

Taiwan Cooperative Financial Holding Co., Ltd.
Handbook for the 2023 Annual General Shareholders' Meeting
(Summary Translation)

Date and Time: 09:00 A.M., Friday, June 16th, 2023
Location: 1st Floor, No.225, Section 2, Chang'an East Road,
Songshan District, Taipei City, Taiwan, R.O.C .
(Taiwan Cooperative Bank Headquarters)

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Taiwan Cooperative Financial Holding Co., Ltd.

Agenda of 2023 Annual General Shareholders' Meeting

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Method of Convening the Meeting: Physical Shareholders' Meeting

- I. To announce the quorum in present and to call the meeting to order
- II. Chairperson's Remarks
- III. Matters for Reporting
 1. TCFHC 2022 Business Performance
 2. Audit Committee Reports the Auditing Opinions of TCFHC 2022 Financial Statements
 3. TCFHC 2022 Remuneration Distribution of Board of Directors and Employees Report
- IV. Matters for Recognitions
 1. Adoption of TCFHC 2022 Annual Business Report and Financial Statements
 2. Adoption of TCFHC 2022 Earnings Appropriation
- V. Matters for Discussions
 1. Proposal for TCFHC 2022 New Shares Issuance and Cash Dividends Distribution through Capitalization of Capital Surplus
 2. Amendment to TCFHC's Articles of Incorporation
- VI. Election Matters

The Election of the 5th Term Board of Directors
- VII. Other Matters

Proposal of Releasing the Prohibition on the 5th Term Board of Directors from Participating in Competitive Business.
- VIII. Extemporaneous Motions
- IX. Adjournment

Matters for Reporting 1

Proposed by TCFHC's Board of Directors

Subject: TCFHC 2022 Business Performance

Content: With regard to Business Report, please refer to Page 7-18 in this Handbook.

Resolutions:

Matters for Reporting 2

Proposed by TCFHC's Board of Directors

Subject: Audit Committee Reports the Auditing Opinions of TCFHC 2022 Financial Statements

Content: TCFHC's Audit Committee submits review reports on 2022 Consolidated Financial Statements, 2022 Proposal of Earnings Distribution and 2022 Business Report. For details of these documents, please refer to Page 6 in this Handbook.

Resolutions:

Matters for Reporting 3

Proposed by TCFHC's Board of Directors

Subject: TCFHC 2022 Remuneration Distribution of Board of Directors and Employees Report

Content: In accordance with TCFHC's Articles of Incorporation, a total remuneration of NT\$111,909,999 (calculation basis: 0.55% of earnings) will be distributed to the board of directors, whereas the sum of NT\$3,092,785 (calculation basis: 0.0152% of earnings) will be distributed to employees. Both amounts are distributed completely in cash.

Resolutions:

Matters for Recognitions 1

Proposed by TCFHC's Board of Directors

Subject: To submit the 2022 Annual Business Report and the Financial Statements for approval and adoption.

Contents: The 2022 annual business report and financial statements have both been reviewed and approved in the 6th meeting of the 4th term Board of Directors, followed by further examination of the Audit Committee. The financial statements had also been audited and certified by Deloitte Taiwan. Therefore, the Board of Directors hereby, in accordance with article 35 of the TCFHC's Articles of Incorporation, submits the 2022 annual business report and the 2022 financial statements for recognition.

Resolutions:

Appendix A

Taiwan Cooperative Financial Holding Co., Ltd.

Audit Committee's Report

The Board of Directors of TCFHC has prepared and delivered the Business Report, the Consolidated Financial Statements, and earnings distribution proposal for 2022. Wherein, the Consolidated Financial Statements were audited by certified public accountants, Joe Chen and Jerry Gung, of Deloitte, Taiwan. The Audit Committee has reviewed the above Business Report, the Consolidated Financial Report and earnings distribution proposal and found nothing incorrect. This audit report is hereby prepared under Article 219 of the Company Act which is applied mutatis mutandis from the Paragraph 3 of Article 14-4 of the Securities and Exchange Act.

Submitted to the 2023 General Shareholders' Meeting

Audit Committee

Independent Director



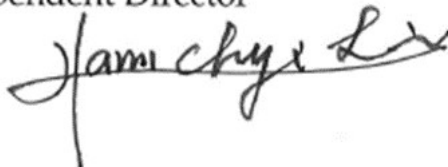
Independent Director



Independent Director



Independent Director



April 12, 2023

Appendix B

Taiwan Cooperative Financial Holding Co., Ltd. 2022 Business Report

In 2022, countries across the world have subsequently started to ease the lockdowns and move towards recovery step-by-step from the impact of the pandemic. Nevertheless, the surging price due to disequilibrium between supply and demand that started in late 2021, and the outbreak of Russian-Ukrainian war in February 2022 that have impacted on the supply of energy, food, and other commodities, have further pushed up the price inflation, a pressure that has triggered major economies of the world to resort to the interest rate hike as a countermeasure, which, however, is unfavorable to business investment. According to a report International Monetary Fund (IMF) published in January 2023, the global economic growth rate in 2022 was estimated to be 3.4%, and the economic growth rate for 2023 was forecast to reach 2.9% only, one that is lower than the average annual growth rate of 3.8% between 2000 and 2019. The result has indicated that the global economy is slowing down.

Taking a look at Taiwan, the control measures against the pandemic has been gradually lifted since the 4th quarter of 2022, contributing to bring the market consumption back to the normal track, which, plus the easing down of inbound passenger quarantine and recovery of international travel, has made the market consumption of private sectors continue to expand. According to a report published by Directorate General of Budget, Accounting, and Statistics, Executive Yuan, Taiwan (R.O.C.) in January 2023, the economic growth rate of Taiwan in 2022 was estimated to reach 2.43%, a decrease of 4.10 percentage points from 6.53% in 2021. In prospect of the economic performance in 2023, with the continuing slowdown in export yet relatively warming domestic economic activity, the annual domestic economic growth rate is expected to reach 2.75% for 2023.

Thanks to the trusts and supports from our shareholders over the past year, TCFHC, tapping into the grand customer base and inter-subsidiary synergy, was able to top all government affiliated financial holding companies in profit. In 2022, TCFHC's consolidated net income after tax amounted to NT\$20.817 billion, a decrease of 1.86% from that of 2021, which has translated into an EPS after tax of NT\$1.45 with the return on equity (ROE) and return on assets (ROA) reaching 8.98% and 0.47% respectively.

Despite of the turbulence, TCFHC has continued to deliver remarkable performance. In the future, TCFHC will continue to pursue growth and excellence. A summary of TCFHC business performance in 2022 and business plan for 2023 are outlined as follows:

A. Operational Review for 2022

a. Review of the Implementation for 2022 Business Plan

1. Profitability

- I) Taiwan Cooperative Bank (TCB), the major profit generating subsidiary of TCFHC, has taken continuous efforts in increasing operational momentum, developing diversified products, and maintaining healthy quality of assets. In 2022, TCB continued to hit a record high in profit by generating a total profit of NT\$19.089 billion, an increase of NT\$216 million from NT\$18.873 billion in 2021, representing an year-on-year growth of 1.14%
- II) Both the asset management and venture capital subsidiaries demonstrated continuous business growth in 2022 with profits reaching NT\$351 million and NT\$106 million respectively, representing the growth rates of 3.09% and 48.07% respectively from a year ago. The other four subsidiaries - life insurance,

securities, bill finance, and investment trust have posted each of their profits generated in 2022, which were NT\$1.157 billion, NT\$287 million, NT\$283 million, and NT\$21 million respectively, a result that, however, represents the declines of 15.19%, 61.36%, 44.28%, and 44.11% from a year ago, due to strong volatility of financial market that affect the investment confidence of consumers. Nevertheless, the consolidated profit of TCFHC has only declined by 1.86%, the best performance in profit among government affiliated financial holding companies.

2. Capital Allocation

As at the end of 2022, the common equity ratio, Tier 1 ratio, and capital adequacy ratio of the TCFHC's bank subsidiary – TCB was 11.06%, 12.83% and 14.59% respectively. These ratios have all met the internal management capital requirements for domestic systemically important banks (D-SIBs), ruled by Financial Supervisory Commission to meet by the end of 2022.

3. Integrated Marketing

- I) Continuous efforts carried out to strengthen Inter-subsidary collaborations have resulted in significantly positive outcome. By the end of 2022, the securities subsidiary, Taiwan Cooperative Securities (TCS) had set up a total of 265 service counters across TCB's branches, which have served to take the orders that accounted for 63.80% of the TCS's total brokerage business in that year.
- II) Premium income and mutual fund sales (exclusive of money market fund) that TCFHC's life insurance subsidiary – BNP Paribas Cardif TCB Life Insurance (BNP TCB Life) and securities investment trust subsidiary – Taiwan Cooperative Securities Investment Trust (TCSIT) generated through sister companies' sales channels, accounted for 87.60% of the total premium income of BNP TCB Life and 62.66% of the mutual fund sales (exclusive of money market fund) TCSIT generated respectively.
- III) The corporate client accounts that both of the assets management (CoAMC) and venture capital subsidiaries (TCVC) developed through inter-subsidary referral in 2022 made up 52.38% of CoAMC's total business source and 55.56% of the TCVC's respectively. In the future, the inter-subsidary collaborations will be deepened with the aim of increasing collaborative synergies.

4. Global Expansion

- I) TCFHC has continuously sought to expand into the international financial markets to increase its overseas revenue. As of the end of 2022, Taiwan Cooperative Bank's offshore units (including OBU and overseas branches) has generated an EBPT (earnings before provision and tax) of NT\$6.234 billion, accounting for 28.19% of the Bank's total earnings after provision and before tax in the year.
- II) Endeavoring in expanding the financial service network, TCFHC has established overseas points of service across Europe, America, Asia, and Australia. A representative office in Prague, Czech Republic was opened for business on November 14, 2022, which adds the Co-operative Assets Management's subsidiary (Cooperative International Leasing Co.) in Suzhou and its Dongguan branch in China, has made the total number of TCFHC's overseas point of service to 28. In addition, the application for setting up a branch in Singapore by TCB had been approved by Financial Supervisory Commission on December 13, 2022. The new branch in Singapore will join other existing branches in this region to form a comprehensive service network in Southeast Asia with an integrated financial and

financing services.

5. Innovative Financial Services

- I) The bank subsidiary, TCB, has introduced its customers a smart wealth management system, which is able to recommend mutual fund investment portfolios to customers automatically by analyzing the risk preference of a customer and utilizing data and quantitative models to optimize investment targets, an innovation that provides customers with diverse and convenient digital financial experiences.
- II) In addition to having a new feature of mobile number enabled money transfer added into its online ATM service that brings more convenience to users, TCB has continued to optimize the interface and features of its mobile banking service APP by rolling out such features as “English version of mobile banking service APP”, “mobile number enabled inter-bank transfer 2.0”, “smart voice service”, “smart wealth management service”, “online trust account opening service”, and “recurring instruction of foreign currency systematic deposit plan”, to provide customers with faster and easier financial services.
- III) In order to make digital insurance service more comprehensive, the life insurance subsidiary requires the insured to consent to use his/her mobile device to verify the identity with the telecom operators through the 3rd party verification institute when engaging in online change of information, which will make online transaction more secured.
- IV) The securities subsidiary set up a digital financial department in 2022 and has since actively recruited talents responsible for digital product planning, and design and development of front end system and customer service, expecting to develop its own digital services. In addition, TCS rolled out a variety of online services in 2022 including online application for public tender offer, online application for credit account, and other online service features such as limit adjustment, contract renewing, and appointed account for foreign currency transaction.

b. **Review of Budget Implementation and Profitability Analysis**

1. Budget Implementation

In 2022, TCFHC generated a total revenue and gain of NT\$20,735 million, and in the same period, the operating expenses and losses as incurred amounted to NT\$503 million, resulting in a pre-tax net income of NT\$20,232 million (unconsolidated) and a net income after tax of NT\$20,249 million (unconsolidated). The budget achievement rate for 2022 was 101.23%.

Unit: NT\$ million;%

Item	Actual Amount(A)	Budget Amount(B)	Achievement Rate(A/B,%)
Revenues and gains	20,735	20,524	101.03
Expenses and losses	(503)	(483)	104.14
Income before income tax	20,232	20,041	100.95
Net income	20,249	20,002	101.23
Earnings per share (NT\$)	1.45	1.43(Note)	101.40

Note: The influence incurred by stock dividend distribution has been taken into account for retrospective adjustment.

2. Profitability Analysis

Profitability of TCFHC and its subsidiaries in 2022 are listed as follows:

Unit: NT\$ million; Expect EPS in NT\$; %

Company	Pre-tax Net Income	Net Income	Earnings per share (NT\$)	Net Profit Ratio (%)	Return on Assets (%)	Return on Equity (%)
TCFHC and Subsidiaries (consolidated)	24,386	20,817	1.45	39.14	0.47	8.98
TCFHC (unconsolidated)	20,232	20,249	1.45	98.84	7.57	8.97
Taiwan Cooperative Bank (unconsolidated)	22,113	19,089	1.73	39.10	0.45	7.90
Taiwan Cooperative Securities	381.46	286.56	0.55	21.58	0.87	4.82
Taiwan Cooperative Bills Finance	347.78	283.07	0.58	62.07	0.47	4.11
Co-operative Assets Management (unconsolidated)	455	351	1.24	46.04	2.84	10.03
BNP Paribas Cardif TCB Life Insurance	1,406	1,157	1.68	51.50	0.84	9.85
Taiwan Cooperative Securities Investment Trust	21.44	21.44	0.71	5.81	4.16	5.14
Taiwan Cooperative Venture Capital	109.09	106.46	0.93	70.08	8.50	8.60

Note:

1. For Income before income tax and net income, the figures round to the nearest hundredth with the unit base of NT\$ million.
2. Return on assets = profit after income tax ÷ average assets.
3. Return on equity = profit after income tax ÷ average shareholders' equity.
4. Net profit ratio = profit after income tax ÷ total net revenue.
5. The comprehensive income (losses) after tax of TCFHC and subsidiaries includes the unconsolidated net income of TCFHC, and the non-controlling profit of BNP Paribas Cardif TCB Life Insurance and United Taiwan Bank.

c. **The Implementation of Project Finance in Support of Government's Policies**

1. Providing Loans in Supporting the Government's Policies

I) In order to assist people in obtaining the fund for purchasing or furnishing their residences, Taiwan Cooperative Bank, the bank subsidiary of TCFHC, has offered "MOF-backed young homebuyer preferential mortgage". As of the end of 2022, TCB had taken 11.82% share of the project loan's market, ranked No.3 in all the banks that offered this project.

II) TCB has also introduced the "Ministry of Interior-led residence integrated project".

As of the end of 2022, TCB had released a total mortgage of NT\$4.143 billion, accounting for 8.72% of the project loan's market, ranked the 3rd among all the banks that offered the project loan.

2. Facilitating the development of the six core strategic industries

TCB has engaged in the project loan earmarked for the 6 core strategic industries that the government aims to develop. As of the end of 2022, the total loan that TCB has offered to these industries, had amounted to NT\$562.923 billion, the 2nd largest amount among all banks in Taiwan.

3. Facilitating the Developments of Small-and-Medium Enterprises (SMEs)

- I) For SME loans, the Financial Supervisory Commission has granted TCB with “Bank of Excellence for Processing SME loans”, “Special Award for Innovative Industry Project Loan”, “Special Award for Balanced Regional Development of Hualien and Taitung Districts” and “Special Award for Balanced Regional Development of Central District”.
- II) On facilitating the “SME Guarantee Fund - Backed Loans”, TCB ranked Number 2 among all the financial institutions involved. Such an achievement has entitled TCB to receive 5 prizes from Taiwan SMEG, including “Golden Prize for Credit Guarantee”, “Facilitation of Policy Promulgation”, “Financial Relief and Economic Stimulation”, “Excellence Award for the Fund Backed Loan Payment Collection”, “Award for Assistance to Enterprises”.

4. Supporting New Southbound Policy

TCB has already set up 13 branches and sub-branches in Indo-Pacific countries, including Sydney branch and Melbourne branch in Australia, Manila branch in the Philippines, Phnom Penh branch and 7 sub-branches in Cambodia, Vientiane Capital Branch in Laos, and the Yangon Representative Office in Myanmar. To support the government's policy, TCB continues to push for speeding up the application for setting up representative offices in both Thành phố Hà Tĩnh and Tỉnh Bình Dương in Vietnam. In addition, the application for setting up the Singapore branch had been approved by Financial Supervisory Commission on December 13, 2022, with which TCB has been actively engaging in the progress of the branch's establishment. In the future, TCB will still focus on new southbound countries, put efforts in ASEAN market, to become an Asian regional bank.

5. Supporting the Government's Urban Renewal Policy

- I) For supporting the government's policy, as of the end of December 2022, TCB had approved urban renewal with a total credit line of NT\$95.018 billion, and time-worn building loan with a total credit line of NT\$42.585 billion.
- II) Being actively engaging in developing the business of urban renewal, the assets management subsidiary, CoAMC has taken up the role of acting implementer, contracted by the bank subsidiary – TCB, to push for the urban renewal projects of both Paotung Building where the bank's East Taipei Branch used to be located and the building of the previous Nanjing West Road Branch. CoAMC continues to develop the business of taking the contract to assist in financing projects of urban renewal and reconstruction of time-worn buildings.

6. Supporting the Government to Achieve the 2050 Net Zero Goal

TCFHC has accomplished the greenhouse gases inventory inspection on all of the group's 333 locations as early as in 2022, which also have all obtained the certificate of “ISO14064-1 Organization Quantification and Reporting of

Greenhouse gases (GHG) Emissions and Removals, revealing the active manner and conduct in this regard. In addition, all the subsidiaries have also subsequently acquired two different international certificates for meeting the environment and energy standards - “ISO 50001 Energy Management Systems” and “ISO 14001 Environmental Management Systems”.

d. Big Data Analysis and Digital Financing

1. TCB has completed the establishment of “corporate customer insight platform” which is able to conduct 360 degree data analysis and information integration on a single corporate customer. The platform, featured with visualized display on 8 themes developed by TCB itself, is able to generate the list of potential customer through data analysis models and capital chain technology, to provide business units with useful data for tracing the market movement.
2. Echoing the government’s policy of pushing for the development of financial technologies, TCB has rolled out a smart wealth management system – “iCooper”, which is able to offer personalized recommendation on optimal investment portfolios through analyzing the risk preference of a customer and the response to the questionnaire. The system then will go on to track the performance of the investment and further advise the customer on adjusted options of investment portfolios. With a monthly payment of as little as NT\$3,000, the so-called petite bourgeoisie can easily make investment, one that shall lead to the realization of financial inclusion.
3. As of the end of 2022, our bank subsidiary has obtained 415 FinTech patents, of which 19 are invention patents, 394 are utility model patents, and 2 are design patents, an achievement that has made TCB being named top 100 domestic institutions in patent application for 5 consecutive years since 2018, while the number of newly acquired patent continues to hit new high. In 2022, TCB was ranked No. 11 in terms of the number of patent application filed, toping all other domestic banks. In addition, the life insurance subsidiary, BNP Paribas TCB Life had also obtained 2 items of patent by the end of 2022. In the future, TCFHC will continue to strengthen the links between digital technologies and different aspects of business, so as to provide customers with more diverse and convenient financial service experiences.

e. Risk Control Management and Information Security

1. Risk Control Management

- I) To cope with global climate changes and strengthen climate risk management, TCFHC has incorporated climate risk into the scope of risk management since 2022, and has thereby established relevant management mechanism.
- II) In order to avoid risk being overly concentrated, TCFHC has set limits on concentration by such category as industry and country in addition to regular monitoring risks of credit, market, operation, and liquidity that expose to all the subsidiaries. Furthermore, in order to reduce the impact and influence caused by any abrupt major credit risk incident, TCFHC has already established a group-wide major credit risk incident reporting mechanism.

2. Information Security

- I) In order to make information security rooted deeper in the organizational culture, TCFHC and TCB have each appointed an executive vice president to serve as chief information security officer to integrate and coordinate for the promotion of information security policy, resources allocation, and responsive capability.

- II) In order to tackle unexpected information security incident, TCFHC has prescribed “The Key Notes for Handling Compute-based Information Security Incident”, set up a cross-departmental “information security incident response task force”, and drafted the measures for notification. Drills for practicing these measures are held regularly to ensure the responsiveness of the staff so as to reduce the impact and influence effectively, should there be any unexpected information security incident occurring.
- III) The securities subsidiary, Taiwan Cooperative Securities (TCS) has obtained its first certificate of “ISO 27001 Information Security Management System” in 2022, and has been continuously passed the verification of Taiwan Personal Information Protection and Administration System(TPIPAS), demonstrating ceaseless effort that has earned TCS affirmation on the reinforcement of information security and protection of personal information.

f. Legal Compliance, Anti-Money Laundering, and Countering the Financing of Terrorism

1. Legal Compliance

- I) The chairperson of TCFHC convenes a group-wide meeting of “Legal Compliance Committee” once every half a year to supervise, integrate, and coordinate for the tasks on legal compliance, anti-money laundering, and countering the financing of terrorism among TCFHC and each of its subsidiaries. Changes of both the international and domestic regulatory frameworks are also briefed and updated in the meeting to ensure that the compliance with material regulations has been implemented.
- II) TCFHC has introduced legal compliance technology as part of its continuous efforts to optimize features of the legal compliance platform by having an automated procedure brought into the transmission of regulatory framework, with which any revision of the regulatory framework would be delivered and notified automatically and thereafter be tracked periodically to ensure a clear and adequately regulatory transmission mechanism at work

2. Anti-money Laundering and Countering the Financing of Terrorism

- I) A working conference on “legal compliance, anti-money laundering and countering the financing of terrorism task force” is convened once every quarter. In the conference, each subsidiary is requested to submit reports on relevant measures, plans, and schedules which are devised by following rules as codified by relevant authorities in charge and industry associations.
- II) TCFHC conducts onsite inspection on the selected subsidiary once every half a year, subject to a subsidiary’s size and performance on legal compliance, anti-money laundering, and combat of terrorism financing evaluated for the previous year, so as to check the effectiveness of the corresponding implementation.

g. Corporate Governance and Practices in Corporate Social Responsibility

1. Corporate Governance

- I) TCFHC’s Board of Directors consists of 15 directors, 10 are representatives of juristic person, one is a natural person, and another four are independent directors. There are 3 committees with different functions subordinated to the board, namely, Audit Committee, Compensation Committee, and Ethical Management

Committee, which are all composed of the four independent directors, each of whom has expertise in respective fields including tax and financing, accounting, and legal affairs.

- II) For enhancing corporate governance and increasing the functionality of the board, TCFHC has conducted an annual internal performance assessment of 2022 on the board of directors evaluating the performance of the boards as a whole, each individual member, and each functional committee. The results for the assessed were “excellence”, “excellence”, and “superiority”.
- III) TCFHC was named top 5% best governed company in the 8th corporate governance assessment, an affirmation that recognizes the excellent performance in corporate governance TCFHC has achieved.

2. Sustainable Operations

- I) TCFHC’s performance in sustainable development has been highly affirmed and recognized by various international and domestic institutes, receiving an array of awards including “2022 National Sustainable Development Award” by National Council for Sustainable Development, Executive Yuan, “Golden Prize for Sustainability Report” and “Leadership in Innovative Growth Award” of Taiwan Corporate Sustainability Award (TCSA), “Sustainable Resilience Excellence Award” from the British Standard Institute (BSI) for 3 consecutive years, “Top 100 Sustainable Civilian in 2022” by the Common Wealth Magazine, “2022 Taiwan Sustainable Action Award – Golden Prize”, “2022 Taiwan Sustainable Investment Award – Influence Power by Individual Case: Themed Sustainable Investment – Golden Prize”, “Excellent in CSR” by 2022 Distinguished Public Relations Award, and “the Best ESG Award” and “the Best Social Inclusion Award” by the Excellence magazine’s bank rating. In addition, TCFHC has been repeatedly listed as a constituent in the following indexes including the “MSCI ESG Index”, the “FTSE4Good Emerging Index”, the “FTSE4Good TIP Taiwan ESG Index”, the “Taiwan Corporate Governance 100 Index”, the “Taiwan High Compensation 100 Index”, and the “Taiwan Employment Creation 99 Index”, Furthermore, TCFHC has been named, for the first time, a constituent of the “Bloomberg GEI Index”.
- II) TCFHC has been actively engaging in governance of climate change including such efforts as introducing the framework of “Task Force on Climate-related Financial Disclosures, TCFD” in 2020, signing to support TCFD, and undertaking quantitative study concerning the influence of climate change on the operations of the group in 2021. In 2022, TCFHC was certified with “Level 5: Excellence”, the highest recognition of the kind, by the British Standard Institute.
- III) TCFHC signed on the Equator Principles in March 2022 as a financial holding company, the first financial institution in Taiwan that joins with the title of financial holding company, fully revealing the efforts that TCFHC has invested in deepening sustainable finance.
- IV) In support of the Science Based Targets initiative (SBTi), TCFHC signed to join the SBTi in July 2022, and further submitted the target list to SBTi for review in December 2022, the first one among government affiliated financial holding companies.
- V) The bank subsidiary, TCB, issued sustainability bonds valued at NT\$2.5 billion on September 28, 2022, with the raised fund to be invested in such items as green investment and social benefits. Such a green investment is mainly set to focus on the development of renewable energy and other energy technologies, loans to

waste recycle and reuse industry, loans to clients for the purchase of solar power panels and wind power generators, so as to save energy effectively. As for social benefits, the investment will be mainly put on mortgages to the first-time homebuyers and loans to specific start-ups. In total, NT\$5.5 billion worth sustainability bonds have been issued, the highest among government affiliated bank, which reveals TCB's determination in developing sustainable finance.

h. Research and Development

1. The research reports TCB published in 2022 covered such topics as the information sharing among the banking industry, financial service strategy and influence derived from metaverse, the research and analysis of the trend of information security threat, information security insurance, old house with old people, the case study of effectively managed loans for the sustainable development of an enterprise, and the multivariate factors that affect the willingness of customers to strike a deal.
2. In support of the government advocating for innovating financial technology, BNP TCB Life has collaborated with a team from National Central University to develop "The method and system for the judgement of vocational category", by which the system is able to match the most likely vocational category for an insurer automatically with the insurer's information, an innovative mechanism that solves the hassle of vocational sorting with manpower. This technology received an invention patent in October 2022.
3. The venture capital subsidiary, TCVC, has been endeavoring to keep the capital for investors in a fluctuating market. Therefore, TCVC has been continuously working to strengthen collaborations and communications with overseas consultants, through which TCVC seeks to increase the flexibility of investment in overseas bond markets so as to raise the competitiveness of the mutual fund. The new mutual fund issued in 2022 has brought in the concepts of ESG and green investments to manage the lurking risks beyond the financial statements so as to select the better qualified investment targets for the investors.

B. Business Plan for 2023

a. Operational Strategy

1. To consolidate ethical and due diligence governance so as to sketch out the vision of sustainable development
2. To focus on the development of digital innovation so as to build up intelligent financial ecology.
3. To strengthen core business through interdisciplinary co-marketing so as to excel in profitability via diverse sources.
4. To tap into niche market with global deployment so as to build up comprehensive cross-border financial networks.
5. To expand capital asset size so as to increase the efficiency of funds utilization.
6. To reinforce risk control along with strict legal compliance so as to make internal control a solid cornerstone.
7. To Expedite the upgrade of information system so as to strengthen the resilience of financial information security.
8. To foster talents through improvement of vocational capabilities so as to encourage employees to create values.

b. Main Strategies each Subsidiary Adopts for Achieving Business Objectives

1. For achieving the operating objectives, TCB will bring in climate risk governance to pursue the goal of sustainable operations; enrich the foundation of credit service by expanding the green finance market; drive the intelligent digital transformation to innovate the operations with financial technology. Refining the segment management of the wealth management business to make consumer banking another profit engine, and increase the revenue from financial operations along with steady capital allocations; speed up the international deployment by developing professional talents with international views. Forming the corporate culture of legal compliance, and enforce the implementation of fair dealing services; strengthen information security and risk management, and raise the utility of assets, so as to achieve the projected business goals.
2. The securities subsidiary, TCS, will strengthen the development and services of institutional business by tapping into the resources brought by external investment consultant and research to increase the market share and the ratio of institutional business over the entire one, develop tools applicable to digital platform to increase the features of electronic transaction platform and online services, so as to facilitate investors in dealing with different kinds of business with a more convenient and faster way.
3. The bills finance subsidiary, TCBF, on the aspect of developing the credit business, will continue to adjust credit structure, weed out the weak but keep the strong, increase the spread in an appropriate timing, raise the overall margin, expand the business of syndicated loans with other financial counterparts, increase fee income, watch the international financial development closely, and manage and control credit risk, so as to ensure the quality of assets.
4. The assets management subsidiary, CoAMC, will engage in the renewal and reconstruction of the time-worn buildings belonging to the group to raise the value of TCFHC's assets. For meeting the demands for urban renewal and reconstruction of time-worn buildings in the market, CoAMC will either fund to take the lead in such an investment project by assuming the role of either implementer or builder, or offering such a project the loan for early working fund, integration of debt service, and integration of land purchase.
5. The life insurance subsidiary, BNP TCB Life, will strive to increase the capacity of investment-link insurance business by continuously develop market competitive and retirement life themed investment-linked products and diverse investment targets, increase the share of the business generated through external channels, optimize online insurance platform continuously, and offer customers with warm and friendly digital experiences, so as to elevate the satisfactory level of the offered services.
6. The securities investment trust subsidiary, TCSIT, will continue to develop "retirement life", "green finance", and "ESG investment" related products, or other products that are differentiated, futuristic, specific themed in the market, which are likely to become the focus of the market. In addition, TCSIT will continue to strengthen the professional capacity of the business team to win the affirmation of the customers and the channel operators through delivering professional and accurate market views, so as to achieve the goal of increasing the size of assets under management.
7. The venture capital subsidiary, TCVC, plans to invest on the industries that are either supported by the government policy or involved by the TCFHC group's premium customers including 5+2 industrial innovation scheme, new southbound policy, 6 core

strategic industries, and ESG industries, so as to achieve the projected business targets.

The List of Business Objectives by each TCFHC subsidiary

Unit: NT\$ million

Subsidiary	Item	2023 Budget
Taiwan Cooperative Bank	Deposit volume (excluding inter-bank deposit)	3,689,700
	Loans volume (excluding non-accrual loan)	2,776,600
	Foreign exchange trading volume (unit: US\$ million)	138,000
Taiwan Cooperative Securities	Securities brokerage trading volume	1,671,840
	Securities financing trading volume	5,500
	Securities underwriting service	Lead:20; Secondary:30
Taiwan Cooperative Bills Finance	Cumulative trading volume of underwritings	327,123
	Bills and bonds trading volume	63,300
	Guarantee trading volume	33,500
	RP bill and bond trading volume	46,514
Co-operative Assets Management	Debt collection amount	321
BNP Paribas Cardif TCB Life Insurance	Total annualized premium	20,797
Taiwan Cooperative Securities Investment Trust	Total fund size (including discretionary investment)	71,823
Taiwan Cooperative Venture Capital	Long-term equity investment	300

c. The Latest Credit Ratings

TCFHC and TCB have commissioned Taiwan Ratings, an S&P Global company, to evaluate both of their international and domestic credit ratings. The ratings reflect that TCFHC maintains its fair market position and stability in the banking industry of Taiwan. Its core subsidiary, TCB, has maintained a robust grade of capital level with its funding source and liquidity structure being evaluated as robust and appropriate levels respectively. TCFHC will continue to endeavor in risk control and internal capital management so as to continue empowering the operational conditions.

Company	Rating Agency	Credit Rating		Rating Outlook	Effective Date
		Long-term	Short-term		
Taiwan Cooperative Financial Holding	S&P Global Ratings	BBB	A-2	Stable	Jan. 16, 2023
	Taiwan Ratings	twAA-	twA-1+	Stable	Jan. 16, 2023
Taiwan Cooperative Bank	S&P Global Ratings	A+	A-1	Stable	Jan. 16, 2023
	Taiwan Ratings	twAAA	twA-1+	Stable	Jan. 16, 2023
Taiwan Cooperative Securities	Taiwan Ratings	twAA-	twA-1+	Stable	Jan. 18, 2023
Taiwan Cooperative Bills Finance	Fitch Ratings	AA+(tw)	F1+(tw)	Stable	Sep. 20, 2022
Co-operative Assets Management	Taiwan Ratings	twA+	twA-1	Stable	Dec. 14, 2022
BNP Paribas Cardif TCB Life Insurance	Taiwan Ratings	twAA-	--	Stable	Dec. 15, 2022

Note: The credit ratings of TCFHC and its subsidiaries - TCS, TCBF, CoAMC, and BNP TCB Life all are on par with the previous ones. However, its bank subsidiary, TCB has received better ratings than those of the previous one, in which the international long-term rating has been upgraded to “A+”, while the domestic rating has even been upgraded to “twAAA”, the highest rating for the banking industry.

Appendix C

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of Taiwan Cooperative Financial Holding Co., Ltd. (TCFHC) and its subsidiaries (collectively, the Company), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended 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, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretation and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Company for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in our audit of the consolidated financial statements of Taiwan Cooperative Financial Holding Co., Ltd. and its subsidiaries for the year ended December 31, 2022 were as follows:

Impairment Assessment of Loans

The net discounts and loans of the Company as of December 31, 2022 are accounted for 58% of the consolidated total assets. Therefore, the assessment of the impairment loss of

discounts and loans may have significant impacts on the consolidated financial statements. Besides assessing expected credit losses of loans in accordance with IFRS 9 “Financial Instruments”, the management of Taiwan Cooperative Bank, Ltd.(TCB) complies with the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans” related regulations (collectively, the Regulations) when assessing classification of credit assets and recognizing allowance for possible losses.

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

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

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

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

Reserve of Life Policy-failure to Quote the Correct Insurance Information

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

The management of BNP Paribas Cardif TCB Life Insurance Co., Ltd. (BPCTLI) refers to the deposit logic of the commodity calculation instructions submitted to the competent authority at the time of insurance pricing to measure the life insurance liability reserve liabilities of each valid long-term insurance policy. The changes to the deposit logic must be approved by the competent authority in advance. Except for those who approve it, BPCTLI shall not arbitrarily change the formulas and parameters used in the product calculation instructions submitted to the competent authority at the time of pricing of insurance types, because failure to quote the correct policy information will have a significant impact on the allocation of insurance liabilities. Thus, the adequacy of the life insurance policy reserve is deemed a key audit matter. For the relevant accounting policies and critical accounting judgments and estimations, refer to Notes 4 and 5 to the consolidated financial statements. For the relevant information about the assessment of the insurance liabilities, refer to Note 29 to the consolidated financial statements.

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

follows:

1. Understand the process and related internal operations of assessment of insurance liabilities of BNP Paribas Cardif TCB Life Insurance Co., Ltd. (BPCTLI), and assess the compliance with related internal operations by performing the tests.
2. Obtain the actuarial information summary evaluated by the management of BPCTLI, and sample and test whether the information of policyholders is consistent with the information of life policy reserve.
3. Utilize our actuarial experts and perform the following audit procedures with respect to life policy reserve:
 - a. Sample the insurance products to test whether the actuarial memorandum was approved by the Insurance Bureau before the insurance products were introduced to the market and whether the reserves in the memorandum was calculated in accordance with the regulations and was applicable to the insurance products.
 - b. Sample the insurance policies and recalculate the insurance liabilities to ensure that the calculation of BPCTLI was in accordance with the Regulations Governing the Recognition of Reserves by Insurance Enterprises and was consistent with the formula and parameters submitted to the regulatory authority.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, International Financial Reporting Standards, International Accounting Standards, Interpretation of IFRS and Interpretations of IAS endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement

when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of the most significance in the audit of the consolidated financial

statements of Taiwan Cooperative Financial Holding Co., Ltd. and its subsidiaries, for the year ended December 31, 2022 and are therefore deemed to be the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Yin-Chou Chen and Tza-Li Gung.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2023

Notice to Readers

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

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

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022		2021	
	Amount	%	Amount	%
ASSETS				
CASH AND CASH EQUIVALENTS (Notes 4 and 6)	\$ 95,314,702	2	\$ 99,816,104	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Notes 4, 7, 42 and 43)	319,309,530	7	396,948,639	9
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8, 42 and 43)	76,072,975	2	84,931,904	2
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4 and 9)	475,101,745	11	478,885,434	11
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST (Notes 4, 10 and 43)	719,535,355	16	715,489,725	16
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Notes 4 and 11)	2,642,175	-	981,862	-
RECEIVABLES, NET (Notes 4, 12 and 42)	42,404,919	1	44,209,985	1
CURRENT TAX ASSETS (Notes 4 and 39)	2,278,992	-	2,025,864	-
DISCOUNTS AND LOANS, NET (Notes 4, 13, 42 and 43)	2,589,591,055	58	2,436,697,636	55
REINSURANCE ASSETS, NET (Note 4)	209,333	-	138,313	-
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Notes 4 and 14)	142,637	-	143,342	-
OTHER FINANCIAL ASSETS, NET (Notes 4, 15, 31 and 43)	99,100,104	2	114,919,948	3
INVESTMENT PROPERTIES, NET (Notes 4 and 16)	10,936,255	-	10,881,442	-
PROPERTIES AND EQUIPMENT, NET (Notes 4 and 17)	33,147,407	1	33,372,509	1
RIGHT-OF-USE ASSETS, NET (Notes 4 and 18)	1,562,617	-	1,509,935	-
INTANGIBLE ASSETS (Notes 4 and 19)	4,156,026	-	3,873,017	-
DEFERRED TAX ASSETS (Notes 4 and 39)	1,764,099	-	2,779,640	-
OTHER ASSETS, NET (Notes 4, 18, 20 and 30)	<u>2,897,887</u>	-	<u>6,231,556</u>	-
TOTAL	<u>\$ 4,476,167,813</u>	<u>100</u>	<u>\$ 4,433,836,855</u>	<u>100</u>
LIABILITIES AND EQUITY				
DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS (Notes 21 and 42)	\$ 287,853,635	6	\$ 243,046,578	6
DUE TO THE CENTRAL BANK AND OTHER BANKS (Note 22)	-	-	88,889,360	2
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8, 27 and 42)	3,650,230	-	2,351,636	-
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 4, 8, 9, 23 and 42)	67,643,435	2	52,566,969	1
COMMERCIAL PAPER ISSUED, NET (Note 24)	24,539,978	1	29,886,064	1
PAYABLES (Notes 4, 25 and 42)	52,099,763	1	61,279,814	1
CURRENT TAX LIABILITIES (Notes 4 and 39)	862,016	-	1,564,228	-
DEPOSITS AND REMITTANCES (Notes 26 and 42)	3,598,422,914	80	3,478,748,881	79
BONDS PAYABLE (Note 27)	80,290,000	2	82,100,000	2
OTHER BORROWINGS (Notes 24 and 28)	9,352,346	-	804,894	-
PROVISIONS (Notes 4, 29 and 30)	32,268,462	1	35,220,482	1
OTHER FINANCIAL LIABILITIES (Notes 4, 16 and 31)	91,685,037	2	108,032,212	2
LEASE LIABILITIES (Notes 4 and 18)	1,538,102	-	1,463,113	-
DEFERRED TAX LIABILITIES (Notes 4, 17 and 39)	3,966,477	-	3,623,871	-
OTHER LIABILITIES (Note 32)	<u>1,232,241</u>	-	<u>1,380,161</u>	-
Total liabilities	<u>4,255,404,636</u>	<u>95</u>	<u>4,190,958,263</u>	<u>95</u>
EQUITY ATTRIBUTABLE TO OWNERS OF TCFHC				
Capital stock				
Common stock	<u>140,089,354</u>	<u>3</u>	<u>136,009,082</u>	<u>3</u>
Capital surplus	<u>57,977,016</u>	<u>1</u>	<u>57,976,124</u>	<u>1</u>
Retained earnings				
Legal reserve	13,432,536	-	11,260,796	-
Special reserve	985,539	-	985,539	-
Unappropriated earnings	<u>24,472,050</u>	<u>1</u>	<u>22,827,215</u>	<u>1</u>
Total retained earnings	<u>38,890,125</u>	<u>1</u>	<u>35,073,550</u>	<u>1</u>
Other equity	<u>(21,509,719)</u>	<u>-</u>	<u>7,168,718</u>	<u>-</u>
Total equity attributable to owners of TCFHC	215,446,776	5	236,227,474	5
NON-CONTROLLING INTERESTS	<u>5,316,401</u>	<u>-</u>	<u>6,651,118</u>	<u>-</u>
Total equity	<u>220,763,177</u>	<u>5</u>	<u>242,878,592</u>	<u>5</u>
TOTAL	<u>\$ 4,476,167,813</u>	<u>100</u>	<u>\$ 4,433,836,855</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 FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INTEREST REVENUE (Notes 33 and 42)	\$ 63,731,513	120	\$ 49,330,655	91	29
INTEREST EXPENSE (Notes 33 and 42)	<u>(25,967,871)</u>	<u>(49)</u>	<u>(13,327,753)</u>	<u>(25)</u>	95
NET INTEREST	<u>37,763,642</u>	<u>71</u>	<u>36,002,902</u>	<u>66</u>	5
NET REVENUES AND GAINS OTHER THAN INTEREST					
Service fee and commission income, net (Notes 34 and 42)	7,743,550	15	8,439,492	16	(8)
Premium income, net (Notes 31 and 35)	185,923	-	1,147,379	2	(84)
Gains (losses) on financial assets and liabilities at fair value through profit or loss (Notes 36 and 42)	17,172,224	32	1,572,977	3	992
Gains on disposal of investment properties, net	152,022	-	124,936	-	22
Realized gains on financial assets at fair value through other comprehensive income (Notes 4 and 37)	3,704,925	7	4,602,038	8	(19)
Foreign exchange gains, net	(14,700,466)	(28)	2,124,486	4	(792)
Reversal of impairment losses (impairment losses) on assets (Notes 9 and 10)	(209,921)	-	66,635	-	(415)
Share of gains of associates and joint ventures accounted for using the equity method (Note 14)	9,411	-	11,040	-	(15)
Losses on reclassification of overlay approach (Note 8)	1,023,081	2	(20,604)	-	5,065
Other noninterest gains, net (Notes 16 and 42)	<u>337,761</u>	<u>1</u>	<u>341,412</u>	<u>1</u>	(1)
Total net revenues and gains other than interest	<u>15,418,510</u>	<u>29</u>	<u>18,409,791</u>	<u>34</u>	(16)
TOTAL NET REVENUES	<u>53,182,152</u>	<u>100</u>	<u>54,412,693</u>	<u>100</u>	(2)

(Continued)

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND
SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2022		2021		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
BAD-DEBT EXPENSES AND PROVISION FOR LOSSES ON COMMITMENT AND GUARANTEES (Note 13)	<u>(1,214,750)</u>	<u>(2)</u>	<u>(2,376,757)</u>	<u>(4)</u>	(49)
NET CHANGE IN RESERVES FOR INSURANCE LIABILITIES (Note 29)	<u>728,695</u>	<u>1</u>	<u>60,389</u>	<u>-</u>	1,107
OPERATING EXPENSES (Notes 4, 16, 17, 18, 19, 30 and 38)					
Employee benefits	(17,541,280)	(33)	(18,236,308)	(34)	(4)
Depreciation and amortization	(2,506,299)	(5)	(2,277,209)	(4)	10
General and administrative	<u>(8,262,174)</u>	<u>(15)</u>	<u>(7,154,286)</u>	<u>(13)</u>	15
Total operating expenses	<u>(28,309,753)</u>	<u>(53)</u>	<u>(27,667,803)</u>	<u>(51)</u>	2
INCOME BEFORE INCOME TAX	24,386,344	46	24,428,522	45	-
INCOME TAX EXPENSE (Notes 4 and 39)	<u>(3,569,052)</u>	<u>(7)</u>	<u>(3,216,792)</u>	<u>(6)</u>	11
NET INCOME	<u>20,817,292</u>	<u>39</u>	<u>21,211,730</u>	<u>39</u>	(2)
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to profit or loss (Notes 4, 9, 30 and 39)					
Remeasurement of defined benefit plans	1,405,296	3	322,282	1	336
Unrealized gains on investments in equity instruments at fair value through other comprehensive income	<u>(9,660,741)</u>	<u>(18)</u>	<u>5,629,866</u>	<u>10</u>	(272)

(Continued)

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
Items that will not be reclassified subsequently to profit or loss, net of income tax	<u>(8,255,445)</u>	<u>(15)</u>	<u>5,952,148</u>	<u>11</u>	(239)
Items that may be reclassified subsequently to profit or loss (Notes 4, 8, 9, 14 and 39)					
Exchange differences on the translation of financial statements of foreign operations	4,831,877	9	(1,213,530)	(2)	498
Unrealized gains (losses) on investments in debt instruments at fair value through other comprehensive income	(24,268,615)	(46)	(9,736,587)	(18)	149
Other comprehensive income on reclassification of overlay approach	(1,023,081)	(2)	20,604	-	(5,065)
Income tax attributable to other comprehensive income	<u>(263,392)</u>	<u>-</u>	<u>483,696</u>	<u>1</u>	(154)
Items that may be reclassified subsequently to profit or loss, net of income tax	<u>(20,723,211)</u>	<u>(39)</u>	<u>(10,445,817)</u>	<u>(19)</u>	98
Other comprehensive income (losses), net of income tax	<u>(28,978,656)</u>	<u>(54)</u>	<u>(4,493,669)</u>	<u>(8)</u>	545
TOTAL COMPREHENSIVE INCOME	<u>\$ (8,161,364)</u>	<u>(15)</u>	<u>\$ 16,718,061</u>	<u>31</u>	(149)
NET INCOME ATTRIBUTABLE TO:					
Owners of TCFHC	\$ 20,248,985	38	\$ 20,533,879	38	(1)
Non-controlling interests	<u>568,307</u>	<u>1</u>	<u>677,851</u>	<u>1</u>	(16)
	<u>\$ 20,817,292</u>	<u>39</u>	<u>\$ 21,211,730</u>	<u>39</u>	(2)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of TCFHC	\$ (7,180,682)	(13)	\$ 16,509,912	30	(143)
Non-controlling interests	<u>(980,682)</u>	<u>(2)</u>	<u>208,149</u>	<u>1</u>	(571)
	<u>\$ (8,161,364)</u>	<u>(15)</u>	<u>\$ 16,718,061</u>	<u>31</u>	(149)

(Continued)

**TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND
SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2022		2021		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 40)					
Basic	<u>\$1.45</u>		<u>\$1.47</u>		
Diluted	<u>\$1.45</u>		<u>\$1.47</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 FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of TCFHC						Other Equity				Total Equity
	Capital Stock (Note 41)		Capital Surplus	Retained Earnings (Notes 9 and 41)			Exchange Differences in Translation of Financial Statement of Foreign Operations	Unrealized Valuation Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income (Note 9)	Other Comprehensive Income on Reclassification of Overlay Approach	Non-controlling Interests (Note 41)	
	Shares (In Thousands)	Common Stock		Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE, JANUARY 1, 2021	13,334,224	\$ 133,342,237	\$ 57,974,241	\$ 9,622,864	\$ 995,669	\$ 16,748,682	\$ (3,357,203)	\$ 15,043,647	\$ 679,632	\$ 6,631,788	\$ 237,681,557
Reversal of special reserve	-	-	-	-	(10,130)	10,130	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	-	714	-	-	-	-	-	-	-	714
Unclaimed dividends	-	-	1,169	-	-	-	-	-	-	-	1,169
Appropriation of the 2020 earnings											
Legal reserve	-	-	-	1,637,932	-	(1,637,932)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(11,334,090)	-	-	-	-	(11,334,090)
Stock dividends	266,684	2,666,845	-	-	-	(2,666,845)	-	-	-	-	-
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	851,109	-	(851,109)	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(188,819)	(188,819)
Total comprehensive income											
Net income for the year ended December 31, 2021	-	-	-	-	-	20,533,879	-	-	-	677,851	21,211,730
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	-	322,282	(952,806)	(3,404,779)	11,336	(469,702)	(4,493,669)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	-	20,856,161	(952,806)	(3,404,779)	11,336	208,149	16,718,061
BALANCE, DECEMBER 31, 2021	13,600,908	136,009,082	57,976,124	11,260,796	985,539	22,827,215	(4,310,009)	10,787,759	690,968	6,651,118	242,878,592
Unclaimed dividends	-	-	892	-	-	-	-	-	-	-	892
Appropriation of the 2021 earnings											
Legal reserve	-	-	-	2,171,740	-	(2,171,740)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(13,600,908)	-	-	-	-	(13,600,908)
Stock dividends	408,027	4,080,272	-	-	-	(4,080,272)	-	-	-	-	-
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(156,526)	-	156,526	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(354,035)	(354,035)
Total comprehensive income											
Net income for the year ended December 31, 2022	-	-	-	-	-	20,248,985	-	-	-	568,307	20,817,292
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	1,405,296	3,857,547	(32,171,285)	(521,225)	(1,548,989)	(28,978,656)
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	21,654,281	3,857,547	(32,171,285)	(521,225)	(980,682)	(8,161,364)
BALANCE, DECEMBER 31, 2022	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

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 FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 24,386,344	\$ 24,428,522
Adjustments for:		
Depreciation expense	2,174,245	2,040,123
Amortization expense	332,054	237,086
Expected credit losses/bad-debt expenses	1,423,579	2,370,843
Gains on financial assets and liabilities at fair value through profit or loss	(17,172,224)	(1,572,977)
Interest expense	25,967,871	13,327,753
Interest revenue	(63,731,513)	(49,330,655)
Dividend income	(3,709,763)	(3,187,825)
Net changes in reserves for insurance liabilities	(728,695)	(60,389)
Reversal of provision for losses on guarantees	(136,828)	(63,674)
Net changes in reserves for other liabilities	(72,001)	69,588
Share of gains of associates and joint ventures accounted for using equity method	(9,411)	(11,040)
Losses (gains) on reclassification of overlay approach	(1,023,081)	20,604
Losses (gains) on disposal of properties and equipment	1,844	(173,348)
Gains on disposal of investment properties	(152,022)	(124,936)
Losses (gains) on disposal of investments	4,838	(1,414,213)
Impairment losses on financial assets	211,063	-
Reversal of impairment losses on financial assets	(1,142)	(66,635)
Unrealized losses (gains) on foreign exchange	(1,857,815)	354,584
Others	280	(4)
Net changes in operating assets and liabilities		
Decrease in due from the Central Bank and call loans to other banks	16,466,130	35,101,738
Decrease (increase) in financial assets at fair value through profit or loss	36,042,819	(1,632,379)
Increase in financial assets at fair value through other comprehensive income	(18,082,031)	(56,907,948)
Decrease (increase) in investments in debt instruments at amortized cost	(3,898,535)	11,729,209
Decrease in securities purchased under resell agreements	-	9,957
Decrease (increase) in receivables	4,444,059	(7,089,712)
Increase in discounts and loans	(154,031,427)	(163,215,967)
Decrease (increase) in reinsurance assets	(66,055)	24,666
Increase in other financial assets	(532,864)	(302,596)
Decrease (increase) other assets	3,305,023	(2,986,289)
Increase in deposits from the Central Bank and other banks	44,807,057	11,052,952
Decrease in financial liabilities at fair value through profit or loss	(9,783,406)	(6,139,495)
Increase (decrease) in securities sold under repurchase agreements	14,818,273	(3,177,971)
Increase (decrease) in payables	(11,679,151)	13,759,736
Increase in deposits and remittances	119,674,033	208,877,337
		(Continued)

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Decrease in provision for employee benefits	(632,585)	(124,723)
Decrease in provisions	(556)	(2,551,084)
Decrease in other financial liabilities	(28,855)	(2,331,655)
Decrease in other liabilities	<u>(119,240)</u>	<u>(130,086)</u>
Cash used in operations	6,610,312	20,809,097
Interest received	63,272,199	51,382,330
Dividends received	4,038,245	3,348,333
Interest paid	(23,489,911)	(13,705,896)
Income tax paid	<u>(3,473,534)</u>	<u>(2,559,366)</u>
Net cash generated from operating activities	<u>46,957,311</u>	<u>59,274,498</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of properties and equipment	(1,271,544)	(1,083,618)
Proceeds from disposal of properties and equipment	102	532
Increase in refundable deposits	(1,732,618)	(635,015)
Decrease in refundable deposits	1,833,135	722,271
Acquisition of intangible assets	(525,906)	(193,369)
Acquisition of investment properties	(1,186,207)	(442,043)
Proceeds from disposal of investment properties	1,190,646	1,001,039
Increase in other assets	(17,681)	(45,941)
Decrease in other assets	<u>45,037</u>	<u>33,815</u>
Net cash used in investing activities	<u>(1,665,036)</u>	<u>(642,329)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in due to the Central Bank and other banks	-	51,770,750
Decrease in due to the Central Bank and other banks	(88,889,360)	-
Increase in commercial paper issued	46,720,000	61,490,000
Decrease in commercial paper issued	(52,060,000)	(63,400,000)
Proceeds from the issuance of corporate bonds	-	10,000,000
Proceeds from the issuance of bank debentures	18,190,000	2,000,000
Repayments of bank debentures	(20,000,000)	(1,500,000)
Increase in other borrowings	22,076,459	18,529,296
Decrease in other borrowings	(13,539,595)	(18,541,673)
Increase in guarantee deposits received	433,607	1,138,902
Decrease in guarantee deposits received	(1,167,698)	(1,159,748)
Repayments of the principal portion of lease liabilities	(664,992)	(618,480)
Decrease in other liabilities	(18,872)	(8,951)
Cash dividends paid	(13,600,908)	(11,334,090)
Changes in non-controlling interests	<u>(354,035)</u>	<u>(188,819)</u>

(Continued)

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Net cash (used in) generated from financing activities	<u>(102,875,394)</u>	<u>48,177,187</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(6,762,809)</u>	<u>2,513,243</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(64,345,928)	109,322,599
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>204,390,245</u>	<u>95,067,646</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 140,044,317</u>	<u>\$ 204,390,245</u>

Cash and cash equivalent reconciliations:

	December 31	
	2022	2021
Cash and cash equivalents in the consolidated balance sheets	\$ 95,314,702	\$ 99,816,104
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”	42,087,440	103,260,419
Securities purchased under resell agreements in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	2,642,175	981,862
Other items in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	<u>-</u>	<u>331,860</u>
Cash and cash equivalents, end of the year	<u>\$ 140,044,317</u>	<u>\$ 204,390,245</u>

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

(Concluded)

TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

TCFHC'S FINANCIAL STATEMENTS AND CONDENSED BALANCE SHEETS AND STATEMENTS OF COMPREHENSIVE INCOME OF SUBSIDIARIES DECEMBER 31, 2022 AND 2021

TCFHC's financial statements

Taiwan Cooperative Financial Holding Co., Ltd.

Balance Sheets December 31, 2022 and 2021 (In Thousands of New Taiwan Dollars)

Assets	2022	2021	Liabilities and Equity	2022	2021
Cash and cash equivalents	\$ 105,332	\$ 48,838	<u>Liabilities</u>		
Financial assets at fair value			Commercial paper issued, net	\$ 13,740,109	\$ 17,789,967
through other comprehensive			Payables	502,309	435,275
income	13,375	15,550	Current tax liabilities	2,542,370	2,812,606
Receivables	363	383	Bonds payable	20,000,000	20,000,000
Current tax assets	2,433,704	2,761,391	Other borrowings	5,500,000	-
Investments accounted for			Other financial liabilities	4,974	5,743
using equity method	255,159,235	274,427,193	Lease liabilities	135,151	16,278
Properties and equipment, net	12,727	14,571	Other liabilities	<u>8,217</u>	<u>8,310</u>
Right-of-use assets, net	134,232	15,659	Total liabilities	<u>42,433,130</u>	<u>41,068,179</u>
Intangible assets	11,501	3,516	<u>Equity</u>		
Deferred tax assets	307	343	Capital stock	140,089,354	136,009,082
Other assets	<u>9,130</u>	<u>8,209</u>	Capital surplus	57,977,016	57,976,124
			Retained earnings	38,890,125	35,073,550
			Other equity	<u>(21,509,719)</u>	<u>7,168,718</u>
			Total equity	<u>215,446,776</u>	<u>236,227,474</u>
Total	<u>\$ 257,879,906</u>	<u>\$ 277,295,653</u>	Total	<u>\$ 257,879,906</u>	<u>\$ 277,295,653</u>

(Continued)

Taiwan Cooperative Financial Holding Co., Ltd.

Statements of Comprehensive Income

For the Years Ended December 31, 2022 and 2021

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

	2022	2021
Revenues and gains		
Share of gains of subsidiaries, associates and joint ventures accounted for using equity method	\$ 20,727,560	\$ 20,895,343
Other revenues and gains	<u>7,252</u>	<u>3,254</u>
Total revenues and gains	<u>20,734,812</u>	<u>20,898,597</u>
Expenses and losses		
Operating expenses	253,927	262,632
Other expenses and losses	<u>248,615</u>	<u>140,340</u>
Total expenses and losses	<u>502,542</u>	<u>402,972</u>
Income before income tax	20,232,270	20,495,625
Income tax benefit	<u>16,715</u>	<u>38,254</u>
Net income	20,248,985	20,533,879
Other comprehensive income	<u>(27,429,667)</u>	<u>(4,023,967)</u>
Total comprehensive income	<u>\$ (7,180,682)</u>	<u>\$ 16,509,912</u>
Earnings per share (New Taiwan dollars)		
Basic	<u>\$1.45</u>	<u>\$1.47</u>
Diluted	<u>\$1.45</u>	<u>\$1.47</u>

(Continued)

Taiwan Cooperative Financial Holding Co., Ltd.
Statements of Changes in Equity
For the Years Ended December 31, 2022 and 2021
(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 Valuation Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Other Comprehensive Income on Reclassification of Overlay Approach	
	(In Thousands)									
BALANCE, JANUARY 1, 2021	13,334,224	\$ 133,342,237	\$ 57,974,241	\$ 9,622,864	\$ 995,669	\$ 16,748,682	\$ (3,357,203)	\$ 15,043,647	\$ 679,632	\$ 231,049,769
Reversal of special reserve	-	-	-	-	(10,130)	10,130	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	-	714	-	-	-	-	-	-	714
Unclaimed dividends	-	-	1,169	-	-	-	-	-	-	1,169
Appropriation of the 2020 earnings										
Legal reserve	-	-	-	1,637,932	-	(1,637,932)	-	-	-	-
Cash dividends	-	-	-	-	-	(11,334,090)	-	-	-	(11,334,090)
Stock dividends	266,684	2,666,845	-	-	-	(2,666,845)	-	-	-	-
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	851,109	-	(851,109)	-	-
Total comprehensive income										
Net income for the year ended December 31, 2021	-	-	-	-	-	20,533,879	-	-	-	20,533,879
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	-	322,282	(952,806)	(3,404,779)	11,336	(4,023,967)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	-	20,856,161	(952,806)	(3,404,779)	11,336	16,509,912
BALANCE, DECEMBER 31, 2021	13,600,908	136,009,082	57,976,124	11,260,796	985,539	22,827,215	(4,310,009)	10,787,759	690,968	236,227,474
Unclaimed dividends	-	-	892	-	-	-	-	-	-	892
Appropriation of the 2021 earnings										
Legal reserve	-	-	-	2,171,740	-	(2,171,740)	-	-	-	-
Cash dividends	-	-	-	-	-	(13,600,908)	-	-	-	(13,600,908)
Stock dividends	408,027	4,080,272	-	-	-	(4,080,272)	-	-	-	-
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(156,526)	-	156,526	-	-
Total comprehensive income										
Net income for the year ended December 31, 2022	-	-	-	-	-	20,248,985	-	-	-	20,248,985
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	1,405,296	3,857,547	(32,171,285)	(521,225)	(27,429,667)
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	21,654,281	3,857,547	(32,171,285)	(521,225)	(7,180,682)
BALANCE, DECEMBER 31, 2022	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

(Continued)

Taiwan Cooperative Financial Holding Co., Ltd.

Statements of Cash Flows For the Years Ended December 31, 2022 and 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from operating activities		
Income before income tax	\$ 20,232,270	\$ 20,495,625
Adjustments for:		
Share of gains of subsidiaries, associates and joint ventures accounted for using equity method	(20,727,560)	(20,895,343)
Depreciation and amortization expenses	33,593	28,734
Interest expense	248,615	140,340
Interest revenue	(366)	(559)
Net changes in operating assets and liabilities		
Decrease (increase) in receivables	20	(247)
Decrease (increase) in other assets	281	96
Increase in payables	45,604	63,583
Increase (decrease) in other liabilities	(93)	(2,535)
Cash used in operations	(167,636)	(170,306)
Interest received	366	559
Dividends received	12,568,026	8,438,795
Interest paid	(225,220)	(117,484)
Income tax refunded	74,202	43,942
Net cash generated from operating activities	<u>12,249,738</u>	<u>8,195,506</u>
Cash flows from investing activities		
Acquisition of properties and equipment	(2,841)	(6,662)
Acquisition of intangible assets	(10,340)	(1,018)
Increase in refundable deposits	(1,202)	-
Net cash used in investing activities	<u>(14,383)</u>	<u>(7,680)</u>
Cash flows from financing activities		
Decrease in commercial paper issued	(4,050,000)	(6,830,000)
Proceeds from the issuance of corporate bonds	-	10,000,000
Increase in other borrowings	5,500,000	-
Increase in other financial liabilities	-	1,839
Decrease in guarantee deposits received	(769)	-
Repayments of the principal portion of lease liabilities	(27,184)	(25,181)
Dividends paid	(13,600,908)	(11,334,090)
Net cash used in financing activities	<u>(12,178,861)</u>	<u>(8,187,432)</u>
Net increase in cash and cash equivalents	56,494	394
Cash and cash equivalents, beginning of the year	<u>48,838</u>	<u>48,444</u>
Cash and cash equivalents, end of the year	<u>\$ 105,332</u>	<u>\$ 48,838</u>

Matters for Recognitions 2

Proposed by Board of Directors

Subject: TCFHC's 2022 earnings appropriation is proposed for recognition.

Contents:

1. The net income that TCFHC generated in 2022 was NT\$20,248,984,443, which added the retained earnings with investment adjustment on equity method of NT\$1,248,771,209, subtracting the legal reserve of NT\$2,149,775,565, and again added the undistributed earnings at the beginning of this period of NT\$2,974,293,828, and further deducted the NT\$20,524,180,405 special reserve for negative other equity, would result in the earnings available for distribution of NT\$1,798,093,510. (for details, please refer to the table as attached)
2. In compliance with TCFHC's articles of incorporation, TCFHC proposes to contribute NT\$1,681,072,254 out of the 30% - 100% of the available-for-distribution earnings (approximately consisting of 93.49% of the available-for-distribution earnings) to issue cash dividends, which equals to NT\$ 0.12 cash dividends per share (1.2% dividend yield) based on a total of 14,008,935,446 common stocks issued as of the earnings appropriation record date. The remaining NT\$117,021,256 undistributed earnings will be distributed in the years that ensue.
3. The proposal of distributing NT\$0.12 cash dividends per share has met TCFHC's articles of incorporation which rules the proportion of cash dividends to the total dividends for the assignment of dividends for shareholders shall not be less than 10%.
4. Once the proposal is approved by annual general shareholders' meeting, the Board of Directors shall be authorized to set the ex-dividend record date.
5. Afterward, in the case the total number of outstanding shares is affected which further lead to changes in shareholders' dividend yield, as a result of the repurchase of TCFHC's shares or of the transfer, conversion or write-off of shares or other matters, the board of directors is authorized to deal with relevant adjustments.

Resolutions:

Appendix D

**Taiwan Cooperation Financial Holding Co., Ltd.
2022 Earnings Appropriation Table**

Unit: NT\$

Undistributed earnings at the beginning of this account period	2,974,293,828
Net income of this period	20,248,984,443
The reversal provision of special reserve for the first-time adoption of IFRSs	0
Retained earnings with investment adjustment on equity method	1,248,771,209
Net income of this period plus undistributed earnings exclusive of net income of this period	21,497,755,652
10% legal reserve	(2,149,775,565)
Special reserve for negative other equity	(20,524,180,405)
Current earnings available for distribution	1,798,093,510
Distribution Items	
Cash dividends (NTD0.12 per share)	(1,681,072,254)
Stock dividends (NTD0 per share)	0
Undistributed earnings at the end of period	117,021,256
Note1. Earnings of the 2022 final accounts shall be prioritized to distribute.	
Note2. Dividend would be distributed to be 1 dollar (rounded down to an integer), so fractional amount less than one dollar should be recorded as TCFHC's other income.	

Matters for Discussions 1

Proposed by Board of Directors

Subject: The proposal of TCFHC transferring capital surplus of NT\$7,004,467,720 to additional paid in capital by issuing 700,446,772 new shares along with the issuance of a total cash dividends of NT\$5,323,395,469, for review and discussion.

Contents:

1. In order to maintain a stable dividend distribution policy, enhance the capital stock structure of the company, and expand the capital size, it is proposed to appropriate NT\$12,327,863,189 from the capital surplus of the company for the use of issuing stock and cash dividends as follows:
 - (1) Stock dividends: With NT\$0.5 per share, it is estimated that a total of NT\$7,004,467,720 (funding source – paid by the capital surplus of the premium on stock capital which was gained through the premium on issuance of new shares for additional paid-in capital from the company incorporation and SEO) will be distributed through issuance of 700,446,772 new shares.
 - (2) Cash dividends: With NT\$0.38 per share, it is estimated that a total of NT\$5,323,395,469 (funding source: paid by the capital surplus of undistributed earnings of TCFHC’s predecessor, which is counted as part of the premium on capital stock according to Article 47 of Financial Holding Company Act) will be distributed, which plus the cash dividends of NT\$0.12 derived from the earning distribution will make the cash dividends for 2022 at NT\$0.5 per share.
2. For this term, the capital surplus would be used for issuing stock and cash dividends; it is therefore proposed to authorize the board of directors to set the base dates of ex-right and issuance of new shares along with ex-dividend.
3. The amount of new shares through capitalization and issuance conditions :
 - (1) The proposed amount of capital increase and number of shares issuance are mentioned above. These shares will all be common stocks.
 - (2) For the allotment of shares, every thousand shares as held will receive 50 new shares free-of-charge (dividend rate of 5%) based the shareholding proportion recorded on the shareholders’ roster on the ex-dividend record day.
 - (3) Shareholders allotted with fractional shares are able to combine their fractional shares at TCFHC’s stock transfer agent, within 5 days after the ex-dividend record date, or to sell in lieu of cash at the share’s face value. For accumulated number of fractional shares, please authorize the chairperson to approach certain parties to purchase.
 - (4) The rights and obligations of the new shares as issued for this capital increase will be the same as those of outstanding shares.
 - (5) In compliance with Article 10 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the Physical certificates of the new shares issued for this capital increase will not be printed but delivered through the book entry.
4. The capital surplus used for issuing stock will make TCFHC’s paid-in capital grow from NT\$140,089,354,460 to NT\$147,093,822,180, which is still smaller than the company’s authorized capital of NT\$150 billions.
5. Afterward, in the case the total number of outstanding shares is affected which further lead to changes in shareholders’ dividend yield, as a result of the repurchase of TCFHC’s shares or of the transfer, conversion or write-off of shares or other matters, the board of directors is authorized to deal with relevant adjustments.
6. For matters not mentioned herein, the Board of Directors is fully authorized to take charge of.

Resolutions:

Matters for Discussions 2

Proposed by Board of Directors

Subject: The proposal of amending TCFHC's Articles of Incorporation is submitted for review and discussion.

Contents:

1. The revised contents are described as follows:
 - (1)The company's capital size is set to increase to NT\$200 billion (Article 5):
 - I. At the time TCFHC was incorporated (2011), its capital size was NT\$120 billion. Later in 2017, its capital size expanded to NT\$150 billion, which is just NT\$9.9 billion different from the current paid-in capital size of NT\$140.1 billion. In preparation for the needs of capital in the future either on expense for establishing new subsidiary, growth of business size of existing subsidiaries, acquisition or merger for raising market competence, or transfer of retained earnings to additional paid-in capital, it is proposed to raise the capital size through amending the TCFHC's Articles of Incorporation.
 - II. The capital sizes of the other government funded financial holding companies with similar business size and pattern to TCFHC's fall between NT\$180 billion and NT\$220 billion. Based on these references, it is proposed to expand the capital size of TCFHC to NT\$200 billion in preparation for the need of business expansion in the future.
 - (2)Stipulate the date for the amendment of TCFHC's Articles of Incorporation. (Paragraph 10 of Article 40).
2. Enclosed please find a copy of the amendment draft of TCFHC's Articles of Incorporation, and a comparison table that lists both existing articles and amended articles and the backgrounds for such amendments.

Resolutions:

Appendix E

Taiwan Cooperative Financial Holding Co., Ltd.

Articles of Incorporation

Chapter I. General Provisions

Article 1

The Corporation has been formed under applicable law, including the Financial Holding Company Act and the Company Act, for the purpose of building operational synergy with increasing economies of scale and scope.

Article 2

The name of the Corporation is Taiwan Cooperative Financial Holding Co., Ltd. (the “Corporation”).

Article 3

The Corporation shall fix the location of the principal office of the Corporation in Taipei City, Republic of China. Additional branch offices may be established and maintained at any place within or outside the Republic of China for meeting business needs.

Article 4

Public announcements of the Corporation shall be made in accordance with applicable law, or shall be published on a printed newspaper or electronic news.

Chapter II. Shares

Article 5

The overall capital size of the company is set at NTD 200 billion, including 20 billion shares at a par value of NTD 10 per share that can be issued separately; the shares yet to be issued shall be issued per the resolution of the empowered Board of Directors.

Article 6

The Corporation may issue shares without printing share certificate(s), provided that these shares are registered with a Centralized Securities Depository Enterprise (CSDE).

Article 7

Registration of a seal specimen card shall be filed with the Corporation by all shareholders. The seal specimen card kept by the Corporation shall be the basis for collecting dividend or bonus or written exercise of shareholders’ rights or written communication by shareholders to the Corporation.

Article 8

Transfer of shares shall not be set up as a defense against the Corporation, unless the name/title and residence/domicile of the transferee have been recorded in the shareholders' roster.

The entries in the shareholders' roster referred to in the preceding paragraph shall not be altered within sixty (60) days prior to the convening date of a regular meeting of shareholders, or within thirty (30)

days prior to the convening date of a special meeting of shareholders, or within five (5) days prior to the target date fixed by the Corporation for distribution of dividend, bonus or other benefits.

Article 9

The Corporation shall handle share matters pursuant to applicable law or to the “Regulations Governing the Administration of Shareholder Services of Public Companies.”

Chapter III. Scope of Business

Article 10

The Corporation operates in the financial holding industry (Code: H801011).

Article 11

The business scope of the Corporation is as follows :

1. The Corporation shall invest in the following businesses :
 - (1) Financial holding business;
 - (2) Banking business ;
 - (3) Bills Finance business ;
 - (4) Credit card business ;
 - (5) Trust business ;
 - (6) Insurance business ;
 - (7) Securities business ;
 - (8) Futures business ;
 - (9) Venture capital business ;
 - (10) Investing in foreign financial institutions which are authorized by the competent authority;
and
 - (11) Conducting other financial related businesses which are authorized by the competent authority.
2. Managing the aforementioned business investments.
3. The Corporation shall apply to the competent authority for investing in businesses other than those mentioned above.
4. The Corporation may conduct other related businesses which are authorized by the competent authority.

Article 12

The Corporation is a company that specializes in investment, and shall make investments without governing by a paid-up capital cap of 40% on the investment amount, as set forth under Paragraph 2 of Article 13 of the Company Act.

Chapter IV Meetings of Shareholders

Article 13

The shareholders' meeting of the Corporation includes the general meeting of shareholders and the special meeting of shareholders. A general meeting shall be held at least annually and called by the Board of Directors (the "Board") within six (6) months following the end of a fiscal year. A special meeting shall be convened whenever deemed necessary. The meeting of shareholders shall be called by the Board, unless otherwise specifically provided by the Company Act or by applicable law.

Article 14

Notice shall be sent to all shareholders for the convening of shareholders' meetings. For the general meeting of shareholders, any meeting notice shall be given at least thirty (30) days before the meeting date; and at least fifteen (15) days in advance for the special meeting. The notice shall specify the place, date, and the matters that the Board, at the time notice is given, intends to present for action by Directors.

For those shareholders each holding less than one thousand (1,000) registered shares, notice may be sent out by means of an announcement on the Market Observation Post System website.

Article 15

In the event any shareholder cannot attend a shareholders' meeting in person for any reason, he/she shall designate a proxy to attend on behalf thereof by presenting a proxy statement and specifying the scope of authorization. A shareholder shall file solely one proxy statement and designate solely one representative or proxy for any given meeting. Said proxy statement shall be delivered to the Corporation five (5) days prior to the convocation of the shareholders' meeting.

Except for trust business or shareholder services agent approved by the competent securities authority, if one person is designated simultaneously by two (2) or more shareholders, with respect to the voting rights so represented, the portion of the voting rights in excess of 3% of the voting rights represented by the total outstanding shares shall not be counted.

Other matters pertaining to the exercise and limitation of the proxy statement shall be pursuant to the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies or to applicable law.

Article 15-1

The Corporation's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 16

Unless specified otherwise in law or rule, the Chairperson of the Corporation shall preside over shareholders' meetings. In the event the Chairperson is on leave or absent or unable to attend the meeting in person, a Board Director shall be designated to act on the behalf of the Chairperson at the meeting. In the absence of such a designation, the Directors of the Board shall elect from among

themselves an acting chairperson.

Article 17

The shareholders' meeting shall resolve and implement the following matters:

1. The formulation and amendment of the Corporation's Articles of Incorporation;
2. The election and dismissal of the Directors of the Board;
3. The ratification of the books and statements prepared and submitted by the Board as well as the reports by the Audit Committee;
4. The augment or reduction of capital;
5. The appropriation of earnings, dividend and bonus.
6. Other matters that shall be resolved by the shareholders' meeting in accordance with applicable law.

Article 18

Unless specified otherwise in law or rule, each shareholder shall have one vote on each matter presented to meetings for action.

Unless otherwise specifically provided by the Financial Holding Company Act or by the Company Act or by applicable law, the resolution of shareholders' meetings shall be adopted if it is approved by the vote of a majority of the shareholders present at a meeting at which a quorum of more than one-half (1/2) of the total outstanding shares held by attending shareholders is met.

Article 19

Minutes shall be kept to record resolutions adopted at shareholders' meetings, affixed with the signature or personal seal of the chairperson, and sent out to each shareholder within twenty (20) days following the meeting.

Said minutes may be sent out by means of an announcement on the Market Observation Post System website.

Article 20

To the fullest extent allowed by the Corporation's Articles of Incorporation and except as specified otherwise in law, matters concerning with the shareholders' meeting shall be conducted in accordance with the Corporation's Rules of Procedure for Shareholders' Meetings.

Chapter V. Board of Directors and Functional Committees

Article 21

The Board shall consist of fifteen (15) to twenty-one (21) Directors. The duration of term for all Directors is three (3) years. All Directors are entitled to be re-elected, except Directors who are assumed or appointed by government agencies or institutional investors and could be replaced by substitutes to fulfill the remaining term of office when changes of duties take place.

From 2021 onward, TCFHC will adopt a candidate nomination process for the election of directors, with which shareholders shall elect directors from a nominee list. Methods for nomination and election shall be processed by relevant laws and regulations including Company Act and Securities Exchange Act.

The Corporation shall purchase and maintain insurance to the fullest extent permitted by law on behalf of its Directors to cover any liability asserted against or incurred by any Director from the exercising of duties. In the wake of taking out such liability insurance or insurance renewal, the corporation shall submit to the next meeting of Board of Directors the important information concerning the insurance including premium, coverage, and premium rate.

Article 22

Three (3) or more Independent Directors have been appointed by the Corporation since the election of the second term of Directors. The exact authorized number of Independent Directors shall be in no event less than one-fifth (1/5) of the total number of Directors in the Board as set forth under Article 14-2 of the Securities and Exchange Act.

A candidate nomination system is adopted by the Corporation for selecting Independent Directors; shareholders shall select Independent Directors from among a list of candidates. Regulations governing professional qualifications, shareholdings and restrictions on concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to the selection of Independent Directors shall be prescribed by the competent authority.

Article 22-1

Subject to Article 14-4 of the Securities and Exchange Act, the Corporation shall establish an Audit Committee after the election of the second term of Board Directors.

The provisions regarding Supervisors in the Company Act, in the Securities and Exchange Act, and in applicable law shall apply mutatis mutandis to the Audit Committee.

The Audit Committee shall be composed of the entire number of Independent Directors of the Board. The Committee shall consist of more than three (3) members, one of whom is convener, and at least one (1) member shall have accounting or financial expertise.

A resolution of the Audit Committee shall obtain the concurrence of half (1/2) or more of all members.

The exercise of power by Audit Committee and its members as well as the handling of matters related to the Committee shall be in accordance with the Corporation's Articles of Incorporation, the Securities and Exchange Act, or applicable law. The Board shall set forth by resolution(s) the requirements applicable for developing committee bylaws.

Article 23

The Chairperson of the Board of Directors shall be elected from among the Directors by a majority vote at a meeting attended by over two-thirds (2/3) of Directors.

The Chairperson shall internally preside both the shareholders' meeting and the Board meeting; and

shall externally represent the Corporation. In the event the Chairperson is on leave or absent or unable to exercise his power and authority for any cause, he/she shall designate a Board Director to act on his/her behalf. In the absence of such a designation, the Directors of the Board shall elect from among themselves an acting chairperson.

The compensation paid to Directors (excluding the Chairperson) for their services shall be determined by the Board with recommendations from the Remuneration Committee and consideration of the Directors' participation in and devotion to the operation of the Corporation and the Corporation's operating performance as well as with reference to the common practical standards.

The Chairperson's compensation is set to be 1.25 times that of the President of the Corporation. The retirement payment payable to the Chairperson shall be the amount set forth in the Corporation's internal rules for governing labor pensions and severance.

Article 24

The role of the Board in the governance of the Corporation and its programs shall be as follows:

1. Establishing broad institutional policies and associated plans;
2. Approving the budgets and closing of books;
3. Approving all major rules and guidelines;
4. Preparing proposals regarding the augment or reduction of capital as well as approving securities issuance;
5. Preparing proposals regarding the distribution of earnings;
6. Approval of the issuance of corporate bonds;
7. Approving share repurchase programs;
8. Approving the acquisition or disposal of major assets;
9. Approving all major contracts;
10. Approving the selection and the process regarding the retention and evaluation of the heads of management unit and audit office;
11. Approving all construction projects or sale/purchase of operational lands and buildings;
12. Determining the convening date of the general/special meeting of shareholders;
13. Implementing resolutions adopted at shareholders' meetings;
14. Approving the appointment, removal, and remuneration of Certified Public Accountants(CPAs);
15. Appointments to Directors and Supervisors of subsidiaries;
16. Approval of compensation payment for employees; and
17. Approval of other important matters that are required by law or authorized at shareholders' meetings.

Article 25

The Board of Directors' meeting shall be convened at least once a month. Unless otherwise specified

by law, the chairperson shall be the convener.

Reasons for convening a Board of Directors' meeting should be specified and made known to each director at least seven days prior to the meeting. In case of emergency, however, the Board of Directors' meeting may be called at any time.

A Board of Directors' meeting may be called for in writing or by fax. With the permission of the counterparty, however, it may be called for electronically.

Article 26

The Directors of the Board shall attend Board meetings in person. In the event a Director is unable to present at a meeting, he/she shall designate another Director to act on his/her behalf by presenting a director's proxy and specifying the scope of authorization. A Director may accept the designation to act as the acting director for one other Director only. In the event a meeting of the Board is convened through use of electronic video screen communication, the Directors taking part in such a meeting shall be deemed to have attended the meeting in person.

Unless otherwise specifically provided by the Financial Holding Company Act or by the Company Act or by applicable law, the resolution of Board meetings shall be adopted if voted for by a majority of Directors present at a meeting attended by more than one-half (1/2) of Directors.

The rules of procedure for Board meetings shall be prescribed by the Board, and shall submit it to the meeting of shareholders.

Article 27

The Board shall create an Audit Office along with a General Auditor who follows the resolution of Board meetings to oversee overall functions of the Corporation. The appointment and dismissal of the General Auditor should be subject to consent of the Board and approval of the competent authority.

Article 28

The Corporation shall create a Remuneration Committee and any number of functional committees. The Board shall set forth, by resolution(s), the requirements applicable for developing committee bylaws.

Article 29

(Omitted)

Article 30

(Omitted)

Article 31

Directors of the Board of the Corporation shall concurrently serve as Directors and Supervisors of subsidiaries pursuant to applicable law.

Chapter VI. Officers

Article 32

The company has one President that presides over the company's operations based on the resolution reached by the Board of Directors; the designation and dismissal of the President shall require a motion filed by the Chairperson that is supported by a majority of the directors present in the Board of Directors' meeting attended by more than half of the total number of directors. There are several Executive Vice Presidents and one Chief Compliance Officer to assist the President in handling the tasks; their designation and dismissal shall require a motion filed by the President that is supported by a majority of the directors present in the Board of Directors' meeting attended by more than half of the total number of directors attending the Board of Directors' meeting.

Article 33

In the event the President is unable to exercise his power and authority for any cause, the Chairperson of the Corporation shall designate one of the Executive-Vice-Presidents to act on his/her behalf.

Chapter VII Closing of Books and Distribution of Earnings

Article 34

The Corporation's fiscal year shall be from January 1 of each year to December 31 of the same calendar year.

Article 35

The end of each calendar year shall mark the closing of the Corporation's books. The Board of the Corporation shall prepare the following documents and submit the same to the shareholders' meeting for certification after submitting such documents for review in accordance with applicable law:

1. Business report;
2. Financial statements; and
3. Proposals regarding the distribution of earnings or compensation of losses.

Documents required in the preceding paragraph shall be reported and published pursuant to relevant laws and regulations prescribed by the competent authority, after certified by shareholders.

Article 35-1

In case of a profit, the Company shall set aside 1 to 8 out of 10,000 of the profits to be compensations for employees, including employees of affiliated companies meeting specific criteria, and no more than 1% to be remunerations for board directors, depending on the profits. If there are accumulated losses, the value to make up for the losses should be set aside first.

The profits indicated in the preceding paragraph refer to the pre-tax interest before employee compensation and board director remunerations are subtracted; employee compensation and board director remunerations are to be assigned at once.

Employee compensations are assigned in the form of stocks or cash; the decision is to be made by the

Board of Directors in its meeting attended by two-thirds (2/3) of all directors with the consent from a majority of the attending directors and shall be presented in the shareholders' meeting.

Article 36

In order to continue expanding its scale and increase profitability and to take care of applicable laws and regulations, the company adopts the residual dividend policy.

In cases of after-tax earnings with annual accounts of the company, cumulative losses from prior years should be filled before the legal reserve is appropriated and the special reserve may be set aside or reversed as required by law and to meet operational needs. For the remainder along with earnings from the previous fiscal year yet to be distributed, as available earnings for distribution. Proposing the appropriation ranging from 30% to 100% of the available earnings for distribution, the Board of Directors shall prepare the earnings distribution proposal and submit it in the shareholders' meeting for a decision on whether to assign dividends to shareholders or to keep the remainder and the earnings.

For the assignment of dividends for shareholders indicated in the preceding paragraph, cash dividends may not be lower than 10% and the remainder shall be stock dividends. If it is short of 0.1 for the cash dividend to be assigned per share, no assignment will be done unless it is decided otherwise in the shareholders' meeting.

Chapter VIII Supplementary Provisions

Article 37

Rules governing the organization of the Corporation as well as other important bylaws shall be prescribed separately.

Article 38

Matters not stipulated herein shall be governed by the Financial Holding Company Act, by the Company Act, and by applicable law.

Article 39

This Articles of Incorporation enters into force after the approval of the shareholders' meeting. The same procedure applies to the amendment of the Articles.

Article 40

This Articles of Incorporation was agreed upon and signed on June 24, 2011.

First amended on June 22, 2012;

Second amended on June 21, 2013;

Third amended on June 20, 2014;

Forth amended on June 24, 2016;

Fifth amended on June 16, 2017;

Sixth amended on June 21, 2019;

Seventh amended on June 24, 2020;

Eighth amended on June 17, 2022;

Ninth amended on June 16, 2023.

Disclaimer: This document is a translation from the Chinese version. In the case for any discrepancy the original document shall supersede this version.

Taiwan Cooperative Financial Holding Co., Ltd.

Articles of Incorporation

Tables of Comparison between Amended and Current Articles

Amended Article	Existing Article	Remarks
<p>Article 5</p> <p>The overall capital size of the company is set at NTD <u>200</u> billion, including <u>20</u> billion shares at a par value of NTD 10 per share that can be issued separately; the shares yet to be issued shall be issued per the resolution of the empowered Board of Directors.</p>	<p>Article 5</p> <p>The overall capital size of the company is set at NTD <u>150</u> billion, including <u>15</u> billion shares at a par value of NTD 10 per share that can be issued separately; the shares yet to be issued shall be issued per the resolution of the empowered Board of Directors.</p>	<p>1. For the needs of business development and capital planning, it is proposed to raise the capital size.</p>
<p>Article 40</p> <p>This Articles of Incorporation was agreed upon and signed on June 24, 2011.</p> <p>First amended on June 22, 2012;</p> <p>Second amended on June 21, 2013;</p> <p>Third amended on June 20, 2014;</p> <p>Forth amended on June 24, 2016; and</p> <p>Fifth amended on June 16, 2017.</p> <p>Sixth amended on June 21, 2019.</p> <p>Seventh amended on June 24, 2020.</p>	<p>Article 40</p> <p>This Articles of Incorporation was agreed upon and signed on June 24, 2011.</p> <p>First amended on June 22, 2012;</p> <p>Second amended on June 21, 2013;</p> <p>Third amended on June 20, 2014;</p> <p>Forth amended on June 24, 2016; and</p> <p>Fifth amended on June 16, 2017.</p> <p>Sixth amended on June 21, 2019.</p> <p>Seventh amended on June 24, 2020.</p>	<p>The 10th paragraph is proposed for recording the new amendments.</p>

Amended Article	Existing Article	Remarks
<p>Eighth amended on June 17, 2022.</p> <p><u>Ninth amended on June 16, 2023.</u></p>	<p>Eighth amended on June 17, 2022.</p>	

Election Matters

Proposed by Board of Directors

Subject: Electing the 5th Term Board of Directors of TCFHC.

Contents:

1. Given that the tenure of the 4th term TCFHC directors will end on June 23, 2023, it is proposed to hold the election of directors for the 5th term in the 2023 Annual General Shareholders' Meeting.
2. According to Article 21 and Article 22 of TCFHC Article of Incorporation, the TCFHC Board of Directors is set to consist of 15 to 21 directors. The position of independent director has been established in the Board since the 2nd term of the Board with a required minimum number of not less than 3 or one fifth of the total seat of directors. A candidate nomination process is adopted for the election of both directors and independent directors since 2021, by which shareholders elect the directors and independent directors out of a nominee list.
3. Considering the corporate scale and the operational need of the Board of Directors, it is proposed to have 15 directors (including 5 independent directors) elected for the 5th term of Board with a tenure of 3 years, starting from June 16, 2023 to June 15, 2026.
4. For the nominee list of the directors and independent directors, please refer to the attachment.
5. Submitted is the reference for the election.

The outcome of the election:

Appendix F

Taiwan Cooperative Financial Holding Co., Ltd.

The 5th Director and Independent Director Nominees

No	Nominator	Name	Education/ Current Position/ Professional Experience		Shareholding
1	Ministry of Finance, R.O.C.	Chien-Hao Lin, Representative of Ministry of Finance, R.O.C.	Education	Bachelor of Law, National Taiwan University, R.O.C.	3,651,323,296
Current Position			Chairperson, Taiwan Business Bank, Ltd.		
Professional Experience			a) SVP & Head of Business Planning & Admin. Division, First Commercial Bank, Ltd. b) VP & GM, Shi Mao Branch, First Commercial Bank, Ltd. c) SVP & GM, Hong Kong Branch, First Commercial Bank, Ltd. d) Director, First Commercial Bank, Ltd. e) Chief Auditor, First Financial Holding Co., Ltd. f) EVP & Head of Strategy Planning Department, First Financial Holding Co., Ltd. g) Acting Chairperson, First Financial Holding Co., Ltd. h) Director/President, First Financial Holding Co., Ltd. i) Supervisor, First Securities Inc. j) Acting Chairperson, First Securities Investment Trust Co., Ltd. k) Chairperson, First Life Insurance Co., Ltd.		
2	Ministry of Finance, R.O.C.	Mei-Tsu Chen, Representative of Ministry of Finance, R.O.C.	Education	EMBA in Finance, National Taiwan University	3,651,323,296
Current Position			President, TCFHC		
Professional Experience			a) Head of Department of Wealth Management, TCB b) Chief Secretary of the Secretariat, TCB c) AVP, Business Department, TCB d) Executive Vice President, TCB e) Executive Vice President, TCFHC		
3		Yen-Dar Den, Representative of Ministry of Finance, R.O.C.	Education	Master in Finance, Temple University	3,651,323,296

			Current Position	Director, Department of Issuing, Central Bank of R.O.C.	
			Professional Experience	a) Executive Director, Asian Development Bank b) Assistant Manager, Department of Foreign Exchange, Central Bank of R.O.C. c) Researcher, Department of Foreign Exchange, Central Bank of R.O.C. d) Section Chief, Department of Foreign Exchange, Central Bank of R.O.C. e) Deputy Director, Department of Issuing, Central Bank of R.O.C. f) Assistant Manager, Department of Issuing, Central Bank of R.O.C. g) President, Central Engraving and Printing Plant	
4		Chung-Yung Lee, Representative of Ministry of Finance, R.O.C.	Education	Master in Eminent Public Administrators, National Chengchi University	3,651,323,296
			Current Position	Director General, Bureau of Agricultural Finance Council of Agriculture, Executive Yuan	
			Professional Experience	Senior Executive Officer & Deputy Section Chief & Section Chief & Chief Secretary & Deputy Director General, Bureau of Agricultural Finance Council of Agriculture, Executive Yuan	
5		Jui-Tang Chiang, Representative of Ministry of Finance, R.O.C.	Education	Bachelor of Law, National Taiwan University, R.O.C.	3,651,323,296
			Current Position	President of Chunghwa Post Co., Ltd.	
			Professional Experience	Chief of Taichung Bureau, Chief Secretary, and Vice President of Chunghwa Post Co., Ltd.	
6		Kuo-Lang Hsu, Representative of Ministry of Finance, R.O.C.	Education	Master of Finance, Ling Tung University	3,651,323,296
			Current Position	Senior Banking Officer, Zhong Chuan Branch, TCB	
			Professional Experience	Senior Banking Officer, Zhong Chuan Branch, TCB	
7	National Farmers' Association, R.O.C.	Jui-Chi Huang, Representative of National Farmers' Association, R.O.C.	Education	Associate Degree, Fortune Institute of Technology	217,013,512

			Current Position	Chairperson, National Farmers' Association, R.O.C.	
			Professional Experience	<ul style="list-style-type: none"> a) Chief Executive Officer, Nanzhou District of Farmers' Association b) Chief Executive Officer & Chairperson, Pintung County Farmers' Association c) Director & Executive Supervisor, Farmers' and Fishermen's Association Information Center d) Director of the 8th term board, National Training Institute of Farmers' Organizations e) Chairperson of the 1st & 2nd term, Supermarket of T.A.F.C. f) Awardee of Tien-En Celebrity Prize g) Representative of 2005 Mission-bounded National Assembly h) Member of the 17th, 18th Central Committee, Chinese Nationalist Party i) Representative of the 14th, 15th, 16th, and 17th term, Chinese Nationalist Party 	
8		Yung-Cheng Chang, Representative of National Farmers' Association, R.O.C.	Education	Master in Management Science, Nan Hua University	217,013,512
			Current Position	Chief Executive Officer, National Farmers' Association, R.O.C.	
			Professional Experience	<ul style="list-style-type: none"> a) Chief Executive Officer, National Farmers' Association, R.O.C. b) President, Yunlin Meat Market Company c) Chief Executive Officer, Yunlin County Farmers' Association d) Chief Executive Officer, National Farmers' Association R.O.C. e) Director & Executive Director, Agricultural Credit Guarantee Fund f) Director, TCFHC 	
9	The National Federation of Credit Co-operatives, R.O.C., Tamsui First Credit Bank, The First Credit	Shen-Gang Mai, Representative of the National Federation of Credit Co-operative, R.O.C.	Education	MBA, New York University (NYU), U.S.A.	5,422,514
			Current Position	<ul style="list-style-type: none"> a) Chairperson, the National Federation of Credit Co-operatives, R.O.C. b) Chairperson, Tamsui First Credit Bank 	

	Cooperative of Hsinchu, The Kaohsiung Third Credit Cooperative, Federation of Credit Co-operatives of Taiwan, Federation of Credit Co-operatives of Taipei, Taiwan Cooperative Bank's Labor Union		Professional Experience	<ul style="list-style-type: none"> a) Chairperson, the Co-operative League of the R.O.C. b) Director, Financial Information Service Co., Ltd. c) Executive Director, Tatung Entertainment Co., Ltd. d) Director, Dian Feng Construction Co., Ltd. e) Director of the 1st, 2nd, 3rd, and 4th term board, TCFHC 	
10	Cheng-Hua Fu, Representative of Taiwan Cooperative Bank's Labor Union	Education	MBA, National Chaiyi University	<ul style="list-style-type: none"> a) Evaluation and Review Panel for Youth Startup Loan, Youth Commission b) Review Panel member for Microenterprise Startup Loan, Ministry of Labor c) Director of the 2nd, 3rd, and 4th term board, TCFHC 	3,738,583
		Current Position	Section Chief, Department of Administration, TCB		
		Professional Experience			
11	Beatrice Liu	Education	Ph.D., School of Management, Xiamen University	<ul style="list-style-type: none"> a) Vice President, Taipei Tax Agent Association b) Director, the National Federation of CPA Associations of the R.O.C. 	0
		Current Position	Senior Partner of BDO Taiwan		
		Professional Experience			
12	Ministry of Finance, R.O.C.	Education	Ph.D. in Finance & Economics, Rutgers, the State University of New Jersey, U.S.A.	<ul style="list-style-type: none"> a) Professor, Management College, Rutgers, the State University of New Jersey, U.S.A. b) Independent Director, TCB c) Resident Supervisor, TCB d) Supervisor, Taiwan International Port Corporation Ltd. e) Independent Director, Soft-World International Corp. 	0
		Current Position	Professor, Accounting Department and Graduate School of Finance, National Cheng Kung University		
		Professional Experience			

13	Arthur Shay	Education	Bachelor of Law, National Taiwan University, R.O.C.	0
		Current Position	Attorney, Shay & Partners	
		Professional Experience	a) Attorney of Formosa Transnational Attorneys at Law. b) Attorney of Evergreen International Law Firm c) General Counsel, Asia Silicon Valley Development Agency d) Chairperson, Alliance Digital Technology Co., LTD.	
14	Min-Chu Chang	Education	Bachelor of Law, National Chengchi University	0
		Current Position	Chief Attorney, Chang Min Chu Law Firm	
		Professional Experience	a) Chief Administrative Enforcement Officer, Administrative Enforcement Agency, Ministry of Justice b) Prosecutor, Taiwan Taipei District Prosecutors Office c) Prosecutor, Taiwan High Prosecutors Office	
15	Hann-Chyi Lin	Education	Bachelor of Statistics, Feng Chia University	0
		Current Position	None	
		Professional Experience	a) EVP, First Financial Holding Co., Ltd. b) Chairperson, First Securities Co., Ltd.	

Other Matters

Proposed by Board of Directors

Subject: The proposal for releasing TCFHC's 5th board of directors from prohibitions on participation in competitive businesses (detailed in the attached list) is raised in this meeting for review and adoption.

Contents:

1. The proposal is raised for complying with the Paragraph 1 of Article 209 of the Company Act, which rules that a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval. According to the instructive letter of MOEA-BU No. 89206938 issued by Ministry of Economic Affairs, in the event that an institutional investor appoints a representative to serve as a director of a given company as prescribed by Paragraph 2 of Article 27 of the Company Act, both of the institutional investor and the representative as appointed shall be confined by the non-compete clause.
2. Any candidate in the nominee list for the 5th term of the TCFHC board of directors, who has been involved in the conduct within the business scope of TCFHC for him or herself as detailed in the attached list, shall be requested to be discharged from the non-competition restriction during the tenure of directorship with TCFHC after being elected.

Resolutions:

Appendix G**Taiwan Cooperative Financial Holding Co., Ltd.****2023 Annual General Shareholders' Meeting****List of the Release of Non-Competition Restriction on the 5th Term****Board of Directors**

Name of Director	Company	Concurrent Post
Ministry of Finance, R.O.C.	Taiwan Financial Holding Co., Ltd.	Director
	Land Bank of Taiwan	Director
	Export-Import Bank of the Republic of China	Director and Supervisor
	Mega Financial Holding Co., Ltd.	Director
	First Financial Holding Co., Ltd.	Director
	Hua Nan Financial Holdings Co., Ltd.	Director
	Taiwan Business Bank	Director
	Chang Hwa Bank	Director
	Central Reinsurance Corporation	Director
National Farmers' Association, R.O.C.	Agricultural Bank of Taiwan	Executive Director
The National Federation of Credit Co-operatives, R.O.C.	Financial Information Service Co., Ltd.	Director
Mei-Tsu Chen, (Representative of Ministry of Finance, R.O.C.)	Taiwan Small & Medium Enterprise Counseling Foundation	Director
	Taiwan Financial Asset Service Corporation	Supervisor
	Taipei Financial Center Corporation	Supervisor
Jui-Tang Chiang (Representative of Ministry of Finance, R.O.C.)	Chunghwa Post Co., Ltd.	President and Director
Chung-Yung Lee (Representative of Ministry of Finance, R.O.C.)	Agricultural Credit Guarantee Fund	Managing Supervisor

Name of Director	Company	Concurrent Post
Jui-Chi Huang (Representative of National Farmers' Association, R.O.C.)	National Farmers' Association, R.O.C.	Chairperson
Yung-Cheng Chang (Representative of National Farmers' Association, R.O.C.)	National Farmers' Association, R.O.C.	Chief Executive Officer
	Agricultural Bank of Taiwan	Executive Director
Shen-Gang Mai (Representative of the National Federation of Credit Co-operatives, R.O.C.)	The National Federation of Credit Co-operatives, R.O.C.	Chairperson
	Tamsui First Credit Bank	Chairperson
	Financial Information Service Co., Ltd.	Director

Annex A

Taiwan Cooperative Financial Holding Co., Ltd.

Articles of Incorporation

Chapter I. General Provisions

Article 1

The Corporation has been formed under applicable law, including the Financial Holding Company Act and the Company Act, for the purpose of building operational synergy with increasing economies of scale and scope.

Article 2

The name of the Corporation is Taiwan Cooperative Financial Holding Co., Ltd. (the “Corporation”).

Article 3

The Corporation shall fix the location of the principal office of the Corporation in Taipei City, Republic of China. Additional branch offices may be established and maintained at any place within or outside the Republic of China for meeting business needs.

Article 4

Public announcements of the Corporation shall be made in accordance with applicable law, or shall be published on a printed newspaper or electronic news.

Chapter II. Shares

Article 5

The overall capital size of the company is set at NTD 150 billion, including 15 billion shares at a par value of NTD 10 per share that can be issued separately; the shares yet to be issued shall be issued per the resolution of the empowered Board of Directors.

Article 6

The Corporation may issue shares without printing share certificate(s), provided that these shares are registered with a Centralized Securities Depository Enterprise (CSDE).

Article 7

Registration of a seal specimen card shall be filed with the Corporation by all shareholders. The seal specimen card kept by the Corporation shall be the basis for collecting dividend or bonus or written exercise of shareholders’ rights or written communication by shareholders to the Corporation.

Article 8

Transfer of shares shall not be set up as a defense against the Corporation, unless the name/title and residence/domicile of the transferee have been recorded in the shareholders' roster.

The entries in the shareholders' roster referred to in the preceding paragraph shall not be altered within sixty (60) days prior to the convening date of a regular meeting of shareholders, or within thirty (30) days prior to the convening date of a special meeting of shareholders, or within five (5) days prior to

the target date fixed by the Corporation for distribution of dividend, bonus or other benefits.

Article 9

The Corporation shall handle share matters pursuant to applicable law or to the “Regulations Governing the Administration of Shareholder Services of Public Companies.”

Chapter III. Scope of Business

Article 10

The Corporation operates in the financial holding industry (Code: H801011).

Article 11

The business scope of the Corporation is as follows :

1. The Corporation shall invest in the following businesses :
 - (1) Financial holding business;
 - (2) Banking business ;
 - (3) Bills Finance business ;
 - (4) Credit card business ;
 - (5) Trust business ;
 - (6) Insurance business ;
 - (7) Securities business ;
 - (8) Futures business ;
 - (9) Venture capital business ;
 - (10) Investing in foreign financial institutions which are authorized by the competent authority;
and
 - (11) Conducting other financial related businesses which are authorized by the competent authority.
2. Managing the aforementioned business investments.
3. The Corporation shall apply to the competent authority for investing in businesses other than those mentioned above.
4. The Corporation may conduct other related businesses which are authorized by the competent authority.

Article 12

The Corporation is a company that specializes in investment, and shall make investments without governing by a paid-up capital cap of 40% on the investment amount, as set forth under Paragraph 2 of Article 13 of the Company Act.

Chapter IV Meetings of Shareholders

Article 13

The shareholders' meeting of the Corporation includes the general meeting of shareholders and the special meeting of shareholders. A general meeting shall be held at least annually and called by the Board of Directors (the "Board") within six (6) months following the end of a fiscal year. A special meeting shall be convened whenever deemed necessary. The meeting of shareholders shall be called by the Board, unless otherwise specifically provided by the Company Act or by applicable law.

Article 14

Notice shall be sent to all shareholders for the convening of shareholders' meetings. For the general meeting of shareholders, any meeting notice shall be given at least thirty (30) days before the meeting date; and at least fifteen (15) days in advance for the special meeting. The notice shall specify the place, date, and the matters that the Board, at the time notice is given, intends to present for action by Directors.

For those shareholders each holding less than one thousand (1,000) registered shares, notice may be sent out by means of an announcement on the Market Observation Post System website.

Article 15

In the event any shareholder cannot attend a shareholders' meeting in person for any reason, he/she shall designate a proxy to attend on behalf thereof by presenting a proxy statement and specifying the scope of authorization. A shareholder shall file solely one proxy statement and designate solely one representative or proxy for any given meeting. Said proxy statement shall be delivered to the Corporation five (5) days prior to the convocation of the shareholders' meeting.

Except for trust business or shareholder services agent approved by the competent securities authority, if one person is designated simultaneously by two (2) or more shareholders, with respect to the voting rights so represented, the portion of the voting rights in excess of 3% of the voting rights represented by the total outstanding shares shall not be counted.

Other matters pertaining to the exercise and limitation of the proxy statement shall be pursuant to the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies or to applicable law.

Article 15-1

The Corporation's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 16

Unless specified otherwise in law or rule, the Chairperson of the Corporation shall preside over shareholders' meetings. In the event the Chairperson is on leave or absent or unable to attend the meeting in person, a Board Director shall be designated to act on the behalf of the Chairperson at the meeting. In the absence of such a designation, the Directors of the Board shall elect from among themselves an acting chairperson.

Article 17

The shareholders' meeting shall resolve and implement the following matters:

1. The formulation and amendment of the Corporation's Articles of Incorporation;
2. The election and dismissal of the Directors of the Board;
3. The ratification of the books and statements prepared and submitted by the Board as well as the reports by the Audit Committee;
4. The augment or reduction of capital;
5. The appropriation of earnings, dividend and bonus.
6. Other matters that shall be resolved by the shareholders' meeting in accordance with applicable law.

Article 18

Unless specified otherwise in law or rule, each shareholder shall have one vote on each matter presented to meetings for action.

Unless otherwise specifically provided by the Financial Holding Company Act or by the Company Act or by applicable law, the resolution of shareholders' meetings shall be adopted if it is approved by the vote of a majority of the shareholders present at a meeting at which a quorum of more than one-half (1/2) of the total outstanding shares held by attending shareholders is met.

Article 19

Minutes shall be kept to record resolutions adopted at shareholders' meetings, affixed with the signature or personal seal of the chairperson, and sent out to each shareholder within twenty (20) days following the meeting.

Said minutes may be sent out by means of an announcement on the Market Observation Post System website.

Article 20

To the fullest extent allowed by the Corporation's Articles of Incorporation and except as specified otherwise in law, matters concerning with the shareholders' meeting shall be conducted in accordance with the Corporation's Rules of Procedure for Shareholders' Meetings.

Chapter V. Board of Directors and Functional Committees

Article 21

The Board shall consist of fifteen (15) to twenty-one (21) Directors. The duration of term for all Directors is three (3) years. All Directors are entitled to be re-elected, except Directors who are assumed or appointed by government agencies or institutional investors and could be replaced by substitutes to fulfill the remaining term of office when changes of duties take place.

From 2021 onward, TCFHC will adopt a candidate nomination process for the election of directors, with which shareholders shall elect directors from a nominee list. Methods for nomination and election shall be processed by relevant laws and regulations including Company Act and Securities Exchange

Act.

The Corporation shall purchase and maintain insurance to the fullest extent permitted by law on behalf of its Directors to cover any liability asserted against or incurred by any Director from the exercising of duties. In the wake of taking out such liability insurance or insurance renewal, the corporation shall submit to the next meeting of Board of Directors the important information concerning the insurance including premium, coverage, and premium rate.

Article 22

Three (3) or more Independent Directors have been appointed by the Corporation since the election of the second term of Directors. The exact authorized number of Independent Directors shall be in no event less than one-fifth (1/5) of the total number of Directors in the Board as set forth under Article 14-2 of the Securities and Exchange Act.

A candidate nomination system is adopted by the Corporation for selecting Independent Directors; shareholders shall select Independent Directors from among a list of candidates. Regulations governing professional qualifications, shareholdings and restrictions on concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to the selection of Independent Directors shall be prescribed by the competent authority.

Article 22-1

Subject to Article 14-4 of the Securities and Exchange Act, the Corporation shall establish an Audit Committee after the election of the second term of Board Directors.

The provisions regarding Supervisors in the Company Act, in the Securities and Exchange Act, and in applicable law shall apply mutatis mutandis to the Audit Committee.

The Audit Committee shall be composed of the entire number of Independent Directors of the Board. The Committee shall consist of more than three (3) members, one of whom is convener, and at least one (1) member shall have accounting or financial expertise.

A resolution of the Audit Committee shall obtain the concurrence of half (1/2) or more of all members.

The exercise of power by Audit Committee and its members as well as the handling of matters related to the Committee shall be in accordance with the Corporation's Articles of Incorporation, the Securities and Exchange Act, or applicable law. The Board shall set forth by resolution(s) the requirements applicable for developing committee bylaws.

Article 23

The Chairperson of the Board of Directors shall be elected from among the Directors by a majority vote at a meeting attended by over two-thirds (2/3) of Directors.

The Chairperson shall internally preside both the shareholders' meeting and the Board meeting; and shall externally represent the Corporation. In the event the Chairperson is on leave or absent or unable to exercise his power and authority for any cause, he/she shall designate a Board Director to act on his/her behalf. In the absence of such a designation, the Directors of the Board shall elect from among themselves an acting chairperson.

The compensation paid to Directors (excluding the Chairperson) for their services shall be determined by the Board with recommendations from the Remuneration Committee and consideration of the Directors' participation in and devotion to the operation of the Corporation and the Corporation's operating performance as well as with reference to the common practical standards.

The Chairperson's compensation is set to be 1.25 times that of the President of the Corporation. The retirement payment payable to the Chairperson shall be the amount set forth in the Corporation's internal rules for governing labor pensions and severance.

Article 24

The role of the Board in the governance of the Corporation and its programs shall be as follows:

1. Establishing broad institutional policies and associated plans;
2. Approving the budgets and closing of books;
3. Approving all major rules and guidelines;
4. Preparing proposals regarding the augment or reduction of capital as well as approving securities issuance;
5. Preparing proposals regarding the distribution of earnings;
6. Approval of the issuance of corporate bonds;
7. Approving share repurchase programs;
8. Approving the acquisition or disposal of major assets;
9. Approving all major contracts;
10. Approving the selection and the process regarding the retention and evaluation of the heads of management unit and audit office;
11. Approving all construction projects or sale/purchase of operational lands and buildings;
12. Determining the convening date of the general/special meeting of shareholders;
13. Implementing resolutions adopted at shareholders' meetings;
14. Approving the appointment, removal, and remuneration of Certified Public Accountants(CPAs);
15. Appointments to Directors and Supervisors of subsidiaries;
16. Approval of compensation payment for employees; and
17. Approval of other important matters that are required by law or authorized at shareholders' meetings.

Article 25

The Board of Directors' meeting shall be convened at least once a month. Unless otherwise specified by law, the chairperson shall be the convener.

Reasons for convening a Board of Directors' meeting should be specified and made known to each director at least seven days prior to the meeting. In case of emergency, however, the Board of

Directors' meeting may be called at any time.

A Board of Directors' meeting may be called for in writing or by fax. With the permission of the counterparty, however, it may be called for electronically.

Article 26

The Directors of the Board shall attend Board meetings in person. In the event a Director is unable to present at a meeting, he/she shall designate another Director to act on his/her behalf by presenting a director's proxy and specifying the scope of authorization. A Director may accept the designation to act as the acting director for one other Director only. In the event a meeting of the Board is convened through use of electronic video screen communication, the Directors taking part in such a meeting shall be deemed to have attended the meeting in person.

Unless otherwise specifically provided by the Financial Holding Company Act or by the Company Act or by applicable law, the resolution of Board meetings shall be adopted if voted for by a majority of Directors present at a meeting attended by more than one-half (1/2) of Directors.

The rules of procedure for Board meetings shall be prescribed by the Board, and shall submit it to the meeting of shareholders.

Article 27

The Board shall create an Audit Office along with a General Auditor who follows the resolution of Board meetings to oversee overall functions of the Corporation. The appointment and dismissal of the General Auditor should be subject to consent of the Board and approval of the competent authority.

Article 28

The Corporation shall create a Remuneration Committee and any number of functional committees. The Board shall set forth, by resolution(s), the requirements applicable for developing committee bylaws.

Article 29

(Omitted)

Article 30

(Omitted)

Article 31

Directors of the Board of the Corporation shall concurrently serve as Directors and Supervisors of subsidiaries pursuant to applicable law.

Chapter VI. Officers

Article 32

The company has one President that presides over the company's operations based on the resolution reached by the Board of Directors; the designation and dismissal of the President shall require a motion filed by the Chairperson that is supported by a majority of the directors present in the Board of

Directors' meeting attended by more than half of the total number of directors. There are several Executive Vice Presidents and one Chief Compliance Officer to assist the President in handling the tasks; their designation and dismissal shall require a motion filed by the President that is supported by a majority of the directors present in the Board of Directors' meeting attended by more than half of the total number of directors attending the Board of Directors' meeting.

Article 33

In the event the President is unable to exercise his power and authority for any cause, the Chairperson of the Corporation shall designate one of the Executive-Vice-Presidents to act on his/her behalf.

Chapter VII Closing of Books and Distribution of Earnings

Article 34

The Corporation's fiscal year shall be from January 1 of each year to December 31 of the same calendar year.

Article 35

The end of each calendar year shall mark the closing of the Corporation's books. The Board of the Corporation shall prepare the following documents and submit the same to the shareholders' meeting for certification after submitting such documents for review in accordance with applicable law:

1. Business report;
2. Financial statements; and
3. Proposals regarding the distribution of earnings or compensation of losses.

Documents required in the preceding paragraph shall be reported and published pursuant to relevant laws and regulations prescribed by the competent authority, after certified by shareholders.

Article 35-1

In case of a profit, the Company shall set aside 1 to 8 out of 10,000 of the profits to be compensations for employees, including employees of affiliated companies meeting specific criteria, and no more than 1% to be remunerations for board directors, depending on the profits. If there are accumulated losses, the value to make up for the losses should be set aside first.

The profits indicated in the preceding paragraph refer to the pre-tax interest before employee compensation and board director remunerations are subtracted; employee compensation and board director remunerations are to be assigned at once.

Employee compensations are assigned in the form of stocks or cash; the decision is to be made by the Board of Directors in its meeting attended by two-thirds (2/3) of all directors with the consent from a majority of the attending directors and shall be presented in the shareholders' meeting.

Article 36

In order to continue expanding its scale and increase profitability and to take care of applicable laws and regulations, the company adopts the residual dividend policy.

In cases of after-tax earnings with annual accounts of the company, cumulative losses from prior years

should be filled before the legal reserve is appropriated and the special reserve may be set aside or reversed as required by law and to meet operational needs. For the remainder along with earnings from the previous fiscal year yet to be distributed, as available earnings for distribution. Proposing the appropriation ranging from 30% to 100% of the available earnings for distribution, the Board of Directors shall prepare the earnings distribution proposal and submit it in the shareholders' meeting for a decision on whether to assign dividends to shareholders or to keep the remainder and the earnings. For the assignment of dividends for shareholders indicated in the preceding paragraph, cash dividends may not be lower than 10% and the remainder shall be stock dividends. If it is short of 0.1 for the cash dividend to be assigned per share, no assignment will be done unless it is decided otherwise in the shareholders' meeting.

Chapter VIII Supplementary Provisions

Article 37

Rules governing the organization of the Corporation as well as other important bylaws shall be prescribed separately.

Article 38

Matters not stipulated herein shall be governed by the Financial Holding Company Act, by the Company Act, and by applicable law.

Article 39

This Articles of Incorporation enters into force after the approval of the shareholders' meeting. The same procedure applies to the amendment of the Articles.

Article 40

This Articles of Incorporation was agreed upon and signed on June 24, 2011.

First amended on June 22, 2012;

Second amended on June 21, 2013;

Third amended on June 20, 2014;

Forth amended on June 24, 2016;

Fifth amended on June 16, 2017;

Sixth amended on June 21, 2019;

Seventh amended on June 24, 2020;

Eighth amended on June 17, 2022.

Disclaimer: This document is a translation from the Chinese version. In the case for any discrepancy the original document shall supersede this version.

Annex B

Taiwan Cooperative Financial Holding Co., Ltd. Rules for Director Elections

Effective on June 24, 2011
First amended on June 20, 2014
Second amended on June 24, 2020
Third amended on July 20, 2021

Article 1

To ensure a just, fair, and open election of directors, the rules are formulated pursuant to “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and “Corporate Governance Best Practice Principles for Financial Holding Companies”.

Article 2

Unless otherwise specified by laws or the Articles of Incorporation of TCFHC, the TCFHC’s director election shall be conducted by the Rules.

Article 3

The total number of TCFHC directors to be elected is stipulated in the TCFHC’s Articles of Incorporation.

Article 4

Any natural person with disposing capacity is entitled to be elected as a director of TCFHC. Nevertheless the qualifications and election of TCFHC independent directors shall be ruled by “Securities and Exchange Act” and “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”

Article 5

The TCFHC’s election of directors shall adopt the cumulative voting system, with which the number of voting rights of each share is equivalent with the number of seats for directors, which can be all cast on one particular candidate or cast separately allocate on different candidates.

For voter registration, both the attendance card number printed on the ballot and the shareholder reference number can be adopted as substitute of name.

A candidate nomination system is adopted for the election of TCFHC independent directors. Elections of independent directors and non-independent directors can be held in the same shareholders’ meeting with separate vote counts.

From 2021 onward, TCFHC will adopt a candidate nomination process for the election of directors, with which shareholders shall elect directors from a nominee list.

Article 6

Candidates who receive the most votes by the number of seats are declared elected. In the event of more than two candidates receiving the same number of votes but no extra seat to accommodate, a draw shall be entered with eligible candidates to draw lots. However, in the event of candidate being absent from the meeting, the chairperson of the meeting shall enter the draw on behalf of the absent candidate(s).

Article 7

Ballots for the directors’ election shall be produced by TCFHC Board of Directors, on which the Board of Directors’ official seal shall be stamped and both the shareholders’ attendance number and the number of votes shall be too printed. Ballots will be distributed to shareholders who attend the shareholders’ meeting.

Article 8

Prior to the election, the chairperson of the shareholders' meeting shall appoint a few ballot examiners and ballot counters to perform duties relating to the election, and ballot examiners must be selected from among the TCFHC's shareholders.

Article 9

The ballot box for the TCFHC's elections shall be prepared by the Board of Directors, which shall be inspected by the ballot examiners in public prior to the election.

Article 10

(Deleted).

Article 11

If the sum of votes used by a ballot is less than the total votes entitled by the ballot, the differences are regarded as abstentions.

Article 12

A ballot is considered void if any of the following circumstances occurs:

1. Not being prepared by the one who is entitled to convene the meeting.
2. A blank ballot when cast into the ballot box
3. Not being cast into the ballot box.
4. A ballot with unrecognizable writing or being reworked.
5. The case that the account name and account number of a candidate as being filled in the ballot is different from the candidate list of directors.
6. A ballot that contains any text, graphic, and symbol other than the number of votes.
7. The case that the total number of named candidates and total number of votes in a ballot exceed what the ballot is entitled to afford.

Article 13

Once the voting is finished, votes count shall be conducted immediately at the site under the supervision of the ballot examiner. The outcome of the election shall then be announced by the chairperson by reading out the elected list.

The used ballot as indicated in the preceding paragraph, shall be packed and sealed with signature of the ballot supervisor, and shall be put in proper safekeeping for at least one year. However, in the event that any shareholder files a lawsuit against the outcome of an election according to Article 189 of the Company Act, the used ballots shall be kept until termination of the proceedings.

Article 14

The rules and any amendments hereto, shall be implemented after approval by a shareholders' meeting.

Disclaimer: This document is a translation from the Chinese version. In the case for any discrepancy, the original document shall supersede this version.

Annex C

Taiwan Cooperative Financial Holding Co., Ltd. Rules of Procedure for Shareholders' Meeting

Effective on June 24, 2011
First amended on June 22, 2012
Second amended on June 21, 2013
Third amended on June 20, 2014
Fourth amended on June 21, 2019
Fifth amended on June 24, 2020
Sixth amended on July 20, 2021
Seventh amended on June 17, 2022

Article 1

Pursuant to the Corporate Governance Best-Practice Principles for both TWSE/GTSM Listed Companies and Financial Holding Companies, these Rules of Procedure for Shareholders' Meetings (the "Rules") which are set forth herein shall be adopted for the purposes of establishing a strong corporate governance system, building sound supervisory capabilities and strengthening management capabilities.

Article 2

Unless otherwise specifically provided by the Articles of Incorporation of Taiwan Cooperative Financial Holding Co., Ltd. (the "Corporation") or by applicable law, the meeting of shareholders (the "Meeting") shall be conducted in accordance with the Rules set forth below.

Article 3

Unless otherwise specified in law or rule, the Meeting shall be convened by the Board of Directors (the "Board").

Changes to how the Corporation convenes the Meeting shall be resolved by the Board, and shall be made no later than mailing of the Meeting notice.

Notice of any general meeting of shareholders shall be given at least thirty (30) days before the annual meeting date; and at least fifteen (15) days prior to an extraordinary meeting date. For those shareholders who hold less than one thousand (1,000) registered shares, notice may be posted as an announcement on the Market Observation Post System website.

The Corporation shall prepare electronic versions of the Meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before thirty(30) days before the date of a regular shareholders meeting or before fifteen(15) days before the date of a special shareholders meeting. The Corporation shall prepare electronic versions of the Meeting agenda and supplemental meeting materials and upload them to the MOPS before twenty one(21) days before the date of the regular shareholders meeting or before fifteen(15) days before the date of the special shareholders meeting. If, however, the Corporation has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by thirty(30) days before the regular shareholders meeting. In addition, before fifteen(15) days before the date of the Meeting, the Corporation shall also have prepared the Meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Corporation and the professional shareholder services agent designated thereby.

The Corporation shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical Meetings, to be distributed on-site at the meeting.
2. For hybrid Meetings, to be distributed on-site at the meeting and shared on the virtual Meeting platform.
3. For virtual-only Meetings, electronic files shall be shared on the virtual meeting platform.

Both notice and announcement shall specify the reasons for convening the meetings and the contents of the meetings. With prior consents of the corresponding persons, notice may be delivered via electronic means.

Matters pertaining to election or dismissal of Directors, alteration of the Corporation's Articles of Incorporation, capital reduction, application for the withdrawal of an IPO, permit on Directors for participation in competitive business, capitalization of profits, capital surplus transferred to capital, dissolution, merger, spin-off, or any matters as set forth under Paragraph I of Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be specified and elaborated in the notice of the reasons for convening the Meeting. None of the above shall be raised by an extraordinary motion.

In the event that a re-election for all directors is cited as the reason for convening the shareholders' meeting along with the inauguration date being clearly set out, once the re-election is accomplished in the shareholders' meeting, there shall be no ad hoc motions or other methods being raised for altering the inauguration date in the same meeting.

Any shareholder holding more than one percent (1%) of the total number of outstanding shares may submit to the Corporation a written proposal, to call for action at a regular meeting of shareholders and is limited to call for one action only, and no proposal containing more than one action shall be included in the meeting agenda. In addition, any proposal put forward by shareholders that meets any of the condition specified by paragraph 4 under Article 172-1 of the Company Act, shall not be listed in the agenda by the board of directors. Shareholders shall raise proposals of suggestive nature with the purpose of urging the company to contribute to public interests or to better fulfil her social responsibilities. The number of item contained in a proposal is restricted to one only according to Article 172-1 of the Company Act. Any proposal containing more than 1 item of issue shall be excluded from the agenda.

Prior to the book closing date that precedes an annual general shareholders' meeting, the Corporation shall publicly announce acceptance of shareholder proposals, accepting and processing methods, and period and venue of accepting such a proposal. Especially, the proposal submission period shall be set no less than ten (10) days.

The shareholder proposal shall be limited to no more than three hundred (300) words. The shareholder who submits a proposal shall attend the general meeting of shareholders, either in person or by proxy, and take part in discussion of his/her proposal.

Prior to issue a notice of the Meeting, the Corporation shall inform the shareholder who submits a proposal with regard to the document-based screening result of his/her proposal; and the Corporation shall list in the meeting notice the proposals conforming to the provisions of this Article (Article 3). At the Meeting, the Board shall explain the reasons for not including particular proposal(s) in the agenda.

Article 4

For each meeting of shareholders, any shareholder may appoint a proxy to attend the Meeting and vote on his/her behalf by presenting a proxy statement and specifying the scope of authorization.

A shareholder shall file solely one proxy statement and designate solely one representative for any given meeting. Said proxy statement shall be delivered to the Corporation five (5) days prior to the convocation of the Meeting. When duplicate proxy statements are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After having submitted a proxy statement to the Corporation, the shareholder, who changes his/her mind and would like to attend the Meeting in person or to exercise his/her voting rights through use of post ballot or electronic transmission, shall file a written notice with the Corporation for proxy cancellation two (2) days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the Meeting by the proxy shall prevail.

In the event a shareholder who has exercised his/her voting right by post or electronic means intends to attend the Meeting in person or online, he/she shall revoke his/her electronic vote following the procedure for exercising a voting right two (2) days prior to the scheduled meeting date. If the revocation received after that time, the voting by post or electronic ballot shall prevail.

If, after a proxy form is delivered to the Corporation, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to this Corporation two(2) business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Other than stated in the Rules, the procedure for and the limitation of conducting a proxy statement shall pursuant to the Rules Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies and to applicable law.

Article 5

The place to be used as the venue of the Meeting shall be located in the area where the principal office of the Corporation is located or in a nearby province. The Meeting shall be convened no earlier than nine (9) o'clock in the morning or no later than three (3) o'clock in the afternoon. Full consideration shall be given to the opinions of Independent Directors with respect to the place and time of the Meeting.

The restrictions on the place of the meeting shall not apply when the Corporation convenes a virtual-only shareholders meeting.

Article 6

The Corporation shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The registration shall begin at least thirty (30) minutes before the meeting begins. Also, the check-in counter at the meeting location shall be clearly marked and shall have sufficient staff available for checking in shareholders. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform thirty (30) minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person. Shareholders and proxies are required to bring their attendees' passes, sign-in cards, or other attendance certifications to the Meeting. In addition to certificates required for shareholders to attend the meeting as aforementioned, the Corporation shall not request shareholders to provide other certificates without justifiable reasons. Solicitors who solicit proxy statements shall also bring identification documents for verification.

The Corporation shall prepare an attendance book for shareholders to sign-in for the Meeting, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Corporation shall provide each attending shareholder with a meeting handbook, an annual report, an attendee pass, a speakers' slip, a voting slip, and other relevant documents. Where there is an election of Board Directors, a ballot paper shall also be provided to each attending shareholder.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall

register with the Corporation two days before the meeting date.

In the event of a virtual shareholders meeting, this Corporation shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least thirty (30) minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1

To convene a virtual shareholders meeting, this Corporation shall include the follow particulars in the shareholders meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - (2) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
 - (3) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
 - (4) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Article 7

If the Meeting is convened by the Board, the Chairperson of the Board shall preside the Meeting. In the event the Chairperson is on leave or absent or unable to attend the Meeting in person, he/she shall designate a Director to act on his/her behalf at the Meeting. In the absence of such a designation, the Board Directors shall elect from among themselves an acting chairperson.

Said acting chairperson shall be a Board Director who has held his/her office for six (6) months or more and who understands the Corporation's financial and business conditions. The provision above applies mutatis mutandis to cases where the Meeting is convened by the representative of a juristic person shareholder.

A general meeting convened by the Board of Directors is advised to be presided over by the chairperson and to be attended by more than half (1/2) of the total number of Board Directors (including at least one independent director), convener of the Audit Committee himself/herself, and at least one representative from other committees with different functions. The attendance record shall be

listed in the minute of the general meeting.

In addition, the Meeting may be convened by some other duly authorized person, other than the Chairperson, to convene such Meeting. When there are two (2) or more such person(s), they shall elect from among themselves a chairperson of the Meeting.

The Corporation may appoint its counsels, accountants, or associated persons to attend the Meeting when appropriate.

Article 8

The Corporation shall videotape and record the whole process of the Meeting continuously, including the attendee check-in process and the voting and counting of votes.

Said video cassettes and record tapes shall be retained for at least one (1) year. However, the Corporation shall retain these video cassettes and record tapes until the conclusion of the litigation in the event a shareholder files a lawsuit according to Article 189 of the Company Act.

Where a shareholders meeting is held online, the Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

Article 9

Number of share is taken as the basis for calculating the attendance to the meeting. Calculating the number of shares attending the meeting shall take account of attendance book, sign-in cards, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by post or electronic transmission.

It is the duty of the chairperson to call the Meeting to order at the appointed time and announce such an information as number of non-voting shares and attending shares. In the event the attending shareholders do not represent a majority of the total number of issued shares, the chairperson shall announce a postponement of the Meeting, provided that no more than two (2) such postponements, for a combined total of no more than one (1) hour, may be made. If a quorum is not met after two postponements and the attending shareholders still represent less than one-third (1/3) of the total number of issued shares, the chairperson shall announce the adjournment of the Meeting. In the event of a virtual shareholders meeting, the Corporation shall also declare the meeting adjourned at the virtual meeting platform.

If attending shareholders represent one-third (1/3) or more of the total number of issued shares, but a quorum is not met after two postponements as referred to in the preceding paragraph, a tentative resolution shall be adopted pursuant to Paragraph 1 of Article 175 of the Company Act. All shareholders shall be notified of any tentative resolution, and another meeting shall be held within one (1) month period. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Corporation in accordance with Article 6.

In the event the number of shares possessed by attending shareholders reaches a majority of the total number of issued shares before the conclusion of the Meeting, the chairperson shall re-submit the tentative resolution for a vote at the Meeting pursuant to Article 174 of the Company Act.

Article 10

The Board Director sets an agenda for the Meeting when such Meeting is convened by the Board. The Meeting shall proceed in the order set, and which shall not be altered without a resolution of shareholders.

The provisions of the preceding paragraph apply mutatis mutandis to the Meeting convened by some other duly authorized person, other than the Chairperson of the Board.

Except by a resolution, the chairperson shall not announce the adjournment of the Meeting prior to the completion of each agenda item (including an extraordinary motion) of the preceding two paragraphs. In the event the chairperson violates the Rules by announcing the Meeting is adjourned, the other Directors of the Board shall promptly assist attending shareholders in electing a new chairperson in accordance with statutory procedures, by the concurrence of a majority of all the attending shareholders-elect, and then continue the Meeting.

The chairperson shall provide the opportunities for full discussions and explanations on amendment proposals or ad hoc motions raised by shareholders or in the agenda, and shall announce to stop discussions by resorting to vote if the discussions have reached the point for a decision. A proper length of time shall be arranged for the vote.

Article 11

Any attending shareholder shall specify a speaking subject, the shareholders' account name and number (or attendance card number) on his/her speaking slip before speaking at the Meeting. The sequence of speeches by shareholders shall be determined by the chairperson.

Any shareholder, who submits his/her slip for a speech but does not speak at the Meeting, shall be deemed to have not giving a speech. In the event the content of the speech does not correspond to the subject given on the speakers' slip, the spoken content shall prevail.

Unless otherwise permitted by the chairperson, a shareholder shall not speak more than twice on the same proposal, and a single speech shall not exceed five (5) minutes. In the event a speech given at the Meeting violates the Rules or exceeds the scope of the proposal, the chairperson may terminate that speech.

Unless otherwise permitted by both the chairperson and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders. Any violation of this provision shall be stopped by the chairperson.

In the event two (2) or more representatives are appointed to act on the behalf of a juristic person shareholder at the Meeting, solely one representative shall speak for each proposal.

The chairperson shall respond in person or direct relevant personnel to reply to a speech given at the Meeting.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chairperson declaring the meeting open until the chairperson declaring the meeting adjourned. No more than two(2) questions for the same proposal may be raised. Each question shall contain no more than two hundred (200) words. The regulations in paragraphs 1 to 5 do not apply.

Article 12

Counting of votes at the Meeting shall be based on the number of shares.

With respect to a resolution passed on a poll taken at the Meeting, the number of shares held by shareholders who have no voting rights shall not be counted as part of the total number of issued shares.

For the shareholder who is an interested party in relation to an agenda item and would therefore likely to harm the interest of the Corporation, he/she shall not vote on that item. Said shareholder shall not exercise a voting right as a proxy on behalf of any other shareholder.

The number of shares for which voting rights may not be exercised, as referred to in the preceding paragraph, shall not be counted as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as a proxy by two (2) or more

shareholders, the voting rights represented by that person shall not exceed three percent (3%) of the voting rights represented by the total number of issued shares. The voting right in excess of that percentage shall not be counted.

Any Board Director who pledges over half (1/2) of the number of shares with which he/she was elected shall have no right to vote at the Meeting. In addition, the exceeded share shall not be counted as part of the number of the voting shares held by shareholders attending the Meeting.

Article 13

A shareholder shall be entitled to one vote for each share held, unless otherwise restricted by law or deemed non-voting shares.

Unless otherwise specified by the Corporation's Articles of Incorporation or applicable law, the resolution of the Meeting shall require an affirmative vote of over half (1/2) of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chairperson or a person designated by the chairperson shall announce the total number of voting rights represented by attending shareholders.

If no objection is voiced after solicitation by the chairperson, a resolution shall be deemed adopted and shall have the same effect as being approved by vote. In the case of objection, a vote shall be adopted by referring to voting method in the preceding paragraph.

In the event there is an amendment or an alternative to a proposal, the chairperson shall present the amendment or alternative together with the original proposal, and shall determine the sequence of voting. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

The chairperson of the Meeting shall appoint vote monitoring and counting personnel for the vote. All monitoring personnel shall be shareholders of the Corporation.

Counting vote on a proposal or for an election shall be conducted in public at the venue of the Meeting. The result of the vote, including the statistical tallies of the numbers of votes, shall be announced on-site following the completion of vote counting and placed on record.

When the Corporation convenes a virtual shareholders meeting, after the chairperson declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chairperson announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chairperson announces the voting session ends, and results of votes and elections shall be announced immediately.

Shareholders may exercise their voting rights through voting at the Meeting, use of postal ballot, or use of electronic transmission. In the event voting rights may be exercised by post or electronic means, the method of such exercise shall be specified in the meeting notice.

A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two(2) days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14

The election of Board Directors at the Meeting shall be held in accordance with the Corporation's procedure for conducting election of the Directors of the Board and with applicable law. The result of the election shall be announced on-site, including the names of those elected as Directors, the number of votes with which they were elected, the list of failing-to-be-elected and the votes that each of the defeated has gained.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and be kept in proper custody for at least one (1) year. However, the Corporation shall retain these ballots until the conclusion of the litigation in the event a shareholder files a lawsuit based on Article 189 of the Company Act.

Article 15

Matters pertaining to resolutions of the Meeting shall be recorded in the minutes. Said minutes shall be signed or sealed by the chairperson of the Meeting, and a copy shall be distributed to each shareholder within twenty (20) days after the conclusion of the Meeting. Minutes may be produced and distributed in an electronic format.

The minutes referred to in the preceding paragraph shall be published by the Corporation on the Market Observation Post System website.

The meeting minutes shall be recorded by fact with the date, month, year, venue, name of the chair, resolution method, summary of the proceedings, and outcome of the vote of the meeting (including the number of voting rights as calculated), when an election of directors is held, the number of voting rights that each candidate has received shall be disclosed and shall be retained for the duration of the existence of the Corporation.

For the resolution method referred to in the preceding paragraph, a resolution shall be recorded as "the resolution is adopted based on the unanimous concurrence of shareholders" if no objection is voiced after solicitation by the chairperson. In the case of objection, the voting approach and the number of votes with which such resolution was put into a vote and the percentage of shareholding shall be specified in the resolution method.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the third paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chairperson's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, this Corporation shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online

Article 16

On the day of the Meeting, the Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation as well as the number of shares represented by proxies, the number of shares represented by shareholders attending the meeting by correspondence or electronic means and shall make a disclosure of the same at the place of the Meeting. In the event a virtual shareholders meeting, the Corporation shall upload the above meeting materials to the virtual meeting platform before the meeting starts.

During the Corporation's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

Any resolution constitutes material information under applicable law or under regulations prescribed

by the Taiwan Stock Exchange Corporation shall be uploaded onto the Market Observation Post System website within the prescribed time period.

Article 17

Staffs who deal with administrative items of the Meeting shall wear a name badge or arm band.

The chairperson shall direct proctors or security guards to maintain order at the Meeting. Said proctors or security guards shall wear name badges or arm bands marked the word "Proctor" for identification purpose.

For the meeting place equipped with a public address system, attending shareholders shall speak using such device setup by the Corporation. Any violation of this provision shall be stopped by the chairperson.

In the case a shareholder violates the Rules and defies the chairperson's correction, and hence obstructs the progress of the Meeting and refuses to heed calls to stop, the chairperson shall direct proctors or security guards to escort that shareholder out of the Meeting.

Article 18

The chairperson shall, at his discretion, set time for intermission during the Meeting. In case a force majeure event occurs, the chairperson shall declare the Meeting temporarily suspended and announce a time when, in view of the circumstances, the Meeting will be resumed.

Shareholders shall adopt a resolution to resume the Meeting at another venue in the event the meeting venue is no longer available for continued use and not all agenda items (including extraordinary motions) have been addressed.

A resolution may be adopted at the Meeting to defer or resume the Meeting within five (5) days in accordance with Article 182 of the Company Act.

Article 19

In the event of a virtual shareholders meeting, the Corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations.

Article 20

When the Corporation convenes a virtual-only shareholders meeting, both the chairperson and secretary shall be in the same location, and the chairperson shall declare the address of their location when the meeting is called to order.

Article 21

In the event of a virtual shareholders meeting, when declaring the meeting open, the chairperson shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chairperson has announced the meeting adjourned, and the obstruction continues for more than thirty(30) minutes, the meeting shall be postponed to or resumed on another date within five(5) days, in which case Article 182 of the Company Act that the date shall be resolved by the shareholders' meeting shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the first paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not

attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the first paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors.

When the Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in first paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the first paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing in five days or resuming a meeting according to the first paragraph,

Under the first paragraph, the meeting shall be postponed to or resumed on another date within five(5) days is not apply in Paragraph 3 of Article 165, Paragraph 3 of Article 172, Article 172-1, Paragraph 3 and 4 of Article 177, Paragraph 1 and 2 of Article 177-2, Paragraph 2 of Article 177-3, Article 192-1 and Article 216-1 of the Company Act, Article 41, Article 44-3, Paragraph 1 of Article 44-5 and Article 44-6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, Article 7, front part of Article 12, Paragraph 1 of Article 13 and Article 13-1 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, Article 23 of Regulations Governing Information to be Published in Annual Reports of Public Companies, Article 5 and 6 of Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies, Article 4 and Article 6, paragraph 2 of Regulations Governing the Operation of and Compliance Requirements for Split Voting by Shareholders of Public Companies remains unchanged, the Corporation shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements.

Under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, this Corporations hall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the first paragraph.

Article 22

When convening a virtual-only shareholders meeting, the Corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

Article 23

These Rules enter into force after the approval of the shareholders' meeting. The same procedure applies to the amendment of these Rules.

Disclaimer: this document is a translation from the Chinese version. In the case for any discrepancy the original document shall supersede this version

Annex D

TCFHC's 4th Directors' Shareholdings Statistics

1. TCFHC has a paid-in capital reached NT\$140,089,354,460 with 14,008,935,446 shares issued in total.
2. Under Article 26 of the Securities and Exchange Act, the allowed minimum number of shareholdings for all board members is 160,000,000 shares.
3. The numbers of individual director's and of all directors' shareholdings as of the book closure date of the general meeting of shareholders (dated on April 18, 2023) are provided as follows:

Title	Name	Representative shareholder	Shareholdings (shares)	Shareholding ratio
Chairperson	Paul, C. D. Lei	Ministry of Finance, R.O.C.	3,651,323,296	26.06%
Director	Mei-Tsu Chen	Ministry of Finance, R.O.C.	3,651,323,296	26.06%
Director	Yen-Dar Den	Ministry of Finance, R.O.C.	3,651,323,296	26.06%
Director	Jui-Tang Chiang	Ministry of Finance, R.O.C.	3,651,323,296	26.06%
Director	Hui-Mei Chou	Ministry of Finance, R.O.C.	3,651,323,296	26.06%
Director	Kuo-Lang Hsu	Ministry of Finance, R.O.C.	3,651,323,296	26.06%
Director	Lin-ping Chiang	National Farmers' Association, R.O.C.	217,013,512	1.55%
Director	Hsi-Ming Lin	National Farmers' Association, R.O.C.	217,013,512	1.55%
Director	Shen-Gang Mai	The National Federation of Credit Co-operatives, R.O.C.	5,422,514	0.04%
Director	Cheng-Hua Fu	Taiwan Cooperative Bank Labor Union	3,738,583	0.03%
Director	Jong-Rong Chen		0	0%
Independent Director	Hsuan-Chu Lin		0	0%
Independent Director	Arthur Shay		0	0%
Independent Director	Min-Chu Chang		0	0%
Independent Director	Hann-Chyi Lin		0	0%
Subtotal	Shares held by all directors		3,877,497,905	27.68%