others	<u>\$ 25,480</u>	<u>\$ 25,473</u>	<u>\$ 26,284</u>
7) Accrued interest (part of receivables)			
Others	<u>\$ 4,690</u>	<u>\$ 1,048</u>	<u>\$ -</u>
8) Receivable on securities (part of receivables)			
Others	<u>\$ 8,970</u>	<u>\$ -</u>	<u>\$ 9,667</u>
9) Payable on securities (part of payables)			
Others	<u>\$ 7,592</u>	<u>\$ 2,065</u>	<u>\$ 2,758</u>

(Continued)

	September 30, 2024	December 31, 2023	September 30, 2023
10) Guarantee deposits received (part of other financial liabilities)			
Others			
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>
			(Concluded)
	For the Nine Months Ended September 30		
	2024	2023	
11) Service fee income (part of service fee and commission income, net)			
Main management	\$ 321	\$ 149	
Others	<u>246,945</u>	<u>273,625</u>	
	<u>\$ 247,266</u>	<u>\$ 273,774</u>	
12) Service charge (part of service fee and commission income, net)			
Main management	<u>\$ 89</u>	<u>\$ 91</u>	
13) Other income (part of other noninterest gain, net)			
Others			
Taiwan Asset Management Corporation	\$ 1,918	\$ 1,972	
Financial Information Service Co., Ltd.	1,814	1,714	
Others	<u>848</u>	<u>574</u>	
	<u>\$ 4,580</u>	<u>\$ 4,260</u>	
14) Donation (part of other noninterest gain, net)			
Main management	\$ 2,000	\$ 2,000	
Others	<u>900</u>	<u>900</u>	
	<u>\$ 2,900</u>	<u>\$ 2,900</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.

15) 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Others			
Agricultural Bank of Taiwan	\$ 158,410	\$ 248,668	\$ 274,207
Taiwan Asset Management Corporation	<u>40,099</u>	<u>49,845</u>	<u>53,093</u>
	<u>\$ 198,509</u>	<u>\$ 298,513</u>	<u>\$ 327,300</u>

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

	For the Nine Months Ended September 30	
	2024	2023
Others		
Taiwan Asset Management Corporation	\$ 9,746	\$ 9,746
Agricultural Bank of Taiwan	<u>32,331</u>	<u>14,215</u>
	<u>\$ 42,077</u>	<u>\$ 23,961</u>

16) Derivatives

	For the Nine Months Ended September 30, 2024						
Related Party	Type of Derivatives	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Amounts on the Consolidated Balance Sheet		
					Account	Amounts	
Other - TCB 6 Year Senior Emerging Market Bond Fund	Currency swap	2024.09.30-2024.11.29	US\$ 3,000	\$ (337)	Financial liabilities at fair value through profit or loss	\$ (337)	
Other - TCB US Short Duration High Yield Bond Fund	Currency swap	2024.07.22-2024.10.22	US\$ 3,450	(2,610)	Financial liabilities at fair value through profit or loss	(2,610)	
Other - TCB Global Core Infrastructure Income Fund	Currency swap	2024.08.16-2024.11.18	US\$ 500	(258)	Financial liabilities at fair value through profit or loss	(258)	
Other - TCB 2032 Target Date Multi-Asset Income Fund	Currency swap	2024.09.18-2024.12.18	US\$ 3,000	(1,124)	Financial liabilities at fair value through profit or loss	(1,124)	
Other - TCB 2025 Maturity Emerging Market Bond Fund	Currency swap	2024.06.20-2024.11.29	US\$ 21,150	(22,072)	Financial liabilities at fair value through profit or loss	(22,072)	
Other - TCB Global High Yield Bond Fund	Currency swap	2024.07.18-2025.02.21	US\$ 3,200	(2,104)	Financial liabilities at fair value through profit or loss	(2,104)	
TCB Fund of Emerging Markets Bond Fund	Currency swap	2024.08.28-2024.11.29	US\$ 500	(77)	Financial liabilities at fair value through profit or loss	(77)	
TCB Diversified Income Multi-Asset Market Fund	Currency swap	2024.08.22-2025.01.23	US\$ 10,100	(2,534)	Financial liabilities at fair value through profit or loss	(2,534)	

Related Party	Type of Derivatives	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Amounts on the Consolidated Balance Sheet	
					Account	Amounts
Other - TCB 6 Year Senior Emerging Market Bond Fund	Currency swap	2023.09.26-2023.10.26	US\$ 4,500	\$ 261	Financial assets at fair value through profit or loss	\$ 261
Other - TCB 6 Year Emerging Market Bond Fund	Currency swap	2023.08.11-2023.11.13	US\$ 6,800	765	Financial assets at fair value through profit or loss	765
Other - TCB 2026 Maturity Senior Emerging Market Corporate Bond Fund	Currency swap	2023.09.08-2023.12.08	US\$ 800	127	Financial assets at fair value through profit or loss	127
Other - TCB US Short Duration High Yield Bond Fund	Currency swap	2023.03.21-2024.03.21	US\$ 5,700	7,799	Financial assets at fair value through profit or loss	7,799
Other - TCB 2023 Maturity Selective Emerging Market Bond Fund	Currency swap	2023.09.11-2023.11.13	US\$ 3,550	223	Financial assets at fair value through profit or loss	223
Other - TCB Global Core Infrastructure Income Fund	Currency swap	2023.07.13-2023.10.13	US\$ 1,200	767	Financial assets at fair value through profit or loss	767
Other - TCB Global High Yield Bond Fund	Currency swap	2023.08.28-2023.11.13	US\$ 3,850	1,687	Financial assets at fair value through profit or loss	1,687
Other - TCB 2032 Target Date Multi-Asset Income Fund	Currency swap	2023.09.18-2023.12.18	US\$ 3,000	1,207	Financial assets at fair value through profit or loss	1,207
Other - TCB Environment & Socially Responsible Multi-Asset Fund	Currency swap	2023.07.06-2023.12.29	US\$ 7,200	3,759	Financial assets at fair value through profit or loss	3,759
Other - TCB Global Healthcare Multi-Asset Income Fund	Currency swap	2023.09.26-2023.12.29	US\$ 13,000	1,418	Financial assets at fair value through profit or loss	1,418
Other - TCB 2025 Maturity Emerging Market Bond Fund	Currency swap	2023.09.25-2023.10.31	US\$ 21,650	777	Financial assets at fair value through profit or loss	777

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

For the Nine Months Ended September 30		
	2024	2023
Financial assets and liabilities at fair value through profit or loss		
Others	\$ 64,591	\$ 165,164

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

	September 30, 2024	December 31, 2023	September 30, 2023
Subsidiary	\$ 678,512	\$ 443,832	\$ 571,225

b) Call loans to banks

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
<u>For the nine months ended September 30, 2024</u>				
Subsidiary	\$ 2,623,375	\$ 1,834,560	\$ 49,787	3.900-4.400
Sister companies				
TCBF	4,475,906	2,918,000	21,866	1.360-6.080
Others	<u>1,144,000</u>	<u>678,000</u>	<u>15,042</u>	2.800-5.850
	<u>\$ 8,243,281</u>	<u>\$ 5,430,560</u>	<u>\$ 86,695</u>	
<u>For the nine months ended September 30, 2023</u>				
Subsidiary	\$ 3,116,040	\$ 2,800,050	\$ 65,625	1.750-5.200
Sister companies				
TCBF	2,582,645	478,428	14,872	1.200-5.770
Others	<u>613,580</u>	<u>-</u>	<u>2,461</u>	5.110
	<u>\$ 6,312,265</u>	<u>\$ 3,278,478</u>	<u>\$ 82,958</u>	

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

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
<u>For the nine months ended September 30, 2024</u>				
Sister company				
TCS	<u>\$ 329,000</u>	<u>\$ 316,000</u>	<u>\$ 13,639</u>	5.540-5.720
<u>For the nine months ended September 30, 2023</u>				
Sister company				
TCS	<u>\$ 322,850</u>	<u>\$ 322,850</u>	<u>\$ 12,298</u>	4.650-5.800

d) Deposits from banks

	For the Nine Months Ended September 30			
	2024		2023	
	Ending Balance	Interest Expense	Ending Balance	Interest Expense
Subsidiary	\$ 25	\$ -	\$ 23	\$ -
Main management	101,291	782	86,924	892
Others				
Tamshui First Credit Bank	27,204,677	297,480	26,463,424	276,695
The Fifth Credit Cooperation of Taipei	-	-	6,624,570	59,077

(Continued)

	For the Nine Months Ended September 30			
	2024		2023	
	Ending Balance	Interest Expense	Ending Balance	Interest Expense
The Credit Cooperative of Ilan	\$ 2,585,250	\$ 22,109	\$ -	\$ -
The Kaohsiung Third Credit Cooperative	4,397,046	-	-	-
Others	<u>17,020</u>	<u>-</u>	<u>23,088</u>	<u>-</u>
	<u>\$ 34,305,309</u>	<u>\$ 320,371</u>	<u>\$ 33,198,029</u>	<u>\$ 336,664</u>
				(Concluded)

e) Call loans from banks

	Highest Balance	Ending Balance	Interest Expense	Interest Rate (%)
For the nine months ended September 30, 2024				
Others	<u>\$ 1,921,680</u>	<u>\$ -</u>	<u>\$ 288</u>	5.390
For the nine months ended September 30, 2023				
Subsidiary	\$ 6,788	\$ -	\$ 59	4.150
Others	<u>921,600</u>	<u>-</u>	<u>797</u>	5.140-5.170
	<u>\$ 928,388</u>	<u>\$ -</u>	<u>\$ 856</u>	

f) Loans

	Highest Balance	Ending Balance	Interest Revenue	Interest Rate (%)
For the nine months ended September 30, 2024				
Subsidiary	\$ 5,398,810	\$ 4,586,400	\$ 165,563	4.202-4.785
Sister companies	20,000	-	5	2.768-2.893
Main management	422,225	246,153	3,979	1.670-2.428
Others	<u>2,762,621</u>	<u>1,692,130</u>	<u>13,132</u>	0.405-3.245
	<u>\$ 8,603,656</u>	<u>\$ 6,524,683</u>	<u>\$ 182,679</u>	
For the nine months ended September 30, 2023				
Subsidiary	\$ 7,263,841	\$ 4,921,299	\$ 139,329	2.947-5.958
Main management	462,810	298,160	3,286	1.636-2.303
Others	<u>1,162,857</u>	<u>163,948</u>	<u>3,247</u>	1.370-2.778
	<u>\$ 8,889,508</u>	<u>\$ 5,383,407</u>	<u>\$ 145,862</u>	

i. Loans

September 30, 2024

Type	Account Volume or Name	Highest Balance in the Nine Months Ended September 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	76	\$ 329,440	\$ 158,820	\$ 158,820	\$ -	Note 2	None
Self-used housing mortgage loans	63	346,631	270,919	270,919	-	Land and buildings	None
Others	TCS	20,000	-	-	-	Bonds	None
	Krom Electronics Co., Ltd.	50,000	50,000	50,000	-	None	None
	Sun Ba Power Corporation	660,200	660,200	660,200	-	None	None
	Tamshui First Credit Bank	1,000,000	-	-	-	Certificates of deposit	None
	United Taiwan Bank	5,398,810	4,586,400	4,586,400	-	None	None

September 30, 2023

Type	Account Volume or Name	Highest Balance in the Nine Months Ended September 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	91	\$ 332,142	\$ 192,653	\$ 192,653	\$ -	Note 2	None
Self-used housing mortgage loans	70	393,525	269,455	269,455	-	Land and buildings	None
Others	Tamshui First Credit Bank	900,000	-	-	-	Certificates of deposit	None
	United Taiwan Bank	7,263,841	4,921,299	4,921,299	-	None	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.

ii. Guarantees

September 30, 2024

Related Party	Highest Balance in the Nine Months Ended September 30, 2024	Ending Balance	Guarantee Liability Reserve Balance	Rate (%)	Collaterals
Others					
Sun Ba Power Corporation	\$ 798,344	\$ 798,344	\$ 2,654	0.405-0.500	None
Financial eSolution Co., Ltd.	231	-	-	0.750	Land and buildings

September 30, 2023

Related Party	Highest Balance in the Nine Months Ended September 30, 2023	Ending Balance	Guarantee Liability Reserve Balance	Rate (%)	Collaterals
Others					
Financial eSolution Co., Ltd.	\$ 398	\$ 231	\$ 1	0.750	Land and buildings

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 (%)
For the nine months ended <u>September 30, 2024</u>			
Parent company	\$ 127,230	\$ 418	0.000-0.705
Sister companies	3,448,058	14,537	0.000-2.200
Associates	104,759	455	0.000-4.950
Main management	1,005,909	12,654	0.000-13.000
Others			
Financial Information Service Co., Ltd.	19,413,789	19,630	0.000-5.250
The Kaohsiung Third Credit Cooperative	13,522,000	18,394	0.000-1.715
Others	<u>12,034,740</u>	<u>79,756</u>	0.000-13.000
	<u>\$ 49,656,485</u>	<u>\$ 145,844</u>	
For the nine months ended <u>September 30, 2023</u>			
Parent company	\$ 29,858	\$ 279	0.000-0.580
Sister companies	2,252,792	12,073	0.000-4.450
Associates	75,156	524	0.000-4.730
Main management	868,735	11,542	0.000-13.000
Others			
Financial Information Service Co., Ltd.	17,364,599	14,175	0.000-5.250
Others	<u>5,172,327</u>	<u>21,821</u>	0.000-13.000
	<u>\$ 25,763,467</u>	<u>\$ 60,414</u>	

h) Accrued income (part of receivables)

	September 30, 2024	December 31, 2023	September 30, 2023
Sister companies			
BPCTLI	\$ 371,019	\$ 215,104	\$ 191,624
TCSIT	3,535	3,264	3,317
TCS	<u>9,429</u>	<u>7,021</u>	<u>2,274</u>
	<u>\$ 383,983</u>	<u>\$ 225,389</u>	<u>\$ 197,215</u>

i) Receivable on securities (part of receivables)

	September 30, 2024	December 31, 2023	September 30, 2023
Sister companies			
TCS	<u>\$ 943,705</u>	<u>\$ -</u>	<u>\$ -</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Parent company	<u>\$ 1,770,216</u>	<u>\$ 2,110,779</u>	<u>\$ 3,120,070</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Parent company	<u>\$ 259,288</u>	<u>\$ 2,775,295</u>	<u>\$ -</u>

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

	For the Nine Months Ended September 30	
	2024	2023
Sister companies		
BPCTLI	\$ 1,026,930	\$ 381,260
Others	94,656	67,639
Main management	321	149
Others	<u>22,607</u>	<u>20,210</u>
	<u>\$ 1,144,514</u>	<u>\$ 469,258</u>

m) Lease agreements - TCB is lessor

The Company leases out investment properties 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Parent company	\$ 87,960	\$ 106,511	\$ 113,967
Sister companies			
TCS	73,398	112,348	54,720
BPCTLI	75,198	92,533	97,478
TCBF	30,811	37,413	39,614
Others	15,297	19,688	23,519
Others			
Agricultural Bank of Taiwan	158,410	248,668	274,207
Taiwan Asset Management Corporation	40,099	49,845	53,093
	<u>\$ 481,173</u>	<u>\$ 667,006</u>	<u>\$ 656,598</u>

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

	For the Nine Months Ended September 30	
	2024	2023
Parent company	\$ 22,078	\$ 21,643
Sister companies		
TCS	39,634	33,988
BPCTLI	14,883	11,296
Others	18,425	18,489
Others		
Taiwan Asset Management Corporation	9,746	9,746
Agricultural Bank of Taiwan	32,331	14,215
	<u>\$ 137,097</u>	<u>\$ 109,377</u>

n) Derivatives

For the Nine Months Ended September 30, 2024							
Related Party	Type of Derivatives	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Amounts on the Balance Sheet		
					Account	Amounts	
Sister company - BPCTLI	Currency swap	2024.07.24- 2024.10.24	EUR 3,000	\$ (834)	Financial liabilities at fair value through profit or loss	\$	(834)
	Currency swap	2024.09.30- 2024.12.31	EUR 4,844	(928)	Financial liabilities at fair value through profit or loss		(928)
	Currency swap	2024.08.15- 2024.10.31	US\$ 81,466	(23,084)	Financial liabilities at fair value through profit or loss		(23,084)
Other - TCB 6 Year Senior Emerging Market Bond Fund	Currency swap	2024.09.30- 2024.11.29	US\$ 3,000	(337)	Financial liabilities at fair value through profit or loss		(337)

(Continued)

For the Nine Months Ended September 30, 2024							
Related Party	Type of Derivatives	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Amounts on the Balance Sheet		
					Account	Amounts	
Other - TCB US Short Duration High Yield Bond Fund	Currency swap	2024.07.22-2024.10.22	US\$ 3,450	\$ (2,610)	Financial liabilities at fair value through profit or loss	\$ (2,610)	
Other - TCB Global Core Infrastructure Income Fund	Currency swap	2024.08.16-2024.11.18	US\$ 500	(258)	Financial liabilities at fair value through profit or loss	(258)	
Other - TCB 2032 Target Date Multi-Asset Income Fund	Currency swap	2024.09.18-2024.12.18	US\$ 3,000	(1,124)	Financial liabilities at fair value through profit or loss	(1,124)	
Other - TCB 2025 Maturity Emerging Market Bond Fund	Currency swap	2024.06.20-2024.11.29	US\$ 21,150	(22,072)	Financial liabilities at fair value through profit or loss	(22,072)	
Other - TCB Global High Yield Bond Fund	Currency swap	2024.07.18-2025.02.21	US\$ 3,200	(2,104)	Financial liabilities at fair value through profit or loss	(2,104)	
Other - TCB Fund of Emerging Markets Bond Fund	Currency swap	2024.08.28-2024.11.29	US\$ 500	(77)	Financial liabilities at fair value through profit or loss	(77)	
Other - TCB Diversified Income Multi-Asset Market Fund	Currency swap	2024.08.22-2025.01.23	US\$ 10,100	(2,534)	Financial liabilities at fair value through profit or loss	(2,534)	

(Concluded)

For the Nine Months Ended September 30, 2023							
Related Party	Type of Derivatives	Contract Period	Nominal Amounts	Valuation Gain (Loss)	Amounts on the Balance Sheet		
					Account	Amounts	
Sister company - BPCTLI	Currency swap	2023.01.31-2024.03.31	EUR 4,844	\$ 7,083	Financial assets at fair value through profit or loss	\$ 7,083	
	Currency swap	2023.08.24-2024.01.24	EUR 3,012	(2,288)	Financial liabilities at fair value through profit or loss	(2,288)	
	Currency swap	2023.09.14-2024.01.31	US\$ 115,245	8,531	Financial assets at fair value through profit or loss	8,531	
Sister company - TCBF	Currency swap	2023.08.14-2023.10.16	US\$ 3,000	1,582	Financial assets at fair value through profit or loss	1,582	
Other - TCB 6 Year Senior Emerging Market Bond Fund	Currency swap	2023.09.26-2023.10.26	US\$ 4,500	261	Financial assets at fair value through profit or loss	261	
Other - TCB 6 Year Emerging Market Bond Fund	Currency swap	2023.08.11-2023.11.13	US\$ 6,800	765	Financial assets at fair value through profit or loss	765	
Other - TCB 2026 Maturity Senior Emerging Market Corporate Bond Fund	Currency swap	2023.09.08-2023.12.08	US\$ 800	127	Financial assets at fair value through profit or loss	127	
Other - TCB US Short Duration High Yield Bond Fund	Currency swap	2023.03.21-2024.03.21	US\$ 5,700	7,799	Financial assets at fair value through profit or loss	7,799	
Other - TCB 2023 Maturity Selective Emerging Market Bond Fund	Currency swap	2023.09.11-2023.11.13	US\$ 3,550	223	Financial liabilities at fair value through profit or loss	223	
Other - TCB Global Core Infrastructure Income Fund	Currency swap	2023.07.13-2023.10.13	US\$ 1,200	767	Financial assets at fair value through profit or loss	767	
Other - TCB Global High Yield Bond Fund	Currency swap	2023.08.28-2023.11.13	US\$ 3,850	1,687	Financial assets at fair value through profit or loss	1,687	
Other - TCB 2032 Target Date Multi-Asset Income Fund	Currency swap	2023.09.18-2023.12.18	US\$ 3,000	1,207	Financial assets at fair value through profit or loss	1,207	
Other - TCB Environment & Socially Responsible Multi-Asset Fund	Currency swap	2023.07.06-2023.12.29	US\$ 7,200	3,759	Financial assets at fair value through profit or loss	3,759	
Other - TCB Global Healthcare Multi-Asset Income Fund	Currency swap	2023.09.26-2023.12.29	US\$ 13,000	1,418	Financial assets at fair value through profit or loss	1,418	
Other - TCB 2025 Maturity Emerging Market Bond Fund	Currency swap	2023.09.25-2023.10.31	US\$ 21,650	777	Financial assets at fair value through profit or loss	777	

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

	For the Nine Months Ended September 30	
	2024	2023
Financial assets and liabilities at fair value through profit or loss		
Sister companies		
BPCTLI	\$ 199,690	\$ 411,746
TCBF	3,665	6,510
Others	<u>64,591</u>	<u>165,164</u>
	<u>\$ 267,946</u>	<u>\$ 583,420</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.

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

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

	September 30, 2024	December 31, 2023	September 30, 2023
Sister companies	<u>\$ 59,726</u>	<u>\$ 131,678</u>	<u>\$ 34,565</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Sister companies	<u>\$ 810,528</u>	<u>\$ 14,708</u>	<u>\$ 85</u>

c) Settlement payable (part of payables)

	September 30, 2024	December 31, 2023	September 30, 2023
Sister companies			
TCB	\$ 943,705	\$ 23,730	\$ -
Others	48,263	7,353	2,446
Others	<u>7,592</u>	<u>2,065</u>	<u>2,758</u>
	<u>\$ 999,560</u>	<u>\$ 33,148</u>	<u>\$ 5,204</u>

d) TCS applied to TCB for call loans

Related Party	For the Nine Months Ended September 30, 2024			
	Highest Balance	Ending Balance	Interest Expense	Interest Rate (%)
Sister companies				
TCB	<u>\$ 329,000</u>	<u>\$ 316,000</u>	<u>\$ 13,665</u>	5.540-5.720

Related Party	For the Nine Months Ended September 30, 2023			
	Highest Balance	Ending Balance	Interest Expense	Interest Rate (%)
Sister companies				
TCB	\$ <u>322,850</u>	\$ <u>322,850</u>	\$ <u>12,334</u>	4.700-5.800

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

	For the Nine Months Ended September 30, 2024			
	Highest Balance	Ending Balance	Interest Expense	Interest Rate (%)
Sister companies	\$ <u>1,000,000</u>	\$ <u>-</u>	\$ <u>5</u>	2.768-2.893

	For the Nine Months Ended September 30, 2023			
	Highest Balance	Ending Balance	Interest Expense	Interest Rate (%)
Sister companies	\$ <u>1,000,000</u>	\$ <u>-</u>	\$ <u>-</u>	-

- f) Lease agreements - TCS is lessee

- i. Right-of-use assets, net

	September 30, 2024	December 31, 2023	September 30, 2023
Sister companies			
TCB	\$ <u>69,233</u>	\$ <u>107,422</u>	\$ <u>53,502</u>

- ii. Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Sister companies	\$ <u>70,633</u>	\$ <u>108,289</u>	\$ <u>55,005</u>

- iii. Interest expense

	For the Nine Months Ended September 30	
	2024	2023
Sister companies	\$ <u>1,978</u>	\$ <u>878</u>

iv. Depreciation expense

	For the Nine Months Ended September 30	
	2024	2023
Sister companies	\$ <u>38,194</u>	\$ <u>33,485</u>

3) Taiwan Cooperative Bills Finance Corporation Ltd.

a) Cash in bank

	Highest Balance	Ending Balance	Interest Expense	Interest Rate (%)
For the nine months ended <u>September 30, 2024</u>				
Sister companies	\$ <u>555,462</u>	\$ <u>55,940</u>	\$ <u>213</u>	0.010-1.690
For the nine months ended <u>September 30, 2023</u>				
Sister companies	\$ <u>693,379</u>	\$ <u>101,494</u>	\$ <u>156</u>	0.010-1.565

b) Call loans from banks

	Highest Balance	Ending Balance	Interest Expense	Interest Rate (%)
For the nine months ended <u>September 30, 2024</u>				
Sister companies	\$ <u>4,444,385</u>	\$ <u>2,918,000</u>	\$ <u>21,849</u>	1.360-6.080
For the nine months ended <u>September 30, 2023</u>				
Sister companies	\$ <u>2,578,603</u>	\$ <u>478,428</u>	\$ <u>14,863</u>	1.200-5.770

c) Securities sold under repurchase agreement

	Ending Balance	Interest Expense	Interest Rate (%)
For the nine months ended <u>September 30, 2024</u>			
Sister companies	\$ <u>267,674</u>	\$ <u>5,788</u>	1.310-1.490
For the nine months ended <u>September 30, 2023</u>			
Sister companies	\$ <u>459,400</u>	\$ <u>1,540</u>	1.150-1.300

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

- a) Cash in bank (part of cash and cash equivalents, investment in debt instrument at amortized cost, refundable deposits and separate account assets)

	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
Sister company						
TCB	<u>\$ 1,899,259</u>	<u>51</u>	<u>\$ 1,486,896</u>	<u>45</u>	<u>\$ 1,339,994</u>	<u>53</u>

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

	For the Nine Months Ended September 30, 2024		
	Purchased Securities (Note)	Securities Purchase Under Resell Agreement	
		Amount	Rate (%)
Sister company			
TCBF	<u>\$ 7,832,463</u>	<u>\$ 267,674</u>	1.310-1.490
	For the Nine Months Ended September 30, 2023		
	Purchased Securities (Note)	Securities Purchase Under Resell Agreement	
		Amount	Rate (%)
Sister company			
TCBF	<u>\$ 3,335,944</u>	<u>\$ 459,400</u>	1.150-1.300

Note: The amount includes securities purchased under resell agreements.

- c) Payables

	September 30, 2024	December 31, 2023	September 30, 2023
Sister company			
TCB	<u>\$ 380,259</u>	<u>\$ 281,125</u>	<u>\$ 189,801</u>
Associates	<u>-</u>	<u>3,436</u>	<u>112</u>
	<u>\$ 380,259</u>	<u>\$ 284,561</u>	<u>\$ 189,913</u>

- d) Derivatives

For the nine months ended September 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	2024.08.15-2024.10.31	US\$ 81,465	\$ 21,824	Financial assets at fair value through profit or loss	\$ 21,824
		2024.07.24-2024.12.31	EUR 7,844	1,755	Financial assets at fair value through profit or loss	1,755
	Associates - Banque Nationale De Paris, Taipei Branch (Note)	2024.06.28-2024.12.11	US\$ 75,482	44,843	Financial assets at fair value through profit or loss	44,843
		2024.07.25-2024.10.25	EUR 4,827	1,382	Financial assets at fair value through profit or loss	1,382

For the nine months ended September 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	2023.09.14-2024.01.31	US\$ 115,245	\$ (6,572)	Financial liabilities at fair value through profit or loss	\$ (6,572)
		2023.08.24-2024.01.24	EUR 3,012	2,515	Financial assets at fair value through profit or loss	2,515
		2023.01.31-2024.03.31	EUR 4,844	(6,739)	Financial liabilities at fair value through profit or loss	(6,739)
	Associates - Banque Nationale De Paris, Taipei Branch (Note)	2021.06.11-2024.08.19	US\$ 86,339	(173,080)	Financial liabilities at fair value through profit or loss	(224,322)
		2023.02.02-2024.02.02	EUR 10,933	(13,405)	Financial liabilities at fair value through profit or loss	(13,405)

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

For the nine months ended September 30, 2024 and 2023, the realized gains or losses on currency swaps with sister companies were \$202,535 thousand and \$402,245 thousand losses, respectively. Besides, the realized gains or losses on currency swaps with affiliates were \$293,419 thousand and \$66,920 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 September 30, 2024, December 31, 2023 and September 30, 2023, the BPCTLI had received deposits of \$22,776 thousand, refundable deposits of \$85,155 thousand and \$238,249 thousand, respectively.

e) Operating expenses - insurance contract expenses

	For the Nine Months Ended September 30	
	2024	2023
Sister company TCB	\$ <u>954,141</u>	\$ <u>351,803</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)

	September 30, 2024	December 31, 2023	September 30, 2023
Sister company TCB	\$ <u>136,900</u>	\$ <u>119,800</u>	\$ <u>47,484</u>

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

	For the Nine Months Ended September 30	
	2024	2023
Management fee income		
Sister company	\$ -	\$ 402
Others	<u>222,611</u>	<u>252,208</u>
	<u>\$ 222,611</u>	<u>\$ 252,610</u>

6) Taiwan Cooperative Venture Capital Co., Ltd.

	September 30, 2024	December 31, 2023	September 30, 2023
Cash in banks (part of cash and cash equivalents)			
Sister company			
TCB	<u>\$ 90,186</u>	<u>\$ 44,041</u>	<u>\$ 128,771</u>

7) Taiwan Cooperative International Leasing Co., Ltd.

	September 30, 2024	December 31, 2023	September 30, 2023
Cash in banks (part of cash and cash equivalents)			
Sister company			
TCB	<u>\$ 1,300</u>	<u>\$ 203,999</u>	<u>\$ 61,933</u>

d. Salaries, bonuses and remunerations to main management

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

	For the Nine Months Ended September 30	
	2024	2023
Salaries and other short-term employment benefits	\$ 161,999	\$ 152,558
Post-employment benefits	15,893	8,480
Interest arising from the employees' preferential rate in excess of normal rates	<u>1,135</u>	<u>1,232</u>
	<u>\$ 179,027</u>	<u>\$ 162,270</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:

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets mandatorily classified as at fair value through profit or loss - negotiable certificates of deposit	\$ 607,943	\$ 400,000	400,000
Financial assets at fair value through other comprehensive income - debt instrument investments	611,240	184,230	189,177
Investments in debt instruments at amortized cost	84,340,898	84,294,516	84,224,563
Other financial assets - due from banks	<u>240,000</u>	<u>397,701</u>	<u>405,816</u>
	<u>\$ 85,800,081</u>	<u>\$ 85,276,447</u>	<u>\$ 85,219,556</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 September 30, 2024, December 31, 2023 and September 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
September 30, 2024	<u>\$ 703,215</u>	<u>\$ 545,937</u>
December 31, 2023	<u>\$ 488,219</u>	<u>\$ 411,019</u>
September 30, 2023	<u>\$ 445,315</u>	<u>\$ 372,429</u>

- c. As of September 30, 2024, December 31, 2023 and September 30, 2023, due to the KHR loans borrowed from the National Bank of Cambodia, up to US\$8,050 thousand, US\$25,525 thousand and US\$20,326 thousand in TCB's Phnom Penh Branch's due from the Central Bank were provided as collateral to the National Bank of Cambodia in accordance with the relevant regulations.

43. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

a. Taiwan Cooperative Financial Holding Co., Ltd.

As of September 30, 2024, TCFHC's outstanding major construction and procurement contracts amounted to \$196,643 thousand, of which \$114,367 thousand was still unpaid.

b. Taiwan Cooperative Bank, Ltd.

1) As of September 30, 2024, TCB's outstanding major construction and procurement contracts amounted to \$999,637 thousand, of which \$698,512 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 September 30, 2024, the commitments or contingencies arose from business were as follows:

	September 30, 2024
Guarantees of commercial paper	<u>\$ 34,614,200</u>
Purchase of reference-rate commercial paper	<u>\$ 6,950,000</u>

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

As of September 30, 2024, TCS's agreements on the house decoration project and acquisition equipment amounted to \$28,660 thousand, of which \$17,461 thousand was still unpaid.

44. FINANCIAL INSTRUMENTS

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

	September 30, 2024		December 31, 2023		September 30, 2023	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
<u>Financial assets</u>						
Investments in debt instruments at amortized cost	\$ 715,431,880	\$ 711,181,955	\$ 705,008,604	\$ 702,298,543	\$ 684,839,156	\$ 680,238,278
<u>Financial liabilities</u>						
Bonds payable	79,140,000	79,019,263	77,240,000	77,398,413	81,840,000	81,820,861

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

September 30, 2024

	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Investments in debt instruments at amortized cost	\$ 711,181,955	\$ 452,343	\$ 710,571,612	\$ 158,000
<u>Financial liabilities</u>				
Bonds payable	79,019,263	-	79,019,263	-

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	-

September 30, 2023

	Total	Level 1	Level 2	Level 3
<u>Financial assets</u>				
Investments in debt instruments at amortized cost	\$ 680,238,278	\$ 464,089	\$ 679,550,044	\$ 224,145
<u>Financial liabilities</u>				
Bonds payable	81,820,861	-	81,820,861	-

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 1.3197% and 2.0220%, between 1.0889% and 1.6705%, between 1.1448% and 1.6297% as of September 30, 2024, December 31, 2023 and September 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%, 10% and 10% as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively. 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:

	September 30, 2024	December 31, 2023	September 30, 2023
Discount for lack of marketability			
Increase 10%	\$ (1,333,140)	\$ (1,197,120)	\$ (1,082,964)
Decrease 10%	\$ 1,333,140	\$ 1,197,120	\$ 1,082,964
Discount for minority interest			
Increase 10%	\$ (41,419)	\$ (37,334)	\$ (39,874)
Decrease 10%	\$ 41,419	\$ 37,334	\$ 39,874

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

1) Fair value hierarchy

Financial Instruments Measured at Fair Value	September 30, 2024			
	Total	Level 1	Level 2	Level 3
<u>Non-derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at FVTPL				
Equity instruments	\$ 3,302,717	\$ 1,512,440	\$ 7,403	\$ 1,782,874
Debt instruments	2,267,664	1,013,818	1,253,846	-
Others	142,009,365	5,174,477	136,834,888	-
Financial assets at FVTOCI				
Equity instruments	53,476,085	45,746,587	-	7,729,498
Debt instruments	464,113,955	22,040,369	442,073,586	-
Others	3,208,480	-	3,208,480	-
<u>Liabilities</u>				
Financial liabilities at FVTPL	(4,860,606)	(240,288)	(4,620,318)	-
<u>Derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at FVTPL	3,464,255	354,825	3,109,430	-
<u>Liabilities</u>				
Financial liabilities at FVTPL	(3,222,189)	-	(3,222,189)	-
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	September 30, 2023			
	Total	Level 1	Level 2	Level 3
<u>Non-derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at FVTPL				
Equity instruments	\$ 2,978,352	\$ 1,594,807	\$ 13,233	\$ 1,370,312
Debt instruments	3,000,471	1,140,242	1,860,229	-
Others	113,007,796	4,832,089	108,175,707	-
Financial assets at FVTOCI				
Equity instruments	42,852,613	36,442,777	-	6,409,836
Debt instruments	448,469,461	21,624,674	426,844,787	-
Others	9,018,998	-	9,018,998	-
<u>Liabilities</u>				
Financial liabilities at FVTPL	(2,005,341)	(569,864)	(1,435,477)	-
<u>Derivative financial instruments</u>				
<u>Assets</u>				
Financial assets at FVTPL	14,266,190	378,912	13,887,278	-
<u>Liabilities</u>				
Financial liabilities at FVTPL	(1,488,021)	-	(1,488,021)	-

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	440,640	-	440,640
Recognized in OCI (investment in equity instruments at FVTOCI)	-	521,884	521,884
Purchases	458,678	-	458,678
Disposals	(384,760)	-	(384,760)
Transferred out of Level 3	(71,760)	-	(71,760)
Balance on September 30, 2024	<u>\$ 1,782,874</u>	<u>\$ 7,729,498</u>	<u>\$ 9,512,372</u>
Balance on January 1, 2023	\$ 1,318,493	\$ 6,227,077	\$ 7,545,570
Recognized in profit	9,354	-	9,354
Recognized in OCI (investment in equity instruments at FVTOCI)	-	182,759	182,759
Purchases	172,496	-	172,496
Disposals	(85,031)	-	(85,031)
Transferred out of Level 3	(45,000)	-	(45,000)
Balance on September 30, 2023	<u>\$ 1,370,312</u>	<u>\$ 6,409,836</u>	<u>\$ 7,780,148</u>

The change in unrealized gains or losses for the nine months ended September 30, 2024 and 2023 included in profit or loss for assets held at the September 30, 2024 and 2023, respectively, was \$172,611 thousand gains and \$15,792 thousand losses.

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

	September 30, 2024	December 31, 2023	September 30, 2023
Difference between carrying amount and contractual amount at maturity			
Fair value	\$ 4,620,318	\$ 2,774,538	\$ 1,435,477
Amount payable at maturity	<u>4,640,460</u>	<u>2,834,072</u>	<u>1,509,324</u>
	<u>\$ (20,142)</u>	<u>\$ (59,534)</u>	<u>\$ (73,847)</u>
			Changes in Fair Value Attributable to Changes in Credit Risk
Change in amount during the period			
As of September 30, 2024			<u>\$ (12,687)</u>
As of September 30, 2023			<u>\$ 451</u>
Accumulated amount of change			
As of September 30, 2024			<u>\$ (25,701)</u>
As of December 31, 2023			<u>\$ (13,014)</u>
As of September 30, 2023			<u>\$ 451</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 TCFB's interest yield curves as at the end of the reporting period and by obtaining lender quotes for borrowings with similar maturities to estimate the credit risk margin.

e. Information on financial risk management

Taiwan Cooperative Financial Holding Co., Ltd.

1) Risk management

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

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

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

Each subsidiary's 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 September 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>\$ 1,437,942</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. The conversion process was completed in October 2024, with all instruments converted to the alternative reference rate.

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 September 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 September 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:

September 30, 2024

	Gross Carrying Amount	Allowance for Possible Losses	Total Exposure Amount (Amortized Cost)	Fair Value of Collateral
<u>Impaired financial assets</u>				
Receivables	\$ 318,001	\$ 129,627	\$ 188,374	\$ -
Discount and loans	33,204,671	3,962,895	29,241,776	62,481,354

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

September 30, 2023

	Gross Carrying Amount	Allowance for Possible Losses	Total Exposure Amount (Amortized Cost)	Fair Value of Collateral
Impaired financial assets				
Receivables	\$ 295,333	\$ 142,234	\$ 153,099	\$ -
Discount and loans	34,066,277	5,501,347	28,564,930	67,567,546

The total amount of financial assets that have been written off but have recourse action by TCB and its subsidiary on September 30, 2024, December 31, 2023 and September 30, 2023 were \$13,601,599 thousand, \$11,983,222 thousand and \$10,214,066 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	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
Natural person	\$ 1,110,230,135	37	\$ 1,020,504,283	36	\$ 997,392,113	36
Manufacturing	580,608,144	19	505,293,926	18	500,497,384	18
Government agencies	292,355,749	10	327,347,260	12	287,821,165	10

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:

	September 30, 2024	December 31, 2023	September 30, 2023
Financial assets at fair value through profit or loss - debt instrument	\$ 593,074	\$ 792,255	\$ 939,768

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

	September 30, 2024			Difference of Impairment Loss under "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans"	Total
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired Financial Instruments)		
Maximum exposures to credit risk	\$ 350,326,902	\$ 2,205	\$ 147,646	\$ -	\$ 350,476,753
Allowance for possible losses	(777,897)	-	(45,152)	-	(823,049)
Difference of impairment loss under "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans"	-	-	-	(527,718)	(527,718)
	<u>\$ 349,549,005</u>	<u>\$ 2,205</u>	<u>\$ 102,494</u>	<u>\$ (527,718)</u>	<u>\$ 349,125,986</u>
	December 31, 2023			Difference of Impairment Loss under "Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans"	Total
	12-month ECL	Lifetime ECL	Lifetime ECL (Credit-impaired Financial Instruments)		
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>

September 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	\$ 354,856,472	\$ 2,275	\$ 172,268	\$ -	\$ 355,031,015
Allowance for possible losses	(875,109)	(1)	(10,698)	-	(885,808)
Difference of impairment loss under “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	(531,197)	(531,197)
	<u>\$ 353,981,363</u>	<u>\$ 2,274</u>	<u>\$ 161,570</u>	<u>\$ (531,197)</u>	<u>\$ 353,614,010</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

September 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/N on-accrual Loans”	Total
Discounts and loans	\$ 2,984,602,144	\$ 3,753,592	\$ 33,204,671	\$ -	\$ 3,021,560,407
Allowance for possible losses	(4,517,973)	(551,391)	(3,962,895)	-	(9,032,259)
Difference of impairment loss under “Regulations Governing the Procedure for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	(24,837,930)	(24,837,930)
	<u>\$ 2,980,084,171</u>	<u>\$ 3,202,201</u>	<u>\$ 29,241,776</u>	<u>\$ (24,837,930)</u>	<u>\$ 2,987,690,218</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/N on-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>

September 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/N on-accrual Loans”	Total
Discounts and loans	\$ 2,731,011,103	\$ 3,209,623	\$ 34,066,277	\$ -	\$ 2,768,287,003
Allowance for possible losses	(4,631,584)	(40,938)	(5,501,347)	-	(10,173,869)
Difference of impairment loss under “Regulations Governing the Procedure for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	(21,220,713)	(21,220,713)
	<u>\$ 2,726,379,519</u>	<u>\$ 3,168,685</u>	<u>\$ 28,564,930</u>	<u>\$ (21,220,713)</u>	<u>\$ 2,736,892,421</u>

b) Credit quality analysis of receivables

	September 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	\$ 19,101,401	\$ 45,819	\$ 318,001	\$ 7,363,009	\$ -	\$ 26,828,230
Allowance for possible losses	(36,133)	(8,568)	(129,627)	(174,758)	-	(349,086)
Difference of impairment loss under “Regulations Governing the Procedure for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	-	(169,993)	(169,993)
	\$ 19,065,268	\$ 37,251	\$ 188,374	\$ 7,188,251	\$ (169,993)	\$ 26,309,151

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>
September 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	\$ 20,564,530	\$ 64,129	\$ 295,333	\$ 5,559,697	\$ -	\$ 26,483,689
Allowance for possible losses	(51,306)	(11,820)	(142,234)	(185,081)	-	(390,441)
Difference of impairment loss under “Regulations Governing the Procedure for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans”	-	-	-	-	(168,910)	(168,910)
	<u>\$ 20,513,224</u>	<u>\$ 52,309</u>	<u>\$ 153,099</u>	<u>\$ 5,374,616</u>	<u>\$ (168,910)</u>	<u>\$ 25,924,338</u>

c) Credit quality analysis of securities

September 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	\$ 417,282,788	\$ -	\$ 332,200	\$ 417,614,988
Allowance for possible losses	(50,323)	-	(207,292)	(257,615)
Amortized cost	417,232,465	-	124,908	417,357,373
Fair value adjustments	(14,708,064)	-	137,003	(14,571,061)
	<u>\$ 402,524,401</u>	<u>\$ -</u>	<u>\$ 261,911</u>	<u>\$ 402,786,312</u>
Investments in debt instruments at amortized cost	\$ 712,924,287	\$ -	\$ -	\$ 712,924,287
Allowance for possible losses	(24,271)	-	-	(24,271)
	<u>\$ 712,900,016</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 712,900,016</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>
September 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	\$ 412,608,035	\$ -	\$ 361,106	\$ 412,969,141
Allowance for possible losses	(56,540)	-	(225,085)	(281,625)
Amortized cost	412,551,495	-	136,021	412,687,516
Fair value adjustments	(18,728,254)	-	125,015	(18,603,239)
	<u>\$ 393,823,241</u>	<u>\$ -</u>	<u>\$ 261,036</u>	<u>\$ 394,084,277</u>
Investments in debt instruments at amortized cost	\$ 682,455,068	\$ -	\$ -	\$ 682,455,068
Allowance for possible losses	(29,831)	-	-	(29,831)
	<u>\$ 682,425,237</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 682,425,237</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	8,734	-	-	8,734
Derecognition of financial assets in the current reporting period	(3,679)	-	-	(3,679)
Change in model or risk parameters	(8,153)	-	(9,707)	(17,860)
Changes in exchange rates and other changes	<u>849</u>	<u>-</u>	<u>6,146</u>	<u>6,995</u>
Balance on September 30, 2024	<u>\$ 50,323</u>	<u>\$ -</u>	<u>\$ 207,292</u>	<u>\$ 257,615</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
Transfers to lifetime ECL	-	-	-	-
New financial assets purchased	3,332	-	-	3,332
Derecognition of financial assets in the current reporting period	(3,973)	-	-	(3,973)
Change in model or risk parameters	445	-	(8,894)	(8,449)
Changes in exchange rates and other changes	<u>(3,929)</u>	<u>-</u>	<u>11,306</u>	<u>7,377</u>
Balance on September 30, 2023	<u>\$ 56,540</u>	<u>\$ -</u>	<u>\$ 225,085</u>	<u>\$ 281,625</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	5,515	-	-	5,515
Derecognition of financial assets in the current reporting period	(8,797)	-	-	(8,797)
Change in model or risk parameters	(6,223)	-	-	(6,223)
Changes in exchange rates and other changes	<u>246</u>	<u>-</u>	<u>-</u>	<u>246</u>
Balance on September 30, 2024	<u>\$ 24,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,271</u>
Balance on January 1, 2023	\$ 22,243	\$ -	\$ -	\$ 22,243
New financial assets purchased	12,407	-	-	12,407
Derecognition of financial assets in the current reporting period	(3,315)	-	-	(3,315)
Change in model or risk parameters	(1,934)	-	-	(1,934)
Changes in exchange rates and other changes	<u>430</u>	<u>-</u>	<u>-</u>	<u>430</u>
Balance on September 30, 2023	<u>\$ 29,831</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,831</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	September 30, 2024	December 31, 2023	September 30, 2023
Interest rate risk	Interest rate curve increased 100 basis points	\$ (274,116)	\$ (304,819)	\$ (233,124)
	Interest rate curve fell 100 basis points	278,274	309,717	236,774
Exchange rate risk	USD/NT\$, EUR/NT\$ increased 3%	(335,774)	(451,387)	(495,434)
	USD/NT\$, EUR/NT\$ fell 3%	335,774	451,387	495,434
	Others (RMB, AUD etc.)/ NT\$ increased 5%	45,650	65,393	84,625
	Others (RMB, AUD etc.)/ NT\$ fell 5%	(45,650)	(65,393)	(84,625)
Equity security price risk	Equity security price increased by 15%	31,306	47,221	46,275
	Equity security price fell by 15%	(31,306)	(47,221)	(46,275)

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

(In Thousands)

	September 30, 2024		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
USD	\$ 15,681,484	31.6000	\$ 495,534,890
RMB	8,823,991	4.5200	39,884,441
AUD	1,634,228	21.8700	35,740,580
JPY	124,885,733	0.2218	27,699,656
EUR	645,853	35.2800	22,785,684
<u>Financial liabilities</u>			
USD	23,273,977	31.6000	735,457,675
RMB	6,607,885	4.5200	29,867,640
JPY	121,263,478	0.2218	26,896,239
AUD	957,953	21.8700	20,950,440
EUR	465,198	35.2800	16,412,172

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

September 30, 2023			
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
USD	\$ 13,509,421	32.2850	\$ 436,151,664
RMB	10,334,101	4.4120	45,594,052
AUD	1,362,783	20.5700	28,032,452
JPY	111,584,886	0.2161	24,113,494
EUR	709,398	33.9400	24,076,978
<u>Financial liabilities</u>			
USD	20,954,185	32.2850	676,505,872
RMB	7,977,869	4.4120	35,198,358
JPY	105,835,823	0.2161	22,871,121
AUD	1,008,483	20.5700	20,744,495
EUR	203,578	33.9400	6,909,436

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 28.70% in September 2024, 28.71% in December 2023 and 29.51% in September 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.

September 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	\$ 201,286,615	\$ 66,256,701	\$ 30,337,113	\$ 125,727,665	\$ -	\$ 423,608,094
Financial liabilities at fair value through profit or loss	-	-	1,019,100	-	3,621,360	4,640,460
Securities sold under repurchase agreements	7,590,574	790,093	1,003,097	61,435	-	9,445,199
Payables	32,489,677	6,181,171	4,749,503	7,306,090	5,890,017	56,616,458
Deposits and remittances	478,687,824	521,084,569	647,148,071	797,416,001	1,503,773,224	3,948,109,689
Bank debentures	-	-	-	-	59,140,000	59,140,000
Lease liabilities	70,814	183,215	165,662	287,017	1,556,406	2,263,114
Other items of cash outflow on maturity	1,313,900	9	14	969,315	5,398,165	7,681,403

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

September 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	\$ 186,698,346	\$ 91,883,380	\$ 23,595,224	\$ 25,095,665	\$ -	\$ 327,272,615
Financial liabilities at fair value through profit or loss	-	-	-	-	1,509,324	1,509,324
Securities sold under repurchase agreements	6,218,079	1,279,262	1,413,201	11,003	-	8,921,545
Payables	38,204,825	6,090,217	4,726,812	5,055,666	3,843,020	57,920,540
Deposits and remittances	368,676,883	495,551,683	585,981,070	768,591,341	1,465,525,713	3,684,326,690
Bank debentures	-	4,600,000	-	9,100,000	48,140,000	61,840,000
Lease liabilities	70,796	179,906	158,858	272,123	1,412,315	2,093,998
Other items of cash outflow on maturity	2,034,381	40	49	1,029,454	4,947,727	8,011,651

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 September 30, 2024, December 31, 2023 and September 30, 2023 must be repaid soon, the capital expenditure will be increased by \$2,056,443,646 thousand, \$2,055,012,823 thousand and \$1,981,431,981 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

September 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	\$ -	\$ 465	\$ 218	\$ 1,824	\$ -	\$ 2,507
Interest	5,240	(898)	6,283	13,179	136,281	160,085

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

September 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	\$ 107	\$ 1,175	\$ 1,206	\$ 1,153	\$ -	\$ 3,641
Interest	2,158	890	2,460	20,860	215,010	241,378

b) Derivative financial liabilities to be settled at gross amounts

September 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	\$ 66,668,875	\$ 86,709,602	\$ 37,118,585	\$ 29,536,924	\$ 923,157	\$ 220,957,143
Cash inflow	67,540,897	87,944,837	37,735,537	29,955,453	930,600	224,107,324
Interest derivatives						
Cash outflow	-	75,735	-	-	-	75,735
Cash inflow	-	75,363	-	-	-	75,363
Total cash outflow	66,668,875	86,785,337	37,118,585	29,536,924	923,157	221,032,878
Total cash inflow	67,540,897	88,020,200	37,735,537	29,955,453	930,600	224,182,687
Net cash flow	872,022	1,234,863	616,952	418,529	7,443	3,149,809

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

September 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	\$ 21,457,899	\$ 12,537,486	\$ 4,890,083	\$ 1,063,028	\$ -	\$ 39,948,496
Cash inflow	21,612,774	12,642,962	4,928,925	1,109,224	-	40,293,885
Interest derivatives						
Cash outflow	207,026	140,051	98,785	79,792	-	525,654
Cash inflow	191,514	134,758	93,270	74,604	-	494,146
Total cash outflow	21,664,925	12,677,537	4,988,868	1,142,820	-	40,474,150
Total cash inflow	21,804,288	12,777,720	5,022,195	1,183,828	-	40,788,031
Net cash flow	139,363	100,183	33,327	41,008	-	313,881

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.

September 30, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Irrevocable loan commitments issued	\$ 1,447,537	\$ 16,446,907	\$ 15,608,190	\$ 25,814,833	\$ 113,290,075	\$ 172,607,542
Irrevocable credit card commitments	307,786	927,514	1,271,123	4,911,678	56,987,738	64,405,839
Letters of credit issued yet unused	3,739,215	11,170,493	2,357,294	5,288,529	1,920,051	24,475,582
Other guarantees	8,612,960	8,930,751	6,074,589	12,726,764	52,642,726	88,987,790

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

September 30, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Irrevocable loan commitments issued	\$ 1,309,587	\$ 3,639,769	\$ 7,857,866	\$ 42,152,563	\$ 108,752,833	\$ 163,712,618
Irrevocable credit card commitments	482,274	392,166	1,259,559	4,038,005	57,018,290	63,190,294
Letters of credit issued yet unused	4,936,613	14,740,896	2,716,974	1,985,050	5,085,026	29,464,559
Other guarantees	10,568,443	13,327,190	7,594,377	20,354,070	46,819,465	98,663,545

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 \$582,257 thousand, \$484,711 thousand and \$510,743 thousand as of September 30, 2024, December 31, 2023 and September 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 September 30, 2024, December 31, 2023 and September 30, 2023 the fair values of financial assets would have decreased by \$20,694 thousand, \$20,194 thousand and \$19,860 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 September 30, 2024, December 31, 2023 and September 30, 2023, had the TAIEX fallen 1%, the fair value of the equity assets would have decreased by \$18,907 thousand, \$15,686 thousand and \$13,619 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 increased 1% for the nine months ended September 30, 2024, for the year ended December 31, 2023 and for the nine months ended September 30, 2023, the income before income tax would have decreased \$164,044 thousand, \$151,469 thousand and \$148,452 thousand, respectively.

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

September 30, 2024

	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Savings accounts			
USD	\$ 16,180	31.633	\$ 511,814
ZAR	61,841	1.848	114,301
AUD	2,347	21.890	51,375
Receivables			
USD	5,566	31.633	176,064
RMB	855	4.521	3,865
EUR	693	35.290	24,439
Financial assets at FVTPL			
USD	7,610	31.633	240,722
Financial assets at FVTOCI			
USD	481,607	31.633	15,234,671
EUR	37,271	35.290	1,315,294
RMB	75,735	4.521	342,399
Financial assets at amortized cost			
EUR	9,828	35.290	346,828
USD	8,906	31.633	281,733
Guarantee deposits received			
USD	1,284	31.633	40,606

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

(Continued)

	Foreign Currencies	Exchange Rate	New Taiwan Dollars
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
			(Concluded)

September 30, 2023

	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Savings accounts			
USD	\$ 1,692	32.283	\$ 54,607
AUD	3,053	20.545	62,727
ZAR	36,149	1.682	60,799
Receivables			
USD	5,596	32.283	180,657
EUR	782	33.880	26,505
RMB	857	4.411	3,782
Financial assets at FVTPL			
USD	1,628	32.283	52,569
Financial assets at FVTOCI			
USD	437,156	32.283	14,112,711
EUR	51,896	33.880	1,758,239
RMB	75,361	4.411	332,417
Financial assets at amortized cost			
EUR	9,782	33.880	331,413
USD	5,413	32.283	174,753
Refundable deposits			
USD	8,360	32.283	269,886

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 September 30, 2024, December 31, 2023 and September 30, 2023, the financial assets of the BPCTLI would have decreased to \$706,353 thousand, \$852,347 thousand and \$743,764 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

	September 30, 2024		
	Carrying Amount	Fair Value	%
Domestic investment - government bonds (Note 1)	\$ 11,642,191	\$ 11,621,252	35
Domestic investment - corporate bonds and bank debentures (twAAA - twAA-)	4,833,648	4,833,648	14
Overseas investment - government bonds	4,149,288	4,135,125	12
Overseas investment - corporate bonds and bank debentures (A1 - A3)	11,555,180	11,555,255	34
Overseas investment - corporate bonds and bank debentures (Baa1 - Baa2)	<u>1,705,483</u>	<u>1,705,483</u>	<u>5</u>
	<u>\$ 33,885,790</u>	<u>\$ 33,850,763</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 and bank debentures (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>
	September 30, 2023		
	Carrying Amount	Fair Value	%
Domestic investment - government bonds (Note 1)	\$ 11,908,206	\$ 11,897,888	37
Domestic investment - corporate bonds and bank debentures (twAAA - twAA-)	3,988,616	3,988,616	12
Overseas investment - government bonds	3,322,062	3,268,124	10
Overseas investment - corporate bonds and bank debentures (A1 - A3)	12,155,663	12,155,323	37
Overseas investment - corporate bonds and bank debentures (Baa1 - Baa2)	<u>1,231,436</u>	<u>1,231,436</u>	<u>4</u>
	<u>\$ 32,605,983</u>	<u>\$ 32,541,387</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.

September 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	\$ 145,027	\$ -	\$ -	\$ -
Cross-currency swap contracts	<u>(11,429)</u>	<u>(12,771)</u>	<u>(5,825)</u>	<u>-</u>
	<u>\$ 133,598</u>	<u>\$ (12,771)</u>	<u>\$ (5,825)</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>
September 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	\$ (601,251)	\$ -	\$ -	\$ -
Cross-currency swap contracts	<u>-</u>	<u>(16,093)</u>	<u>(2,188)</u>	<u>-</u>
	<u>\$ (601,251)</u>	<u>\$ (16,093)</u>	<u>\$ (2,188)</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

5	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	70,370	70,370	70,371	70,371	70,381	70,381	70,381	70,381	70,381	149
2020	49,582	52,716	53,606	54,024	54,615	54,679	54,746	54,746	54,747	54,747	54,756	54,756	54,756	54,756	54,756	141
2021	35,460	45,959	46,890	47,103	47,307	47,689	47,478	47,478	47,478	47,478	47,485	47,485	47,485	47,485	47,485	382
2022	57,578	66,484	66,866	68,498	68,732	68,826	68,927	68,927	68,928	68,928	68,939	68,939	68,939	68,939	68,939	2,073
2023	54,563	63,197	64,778	64,785	64,930	64,990	65,051	65,051	65,052	65,052	65,064	65,064	65,064	65,064	65,064	1,867
2024	135,944	178,491	179,185	194,969	197,205	198,077	199,070	199,070	199,071	199,071	199,085	199,085	199,085	199,085	199,085	63,141
																Incurred but not reported \$ 67,786
																Reported but not paid 89,274
																Balance of claim reserve \$ 157,060

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	62,584	62,665	62,665	62,665	62,665	62,675	62,675	62,675	62,675	62,675	91
2020	46,367	49,193	49,937	50,208	50,650	50,689	50,727	50,727	50,728	50,728	50,737	50,737	50,737	50,737	50,737	87
2021	33,233	42,857	43,647	43,860	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	65,469	67,038	67,262	67,353	67,450	67,450	67,450	67,450	67,461	67,461	67,461	67,461	67,461	1,992
2023	52,126	57,863	58,390	59,387	59,531	59,589	59,650	59,650	59,651	59,651	59,661	59,661	59,661	59,661	59,661	1,798
2024	78,720	98,427	99,097	103,879	104,559	104,826	105,125	105,125	105,126	105,126	105,140	105,140	105,140	105,140	105,140	26,420
																Incurred but not reported \$ 30,703
																Reported but not paid 68,545
																Balance of claim reserve \$ 99,248

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.

September 30, 2024			
	Changes in the Assumptions	Impact on Income Before Income Tax	Impact on Equity
Discount rate	0.25%	\$ 55,926	\$ 44,741
Discount rate	(0.25%)	(56,050)	(44,840)
Mortality rate	10.00%	(30,054)	(24,043)
Mortality rate	(10.00%)	30,048	24,038
Withdrawal rate	30.00%	15,147	12,118
Withdrawal rate	(30.00%)	(15,076)	(12,061)
Illness rate/loss rate	15.00%	(20,781)	(16,625)
Expense rate	10.00%	(58,801)	(47,041)
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)
September 30, 2023			
	Changes in the Assumptions	Impact on Income Before Income Tax	Impact on Equity
Discount rate	0.25%	\$ 50,333	\$ 40,266
Discount rate	(0.25%)	(50,445)	(40,356)
Mortality rate	10.00%	(25,992)	(20,794)
Mortality rate	(10.00%)	25,986	20,789
Withdrawal rate	30.00%	15,327	12,261
Withdrawal rate	(30.00%)	(15,067)	(12,054)
Illness rate/loss rate	15.00%	(19,853)	(15,882)
Expense rate	10.00%	(61,049)	(48,839)

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:

September 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	\$ 38,226,042	\$ 38,212,696	\$ 38,226,042	\$ 38,212,696	\$ 13,346
Financial assets at FVTOCI - securities sold under repurchase agreements	33,657,229	33,886,995	33,657,229	33,886,995	(229,766)

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)

September 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	\$ 34,129,343	\$ 34,095,956	\$ 34,129,343	\$ 34,095,956	\$ 33,387
Financial assets at FVTOCI - securities sold under repurchase agreements	34,291,910	34,629,385	34,291,910	34,629,385	(337,475)

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.

September 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	\$ 1,490,831	\$ -	\$ 1,490,831	\$ (1,490,831)	\$ -	\$ -

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	\$ 72,099,691	\$ -	\$ 72,099,691	\$ (71,144,098)	\$ -	\$ 955,593

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

September 30, 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	\$ 593,055	\$ -	\$ 593,055	\$ (593,055)	\$ -	\$ -

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	\$ 68,725,341	\$ -	\$ 68,725,341	\$ (67,691,619)	\$ -	\$ 1,033,722

45. CAPITAL MANAGEMENT

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

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

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

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

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

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

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

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

b. Concentration of credit extensions

1) Taiwan Cooperative Bank, Ltd. (TCB)

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	September 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	\$ 35,076,799	12.67
2	Group B Railway transportation	30,443,193	11.00
3	Group C Petroleum and coal products manufacturing	27,533,528	9.95
4	Group D Financial leasing	18,678,068	6.75
5	Group E Wiring and cable system manufacturing	15,353,775	5.55
6	Group F Cotton and textile	14,662,826	5.30
7	Group G Iron and steel smelting	14,468,282	5.23
8	Group H Wholesale of electronic and communication equipment and parts	13,530,043	4.89
9	Group I LCD panel and its component manufacturing	13,119,712	4.74
10	Group J Computers manufacturing	12,869,305	4.65

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	September 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	\$ 36,661,577	14.59
2	Group B Railway transportation	30,443,193	12.11
3	Group D Financial leasing	24,120,325	9.60
4	Group C Petroleum and coal products manufacturing	22,047,373	8.77
5	Group E Wiring and cable system manufacturing	15,004,757	5.97
6	Group G Iron and steel smelting	13,501,601	5.37
7	Group K Cotton and textile	13,292,000	5.29
8	Group L Computers and computing peripheral equipment manufacturing	13,162,509	5.24
9	Group H Wholesale of electronic and communication equipment and parts	11,294,228	4.49
10	Group I LCD panel and its components manufacturing	10,884,848	4.33

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

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	September 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 Real estate development	\$ 1,519,200	20.82
2	Group B Unclassified other financial service	1,359,600	18.63
3	Group C Real estate development	1,275,000	17.47
4	Group D Unclassified other financial service	1,230,000	16.86
5	Group E Iron and steel rolls over extends and crowding	1,113,000	15.25
6	Group F Unclassified other financial service	1,050,000	14.39
7	Group G Real estate development	973,000	13.34
8	Group H Real estate development	895,000	12.27
9	Group I Construction of buildings	800,000	10.96
10	Group J Financial leasing	770,000	10.55

(In Thousands of New Taiwan Dollars, %)

Rank (Note 1)	September 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 B Real estate development	\$ 1,373,000	21.50
2	Group G Real estate development	1,187,000	18.59
3	Group D Unclassified other financial service	1,130,000	17.70
4	Group E Iron and steel rolls over extends and crowding	1,123,000	17.59
5	Group A Real estate development	1,065,000	16.68
6	Group H Real estate development	1,045,000	16.36
7	Group K Chemical materials manufacturing	850,000	13.31
8	Group L Financial leasing	805,000	12.61
9	Group I Construction of buildings	800,000	12.53
10	Group M Real estate development	778,100	12.19

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
September 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	\$ 3,205,353,282	\$ 179,311,101	\$ 43,818,693	\$ 447,567,676	\$ 3,876,050,752
Interest rate-sensitive liabilities	1,212,082,763	2,017,454,344	146,438,102	73,948,457	3,449,923,666
Interest rate sensitivity gap	1,993,270,519	(1,838,143,243)	(102,619,409)	373,619,219	426,127,086
Net worth					240,919,260
Ratio of interest rate-sensitive assets to liabilities					112.35
Ratio of interest rate sensitivity gap to net worth					176.88

**Interest Rate Sensitivity
September 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	\$ 2,929,856,056	\$ 152,943,646	\$ 53,316,128	\$ 444,317,036	\$ 3,580,432,866
Interest rate-sensitive liabilities	1,087,851,040	1,901,461,342	108,255,749	56,920,453	3,154,488,584
Interest rate sensitivity gap	1,842,005,016	(1,748,517,696)	(54,939,621)	387,396,583	425,944,282
Net worth					218,984,027
Ratio of interest rate-sensitive assets to liabilities					113.50
Ratio of interest rate sensitivity gap to net worth					194.51

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
September 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	\$ 12,454,781	\$ 1,848,203	\$ 927,119	\$ 3,161,393	\$ 18,391,496
Interest rate-sensitive liabilities	21,072,611	2,958,130	1,905,236	32,000	25,967,977
Interest rate sensitivity gap	(8,617,830)	(1,109,927)	(978,117)	3,129,393	(7,576,481)
Net worth					1,134,742
Ratio of interest rate-sensitive assets to liabilities					70.82
Ratio of interest rate sensitivity gap to net worth					(667.68)

Interest Rate Sensitivity
September 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	\$ 10,800,541	\$ 961,657	\$ 752,029	\$ 3,209,087	\$ 15,723,314
Interest rate-sensitive liabilities	17,051,897	3,432,143	2,630,715	14,050	23,128,805
Interest rate sensitivity gap	(6,251,356)	(2,470,486)	(1,878,686)	3,195,037	(7,405,491)
Net worth					1,001,557
Ratio of interest rate-sensitive assets to liabilities					67.98
Ratio of interest rate sensitivity gap to net worth					(739.40)

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		September 30, 2024	September 30, 2023
Return on total assets	Before income tax	0.57	0.54
	After income tax	0.44	0.44
Return on equity	Before income tax	11.09	10.84
	After income tax	8.56	8.78
Net income ratio		31.92	32.56

2) Taiwan Cooperative Financial Holding Co., Ltd.

(%)

Items		September 30, 2024	September 30, 2023
Return on total assets	Before income tax	7.34	7.20
	After income tax	7.11	7.23
Return on equity	Before income tax	8.82	8.67
	After income tax	8.55	8.71
Net income ratio		95.63	98.96

3) Taiwan Cooperative Bank, Ltd.

(%)

Items		September 30, 2024	September 30, 2023
Return on total assets	Before income tax	0.55	0.52
	After income tax	0.44	0.42
Return on equity	Before income tax	9.61	9.27
	After income tax	7.71	7.51
Net income ratio		34.63	34.00

4) Taiwan Cooperative Bills Finance Corporation Ltd.

(%)

Items		September 30, 2024	September 30, 2023
Return on total assets	Before income tax	0.39	0.44
	After income tax	0.32	0.35
Return on equity	Before income tax	3.82	4.08
	After income tax	3.12	3.27
Net income ratio		53.18	46.75

5) Taiwan Cooperative Securities Co., Ltd.

(%)

Items		September 30, 2024	September 30, 2023
Return on total assets	Before income tax	1.55	1.25
	After income tax	1.14	1.08
Return on equity	Before income tax	8.18	6.33
	After income tax	6.00	5.44
Net income ratio		22.05	23.56

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

(%)

Items		September 30, 2024	September 30, 2023
Return on total assets	Before income tax	1.02	1.22
	After income tax	0.85	1.02
Return on equity	Before income tax	11.33	14.76
	After income tax	9.43	12.37
Net income ratio		51.94	55.05

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
September 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	\$ 4,250,878,709	\$ 539,123,421	\$ 372,732,842	\$ 262,762,390	\$ 371,902,905	\$ 450,714,261	\$ 2,253,642,890
Main capital outflow on maturity	4,986,592,067	273,562,793	239,463,007	557,831,052	691,077,281	1,084,627,787	2,140,030,147
Gap	(735,713,358)	265,560,628	133,269,835	(295,068,662)	(319,174,376)	(633,913,526)	113,612,743

Maturity Analysis of Assets and Liabilities
September 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	\$ 3,927,872,211	\$ 475,348,624	\$ 329,761,927	\$ 216,495,809	\$ 376,454,829	\$ 385,883,683	\$ 2,143,927,339
Main capital outflow on maturity	4,735,042,626	264,604,531	173,638,385	567,217,711	654,572,972	979,474,507	2,095,534,520
Gap	(807,170,415)	210,744,093	156,123,542	(350,721,902)	(278,118,143)	(593,590,824)	48,392,819

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

Maturity Analysis of Assets and Liabilities
September 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	\$ 28,451,555	\$ 7,805,267	\$ 4,501,473	\$ 3,664,639	\$ 2,564,244	\$ 9,915,932
Main capital outflow on maturity	32,495,801	13,314,979	6,420,898	5,330,801	4,028,909	3,400,214
Gap	(4,044,246)	(5,509,712)	(1,919,425)	(1,666,162)	(1,464,665)	6,515,718

Maturity Analysis of Assets and Liabilities
September 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	\$ 26,074,064	\$ 5,306,064	\$ 5,418,562	\$ 3,723,685	\$ 2,618,077	\$ 9,007,676
Main capital outflow on maturity	30,102,697	9,736,963	7,091,618	5,510,387	4,519,484	3,244,245
Gap	(4,028,633)	(4,430,899)	(1,673,056)	(1,786,702)	(1,901,407)	5,763,431

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.

September 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	\$ 27,162,641	\$ 15,173,708	\$ 1,609,765	\$ 1,611,886	\$ -
	Bonds	300,000	650,000	447,600	2,034,400	21,311,100
	Cash in bank	380,305	120,000	-	200	-
	Call loans	-	-	-	-	-
	Total	27,842,946	15,943,708	2,057,365	3,646,486	21,311,100
Source of funds	Borrowings	11,689,600	-	-	-	-
	Securities sold under repurchase agreements	49,241,326	3,800,978	366,497	-	-
	Total	60,930,926	3,800,978	366,497	-	-
Net flows		(33,087,980)	12,142,730	1,690,868	3,646,486	21,311,100
Accumulated capital net flows		(33,087,980)	(20,945,250)	(19,254,382)	(15,607,896)	5,703,204

September 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	\$ 21,184,872	\$ 15,499,504	\$ 700,683	\$ 606,453	\$ -
	Bonds	400,000	300,000	900,000	1,290,565	21,446,105
	Cash in bank	299,760	120,000	-	200	-
	Call loans	400,000	-	-	-	-
	Total	22,284,632	15,919,504	1,600,683	1,897,218	21,446,105
Source of funds	Borrowings	7,792,850	-	-	-	-
	Securities sold under repurchase agreements	44,250,871	5,268,067	3,029	-	-
	Total	52,043,721	5,268,067	3,029	-	-
Net flows		(29,759,089)	10,651,437	1,597,654	1,897,218	21,446,105
Accumulated capital net flows		(29,759,089)	(19,107,652)	(17,509,998)	(15,612,780)	5,833,325

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	September 30, 2024	December 31, 2023	September 30, 2023	Trust Liabilities	September 30, 2024	December 31, 2023	September 30, 2023
Cash in banks	\$ 19,007,243	\$ 14,758,722	\$ 12,512,159	Payables			
Short-term investments				Accrued expense	\$ 1,990	\$ 1,579	\$ 1,415
Mutual funds	252,709,376	225,841,606	230,400,395	Others	439	237	314
Stocks	6,272,700	5,235,099	4,548,324	Payables on the purchase of securities			
Debt instruments	456,713	314,053	286,011	Other liabilities	771	76	265
	259,438,789	231,390,758	235,234,730		-	10	-
Securities lending	149,066	71,729	66,785		3,200	1,902	1,994
Receivables	26,388	29,510	19,546	Accounts payable on securities under custody	232,145,130	205,025,956	210,397,934
Real estate				Trust capital	392,032,949	350,284,448	348,592,032
Land	64,375,861	61,437,434	61,403,595	Reserves and retained earnings			
Buildings	16,890	9,581	13,072	Net income	1,688,136	1,526,224	1,206,653
Construction in process	50,807,345	44,013,376	40,429,896	Retained earnings	179,488	(19,462)	(38,894)
	115,200,096	105,460,391	101,846,563		1,867,624	1,506,762	1,167,759
Intangible assets							
Superficies	82,002	82,002	82,002				
Other assets	189	-	-				
Securities under custody	232,145,130	205,025,956	210,397,934				
Total	\$ 626,048,903	\$ 556,819,068	\$ 560,159,719	Total	\$ 626,048,903	\$ 556,819,068	\$ 560,159,719

Note: As of September 30, 2024, December 31, 2023 and September 30, 2023, total trust-related assets included OBU funds and bonds investment in the amount of \$2,037,505 thousand, \$1,746,320 thousand and \$2,664,431 thousand, respectively.

Trust Property List

Investment Items	September 30, 2024	December 31, 2023	September 30, 2023
Cash in banks	\$ 19,007,243	\$ 14,758,722	\$ 12,512,159
Short-term investments			
Mutual funds	252,709,376	225,841,606	230,400,395
Stocks	6,272,700	5,235,099	4,548,324
Debt instruments	456,713	314,053	286,011
Securities lending	149,066	71,729	66,785
Receivables			
Accrued interest	13,223	8,475	8,516
Mutual funds	2,492	11,264	-
Cash dividends	7,277	9,095	10,508
Receivables on the sale of securities	2,907	-	15
Others	489	676	507
Real estate			
Land	64,375,861	61,437,434	61,403,595
Buildings	16,890	9,581	13,072
Construction in process	50,807,345	44,013,376	40,429,896
Intangible assets			
Superficies	82,002	82,002	82,002
Other assets	189	-	-
Securities under custody	<u>232,145,130</u>	<u>205,025,956</u>	<u>210,397,934</u>
Total	<u>\$ 626,048,903</u>	<u>\$ 556,819,068</u>	<u>\$ 560,159,719</u>

Statements of Income on Trust Accounts For the Nine Months Ended September 30, 2024 and 2023

	2024	2023
Revenues		
Interest revenue	\$ 48,820	\$ 25,782
Lending stock	1,976	2,222
Cash dividends	143,381	97,827
Realized gain on investment - stocks	208,678	71,130
Unrealized gain on investment - stocks	1,420,799	1,118,971
Unrealized gain on investment - lending stock	80,820	23,979
Realized gain on investment - mutual funds	50,090	20,517
Unrealized gain on investment - mutual funds	81,508	43,074
Beneficial certificate appropriation	12,431	9,047
Others	<u>2,443</u>	<u>725</u>
Total revenues	<u>2,050,946</u>	<u>1,413,274</u>

(Continued)

	2024	2023
Expenses		
Management fees	\$ 9,016	\$ 8,619
Monitoring fees	830	739
Taxes	207	234
Service charge	64	64
Postage	377	244
Unrealized loss on investment - stocks	278,293	135,005
Unrealized loss on investment - lending stock	4,465	7,205
Unrealized loss on investment - mutual funds	10,033	44,545
Realized loss on investment - mutual funds	14,693	1,708
Realized loss on investment - stocks	44,765	8,187
Others	<u>67</u>	<u>71</u>
Total expenses	<u>362,810</u>	<u>206,621</u>
Income before income tax	1,688,136	1,206,653
Income tax expense	<u>-</u>	<u>-</u>
Net income	<u>\$ 1,688,136</u>	<u>\$ 1,206,653</u> (Concluded)

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 September 30, 2024, December 31, 2023 and September 30, 2023, TCB's accrued receivables were \$5,822 thousand, \$5,494 thousand and \$10,306 thousand, respectively. TCB's revenues from cross-selling transactions were \$17,320 thousand and \$18,954 thousand for the nine months ended September 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 September 30, 2024, December 31, 2023 and September 30, 2023, TCB's accrued payables were \$3 thousand, \$5 thousand and \$4 thousand (part of payables), respectively. TCB's expenses from cross-selling transactions were \$71 thousand and \$85 thousand (part of service revenue-net) for the nine months ended September 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 September 30, 2024, December 31, 2023 and September 30, 2023, TCB's accrued receivables were \$3,139 thousand, \$3,844 thousand and \$3,239 thousand (part of receivables), respectively. TCB's revenues from cross-selling transactions were \$19,493 thousand and \$22,653 thousand (part of service revenue-net) for the nine months ended September 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 both \$20 thousand for the nine months ended September 30, 2024.

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

Table 3 (attached).

50. BUSINESS SEGMENT FINANCIAL INFORMATION

Table 4 (attached).

51. CASH FLOW INFORMATION

a. Non-cash financing activities

Undistributed cash dividends approved by stockholders' meetings are \$521,075 thousand, \$486,290 thousand and \$486,290 thousand as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.

b. Changes in liabilities arising from financing activities

For the nine months ended September 30, 2024

	Opening Balance	Cash Inflows (Outflows)	New Leases	Non-cash Changes 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	\$ 4,460,000	\$ -	\$ -	\$ 13,010	\$ 38,124,767
Bonds payable	77,240,000	1,900,000	-	-	-	79,140,000
Other borrowings	11,266,712	2,030,880	-	-	368,416	13,666,008
Financial liabilities at fair value through profit or loss - bank debentures	2,774,538	1,776,777	-	12,564	56,439	4,620,318
Guarantee deposits received	1,921,350	48,673	-	-	45,801	2,015,824
Lease liabilities	1,545,153	(499,768)	132	-	670,520	1,716,037
Other liabilities - other	103,570	254,552	-	-	21,157	379,279
	<u>\$ 128,503,080</u>	<u>\$ 9,971,114</u>	<u>\$ 132</u>	<u>\$ 12,564</u>	<u>\$ 1,175,343</u>	<u>\$ 139,662,233</u>

For the nine months ended September 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	\$ 11,765,000	\$ -	\$ -	\$ (10,488)	\$ 36,294,490
Bonds payable	80,290,000	1,550,000	-	-	-	81,840,000
Other borrowings	9,352,346	(975,386)	-	-	309,412	8,686,372
Financial liabilities designated as at fair value through profit or loss - bank debentures	-	1,445,557	-	(451)	(9,629)	1,435,477
Guarantee deposits received	2,293,868	790,487	-	-	429	3,084,784
Lease liabilities	1,538,102	(494,833)	510	-	512,287	1,556,066
Other liabilities - other	72,762	(13,882)	-	-	(2,679)	56,201
	<u>\$ 118,087,056</u>	<u>\$ 14,066,943</u>	<u>\$ 510</u>	<u>\$ (451)</u>	<u>\$ 799,332</u>	<u>\$ 132,953,390</u>

52. ADDITIONAL DISCLOSURES

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

- 1) Financing provided: TCFHC - none; TCB, UTB, TCBF, and BPCTLI - not applicable; investee company: Table 5 (attached).
- 2) 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 6 (attached).
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 10% of the paid-in capital (TCFHC, TCB and UTB disclosed its investments acquired or disposed of): TCS and BPCTLI - not applicable; TCFHC and investee company: None.
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 10% of the paid-in capital: Table 7 (attached).
- 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 8 (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 9 (attached).
- 11) Percentage share in investees and related information: Not applicable.
- 12) Derivative transactions: Notes 8, 41 and 44 to the consolidated financial statements.
- 13) Other significant transactions which may affect the decisions of users of financial reports: None.

c. Investments in Mainland China:

Based on “Regulations Governing Approvals of Banks to Engage, Ltd. in Financial Activities between the Taiwan Area and the Mainland Area,” Taiwan Cooperative Bank, Ltd. set up the Suzhou Branch, Tianjin Branch, Fuzhou Branch and Changsha Branch; Co-operative Assets Management Co., Ltd. set up Taiwan Cooperative International Leasing Co., Ltd. in Mainland China. This investment 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 10 (attached).

d. Business relationships and significant transactions among the parent company and subsidiaries: Table 11 (attached).

e. Information on major shareholders: Table 12 (attached).

53. OPERATING SEGMENTS

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

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

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

The revenue, expenses and related information of the Company’s reportable segments for the nine months ended September 30, 2024 and 2023 are as follows:

	For the Nine Months Ended September 30, 2024				
	TCB Business	Others	Total	Adjustment and Elimination	Total
Net interest	\$ 21,879,439	\$ 72,115	\$ 21,951,554	\$ 5,622	\$ 21,957,176
Net revenues and gains other than interest	<u>23,046,428</u>	<u>23,041,681</u>	<u>46,088,109</u>	<u>(17,203,313)</u>	<u>28,884,796</u>
Net revenues	44,925,867	23,113,796	68,039,663	(17,197,691)	50,841,972
Bad-debt expenses and provision for losses on commitment and guarantees	(3,888,082)	(54,516)	(3,942,598)	-	(3,942,598)
Net change in reserves for insurance liabilities	-	(2,032,746)	(2,032,746)	-	(2,032,746)
Operating expenses	<u>(21,640,643)</u>	<u>(2,438,102)</u>	<u>(24,078,745)</u>	<u>228,680</u>	<u>(23,850,065)</u>
Income before income tax	<u>\$ 19,397,142</u>	<u>\$ 18,588,432</u>	<u>\$ 37,985,574</u>	<u>\$ (16,969,011)</u>	<u>\$ 21,016,563</u>

	For the Nine Months Ended September 30, 2023				
	TCB Business	Others	Total	Adjustment and Elimination	Total
Net interest	\$ 24,223,501	\$ 157,138	\$ 24,380,639	\$ 3,762	\$ 24,384,401
Net revenues and gains other than interest	<u>15,929,171</u>	<u>20,887,099</u>	<u>36,816,270</u>	<u>(15,160,709)</u>	<u>21,655,561</u>
Net revenues	40,152,672	21,044,237	61,196,909	(15,156,947)	46,039,962
Bad-debt expenses and provision for losses on commitment and guarantees	(3,355,901)	(187,999)	(3,543,900)	-	(3,543,900)
Net change in reserves for insurance liabilities	-	(1,995,341)	(1,995,341)	-	(1,995,341)
Operating expenses	<u>(19,942,483)</u>	<u>(2,246,378)</u>	<u>(22,188,861)</u>	<u>202,534</u>	<u>(21,986,327)</u>
Income before income tax	<u>\$ 16,854,288</u>	<u>\$ 16,614,519</u>	<u>\$ 33,468,807</u>	<u>\$ (14,954,413)</u>	<u>\$ 18,514,394</u>

TABLE 1

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

Subsidiaries included in the consolidated financial statements

Investor Company	Investee Company	Location	Main Business and Products	Percentage of Ownership			Note
				September 30, 2024	December 31, 2023	September 30, 2023	
Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	Taipei City	Banking	100.00	100.00	100.00	Note
	Co-operative Assets Management Co., Ltd.	Taipei City	Acquisition of delinquent loans	100.00	100.00	100.00	
	Taiwan Cooperative Bills Finance Co., Ltd.	Taipei City	Bills finance dealer	100.00	100.00	100.00	
	Taiwan Cooperative Securities Co., Ltd.	Taipei City	Securities dealer	100.00	100.00	100.00	Note
	Taiwan Cooperative Securities Investment Trust Co., Ltd.	Taipei City	Securities investment trust	100.00	100.00	100.00	
	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taipei City	Life insurance	51.00	51.00	51.00	Note
	Taiwan Cooperative Venture Capital Co., Ltd.	Taipei City	Venture capital	100.00	100.00	100.00	
Taiwan Cooperative Bank, Ltd.	United Taiwan Bank S.A.	Belgium	Banking	90.02	90.02	90.02	
Co-operative Assets Management Co., Ltd.	Taiwan Cooperative International Leasing Co., Ltd.	Suzhou, China	Leasing	100.00	100.00	100.00	Note
Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Securities Investment Consultant Co., Ltd.	Taipei City	Securities investment consulting business	100.00	100.00	100.00	Note

Subsidiaries not included in the consolidated financial statements

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

Note: Non-major subsidiary, which financial reports for the nine months ended September 30, 2024 and 2023 are not reviewed.

TABLE 2

TAIWAN COOPERATIVE BANK, LTD.

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

Period			September 30, 2024					September 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		\$ 2,290,411	\$ 827,879,994	0.28	\$ 8,919,715	389.44	\$ 3,234,005	\$ 837,353,780	0.39	\$ 9,087,159	280.99
	Unsecured		737,768	1,104,113,588	0.07	9,676,538	1,311.60	1,368,154	955,842,825	0.14	8,332,473	609.03
Consumer banking	Housing mortgage (Note 4)		602,463	774,891,823	0.08	11,669,219	1,936.92	517,930	658,384,786	0.08	9,913,459	1,914.05
	Cash card		-	-	-	-	-	-	-	-	-	-
	Small-scale credit loans (Note 5)		14,244	12,940,924	0.11	171,672	1,205.22	14,389	11,808,746	0.12	165,158	1,147.81
	Other (Note 6)	Secured	1,288,071	280,292,397	0.46	3,115,137	241.85	894,053	283,162,874	0.32	3,338,900	373.46
		Unsecured	38,635	11,123,757	0.35	158,281	409.68	29,904	11,610,655	0.26	157,885	527.97
Loan			4,971,592	3,011,242,483	0.17	33,710,562	678.06	6,058,435	2,758,163,666	0.22	30,995,034	511.60
			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			13,801	5,264,962	0.26	62,882	455.63	7,873	5,060,125	0.16	60,671	770.62
Accounts receivable factored without recourse (Note 7)			-	98,650	-	7,964	-	-	130,799	-	8,370	-
Amounts of executed contracts on negotiated debts not reported as nonperforming loans (Note 8)			64					127				
Amounts of executed contracts on negotiated debts not reported as nonperforming receivables (Note 8)			852					1,284				
Amounts of executed debt-restructuring projects not reported as nonperforming loans (Note 9)			9,259					12,558				
Amounts of executed debt-restructuring projects not reported as nonperforming receivables (Note 9)			47,291					48,312				

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).

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 NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**

1. TCFHC’s financial statements

Taiwan Cooperative Financial Holding Co., Ltd.

**Balance Sheets
(In Thousands of New Taiwan Dollars)**

Assets	September 30, 2024	December 31, 2023	September 30, 2023	Liabilities and Equity	September 30, 2024	December 31, 2023	September 30, 2023
Cash and cash equivalents	\$ 127,026	\$ 51,618	\$ 29,407	<u>Liabilities</u>			
Financial assets at fair value through other comprehensive income	20,050	15,000	14,800	Commercial paper issued, net	\$ 20,260,110	\$ 19,493,481	\$ 22,354,852
Receivables	357	361	362	Payables	516,764	493,241	464,331
Current tax assets	2,161,649	4,854,541	3,041,074	Current tax liabilities	2,864,527	4,897,880	3,134,686
Investments accounted for using equity method	301,210,566	285,131,988	274,219,393	Bonds payable	20,000,000	20,000,000	20,000,000
Properties and equipment, net	14,959	11,849	12,159	Other borrowing	6,000,000	5,300,000	2,250,000
Right-of-use assets, net	87,600	104,148	111,672	Other financial liabilities	2,747	3,542	3,114
Intangible assets	10,917	13,778	13,745	Lease liabilities	90,647	106,587	113,853
Deferred tax assets	238	394	288	Other liabilities	<u>4,892</u>	<u>8,274</u>	<u>8,903</u>
Other assets	<u>9,272</u>	<u>9,576</u>	<u>9,467</u>	Total liabilities	<u>49,739,687</u>	<u>50,303,005</u>	<u>48,329,739</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	60,435,755	54,273,802	52,211,684
				Other equity	<u>(4,425,194)</u>	<u>(7,127,656)</u>	<u>(15,833,872)</u>
				Total equity	<u>253,902,947</u>	<u>239,890,248</u>	<u>229,122,628</u>
Total	<u>\$ 303,642,634</u>	<u>\$ 290,193,253</u>	<u>\$ 277,452,367</u>	Total	<u>\$ 303,642,634</u>	<u>\$ 290,193,253</u>	<u>\$ 277,452,367</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 September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Revenues and gains				
Share of gains of subsidiaries, associates and joint ventures accounted for using equity method	\$ 5,747,789	\$ 5,150,452	\$ 16,900,622	\$ 14,949,251
Other revenues and gains	<u>2,008</u>	<u>1,575</u>	<u>3,985</u>	<u>2,926</u>
Total revenues and gains	<u>5,749,797</u>	<u>5,152,027</u>	<u>16,904,607</u>	<u>14,952,177</u>
Expenses and losses				
Operating expenses	(77,570)	(87,619)	(208,039)	(217,563)
Other expenses and losses	<u>(111,520)</u>	<u>(100,320)</u>	<u>(356,867)</u>	<u>(285,495)</u>
Total expenses and losses	<u>(189,090)</u>	<u>(187,939)</u>	<u>(564,906)</u>	<u>(503,058)</u>
Income before income tax	5,560,707	4,964,088	16,339,701	14,449,119
Income tax benefit (expense)	<u>167,270</u>	<u>24,832</u>	<u>(515,560)</u>	<u>65,239</u>
Net income	5,727,977	4,988,920	15,824,141	14,514,358
Other comprehensive income (loss)	<u>3,672,160</u>	<u>(2,629,013)</u>	<u>7,749,656</u>	<u>6,164,120</u>
Total comprehensive income	<u>\$ 9,400,137</u>	<u>\$ 2,359,907</u>	<u>\$ 23,573,797</u>	<u>\$ 20,678,478</u>
Earnings per share (New Taiwan dollars)				
Basic	<u>\$0.38</u>	<u>\$0.32</u>	<u>\$1.04</u>	<u>\$0.95</u>
Diluted	<u>\$0.38</u>	<u>\$0.32</u>	<u>\$1.04</u>	<u>\$0.95</u>

(Continued)

Taiwan Cooperative Financial Holding Co., Ltd.

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

	Capital Stock			Retained Earnings			Other Equity				Total Equity
	Shares	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on the Translation of Financial Statements of Foreign Operations	Unrealized 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	
	(In Thousands)										
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	514,828	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	-	-	-	-	-	5,047,071	-	(5,047,071)	-	-	-
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	-	-	-	-	-	123	-	-	(123)	-	-
Total comprehensive income (loss)											
Net income for the nine months ended September 30, 2024	-	-	-	-	-	15,824,141	-	-	-	-	15,824,141
Other comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	-	1,160,678	6,573,415	(12,564)	28,127	7,749,656
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	-	15,824,141	1,160,678	6,573,415	(12,564)	28,127	23,573,797
BALANCE AT SEPTEMBER 30, 2024	15,224,210	\$ 152,242,106	\$ 45,650,280	\$ 17,288,787	\$ 7,127,657	\$ 36,019,311	\$ 582,151	\$ (5,067,090)	\$ (25,701)	\$ 85,446	\$ 253,902,947
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	700,447	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	-	-	-	-	-	488,273	-	(488,273)	-	-	-
Total comprehensive income (loss)											
Net income for the nine months ended September 30, 2023	-	-	-	-	-	14,514,358	-	-	-	-	14,514,358
Other comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	-	1,668,745	4,508,899	451	(13,975)	6,164,120
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	14,514,358	1,668,745	4,508,899	451	(13,975)	20,678,478
BALANCE AT SEPTEMBER 30, 2023	14,709,382	\$ 147,093,822	\$ 45,650,994	\$ 15,582,312	\$ 21,509,719	\$ 15,119,653	\$ 1,216,283	\$ (17,206,374)	\$ 451	\$ 155,768	\$ 229,122,628

Taiwan Cooperative Financial Holding Co., Ltd.

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

	For the Nine Months Ended September 30	
	2024	2023
Cash flows from operating activities		
Income before income tax	\$ 16,339,701	\$ 14,449,119
Adjustments for:		
Share of gains of subsidiaries, associates and joint ventures accounted for using equity method	(16,900,622)	(14,949,251)
Depreciation and amortization expenses	30,286	28,867
Interest expense	356,867	285,495
Interest revenue	(418)	(279)
Net changes in operating assets and liabilities		
Decrease in receivables	4	1
Decrease (increase) in other assets	304	(337)
Increase (decrease) in payables	23,172	(53,437)
(Decrease) increase in other liabilities	<u>(3,382)</u>	<u>686</u>
Cash used in operations	(154,088)	(239,136)
Interest received	418	279
Dividends received	8,566,650	2,051,789
Interest paid	(338,810)	(272,170)
Income tax refunded	<u>144,135</u>	<u>50,203</u>
Net cash generated from operating activities	<u>8,218,305</u>	<u>1,590,965</u>
Cash flows from investing activities		
Acquisition of properties and equipment	(7,654)	(3,024)
Acquisition of intangible assets	<u>(238)</u>	<u>(4,950)</u>
Net cash used in investing activities	<u>(7,892)</u>	<u>(7,974)</u>
Cash flows from financing activities		
Increase in commercial paper issued	750,000	8,620,000
Increase in other borrowings	700,000	-
Decrease in other borrowings	-	(3,250,000)
Decrease in guarantee deposits received	(795)	(1,860)
Repayments of the principal portion of lease liabilities	(23,112)	(22,588)
Dividends paid	<u>(9,561,098)</u>	<u>(7,004,468)</u>
Net cash used in financing activities	<u>(8,135,005)</u>	<u>(1,658,916)</u>
Net increase (decrease) in cash and cash equivalents	75,408	(75,925)
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>\$ 127,026</u>	<u>\$ 29,407</u>

(Continued)

2. Subsidiaries' condensed balance sheets

Taiwan Cooperative Bank, Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	September 30, 2024	December 31, 2023	September 30, 2023	Liabilities and Equity	September 30, 2024	December 31, 2023	September 30, 2023
Cash and cash equivalents	\$ 66,338,801	\$ 88,992,455	\$ 69,038,286	<u>Liabilities</u>			
Due from the Central Bank and call loans to other banks	401,137,447	365,130,256	321,241,444				
Financial assets at fair value through profit or loss	94,563,073	75,649,177	85,219,999	Deposits from the Central Bank and other banks	\$ 422,196,697	\$ 292,447,330	\$ 325,541,484
Financial assets at fair value through other comprehensive income	455,403,547	444,193,029	435,969,080	Financial liabilities at fair value through profit or loss	7,788,200	8,671,843	2,247,986
Investments in debt instruments at amortized cost	712,900,016	702,602,417	682,425,237	Securities sold under repurchase agreements	9,445,199	9,512,753	8,921,545
Receivables, net	26,100,051	24,582,638	25,724,103	Payables	57,241,118	44,076,172	58,499,351
Current tax assets	2,106,330	2,311,837	3,254,026	Current tax liabilities	767,489	3,117,258	401,072
Discounts and loans, net	2,977,014,471	2,790,306,038	2,726,496,937	Deposits and remittances	3,948,019,336	3,863,506,229	3,684,217,693
Investments accounted for using equity method	2,481,865	2,353,530	2,307,884	Bank debentures	59,140,000	57,240,000	61,840,000
Other financial assets, net	9,330,340	8,350,535	10,750,261	Other financial liabilities	2,283,563	1,742,066	3,090,350
Properties and equipment, net	31,387,582	31,762,528	32,252,992	Provisions	5,339,833	5,404,571	5,551,610
Right-of-use assets, net	1,697,853	1,552,571	1,543,882	Lease liabilities	1,677,392	1,512,364	1,524,075
Investment properties, net	7,649,556	7,882,587	7,594,704	Deferred tax liabilities	3,662,821	3,472,248	6,327,129
Intangible assets	4,544,560	4,334,735	4,151,279	Other liabilities	<u>865,707</u>	<u>911,245</u>	<u>874,524</u>
Deferred tax assets	1,386,093	1,921,288	1,336,227	Total liabilities	<u>4,518,427,355</u>	<u>4,291,614,079</u>	<u>4,159,036,819</u>
Other assets, net	<u>1,162,876</u>	<u>942,689</u>	<u>1,049,774</u>	<u>Equity</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	98,809,042	98,650,713	96,656,385
				Other equity	<u>(3,787,481)</u>	<u>(6,239,027)</u>	<u>(14,179,634)</u>
				Total equity	<u>276,777,106</u>	<u>261,254,231</u>	<u>251,319,296</u>
Total	<u>\$ 4,795,204,461</u>	<u>\$ 4,552,868,310</u>	<u>\$ 4,410,356,115</u>	Total	<u>\$ 4,795,204,461</u>	<u>\$ 4,552,868,310</u>	<u>\$ 4,410,356,115</u>

(Continued)

Taiwan Cooperative Bills Finance Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	September 30, 2024	December 31, 2023	September 30, 2023	Liabilities and Equity	September 30, 2024	December 31, 2023	September 30, 2023
Cash and cash equivalents	\$ 260,305	\$ 224,641	\$ 179,760	<u>Liabilities</u>			
Due from the Central Bank and call loans to other banks	-	-	400,000				
Financial assets at fair value through profit or loss	46,645,662	41,677,220	38,830,035	Call loans from banks	\$ 11,689,600	\$ 8,126,345	\$ 7,792,850
Financial assets at fair value through other comprehensive income	23,559,536	23,198,532	22,446,739	Financial liabilities at fair value through profit or loss	-	-	7,634
Investments in debt instruments at amortized cost	1,430,367	1,432,879	1,433,717	Securities sold under repurchase agreements	53,346,548	51,477,700	49,470,350
Receivables, net	758,473	261,381	724,730	Payables	174,426	125,135	122,671
Current tax assets	42,283	40,389	14,564	Provisions	408,080	416,605	397,671
Other financial assets, net	240,200	292,773	397,879	Lease liabilities	32,742	39,081	38,256
Properties and equipment, net	16,744	17,985	13,834	Other liabilities	<u>327,320</u>	<u>72,579</u>	<u>25,834</u>
Right-of-use assets, net	32,115	38,706	38,000	Total liabilities	<u>65,978,716</u>	<u>60,257,445</u>	<u>57,855,266</u>
Intangible assets, net	3,024	5,590	6,360	<u>Equity</u>			
Deferred tax assets	576	5,127	7,328				
Other assets, net	<u>285,827</u>	<u>286,731</u>	<u>286,768</u>	Capital stock	4,877,740	4,877,740	4,877,740
				Capital surplus	312,633	312,633	312,633
				Retained earnings	2,271,686	2,216,941	2,178,967
				Other equity	<u>(165,663)</u>	<u>(182,805)</u>	<u>(444,892)</u>
				Total equity	<u>7,296,396</u>	<u>7,224,509</u>	<u>6,924,448</u>
Total	<u>\$ 73,275,112</u>	<u>\$ 67,481,954</u>	<u>\$ 64,779,714</u>	Total	<u>\$ 73,275,112</u>	<u>\$ 67,481,954</u>	<u>\$ 64,779,714</u>

Taiwan Cooperative Securities Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	September 30, 2024	December 31, 2023	September 30, 2023	Liabilities and Equity	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 35,392,906	\$ 28,742,016	\$ 28,530,387	<u>Liabilities</u>			
Financial assets at fair value through other comprehensive income - noncurrent	38,326	41,943	37,588	Current liabilities	\$ 29,708,056	\$ 23,344,222	\$ 23,339,239
Investments accounted for using equity method	53,717	49,123	47,196	Lease liabilities	71,810	109,049	51,354
Properties and equipment, net	88,618	94,729	78,282	Deferred tax liabilities	-	743	2,045
Right-of-use assets, net	70,400	108,205	49,876	Other liabilities	<u>6,929</u>	<u>5,720</u>	<u>6,940</u>
Intangible assets	64,234	61,522	60,926	Total liabilities	<u>29,786,795</u>	<u>23,459,734</u>	<u>23,399,578</u>
Deferred tax assets	16,320	10,621	19,422	<u>Equity</u>			
Other noncurrent assets	<u>417,798</u>	<u>422,270</u>	<u>439,989</u>				
				Capital stock	5,206,131	5,206,131	5,206,131
				Capital surplus	294,440	294,440	294,440
				Retained earnings	1,200,675	1,040,127	1,099,159
				Other equity	<u>(345,722)</u>	<u>(470,003)</u>	<u>(735,642)</u>
				Total equity	<u>6,355,524</u>	<u>6,070,695</u>	<u>5,864,088</u>
Total	<u>\$ 36,142,319</u>	<u>\$ 29,530,429</u>	<u>\$ 29,263,666</u>	Total	<u>\$ 36,142,319</u>	<u>\$ 29,530,429</u>	<u>\$ 29,263,666</u>

(Continued)

Co-operative Assets Management Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	September 30, 2024	December 31, 2023	September 30, 2023	Liabilities and Equity	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 140,058	\$ 88,439	\$ 86,863	<u>Liabilities</u>			
Financial assets at fair value through other comprehensive income	20,050	15,000	14,800	Current liabilities	\$ 11,649,564	\$ 9,845,201	\$ 7,794,815
Accounts receivable, net	4,803,734	3,832,190	4,768,355	Lease liabilities	2,899	9,968	12,296
Investments accounted for using the equity method	1,290,019	1,213,820	1,235,573	Deferred tax liabilities	86,647	86,908	75,748
Properties and equipment, net	15,481	19,271	22,052	Other liabilities	<u>175,509</u>	<u>1,157,753</u>	<u>2,556,382</u>
Investment properties, net	5,085,551	4,625,362	3,860,871	Total liabilities	<u>11,914,619</u>	<u>11,099,830</u>	<u>10,439,241</u>
Right-of-use assets, net	2,816	9,745	12,054				
Intangible assets	2,703	2,643	2,887	<u>Equity</u>			
Deferred tax assets	208,538	219,382	220,695	Capital stock	3,140,875	3,140,875	3,140,875
Long-term lease payment receivable	243,323	194,436	168,684	Capital surplus	2,553	2,553	2,553
Long-term urban regeneration advance payment	3,976,551	4,693,050	3,841,794	Retained earnings	790,333	812,130	741,276
Other assets	<u>2,644</u>	<u>36,714</u>	<u>2,644</u>	Other equity	<u>(56,912)</u>	<u>(105,336)</u>	<u>(86,673)</u>
				Total equity	<u>3,876,849</u>	<u>3,850,222</u>	<u>3,798,031</u>
Total	<u>\$ 15,791,468</u>	<u>\$ 14,950,052</u>	<u>\$ 14,237,272</u>	Total	<u>\$ 15,791,468</u>	<u>\$ 14,950,052</u>	<u>\$ 14,237,272</u>

(Continued)

BNP Paribas Cardif TCB Life Insurance Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	September 30, 2024	December 31, 2023	September 30, 2023	Liabilities and Equity	September 30, 2024	December 31, 2023	September 30, 2023
Cash and cash equivalents	\$ 3,042,418	\$ 2,619,042	\$ 1,668,732	<u>Liabilities</u>			
Receivables	1,049,357	1,303,254	1,181,909				
Current tax assets	150,592	121,791	121,791	Payables	\$ 1,323,931	\$ 1,358,481	\$ 938,308
Investments	38,121,485	36,198,341	35,759,909	Current tax liabilities	5,136	69,641	6,916
Reinsurance assets	252,841	244,817	268,024	Financial liabilities at fair value through profit or loss	31,637	242,041	631,649
Equipment, net	190,970	108,998	112,738	Lease liabilities	73,616	82,648	87,229
Right-of-use assets, net	68,306	77,731	82,425	Insurance liabilities	30,703,687	28,468,712	28,143,661
Deferred tax assets	9,805	79,552	247,346	Reserve for insurance contracts with financial			
Other assets	1,190,366	1,307,798	1,676,832	instruments features	10,126	7,637	6,349
Separate-account assets	<u>84,664,415</u>	<u>85,592,813</u>	<u>86,139,561</u>	Reserve of foreign exchange variation	5,134	94,240	323,534
				Deferred tax liabilities	148,373	34,986	94,521
				Other liabilities	298,489	185,851	147,868
				Separate-account liabilities	<u>84,664,415</u>	<u>85,592,813</u>	<u>86,139,561</u>
				Total liabilities	<u>117,264,544</u>	<u>116,137,050</u>	<u>116,519,596</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	4,713,873	4,864,390	4,589,353
				Other equity	<u>(128,338)</u>	<u>(237,779)</u>	<u>(740,158)</u>
				Total equity	<u>11,476,011</u>	<u>11,517,087</u>	<u>10,739,671</u>
Total	<u>\$ 128,740,555</u>	<u>\$ 127,654,137</u>	<u>\$ 127,259,267</u>	Total	<u>\$ 128,740,555</u>	<u>\$ 127,654,137</u>	<u>\$ 127,259,267</u>

(Continued)

Taiwan Cooperative Securities Investment Trust Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	September 30, 2024	December 31, 2023	September 30, 2023	Liabilities and Equity	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 419,169	\$ 400,764	\$ 399,241	<u>Liabilities</u>			
Financial assets at fair value through profit or loss - noncurrent	3,261	3,057	2,925	Current liabilities	\$ 58,961	\$ 57,090	\$ 58,170
Properties and equipment, net	3,965	4,735	5,270	Lease liabilities	6,961	10,967	12,114
Right-of-use assets	6,708	10,639	11,779	Other liabilities	<u>378</u>	<u>300</u>	<u>900</u>
Intangible assets	1,460	2,918	1,774	Total liabilities	<u>66,300</u>	<u>68,357</u>	<u>71,184</u>
Prepaid equipment	-	49	49				
Other assets	<u>56,219</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	31,136	33,377	29,558
				Other equity	<u>988</u>	<u>783</u>	<u>651</u>
				Total equity	<u>424,482</u>	<u>410,020</u>	<u>406,069</u>
Total	<u>\$ 490,782</u>	<u>\$ 478,377</u>	<u>\$ 477,253</u>	Total	<u>\$ 490,782</u>	<u>\$ 478,377</u>	<u>\$ 477,253</u>

Taiwan Cooperative Venture Capital Co., Ltd.

Condensed Balance Sheets
(In Thousands of New Taiwan Dollars)

Assets	September 30, 2024	December 31, 2023	September 30, 2023	Liabilities and Equity	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 1,744,011	\$ 813,790	\$ 1,398,223	<u>Liabilities</u>			
Financial assets at fair value through profit or loss - noncurrent	-	592,858	-	Current liabilities	\$ 174,468	\$ 19,172	\$ 31,801
Investments accounted for using equity method, net	-	4,644	7,422	Lease liabilities	12,006	11,378	12,017
Properties and equipment, net	3,116	2,229	995	Other liabilities	<u>2,214</u>	<u>1,305</u>	<u>305</u>
Right-of-use assets	11,860	11,294	11,959	Total liabilities	<u>188,688</u>	<u>31,855</u>	<u>44,123</u>
Intangible assets	8	19	18				
Other assets	<u>498</u>	<u>499</u>	<u>498</u>	<u>Equity</u>			
				Capital stock	1,349,269	1,235,023	1,235,024
				Capital surplus	-	-	714
				Retained earnings	221,536	158,455	139,254
				Other equity	<u>-</u>	<u>-</u>	<u>-</u>
				Total equity	<u>1,570,805</u>	<u>1,393,478</u>	<u>1,374,992</u>
Total	<u>\$ 1,759,493</u>	<u>\$ 1,425,333</u>	<u>\$ 1,419,115</u>	Total	<u>\$ 1,759,493</u>	<u>\$ 1,425,333</u>	<u>\$ 1,419,115</u>

(Continued)

3. Subsidiaries' condensed statements of comprehensive income

Taiwan Cooperative Bank, Ltd.

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

	2024	2023
Interest revenues	\$ 76,830,937	\$ 67,254,144
Less: Interest expenses	<u>(54,951,498)</u>	<u>(43,030,643)</u>
Net interest	21,879,439	24,223,501
Net revenues and gains other than interest	<u>23,046,428</u>	<u>15,929,171</u>
Total net revenues	44,925,867	40,152,672
Bad-debt expenses and provision for losses on commitment and guarantees	(3,888,082)	(3,355,901)
Operating expenses	<u>(21,640,643)</u>	<u>(19,942,484)</u>
Income before income tax	19,397,142	16,854,287
Income tax expense	<u>(3,840,363)</u>	<u>(3,202,348)</u>
Net income	15,556,779	13,651,939
Other comprehensive income	<u>7,466,096</u>	<u>5,986,095</u>
Total comprehensive income	<u>\$ 23,022,875</u>	<u>\$ 19,638,034</u>
Earnings per share (NT\$)		
Basic	<u>\$1.26</u>	<u>\$1.11</u>

Taiwan Cooperative Bills Finance Co., Ltd.

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

	2024	2023
Net interest	\$ 105,777	\$ 121,901
Net revenues and gains other than interest	<u>213,493</u>	<u>229,593</u>
Total net revenues	319,270	351,494
Reversal of allowance (impairment losses) for credit losses and provision	20,131	(14,289)
Operating expenses	<u>(131,365)</u>	<u>(131,804)</u>
Income before income tax	208,036	205,401
Income tax expense	<u>(38,257)</u>	<u>(41,095)</u>
Net income	169,779	164,306
Other comprehensive income	<u>49,396</u>	<u>272,667</u>
Total comprehensive income	<u>\$ 219,175</u>	<u>\$ 436,973</u>
Earnings per share (NT\$)		
Basic	<u>\$0.35</u>	<u>\$0.34</u>

(Continued)

Taiwan Cooperative Securities Co., Ltd.

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

	2024	2023
Revenues	\$ 1,824,938	\$ 1,413,587
Service charge	(96,041)	(64,159)
Other operating costs	(488,276)	(381,905)
Employee benefits	(492,424)	(405,260)
Other operating expenses	(394,877)	(314,895)
Other gains and losses	<u>27,863</u>	<u>24,838</u>
Income before income tax	381,183	272,206
Income tax expense	<u>(101,527)</u>	<u>(38,386)</u>
Net income	279,656	233,820
Other comprehensive income	<u>124,669</u>	<u>29,420</u>
Total comprehensive income	<u>\$ 404,325</u>	<u>\$ 263,240</u>
Earnings per share (NT\$)		
Basic	<u>\$0.54</u>	<u>\$0.45</u>

Co-operative Assets Management Co., Ltd.

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

	2024	2023
Operating revenues	\$ 748,105	\$ 606,218
Operating expenses	<u>(251,032)</u>	<u>(191,749)</u>
Operating benefits	497,073	414,469
Non-operating gains and losses	<u>(128,517)</u>	<u>(52,291)</u>
Income before income tax	368,556	362,178
Income tax expense	<u>(81,804)</u>	<u>(90,199)</u>
Net income	286,752	271,979
Other comprehensive income	<u>48,424</u>	<u>1,853</u>
Total comprehensive income	<u>\$ 335,176</u>	<u>\$ 273,832</u>
Earnings per share (NT\$)		
Basic	<u>\$0.91</u>	<u>\$0.87</u>

(Continued)

BNP Paribas Cardif TCB Life Insurance Co., Ltd.

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

	2024	2023
Operating revenues	\$ 13,461,111	\$ 8,934,576
Operating costs	(11,899,871)	(7,155,777)
Operating expenses	(588,014)	(610,484)
Non-operating gains and losses	<u>3,599</u>	<u>-</u>
Income before income tax	976,825	1,168,315
Income tax expense	<u>(163,979)</u>	<u>(189,160)</u>
Net income	812,846	979,155
Other comprehensive income (loss)	<u>109,441</u>	<u>(249,839)</u>
Total comprehensive income	<u>\$ 922,287</u>	<u>\$ 729,316</u>
Earnings per share (NT\$)		
Basic	<u>\$1.18</u>	<u>\$1.42</u>

Taiwan Cooperative Securities Investment Trust Co., Ltd.

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

	2024	2023
Operating revenues	\$ 223,182	\$ 253,063
Operating expenses	<u>(213,073)</u>	<u>(241,153)</u>
Operating gain	10,109	11,910
Non-operating gains and losses	<u>4,148</u>	<u>2,602</u>
Income before income tax	14,257	14,512
Income tax expense	<u>-</u>	<u>-</u>
Net income	14,257	14,512
Other comprehensive income	<u>205</u>	<u>79</u>
Total comprehensive income	<u>\$ 14,462</u>	<u>\$ 14,591</u>
Earnings per share (NT\$)		
Basic	<u>\$0.45</u>	<u>\$ 0.45</u>

(Continued)

Taiwan Cooperative Venture Capital Co., Ltd.

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

	2024	2023
Operating revenues	\$ 220,978	\$ 150,809
Operating expenses	<u>(39,548)</u>	<u>(33,649)</u>
Operating income	181,430	117,160
Non-operating gains and losses	<u>174</u>	<u>1,192</u>
Income before income tax	181,604	118,352
Income tax expense	<u>(4,277)</u>	<u>(10,613)</u>
Net income	177,327	107,739
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income	<u>\$ 177,327</u>	<u>\$ 107,739</u>
Earnings per share (NT\$)		
Basic	<u>\$1.31</u>	<u>\$0.80</u>

(Concluded)

TABLE 4

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

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

Business Segment Items	For the Nine Months Ended September 30, 2024					
	Banking	Bill Finance	Security	Insurance	Others	Consolidated
Net interest (loss)	\$ 22,083,102	\$ (439,914)	\$ (6,988)	\$ 748,780	\$ (427,804)	\$ 21,957,176
Net revenues and gains other than interest	21,796,442	785,804	1,281,364	3,795,372	1,225,814	28,884,796
Total net revenues	43,879,544	345,890	1,274,376	4,544,152	798,010	50,841,972
Bad-debt expenses and provision (reversal of provision) for losses on commitment and guarantees	(3,885,099)	20,131	(976)	-	(76,654)	(3,942,598)
Net change in reserves for insurance liabilities	-	-	-	(2,032,746)	-	(2,032,746)
Operating expenses	(21,692,543)	(124,730)	(798,205)	(597,849)	(636,738)	(23,850,065)
Income (loss) before income tax	18,301,902	241,291	475,195	1,913,557	84,618	21,016,563
Income tax expenses	(3,875,726)	(38,257)	(101,527)	(163,979)	(609,837)	(4,789,326)
Net income (loss)	14,426,176	203,034	373,668	1,749,578	(525,219)	16,227,237

Business Segment Items	For the Nine Months Ended September 30, 2023					
	Banking	Bill Finance	Security	Insurance	Others	Consolidated
Net interest (loss)	\$ 24,423,449	\$ (367,295)	\$ 2,345	\$ 645,356	\$ (319,454)	\$ 24,384,401
Net revenues and gains other than interest	15,477,292	737,795	997,361	3,411,981	1,031,132	21,655,561
Total net revenues	39,900,741	370,500	999,706	4,057,337	711,678	46,039,962
Bad-debt expenses and provision (reversal of provision) for losses on commitment and guarantees	(3,545,607)	(14,289)	(85)	-	16,081	(3,543,900)
Net change in reserves for insurance liabilities	-	-	-	(1,995,341)	-	(1,995,341)
Operating expenses	(19,992,731)	(125,095)	(659,656)	(591,082)	(617,763)	(21,986,327)
Income before income tax	16,362,403	231,116	339,965	1,470,914	109,996	18,514,394
Income tax expenses	(3,202,348)	(41,095)	(38,386)	(189,160)	(53,788)	(3,524,777)
Net income	13,160,055	190,021	301,579	1,281,754	56,208	14,989,617

TABLE 5

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 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	78,545	78,545	3-8	Short-term financing	-	Operating use	785	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	270,000	259,500	219,750	3-8	Short-term financing	-	Operating use	2,198	Real estate	225,331	385,022 (Note 3)	1,540,089 (Note 3)
		Grandsun Engineering Co., Ltd.	Receivables on lending funds	No	50,000	30,000	30,000	3-8	Short-term financing	-	Operating use	300	Guarantee	5,250	385,022 (Note 3)	1,540,089 (Note 3)
		Yieh Hong Enterprise Co., Ltd.	Receivables on lending funds	No	212,930	50,383	50,383	3-8	Short-term financing	-	Operating use	504	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	75,338	75,338	3-8	Short-term financing	-	Operating use	753	-	-	385,022 (Note 3)	1,540,089 (Note 3)
		Tai Wan Asset Management Co.	Receivables on lending funds	No	50,000	41,000	41,000	3-8	Short-term financing	-	Operating use	410	-	-	385,022 (Note 3)	1,540,089 (Note 3)

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

a. Parent company is denoted as 0.

b. Investee companies are numbered sequentially from 1.

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

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

TABLE 6

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
SEPTEMBER 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	September 30, 2024				Note
				Shares (In Thousands/ Par Value)	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	-	\$ 1,290,019	100.00	\$ 1,290,019	Note
	Taiwan Urban Regeneration & Financial Services Co., Ltd.	-	Financial assets at fair value through other comprehensive income	2,500	20,050	5.00	20,050	
Taiwan Cooperative Securities Investment Trust Co., Ltd.	Fund Rich Securities Co., Ltd.	-	Financial assets at fair value through other comprehensive income	227	3,261	0.36	3,261	
Taiwan Cooperative Venture Capital Co., Ltd.	STARLUX AIRLINES CO., LTD.	-	Financial assets at fair value through profit or loss	5,000	153,050	0.20	153,050	
	Cho Pharma, Inc.	-	Financial assets at fair value through profit or loss	620	34,962	0.29	34,962	
	Handa Pharmaceuticals, Inc.	-	Financial assets at fair value through profit or loss	480	32,280	0.34	32,280	
	AnnJi Pharmaceutical Co., Ltd.	-	Financial assets at fair value through profit or loss	2,990	105,158	3.20	105,158	
	SR Suntour Inc.	-	Financial assets at fair value through profit or loss	1,700	94,027	2.82	94,027	
	Phu Vinh Industrial Company	-	Financial assets at fair value through profit or loss	4,249	135,634	17.86	135,634	
	ULSee Cayman Co., Ltd.	-	Financial assets at fair value through profit or loss	651	25,046	0.43	25,046	
	Cloud Mile Inc.	-	Financial assets at fair value through profit or loss	838	41,744	2.83	41,744	
	Hoytek Precision Company	-	Financial assets at fair value through profit or loss	1,168	31,754	16.51	31,754	
	CDIB Capital Healthcare Ventures II Limited Partnership	-	Financial assets at fair value through profit or loss	-	48,325	-	48,325	
	Anivia Medical Holdings	-	Financial assets at fair value through profit or loss	752	71,554	1.53	71,554	
	Free Bionics Inc.	-	Financial assets at fair value through profit or loss	2,068	40,837	7.66	40,837	
	Revlis Biotech Co., Ltd.	-	Financial assets at fair value through profit or loss	2,813	14,513	4.31	14,513	

(Continued)

Holding Company Name	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Shares (In Thousands/ Par Value)	Carrying Value	Percentage of Ownership (%)	Market Value or Net Asset Value	
	Mesh Cooperative Ventures Fund LP	-	Financial assets at fair value through profit or loss	-	\$ 25,803	-	\$ 25,803	
	Knowledge Creation Innovation Co., Ltd.	-	Financial assets at fair value through profit or loss	530	6,169	17.56	6,169	
	Long Diann Marine Biotechnology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,500	22,100	12.53	22,100	
	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	160,468	13.20	160,468	
	P-Waver Inc.	-	Financial assets at fair value through profit or loss	1,765	19,518	11.55	19,518	
	WIN COAT CO.	-	Financial assets at fair value through profit or loss	1,100	48,906	2.44	48,906	
	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	1,677	49,020	3.42	49,020	
	XConn Technologies Holdings, Ltd.	-	Financial assets at fair value through profit or loss	805	98,130	1.54	98,130	
	Greenway Environmental Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	6,000	60,000	10.71	60,000	
	Meridian Innovation Pte. Ltd.	-	Financial assets at fair value through profit or loss	760	60,382	3.22	60,382	

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

(Concluded)

TABLE 7

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 10% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Co-operative Assets Management Co., Ltd.	12 rooms at 11F., No. 93, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City	2024.07.12 (Note)	\$ 440,120	Fully repaid on August 21, 2024	Taiwan Shilin District Court	Non-related parties	-	-	-	\$ -	Court auction	Operating activities	None

Note: The actual date of occurrence is the date of board of directors’ resolution.

TABLE 8

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

**ALLOWANCE OF SERVICE FEES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$5 MILLION
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

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	\$ 2,316,971	\$ 1,280,195	\$ 199,862	\$ 161,993	8.63	12.65

TABLE 9

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
SEPTEMBER 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	\$ 1,770,216 (Note 1)	-	\$ -	-	\$ -	\$ -
	Taiwan Cooperative Securities Co., Ltd.	Sister company	943,705 (Note 2)	-	-	-	-	-
	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Sister company	374,158 (Note 3)	-	-	-	-	-

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.

TABLE 10

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

INVESTMENT IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 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 September 30, 2024	Investee Net Income	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Value as of September 30, 2024	Accumulated Inward Remittance of Earnings as of September 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)	\$ 114,918	100	\$ 114,918	\$ 7,157,610	\$ -
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)	(134,340)	100	(134,340)	2,652,897	-
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)	105,853	100	105,853	3,687,677	-
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)	66,980	100	66,980	2,529,289	-

Accumulated Investment in Mainland China as of September 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)	\$ 166,221,649

Co-operative Assets Management Co., Ltd.

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2024	Investee Net Income	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Value as of September 30, 2024	Accumulated Inward Remittance of Earnings as of September 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)	\$ 21,980	100	\$ 21,980	\$ 1,290,019	\$ -

Accumulated Investment in Mainland China as of September 30, 2024	Investment Amount Approved by the Investment Commission, MOEA	Maximum Investment Allowable (Note 3)
\$ 910,980 (CNY 185,460) (Note 1)	\$ 910,980 (CNY 185,460) (Note 1)	\$ 2,326,109

(Continued)

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

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

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

(Concluded)

TABLE 11

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

**BUSINESS RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS AMONG THE PARENT COMPANY AND SUBSIDIARIES
FOR THE NINE MONTHS ENDED SEPTEMBER 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	\$ 1,770,216	Note 4	0.04
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Financial Holding Co., Ltd.	b	Tax receivables - consolidated tax return	1,770,216	Note 4	0.04
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	a	Tax receivables - consolidated tax return	259,288	Note 4	0.01
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Financial Holding Co., Ltd.	b	Tax payables - consolidated tax return	259,288	Note 4	0.01
1	Taiwan Cooperative Bank, Ltd.	United Taiwan Bank S.A.	a	Due from banks	678,512	Note 4	0.01
2	United Taiwan Bank S.A.	Taiwan Cooperative Bank, Ltd.	b	Deposits from banks	678,512	Note 4	0.01
1	Taiwan Cooperative Bank, Ltd.	United Taiwan Bank S.A.	a	Call loans to banks	1,834,560	Note 4	0.04
2	United Taiwan Bank S.A.	Taiwan Cooperative Bank, Ltd.	b	Call loans from banks	1,834,560	Note 4	0.04
1	Taiwan Cooperative Bank, Ltd.	United Taiwan Bank S.A.	a	Medium-term unsecured loans	4,586,400	Note 4	0.09
2	United Taiwan Bank S.A.	Taiwan Cooperative Bank, Ltd.	b	Long-term borrowings	4,586,400	Note 4	0.09
1	Taiwan Cooperative Bank, Ltd.	United Taiwan Bank S.A.	a	Interest revenue	165,563	Note 4	0.33
2	United Taiwan Bank S.A.	Taiwan Cooperative Bank, Ltd.	b	Interest expense	165,563	Note 4	0.33
1	Taiwan Cooperative Bank, Ltd.	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	c	Deposits and remittances	1,206,666	Note 4	0.02
3	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Cash and cash equivalents	1,206,666	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	199,690	Note 4	0.39
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	199,690	Note 4	0.39

(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 (%)
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Bills Finance Co., Ltd.	c	Call loans to banks	\$ 2,918,000	Note 4	0.06
4	Taiwan Cooperative Bills Finance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Call loans from banks	2,918,000	Note 4	0.06
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Call loans from banks	316,000	Note 4	0.01
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Securities Co., Ltd.	c	Call loans to securities company	316,000	Note 4	0.01
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Right-of-use assets, net	69,233	Note 4	-
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Lease liabilities	70,633	Note 4	-
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Interest expense	1,978	Note 4	-
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Depreciation expense	38,194	Note 4	0.08
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Securities Co., Ltd.	c	Lease income	39,634	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	934,648	Note 4	1.84
3	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Service charge and commission expense	934,648	Note 4	1.84
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Right-of-use assets, net	82,618	Note 4	-
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Lease liabilities	85,622	Note 4	-
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Interest expense	979	Note 4	-
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Depreciation expense	21,793	Note 4	0.04
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Financial Holding Co., Ltd.	c	Lease income	22,198	Note 4	0.04
4	Taiwan Cooperative Bills Finance Co., Ltd.	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	c	Securities purchased under resell agreements	267,674	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	267,674	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 (%)
6	Taiwan Cooperative Securities Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Settlement payable	\$ 943,705	Note 4	0.02
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Securities Co., Ltd.	c	Receivables on securities	943,705	Note 4	0.02
1	Taiwan Cooperative Bank, Ltd.	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	c	Other receivables	374,158	Note 4	0.01
3	BNP Paribas Cardif TCB Life Insurance Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Other payables	374,158	Note 4	0.01
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Securities Investment Trust Co., Ltd.	c	Deposits and remittances	136,900	Note 4	-
7	Taiwan Cooperative Securities Investment Trust Co., Ltd.	Taiwan Cooperative Bank, Ltd.	c	Cash and cash equivalents, other financial assets	136,900	Note 4	-
0	Taiwan Cooperative Financial Holding Co., Ltd.	Taiwan Cooperative Bank, Ltd.	a	Cash and cash equivalents	127,026	Note 4	-
1	Taiwan Cooperative Bank, Ltd.	Taiwan Cooperative Financial Holding Co., Ltd.	b	Deposits and remittances	127,026	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 (NT\$100,000 thousand).

(Concluded)

TABLE 12**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD.****INFORMATION ON MAJOR SHAREHOLDERS
SEPTEMBER 30, 2024**

Name of Major Shareholder	Shareholding	
	Number of Shares	Percentage of Ownership (%)
Ministry of Finance, Taiwan	3,968,075,591	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.